

SUPREME AUDIT INSTITUTIONS: A VANISHING MEDIATOR FOR DEMOCRACY?

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ABSTRACT

As unique and sui generis organizations Supreme Audit Institutions (SAIs) are one of the most important key actors of modern democratic-political system. They must not be regarded simply as administrative or regularity-oriented extensions of the public management framework. If we don't want "the democratic representativeness" to be reduced to "a dead point of an institutionalism", we have to let "the political" reveal in all its robustness. The sheer "democratic modus vivendi" only goes with this sort of de-constructivist and emancipatory state philosophy. Our claim is that without considering the spirit of "the political", it is almost impossible to appreciate the sheer role and function of the SAIs in the modern democratic state system. An SAI appears just like a "vanishing mediator" in the political system. It institutionally serves for the figuration of the political and then it functionally vanishes away to give birth to the political. So what makes an SAI vital for the democracy is closely associated with the role of "vanishing mediator". If an SAI is enabled to take part in the setup of political system without any barrier and if its legislative reporting function is carried out through a deliberative and open agenda, the critical role of the SAIs in remaking process of the political will eventually emerge.

Keywords - Supreme Audit Institutions, Democracy, Public Management, Political, Politics, Performance Audit, Financial Audit, Compliance Audit, International Standards of Supreme Audit Institutions (ISSAIs).

INTRODUCTION

The aim of this study is to question the role and place of Supreme Audit Institutions (SAIs) in the public sector and to emphasize the inevitable political character of SAIs. There are different types of SAIs all over the world. Some SAIs have certain judicial powers while others merely enjoy specific administrative/legislative authorities. This practical division between the SAIs makes it somehow difficult to determine the ideal functional characteristics of SAIs in the public management system. It should be also noted that SAIs have contrasting mandates and work under different conditions. Due to the varied situations and structural arrangements of SAIs, not all theoretical descriptions

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may apply to all aspects of their work.

The main motivation of this paper is to highlight and question the political role of SAIs in modern democratic systems. The significance and noteworthiness of the topic seems relatively untouched as specific to the roles of SAIs in the relevant literature so that's why we try to describe a more political and mediator figure of SAI beyond traditional and modern administrative aspects. In order to make a sound description of this sort, one must not limit oneself to the given terminology of administrative sciences and so he should also benefit as much from inter-disciplinary approaches. Both in traditional and modern descriptions of SAIs we face with a configuration of a public body mandated for certain constitutional missions either sketched out in a hierarchal or horizontal line of authority. By using a well-known terminological division between "the political" and "the politics" which essentially belongs to modern political philosophy, this paper intends to better understand and evaluate the critical role of SAIs in today's world. The suggestive claim and the synthesist approach of this study are unique and introduced for the first time in this paper.

In our view, SAIs must not be regarded simply as administrative or regularity-oriented extensions of the public management framework. Apparently, one of the most important functions of SAIs is "reporting of the irregularities to the parliaments". This reporting function cannot be underestimated but we should also consider that for the proper performance of this function the SAIs have to emerge as political mediators beyond their traditional roles. If we focus on the democratic-political system in broad terms, we can easily see that SAIs do produce original outputs as soon as they are closely linked with the general political performance of the state apparatus. Here we assert that SAIs would mean nothing for the entire public system if they are not considered as certain "political mediators" serving for the political robustness of the general democratic system.

By using the term "robustness" we don't mean that of a functionalism within which every actor or institution has its own designated role or mission. The political (but not the politics) is explicitly incompatible with any type of functionalist state legitimization and far away from the functionalist perspective, the political in the Arendtian (1958) sense, tends to produce irregular, unexpected and creative outcomes. In this respect, the political is not something to establish the essential parameters of an ideal consensual position but rather it is the common ground for the production of the main principles of an ideal agonistic discursive symbiosis.

This paper is derived from an overall review of the research literature on public financial accountability, SAIs and political sciences. A formal literature review accompanies this paper and provides specific referencing to the underlying literature as well. Through this paper we explore the following key questions. What does the division of political and politics imply for the functioning of SAIs? What can be the political implications of the roles of SAIs in a set of articulative agonistic democracy? Do the main forces of modern democratic state originally pose an administrative or institutional functionality? Does a political description of an SAI have the potential for rethinking a public body as surpassing the institutional limits of modern democratic principle of separation of powers? How should we understand the new stress on SAIs to contribute to the democratic consciousness of citizens as described in the newly introduced high level documents of International Standards of Supreme Audit Institutions (ISSAI Framework)? Which type of audit methodology can best serve the political spirit of SAIs as described in this study?

For a well-grounded interpretation of a “political” SAI we mainly move on the analytical and critical review of ISSAI Framework which is introduced by INTOSAI (The International Organisation of Supreme Audit Institutions). This framework extensively presents an ideal/formal definition of SAIs and related audit techniques. SAIs all over the world are expected to comply with the relevant requirements of ISSAIs both on institutional and audit level. While it is a common fact that not all SAIs in the world exhibit a remarkable compliance with the INTOSAI standards we think that this framework is a good indicator and starting point for the critique of an un-political SAI. Within the scope of this study, we especially draw on the significance of the new missions of SAIs recently incorporated in the framework. In fact it is clearly seen that recent international audit standards (ISSAIs) attribute a more active role to the SAIs. In this context, besides being an organization leading by example, SAIs are also expected to be active mediators which improve the overall democratic consciousness and therefore create a visible difference to the lives of citizens. We claim that this active role can be fully realised only by acknowledging the political character of SAIs. If an SAI is enabled to take part in the setup of political system without any barrier and if its legislative reporting function is carried out through a deliberative and open agenda, the critical role of the SAIs in remaking process of the political will eventually emerge.

POLITICAL VERSUS POLITICS

Bureaucratic organizations are expected to be “politically neutral” simply because political affiliation and interference refer to implicit dependence or biased views in today’s world. We see that the bureaucratic domain and the political domain are stringently separated from each other in modern democracies. Of course we have an exact reason for this distinction: To make sure the state operates neutrally in a fairly secular environment, modern democratic state philosophy stipulates that the policy making procedures should be reserved only to the discretion of politicians themselves. Partly because of this dichotomist conception, the political/ politics (together with the daily exhaustive implications of the term) gained always an unfavourable image in modern societies. Many people adopted this sort of “restricted and corruptive political understanding” and consequently they found politics and politicians highly unreliable and misleading. In contrast to this dichotomist conception we claim that the true political phenomenon cannot be attributed solely either to politics or to bureaucracy itself. That’s to say, “the political” circulates at fairly all domains of social life and it cannot be abandoned to the mercy of politicians. In the agonistic sense, we can also say that the life itself is thoroughly patterned by “the political” and the shadow of the political can be traced at every aspect of socio-political existence.

As “the political” permeates everywhere and its existence is ineradicable, we have to acknowledge that some organizations in the public domain emerge as directly political while some others function politically. So we can differentiate certain public organisations from one other by using the terms “institutionally political” and “functionally political”. It is evident that the SAIs are not institutionally political organizations and they are not expected to be either. The relevant INTOSAI (International Organization of Supreme Audit Institutions) standard ISSAI 11 underlines this fact poignantly;

Except when specifically required to do so by legislation, SAIs do not audit government or public entities policy but restrict themselves to the audit of policy implementation” (INTOSAI ISSAI 11, 2007:5). On the other hand ISSAI 30 al-

so reminds us the significance of the “political neutrality” of SAIs and the auditors. According to the standard, “it is important to maintain both the actual and perceived political neutrality of the SAI. Therefore, it is important that auditors maintain their independence from political influence in order to discharge their audit responsibilities in an impartial way. This is relevant for auditors since SAIs work closely with the legislative authorities, the executive or other government entity empowered by law to consider the SAI’s reports (INTOSAI ISSAI 30, 1998:5).

In the above lines we can see a very restricted conception of policy-making procedure or politics. Just because, it merely implies a very technical and instrumental grasp of “the political”. If we paraphrase this approach we eventually come up with something like: “policy is up to the politicians and the implementation of the policies is up to the techno-bureaucratic organisations.” In opposition to this restricted “political” conception, we suggest that depending on the critical legislative linkage in the performance of the audits, SAIs have to be considered as “functionally political organizations.” It should be also noted that SAIs are functionally political organisations by their nature. If the imminent political implications were to be fully removed from the overall performance of SAIs, we would obtain nothing but secondary executive techno-bureaucratic extensions ready to carry out what they are commanded. The published reports, the briefings or the press conferences of SAIs in front of the parliament and media are inspiring and revealing just because the critical statements released thereof have explicit or implicit political implications.

The division between “political” and “politics” introduced by Chantal Mouffe is quite illustrative with respect to understanding the conceptions referred here.¹ By “the political” Mouffe means the dimension of antagonism which is constitutive of human societies and by “the politics” she means the set of practices and institutions through which an order is created, organizing human coexistence in the context of conflictuality provided by the political (Mouffe 2005:9). A similar approach can be seen in Sheldon Wolin who makes a significant distinction between “politics” and “political”. According to Wolin, politics refers to the legitimized and public contestation, primarily by organized and unequal social powers, over access to the resources available to the public authorities of the collectivity. “Politics is continuous, ceaseless, and endless. In contrast, the political is episodic, rare” (Wolin 1996:31).

In this study, moving from the above mentioned theoretical division between the two terms -political and politics- we call the sheer originary/agonistic nature of in-between human relations as “political” and in contrast to this, the given institutional settlement of the social praxis is called as “politics”. In this context, “political” is defined as an expression of the perpetual reconstructive nature of social domain and so as an expression of the impossibility of social essence, while “politics” is just implied for the institutional formation of a given state apparatus. As a result of this understanding, we assert that the democracy should not be considered as an “institutional formation” or a “governmental regime” to emerge once and for all, but rather a political process the paradoxes of which can never be removed.

We can also affiliate this understanding with the Derridian notion of “democracy to come” (Derrida 1994:81). For Derrida, because of the deconstructive moment of undecidability democracy never comes, but it manifests its sheer existence by always “being on the way to come”. Viewed from this perspective, we can derive that politics and de-

mocracy are not a form of governance but are a form of subjection and the illusory consensus setting the social is nothing more than a fugitive and contingent moment which is predestined to be “destroyed” by a new articulation or apparatus. So, in a sheer democracy the setting priority of the political in fact refers to this assertion; the institutive/legal moment and the emancipation moment are by no means identical and including democracy there is no any political framework or form of relation to guarantee this identicalness.

Therefore the originality of the democracy rests on its deep relation with the political. If we want a sheer democracy which is always coordinated on the way “to come”, we must not ignore its sheer relationship with “the political” and we should also be highly alert against its potential reductions to politics. The question here is to determine the exact affiliation of SAIs. Which domain, political or politics, do SAIs originally affiliate with? It should be admitted that an SAI which is functioning within the traditional “politics” domain is less likely to add value to the democratic consciousness of the society. So it must be considered that a fair and proper functioning of an SAI is possible only through a sheer acknowledgement and performance of SAIs as political mediators.

THE PLACE OF AN SAI IN THE DEMOCRATIC-POLITICAL SYSTEM

In most countries SAIs were originally created for the assessment of significant irregularities in the public finance management system and the subsequent reporting of them to the parliaments. In fact, what makes an SAI original for the entire public management system is its reporting responsibility in the name of Parliament. It is not unjust to infer that an SAI which is solely mandated for “reporting to the executive power” is hardly separate from the executive bodies. So the sheer political feature of an SAI emerges where and when it has a direct or indirect affiliation with the legislative power. This is because legislation is the most significant force of modern democratic state where the heart of the political steadily and strongly beats.

As is known, one of the fundamental principles of modern democratic state is “the principle of separation of powers.” In fact this principle constitutes the functionalist operative framework of the modern state. According to this principle, the political power is enjoyed by three separate/relatively independent forces; execution, legislation and the judiciary. None of these forces are allowed to interfere with each other’s affairs and each is expected to operate within its own domain as well. The main merit of “the separation of powers” is that it hinders the centralization of power at certain hands and by doing so the naked, unfavourable and the coercive pervasion of the political power are considerably eliminated. In this perspective, good governance arises from a dynamic equilibrium between the various powers of -and increasingly beyond- the state (Braithwaite, 1997:321-330; Fisher, 2004: 506-507). The remedy against an overbearing or improper government is the organization of institutional countervailing powers. So in this context, an independent SAI has the critical potential to act as such, complementary to the voter, parliament, and political watchdogs. That’s why an SAI is given the power to request that account be rendered over particular forms or aspects of executive behaviour (Bovens and others, 2008:231-232). However, we should not ignore the basic fact that the power itself, by which I mean the operating hegemonic spirit which essentially constitutes the state (whether modern or pre-modern), is over there and always at work. That’s to say, even in the most idealistic operational existence of separation of powers, we face with “the fact of power” ineradicably. So one must not forget

that, even in the most democratic environment, legislation, execution and the judiciary will continue to be the manifestations of political power. Consequently, as democratic citizens, our goal must not be to eliminate the unfavourable manifestations of power from the state apparatus (no doubt that we should not hesitate to orient ourselves to that “dead end” although it seems deadly unachievable), but rather we should focus on increasing our political consciousness which is expected to emerge out of the acknowledgement of the unavoidable reality of the power itself.

Do the main forces of modern democratic state originally pose an administrative or institutional functionality? In our view, contrarily, we had better not consider the case in this sense, otherwise one day we would feel obliged to confess that “the democracy has come”. If we equalize the institutional moment with the democratic moment, we would easily proclaim the glorious arrival of the democracy one day. But surely it will not be that “democracy”, because the political all along deconstructs the given setting and the so-called eternal consciousness thereof. So we must again emphasise that the modern forces of the state, that’s to say execution, legislation and the judiciary, should be considered as the manifestations of the political. If we don’t want “the democratic representativeness” to be reduced to “a dead point of an institutionalism”, we have to let “the political” reveal in all its robustness. The sheer “democratic modus vivendi” only goes with this sort of de-constructivist and emancipatory state philosophy.

It seems it is relatively easy to position one public organization’s place in the modern democratic state which is constituted on the basis of the principle of separation of powers. We could assume that one organization has to belong either to execution, either to legislation or to the judiciary. However there is one single institution that crosses the defined separations and poses somehow an intersectional political standpoint; that is those “SAIs” who have the mandate of auditing on behalf of parliaments. So indeed, SAIs carry out multiple and concurrent missions in the modern state particularly in terms of the functionalism of separation of powers. For example, we observe that especially the court-model SAIs enjoy three different involvements.² This sort of SAIs can be labelled as “semi-judiciary” and “semi-administrative” organizations which have the authority of reporting directly to the parliaments. On one hand, as bureaucratic organizations, they appear in “the execution”, on the other hand, as judicial organizations, they belong to the judiciary power. And yet their reporting responsibility on behalf of the parliament makes them a strong agent of legislation. In fact the public financial accountability is a triangular arrangement involving the executive arm of government, the parliament and the SAI (Hedger and Blick, 2008:4; Portal, 2013: 211-214). We must admit that there is no any other organization apart from the SAIs which has this sort of triple intersecting role in the modern democratic state.

Moreover, SAIs are sui generis organizations in that one can hardly determine the exact role of an SAI within the framework of separation of powers. The strong stress on the independence of SAIs is a good indicator of this striking fact as well. Similar to the judiciary power or in practice similar to the courts delivering judgements on behalf of the nation, SAIs in many countries are furnished with a very powerful and unquestionable independence. The second major document of ISSAI framework³, ISSAI 10, which is also known as Mexico Declaration, features this fact effectively and establishes the main independence criteria for the SAIs all over the world. As it is put in the Declaration, the state institutions cannot be absolutely independent, so SAIs should have the functional and organizational independence required to carry out their mandate. The document also underlines the crucial fact that “Supreme Audit Institutions (SAIs) can

accomplish their tasks only if they are independent of the audited entity and are protected against outside influence” (INTOSAI ISSAI 10, 2007:1). We claim that this constituent characteristic of the independence is very much in line with the performance of the political. SAIs almost spontaneously function as political mediators as long as their independence is maintained and safeguarded on constitutional level. If the democracies were not in need of sheer political mediators to such an extent, the independence of certain state organizations other than the state itself would not have been so highly stressed.

Going back to our definition of political, we will easily recall that the core feature of “the political” is its cross-bordering emancipatory gesture. Within the dialectical resonance of the state apparatus, the institutional moment is fully surpassed by the emancipatory gesture of the political. In other words, the political gives life to the democracy only through this de-constructivist (de-institutionalizing) reorganization of the state forces. We could see the sheer political character of an SAI best in this cross-bordering multiple functionalism. Here, an SAI appears just like a “vanishing mediator” in the political system. It institutionally serves for the figuration of the political and then it functionally vanishes away to give birth to the political. So what makes an SAI vital for the democracy is closely associated with its role of “vanishing mediator”.⁴ With this outstanding appearance, SAIs permanently mediate in the political system just like the Derridian specter (1994) haunting the decisive/constructive moment. However, if we don’t properly acknowledge this political character of SAIs, we are unable to appreciate the exhilarative singularity embedded in the overall functioning of SAIs.

NEW ROLES OF SAIS

Supreme Audit Institutions (SAIs) are national agencies mainly responsible for auditing government income and expenditures. Their legal mandate, reporting responsibilities, and effectiveness vary in accordance with nation-state concepts and current government policies. They have certain traditional roles to act as watchdogs over the management of public funds as well as the quality and credibility of reported government financial information. In many countries the SAI audits all public sector organisations while some other countries have a separate, specialised organisation to audit government business enterprises and other autonomous or politically sensitive public organisations.

The growing complexity of the types of problems and demands that confront governments, along with the expanding range of approaches being used to respond to those issues have triggered the need for a global public sector management revolution. Citizen demands are now forcing governments to be more transparent and citizen focused (Nino, 2010; Gaventa, 2002; Florini, 1999:15). The global financial crisis has put also an added premium on government efficiency and cost cutting. Especially SAIs’ role in curbing corruption became relevant (Dye and Stapenhurst, 1998; Dye, 2007:303-307). Doubtlessly, audits are potent deterrents to combat against waste and abuse of public funds. They help reinforce the legal, financial, and institutional framework which, when weak, allows corruption to flourish, and they also establish a predictable framework of government behaviour by reducing arbitrariness in the application of rules and laws.

As a result of the developments mentioned above, SAIs are now being considered as effective actors to improve trust of citizens, promote good governance, and fight against

corruption. Resolution of the UN General Assembly on SAI Independence for the Development of Transparency, Accountability and Efficiency in the Public Sector highlights this fact stimulatingly and recognizes the important role of supreme audit institutions in promoting the efficiency, accountability, effectiveness and transparency of public administration (UN Resolution A/66/209, 2011; Moser, 2013).

Although the new roles of SAIs in public finance management system are becoming crucial, the given description of an SAI in the ISSAI framework presents a relatively formal and un-political point of view. Hence, the independence and political neutrality of SAIs are highly stressed in the main documents of ISSAI framework. In line with this understanding, the framework requires the SAI to be an autonomous body that has its funding guaranteed and is free from executive interference. It is considered that the guaranteed independence of the SAI is critical for its reports and opinions to be credible. We see that the new missions of SAIs are adequately incorporated especially in the newly introduced document of ISSAI framework; ISSAI 12 “The Value and Benefits of Supreme Audit Institutions – making a difference to the lives of citizens.” However, we believe that the philosophy of an active SAI as introduced in ISSAI 12 has some contradictions with the idea of an independent, autonomous and politically neutral SAI as introduced in the previous documents of ISSAI framework.

Lima Declaration (ISSAI 1), which stands for the Constitution of the INTOSAI standards, emphasises one pivotal point that “the audit is not an end in itself but an indispensable part of a regulatory system” (INTOSAI ISSAI 1, 1977:1). Beyond any question, audit is carried out for certain goals; among these goals, the ultimate aim of “improving the consciousness of accountability” probably comes the first. Moving from the general description of the audit in Lima Declaration, we can derive primarily four functions of audit. Accordingly, audit is done with the aims of *revealing deviations from accepted standards and violations, achieving efficiency, effectiveness and economy in the financial management, making it possible to take corrective actions in individual cases and finally making those accountable accept their responsibility through preventing the violations of the laws and regulations.*

The aims of the audit mentioned above exhibit mainly traditional functions of the SAIs in all over the world. Any SAI carries out most of these functions and almost all the auditors are very familiar with these professional goals as well. Nevertheless, we observe that recent INTOSAI standards attribute a more active and assertive role to the SAIs (Azuma, 2003:86-87; 2008:96; INTOSAI-Donor Secretariat (IDI), 2013; Richter, 2013:5; Nagy, 2015:218). Especially after the introduction of the audit standard ISSAI 12 in 2013, SAIs are now considered to be key and leading actors in the public management system as a whole, far beyond their traditional roles and responsibilities.

Interestingly, ISSAI 12 takes “public sector auditing” as an important factor in making a difference to the lives of citizens. Within the concept of the standard; an independent, effective and credible SAI is regarded as an essential component in a democratic system where accountability, transparency and integrity are indispensable parts of a stable democracy. The standard underlines this significance with the following sentences:

In a democracy, structures are created and elected representatives are empowered to implement the will of the people and act on their behalf through legislative and executive bodies. A risk to be considered with public sector institutions in a democracy is that power and resources can be mismanaged or misused, leading to an erosion of trust that can undermine the essence of the dem-

ocratic system. It is therefore critical that the citizens of a country are able to hold their representatives accountable. Democratically elected representatives can only be held accountable if they, in turn, can hold accountable those who implement their decisions. Consistent with the spirit of the Lima Declaration an important component of the accountability cycle is an independent, effective and credible SAI to scrutinise the stewardship and use of public resources (INTOSAI ISSAI 12, 2013:4).

In line with the philosophy introduced above and seeking the ultimate aim “SAIs making a difference to the lives of citizens”, ISSAI 12 attributes three new challenging missions to the SAIs. “1-Strengthening the accountability, transparency and integrity of government and public sector entities; 2- Demonstrating ongoing relevance to citizens, Parliament and other stakeholders; and 3- Being a model organisation through leading by example” (INTOSAI ISSAI 12, 2013:5).

To our view, these new missions of SAIs are highly compatible with the “raison d'être” of the public sector auditing and they can be fully materialised as long as the political spirit of the SAIs is surely admitted. These missions cannot be carried out by a traditional techno-bureaucratic organization because they, before all else, require an institution to be more active, creative, challenging and leading; in short it requires an institution to be “political”. Our assertion is that even if an SAI functions within its traditional setting, it poses and requires a political performance by its nature, let alone the new democratic missions expected to be performed by SAIs. So we should admit that the innovative standards as ISSAI 12 are, in essence, expecting even more “political” SAIs which are already “political by nature”.

WHAT DO AUDIT METHODOLOGIES IMPLY FOR THE DEMOCRATIC-POLITICAL SYSTEM?

SAIs apply certain audit techniques and the detailed theoretical information with regard to these techniques are systematically described in the ISSAI framework. Our main focus is not to elaborate on and challenge the audit standards set forth in the ISSAI framework in general, but we want to bring forward some critical points or defaults faced in the implementation of public sector audit standards. To our view, the given definitions and the descriptions of the audit techniques laid down in the ISSAI framework are not competent enough to address the new missions and roles expected from the SAIs.

ISSAI framework mainly describes three types of audit; financial audit, compliance audit and performance audit. According to the framework, the purpose of financial audit is to enhance the degree of confidence of intended users in the financial statements. This confidence is achieved through the expression of an opinion by the auditor as to whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework (INTOSAI ISSAI 200, 2013:4).

Financial audit standards compose the big portion of ISSAI framework (INTOSAI ISSAI 1000-2999, 2010). They originally come from the International Standards on Auditing (ISAs) introduced by International Federation of Accountants (IFAC ISAs, 2010). INTOSAI directly adopted the ISAs in 2010 and by adding a Practice Note to each document the ISAs became public sector financial auditing standards. As it is seen, the current financial audit standards mainly figure and represent the experience of pri-

vate sector auditing. However, the purposes and scopes of public sector auditing and private sector auditing are quite different from each other. Although it is not discussed aloud, many SAIs are facing with serious problems in the adoption and implementation of private sector audit methodology nowadays. Actually, the private sector financial audit methodology includes a very static and opinion-focused perspective and it hardly complies with the philosophy of public sector auditing. The core aim of the financial audit is to produce a final opinion for the relevant parties such as stakeholders, investors, creditors or debtors. However this sort of opinion is not relevant and meaningful for the public sector as expected because, far from reaching an opinion, the audit results in the public sector mainly provide guidance for the betterment of the public accounts and generally focus on the enhancement of the public accountability.

On the other hand, the ISSAI framework defines the compliance audit “as the independent assessment of whether a given subject matter is in compliance with applicable authorities identified as criteria.” Accordingly, compliance audits are carried out by assessing whether activities, financial transactions and information comply, in all material respects, with the authorities which govern the audited entity (INTOSAI ISSAI 400, 2013:3). Here we see that the compliance audit is identified as very similar to a financial audit and the methodology of financial audit is fully copied in the implementation of compliance audits. Many SAIs also confront with challenging problems in the implementation of relevant compliance audit standards (INTOSAI ISSAI 4000, 4100 and 4200, 2010). Before all, the definition and the description of the compliance audit in the ISSAI framework do not represent the broad experiences and varied audit techniques of SAIs all over the world. It should not be also forgotten that many compliance audit tasks are carried out with comprehensive/holistic purposes and these purposes cannot be simply covered by a methodology which is likely to lead its intended users to consume the “final opinion” at the very earliest.

The ISSAI framework defines performance auditing as “an independent, objective and reliable examination of whether government undertakings, systems, operations, programmes, activities or organisations are operating in accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvement” (INTOSAI ISSAI 300, 2013:2). According to the framework “the main objective of performance auditing is constructively to promote economical, effective and efficient governance. It also contributes to accountability and transparency” (INTOSAI ISSAI 300, 2013:3). We observe that of all the audit standards in the ISSAI framework, performance audit standards (INTOSAI ISSAI 3000-3999, 2010) best suit the ideal role and performance of SAIs described in the framework. One crucial reason is that these standards originally come from the SAIs’ audit experiences. That’s to say, they are derived directly from the field. We can say that the theoretical formulation and the practical perfection of the performance audits are widely developed within the scope of public sector auditing. Although this is the fact, partially along with the instant introduction of financial audit standards in the public sector auditing (I mean the recent adoption of IFAC standards), the performance audit methodology relatively lost its popularity and as a result many SAIs began to feel forced to implement primarily financial audit techniques in their audit tasks. Behind this tendency, doubtlessly, we find late financial capitalism’s eventual goal to design the public finance management systems of developing countries in great harmony and make them audited with standardized techniques with the purpose of reaching the best assurance levels disposable for the lust of international investors.

With their current structure performance audit standards need further improvement as well. To our view, this audit methodology should be reformulated and defined as the unique audit approach for the entire public sector auditing. In fact, performance audit is the most suitable audit approach which can be conducted highly compatible with the political spirit of SAIs described above. As it is expected, the audit philosophy cannot be reduced into an assessment of irregularities, nor should it be conceived as a negative act. Because the modern objective of accountability is not only to identify inefficiency but to establish the causes and to provide recommendations on how it may be reduced. Acceptance and implementation of those recommendations is a critical goal to provide progressive and systematic improvement in public-sector performance over time. Audit is not a substitute for the emphasis on individual wrong-doing but is complementary (McGee, 2002: 10; Bourn, 2007: 67-107; Premchand, 1999: 46). If an audit approach limits itself only with the detection of irregularities and does not indicate any developmental capability, it eventually reduces itself into a non-creative institutional technique. However, performance audit differs essentially from the other audit approaches in that it offers solutions, highlights the progressive points and yet develops concrete recommendations for the enhancement of public management system (Raaum and Morgan, 2001; Waring and Morgan, 2007: 323-326).

A similar point was remarkably highlighted by one of Ex-Assistant Comptroller General of the USA in 1976. In his addressing to the Annual Governmental Seminar in Missouri, Ellsworth H. Morse points out that “all auditing can be called performance auditing, irrespective of labels which are often attached in an effort to draw distinctions between audits of differing activities or with differing objectives” (Morse, 1976:1). And in challenging the limits of financial audit methodology Morse asserts that the language public accountants and auditors use to state their opinions on financial statements is so elevated, abstract, and standardized as to be largely incomprehensible to the unsophisticated and not really of much help to others. Consequently according to him, “auditing has to be conceived, managed and regarded as a constructive component of overall management, rather than a negative and critical function that acts more as a barrier to efficient and effective operations than as an essential method of promoting improvements” (Morse, 1976:3).

If we are to claim that “beyond being a profession, audit is an art itself” we have to focus on the creative implications and performative phenomenology of the auditing act. This performativity, we suggest, is highly consistent with the Arendtian political spirit. Far from being a regular administrative requirement, the notion of “promoting improvements” uttered by Morse is the common ultimate goal of performativity and the political. In line with these arguments, we believe that by acting as political mediators the SAIs can really inspire the democracies only through a comprehensive definition and implementation of performance auditing.

CONCLUSIONS

Inspired by the theoretical division between the two terms -political and politics- which is specifically introduced by the representatives of agonistic politics, we call the sheer originative/agonistic nature of in-between human relations as “political” and in contrast, the given institutional settlement of the social praxis is named as “politics”. In this context, “the political” is defined as an expression of perpetual reconstructive nature of social domain and so as an expression of the impossibility of social essence, and yet “politics” is just implied for the institutional formation of a given state apparatus. As a result of this approach, we assert that the democracy should not be considered as an “institutional formation” or a “governmental regime” to emerge once and for all, but rather a political process the paradoxes of which can never be removed.

If we don't want “the democratic representativeness” to be reduced to “a dead point of an institutionalism”, we have to let “the political” reveal in its all robustness. The sheer “democratic modus vivendi” only goes with this sort of de-constructivist and emancipatory state philosophy. In a sheer democracy the setting priority of “the political” in fact refers to this assertion; the institutive/legal moment and the emancipation moment are by no means identical and including democracy there is no any political framework or form of relation to guarantee this identicalness. We therefore argue that as unique and sui generis organizations SAIs are one of the most important key actors of modern democratic-political system, reminding us the fact of non-identicalness and yet “the political”. Therefore, SAIs must not be regarded simply as administrative or regularity-oriented extensions of the public management framework. Without considering the spirit of “the political”, it is almost impossible to appreciate the sheer role and function of the SAIs in the modern democratic state system.

Although we have various types of SAIs all over the world, we observe that, as a common characteristic of almost all the SAIs, “the legislative reporting mission” of an SAI plays very critical role in the real performance of democracies. Many SAIs are mandated for “reporting of the irregularities to the parliaments” within the concept of regularity audits or attestation engagements. This reporting function cannot be underestimated but our assertion is that for the proper performance of this function the SAIs have to emerge as “political mediators” beyond their traditional roles. If we focus on the democratic-political system in broad terms, we can easily see that SAIs do produce original outputs as soon as they are closely linked with the general political performance of the state apparatus. Here we assert that SAIs would mean nothing for the entire public system if they are not considered as certain “political mediators” serving for the political robustness of the general democratic system.

SAIs are original organizations in terms of the functionalism of separation of powers as well. It seems it is relatively easy to position one public organization's place in the modern democratic state which is constituted on the basis of the principle of separation of powers. We could assume that one organization has to belong either to execution, either to legislation or to the judiciary. However there is one single institution that crosses the defined separations and poses somehow an intersectional political stand-

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point; that is “SAI” which has the mandate of auditing on behalf of parliaments.

Bearing in mind that “the political” is essentially defined by the cross-bordering emancipatory gesture of the political, one can hardly dismiss the critical fact that the true performance of the SAIs poses nothing less than the sheer political presence. Within the dialectical resonance of the state apparatus, the institutional moment is fully surpassed by the emancipatory gesture of the political. In other words, the political gives life to the democracy only through this de-constructivist (de-institutionalizing) reorganization of the state forces. We could see the sheer political character of an SAI best in this cross-bordering multiple functionalism. Here, an SAI appears just like a “vanishing mediator” in the political system. It institutionally serves for the figuration of the political and then it functionally vanishes away to give birth to the political. So what makes an SAI vital for the democracy is closely associated with the role of “vanishing mediator”. With this outstanding appearance, SAIs permanently mediate in the political system just like the Derridian specter haunting the decisive/constructive moment. The hot button is that if we don’t properly acknowledge this political character of SAIs, we would never appreciate the exhilarative singularity embedded in the overall functioning of SAIs.

NOTES

1. Here I am fully inspired by the agonistic politics’ conception of “the political”. Agonistic politics can be shortly defined as “a defense of political against politics. For agonists the political is an expression of impossibility of an eventual “essence” in social domain and eventual “seamlessness” of the society composed of ineradicable antagonisms. The society has no any sutured pattern because the social itself does not have any essence. The overlooking of the political comes with the reduction of the social into factitious “essences” and the loss of agonistic vividness. In fact the rejection of the political never hinders its fierce return. As an expression of the rejection of the political the falsity of the essentialism is hidden in the phrase that this essentialism attributes a factitious “identicalness” or “completeness” to the contingency and seamlessness which are deeply embedded within the individual and social identity. For a critical analysis of modern agonistic politics see “A Critique of Agonistic Politics” (Ince, 2016:1-17).
2. There are mainly three different types of supreme audit institutions in the world. Many countries use one of three auditing systems: Napoleonic, Westminster, or board. In the “Napoleonic system” the supreme audit institution -also called the *cour des comptes* (court of accounts)- has both judicial and administrative authority and is independent of the legislative and executive branches. The institution is an integral part of the judiciary, making judgments on government compliance with laws and regulations as well as ensuring that public funds are well spent. This model is used in the Latin countries of Europe (France, Italy, Spain, Portugal, and others), Turkey, and most Latin American and francophone African countries. In the “Westminster system”, used in many Commonwealth countries, the office of the auditor general is an independent body that reports to parliament. Made up of professional auditors and technical experts, the office submits periodic reports on the financial statements and operations of government entities -but with less emphasis on legal compliance than in the Napoleonic system. The office serves no judicial function but, when warranted, its findings may be passed to legal authorities for further action. And finally the “board system”, prevalent in Asia, is similar to the Westminster

ster model in that it is independent of the executive and helps parliament perform oversight. Indonesia, Japan, and the Republic of Korea, for example, have an audit board composed of an audit commission (the decision-making body) and a general executive bureau (the executive organ). The president of the board is the de facto auditor general (World Bank, 2001:1-2).

3. INTOSAI's Framework of Professional Standards consists of four levels. Level 1 contains the framework's founding principles. Level 2 (ISSAIs 10-99) sets out prerequisites for the proper functioning and professional conduct of SAIs in terms of organizational considerations that include independence, transparency and accountability, ethics and quality control, which are relevant for all SAI audits. Levels 3 and 4 address the conduct of individual audits and include generally-recognized professional principles that underpin the effective and independent auditing of public-sector entities (INTOSAI ISSAI 100, 2013:1).
4. Vanishing mediator is a concept that exists to mediate between two opposing ideas, as a transition occurs between them. At the point where one idea has been replaced by the other, and the concept is no longer required, the mediator vanishes. In terms of Hegelian dialectics the conflict between the theoretical abstraction and its empirical negation (through trial and error) is resolved by a concretion of the two ideas, representing a theoretical abstraction taking into account the previous contradiction, whereupon the mediator vanishes. In terms of psychoanalytic theory, when someone is caught in a dilemma, they experience "hysteria". A conceptual deadlock exists until the resulting hysteria breakdown precipitates some kind of resolution; therefore the hysteria is a vanishing mediator in this case. In terms of political history, the term refers to social movements, which operate in a particular way to influence politics, until they either are forgotten or change their purpose. The term was first introduced by Fredric Jameson in a critical essay (Jameson, 1973: 52-89) and Alain Badiou used a similar, but more explicitly post-structuralist term "vanishing term" in "Theory of the Subject" (Badiou, 2009). This concept has also been adopted by Žižek in "For They Know Not What They Do: Enjoyment as a Political factor" (Žižek, 2002), where he used it in a political sense, similar to Marx's Analysis of Revolution.

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