



SUPREME AUDIT INSTITUTIONS AND ACCOUNTABILITY

**Creation of common grounds for strengthening
external control in Latin America**

**Tools for the application of accountability principles
Declaration of Asuncion**

Researchers

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ORGANIZATION OF LATIN AMERICAN AND THE CARIBBEAN SUPREME AUDIT INSTITUTIONS

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INTRODUCTION

The political and institutional development of Latin America during the last two decades is characterized by governments concern about the creation of more inclusive societies that meet the needs of development in an effective way, of reduction of extreme poverty and misery, and to strengthen mechanisms that allow a better enjoyment of essential people rights.

Such challenges have demanded important efforts to update political institutions, involve traditional excluded sectors, and improve quality of basic services, and to face predicaments inherent to political systems of the region, among which, it is possible to point out administrative inefficacy, corruption, and traffic of influences which undermine citizen trust in their institutions.

The wide diversity of experiences and learning facing challenges to assure democratic stability and legitimacy of the countries of the region is explained by the approaches, developments, and achievements obtained as a result of adjusting constitutional, legislative, and normative frameworks; levels of institutional development including the ability of control and supervise State organizations to assure effective control of public resources investment; and the openness of governments to process citizen complains and to facilitate the necessary conditions for society to enjoy basic rights.

Today, the need to strengthen citizen participation in public policy, the challenges to overtake poverty and social discrimination, and the reduction of corruption, among many other challenges to improve political control on democracies of the region, have made possible that the right to information and to accountability are in most political agendas of Latin America. Simultaneously, Latin American societies express a higher acknowledgement of the fact that *“the work at SAIs constitutes a guarantee for the transparency of management of public funds; it represents for society the possible generation of dynamics to a higher social inclusion facilitating public investment and social and welfare policies analysis; it contributes to the democratic strengthening and directly affect the compliance of people economical, social, and cultural rights when it shows the materialization of public policies designed by governments”*.¹

Likewise, important academic and political sectors, state agents, international cooperation agencies, media, civil organizations and citizens, all acknowledge that the exercise of citizen participation in public administration and accountability is an effective mechanism for political and administrative power control of the State.

However, recent conceptual developments, increasingly complex, demonstrate a wide range of modalities and ways of accountability, among which it is possible to point out the most traditional ones, as horizontal and vertical accountability up to those that establish institutional and social interactions, called diagonal and transversal, social, hybrid, mutual, legal, and about results, which

1. Luis Fernando Velásquez Leal. *“Interaction between Supreme Audit Institutions and Citizens: Developments, Lessons Learnt and Challenges Regarding Citizen Participation in Public Sector Auditing in America Latina”*, published in: Supreme Audit Institutions. Accountability for Development. INTOSAI –GIZ. Editorial Nomos. Germany. 2013.

some times, makes it impossible to see the multiple social and institutional distinctive features, that condition and determine accountability efficiency.²

For this reason, in order to facilitate understanding of the theme by governmental, legislative, and citizen sectors and to widen the possibilities of application of the Principles of Accountability of the Declaration of Asuncion, 2009, the Technical Committee of Best practices of Governance of OLACEFS, with the support of GIZ, developed in 2013 the study, *Scopes of Institutional Control and Accountability in Latin America*, which involved the SAIs of: Argentina, Belice, Chile, Colombia, Costa Rica, Cuba, El Salvador, Nicaragua, Panama, Paraguay, Dominican Republic, Peru, Puerto Rico, Uruguay and Venezuela, with the purpose of offering a new perspective of accountability, from the analysis of its scope, its constitutive elements, dimensions, competence range, and considering the developments, learning, and challenges they have to face at the present.

In the same way, as a result of the investigative process, two technical instruments were built to improve quality of accountability and to contribute to make official the use of best practices of governance in the countries of the region. The first one is the *Guidelines for Implementing Principles of Accountability of the Declaration of Asuncion*, which points to provide practical tools for the accountability at the institutional sphere in line with the Declaration of Asuncion. The second one is the *Guidelines for the public accountability of the SAIs to the citizens*, which points to provide a methodological route for presenting, to citizens, results of the institutional management of the SAI, specifying aspects, such as, institutional framework and the performed administration, the scope and results of institutional control, emphasizing on control of the budgetary cycle and on institutional control over the accountability of audited organizations.

Both instruments are based on the recognition of the best practices developed in eighteen countries of Latin America. These tools propose actions to be implemented by governments and SAIs in order to promote efficiency in accountability of governmental entities presented to external control entities, and from these entities toward the legislative branch. These instruments also facilitate the knowledge of institutional dynamics on accountability on behalf of civil organizations and citizens, who are able to generate an opinion with real information, which in turn allows a public judgment based on administration results.

In 2014, OLACEFS and its Technical Committee of Best Practices of Governance, with the technical and financial accompaniment of Corporacion Accion Ciudadana Colombia –AC Colombia, performed the validation of contents of the technical document and the proposed tools. This, dealt first

2. A definition of the different ways of accountability may be found in: Program of the United Nations for Development – PNUD. "Promote social accountability: From theory to practice – 2010, available at: <http://www.undp.org/content/dam/undp/library/Democratic%20Governance/OGC/dg-ogc-Fostering%20Social%20Accountability-Guidance%20Note-ES.pdf.pdf>.

with a Consultation process via email, which allowed the integration of new contributions and comments from SAIs of Belize, Chile, Colombia, Costa Rica, Guatemala, Honduras, Nicaragua, Paraguay, Peru, Puerto Rico, Uruguay, and Venezuela, and from the Civil Organization of Equity and Justice –ACIJ– from Argentina and Suma Ciudadana from Peru. Secondly, this dealt with a series of dissemination and validation sessions that were convened by the SAI of Chile, the Presidential Office of Transparency, Modernization, and Reformation of the State, the Superior Court of Auditors of the Republic in Honduras, and the SAIs of Peru. In Colombia, there were sessions convened by the Program of Political Sciences and Government of the Universidad del Norte and the Corporation, “Como vamos” which involves near 830 participants from the academic, governmental, legislative, control, media, international cooperation, civil organizations, and citizens sectors, that added value to all contributions of the sessions convened by the SAIs of Argentina and Dominican Republic during the investigation in 2013.

As a result of this collective process of construction we now introduce this publication

The Supreme Audit Institutions and Accountability: Creation of common grounds for strengthening of External Control in Latin America, which involves: 1. The new interpretation framework of accountability from the point of view of SAIs; 2. Features of Institutional Accountability in Latin America; 3. Determinant factors of accountability quality and best practices of SAIs in this matter; 4. Challenges of SAIs and governmental transformations to improve quality of Accountability in Latin America. Finally, chapter 5 introduces the tools to improve Accountability quality by applying the Principles of the Accountability of the Declaration of Asuncion, 2009.

To those who participated in this important initiative, a very special acknowledgment specially to Corporacion Accion Ciudadana Colombia – AC Colombia, because thanks to their contribution, in the definition of the methodological route, the technical accompaniment to in situ validation, and its structure and digitalization, OLACEFS has today practical tools that can be applied to the context and institutional reality of each country, according to their constitutional and legal frameworks.

Finally, we issue an effusive and cheerful invitation to SAIs members of OLACEFS, to governments, to parliaments, and to civil organizations and citizens to use the tools we are bringing at your disposal, being convinced of the contribution to the improvement of institutional quality of governments.

Dr. Horacio Francisco Pernasetti

Technical Committee of Best Practices of Governance - CTPBG
Buenos Aires, noviembre de 2014.

CHAPTER I

ACCOUNTABILITY. A NEW INTERPRETATION FROM THE PERSPECTIVE OF SUPREME AUDIT



INSTITUTIONS

Recent theoretical approaches regarding development and consolidation of modern democracies consider the fact that “politicians should be responsible for their decisions and actions through multiple mechanisms and procedures” as one of the essential principles.³ On accountability, important contributions have been made to the world of political science by scholars like Robert Dahl, Robert Behn, Guillermo O’Donnell, James Bohman, Felipe Hevia de la Jara, Adam Przeworski, Enrique Peruzotti, John Ackerman, Andreas Schedler, Catalina Smulovitz, Sergio Bonilla, Alberto Olvera and Ernesto Insunza, among many others, who have created a framework for accountability interpretation, performance and measurement.

Different authors account for a wide range of modalities and ways of accountability, among which, the most traditional are horizontal and vertical accountability and even those that establish institutional and social interactions which have been called as diagonal or cross, social, hybrid, mutual, legal accountability and accountability referred to results.

However, regardless the ways of accountability or those that best suit to interpret its scope or impact, there is a consensus that indicates it has irreplaceable dimensions. First, the information dimension refers to the action of introducing the facts generated in the exercise of public service. Second, the explanatory dimension refers to the justification of the actions that led to public decisions and, third, the possibility to establish sanctions. Recently, the term receptiveness has been introduced as an element that indicates the ability of officers and politicians to consider the views of citizens at the time of accountability.⁴

Nevertheless, it is necessary to make some reflections in view of the proposals presented by the scholars on the matter, aimed at strengthening discussion on accountability, positioning its action as a governmental practice and clarifying the role of SAIs in their institutional function of control.

According to Andreas Schedler, the term accountability refers to the action in which “an individual is accountable (answerability) to another individual, when he is forced to inform him about his actions and decisions (past and future), justify them and be sanctioned (enforcement) in case of misconduct”. At institutional level, this definition implies the obligation to inform, justify government actions, and impose sanctions to officers and representatives who violate the institutions. In this sense, Enrique Peruzotti states “accountability refers to the possibility, on the one hand, to force politicians and officers to report and justify their decisions and, on the other, to punish them for their behavior”. These definitions of accountability seem to reflect a relatively accepted concept.

In this way, accountability acts as a mechanism of weights and counterweights, among the branches of government, and implies the “existence of government agencies that have the legal right and power and are factually able and capable to take actions ranging from routine control to legal sanctions or impeachment, in relation to facts or omissions by other agents or agencies of the State, which may, at first or allegedly, be classified as illegal”.⁵

3. Mikel Barreda, in Spanish, “*La calidad de la rendición de cuentas en las democracias latinoamericanas*”. Document submitted in the X Congress of the Spanish Association of Political Sciences – 2011. Page 3. 2011.

4. The term “receptiveness” was introduced to the debate by John Ackerman in 2004 in the document State-Civil Society Synergy in favor of accountability: lessons for the World Bank”, available at: http://www.wds.worldbank.org/external/default/WDSPContentServer/WDSP/IB/2004/07/26/000090341_20040726144224/Rendored/PDF/29701.pdf

5. Guillermo O’Donnell, quoted by Sergio Gerardo Bonilla Alguera in Spanish in “*Modelos de la Democracia y la Rendición de Cuentas: la ventaja de una concepción deliberativa de la democracia*”, available at: <http://www.ciesas.edu.mx/diplomado/finales/modelos%20de%20democracia%20y%20rendici%F3n%20de%20cuentas.pdf>. Page 7.

This idea coincides with the recent proposals of INTOSAI⁶ claiming that the control exercised from the perspective of the Supreme Audit Institutions is aimed at “auditing the legitimacy of the activities of public officers and institutions responsible for the administration of public property”.⁷ Following this line of thought, the INTOSAI GOV 9100, 2004 rule: *Guidelines for Internal Control Standards for the Public Sector* states that “accountability might be better defined as the obligation of individuals and entities, including public bodies and companies, which are entrusted with public funds so that they respond to fiscal, management and planned accountability conferred to them and to report to those who have conferred them such accountability.”⁸

However, upon addressing the types of accountability from the perspective of Supreme Audit Institutions, SAIs- the first differences arise regarding the horizontal and vertical nature of accountability posed by the scholars.

In the first case, a *horizontal accountability* implies a relationship among equals, which is not evident in the field of the administrative structure of the State. The mechanisms of weights and counterweights even foresee relationships of subjects to control entities, in the strict sense of accountability, -*information, explanation and sanction*- that are far from a horizontal relationship including the case of public entities being the only entities subject to accountability where private entities managing public resources which are obliged to accountability under the legal and regulatory frameworks, in force, would be excluded from the exercise of the accountability.

Thus, the SAIs are in charge of exercising external control on the public administration and in the case of Latin America, under various constitutional figures as controller general offices, audit offices, courts of accounts or audit chambers. Public bodies and individuals managing public funds are subject to auditing and control. In some cases, SAIs are entitled to impose economic and disciplinary sanctions, in accordance with the corresponding constitutional and legal system.

Consequently, the accountability to which governmental entities are subject, including those belonging to institutional control, within the framework of the weight and counterweight system, belongs to an internal area of the public sector.

From the perspective of SAIs, accountability quality depends on the scope and effectiveness of institutional control to review, interpret, and report on the information and proofs reported by audited entities, as well as on the ability to define responsibilities and to apply sanctions or process them before the competent authorities. This ability is directly associated to constitutional and legal frameworks, and to the availability of tools, methods and instruments of control, which also has a significant impact on the development of an institutional culture based on the respect of the public officer to comply with regulations.

In the second case, vertical accountability is based on the capacity to sanction exercised by citizens through free and transparent electoral processes in order to validate, approve or revoke the mandate conferred, on the basis of the information and explanation of the scope and results of government administration, at first, applicable only to popular elected offices.

6. INTOSAI is the International Organization of Supreme Audit Institutions that gathers external audit bodies in the world. It currently has 191 members. INTOSAI has a special status in the Economic and Social Council of the United Nations (ECOSOC).

7. Supreme Audit Institutions members of INTOSAI are currently analyzing the document INTOSAI GOV 9160, “Strengthening Good Governance of Public Assets: Essential Principles for their implementation”. A reflection on the matter is presented herein

8. INTOSAI GOV 9100: Guidelines for Internal Control Standards for the Public Sector; available at: <http://www.intosai.org/issai-executive-summaries/view/article/intosai-gov-9100-guidelines-for-internal-control-standards-for-the-public-sector.html>

From the perspective of SAIs, this accountability mechanism is not applicable to their field of competence because of the nature and way of election of the external auditing authorities.⁹ Under the existing constitutional frameworks, in Latin America, there is no possibility of a popular sanction based on electoral processes applicable to the control authorities. The sanction due to acts or omissions by agents of external control is part of the institutional framework of accountability, thus, every legal system foresees the way of removal of officers in charge of SAIs.

However, this situation is not an impediment for the SAIs *to report, be responsible for, and explains* citizens about the administration and outcomes of their institutional work. In fact, the last decade, control bodies in the region have ventured into performing exercises of information and explanation to citizens on matters related to their work. They have even developed public hearings to present the results of audits and special investigations, opening the possibility to stakeholders, citizens, and civil organizations to follow-up recommendations or provisions posed by the control body.¹⁰ This input is a technical instrument of great scope to improve the quality of social control encouraged in the region under the modalities of social auditing, social control or citizen oversight, among other ways of citizen control.

As for *diagonal or transverse accountability*, its definition states that this “is done through State institutions – composed of citizens – and from the sphere of civil society they exercise control over public officers”.¹¹ Likewise, social accountability expresses “the control exercised by citizen associations and movements as well as media actions over the authorities.”¹² Strictly speaking, these ways of accountability show that a greater interaction among public and State agencies, including agencies of external control, may result in a better control of the public sector. The actors involved, the competencies, authorities, and mechanisms of action in the dimensions of information, explanation, and sanctions constitute a network of relationships that promote citizen participation in accountability.

As these actions are generated through citizen mobilization and pressure and through the openness of government institutions to channel them, the SAIs of the region, besides to strengthening the quality of this way of accountability based on the audit work, have got opportunities ready for citizen participation in the institutional control, through the implementation of mechanisms, such as, the promotion and attention to citizen complaints, the direct participation of civil

9. Election of authorities of Supreme Audit Institutions of Latin America is mainly in charge of the legislative branch of each country, namely, Assembly or Congress, except for Chile where the Controller General is appointed by the President of the Republic with Senate's approval and in Belize where the Auditor General is proposed by the National Assembly and appointed by the Governor General.

10. For further illustration about the experiences developed by the Supreme Audit Institutions of Latin America in this sense, refer to, in Spanish: “Participación Ciudadana en el Control Fiscal: Buenas Prácticas para el Fortalecimiento de las relaciones entre las EFS y la Ciudadanía”, 2012. Pág. 23 y ss. OLACEFS – Comisión Técnica de Participación Ciudadana –CTPC. At: <http://www.intosai.org/issai-executive-summaries/view/article/intosai-gov-9100-guidelines-for-internal-control-standards-for-the-public-sector.html>

11. Sergio Bonilla Alguera in Spanish, in “Modelos de la Democracia y Rendición de Cuentas: la ventaja de una concepción deliberativa de la democracia”, available at: <http://www.ciesas.edu.mx/diplomado/finales/modelos%20de%20democracia%20y%20rendici%F3n%20de%20cuentas.pdf>. Page 8

12. Sergio García and Cristina Cobos, in Spanish “Entre la virtud y la incongruencia: rendición de cuentas y transparencia de las organizaciones de la sociedad civil”. Page 109. At: <http://biblio.juridicas.unam.mx/libros/6/2500/9.pdf>

society organizations in the different stages of the process of institutional control, and in the development of clear, accessible, and understandable information systems for auditing and social control.¹³

The availability of institutional channels for accountability from the State to the citizens evidences a necessary condition that assures the effectiveness of the mechanisms for *information, explanation, and sanction*. In 2004, John Ackerman introduced the concept of “receptiveness” as an additional element that refers to the “ability of public officers and politicians to bear in mind the knowledge and opinions of citizens when held accountable” with a limited scope of the term since it does not consider demands of citizens as a determinant factor for enforcing accountability: upon greater citizen demands greater accountability. A more appropriate term to interpret this reality is the meaning of “openness” that, in addition to indicate an action of condescension between the State and the Civil Society, it reflects a favorable attitude towards innovation. Additionally, receptiveness, interpreted as *openness* in this analysis, cannot be regarded as an additional element to information, explanation and sanction that characterizes the effective accountability, but as a necessary condition that allows the information and explanations reported by government agents be useful to guarantee an effective sanction, if necessary.

In summary, and based on the above considerations, a new interpretation of accountability from the point of view of external institutional control exercised by SAIs should start from this definition, “*Accountability is a process through which officers, public servants and individuals managing public funds, report and explain in detail, before the competent authority and the citizens, about the decisions made in the exercise of their duties and account for the management and results of their actions, being subject to social and legal sanctions provided by law, depending on whether it has been appropriately managed or not*”.

Thus, to ensure an effective accountability, the existence of the dimensions of *information, explanation, responsibility and sanction* is necessary, as a result of the existence of such conditions: availability of a legal framework for this purpose; compliance of that legal framework by public servants and officers; political will to introduce to citizens the results of the institutional work; transparency and access to public information as a condition, *sine qua non*, for a better government; and the availability of technological tools to make all possible. Consequently, accountability will impact over the improvement of institutional practices, and over the informed and transparent decision-making, on behalf of the responsible institutions as well as of the citizens, who will issue an opinion based on institutional administration results. It will also impact over the increase of trust on public institutions by citizens, over the correct use of public funds and over the materialization of principles of transparency, effectiveness, efficiency, responsibility, and citizen participation.

13. To further illustrate the experiences developed by the Supreme Audit Institutions of Latin America in this regard, see, in Spanish: “Participación ciudadana en el control fiscal: Buenas prácticas para el fortalecimiento de las relaciones entre las EFS y la ciudadanía”. 2012. Page 23 ff. OLACEFS - Technical Committee on Citizen Participation-CTPC. at: http://www.olacefs.com/Olacefs/ShowProperty/BEA%20Repository/Olacefs/uploaded/content/category/20121105_Informe_Completo.pdf

As an institutional practice, accountability is demonstrated with compliance of presentation of reports to the Congress or to the SAI, in accordance with regulations, which is a duty of governmental institutions and individuals managing public funds. Later the SAI performs analysis, evaluations and recommendations according to regulation and criteria, and then presents them to the legislative branch, as a technical input to analyze public policies and made the corresponding decisions, provided that it offers relevant political, economical and financial information on budgetary execution, public funds destination, and management results, among others, besides providing significant input for political control of its institutional task.

The accountability system varies from country to country but it must have certain mechanisms, dimensions, and areas of competency for the SAI to properly function, as well as inter-relationships with state and social actors, which are showed in the following table:

Table 1. Components of accountability from the perspective of Supreme Audit Institutions

Mechanisms	Dimensions	SAI Competencies and responsibilities	Interrelationships
Institutional Accountability	Information	Performs external control based on the information report of audited entities.	Government bodies and audited entities Legislative Branch
		Performs monitoring of public accounts and public administration applying auditing techniques and special research	
		The scope of control varies according to legal framework, going from legal and financial inspection up to the analysis of sustainability of public policies, going through evaluation of institutional administration and performance	
	Explanation	Performs the analysis of national accounts and macroeconomic behavior based on the powers of surveillance and control	Government bodies and audited entities Legislative Branch
	Responsibility	Determines responsibility for the achievement of expected goals and objectives and the attained results in terms of efficiency, effectiveness and economy.	Government bodies and audited entities Internal control bodies or agencies
		Detects administrative and legal responsibilities in the management of public funds	
	Sanction	Applies economic and administrative sanctions or promotes its implementation, according to their competency	Judicial entities Internal control bodies or agencies

Mechanisms	Dimensions	SAI Competencies and responsibilities	Interrelationships
Social accountability	Information	Provides information on the assessment of the audited entities and agencies in accordance with the scope of the audits performed.	Media, Civil organizations, and citizens
	Explanation	Opens spaces for dialogue based on the results of the auditing process.	Government bodies and audited entities
		Opens spaces for strengthening the social control over governmental management	Media, Civil organizations, and citizens
	Responsibility	Discloses fiscal and administrative responsibilities identified in the auditing process according to current regulation	Media, Civil organizations, and citizens
	Sanction	Provides information to citizens in order to strengthen the public judgment over governmental administration	Media, Civil organizations, and citizens

In summary, a new interpretation of accountability from a SAI must consider:

1. The concept of Accountability understood as *a process through which officers, public servants and individuals managing public funds, report and explain in detail, before the competent authority and the citizens, about the decisions made in the exercise of their duties and account for the management and results of their actions, being subject to social and legal sanctions provided by law, depending on whether it has been appropriately managed or not.*
2. To ensure an effective accountability, the existence of the dimensions of *information, explanation, responsibility and sanction* is necessary, within an environment of openness and participation, where public officers and citizens direct their actions to clarify and make transparent the decisions involving public funds administration, assuming rights and wrongs thereof.
3. The action of SAIs is limited to the field of institutional accountability, since external control provides competence to revise, interpret and rule on the information and rationale for the management reported by audited entities, as well as, by the ability and power to apply sanctions or process them before the competent bodies.
4. The constitutional and legal frameworks, the availability of control tools, methods and instruments, as well as the existence of an institutional culture based on the respect of public servants to comply with the regulations, shall determine the effectiveness of accountability.
5. Vertical accountability, as a concept, is not applicable to SAIs considering the nature and form of election of the external auditing authorities.

6. The work of external audit performed by the SAls enrich and improve the quality of social accountability by providing technical input that clarifies government actions and enrich arguments prior to any sanction decision, either of political or social nature.

Taking into consideration that the effectiveness of institutional accountability depends on the constitutional and legal framework, on availability of control tools, methods and instruments, as well as, on the vocation of service of government agents to comply with the obligations contained in the regulations; the following section analyzes the specific conditions of the SAls of Latin America with the purpose of generating a framework of interpretation to evaluate the progress of accountability in the region.

CHAPTER II

SPECIAL FEATURES OF INSTITUTIONAL ACCOUNTABILITY IN LATIN AMERICA



For a better understanding of institutional accountability this chapter introduces the features and main aspects defining its quality, from the perspective of the SAIs of Latin America, within the framework of the Principles of Accountability of the Declaration of Asunción and the International Standards of SAIs (ISSAI)

1. Regulatory references for accountability

The Declaration of the Principles of Accountability by the XIX General Assembly of the Latin American and the Caribbean Organization of Supreme Audit Institutions (OLACEFS), held in Asunción, Paraguay, in October 2009, is the proclamation of the SAIs of the region of their recognition to accountability as a basic principle for governance, legitimacy and generation of social trust. They also recognize an instrument for transparent decision-making resulting in higher quality policy decisions since it allows correction of behaviors and improvement of institutional practices.

Institutional accountability of the audited bodies is the essence of external control due to the responsibility of SAIs to guarantee oversight of public funds investments and availability of tools to audit and evaluate the work of government agents, in addition to its competence to show the results of the administration before the legislative branch and citizens.

The 2009 Declaration of Asunción, besides setting out this recognition, points out the conditions for the process of accountability “to work optimally.” In this sense, the Declaration shows that there is an *Integrated Accountability System* within the States, where SAIs are part of a structure that articulates networks of control agencies and agents. It also recognizes the access to information as a sine qua non condition for good governance and a legal framework in each country that determines its effectiveness.

During the XIX OLACEFS Assembly, the SAIs acknowledge the need to adopt and disseminate eight principles of accountability that may be summarized as follows: 1. *Acceptation of accountability as the basis of good governance*; 2. *Obligation to inform and justify*; 3. *Comprehensiveness of accountability*; 4. *Transparency of information*. 5. *Sanction in case of noncompliance*. 6. *Active participation of citizens*. 7. *Strengthening legal frameworks for accountability*, and 8. *The leadership of SAIs in continuous improvement*, as well as, the relevance of cooperation strategies among the countries of the region to increase the potential in this matter. Therefore, the Declaration of Asunción is the accountability path for the SAIs of the region.

The validity of this statement of principles has been strengthened with the issuance of the International Standards of Supreme Audit Institutions, specially the ISSAIS 20 and 21, issued by INTOSAI in 2010.¹⁴

ISSAI 20 establishes the *Principles of Transparency and Accountability* in order to encourage SAIs to promote mechanisms to improve their practices and way of government regarding transparency and accountability, as well as to facilitate greater awareness on the need to “promote, a better understanding of their functions and duties in society, between people and public administration”. This rule states that the information on SAIs, in addition to being consistent with the mandates and legal frameworks that govern them, must be relevant and easily accessible; the processes related to their work, activities, and products should be transparent and made public through an open communication to the media and other stakeholders.

14. To view the contents of the ISSAI 20. “Principles of transparency and accountability” visit: es.issai.org/media/14499/issai_20_s.pdf; ISSAI 21 “Principles of transparency and accountability: Principles and Best Practices” available at: es.issai.org/media/14503/issai_21_s.pdf

To this end, ISSAI 20 postulates 9 constitutive principles referred to the task of SAIs: *1. SAIs fulfill their duties within a legal framework that foresees the obligation of responsibility and transparency. 2. SAIs disclose their mandate, responsibilities, mission and strategy. 3. SAIs approve audit standards, objective and transparent procedures and methodologies. 4. SAIs apply high standards of integrity and ethics at all levels of staff. 5. SAIs safeguard the respect for the principles of accountability and transparency when they outsource their activities. 6. SAIs manage their operations in an economical, efficient and effective way, pursuant to laws and regulations and then they publicly report on these issues; 7. SAIs publicly report on the results and conclusions of their audits on government activities 8. SAIs widely and timely communicate their activities and the results of audits through the media, websites or other channels, and 9. SAIs hire external and independent advice to improve the quality and credibility of their work.*

ISSAI 21, Principles of transparency and accountability: Principles and Best Practices, it extends the scope of ISSAI 20 by establishing best practices to be promoted by SAIs. Illustratively, ISSAI 21 indicates some useful actions to promote transparency in order to strengthen accountability, such as: the availability of guidance laws and regulations pursuant to which they will be responsible for and accountable for; the public declaration of their mandate, missions, organization, strategy and their relationships with the various stakeholders, including the legislative branch and the executive branch; they disclose the conditions for appointment, reelection, retirement or cessation of the highest authority or of collegiate members; they communicate the scope of auditing activities and indicate issues, such as risk assessment; they keep the audited body informed about the objectives, methodology, and results of their auditing exercise; they have procedures to ensure the discussion and debate of audits with audited entities; they have effective mechanisms to monitor and report their recommendations in order to assure that the audited entities properly take into consideration their comments and recommendations, as well as those drawn up by the Congress; the availability of information on the total budget and the obligation to report on the origin of their financial resources, either by parliamentary allowance, general budget, ministry of finances, agencies and fees, as well as the way to use these resources; availability of performance indicators to assess the value of the audit work in order to facilitate such knowledge to the Congress, citizens and other stakeholders; the public visibility analysis, results and impact through external accountability; the public dissemination of audit findings and recommendations, except for those considered confidential according to special laws and regulations, as well as the execution of the State general budget, situational and financial operations, the progress in the overall financial management plus vocational training if provided by law, and independent and external evaluation of their operations, such as the evaluation made by peers, among others.

Another INTOSAI regulatory reference is INTOSAI GOV 9160 Document: *Strengthening Good Governance of Public Goods: Basic Principles for its implementation* that provides a detailed definition of the terms “accountability”, “goods”, “Governance”, “good governance”, “integrity”, “stakeholders” and “transparency”. This initiative enriches the analysis of the action of SAIs of the region regarding the institutional control and accountability of both budgetary cycle and public policy, which confirms the need to increase opportunities for citizen participation in the development and strengthening of governance.

In summary, both, the Declaration of Asunción, 2009 and ISSAIs 20 and 21, 2010, in addition to Document 9160 INTOSAI GOV, 2013, currently provide the international and regional framework to strengthen institutional accountability and its implementation shows the interest and leadership of SAIs in the region to address the issue.

2. Principles of Accountability of the Declaration of Asunción Incorporation in the corporate policy of SAIs.

Corporate policy identifies the approach or direction of the administration and organization of top management for the development of their legal functions. It varies according to the interests, guidelines or orders from the highest authority in charge of SAIs in each administration period. In particular, it considers the mission, vision, values and principles as well as the strategic objectives.

In general, SAIs of the Region show in their corporate policy, the principles and values that favor the development of accountability, including transparency, impartiality, professionalism, independence, integrity and ethics.

In connection with the strategic objectives, the SAIs of Argentina, Chile, Costa Rica, Guatemala, Honduras, Panama, Paraguay, Peru, Puerto Rico, Uruguay and Venezuela state the intention of strengthening accountability and approaching the citizens as mechanisms to improve institutional control.

From the perspective of the Declaration of Asunción, and for the development of their corporate policy, the SAIs of Argentina, Belize, Bolivia, Chile, Colombia, Costa Rica, Cuba, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, Puerto Rico, Uruguay and Venezuela, consider these core aspects: 1. The need to improve public policies and institutional practices, 2. Transparency, efficiency, independence, fighting corruption, honesty and leadership. 3. Strengthening institutional capacities. 4. The dissemination of proceedings, and 5. The use, adaptation and development of information technology and communications, which indicate a favorable environment for the implementation of their principles.

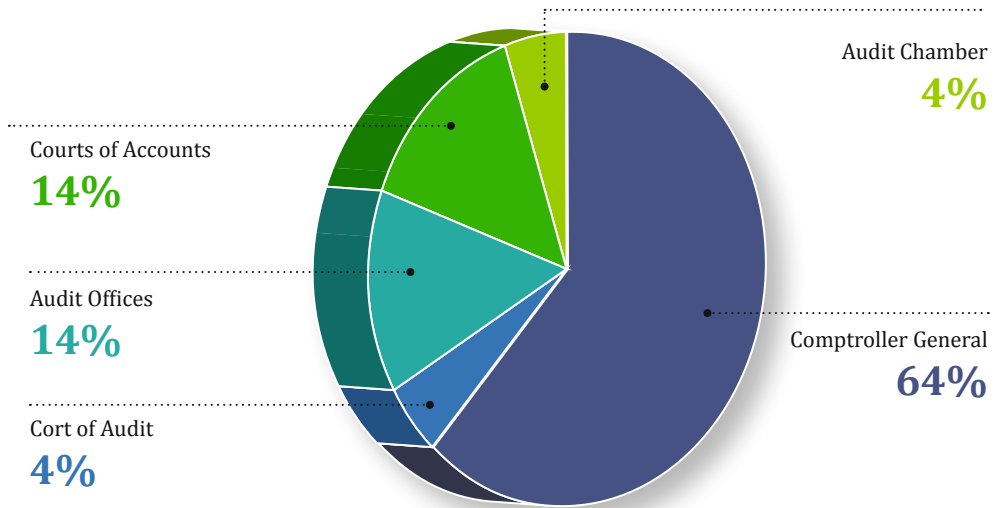
3. Characterization of factors determining accountability

Based on the information reported by SAIs of Argentina, Belize, Bolivia, Chile, Colombia, Costa Rica, Cuba, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, Puerto Rico, Uruguay and Venezuela, in the document *Scope of institutional control and accountability in Latin America*, this section contains, firstly, a characterization of the structure, organization, and nature of SAIs, besides the competencies for control of resources; secondly, it illustrates the sanction capacity of SAIs, and thirdly, it defines the powers of control and accountability over public policies and budget.

a. Structure, organization, nature of SAIs and competencies for control of resources

Regarding structure and organization, the SAIs of Latin America are organized in various modalities including National Audit Office, Comptroller Office, Collegiate Tribunal, Court of Accounts, and Audit Chambers.

Out of a total of twenty two members of OLACEFS, the SAIs of Bolivia, Chile, Colombia, Costa Rica, Cuba, Curazao, Ecuador, Guatemala, Nicaragua, Panama, Paraguay, Peru, Puerto Rico and Venezuela are placed in the category of Comptroller Office, for a total of fourteen, i.e., 64%. SAIs of Brazil, Honduras and Uruguay are placed in the category of Court of Accounts, for a total of three, i.e., 14%. SAIs of Argentina, Belize and Mexico are included in the category of Audit Offices, for a total of three, equivalent to 14%. SAIs of El Salvador and the Dominican Republic correspond to Court of Audit, 4%, and audit chamber, 4%, respectively, as shown in Chart 1.

Chart 1 – Distribution per type of SAI in the Region

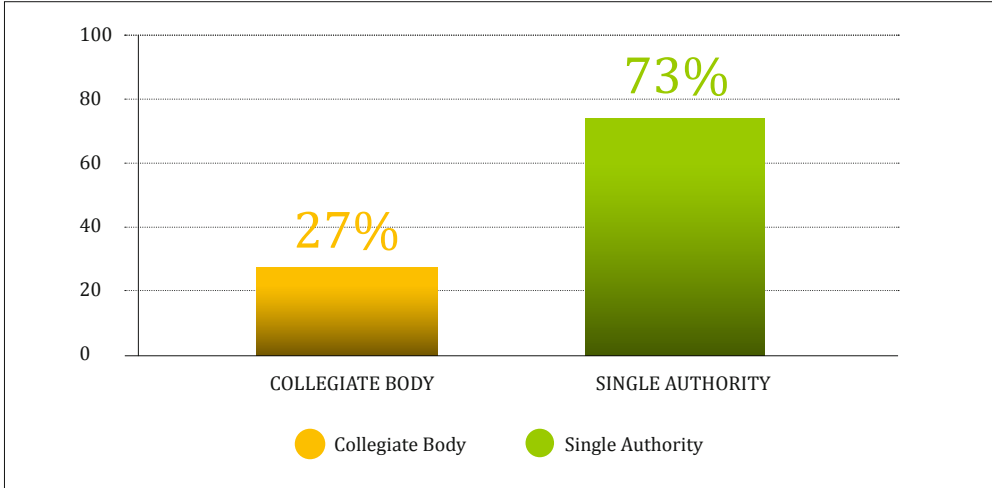
Source: OLACEFS, This information includes all (22) SAIs members of the Latin America and the Caribbean Organization of Supreme Audit Institutions.

This diversity regarding the name of SAIs in the region, such as comptroller office, court of accounts or audit chamber is explained in the Anglo-Saxon, French and Spanish fiscal control models¹⁵. However, in Latin America, these European control models have not been univocally expressed in each fiscal control model. It can be seen that the scope and practice of European control models adapted in Latin America are a combination of elements or features of the different control models. For example, the Court of Accounts of Honduras, despite its name, has no legal powers to judge or make a decision on damages to public property. The SAI of Colombia, called General Comptroller Office, has judicial power and can impose judgment to anybody causing damage to public property. Also, some SAIs have legal powers of prior control, as is the case of Chile and Panama, both of which also monitor the effectiveness of internal control and, if necessary, they exercise it. As for SAIs called audits, it is noted, in general, that their powers are limited regarding control scope. They verify and control, usually subsequently, and transfer the information about irregularities found to other authorities. All SAIs in the region are a technical support for the political control exercised by the legislative branch.

15. The Anglo-Saxon model of fiscal control is characterized for being a one-person system focused on the financial and accounting control, linked to the figure of an auditor general or comptroller, in turn, the French model of fiscal control refers to a collegiate jurisdictional system where the Court of Auditors is the most representative figure; and finally, the Spanish control model is characterized by a solid follow-up of taxes and the Public Treasury, under the modality of Court of Accounts.. For a detailed study please refer to : Ivan Ario Gomez Lee at (in Spanish): "Control Fiscal y Seguridad Jurídica Gubernamental" Universidad Externado de Colombia, Bogotá, 2006, page 476.

Another important aspect regarding organization and structure of SAIs in the region is referred to the organization of their authorities. This organization influences on how decisions are made and how power is distributed within each control entity.

Chart 2. Organization of SAIs authorities of the Region



Source: OLACEFS. This information includes all (22) SAIs members of Latin America and the Caribbean Organization of Supreme Audit Institutions.

In this regard, it is noted that out of a total of twenty two members of OLACEFS, SAIs of Netherlands Antilles, Belize, Bolivia, Chile, Colombia, Costa Rica, Cuba, Ecuador, Guatemala, Mexico, Nicaragua, Panama, Paraguay, Peru, Puerto Rico and Venezuela, a total of sixteen (73%) are administered and ruled under the figure of *sole authority*. While the SAI of Mexico and Belize correspond to the modality of auditing, they are governed under the same figure. SAIs of Argentina, Brazil, El Salvador, Honduras, Dominican Republic and Uruguay (27%) have a collegiate body whose members are called magistrates, ministers, members, or auditor general, in which a president acts as legal representative and gathers its members to make decisions about mission and legal issues related to the function of control and surveillance.

As for the election of officers of the SAIs of Latin America, it is mostly in charge of the legislative branch of each country, be it Assembly or Congress, with the exception of Chile where the Comptroller General is appointed by the President of the Republic with the approval of the Senate; in Belize, the Auditor General is proposed by the National Assembly and appointed by the Governor General.

Regarding the duration of the authorities in office, it varies from three to ten years with some exceptions. In the case of the SAI of Argentina¹⁶, the period is of eight years; however, the legislative branch may renew this mandate; in the case of Belize, the period expires once the officer is sixty years old; Cuba is not limited regarding periods of duration and in Uruguay, the SAI authorities remain in office during a period equal to that of the General Assembly that elects them.

16. In Argentina, the chairman of the Audit, whose election is provided for in the Constitution, is appointed by the minority in the Congress and in the case the minority changed, a new president should be appointed. The remaining auditors are elected by the Legislative branch.

Another aspect that characterizes the scope of control of SAIs in the region is directly related to competency in the control of federal, national, provincial or municipal, resources, as well as to the existence of territorial bodies of external control such as state audits or municipal or departmental controllers who perform auditing of public funds resources at different levels. Table 2 relates SAIs' auditing powers depending on the type of resources.

Table 2. Types of auditable resources

No.	COUNTRY	SAI	Type of auditable resources			
			Federal or National	Departmental	Municipal	Others
1	Argentina	Auditoría General de la Nación	Yes	No	No	Yes
2	Belize	Auditoría General	Yes	Yes	Yes	Yes
3	Bolivia	Contraloría General del Estado Plurinacional	Yes	Yes	Yes	No
4	Brazil	Tribunal de Cuentas de la Unión	ND	ND	ND	ND
5	Chile	Contraloría General de la República	Yes	Yes	Yes	Yes
6	Colombia	Contraloría General de la República	Yes	No	No	Yes
7	Costa Rica	Contraloría General de la República	Yes	No	Yes	Yes
8	Cuba	Contraloría General de la República	Yes	No	No	No
9	Curazao	Contraloría General de la República	ND	ND	ND	ND
10	Ecuador	Contraloría General del Estado	ND	ND	ND	ND
11	El Salvador	Corte de Cuentas de la República	Yes	No	Yes	Yes
12	Guatemala	Contraloría General de Cuentas de la República	Yes	Yes	Yes	Yes
13	Honduras	Tribunal Superior de Cuentas de la República	Yes	No	Yes	No
14	México	Auditoría Superior de la Federación	Yes	No	No	No
15	Nicaragua	Contraloría General de la República	ND	ND	ND	ND
16	Panamá	Contraloría General de la República	Yes	No	No	No
17	Paraguay	Contraloría General de la República	Yes	No	No	No

No.	COUNTRY	SAI	Type of auditable resources			
			Federal or National	Departmental	Municipal	Others
18	Perú	Contraloría General de la República	Yes	Yes	Yes	No
19	Puerto Rico	Oficina del Contralor del Estado Libre y Asociado	No	No	No	Yes
20	Dominican Republic	Cámara de Cuentas	ND	ND	ND	ND
21	Uruguay	Tribunal de Cuentas de la República Oriental del Uruguay	Yes	Yes	Yes	No
22	Venezuela	General Comptrollers Office of Bolivarian Republic.	Yes	Yes	Yes	Yes
	TOTAL		16	7	10	8
	Control percentage of auditable resources per levels of agreement with the auditing competency		94%	44%	59%	47%

Source: Technical Committee on Accountability. Information processed from the results of the document (in Spanish) "Alcances del control institucional y la rendición de cuentas en América Latina" 2013.

As seen in Table 2, out of the seventeen SAIs that reported the information requested in the document *Scope of institutional control and accountability*, SAIs of Argentina, Belize, Bolivia, Chile, Colombia, Costa Rica, Cuba, El Salvador, Guatemala, Honduras, Panama, Paraguay, Peru, Uruguay and Venezuela, fifteen in all, carry out the control of resources at national level, and federal in Mexico, representing 94%; the SAI of Belize, Bolivia, Chile, Guatemala, Peru, Uruguay and Venezuela, seven in all, control departmental or state resources which represent 44 %; SAIs of Belize, Bolivia, Chile, Costa Rica, El Salvador, Guatemala, Honduras, Peru, Uruguay and Venezuela, ten in all, audit resources at municipal level, which represent 59% and SAIs of Belize, Chile, Colombia, Costa Rica, El Salvador, Guatemala, Puerto Rico and Venezuela, eight in all, have jurisdiction to control other type of resources,¹⁷ representing 47% of SAIs.

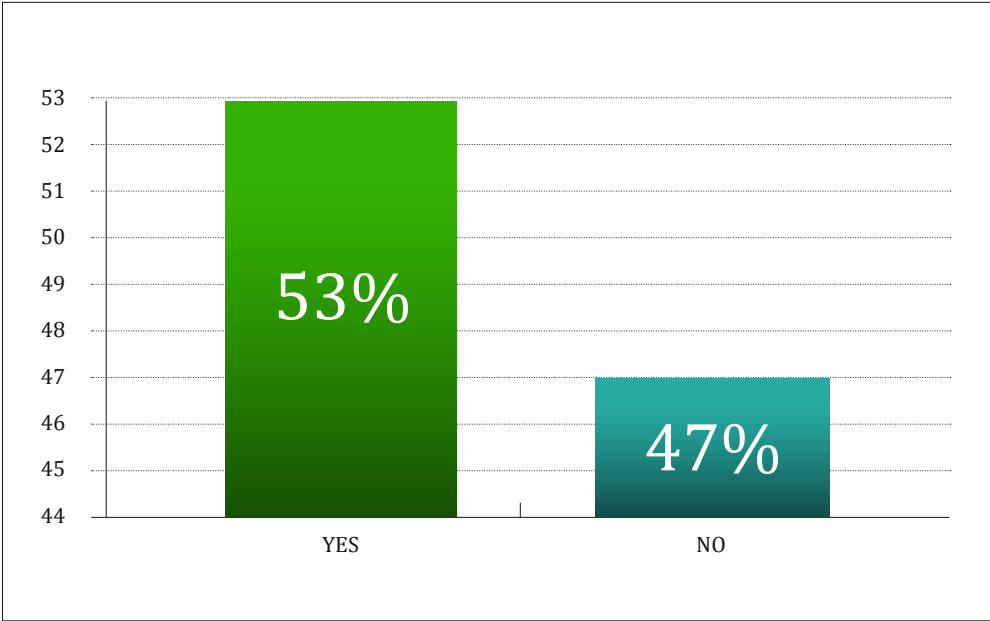
In particular, SAIs of Argentina, Cuba, Panama, Paraguay and Mexico only have competency for controlling national resources (also called federal); SAIs of Belize, Chile and Guatemala control resources at national, departmental and municipal levels, as well as other type of resources; SAIs of Bolivia, Peru and Uruguay control national, departmental, and municipal resources; SAIs of Costa Rica, El Salvador and Venezuela control national, municipal and other type of resources; SAI of Honduras has sole competency on national and municipal resources; SAI of Colombia controls national budget resources and national resources managed by private agents; besides, it has concurrent competency over other levels of organization of the territory, such as municipalities and departments, in case the competent authority in relation to these territories requests auditing to

17. National resources transferred to sub-national levels, private levels of public interest and public resources managed by private agents, are included under the heading "other type of resources".

the highest control body. In the case of Puerto Rico, the audit is performed on ordinary expenses and special allocations which are charged to the General Fund or Budget, on the contributions by the Government of the United States, Special Funds and Public Improvement Funds, in addition to the net budget of public corporations, including contributions by the Central Government.

SAIs of Argentina, Chile, Colombia, El Salvador, Guatemala, Mexico, Paraguay and Puerto Rico, eight in all (53%) share the control responsibility with other entities at national, regional, departmental and municipal levels. SAIs of Costa Rica, Cuba, Honduras, Panama, Uruguay and Venezuela, six in all (47%) do not share the control responsibility with other controlling entities. Figure 3 illustrates this situation.

Chart 3. Distribution of SAIs sharing control responsibility



Source: Technical Committee on Accountability. Information processed from the results of the document (in Spanish) “Alcances del control institucional y la rendición de cuentas en América Latina”

The reasons why some SAIs in the region share responsibility for auditing public resources of the budgetary cycle and public policy have to do, mostly, with the administrative structure of the State which determines the existence of control authorities at municipal or local levels; another reason is the assignment of audit and control responsibilities to ministries, superintendents, or authorities to monitor and verify the accounts either concurrently with the SAI or independently from SAI.

b. Ability to impose sanctions- enforcement

Sanction is an effective mechanism to mitigate further damages to public property and repair the damage caused by those responsible for acts performed outside the rules and laws. While the ability to sanction –enforcement- is essential in the exercise of institutional accountability, not all SAIs in the region have this ability. Table 3 illustrates sanctioning powers of SAIs in the region.

Table 3. SAls sanctioning powers

No.	COUNTRY	Supreme Audit Institutions members of OLACEFS	Sanctioning powers	
			Yes	No
1	Argentina	General Audit Office of the Nation	-	x
2	Belize	General Audit Office	-	x
3	Bolivia	General State Comptroller	x	-
4	Brazil	Union Accounts Court	NA	NA
5	Chile	General Republic's Comptroller	x	-
6	Colombia	General Court Office of the Republic	x	-
7	Costa Rica	General Comptroller Office of the Republic	x	-
8	Cuba	General Comptroller Office of the Republic	-	x
9	Curazao	General Comptroller Office of the Republic	NA	NA
10	Ecuador	State General Comptroller	NA	NA
11	El Salvador	Court of Accounts of the Republic	x	-
12	Guatemala	General Accounts Comptroller Office of the Republic.	x	-
13	Honduras	Superior Court Of Accounts of the Republic	x	-
14	México	Superior Audit of the Federation	-	x
15	Nicaragua	General Comptroller Office of the Republic	NA	NA
16	Panamá	General Comptroller Office of the Republic	x	-
17	Paraguay	General Comptroller Office of the Republic	-	x
18	Perú	General Comptroller Office of the Republic	x	-
19	Puerto Rico	Office of the Comptroller of the Free State	-	x
20	Dominican Republic	Accounts Chamber of the Republic	NA	NA
21	Uruguay	Accounts Court of the Oriental Republic of Uruguay	-	x
22	Venezuela	General Comptrollers Office of Bolivarian Republic.	x	-
	TOTAL		10	7
	PERCENTAGE		59%	41%

Source: Technical Committee on Accountability. Information processed from the results of the document (in Spanish) "Alcances del control institucional y la rendición de cuentas en América Latina"

Currently, SAls of Bolivia, Chile, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Panama, Peru and Venezuela, 10 in all, representing 59% of the auditing bodies, have sanctioning powers, either of economic or disciplinary type. Table 4 illustrates the type of sanctions that may be imposed by SAls in the exercise of their external control duties.

Table 4. *SAIs powers to impose disciplinary and economic sanctions*

No.	COUNTRY	Supreme Audit Institutions members of OLACEFS	Type of Sanctions	
			Disciplinary	Economic
1	Argentina	General Audit Office of the Nation	-	-
2	Belize	General Audit Office	-	-
3	Bolivia	General State Comptroller	Yes	Yes
4	Brazil	Union Accounts Court	NA	NA
5	Chile	General Republic's Comptroller	Yes	Yes
6	Colombia	General Court Office of the Republic	-	Yes
7	Costa Rica	General Comptroller Office of the Republic	Yes	Yes
8	Cuba	General Comptroller Office of the Republic	-	-
9	Curazao	General Comptroller Office of the Republic	N/A	N/A
10	Ecuador	State General Comptroller	N/A	N/A
11	El Salvador	Court of Accounts of the Republic	-	Yes
12	Guatemala	General Accounts Comptroller Office of the Republic.	Yes	Yes
13	Honduras	Superior Court Of Accounts of the Republic	-	Yes
14	México	Superior Audit of the Federation	-	-
15	Nicaragua	General Comptroller Office of the Republic	NA	NA
16	Panamá	General Comptroller Office of the Republic	Yes	Yes
17	Paraguay	General Comptroller Office of the Republic		-
18	Perú	General Comptroller Office of the Republic	Yes	Yes
19	Puerto Rico	Office of the Comptroller of the Free State	-	-
20	Dominican Republic	Accounts Chamber of the Republic	NA	NA
21	Uruguay	Accounts Court of the Oriental Republic of Uruguay	-	-
22	Venezuela	General Comptrollers Office of Bolivarian Republic.	Yes	Yes
	TOTAL		7	10
	PERCENTAGE		41%	59%

Source: Technical Committee on Accountability. Information processed from the results of the document (in Spanish) "Alcances del control institucional y la rendición de cuentas en América Latina".

SAIs of Bolivia, Chile, Costa Rica, Guatemala, Panama, Peru and Venezuela have powers to impose both economic and disciplinary sanctions.

In the case of Costa Rica, the SAI has competency to review, approve and disapprove budgets of municipalities and autonomous institutions and to audit their execution and settlement, in accordance with the provisions of paragraph 2, Article 184 of the Constitution. The enforcement has sanctioning effects on management, to the extent that the approval of allocation of budget depends on the fulfillment of the goals foreseen for the budgetary execution.

c. Competencies of external control on public policies and budget

Public policies impact must have effects on the effective transformation of the causes and problems that originated them. Their formulation, approval, execution and control involve the articulation of an institutional and social structure that makes complex the processes of following up, evaluating and auditing. In the region, SAIs of Argentina, Bolivia, Chile, Colombia, Costa Rica, Cuba, El Salvador, Honduras, Mexico, Uruguay and Venezuela have legal authority to issue a judgment on the goals and objectives of public policies and verify their compliance.

From this perspective, accountability is an essential element for the analysis, validation, and even the reformulation and the political and social sanction, which requires the availability of administrative and social skills.

SAIs competency regarding public policies is limited, primarily but not exclusively, to the control of the budget allocated for execution. Such situation leads to the examination of SAIs powers in the different stages of the budgetary cycle. Table 5 relates the different stages in which SAIs are involved regarding the issuance of technical concepts, validations or approvals and monitoring during the budgetary cycle.

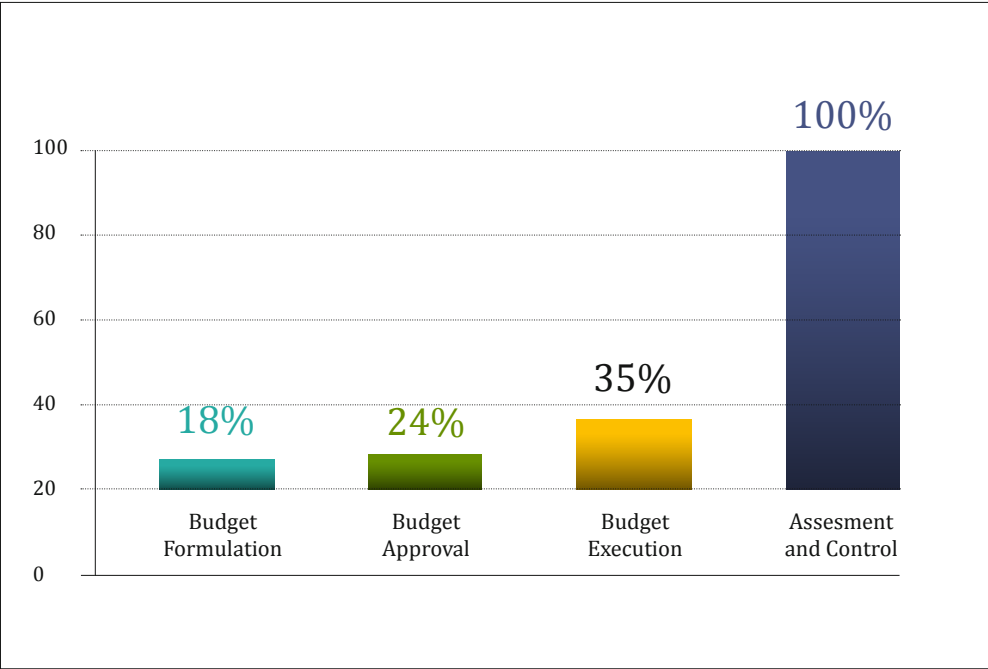
Table 5. SAIs participation in the budgetary cycle

No.	COUNTRY	Supreme Audit Institutions members of OLACEFS	Budget formulation	Budget approval	Budget execution	Assessment and control
1	Argentina	General Audit Office of the Nation	No	No	No	Yes
2	Belize	General Audit Office	No	No	No	Yes
3	Bolivia	General State Comptroller	No	No	No	Yes
4	Brazil	Union Accounts Court	N/A	N/A	N/A	N/A
5	Chile	General Republic's Comptroller	No	No	Yes	Yes
6	Colombia	General Court Office of the Republic	No	No	No	Yes
7	Costa Rica	General Comptroller Office of the Republic	Yes	Yes	Yes	Yes
8	Cuba	General Comptroller Office of the Republic	Yes	Yes	No	Yes

No.	COUNTRY	Supreme Audit Institutions members of OLACEFS	Budget formulation	Budget approval	Budget execution	Assessment and control
9	Curazao	General Comptroller Office of the Republic	N/A	N/A	N/A	N/A
10	Ecuador	State General Comptroller	N/A	N/A	N/A	N/A
11	El Salvador	Republic's Court Accounts	No	No	Yes	Yes
12	Guatemala	General Accounts Comptroller Office of the Republic.	No	No	No	Yes
13	Honduras	Superior Court Of Accounts of the Republic	No	Yes	No	Yes
14	Mexico	Superior Audit of the Federation	No	No	No	Yes
15	Nicaragua	General Comptroller Office of the Republic	N/A	N/A	N/A	N/A
16	Panamá	General Comptroller Office of the Republic	Yes	Yes	Yes	Yes
17	Paraguay	General Comptroller Office of the Republic	ND	No	Yes	Yes
18	Peru	General Comptroller Office of the Republic	No	Yes	No	Yes
19	Puerto Rico	Comptroller's Office of the Free State	No	No	No	Yes
20	Dominican Republic	Accounts Chamber of the Republic	N/A	N/A	N/A	N/A
21	Uruguay	Court of Accounts of the Oriental Republic of Uruguay	No	No	Yes	Yes
22	Venezuela	General Comptrollers Office of Bolivarian Republic.	No	No	No	Yes
TOTAL			3	4	6	17
PERCENTAGE			18%	24%	35%	100%

Source: Technical Committee on Accountability of OLACEFS. Information processed from the results of the document (in Spanish) "Alcances del control institucional y la rendición de cuentas en América Latina".

Chart 4. SAI's percentage share in the budgetary cycle



Source: Technical Committee on Accountability of OLACEFS. Information processed from the results of the document (in Spanish) “Alcances del control institucional y la rendición de cuentas en América Latina”.

According to the information reported, SAIs of Costa Rica, Cuba and Panama, three in all (18%), participate in the formulation stage of the budget, therefore: the SAI of Costa Rica, through rules and regulations associated with the formulation of the budget of decentralized entities; the SAI of Cuba, through the generation of technical concepts as support to the National Assembly of Popular Power; and the SAI of Panama, through its competency regarding scheduling and estimates of the new budget.

SAIs of Costa Rica, Cuba, Honduras and Panama, four in all (24%) participate in the approval stage of the budget; in the case of Costa Rica, the SAI is responsible for reviewing, approving or disapproving, either totally or partially, the budgets corresponding to municipalities and autonomous entities; the SAI of Cuba generates technical concepts in relation to the budget; the SAI of Honduras participates as an observer, and in case of having an opinion, it is based on the analysis and evaluation of the fiscal year prior to that being approved; in turn, the SAI of Panama provides guidance to members of the Budget Committee; and the SAI of Uruguay issues its judgment if the legislative power requires it.

The SAIs of Chile, Costa Rica, El Salvador, Panama, Paraguay and Uruguay, six in all (35%), participate in the execution phase of the budget. The SAI of Chile exercises “*ex ante*” control through the process of “*rationale*” which examines whether the decrees, resolutions and executive orders issued by the Administration meet the requirements of substance and form ordered by law, including decrees and resolutions regarding financial and economic matters. This mechanism, as outlined in Resolution 1600 of year 2008, is “essential to protect public assets, since it avoids the appearance of effects of irregular acts by the Administration compromising public resources”;

in the case of Costa Rica, the SAI has control regarding contracts and budget allocations; in El Salvador, the SAI carries out preventive control; in Panama, the SAI has constitutional and legal powers to exercise prior control; in Paraguay, the SAI has powers to assess procurement processes, and in Uruguay, the Court of Accounts preventively intervenes expenses and payments in order to certify their legality.

Finally, SAIs of Argentina, Belize, Bolivia, Chile, Colombia, Costa Rica, Cuba, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, Puerto Rico, Uruguay and Venezuela participate in the evaluation and control of the budgetary resources, a total of seventeen SAIs, which is equivalent to 100% of SAIs that reported information for the present study.

SAIs perform assessment and control work by auditing the execution of the budget. They issue a statement regarding compliance with the principles of efficiency, effectiveness, quality, opportunity, and economy. In other cases, verification and inspection of budget accountability is carried out by competent entities.

In particular, the SAI of Cuba presents a special assessment that is submitted to the National Assembly for approval, through a summary report of the actions taken in relation to the State budget and issues its judgment on the State Budget Settlement Report presented by the Ministry of Finance and Prices. The SAI of Paraguay performs financial, budgetary and operational auditing and other control activities, as the inventory of State assets. The Court of Accounts of Uruguay issues its judgment on the annual accountability, among other ways of control and supervision of the treasury resources, and gives opinions on the matter.

According to the information reported by the SAIs of Belize, Bolivia, Chile, Colombia, Costa Rica, Cuba, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, Puerto Rico, Uruguay and Venezuela, the central government carries out management and budget accountability before the pertinent SAIs; in Bolivia, Guatemala, Honduras, Peru and Venezuela, local governments are responsible before the control entity.

In Bolivia, Colombia, Uruguay and Venezuela, other actors are responsible before the SAIs. In the case of Bolivia, private entities that render public services or manage fiscal resources and/or natural resources; in the case of Colombia, private actors receiving or managing public funds; in the case of Uruguay “any corporation or individual that collects funds in its character of collector, custodian, or payer, or who manages, uses or custodies other State assets or properties”,¹⁸ and in the case of Venezuela, corporations of any nature involving State entities, in addition to foundations and civil associations and institutions created with public funds having a 50% share or more,¹⁹ as shown in Table 6.

18. Article 114: “Amended Text on Accountability and Financial Administration”, 1997, available at (in Spanish): www.oas.org/juridico/spanish/ury_res31.doc

19. The Organic Law of the Comptroller General’s Office of the Republic and the National System of Fiscal Control of Venezuela, in its article 9, 1 to 11, points out in detail the actors responsible for accountability. Available at (in Spanish): http://www.tsj.gov.ve/legislacion/LeyesOrganicas/34.-GOE_6013.pdf

Table 6. Responsible Institutional actors

No.	COUNTRY	Institutional actors responsible before SAIs		
		Central Government Executive Branch	Local Governments Executive Branch	Other actors
1	Argentina	Yes	No	No
2	Belize	Yes	No	No
3	Bolivia	Yes	Yes	Yes
4	Brazil	N/A	N/A	N/A
5	Chile	Yes	No	No
6	Colombia	Yes	No	Yes
7	Costa Rica	Yes	No	No
8	Cuba	Yes	No	No
9	Curazao	N/A	N/A	N/A
10	Ecuador	N/A	N/A	N/A
11	El Salvador	Yes	No	No
12	Guatemala	Yes	Yes	No
13	Honduras	Yes	Yes	No
14	Mexico	Yes	No	No
15	Nicaragua	N/A	N/A	N/A
16	Panama	Yes	No	No
17	Paraguay	Yes	No	No
18	Peru	Yes	Yes	No
19	Puerto Rico	Yes	No	No
20	Dominican Republic	N/A	N/A	N/A
21	Uruguay	Yes	No	Yes
22	Venezuela	Yes	Yes	Yes
TOTAL		17	5	4
PERCENTAGE		100%	29%	24%

Source: Technical Committee on Accountability. Information processed from the results of the document "Scope of institutional control and accountability in Latin America." 2013.

Regarding government authorities in Argentina, Bolivia, Chile, Colombia, Costa Rica, Cuba, Guatemala, Mexico, Panama, Uruguay and Venezuela, they are responsible of accountability before the Legislative Branch; in Belize, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Panama, Paraguay, Peru and Venezuela, they are responsible of accountability before the SAIs; in Bolivia, Puerto Rico and Venezuela, they are responsible of accountability before other authorities such as the Ministry of Finance and the corresponding accounting authority. Similarly, in Colombia, Costa Rica, Guatemala Panama and Venezuela, they are responsible of accountability both, before the legislative branch and the SAIs. The fact that in Bolivia, Paraguay and Venezuela, the institutions and the legislative branch are responsible before citizens is notable. Table 7 illustrates the competent authorities to whom accountability is presented.

In the case of accountability before the SAIs, the information reported by the audited entities addresses financial aspects, compliance with budgetary goals, accountability situation of public accounts, management outcomes by responsible entities, achievement of goals and objectives of public policies, situation of public procurement and, in some cases, the situation of human resources at the service of the entities. SAIs of Belize, Chile, Colombia, Cuba, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, Puerto Rico and Venezuela, have standardized formats so that governmental entities submit their accountability report.

SAIs of Argentina, Bolivia, Chile, Colombia, Costa Rica, Cuba, El Salvador, Honduras, Mexico, Uruguay and Venezuela, which represent 64.7% of SAIs studied in the region, have legal authority to issue judgments and verify the fulfillment of goals and objectives of public policies. SAIs of Belize, Bolivia, Chile, Colombia, Costa Rica, Cuba, Guatemala, Honduras, Mexico, Panama, Uruguay and Venezuela, 70% in all, show the availability of methodological and technical resources in order to establish the consistency or correlation between public policies and budget, which allows that results of assessments and auditing may transcend the numerical/accounting analysis, to address issues related to management and outcomes of public policies.

Regarding the availability of mechanisms for dissemination and communication of results, SAIs in the region reported that there are formal mechanisms in their countries to disclose accountability, which are equally applicable to the institutional activities of control entities. The seventeen SAIs that participated in the present study, stated that law regulates these mechanisms. Particularly, management and dissemination of results is carried out through the institutional websites, in some cases, through the performance of public audiences and information to the media, as well as, through the presentation of management results of the entities before the legislative branch.

Table 7. Competent authorities to whom accountability is presented

No.	Country	Competent authorities to whom accountability is presented		
		Legislative Branch	SAIs	Other Authorities
1	Argentina	X	--	--
2	Belize		X	
3	Bolivia	X	--	X
4	Brazil	N/A	N/A	N/A
5	Chile	X	--	--
6	Colombia	X	X	--
7	Costa Rica	X	X	--
8	Curazao	N/A	--	--
9	Cuba	X	--	--
10	Ecuador	N/A	N/A	N/A
11	El Salvador	--	X	--
12	Guatemala	X	X	--
13	Honduras	--	X	--
14	México	X	--	--
15	Nicaragua	N/A	N/A	N/A
16	Panamá	X	X	--
17	Paraguay	--	X	--
18	Perú	--	X	--
19	Puerto Rico	--	--	X
20	Dominican Republic	N/A	N/A	N/A
21	Uruguay	X	--	--
22	Venezuela	X	X	X
	TOTAL	11	10	3

Source: Technical Committee on Accountability. Information processed from the results of the document "Scope of institutional control and accountability in Latin America." 2013.

An important aspect of accountability is the presentation of SAIs information to the legislative branch. Particularly, SAIs of Argentina²⁰, Belize, Bolivia²¹, Chile, Colombia, Costa Rica, Cuba, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, Puerto Rico,

20. In the case of Argentina, all auditing reports are presented to the Legislative Branch for approval.

21. In the case of Bolivia, the Comptroller Office sends all auditing reports to the Chambers of the Congress

Uruguay and Venezuela submit specialized reports on the analysis and assessment of finances and fiscal state of accounts, as well as the results of programs and projects by various State entities, reporting irregularities observed and actions carried out by SAIs within the framework of their competency, including information on the condition of the internal control of entities and, to a lesser extent, on the situation of natural resources and the environment, as shown in Table 8.

Table 8. SAIs Reports to Legislative Branch

No.	COUNTRY	SAIs MEMBER OF OLACEFS	REPORTS TO LEGISLATIVE BRANCH	
			QTY	Reports / Types of Reports
1	Argentina	General Audit Office of the Nation	2	<ul style="list-style-type: none"> • Auditor Report – Budgetary Execution • Auditor Report – Statements of Account of Central Administration, Decentralized Entities, Social Security Entities and Public Bodies.
2	Belize	General Audit Office	1	<ul style="list-style-type: none"> • General Auditing Annual Report – Financial Statement Assessment
3	Bolivia	General State Comptroller	1	<ul style="list-style-type: none"> • Annual Reports of National Treasury Financial Transactions and Departments
4	Brazil	Federal Court of Accounts	N/A	N/A
5	Chile	General Comptroller of the Republic	2	<ul style="list-style-type: none"> • Public Accounts Annual Report • State Financial Administration Report
6	Colombia	The Comptroller General Office of the Republic	5	<ul style="list-style-type: none"> • The Comptroller General Office of the Republic of Colombia Management Report • Internal Control Assessment Report • State of Preservation of Natural Resources and Environment Report • Government Fiscal Statistics Report. • National Balance Sheet Auditing Report
7	Costa Rica	General Comptroller Office of the Republic	3	<ul style="list-style-type: none"> • Annual Report • Fiscal and Budgetary Evolution Report • "Public Budget: Situation and Perspectives" Report
8	Cuba	General Comptroller Office of the Republic	1	<ul style="list-style-type: none"> • Compliance Report on the Governmental Budget Act
9	Curazao	General Comptroller Office of the Republic	N/A	N/A

No.	COUNTRY	SAIs MEMBER OF OLACEFS	REPORTS TO LEGISLATIVE BRANCH	
			QTY	Reports / Types of Reports
10	Ecuador	State General Comptroller	N/A	N/A
11	El Salvador	Court of Accounts of the Republic	1	<ul style="list-style-type: none"> • Governmental Financial Management Auditing Report
12	Guatemala	General Accounts Comptroller Office of the Republic.	2	<ul style="list-style-type: none"> • Report on Financial Statements, Execution and Settlement of State Income and Expenditures General Budget. • Autonomous and Decentralized Entities Report
13	Honduras	Supreme Court of Accounts of the Republic	1	<ul style="list-style-type: none"> • Accountability Report
14	Mexico	Supreme Audit of the Federation	1	<ul style="list-style-type: none"> • Annual Report of Public Accounts Outcome
15	Nicaragua	General Comptroller Office of the Republic	N/A	N/A
16	Panamá	General Comptroller Office of the Republic of Panamá	2	<ul style="list-style-type: none"> • Management Report • Treasury Account Report
17	Paraguay	General Comptroller Office of the Republic	1	<ul style="list-style-type: none"> • Opinions on Budgetary and Accounting reports of State bodies and entities.
18	Peru	General Comptroller Office of the Republic	2	<ul style="list-style-type: none"> • Management Report • Assessment Report on General Account of the Republic
19	Puerto Rico	Comptroller Office of the Commonwealth of Puerto Rico	2	<ul style="list-style-type: none"> • Comprehensive Annual Financial Report –CAFR • Auditing and Special Reports
20	Dominican Republic	Accounts Chamber of the Republic	N/A	N/A
21	Uruguay	Accounts Court of the Oriental Republic of Uruguay	1	<ul style="list-style-type: none"> • Annual Report of State Accountability
22	Venezuela	General Comptroller Office of the Bolivarian Republic.	1	<ul style="list-style-type: none"> • Annual Management Report
	TOTAL		29	

Source: Technical Committee on Accountability. Information extracted from the outcomes on (in Spanish) “Alcances del control institucional y la rendición de cuentas en América Latina” 2013.

Taking into account the information reported by SAIs, Table 9 summarizes government accountability to SAIs and from SAIs to the Legislative Branches as well as SAIs sanction capacity.

Table 9. Governmental Accountability before SAIs and from SAIs to Legislative Branches

No.	Country	OLACEFS MEMBER SAIS	Accountability from Government to SAIs	Accountability from SAIs to Legislative Branches
1	Argentina	General Audit Office of the Nation	-	Yes
2	Belize	General Audit Office	Yes	Yes
3	Bolivia	General State Comptroller	-	Yes
4	Brazil	Federal Court of Accounts	N/A	N/A
5	Chile	General Comptroller of the Republic	-	Yes
6	Colombia	The Comptroller General Office of the Republic	Yes	Yes
7	Costa Rica	General Comptroller Office of the Republic	Yes	Yes
8	Cuba	General Comptroller Office of the Republic	-	Yes
9	Curacao	General Comptroller Office of the Republic		
10	Ecuador	State General Comptroller	N/A	N/A
11	El Salvador	Court of Accounts of the Republic	Yes	Yes
12	Guatemala	General Accounts Comptroller Office of the Republic.	Yes	Yes
13	Honduras	Superior Court of Accounts of the Republic	Yes	Yes
14	Mexico	Superior Audit of the Federation	-	Yes
15	Nicaragua	General Comptroller Office of the Republic	N/A	N/A
16	Panama	General Comptroller Office of the Republic	Yes	Yes
17	Paraguay	General Comptroller Office of the Republic	Yes	-
18	Peru	General Comptroller Office of the Republic	Yes	Yes
19	Puerto Rico	Comptroller Office of the Commonwealth of Puerto Rico	-	-
20	Dominican Republic	Accounts Chamber of the Republic	N/A	N/A
21	Uruguay	Court of Accounts of the Oriental Republic of Uruguay	-	Yes
22	Venezuela	General Comptroller Office of the Bolivarian Republic.	Yes	Yes
TOTAL			10	16
PERCENTAGE			59%	100%

Source: Technical Committee on Accountability. Information extracted from the outcomes on (in Spanish) “Alcances del control institucional y la rendición de cuentas en América Latina” 2013

Thus, accountability practices from government to SAIs and from SAIs to the legislative branches are obvious in Costa Rica, Guatemala, Panama, Peru, Venezuela, Colombia, El Salvador and Honduras.

Based on the features of the scope of institutional control and accountability in SAIs of Latin America, the following chapter introduces determinant factors in quality of accountability and the most meaningful experiences in implementation of accountability.

CHAPTER III

DETERMINANT FACTORS OF QUALITY AND BEST PRACTICES OF ACCOUNTABILITY IN SAIS



Taking into account the information delivered by SAIs of Argentina, Belize, Bolivia, Chile, Colombia, Costa Rica, Cuba, El Salvador²², Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, Puerto Rico, Uruguay and Venezuela, this section introduces situations that are determinant factors of accountability efficacy, as well as internal and external factors that influence accountability quality in the countries. Likewise, it introduces the relation with best practices developed by SAIS and challenges of institutional transformations related to institutional changes to improve accountability standards.

1. Factors determining accountability quality.

In general in Latin America, common factors determining accountability quality and efficacy were detected.

First of all, accountability has essentially a financial approach, which limits the transforming potential to improve public management, as a result of a trend of audited entities wanting to show that implemented financial resources have legal back up, but these entities forgot that it is equally important to explain common benefits or improvement in indicators of human development achieved thanks to institutional management and public funds implementation.

Secondly, it was detected that many obstacles are originated in the process of governmental planning, demonstrated in the following situations:

- a. Public budget shows deficiencies in programmatic structures with the consequent impact on budgetary cycle, particularly in implementation and control.
- b. Lack of comprehensiveness of systems and sub-systems of financial management when account records, on a single information technology platform, are necessary to facilitate preparation and delivery of unique and consolidated reports.
- c. Lack of multiyear strategic planning based on levels of risk exposure.
- d. Impossibility to cross information between proposed and achieved objectives with allocated and executed resources, situation that impedes management analysis and results.
- e. Lack of appropriate indicator systems or at least their deficiency to produce inputs for a sufficient management assessment.
- f. Difficulties to interpret and evaluate results from management of investment projects because of lack of objective standards and criteria.
- g. Fail to apply accounting legal standards.
- h. Formats to present information are very complex which prevent users from interpreting and using them.
- i. Accountability approach is limited to the fiscal year which prevent from issuing opinions on sustainability of policies, and
- j. Lack of a standardize vision of governmental management due to lack of standards that consider universality and comprehensiveness of accountability.

Now there is a list of external and internal factors that determine individually in each country the exercise of accountability, from the point of view of SAIs in accordance with reported information of each one.

22. The SAI of El Salvador did not report information related to the characterization component of accountability.

a. Argentina - General Audit Office of the Nation

In the case of Argentina, the following external factors that influence accountability standards are introduced: the existence of global standards that ignore the necessary budget accountability. The inopportune approval of budget act by the parliament, leading to the extension and reallocation of the budget to the previous fiscal year²³; the continuous budgetary changes introduced by the Executive Branch by virtue of the delegation of legislative powers; the particular aspects of the governmental management planning process evidence budget deficiencies in scheduled structures; the tendency to homogenize public administration and accountability planning, although rules regarding management of the Investment Account are clear in defining distinctive features of decentralized entities, social security agencies, and public entities.

Information systems and internal control precariousness directly impact on the quality of the reports issued by the controlling entity; difficulties in determining the correlation between expected goals and achieved goals which limits the possibility to evaluate programs and impact on public policies; the lack of accountability standards that, in the case of the Investment Account, shows a mainly financial approach plus the high complexity of the reports formats that limit the interpretation capacity; and finally, the poor consideration of sustainability in public policies because the defined approach is on annual fiscal period, a characteristic supported both by legislation and tradition.

An internal factor that facilitates accountability in this SAI is the annual planning of Auditing Reports that enables coordination among departments within the SAI, and the issuance of a single opinion submitted to the Legislative Power.

As regards to quality and accuracy of information reported by the audited entities, though delivered timely, it is often incomplete and strictly focused on financial aspects, putting aside the information related to goals and objectives compliance. This situation could be due to the information system and internal control weaknesses; besides, to the lack of information regarding governmental administration, in particular in Investment Account reports, as well as to difficulties to have support documentation available, often under confidential information laws. (eg. bank or tax secrecy).

b. Belize - General Audit Office

In the case of Belize, one of the external factors that determine accountability standards is related to the dependence of the SAI from the Ministry of Public Service, regarding staff allocation, and from the Ministry of Finance regarding budgetary aspects, which limits action capacity.

c. Bolivia - General State Comptroller

In the case of Bolivia, the General Controller of the State mentions that the quality of accountability is limited by the poor understanding of both, the accountability concept and the scope by public servants, as well as, by the low number of qualified technical staff and the absence of political culture towards accountability.

From the internal perspective, the limited budget to meet staff requirements has led SAIs efforts to be focused on the development of Special Auditing, disregarding other governmental control areas.

23. This situation appeared in the budget project of the fiscal year 2011, when opposition party denied the affirmative vote for considering that growing, collection, and inflation guidelines written don not show reality.

d. Chile – General Comptroller of the Republic

In the case of Chile, an external factor that has determined accountability exercise standards is related to the fact that a national information system with a single technological platform is not available, making difficult to cross-check information between the objectives proposed and achieved vs. resources allocated and executed, as well as, the preparation and issuance of single or consolidated reports to citizenship.

As an internal factor that facilitates accountability in this SAI is the strengthening of external control role or auditing and special investigations as a result of computer systems implementation to support auditing activity.

Regarding deficiencies in information reports, the low performance of transparency obligation by some municipalities is mentioned.

e. Colombia – Comptroller General Office of the Republic

In the case of Colombia, factors that determine accountability standards are related to deficiencies in quality, availability, and appropriate reporting of information, which may lead to findings in the auditing process regarding accountability and reports.

f. Costa Rica – Comptroller General Office of the Republic

In the case of Costa Rica, external factors to the SAI determine accountability standards, such as: the difficulty in defining management and performance indicators that enable the establishment of efficient links between financial budget and the National Development Plan. Similarly, the legal system²⁴ establishes that the Legislative Assembly approves or disapproves “accounts” and thus, the final word on financial results and institutional administration of the State may be influenced by the political composition of the Legislative Assembly; correspondingly, due to the general Assembly regulations, deadlines for the legislative committee to issue a judgment on settlement reports may undermine efficacy of the political act of “approving” or “disapproving” accounts by virtue of the extension authority.

As a SAI internal factor, the shortage of human resources to follow processes and products subject to accountability, as well as the corresponding evaluation can be mentioned. Regarding documentation delivered by entities, the auditing reports show quality deficiencies as a result of inadequate application of indicators, in addition to information loss arising from moving to consolidation information levels and the preparation of the corresponding reports. In addition, it is concluded that very few entities perform information verification processes in situ, and at some point, the corrective and assessment stages must assume the role of data *receivers*.

g. Cuba – Comptroller General Office of the Republic

According to the information provided by the Cuban SAI, a factor defining standards in accountability is related to the lack of technological availability to unify issues related to administrative accountability at all stages of economic administration. Besides, there are technical factors associated to Accountability records and information quality that sometimes limit the accountability exercise; in addition, some administrations do not report clear, timely, and appropriate information on different aspects of institutional work.

24. Article 181 of the Constitución Política de la República de Costa Rica states: “The Executive Branch will send to the SAI the closing of the ordinary and extraordinary budget agreed, no later than the first day of March after the corresponding year; SAI should send it to the Assembly with the opinion, no later than the next first day of May. Definite approval or disapproval of accounts is a role of the Legislative Assembly”. Available at: http://www.constitution.org/cons/costa_rica/costa_rica.htm

A significant aspect to enhance accountability standards is the availability of legislation in this regard that provides new mechanisms through which the Comptroller General Office of the Republic will be responsible before the National Assembly, from 2014. However, there are formalities that limit accountability at different stages, such as unclear and unattainable information for different audiences, as well as the excess of technical terms.

h. Guatemala – General Accounts Comptroller Office of the Republic

In the case of Guatemala, external factors that determine accountability standards are related to the absence of specific legislation to regulate accountability, to poor understanding on the issue, as well as to absence of training programs in political organizations that could be reflected in legislative exercise, in addition to the lack of citizen demands to ask for accountability.

Regarding SAIs internal factors that determine accountability quality are those related to the limited availability of financial resources that impact directly on the quantity and quality of experts to carry out audits, as well as hardware and software investment to implement auditing processes.

In relation to reports issuance, the main weak point is that they are directly related to pure financial aspects; “entities subject to control have a greater interest in reporting that allocated financial resources are supported by legal documents than in explaining common benefits or improvement in human development indicators, achieved thanks to public funds assignments. In addition, reports do not show a reasonable justification of expenditures: the supporting information does not determine whether the expenditure arises from a reasonable cause or from a decision made by a public servant to purchase goods or services which do not necessarily imply solving infrastructure or social problems.

i. Honduras – Superior Court of Accounts of the Republic

In the case of Honduras, one of the factors determining accountability standards is the impossibility to verify the whole information related to budgetary allocations. Assessment is based on certified documents by the General Secretariats of each entity. Good Faith principle is applied.

j. Mexico – Superior Audit of the Federation

In the Mexican case, one of the factors that influences accountability standards is related to the recent enforcement of Governmental Accounting Act, implemented to overcome issues related to governmental Accountability and unification in the presentation of accounts.

k. Panama – General Comptroller Office of the Republic

In the case of Panama, one of the external factors that influence accountability standards is related to the growing demand of citizens for governmental data and the poor responsiveness by authorities. Accordingly, the SAI has a multidisciplinary staff that works to solve issues related to this aspect. The General Comptroller Office mentions that one of the issues associated with information quality reported by governmental entities is related to bank reconciliation mistakes and works execution reports, which make you doubt about information reliability.

l. Paraguay – General Comptroller Office of the Republic

In the case of Paraguay, the lack of legislative interest, as well as poor budget allocation and little interest shown by the media, are external factors that limit accountability standards. As for the internal level, situations associated with lack of funds of the SAI for dissemination opportunities to inform about institutional actions. Even though accountability reports to citizens are based on reports and final opinion issued by the *General Comptroller Office*, this report is in Spanish and not in Guarani, despite of being a bilingual country.

m. Peru - General Comptroller Office of the Republic

In the case of Peru, a factor that influences accountability standards is related to the lack of technology to prepare a timely and structured report, as well as to the asymmetry of reported information, in particular, that coming from mountain and rainforest areas where internet access is limited. Additionally, entities lack qualified personnel to prepare accountability reports that show inconsistent, incomplete or mistaken data.

As internal factors expressed by the SAI, the reduced operative capacity to carry out a selective verification of accountability reports, thus reducing its quality is mentioned. In the same way, technological infrastructure, around May 31st (annual accountability deadline submission) brings servers to be overloaded causing compliance difficulties. According to the *General Comptroller Office* “the accountability system conception, as currently structured, doesn’t create added value to control work” because that information is not the answer auditing requirements, nor to citizen social control exercise.

Entities accountability reports present, in some cases, fragmented, incoherent or different from requested information, as it is shown in reports related to planning, budget and governmental administration, annual operative activities report and its results, program and/or project investment data information, data on entrance and departure of personnel and financial information sent by the entities.

However, it is worth mentioning that according to Act 27444 (General Administrative Proceeding Law) that establishes the presumption of veracity principle, the accountability system does not request supporting documents in order to account for the information reported by each entity.

n. Puerto Rico – Comptroller Office of the Commonwealth of Puerto Rico

In the case of Puerto Rico, factors such as budget allocation to auditing entities and the implementation of a Quality Management System and Quality Certification ISO 9001:2008 both influence on accountability standards.

o. Uruguay – Court of Accounts of the Oriental Republic of Uruguay

In the case of this SAI, the budgetary restrictions for auditing and the lack of standardized methodology for accountability presentation, impact on the quality of the work of SAI.

p. Venezuela – General Comptroller Office of the Bolivarian Republic.

In the case of Venezuela, external factors that restrict accountability standards are related to: resistance to change of accountability culture; an increase in the amount of administrators or account responsible officials due to creation of many new entities and agencies managing government resources; increase in SAI monitoring scope as a result of involving individuals in the elaboration, execution, evaluation and auditing process; as well as the recurring legal and statutory reforms influencing governmental administration activities and monitoring agencies development. Besides, there are deficiencies in the training of administrators and high turnover rate of administrators and internal auditors who are entitled to examine income, expenses and assets accounts.

At internal level, the General Comptroller Office of the Bolivarian Republic of Venezuela, mentions factors such as operational planning, administrative organization, human resources, goods and services administration, as well as financial and information management and management systems facilitate monitoring and accountability practices made by the auditing entity.

In relation to accountability report deficiencies, cases in which audit findings are not clearly supported by paper work, as well as, cases in which evidence is insufficient to show an irregular fact and proceeds to apply sanctions, are mentioned.

2. Best practices that enable accountability exercise

Even though accountability quality in Latin America is limited by multiple factors, it is important to highlight that due to governmental administration and institutional monitoring powers, best practices that strengthen accountability exercise are registered both by governmental entities and by SAIs before the legislative power that show a growing interest in strengthening and enhancing public administration. Best practices developed by governmental entities and SAIs are compared in this section.

a. Argentina

In the field of governmental entities, the implementation of improvements in the Integrated System of Financial Administration technological platform (e-SIDIF) oriented to strengthen management processes by results to meet the administrative and management needs of governing bodies and administrative financial services, based on internet technology and software free tools, is highlighted. The documents related to functional definitions, activity diagrams and user interface prototypes were used as a supply to build the new information system that introduces the function of “Multisaf, Multimonedas” and the signing chain as a new product, in order to provide increased security and avoid paper usage in administration transactions.

The implementation of a Single Treasury Account and the Automatic Reconciliation System in the General Treasury of the Nation that enables the elimination of multiple banking accounts and liquidity managers is also highlighted. Equally, through recommendations made by the General Audit Office of the Nation, programming and reprogramming of commitment of accrued quotas should be supported by goals identification, project and works progress, as well as management indicators for the period, that are directly related to proposed expenses (Provision N° 1/12 of National Budget Office). Consequently, goals are interrelated both in physical and financial aspects.

Regarding best practices developed by the General Audit Office of the Nation, one of them is the macroeconomic report attached to the Investment Account Auditing Report, providing analysis elements that relate how the projected goals in the Budget Act have been reached by the Executive Branch at a further level of analysis that facilitates interpretation by the Legislative power.

Besides, investment project assessment related to public works has enabled evaluation of the impact on the whole economy. Thus, entities have been able to strengthen estimations on Investment Projects impact under their domain in terms of activities in goods and services producer sectors, manpower requirements and as an aggregate, the economy as a whole.

On the other hand, a best practice is constituted by the definition of the annual work plan that determines parameters of interest for the selection of entities to be audited based on the amount of the budget allocated and the risk involved in each one. The evaluation of these factors gives way to a classification of the degree of importance according to their inclusion in the annual planning of the auditing body. At the same time, this planning is considered in the SAI Strategic Plan whose last approval includes 2013-2017 period.

b. Belize

In the case of Belize, the introduction of the International Public Sector Accountability Standards (IPSAS), as well as the recent reorganization of the General Audit Office by means of working groups according to the types of auditing to be performed and the introduction of planning strategy criteria on daily activities are highlighted.

c. Bolivia

General State Comptroller of Bolivia does not provide information on this matter.

d. Chile

At governmental entities level, the following can be mentioned: the creation of Information, Claims and Suggestions Offices (by its name in Spanish, OIRS) in different public services, as well as the introduction of policies that foster transparency and access to public information, both for the public and private sectors, as well as the development of technological platforms.

In the General Comptroller Office of the Republic, the creation of the comptroller office and citizen web site (in Spanish “Portal Contraloría y Ciudadano”) and the institutional coordination of Auditing Units and/or Internal Control of the Ministries and Public Services are highlighted.

e. Colombia

In the case of Colombia, it is important the fact that governmental entities have adopted recommendations made by the Comptroller General Office of the Republic to improve aspects such as findings and the development of a culture oriented to risk prevention and governmental management improvement thanks to the action performed by the controlling entity, according to the information reported by this SAI.

This SAI emphasizes the improvement in fiscal control management, rules enforcement, and increased institutional technical capacity that have enhanced accountability standards.

f. Costa Rica

In relation to the actions performed by governmental entities to increase accountability standards, it can be mentioned the focus and concentration towards governmental efforts in the development of significant budgetary programs, as well as the focus on assessments oriented to results; the institutional link through commissions established between the General Comptroller Office of the Republic and the Ministries of Finance and Treasury.

With respect to measurements introduced by the General Comptroller Office of the Republic, it can be mentioned training and recruitment of experts on financial auditing matters and opinions, the formation and operation of a permanent working team with the Legislative Assembly, focused on meeting the needs and relations between both entities, as well as permanent monitoring of common issues in legislative committees. There is also availability of electronic files related to income and expenses settlement for representatives, advisors and other legislative officers.

g. Cuba

In the case of Cuba, the State General Comptroller points out as best practices the issuance and discussion of reports in the different budget stages before the Ministers Council and settlement before the National Assembly, and the discussion of the reports resulting from the governmental integral controls before the Ministers Council, stage when the leaders of the controlled entities must account for projected measures to reverse deficiencies and irregularities discovered. In the same way, the introduction of accountability proceedings by directors and officers in compliance with article 13, section c, Resolution 60/11 of (in Spanish) CGR “ Internal Control System Standards” referred to this matter.

Best practices developed by this SAI include the thorough dissemination of the mission and functions, and the challenges and principal projections of the General Comptroller Office of the Republic before representatives providing increased information and better conditions to assess SAI work when accounting before the National Assembly.

h. El Salvador

The Court of Accounts of the Republic of El Salvador does not deliver information on this matter.

i. Guatemala

In the case of Guatemala, efforts towards electronic government implementation; the creation of a Transparency Committee in charge of controlling effective public funds management and carrying out internal audits by the executive entity and the elaboration of budget by results, are highlighted.

With respect to practices developed by the General Accounts Comptroller Office of the Republic, the following can be mentioned: presentations of auditing results to the media for citizens to be aware of deficiencies detected in each institution; Accountability Sessions before national communities to show results and the strengthening of Social Auditing Committees through training of their members, officials and public servants.

j. Honduras

In the case of Honduras, the broadening of the Accountability Report scope introduced before the National Assembly, that prior to 2010 was based on budgetary allocation assessment regarding expenses is highlighted. Since then, elements such as income allocation, public finances macroeconomic environment analysis; debt sustainability assessment; national inventories assessment of State assets and local governments accountability have been incorporated. Currently, the opinion on the reliability of Internal Audit Units of the Public Sector of Honduras will be incorporated.

k. Mexico

In the case of Mexico, the growing dissemination of governmental information through institutional web sites, the reduction of public trust funds and an increasing follow up of budget allocations are highlighted.

l. Panama

In the case of Panama, governmental efforts have been focused on effective data systematization and consolidation through data standardization and the passing and enforcement of the State Management Monitoring Act.

m. Paraguay

In the case of Paraguay, the growing interest to perform accountability practices to citizens by some city mayors through public acts, as well as, the participation of audited entities authorities in accountability events done by the General Comptroller Office of the Republic are highlighted.

n. Peru

In the case of Peru, according to the National System Monitoring Act and the General Comptroller Office of the Republic, one of the system responsibilities is to foster modernization and enhancement of public management through management system optimization and enforcing governmental control, pursuant to subsection C, section 15 from Act No. 27785.

In this regard, the General Comptroller Office of the Republic has addressed its efforts to provide different tools in order to improve public administration, like: Internal Control Standards, passed by Controller Provision 320-2006 EC; Internal Control System Implementation Guidelines for State entities; Guidelines on preventive measures to observe, control and monitor assets and public resources; manuals on prohibitions and sanctions to the use of public goods;

and resources and the documents elaborated to transfer and settle administration at municipal, regional and local levels.

o. Puerto Rico

In the case of Puerto Rico, the passing of acts that impose sanctions on accountability violations is highlighted.

p. Uruguay

The Court of Accounts of the Oriental Republic of Uruguay does not deliver information on this matter.

q. Venezuela

In the case of Venezuela, they mentioned best practices to strengthen accountability as follow up to improvement actions proposed by the General Comptroller Office of the Bolivarian Republic to audited entities, that enables verification of corrective measurements regarding deficiencies detected, and the citizens training process developed by fiscal control entities that enables the participation of citizens through Communal Councils acting as channels to promote transparency and accountability.

Citizens engagement in accountability tasks through the implementation of cooperation agreements based on the observance of confidentiality, objectivity, responsibility and discretion principles, and dissemination of regulatory reforms introduced, regarding fiscal and budgetary control, focusing on social investment project funding, accountability and transparent administration of public resources, also constitutes a best practice.

Likewise, there are initiatives by the General Comptroller Office of the Bolivarian Republic in order to improve accountability standards before the National Assembly from the redesign of management report contents that include qualitative and quantitative information in a succinctly and accurate manner, and the joint meetings between this SAI and the Accountability Parliamentary Committee to foster a fluent relationship and coordination of works and institutional cooperation.

Once reviewed all determinant factors of quality and best practices of SAIs on accountability, next chapter will deal with main challenges faced by SAIs and required transformations to improve quality of accountability in Latin America.

CHAPTER IV

GOVERNMENTAL CHALLENGES AND
TRANSFORMATIONS IN ORDER TO IMPROVE
ACCOUNTABILITY STANDARDS IN LATIN
AMERICA, FROM THE PERSPECTIVE OF SAIS.



Based on the contributions and analysis of the information provided by SAIs of Argentina, Belize, Bolivia, Chile, Colombia, Costa Rica, Cuba, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, Puerto Rico, Uruguay and Venezuela, this chapter presents the main *challenges and transformations to improve the quality of accountability in the countries of the region.*

1. Challenges of SAIs in Accountability matters.

Currently, SAIs face the following challenges to improve accountability systems in force in each country of the region: a. Improving the scope of the existing regulatory framework for the exercise and results of institutional accountability; b. Improving the institutional and technical capacity for accountability; c. Opening and strengthening spaces for interaction with citizens and the media; d. Implementing technological improvements to computer systems and using communication and information technologies; e. Ensuring availability of physical, human and financial resources; f. Developing institutional and social incentives for the establishment of a comprehensive, transparent and accountability culture, as described below:

a. Improving the scope of the existing regulatory framework for the exercise and results of institutional accountability

This challenge requires addressing the analysis of the institutional framework and government practice as determinant factors of the quality of accountability, considering the scope of institutional responsibilities related to planning of public policies and to different stages of the budgetary process, besides the factors that determine the interactions of the SAI with the legislative branch and with the government. This analysis shall allow the understanding of the degree of universality and comprehensiveness of institutional accountability and the applicability of external control for a better interpretation of the results and impact of management and institutional performance, so that it contributes to the sustainability of public policies beyond traditional ways of financial and legality control.

It is important to identify and promote the necessary procedural and regulatory changes to improve the quality of accountability of entities obliged to report and disclose results, regarding deadlines, key information, and publicity of results. In addition, it is necessary to widen and strengthen the scope of sanction systems for failure to comply with the legal mandates and the corresponding imposition of sanctions. If possible, these transformations should aim at implementing ISSAIs standards 20 and 21 by INTOSAI and the indicative tools built by the Technical Committee of Best Practices of Governance of OLACEFS, which made applicable the principles of the Declaration of Asuncion, 2009.

b. Improving the institutional and technical capacity for accountability

The analysis of opportunities to improve the institutional and technical capacity for institutional accountability should address two areas: the area referred to the interaction between the audited entities and the SAI, on the one hand, and the area related to the interaction between the SAI and the Legislative Branch, on the other.

In the first area, a greater understanding of the concept and scope of accountability by public servants is required, pointing out the technical criteria to improve reporting of information in terms of quality and applicability, as of the definition of evaluative parameters and standards for reporting and processing information.

In the context of the relationship between the SAI and the legislative branch, the strengthening of mechanisms that allow further understanding of the results of institutional control on accountability by the legislators is required. This effort should consider the institutionalization

of spaces for technical dialogue and deliberation on accountability reports beyond those formally established, in addition to the preparation of supplementary analysis focused on the impact of the management performed.

Progress in the professionalization of the public sector officials in order to improve the quality of government management is required in both cases.

c. Opening and strengthening spaces for interaction with citizens and the media

With respect to the opening and strengthening of spaces for interaction with citizens and the media, several challenges related to the visualization of the impact of institutional accountability in the daily life of citizens and to the sustainability of public policies arise. In this sense, it is necessary to expand the universe of interested audiences and stakeholders, in addition to encourage participation by means of incentives using promotion of an accountability culture based on the elevation of values and the coordination of efforts by the audited entities and the SAI. Also, it is necessary to strengthen the establishment of agreements with educational institutions and schools of thought in order to identify opportunities to carry out a research on the impact of accountability to solve social problems; similarly, to promote the creation of spaces for citizen participation and social control from input generated as a result of the institutional control of public accounts.

Other factors that would result in understanding of the scope and impact of accountability are the development of disseminating and training initiatives addressed to civil organizations and journalists from the media and information sessions through fairs and public events for presenting the results of institutional administration.

d. Implementing technological improvements to computer systems and using communication and information technologies

The implementation of technological improvements and information systems in order to serve the interests of governmental administration, are some of the major challenges to ensure the technical quality of accountability due to the level of complexity of the financial operations of the public sector. The efficient use of communication and information technologies pursuant to standards and protocols for data reporting, as well as the opening of access information channels to citizens would be a significant improvement for the quality of accountability.

e. Ensuring availability of physical, human and financial resources

As stated in the Declaration of Lima, the availability of physical, human and financial resources is essential for ensuring the analysis and verification of the control exercise of SAIs, both regarding auditing and accountability matters. To that effect, the permanent challenge is to ensure budgetary allocations before the legislative branch, that guarantee physical resources such as facilities, office provisions, and highly qualified human resources and financial resources to develop research, verification, and survey of strategic information for the development of an appropriate institutional control of budgets and verification of compliance with public policies.

f. Developing institutional and social incentives for the establishment of a comprehensive, transparent and accountability culture

Another challenge to improve accountability is to creatively develop a system of incentives that allows visualization of the actions of officers who make significant contributions to the improvement of institutional administration and development of public policies, on fulfillment of their duties. The design of a system of incentives to improve accountability would provide additional elements so that citizens may evaluate the dimension of diagonal and social accountability.

2. Institutional transformations to improve accountability quality in the countries of the region.

Even though, accountability as an institutional practice of legitimacy has been strengthening in Latin America, it is still necessary to enhance mechanisms, tools, and methods for its effective enforcement. In this section, institutional reforms and relationships with the media and citizens, to enhance accountability in each country, are related as follows.

a. Argentina

Provisions contained in Article 85 of the National Constitution, granting the Legislative branch external control powers, acknowledge the General Audit Office of the Nation as an external control and technical consultant body of the Congress, with administrative autonomy. Due to the decision of the Legislative power to grant extraordinary powers to the executive branch, it would be convenient to limit the scope of the law, in case of budgets surpluses resulting from the difference between the collected amount and the projected one be reassigned again by the Congress. In the same way, it would be of great value the explicit introduction of the criteria on which planned governmental decisions and their execution, both were made, from the approach of public services and goods, as well as from its budget allocation, in such a way that an assessment to know if actions undertaken comply with efficacy, efficiency and economics criteria can be applied and thus enabling assessment of results and impact of executive branch decisions.

In the same way, it would add value to accountability that audited entities would apply legal standards to the information. This would allow a higher extent of quality of information when performing quantitative and qualitative analysis of consolidated information from the national and public sectors. Besides, it is necessary to advance in the forms of presenting information, with subdivisions and differentiations related to assessment criteria and targeted users.

On the other hand, it is necessary to consider universal and comprehensive accountability for the whole governmental administration, without considering exceptions (both temporal and permanent).

Focusing on accountability improvement of the SAI before the Congress, the creation of a permanent budget office within the National Congress, staffed with competent technical staff in budget related issues, reporting to representatives, in real time, about treatment and budget allocation during the fiscal year, would be beneficial. This budget analysis office would play as a main role the provision of information to both houses and committees, in particular, to budget and joint accounts committees, independently from their political affiliation. Moreover, accountability would improve hierarchical organization with the introduction of this accountability analysis office in the National Congress leading to a deliberative parliamentary process, just as when the fiscal year Budget Act is analyzed and discussed.

It would be also favorable to institutionalize production of special studies either pre-established or at the representatives and committees request on budgetary issues and other parliamentary issues. Consequently, the collection and systematization of statistical data generated by other entities at national and international level, is needed since there is awareness of their existence, but they are scattered all over and out of representatives reach.

Among the issues to be addressed, it is necessary to include special reports on public debt contingency, social security and studies on goals and management indicators previously defined in the programs.

Another aspect aimed at strengthening accountability exercise is the one related to citizens and the media. In this regard, it is necessary to foster researches and reports disclosure on the importance of objectives and goals set in budgetary processes and to foster participation and citizen monitoring by means of educational and training activities for the promotion of social, civil, and

political commitment both in academic and non academic environments. Consequently, it is necessary to sign agreements and/or treaties with public and/or private educational institutions at elementary, middle, high and/or superior levels and with civil society organizations.

Likewise, it is necessary to establish mechanisms that enable access to information and enable dissemination of minimum contents of accountability essential aspects.

b. Belize

In the case of Belize, it is necessary to move forward towards the introduction of internal auditing units within governmental ministries and departments, as well as the creation of public accounts committees within governmental units. It is also necessary to enhance public sector professionalization of staff to upgrade management standards and to strengthen accountability exercise from the auditing body to the Congress.

c. Bolivia

In the case of Bolivia, accountability standards made by governmental entities would be improved through legislative development and its corresponding regulations, as well as the introduction of methodologies that enhance its exercise. It is necessary to move towards public information dissemination using information and communications technologies (ICT) and to generate spaces to foster civil society participation, after training and dissemination of accountability process scope.

d. Chile

In the case of Chile, accountability process would be favored by the adjustment of the legal framework established by Act No. 10336 (General Controller of the Republic of Chile Organic Act.) so that the monitoring body may be entitled to perform management audits in such a way that the elimination of the restriction contained in article 21B of said act (the controlling authority should not pronounce itself on merit or convenience of utilities performance) enables the broadening of the universe and scope of institutional control.

In relation to accountability improvement by audited entities, it is necessary to move towards the development of technological support in accordance with the level and complexity of operations, in particular, entities related to utilities. It is necessary to enhance training programs for officers, civil society organizations, and citizens, on probity, citizen participation and accountability matters.

Similarly, it is necessary to strengthen coordination and information consolidation in decentralized utility entities in the different regions of the country and to have common standards for accountability performance.

Regarding accountability enhancement to citizens, Chile faces the challenge to promote citizen participation through discussion and experiences exchange, both for public or private entities.

e. Colombia

In the case of Colombia, disseminating regular reports to the citizens would strengthen accountability.

f. Costa Rica

In the case of Costa Rica, it is necessary to move forward in the strengthening of standards that define the national assessment system and to foster effective mechanisms so that political control has consequences of sanctions over continuity of officers in their jobs. It is also necessary to define competencies of officers in planning and assessment to eliminate overlapping of functions and to facilitate responsibilities assignment, particularly between planning and finance ministries.

Accountability standards may be favored in the same extent that governmental officers submit the results of research studies performed on institutional management through the media.

Regarding accountability standards of the SAI before the legislative branch, it would be beneficial the implementation of auditing and regular administration reports before the Congress; the access to the SAI information systems, to data consultation, and analysis; and the SAI generation of medium and long term proposals for modifying the characteristic issues of budget administration and management evaluation.

g. Cuba

In the case of Cuba, the updating process of the economic management model demands today the institutional strengthening and the creation of new mechanisms, which makes it viable. The decentralization of activities and powers, as well as the acknowledgement and promotion of different nongovernmental forms of property and management require that top management, directors, executives and staff fulfill their duties within a total transparent environment in which accountability is mandatory in their daily work and they are responsible for the management of guarded resources before all management levels and before the people.

A way to enhance the accountability exercise by audited entities would be the creation of a legal committee to unify and computerize the issues related to management accountability at all stages of economic administration.

Accountability strengthening before citizens and media should be based on different axes, among them: political will of the State to enforce accountability; an administration based on principles of management examples, responsibility and probity of executive staff and officers; continuous accountability to assess management results and audit resources; and the actual participation of workers and unions in the management processes of economic entities. Regarding the media, the analysis and dissemination of corruption cases will enable them to identify the origin and the environment which generate those cases, as well as to show the available possibilities that a transparent management causes with the correct use of resources and the achievement of the objectives drawn up.

h. El Salvador

The Court of Accounts of El Salvador does not deliver information on this matter.

i. Guatemala

In the case of Guatemala, even though there are standards in force, these are not specific and are scattered across the legal system limiting the possibilities of the SAI to perform an effective accountability exercise. Besides, it is necessary to regulate the procedures of audited entities subject to accountability, stating mechanisms and unique proceedings, terms, mandatory information, results dissemination and sanctions to be applied in case of accountability noncompliance.

Moreover, it is necessary to advance in the use of technological tools in order to obtain significant, timely and correct information provision; to create a specialized accountability office aimed at following up policies and strategies towards achieving effective accountability (this office should be “autonomous from the three State branches and have its own budget”), to support dissemination and development of activities that foster citizen participation, to establish the “Accountability Day” at national level, which would lead to increase officers and citizens awareness.

Besides, the building and strengthening of accountability culture would require to develop initiatives such as: a. to include participation of citizens in academic curriculum of children and youngsters in such a way that when they become citizens, they act in a conscious and responsible

manner; b. to foster national universities research on social, political and cultural issues related to accountability; c. to train constantly media journalists on the technical aspects related to SAI institutional duties to strengthen communication capacities and thus, effective information to citizens to reduce communication barriers between sender and recipient; and d. to promote the creation of Citizens Committees on Accountability, with different sectors of the society.

j. Honduras

In the case of Honduras, among the institutional changes required to strengthen accountability standards are: to strengthen enforcement system through Superior Court of Accounts Organic Act amendment (in Spanish, “Ley Orgánica del Tribunal Superior de Cuentas”) in such a way that, officers held accountable cannot evade that obligation; to reduce governmental reports deadlines corresponding to budgetary settlements of the public sector (to move them from April 30th to January 30th annually speaking), in such a way that, the Superior Court of Accounts may analyze and verify information submitted by the 88 institutions responsible of accountability ; and to provide the Auditing Department of the SAI with highly qualified staff and the technological hardware and software required to asses each and every public sector entity.

In order to enhance the accountability exercise from the SAI to the Legislative Branch, it would be convenient to introduce the *Accountability Report* before the president, secretary, presidents of chambers, and presidents of the budget committees I and II, in order to disseminate, without the intervention of third parties, fiscal year outcome assessed of each entity and to contribute to understand the singular situation of each audited entity. Moreover, it would be favorable to include in the Accountability Report an impact assessment and, at the same time, to check and validate in situ, accountability information received by the audited entity.

As respect to the strengthening of accountability exercise before citizens and the media, it would be convenient to promote citizens forums, so that each public officer in charge of an entity accounts for his/her performance before citizens.

k. Mexico

In the case of Mexico, to progress in accountability exercise strengthening, it would be necessary to modify legal deadlines to submit the *SAI Annual Report of Public Account* before the legislative branch so that it is useful as an input to design and approve the next year Federation Expenditure Budget.

Moreover, the SAI accountability exercise to the Legislative Branch would be strengthen with the incorporation of supporting staff from representatives in the Civil Service and by the SAI initiative to prepare a report with a nontechnical language and easier to understand.

SAI approach to citizens at schools and universities and simplification of reports would enhance citizen interest in the accountability exercise.

l. Panama

In the case of Panama, accountability of audited entities would be strengthened by a consolidation of culture towards the effective accountability performance based on values promotion and initiatives implementation by the audited entities and the SAI.

SAI accountability strengthening before the Legislative Branch would require the introduction of policies that promote regular exercise of accountability and increase the number of audited entities that must perform accountability; in addition, it would be useful to develop information systems that generate the corresponding accountability reports.

The creation of citizen participation spaces and the presentation of public accountability by public entities would favor culture consolidation in this regard.

m. Paraguay

In the case of Paraguay, accountability would be strengthened to the extent that initiatives are guided towards understanding the report through the preparation of a document addressed to citizens, in nontechnical language, and to raise awareness of legislative representatives on the matter, by introducing presentations in the Congress.

In connection with the accountability promotion to citizens, it is essential to use friendly spaces to promote further awareness on the issue, such as, expositions, festivals and fairs aimed at reaching additional sectors of the society, as well as the use of informative brochures and the media. It is also convenient to develop itinerant accountability strategies in different places of the national territory.

n. Peru

In the case of Peru, institutional transformations to improve accountability standards is focused on redesigning the Accountability System based on the criteria described below: a. public entities needs and other actors needs of relevant information for exercising surveillance and social control; b. a report, by topics, that classifies information from the public entities point of view, the organized civil society and the citizen; and c. the incorporation of useful information for auditing processes in accountability reports.

From audited institutions point of view, initiatives should be focused on minimizing non compliance rate of presentation of accountability reports through the implementation of regular verification procedures, with a real enforcement system and publicizing entities that fail to comply with the corresponding legal mandates; on reduction of incomplete and inconsistent accountability reports through SAI implementation of eligibility assessment reports procedures, terms for correction of observations, regular verification procedures, on site or virtual training courses, effective sanctions, and publication of the list of entities whose reports contain the above characteristics and to create verification information processes contained in accountability reports, all sequentially. Accountability reports as an input should be included in the corresponding legal framework.

With respect to the relation between the SAI and the Legislative Branch, it is necessary to maintain a continuous technical communication with advisors and representatives in order to raise understanding of accountability results issued by the General Comptroller of the Republic.

On the other hand, accountability to citizens and to the media would be strengthened as long as information needs of civil organizations, citizens and the media are determined in such a way that accountability reports become a tool of social control. It is also necessary to continue special efforts on fostering initiatives to disseminate the contents of the reports to citizens, expressed in nontechnical and friendly language, using massive dissemination strategies such as written, radial, TV and electronic media communications.

o. Puerto Rico

In the case of the Commonwealth of Puerto Rico, strengthening of legal sanction framework on public officers who do not comply with regulations would benefit accountability. Likewise, the implementation of quality management systems in governmental entities and the creation of TV and radio programs to inform on accountability aspects and auditing reports outcomes are necessary.

p. Uruguay

The Court of Accounts of the Oriental Republic of Uruguay does not deliver information on this matter.

a. Venezuela

In the case of Venezuela, institutional transformations to improve accountability standards are focused on the revision of articles 57 and 59 of the General Controlling Body of the Republic and the National System of Fiscal Control due to the fact that it does not provide an accountability deadline for its presentation therefore it is left to the audited entity discretion.

Furthermore, in order to enhance accountability of audited institutions, it is necessary to strengthen the training of managers or account administrators in their field of action, as well as the designing of reports, considering SAI models or formats, that include internal control observations and information related to financial allocation of resources, among other aspects.

While accountability improvement by the SAI before the Legislative Branch, it is necessary to strengthen joint activities, in particular on issues related to the formulation and approval processes of enforcement connected to accountability and conflicts of interest, as well as, amendments to the law against corruption. It would be useful to develop programs focused on the creation of alliances among the private sector, the General Comptroller Office and the Legislative Branch for the promotion of public sector transparency.

Besides, it is necessary to foster educational workshops and training to public officers as a mechanism to strengthen accountability before citizens and the media, in such a way that enables outcomes discussion before citizen assemblies or before the entity or agency requested.

From the presented governmental challenges and transformations to improve quality of accountability in Latin America two tools have been built to assure effectiveness of accounting applying Principles of Accountability and are introduce bellow.

CHAPTER V

TOOLS FOR THE APPLICATION OF ACCOUNTABILITY PRINCIPLES DECLARATION OF ASUNCION 2009



As the answer to the need of improvement of accountability systems in all countries of Latin America and the Caribbean as part of the work performed by the Technical Committee of Best Practices of Governance of OLACEFS, next two technical instruments are presented to improve quality of accountability and to contribute to the countries of the region to institutionalize best practices of governance by using them.

The first one is the Guidelines for Implementing Principles of Accountability of the Declaration of Asuncion, which points to provide practical tools for the accountability at the institutional sphere in line with the Declaration of Asuncion.

The second one is the *Guidelines for the public accountability of the SAIs to the citizens*, which points to provide a methodological route for presenting, to citizens, results of the institutional management of the SAI, specifying aspects, such as, institutional framework and the performed administration, the scope and results of institutional control, emphasizing on control of the budgetary cycle and on institutional control over the accountability of audited organizations.

Both instruments are based on the recognition of the best practices developed in eighteen countries of Latin America. These tools propose actions to be implemented by governments and SAIs in order to promote efficiency in accountability of governmental entities presented to external control entities, and from these entities toward the legislative branch. These instruments also facilitate the knowledge of institutional dynamics on accountability on behalf of civil organizations and citizens, who are able to generate an opinion with real information, which in turn allows a public judgment based on administration results.

Next, you will find these two instruments for the improvement of good governance.

TOOL 1

Guidelines for the implementation of principles of accountability of the Declaration of Asuncion, 2009

In this section you will find the “Principles of Accountability”, proclaimed in the Declaration of Asuncion in the XIX General Assembly of OLACEFS, of 2009 in Asuncion, Paraguay. In the same way, you will find actions to implement each principle.



Principle 1

Accountability is the basis of good governance

- *The link between political power and citizens must have mechanisms that allow interaction assuring governments to answer interests of people represented by them.*
- *SAIs are the center of accountability because they are in charge of the control of public finances.*
- *SAIs have the role of monitoring the appropriate functioning of the accountability system.*

→ ***Actions for the implementation of this principle.***

1. Promote the performing of specialized studies to improve understanding of accountability and its impact on public policies, at institutional level, in front of the legislative power, with the participation of the academy and experts, as well as civil organizations. Consider the contribution of previous studies developed by international cooperation agencies.
2. Promote the development of inter institutional strategies to divulge accountability as a principle of good governance, that assures elements as information, explanation, responsibility, and punishment considered by accountability. Pay special attention to publish the scope of accountability in the media, legislative sectors, political parties, and citizens.
3. Promote the design and development of training strategies addressed to citizens and public servants, about the relevance of accountability and the responsibilities of other actors in the accountability or in the demanding of accountability.
4. Identify restrictions of accountability and promote actions to solve those restrictions.
5. Generate institutional synergies to improve planning of governmental administration considering the following:
 - a. Consistency and coherence among national and strategic objectives of the government, operational plans, and governmental entity plans.
 - b. Accuracy in definition of objectives and goals and correlation between them.
 - c. The use of appropriate management indicators which allow evaluation of reach and results of public policies of all institutions in the public sector, at the different levels, and when it is necessary.
 - d. The use of parameters and indicators, which allow comparative analysis of services offered by entities using public funds.



6. Promote that the Legislative Power performs the corresponding feedback over the results of the Executive Power Administration. If possible, incentive so that this feedback is developed in front of control organizations, media, academy, international cooperation agencies, civil organizations, and citizens.
7. Articulate the SAIs initiatives on accountability matters with open government policies, in case your country is a part of Open Government Partnership, OGP.
8. Design a set of indicators to materialize the proposed actions of this principle in such a way that you can identify the current situation and its evolution.

Principle 2

Duty to inform and justify

- *All public officials are obligated to inform about their decisions and justify them publicly in a clear and complete manner*
- *Citizens, control agencies, and public powers must have the ability to demand explanations in a way that a dialog is established allowing reflexive processes of decision making and evaluation of public policies, the use of public funding, and integrity of public function.*

→ *Actions for the implementation of this principle.*

1. Promote the use of institutional web sites in the different levels of government to inform the interested parties about governmental administration. Formally ask governmental institutions and the legislative branch for publishing the corresponding following information:
 - a. Approved and executed budget of, at least, two prior fiscal years and ask for an explicative text.
 - b. Current annual investment plan. Ask for an explicative text.
 - c. Current revenue and expenses budget approved and executed. Ask for an explicative text.
 - d. Analysis of debt sustainability of each public institute and judgments and opinions issued on each institute by the SAI or by external auditing.
 - e. Auditing reports issued by the SAI and judgments on the auditing of accountability in SAIs with jurisdictional authority.
 - f. Plans of institutional improvement as a result of observations, auditing suggestions or dispositions, and previews and results.
 - g. Reports of inspection follow up, and control produced by other supervision entities.



Remember that this action is also applicable to the SAI, if applicable.

2. Produce in the SAI explanatory reports, which provide elements of analysis on accountability addressed to the different type of audiences and promote discussions at the legislative branch. Take into consideration that the report should have detailed objectives and goals proposed, those achieved, details explaining and proving the differences of results, in terms of efficiency, effectiveness, economy, and sustainability.
3. Promote online information availability of records of governmental contracts assigned with information such as:
 - Name of executing institution,
 - Name of the work,
 - Precise location.
 - Amount assigned,
 - Information about executants and supervisors of work,
 - Performance and budgetary progress of the work,
 - Financial information with details of payments,
 - Operation and maintenance expenses,
 - Variations of costs,
 - Progress of works, with details about real physical programmed progress, on a monthly basis, up to the finalization.
4. Promote dissemination of information on indicators behavior applied by the institution to measure management and results achieved.
5. Promote digitalization of public information to make it available to citizens and other interested parties to analyze it and to control it.
6. Promote the publishing of information related to institutional management and accountability by governmental institutions. This information must have easy access and clarity, for subsequent analysis and validation by different interested parties. It must be in Excel files if using numbers or text format, according to type of information, avoiding use of PDF formats, images or others hindering its use. Promote also publishing of the same type of information by your SAI.
7. Besides supporting your accountability report before the legislative branch do it as information to the president of the country and his team of Ministers in order to make them to know first hand the results of the evaluated fiscal year, emphasizing on the implication of government finances and its impact over public policies.
8. Evaluate your performance in relation to duties established by the Law of Transparency and Access to information and encourage its compliance. In case there is not in your country this legal instrument, make it clear the need of advancing in its construction to provide access to information.
9. Promote the publishing of legal frameworks to regulate access to information by governmental entities.
10. Promote the creation or strength of spaces to inform citizens about management and results of governmental works, such as public audiences of

accountability, press conferences, or other mechanisms of dissemination.

11. Design a set of indicators to materialize proposed actions of this principle, in such way that you are able to identify the current situation and its evolution in time.

Principle 3

Comprehensiveness of the system of accountability

- *The accountability system is made up of different social actors that interact with the inter institutional level as well as the social society.*
- *SAIs as well as governments are responsible for a fluid and frequent coordination among actors.*
- *SAIs must foment the exercise of a comprehensive role by each actor of the accounting system.*

→ **Actions for the implementation of this principle.**

1. Prepare an explanatory map of mechanisms, dimensions, competencies of the SAI and the relationship with institutional and social actors, based on the organic structure of the State, to facilitate the understanding of the current Accountability system of your country (See Guidelines for SAI Public Accountability to citizens).
2. Promote development of information and training programs addressed to media, citizens and civil organizations, on legal matters, competencies, and scope of the current accountability system of your country.
3. Build and make official technical spaces for training, advising, discussing, and explaining which makes it easier to strengthen the Internal Control function of the governmental entities and the accountability before the SAI.
4. Create institutional synergies for the unification of institutional offers of training, to officials and citizens in matters as internal control and accountability, in accordance with their competency.
5. Identify main actors involved in formulation, approval, execution, and control processes of public policies, with the purpose of clarifying its role in the accountability process in such a way that important sectors of civil society are able to demand results from institutions or appropriate persons.
6. Contribute to the creation of the best indicators of evaluation, management, and performance of public administration and observe their



impact on the citizen quality of life. Make sure that accountability allows the reasoned justification of expenses.

7. Evaluate parameters and widen the scope of criteria in the selection of organizations to be audited based on the importance of the assigned budget and the risk involved in each one, among other aspects. Clearly set out the criteria applied when preparing the General Auditing Plan.
8. Build and make official technical spaces for training, advising, discussion, and explanation of information related to accountability, in governmental institutions as well as in the legislative branch.
9. Develop a severe follow up to the implementation of recommendations or dispositions resulting from the auditing process.
10. Promote the establishment of an agreement between the audited institution and citizens with respect to the improvement plans adopted and the set deadline. Foment that social actors become observers of the compliance of agreements, publishing results of the institutional follow up to improvements plans.
11. Foment, along with civil organizations and interested parties, the creation of a ranking list of control entities that efficiently meet accountability and managerial improvement.
12. Create synergies and institutional consensus within governmental institutions, the legislative branch, and control organizations, to assure availability of administrative, human and financial resources for accountability.
13. Promote development and integration of governmental information systems that provide accountability.
14. Design a set of indicators to materialize proposed actions in this principle, in such a way that is able to identify the current situation and its evolution in time.

Principle 4.

Transparency of information

- *Advertising public actions is fundamental premise of transparency.*
- *The presented information for accountability must be reliable, clear, accessible, understandable, complete, mesurable, verifiable, timely, useful, and public for citizens.*
- *Control entities must encourage that information presented by institutions have these characteristics.*

→ *Actions for the implementation of this principle.*



1. Promote publishing governmental information in institutional web sites of public entities. Ask explicitly for publishing of audit plans, improvement plans, and results of implementation issued by SAIs to audited institutions.
2. Develop an incentive program, which acknowledge best governmental practices related to the information report to citizens and to accountability to the SAIs.
3. Promote implementation of quality management systems in governmental institutions.
4. Promote implementation of Information systems for the citizen about social investment projects and services performed by the State, so that civil organizations and related actors are able to follow up public investment.
5. Use television, radio, social nets online, and other channels to communicate aspects of control and results of auditing.
6. Disseminate accountability reports through open forums or public hearings with sectors as academic, media, audited entities, civil organizations, and citizens.
7. Identify the point of origin of major problems in topics as information transparency and establish agreements and strategies with audited entity for solutions.
8. Design a set of indicators to materialize proposed actions of this principle, in such way that you are able to identify the current situation and its evolution in time.

Principle 5

Noncompliance Sanction

- *Actors demanding accountability must be capable to apply or request before authorities sanctions to public officials who had infringed their duties or failed to comply with obligations.*

→ **Actions for the implementation of this principle.**

1. Promote analysis of efficiency of the current sanction system of the country. Get involved governmental, legislative, academic, media, civil organizations, and citizen sectors.
2. Prepare a characterization of irregular facts of the public administration related to handling of public fund resources, pointing out the associated crime and the sanctions ordered by law. Bring to the attention of governmental responsible persons and the citizens in order to have a better understanding of the sanctions and punishments system.
3. Promote the preparation of a list with details of duties and responsibilities of officials in the active administration, in topics such as accountability, to make it public to interested parties in order to get a glimpse of possible



offences committed by public officials, which could be subject of sanctions.

4. Prepare a characterization of frequent facts occurred in audited entities, that are not crimes but are a signal of deficient or insufficient administrative management. Disseminate this information to assure an improvement of institutional management and to promote creation of social sanctions.
5. Inform about competencies your SAI has to impose economical or administrative sanctions. If SAI has not the authority to impose sanctions, point out the authorities responsible for this imposition.
6. Prepare an annual consolidated report with evidence of civil, criminal, or administrative responsibilities detected as result of the auditing process, in accordance with current regulations. You must indicate the way in which the evidences were handled, or the competent authorities to whom they were sent. Disseminate this information and promote citizen tracking.
7. Promote institutional coordination with other control organizations or institutions to track sanction application. Inform citizens about these results.
8. Promote the existence of an updated unique record of sanctioned persons on the topic of contracts, purchases, budget dealing, and other topics related to public management, according to competencies assigned by the legal and regulatory frame.
9. Prepare and periodically publish a report of economical or administrative sanctions imposed as a result of the authority conferred by the legal system according to competency.
10. Create and promote training and information strategies on the incompetency regimen applicable to official and public servants of the State.
11. Design a set of indicators to materialize proposed actions of this principle, in such way that you are able to identify the current situation and its evolution in time.

Principle 6

Active citizen participation

- SAIs will strengthen their strategies, links, and mechanisms of communication and interaction with civil society.
- SAIs will train civil servants in order for them to become real "accountability experts" in front of the citizens.
- SAIs will contribute to the building of an institutional framework that offers proper opportunity and effectiveness of the access to State information.
- SAIs will take the necessary steps to improve public knowledge on logics of the accountability system in order to contribute to appropriate exercise of the citizens' role in the system.



→ *Actions for the implementation of this principle.*

1. From the SAI, promote implementation and execution of policies, programs, and projects oriented to specify citizen participation in fiscal control, based on mechanisms of proposed citizen participation and best practices identified by the Technical Committee of Citizen Participation of OLACEFS, according to the scope of the current regulation of the country.
2. Prepare an office or space to contact citizens to inform or guide them in such matters as institutional offers, citizen participation, accountability, and mechanisms available in the SAI to process complaints about presumed irregularities in the management of State resources.
3. Promote establishment of collaborative agreements with civil organizations based on observation of confidentiality, objectivity, responsibility, and reserve principles, to improve fiscal control and accountability.
4. Lead a strategy of ability creation addressed to public servants and governmental officers, citizens, and civil organizations, guided to improve understanding of the concept and of the citizen participation scope in fiscal control and accountability. Emphasize on mechanisms prepared by SAI to make participation easier.
5. Evaluate your strategy to approach the citizens and strengthen your programs, according to conceptual frameworks of citizen participation in fiscal control and accountability accepted by OLACEFS. Adopt measures and implement mechanisms to correct detected weakness.
6. Develop a strategy to promote the complaints on presumed irregularities in managing public resources. The strategy must be addressed to public servants as well as to citizens and to civil organizations and interested groups.
7. Inform citizens about the improvement of the quality of control and public administration resulted from actions of civil organizations and citizens, through citizen participation mechanisms of control developed by the SAI.
8. Promote strengthening of abilities in civil society organizations in charge of social control, citizen oversight boards or social auditing to public management, particularly to those interested in citizen tracking to recommendations and dispositions created by the SAI.
9. Design applications (apps) for mobile phones and tablets that allow citizens to communicate with the SAI so they can consult and exercise social control over public administration.
10. Promote the establishment of indicators to evaluate results and impact of citizen participation in the improvement of public management and in quality of institutional control.
11. Design a set of indicators to materialize proposed actions of this principle, in such way that you are able to identify the current situation and its evolution in time.

Principle 7

Complete legal frame for accountability

- SAIs will look after the implementation, strengthening, continued updating and effective application of a complete legal frame including, among other aspects, regulation on evaluation of public institutions management, on access to public information, on internal control, on fight against corruption, and on sanctions.

→ *Actions for the implementation of this principle.*

1. Identify regulatory gaps, overlapping, and contradictions related to planning, evaluation and accountability in public sector and determine consequences derived from them. Consider peculiarities of decentralized government, subject to external control.
2. Lead the creation of a committee made up of the legislative branch, responsible persons for accountability, at central and states level, experts, professional associations, private sector, and civil society representatives to deal with the analysis of the institutional frame and the governmental practice of accountability. All looking for identifying and promoting legal and procedural modifications, as well as for institutionalizing computer tools necessary to improve quality of institutional accountability.
3. Promote the approval of a comprehensive model of accountability that standardizes and sets minimal basic contents with the type of information to report and its characteristics, to make visible the results of public management and private entities with accountability, in terms of effectiveness, efficiency, economy, impact and sustainability.
4. Encourage the progressive implementation of the comprehensive model of accountability considering peculiarities of the institutional dynamics at national and departmental (Political division of the country) level.
5. Design and implement computer tools that favor discussion and cooperation environments about the comprehensive model of accountability in force in the country.
6. Favor the discussion about time and opportunity of accountability toward the SAI y from the SAI to the legislative branch and recommend improvements to optimize the use of institutional reports for decision making related to governmental planning and the official budget allocation.
7. Assure that management evaluation of institutions or entities audited by the SAI includes an analysis of proposed objectives, used resources and compare to achieved results, in a certain period of time, according to competencies.



8. Promote the improvement and conservation of documentary archive of accounting records at all levels of public administration.
9. Design a set of indicators to materialize proposed actions of this principle, in such way that you are able to identify the current situation and its evolution in time.

Principle 8

SAIs Leadership



- *The SAIs must become a promoter of the principles, systems, practical improvements, and effective mechanisms of accountability and must be an attentive observer, along with the government, other agencies and civil society, of their well functioning and continuous improvement, through the establishments of specific actions to contribute to the strenght of the system lloking for good governance.*
- *The SAIs will strengthen their strategies, abilities, and resources, and will try to have cooperation and national and international alliances that allow the sharing of knowledge and experiences and allow increase their potencialities.*

→ **Actions for the implementation of this principle.**

1. Spread the Principles of Accountability of the Declaration of Asuncion, emphasizing their importance and the benefits of their application to improve governance.
2. Convene governmental, legislative, and academic sectors, political parties, media, and civil organizations so that in a national public event all of them adopt the “Principles of Accountability” established in the Declaration of Asuncion.
3. Design a national inclusive strategy with participation of governmental, legislative, political, academic, private business, civil organizations, and media sectors, to build a work plan for the implementation and use of this Guidelines for the Implementation of the principles of Accountability of the Declaration of Asuncion, assigning responsible persons in charge of this design.
4. Process administrative, human, and financial resources to materialize this strategy.
5. Disseminate regularly the progress of the accountability in your country, describing in detail improvements, pending challenges, and possible strategies to implement. Validate those strategies with governmental, legislative, academic, media sectors, and civil organizations and citizens. Promote generation of commitments by different sectors to implement and control. Inform about assumed commitments and achieved results.

6. Establish indicators and milestones for the follow up and periodical measuring of progress in the improvement of quality of Accountability in general, as well as the characteristic actions of a SAI.
7. Promote implementation of the Tool for Self-assessment of Integrity in the SAIs (INTOSAINT), as a mechanism to favor good governance and accountability in the public sector.
8. Socialize best practices of accountability in places such as OLACEFS and INTOSAI, as well as in those national and international spheres to promote strengthening of good governance.
9. Design a set of indicators
10. Design a set of indicators to materialize proposed actions of this principle, in such way that you are able to identify the current situation and its evolution in time.

Recommendations for implementing the principles of accountability.

In order to assure implementation of the principles of accountability of Declaration of Asuncion, it is relevant to create and strengthen an open environment as a condition to materialize the proposed actions.

Thus, we introduce some recommendations to be considered for the implementation of these Guidelines:

1. Adopt the propositions of these Guidelines as part of the institutional work of the SAI. To that effect, we suggest the Guideline is included as input when doing the strategic directing of the SAI, so that the proposed activities are considered in Strategic and Action Plans of the SAI.
2. Set up strategic agreements with governmental organizations in order for them to adopt the propositions of this Guide to improve quality of accountability.
3. In addition to the proposed actions of this guide, identify those that can improve institutional coordination for the effectiveness of the system of accountability, in accordance with national and international context of your country.
4. Strengthen areas of work related to SAI external communications and those related to the legislative branch and to institutions subject to accountability to facilitate coordination of the implementation of this Guide.
5. Demonstrate SAI leadership in the accountability system.
6. Take benefit of the opportunity to invite the related actors to establish strategic alliances to follow up the process of improving quality of accountability.
7. Make public statements and lead discussion and deliberation forums about problems associated to the need of quality improvement of institutional control and accountability. If possible, set up participation spaces of pointed to channel the proposals of some sectors of the civil society to strengthen the definition of plans, objectives, strategies and criteria to improve control of SAIs.
8. Identify strategic allies in universities, media, civil organizations, and other interested parties to strengthen their exercise of accountability.
9. Use new information and communication technologies to widen possibilities to apply proposed actions of this Guide.
10. Remember to use a friendly and simple language with gender equality at the moment to develop proposed actions in this Guideline.



TOOL 2

Guidelines for the public accountability from SAIs to citizens

This Guide is addressed to officials and public servants of SAIs, as well as to citizens and civil organizations interested in learning about relevant aspects of institutional management performed by SAIs. In the first case, its application would allow to evidence and to make visible the institutional management of SAIs and in the second case, it would facilitate access to institutional information in such a way that citizens and organizations are able to build a public and responsible judgment on the scope of institutional control and on the daily work of SAIs and their results.

The structure of this Guide is divided in three sections:

1. SAIs and accountability principles – Declaration of Asuncion.
2. Thematic axes for an efficient accountability.
3. Recommendations to improve communication among interested parties.

Have into consideration that this Guide is a support tool to strengthen strategies for SAIs to approach citizens. Consequently, you are able to adjust indications and recommendations suggested in accordance with institutional circumstances, opportunities and available resources.

SAIs and the principles of accountability Declaration of Asuncion

In this section you will find a synopsis of the legal models considered in the Declaration of Asuncion “Principles of Accountability” proclaimed in 2009 in the General Assembly XIX of OLACEFS gathered in Asuncion, Paraguay. Its purpose is to illustrate the importance and scope of accountability as a starting point to show institutional management results of SAIs to the citizens. Thus, we have deal with the following aspects: 1. Basics of accountability; 2. Principles of the Declaration of Asuncion; and 3. Components of the accountability system.

1. Basics of accountability

Next we present the basics of accountability, dealing with concept, dimensions, and conditions for an efficient accountability and the impacts over State governance.

Concept	<ul style="list-style-type: none"> Accountability is a process through which officers, public servants and individuals managing public funds, report and explain in detail, before the competent authority and the citizens, about the decisions made in the exercise of their duties and account for the management and results of their actions, being subject to social and legal sanctions provided by law, depending on whether it has been appropriately managed or not.
Dimensions	<ul style="list-style-type: none"> Information Report Responsibility Sanctions
Conditions	<ul style="list-style-type: none"> Legal framework available to implement the dimensions. Compliance of rules and application of sanctions. Political will to present management and results performed to citizens. . Transparency and public information access as a sine qua non condition to enhance the government Availability of IT tools
Impacts	<ul style="list-style-type: none"> It allows correction and improvement of institutional practices. It facilitates transparent decision making. It strengthens citizens confidence on public institutions. It contributes to improve the efficient and effective use of public resources. It contributes to develop transparency principles, efficiency, effectiveness, responsibility, and citizen participation.

2. Principles of the Declaration of Asuncion

In the XIX General Assembly of OLACEFS, held in Asuncion, Paraguay in 2009, the SAIs members of OLACEFS agreed to adapt and disseminate the eight principles of accountability by implementing the Declaration of Asuncion. These principles are:

<p>1.</p> <p>Accountability is the basis of good governance</p>	<ul style="list-style-type: none"> The link between political power and citizens must have mechanisms that allow interaction assuring governments to answer interests of people represented by them. SAIs are the center of accountability because they are in charge of the control of public finances. SAIs have the role of monitoring the appropriate functioning of the accountability system.
<p>2.</p> <p>Duty to inform and justify</p>	<ul style="list-style-type: none"> All public officials are obligated to inform about their decisions and justify them publicly in a clear and complete manner Citizens, control agencies, and public powers must have the ability to demand explanations in a way that a dialog is established allowing reflexive processes of decision making and evaluation of public policies, the use of public funding, and integrity of public function.
<p>3.</p> <p>Comprehensiveness of the system of accountability</p>	<ul style="list-style-type: none"> The accountability system is made up of different social actors that interact with the inter institutional level as well as the social society. SAIs as well as governments are responsible for a fluid and frequent coordination among actors. SAIs must foment the exercise of a comprehensive role by each actor of the accounting system..
<p>4.</p> <p>Transparency of information</p>	<ul style="list-style-type: none"> Advertising public actions is fundamental premise of transparency. The presented information for accountability must be reliable, clear, accessible, understandable, complete, mesurable, verifiable, timely, useful, and public for citizens. Control entities must encourage that information presented by institutions have these characteristics.

<p>5. Noncompliance Sanction</p>	<ul style="list-style-type: none"> Actors demanding accountability must be capable to apply or request before authorities sanctions to public officials who had infringed their duties or failed to comply with obligations.
<p>6. Active citizen participation</p>	<ul style="list-style-type: none"> SAIs will strengthen their strategies, links, and mechanisms of communication and interaction with civil society. SAIs will train civil servants in order for them to become real "accountability experts" in front of the citizens. . SAIs will contribute to the building of an institutional framework that offers proper opportunity and effectiveness of the access to State information. SAIs will take the necessary steps to improve public knowledge on logics of the accountability system in order to contribute to appropriate exercise of the citizens rol in the system.
<p>7. Complete legal frame for accountability</p>	<ul style="list-style-type: none"> SAIs will look after the implementation, strengthening, continued updating and effective application of a complete legal frame including, among other aspects, regulation on evaluation of public institutions management, on access to public information, on internal control, on fight against corruption, and on sanctions.
<p>8. SAIs Leadership</p>	<ul style="list-style-type: none"> The SAIs must become a promoter of the principles, systems, practical improvements, and effective mechanisms of accountability and must be an attentive observer, along with the government, other agencies and civil society, of their well functioning and continuous improvement, through the establishments of specific actions to contribute to the strenght of the system lloking for good governance. The SAIs will strengthen their strategies, abilities, and resources, and will try to have cooperation and national and international alliances that allow the sharing of knowledge and experiences and allow increase their potencialities.

3. Accountability system components

As an institutional practice, accountability is demonstrated with compliance of presentation of reports to the Congress or to the SAI, in accordance with regulations, which is a duty of governmental institutions and individuals managing public funds. Later the SAI performs analysis, evaluations and recommendations according to regulation and criteria, and then presents them to the legislative branch, as a technical input to analyze public policies and made the corresponding decisions, provided that it offers relevant political, economical and financial information on budgetary execution, public funds destination, and management results, among others, besides providing significant input for political control of its institutional task.

In accordance with the definition of accountability, as *"a process through which officers, public servants and individuals running public funds, report and offer detailed information before the incumbent authority and citizenship..."* this exercise widens the institutional sphere towards citizens, defining the two spheres of an accountability system.

Although an accountability system varies from country to country its proper performing must have some mechanisms, dimensions, and competences for the SAIs, as well as inter relationships with state and social actors, which are described next:

Table 1. Components of accountability from the perspective of Supreme Audit Institutions

Mechanisms	Dimensions	SAI Competences and responsibilities	Interrelationships
Institutional Accountability	Information	Performs external control based on the information report of audited entities.	Government bodies and audited entities
		Performs monitoring of public accounts and public administration applying auditing techniques and special research	
		The scope of control varies according to legal framework, going from legal and financial inspection up to the analysis of sustainability of public policies, going through evaluation of institutional administration and performance	Legislative Branch
	Explanation	Performs the analysis of national accounts and macro-economic behavior based on the powers of surveillance and control.	Government bodies and audited entities Legislative Branch
	Responsibility	Determines responsibility for the achievement of expected goals and objectives and the attained results in terms of efficiency, effectiveness and economy.	Government bodies and audited entities
		Detects administrative and legal responsibilities in the management of public funds	Internal control bodies or agencies
	Sanction	Applies economic and administrative sanctions or promotes its implementation, according to their competence	Judicial entities Internal control bodies or agencies
Social accountability	Information	Provides information on the assessment of the audited entities and agencies in accordance with the scope of the audits performed.	Media, Civil organizations, and citizens
	Explanation	Opens spaces for dialogue based on the results of the auditing process.	Government bodies and audited entities
		Opens spaces for strengthening the social control over governmental management	Media, Civil organizations, and citizens
	Responsibility	Discloses fiscal and administrative responsibilities identified in the auditing process according to current regulation	Media, Civil organizations, and citizens
	Sanction	Provides information to citizens in order to strengthen the public judgment over governmental administration	Media, Civil organizations, and citizens

Now that we have review basic concepts and the principles of the Declaration of Asuncion, take into consideration:



Achieving an effective accountability requires the coexistence of information, explanation, responsibility and sanctioning dimensions within an open and participative environment where governmental agencies and citizens direct their efforts to make the decisions involving public funds administration clear and transparent. not only for control entities but for citizens.



Constitutional and legal frameworks, tools availability, methods and instruments for controlling, as well as, the existence of an institutional culture based on the respect by officials to comply with standards, determine accountability effectiveness.



External control work performed by SAIs, enriches and improves accountability quality by providing technical tools that make clear governmental measures and enrich arguments prior to any sanction, both politically and socially speaking.

Thematic axis for an effective accountability from SAI to citizens

This section of the Guidelines shows the most relevant aspects that a SAI must have into account to have institutional management acknowledged by different actors of societies.

In the first part, there are aspects to disseminate the institutional framework, considering organization, institutional policies, and financial resources to develop your administration.

In the second part, there aspects related to institutional control scope and auditing, which should be known by governmental, legislative, media and communication, and citizens. They include publicizing results and scopes of institutional control over the budgetary cycle and accountability control of audited entities.

a. SAIs Institutional Framework dissemination

SAIs institutional framework dissemination provides vital information so that citizens and interested parties be aware of key aspects such as entities organizational structure, institutional policy guiding actions, and origin and management of resources for auditing activities. Some significant aspects on which SAI should inform citizens are as follows:

Institutional Organization

1. Provide information on SAI's organizational structure, mandate and institutional responsibilities. Disseminate SAI's mandate mentioning the scope and limits thereof. Explain which are the aspects not included within SAI's mandate. Make clear the aspects that are not competency of the SAI. Disseminate this content to different governmental level entities to promote principles of good governance.
2. Provide information on SAI structure with functions and institutional responsible staff .
3. Disseminate internal control system features of the entity, as well SAI mechanisms for investigation, and enforcement of public servants.
4. Inform on composition of high executives and divulge their curriculum vitae. Emphasize their experiences in public sector, their achievements and recognitions. Facilitate their institutional emails for a direct communication with citizens.
5. Divulge institutional procedures on type of appointment of authorities. Define periods of time, accordingly.
6. Provide information on technician, professional, and support staff with corresponding qualifications.
7. Make public procedures for approving reports generated by SAI.
8. Advertise services offer of the SAI to governmental level and to citizens. .
9. Inform on compliance or noncompliance of presentation of sworn statement of assets by SAI and governmental staff according to in force regulations.

Institutional Policy

1. Divulge through different means and communication strategies, the mission, vision, and strategic objectives of the entity.
2. Spread institutional values and principles
3. Make public the institutional action plan as well as the implementation responsible staff.
4. Thoroughly advertise participation of authorities in public debates, educative and academic activities, where they are involved and the statements on public policy issues.
5. Divulge in a simple manner achievements and goals to achieve.
6. Make public quality policy of the SAI if there is an ISO certification.
7. Make public and disseminate institutional policy on personnel hiring of SAI and give detailed information on its implementation, using visual aids.
8. Indicate the existence of a public Office Career Regimen. Inform on regulations and procedures.
9. If there is hiring of temporary personnel for specific tasks of auditing or specialized consultancy inform on selection, hiring, and admissions criteria.
10. Inform on training processes to staff and public servants and about induction programs to inform of ethic code to staff.
11. Disseminate and make public policies for generation and strengthen abilities of staff and training of human resources.
12. Divulge and make public institutional policy related to training of external parties (officials and public servants of the executive and legislative branch as well as to media, citizens and civil organizations).
13. Disseminate and divulge institutional policies related to communication and dissemination of the entity with the executive branch, legislative branch, media, and citizens.
14. Make public and divulge institutional gender policies.
15. Make public and divulge institutional policies of the entity in relation with promotion of citizen participation in fiscal control
16. Make public and divulge institutional policies of open data.

<i>Resources</i>
1. Inform on financial sources of SAI budget and divulge mechanisms and procedures of coordinating with the legislative branch to allocate budget.
2. Inform opportunistly the annual approved budget and show details of allocation.
3. Make public the salary range applicable to staff of the SAI.
4. Present regularly an analysis of financial trend at the SAI.
5. Inform biannually on budget execution of the SAI and on budget execution results and control results of prior fiscal valid term. If possible, present a comparative analysis.
6. Compare financial trend with auditing results and scope.
7. Divulge audited financial statements and management reports of the SAI regularly and opportunistly.
8. Make public the results of management assessments, product of external auditing or peer to peer evaluation.

b. Institutional Control and Accountability Scope Disclosure

In this section, those aspects related to daily institutional control and accountability that SAIs carry out on budgetary cycle and accountability on audited entities, are developed.

Disclosure of scope of SAIs institutional control makes it easier to understand and evaluate management on behalf of citizens and concerned parties. To divulge competencies of SAI contributes to create abilities and best understanding of SAI every day work.

We suggest you divulge your work based on the following criteria:

<i>Scopes of Institutional Control and Difussion Control Activities. Report:</i>
1. The competency for institutional control on public resources of national, departmental, and municipal level. Draw a map to see geographically auditing work of SAI by levels of government if applicable
2. Organizations, entities, programs, and themes which are within the scope of SAI control.
3. Annual plan of auditing, with types of auditing, criteria of formulation and expected results. Draw a map with the audit-able universe indicating percentage covered by the auditing plan.
4. Procedures of audits applicable to the auditing plan with type of control: previous, concurrent, - simultaneous or a posteriori, and criteria to form auditing teams.
5. Progress and results of the implementation of the auditing plan, biannual.
6. Results of the auditing plan, explaining factors that influence the results. Emphasize limitations and achievements in the process.
7. Auditing results of great social impact for citizens, inviting responsible institutions and other concerned parties with public hearings and other mechanisms. Specify clearly the relevance of auditing findings and explain possible consequences at short, medium, and long term if correction is not applied, in a friendly and simple language.
8. Following up results of implementation of dispositions or complying with recommendations of audited entities, indicating the most relevant and possible effects, emphasizing limitations, scopes, achievements, and results as well as in best practices identified according to the regional context.
9. Risk factors of the management of the State resources, based on auditing results.
10. Contributions of citizens to the improvement of institutional control emphasizing results of citizen complaints and its important for the auditing work. Remember that this is a way to encourage citizen participation in the work.
11. Enforcement if you have this competency. Explain scope. If there is not competency for enforcement inform about procedures to process detected irregularities in the auditing before authorities and concerned parties.

Scopes and results of institutional control of SAIs over auditing of budgetary cycle

SAIs, according to their competency, participate in all of some stages of the budgetary cycle according to the legal Framework.

Due to the different competencies of SAIs to participate in formulation, approval, execution, evaluation, and control, we suggest guiding the efforts to specify responsibilities in this process and actions, and the results of the Management performed.

Next, we have some recommendations to show this aspect of auditing:

Scopes and results of institutional control of SAIs over auditing of budgetary cycle

1. Prepare a summarized explanatory guide of budgetary process of your country, in accordance with governmental levels (national, departmental, and municipal). Indicate responsibilities of institutional actors participating in the budgetary process and explain activities carried out, according to government levels. Emphasize the participation ability of SAI and citizens in the budgetary cycle, based on legal framework. Try to use it as input to promote citizen participation and social control.
2. Prepare an annual report on activities and results and impact of SAI of auditing of the budgetary cycle and institutional management results, according to competencies and indicating limitations, and determinant external factors during the previous period.
3. Prepare a summary of main auditing results of the budgetary cycle accordingly.

Scopes and results of institutional control of SAIs on accountability of audited entities

Accountability of governmental entities to SAIs faces management key issues related to financial aspects, goals compliance, public accounts status, management results of audited entities, goals and objectives achievement of public policies, circumstances of public procurement, and in some cases, conditions of human resources of audited entities.

Next we suggest some actions to strengthen accountability and to look for acknowledgement of social sectors and citizens of the auditing activity of the SAI:

Accountability of audited entities

1. Inform on institutional actors responsible for accountability. Emphasize functions and responsibilities in terms of deadlines of reports, relevance of reported information, and sectorial impact over public management.
2. Promote public hearings of entities responsible for accountability to present their management results before citizens.
3. Prepare and divulge annually an analysis of internal and external factors determinant of quality of the exercise of Accountability.
4. Generate public opinion on needs to solve critical aspects associated with budgetary resources management. Get assistance from specialists from the academic, social, and other sectors.
5. Make public an assessment of main findings, causes and consequences of audited entities in accountability exercise.
6. Disseminate recommendations or dispositions that result from the SAI exercise of assessment of accountability and the need of compliance.
7. Generate a ranking of institutional compliance of accountability and of recommendations for its improvement, in order to motivate best practices in audited entities. Generate statistics about processes and results.
8. Demonstrate the SAI contribution to the improvement of financial and public management as result of analysis of accountability on behalf of governmental entities.
9. Inform in a wide and detailed way the compliance of social programs in audited entities so that citizens acquire knowledge about their commitment and performed activities.
10. Disseminate widely institutional reports of management, statements, and evaluations of the SAI for the Congress and show the citizens main results of analysis, explaining the way these results impact on daily life of people.
11. Assess and make public the economical and social benefits generated by the auditing work of your SAI.

Suggestions to improve communication with stakeholders

In order to assure effective accountability of institutional management from the SAI to citizens, it is important to generate and strengthen an open environment as a basic condition, allowing information and explanations reported by governmental agents to be useful to identify existent weakness, to recommend required improvement, and to apply sanctions accordingly with the legal framework, if SAI has competency. Consequently, we introduce some recommendations to facilitate implementation of this Guide:

1. Adopt the propositions of these Guidelines as part of the institutional work of the SAI. To that effect, we suggest the Guideline is included as input when doing the strategic directing of the SAI, so that the proposed activities are considered in Strategic and Action Plans of the SAI.
2. In addition to the proposed actions of this guide, identify those themes that are particularly interesting for citizens and related to every day task of the SAI, as well as investment of public resources sectors, considered as an important issue so that your accountability solve worries and concerns of different opinion sectors. In doing so, the SAI would use indirect mechanisms like follow up and analysis of citizen statements by means of public complaints and other requests, and direct mechanisms such as surveys and virtual activities in social networks, among others.
3. Strengthen work areas related to external communications of SAIs, and to those areas in charge of mission and support activities to encourage citizen participation and accountability to citizens. If possible, make available through fliers and other elements, the institutional offer and services of the SAI to citizens.
4. Inform the public opinion on activities performed to strengthen the relationship between SAI and citizens. Emphasize results of training, dissemination, and participation processes of civil organizations and citizens with respect to auditing activities of SAI. Try to show the benefits of auditing institutional management.
5. Create references for submitting queries in auditing reports with studies and other analysis of institutional control to facilitate search and query of information by citizens and civil organizations.
6. Take advantage of the opportunity to invite concerned parties to establish strategic alliances to develop the citizen follow up to the implementation process of recommendations and dispositions resulted from auditing of Sais.
7. Develop a public activity addressed to citizens to convene main governmental and legislative actors in order to introduce institutional management results. Do not forget emphasize contributions of civil organizations or audited entities in the improvement of the internal institutional management. Thus, in a recognition setting, the civil organizations can see themselves as protagonist of the institutional change and communities receiving information, strengthen their own perception of the relevance of participative processes in the execution of the public resources.
8. Make public statements and lead forums of discussions and deliberation on problems associated to the need of improvement of institutional control quality. If possible, establish participative spaces guided to channel proposals of civil societies to strengthen definition of plans, objectives, strategies, and criteria to improve auditing in SAIs.
9. Identify strategic allies in universities, media, civil organizations, and other concerned parties to strengthen exercises of public accountability.
10. Use new information and communication technologies to widen communication possibilities in double way with citizens, especially in those areas related to citizens procedures before the SAI.
11. To apply governance principles, corruption fight, and public trust, of the Declaration of Santiago 2003, take into consideration the importance of providing useful information to citizens based on open data.
12. Remember using friendly, simple language with gender equity at the moment of communication of daily work of SAI and its results to the society.

REFERENCE MATERIAL

To facilitate deepening the knowledge of the topics of this guide, we suggest consulting the following documents:

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ANNEX 1

DECLARATION OF ASUNCIÓN ACCOUNTABILITY PRINCIPLES

The XIX General Assembly of the OLACEFS met in Asunción, Paraguay. Considering that:

1. Accountability is a fundamental aspect for the countries' governance (understanding governance as the capacity of governments to effectively use public funds in order to satisfy common needs) and constitutes a principle of public life, through which the public officials to whom the will of the people is deposited are obliged to report, justify and be publicly held to account for their actions. It is constituted by linked political, social and judicial mechanisms of control in the form of exchange networks.
2. The existence of effective and robust mechanisms of accountability is essential to enhance social trust and is one of the most important challenges for modern States. The political and legal mechanisms of accountability act as indicators that allow amending and improving public policies and institutional practices, whether displacing or punishing public officials who incur in illegal actions or establishing channels for communication that allow the centers of decision - making to have an adequate understanding of the demands and needs of the people. Well - functioning accountability channels act as immediate indicators that allow the government to change behavior or amend policies without having to wait for the verdict of the electorate. Thus, accountability is a retrospective process, but also a forward - looking process, and is realized on the basis of professional, financial, transparency, austerity and efficiency criteria; and also of constitutional, legal and moral reasons.
3. It is important to mark that the function of accountability must not be reduced to a simple formal auditing, but it must be seen as a way of institutionalizing more transparent and reflexive decision - making processes, that are invariably translated in better - quality policies and public decisions.
4. In this context, the Supreme Audit Institutions (SAIs) play a key and unavoidable role in the accountability process and have a fundamental role in the construction of people's knowledge of what the government has done during the mandate conferred by society to effectively use public funds, and in legitimizing public action.
5. The SAIs have tools to explain the administration of public funds by institutions and their leaders, and to hold entities to account and present reports to the Congress and the citizens. On the other hand, they can have a leading role in the promotion and strengthening of the practice and culture of accountability, by virtue of which, it is of paramount importance to strengthen their independence, resources and abilities; and, at the same time, it is necessary that they perform actions that allow them to become an example for other entities in the field of public administration and accountability.
6. In the contemporary world, there are forces that propel a stronger action from governments and SAIs to improve accountability. The ongoing and accelerated changes that mankind faces as a result of globalization and the changes in technology make it easier to know how the government is administering public funds. At the same time, the dissatisfaction of society due to more complex unanswered demands, imbalances in public action, corruption, political inaction and impunity, have caused a growing discredit of politicians and distrust in the institutions of a more complex and plural State.

7. The process of economic and social development has brought about legal changes and a process of State reform that seeks to adjust and respond efficiently to each country's needs. The initial fiscal position for Latin America, characterized by recurrent deficits and high levels of indebtedness, forces public officials to administer limited resources in a better way. To explain their use and the results achieved is a key aspect for building trust in public institutions and for the rule of law in the countries of the region.
8. Certain conditions must be met for the accountability process to work perfectly:
 - **An integrated accountability system.** The SAIs are part of the accountability system and need to interact with different agencies at the same level (State agencies that have the mission of monitoring other agencies of the State) and agencies at different levels (players like civil society, the press or the electorate that exercise control on the State). At different levels, the SAIs must inform the citizens and the different organizations about the administration of the government; and, at the same level, the Congress, and other agencies or institutions like the press or the Judicial Power. These control agencies and players that act at the same level and at different levels, do it in the formal and informal level.
 - **The development of information tools and systems.** The access to public information is one of the strongest claims of society because of the difficulties that the citizens generally face to easily access to public information. The difficulties that the press, the civil society and the people in general face to access to the information produced by the State represent one of the main obstacles for an effective accountability policy. Transparency appears as an important precondition to exercise accountability (transparency is related to the availability of clear and reliable information, and the accountability of the activities of the government in relation to the design, the execution and the results of public policies).
 - **A legal framework** that allows to report on the results of the administration and performance of the leaders, officials or institutions; and to verify compliance and punish non-compliance, taking into account the justification and explanation of said results or performance in a truthful, complete and timely way becomes the raw material without which accountability is not possible.
9. The OLACEFS, in its Constitutive Act, establishes the respect for the legal system of each nation, to make their own decisions regarding the control and audit systems.

It agrees to adopt and disseminate the following 8 accountability principles, which are important for good governance, and which constitute a guide for the members of the OLACEFS to promote the adequate exercise of accountability:

1. **Accountability is the basis of good governance.** The relationship between the political power and the citizens must have mechanisms that allow an interaction that will ensure that the governments respond to the interests of the people they represent. The SAIs, as specialized entities in charge of the supreme auditing of public finances, together with the government and other players, must monitor the correct functioning of the accountability system, that allows the establishment and the operation of robust accountability mechanisms that promote the strengthening of institutions, the people's trust, the rule of law in the countries, the fight against corruption, the development of public policies that address the needs and demands of society in the best possible way; and, in general, increase the governance and integrity levels. The SAIs must ensure that accountability does not become a mean in itself, but that it becomes a means to achieve the supreme goal of good governance, which is to procure long-lasting well-being and progress to the people.

2. **Obligation of reporting and justifying.** Every public official has the obligation of publicly reporting and justifying their decisions in a clear and complete way. The assessment of goals and impacts is a healthy results monitoring practice. The citizens, the control agencies and the public authorities must have the capacity to demand explanations in such a way that a dialogue that allows to establish reflexive processes of decision - making and public policies assessment, the use of public funds and public service integrity (correct, honorable and adequate fulfillment of public service) that ensure the highest possible levels of well- being for the people, can be established.
3. **Integrity of the accountability system.** The accountability system is constituted by a diversity of social players that interact both at an interinstitutional and social level. Both the SAIs and the governments will be responsible for the existence of a frequent and fluid coordination among the different players. Moreover, the SAIs must enhance the benefits of the interaction between the different players and promote that each one exercises its role, in an integrated way, for the optimum functioning of the accountability system.
4. **Information transparency.** The publicity of public action is a fundamental premise of transparency, for which reason the information presented to the effects of accountability must be reliable, relevant, clear, accessible, comprehensible, complete, measurable, verifiable, timely, useful and public for the citizen, promoting the use of different means to communicate it, with the purpose of achieving an adequate diffusion of the information to the parties involved. The control entities should promote that the information presented by the institutions and public officials have the mentioned characteristics. Furthermore, the SAIs will promote the intensive use of technology and innovative means of communication, not only to achieve access to information, but also for transnational effects that allow a more efficient and transparent public administration. Moreover, the SAIs will promote the development and implementation of regulations, systems, methods and indicators that allow conducting ongoing assessments and evaluations on public administration and accountability.
5. **Sanction in the event of non – compliance.** Given that punishment is an inherent aspect of accountability, the parties that demand accountability must be capable of implementing and requesting before the competent authorities the punishment corresponding to public officials that have not performed their duties or that have not fulfilled their obligations, taking, for that purpose, some factors into account, such as, the hierarchy and the duties of the official, the impact of his/her administration, the implicit materiality in his/her actions, the repetition or reiteration of actions.
6. **Active Citizen Participation.** The civil society has the capacity of organizing itself to exercise citizen control. It actively and frequently participates as part of the accountability system (social accountability), in the control of the legality and the efficient use of public funds. The SAIs shall strengthen their strategies, links and mechanisms of communication and interaction with the society, with the purpose of effectively involving them in the accountability systems that are being developed in the region; they will train the officials appropriately so that they are true “accountability agents” before the people; contribute to the development of an institutional framework that provides the adequate opportunity and effectiveness in the access the society has to relevant state information; encourage more governmental transparency; and carry out the necessary actions to enhance public knowledge on the logic that governs the whole accountability system, so that the people may adequately exercise their role in the system.

- 7. Complete legal framework for accountability** The SAls will ensure the effective implementation, strengthening and ongoing update of a complete legal framework that shall permanently govern accountability and that includes, among other aspects, regulations on the assessment of the administration of public agencies, of access to public information, of internal control, and of fight against corruption and sanction.
- 8. Leadership of the SAls.** The SAIS must promote efficient accountability principles, systems, better practices and mechanisms; and be watchful, together with the government, other agencies and the society of their good performance and ongoing improvement, through concrete actions to contribute to strengthen the system, in order to achieve good governance. To exercise said leadership, the SAls shall strengthen their strategies, their abilities and resources, and shall procure national and international cooperation and alliances with different players, that will allow them to share knowledge and experience, and enhance the potentialities of this subject.

ANNEX 2

RESEARCH PARTICIPATING SAIs INSTITUTIONAL REFERENCES

In a very special way, an acknowledgement to the work done by the SAI's institutional references which led within each one of their entities, the information gathering, compilation and provision, key to the implementation of this research project, during its initiating phase as well as its validation.

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Desde el año 1993 se desempeña en la Auditoría General de la Nación Argentina.

Entre sus publicaciones y colaboraciones se encuentran:

En carácter de autora “Las EFS y la Participación Ciudadana”
<http://iniciativatpa.org/2012/biblioteca/?did=81>

En carácter de colaboradora:

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 “El análisis de casos en el Derecho Administrativo”. Carlos Balbín Director, Susana Vega. A cargo del Capítulo referido a “Control de la Administración Pública”. Ediciones RAP. (2010).

In order to facilitate understanding of the accountability of governmental, legislative and citizens, and expand the scope of application of the principles of accountability contained in the Declaration of Asuncion, 2009, this publication provides a new perspective accountability from Supreme Audit Institutions, OLACEFS members.

Also includes two technical tools: Guide to the implementation of the principles of accountability of the Asuncion Declaration and the Guidelines for public accountability of SAIs to citizenship.

Both instruments are based on the recognition of the best practices developed in eighteen countries of Latin America. These tools propose actions to be implemented by governments and SAIs in order to promote efficiency in accountability of governmental entities presented to external control entities, and from these entities toward the legislative branch. These instruments also facilitate the knowledge of institutional dynamics on accountability on behalf of civil organizations and citizens, who are able to generate an opinion with real information, which in turn allows a public judgment based on administration results.