

Virtual Event

How can external audits promote budget credibility? Leveraging the role of supreme audit institutions

Thursday, March 25, 9.00 to 10.30 hrs. (Eastern Time, New York)

As COVID-19 relief packages surpass trillions of dollars, independent oversight of government spending is more important than ever. External audits have an important role in ensuring a country's budget is credible. Budgets are considered "credible" when governments collect and spend funds according to their approved budgets. The ability of a government to meet its revenue and expenditure targets during a financial year determines the credibility of the budget approved by the legislature.

Credible national budgets provide a roadmap to effective service delivery and to the achievement of long-term national objectives such as the Sustainable Development Goals (SDGs). Lack of credibility undermines public trust in institutions and jeopardizes the integrity of public funds, increasing corruption risks. The importance of budget credibility for effective, accountable and transparent institutions has been reflected in the inclusion of a dedicated indicator (indicator 16.6.1) in the global framework of indicators to monitor progress on the SDGs at the global level.

Given their mandates and essential roles in auditing government finances, Supreme Audit Institutions (SAIs) are uniquely placed to assess budget deviations and the justifications and consequences of such deviations. However, the literature on public finance management is sparse on how SAIs have contributed to understanding and assessing budget credibility. Although few SAIs are systematically auditing budget deviations or assessing trends in budget credibility, many are analyzing issues that relate to budget credibility and providing insights on existing challenges. Moreover, in many countries, SAIs are producing a variety of reports that help shine a light on the extent and causes of budget deviations and help understand budget credibility in specific government programs, as well as analyzing wider trends in public finance that impact budget deviations, including the provision of good quality performance information.

This interactive session will discuss how external audits may contribute to understanding and enhancing budget credibility. The session will present a policy brief developed by UNDESA on the value of external audits to promote budget credibility, and provide an opportunity to identify and discuss relevant issues to inform how SAIs can analyze and address budget credibility through their work. It will also help identify SAIs' needs in terms of methodology, tools and capacity building to leverage their role regarding budget credibility. The session will also consider specific actions that present a path forward to strengthening SAIs' role regarding credibility.

Inputs from this session will contribute to the development of a handbook on this topic.

Date and Time

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Platform

The event will be held online using the platform Zoom. Details for connecting to the event will be received after registration.

Registration

To register for the event, please go to

https://us02web.zoom.us/meeting/register/tZcudO2rqjwrHNOT1qZdPPw8C_s3VvnYhdk1

Language

The event will be held in English, French and Spanish. Simultaneous interpretation will be provided.

Programme

Overview of the initiative: “Promoting independent external audits on the credibility of government budgets” in the context of the IBP’s project Strengthening Budget Credibility for Service Delivery

- Vivek Ramkumar, Senior director of policy, International Budget Partnership

Presentation of policy brief: “Upholding commitments: How are supreme audit institutions contributing to strengthen budget credibility through external audits”

- Ms. Aránzazu Guillán Montero, Senior governance and public administration officer, Division for Public Institutions and Digital Government, UNDESA

Reflection on the topic based on SAIs’ experiences, with specific illustrations

- Dr. Agus Joko Pramono, Vice Chairman of the Audit Board of the Republic of Indonesia
- Ms. Keto Nyapendi Kayemba, Assistant Auditor General, Office of the auditor General of Uganda
- Mr. Lasha Kelikhashvili, Head of the State Budget Analysis Division, State Audit Office, Democratic Republic of Georgia

SAI Discussants

- Ms. Cora Lea A. Dela Cruz, Assistant Commissioner, Commission on Audit, Republic of the Philippines
- Ms. Gail Lue Lim, Chief Economist and Deputy Auditor General, Auditor General’s Department of Jamaica

Interactive discussion

Participants will be able to ask questions and make comments during the session, using the chat box. A moderated interactive discussion, including comments and responses to participants’ questions, will follow the initial interventions. The interactive discussion will focus on:

- *What are the opportunities and possibilities in your countries to enhance credibility?*
- *What support does the SAI needs to advance this work?*
- *What would be most useful for the planned handbook on this topic?*

Participants will be asked to actively contribute – using an interactive tool - by offering insights and suggestions regarding areas of interest and potential contributions to the initiative.

Moderator

- Claire Schouten, Senior programme officer, International Budget Partnership