

# External Control against Corruption

## Strengthening External Financial Control for the Effective Prevention and Fight Against Corruption

### Context

Corruption is a transnational phenomenon that affects every country in the world, threatening institutions, democracy, justice, economic growth, social development, and even human dignity and human rights. It diminishes public trust in state institutions and hinders the provision of essential services, aggravating the conditions of vulnerable populations, especially women.

In particular, the COVID-19 pandemic in the Latin American and Caribbean region has intensified corruption risks. Due to the urgent need to address the public health crisis, governments have had to act swiftly, which in turn has created more opportunities for corrupt practices.

To combat this, Supreme Audit Institutions (SAIs) play a critical role in promoting transparency within public administration. They highlight risks and enforce better internal controls. SAIs work to prevent and combat corruption includes concentrating audit efforts on high-risk areas and enhancing public policies.

In addition, strengthening the involvement of civil society in auditing processes, paying special attention to gender equality, and promoting digitalization in governmental external control contributes to developing innovative methods for improving processes to support control mechanisms and reducing corruption.

### Purpose

The overall objective of the project is to increase the involvement of SAIs in the region in national anti-corruption efforts, including in the context of the COVID-19 pandemic, leading to more effective participation in preventing and combating corruption.

In this context, the Latin American and Caribbean Organisation of Supreme Audit Institutions (OLACEFS) and the German Cooperation, implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, have established a strategic alliance to mitigate the challenges generated and promote the exchange of good practices and lessons learned in the

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<b>Commissioned by</b>	Federal Ministry for Economic Cooperation and Development (BMZ)
<b>Implementing partners</b>	Latin America and the Caribbean
<b>Country</b>	Member SAIs of the Latin American and Caribbean Organization of Supreme Audit Institutions (OLACEFS)
<b>Implementing Agency</b>	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
<b>Political partners</b>	Federal Court of Accounts of Brazil (TCU)
<b>Budget</b>	€ 3.000.000
<b>Duration</b>	May 2021 to October 2024

context of external governmental control in the face of the global scenario.

### Impact

The Project considers three fields of action:

#### 1. Improving the offer of OLACEFS services for the active participation of SAIs in national anti-corruption systems

The [regional anti-corruption policy](#) was developed in a collaborative process and approved by the OLACEFS Governing Board to promote actions among SAIs to prevent, detect and fight corruption. In addition, the approach included measures to crosscut gender equality and non-discrimination, promote digitalisation and enhance innovation, in line with the [organisation's strategic plan 2023-2028](#). Specific capacity building measures were implemented through coordination of working



Left hand side (1): COVID-19 masks

Middle (2): Indigenous Guatemalans

Right hand side (3): Satellite

groups, such as: the use of geo-technologies to support governmental oversight; the incorporation of Artificial Intelligence (AI) in concurrent auditing, such as a [reference panel](#) for overpricing analysis in the purchase of medicines; the implementation of a technological system for oversight of Public Sector Internal Audit Units; the development of a [methodology for risk assessment in infrastructure works](#) based on massive data; the inclusion of the gender perspective in anti-corruption issues addressed by SAIs, and the support for the creation of the [Gender, Inclusion and Diversity Observatory](#).

## 2. Enhance the participation of non-state actors to broaden the scope of SAI audits, especially performance audits

Citizen participation has been incorporated into the processes of two coordinated audits about state [measures to eradicate gender-based violence](#) and [socio-economic assistance implemented during COVID-19](#). Two other initiatives supported the development of strategies to engage and strengthen communication with indigenous peoples, and the dialogue to promote active participation of civil society actors. In addition, instruments such as the citizen training platform were promoted, which provides open access to training and knowledge exchange with civil society, academia, students and social networks. A sustainable citizen dialogue strategy was implemented with institutional actors for increased participation in identifying and addressing problems related to corruption and the management of state resources. The development of a chatbot incorporated into 3 SAI's websites was also promoted to guide citizens on how to file a proper complaint. Following the approval of the regional anti-corruption policy, 5 SAIs were accompanied in the development of communication strategies for their anti-corruption efforts aimed at selected stakeholders.

## 3. Strengthening the exchange of information and technical cooperation between SAIs and other governmental actors

This area of the project has supported the use of geo-technologies and artificial intelligence, such as: [Panoptes](#), which used open satellite images provided by specialised centres, involving national credit agencies that loan resources for agriculture, helping the monitoring and correct application of public money destined for agriculture; DIARA, an initiative that used IoT (internet of things) devices assisted by Artificial Intelligence for recognition and alerts in the process of building public infrastructure with the Ministry of Education; [regional OpenGeoHub](#), that incorporated new technologies using tools and open data from other public institutions in the analysis of protected areas and indigenous lands to detect multiple anthropic pressures on territories throughout Latin America. In articulation and cooperation with other governmental and non-governmental actors, the OLACEFS Centre for Innovation and Development (CIDE) initiative has been a useful space for articulation and engagement with stakeholders.

### Area of action

The Project is implemented in the Latin American and Caribbean region, with the open participation of the 22 Supreme Audit Institutions members of OLACEFS. Likewise, the project has achieved synergies and outcomes in the articulation with other projects financed by BMZ, such as: Alliance for Integrity in strengthening the dialogue between SAIs and non-state actors and skills for risk analysis and corruption prevention in the field of infrastructure and public procurement; and with Ecuador Sincero, strengthening the capacities and inter-institutional cooperation of SAI Ecuador in the field of big data and internal control of public administration.



Some of the publications developed with the Project's support can be consulted on the OLACEFS website: <https://olacefs.com/>

More about the Project: <https://olacefs.com/giz/>

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