

EXTERNAL AUDITING OF THE DEFENCE SECTOR IN MALI:

CHALLENGES AND POSSIBILITIES

Figure 1: Military spending, Mali and the top four spenders in Sub-Saharan Africa

	Mali	Nigeria	South Africa	Angola	South Sudan
Military spending USD millions	784.5	3191.9	2781.1	1270.2	1076.2
Change 2022-2023	+35%	+3%	-11%	-22%	+107%
Change 2014-2023 (decade)	+260%	+36%	-29%	-81%	-17%
Per capita spending USD	33.7	14.3	46.0	34.6	97.0
% of government spending	14.16%	5.62%	2.21%	5.53%	8.64%

Source: SIPRI, 2023

Public Interest Test

The law should provide for a public interest test that weighs the harm of disclosure against the benefit to the public.

Oversight

An independent administrative body has the authority to review decisions on withholding information and assist with implementation.

Declassification

There should be a maximum expiry time in every secrecy regime.

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Transparency International Defence and Security (TI-DS) works to reduce corruption in defence and security sectors worldwide.

Author: Stephanie Trapnell

Contributors: Mohamed Bennour, Yi Kang Choo

Editor: Michael Ofori-Mensah

Design: Colin Foo

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EXECUTIVE SUMMARY

External auditing serves as an important mechanism for holding government to account – one that is already ingrained within the functioning of the public sector, with existing capacities and mandates to tackle financial corruption. But this is only possible if external auditors have access to information about the finances of the institutions they are auditing.

Mali has neither a right to information (RTI) law or a state secrets law, both of which are standard instruments for setting out definitions, rules, and limitations on access to information (ATI) pertaining to national security. The absence of any legislation governing the access to information about the defence sector has allowed the military to establish impermeable boundaries around its operations, finances, procurement, and deliberations.

In addition to the profound lack of information about defence activities, Mali has a fragmented and disjointed external auditing function. Two institutions carry mandates for external auditing, and neither perform independent audits of the defence sector: the Accounts Section of the Supreme Court (*Section*

des comptes de la Cour Suprême or SCCS) and the Office of the Auditor General (*Bureau du Vérificateur General*, or BVG). Given the absence of a functioning parliament, this allows the defence sector to operate with impunity.

This report provides an overview of external auditing in Mali, with a focus on its performance vis-à-vis the defence and security sector, and a discussion of its main challenges. It is based on external reviews of Mali's financial capacities, a desk review of corruption in Mali, and analysis of data from the Government Defence Integrity Index (GDI). Alongside this information, international best practices are presented with respect to external audit and legislative scrutiny, as well as external auditing concerning the defence sector.



KEY INSIGHTS



As a result of the coup d'état of 2021, Mali faces an ongoing failure of democratic accountability, which is reflected in the absence of institutional checks on its rising military spending.



Its framework for external auditing is fragmented across several institutions, creating confusion over mandates, as well as unnecessarily stretching limited resources.



A fundamental obstacle to effective auditing of the defence sector is the near-complete lack of information-sharing within government about defence finances.

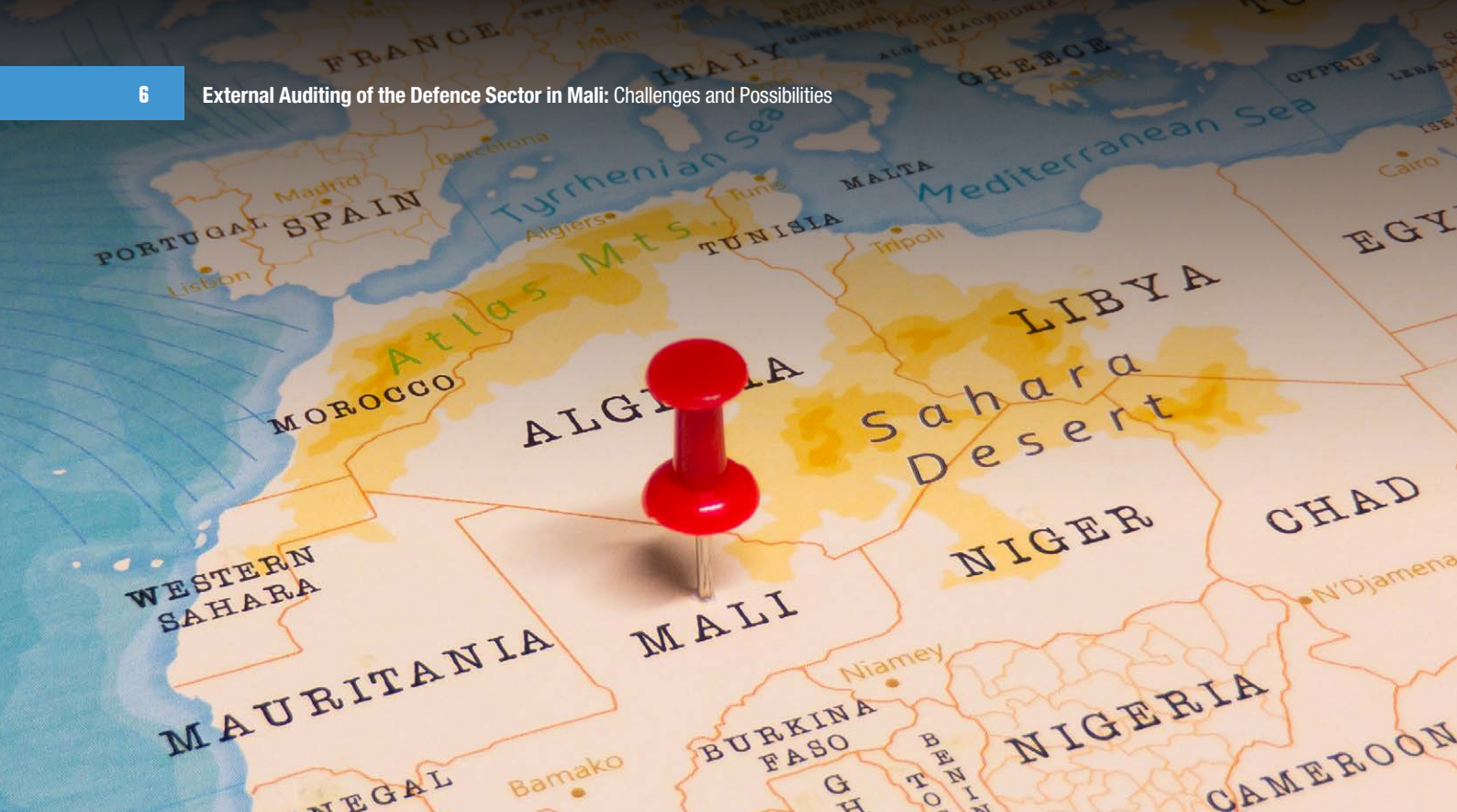


An unelected and weak legislature, combined with a defence commission biased in favor of the ruling junta, undermines the effectiveness of external auditing in the defence sector by limiting legislative scrutiny that is essential for its proper implementation.



Recommendations include

- 1) harmonisation of the external auditing function so that there is one primary entity with the mandate for external audits,
- 2) the development of well-defined legal exceptions to information access that can be refined through citizen engagement and by oversight institutions,
- 3) legally-prescribed information sharing by the defence sector with other government actors, concerning its spending and procurement activities, and
- 4) continue collaborating with the public on various platforms building on previous successful efforts at citizen engagement by defence and security actors - with emphasis on information-sharing and trust-building.



BACKGROUND

Mali has faced considerable challenges in the past few years that have intensified its governance weaknesses and pushed the country further from the democratic ideals extolled by its former Western donors.¹ In one of its several coups of the last decades, Mali's military took power in 2021, with the twin goals of ending pervasive corruption and improving a security situation worsened by both ethnic separatists and Islamist terrorists.² By the end of 2024, all Western military missions had been forced out of the country, including the United Nations (UN) peacekeeping mission MINUSMA, French military counter-terrorism campaign Operation Barkhane, and the EU Training Mission-Mali. In the wake of these departures, the Russian-backed paramilitary Wagner Group was invited by the ruling junta to deal with the security situation, and Wagner mercenaries are becoming more entrenched as time passes.³

Support for military rule runs high among the population,⁴ especially after several high-profile anti-corruption initiatives,⁵ improved service delivery and security, and the taking of key insurgent strongholds in the northern territories.⁶ Though the ruling junta has promised a return to civilian rule, elections have been delayed repeatedly,⁷ political party activities have been banned,⁸ and government power is being consolidated among a small military elite. Institutional resilience to corruption, and the governance of the public sector in general, is weak and prone to failure amidst escalating security threats.⁹ There appears to be little room for democratic reform at the moment.

1 Sandor, John A. Lechner, Sergey Eledinov, Adam. "How Foreign Intervention Failed Mali." *Foreign Policy* (blog), September 10, 2024; Matamis, Joaquin. "China's Conflict Resolution and Mediation Approach in Mali." *Stimson Center* (blog), January 26, 2024.

2 Crisis Group. "Mali, a Coup within a Coup." May 27, 2021.

3 Triebert, Christiaan, Elian Peltier, Riley Mellen, and Sanjana Varghese. "How Wagner's Ruthless Image Crumbled in Mali." *The New York Times*, November 1, 2024, sec. World.

4 Dizolele, Mvemba Phezo, and Cameron Hudson. "Mali: Untangling the Politico-Security Knot." Center for Strategic & International Studies, October 2024.

5 BTI: Transformation Index. "BTI 2024 Mali Country Report." Bertelsmann Stiftung, 2024.

6 Agence France Presse. "The Taking Of Kidal: Why The Town In North Mali Is So Important." *Barron's*, November 14, 2023.

7 Africa Center for Strategic Studies. "Mali: February 4 2024 Elections." *Africa Center* (blog). January 17, 2024.

8 International Center for Transitional Justice. "Mali's Junta Suspends Political Party Activities Until Further Notice," April 11, 2024.

9 For further discussion of corruption risk and institutional failures to prevent corruption, see Transparency International, Defence & Security, "Mali's defence sector: Systemic corruption risk amidst escalating violence," forthcoming in 2025. For a comprehensive assessment of corruption risk within the Malian security sector, see Smith, Seán. "Building Integrity in Mali's Defence and Security Sector: An Overview of the Institutional Safeguards." London: Transparency International, Defence & Security, October 2019.

In spite of the democratic backsliding, anticorruption initiatives are being established at pace, and criminal cases are moving through the courts. While high profile cases are likely a public relations move by the ruling junta, and a means of targeting rivals from previous administrations, the fact that corruption is being addressed simultaneously with the security situation is a sign that the military leadership recognises the severity of the corruption problem in Mali.

In the face of grave corruption risk, military spending is on the rise in Mali. Numerous multi-year projects and initiatives aiming to rebuild the army and security forces

have been adopted, providing bidding opportunities to military equipment companies.¹⁰ Unfortunately, Mali struggles with an entrenched secrecy around the military, defence, and security sectors, which prevents the flow of information about defence finances to both public institutions and civic actors. Both audit institutions and the legislature face significant failures in their oversight functions because of a profound lack of information. Coupled with the fragmentation of the external audit function across institutions, there is limited possibility for audits to serve as forms of democratic accountability for the defence sector.

Figure 1: Military spending, Mali and the top four spenders in Sub-Saharan Africa

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Source: SIPRI, 2023

10 International Trade Administration. "Country Commercial Guide - Mali." US Department of Commerce, June 10, 2024.

MALI STRUGGLES WITH AN ENTRENCHED SECRECY AROUND THE MILITARY, DEFENCE, AND SECURITY SECTORS



THE MILITARY GUARDS INFORMATION ABOUT ITS ACTIVITIES VERY CLOSELY



However, external auditing serves as an important mechanism for holding government to account – one that is already ingrained within the functioning of the public sector, with existing capacities and mandates to tackle financial corruption. This is only possible if external auditors have access to information about the finances of the institutions they are auditing. In Mali, information about the defence sector is incredibly sparse, even within government, as the military guards information about its activities very closely. A history of military rule has only strengthened the role of the defence and security institutions in political governance, and allowed defence actors to restrict information to a degree that is extreme even for contexts characterised by conflict and instability.¹¹

This report aims to provide an overview of external auditing in Mali, with a focus on its performance vis-à-

vis the defence and security sector, and a discussion of its main challenges. It is based on a desk review and analysis of data from the Government Defence Integrity Index (GDI).¹² The report first presents an overview of the external auditing mechanisms currently in use in Mali, along with complementary institutions such as the legislature and law enforcement, which receive audit reports, and are expected to take action based on audit findings. Alongside this information, international best practices are presented with respect to external audit and legislative scrutiny, as well as external auditing concerning the defence sector. An analysis section follows, which addresses the persistent institutional weaknesses in the Malian external auditing chain, and concludes with recommendations for strengthening both the auditing function and the governance environment that supports external auditing of the defence sector.

The Government Defence Integrity Index (GDI) measures institutional resilience to corruption in the defence sector by focusing on both policymaking and public sector governance in national defence establishments. The index is organised into five main risk areas: (1) policymaking and political affairs; (2) finances; (3) personnel management; (4) military operations; (5) procurement. Each indicator is scored based on five levels from 0-100 (0, 25, 50, 75, 100), while indicator scores are aggregated (no weighting) to determine the question, risk area and overall scores. Scores are then assigned a band from A - F, which reflects the level of corruption risk.

Range of Scores

A	83 – 100	Very robust institutional resilience to corruption
B	67 – 82	Robust institutional resilience to corruption
C	50 – 66	Modest institutional resilience to corruption
D	33 – 49	Weak institutional resilience to corruption
E	17 – 32	Very weak institutional resilience to corruption
F	0 – 16	Limited to no institutional resilience to corruption

Corruption Risk

Very low
Low
Moderate
High
Very high
Critical

Within these risk areas, the GDI identifies 29 corruption risks specific to the defence and security sector. The GDI is further organised into 77 main questions, which are broken down into 212 indicators. In order to provide a broad and comprehensive reflection of these risk areas, the index assesses both legal frameworks (de jure) and implementation (de facto), as well as resources and outcomes.

¹¹ Transparency International, Defence & Security. "GDI 2020 Global Report: Disruption, Democracy, and Corruption Risk in Defence Sectors." London: Transparency International UK, November 2021.

¹² For further information about the GDI, see <https://ti-defence.org/gdi/>

INSTITUTIONAL OVERVIEW

Public Expenditure and Financial Accountability (PEFA)

Best Practices for External Audit¹³

- Financial reports including revenue, expenditure, assets, and liabilities of all central government entities are audited using the International Standards of Supreme Audit Institutions (ISSAI) or consistent national auditing standards during the last three completed fiscal years. The audits highlight any relevant material issues as well as systemic and control risks.
- Audit reports are submitted to the legislature within three months from receipt of the financial reports by the Supreme Audit Institution (SAI) for the last three completed fiscal years.
- There is clear evidence of effective and timely follow-up by the executive or the audited entity on audits for which follow-up was expected, during the last three completed fiscal years.
- The SAI operates independently from the executive with respect to procedures for appointment and removal of the Head of the SAI, the planning of audit engagements, arrangements for publicizing reports, and the approval and execution of the SAI's budget. This independence is assured by law. The SAI has unrestricted and timely access to records, documentation, and information.

1 Formal external audit function

The primary issue with respect to external audits in Mali is that of overlapping institutional mandates and confusion over the roles and authority of each institution. There are two institutions with individual mandates to perform functions expected of an external audit institution: the Accounts Section of the Supreme Court (*Section des comptes de la Cour Suprême* or SCCS) and the Office of the Auditor General (*Bureau du Vérificateur Général*, or BVG).

The **Accounts Section of the Supreme Court (SCCS)** is responsible for reviewing the budget and settlement law (*projet de loi de règlement*)¹⁴ as received from the legislature. Although it is an independent entity by virtue of being part of the judicial branch, it is not considered a Court of Auditors (*Cours des comptes*), as it lacks the full capacities and mandate of such an authority. The independence of the Supreme Court itself is questionable, given that the executive is able to remove the President of the Court without parliamentary approval, and its budget must be approved by the Ministry of Economics and Finance.

The SCCS is expected to examine the general balance of accounts, the development of budgetary revenues, the development of budgetary expenditures, the development of operations recorded in the special Treasury accounts, the development of the income statements, and produce a report that it submits to Parliament.¹⁵

SCCS audits of the settlement law are limited to an analysis of conformity between the accounts of the authorising officers and those of the public accountants. Its annual report contains proposals for improvement on the management of public finances. However, these recommendations are generally limited to asking public finance managers to comply with the provisions of the legislative and regulatory texts governing the management of public finances.¹⁶ They are also rarely followed.¹⁷

The SCCS has also been entrusted with specific duties by stand-alone laws. As of 2012, the SCCS audits the execution of the municipal budgets of the territorial communities at the request of the Board of the deliberative body and, in the event of its rejection, the Mayor's administrative account. In 2005, the SCCS was granted a mandate to audit the accounts of political parties, with the legislature exercising oversight.

13 Mali consistently receives the lowest score across all PEFA external audit indicators, with the most recent national assessment conducted in 2021. <https://www.pefa.org/assessments/summary/4502>.

14 A budget settlement law is a law that is created at the end of a budget year to establish the final amounts of a state's revenue and expenditures. It is usually made available to the public two to three years after the fiscal year ends.

15 PEFA Secretariat. "Mali: Public Expenditure and Financial Accountability (PEFA) Report." World Bank, October 2021.

16 PEFA, 2021.

17 "Mali Country Strategy Paper 2021-2025." African Development Bank. May 2021.

The limits of SCCS audits of budgets and expenditures¹⁸

The SCCS audit reports and corresponding certificates of compliance on the implementation of the Budget Laws are forwarded to parliament, but with considerable slippage on the statutory time limits, especially because of the time required by the Ministry of Finance to answer requests submitted to it.

SCCS reports on budget law implementation are not published until the Budget Review Bill has been voted on by parliament, which does not make recommendations on these reports. International technical and financial partners, including the International Monetary Fund (IMF), have mentioned in their reports several cases of non-compliance with the normal public expenditure procedure:

- unauthorised expenditure,
- expenditure that is unjustified or justified by irregular documents,
- undue payments,
- fictitious expenses,
- irregular or partial justifications of the use of payments made to the authority,
- fictitious purchases or undue expenditure made by the authority, and
- unsuitability of controls carried out prior to payment of payroll expenditure.

In 2023, audit institutions reviewed the transition government's accounts, but audits did not cover the entire annual executed budget and were not published within a reasonable period.¹⁹

The **Office of the Auditor General (BVG)** was established in 2003 with the assistance of the Canadian government, with the goal of performing audit functions that the SCCS was failing to do.²⁰ It is an administrative authority for external auditing that may report its findings to judicial authorities if there is the likelihood that laws have been breached. While BVG has full autonomy to set its own agenda and allocate its budget without interference, it is not fully independent. It reports to the executive, its budget is approved by the executive, and the Auditor General is appointed and dismissed by the executive.

Unlike the SCCS, the BVG does not produce a report on the draft settlement law and does not assist Parliament in analysing it. Instead, the BVG has the authority to audit the annual financial statements of all ministries individually and all of the government's financial statements (expenditure and revenue). As such, it conducts audits of the financial statements of a small selection of budgetary entities, local governments and public enterprises each year, and it has also started to conduct performance audits. Its audit practices are

SCCS REPORTS ON BUDGET LAW IMPLEMENTATION

ARE NOT PUBLISHED
UNTIL THE BUDGET
REVIEW BILL HAS
BEEN VOTED ON BY
PARLIAMENT



aligned with the International Standards of Supreme Audit Institutions, and its audits highlight substantive issues.²¹ Because all BVG reports are published, its findings are often covered by the media.

A BVG investigation can be launched by the auditor or by demand of any citizen or institution. Its reports are often critical of the administration, and there are multiple audit reports per year and multiple investigations. In 2021, the BVG published 11 reports, including one focusing on the government's COVID-19 response.²²

18 African Development Bank. "Mali Country Strategy Paper 2021-2025." African Development Bank, May 2021.

19 US Department of State. "2024 Fiscal Transparency Report: Mali," 2024.

20 Global Affairs Canada. "Office of the Auditor General of Mali." GAC, February 13, 2017. <https://www.international.gc.ca/world-monde/stories-histoires/2019/mali-ag-vg.aspx?lang=eng>.

21 PEFA 2021.

22 "BTI 2024 Mali Country Report." 2024. It is unclear how many BVG reports were published in 2024, as the reports are organized by financial years, rather than dates of investigation or audit.

BVG's foray into defence sector auditing: A rare case in the past decade

A scandal erupted in 2014 over the purchase of a Boeing 737 by then President Ibrahim Boubacar Keita (IBK).²³ It was bought from the United States, through a shell company named Mali BBJ Ltd. (created in Aruba just two weeks prior), which filed the export request with American authorities.

Amidst talks over sizeable loans, the International Monetary Fund requested an audit to be conducted by the Office of the Auditor General (BVG).²⁴ The cost determined by the BVG amounted to 19 billion CFA francs (US\$40 million), including 1.4 billion CFA francs in commissions and fees paid to a broker linked to Michel Tomi, the president's friend. In addition, an operating contract was signed with the company JetMagic Limited based in Malta; the OAG never had access to this lease contract.

A budget line was placed (in common expenses) in 2015 to cover the costs of this contract. Starting with the following budget, it amounted to 3 billion CFA francs per year. Further investigation by the media revealed that costs through the new maintenance contract (allegedly administered by another of the President's friends) rose by 500% in some cases.²⁵

A case is currently ongoing in the Bamako Court of Appeal, in which several former Malian ministers and top military officials are on trial for embezzlement pertaining to the airplane purchase, as well as the purchase of military equipment. Former Prime Minister Soumeylou Boubèye Maïga, who was defence minister at the time, was detained in 2021. Maïga, who maintained his innocence, died in detention in March 2022 and charges against him have since been dropped. But charges of fraud, forgery, and nepotism have been filed against 11 other individuals, including former finance minister Bouare Fily Sissoko and former chief of staff Mahamadou Camara. Several of the accused reside outside Mali and are subject to international arrest warrants.²⁶

2 Additional audit mechanisms overlapping with external audits

Mali has several other audit mechanisms that primarily focus on internal audits and control, but are also granted anti-corruption mandates by law. In this way, they overlap with the investigatory function of the BVG, and cause some confusion over scope of work.

The **Central Office for Combatting Illicit Enrichment** (*Office central de Lutte contre l'Enrichissement illicite* or OCLEI) was established in 2017 to implement preventive, control, and anti-illicit enrichment measures at the national, sub-regional, regional, and international levels. It is also mandated to receive whistleblowing complaints. The OCLEI oversees asset declarations by public officials, but lacks sanctioning power or the power to seize assets. As a result, and also due to weak rule of law from the military

coup, the OCLEI indicated a 90% drop in submission rates in its latest report.²⁷

The **General Comptroller of the Public Services** (*Contrôle Général des Services Publics* or CGSP) is focused primarily on internal auditing, but has the authority to conduct performance audits, and to investigate corruption or economic and financial "delinquency" in the services that are inspected. Intriguingly, it is Mali's official member of International Organization of Supreme Audit Institutions (INTOSAI), and a main provider of capacity building (funded by organisations like USAID and FCDO).

The **Inspectorate of Finance** (*Inspection des Finances*) is focused primarily on the control of finances, but much like the previous institutions, has the authority to search for corruption or economic and financial "delinquency" in the services that are inspected.

23 Reuters. "Mali's Former Prime Minister Arrested over Corruption Claims," August 27, 2021.

24 Smith, Alex Duval. "Mali Flies into International Storm over Purchase of \$40m Presidential Jet." *The Guardian*, May 16, 2014, sec. Global development.

25 Wane, Amadou O., and A. Karim Sylla. "Mali : Nouvelles révélations sur le scandale financier de l'avion présidentiel: Un curieux personnage aux commandes de l'avion, un contrat d'entretien 5 fois plus élevé que la norme..." *Mali Actu*, August 11, 2017.

26 Hilka Burns. "Mali Presidential Plane Trial Begins in Bamako Court." *ch-aviation*, September 26, 2024.

27 MSKT. "Mali: OCLEI Presents Its 2023 Report, Indicating a 90 Percent Decrease in Assets Declaration in the Last Five Years." *West African Democracy Radio* (blog), November 30, 2024.

Public Expenditure and Financial Accountability (PEFA)

Best practices for legislative scrutiny of audit reports²⁸

- Scrutiny of audit reports on annual financial reports has been completed by the legislature within three months from receipt of the reports.
- In-depth hearings on key findings of audit reports take place regularly with responsible officers from all audited entities which received a qualified or adverse audit opinion or a disclaimer.
- The legislature issues recommendations on actions to be implemented by the executive and systematically follows up on their implementation.
- All hearings are conducted in public except for strictly limited circumstances such as discussions related to national security or similar sensitive discussions. Committee reports are debated in the full chamber of the legislature and published on an official website or by any other means easily accessible to the public.

3 Legislative oversight and follow-up actions

The legislature does not hold hearing sessions on the SCCS reports, or formally issue recommendations to the executive regarding the measures to be implemented. No documents relating to the examination of audit reports by the legislative branch are published.²⁹

The examination of the settlement law carried out by the Finance Commission of the legislature is also not public. The deliberations and discussions conducted as part of the analysis of the settlement law and the SCCS report are not documented in a publicly available report stating the recommendations made by Parliament.³⁰



²⁸ Mali consistently receives the lowest score across all PEFA external audit indicators, with the most recent national assessment conducted in 2021. <https://www.pefa.org/assessments/summary/4502>

²⁹ The BVG does not report to the National Assembly. Its reports are provided to the executive.

³⁰ PEFA, 2021; There is also no evidence that the executive branch or the audited entity provides an official response to the recommendations made in the SCCS reports.



Bamako, Mali - Circa February 2012 © Thomas Dutour, Shutterstock

THE NATIONAL ECONOMIC AND FINANCIAL CENTER

HAS THE AUTHORITY TO MANAGE THE ENTIRE CHAIN OF PROCESSING FOR ECONOMIC AND FINANCIAL OFFENCES



4 Investigative and enforcement measures

There are several institutions established since the coup that are mandated to investigate potential crimes unearthed by audit mechanisms, as well as enforce anticorruption and criminal laws. It remains to be seen whether they will operate independently of the military junta, or be used to target or threaten political adversaries.

The **National Economic and Financial Center** (*Pôle national économique et Financier*) was established in 2023, replacing the three subnational economic and financial centres of Kayes, Mopti, and Bamako. It is headed by a special Public Prosecutor (*Procureur de la République special*), with investigating judges.

The National Economic and Financial Center has the authority to manage the entire chain of processing for economic and financial offences, namely prosecution, investigation and judgment, and the establishment of a battery of precautionary measures, in particular the seizure of property belonging to the persons prosecuted, to guarantee the effectiveness of the procedures.

The **Agency for the Recovery and Management of Seized or Confiscated Assets** (*Agence de recouvrement et de gestion des avoirs saisis ou confisqués* or ARGASC) was established in 2022. It is tasked with collaborating with the public prosecutor's office in the execution of judgments and orders relating to the freezing, seizure or confiscation of property, and is mandated to collaborate with similar services in foreign countries.

ANALYSIS

Audit institutions in Mali suffer from performance challenges that manifest across its public sector mandate, as well as in specific failures related to defence and security. These include a fragmented approach to external auditing, a lack of access to information across government and especially in the defence and security sector, and a lack of incentives for current actors to push for democratic accountability.

1 Fragmented institutional frameworks for external auditing

The external auditing functions in Mali are disjointed and inconsistent across the public sector, especially with the recent extension of the SCCS mandate to performance auditing and public policy evaluation, which has up to now been the domain of the BVG. There have been efforts over the past decade to transform SCCS into an official court of auditors, but this requires constitutional revision and harmonisation of existing audit entities, both of which have been unattainable even with donor support.

The 2020 GDI data revealed that 10 of the 16 Sub-Saharan countries in the index failed to perform regular audits of the defence sector in the past five years (see Figure 2), with six countries performing no audits whatsoever: Angola, Cameroon, Burkina Faso, Cote d'Ivoire, Mali, Sudan. Data from the entire index highlights the scope and depth of external audit activity vis-à-vis the defence sector (see Figure 3). This disparity is due to a range of institutional failures, including circumscribed mandates, weak authority, and limited resources. But also more practically, it is driven by a lack of information within government about the defence sector.

Figure 2: Quality of external audits of the defence sector, Sub-Saharan Africa

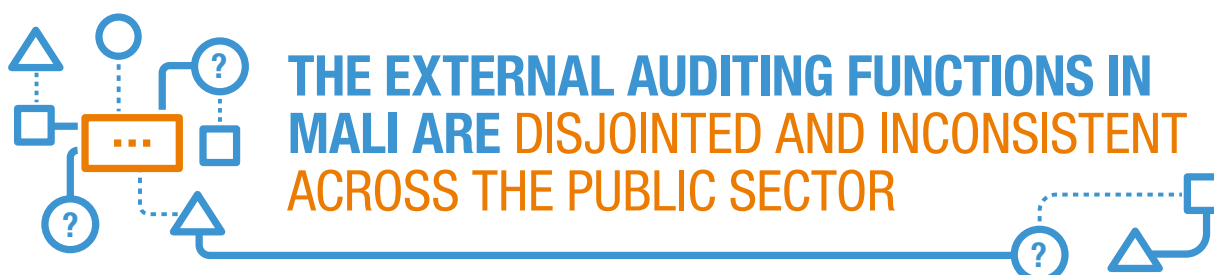
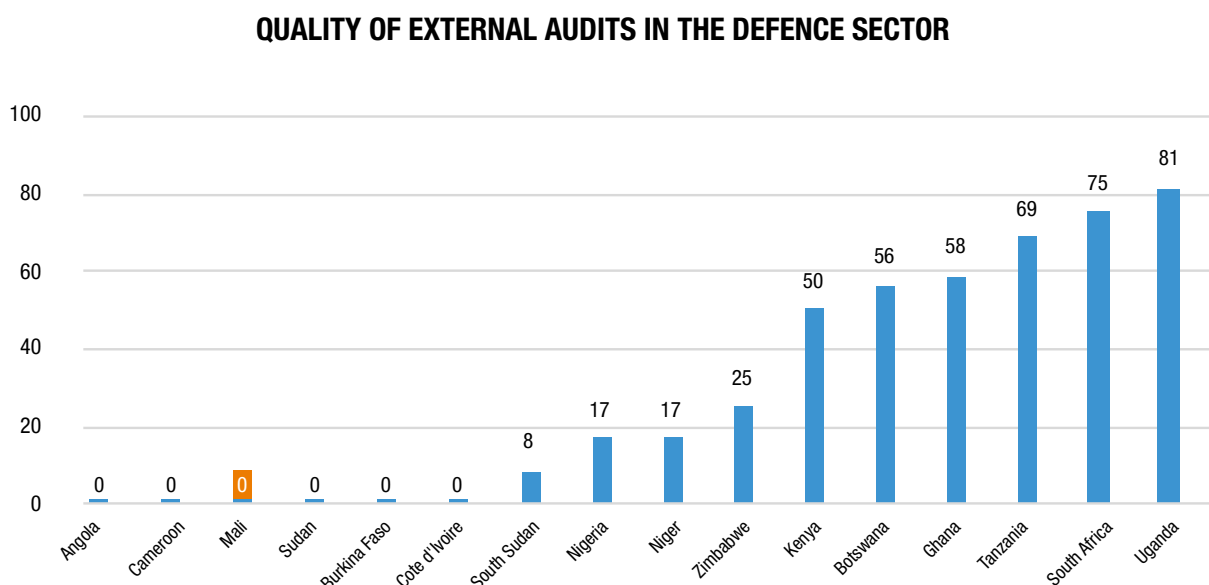


Figure 3: Activity of external audit units vis-a-vis the defence sector

<p>The external audit unit has the mandate to review the defence sector, and regularly audits military defence spending in a formal, in-depth process.</p> <p>Both financial audits and performance audits (value for money) of defence spending are conducted.</p>	<p>The external audit unit has the mandate to review the defence sector, and regularly audits military defence spending in a formal, in-depth process.</p> <p>Review consists of primarily financial audits, rather than performance audits.</p>	<p>The external audit unit has the mandate to review the defence sector, and audits military defence spending on a semi-regular, formal basis.</p> <p>Only financial and compliance audits are performed.</p>	<p>The external audit unit has the mandate to review the defence sector, but does not do so regularly or in much depth. There may be regular deviation from formalised processes.</p>	<p>There is little to no external audit of defence ministry expenditure.</p>
<p>Australia</p> <p>Belgium</p> <p>Bosnia & Herzegovina</p> <p>Brazil</p> <p>Canada</p> <p>Denmark</p> <p>Finland</p> <p>France</p> <p>Germany</p> <p>India</p> <p>Israel</p> <p>Italy</p> <p>Latvia</p> <p>Netherlands</p> <p>New Zealand</p> <p>Norway</p> <p>Poland</p> <p>South Africa</p> <p>South Korea</p> <p>Sweden</p> <p>Switzerland</p> <p>Taiwan</p> <p>Uganda</p> <p>United Kingdom</p>	<p>Albania</p> <p>Armenia</p> <p>Bangladesh</p> <p>Chile</p> <p>Colombia</p> <p>Estonia</p> <p>Georgia</p> <p>Greece</p> <p>Indonesia</p> <p>Japan</p> <p>North Macedonia</p> <p>Philippines</p> <p>Portugal</p> <p>Singapore</p> <p>Tanzania</p> <p>United States</p>	<p>Ghana</p> <p>Kenya</p> <p>Kosovo</p> <p>Kuwait</p> <p>Lebanon</p> <p>Lithuania</p> <p>Malaysia Mexico</p> <p>Montenegro</p> <p>Russia</p> <p>Serbia</p> <p>Thailand</p> <p>Tunisia</p> <p>Ukraine</p> <p>Zimbabwe</p>	<p>Argentina</p> <p>Azerbaijan</p> <p>Botswana</p> <p>Hungary</p> <p>Iraq</p> <p>Niger</p> <p>Nigeria</p> <p>Palestine</p> <p>South Sudan</p> <p>Spain</p>	<p>Algeria</p> <p>Angola</p> <p>Bahrain</p> <p>Burkina Faso</p> <p>Cameroon</p> <p>China</p> <p>Cote d'Ivoire</p> <p>Egypt</p> <p>Iran</p> <p>Jordan</p> <p>Mali</p> <p>Morocco</p> <p>Myanmar</p> <p>Oman</p> <p>Qatar</p> <p>Saudi Arabia</p> <p>Sudan</p> <p>Turkey</p> <p>United Arab Emirates</p>

National Audit Institutions (Independent External Audit) and the Defence Sector

Good practices from the GDI

- The NAI has the mandate to review the defence sector, and regularly audits military defence spending in a formal, in-depth process. Both financial audits and performance audits (value for money) of defence spending are conducted.
- The NAI submits its reports to the Public Accounts Committee of Parliament.
- The external audit unit is independent of the executive. It has its own budget (e.g. passed by parliament rather than government), and there are legal protections in place for this budget not to be altered during the budget year.
- External audit information is published online proactively and within a reasonable timeline and in detail (e.g. including analysis on audited accounts, oral briefings, expert advice, investigative work).
- The ministry regularly addresses audit findings in its practices.



Source: Government Defence Integrity Index (GDI), 2020





French troops of Operation Barkhane in Ansongo, Mali (December 2015) © Fred Marie, Shutterstock

2 No definition of “secrets de défense”

Mali has neither a right to information (RTI) law or a state secrets law, both of which are standard instruments for setting out definitions, rules, and limitations on access to information (ATI) pertaining to national security.³¹ The absence of any legislation governing the access to information about the defence sector has allowed the military to establish substantial boundaries around its operations, finances, procurement, and deliberations.³² While legal instruments are intended to establish the parameters for access to information across government (and possibly the private sector, depending on the scope of the law), they also serve as the basis for deliberation about transparency in the defence sector, not only during development but also in the course of implementation.

ATI legal frameworks specify a set of features with which both the public *and* the government can engage, that allows for discussion and disagreement to occur in the public sphere, rather than behind closed doors (see figure 4). Well-defined exceptions to access to information do not exist in a vacuum – they are continually contested by various parties and deliberated by public officials and formal government mechanisms, particularly oversight institutions such as an information commissioner and the judiciary. This back-and-forth helps to determine the parameters of access to information within specific sectors, as well as across the judicial, executive, and legislative branches of government.

MALI HAS NEITHER A RIGHT TO INFORMATION LAW OR A STATE SECRETS LAW

BOTH OF WHICH ARE STANDARD INSTRUMENTS FOR SETTING OUT DEFINITIONS, RULES, AND LIMITATIONS ON ACCESS TO INFORMATION PERTAINING TO NATIONAL SECURITY



³¹ For a discussion on the legitimate grounds for disclosure or withholding of information pertaining to national security and defence, see: Open Society Foundations. “Global Principles on National Security and the Right to Information (‘Tshwane Principles’).” Tshwane, South Africa, June 12, 2013.

³² This is the case despite several financial transparency laws that establish access to information primarily in the letter of the law, rather than in practice, e.g.: Law n°2013-031 of 23 July 2013 approving the code of transparency in financial management and Decree n°2014-0607/P-RM of 13 August 2014 on the modalities of access to and publication of information and administrative documents relating to public finance management.

Figure 4: Features of ATI legal frameworks that are critical for defence and security transparency³³

In the absence of well-defined and publicly debatable national security exceptions, the Malian military has been able to stonewall oversight actors, such as external audit actors and the legislature, as well as misinterpret existing legislation for secrecy purposes. The BVG called out the military in its 2014 report for a misapplication of Article 8 of the 2008 Public Procurement Code that allowed confidentiality of certain purchases for national security purposes. The BVG, with colleagues from the SCCS, laid out well-research and reasoned arguments that public orders are an integral facet of public financial management and must comply with the acquisition process and principles of transparency laid out in law.³⁴ Regrettably, instead of clarifying its commitment to these principles, the transition government has promulgated a 2023 revision of the Procurement Code that specifies within the law that defence purchases are subject to secrecy and exempt from financial transparency rules.³⁵ It remains to be seen whether this new decree will be used to exclude the legislature and the external auditors for access to defence procurement information (See Figure 5 for GDI data on legislative access to defence spending information).



33 Trapnell, Stephanie, and Choo, Yi Kang. "Unlocking Access: Balancing National Security and Transparency in Defence." London: Transparency International Defence & Security, December 2024.

34 L'Aube. "Achats de l'avion Présidentiel et Des Équipements Militaires : Plus de 38 Milliards FCFA Détournés !" *Maliweb.Net*, October 15, 2020.

35 Decree 2023 No. 0275 of May 3, 2023 establishing the system of works, supply and service contracts excluded from the scope of the public procurement code and public service delegations (2023).

Figure 5: Legislative access to classified defence spending information

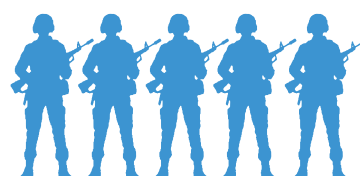
The appropriate legislative committee or members of the legislature are provided with extensive information on all spending on secret items, which includes detailed, line-item descriptions of all expenditures, and disaggregated data.	Belgium, Germany, Latvia, Norway, Sweden, Switzerland, United Kingdom
The legislature is generally provided with extensive information on spending on secret items, which includes detailed, line-item descriptions of expenditures, and disaggregated data. However, there are some omissions of information.	Armenia, Australia, Bosnia & Herzegovina, Estonia, Finland, Israel, Japan, Lithuania, New Zealand, North Macedonia, Spain, Taiwan, United States
The legislature is provided with information on spending on secret items, but description of expenditures is generalised into categories, or some data is presented in an aggregated manner.	Canada, Georgia, Poland, Russia, Ukraine
The legislature is provided with very limited or abbreviated information on secret items, or expenditure on secret items is entirely aggregated.	Albania, Botswana, Brazil, Chile, Colombia, Denmark, France, Hungary, India, Indonesia, Iraq, Italy, Kosovo, Kuwait, Lebanon, Netherlands, Niger, Nigeria, Philippines, Serbia, South Sudan, Uganda
The legislature is provided with no information on spending on secret items.	Algeria, Angola, Argentina, Azerbaijan, Bahrain, Bangladesh, Burkina Faso, Cameroon, China, Cote d'Ivoire, Egypt, Ghana, Greece, Iran, Jordan, Kenya, Malaysia, Mali , Mexico, Montenegro, Morocco, Myanmar, Oman, Palestine, Portugal, Qatar, Saudi Arabia, Singapore, South Africa, South Korea, Sudan, Tanzania, Thailand, Tunisia, Turkey, United Arab Emirates, Venezuela, Vietnam, Zimbabwe

Source: Government Defence Integrity Index (GDI), 2020



IN THE ABSENCE OF WELL-DEFINED AND PUBLICLY DEBATABLE NATIONAL SECURITY EXCEPTIONS

THE MALIAN MILITARY HAS BEEN ABLE TO STONEWALL OVERSIGHT ACTORS, SUCH AS EXTERNAL AUDIT ACTORS AND THE LEGISLATURE, AS WELL AS MISINTERPRET EXISTING LEGISLATION FOR SECRECY PURPOSES



3 Lack of resources, capacity, and incentives for oversight actors

Despite resource challenges, Malian oversight institutions have endured, and even proliferated. Even so, a lack of funding and capacity has hampered their efforts at accountability, particularly within the external auditing function, as outlined above.

The unelected National Transition Council faces severe limitations on democratic accountability, while the

current defence commission is composed of military, gendarmerie, and police officers whose interests align with the ruling junta. The judiciary has encountered intense political pressure from the transitional government, while also being perceived as one of the most corrupt institutions in the country.

Addressing the resource constraints and perverse incentives hindering democratic oversight is a necessary reform, yet it is unlikely to be achievable under the current governance context.

CONCLUSION

Given the absence of active democratic institutions in Mali, there may be limited opportunity to introduce transparency mechanisms, such as access to information, that may impinge on the expansion of military activities. However, information sharing within government is crucial for the government to function effectively. In particular, procurement activities must receive appropriate oversight, and to do so, information should be shared with accountability mechanisms such as external auditors.

Reform of public sector functions such as external auditing is feasible even within military rule, as effective institutional spending is a necessary factor in the country's overall financial and political stability. The external auditing function is a fundamental practice of modern states, and its harmonization should be considered a practical and necessary reform process for Mali, regardless of its form of government.

What is critical for the stability and accountability of Malian institutions is continued collaboration with civic actors across various platforms. Much work has been done on citizen engagement with defence and security actors, and these efforts should be supported and amplified as appropriate. While external auditing may not be considered a primary means of citizen-collaboration, it is one of several accountability measures that can be strengthened through citizen-driven advocacy around transparency, access to information, and anti-corruption initiatives.



**PROCUREMENT
TRANSPARENCY
IS PARAMOUNT**

**GIVEN THE RISE IN
MILITARY SPENDING
OVER THE PAST YEARS**

RECOMMENDATIONS

1 Harmonisation of external audit functions.

Whether the SCCS is turned into a formal Court of Auditors, or the BVG is granted formal status as the sole external auditor – Mali's external audit functions are in urgent need of comprehensive reform.

- a) Given the history of efforts to transform the SCCS into a fully external auditor, it seems appropriate to continue this line of reform, while also ensuring that BVG staff and mandates are incorporated into any new structure. There is a track record of impressive work done by both the SCCS and the BVG. Assuming their resources and mandates are not reduced during any reform effort, harmonisation of external audit functions should produce a stronger, more effective institution.
- b) Moreover, it is essential that the official member of INTOSAI in Mali is re-assigned to an external audit institution within the country, rather than the Comptroller, which focuses exclusively on internal audit and control.

2 Legal reform on access to information. The opacity of the defence sector is facilitated by a lack of well-defined legal parameters surrounding access to information. This includes access to information and security classification.

- a) Civil society actors have been advocating for a right to information law for several decades. There is ample commitment, interest, and expertise available to Malian authorities for the development of a right to information law that includes well-defined exceptions for national security purposes. However, it is advisable to delay this line of reform until democratic norms have been re-established, particularly until there is an elected parliament to ensure due process.
- b) Security classification rules should also be promulgated, but again, once there is a measure of democratic accountability in the lawmaking process.



3 Inter-institutional information exchange/sharing. Procurement transparency is paramount, given the rise in military spending over the past years. However, it is unlikely that new transparency reforms will be introduced in the near future. A more feasible reform lies in ensuring information sharing across different areas of government.

- a) Information about defence spending must be shared with the legislature and external auditors. In the absence of public access to information, it is critical that oversight actors are granted access to confidential information about defence procurement, in order to counter the high risk of fraud and embezzlement that accompanies increases in military spending.
- b) The promulgation of a new military programming law will assist with establishing regularity and predictability of financial activities within the defence sector.

4 Continue collaborating with the public on various platforms. There have been a wide variety of successful efforts on encouraging citizen engagement by defence and security actors.³⁶ The military establishment should continue these initiatives, with particular emphasis on information-sharing and trust-building, which will lay the groundwork for a return to civilian rule.³⁷

36 "Building Integrity," 2019

37 For specific measures, see: Dizolele, Mvemba Phezo, and Cameron Hudson. "Mali: Untangling the Politico-Security Knot." Center for Strategic & International Studies, October 2024.

