Stakeholder Engagement and Participatory Auditing

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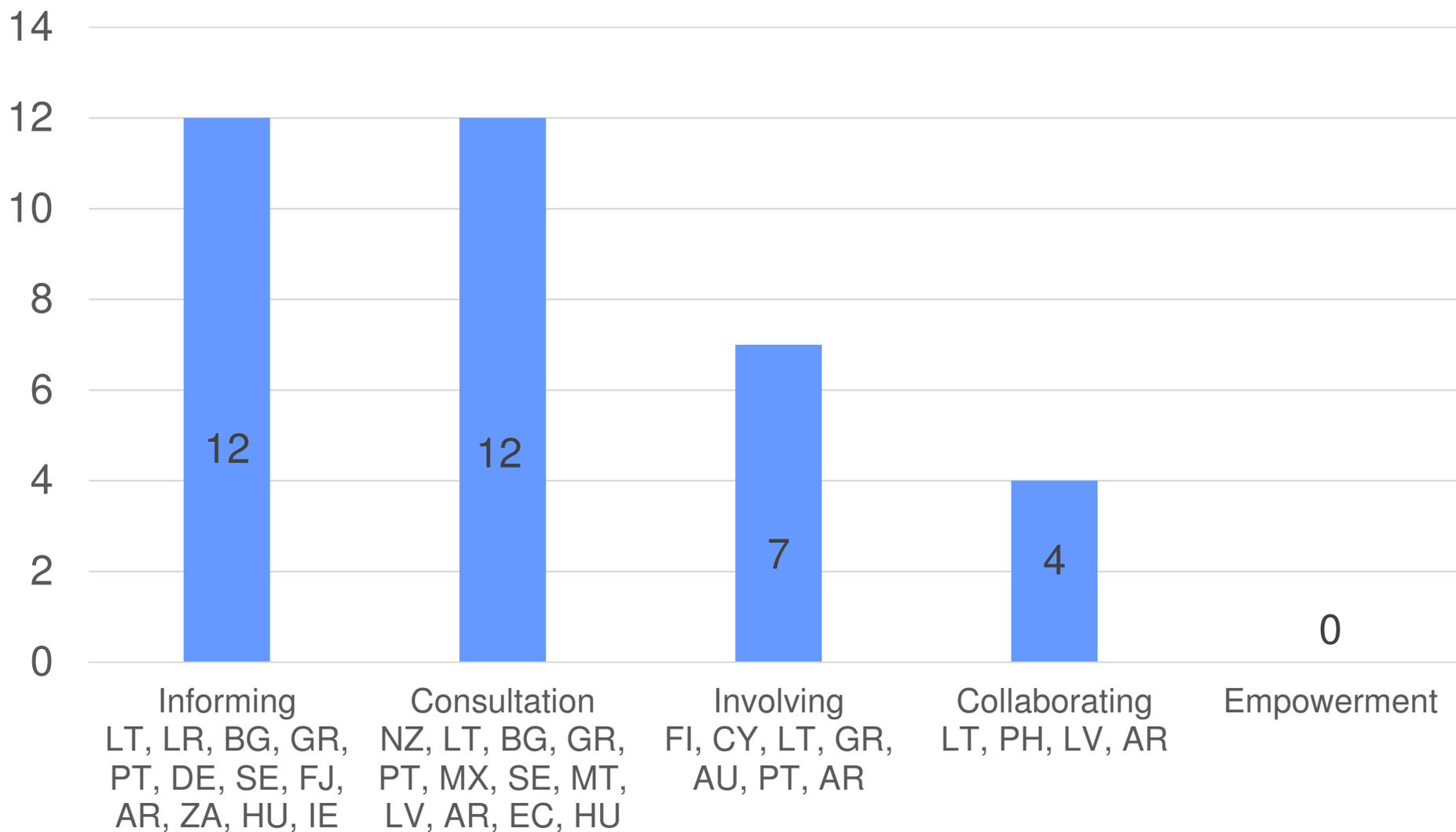**National Audit Office of Estonia**

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

	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
Value	12	12	7	4	0

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
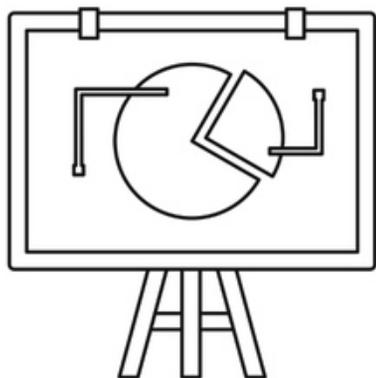
Preliminary conclusions of the Survey

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?

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**
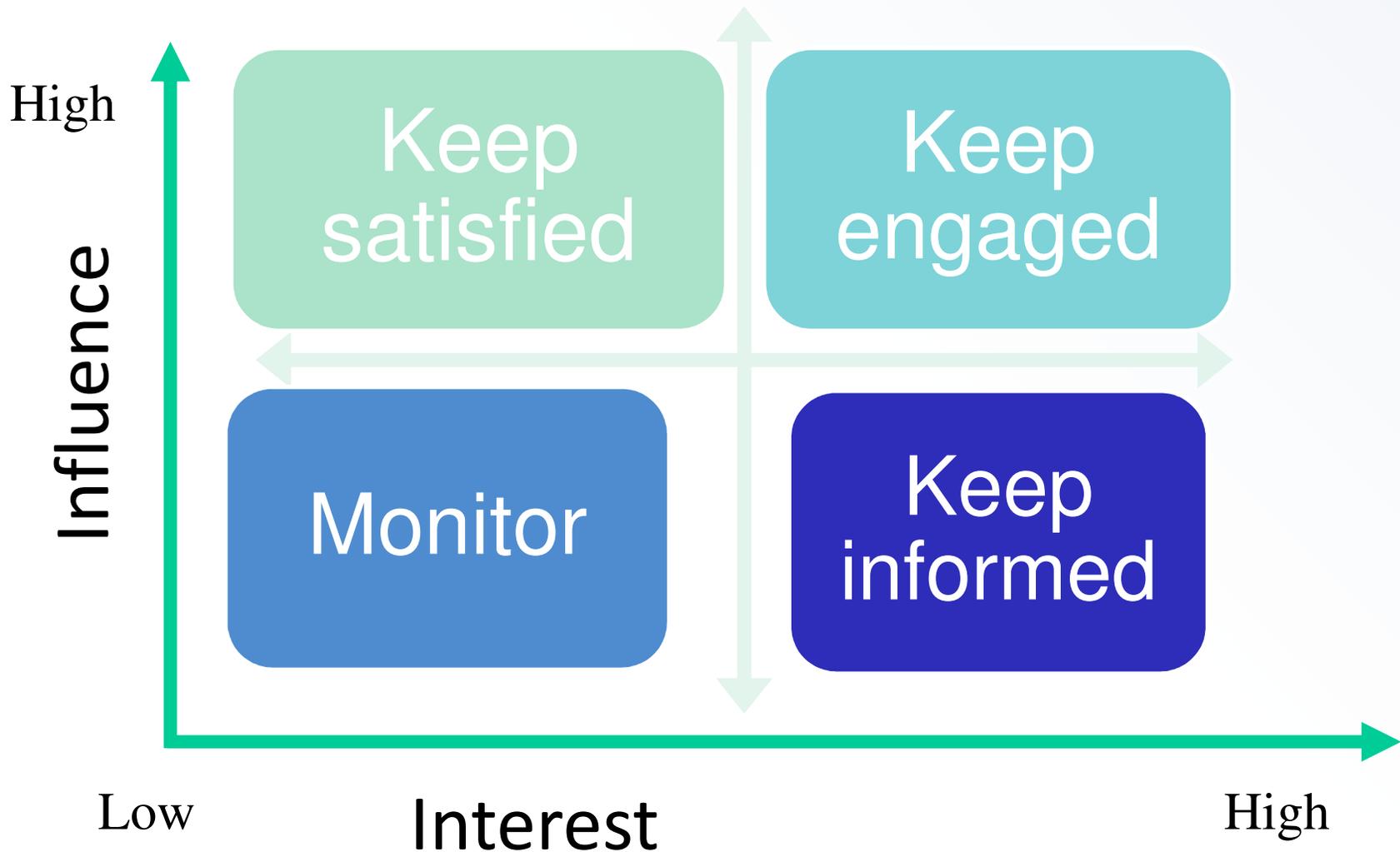
Conclusions

- 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?