

SAIs Function in Public Accountability

- and whether they have been purposefully used
- If annual accounts present a true and fair view of the operations for the year and their end-of-year status
- Effectiveness and efficiency with which these bodies use public money for the performance of their functions.

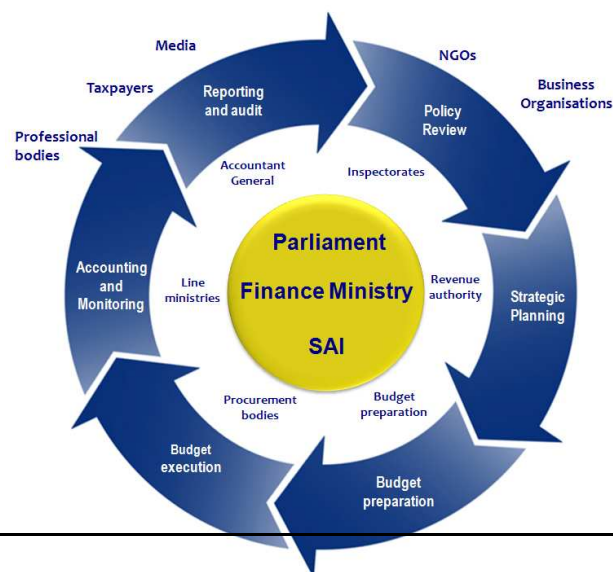
How often do the SAIs perform the audit?

- Once a year, submitted to Parliaments / National Assembly in August and publicly released in October.

Where can I find SAI audit reports?

- <http://www.revizija.gov.ba/>
- <http://www.saifbih.ba/>
- <http://www.gsr-rs.org>

The Accountability Cycle



Public Accountability: The obligations of public institutions and officials that are entrusted with management of public resources to be answerable for their actions, to those who have assigned such responsibilities to them - the citizens and their representatives.

SAI ROLE

Oversight - preventing and detecting fraud, waste and abuse

- Prepares timely, quality external financial audits
- Tracks and reports audit follow-up
- Issues compliance reports
- Provides media with information to promote public understanding about audits.

Insight - making government more efficient effective

- Prepares timely, quality external performance audits
- Issues value for money reports
- Tracks and reports audit follow-up.

Foresight - Examining the role of government

- Provides leading indicators and impact analysis support decision making.

In these days of privatization, decentralization, public sector reforms and the fight against corruption, ensuring that SAIs have the independence, competence and needed to fulfill their mandates is more important than ever.



Bosnia and Herzegovina

The Role and Importance of BiH Supreme Audit Institutions in Public Financial Accountability



OF THE FINANCIAL OPERATIONS OF THE INSTITUTIONS OF BiH



SAIs.

Improving the efficiency of government spending by objective and independent evaluation of the use of public funds is the aim.

Three independent Supreme Audit Institutions (SAIs) have been established in Bosnia and Herzegovina for almost a decade to audit the public accounts of government departments, cantons, municipalities and a wide spectrum of other public institutions, enterprises and organizations.

What is a Supreme Audit Institution?

A SAI is the **public body** of the State/Entities that exercises the **highest public auditing function** of the State/Entities with the important mission to:

- Prevent and detect fraud, resource waste and abuse
- Make government more efficient and effective
- Regularly examine the role of the government
- Influence public sector reform initiatives
- Link the formal system of financial accountability.

What are the strategic objectives of the SAIs?

- Monitor transparency and improve accountability of public spending
- Improve the quality and reliability of financial processes
- Provide information to legislative and executive authorities to support the proper spending of public funds
- Provide audit reports to state and entity authorities, institutions, media and general public
- Raise the confidence level of the general public, domestic and international institutions in the

To whom are the SAIs accountable?

SAIs are accountable to the Parliamentary Audit Committees/Committees for Budget and Finance in compliance with the highest professional standards and Code of Ethics called **INTOSAI** (International Organization of Supreme Audit Institutions – www.intosai.org)

What kind of Authority do the SAIs have?

SAIs are established by Parliaments/National Assembly, though they initiate their own audits and should be protected from political interference. The role of the SAI is to **monitor and report**, NOT to enforce findings and recommendations.

Are the SAIs completely independent of the government?

Independence and objectivity in audit is vital. Ultimately, audit tasks rest with the SAIs and there is no restriction on content or timing of reports, with an adequate degree of independence from both the legislature and the executive authorities.

What are the standard procedures of the SAIs in BiH?

- Examine documents and other relevant records with free access to official premises and property
- Require explanations from auditee's regarding significant issues related to the audit performance
- Draft audit reports and submit to the auditee, the management board and to the key management official in charge during the audit period
- Inform competent authorities if auditors identify reasonable grounds for a misdemeanor or a criminal charge.

Is there coordination between the three Supreme Audit Institutions?

Yes. The **SAI Coordination Board**, consisting of the Auditors General and Deputy Auditors General, meets regularly to collaborate on the establishment and implementation of **harmonized quality audit standards.**

What kinds of audits do the SAIs perform?

Supreme Audit Institutions in Bosnia and Herzegovina perform financial and performance audits.

Financial Audit consists of:

- Financial audit of the accounts of organizations using public funds for compliance with law and adequacy of use
- Assessment on whether the managers apply the laws and regulations and spend the funds for intended purposes
- Checking whether the recommendations from earlier audits have been applied and analyzing the actions taken accordingly.

Performance Audits - consist of an assessment of how well the organizations use public money to achieve intended program results.

What do the SAIs do with their audit findings?

The SAIs issue objective, independent, and timely audit reports on public accounts to the Parliamentary Audit Committees/Committees for Budget and Finance concerning:

- Account compliance with current regulations