

Chapter 3

Mainstreaming Impact considerations in TAI audits?

Why does audit impact of TAI Audits matter?

No SAI audit is an end unto itself. Every audit is taken by a SAI to make a difference and contribute to positive outcomes that benefit all. The need for impact of the audit is even more urgent in case of the TAI audits, as the SAI conclusions and recommendations need to be acted upon in a short, urgent time frame to improve transparency, accountability and inclusiveness of the spending on COVID-19. As such, even as SAIs consider their mandates and quality standards, we urge SAIs to also visualise the impact that they would like to see from their TAI audits.

What could be the audit impact of TAI Audits?

As the name suggests, the main impact of TAI audits will be their contribution to enhancing transparency, accountability and inclusiveness in the use of emergency funding. Such an impact can be visualised in the short term and a longer-term.

1. In the short term, the implementation of TAI audit recommendations leads to enhanced transparency, accountability and inclusiveness in the use of emergency funding for COVID-19 by strengthening compliance frameworks and adherence to applicable compliance frameworks. These could be compliance frameworks for emergency procurements during COVID-19, socio-economic packages or other compliance frameworks under which emergency funding takes place.
2. In the long term, the implementation of TAI audit recommendations leads to setting up of more transparent, accountable and inclusive frameworks for public spending during emergencies.

SAIs can have a positive impact on transparency, accountability and inclusiveness even before the conclusions and recommendations are formally published. Audited entities may act on SAI audit observations during the course of the audit. Audit observations may also encourage audited entities to plug loopholes for transactions in the immediate future.

TAI audits can have a big impact in terms of their deterrent value. The fact that the SAI has taken up an audit can also act as a deterrent for likely non-compliance. Please watch [AFROSAI-E's interview¹ with the Auditor-General, Sierra Leone](#). Given the nature of TAI and the urgency of the emergency situation, we encourage SAIs to explore agile ways of getting their findings acted upon.

How can SAIs enhance audit impact of TAI Audits?

As mentioned above, in the case of TAI audits, SAIs can aim to look at making a positive impact even as they take up the audit. SAIs can enhance the impact of their TAI audits by mainstreaming impact considerations and reflecting on impact throughout the TAI audit process. We have the following tips to offer in this regard.

1. **Visible and engaged SAI Leadership** – SAI leadership plays a critical and central role in ensuring the impact of TAI audits. SAI leadership sets the tone of the TAI audit for both internal and external

¹ <https://www.youtube.com/watch?v=MLWr5Qtpxro&feature=youtu.be>

stakeholders. SAI leadership need to ensure that the SAI has systems in place to enhance the impact of TAI audits.

2. **Proactive and continuous communication with audited entities** – In order to understand the landscape of COVID-19 spending and funding, it is important for the SAI to maintain strong communication with the audited entities throughout the audit process. SAIs also need to communicate with audited entities and stakeholders to remind them of the rules and regulations that need to be complied with even in emergency situations. In most cases, issues of mandate, information and action on audit findings can be effectively sorted out through strong dialogue. Such dialogue will also allow SAIs to gain a deep understanding of the situation and come up with realistic recommendations for the government to act upon.

3. **Create a stakeholder coalition** – Audit impact is not something that SAIs can achieve on their own. It would be important for SAIs to identify key stakeholders to work with throughout the TAI audit process and for facilitating audit impact. We recommend establishing strong communication lines with audited entities, civil society organisations, development partners, actors in the accountability & transparency sector like anti-corruption agencies, actors who work with vulnerable groups, legislative representatives, academia, peers. To create ownership and leverage off each other, it is important to involve appropriate actors throughout the audit process rather than at the end of the audit. It is also critical to find mechanisms for public participation.

SAI South Africa collaborated with a newly established fusion centre that deals with investigations into fraud and corruption relating to COVID-19, by sharing their findings and data analyses with them. The centre included the Special Investigating Unit, Directorate for Priority Crime Investigation (Hawks) and Financial Intelligence Centre. They also liaised with the Competition Commission and the Public Protector by sharing information for their further investigation.

4. **Communicate the value of your work** – Even as SAIs take up TAI audits, it is important to speak about the value of these audits and communicate the visualised outcomes at national, regional and international fora. A short communication plan for the TAI audits would help the SAI's communication efforts. In the case of SAIs which have communication departments or communication officers, we suggest involving them from the beginning, especially in developing a communication plan. Social media platforms, online communication tools, regional and international stakeholder meetings can be used for such communication.

5. **Reflect on audit impact throughout the audit process** – In order to keep the spotlight on audit impact throughout the audit process, we recommend that the SAI team reflect on the following questions during the TAI audits:

Deciding on the TAI Audit portfolio

- Will the selected audit(s), individually and collectively, contribute to enhancing transparency, accountability and inclusiveness in the use of emergency funding?
- Do considerations of audit impact at this stage include gender and inclusiveness considerations?

Designing the TAI Audits

- Will the determined audit scope lead to the desired audit objectives?

- Will the examination of these audit objectives lead to the desired audit?
- Will this audit positively impact those left behind?

Conducting the TAI Audits

- Will the audit conclusions lead to the desired audit impact?
- Have we engaged with stakeholders in a way that facilitates audit impact?
- Do the audit conclusions adequately reflect the views and status of vulnerable groups affected by COVID-19?

Reporting on the TAI Audits

- Are the recommendations in the report realistic and actionable?
- Will they positively contribute to transparency, accountability and inclusiveness in COVID-19 spending?
- Will they have a positive impact on COVID-19 spending for vulnerable groups?
- Is the report accessible to all key stakeholders, including vulnerable groups?

Audit Follow up & Facilitation of audit impact

- Have we engaged with appropriate stakeholders for follow up and facilitation of audit impact?
- Do we have an effective independent follow-up mechanism that will insist on executive action on audit conclusions and recommendations?
- Have we focused on vulnerable groups in following up on our recommendations and facilitating audit impact?

6. **Ensure credibility, timeliness and relevance of TAI audits** – Lastly and most importantly, audit impact of TAI audits requires high quality, credible audit work that is done in a timely manner and that is relevant to the national priorities. Following the compliance audit ISSAIs will help the SAIs in ensuring the credibility and quality of their work. Adopting an agile approach, as per the capacity of the SAI, will help the SAI in delivering a timely response. The other chapters in this practical guide provide guidance on conducting an ISSAI compliant TAI audit using an agile approach.