



MINUTES

the IIIrd Meeting of the EUROSAI Working Group on the Audit of Funds Allocated to Disasters and Catastrophes

Date: 30-31 March 2017

Meeting Venue: Rome, the Italian Republic

The main issues for discussion at the IIIrd Meeting of the Working Group are:

- approval of the Report of the Working Group for the period 2015-2017;
- approval of the draft Strategic Activity Plan of the Group for 2017-2020;
- approval of the draft resolution of the X EUROSAI Congress on the extension of the mandate of the Working Group;
- signing of a joint report on the results of the international coordinated audit on protection of the Bug River catchment area against pollution (follow-up audit);
- experience and knowledge sharing concerning the efficiency assessment of using budgetary funds in conducting audits in the field of prevention and consequences elimination of disasters and catastrophes;
- presentation of the structure and the contents of the best practice recommendations of audits in the field of prevention and consequences elimination of flood;
- signing of common positions on cooperation within the international coordinated audits.

The meeting was attended by 41 representatives from 15 SAIs - members of the Working Group: Albania, Belarus, Bulgaria, Indonesia, Italy, Latvia, Moldova, Serbia, Poland, the Russian Federation, Romania, Turkey, Ukraine, the European Court of Auditors, as well as SAI of the Czech Republic, representing Goal Team 3 of the EUROSAI “Knowledge Sharing” and the SAI of Indonesia, the Chair of the INTOSAI Working Group on Environmental Auditing. The list of participants is attached.

Seminar on “Opportunities of the performance audits in the evaluation of the activities aimed at prevention and consequences elimination of disasters”

The Meeting of the EUROSAI Working on Audit of Funds Allocated to Disasters and Catastrophes was preceded by a seminar on “Opportunities of the performance audits in the evaluation of the activities aimed at prevention and consequences elimination of disasters” held on 30 March 2017 in line with the group's activity plan for 2014-2017 years.

During the seminar the experts of the SAI of Indonesia, Audit Director Mr Slamet Riyadi and the auditor, Mr Tri Marhendra Rahardyan, shared their experience in conducting the performance audit on disaster preparedness to strengthen the implementation of disaster risk reduction.

Representatives of the Accounting Chamber of Ukraine Ms Yuliya Myronenko, Head of division, Agricultural Industry, Nature Protection and Emergencies Audit Department, Mr Denis Nikitin, Deputy Director of the Agricultural Industry, Nature Protection and Emergencies Audit Department; Head of division, presented the possible questions on opportunities of the performance audits in the evaluation of the activities aimed at prevention and consequences elimination of disasters according to INTOSAI standards (matrix of audit questions).

The work in the groups included practical exercises and experience exchange on planning performance audits by Supreme Audits Institutions, as well as discussion of possible audit issues for conducting international audits in the following areas:

- prevention and consequences elimination of floods,
- prevention and consequences elimination of earthquakes, and
- waste management and utilization.

Opening of the meeting

The Working Group meeting was opened by President of the Italian Court of Audit Mr Arturo Martucci di Scarfizzi and Acting Chairman of the Accounting Chamber of Ukraine Mr Aleksandr Yaremenko.

Mr Arturo Martucci di Scarfizzi in his welcome address highlighted the special attention of the Italian Court of Audit to the issues under discussion. The repetition of earthquakes in the country required the granting of new powers to the institution, which were reflected in the new legislation, which gave the Court of Audit new auditing and jurisdictional functions. The President of the Italian SAI also noted that the exchange of experience on the prevention and consequences elimination is crucial.

Mr Aleksandr Yaremenko thanked the President and staff of the SAI of the Italian Republic for organizing the meeting at a high and professional level and noted

that the activities of the Working Group, not only over the past three years but also over a longer period, could serve as a basis for the new Strategic Activity Plan of the Working Group for 2017-2020. One of such strategic directions could contribute to achievement of the UN Sustainable Development Goals by conducting measures of the follow-up of countries' efforts aimed at implementing the UN 2030 Agenda for Sustainable Development. This activity was defined as one of the priorities of the INTOSAI Strategic Plan for 2017-2022, approved by the XXII INSOSAI Congress in December last year.

In his speech, Mr Yaremenko drew the participants' attention to the 11th goal of “Make cities inclusive, safe, resilient and sustainable” as the main goal of sustainable development related to the activity of the working group, and stressed that the issues of prevention and consequences elimination of man-caused and natural disasters remain relevant, that ensured the need to continue the activity started by the Working Group.

Presentation and discussion of the report, the strategic action plan and the draft resolution of the EUROSAI Congress

Mr Aleksandr Yaremenko started the Working Group Meeting with a presentation of the Report of the Working Group for three-year period (2015-2017). Mr. Yaremenko informed that during the reporting period two international audits were completed within the framework of the Working Group, three new international audits were conducted on the most relevant areas, the annual monitoring of the implementation of the recommendations of the international coordinated audit of the Chernobyl Shelter Fund was continued, were held three seminars on implementation of the Guidelines on Audit of Disaster-related Aid (ISSAI 5500-5599), the development of the best practice recommendations of audits in the field of prevention and consequences elimination of flood started.

Also, Mr Aleksandr Yaremenko presented the draft Strategic Activity Plan of the Working Group for 2017-2020 and the draft Resolution of the X EUROSAI Congress on extending the mandate of the Working Group for the next three-year period. To implement the mission, the working group identified three strategic goals for its activities for the period up to 2020:

- 1) professional cooperation;
- 2) professional development;
- 3) contributing to achievement of the Sustainable Development Goals.

It was noted that the execution of the Strategic Activity Plan of the Working Group will contribute to the implementation of the EUROSAI Strategic Plan for the period 2017-2023, achievement of the INTOSAI strategic objectives defined in the Strategic Plan of the organization for 2017-2022, as well as the implementation of the UN 2030 Agenda for Sustainable Development.

After having discussed, the participants of the Working Group meeting decided to approve the Progress Report and the Strategic Activity Plan for 2017-2020, as well as the draft resolution of the EUROSAI Congress on extending the mandate of the working group for further presentation at the X EUROSAI Congress.

In addition, Mrs Tatiana Cunetchi, Member of the Chamber of Accounts of the Republic of Moldova, proposed to hold the next IV meeting of the Working Group in Chisinau, Republic of Moldova, which was supported by the participants of the meeting.

Signing of a joint report on the results of the international coordinated audit on protection of the Bug River catchment area against pollution (follow-up audit)

Mr Viacheslav Pylypenko, Member of the Accounting Chamber of Ukraine, Chief Controller - Director of the Legal Support Department, presented the results of the international coordinated audit on protection of the Bug River catchment area against pollution (follow-up audit), the signing of a joint report took place.

A joint report on the results of the international coordinated audit on protection of the Bug River catchment area against pollution (follow-up audit) was signed by the President of the Supreme Chamber of Control of the Republic of Poland, Mr Krzysztof Kwiatkowski, the Acting Chairman of the Accounting Chamber of Ukraine, Mr Aleksandr Yaremenko and the Chairman of the State Control Committee of the Republic of Belarus, Mr Leonid Anfimov (in absentia).

Plenary Session on “Best Practice of Supreme Audit Institutions in auditing the use of funds allocated to prevention and consequences elimination of disasters, in the context of the implementation of the 2030 Sustainable Development Goals adopted by the General Assembly of the United Nations”

The Working Group meeting was continued by the plenary session on the topic “Best Practice of Supreme Audit Institutions in auditing the use of funds allocated to prevention and consequences elimination of disasters, in the context of the implementation of the 2030 Sustainable Development Goals adopted by the General Assembly of the United Nations”. The plenary session was open to the Magistrates of the Court of Audit of the Italian Republic.

Ms Mickaela Rosecká, Chair of EUROSAI Goal Team 3 “Knowledge Sharing”, Supreme Audit Office of the Czech Republic, presented information on EUROSAI databases, namely audit reports, surveys, products. The database was created in 2015, Goal Team 3 was responsible for servicing. It included the main provisions of the conclusions drawn up on the results of the audits performed by the Supreme Audit Institutions of EUROSAI, as well as links to the source of information and, if possible, full texts of conclusions. To search for necessary information in the database, search filters should be used.

Mrs Arife Coşkun, Principal Auditor of the Turkish Court of Accounts made a presentation on “The role and contribution of SAIs in the implementation of disaster risk reduction policies”. The main objective of this policy is to prevent new and reduce existing risks of natural disasters by implementing integrated measures that reduce vulnerability to natural disasters, increase the readiness for response and recovery and, thus, strengthen sustainability. During the presentation, the global targets of this policy were presented, among which were: by 2030 to reduce mortality and the number of disaster victims, direct economic losses from disasters compared to the global gross domestic product (GDP), disaster damage to critical infrastructure and disruption of basic services through developing their resilience; increase the number of countries with national and local DRR strategies by 2020, availability of multi-hazard early warning systems and disaster risk information to people; enhance international cooperation and support to developing countries to complement national action plans.

Mr Dmitry Rodionov, Chief Inspector of the Accounts Chamber of the Russian Federation, made a presentation on “The role of the Accounting Chamber in the strategic planning system (in the context of the audit of funds allocated to prevention and consequences elimination of disasters)”. In his speech, he dwelt on the priority areas of the Russian Federation, covering health, education, housing, housing and communal services and the urban environment, international cooperation and exports, small business and support for initiatives of individual entrepreneurs, labor productivity, reform of control and supervisory activities, safe and high-quality roads, monocities and ecology.

Mrs Bettina Jakobsen, Member of the European Court of Auditors, presented the ECA Special Report No 33/2016 “Union Civil Protection Mechanism: the coordination of responses to disasters outside the EU has been broadly effective”. The European Union's civil protection mechanism established to promote swift and effective operational cooperation between national civil protection services. The main objectives of the mechanism are Strengthen the cooperation between the Union and the Mechanism's Participating States (Member States plus six non-EU countries) and to facilitate coordination in the field of civil protection in order to improve the effectiveness of systems for preventing, preparing for and responding to disasters. The new legal framework for EU civil protection in 2014 provided for the establishment of a coordinating center for emergency response and a volunteer group. It was noted that effective coordination between respondents is crucial for successful training and response to disasters. 50 million euro per year allocated to the operation of the Mechanism, one-third is dedicated to response interventions in third countries. The ECA has never audited the civil protection side of DG ECHO before. The following recommendations were made: develop the common communication and information systems' features to improve the overview of assistance provided and requested, to allow for a better follow-up of priorities and to enhance user-friendliness; strengthen on-the-ground coordination through improving the Civil

Protection teams' reporting, exploiting the presence of Field Network experts, and further involving EU Delegations; assess, together with the European Centre for Disease Prevention and Control, potential changes needed to strengthen arrangements for the deployment of experts outside the Union through the Civil Protection Mechanism; improve reporting by automating the production of statistics and indicators, thereby strengthening accountability.

Mr Giovanni Coppola, President of the Chamber, Head of the International Cooperation Division of the Court of Audit of the Italian Republic presented the “The new approach of the SAI in the audit activity in the context of prevention and consequences elimination of the disasters”. During the speech, he informed about two directions of the new approaches in this area: new types of “ex ante audit” and the involvement of our General Prosecutor office of the Italian Republic in the monitoring process to prevent any criminal organizations interference. The different ways to implement our “ex ante audit” can indicate the usefulness of this audit for its capacity to intercept the lacks in the administrative procedures finalized to public procurement. attention must be focused on the particular autonomy of the public bodies, involved in the emergency, to implement the procurement's activities requires, as well as on the regularity of procedures, the correctness of financial flows and the economy, effectiveness and efficiency of the management. In this regard, the fundamental issue is the timeliness of the SAIs action that cannot wait the end of the activities. This kind of audit allows, at once, to implement the analysis in a parallel way by the different Regional Audit Chambers, having the benefit to pursue a comparison among different managements with the further possibility to make adjustments during the time, to stop incorrect and/or uneconomic procedures and behaviors.

Mr Gennadii Shakh, Head of Standards, Analytics and Institutional Development Department of the Accounting Chamber of Ukraine, opened the second day of the plenary session with the presentation of the structure of the Good Practice Recommendations of Audits in the Field of Prevention and Consequences Elimination of Floods. Previously, the draft Good Practice Recommendations consists of four parts:

- the first part, after the preamble and introduction, contains a description of the scope of audits on the prevention and consequences elimination of floods;
- the second part – peculiarities of the audit in the field of prevention and consequences elimination of floods considering the provisions of ISSAI series 5500;
- the third part – international audits in the field of prevention and consequences elimination of floods;

- in the fourth part – implementation of the 2030 UN Agenda for Sustainable Development in the national programmes in the field of prevention and consequences elimination of floods.

Mr Sergei Fedchenko, Head of the main department for control over the work of the agro-industrial and environmental protection complexes of the State Control Committee of the Republic of Belarus, presented the results of performance audit of using budget funds allocated for overcoming the consequences of the Chernobyl catastrophe in the Republic of Belarus. It was informed about building a correct and full-fledged system for assessing the effectiveness of the state program, providing, in case of a violation, If a violation is detected, the sending of requirement on their elimination and bringing responsible to justice; recovery of budget funds that were illegally obtained, used with violation of budget law or not for its intended purpose; if necessary, updating the state program or amending the legislation. Also, the participants of meeting were informed that almost 100% of the affected population receive a free of charge special medical examination every year. Special control is over the state of the health of the participants in the liquidation of the consequences of the Chernobyl catastrophe (currently about 115,000 people in Belarus).

Ms Yuliya Myronenko, Head of division, Agricultural Industry, Nature Protection and Emergencies Audit Department of the Accounting Chamber of Ukraine, presented “Anthropogenic disasters and results of the follow-up audit of the Chernobyl Shelter Fund”. It was noted that this year follow-up confirmed that the recommendations continue being actively implemented and also contributing to making progress in solving key issues related to the implementation of the Shelter Implementation Plan and the conversion of the Shelter to environmentally friendly system.

Piotr Miklis, director of the regional brunch in Katowice (SAI of Poland), presented a report on the audit of the flood protection system. During the presentation, it was noted that every year NIK conducts audits projects connected with natural disasters and catastrophes caused by the human factor. Most of them concern the issue of flood protection, because flood was deemed the main natural threat in Poland. Separately, the following audits were highlighted: Audit of the Odra River Basin Protection Project (done annually 2014, 2015, 2016 and now on the run) in cooperation with the World Bank; Audit of the technical condition on main locks and dams (2015); Flood protection system in the Zhulawa area. Piotr Miklis emphasized that, having experience in the different types of audit, data and resources available, the SAI of Poland is ready to coordinate the European Flood Protection Audit, which will be conducted within the EUROSAI Working Group on the Audit of Funds Allocated to Disasters and Catastrophes, and proposed to hold a kick off meeting in September 2017 in Poland.

Mrs Carmen Stanescu, Member of the Romanian Court of Accounts, presented justification for choosing the theme “The performance audit on the efficiency and

effectiveness of programs and measures taken in order to prevent and to remove the effects of a major earthquake”. Mrs Stanescu noted that an overall national review of all the risks in Romania is one of the most important concerns of the Romanian central authorities involved in risk prevention, response and management. Very professional and well documented analysis of various hazards was developed over the past years, but a general common perspective on these hazards was never explored at national level until this report. A national risk assessment in Romania is of special importance for the level of interoperability among different domestic institutions, but also abroad. The European Commission considered this topic as highly important and development of a risk assessment at national level became one of the conditionality for accessing European funds for 2014-2020. The Romanian Court of Accounts conducted in 2012 an audit with the theme: “Performance of programmes and effectiveness and efficiency of the measures taken in order to prevent the effects of a major earthquake in Bucharest city”. In this regard we programmed the mission of audit with the theme “Performance of programs and effectiveness and efficiency of the measures taken in order to prevent the effects of a major earthquake in Bucharest city” between September and December 2017.

Ms Berna Ercan, Senior Auditor of the Turkish Court of Accounts, informed the participants of the meeting about preparations for the upcoming EUROSAI Congress in Istanbul 2017. The four-day program would consist of Congress plenary sessions, marketplace of ideas, breakout sessions and Governing Board meetings. The " marketplace of ideas was a new initiative that would allow the participants of the Congress to exchange views in the atmosphere of the dialogue to infuse the Strategic Plan, as well as provide an opportunity to draw the attention of all EUROSAI members to new initiatives and to implement them in the future.

Mr Denis Nikitin, Deputy Director of the Agricultural Industry, Nature Protection and Emergencies Audit Department; Head of division, presented common positions on cooperation of the SAIs within international coordinated audits in the framework of the group activities, which were signed by the interested SAIs of the group, namely:

- prevention and consequences elimination of earthquakes (SAIs of Turkey, Romania and Ukraine);
- prevention and consequences elimination of floods (SAIs of Belarus, Poland and Ukraine);
- waste management and utilization (SAI of Moldova and Ukraine).

The participants agreed that further interested SAIs could join the signed common positions in the working order.

Closing of the meeting

Mr Aleksandr Yaremenko, Acting Chairman of the Accounting Chamber of Ukraine, closed the third final meeting of the Working Group.

Mr Yaremenko, in his closing remarks, noted that the meeting provided an opportunity to effectively and fruitfully discuss important and relevant issues of prevention and consequences elimination of disasters; to share the experience gained in conducting audits in this field; summarize the activities of the group for three years and outline the directions for the future, and also focused on the results achieved by the Working Group and thanked all the members of the Working Group for active and fruitful cooperation and expressed confidence that the results of the work of the working group would further promote the deepening and extension of the international cooperation and coordination in control processes, fruitful solution of common problems.



III Meeting of EUROSAT WG on the Audit of Funds allocated to Disasters and Catastrophes

List of participants

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Chief Auditor

Ms Silvia Dobрева
Trainee Auditor

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