Challenges of Supreme Audit Institutions in Anti-Corruption

SAC IRAN
Introduction

Corruption is a problem that affects human societies in all periods of time, and also, systematic corruption is a concern for the governing bodies of many human societies.

Combating and preventing corruption is the base of the thought of many political and economic thinkers. Administrative corruption, as one of the most common forms of corruption, is a phenomenon passing through the boundaries of time and place, and does not belong to a specific time or to a particular society.

This hideous phenomenon has destroyed many civilizations and human cultures in history.

The issuance of statements, recommendations, conventions and various international protocols in the fight against corruption shows that the issue of corruption is not specific to Iran, and the fight against it, is a concern for all countries of the world.
The attention of international organizations such as International Organization of Supreme Audit Institutions (INTOSAI) and Asian Organization of Supreme Audit Institutions (ASOSAI) to corruption shows that INTOSAI and ASOSAI are insufficient tools to detect corruption, but the preference of all countries in the world for preventing corruption shows the difficulty of combating this issue.

Supreme audit institutions (SAI$s$) are considered as a corruption-fighting agency as one of the most important pillars of state governance to the general public.
Introduction

Thus, given this view of society, Supreme audit institutions, have the great responsibility of combating corruption along with other regulatory bodies of the sovereignty regardless of their authority and capabilities. As stated in various INTOSAI statements, one of the main tasks of the SAIs is to help the authorities in promoting good governance. In this regard, to develop good governance in human societies, SAIs must always play an active and effective role in spite of facing various challenges.

In the following, we will try to address the challenges faced by the SAIs in preventing and combating corruption, addressing these challenges, and suggesting ways to improve them.
The concepts of corruption
The concepts of corruption

- The root of administrative corruption” means “breaking” (Rumpere).
- Corruption means “going beyond moderation,” which shows itself by exploiting public resources for personal goals.
- Corruption is one of the manifestations of antisocial behavior, which gives offspring offenders and contrary to the moral and legal norms of their perpetrators and weakens the ability of others to improve their living conditions.
- In this definition, corruption is seen as a barrier to universal development. Corruption in this aspect weakens justice in society and leads to the domination of the interests of few people on the public benefits.
By examining the concepts of corruption in different societies, one can conclude it can take different forms.

By examining the generalities of these funds, one can point out the following manifestations of corruption:

A) **Legal corruption:**
Legal corruption means the discriminatory laws are in favor of powerful politicians and state-sponsored classes.
The concepts of corruption

B) Political corruption:
It means abusing political power for personal and illegal purposes.

C) Financial and administrative corruption:
- Bribery
- Embezzlement
- Corruption in government purchases from the private sector
- Corruption in contracting government contracts with contractors
- Tax corruption
The basic conditions for the emergence of corruption
The main causes of the phenomenon can be identified

**A. Cultural and environmental factors:**
The higher the level of general ethics, the higher the moral and ethical costs of corruption

**B. Personality factors:**
the importance and role of individual managers in organizational behaviors that show themselves.

**C. Administrative and organizational factors:**
complex and multi-layered administrative processes
low staffs salaries
The root causes of administrative and financial corruption
A. Economic roots:

- The exclusivity of the market, the lack of a competitive system, and the lack of transparency of information can create rents for those who access specific information.

- government economy

- inappropriate privatization

- Underground economy

- One of the most important factors in the emergence of corruption in one country, a major challenge for regulatory agencies, is the structural and organizational problems of combating economic corruption, the rise of regulatory bodies, such as SAIs without evaluating the productivity of these devices. Only public funds will be spent and no clear record of these activities will be obtained.
B. Unhealthy political conditions and the lack of proper social-political insights.

• The weakness of knowledge-based competence in the selection of senior executives of organizations and ministries

• The bureaucracy governing the judiciary and the uncertainties needed to fight economic corruption cause the lawsuits to fail

C. Cultural and social roots: the morale of renting a community, the inclination of influential people and government officials to use relatives and acquaintances, the classification of society based on unconventional indices and incidental and different situations with corruptors
Factors facilitating corruption
Factors facilitating corruption

A. Political factors:
The complete lack of independence of the judiciary, the influence of the executive branch on it, and on monitoring and inspection bodies

B. Administrative factors:
1. A significant difference between employee income and their costs
2. Kinship relationships
3. The scope of state interference in the affairs
4. Excessive laws and limiting private sector
5. The society's insensitivity to ethical criteria
6. Increasing urbanization and attracting people in non-productive and intermediary jobs
7. Restrictions on the scope of government surveillance and punishment
8. Security from corruption and corrupted environment
9. Tolerance in countering corruption by trustee organizations
Fighting corruption
Any method used to combat corruption should be followed by the following:

A. Reduce the demand for administrative corruption.
B. Increase the cost of corrupt services for corrupt employees.
C. Increases the risk of corruption perpetrators being discovered and arrested.
Fighting corruption

For identifying the levels of awareness of corruption and the use of self assessment methodology, all authorities should often go through the four steps below in the face of corruption:

**Step One:** Denying the event and rejecting it  
**Second:** stage: Anger  
**Stage Three:** Bargaining and resistance  
**Stage Four:** Depression  
**Step Five:** Acceptance
The challenges of SAIs in combating corruption
The challenges of SAIs in combating corruption

Policymakers and organizations in the combat against corruption can always be a serious threat to fight corruption, whereas giving them opportunities to combat corruption.

the plurality of these organizations, after reaching the ideal point, will no longer have any benefits to the governance to fight corruption and will only impose a double burden on government.

However, in summary, regulatory agencies, including SAIs, always face the following challenges in the fight against corruption:
The challenges of SAIs in combating corruption

1. The lack of precision of the role of SAIs in the fight against corruption.

2. In the standards and auditing tools used by SAIs are usually no tools to detect corruption.

3. Some of the corruption-prone areas of governance are not within the scope of the supervision of the supreme audit institutions and are considered as privacy for the corruptors.

4. The comprehensive system of information in various fields of finance, especially regarding the assets of senior government officials, is not available to SAIs.

5. The rules and tools in the fight against corruption are usually not up to date. The corruptors are one step ahead of the regulatory system.
The challenges of SAIs in combating corruption

6. People are disappointed by the prolongation of the time for dealing with corruptions and this matter frustrates them and reduces the effectiveness of anticorruption policies by supreme audit institutions.

7. Due to the presence of various regulatory bodies on the subject of the fight against corruption, the probability of redo and parallel work will increase and, on the other hand, will cause confusion in this regard.

8. The lack of adequate support for witnesses and whistle blowers is another challenge to fight corruption.

9. Failure to closely monitor the results of the audit reports on the state of corruption through the relevant authorities can discourage SAIs in the fight against corruption.
10. Given the time spent dealing with the issue of corruption in the body of governance, in some cases corruptors attempt to provide irrelevant and inaccurate information in order to create problems and divert the focus of SAIs, which will be a waste of time for the supreme audit institutions in the investigation and conclusion.

11. SAIs needs professional staff in combating systematic corruption, Generally, It is not easy access to these staff in the short term.

12. Addressing corruption-related issues is costly and has many risks for SAIs and their staff.

13. Custodians of corruption are usually very powerful legal and real people who can be pressured and influenced by SAIs in various ways, by force (financial and non-financial).
14. The lack of adequate enforcement guarantees for the current laws and regulations of the country in the fight against corruption.

15. The lack of transparency in the laws and regulations related to the fight against corruption is a source of ambiguity and confusion for SAIs in the fight against corruption.

16. The lack of access to day-to-day technologies, especially information technology, and the lack of adequate skills for SAIs staff

17. The level of authority and professional independence of the supreme Audit
Conclusion
SAIs have always faced challenges in the fight against corruption that could be affected by the impact of these institutions on the development of a good governance.

In order to enhance the effectiveness of SAIs, these institutions can be more effective in combating financial and administrative corruption by experimenting with each other and with other international institutions.

Favorable good governances can also prevent the multiplicity of anti-corruption institutions and increase the efficiency of organizations by raising the impact of counter-corruption law enforcement agencies.
SAIs should avoid the loss of their human resources and parallel work with other regulatory agencies and focus their resources on high-risk cases.

These institutions by Commenting on the quality of internal controls and the suggestion to improve them, can reduce the administrative burden and effect on the self-control process, thus prevent double costs and emergence of corruption in the government.

Timely action on identifying and speeding up the occurrence of corruption is another step in the work of the SAIs on Combating Corruption, as these institutions in a coordinated effort can increase the level of transparency through the use of their self-assessment and self-monitoring systems.
Conclusion

It's made in the executive and minimizes the cost of combating corruption through its prevention.

The promotion and development of Electronic monitoring system by government licensing and licensing authorities can be one of the effective ways to reduce corruption through the use of modern technologies.
Thank you for your attention