

# Privatisation: 10 years on

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# Introduction

- 10<sup>th</sup> anniversary of the Working Group on the Audit of Privatisation
- Achievements of the Group :
  - 3 sets of guidelines, including the Best Practice for the Audit of Privatisations
  - over 50 papers on member states' experiences in auditing privatisation



# Key messages from the last 10 years

- Context is crucial when applying the guidelines
- The SAI can assess whether a privatisation was a good deal by examining the business, the method of sale and the timing of the sale
- The SAI still has a role after privatisation
- SAIs are developing their skills in privatisation audit



# Putting the guidelines in context

- Several members have produced papers on their use of the guidelines
- However, the constitutional powers of SAIs to conduct privatisation audits differ
- Members have diverse audit methodologies
- The Guidelines may not be applicable to all countries



# Criteria for the audit of privatisation

## *The privatised business*

- Does it have the necessary expertise?
- Has it been restructured?
- Are its objectives for the privatisation clear?

## *The method of sale*

- Were the bidders given sufficient information?
- Was the process competitive?
- Was the sale marketed effectively?
- Were bids evaluated objectively?



# Criteria for auditing a privatisation

## *The timing of the sale*

- Was the timetable realistic?
- Were external factors that could affect the market monitored?
- Was the business valued before bids were received?



# The SAI's role after privatisation

- Monitoring the state's role if the privatised business becomes insolvent
- Evaluating the regulation of privatised industries
- Evaluating other methods of involving the private sector in public services



# Development of audit skills

- Shared experience through the Working Group – guidelines on the audit of privatisation
- Twinning of countries e.g. pre-accession to the EU
- INTOSAI Development Initiative training courses
- Training courses developed by SAIs

