

## VALUE FOR MONEY THROUGH THE MIRROR OF ETHICS WITHIN THE PUBLIC PROCUREMENT SYSTEM

### Conclusions and Results

The audit is a dynamic profession and it operates in conditions of constant changes in the environment (changes in systems, policies, rules, regulations ...), which continuously open opportunities for professional improvement and innovation. One of the most complex and challenging auditing areas is public procurement. It is one of the recognized areas in which, based on auditing, is possible to increase performance, and contribute to a wiser and more efficient spending of public money.

According to the fact that it involves significant amounts of money, public procurement is a challenging area for the individuals involved in this process, and whose position, power and authority gives them the opportunity to put their private interests ahead of the public interest or to make unethical decisions. Regarding the mentioned above and keeping in mind the numerous irregularities in this area identified through the audit, public procurement is considered to be a high-risk area, and therefore the regularity and efficiency evaluation of public procurement procedures is often a regular part of the scope of work of the SAI. At the same time, the role of SAI in auditing ethics and the ethics related issues becomes one of the priority topics within the auditing community.

Therefore, the idea of the workshop "Value for money in the mirror of ethics through the process of public procurement" was to examine whether there is a room for development and improvement of the audit approach in a way that contributes ensuring that public procurement procedures in the public sector are in line - not only with the legislation - but with the ethics and VFM principles also.

The examination was based on several questions, the exchange of experiences among participants, discussion on new opportunities in the audit field, and the collection and creation of new ideas and innovative approaches.

### CONCLUSION:

**There is a possibility for SAIs to contribute and assure public procurement procedures within public sector in line with VFM principles and ethics, and so to contribute to more wise and effective use of public resources.**

It can be done in the following ways:

- 1) By giving more attention to areas and levels of auditees operations that are not prescribed by the laws and regulations, in a way that is not fully regulated by the audit standards:
  - **To assess whether auditees (public sector bodies):**
    - have **established clear procedures** on how to act in all stages of public procurement, in a way to implicate introducing of justice in the public procurement systems (as buyer would pay exactly as much as something cost, and seller would charge exactly as much as something costs)
    - have established methods and tools for control and reporting on implementation of those procedures,
  - **To ensure prevention acting, by encouraging auditees (through audit recommendations) to:**
    - establish and **implement procedures** on how to act in all stages of public procurement and to introduce programmes for ethical managing,
    - develop adequate training system on implementation of procedures,
    - strengthen ethical infrastructure within institution
- 2) By **developing systems within SAIs (methods, tools, training system) for assessing existence and implementation of above stated procedures and auditing areas not fully covered by the audit standards** → possibility for further development of Auditing Standards (ISSAIs).

Development of SAIs' audit approach In such a way SAIs' c recommendations and activities can add the following values:

- decreasing the number of corruptive incidences,
- influence on strengthening of preventive acting within auditees,
- encourage development of ethical culture (for buyers and for sellers),
- contribute to:
  - decreasing of expenses and irregularities caused by corruptive and unethical behaviour in public procurement processes,
  - increasing of public and other stakeholders awareness about managing public resources,
  - increasing of legislative awareness about implementation of laws and regulations in public procurement area,
  - increasing transparency within auditees and public sector in general,
  - increasing of personal and social accountability,
  - increasing effectiveness of public procurement systems,
  - improving management of public resources (4E: economy, efficiency, effectiveness, **ethics**),
- where needed, show other authorities on the need of action,
- contribute to improvement of public services as tax payers could get more value for their money.