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Transparency and Accountability in Governance

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8th September 2023 – world leaders arrived in Delhi for the G20 Leaders Meeting - the culmination of India's G20 Presidency. The excitement of a consensus. The sweeping, impactful Delhi Declaration, underscores the need for transparency and accountability in a range of globally pertinent issues such as SDGs; climate action, inclusivity etc, highlighting international cooperation and shared responsibility.

At a personal level, a kaleidoscope of satisfying memories of chairing the SAI20, of nurturing it from infancy to maturity, of an actionable agenda for enhancing good governance in the realisation of the declaration.

Supreme Audit Institutions (SAIs) perform the highest public sector auditing function of the state and are impactful catalysts for good governance. Their hallmark of independence combined with professional skills facilitate an impartial, unbiased and effective assessment of the use of public resources by the responsible authorities. SAIs' independent audits of government operations, as per their distinct mandates, contribute significantly to holding

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the public sector to account for its stewardship and use of public resources, as well as serving as the much-needed feedback mechanism for policymakers in identifying opportunities and areas for improvements. SAIs, today, are strategic partners of governments with their objective assessment and recommendations, fostering effective, accountable, transparent, responsive and participatory governance.

Supreme Audit Institutions 20 (SAI20) was established in 2022 as an engagement group during Indonesia's G20 presidency. Twelve countries - India, Australia, Korea, Saudi Arabia, Turkey, Russia, Indonesia, Brazil, China, South Africa, Mexico, and Argentina – joined the SAI20. Besides the member countries, we were overwhelmed with the presence of invitee countries like Bangladesh, Egypt, Mauritius, Morocco, Nigeria, Oman, Poland, Spain and the United Arab Emirates at the Summit in Goa. The founding of SAI20 stems from a recognition of the role of SAIs in promoting efficiency, accountability and transparency in public administration.

Today, as the world is at the cusp of momentous changes, a concomitant response by audit is imperative. SAI20 represent a powerful, action-oriented platform for the SAIs of G20 countries to collaborate on sharing of knowledge, best practices, capacity building and development of appropriate auditing guidelines and actionable tool kits for achieving their shared goals.

SAI20 aims to formulate widely applicable and actionable audit products, including standards or guidelines that will enable SAIs to evaluate and assess, within their respective mandates, the development and implementation of policies and programs that balance sustainability with economic advancement and welfare. SAI outputs with precise audit findings and practical recommendations for improvement provide a basis for corrective action. Thus, contributing to governance through audit and as a strategic partner of their governments; SAI successfully impacting the implementation of all G20 priorities.

Flashback to Early Days of India's Chairmanship of SAI 20

From the identification of the two priority areas, the internal workshops on the themes with subject experts, the coming together at the SAI20 Senior Officers Meeting at Guwahati, and finally, the summit where the SAI20 members charted out future course in optimising these frontier areas.

Dwelling on the two pillars of sustainability and growth – SAI20 identified two forward looking, impactful priority areas – “Blue Economy” and “Responsible Artificial Intelligence”. These priority areas represent new-age opportunities and concerns; and are in complete harmony with India’s G20 presidency philosophy of inclusivity, ambition, action, and decisiveness in the pursuit of sustainable development. Their tremendous potential for transforming lives and securing future generations, risks and challenges pose a responsibility on the SAIs to meaningfully fulfil their mandate.

Blue Economy and Artificial Intelligence, are both emerging areas. The Governments have (and would have) an even more prominent role in shaping these ecosystems. Both areas would entail substantial public investment. With resources being limited, it will be a question of prioritisation for the Governments. Government intervention in these sectors would either be direct investment or through a regulatory framework or a combination of both.

The Blue Economy or the sustainable use and management of ocean and other water resources, encompasses a range of economic activity, and is intrinsically linked to realising the Sustainable Development Goals. Its cross-cutting nature impacts gender, livelihoods, transportation, energy, climate change, trade, geo-political issues, sustainable development etc. Its growing significance derives from a recognition of its potential in resolving many of the problems the world is grappling with.

SAI20 aims to formulate widely applicable and actionable audit products for the blue economy that will enable SAIs to evaluate and assess, within their respective mandates, the development and implementation of policies and programs that balance sustainability with economic advancement and welfare. Striving to address its vulnerabilities like marine pollution, illegal fishing, inadequate regulatory framework for the protection of oceans, we seek inclusive and sustainable growth in Blue Economy. Our audit focus includes social and gender inclusive investment directed at safety and livelihood of coastal communities. This necessitates research, collection and collation of accounting data on blue economy, enabling evidence-based policy making.

Recognising audit as a knowledge intensive function, our commitment is to inclusive capacity building and knowledge sharing for putting in place a robust framework for audit of blue economy, as well as developing comprehensive audit tool kits. We have also compiled a compendium of international case studies drawing from the collective experiences of Supreme Audit Institutions in this domain.

In April 2023, we established a Center for Excellence in the Blue Economy at SAI India's International Centre for Environment Audit and Sustainable Development, a recognised Global Training Facility for INTOSAI. We set the ball rolling with an international webinar on experience sharing on audit of blue economy related issues. Our vision is to create a centre of excellence that not only fosters research but also acts as a catalyst for knowledge sharing and capacity building amongst SAIs in this important field. Through research partnerships, knowledge exchange programs and specialized training programs, we intend to facilitate interdisciplinary discussions and innovative solutions to equip SAI professionals with the necessary skills and knowledge to address the complex challenges facing the Blue Economy; and eventually develop international auditing guidelines for its audit.

The theme of Responsible AI focuses on managing the negative externalities arising out of rapid adoption of AI systems. Artificial Intelligence offers unfathomable possibilities and solutions in every possible area of human existence – be it healthcare, finance, security, entertainment. However, these possibilities go hand-in-hand with threats related to intrusion of privacy, inherent bias and lack of transparency and fairness. There is a growing crescendo calling for ‘regulation’ of AI, in recognition of the ‘rush to compete’ throwing caution to the winds, the deluge of fake online content, and the risk of deep learning combined with enormous data triggering self-determined AI. SAI20 recognised concerns of data opacity, reliability, equality, algorithmic bias, exclusions, accountability and privacy. Diversity, disparateness and digital divide, wherever present, further amplify risks.

These concerns are complex and interlinked with each other. Considering the power, possibility and perils of AI, it is essential that policy makers put in place processes to responsibly harness the potential of this technology. There is an urgent need for regulatory policies which are based on positive human values and ethics, and also complementary auditing frameworks. Responsible AI, with ethics as its cornerstone, stands on four pillars viz. organisational democratisation that empowers and encourages individuals to raise concerns; systems that enable AI to flourish; systems and platforms that are trustworthy and explainable by design; and articulation of responsible AI Mission that is anchored in organisational values and ethical guardrails. Ethics, focussed at safety and reliability, inclusivity and non-discrimination, equality, privacy and security, protection and reinforcement of positive human values.

SAI20 is working together in this dynamic, fast evolving area, whereby we can find assurance through a sound risk management framework in cases of implementation of AI in public services. Collaborative capacity development on AI is crucial for the joint objectives of auditing AI systems as well as the use of AI in the audit process. SAI20’s compendium on Responsible AI is an eye

opener on the challenges AI poses to the auditor, and emphasises the need to build capacity for a comprehensive, coordinated audit response for effective audit in this relatively nascent field.

Through extensive deliberations and collaboration, the SAI20 community crafted the SAI20 Communique, which not only recommended enhanced governance frameworks in these priority areas but also underscored the importance of strengthening knowledge and capacity within the SAI community. The compendia has also made available important toolkits for public sector auditors in their pursuit of excellence in these two emerging areas. The vast potential of these two priority areas and the risks that they pose were also recognized in the G20 Leaders declaration.

The Delhi Declaration is an all-encompassing statement of global priorities that seeks to bring alive ‘One Earth, One Family, One Future’. Implementing this action-oriented, and decisive G20 agenda calls for concerted, collaborative efforts and considerable resources. It necessitates a firm underlying efficient and effective use of resources complementing good governance. Governance that enables the leap from ‘ideas and capability’ to action for global good.

SAI20 has a crucial role to play in realising the agenda of the G20 through collaborative commitment to accountability, transparency and good governance, and the SAIs strategically partnering with their governments. SAI20, as an action oriented group, can make a major difference in the attainment of the G20 agenda in the most efficient, economic and effective manner.

Nobel Laureate Rabindranath Tagore once said: “You can’t cross the sea merely by standing and staring at the water.” As we sail through uncharted waters, SAIs have the responsibility to help navigate the ship to safe haven, to advance the mission of good governance at this multilateral forum.

*“ Our G20 Presidency
has placed a significant
emphasis on addressing
the global challenges posed
by debt vulnerabilities,
especially for nations in the
Global South.”*

*— Shri Narendra Modi
Hon'ble Prime Minister of India*