

Ten macro challenges in state audit

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Louise Bringselius
Associate Professor at Lund University, Sweden
Louise.bringselius@fek.lu.se

State audit is sometimes described as a rather technical exercise, but this is actually at the heart of the administration, setting boundaries and norms for what defines a good performance. In this presentation, I will introduce ten broad macro challenges, which can be expected to transform the way that state audit works in the long term.

1. **Globalization**

A need for international collaboration not only in the development of standards, but in the every-day audit practice, where comparisons can be made between countries and where Supreme Audit Institutions (SAIs) also can make audits together.

2. **Digitization**

Artificial intelligence is developing rapidly and so is the area of machine learning. This is expected to be a revolution to society and in the audit area, computers are likely to take over some of the job currently conducted by SAIs. How can SAIs use this technology?

3. **Constant Urge to Change**

Organizations are today subjected to pressure to constantly change, adopting new management models and facing new leaders. This leads to stress and it is often costly. Considering this, the SAI must not necessarily be a change agent, but it may sometimes be better serving as a force for stability. How can this be balanced?

4. **Marketization**

Market solutions include Public Private Partnerships, public tendering procedures, etc. State audit cannot always access enough information from private companies with public funding to make audits. How can access and confidentiality be handled in a marketized administration?

5. **Media**

Media is an important actor for the SAI, but by focusing on impact in the media, the SAI risks undermining both its independence and its objectivity, focusing too much on the critical aspects in audits, since these tend to attract more media attention.

6. **The Citizen Perspective**

With the internet, it is easy to communicate with citizens, and the SAI is ultimately the tool of the citizenry. How can this dialogue be improved?

7. Quality, Ethics and Sustainability

Increasing attention is devoted to the 'soft' performance aspects, such service quality, ethics and sustainability. The SAI needs to go beyond the economic aspects and include also these in their performance audit portfolio, meaning that a fourth E is added for Ethics to the classic 'three E' of performance audit (Efficiency, Effectiveness, Economy).

8. The Transparency of the SAI

The SAI itself needs to be fully transparent, not only in its audit practice, but also with internal aspects, such as leadership, culture and management systems. To have legitimacy, the SAI must show that it lives up to the ideals and expectations raised in relation to the auditees.

9. The Audit Society

The SAI is only one of many audit institutions in society today. These are found both in the public administration and in the private sector. It needs to consider how it wishes to make a unique contribution as compared to these.

10. Collaboration with Academia

People today call for evidence-based policy, meaning a closer collaboration between policy-making and research. The SAI also needs to find ways to take use of existing research and connecting to the work and methods from academia.