doc. dr. sc. Ivan Čulo, Head of Department at the State Audit Office of the Republic of Croatia

dr. sc. Nediljka Rogosic, Deputy State Audit General at the State Audit Office of the Republic of Croatia

**The role of Supreme Audit Institutions in preventing and eliminating fraud and corruption**

1. Introductory comments
2. The role of audit in combating corruption

2.1. Detering corruption and detecting corruption

2.2. Impact of the audit on anti-corruption and anti-corruption conditions

3. Models for involving SAIs in anti-corruption activities

4. Concluding remarks

Summary

The competence of supreme audit institutions to audit public and state revenues and expenditures implies their important role in deterring and detecting corruption in the public sector. Together with other bodies, they can contribute to anti-corruption efforts. Although there is still insufficient data on the role of the SAI in combating corruption, some studies show that conducting a professional and independent audit has the effect of reducing corruption. Developing awareness of the potential of the SAI's involvement in the fight against corruption, the success of audit planning, cooperation and coordination with other anti-corruption bodies and the involvement of civil society in audit processes are some of the factors highlighted in the fight against corruption.

In Croatia, the State Audit Office does not have a direct task or authority to fight fraud and corruption. Special bodies have been set up at national level for this purpose. However, the Office is indirectly involved in activities related to these areas, thus helping to preserve and protect public property from unauthorised and unacceptable actions. The indirect role of state audit in preventing and detecting corruption refers to detecting irregularities during the audit that may indicate corruption. Efforts to eliminate irregularities (monitoring the implementation of orders and recommendations) contribute to improving the operations of auditees and reducing corruption. The State audit can also act as a powerful mechanism for deterring corrupt activities, especially in an effort to correct and eliminate irregularities and implement all audit findings and recommendations.

Key words: Supreme Audit institutions, anti-corruption, State Audit Office, Croatia

Role of top auditing institutions in preventing and eliminating fraud and corruption

1. INTRODUCTORY COMMENTS

Corruption, although long existing,[[1]](#footnote-1) has become a global issue spreading across borders and its social, economic and political presence results in poverty.[[2]](#footnote-2) It has become an epidemic, damaging society, undermining the rule of law and democracy, disrupting the market and reducing the quality of life.[[3]](#footnote-3) The existence of an inverse link between corruption and development has been established.[[4]](#footnote-4) It is often mentioned that corruption contributes to the reduction of domestic and foreign investment, due to higher entry costs and the uncertainty of business operations in a corrupt environment.[[5]](#footnote-5) Corruption also causes a number of other negative consequences. Corruption is usually defined as abuse or abuse of public office for private gain. It comes in various forms of illegal and unethical behavior, such as: bribery, extortion, fraud, nepotism, theft, embezzlement, forgery of records, trade in influence, etc. Corruption damages public institutions ranging from financial loss to loss of performance, reputation and credibility. Corruption also creates difficulties for citizens and threatens the provision of services.

The State audit is a central element of each responsible system,[[6]](#footnote-6) helping authorities act responsibly, improve performance and ultimately gain citizens' trust.[[7]](#footnote-7) Most countries have established a national, supreme auditing institution (SAI) to monitor the financial operations and performance of public sector bodies, which are considered key components of the formal financial responsibility system. In charge of auditing state revenues and expenditures, SAIs act as supervision of the country's financial integrity with the aim of assessing whether public funds are managed effectively in accordance with existing legislation.[[8]](#footnote-8) Their task is also to ensure that public sector financial data are reliable and quality. SAIs are not considered anti-corruption bodies because they have no jurisdiction to detect or investigate corruption. However, four key objectives highlighted in the International Organisation of Supreme Audit institutions' guidelines on the auditing rules of the Lima Declaration are important for the fight against corruption: (i) the correct and efficient use of public funds; (ii) developing sound financial management, (iii) correctly exercising official administrative powers (iv) informing public authorities and the general public through the publication of reports. The competence of the SAI usually derives from the national constitution and / or the laws establishing the SAI and regulating its function.[[9]](#footnote-9) As a result of different legal and institutional frameworks, the competence and exact nature of SAI audit tasks vary greatly from country to country. There is also great diversity in terms of their structure, professionalism, size and independence.[[10]](#footnote-10) Regardless of the differences, the INTOSAI study concludes that all SAIs have a common core function: "providing audit services or giving opinions by comparing economic data with the financial reporting framework and generating insights from audit research, which creates a basis for corrective action."[[11]](#footnote-11) In other words, they all have a common obligation to ensure accountability in public finances. Irrespective of national specificities, INTOSAI standards stipulate that SAIs should be authorised to audit: (i) the use of public money, funds and property by recipients or beneficiaries; (ii) collection of revenues belonging to the state or public bodies; (iii) the legality and regularity of the financial operations of the State or of public entities; (iv) the quality of financial management and reporting; and (vi) economy, efficiency and effectiveness of management (performance audit).

Due to their core role, SAIs are usually responsible for conducting three types of audits: (i) financial audits; (ii) compliance audits, (iii) performance audits. In recent years, SAIs have expanded the scope of their activities by undertaking specialized audits, such as environmental or ethical audits of public institutions.[[12]](#footnote-12) Regardless of the type of audit, *the International Standards on Supreme Audit Institutions* (ISSAI) set out four guiding principles on which the SAI is based: (i) provide all potential users of audit reports with objective, independent and reliable information based on sufficient and appropriate evidence; (ii) audits should promote transparency and accountability in the use of public funds and assets and the performance of public institutions; (iii) audits should strengthen the effectiveness of these bodies within the existing system, (iv) audits should encourage improvement by providing knowledge, analysis and well-founded recommendations.

The aim of this paper is to present the role of the SAI in the fight against corruption, especially in terms of deterring and detecting corruption and the possible impact of the audit on the fight against corruption. The intention is to look at the position and conditions of the SAI, as well as some international models of involvement of the SAI in anti-corruption activities. The position and role of the Croatian State Audit Office in anti-corruption activities are also briefly pointed out.

1. ROLE OF THE AUDIT IN THE FIGHT AGAINST CORRUPTION

According to GUID 5270, the SAI's fight against corruption should be multi-layered, including, inter alia: (i) issues of corruption and misconduct in the day-to-day operation of the Supreme Audit Institution; (ii) raising public awareness of corruption and other offenses through timely and public disclosure of state audit findings; (iii) improving methods and tools to combat corruption and other illegal activities; (iv) providing preconditions for whistleblowers to be encouraged to report cases of illegal activities; and (v) cooperating with other anti-corruption institutions.[[13]](#footnote-13) As overseers of public financial management, SAIs have a key role to play in anti-corruption efforts. Some studies show that SAIs are perceived as “guardians of the public interest” and that they enjoy a higher level of trust from citizens than other branches of government, and that this legitimacy positions them to promote transparency and ethical behavior in the public sector.[[14]](#footnote-14) In this regard, SAIs can contribute to anti-corruption approaches in two main ways: deterrence and detection.

2.1. Detering corruption and detecting corruption

The basic principles of INTOSAI emphasize that states should ensure that SAIs contribute to the fight against fraud and corruption. In 1998, INTOSAI agreed that SAIs could and "should seek to create an environment conducive to corruption."[[15]](#footnote-15) SAIs contribute to preventing corruption by promoting sound public financial management systems based on reliable reporting and control mechanisms that contribute to transparency and accountability in the public sector. Through its contribution to the system of financial checks and balances, SAIs provide the public with information on acceptable financial management standards, thus strengthening the framework of support for financial integrity and predictability of government activities.[[16]](#footnote-16) As such, SAIs can play an important role in raising awareness of the risks of corruption and promoting good governance and financial integrity standards.[[17]](#footnote-17) Detecting illegal actions by publishing audit reports can also have a deterrent effect and discourage corrupt behavior.[[18]](#footnote-18)

Although the primary responsibility for detecting corruption lies with institutions such as the police, anti-corruption agencies and state attorney's offices, public expectations are often directed towards SAIs, ie that they will play a key role in detecting abuse. Hence, auditors are often seen as experts in detecting fraudulent financial reporting that masks corrupt activities.[[19]](#footnote-19) Falsified statements and claims, illegal bidding practices, tax and customs evasion, overpayment and non-delivery of goods and services, etc. are some of the frauds and corruption that auditors may encounter. Although SAIs have limited capacity and powers to investigate corruption, they can pass on information to the authorities.

Corruption can be detected during all three types of audit: financial, performance, and compliance. The primary purpose of financial audits is not to detect corruption, but to ensure that the financial statements reflect the true economic transactions of the organization. Consequently, inaccurate or incomplete financial statements may indicate fraud, embezzlement or corruption. Corruption is more often detected by compliance audits, which aim to check and determine the legality of financial transactions.[[20]](#footnote-20) Violations of laws and regulations may indicate corrupt activities. Similarly, performance audits that assess the management of public resources can help identify fraud and corruption.

2.2. The impact of the audit on the fight against corruption and the conditions for the fight against corruption

There are relatively few empirical comparative studies on the effect that quality audit can have on reducing corruption in the public sector. Literature is particularly scarce on the role of audit in detecting and deterring corruption in developing countries, as well as on the types of audits that are most effective in fighting corruption. However, several studies claim that state audits have the potential to reduce corruption.[[21]](#footnote-21) An analysis conducted for 133 countries in 2008 showed that higher quality auditing standards in the public sector had a significant impact on reducing corruption.[[22]](#footnote-22) A recent study in a sample of 78 countries confirmed this, noting that SAIs have a significant impact on reducing corruption, especially where they have greater sanctioning powers.[[23]](#footnote-23) This thesis is supported by data-based research for more than 100 countries, which found that where audits are conducted independently and professionally, there is a significant impact on reducing corruption.[[24]](#footnote-24) Also, studies of EU countries show that SAIs significantly contribute to improving the efficiency of state and public authorities and significantly affect the perception of corruption in a particular country.[[25]](#footnote-25) However, the effectiveness of the SAI also depends on the extent to which the competent state bodies act on its recommendations, whether they are parliamentary budget and finance committees, courts or executive bodies.[[26]](#footnote-26)

In addition to having adequate competence, the level of independence that an SAI has is a key determinant of its ability to combat corruption. In order for the SAI to function properly, it has proved crucial to separate its dependence on the ministries or other state or public authorities over which the same SAI conduct audits.[[27]](#footnote-27) External influence in operational decision-making, interference in personnel matters, as well as the manner and scope of the audit, prevents the SAI from fulfilling its role. Financial and administrative autonomy is key to ensuring the independence and impartiality of the SAI. In addition, sufficient human, financial and material resources are necessary to ensure that SAIs can carry out their activities in a professional, independent and impartial manner.[[28]](#footnote-28) Audit reports are usually publicly available to increase the transparency and accountability of public institutions. However, it was found that the lack of a mechanism to ensure the follow-up of auditors' audit recommendations makes public reporting in itself insufficient.[[29]](#footnote-29)

3. MODELS FOR INCLUSION OF SAI IN ANTI-CORRUPTION ACTION

Limited research has been conducted on how SAIs have taken an active role in detecting and investigating corruption through the various audit models listed above, and several principles emerge from the literature on how to involve SAIs in combating corruption. This includes audits based on corruption risk research, coordination with other anti-corruption bodies, and cooperation with the public.

SAIs can play an important role in detecting corruption by detecting and monitoring the 'hotspots' of corruption. By directing audit efforts to areas known to be prone to corruption, such as public procurement, SAIs can assist other anti-corruption bodies by providing financial information. Such risk-based audit approaches can be incorporated into the planning process, during which the ‘audit focus’ is identified.[[30]](#footnote-30) Some SAIs have taken special measures to incorporate anti-corruption approaches into their work already in the planning process.

It has proved necessary to establish effective mechanisms to ensure the implementation of SAI recommendations. The nature of these mechanisms depends on the country’s audit models. SAIs that use the so-called The Westminster audit model usually reports its findings to parliament or their competent parliamentary committee, which can make the findings of the report public, demand reforms, and monitor whether audit findings and recommendations are being implemented. SAIs operating according to the judicial model rely on the judiciary to ensure the implementation of recommendations and orders. As SAIs are not anti-corruption institutions, co-operation and coordination with other anti-corruption bodies and institutions is necessary. However, inter-agency coordination of anti-corruption activities remains weak in many countries and some countries have established special anti-corruption coordination bodies. Although SAIs rarely rely on the work of internal auditors,[[31]](#footnote-31) the potential potential benefits of cooperation between SAIs and internal auditors are often highlighted in the literature as well as the views of INTOSAI. These benefits would include knowledge sharing, directing audits, reducing the risk of duplication of checks through coordinated planning and communication, mutual support and similar.[[32]](#footnote-32)

The professionalism of audit institutions is a key factor in their success and efficiency in fulfilling their task and combating corruption, which means that the qualifications and technical expertise of staff must be of high quality. In addition, training, development and capacity building to develop the anti-corruption expertise of SAI staff are an important means of strengthening their role. This has additional weight given that audit in the context of the fight against corruption is a relatively new and specialized area.

Transparency of budgetary and audit processes is important in order to provide citizens with insight and accountability of state and public officials for the way they use public resources. Transparency of the public audit process is lacking in many parts of the world. Thus, in 2006, in a study of the International Budget Project conducted in 60 developing countries, she discovered:

- in 23 countries the findings of audit reports are either not published within 24 months after the end of the budget year or are never made public, and in 10 of these countries even the legislature does not receive audit reports;

- in 25 countries, audit reports do not contain a summary and cannot be easily understood by the public;

- in 30 countries, executive and legislative bodies or SAIs do not report to the public on the measures taken by the executive to implement audit recommendations.[[33]](#footnote-33)

Experience has shown that civil society can play a constructive role in providing support to the SAI. A few years ago, INTOSAI conducted a survey with its 190 members to identify innovative SAI strategies regarding public engagement. It was pointed out that almost all SAIs use websites to communicate audit results and raise awareness of their activities, but that they involve very few citizens in decision-making processes.[[34]](#footnote-34) Some SAIs encourage citizens to contact them or conduct various individual surveys to gain insight into public attitudes, but very few SAIs use the media opportunities available today to collaborate with citizens.

Knowledge exchange and cooperation between SAIs is also important to improve their capacity. Among other things, SAIs can sign memorandum of understanding for mutual cooperation, exchange of knowledge and expertise, and conduct of joint training. However, very few initiatives specifically focus on corruption-related audits. Hence, some suggest that the INTOSAI Capacity Building Committee and its regional associations provide a forum to build the SAI's technical capacity to address corruption.[[35]](#footnote-35)

1. CONCLUDING CONSIDERATIONS

Although SAIs do not have a role to fight corruption *per se*, their responsibility to audit public and state revenues and expenditures imposes an important role on them in deterring and detecting corruption in the public sector. The nature and mode of operation of the SAIs indicate their position, which allows them, together with other bodies, to contribute to anti-corruption efforts. There is still insufficient information on the role of the SAI, but recent studies show that where the audit is conducted professionally and independently of external influences, the level of corruption can be reduced. The development of a growing awareness of the potential of the SAI's involvement in the fight against corruption is also noteworthy. Successful approaches include focusing audit planning on high-risk areas of corruption, cooperating and coordinating with other anti-corruption bodies, and involving civil society in audit processes. Training and capacity building activities are also an important tool for developing the anti-corruption expertise of state auditors, as well as promoting knowledge sharing and cooperation between SAIs.

In Croatia, the State Audit Office does not have a direct task or authority to fight fraud and corruption. Special bodies have been set up at national level for this purpose. However, the SAO is indirectly involved in activities related to these areas, thus helping to preserve and protect public property from unauthorized and unacceptable actions. The indirect role of state audit in preventing and detecting corruption refers to detecting irregularities during the audit that may indicate corruption. Efforts to eliminate irregularities (monitoring the implementation of orders and recommendations) contribute to improving the operations of auditees and reducing corruption. The state audit can act as a powerful mechanism for deterring corrupt activities, especially in an effort to correct and eliminate irregularities and implement all audit findings and recommendations.[[36]](#footnote-36)

*Literature*

Assaxaf E.; Sasudine, R. S.; Othman Z. (2018) public sector Auditing and corruption: A literature review, *Asian Journal of Finance & Accounting* 10(1), Las Vegas: Macrothink Institute, p. 226 – 241.

Chêne M. (2018) the role of Supreme audit institutions in flying corruption, *U4 helpdesk answer* 9, Bergen: U4 Anti-Corruption Resource Centre, p. 3.

DiPietro W. R. (2011) the corruption and the quality of Auditing standards, *Asian Economic and Financial review*, 1(3), Las Vegas: Macrothink Institute, p. 120 – 123.

Ye K. M. (2007) corruption and Fraud Detection by Supreme Audit institutions. In: Shah, A. ur. Performance Accountability and combating corruption. Washington: The World Bank, p. 303 – 321.

Ye K. M.; Stapenhurst R. (1998) Pillars of Integrity: the importance of Supreme Audit institutions. Washington: The Economic Development Institute of the World Bank.

Enste D.; Heldman C. (2017) causes and Consequences of corruption an Overview of empirical results, *IW-Report* 2/2017. Köln: the der Deutschen Wirtschaft Institute.

Evans, A. (2008). The role of Supreme Audit institutions in combating corruption, *U4 expert answer*, Bergen: U4 Anti-Corruption Resource Centre.

Gherai D. S.; Tara I. G.; Nuts D. E. (2016) the Supreme Audit Institute can control the corruption or not? *Annals of Faculty of Economics, University of Oradea, Faculty of Economics*, 1(2), Oradea: Faculty of Economics, University of Oradea. 465 – 476.

Gustavson M. (2015) Does Good Auditing generate quality of Government? Gothenburg: University of Gothenburg.

Gustavson M.; Sundstrom A. (2018) Organising the Audit Society: dogs Good Auditing generate less public sector corruption, *Administration & Society* 50 (10), London: AGE Publishing, p. 1508 – 1532.

INTOSAI (1998) the Lima Declaration of Guidelines on Auditing precepts*.* Wien: INTOSAI. available at: [http://www.wikinetix.com/issai:001](http://www.wikinetix.com/issai%3A001) (15.07.2021.)

INTOSAI (2010) Coordination and Cooperation between sais and internal Auditors in the public sector. Wien: INTOSAI. available at: [https://na.theiia.org/standards-guidance/public %20Documents /INTOSAI\_GOV\_9150\_E.pdf](https://na.theiia.org/standards-guidance/Public%20Documents/INTOSAI_GOV_9150_E.pdf) (28.07.2021.)

INTOSAI (2010) the Auditing function of Supreme Audit institutions: A systematic breeding of the Auditing Assignments of 31 Selected Supreme Audit institutions across the Regions of INTOSAI. Wien: INTOSAI. available at: <http://www.psc-intosai.org/lumis/portal/file/fileDownload.jsp?fileId=8A81881E747486F3017478A308252532&inline=1> (10.07.2021.)

INTOSAI (2019) Guideline for the Audit of corruption Prevention. available at: [https://www.issai.org/pronouncements/guid-5270-Guideline-for-the-audit-of-corruption-prevention/](https://www.issai.org/pronouncements/guid-5270-guideline-for-the-audit-of-corruption-prevention/)( 05.07.2021.)

Klitgaard R. (1988) controlling corruption. University of California Press.

Liu J.; In B. (2012) Government Auditing and corruption control: Evidence of China's Provincial Panel days, *China Journal of Accounting Research,* 5, Guangzhou: Sun Yat-sen University, p. 163-186.

Maíra M. (2012) Good practice for Structuring Supreme Audit institutions, *Anti-corruption helpdesk transparency International,* Berlin: transparency International, p. 2.

Mauro P. (1998) corruption: causes, Consequences, and agenda for further Research, *Finance and Development*, 35 (1), Washington: International Monetary Fund, p. 11-14.

Myint, U. (2000) corruption: causes, Consequences and cures. *Asia Pacific Development Journal*, *7* (2), Bangkok: United Nations Economic and Social Commission for Asia and the Pacific, p. 33-58.

OECD (2011) Good practices in Supporting Supreme Audit institutions, Paris: OECD.

Rady, T. (2016). Corruption, business, and Economic Development. *Journal of organizational Culture, Communication and conflict*, 20 (1), Arden: dreamcatchers Group, p. 45-56.

Ramírez J. A.; Ortiz, Pérez J. A. C. (2016) impact of Supreme Audit institutions on the Board. Phenomenon of corruption: An International. Empirical analysis, *Journal of public Governance and Policy: Latin American review*, 1(3), Guadalajara: Instituto de Investigación en políticas Públicas y Gobierno, p. 34-59.

Ramkumar V. (2007) expanding collaboration between public Audit institutions and Civil Society, Brighton: International Budget Partnership.

Rogosic N. (2021) role of the State Audit Office in preventing fraud and corruption (training of state auditors) — working material. Zagreb: State Audit Office.

Supplemental Guidance: the role of Auditing in public sector Governance (2012) Altamonte Springs: The Institute of Internal Auditors, p. 5.

Tanzi, V. (1998). Corruption around the World: causes, Consequences, scope, and cures. *Staff* *Papers-International Monetary Fund*, 45 (4), Washington: International Monetary Fund, p. 559-594.

Tara I. G.; Gherai D. S.; Slut L.; Nuts D. E. (2016) the Social role of the Supreme Audit institutions to reduce corruption in the European Union - empirical study, *Revista de cercetare SI Interventie socials*, 52, Iași: Alexandru Ioan Cuza University, p. 217-240.

UNITED NATIONS (2004) United Nations Convention against. New York: United Nations. available at: <https://www.unodc.org/documents/brussels/UN_Convention_Against_Corruption.pdf> (20.07.2021)

UNITED NATIONS (2013) citizens’ engagement practices by Supreme Audit institutions. New York: United Nations.

1. Klitgaard R. (1988) controlling corruption. Berkeley: University of California Press, p. 7-12 [↑](#footnote-ref-1)
2. Enste D.; Heldman C. (2017) causes and Consequences of corruption an Overview of empirical results, *IW-Report* 2/2017. Cologne: der Deutschen Wirtschaft Institute, p. 4. [↑](#footnote-ref-2)
3. United Nations (2004) United Nations Convention against. New York: United Nations, available at: <https://www.unodc.org/documents/brussels/UN_Convention_Against_Corruption.pdf> (20.07.2021) [↑](#footnote-ref-3)
4. Mauro P. (1998) corruption: causes, Consequences, and agenda for further Research, *Finance and Development*, 35 (1), Washington: International Monetary Fund, p. 11-14; Rady, T. (2016). Corruption, business, and Economic Development. *Journal of organizational Culture, Communication and conflict*, 20 (1), Arden: dreamcatchers Group, p. 45-56; Tanzi, V (1998). Corruption around the World: causes, Consequences, scope, and cures. *Staff* *Papers-International Monetary Fund*, 45 (4), Washington: International Monetary Fund, p. 559-594. [↑](#footnote-ref-4)
5. Myint, U. (2000) corruption: causes, Consequences and cures. *Asia Pacific Development Journal*, *7* (2), Bangkok: United Nations Economic and Social Commission for Asia and the Pacific, p. 47. [↑](#footnote-ref-5)
6. Chêne M. (2018) the role of Supreme audit institutions in flying corruption, *U4 helpdesk answer* 9, Bergen: U4 Anti-Corruption Resource Centre, p. 3. [↑](#footnote-ref-6)
7. Supplemental Guidance: the role of Auditing in public sector Governance (2012) Altamonte Springs: The Institute of Internal Auditors, p. 5.; Assaxaf E.; Sasudine, R. S.; Othman Z. (2018) public sector Auditing and corruption: A literature review, *Asian Journal of Finance & Accounting* 10(1), Las Vegas: Macrothink Institute, p. 227. [↑](#footnote-ref-7)
8. OECD (2011) Good practices in Supporting Supreme Audit institutions, Paris: OECD. 9. [↑](#footnote-ref-8)
9. INTOSAI (1998) the Lima Declaration of Guidelines on Auditing precepts*.* Wien: INTOSAI, available at: [http://www.wikinetix.com/issai:001](http://www.wikinetix.com/issai%3A001) (15.07.2021.) [↑](#footnote-ref-9)
10. Gustavson M. (2015) Does Good Auditing generate quality of Government? Gothenburg: University of Gothenburg, p. 4. [↑](#footnote-ref-10)
11. INTOSAI (2010) the Auditing function of Supreme Audit institutions: A systematic breeding of the Auditing Assignments of 31 Selected Supreme Audit institutions across the Regions of INTOSAI. Wien: INTOSAI, available at: <http://www.psc-intosai.org/lumis/portal/file/fileDownload.jsp?fileId=8A81881E747486F3017478A308252532&inline=1> (10.07.2021.) [↑](#footnote-ref-11)
12. Evans, A. (2008). The role of Supreme Audit institutions in combating corruption, *U4 expert answer*, Bergen: U4 Anti-corruption Resource Centre, p. 2. [↑](#footnote-ref-12)
13. *Guidelines for the revision of prevention and detection of corruption* (2019) (formerly ISSAI 5700).

Purpose of the Guidelines: (i) assist state auditors in preparing and conducting audits of anti-corruption policies and procedures in the public sector; (ii) the guidelines highlight anti-corruption policies, structures and processes in auditees, (iii) auditors may use them as an audit tool; (iv) auditors may also use them as guidelines for the implementation of their own anti-corruption activities; (v) the main emphasis is placed on modules of an effective anti-corruption organisation such as: delimitation of duties, recruitment of jobs, role of internal audit, human capacity, including awareness raising, training and training of employees. INTOSAI (2019) Guideline for the Audit of corruption Prevention. available at: [https://www.issai.org/pronouncements/guid-5270-Guideline-for-the-audit-of-corruption-prevention/](https://www.issai.org/pronouncements/guid-5270-guideline-for-the-audit-of-corruption-prevention/)( 05.07.2021.) [↑](#footnote-ref-13)
14. Ye K. M.; Stapenhurst R. (1998) Pillars of Integrity: the importance of Supreme Audit institutions. Washington: The Economic Development Institute of the World Bank, page. 4. [↑](#footnote-ref-14)
15. Ye K. M. (2007) corruption and Fraud Detection by Supreme Audit institutions. In: Shah, A. ur. Performance Accountability and combating corruption. Washington: The World Bank, p. 303 - 321, p. 309. [↑](#footnote-ref-15)
16. Evans, A. (2008) the role of Supreme Audit institutions in combating corruption, p. 3. [↑](#footnote-ref-16)
17. Dye K. M. (2007) corruption and Fraud Detection by Supreme Audit institutions, p. 303. [↑](#footnote-ref-17)
18. Gherai D. S.; Tara I. G.; Nuts D. E. (2016) the Supreme Audit Institute can control the corruption or not? *Annals of Faculty of Economics, University of Oradea, Faculty of Economics*, 1(2), Oradea: Faculty of Economics, University of Oradea, p. 467. [↑](#footnote-ref-18)
19. Dye K. M. (2007) corruption and Fraud Detection by Supreme Audit institutions, p. 307. [↑](#footnote-ref-19)
20. Chêne M, (2018) the role of Supreme audit institutions in flying corruption, p. 9. [↑](#footnote-ref-20)
21. Liu J.; In B. (2012) Government Auditing and corruption control: Evidence of China's Provincial Panel days, *China Journal of Accounting Research,* 5, Guangzhou: Sun Yat-sen University, p. 163-186; Assakaf E., Samsudin, R. S., Othman Z. (2018) public sector Auditing and corruption: A literature review, p. 226 – 241. [↑](#footnote-ref-21)
22. DiPietro W. R. (2011) the corruption and the quality of Auditing standards, *Asian Economic and Financial review*, 1(3), Las Vegas: Macrothink Institute, p. 120 – 123. [↑](#footnote-ref-22)
23. Ramírez J. A.; Ortiz, Pérez J. A. C. (2016) impact of Supreme Audit institutions on the Board. Phenomenon of corruption: An International. Empirical analysis, *Journal of public Governance and Policy: Latin American review*, 1(3), Guadalajara: Instituto de Investigación en políticas Públicas y Gobierno, p. 51. [↑](#footnote-ref-23)
24. Gustavson M.; Sundstrom A. (2018) Organising the Audit Society: dogs Good Auditing generate less public sector corruption? *Administration & Society* 50 (10), London: AGE Publishing, p. 1508 – 1532. [↑](#footnote-ref-24)
25. Gherai D. S.; Tara I. G.; Matica D. E. (2016) the Supreme Audit Institute can control the corruption or Not? p. 465 – 476. [↑](#footnote-ref-25)
26. Tara I. G.; Gherai D. S.; Slut L.; Nuts D. E. (2016) the Social role of the Supreme Audit institutions to reduce corruption in the European Union - empirical study, *Revista de cercetare SI Interventie socials,* 52, Iași: Alexandru Ioan Cuza University, p. 237-239. [↑](#footnote-ref-26)
27. Gustavson, M. (2015) Does Good Auditing generate quality of Government? p. 19 – 20. [↑](#footnote-ref-27)
28. Maíra M. (2012) Good practice for Structuring Supreme Audit institutions, *Anti-corruption helpdesk transparency International,* Berlin: transparency International, p. 2. [↑](#footnote-ref-28)
29. Gherai D. S.; Tara I. G.; Matica D. E. (2016) the Supreme Audit Institute can control the corruption or Not? p. 474. [↑](#footnote-ref-29)
30. Evans, A. (2008) the role of Supreme Audit institutions in combating corruption, p. 4. [↑](#footnote-ref-30)
31. Chêne M. (2018) the role of Supreme audit institutions in flying corruption, p. 11. [↑](#footnote-ref-31)
32. INTOSAI (2010) Coordination and Cooperation between sais and internal Auditors in the public sector. Wien: INTOSAI, available at: [https://na.theiia.org/standards-guidance/public %20Documents /INTOSAI\_GOV\_9150\_E.pdf](https://na.theiia.org/standards-guidance/Public%20Documents/INTOSAI_GOV_9150_E.pdf) (28.07.2021.) [↑](#footnote-ref-32)
33. Ramkumar V (2007) expanding collaboration between public Audit institutions and Civil Society, Brighton: International Budget Partnership, p. 2. [↑](#footnote-ref-33)
34. UNITED NATIONS (2013) citizens’ engagement practices by Supreme Audit institutions. New York: United Nations. [↑](#footnote-ref-34)
35. Evans, A. (2008) the role of Supreme Audit institutions in combating corruption, p. 6. [↑](#footnote-ref-35)
36. Rogosic N. (2021) role of the State Audit Office in preventing fraud and corruption (training of state auditors) — working material. Zagreb: State Audit Office. [↑](#footnote-ref-36)