



THE ROLE AND POTENTIALS OF THE SAO IN IMPROVING TRANSPARENCY, ACCOUNTABILITY, AND EFFICIENCY OF INSTITUTIONS

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In the public administration context, as set forth under the SIGMA Principles¹, it is extremely important for the State Audit Office (SAO) to apply standards in a neutral and objective way in order to ensure high quality audits, which subsequently will have a positive impact on the public sector functioning. The documents presenting the outcomes of audits should be guided by three principles, i.e., they should be aimed at strengthening the responsibility, transparency, and integrity of the Government and of public sector entities (protection of the public interest); then they should emphasize the importance of such principles to citizens, to the Parliament and to other stakeholders; and finally, they should demonstrate what it means to lead by a role model.²

The SAO is one of the key institutions in identifying and disclosing irregularities, cases of illegal actions and possible cases of corruption and abuse of office. In this regard, the latest European Commission (EC) Report explicitly states that it is necessary to allocate adequate resources for this institution that has competences in the fight against corruption in order to be able to pursue high-profile cases.³

Despite the importance of this institution, there are systemic shortcomings in the country that prevent the SAO from properly discharging its mandate. The main systemic shortcoming that has been pointed out by SIGMA and which has been also highlighted in the latest EC Report⁴ is that the independence of the SAO is not yet guaranteed by the Constitution,⁵ unlike other institutions such as the Constitutional Court and the Public Prosecutor's Office.⁶ Despite the fact that there was an initiative to this end in 2014, the draft constitutional amendment submitted to Parliament for ensuring constitutional independence for the SAO was not adopted. Hence, it is important to emphasize the role played by the SAO, being a key link through which the spending of budget funds can be seen, showing as well how effective institutions are in spending these funds and pointing out indications for possible abuses by state institutions. In this regard, the independence of the SAO is of particular importance for the perception of its indications, remarks, and requests, i.e., once SAO's independence is ensured, its indications, remarks and requests will be taken into account as obligatory by competent institutions. Otherwise, as pointed out in the latest EC Report, SAO's recommendations are not effectively implemented by institutions subject to an audit.⁷

1 <http://www.sigmaxweb.org/publications/Principles-Public-Administration-Overview-2017-Macedonian.pdf>

2 <https://www.eurosai.org/handle/404?exporturi=/export/sites/eurosai/.content/documents/strategic-plan/goal-team-1/Roadmap-for-Reaching-SAI-Communication-Goals.pdf>

3 https://ec.europa.eu/neighbourhood-enlargement/north-macedonia-report-2021_en

4 https://ec.europa.eu/neighbourhood-enlargement/north-macedonia-report-2021_en

5 http://www.sigmaxweb.org/publications/Monitoring-Report-2021-Republic-of-North-Macedonia.pdf?fbclid=IwAR3o_QnilWB_4bfq7oNauvJultUDvrBb65TqYnD2x2DtidNR_QIO2Iso0

6 <https://www.sobranie.mk/content/Odluki%20USTAV/UstavSRSM.pdf>

7 https://ec.europa.eu/neighbourhood-enlargement/north-macedonia-report-2021_en

In partnership with organizations from Western Balkan (WB) countries, the European Policy Institute - Skopje (EPI) is implementing a regional project to create an enabling environment in WB countries for monitoring the public administration reform (PAR) by the civil society - WeBER. Under this project, two cycles of PAR monitoring have been conducted thus far, in the six PAR areas, defined by the Principles of Public Administration (SIGMA Principles) in the 2017/2018 and in the 2019/2020 period. The aim of this Brief is to point out findings assessing the SAO communication and cooperation with the public and to highlight the need to utilize the role and potentials of the SAO in improving accountability, transparency, and efficiency of institutions. This document summarizes the progress of the SAO determined during the PAR monitoring conducted in the 2019/2020 period, while underscoring the changes and improvements observed in the past year. The first part presents findings regarding the external communication and practices for cooperation of the SAO with the public, i.e., the existence of a strategic approach, means of communication and availability of audit reports to citizens. Furthermore, findings regarding the existence of channels for filing complaints and initiatives and the approach to consultations with the civil society are also covered. The last part contains recommendations and conclusions.

HOW DOES THE SAO COMMUNICATE AND COOPERATE WITH THE PUBLIC?

According to its mandate, expertise and positioning within the system, the SAO is able to exert influence across all segments of society, including the economy, the public sector, the public financial management and the private sector.⁸ With a good communication strategy and approach, this institution can contribute to improving the governance, transparency, and accountability of the public administration. In this context, transparency and accountability of the SAO mean the proactivity and reactivity of this institution in sharing information with the public about its work. Findings and data that were obtained during the monitoring of the work of the SAO, indicate that as of 2020, when a new management was appointed⁹, the SAO has improved its standards and external communication (compared with the monitoring conducted in 2017/2018). Improvements are most noticeable in terms of communication with the civil society sector, and in terms of oversight of the results of operations and accountability of the Government and state institutions.

The monitoring indicates improvement, especially with the adoption of SAO's new communication strategy for public engagement. The SAO has a special **2020-2023 Communication Strategy**¹⁰ unlike in the 2017/2018 period, when the SAO only had the **2018-2022 SAO Development Strategy**.¹¹

One of the strategic goals of the SAO Development Strategy was "Promotion of the system for communication and exchange of information with domestic and international legal entities and informing the public about the work of the SAO", which later grew into the Communication Strategy. The biggest challenge to be solved according to this Strategy is "finding channels and real messages for communication with the natural allies - the public, the media and CSOs." The new Strategy identifies target groups and defines targeted ways of communicating with each of these designated allies.¹²

In respect of proper monitoring and implementation of the Communication Strategy, it is noted that the SAO has appointed a person for proactive communication with the public. One of the shortcomings identified during the 2019/2020 monitoring was the fact that the SAO did not have an active presence on social networks such as Facebook, Twitter, and LinkedIn. However, as of 2021 this shortcoming has been overcome by creating profiles on Facebook¹³, as well as a YouTube channel.¹⁴

The SAO has also improved the way it communicates with the public by creating "Audit Report Abstracts" that are easy for citizens to follow and use, which is a novelty introduced in SAO's information system. These abstracts of conducted audits are sent by e-mail to CSOs, to the media and to key stakeholders identified in the Communication Strategy.

8 <https://www.eurosai.org/handle404?exporturi=/export/sites/eurosai/.content/documents/strategic-plan/goal-team-1/Roadmap-for-Reaching-SAI-Communication-Goals.pdf>

9 It took two years for the Parliament of the Republic of North Macedonia to elect a director, i.e., manager of this institution.

10 https://dzt.mk/sites/default/files/2020-09/Komunikaciska_strategija_2020_2023.pdf

11 https://dzt.mk/uploads/Strategija_za_razvoj_na_DZR_2018_2022_REDUCED.pdf

12 A Separate Communication Action Plan has been developed for each individual year (2020-2023), and the manner of assessing the communication with each target group have also been defined.

13 <https://www.facebook.com/DrzavenZavodzaRevizija/>

14 <https://www.youtube.com/channel/UCNOcJnJlviFwaxyG-Lyo2w>

Another positive step towards external communication is the establishment of a channel for filing complaints or initiatives with the SAO, where any citizen or stakeholder may submit a request for conducting audit. The SAO management appropriately processes any request/proposal submitted by external stakeholders and the request can be accepted if it is in accordance with the SAO Strategic Audit Plan and in line with available resources for the year in question. Having in mind that SAO audited entities can be more than 1,300 public institutions, the choice in determining institutions that will be subject to audit is made in accordance with the Rulebook on the manner of conducting state audit, Guidelines for strategic and annual planning, the decision for determining the strategic goals of SAO audits for the 2021-2023 period and other strategic and methodological documents of this institution.

In the context of the cooperation with the civil society sector, the monitoring also established that the SAO **Communication Strategy, the Analysis and recommendations for strengthening the audit process and the Strategy for presentation of simplified audit reports** were developed, in cooperation with the civil society sector. The SAO also underlined that CSOs share their analyses and publications, especially in terms of detecting possible risks related to public sector activities and the way public funds are spent. The SAO, as the supreme audit institution, reviews the analyses and publications of CSOs and often finds in these documents certain indications of illegal activities by public institutions, state bodies and public enterprises, which, in turn, can be a serious indicator and an argument that can be used in the stage of planning audits and the scope of institutions that will be audited during the current or the next year.

RECOMMENDATIONS

In light of the above stated, it can be concluded that in the period of the 2019/2020 monitoring cycle, the SAO made considerable progress in terms of transparency, accountability, and the way of presenting findings and communicating with the public, compared with the situation in the 2017/2018 monitoring cycle. It remains for the SAO to demonstrate the sustainability of these positive practices and to continue to implement its Communication Strategy in order to enhance the transparency, accountability, and efficiency of institutions.

Furthermore, the Parliament and the Government should start a debate on constitutional amendments, which will guarantee the independence of the SAO, in following with the example of ensuring the independence of the Constitutional Court and the Public Prosecutor's Office.

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