



## Accountability State Authority - Egypt

**Countries' Preparedness Towards Future  
Measures to Address Emerging Crises**

## **Introduction:**

**Crises vary in their nature and magnitudes, consequences are often dominant and chaotic to an extent that it could be difficult to contain. Therefore prompt measures should be taken to address any crises, as it causes a sense of insecurity and instability among citizens, which may lead to feelings of despair, panic and frustration.**

**No doubt that the measures taken by the government to confront urgent crises will be more effective if :**

- The government is provided with adequately available information .**
- These measures are defined by consulting the affected community categories and stakeholders.**

**Therefore, it is necessary to develop mechanisms to establish a database of relevant information to confront the crisis and prepare a comprehensive vision about the measures that should be taken in this regard.**

It is imperative to quickly announce the extraordinary measures that will be taken in order to mitigate or reduce the impact of the crisis..

An example of that are the measures taken by the Egyptian government to confront the repercussions of the emerging Covid-19 pandemic crisis.

These measures include new polices in various sectors of economy, finance,...etc.

The most significant features of corruption in times of disasters and crises:

- A rapid response from governments to provide specific goods without verifying suppliers or setting fair prices to cover mild or severe shortage in some essential needs.
- Some dishonest suppliers could take advantage of disaster to sell defective or low-quality products.

The most significant features of corruption in times of disasters and crises:

-Vicious conspiracy between suppliers leads to burden governments with additional costs for basic goods, skewing the market and depriving many people of life-saving medication that would be beyond their capabilities.

The measures that governments must adopt to stop the shed of losses and costs and deter corruption in times of crises include the following:

- Issuing legislations that eliminate the monopoly of some basic commodities.
- Tightening up controls on illicit financial flows and tax evasion.
- Confronting stakeholders who cause harm to societies and governments in crises times.

The measures that governments must adopt to stop the shed of losses and costs and deter corruption in times of crises include the following:

- Practicing maximum vigilance measures on resources utilization on the national level.
- Avoiding delays in establishing more sound systems of accountability, transparency and integrity.
- Encouraging business owners to act more responsively.



The measures that governments must adopt to stop the shed of losses and costs and deter corruption in times of crises include the following:

- Providing adequate protection for whistleblowers reporting crimes or corruption incidents.
- Technological updates should promote increasing transparency and improve the monitoring of the procurement process of the necessary supplies.
- Providing concerned anti-corruption agencies with more competences and empowerment.

## The role of Supreme Audit Institutions in deterring corruption within their audit during crises and disasters:

Many SAIs while practicing their mandate during public crisis and disasters, meet some challenges as some public sector entities were forced to stop performing their activities due to crises impact. SAIs should take into consideration to add value through their audit mandate during crises time.

## Procedures to be adopted by the Supreme Audit Institutions in time of crises and disasters:

- Maintaining strong and effective communication and channels for dialogue with the audited entities.
- Review set plans for audit process and decide whether it will be temporarily or remotely conducted through the virtual platforms ?and whether this will fulfill the purpose? And whether the SAIs would need onsite auditing of some accounts?

## Procedures to be adopted by the Supreme Audit Institutions in time of crises and disasters:

- Ascertain the probability of the Supreme Audit Institutions to easily access company's records in time of crises and interact with the employees of audited entities in a way to respond to their work-related inquiries.
- The possibility that SAIs can access internet connection and personal computers and easily be supported if needed.

## Procedures to be adopted by the Supreme Audit Institutions in time of crises and disasters:

- To check the availability of the necessary professional competences of auditors who would carry out the audit process using of information technology systems at the audited entities.
- Maintain the SAIs' employees safety.
- Maintain the auditor's independence.

## Procedures to be adopted by the Supreme Audit Institutions in time of crises and disasters:

- Maintain confidentiality and security of data and information .
- Establishing alternative audit procedures to adequately collect audit evidence.
- Adequacy of audit evidence collected from the audited entities to issue an audit judgment or opinion based on sufficient evidence.

Following are the learned lessons that must be taken into consideration when confronting disasters or crises:

- Lack of governments and donors awareness to the SAIs role, especially in auditing contingent funds.
- The importance of having clear procurement procedures in emergency situations.
- Governments lack of preparedness and previous plans facing emerging crises and disasters.

Impacts and Risks	Consequences
<p><b>Disbursement without supported documents - high fraud risk.</b></p>	<p><b>Absence or lack of documentation proving the legality of funds disbursement and purchases</b></p>
<p><b>Poorly drafted contracts - unexpected costs - high corruption risk</b></p>	<p><b>Ignoring the procurement procedures, especially the sole supplier contract or direct order allocation</b></p>
<p><b>Significant financial losses - potential harm to the interaction between government and suppliers</b></p>	<p><b>Payments to suppliers more than the permissible limit or lack of liquidity, so payments are less than the permissible limit – sometimes tax deduction is not applied</b></p>
<p><b>Bad inventory and assets storage condition - slow distribution of drugs and supplies – theft risk.</b></p>	<p><b>Poor management of medical stores and fixed assets</b></p>
<p><b>Common and frequent problems before times of crises that are closely related to the financial management and internal control, which will in turn increase the severity of the crises.</b></p>	<p><b>The government's failure to take the necessary actions regarding the previous audit reports.</b></p>



The most significant recommendations to be taken into consideration as revealed from audit reports in time of disasters and crises:

-Projecting the specific laws regulating expenditure and specially in emergency situations. Any unclear laws would ultimately lead to non-compliance with procurement procedures and regulations.

-Governments and entities must have a clear vision as for the role of SAIs in monitoring emergency aids. A lack of clear definition will definitely lead to a greater threat if contingent funds are not monitored, leaving behind gapes for fraud and corruption.

The most significant recommendations to be taken into consideration as revealed from audit reports in time of disasters and crises:

-Supreme audit institutions must be empowered and given the competency to conduct audit over all funds allocated for disbursement in emergency situations.

-Laws should be promulgated related to SAIs' role and mandate in order to ensure that the Supreme Audit Institutions perform the necessary role whenever needed, whenever applicable.



# WGFAACML



**Thank you**

