

# Communication with External Stakeholders

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Report extract from the Communication Peer Review  
of the State Audit Office of Hungary  
by the SAIs of Poland and Lithuania

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## Introduction

The ASZ is the Supreme Audit Institution of Hungary, reporting to the Parliament. Its main task is to audit the public spending, and in line with its goals and policies its reports are meant to be a credible source of relevant information for the stakeholders.

The main stakeholders identified in the ASZ's communication strategy and communication plans are:

- Members of the Parliament (MPs)
- Ministers and their staff implementing public tasks
- Audited entities, both public and private, using funds from public budgets
- The media
- The public, including groups especially interested in audit results in particular areas, but also the general public as an addressee of public information
- Other bodies of audit, revision, inspection, law enforcement, especially the prosecution
- Foreign partners, including partner SAIs

According to the *Principles of transparency and accountability* defined in ISSAI 20, the notion of transparency refers to the SAI's timely, reliable, clear and relevant public reporting on its status, mandate, strategy, activities, financial management, operations and performance. In addition, it includes the obligation of public reporting on audit findings and conclusions and public access to information about the SAI.

A few years ago the ASZ adopted the new communication strategy, where it defined the following main goals in this area: to increase the usefulness of its products to various stakeholders and to continuously develop the ASZ's reputation of a professional and transparent SAI acting solely for the sake of the public interest.

## Purpose and Background

- This peer review has been carried out according to the Memorandum of Understanding signed by the Supreme Audit Office of Hungary (ASZ), the Supreme Audit Office of Poland (NIK) and the National Audit Office of Lithuania (NAO), by a team of auditors from the SAIs of Poland and Lithuania.
- The objective of the peer review has been to analyse practical aspects of the implementation of the ASZ's Communication Strategy, including its strengths and weaknesses from the point of view of external and independent observers, i.e. auditors from the SAIs of Poland and Lithuania who took part in the review.
- The review comprised getting familiar with the communication policies, practical aspects of the work of the ASZ Staff in charge of that area, as well as opinions of the ASZ's external stakeholders.
- The review has been carried out in line with ISSAI 5600 and its major objective was to analyse the availability and comprehensiveness of the ASZ's external communication.
- This report does not assess the ASZ's activity, but as agreed between the parties of the a/m MoU, an analysis of various aspects of the reviewed activity in the context of ISSAI.
- The peer review tries to present an impartial external analysis of the results of the implementation of the ASZ's new communication policy, in place now for 4 years. The main goal of this policy has been related to the usefulness of the ASZ's communication for its stakeholders, including audited entities, the public administration and law enforcement bodies, the media and public opinion. The ASZ wants its external communication to contribute to the good governance. The new communication policy has also stressed the ASZ itself as the main source of information on state auditing.
- The ASZ pays particular attention to the quality and modes of its external communication, specially stressing the usefulness of its audit results. After the new act on ASZ was adopted and a series of internal changes which followed in the years

2010-2014, the ASZ carried out a comprehensive review and self-assessment of the implementation of its external communication strategy.

*ISSAI 20 Principles of transparency and accountability (extract)*

**Principle 2:**

SAIs make public their mandate, responsibilities, mission and strategy

- The SAIs make publicly available their mandate, their missions, organisation, strategy and relationships with various stakeholders, including legislative bodies and executive authorities.
- The conditions of appointment, reappointment, retirement and removal of the head of the SAI and members of collegial institutions are made public.
- SAIs are encouraged to make public basic information about their mandate, responsibilities, mission, strategy and activities in one of the official INTOSAI languages, in addition to their country languages.

**Principle 3:**

SAIs adopt audit standards, processes and methods that are objective and transparent.

- SAIs adopt standards and methodologies that comply with INTOSAI fundamental auditing principles elaborated under the International Standards of Supreme Audit Institutions.
- SAIs communicate what those standards and methodologies are and how they comply with them.
- SAIs communicate the scope of audit activities that they undertake under their mandate, and on the basis of their risk assessment and planning processes.
- SAIs communicate with the audited entity about the criteria on which they will base their opinions.
- SAIs keep the audited body informed about their audit objectives, methodology and findings.

- The SAIs audit findings are subject to procedures of comment and the recommendations to discussions and responses from the audited entity.

**Principle 7:**

SAIs report publicly on the results of their audits and on their conclusions regarding overall government activities.

- SAIs make public their conclusions and recommendations resulting from the audits unless they are considered confidential by special laws and regulations.

- SAIs report on the follow up measures taken with respect to their recommendations.

- SAIs constituted as courts report on sanctions and penalties imposed on accounting officers or managers.

- SAIs also report publicly on overall audit outcomes, e.g. the government's overall budget implementation, financial condition and operations and, overall financial management progress and, if included in their legal framework, on professional capacity.

- SAIs maintain a strong relationship with relevant parliamentary committees to help them better understand the audit reports and conclusions and to take appropriate action.

**Principle 8:**

SAIs communicate timely and widely on their activities and audit results through the media, websites and by other means.

- SAIs communicate openly with the media or other interested parties on their operations and audit results and are visible in the public arena.

- SAIs encourage public and academic interest in their most important conclusions.

- Abstracts of audit reports and court judgements are available in one of the official INTOSAI languages, in addition to the country languages.

- SAIs initiate and conduct audits and issue the relevant reports in a timely manner. Transparency and accountability will be enhanced if the audit work and related information provided are not obsolete.

- SAI reports are available and understandable to the wide public through various means (e.g. summaries, graphics, video presentations, press releases).

**Principle 9:**

SAIs make use of external and independent advice to enhance the quality and credibility of their work.

- SAIs comply with the International Standards of Supreme Audit Institutions and strive for continued learning by using guidance or expertise from external parties.
- SAIs may call on an external independent assessment for their operations and their implementation of the standards. For this objective they may use peer review.
- SAIs may use external experts to provide independent, expert advice, including on technical matters relating to audits.
- SAIs publicly report the results of peer reviews and independent external assessments.
- SAIs may benefit from joint or parallel audits.
- By enhancing the quality of their work, SAIs could contribute to the improvement of professional capacity in financial management.

## General Conclusions

The ASZ has developed a professional and effective communication system, adequate for its mission and strategy, as well as aligned with the new act on ASZ. ASZ partners and stakeholders confirm that it implements its communication strategy in a way that ensures the transfer of necessary information on the ASZ and its procedures, as well develops its reputation as a transparent institution.

In the opinion of the peer review team the ASZ succeeds in achieving its goals in the communication area, though the team would also like to turn the ASZ's attention to some issues where it could consider modification of its activities for the increased effectiveness in the future.

The peer review team has been impressed by a great variety of activities undertaken by the ASZ in different communication-related areas aimed at achieving these goals. The team would also like to stress the exceptionally high level of awareness of the ASZ as a whole, its top management, directors and other staff of communication being a strategic area needing special tools, qualified resources and much engagement.