Stakeholder Engagement and Participatory Auditing

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Stakeholder engagement and SAIs

SAIs are important in scrutinizing government financial information and in ensuring transparency and accountability in the use of public funds.

The goal of engagement is to increase the use and impact of audit reports.

Stakeholders tend to perceive that their views are not represented in the audit reports.
Levels of Engagement

Increasing Level of Public Impact

International Association of Public Participation

EMPOWER
COLLABORATE
INVOLVE
CONSULT
INFORM

Final decision-making in the hands of the public
Partner with the public in the decision making and the identification of the preferred solution
Work directly with the public to ensure their concerns are understood and taken into account
Obtain public feedback on alternatives and decisions
Provide balanced and objective information on problems, alternatives, and solutions

Informing
LT, LR, BG, GR, PT, DE, SE, FJ, AR, ZA, HU, IE

Consultation
NZ, LT, BG, GR, PT, MX, SE, MT, LV, AR, EC, HU

Involving
FI, CY, LT, GR, AU, PT, AR

Collaborating
LT, PH, LV, AR

Empowerment

International Association of Public Participation
Participatory Audit

• Is a form on collaborative engagement
• In the general sense involves conducting an audit with the involvement of civil society as members of the audit team
• Example from Commission on Audit of Philippines - Citizen Participatory Audit (CPA)
  – Increases effective political governance and accountability, openness and transparency
  – Promotes government credibility and brings government closer to the people
  – Examples: Flood Control System, Health Centers, Solid Waste Management Program, Disaster Relief Audit on Super Typhoon Haiyan
Preliminary conclusions of the Survey

Stakeholder engagement is usually explicitly mentioned in the strategic documents of SAIs and there are usually guidelines on stakeholder engagement, BUT

– At the same time very often, the principles of stakeholder engagement are not reviewed regularly

Stakeholder engagement is not usually mandatory and stakeholder engagement activities are not monitored.

Mostly SAIs do not have separate positions for stakeholder engagement and there is no separate funding allocated for these activities.
Who are SAI stakeholders?

- Legislature
- Executive
- Audited Entities
- CSO
- Professional Organisations
- Academic Institutions
- Media
- Donor
- Citizens
Examples of good practises

- Bringing all stakeholders together on an annual basis, to measure awareness of the commission’s work (LR)
- Inviting NGOs to submit their views at the audit planning stage (CY)
- HCA organises seminars and lectures concerning the work of the Court and audit findings (GR)
- The use of external reports that examine the audited entities’ opinion and experience of Rigsrevisionen (DK)
- Develop a simple, computerised monitoring tool to monitor progress (ZA)
Forms of engagement

- Scientific Council; Advisory Board (FI)
- Regular Stakeholder surveys (NZ, FI, LV, BG, AU, DK, MX, SE, MT, ZA)
- Participation in stakeholder meetings, forums and event (NZ)
- Consultations, interviews, focus groups with auditees; interviews with civil society organizations (LV, GR)
- No formal procedure in place for collecting feedback from stakeholders (CY, LR)
- External experts, who perform evaluations of audit reports (DK)
Effectiveness of stakeholder engagement

- **Formal**
  - number of published articles about an audit result in the media, number of amendments passed by parliament, number of good practice seminar participants in certain audit topics, integrity surveys filled by state organisations

- **Informal**
  - stakeholders feel that they are being heard and their opinion is taken into account.

- **No performance indicators have been set with relation to stakeholder engagement**
Conclusions

• Measuring outcomes is a particularly challenging task, since the outcomes are often intangible

• Engagement requires cooperation—nurtured by trust building and knowledge exchange

• If stakeholders are on board from the start they have real opportunity to impact the process
How and when to engage with stakeholders?
Prioritising stakeholders

- **High Influence, High Interest**: Keep satisfied
- **High Influence, Low Interest**: Keep engaged
- **Low Influence, Low Interest**: Monitor
- **Low Influence, High Interest**: Keep informed
Cost of Stakeholder engagement

- Low impact/high cost
- High cost/high impact
- Low cost/low impact
- High impact low cost

Stakeholder engagement