



# SAI INDEPENDENCE

Occasional Paper No. 1

## LITERATURE REVIEW ON SUPREME AUDIT INSTITUTION INDEPENDENCE

## **Purpose of the Literature Review on Supreme Audit Institution Independence**

Independence is universally accepted as a foundational concept for Supreme Audit Institutions (SAIs). Institutional independence does however not mean that the SAI is isolated. A SAI needs allies and partners, both on its independence journey and in the performance of its functions. It is important to gain an overview of how SAI independence is understood and how SAIs are seen to fit into the ecosystem of accountability institutions.

The purpose of this literature review is to enhance knowledge and awareness about SAI independence. The literature review synthesizes the main conceptions on SAI independence from academic publications as well as policy papers from international organizations, bilateral donors, and civil society organizations. The review aims to capture how SAI independence is perceived by the academic and practitioner literature.

The expected benefits from the review are three-fold. Firstly, a broader understanding of how different stakeholders view SAI independence can contribute to learning, which again can lead to more effective advocacy on the matter. Secondly, the identification of gaps related to data, information, and comprehension may guide future projects. Thirdly, the document is intended to inform the work of diverse actors, who can promote additional research and publications on the subject.

The literature review was prepared by Beka Feathers, an Independent Consultant at Political Development Consulting. As the literature review is a synthesis of conceptions on SAI independence in the academic and practitioner literature, it does not reflect the views of INTOSAI nor IDI on the functioning, scope and challenges of SAIs and their independence.

# Literature Review on Supreme Audit Institution Independence

## Introduction

Independence is one of the most essential needs of a Supreme Audit Institution (SAI).<sup>1</sup> A well-functioning SAI will enjoy both de jure and de facto independence, which in turn promotes accountability, transparency, and other essential elements of good governance.<sup>2</sup> The principles and foundations from the International Organization of Supreme Audit Institutions (INTOSAI), as well as documents from the International Monetary Fund (IMF), the World Bank (WB), the OECD, and regional development banks recognize the importance of independence to SAI operations.<sup>3</sup> The importance of SAI independence has also been affirmed by the United Nations General Assembly (UNGA).<sup>4</sup>

The principle of SAI independence was first articulated in the Lima Declaration of Guidelines on Auditing Precepts (Lima Declaration), which stated “Supreme Audit Institutions can accomplish their tasks objectively and effectively only if they are independent of the audited entity and are protected against outside influence.”<sup>5</sup> The Mexico Declaration on SAI Independence (Mexico Declaration) followed the Lima Declaration and represents a global reference on the principles that underpin SAI independence.<sup>6</sup>

The purpose of this document is to (1) synthesize conceptions of SAI independence from both academic and practitioner<sup>i</sup> literature published in the period 2013-2020; and (2) explore both types of literature to better understand how the eight principles of the Mexico Declaration are conceptualized and to what degree they have been incorporated into international dialogue around SAI support and development.

This review will begin with a survey of how academic and practitioner literature defines and applies concepts of SAI independence, including its challenges. The next section will explore how the concept of SAI independence has evolved as SAIs themselves have taken on new roles. Finally, a section of final remarks is included.

---

<sup>i</sup> Throughout this report, the term “practitioner literature” will be used to refer to resources and documents produced by international organizations, donor organizations, and civil society groups. Practitioner literature is distinguished from academic literature, which refers to research and documents produced by academic scholars, to better understand how conceptualizations of SAI independence converge and diverge between communities that study it from a theoretical perspective and those that work directly or indirectly with SAIs.

## **I. Relevance, meaning and challenges of SAI Independence**

### **Relevance of Independence**

The literature identifies many ways for a well-functioning SAI to contribute to good governance, provided that it has the “basic building block” that is independence.<sup>7</sup> These benefits include greater public trust in government, reduced corruption, more effective and efficient use of public resources, greater accountability when public resources are misused or abused, and ultimately a more stable political system.<sup>8</sup> Academics and practitioners expect these benefits to manifest to different degrees depending on what model of SAI a country has adopted, the type of audits it conducts, and the political context in which it operates. However, the literature affirms that SAIs cannot deliver on any of these benefits unless they control what, how, and when they audit – the essence of independence. Independence is not an end in and of itself, but a means to achieving these other benefits.<sup>9</sup>

Before proceeding further, it is important to note that the potential benefits of SAI independence identified by many academics and practitioners are based on application of their own conceptual or theoretical frameworks. There are few examples of experimental or quantitative analysis available in the literature. This is particularly true for SAIs outside of the OECD countries.

SAIs are expected to improve public trust in government by increasing transparency about where and how governments use public resources,<sup>10</sup> providing citizens with information they need to make informed electoral choices,<sup>11</sup> and in some cases proposing reforms to improve public financial management.<sup>12</sup> This in turn contributes to more efficient and effective use of public resources by streamlining budgets, reducing debt, and optimizing procurement practices.<sup>13</sup> SAIs are also expected to reduce corruption, or at least to favorably impact perceptions of corruption by exposing specific abuses, identifying public financial management loopholes and making recommendations for how to close them.<sup>14</sup> In some cases, SAIs may also initiate sanctions procedures against actors who engage in public corruption.<sup>15</sup> Through audits, reform proposals, and anti-corruption activities, SAIs are also expected to strengthen accountability norms, a key element in democratic societies.<sup>16</sup>

### **Definitions and Conceptualizations of SAI Independence**

Independence is universally accepted as a foundational concept for SAIs, with both academics and practitioners drawing heavily from the Lima and Mexico Declarations. While they agree on a broad meaning for independence, academic writers and practitioners often apply the definition in different ways. Most notably, the academic literature defines independence relative to the outcomes a SAI may generate, while practitioners define independence relative to the internal and external challenges a SAI is likely to encounter.

## *SAI Independence in the Academic Literature*

A useful starting point for considering academic conceptualizations of SAI independence is the definition used by Pierre & Licht: the ability of a SAI to translate its own preferences into authoritative action without external constraints.<sup>17</sup> Pierre & Licht join other academic writers in applying more concrete conditions, drawn from international guidance documents, to their concept of independence.<sup>18</sup> The academic literature has not reached consensus on a common set of factors which define SAI independence, or by which the degree of independence may be measured. However, there is a significant degree of overlap in the factors scholars consider important.

Four criteria appear consistently in academic criteria for independence:<sup>19</sup>

- a codified guarantee of independence in the constitution or subsequent legislation;<sup>20</sup>
- the power to choose what to audit, how to audit, and when to audit;<sup>21</sup>
- adequate financial resources for the SAI to fulfill its mandate;<sup>22</sup> and
- an appointment and removal process for senior SAI decision-makers that ensures their independence from audited entities.<sup>23</sup>

These are consistent with the independence criteria laid out in the Lima Declaration, as are the second tier of factors, which appear periodically, but not consistently. These second-tier factors fill in some of the gaps between the Lima Declaration and the principles of the Mexico Declaration:

- articulation of the SAI's mandate in either the constitution or subsequent legislation;<sup>24</sup>
- a defined term of office for senior officials that is not aligned with the electoral calendar;<sup>25</sup>
- control over other SAI human resources;<sup>26</sup>
- power to decide how to spend the SAI budget; and authority to publish audit reports.<sup>27</sup>

Although these factors cover most of the independence criteria laid out in the Mexico Declaration, there are some notable divergences. The academic literature rarely mentions unrestricted access to information.<sup>28</sup> Additionally, the academic literature tends to consider SAI obligations to report on their work as demonstrating that SAIs themselves are adhering to accountability norms, rather than as an indicator of independence. Some scholars have noted the paucity of comparative research on how or whether SAIs are able to use follow-up mechanisms to ensure their recommendations are implemented. However, they treat this as a limitation on evaluating SAI efficacy, not as an independence question.

The academic literature regards other institutions—particularly parliaments, the media and civil society organizations—as critical to preserving SAI independence. Parliaments are especially relevant to SAI independence in countries following the legislative or board models where parliamentary committees are part of the audit process. Parliaments also control whether SAIs have adequate budgets and in many cases they have powers to follow up on recommendations that SAIs themselves lack.<sup>29</sup> The academic literature regards SAI independence as

interdependent with parliamentary capacity and strength relative to the executive – if members of parliament do not understand audit processes sufficiently to carry out their role, or if they do not have the power to enforce findings on audited entities, they cannot be the partners that SAIs require.<sup>30</sup> Similarly, the media can be an essential partner in disseminating audit findings in an accessible manner and in providing transparency on follow-up, but only if the media itself understands what SAIs do and has sufficient freedom to report on their activities.<sup>31</sup> In the case of civil society organizations, they are perceived as instrumental in both disseminating SAI reports and in making the contents of those reports accessible to laypeople.<sup>32</sup>

### *Practitioner Conceptualization of SAI Independence*

The practitioner literature concurs with the academic literature on the core elements of SAI independence, particularly the need to codify both the guarantee of independence and the mandate of the SAI. Practitioners and academic resources also identify the power to determine what to audit, how to audit, and when to audit as critical to a truly independent SAI.<sup>33</sup> Where the practitioner and academic literature diverge on definitions, it is mostly a matter of different emphasis rather than different conceptualizations of independence.

Practitioners focus on external constraints SAIs may experience when fulfilling their mandates: the power to conduct investigations and access necessary information, the power to publish findings, and guarantees to ensure that SAI staff do not fear retaliation based on their reports.<sup>34</sup> In other words, the academic and practitioner literature have adopted similar broad conceptualizations of independence, which are inspired by if not explicitly adopted from the Lima Declaration and Mexico Declaration. Where they differ is in the emphasis they place on different components of operational independence: the academic literature focuses more on SAI control over their budget and staffing decisions, while the practitioner literature focuses on external elements that could prevent SAIs from conducting investigations and disseminating findings.

The practitioner literature frequently, but not exclusively, evaluates SAI independence through the lens of its role in a network of watchdog institutions.<sup>35</sup> This is different from the academic literature, which is more inclined to focus on the formal relationship with parliament and audited institutions. In contrast, practitioners regard SAIs as one element in an accountability and oversight ecosystem that includes parliament, the judiciary, anti-corruption commissions, and human rights commissions, and non-governmental institutions such as the media and civil society.<sup>36</sup> This framework for evaluating SAI independence will be discussed in more detail below.

One important subset of the practitioner literature is the body of tools for evaluating SAI performance. Some of these tools have been developed by regional banks, international organizations, and state-based foreign aid entities. Their purpose is largely to evaluate whether a SAI plays an effective part in the national public finance and accountability system, which informs decision making on how aid is channeled in a given partner country.<sup>37</sup>

The Supreme Audit Institution Performance Measurement Framework (SAI PMF), endorsed by INTOSAI in 2013, is one such tool. It allows for supreme audit institutions to measure their strengths and weaknesses through evidence-based assessments of foundations and practices of the institutions. Its criteria are based on the International Standards of Supreme Audit Institutions as they are issued by INTOSAI. The framework covers six domains deemed as fundamental to the operations of the SAI, including the assessment of the SAI's Independence and Legal Framework. Currently, 77 assessments have been finalized and 15 of them have been published.

Among other tools for evaluating SAI performance, independence is often included as an element, though its inclusion does not always encompass all internationally recognized principles. The African Development Bank's SAI Assessment Matrix, for instance, identifies seven key elements for a well-functioning SAI.<sup>38</sup> One of these is independence, which the framework defines using the Lima Declaration's three criteria of a codified independence guarantee, appointment process for SAI senior leadership, and financial independence.<sup>39</sup> Other indicators that the Mexico Declaration considers integral to independence – access to information, adequate staffing and other resources, and publication of findings – are categorized under different core elements of SAI capacity.<sup>40</sup> Similarly the Inter-American Development Bank, when describing the essential elements of a well-functioning SAI, lists “functional, organizational, and financial independence” as a separate factor from a constitutional foundation, a clear mandate, and an effective follow-up mechanism.<sup>41</sup> The Supreme Audit Institutions Independence Index (InSAI) from the World Bank, a more recent tool focusing exclusively on SAI independence, consists of ten indicators which measure critical aspects of SAI independence and which are broadly in line with the principles in the Mexico Declaration.<sup>42</sup>

The conclusion to be drawn from these examples is that while the criteria in these assessment tools are consistent with internationally recognized principles, many tools are not necessarily connecting all these criteria to independence. Even where they evaluate independence, these assessment frameworks are not necessarily examining the same criteria. Additionally, SAI capacity assessment frameworks may also need to be adjusted to incorporate structural changes in SAIs' working environment due to the COVID-19 situation.

Donor institutions, including government foreign aid bodies and international organizations, have produced another subset of literature that synthesizes lessons learned on donor support for SAI independence. This literature is distinct from other practitioner literature for two reasons. First, it encourages donors to look beyond programming focused purely on SAIs and their direct counterparts in parliament or audited entities.<sup>43</sup> The World Bank recommends that donors work to understand the political landscape in which a beneficiary SAI is operating; this approach will illuminate independence constraints that might otherwise be overlooked.<sup>44</sup> The OECD supports including SAI staff in conferences, trainings, and workshops both to build relationships with SAI staff and to share information on how to overcome information access challenges.<sup>45</sup> The U4 Anti-Corruption Centre echoes this recommendation and takes it a step further, encouraging donors to include SAI staff in budget accountability programming targeted to legislative or civil society beneficiaries.<sup>46</sup>

The donor lessons learned literature is notable also because its target audience includes donor representatives who are not exclusively engaged in SAI support. These include ambassadors, foreign assistance country representatives, and high-level visitors. This literature recognizes that senior foreign diplomats and administrators can, through their public statements and interactions with domestic government officials, support SAIs and raise their profile.<sup>47</sup> The recommendations for supporting SAI independence in this manner are focused on demonstrating that senior foreign officials take the work of the SAI seriously, are interested in its findings, and will use their positions to follow up on those findings in discussions with senior government officials.<sup>48</sup>

## **Challenges Facing SAI Independence**

Both academic and practitioner literature recognizes that some challenges to SAI independence come from external factors and some from internal factors. Others stem from overall weaknesses in government capacity that prevent SAIs from fulfilling their mandate. These challenges are institutional, technical, and political.<sup>49</sup> They require different responses, not all of which can be addressed by amending legislation or through donor-funded programming.

External challenges to SAI independence identified by the literature include vague or non-existent legal guarantees of independence; interference by the executive in SAI operations or individual audit processes; interference by the legislature, especially when parliaments control how SAIs spend their budget or if they can require that SAIs take on specific audits; auditees who do not cooperate with audits or ignore their findings with impunity;<sup>50</sup> and biased procedures of appointment and removal of auditors.<sup>51</sup> Internal challenges to SAI independence include the effect of this kind of appointment procedures that result in leaders who are beholden to the executive or are at the end of their political careers; limited technical capacity of SAI staff, particularly limited knowledge of how to conduct performance audits or how technology has changed financial processes; overvaluing relationships with audited entities; insufficient access to technology and equipment needed to conduct audits; understaffing; and underfunding.<sup>52</sup>

SAI independence can also be negatively impacted by limitations in overall government capacity. Auditees may also be understaffed, underfunded, and under-resourced, which means they may not consistently collect the data SAIs need for audits or be prepared to effectively assist SAI staff. As a result, SAIs may be forced to limit their audits to entities that do keep financial records, preventing them from building a complete understanding of how governments are managing public resources. SAIs also frequently rely on other government institutions to follow up on their recommendations, particularly parliaments, the courts, and anti-corruption commissions. If these entities are disempowered relative to the executive, are themselves subject to political manipulation, or lack internal capacity to understand audit reports, then SAI recommendations will languish and the SAI risks losing its credibility as an independent accountability institution.

Different SAI models also face their own specific challenges. SAIs in the legislature model can do little without a strong and willing legislature.<sup>53</sup> There are cases where the Auditor General is

appointed by and accountable to the executive, even if the SAI technically reports to the legislature.<sup>54</sup> The judicial model tends to follow very formalized processes, the results of which are difficult to communicate to the public in an accessible format.<sup>55</sup> Well-functioning SAIs in the judicial model also require a different kind of capacity and technical training than other models, which may be particularly challenging for countries whose governments are under-resourced across the board.<sup>56</sup> African countries that inherited the judicial model from former French colonial administrations face a further challenge: many of these countries have both a Court of Accounts that is part of the judicial branch and a General Inspectorate that is subordinate to the executive. This dual system often results in the Court of Accounts being sidelined in favor of the more easily controlled General Inspectorate.<sup>57</sup> The academic literature contains analysis on the functioning of the board model in some countries, without differentiating all the nuances that, in practice, this model may have.<sup>58</sup>

## **II. Broader mandates, new priorities and SAI Independence**

### **SAI Independence as an Evolving Concept**

As the review of academic and practitioner perspectives demonstrates, SAI independence is an evolving concept. Specifically, the perceived role of SAIs has changed over time from purely technical entities confirming that financial resources have been used properly to essential actors in the accountability ecosystem responsible for monitoring public resources and investigating whether governments are achieving their policy objectives.<sup>59</sup> These changes have been driven by the emergence of international standards, particularly those produced by INTOSAI, and by increased public focus on outcomes as well as efficiency and compliance.<sup>60</sup>

The existence of broader mandates has also created tension between keeping good working relationships with audited entities and maintaining a neutral, independent stance.<sup>61</sup> The increased prominence of performance auditing means that SAIs are expected to make audits relevant as well as accurate and timely.<sup>62</sup> SAIs need to collaborate closely with audited entities to understand how to make findings and recommendations actionable, but entering into this kind of close relationship may make it difficult for SAI staff to remain objective when they conduct their investigations.<sup>63</sup> In addition, the conduct of performance audits entails independence risks when reviewing public policy. A SAI engaged in performance auditing risks becoming vulnerable to accusations that it is blurring the line between objective reviewer and policy maker.<sup>64</sup> Studies of how performance auditing has impacted SAI independence in Denmark and other Northern European countries have found that SAIs tend to focus more on identifying past errors than on recommending future changes.<sup>65</sup>

### *SAIs in the Accountability and Oversight Ecosystem*

One of the most significant conceptual evolutions impacting SAI independence is the perspective shift from the SAI as a singular technocratic entity to the SAI as a critical actor in an interdependent network of accountability and oversight institutions. The accountability and oversight ecosystem includes core government institutions such as parliament and the judiciary.

It also includes independent institutions with a narrower accountability and oversight mandate, such as SAIs, ombudspersons, anti-corruption commissions, and human rights commissions.<sup>66</sup> Non-governmental oversight entities, such as the media, civil society, and the private sector, are part of the ecosystem as well.<sup>67</sup> In addition to physical actors, the accountability and oversight ecosystem encompasses intangibles such as political will.<sup>68</sup> The role of the SAI within the accountability and oversight ecosystem is extremely context-dependent; every country has its own accountability infrastructure. One of the dimensions of the ecosystem where SAIs have a meaningful impact on is the budgetary process. A joint publication in this regard was produced by IBP and IDI, which highlights independence challenges that need to be addressed in order for SAIs to duly fulfil their role in the oversight of the national budgetary cycle, especially during times of emergency.<sup>69</sup>

SAIs have similar independence needs to other accountability institutions: constitutional foundations, clear mandates, adequate budgets which they control, transparent processes for choosing leadership that mitigates political bias, the right to access information, the power to publish and disseminate their findings, and sufficient human and other resources to carry out their mission.<sup>70</sup> This affects how the literature, particularly the practitioner literature, approaches SAI independence. Accountability advocates and donors supporting reform may find it more efficient to approach to some of these issues collectively, rather than trying to achieve full independence on an institution-by-institution basis.

The literature observes that SAIs occupy a special place in the accountability and oversight ecosystem. In most countries, they are among the oldest, if not the oldest, accountability institution.<sup>71</sup> They are often less constrained than accountability institutions with a more politicized profile, such as anti-corruption or human rights commissions. SAIs are often empowered to request information and engage with entities across the government, which may not be the case for ombudspersons. They are also often better staffed and resourced than other accountability institutions, even if their staffing and resource levels are below what is needed to fulfill their mandate. Consequently, an independent SAI can function as both a model other for accountability institutions to aspire toward and as an essential partner in acquiring and disseminating information.

The evolving conception of SAIs as part of an accountability and oversight ecosystem gives them tools to overcome some of their independence challenges.<sup>72</sup> For instance, SAIs may transmit their findings to anti-corruption commissions, which may also have enforcement powers that SAIs lack.<sup>73</sup> Even if a SAI is not mandated to report on individual acts of corruption,<sup>ii</sup> it can help identify weaknesses or loopholes in internal control mechanisms that an anti-corruption commission or an ombudsperson could seek to repair.<sup>74</sup>

---

<sup>ii</sup> Generally, SAIs can't report on acts of corruption because corruption is a criminal act with a legal determination process. In practice, SAIs usually have the right to report suspicions of corruption to the appropriate investigative bodies.

Accountability and oversight ecosystem encompasses legal frameworks, regulations and institutions design. In that sense, diverse questions might arise on the impact of the SAI model on such an ecosystem. Academic literature has different interpretations about this matter. For instance, based on a cross country-analysis, covering 53 nations, Blume and Voigt underline that the perception of corruption could be higher in countries whose SAIs are part of the judicial branch or merely had judicial powers, as their reports are prepared in a more formalized language which is less accessible to the public than other SAI models.<sup>75</sup> This, in turn, may cause SAIs to be perceived as less transparent.<sup>76</sup> In contrast, a case study by Carlos Santiso on three OLACEFS countries suggested that even if the choice of model for SAIs matters, political economy factors ultimately condition their impact. Furthermore, SAI independence and the efficacy of their functional linkages with the legislatures and the courts are key elements that determine their real level of effectiveness.<sup>77</sup>

These results highlight the relevance of partnerships for SAIs to counter negative perceptions. In particular, a SAI acting within the accountability and oversight ecosystem can partner with the media and civil society organizations to disseminate its findings more widely and translate them into a public-friendly format. The practitioner literature is particularly optimistic about the potential for SAIs to partner with civil society to protect their independence and their legitimacy.<sup>78</sup> Success stories include the Citizens Audit Request System in Korea, which permits citizens to file petitions for specific audits; a 2012 initiative by the Comptroller General in Chile that created a website for citizens to file their complains and then track their status; and public consultations on the annual audit plan conducted by SAIs in Argentina and Paraguay.<sup>79</sup>

If SAIs embrace their position within the ecosystem, this may require them to both redefine their internal conceptions of independence and be more assertive in the promotion of their work and findings.<sup>80</sup> Re-envisioning independence does not mean compromising on the elements contained in the Lima Declaration or the eight principles. Rather, it means SAIs should consider how they can build and maintain productive relationships with the media, civil society, other accountability institutions, the judiciary, the legislature, and even donors that foster information sharing and mutual learning.<sup>81</sup> It also means that, where possible, SAIs can and should use the full spectrum of options available to them in seeking follow-up on their recommendations.

### *Following Up on Recommendations*

The literature acknowledges that complete realization of the eight principles remains aspirational for many SAIs, particularly those in developing countries. One principle in particular sees inconsistent application, even if a SAI is empowered or well-resourced. Principle Seven pertains to “effective follow-up mechanisms on SAI recommendations,” which may include action by the legislature, a commission, or an auditee, as well as internal follow-up mechanisms used by the SAI to ensure that their findings have been appropriately addressed.<sup>82</sup> In the case of the role of SAIs evaluating policy outcomes, effective follow-up mechanisms become indispensable. The literature recognizes that audit recommendations may be stymied by political will, institutional capacity, technical expertise, and perhaps legal lacunae.<sup>83</sup>

Depending on what model its country has adopted, a given SAI may have established pathways for following up on recommendations or enforcing penalties. In the legislature and board models, for instance, a parliamentary committee may develop recommendations based on the SAI's report and may impose penalties if the audited entity does not implement them.<sup>84</sup> SAIs in the judicial model commonly have their own sanctions powers, but they may be limited to enforcing penalties on specific individuals, not on proposing reforms to close loopholes or change procedures. If the legislature declines to act assertively on audit findings, or if the judiciary cannot or will not impose the recommended sanctions, SAIs have limited formal avenues to contribute to public scrutiny and debate.<sup>85</sup>

### **III. Final remarks**

This study, besides compiling the main existing literature on SAI independence, provides an overview on how this topic is conceptualized, perceived, and valued through different lenses of analysis. The variation in the perspectives of academics and practitioners shows that SAI independence should be seen as a dynamic and multifactorial matter with diverse audiences and expectations.

Academic papers frequently cited in this review (Blume and Voigt and Cordery and Hay) acknowledge limitations on the amount, type and quality of data when conducting either their qualitative or quantitative analysis. Particularly, Blume and Voigt highlight the lack of reliable sources of information to identify the *facto* independence conditions of SAIs.

This review allows us to identify areas where future analysis could support improved advocacy and support for SAIs. One area could be the relationship between SAI independence and the new circumstances that stem from COVID-19 effects. Another could be a comprehensive examination of the nuances and traits of all SAI models as they manifest in practice, including how these nuances influence functional and operational independence. Academic studies could also incorporate specific threats to independence, including breaches of the relationships between SAIs and the institutional framework of countries. The correlation between the level of SAI independence and the presence of certain actors, such as active civil society organizations, could also be developed in the future.

Finally, SAI independence could be analyzed as a variable explained by other country context variables that belong to the public governance framework of countries. This approach would give inform with academic rigor the idea that political and institutional landscapes are in a constant state of flux, and a variety of conditions may threaten and breach various aspects of both *de jure* and *de facto* SAI independence.

## Notes

<sup>1</sup> Carolyn J. Cordery and David Hay, “Supreme Audit Institutions and Public Value: Demonstrating Relevance,” *Financial Accountability & Management* 35, no. 2 (May 2019): 128–42, <https://doi.org/10.1111/faam.12185>; “Supreme Audit Institutions and Stakeholder Engagement Practices: A Stocktaking Report” (Effective Institutions Platform, September 2014); Kenneth M Dye and Rick Stapenhurst, “Pillars of Integrity: The Importance of Supreme Audit Institutions in Curbing Corruption,” n.d., 34., “The Role of SAIs and Means of Implementation for Sustainable Development,” in *24th UN/INTOSAI Symposium on Digitalization, Open Data and Data Mining: Relevance and Implications for SAIs’ Audit Work and for Enhancing Their Contributions to the Follow-Up and Review of the SDGs* (Vienna, Austria: INTOSAI, 2017)

<sup>2</sup> “The Role of SAIs and Means of Implementation for Sustainable Development,” para. 8.

<sup>3</sup> “Lima Declaration,” 1977; “Mexico Declaration on SAI Independence,” 2007; “Good Practices in Supporting Supreme Audit Institutions” (OECD, 2011); Lewis Kabyiza Murara, “Budget Oversight: The Challenges of Establishing an Independent Supreme Audit Institution in Developing Countries,” Blog, *Public Financial Management Blog* (blog), November 11, 2011; Stefano Migliorsi and Clay Wescott, “A Review of World Bank Support for Accountability Institutions in the Context of Governance and Anticorruption” (World Bank Independence Evaluation Group, May 2011), <https://openknowledge.worldbank.org/handle/10986/26685>; “Strengthening Country External Audit Systems in Africa: A Joint Strategy of the Africa Development Bank and the World Bank” (World Bank Group, February 2010).

<sup>4</sup> “Promoting the Efficiency, Accountability, Effectiveness and Transparency of Public Administration by Strengthening Supreme Audit Institutions” (UN General Assembly, March 15, 2012); “Promoting and Fostering the Efficiency, Accountability, Effectiveness and Transparency of Public Administration by Strengthening Supreme Audit Institutions” (UN General Assembly, January 28, 2015).

<sup>5</sup> “INTOSAI-P 1.”

<sup>6</sup> “INTOSAI-P 10.”

<sup>7</sup> “Working with Supreme Audit Institutions” (DfID, July 2005).

<sup>8</sup> Cordery and Hay, “Supreme Audit Institutions and Public Value”; Joachim Zuckarelli, “Do Independence and Strong Mandates Matter for the Impact of Supreme Audit Institutions?” (Unpublished, July 2, 2017), [https://www.zuckarelli.de/files/supremeaudit\\_zuckarelli.pdf](https://www.zuckarelli.de/files/supremeaudit_zuckarelli.pdf); Lorenz Blume and Stefan Voigt, “Does Organizational Design of Supreme Audit Institutions Matter? A Cross-Country Assessment,” *European Journal of Political Economy* 27, no. 2 (June 2011): 215–29, <https://doi.org/10.1016/j.ejpoleco.2010.07.001>; Robson Zucolotto and Marco A. C. Teixeira, “Budgetary Transparency and Democracy: The Effectiveness of Control Institutions,” *International Business Research* 7, no. 6 (May 27, 2014): p83, <https://doi.org/10.5539/ibr.v7n6p83>; “A/RES/66/209.”; Carolina Cornejo and Marcos Mendiburu, “Does Collaboration with Civil Society Strengthen Accountability Institutions? An Exploration” (Global Partnership for Social Accountability, May 2015); Vivek Ramkumar, “How Can Government Audits Drive Accountability?” *International Budget Partnership*, November 7, 2016.

<sup>9</sup> Andy Wynne, “The General State Inspectorate - Independent or Under the Executive - How Does It Compare with the Court of Accounts in Sub-Saharan Africa?” *Institutions & Transition Economics: Firm Governance EJournal*, 2011, 61.

<sup>10</sup> Georgia Kontogeorga, “Adapting Business Practices to the SAI’s Environment: Towards a New Performance Measurement Framework,” SSRN Scholarly Paper (Rochester, NY: Social Science Research Network, May 1, 2013), 1, <https://doi.org/10.2139/ssrn.2427389>; Zucolotto and Teixeira, “Budgetary Transparency and Democracy,” 86–87.

<sup>11</sup> Zuckarelli, “Do Independence and Strong Mandates Matter for the Impact of Supreme Audit Institutions?,” 9; Zucolotto and Teixeira, “Budgetary Transparency and Democracy,” 83.

- <sup>12</sup> Cordery and Hay, “Supreme Audit Institutions and Public Value,” 1.
- <sup>13</sup> Bruno W. Speck, “Auditing Institutions,” in *Corruption and Democracy in Brazil: The Struggle for Accountability* (University of Notre Dame Press, 2011).
- <sup>14</sup> CSO Participation 34, What Works 7 Charmaine Rodrigues, “[Civil Society Participation, Public Accountability and the UN Convention Against Corruption](#)” (Transparency International, 2015), 34; Matthew Jenkins, “[What Works in Anti-Corruption Programming: Lessons from the Middle East and North Africa \(MENA\) Region](#)” (U4 Anti-Corruption Resource Centre, June 27, 2019), 7.
- <sup>15</sup> Cordery and Hay, “Supreme Audit Institutions and Public Value,” 5.
- <sup>16</sup> Zucolotto and Teixeira, “Budgetary Transparency and Democracy.”
- <sup>17</sup> *Quoting Magetti*, Jon Pierre and Jenny de Fine Licht, “[How Do Supreme Audit Institutions Manage Their Autonomy and Impact? A Comparative Analysis](#),” *Journal of European Public Policy* 26, no. 2 (November 27, 2017): 2.
- <sup>18</sup> Pierre & Licht include the power to decide what to audit, how to audit, and the degree of influence other entities have on that decision in their assessment of independence. (Pierre and Licht 2017, page 5)
- <sup>19</sup> In addition to the factors listed above, the following criteria were used to define or test independence at least once in academic sources reviewed for this report: restrictions on senior SAI officials holding certain positions before, during, or after serving in the SAI; restrictions on senior SAI officials holding political party memberships; mandates granting both *ex ante* and *ex poste* audit authority; power to impose sanctions on individuals found to have misused public resources; authority for SAIs to request the information they need to conduct audits; sufficient financial resources to retain qualified auditor staff; monopoly over the audit function; protection against retaliation for both SAI leadership and staff; and the existence of complimentary institutions, both in government and in civil society.
- <sup>20</sup> Carolyn Cordery, David Hay, and Kevin Simpkins, “[How Do SAIs Deliver Value? A Review of Literature and SAIs’ Reports](#),” Value of the Public Audit Project (Centre for Accounting, Governance, and Taxation Research, University of Wellington, n.d.), 8; Peter Triantafillou, “[Playing a Zero-sum Game? The Pursuit of Independence and Relevance in Performance Auditing](#),” *Public Administration* 98, no. 1 (March 2020): 112, <https://doi.org/10.1111/padm.12377>.
- <sup>21</sup> Zuckarelli, “Do Independence and Strong Mandates Matter for the Impact of Supreme Audit Institutions?,” 20; Cordery, Hay and Simpkins, “How Do SAIs Deliver Value? A Review of Literature and SAIs’ Reports,” 8; Triantafillou, “Playing a Zero-sum Game?,” 112.
- <sup>22</sup> Blume and Voigt, “Does Organizational Design of Supreme Audit Institutions Matter?,” 219; Triantafillou, “Playing a Zero-sum Game?,” 112.
- <sup>23</sup> Zuckarelli, “Do Independence and Strong Mandates Matter for the Impact of Supreme Audit Institutions?,” 20–21; Blume and Voigt, “Does Organizational Design of Supreme Audit Institutions Matter?,” 219.
- <sup>24</sup> Blume and Voigt, “Does Organizational Design of Supreme Audit Institutions Matter?,” 219; Hairul Nizam Yusoff, Ahmad Fariz Mohamed, and Abdul Samad Hadi, “[Sustainable Development: What Is The Role Of Audit?](#),” *Sustainable Development* 11 (n.d.): 100.
- <sup>25</sup> Zuckarelli, “Do Independence and Strong Mandates Matter for the Impact of Supreme Audit Institutions?,” 20.
- <sup>26</sup> Cordery and Hay, “Supreme Audit Institutions and Public Value,” 4.
- <sup>27</sup> Speck, “Auditing Institutions,” 133.

- <sup>28</sup> “INTOSAI-P 10.”
- <sup>29</sup> Speck, “Auditing Institutions,” 132.
- <sup>30</sup> Zuckarelli, “Do Independence and Strong Mandates Matter for the Impact of Supreme Audit Institutions?,” 39.
- <sup>31</sup> Zuckarelli, 11; Zucolotto and Teixeira, “Budgetary Transparency and Democracy,” 83.
- <sup>32</sup> Blume and Voigt, 219
- <sup>33</sup> Dye and Stapenhurst, “Pillars of Integrity” 9.
- <sup>34</sup> Dye and Stapenhurst, 9; Jonathan Murphy and Franklin De Vrieze, “[Parliaments and Independent Oversight Institutions](#)” (Westminster Foundation for Democracy, 2020), 19.
- <sup>35</sup> Musa Kayrak, “[Evolving Challenges for Supreme Audit Institutions in Struggling with Corruption](#),” *Journal of Financial Crime* 15, no. 1 (January 4, 2008): 61, <https://doi.org/10.1108/13590790810841707>; “Supreme Audit Institutions and Stakeholder Engagement Practices: A Stocktaking Report,” 6; Migliorsi and Wescott, “A Review of World Bank Support for Accountability Institutions in the Context of Governance and Anticorruption,” 1; Cornejo and Mendiburu, “Does Collaboration with Civil Society Strengthen Accountability Institutions? An Exploration,” 2; Albert van Zyl, Ramkumar, Vivek, and Paolo de Renzio, “[Responding to Challenges of Supreme Audit Institutions: Can Legislatures and Civil Society Help](#),” U4 Issue (U4 Anti-Corruption Resource Centre, 2001), 21; Aranzazu Guillan Montero and David Le Blanc, “[The Role of External Audits in Enhancing Transparency and Accountability for the Sustainable Development Goals](#),” UN Department of Economic and Social Affairs (DESA) Working Papers, vol. 157, UN Department of Economic and Social Affairs (DESA) Working Papers, February 28, 2019, 19, <https://doi.org/10.18356/3fe94447-en>.
- <sup>36</sup> Kayrak, “Evolving Challenges for Supreme Audit Institutions in Struggling with Corruption,” 61; Rodrigues, “Civil Society Participation, Public Accountability and the UN Convention Against Corruption,” 34.
- <sup>37</sup> “Good Practices in Supporting Supreme Audit Institutions,” 29.
- <sup>38</sup> “Strengthening Country External Audit Systems in Africa: A Joint Strategy of the Africa Development Bank and the World Bank,” 15.
- <sup>39</sup> “Strengthening Country External Audit Systems in Africa: A Joint Strategy of the Africa Development Bank and the World Bank,” 15.
- <sup>40</sup> “Strengthening Country External Audit Systems in Africa: A Joint Strategy of the Africa Development Bank and the World Bank,” 15.
- <sup>41</sup> Jorge Kaufmann, Mario Sangines, and Mauricio Garcia Moreno, *Building Effective Governments: Achievements and Challenges for Results-Based Public Administration in Latin America and the Caribbean* (Inter-American Development Bank, 2015), 154.
- <sup>42</sup> World Bank. *Supreme Audit Institutions Independence Index 2021 Global Synthesis Report*. EFI Insight-Governance. (Washington, DC: World Bank, 2021).
- <sup>43</sup> Migliorsi and Wescott, “A Review of World Bank Support for Accountability Institutions in the Context of Governance and Anticorruption,” 32–33.
- <sup>44</sup> Migliorsi and Wescott, 32–33.
- <sup>45</sup> “Good Practices in Supporting Supreme Audit Institutions,” 58.

- <sup>46</sup> van Zyl, Ramkumar, Vivek, and de Renzio, “Responding to Challenges of Supreme Audit Institutions: Can Legislatures and Civil Society Help,” 24.
- <sup>47</sup> “Good Practices in Supporting Supreme Audit Institutions,” 57.
- <sup>48</sup> UK National Audit Office, “[Making SAIs Count](#),” 4–5; “Good Practices in Supporting Supreme Audit Institutions,” 57–58.
- <sup>49</sup> Migliorsi and Wescott, “A Review of World Bank Support for Accountability Institutions in the Context of Governance and Anticorruption,” 28.
- <sup>50</sup> Ramkumar, “How Can Government Audits Drive Accountability?”; Migliorsi and Wescott, “A Review of World Bank Support for Accountability Institutions in the Context of Governance and Anticorruption,” 28–29; van Zyl, Ramkumar, Vivek, and de Renzio, “Responding to Challenges of Supreme Audit Institutions: Can Legislatures and Civil Society Help,” 12; Blume and Voigt, “Does Organizational Design of Supreme Audit Institutions Matter?,” 218.
- <sup>51</sup> Blume and Voigt, “Does Organizational Design of Supreme Audit Institutions Matter?,” 219.
- <sup>52</sup> van Zyl, Ramkumar, Vivek, and de Renzio, “Responding to Challenges of Supreme Audit Institutions: Can Legislatures and Civil Society Help,” 11; “How Do SAIs Deliver Value? A Review of Literature and SAIs’ Reports,” 42.
- <sup>53</sup> “Good Practices in Supporting Supreme Audit Institutions,” 29; van Zyl, Ramkumar, Vivek, and de Renzio, “Responding to Challenges of Supreme Audit Institutions: Can Legislatures and Civil Society Help,” 14.
- <sup>54</sup> Wynne, “The General State Inspectorate - Independent or Under the Executive - How Does It Compare with the Court of Accounts in Sub-Saharan Africa?,” 58.
- <sup>55</sup> “How Do SAIs Deliver Value? A Review of Literature and SAIs’ Reports,” 29.
- <sup>56</sup> van Zyl, Ramkumar, Vivek, and de Renzio, “Responding to Challenges of Supreme Audit Institutions: Can Legislatures and Civil Society Help,” 14–15.
- <sup>57</sup> Wynne, “The General State Inspectorate - Independent or Under the Executive - How Does It Compare with the Court of Accounts in Sub-Saharan Africa?,” 60; Philippe Jacques Codjo Lassou, Trevor Hopper, and Collins G. Ntim, “Supreme Audit Institutions and Public Financial Management in Benin, a Francophone African Country: A Civic Public and Legitimacy Analysis,” *SSRN Electronic Journal*, 2019, 23–24, <https://doi.org/10.2139/ssrn.3311761>.
- <sup>58</sup> van Zyl, Ramkumar, Vivek, and de Renzio, “Responding to Challenges of Supreme Audit Institutions: Can Legislatures and Civil Society Help,” 14.
- <sup>59</sup> Pierre and de Fine Licht, “How Do Supreme Audit Institutions Manage Their Autonomy and Impact?,” 1; “Working with Supreme Audit Institutions,” 10.
- <sup>60</sup> Pierre and de Fine Licht, “How Do Supreme Audit Institutions Manage Their Autonomy and Impact?,” 3.
- <sup>61</sup> “How Do SAIs Deliver Value? A Review of Literature and SAIs’ Reports,” 25.
- <sup>62</sup> Speck, “Auditing Institutions,” 129.
- <sup>63</sup> Triantafyllou, “Playing a Zero-sum Game?,” 120.
- <sup>64</sup> Cordery and Hay, “Supreme Audit Institutions and Public Value,” 4.

- <sup>65</sup> Triantafillou, 120.
- <sup>66</sup> Kayrak, “Evolving Challenges for Supreme Audit Institutions in Struggling with Corruption,” 61.
- <sup>67</sup> Kayrak, 61.
- <sup>68</sup> Kayrak, 61.
- <sup>69</sup> [All hands on deck: Harnessing accountability through external public audits An assessment of national oversight systems](#) (International Budget Partnership & INTOSAI Development Initiative, 2020)
- <sup>70</sup> Murphy and Vrieze, “Parliaments and Independent Oversight Institutions,” 19; Cornejo and Mendiburu, “Does Collaboration with Civil Society Strengthen Accountability Institutions? An Exploration,” 2.
- <sup>71</sup> Murphy and Vrieze, “Parliaments and Independent Oversight Institutions,” 36.
- <sup>72</sup> Cornejo and Mendiburu, “Does Collaboration with Civil Society Strengthen Accountability Institutions? An Exploration,” 3.
- <sup>73</sup> Kayrak, “Evolving Challenges for Supreme Audit Institutions in Struggling with Corruption,” 67–68.
- <sup>74</sup> Kayrak, 64.
- <sup>75</sup> Blume and Voigt, “Does Organizational Design of Supreme Audit Institutions Matter?,” 224; Zuckarelli, “Do Independence and Strong Mandates Matter for the Impact of Supreme Audit Institutions?,” 33.
- <sup>76</sup> Blume and Voigt, “Does Organizational Design of Supreme Audit Institutions Matter?,” 224; Zuckarelli, “Do Independence and Strong Mandates Matter for the Impact of Supreme Audit Institutions?,” 42.
- <sup>77</sup> Santiso, Carlos. 2009. *The Political Economy of Government Auditing. Financial Governance and the Rule of Law in Latin America and Beyond*. London: Routledge, 75.
- <sup>78</sup> Cornejo and Mendiburu, “Does Collaboration with Civil Society Strengthen Accountability Institutions? An Exploration,” 2.
- <sup>79</sup> Rodrigues, “Civil Society Participation, Public Accountability and the UN Convention Against Corruption,” 34; Cornejo and Mendiburu, “Does Collaboration with Civil Society Strengthen Accountability Institutions? An Exploration,” 4.
- <sup>80</sup> van Zyl, Ramkumar, Vivek, and de Renzio, “Responding to Challenges of Supreme Audit Institutions: Can Legislatures and Civil Society Help,” 21.
- <sup>81</sup> Rodrigues, “Civil Society Participation, Public Accountability and the UN Convention Against Corruption,” 34; Cornejo and Mendiburu, “Does Collaboration with Civil Society Strengthen Accountability Institutions? An Exploration,” 3.
- <sup>82</sup> “INTOSAI-P 10.”
- <sup>83</sup> Blume and Voigt, “Does Organizational Design of Supreme Audit Institutions Matter?,” 218.
- <sup>84</sup> Katharina Noussi, [“How Public Accountability Is Institutionalized, The Case of External Public Auditing in Global Perspective Applying a Mixed Methods Approach”](#), (Universität Wienne, 2012), 36-37.
- <sup>85</sup> Blume and Voigt, “Does Organizational Design of Supreme Audit Institutions Matter?,” 219

INTOSAI Development Initiative,  
Stenersgata 2,  
0184 Oslo, Norway

© 2021 INTOSAI Development Initiative

Written by Beka Feathers  
Cover Design by Quadrant Communications Ltd.

ISBN 978-82-303-5102-4

V0101

