



ComplianceNet Conference – ComplianceNet 2021
University College London, June 28th – June 30th, 2021

Increasing Compliance with Recommendations of Supreme Audit Institutions

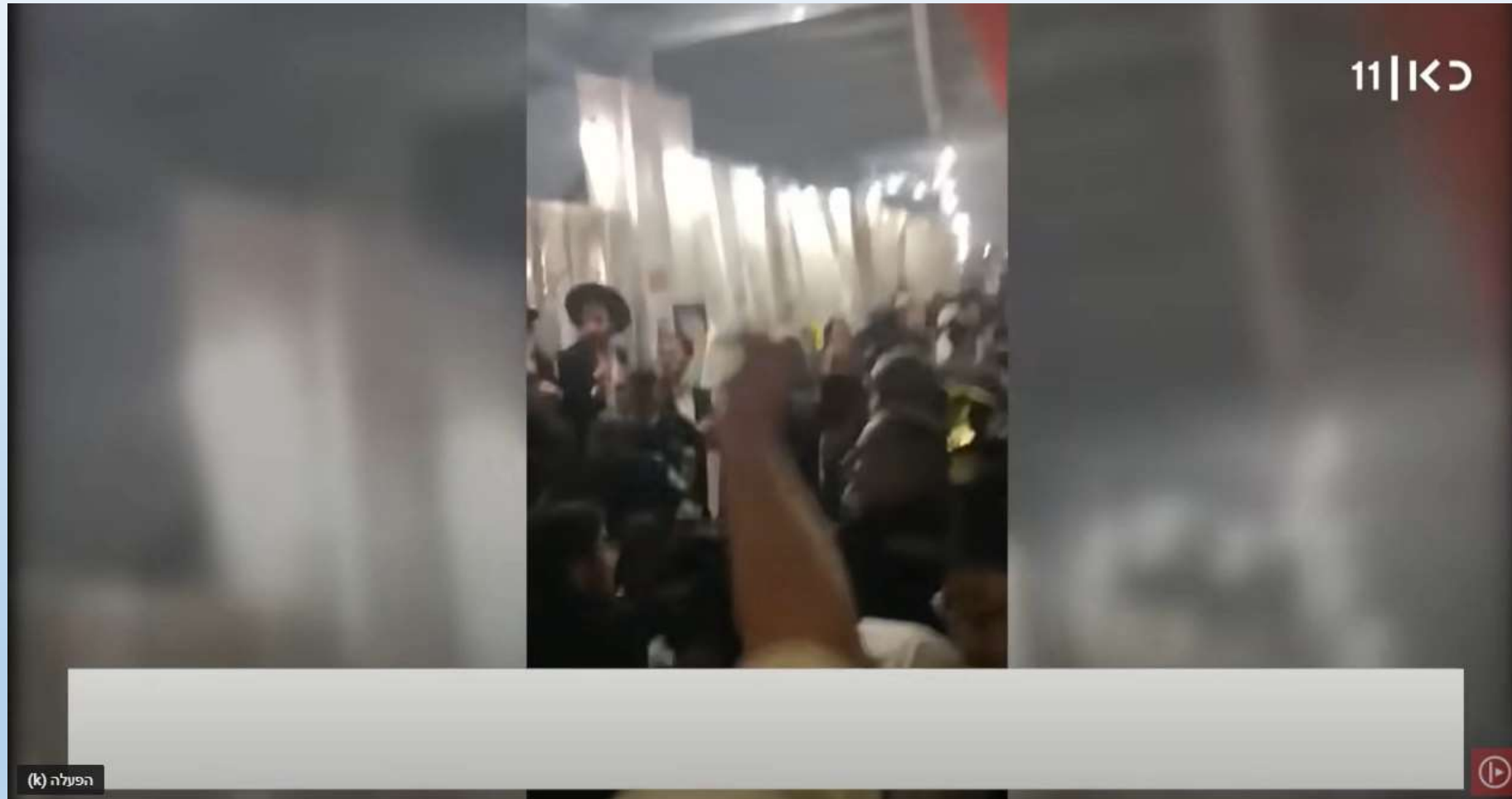
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Aim of Research

Our research examines the ways in which it is possible to increase compliance with the recommendations of Supreme Audit Institutions – SAIs.

The importance of compliance – a disaster that could have been prevented



The importance of compliance – a disaster that could have been

Blame game begins after Meron disaster



State Comptroller Office deputy director general:
The main problem is that no single organization is
responsible for the site.

stampede in Meron during the celebration of Lag B'Omer, May 2, 2021. Photo by David Cohen/Flash90.

Israeli State Comptroller 2008 audit report

Three key deficiencies:

1. There is a long-standing dispute between four private entities over the ownership of various parts of the site and the rights to manage the location.
2. The physical structure of the site is not sufficiently prepared for the attendance of hundreds of thousands of people who arrive at the site for mass events.
3. The report exposed deficiencies in the emergency preparations and response, including exit and escape routes.

Main recommendation:

To conduct a comprehensive and rapid study of the possibility of having a central State entity be put in charge of the site's management and maintenance.

Israeli State Comptroller 2011 “follow-up” audit report

A hand holding a magnifying glass over a document, symbolizing scrutiny or investigation.

Despite the clear and pointed remarks of the Israeli State Comptroller, none of the key recommendations were implemented and every year since, the deficiencies continued to be a serious public safety concern.



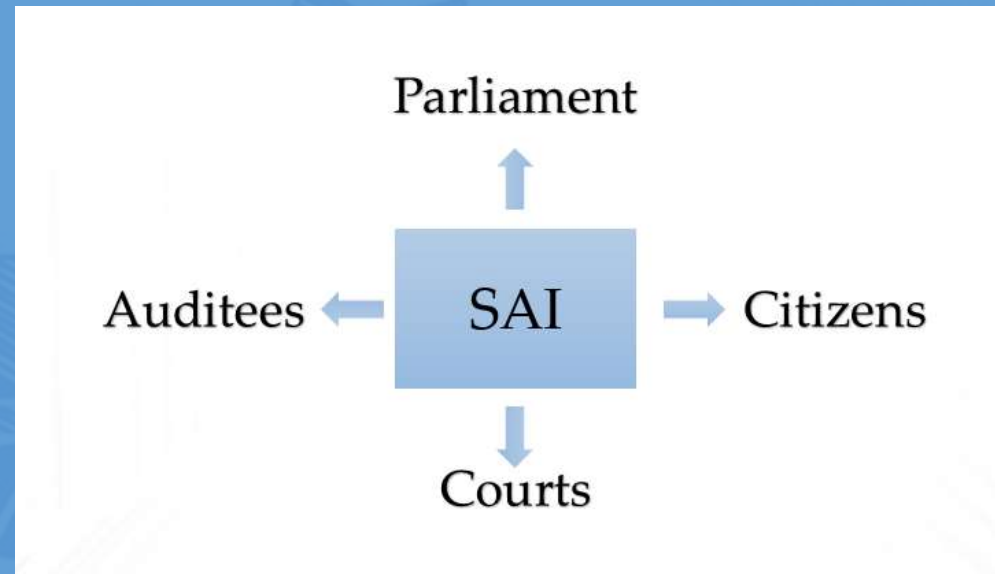
Justification of Nonbinding Recommendations

- The easy solution - Make the recommendations of the State Audit Institutions binding!
- There is a strong justification as to why these recommendations are not binding.
- SAI's recommendations are not binding in the vast majority of countries.
- What can be done to increase the compliance with non-binding recommendations?

Mechanisms and Actions to Increase Compliance

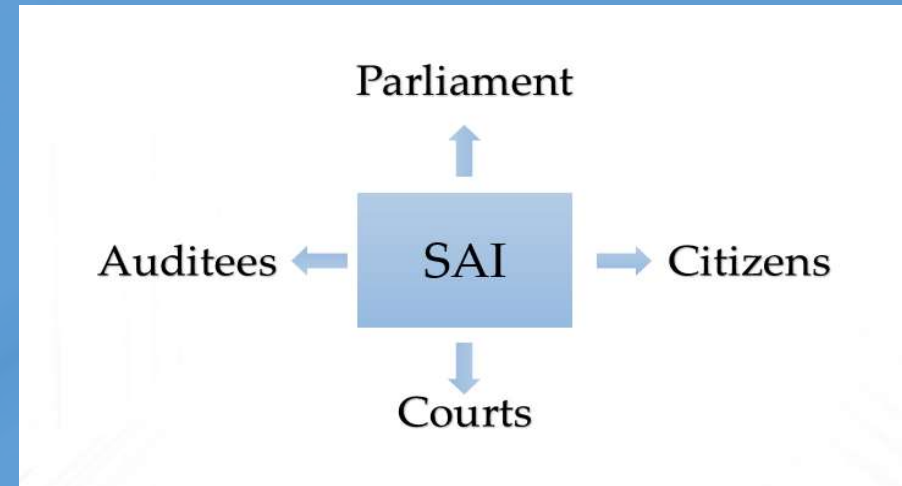
There are five key “players” that are involved with promoting the recommendations and there are different actions through which each of the players can embrace to increase compliance with SAI’s recommendations:

- 1.The SAI
- 2.The Audited Entity
- 3.The Parliament
- 4.The General Public
- 5.The Courts



“Player” No. 1 – The SAI

- **Publication of Reports**
- **Publication of Follow-up Reports**
- **Monitoring implementations of recommendations**

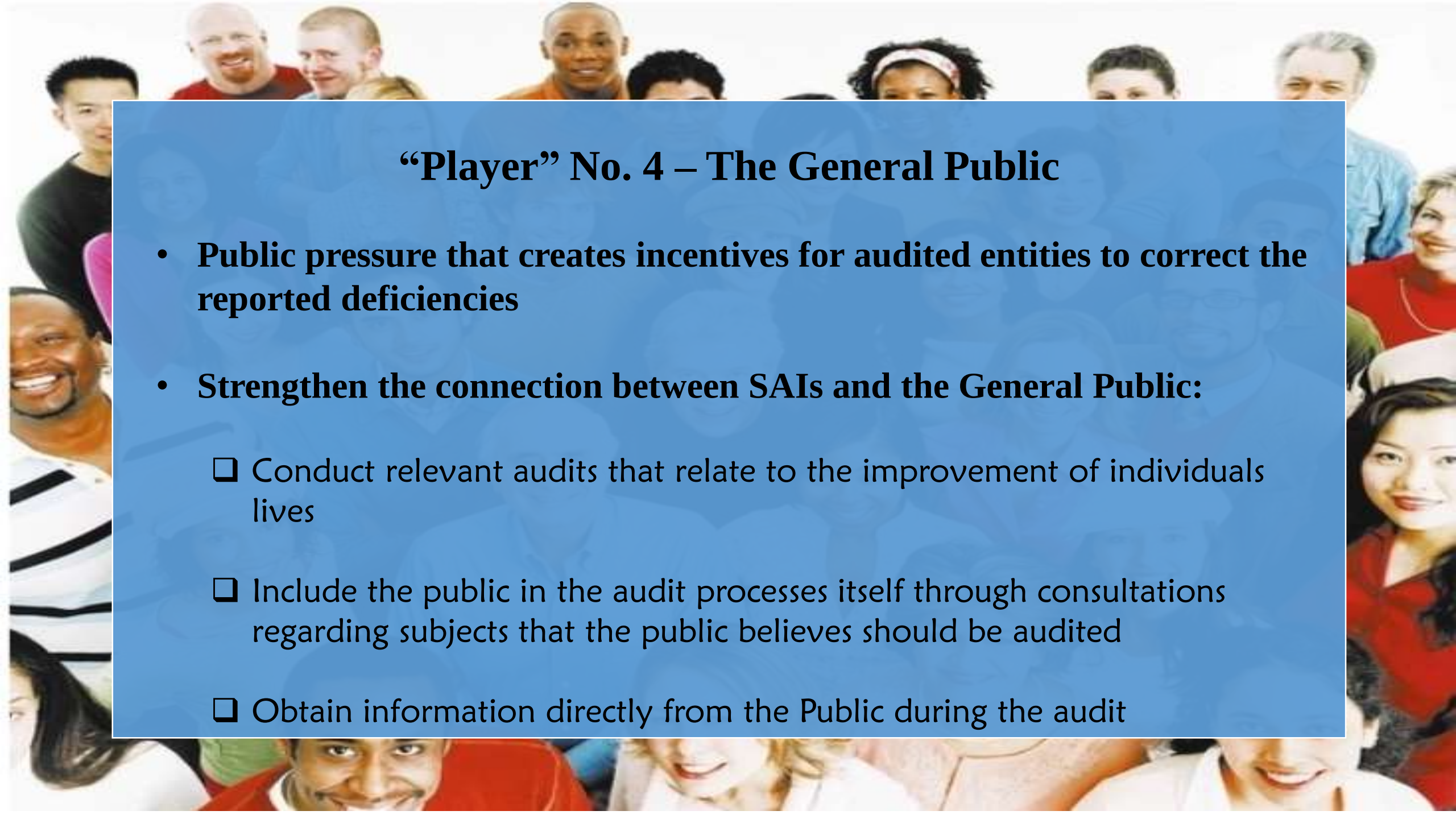


“Player” No. 2 – The Audited Entity

- **Appoint an internal team to discuss deficiencies**
- **Report the discussions' conclusion to the head of the Audited Entity**

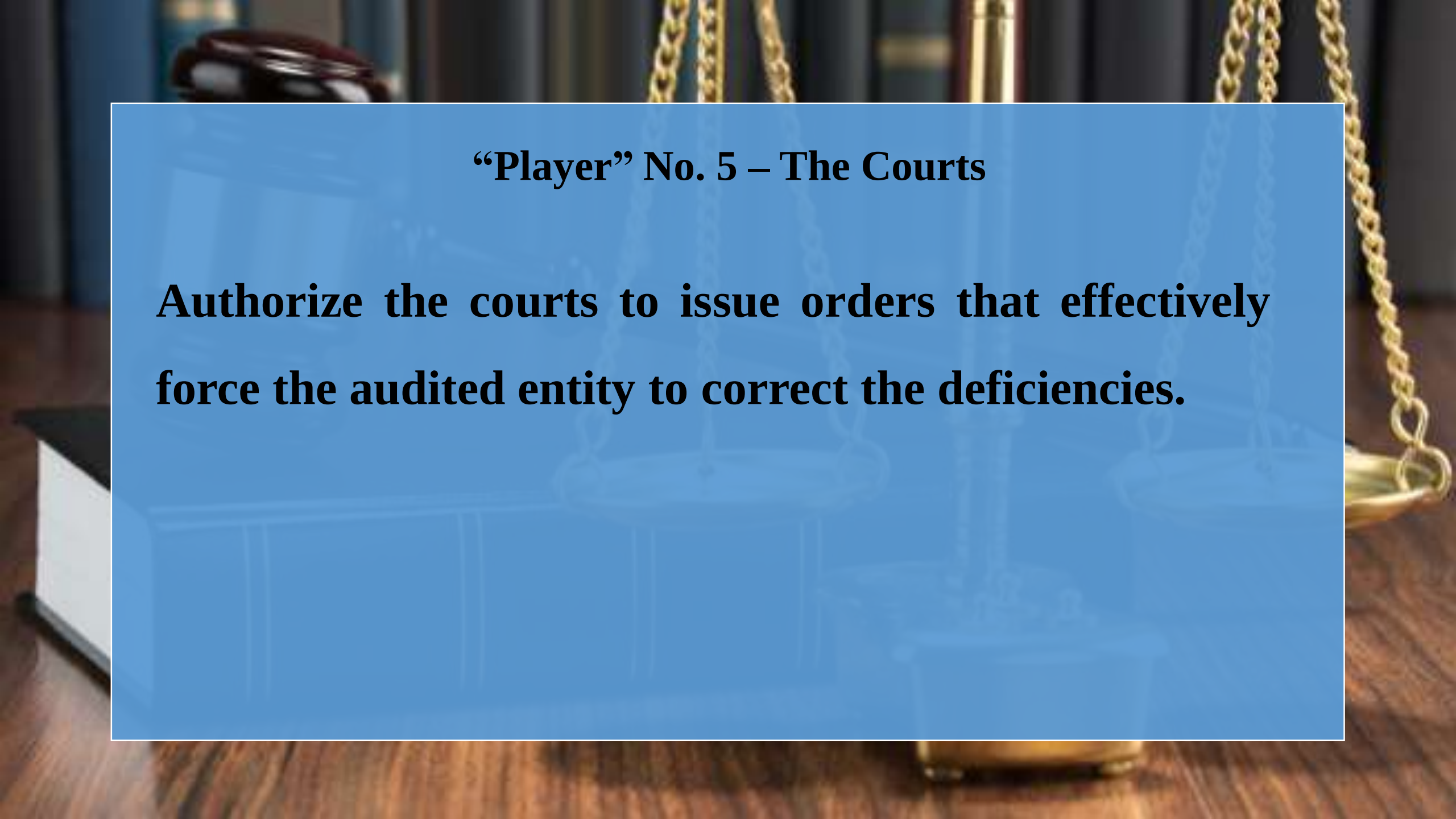
“Player” No. 3 – The Parliament

- **A special parliamentary committee that is given broad authority to deal with the SAI reports**
- **Authorities – summon representatives from the Audited Entities and to ask them for explanations**
- **Initiate and establish a State Commission of Inquiry that will carry out further investigation, following the SAI's reports**



“Player” No. 4 – The General Public

- **Public pressure that creates incentives for audited entities to correct the reported deficiencies**
- **Strengthen the connection between SAIs and the General Public:**
 - ☐ Conduct relevant audits that relate to the improvement of individuals lives
 - ☐ Include the public in the audit processes itself through consultations regarding subjects that the public believes should be audited
 - ☐ Obtain information directly from the Public during the audit



“Player” No. 5 – The Courts

Authorize the courts to issue orders that effectively force the audited entity to correct the deficiencies.

Conclusion

- It is vital to increase compliance with the recommendations of SAI's.
- Increasing compliance is a challenging undertaking
- Effective actions taken by the identified “key players” will increase compliance



Compliance with SAI's recommendations may prevent the next disaster!

Thank you