

Terms of Reference for a Project Group on *the Benefits and Methodologies of Real Time Audit*

1. General provisions

1.1 Name of the Project Group:

Benefits and Methodologies of Real Time Audit

1.2 Background and objective of the Project Group

The usefulness of Real Time Audit has already been highlighted in the past in the EUROSAI framework. For example, during the III EUROSAI - ASOSAI Conference in March 2019, with considerable foresight, the SAI of Israel presented the potential of Real Time Audit to address emergency situations.

Real Time Audit has been developed in different times and is carried out different ways in various Supreme Audit Institutions. Other SAIs do not carry our Real Time Audit at all.

The outbreak of the pandemic before and after the war, have highlighted the urgency to equip SAIs with new tools to deal with emergency situations, speeding up the process that has led various Institutions to consider the use, among other tools, of Real Time Audit. In fact, even during the recent XXIV INCOSAI, the issue of Real Time Audits has been brought to the attention of our Community.

In the SAIs framework, this type of audit has long been carried out, at least on paper, by some Institutions. In some cases, some regulatory instruments were lacking to give substance and practical implementation to this task.

What is important to be underlined is its usefulness and the consequent need to share and disseminate good practices in this regard. The Italian Corte dei conti experience and expertise on Real Time Audits could be taken into account as this methodology is applied to its audit systems already for some years now.

From the observation of an increasing interest in the matter, coming from SAIs that do not have this tool in their audit or in the request for comparison from those who use it albeit in a differentiated way, we came to the idea of creating a place where we can pool knowledge on the subject of Real Time Audit and create a shared lexicon, circumscribe the boundaries of this tool, highlight strengths and weaknesses in its use or non-use.

1.3 Link with EUROSAI Strategic Plan

1.3.1. This Project Group is directly related to the **Strategic Goal 1** in promoting audit-related cooperation by acting as a broker between members; supporting the development of innovative approaches and methods in audit and governance of SAIs; facilitating the sharing of knowledge and experience within EUROSAI and with external stakeholders and partners.

1.3.2. No duplication or overlaps with other activities of the EUROSAI Strategic Plan:

No duplication nor overlaps have been identified; however, a **beneficial impact on the Strategic Goal n.2** in terms of professional capacity building and increasing skills and competences could be taken into account.

2. Structural provisions

2.1 Lead SAI(s):

Corte dei conti (Italian Supreme Audit Institution)

2.2 Contact person(s):

Mr. Mauro OREFICE (mauro.orefice@corteconti.it; 003906 38762845)

International Affairs Office Team (ufficio.relazioni.internazionali@corteconti.it; 003906 38762653)

2.3 Participants:

The project group is open to all EUROSAI members on the basis of open participation. In order to comply with EUROSAI values and safeguard of inclusiveness, as foreseen in rule 67 of the General Procedures for the ESP 2017-2024, membership is open to all members of EUROSAI. To this end, the possibility to join the PG could be announced by the SG1 co-leaders and would be presented with the relevant ToR at next SG1 meeting.

3. Technical and procedural provisions

3.1 Intended Results:

What we wish to pursue is:

- Take stock of the situation regarding the use of Real Time Audit among European SAIs with an updated survey;
- Identify common practices on the one hand and differentiated and innovative practices on the other hand;
- Highlight the benefits and support training initiatives for the dissemination of methodologies adopted;
- Bring the methodologies and benefits arising from Real Time Audit in crisis situations to a current use;
- Develop a Methodological Paper;
- Evaluate the possibility of developing a parallel Real Time Audit.

3.2 Benefits to EUROSAI Membership:

- Without prejudice to the first and fundamental feature of Real Time Audits, linked precisely to the time factor, another feature that makes them extremely useful is their purpose to identify the most relevant areas and opportunities where mismanagement occurs.

In this sense, a Real Time Audit could also serve as a first and further support to a wider and traditional performance audit.

- Other benefits that could be taken into account could include:

- More awareness of the European SAIs about the updated situation regarding the use of this kind of audit;
- The possibility to share methodologies and best practices improving the existing Real Time Audits or supporting their establishment;
- The opportunity to explore new channels or regain the traditional ones for the mutual exchange of expertise, experience, and knowledge.

3.3 Duration & Key Milestones:

2023-2024

We would deem it appropriate to agree the milestones with the SAI that will join as members.

A kick-off meeting could be foreseen in the second week of May 2023 and, on that occasion, we would set the first steps with the relevant deadline.

Unless further developments emerge, the PG should complete its activity by 2024.**3.4 Working Methods:**

Surveys, e-mail, videoconferences, webinars, BIEP (or other) platform but also in person meetings could be envisaged.

3.5 Necessary Resources:

The Corte dei conti will provide staff to coordinate and carry out the activities.

EUROSAI member SAIs will be asked to give their contribution in terms of participation and expertise.

EUROSAI financial contribution could be envisaged for seminars carried out on this issue as foreseen in the EUROSAI Financial Rules (EFR).

3.6 Reference documents and materials:

- EUROSAI Strategic Plan (ESP) 2017-2024
- General Procedures for the ESP 2017-2024

4. Accountability provisions

The Corte dei conti will report as defined in the General Procedures for the EUROSAI Strategic Plan (GP of ESP).