EUROSAI magazine is published annually on behalf of EUROSAI (European Organisation of Supreme Audit Institutions) by the EUROSAI Secretariat. The electronic version of the magazine can be downloaded at eurosai.org/en/magazine/

The magazine is dedicated to the advancement of public auditing procedures and techniques as well as to providing information on EUROSAI activities.

The editors invite submissions of articles, reports and news items which should be sent to the editorial offices at:

TRIBUNAL DE CUENTAS, EUROSAI Secretariat.

E-mail: eurosai@tcu.es - eurosaimagazine@tcu.es

www.eurosai.org

Tel.: +34 91 446 04 66

The aforementioned address should also be used for any other correspondence related to the magazine.

The magazine is distributed to the Heads of all the Supreme Audit Institutions throughout Europe who participate in the work of EUROSAI.

EUROSAI magazine is published and supervised by Enriqueta Chicano Jávega, EUROSAI Secretary General; Guadalupe Fernández Espinosa, Director of the EUROSAI Secretariat; Myriam Rebollo Díaz, Jerónimo Hernández Casares and Patricia Kavelaars.

Designed, produced and printed by Punto y Coma Desarrollo y Comunicación Integral, S.L.L. EUROSAI magazine is printed on environmentally friendly, chlorine-free (EFC) 115 gsm coated paper, which is bio-degradable and can be recycled.

Printed in Spain.

The articles and contributions of this Magazine are under the exclusive responsibility of their authors. The opinions and beliefs are those of the contributors and do not necessarily reflect the views or policies of the Organisation.
## INDEX

### EDITORIAL
Enriqueta Chicano Jávega
President of the Spanish Court of Audit
Secretary General of EUROSAI

### 1. EUROSAI CONGRESS

#### 1.1. NEW PRESIDENT OF EUROSAI
Mr Miloslav Kala, President of the Supreme Audit Office of the Czech Republic

#### 1.2. SAI CZECH REPUBLIC HOSTED XI EUROSAI CONGRESS
Supreme Audit Office of the Czech Republic

### 2. EUROSAI ACTIVITIES

#### 2.1. NEW SECRETARY GENERAL OF EUROSAI

#### 2.2. EUROSAI GOVERNING BOARD MEETINGS
Turkish Court of Accounts
Supreme Audit Office of the Czech Republic

#### 2.3. EUROSAI ACTIVITIES 2020

#### 2.4. EUROSAI ACTIVITIES 2021

#### 2.5. ADVANCE OF EUROSAI ACTIVITIES 2022

#### 2.6. APPOINTMENTS IN EUROSAI MEMBERS DURING 2020

#### 2.7. APPOINTMENTS IN EUROSAI MEMBERS DURING 2021

#### 2.8. CONFERENCE OF THE HEADS OF THE SUPREME AUDIT INSTITUTIONS FROM ALBANIA, BOSNIA AND HERZEGOVINA, CROATIA, ITALY, MONTENEGRO AND SLOVENIA ON “MANAGING INTERVENTIONS IN CASE OF SUDDEN POLLUTION IN THE ADRIATIC SEA”
Audit Office of the Institutions of Bosnia and Herzegovina

### 3. IMPLEMENTATION OF THE EUROSAI STRATEGY

#### 3.1. EUROSAI STRATEGIC GOAL 1: PROFESSIONAL COOPERATION – WHAT LIES BEHIND THIS KEYWORD OF SUCCESS?
EUROSAI Strategic Goal 1.
Co-led by the National Audit Office of Lithuania and the German Bundesrechnungshof

#### 3.2. EUROSAI STRATEGIC GOAL 2: HELPING EUROSAI MEMBERS DEAL WITH NEW OPPORTUNITIES AND CHALLENGES BY SUPPORTING AND FACILITATING THEIR INSTITUTIONAL CAPACITY DEVELOPMENT
EUROSAI Strategic Goal 2.
Co-led by the Supreme Audit Office of Poland (NIK) and the Swedish National Audit Office (Swedish NAO)

#### 3.3. OVERALL GOVERNANCE AND CULTURE
Mr Miloslav Kala, President of the SAI of the Czech Republic and EUROSAI President
EUROSAI Presidency
Holder of the Portfolio on Overall Governance and Culture

#### 3.4. FUTURE PLANS FOR THE PORTFOLIO ON COMMUNICATION
Spanish Court of Audit - EUROSAI Secretariat

#### 3.5. PORTFOLIO ON RELATIONS WITH NON-SAI STAKEHOLDERS: UTILIZING SYNERGIES FOR SUCCESS
State Audit Office of the Republic of Latvia
Holder of the Portfolio on Relations with non-SAI Stakeholders

#### 3.6. NEW PERSPECTIVES FOR THE PORTFOLIO ON RELATIONS WITH INTOSAI AND ITS REGIONAL ORGANISATIONS
Spanish Court of Audit - EUROSAI Secretariat
Holder of the Portfolio on Relations with INTOSAI and its Regional Organisations

#### 3.7. PORTFOLIO ON EMERGING ISSUES AND FORWARD THINKING
United Kingdom National Audit Office (NAO)
Holder of the Portfolio on Emerging Issues and Forward Thinking
4. EUROSAI WORKING GROUPS AND TASK FORCES

4.1. EUROSAI WGEA ACTIVITIES IN 2020-2021
Supreme Audit Office of Poland
Chair of the EUROSAI Working Group on Environmental Auditing (WGEA)

4.2. ESTABLISHED PROJECTS AND NEW DEVELOPMENTS IN EUROSAI ITWG:
AN OVERVIEW OF THE 14th MEETING
EUROSAI ITWG Secretariat
National Audit Office of Estonia
Chair of the EUROSAI Working Group on Information Technologies (ITWG)

4.3. EUROSAI WORKING GROUP ON THE AUDIT OF FUNDS ALLOCATED TO DISASTERS
AND CATASTROPHES: THREE STEPS IN THE FUTURE
Accounting Chamber of Ukraine
Chair of the EUROSAI Working Group on the Audit of Funds Allocated to Disasters and Catastrophes

4.4. TASK FORCE ON MUNICIPALITY AUDIT: BUILDING A RESILIENT RECOVERY
National Audit Office of Lithuania
Chair of the EUROSAI Task Force on Municipality Audit (TFMA)

4.5. 2011-2021 - FROM THE EUROSAI TASK FORCE ON AUDIT & ETHICS TO THE EUROSAI
NETWORK ON ETHICS: STRENGTHENING ETHICS AS A PERMANENT AND RELEVANT
MATTER IN THE EUROSAI AGENDA
State Audit Office of Croatia
Chair of the EUROSAI Network for Ethics (N.ET)
Court of Auditors of Portugal
Former Chair of the EUROSAI Task Force on Audit & Ethics (TFA&E)

5. INFORMATION ON EU

5.1. HEADS OF EU SAIs DISCUSS RESPONSE TO COVID-19 CRISIS AND NEXT
GENERATION EU
European Court of Auditors

5.2. ANNUAL REPORTS OF THE EUROPEAN COURT OF AUDITORS
FOR THE 2020 FINANCIAL YEAR
European Court of Auditors

5.3. OTHER REPORTS, OPINIONS, REVIEWS AND PUBLICATIONS ISSUED BY THE EUROPEAN
COURT OF AUDITORS IN 2021
European Court of Auditors

5.4. NOVELTIES CONCERNING THE MEMBERS OF THE EUROPEAN COURT OF AUDITORS IN
2020-2021
European Court of Auditors

6. STUDIES AND OTHER ARTICLES

6.1. ALSAi CONTRIBUTION IN GOOD GOVERNANCE REGARDING THE COVID-19 PANDEMIC
Aulona Jani
Director, Department of Central Government Auditing
Aulent Guri
Senior Auditor, Department of Performance
SAI of Albania

6.2. LEVERAGING THE OPPORTUNITY OF A CRISIS – ESTONIAN NATIONAL
AUDIT OFFICE’S REVIEW OF LARGE-SCALE CRISIS MEASURES
Roel Burov
Auditor
Alvar Nõuakas
Data Analytics Project Manager, Head of the EUROSAI IT Working Group Secretariat
National Audit Office of Estonia

6.3. HOW THE EUROPEAN COURT OF AUDITORS TURNED THE NEW COVID-19 REALITY
INTO AN OPPORTUNITY
Leo Brincat
Member of the European Court of Auditors

6.4. SMALL STREAMS OF DATA ADDED UP TO A LARGE FLOW – A POSITIVE CONSEQUENCE
OF COVID-19
Visa Paajanen
Performance Audit Counsellor
National Audit Office of Finland
6.5. **A NEW AUDIT APPROACH IN RESPONSE TO CHALLENGES: THE IMPORTANCE OF CHANGE MANAGEMENT**  
László Domokos  
President of the State Audit Office of Hungary  
Bettina Martus  
Head of Risk Analysis Department  
State Audit Office of Hungary

6.6. **BEST PRACTISE OF SAI LATVIA IN RAPID RESPONSE TO THE DEMANDS OF EMERGENCY SITUATIONS**  
State Audit Office of the Republic of Latvia

6.7. **CHALLENGES IN INCREASING EFFICIENCY OF SUPPORT SCHEMES TO FIGHT THE COVID-19 CRISIS**  
National Audit Office of Lithuania

6.8. **ROMANIAN COURT OF ACCOUNTS DURING STATE OF EMERGENCY: CHALLENGES AND OPPORTUNITIES**  
First public crisis audit: 949 proceedings, 700 external public auditors involved, 60 days for reporting to Parliament  
Mihai Busuioc  
President of the Romanian Court of Accounts

6.9. **REFLECTIONS ON EXTERNAL AUDITS IN THE AFTERMATH OF THE COVID-19 PANDEMIC**  
Enriqueta Chicano Jávega  
President of the Spanish Court of Audit  
Secretary General of EUROSAI

6.10. **PANDEMIC MANAGEMENT, SUPREME AUDIT INSTITUTIONS (SAIs)' ROLE IN THE PANDEMIC RISK REDUCTION, AND RESPONDING TO COVID-19: EXPERIENCE AND PRACTICES OF THE TURKISH COURT OF ACCOUNTS (TCA)**  
Aysun Celebci  
Principal Auditor  
Turkish Court of Accounts

6.11. **GLOBAL CHALLENGES TESTING ABILITY OF SAIs TO REACT: TAKING MEASURES TO MITIGATE THE NEGATIVE IMPACT OF THE CONSEQUENCES CAUSED BY THE PANDEMIC COVID-19**  
Accounting Chamber of Ukraine

6.12. **COVID 19: THE EXPERIENCE OF AFRICAN SAIs AND OPPORTUNITIES UNCOVERED FOR ADDRESSING POTENTIAL CRISSES IN THE FUTURE**  
General Secretariat of AFROSAI

6.13. **ARABOSAI'S RESPONSE TO COVID-19 CRISIS**  
The General Secretariat of ARABOSAI

6.14. **GLOBAL CHALLENGES THAT PUT SAIs' REACTION CAPACITY TO THE TEST**  
ASOSAI’s response to the COVID-19 pandemic, a unique opportunity to be better prepared for future risks  
ASOSAI Secretariat, contributors: Board of Audit of Japan (SAI Japan), Board of Audit and Inspection of the Republic of Korea (SAI Korea), State Audit Office of the Kingdom of Thailand (SAI Thailand)

6.15. **THE VALUE OF WORKING TOGETHER AT OLACEFS IN THE CONTEXT OF THE COVID-19 PANDEMIC**  
Office of the Comptroller General of the Republic of Peru  
Presidency of the Organization of Latin American and Caribbean Supreme Audit Institutions - OLACEFS

6.16. **PIVOTING AND PROVIDING: HOW IDI UP-SCALED ITS SUPPORT FOR SAIS IN RESPONSE TO THE GLOBAL PANDEMIC**  
INTOSAI Development Initiative (IDI)

6.17. **REVIEW ON CLIMATE TRACKING METHODS**  
National Audit Office of Finland  
Vivi Niemenmaa  
Deputy Director  
National Audit Office of Finland

6.18. **ROLE OF DATA ANALYSIS ACTIVITIES IN AUDITING AND COPING WITH THE PANDEMIC**  
Nihan Polat  
Senior Auditor  
Turkish Court of Accounts

6.19. **THE ROLE OF THE STATE IN ENVIRONMENTAL AUDIT OF PREVENTING GLOBAL CHANGES AND PRESERVING BIODIVERSITY**  
Supreme Audit Institution of Kazakhstan
Dear Colleagues,

I am very pleased to welcome you to this new issue of our magazine.

As you know, since I was elected President of the Spanish Court of Audit in November 2021, I have been holding the position of Secretary General of EUROSAI, continuing the mission carried out by my predecessors, whom I thank for their great work. Allow me to take this opportunity to make special mention of my predecessor, María José de la Fuente y de la Calle, who was also Secretary General when the COVID 19 pandemic began.

I have been a Counsellor of the Spanish Court of Audit since 2012 and have had the opportunity to follow the important work carried out by EUROSAI in areas that include training, collective reflection on new matters for SAIs and the performance of cooperative audits on issues of joint interest. As a result, I take on this General Secretariat in full awareness of the important work of this Organisation and my responsibility for its support and promotion.

During these months I have also held meetings with several heads of member SAIs of our Organisation and I have observed an excellent climate of dialogue and collaboration. In particular, I would like to highlight the determination and clarity of purpose shared with me by the President of EUROSAI, Mr Miloslav Kala, also President of the Supreme Audit Office of the Czech Republic.

This is an occasion to renew the commitment to finish implementing the Strategic Plan 2017-2024, making EUROSAI a powerful intermediary and facilitator for its members, contributing to strengthening and improving public financial management and good governance, transparency and accountability, adding value-added to the lives of citizens and renewing the Organisation’s importance for its members.
The challenges facing European SAIs have increased in recent times. The need for European external control to provide a relevant response to issues such as the Sustainable Development Goals, cybersecurity, the lessons learned from how the pandemic has been managed and the audit of the extraordinary measures adopted to mitigate its effects underline the validity and appropriateness of the strategic goals that were defined: professional cooperation and the development of institutional capacity.

Addressing the above challenges means strengthening collaboration between SAIs to define suitable methodologies so that audit findings are relevant and appropriate and actively contribute to improving citizens’ quality of life. Exchanges of professional experience, the provision of specific training and cooperative audits can be very useful for speeding up progress.

On the other hand, support to SAIs for the consolidation and permanent updating of high levels of institutional quality requires the mechanisms referred to in the Strategic Plan for institutional capacity-building.

While the focus of this issue of our magazine is on how our institutions have dealt with the challenge of the pandemic, at the time of writing, I feel obliged to mention recent events in Ukraine. I would like to express my feelings of solidarity and affection for all the people who are suffering from the misfortunes of the war caused by Russian troops invading Ukraine.

This terrible situation led the Governing Board to hold an extraordinary meeting by videoconference and adopt an unprecedented resolution suspending all cooperation with the Accounts Chamber of the Russian Federation and the State Control Committee of the Republic of Belarus. The Governing Board also adopted a resolution to cooperate with and support the Accounting Chamber of Ukraine so that it can continue in its functions and maintain its independence. At the same time, EUROSAI members were encouraged to adopt similar resolutions. Our thoughts and hearts go out to the people of Ukraine and we fervently hope to see normality make a return to the EUROSAI community.
1.1. New president of EUROSAl
Mr Miloslav Kala, President of the Supreme Audit Office of the Czech Republic

1.2. SAI Czech Republic hosted XI EUROSAl Congress
At the first ever EUROSAI online Congress, which took place in April 2021, Mr Miloslav Kala, President of the Supreme Audit Office of the Czech Republic (SAO), assumed the position of EUROSAI President.

Mr Kala was born on 3 August 1963 in Boskovice. He lives nearby in Blansko and his entire life is linked to the region of South Moravia. In 1988, he graduated from the Faculty of Mechanical Engineering of the Brno University of Technology, in the study programme "Automation and Instrumentation Engineering". After his university studies, he worked at the Adamov Machine Works, first as a Design Engineer and later as the Head of Research and Development. Eventually, he took up the position of Managing Director and Member of the Board. From 1996 to 2000, he pursued a career of entrepreneur and economy consultant. Between the years 2000 and 2002, he acted as the Mayor of the town of Blansko. From 2002 to 2008, Mr Kala was a Member of the Chamber of Deputies of the Parliament of the Czech Republic.

During his term of office, from 2002 to 2006, he was the Vice-Chairman of the Mandate and Immunity Committee, Member of the Committee on Economic Affairs, and from 2002 to 2004 he was also a Member of the Committee on Constitutional and Legal Affairs. From 2003 to 2004, Mr Kala was a Member of the Managing Board of the Railway Infrastructure Administration. In the period 2004-2007, he was a Member and Chairman of the Advisory Committee of the Czech Consolidation Agency. In the parliamentary elections in 2006, Mr Kala was re-elected into the Chamber of Deputies. He became the Chairman of the Mandate and Immunity Committee and continued to be a Member of the Committee on Economic Affairs. He remained in the Chamber of Deputies until November 2008, when he was sworn in as the Vice-President of the Supreme Audit Office.

Apart from fulfilling his parliamentary duties, Mr Kala has also devoted his time and effort to academia. From 2002 to 2010, he acted as an external lecturer at the Masaryk University in Brno. Since 2018, he has been a Member of the Scientific Boards of the Faculty of Informatics and Statistics and the Faculty of Finance and Accounting of the University of Economics, Prague.

Mr Kala acted as the Vice-President of the Supreme Audit Office until 2013, when he was appointed as President of the SAO. In his capacity as President, Mr Kala initiated the tightening of budgetary rules, which resulted in annual savings amounting to 15 % of SAO’s budget. Under his leadership, the SAO targeted its audits on areas with a potential to make a true impact and on areas where with the help of SAO’s recommendations various negative phenomena could be rectified. The steps leading to the restoration of trust in the SAO as an impartial and independent institution have also been very successful, and today the SAO continues to be at the forefront of surveys on the citizens’ confidence in public institutions. In 2019, Mr Kala received a State Medal of the President of the Czech Republic – Medal of Merit for Service to the Republic in the Area of Economy. He is a holder of the Top Secret security clearance. Last but not least, one of the significant projects that Mr Kala has successfully brought to fruition was the construction of the new SAO headquarters. In 2021, the contract for the new SAO headquarters was awarded a prize for the Best Achievement in Public Procurement and the project came second in the European Competition for responsible and innovative public procurement, the Procura+ Award.

Mr Kala has contributed significantly to the development of international cooperation between supreme audit institutions. He advocated the launch of the so-called BIEP (Benchmarking Exchange Information Project), a robust application bringing together the vast majority of EUROSAI members and hundreds of auditors. The SAO has set up the BIEP project and continues to manage it. BIEP enables and facilitates the sharing of data, methodologies and good practices. The SAO also manages the EUROSAI Database of Audits, Products and Training Events.

Miloslav Kala is married and has one daughter and two sons.
After years of preparation and several changes in dates due to the COVID-19 pandemic, the Supreme Audit Office of the Czech Republic ("SAI Czech Republic") was finally honoured to host the XI European Organization of Supreme Audit Institutions ("EUROSAI") Congress on 14-15 April 2021.

In spring 2020, when the COVID-19 pandemic hit, SAI Czech Republic suggested postponing the in-person meeting in Prague to a new term of 30 May 2021 – 3 June 2021. Unfortunately, the unprecedented time of pandemic forced SAI Czech Republic to rearrange its plans once again, and at the 52nd EUROSAI Governing Board ("GB") meeting on 12 November 2020, it proposed to change the term and the form of the meeting. Having in mind all the anti-pandemic restrictions in the world, SAI Czech Republic decided to face the challenge and to organize this important event in the form of a videoconference in a new term.

It had to comply with many rules and standards connected with an organization of a EUROSAI Congress. To ensure the best quality of the interpretation into 5 official EUROSAI languages, the smooth running of the Congress as regards the technical part of the transmission, and to keep all the rules concerning the secret (encrypted) voting process, SAI Czech Republic hired a professional company that helped it deal with all the tasks.

To enable participants to register online, to choose a stream in the preferred language, to engage in the online chat or the discussion, to have all GB and Congress documents available, and to ask the helpdesk for help, a customised online platform was used. Cryptographic techniques were used to enable the secrecy of the ballot in online voting. The access to e-voting was authorised to Heads of Member SAIs of EUROSAI only, or to their duly authorised representatives. The identity of an eligible voter was anonymised. Only the confirmation that a voter cast a vote was available but it was impossible to determine how this person voted.
The Congress attracted 219 participants, including representatives of member SAIs and observers from the INTOSAI Secretariat, INTOSAI regional organizations (Chairs and Secretariats), INTOSAI Journal, INTOSAI Development Initiative (“IDI”), and European Confederation of Institutes of Internal Auditing (“ECIIA”).

SAI Czech Republic aimed to make the Congress as interesting as possible, without fatiguing participants with another long online event. To better suit the virtual format, SAI Czech Republic — in close cooperation with the EUROSAI Secretariat and approval of all EUROSAI Governing Board members — reduced the length of the General Plenary Session from 2.5 days to 2.5 hours and honed the agenda to focus only on topics of the utmost importance. This approach aligned with the Congress’ “3C-3I-3E” vision: Communication, Cooperation, & Comparison; Information, Innovation, & Interactivity; and Effectiveness, Efficiency, & Economy.

Per tradition, the General Plenary Session was preceded by the 53rd, and followed by the 54th, EUROSAI Governing Board Meeting.

The XI EUROSAI Congress brought the following results:

► The Presidency of EUROSAI was handed over from SAI Turkey to SAI Czech Republic

Mr Seyit Ahmet Baş, the outgoing President of EUROSAI, took this opportunity to congratulate SAI Czech Republic on taking over the Presidency of EUROSAI and presented a video in which he summarised the four years of SAI Turkey’s Presidency. In the video, Mr Baş recalled the X EUROSAI Congress in 2017 where he took over the Presidency from Mr Arno Visser, President of SAI Netherlands. Mr Baş also reminded the participants of the key aspects envisaged by the SAI Turkey during its Presidency, such as the importance of an open dialogue, in other words, establishing good communication channels between SAIs which may maximize contributions to the EUROSAI community. Based on the experience from the Presidency, Mr Baş expressed his belief that the spirit of “governing as a team” and “open dialogue” principles would contribute to the bright future of EUROSAI.

Mr Miloslav Kala, the incoming President of EUROSAI, mentioned in his speech that the vision of the SAI Czech Republic for EUROSAI was to act flexibly to the current needs of modern times, to be able to respond to the challenges and come up with practical solutions to meet the demands of auditors. SAIs should look for adequate answers that would bring added value to their members and citizens. The aim is to provide
innovative methods, ideas, and tools for auditors’ work and in order to achieve this goal the EUROSAI community should cooperate closely when looking for new audit methodologies and procedures. Therefore, it is of utmost importance to organise meetings not only at the top level but mainly on the auditors’ level. EUROSAI is a great platform for sharing, inspiring, and connecting, that is why SAI Czech Republic has launched the Benchmark Information Exchange Project (“BIEP”), which enables instant sharing of documents and discussion forums. Mr Kala stressed that under his Presidency SAI Czech Republic would promote and deepen such a way of cooperation.

► EUROSAI Statutes have been updated

Ms María José de la Fuente y de la Calle, Secretary General of EUROSAI, presented the changes made in the EUROSAI Statutes and the reasons behind them. A vote was performed on the issue of the update of the EUROSAI Statutes with the outcome that the update was approved by the Congress.

► SAI Israel was elected as the new EUROSAI Presidency for 2024-2027

SAI Israel was elected by 43 votes out of 48 as the host of the next Congress as well as the next EUROSAI Presidency. Israeli State Comptroller, Mr Matanyahu Englman, became the First Vice-President.

► Election of two Members of the EUROSAI Governing Board

The candidate SAIs for membership in the GB were the following: Bulgaria, ECA, Italy, Lithuania, Serbia, and the United Kingdom. In the first round of the elections, SAI United Kingdom was elected as the new GB member by vast majority of votes. In the second round of the elections, SAI Lithuania became the second new GB member. Mr Kala congratulated Mr Gareth Davies, Comptroller & Auditor General of SAI UK, and Mr Mindaugas Macijauskas, the Auditor General of SAI Lithuania, on their new posts.

► Election of EUROSAI auditors

The two current EUROSAI auditors were the SAIs of Bulgaria and Croatia and they both expressed their interest to audit the EUROSAI accounts in the next period as well. The GB had previously decided that continuity in this position was useful and since none of the candidates exceeded the maximum of three consecutive terms, the proposal to the Congress was to endorse both above-mentioned candidates. The Congress confirmed that the two candidates, SAI Bulgaria and SAI Croatia, would continue their role as the auditors of EUROSAI.

► Vote on the EUROSAI budget 2022-2024

After the election of the EUROSAI Auditors, an extraordinary vote was held on the approval of the EUROSAI Budget 2022-2024, based on the proposal of SAI Serbia. The EUROSAI Budget was approved by the Congress.

► Kosovo National Audit Office (KNAO) became a new member of EUROSAI

To commemorate the 30th anniversary of EUROSAI, SAI Czech Republic prepared a special publication and Mr Kala shared its content in a short video at the Congress. He also thanked all the SAIs that had sent their contributions to the publication. Each member SAI was able to see beforehand the publication that they were going to receive in a hard copy as well. Furthermore, Ms de la Fuente on behalf of the EUROSAI Secretariat shared a video with congratulatory messages from Regional Organisations of INTOSAI.

At the end of the meeting, Mr Kala emphasized the values he would like to foster and the objectives he aims to achieve, with the ultimate goal of building bridges between individual EUROSAI members while also taking into account their different needs.

When it is safe to travel and congregate, SAI Czech Republic plans to organize a “Prague Post-Congress Get-Together” incorporating parts of the Congress that were omitted in the online event and that will be more meaningful in person, such as workshops and a social programme. The get-together will also feature the “Marketplace,” which provides EUROSAI members with the opportunity to promote their current and future projects and inform colleagues about innovative approaches they are using in audit work.

1 This designation is without prejudice to positions on status and is in line with United Nations Security Council Resolution 1244/1999 and the International Court of Justice Opinion on the Kosovo declaration of independence.
2.1. New Secretary General of EUROSAI
2.2. EUROSAI Governing Board meetings
2.3. EUROSAI activities 2020
2.4. EUROSAI activities 2021
2.5. Advance of EUROSAI Activities 2022
2.6. Appointments in EUROSAI members during 2020
2.7. Appointments in EUROSAI members during 2021
2.8. Conference of the heads of the Supreme Audit Institutions from Albania, Bosnia and Herzegovina, Croatia, Italy, Montenegro and Slovenia on “Managing interventions in case of sudden pollution in the Adriatic Sea”
Ms Enriqueta Chicano Jávega was appointed President of the Spanish Court of Audit (SCA) by HM the King, with a three-year term, on 22nd November 2021. As President of the Spanish Court of Audit, she has also taken over from Ms María José de la Fuente y de la Calle as Secretary General of EUROSAI.

The President of the Spanish Court of Audit holds a degree in Law from the Complutense University of Madrid (1971) and is also a specialist in Labour and Social Security Law by the Legal Practice School of Madrid, an Attorney officer of the Corps of Senior Graduates of the National Institute for Occupational Safety and Health, and an officer of the Social Security’s Corps of Financial Control and Accounting.

Since 1971, she has successively exercised different professional responsibilities in various state bodies such as the National Institute for Occupational Safety and Health, the Ministry of Public Works, the General Directorate of Labour, etc., and she has also participated in various collegiate bodies related to the Spanish Government, the Senate and various Commissions and Councils of the Ministry of the Presidency.

Ms Chicano Jávega has participated as well in other initiatives such as the master’s degree in Human Rights granted by the Carlos III University of Madrid, the coordination of the collaboration program with the organisation Independent Sector to advance the interrelation between the Third Sector, the Business Sector and the Public Administrations, and the World Forum on Aging organised by the United Nations.

The President of the SCA has also been very active in the field of the defense of equality and women’s rights participating in numerous committees, conferences, research, studies and educational initiatives at the national and international level.

Her professional career in the Court of Audit began in 1997 at the Department in charge of auditing Local Entities. In 2012, she was appointed Member of the Court, as Head of the Department of the Political-Administrative Area of the State of the Audit Section, and assuming the presidency of the Equality Commission of the Court of Audit, constituted in June 2012, which is responsible for the promotion, development and approval of the I Plan for Equality between Women and Men of the SCA (2014), and for the organisation of the SCA’s annual Conference on gender equality. She has also coordinated the Group of Members for the preparation of the SCA’s Strategic Plan 2017-2021.

As a special mention, she has been awarded the Medal of the Order of Civil Merit.
The 51st meeting of the EUROSAI Governing Board (GB) was virtually held on the 3 June 2020. The meeting was chaired by Mr Seyit Ahmet Baş, former President of the Turkish Court of Accounts (TCA) and President of EUROSAI, with the participation of the GB members.

During the meeting, the agenda of the 51st GB meeting and the minutes of the 50th GB meeting were approved.

Due to the pandemic, XI EUROSAI Congress had been postponed until 30 May - 3 June 2021. The postponement of the XI Congress also brought about the extension of the term of office of the current Governing Board members.

Similarly, given that the new auditors would not be appointed by the Congress until June 2021, and by then the 2020 financial statements needed to be audited, the GB adopted the formal decision to extend the tenure of the SAIs of Bulgaria and Croatia as current external auditors of EUROSAI until the XI Congress.

The GB also approved to extend the budget 2018-2020 for an additional year (2021), which implies that the group fees of EUROSAI members would not be revised nor modified.

Regarding the WGEA and ITWG, the GB approved the extension of the mandates of the WGEA (chaired by SAI Poland) and ITWG (chaired by SAI Estonia) until the XI Congress (where their extension until 2024 will be included in the draft resolution to be submitted to the Congress for approval).

In respect of the Working Group on the Audit of Funds Allocated to Disasters and Catastrophes, the Task Force Audit & Ethics and the Task Force on Municipality Audit, the GB approved:

- The extension of their current respective Chairmanships until the XI Congress.
- The extension of the WG’s and TF’s mandates until the XI Congress.

Additionally, the GB took note that the reporting of portfolios and WGs/TFs will be done on a 4-year basis, to the GB immediately before the Congress.

The GB was concluded with the decision to hold the next GB meeting in autumn, with the attendance of observers and guests, as usual.

The 52nd meeting of the EUROSAI Governing Board (GB) was virtually held on 12 November 2020 which also coincided with the 30th Anniversary of EUROSAI.
EUROSAI Activities

In the opening ceremony, participants shared their valuable opinions and messages regarding EUROSAI’s 30th Anniversary. Mr Baş also, following his commemorative speech, stated with pleasure that the TCA created a “Memorial Plantation Area” in Ankara for the 30th anniversary of EUROSAI, consisting of trees dedicated to each member SAI with a nameplate on, representing EUROSAI’s deep-rooted past and cooperation that will hopefully last for many years. A video, regarding this memorial forest, was also shared by the TCA. Ms María José de la Fuente y de la Calle, the President of the SAI of Spain and Secretary General of EUROSAI, reflected on how 30 enthusiastic SAIs had gathered in 1990 in Madrid for the Constitutive Conference of EUROSAI and its first Congress, in a special moment for transformation in Europe, accompanying her words with pictures of that time. Other participants also joined in the congratulations on the EUROSAI anniversary. Additionally, the President of the SAI of Portugal, Mr José Tavares, and the Auditor General of the SAI of Lithuania, Mr Mindaugas Macijauskas, were congratulated on their recent appointment as such and warmly welcomed as observer and guest, respectively, of the GB.

As agreed at the 51st GB e-meeting, the submission of the mid-term review report (to be performed on a 4-year basis) was postponed until the upcoming XI Congress; therefore, GB took note of only the consolidated progress report of the EUROSAI Strategic Goals and EUROSAI Governance Portfolios as well as the individual progress reports submitted by the GB members related to their portfolios. The updated overall Operational Plan was also approved. Based on the proposal of the SG2 regarding the invitation of the INTOSAI Auditor Professionalization (TFIAP) to appoint a regional representative, a representative from the SAI of Romania was chosen to join the TFIAP in the period 2020 to 2022.

GB also decided that SAI of Ukraine would host the VI EUROSAI-ARABOSAI Joint Conference, in 2022, supporting the theme of “SAI’s auditing the effectiveness of climate change policy”.

Regarding the update of the organisation of the XI EUROSAI Congress in Prague next year, GB approved the proposal of the upcoming EUROSAI Presidency (the SAI of Czech Republic) to hold an administrative virtual XI Congress on 14-15 April 2021 and an in-person follow-up conference -for plenary sessions, workshops, and marketplace and social program-, in Prague and when the pandemic situation allows.

The application for EUROSAI membership that the Kosovo National Audit Office (KNAO) had submitted on 24 February 2020, following its admission in INTOSAI with effects as from the 1st of January 2020 was also on the agenda of the 52nd GB meeting and the GB approved the admission of the Kosovo National Audit Office (KNAO) as a EUROSAI member, by a majority of votes.

53rd EUROSAI Governing Board online meeting

53rd EUROSAI Governing Board meeting was held in the framework of the XI EUROSAI Congress, hosted online by the Czech Republic Supreme Audit Office on 14 April 2021. The meeting was chaired by Mr Seyit Ahmet Baş, former President of the Turkish Court of Accounts and EUROSAI.

In the first part of the meeting, the EUROSAI Secretariat presented the EUROSAI Activity Report 2017-2021. Following the Report, the Report on Implementation of the EUROSAI 2017-2021 Presidency Programme which summarized the main highlights during the Presidency of TCA along with a

---

1 This designation is without prejudice to positions on status and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.
summary of the main data about the implementation of the Strategic Plan was presented by Mr Baş through a reporting video.

In the second part of the meeting, the progress reports of Strategic Goals 1&2 and Governance Portfolios were presented containing an overall performance for the period of May 2017-April 2021. Mr Baş, in particular, reported on the work of the Overall governance and culture portfolio; the update of the General Procedures of the EUROSAI Strategic Plan (which, among other issues, aimed at including the Quality & Transparency protocol, the closure procedure for Project Groups and incorporate various GB decisions). Ms de la Fuente y de la Calle, Secretary General of EUROSAI, informed on the proposed update of the EUROSAI Statutes and the EUROSAI Financial Rules. Establishment of the Project Group on Auditing the Response to the COVID-19 pandemic (chaired by the United Kingdom and co-chaired by Finland) and the Project Group on Preparing for future risks and climate crisis: Time for audit to take a long-term view? (chaired by the European Court of Auditors and co-chaired by Finland) was also briefed by SAI of Finland. In this part, the Governing Board also took note of the activity reports of the Working Groups and Task Forces. Moreover, the proposal received from the SAI of Ukraine on the dates of the VI EUROSAI-ARABOSAI Joint Conference (17-19 May 2022) was supported.

Other decisions were also adopted to endorse documents and resolutions that were to be presented to the XI Congress, such as the draft update of the EUROSAI Strategic Plan or the draft budget 2022-2024. Equally, the Governing Board adopted the XI Congress’ Rules of Procedure and approved the list of observers to the Congress. The Secretary General informed on the candidacies received for each position and explained the voting procedure that would take place during the XI EUROSAI Congress.

The Secretary General presented diplomas prepared by the EUROSAI Secretariat in recognition and appreciation to the SAIs of Finland, Moldova and The Netherlands -whose terms as GB members ended after the 53rd GB meeting-, for their contributions to EUROSAI governance. The meeting ended with the farewell speeches of the members leaving the GB.

54th EUROSAI Governing Board online meeting

The 54th EUROSAI Governing Board (GB) was held the day after the XI online EUROSAI Congress. This was the first GB meeting presided by the Supreme Audit Office of the Czech Republic (SAO). Mr Miloslav Kala, President of SAO, welcomed new GB members elected at the XI EUROSAI Congress: SAI Israel, SAI Lithuania and SAI United Kingdom.

According to the EUROSAI Statutes, the successive EUROSAI Presidency, which is SAI Israel, fulfills the role of the 1st EUROSAI Vice-President. The 2nd Vice-President is elected at the first GB meeting following the EUROSAI Congress. Mr Kala, as the Chair of the GB meeting, reminded the GB members that SAI Poland had successfully acted in the past as Second Vice-President of the GB, acknowledged the excellent cooperation and suggested their continuing in this position. The GB endorsed the election of SAI Poland as the 2nd EUROSAI Vice-President.

One of the most important points on the GB meeting agenda was the allocation of EUROSAI Governance Portfolios. The Overall Governance and Culture portfolio was taken over from SAI Turkey (the former Presidency) by SAO as the new Presidency. SAI Poland expressed their interest in keeping the Strategic Goal 2 portfolio (Institutional capacity development) and the EUROSAI Secretariat kept its Relations with INTOSAI and its Regional Organisations portfolio. The leadership of these portfolios was endorsed by the GB. The rest of the portfolios were allocated as follows:

- Relations with non-SAI Stakeholders – SAI Latvia
- Emerging issues and Forward Thinking – SAI United Kingdom
- Communication – EUROSAI Secretariat / SAI Israel

The leadership of Strategic Goal 1 “Professional cooperation” (SG1) was subject to further discussion as both SAI Lithuania and SAI Turkey had expressed their interest in leading this portfolio.
EUROSAI Activities

As SG1 and SG2 are traditionally co-led by non-GB members, the GB approved the appointment of SAI Germany and SAI Sweden as the co-leaders SG1 and SG2, respectively. The GB also agreed upon the composition of the Coordination Team, which shall be composed of the Presidency, GB members responsible for SG1 and SG2 as members and the EUROSAI Secretariat as observer.

According to item 34g of the General Procedures for the EUROSAI Strategic Plan 2017-2024, drafting of the new ESP is entrusted to a PG under the leadership of the incoming Presidency (SAI Israel). Therefore, SAI Israel laid out its vision for this PG and also the vision of the XII EUROSAI Congress in Israel.

The representative of SAI United Kingdom offered to host the 55th EUROSAI GB meeting in autumn 2021, which was unanimously endorsed by the GB.

At the end of the meeting, Mr Englman from SAI Israel drew attention to the upcoming UN COP 26 (climate change conference) and suggested that EUROSAI could present its audit reports in the field of climate change to enhance the relevance of the work of SAIs.

55th EUROSAI Governing Board meeting in London (United Kingdom)

At the previous GB meeting, it was agreed that the 55th GB meeting would be held in London and the date was later set to 16 November 2021. Due to the ongoing COVID-19 pandemic, the meeting was organised in a hybrid manner.

The main goal of the GB meeting was to discuss and approve the Portfolios’ descriptions and Operation Plans of the EUROSAI Strategic Goals and Governance Portfolios. Also, the Portfolio holders presented the work of all project groups that fall under their respective portfolios – SG1, SG2 and other governance portfolios.

Within the Overall Governance and Culture portfolio, there was a proposal to establish a SAI independence rapid advocacy mechanism (SIRAM) in EUROSAI as SAIs’ independence has recently been threatened. Since IDI is in charge of operating the SIRAM mechanism that also EUROSAI SAIs can use and have successfully used, the GB members decided that the existing IDI SIRAM mechanism would be promoted to a greater extent within the EUROSAI community. Therefore, there is no need for a EUROSAI SIRAM-like mechanism.

The GB also entrusted the Presidency with the drafting of a procedure for answering enquiries from media, including those related to individual member SAIs, under the overall Governance Portfolio. The abovementioned proposal will be prepared in close coordination with the Secretariat, and it will be submitted to the GB for approval. This aims to assist EUROSAI’s Presidency (the Organisation’s official representative) to swiftly address these information requests and provide an official statement and/or comment on behalf of EUROSAI.

The Communication portfolio holders presented the possible structure and layout of the new EUROSAI website. The proposal was a result of joint efforts within the Project Group for the Relaunch of the EUROSAI website. The Portfolio holders asked the GB members for their consent to initiate the procurement for an external supplier that should participate in creating the new EUROSAI website. The GB supported this proposal.

The GB also supported the proposal submitted by the EUROSAI Presidency to be in charge of managing the EUROSAI Presidency Twitter account during the Czech Presidency period, while SAI Israel will be in charge of launching a EUROSAI YouTube channel. Furthermore, the current EUROSAI Presidency website will be integrated in the new EUROSAI website once this has been launched.

The Chair informed the GB members that the Prague Post-Congress Get-Together is going to be held in Prague on 22 – 24 May 2022. The GB accepted the kind offer of SAI Portugal (GB observer) to organise the 56th EUROSAI GB meeting in Lisbon in late September 2022.
## EUROSAI ACTIVITIES

### EUROSAI ACTIVITIES 2020

<table>
<thead>
<tr>
<th>Month</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>March</td>
<td>03 - 04 March. IT Self-Assessment ITSA Workshop (EUROSAI IT Working Group) and IT Audit Self-Assessment (ITASA) Workshop (EUROSAI IT Working Group) Bern (Switzerland)</td>
</tr>
<tr>
<td>April</td>
<td>07 - 08 April. EUROSAI WGEA Spring Session “Sustainable Energy” (e-seminar hosted by the Chair of WGEA)</td>
</tr>
</tbody>
</table>
| May | 13 May. EUROSAI-ECIIA joint webinar. “The Impact of COVID-19 for internal auditors in the Public Sector"  
14 May. e-Meeting: Project Group “follow-up of the implementation of audit recommendations” |
| June | 03 June. 51st EUROSAI Governing Board Meeting Online meeting  
04 June. EUROSAI Auditing the Response to the Covid-19 Global Pandemic Webinar (for the Heads of SAIs)  
04 June. Project Group on Auditing the Response to the Covid-19 pandemic - Webinar  
16 June. Project Group on Auditing the Response to the Covid-19 pandemic - Roundtable Discussions Online  
17 June. Project Group on Auditing the Response to the Covid-19 pandemic - Roundtable Discussions Online  
23 June. Project Group on Auditing the Response to the Covid-19 pandemic - Roundtable Discussions Online  
24 June. Project Group on Auditing the Response to the Covid-19 pandemic - Roundtable Discussions Online |
| July | 02 July. Project Group on Auditing the Response to the Covid-19 pandemic - Webinar  
16 July. EUROSAI Investigations Webinar |
| September | 09 - 11 September. IX EUROSAI-OLACEFS Joint Conference Online meeting  
28 - 30 September. 18th EUROSAI WGEA Annual Meeting Online meeting  
30 September. EUROSAI-ECIIA joint webinar Non-financial reporting (NFR) and Integrated Reporting (IR) in the Public Sector: towards integrated accountability and value creation stories based on integrated thinking |
### EUROSAI Activities

**October**

- **15 October.** EUROSAI Coordinating Team meeting, meeting at presidential level  
  Online meeting

- **09 November.** Project Group on “Preparing for future risks and climate crisis: Time for audit to take a long-term view?”: Informative e-session

- **12 November.** 52nd EUROSAI Governing Board Meeting  
  Online meeting

- **12 November.** e-Seminar of the EUROSAI Working Group on Information Technologies (ITWG) on the topic “SAIs and the digital turn: Developing IT skills and IT audit capacity”.

- **19 November.** 4th Annual meeting of the EUROSAI Task Force on Municipality Audit (TFMA)  
  Online meeting

- **19 November.** Project Group on Auditing the Response to the Covid-19 pandemic  
  - Workstream D1: Health and social care  
  Online meeting

- **23 November.** Project Group on Auditing the Response to the Covid-19 pandemic  
  - Workstream B2: Developing Audit Programmes  
  Online meeting

- **24 November.** Kick-off meeting of the new EUROSAI Project Group on “Preparing for future risks and climate crisis: Time for audit to take a long-term view?”  
  Online meeting

- **24 November.** 6th Meeting of the EUROSAI Working Group on the Audit of Funds Allocated to Disasters and Catastrophes  
  Online meeting

- **25 November.** e-Seminar of the EUROSAI Working Group on the Audit of Funds Allocated to Disasters and Catastrophes on the topic “Prevention of man-made disasters: three steps in the future”  
  Online meeting

- **30 November.** Project Group on Auditing the Response to the Covid-19 pandemic  
  - Workstream D2: Wider Emergency Response  
  Online meeting

**November**

- **03 December.** 4th e-meeting of EUROSAI Strategic Goal 1

- **07 December.** Project Group on Auditing the Response to the Covid-19 pandemic  
  - Workstream C2: Financial Audit  
  Online meeting

- **08 December.** EUROSAI Investigations Webinar II

- **17 December.** Project Group on Auditing the Response to the Covid-19 pandemic  
  - Workstream D1: Health and social care  
  Online meeting

---

**Acronyms:**

- ITWG - Information Technology Working Group
- WGEA - Working Group on Environmental Audit
- TFAAE - Task Force on Audit and Ethics
- TFMA - EUROSAI Task Force on Municipality Audit
### EUROSAI ACTIVITIES 2021

<table>
<thead>
<tr>
<th>Monthly Activity</th>
<th>Date</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>January</strong></td>
<td>28 January</td>
<td>EUROSAI-ECIIA joint webinar</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-financial and Integrated Reporting in the Public Sector</td>
</tr>
<tr>
<td><strong>February</strong></td>
<td>11 February</td>
<td>Project Group on Auditing the Response to the Covid-19 pandemic</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Workstream D1: Health and social care</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Online meeting</td>
</tr>
<tr>
<td><strong>March</strong></td>
<td>15 March</td>
<td>Project Group on Auditing the Response to the Covid-19 pandemic</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Workstream C2: Financial Audit</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Peer assist on gaining assurance remotely</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Online meeting</td>
</tr>
<tr>
<td><strong>March</strong></td>
<td>16 March</td>
<td>11th Annual Meeting of the EUROSAI Task Force on Audit &amp; Ethics (TFA&amp;E)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Online meeting</td>
</tr>
<tr>
<td><strong>March</strong></td>
<td>22 March</td>
<td>EUROSAI Coordination Team Meeting</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Online meeting</td>
</tr>
<tr>
<td><strong>March</strong></td>
<td>26 March</td>
<td>Project Group on Auditing the Response to the Covid-19 pandemic</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Webinar</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Experience Sharing Webinar to update Heads of SAIs on the PG’s progress so far</td>
</tr>
<tr>
<td><strong>April</strong></td>
<td>14 April</td>
<td>53rd EUROSAI Governing Board Meeting</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Online</td>
</tr>
<tr>
<td><strong>April</strong></td>
<td>14 April</td>
<td>XI EUROSAI Congress (Plenary Session)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Online</td>
</tr>
<tr>
<td><strong>April</strong></td>
<td>15 April</td>
<td>54th EUROSAI Governing Board Meeting</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Online</td>
</tr>
<tr>
<td><strong>April</strong></td>
<td>26 - 27 April</td>
<td>EUROSAI WGEA Spring Session</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Waste management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Online meeting</td>
</tr>
<tr>
<td><strong>April</strong></td>
<td>27 April</td>
<td>Project Group on Auditing the Response to the Covid-19 pandemic</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Workstream D1: Health and social care</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Online meeting</td>
</tr>
<tr>
<td><strong>May</strong></td>
<td>11 May</td>
<td>e-Seminar of the EUROSAI Working Group on Information Technologies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(ITWG) on the topic “From Code to Action: SAIs Discovering the World of AI”</td>
</tr>
</tbody>
</table>
### EUROSAI Activities

<table>
<thead>
<tr>
<th><strong>June</strong></th>
<th><strong>July</strong></th>
<th><strong>September</strong></th>
<th><strong>October</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>04 June.</strong> e-Seminar of the EUROSAI Project Group on “Follow-up of the implementation of audit recommendations”</td>
<td><strong>05 - 08 July.</strong> 2nd EUROSAI Investigations Seminar</td>
<td><strong>13 September.</strong> The awareness raising session “Localisation, mainstreaming and integration of the SDGs at municipal level”</td>
<td><strong>01 October.</strong> Strategic Goal 2 (SG2) Meeting</td>
</tr>
<tr>
<td></td>
<td><strong>23 June.</strong> EUROSAI-ECIIA joint webinar Integrated Reporting in the Public Sector</td>
<td></td>
<td><strong>01 October.</strong> 2nd meeting at technical level of the Governing Board members Prague (Czech Republic) &amp; Online</td>
</tr>
<tr>
<td></td>
<td><strong>28 June.</strong> EUROSAI Coordinating Team meeting, meeting at technical level</td>
<td><strong>14 September.</strong> IT Self-assessment (ITSA) and IT Audit Self-assessment (ITASA) Update Meetings Online</td>
<td><strong>13 - 15 October.</strong> 2nd meeting at technical level of the Governing Board members Prague (Czech Republic) &amp; Online</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>15 October.</strong> 2nd meeting of the PG for the “Relaunch of the EUROSAI’s Website” Online</td>
</tr>
<tr>
<td></td>
<td><strong>30 June.</strong> 1st meeting at technical level of the Governing Board members Online meeting</td>
<td><strong>15 September.</strong> Brainstorming Session for EUROSAI Strategic Goal 1 “Professional Cooperation” Online meeting</td>
<td><strong>15 October.</strong> 2nd meeting of the PG for the “Relaunch of the EUROSAI’s Website” Online</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>21 September.</strong> 1st meeting of the PG for the “Relaunch of the EUROSAI’s Website” Online</td>
<td><strong>19 - 20 October.</strong> 19th EUROSAI WGEA Annual Meeting Online</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>22 October.</strong> 3rd meeting of the PG for the “Relaunch of the EUROSAI’s Website” Online</td>
</tr>
</tbody>
</table>

---

**June 04**

- **23 June.** EUROSAI-ECIIA joint webinar
  - Integrated Reporting in the Public Sector

**June 28**

- **EUROSAI Coordinating Team meeting, meeting at technical level**
  - Online meeting

**June 30**

- **1st meeting at technical level of the Governing Board members**
  - Online meeting

**July 05 - 08**

- **2nd EUROSAI Investigations Seminar**
  - Online meeting

**July 07**

- **The awareness raising session “General concept of SDGs, progress at national and subnational levels”**
  - Online meeting

**September 13**

- **The awareness raising session “Localisation, mainstreaming and integration of the SDGs at municipal level”**
  - Online meeting

**September 14**

- **IT Self-assessment (ITSA) and IT Audit Self-assessment (ITASA) Update Meetings**
  - Online

**September 15**

- **Brainstorming Session for EUROSAI Strategic Goal 1 “Professional Cooperation”**
  - Online meeting

**September 21**

- **1st meeting of the PG for the “Relaunch of the EUROSAI’s Website”**
  - Online

**October 01**

- **Strategic Goal 2 (SG2) Meeting**
  - Online

**October 13 - 15**

- **2nd meeting at technical level of the Governing Board members Prague (Czech Republic) & Online**

**October 15**

- **2nd meeting of the PG for the “Relaunch of the EUROSAI’s Website”**
  - Online

**October 19 - 20**

- **19th EUROSAI WGEA Annual Meeting**
  - Online

**October 22**

- **3rd meeting of the PG for the “Relaunch of the EUROSAI’s Website”**
  - Online
**November**

**03 November.** 4th TFMA Annual Seminar “Municipal Real Estate Management”
Budva (Montenegro)

**04 November.** 5th Annual meeting of the EUROSAI Task Force on Municipality Audit (TFMA)
Budva (Montenegro)

**04 November.** EUROSAI / ECA ‘side event’ in the UN Climate Change COP26
Glasgow (United Kingdom) & online

**09 - 10 November.** 14th Meeting of the EUROSAI Working Group on Information Technologies (ITWG)
Tallinn (Estonia) & Online

**16 November.** 55th EUROSAI Governing Board Meeting
London (United Kingdom) & Online
## ADVANCE OF EUROSAI ACTIVITIES

### 2022

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
<th>Event</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>31 January</td>
<td>EUROSAI Project Group on future risks and climate change - Foresight Workshop</td>
<td>Online</td>
</tr>
<tr>
<td>February</td>
<td>04 February</td>
<td>EUROSAI Coordination Team meeting, meeting at technical level</td>
<td>Online</td>
</tr>
<tr>
<td></td>
<td>24 February</td>
<td>EUROSAI (TFMA) members’ meeting “Exchanging the latest audits results, innovations in municipal audits or innovations boosted by audits”</td>
<td>Online</td>
</tr>
<tr>
<td>March</td>
<td>04 March</td>
<td>4th meeting of the EUROSAI PG for the “Relaunch of the EUROSAI’s Website”</td>
<td>Online</td>
</tr>
<tr>
<td></td>
<td>30 March</td>
<td>EUROSAI-ECIIA virtual event “European Public Sector Forum: New challenges for internal and external auditors in the Public Sector”</td>
<td>Online</td>
</tr>
<tr>
<td>April</td>
<td>07 April</td>
<td>Seminar on “Learning from the COVID-19 Pandemic”</td>
<td>Online</td>
</tr>
<tr>
<td></td>
<td>12 April</td>
<td>e-Seminar of the EUROSAI ITWG on the topic “Water behind the dam – challenges regarding data flow for a SAI”</td>
<td>Online</td>
</tr>
<tr>
<td></td>
<td>26 April</td>
<td>Kick-off meeting of the EUROSAI Project Group on Data Envelopment Analysis (DEA) and other benchmarking methods</td>
<td>Online</td>
</tr>
<tr>
<td>May</td>
<td>22 - 24 May</td>
<td>EUROSAI Post-Congress Get-Together</td>
<td>Prague (Czech Republic)</td>
</tr>
<tr>
<td>June</td>
<td>27 - 29 June</td>
<td>3rd meeting at technical level of the EUROSAI Governing Board</td>
<td>Warsaw (Poland)</td>
</tr>
<tr>
<td>September</td>
<td>6 - 7 September</td>
<td>15th Meeting of the EUROSAI Working Group on Information Technologies (ITWG)</td>
<td>Bucharest (Romania) &amp; online</td>
</tr>
<tr>
<td></td>
<td>12 - 15 September</td>
<td>5th Young EUROSAI (YES)</td>
<td>Stockholm (Sweden)</td>
</tr>
<tr>
<td></td>
<td>21 - 22 September</td>
<td>57th EUROSAI Governing Board meeting</td>
<td>Lisbon (Portugal)</td>
</tr>
<tr>
<td>October</td>
<td>19 - 20 October</td>
<td>6th Annual Meeting of EUROSAI TFMA and the 5th Annual Seminar “Digitalisation of public service delivery and administration in municipalities”</td>
<td>Vilnius (Lithuania)</td>
</tr>
</tbody>
</table>
APPOINTMENTS IN EUROSAI MEMBERS DURING 2020

Mr Mindaugas Macijauskas
Auditor General of the National Audit Office of Lithuania

Mr Pierre Moscovici
First President of the Cour des comptes of France

Mr Ivan Tertel
Chairman of the State Control Committee of the Republic of Belarus

Mr Arben Shehu
Chairman of the State Supreme Audit of Albania

Mr Guido Carlino
President of the Corte dei conti of Italy

Mr José F.F. Tavares
President of the Tribunal de Contas of Portugal

Mr Vugar Gulmammadov
Re-Appointed Chairman of the Chamber of Accounts of the Republic of Azerbaijan
APPOINTMENTS IN EUROSAI MEMBERS DURING 2021

Mr Vasily Gerasimov
Chairman of the State Control Committee of the Republic of Belarus

Mr Rolands Irklis
Auditor General of the Republic of Latvia

Mr Charles Deguara
Reelected Auditor General of Malta

Mr Metin Yener
President of the Turkish Court of Accounts
CONFERENCE OF THE HEADS OF THE SUPREME AUDIT INSTITUTIONS FROM ALBANIA, BOSNIA AND HERZEGOVINA, CROATIA, ITALY, MONTENEGRO AND SLOVENIA ON “MANAGING INTERVENTIONS IN CASE OF SUDDEN POLLUTION IN THE ADRIATIC SEA”

Trieste, 23rd September 2021

Audit Office of the Institutions of Bosnia and Herzegovina

Heads of Supreme Audit Institutions from Albania, Bosnia and Herzegovina, Croatia, Italy, Montenegro and Slovenia met in Trieste, Italy, on 22-23 September 2021, to mark a successful conclusion of a parallel performance audit project on managing interventions in case of sudden pollution in the Adriatic Sea. The meeting was kindly hosted by the SAI of Italy, Corte dei Conti.

The parallel performance audit project was initiated by the State Audit Office of Croatia in 2019 and had gathered seven public sector audit institutions from six countries to examine the efficiency of governments in preventing and managing response systems in the case of marine pollution in the Adriatic Sea.

The project resulted in a Compendium of short summaries of individual audit reports published by contributing SAIs. The integral part of the Compendium is a joint statement signed by the Heads of the SAIs during the meeting in Trieste, urging the Governments to adopt measures aimed at strengthening prevention and management response systems for marine pollution caused by sudden and accidental spills of hydrocarbons and other hazardous and noxious substances most frequently transported in the Adriatic Sea.

The SAIs also believe that the environmental risk associated with the occurrence of serious maritime accidents requires cross-border cooperation for emergency management, to be implemented through the adoption of a common emergency response plan for all the States bordering the Adriatic Sea and the organisation of joint exercise programs.

With a view to enhance the cooperation for the protection of the Adriatic Sea – as a common natural heritage among Albania, Bosnia and Herzegovina, Croatia, Italy, Montenegro and Slovenia – the SAIs hope for the establishment of a permanent Committee or an expert cooperation platform for the exchange of information and experiences, dissemination and transfer of good practices as well as for the development of common environmental projects focused on prevention and management response to marine pollution.

The participants of the Trieste meeting, which was, alongside the Heads of the SAIs, also attended by audit staff engaged in national performance audits, agreed on the possibilities to continue the cooperation with a view to follow up the implementation of recommendations given in the parallel performance audit reports. They also stressed out the benefits of coordinated audits expressing readiness to continue joint cooperation in the future.
IMPLEMENTATION OF
THE EUROSAI STRATEGY

STRATEGIC GOALS AND GOVERNANCE PORTFOLIOS
OF THE EUROSAI STRATEGIC PLAN 2017 - 2024

3.1. EUROSAI Strategic Goal 1: Professional cooperation – What lies behind this keyword of success?

3.2. EUROSAI Strategic Goal 2: Helping EUROSAI members deal with new opportunities and challenges by supporting and facilitating their institutional capacity development

3.3. Overall Governance and Culture

3.4. Future plans for the Portfolio on Communication

3.5. Portfolio on Relations with non-SAI Stakeholders: Utilizing synergies for success

3.6. New perspectives for the Portfolio on Relations with INTOSAI and its Regional Organisations

3.7. Portfolio on Emerging Issues and Forward Thinking
EUROSAI Strategic Goal 1
Co-led by the National Audit Office of Lithuania and the German Bundesrechnungshof

For the fifth time, the EUROSAI members discussed ongoing projects and new ideas on how to implement EUROSAI Strategic Goal 1 (SG1) on professional cooperation. The meeting was held as a videoconference on 15 September 2021.

The importance of SG1

Supporting effective, innovative and relevant audits by promoting and brokering professional cooperation – this is what Strategic Goal in the EUROSAI Strategic Plan 2017–2024 is all about.

Working towards this goal, the EUROSAI community is focusing on three objectives: to promote audit-related cooperation by acting as a broker between members; to support the development of innovate audit approaches and methods making use of new technologies; and to facilitate the sharing of knowledge and experience within EUROSAI and with external stakeholders and partners.

Recognizing the importance of professional cooperation, EUROSAI members implemented a number of significant projects, the progress of which is periodically discussed in the meetings. The last one brought together 76 participants in the four brainstorming sessions.

After the changes that took place at the XI EUROSAI Congress in April 2021, Auditor General Mindaugas Macijauskas and President Kay Scheller presented the new co-leading SAIs – the National Audit Office of Lithuania (Governing Board Member) and the German Bundesrechnungshof – responsible for the successful implementation of EUROSAI SG1 for the next three years.

The fact that this period will be challenging, useful and fruitful was illustrated by ongoing projects and new ideas presented by members of the EUROSAI community at the meeting. In addition to these presentations, progress reports on current projects of the EUROSAI IT Working Group, the EUROSAI Working Group on the Audits of Funds Allocated to Disasters and Catastrophes, and the EUROSAI Task Force on Municipality Audit were presented. All of them are actively working in the same direction towards SG1 – to increase, to improve, and to streamline professional cooperation.

Projects leading forward

The SAI of the Czech Republic presented the platform for data sharing – Benchmarking International Exchange Project (BIEP), which became a useful tool to improve knowledge for auditors, especially during the COVID-19 pandemic. This project continues with maximum acceleration and has lots of plans for the future: to motivate auditors to use BIEP as the common form of communication, to integrate international comparisons to SAI’s audits and come up with new comparison proposals, to modify and to extend the functionality of the BIEP platform to make it user-friendly, and also to deepen and intensify cooperation and information sharing between existing working groups.

Another current project whose progress was presented by the SAI of the Czech Republic are the four EUROSAI databases. One of them – the database of audits – has paid off quite well: it accumulates audit reports in national languages and summaries in English. The database of products as well as the database of surveys need better marketing – what new products could be included here, what kind of products does auditor community need, etc. As practice has shown, the last two – the database of trainings and the database of surveys – so far have not received enough attention, therefore a decision on their future has to be taken.

At the meeting, the participants learned how the SAI of Israel is doing on the "Parallel audit on Workforce 2030". Participating in this project, SAIs could learn how other countries address this issue, identify core issues and coordinate audit plans,
EUROSAI Strategy

methodology, recommendations. Involved SAIs have already produced individual national reports and the consolidated report is planned to be signed by the end of 2021.

The SAI of the Netherlands summarized its ongoing project “Investigations: Webinar and Summer school” - two webinars took place last year in July and December, and an in person seminar will be organized when possible.

The topicality of the last two years – COVID-19 – is being discussed in the project “Auditing the Response to the COVID-19 Pandemic” and the SAI of the United Kingdom presented what has been done within its framework. After the first year, a progress report was issued, and the Project Group will continue after a consultation on which areas should be reviewed. The focus is likely to be on public finances, resilience of public services, procurement of vaccines and other possible areas.

One more important project – the "Ethics network" – linking EUROSAI SG1 and SG2, was presented by the SAI of Croatia. With the support from the SAI of Portugal, the project aims to create a permanent online collaboration platform for Ethics issues. It was set up by the XI EUROSAI Congress and continues the work of the former Task Force on Audit and Ethics in a different format. Finally, the "Ethics network" was successfully launched in December 2021.

Looking ahead

What new ideas and projects await the EUROSAI community in the future to achieve SG1? What are the horizons and opportunities of professional cooperation?

In the four brainstorming sessions participants had productive discussions, after which, as a result, four new initiatives were proposed: "Club of experts" by the SAI of Lithuania, “Auditing in the new normal: connecting technology to audit processes” and "Raising awareness of the SAIs on the enterprise risk management" by the SAI of Turkey and “Traveling webinars” by the SAI of Israel. At a later stage the SAI of Lithuania co-partnering with the SAI of Israel launched a new merged Project group called "Travelling Club of Experts".

The “Travelling Club of Experts” is an idea for auditors and methodologists, the aim of which is to foster an informal professional cooperation among auditors on audit, audit methodology related topics, that are not covered by EUROSAI working groups, networks, project groups, or other activities, and to engage a larger number of SAIs to be involved in EUROSAI’s activities on the auditors’ level. The SAI of Lithuania together with SAI of Israel will be held as the hub of the club, that would initiate activities: organize online events/webinars, moderate discussions, actively participate in promoting “Travelling Club of Experts” among EUROSAI members.
Before COVID-19, the audit processes were evolving with the emergence of new technology already and now this has become much more important than ever. This perception became the basis for the proposed initiative – "Auditing in the new normal: connecting technology to audit processes". In order to implement this idea, the SAI of Turkey aims to identify the current situation among SAIs in connecting technology to audit processes, sharing best practices, identifying the needs in this field and preparing a roadmap for the post-COVID-19 era.

Another proposed initiative focuses on another important issue – risk management. Implementing it, the SAI of Turkey aims not only to determine the level of awareness of the SAIs on enterprise risk management of the auditees, but also to lay the groundwork for the development of methodology by creating an understanding of how enterprise risks will be reflected in the annual audit plans and the selection of audit topics.

In accordance with established procedures, all of these initiatives have Terms of Reference prepared already.

The last initiative, presented by the SAI of Israel at the online meeting, is oriented towards a frequent and efficient knowledge sharing and is named "Traveling webinars". It aims at strengthening communication and interaction between SAIs at the auditor’s level.

A few last thoughts

Assessing the progress made towards the implementation of SG1, the co-leaders would like to thank all those actively involved in generating ideas and implementing the projects, as well as using the proposed platforms, databases and products. It is clear that only joint efforts of all EUROSAI members make SGs achievable and effective.

The success that accompanies us depends on the synergies and involvement of the entire EUROSAI community. It is likely that the results achieved by SG1 will not only lay the foundations for strong professional cooperation, but also build strong bridges between SAIs and become an integral part of daily auditors’ work.

Both co-leaders look forward to the active involvement and participation of all SAIs in current and new initiatives. All ideas, suggestions, questions related to the objectives of SG1 are welcome at international@vkontrole.lt and postfach.eurosaisg1@brh.bund.de
EUROSAI STRATEGIC GOAL 2: HELPING EUROSAI MEMBERS DEAL WITH NEW OPPORTUNITIES AND CHALLENGES BY SUPPORTING AND FACILITATING THEIR INSTITUTIONAL CAPACITY DEVELOPMENT

The Polish NIK and the Swedish NAO have been co-leading the implementation of the EUROSAI Strategic Goal 2 (SG2) since 2017, and from the very beginning we have been trying to apply agile project management, find demand-driven initiatives, and focus on results. While the principle of quality before quantity and adding value for EUROSAI members have been paramount drivers of the SG2 implementation.

The XI EUROSAI Congress of April 2021 marked the beginning of the latter part of the current strategic plan 2017–2024 and the chairmanship of the Supreme Audit Office of the Czech Republic. The SAIs of Poland and Sweden were entrusted with a renewed responsibility to co-lead the implementation of the EUROSAI Strategic Goal 2.

Some projects are still running from the period 2017–2021. For instance, the EUROSAI Audit Methodology project, intended to support SAIs in developing and improving their working methods, and to identify their potential needs, will have a second edition once in person meetings are again possible. Likewise, the EUROSAI Internship and Secondment Programme – the programme was initiated in 2019, with a view of helping SAIs develop knowledge and skills of their staff.

The project on Communication on INTOSAI Professional Pronouncements, led by SAI Sweden in its capacity as the EUROSAI representative in the INTOSAI Professional Standards Committee (PSC), aims to provide EUROSAI members with information on INTOSAI’s standard setting works. A workshop on knowledge and implementation of the INTOSAI Framework of Professional Pronouncement (IFPP) is planned for the EUROSAI Get Together in Prague in May 2022.

The joint project of EUROSAI and the European Confederation of Institutes of Internal Auditing (ECIIA) aims to enhance knowledge on the Integrated Reporting concept, and to promote its potential benefits to EUROSAI and ECIIA members. The project was finalised in October 2021.
Needs of EUROSAI members and Strategic Goal 2 Brainstorming meeting

Our aim as co-leaders of SG2 implementation is to establish, a clear operative direction and to continue to broaden and deepen the portfolio 2022-2024 – in line with the needs of EUROSAI members. The first-of-its-kind brainstorming meeting of Strategic Goal 2 was held on 1 October as a kick-off in the aspirations to make our ambition come true. More than 50 auditors from nearly 30 SAIs attended the meeting and listened to presentations by, among other, the EUROSAI Presidency and the EUROSAI Secretariat. The main goal of the meeting was to discuss ideas for new projects to be run within SG2. The following ideas for projects were presented:

- **Audit English** (led by the SAI Poland, with the SAIs of Sweden and UK as vice-chairs) – the objective of the project is to harmonise the English terminology related to public auditing and control.

- **Civil Society** – cooperation of SAIs with civil society, and citizen engagement in the interest of enhanced SAIs’ impact and improved accountability.

- **SAI Evaluation tools and methods** (SAI of Sweden) – to help SAIs navigate among available tools to measure and assess their performance and operations.

- **Data Envelopment Analysis, or DEA** (SAI of Sweden) – a quantitative method to empirically measure efficiency of decision-making units, to be possibly used in performance audits.

- **Cooperation with the United Nations in relation to SDG audits** (SAI of Turkey) – cooperation at the early stage of audit preparation, so that audits are best developed to assess the progress of SDGs implementation – to the mutual interest of SAIs and the UN.

Implementation of the EUROSAI Strategic Goal 2, apart from its projects, comprises also initiatives and activities of EUROSAI working groups and taskforces which help develop institutional capacity of European SAIs. Their works are also vital in exploring the needs and demands of EUROSAI members and add to diagnoses from peer-reviews or self-assessments.

EUROSAI – a contributor to strengthening audit capacity in Europe

From our perspective, we firmly believe that the business of EUROSAI is to be of strategic importance and that it will continue to develop as an agile and relevant organisation. We should remember that the development of institutional capacity depends on joint responsibility of EUROSAI members. Therefore, we would like to encourage all SAIs to actively participate in EUROSAI initiatives – either by joining the existing projects, or by providing proposals for activities and projects that will further contribute to capacity building in our region.
OVERALL GOVERNANCE AND CULTURE

Mr Miloslav Kala, President of the SAI of the Czech Republic and EUROSAI President
EUROSAI Presidency
Holder of the Portfolio on Overall Governance and Culture

The most important goals of the EUROSAI portfolio Overall Governance and Culture are to review, revise and, if necessary, propose EUROSAI’s core documents to improve the governance, structure and functioning of EUROSAI. In addition, also to contribute to the efficient and flexible functioning of the organisation through a culture of openness and discussion and to assist the Governing Board members to fulfil their portfolios. Among other things to promote the inclusiveness of the EUROSAI, taking into account the diversity of the region and last but not least to coordinate and regularly monitor the implementation of the EUROSAI Operational Plan.

- During May and June 2021 the EUROSAI Presidency held many online meetings with portfolio holders in order to discuss plans and goals in their respective portfolios and how the Presidency can be of any assistance to them.

- EUROSAI Coordination Team (SAI Czech Republic, SAI Lithuania, SAI Poland and the EUROSAI Secretariat) for the first time met online on 28th June 2021 and the participants had a productive discussion about Terms of reference received and also a brainstorming session on how operational plans should be drafted and communicated.

- Another important event was the EUROSAI Governing Board meeting at technical level which took place on 30th June 2021. Due to the COVID pandemic restrictions it was organized in an online form (via MS Teams) during which representatives of the Governing Board introduced their portfolios and on the basis of this technical meeting they set as a goal to prepare operational plans.

- In September 2021, a EUROSAI database brainstorming was conducted under an online EUROSAI Strategic Goal 1 meeting. Also, a questionnaire survey was carried out. The brainstorming session resulted in the decision to merge four databases into one and the consensus to coordinate the merge with the update of the EUROSAI website within the Project Group for the Relaunch of EUROSAI’s Website. Other aims that were set during the brainstorming session were as follows:

  1.1. to improve a visual part of the EUROSAI database
  1.2. new functionalities (key words, new topics, etc.)
  1.3. possibility of more precise searching

- The 2nd Governing Board meeting at technical level took place in Prague on 14th - 15th October 2021 in a hybrid way. There were participants in person as well as those who were present online. The main topic of the Governing Board meeting was to present operational plans of each portfolio and discussion about the agenda of the 55th Governing Board Meeting in London. This was the first hybrid event of the EUROSAI Presidency. Availing of the opportunity to be in one place, also a kick-off meeting of the project group for Drafting the EUROSAI Strategic Plan for the years 2024-2030, and the second meeting of the Project Group for the Relaunch of EUROSAI’s Website took place in Prague.

Since September 2021 there is still ongoing coordination of preparations of the 55th EUROSAI Governing Board meeting in London as well as regular participation in meetings regarding the EUROSAI website and its new update.

If you have any questions, ideas, suggestions for improvements, feel free to contact us. If you want to get more actively involved, you have a specific idea that falls under the objectives of the portfolio, please contact us.

Presidency2021-2024@nku.cz
FUTURE PLANS FOR THE PORTFOLIO ON COMMUNICATION

Spanish Court of Audit - EUROSAI Secretariat
Holder of the Portfolio on Communication

During its 54th meeting of April 2021, the EUROSAI Governing Board (GB) assigned the Portfolio on Communication for the period 2021 - 2024 to the Spanish Court of Audit (EUROSAI Secretariat) and to the SAI of Israel (1st Vice-Presidency of EUROSAI) as leader and co-leader respectively of the Portfolio. The Secretariat is an essential part of EUROSAI’s communication, and its direct involvement was necessary in this new stage of the Portfolio on Communication as it is the main contact point for all EUROSAI matters, it administers the EUROSAI website, and it publishes the EUROSAI Magazine.

The Portfolio on Communication was first established in 2017 and led by the SAI of Latvia until the XI EUROSAI Congress. During this time, the EUROSAI Communication Framework (ECF) was reviewed and as a result of that work, the modified ECF was eventually approved by the XI Congress in April 2021.

The Secretariat has given careful thought to the main themes outlined in the abovementioned EFC while selecting the focus and roadmap for the Portfolio on Communication in the coming period. In this regard, EUROSAI, as an Organisation, views communication as a strategic tool aimed at:

- Developing successfully as an Organisation
- Strengthening the relationship among its members
- Being a powerful support platform for external public sector auditors in Europe
- Promoting its external image

The Communication Portfolio will be guided by the principles of understandability, simplicity, dialogue, action-oriented focus, accessibility, accuracy and objectivity, and timeliness, and it will pursue the following overall goal:

“That EUROSAI members recognise EUROSAI as a promoter of its common interests and as a support in their work”

The Portfolio will also “promote increased member participation and extend the value of EUROSAI’s activities among its members and other stakeholders through enhanced communications”, which is one of the guiding principles included in the EUROSAI Strategic Plan 2017-2024.

ESP 2017-2024
Guiding principle

“To promote increased member participation and extend the value of EUROSAI’s activities among its members and other stakeholders through enhanced communications”
For the successful implementation of initiatives, the Portfolio on Communication has been designed to effectively reach the identified target audiences in EUROSAI, including key target audiences (members and their staff), other EUROSAI target audiences (key actors and structures, INTOSAI related bodies and non-SAI stakeholders), as well as SAI’s target audiences as described in the ECF.

Among the main activities planned to be developed under this portfolio, the following can be highlighted:

- **Detailed guidelines** for implementing an effective and enhanced communication in EUROSAI, in development of the updated Communication Framework.
EUROSAI Strategy

- **Relaunch of a new EUROSAI website.** This task is being carried out by the Project Group for the “Relaunch of EUROSAI’s Website” set up in June 2021, under the leadership of the SAI of Spain - in its capacity as EUROSAI Secretariat and administrator of the EUROSAI website - and with the participation of a number of key EUROSAI actors.

  The new website is meant to make EUROSAI activities and products more visible and accessible to the members, as well as to other stakeholders, reaching out to all the EUROSAI community and encouraging active participation in the Organisation’s initiatives and projects. With this in mind, the PG launched a Survey in September 2021 to gather the views and needs of EUROSAI members and main stakeholders for the new website.

  The proposal for a new website presented by this PG was supported by the GB last November, in its 55th meeting, during which it also entrusted the Secretariat to take the necessary steps to relaunch the website.

- **Enhancement of EUROSAI publications,** reviewing the format and content of the **EUROSAI Magazine** - as a result of which it could be transformed into a digital magazine or even into another type of publication; and launching a regular **Highlights Newsletter,** featuring a modern and attractive design.

- **Enlarging EUROSAI channels to widely reach out to its audience,** entering social media gradually as an additional regular communication channel, starting with **Twitter** and the EUROSAI Presidency website. A **YouTube** channel will be also used to disseminate videos with EUROSAI related content.

- **Fostering promotion of EUROSAI with practical tools,** including several initiatives to facilitate the knowledge of EUROSAI as Organisation such as the drafting of **Welcome packages to newcomers in the EUROSAI community.**

---

1. https://twitter.com/EUROSAI_OP
PORTFOLIO ON RELATIONS WITH NON-SAI STAKEHOLDERS: UTILIZING SYNERGIES FOR SUCCESS

State Audit Office of the Republic of Latvia
Holder of the Portfolio on Relations with non-SAI Stakeholders

Introduction

With the 15 April 2021 EUROSAI Governing Board decision, the State Audit Office of the Republic of Latvia was entrusted to take on the portfolio Relations with non-SAI stakeholders. The objective of the portfolio is to provide EUROSAI, as an organization, as well as its members, with an external network that can assist in improving audit work and increasing the impact of EUROSA and SAI institutions.

In the period from now until the next Congress to take place in 2024, SAI Latvia aims to continue developing relations with external non-SAI organizations via the following tracks:

International-level network development: Focus on solidification of professional cooperation and knowledge sharing with relevant organizations internationally.

Capacity building on non-SAI stakeholder engagement: Build upon national-level experiences with non-SAI stakeholders to strengthen value for citizens.

"SAIs should engage with stakeholders, recognising their different roles, and consider their views, without compromising the SAI’s independence."

Prepared by SAI Latvia

Capacity building


Considering the growing interests and practises of integrated reporting, this is one item that will need to be further discussed among EUROSAI members to gauge the scope of continued cooperation with ECIIA in this area. Here the Portfolio will tap in to work conducted by SAI Poland under the INTOSAI Sub-Committee on Internal Control Standards to create synergy of this work.
In October 2021, discussions with ECIIA signalled their interest to continue the cooperation already established under the Portfolio and this will be further explored.

Prepared by SAI Latvia

Mapping exercise

Preliminary mapping commenced under SAI Netherlands continues in the Portfolio.

International-level network development

Over the course of its operations, EUROSAI as an organization has had cooperation with several audit-related entities. Previous work on the non-SAI portfolio indicates a mutual interest to structure and expand further on these established relations.

During the period up to 2024, we will explore the demand of EUROSAI structures and relevant opportunities “on the market” to cover the demand for networking with relevant organizations and international events. This will include:

- On-going identification of opportunities to organize EUROSAI input in international events or cooperation with relevant organizations (review of interests and matching to fora that would be suitable for EUROSAI members, Working groups and emerging issues portfolio); and

- In cooperation with EUROSAI members, prepare and organize events to showcase experience.
Indicator: 1 to 2 events a year

As the second direction, EUROSAI member SAIs’ experiences will be explored to tap into the full potential of EUROSAI as a whole. Members have a wealth of good practices in cooperating with NGOs and other organizations nationally and the codification of this knowledge will include:

- Survey among EUROSAI members on experiences in working with NGOs and other organizations on the national level;
- Extraction and exchange of best practices applied by EUROSAI members.

Indicator: International exchange of experience (format TBD)

Outcome 2021: Participation in the United National Climate COP26 in Glasgow.

In cooperation with the European Court of Auditors (ECA) and upon the initiative of the Vice-President of EUROSAI - Auditor General of Israel, EUROSAI presented its experience on the roles of SAIs in climate change policy, general information on what SAIs can provide to governments and public in monitoring implementation of climate change policy (guiding principles, policy planning and delivery). Case studies were presented by SAI Israel and UK NAO. Building upon the COP26 event, an additional INTOSAI WGEA event was organized on 8 November assembling INTOSAI and EUROSAI members to further discuss strengthening capacities in environmental audits to support SDG13.

Outlook 2022

For the year 2022, we will continue to:

- initiate discussions with main potential counterparts;
- review the success of the COP26 experience and build upon it in establishing other venues to showcase the contribution EUROSAI can make to international processes;
- gauge interest of EUROSAI members and the structures in which they are involved (incl. portfolios);
- survey among EUROSAI members on experiences in working with NGOs and other organizations on the national level which will feed into the Portfolio Outlook 2023.
NEW PERSPECTIVES FOR THE PORTFOLIO ON RELATIONS WITH INTOSAI AND ITS REGIONAL ORGANISATIONS

Spanish Court of Audit - EUROSAI Secretariat
Holder of the Portfolio on Relations with INTOSAI and its Regional Organisations

The Spanish Court of Audit will continue to hold the portfolio on Relations with INTOSAI and its Regional Organisations during the period 2021-2024, as agreed by the GB at its 54th meeting that was held in April 2021. The Spanish Court of Audit has maintained a strategic role in EUROSAI as Secretariat, and has developed strong and close contacts with INTOSAI, its bodies, IDI, and EUROSAI’s peers in the INTOSAI community over the years.

This portfolio on Relations with INTOSAI and its Regional Organisations is an enlarged version of the previous one, Relations with Other INTOSAI Regional Organisations, which ran from 2017 to 2021. The goal of this broadening of the portfolio’s scope is to strengthen and publicise the Organisation’s relationships with INTOSAI structures.

It is useful to recall the tight relationship between EUROSAI and INTOSAI, as well as their bodies, as background information (INTOSAI GB, Secretariat, IDI, IDC, Committees, etcetera). In this sense, both the INTOSAI Secretariat and IDI are observers at EUROSAI Governing Board meetings and report on them regularly. Similarly, the EUROSAI Secretariat reports on EUROSAI operations at INTOSAI Governing Board and Congress meetings on a regular basis. It also represents EUROSAI in key INTOSAI bodies like the CBC Steering Committee, the INTOSAI-Donor Cooperation (IDC) Steering Committee, the INTOSAI Supervisory Committee on Emerging Issues (SCEI), and the Regional Capacity Development Forum. At the same time, and for those specific matters that fall under the purview of other EUROSAI major figures, appropriate EUROSAI liaisons with certain INTOSAI structures have been set up as needed.
Please locate the current overall picture of all those exchanges in the chart below, which clearly demonstrates the tight cooperation between EUROSAI and INTOSAI, as well as the Secretariat’s role (highlighted in bold type).

**CHART - EUROSAI Representation in INTOSAI Structures**

<table>
<thead>
<tr>
<th>INTOSAI BODY</th>
<th>EUROSAI liaison/representation</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTOSAI Congress (INCOSAI)</td>
<td>EUROSAI Secretariat (as guest)</td>
</tr>
<tr>
<td>INTOSAI Governing Board</td>
<td>SAI of Poland and Portugal, as members of the INTOSAI GB (EUROSAI representatives) and <strong>EUROSAI Secretariat</strong> as guest</td>
</tr>
<tr>
<td>INTOSAI PSC</td>
<td>SAI of Sweden</td>
</tr>
<tr>
<td><strong>INTOSAI CBC</strong></td>
<td></td>
</tr>
<tr>
<td>Steering Committee</td>
<td>EUROSAI Secretariat and the SAI of Poland as Strategic Goal 2 co-leader</td>
</tr>
<tr>
<td>Peer to peer workstream within CBC</td>
<td>SAI of Poland</td>
</tr>
<tr>
<td>IntoSAINT workstream within CBC</td>
<td>SAI of the Netherlands and ECA</td>
</tr>
<tr>
<td>Task Force on INTOSAI Auditor Professionalization</td>
<td>an expert from SAI of Romania (2020-2022)</td>
</tr>
<tr>
<td>Regional Capacity Development Forum</td>
<td>EUROSAI Secretariat and the SAI of Poland as Strategic Goal 2 co-leader</td>
</tr>
<tr>
<td>INTOSAI Regions Coordination Platform and Round table of Regions</td>
<td>EUROSAI Secretariat, Presidency and the SAI of Poland as Strategic Goal 2 co-leader</td>
</tr>
<tr>
<td>INTOSAI Development Initiative (IDI)</td>
<td>EUROSAI Secretariat</td>
</tr>
<tr>
<td>INTOSAI-Donor Cooperation (IDC) Steering Committee</td>
<td>EUROSAI Secretariat</td>
</tr>
<tr>
<td>2020 Global Survey Committee</td>
<td>EUROSAI Secretariat</td>
</tr>
<tr>
<td><strong>SCEI</strong></td>
<td></td>
</tr>
<tr>
<td>INTOSAI Supervisory Committee on Emerging Issues (SCEI)</td>
<td>EUROSAI Secretariat</td>
</tr>
<tr>
<td>Expert Group on COVID-19 set up by the SCEI</td>
<td>EUROSAI Secretariat, in close coordination with the EUROSAI COVID-19 PG leaders</td>
</tr>
<tr>
<td>INTOSAI Journal editorial board</td>
<td>EUROSAI Secretariat</td>
</tr>
<tr>
<td>Task Force on the INTOSAI Strategic Plan 2023-2028</td>
<td>EUROSAI Secretariat and Presidency</td>
</tr>
</tbody>
</table>
It’s also worth mentioning EUROSAI’s long-standing collaboration with other INTOSAI Regional Organisations, primarily OLACEFS, ARABOSAI, and ASOSAI, with whom EUROSAI has previously signed cooperation agreements. Since 2000, joint conferences between EUROSAI and each of the aforementioned Regional Organisations have been the primary means of collaboration, with bilateral ToRs signed in 2018 to boost such events. ToRs with ASOSAI and OLACEFS have proved to be of great value in the Joint Conferences hosted by the SAI of Israel (EUROSAI-ASOSAI 2019) and the SAI of Hungary (EUROSAI-OLACEFS 2020).

The ToR signed with ARABOSAI is presently leading the organisation of the VI EUROSAI-ARABOSAI Joint Conference, which should be hosted by the SAI of Ukraine in Kyiv from 17-19 May 2022. In addition, AFROS AI and EUROSAI have agreed to and implemented a Memorandum of Understanding (MOU) and a framework for cooperation. Furthermore, EUROSAI is committed to strengthening its ties with other regional organisations, as seen by the “Regional Round table” discussions held on the margins of the INTOSAI-Region Cooperation Platform meetings. Representatives from the INTOSAI Regional Organisations meet in these “Regional Round table” conferences to discuss issues of common concern in a very practical manner. So far, two of these sessions have taken place - in 2018 (Oslo) and 2019 (Cape Town).

The Portfolio on “Relations with INTOSAI and its Regional Organisations” will address the following two guiding principles of the ESP 2017-2024:

- **Principle 4**: Identify, represent and advocate its members’ views and interests on subjects under development in INTOSAI.
- **Principle 6**: Enhance its cooperation with other Regional Organisations of INTOSAI fostering different forms of knowledge sharing and cooperation.

At the same time, it will be developed with due coordination with the co-leaders of:

- **Strategic Goal 1** – SAI s of Lithuania and Germany
  - regarding objective 1.3 To facilitate the sharing of knowledge and experience within EUROSAI and with external stakeholders and partners

- **Strategic Goal 2** – SAI s of Poland and Sweden
  - regarding objective 2.5 Represent EUROSAI in the wider INTOSAI Community through the appointment of specific liaisons
The portfolio’s goals include channelling fluid and close relationships with INTOSAI and its bodies, representing EUROSAI in the structures, fora, and events to which the Secretariat is invited, ensuring appropriate representation of EUROSAI interests in INTOSAI, and enhancing EUROSAI cooperation with other INTOSAI Regional Organisations by improving existing cooperation mechanisms and encouraging new forms of knowledge sharing and cooperation. As a result, the portfolio focuses on:

### A) As for the INTOSAI structures:

- **Ensuring appropriate representation in INTOSAI of EUROSAI interests** by supporting the process of nominating representatives of EUROSAI in INTOSAI GB and carrying out swift coordination, feedback and follow up on key issues in the field of the EUROSAI-INTOSAI relations.

  > **Representing EUROSAI in INTOSAI and its bodies**, which includes participating in those INTOSAI structures meetings and contributing to their work, except for those cases in which there is a specific liaison already appointed, as detailed in the chart.

  > **Channelling relations between EUROSAI and INTOSAI and its bodies**, redirecting the collaboration requests received to the appropriate actors within EUROSAI (in those cases where the proposed cooperation falls under the scope of action of a EUROSAI actor other than the Secretariat).

### B) As for the INTOSAI Regional Organisations:

- **Managing and channeling the relations with EUROSAI’s peers in INTOSAI to reinforce cooperation with them**, mostly in line with the SG1 of the ESP 2017-2024;

- **Promoting different forms of knowledge sharing and cooperation activities**, to be executed by the respective actors and implementing bodies of EUROSAI; and

- **Fostering dialogue and exchange of best practice and experiences in the Fora of INTOSAI Regional Organisations** (e.g., CBC workstreams, Regional Forum for Capacity Development, INTOSAI Regions Coordination Platform and its Regional round tables), in close coordination with the co-leaders of SG2, to identify areas of mutual interest, both on governance and capacity development.
PORTFOLIO ON EMERGING ISSUES AND FORWARD THINKING

United Kingdom National Audit Office (NAO)
Holder of the Portfolio on Emerging Issues and Forward Thinking

Introduction

It was Abraham Lincoln who said: “The best way to predict the future is to create it”. We don’t take that quote literally, but we do believe in being proactive and not waiting for events to unfold. Working hard now, so that we don’t have to work even harder at a later date.

We were therefore very pleased to be assigned responsibility for the portfolio Emerging Issues and Forward Thinking since being elected to the Governing Board at the XI EUROSAI Congress in April 2021. We see this as an exciting opportunity for us and others who would like to be involved. In this article we would like to set out briefly our proposed approach to working with you and hopefully spark interest in the work that will emerge from it.

Our approach to our Portfolio on Emerging Issues and Forward Thinking

Being proactive and looking beyond the horizon is what this portfolio is about. We are grateful for the excellent work that SAI Finland have made to progress thinking in this area and we will build upon it. Our objective will be to promote excellence in audit by supporting EUROSAI members to identify, and more importantly, act upon emerging strategic and operational issues in a timely way.

Researching emerging issues is one key responsibility. We have made a start on this process by carrying out a review of SAI strategic plans in our region. We have also held a brainstorming session with other SAIs and used the previous survey results from SAI Finland. The research identified the following issues as being of significant interest to many of us:

- **Technological developments** – big data, artificial intelligence, implications of data storage and ownership and cyber security

- **Environment, climate and sustainability** – climate change and net zero, accounting implications of environmental reporting. Also, more widely the implementation of UN Strategic Development goals

- **Demographic changes** – impact on public services on changes to the make-up of the population (for example, increasingly ageing profile of the population)

- **Citizen engagement** – more systematic approaches to obtaining views of citizens who have changing expectations of transparency and accountability

- **Moving boundaries of public sector audit** – relationship between national and regional or local government and new models of public service delivery
• **Government preparedness for future emergency responses** – heavily influenced by learning from COVID-19 pandemic

• **Engagement with stakeholders** – how audit engages with external bodies that help support the delivery of public services

• **Economic recovery from the pandemic** – government’s approach to support businesses, organisations and the public to help support economic recovery

We will continue this research and make sure that this is communicated effectively with EUROSAI members and consult with you on which emerging issues would benefit from a formal project group to carry out a deeper dive. To ensure that we take a global approach to spotting issues we will work with the Secretariat to ensure continued cooperation with INTOSAI Supervisory Committee on Emerging Issues. We will also work with SAI Latvia to communicate issues identified by external stakeholders. Working with this portfolio holder will be important to make sure that we feed in the knowledge and views from key bodies such as the UN, OECD, IMF, World Bank etc.

We aim to oversee the portfolio with the principle that we help translate discussion into action and help SAIs identify concrete steps to take to address and respond best to these emerging issues. For example, this could be about how to design and weight a portfolio, or new audit methodologies that reflect different risks, or that the right information is shared across European SAIs to spread best practice. This will be done by supporting the agendas within the initiatives that fall out of Strategic Goal 1 and 2. For example, we will work with initiatives such as the “Travelling Club of Experts” and the Audit Methodology meetings.

We look forward to working closely with other SAIs and international organisations to identify the issues that matter most and try to help us to be on the front foot to identify the vexing and pertinent issues of tomorrow.
EUROSAI WORKING GROUPS AND TASK FORCES

4.1. EUROSAI WGEA activities in 2020-2021

4.2. Established projects and new developments in EUROSAI ITWG: an overview of the 14th meeting

4.3. EUROSAI Working Group on the Audit of Funds Allocated to Disasters and Catastrophes: Three steps in the future

4.4. Task Force on Municipality Audit: Building a resilient recovery

4.5. 2011-2021 - From the EUROSAI Task Force on Audit & Ethics to the EUROSAI Network on Ethics: Strengthening Ethics as a Permanent and Relevant Matter in the EUROSAI Agenda
EUROSAI WGEA ACTIVITIES IN 2020-2021

Supreme Audit Office of Poland
Chair of the EUROSAI Working Group on Environmental Auditing (WGEA)

The last two years have passed under the sign of COVID-19 and it also influenced activity of the EWGEA. However, thanks to the determination and good energy present among the participants, fruitful cooperation was continued mainly in an online formula.

Meetings:
Spring Session on Sustainable Energy was held on 7-8 April 2020

Speakers representing institutions beyond SAIs shared presentations on topics such as Renewable Energy Beyond 2020 or Exploiting solar Energy - Evaluation of Feed-in Tariff Schemes for Photovoltaics. Besides auditors from particular SAIs presented the results of their national audits i.a. relating the following issues: Renewable energy grant schemes and offshore wind power in the Netherlands or Support to solar power in Sweden. During the session an idea of the common audit on energy occurred. SAIs decided to consider this proposal and define a possible audit area.

The issue of air pollution is still one of the main sources of health and even a life threat to many inhabitants of the European continent. The danger related to the presence of hazardous substances in the air around us is present both in large metropolises and smaller towns. Pollution is mainly caused by industry, transport, low emissions and agriculture. The annual meeting was divided into three parts. At the beginning of the first one, participants had the opportunity to get to listen to representatives of European institutions including the European Union and European Environment Agency. The next speakers were employees of Polish institutions responsible for the preparation of policies concerning the protection of air quality (Ministry of Climate) and financing of specific projects resulting from these policies (Polish National Fund for Environmental Protection and Water Management). A representative of the Polish NGO discussed the effectiveness of state authorities' activities. During the session on the second day, the participants' attention was focused on the results of national audits in the field of air protection. All speakers - representatives of the SAIs participating in EWGEA - discussed their experiences resulting from the tasks carried out several years ago or quite recently. In the end, on the third day of the meeting, the audience had the opportunity to learn about current events, i.e. the activities of the WGEA at the INTOSAI forum and the ongoing cooperative audit under the EWGEA umbrella.
The topic was established on the basis of the results of the survey among the Members of the EWGEA. During the session, participants had the opportunity to look at this topic and hear the opinions of the representatives of the world of science, the European Commission and the United Nations. Besides Members of the EWGEA worked in four thematic groups, such as: e-waste, bio-waste, plastic waste and landfill management. In addition, representatives of several SAIs shared the results of their audits on waste management systems in their countries.

The Green transition is a multi-aspect action plan, which aims at avoiding a natural environment disaster caused by human activity. Its objective is also to provide EU member states with modern, resource-saving and competitive solutions in the economy. The Green Deal will be financed from funds making up one third of the EUR 1.8 trillion earmarked for investments as part of the economic recovery package NextGenerationEU and from the EU seven-year budget. The participants of the meeting, apart from plenary sessions, took part in works of thematic groups: energy, climate, industry and green financing. During the conference, they had an opportunity to exchange experiences from already conducted or planned audits referring to the Green deal activities of individual countries.

Other EWGEA activities:

- During the Spring session in 2021 representatives of the SAI UK carried out workshops on Development of position statement on the unique role of SAIs for environment and climate change. The project will be continued in 2022.

- The cooperative audit on Plastic waste – coordinated by the Polish SAI – remains in progress. The joint report is expected to be published in 2021/2022.

- What next? EWGEA Steering Committee e-meeting is planned to be held this autumn and will be devoted mainly to the topics of EWGEA meetings in 2022 and other organizational issues.

More information may be obtained at: www.eurosaïwgea.org or Zine.AbassAli@nik.gov.pl and Wojciech.Dudek@nik.gov.pl
Rapid developments around us are pushing public entities out of their comfort-zone and having an impact on their operations – the pandemic has shown the vulnerability of healthcare systems while “hybrid conflicts” and ransomware attacks have demonstrated the fragility of defense systems and traditional approaches to cyber-security. Supreme audit institutions, being in the middle of these crises, are looking for ways to react proportionally and to use their mandate to mitigate the impact. Experience sharing among SAIs is gaining more and more importance, because in these turbulent circumstances there is no time for “reinventing the wheel”. The EUROSAI IT Working Group is focusing its efforts on enhancing cooperation and experience-sharing between the members.

The ITWG held its 14th meeting on November 9-10 in a hybrid format, hosting participants both online as well as in person in Tallinn. The first day focused on SAIs’ role in mitigating cyber threats at strategic and operational levels. As the event was open to all INTOSAI members, over 200 participants representing close to 70 SAIs attended.

Although a SAI is not an emergency response team reacting to a cyber incident, our role can be to make sure there is a strategic framework created, responsibilities appropriately divided, and all relevant risks considered in a society. A number of SAIs have audited the implementation of their state’s cyber security strategy – the results of German and Slovenian audits were presented during the meeting. The involvement of SAIs has resulted in better-structured, clearer and more precisely targeted strategies. Experts also agreed that a SAI has an important role in looking at the resilience of IT in critical infrastructure – in this area, participants could learn from Swiss and Slovenian SAIs’ respective experiences presented at the meeting. For the SAI community, there is still a big leap to take. Only a quarter of SAIs has performed topical audits thus far, based on a small survey conducted during the meeting. At the same time, half of the audience represented audit offices that have no capacity or mandate to audit cyber critical infrastructure. This gap between the needs and possibilities shows the importance of international cooperation and events like the one held by the ITWG.
The second day of the 14th meeting was focused on ITWG projects and related developments at international level. Presentations during this day clearly demonstrated that the projects are being implemented and developed further despite the pandemic. For instance, several new functionalities have been added to the CUBE database as well as to the Active IT Audit Manual. Furthermore, two IT audit self-assessments (ITASAs) were conducted (in-person) in Denmark and Austria in 2020, providing the SAIs’ managements valuable feedback on how to better embrace the capacity already present at the institution. For 2022 and 2023, there are several ITSA/ITASA exercises foreseen. One of the main tasks for a working group is to find topics of mutual interest to encourage SAIs to perform cooperative audits with a cross-border impact. For this purpose, SAI Czech Republic has collaborated with the ITWG secretariat to map common audit areas among members and proposed to investigate population and housing census, taking place throughout Europe in 2021. As this large-scale process is relevant for most SAIs in Europe and is based on a common legal framework, the outlook for cooperative efforts seems promising. Taking over the chairmanship of ITWG in 2020, SAI Estonia initiated a novel project “Research and Training Hub” to develop an IT-auditing and data analytics training programme and to prepare e-courses for auditors. After multiple negotiations with SAIs and the academic community and taking into account the feedback from members, the pilot project has focused on regular auditors and providing them with entry-level knowledge about the ways to integrate IT into their financial, performance and compliance audits. The first courses are expected to be launched already in late 2022.

The 14th meeting also showed that there is room for more initiatives to make the best use of the ITWG expert network and share work plans and results with fellow auditors. During the workshops, participants discussed creating an IT expert database on the ITWG website and establishing a new way of informal communication – the so-called “virtual coffee break with a colleague”. The first courses are expected to be launched already in late 2022.

To give an overview of EUROSAI experts and their competences, the database on ITWG intranet includes information about experts’ certification and previous work experience, including the list of audit projects they have been involved in. This allows interested SAIs to find suitable experts with relevant experiences to help with selecting proper frameworks, setting up criteria or using specific tools for auditing.

A virtual coffee break with a colleague is an informal way of extending auditors’ professional network and reflecting on challenges they are facing in their everyday work. During the workshops the participants expressed their thoughts about future ad-hoc discussions – these being a regular chat one would usually have with colleagues by the coffee machine about ongoing work without any presentations or formal commitments.

The pandemic has definitely influenced the way the working groups function these days. We can be successful by adapting to the changing needs of our members and believe the new ITWG initiatives launched in previous years and envisioned for 2022 and beyond are something the SAIs will benefit from – increasing the capacity of auditors in IT auditing, finding experts to tackle challenges not experienced before and exchanging ideas both formally as well as informally at auditor level.

The EUROSAI ITWG secretariat is continuing with virtual and hybrid events in 2022. As this group has established a great cooperation network with INTOSAI partners, we also foresee continued participation of SAIs from all over the world – IT is a borderless topic, and our cooperation should and is already crossing EUROSAI “borders”. We hope we can follow the trends our international community is challenged by.
EUROSAI Working Group on the Audit of Funds Allocated to Disasters and Catastrophes (EUROSAI WGAFADC) functions as a component of the EUROSAI organizational structure, as well as in accordance with the principles established by the international community of SAIs – INTOSAI. With this in mind, when planning its activities, the Working Group takes into account the principles and strategic directions of these organizations for the current and future periods.

Recently, due to the annual increase in emergencies, the devastating effects of which are felt by most European countries, the priority of international activities in the field of man-made and natural disasters has shifted from responding to emergencies to reducing their risks.

Disaster prevention was the focus of the participants of the VI Meeting and Seminar of the EUROSAI WGAFADC, which were held on November 24-25, 2020, by videoconference.

The event was attended by 43 representatives of SAIs from 14 countries: Albania, Belarus, Bulgaria, Georgia, Italy, Kazakhstan, Latvia, Moldova, Poland, Romania, Serbia, Turkey, Ukraine, Indonesia, as well as of the European Court of Auditors.

During the Meeting, the online Seminar on the topic “Prevention of man-made disasters: three steps into the future” was held.

Among the main highlights in the further activities of the Working Group, which were emphasized during the meeting, are:

- the need to intensify the work of the Working Group, in particular in the direction of expanding cooperation with non-governmental organizations and experts;
- increasing the level of publicity of work;
- active promotion of the results of the Working Group;
- consideration of the possibility of closer cooperation with other groups within EUROSAI and INTOSAI;
- conducting audits of government preparedness for disasters, including biological ones.

Within the framework of the tasks defined by the Strategic Plan for 2017-2021, in 2021 the EUROSAI WGAFADC has completed three international coordinated audits on the following topics:

- Prevention and Consequences Elimination of Floods (SAIs of Belarus, Georgia, Poland, Serbia, Turkey, Ukraine and the European Court of Auditors);
- Waste Management and Utilization (SAIs of Moldova, Serbia and Ukraine);
- Transboundary movements of wastes in the light of the Basel Convention provisions (SAIs of Poland, Slovakia and Ukraine).

In the framework of international coordinated audits, the EUROSAI WGAFADC managed to accumulate the main results of national audits of SAIs participants, identify common issues in the areas studied and formulate a number of general key recommendations to governments and authorities of these countries, which were supported by all auditors.

In order to provide practical assistance to supreme audit institutions in improving the quality of audits on flood prevention and response, the Working Group prepared and approved the Good Practice Recommendations for Conducting Audits in the Field of Prevention and Consequences Elimination of Floods.

The VII Meeting of the Working Group took place on November 16, 2021. Due to the constraints caused by the COVID-19 pandemic, the event was organized by videoconference. The event also included a plenary session on the topic “Natural and man-made disasters: challenges for SAIs”. The meeting was attended by 49 representatives of SAIs of 16 countries, namely: the Republic of Albania, the Republic of Belarus, the Republic of Bulgaria, the Czech Republic, the Republic of Estonia, Georgia, Hungary, the Italian Republic, the Republic of Kazakhstan, the Republic of Latvia, the Republic of Moldova, the Republic of Poland, Romania, the Republic of Serbia, the Republic of Turkey, Ukraine, as well as of the European Court of Auditors.

Participants of the VII Meeting and Seminar of the EUROSAI WGAFADC
Within the framework of the tasks defined by the Strategic Plan for 2017-2021, in 2021 the EUROSAI WGAFADC has completed three international coordinated audits on the following topics:

1. Prevention and Consequences Elimination of Floods (SAIs of Belarus, Georgia, Poland, Serbia, Turkey, Ukraine and the European Court of Auditors);
2. Waste Management and Utilization (SAIs of Moldova, Serbia and Ukraine);

In the framework of international coordinated audits, the EUROSAI WGAFADC managed to accumulate the main results of national audits of SAIs participants, identify common issues in the areas studied and formulate a number of general key recommendations to governments and authorities of these countries, which were supported by all auditors.

In order to continue the active exchange of experience and best practices in the field of disaster prevention and response, the Working Group adopted a Strategic Plan for 2021–2024, which provides for the implementation of three strategic goals to mobilize efforts of SAIs – members of the Working Group, aimed at:

**Step 1** “TOWARDS”
1. Professional development of auditors

**Step 2** “FORWARD”
2. Disaster prevention and minimization of relevant threats

**Step 3** “TO THE WORLD”
3. Effective external communication

In order to effectively implement the Strategic Plan for each strategic goal, a number of tasks have been identified, a list of measures is outlined in the context of each task, as well as – the expected results for monitoring its implementation.

Among the tasks outlined by the members of the Working Group for the current reporting period, in particular: increase of practical usefulness for auditors of “products” of the Working Group developed within its activity, definition of the most actual zones of risks of man-caused and natural disasters, maximization of attention of the governments to the identified problems; as well as providing SAIs with effective recommendations for their solution, training of auditors.

In order to provide practical assistance to supreme audit institutions in improving the quality of audits on flood prevention and response, the Working Group prepared and approved the Good Practice Recommendations for Conducting Audits in the Field of Prevention and Consequences Elimination of Floods.

During the development of the Recommendations, the materials presented at the annual meetings of the Working Group were analyzed and summarized; the database of audits of natural and man-made disasters in Europe was maintained and the relevant reports on the results of audits, including those posted in the database of audits on the EUROSAI website, were analyzed; documents of international organizations on catastrophe issues were studied.

In addition, the activities of the Working Group during 2021–2024 will be aimed at drawing the attention of the widest possible community to the problems in the field of disaster management, improving internal and external communication, including the formation of projects with other working groups and projects of EUROSAI/INTOSAI, in order to coordinate joint efforts to overcome the new challenges facing the European community (http://rp.gov.ua/upload-files/IntCooperation/EUROSAIWGAFADC/AFADCD/Strategic_Plan_21-24_eng.pdf).
It has been five years already since the TFMA began operating, and although the World has been plagued by the pandemic, the latter period has been just as rich in work. Nevertheless, this brief overview does not pretend to be a comprehensive statistical report or detailed content analysis of TFMA activities - it is intended to highlight the most important direction of cooperation and to introduce the most relevant topics.

The mission and vision of the TFMA are not just about the creativity of its 27 members - it takes a lot of ingenuity and focus in recent years and sometimes the courage to take today’s challenges to be more prepared and safer tomorrow.

Considering that TFMA activities are focused on the very important element of each country - municipality, they significantly complement and reveal a new perspective on the EUROSAI Strategic Goal 1 (SG1) "Professional Cooperation" set in the EUROSAI Strategic Plan 2017-2024.

The most relevant topics – in the centre of Annual Meetings and Seminars

After the 4th Annual Meeting of TFMA held online in 2020, the community of TFMA decided not to give up and make all efforts to hold the next meeting in person. The effort paid off: despite all the restrictions, the meeting was organized in a hybrid way and the TFMA community had the opportunity to meet after a long break.

The 4th Seminar of EUROSAI TFMA "Municipal Real Estate Management" and the 5th Annual meeting of the Task Force were held on 3-4 November 2021 in Budva, Montenegro. The event was hosted by the State Audit Institution of Montenegro and organized in cooperation with the National Audit Office of Lithuania. Nearly 80 participants from 27 EUROSAI countries and partner organizations attended this event in hybrid way.

"During the pandemic, all municipalities faced the same real-estate management challenges. They were driven by declining revenues, new necessary expenditure on property and its needs, telecommuting, and distance services. As a result, real-estate landscape is changing and municipalities need to rethink infrastructure investment priorities,"
the use of real-estate along with new ways to deliver public services”, – the new TFMA-touched topic was presented at the welcome speech of the Auditor General of the Republic of Lithuania, Chair of the EUROSAI TFMA Mindaugas Macijauskas.

“...asset is a basis for determining the real cost concept, which is the starting point for program budgeting both at the central and local level. Good management of real estate is an imperative of the time we live”, – speaking on the same subject stressed Dr Milan Dabović, President of the Senate of the SAI of Montenegro.

All this was perfectly reflected in the presentations made during the seminar and discussions that identified significant risks for the management of real-estate in municipalities during the pandemic. Keynote speakers – Augustė Purlienė, Principal Public Auditor - Audit Team Leader of SAI of Lithuania, Miloš Vuković, Chief Executive Officer of Fidelity Consulting Montenegro, Prof Dr Milan Lakićević, scientist of the Faculty of Economics at the University of Montenegro, emphasized the role of SAIs and the importance of audits in municipal real-estate management. World Bank consultant Dr Olga Kaganova questioned – are auditors champions of progress in government asset management and if they should be?

The Audit Compendiums expanded the thematic field

Noteworthy that in recent years the launch of Audit Compendiums plays a vital role in TFMA activities. Initiated by EUROSAI TFMA Secretariat as an alternative to cooperative audits, these publications achieved success.

The topic of the first Audit Compendium "Municipality-owned companies” was selected by all members and coordinated by the Coordination Group. It was based on audit reports in the field of municipality-owned companies produced by 14 TFMA members between 2016 and 2019 and published in May 2020.

In view of the success of the first product, the activity addressing additional topics of general interest has been pursued. Considering the relevance of the issue and the systematicity of audits carried out by TFMA members, the subject of real estate was chosen for the second Audit Compendium.

The Audit Compendium “Municipal real-estate management” presented the results of financial, compliance, performance audits and overviews, published in the audit reports in the period 2016-2021 and was launched in October 2021. The topic of this compendium was perfectly fitted into the 4th Seminar of EUROSAI TFMA “Municipal Real-Estate Management” as well: the participants held group discussions, shared their insights and success stories.

Ensured connection and communication

The field of communication is important for the sharing of information, knowledge and experience between the members of EUROSAI TFMA. For this reason, information about the activities is constantly updated on the website, as well as in new communication tools launched a few years ago - platforms on the social networks “LinkedIn” and “Facebook”. In these networks, the information is updated by 1-2 posts per month. TFMA page on “LinkedIn” has about 170 followers, while the same named page on “Facebook” has 130 members.

Four Annual Newsletters were launched in the period of 2017-2021 as a result of active contribution from the TFMA members and partners, reports on its recent activities and events.

The last, fourth, issue of the newsletter covering the period July 2020 - August 2021 was dedicated to the COVID-19 audit response. The members shared the results of audits of this topic in the municipal area, their experiences on adapting to the new environment caused by the pandemic, changes in audit practices and approaches.
EUROSAI Working Groups and Task Forces

Expectations in the future

Currently, the TFMA has a total of 12 various activities and accounts for about one-third of all SG1 activities. Some of them are continuous and permanent tasks of the Task Force; the others have clearly defined results and deadlines.

These include the project "Collecting and systemizing data on the manner/methods of monitoring the implementation of the recommendations given in the audit reports for local self-government units". The results of this project will be available in the report already.

Another project "Collecting and analysing information on the implementation of the United Nations (UN) Sustainable Development Goals in the municipalities of the TFMA countries" will be completed in the middle of 2022. The UN became actively involved in this project and have already organised two awareness sessions for TFMA members in 2021. It is planned to continue those sessions, and to develop, as a main outcome, a tool for auditing SDGs in municipalities together with the UN.

Until the end of 2023, it is planned to conduct a cooperative audit "Municipalities’ Own Revenues for Providing Quality Services to the Citizens During Pandemic". The individual audit reports of the participating SAIs are scheduled to be published by the end of 2022.

In parallel, the TFMA contribute to the management of emergency of the COVID-19 pandemic at a local level as well as to municipal debt management in TFMA countries, facilitate communication between EUROSAI TFMA, European Organisation of Regional Audit Institutions (EURORAI) and the Nordic Network for Public Sector Internal Auditors (NORPIA), organize expert meetings on the basis of members needs on municipality audit and update database about the main municipal data/expenses annually.

In these times of rapidly changing information, the TFMA is also looking for new ways to facilitate professional collaboration and planning a new facility to accelerate the sharing of information related to municipal audits. This is already reflected in the plans and is expected to become a reality soon.

All the information about the TFMA can be found at: [https://www.tfma.eu/](https://www.tfma.eu/)

For additional information, please contact the EUROSAI TFMA Secretariat via email: eurosai.tfma@valstybeskontrole.lt
EUROSAI Working Groups and Task Forces

2011-2021 - FROM THE EUROSAI TASK FORCE ON AUDIT & ETHICS TO THE EUROSAI NETWORK ON ETHICS: STRENGTHENING ETHICS AS A PERMANENT AND RELEVANT MATTER IN THE EUROSAI AGENDA

State Audit Office of Croatia
Chair of the EUROSAI Network for Ethics (N.ET)
Court of Auditors of Portugal
Former Chair of the EUROSAI Task Force on Audit & Ethics (TFA&E)

Following the conclusions and recommendations of the VIII EUROSAI Congress that was held in Lisbon in June 2011, the Task Force on Audit & Ethics (TFA&E) was set up by the Governing Board meeting immediately after the Congress, in order to operationalise its decisions. The mandate of the TFA&E was to "promote the relevance of ethical conduct and integrity, both in SAIs and in public organisations”.

From 2011 until 2021, the TFA&E carried out its workplans, that were prepared in the scope of two different EUROSAI Strategic Plans (2011-2017; and 2017-20241).

The Court of Auditors of Portugal, Chair of the TFA&E during these 10 years, is proud of the results achieved, all of them due to the extraordinary membership of the Task Force. In fact, the 32 EUROSAI SAIs that participated in the TFA&E’s work along the period of its existence were key for the team spirit, the mutual support environment and the success of the multiple initiatives carried out and also for the internal and external recognition received.

The TFA&E contributed to the development and growth of ethics culture and management in European SAIs and also to the deepening and acknowledgement of Integrity audit in the SAIs community.

1 One extra year due to the pandemic
During the last 10 years, the TFA&E achieved many things, and this is the time and place to highlight the most relevant ones:

<table>
<thead>
<tr>
<th>Ethics within SAIs / Auditing Ethics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Surveys</strong></td>
</tr>
<tr>
<td>Supporting SAIs to enhance their ethical infrastructure- Part 1 - A general overview of SAIs ethical strategies and practices”</td>
</tr>
<tr>
<td>Supporting SAIs to enhance their ethical infrastructure- Part 2: managing ethics in practice (including the annex with SAIs articles)</td>
</tr>
<tr>
<td>Auditing Ethics in the Public sector – A general overview of SAIs’ practices</td>
</tr>
<tr>
<td><strong>Papers</strong></td>
</tr>
<tr>
<td>Ethics leadership role in managing Ethics</td>
</tr>
<tr>
<td>Ethics leadership: Set the tone for action</td>
</tr>
<tr>
<td><strong>Flyer/ List of attitudes</strong></td>
</tr>
<tr>
<td>Design and implementation of a webpage for the Task Force, with a restricted member’s area</td>
</tr>
<tr>
<td><strong>Webpage</strong></td>
</tr>
<tr>
<td>Auditing Ethics</td>
</tr>
<tr>
<td>Enhancing Ethics within Supreme Audit Institutions</td>
</tr>
<tr>
<td>Methods and measuring tools to audit ethics</td>
</tr>
<tr>
<td>International good practices seminar “From the integrity survey to the integrity audit”</td>
</tr>
<tr>
<td>EUROSAI Goal Team 1 and TFAE (co-organisation), “The importance of ethics and integrity for SAIs”</td>
</tr>
<tr>
<td><strong>Seminars/Conferences</strong></td>
</tr>
<tr>
<td>YES Conference</td>
</tr>
<tr>
<td>EUROSAI Congress</td>
</tr>
<tr>
<td>VIII Conference EUROSAI – OLACEFS: experiences of SAIs on transparency and ethics’ audit</td>
</tr>
<tr>
<td>YES 2 Conference: “The impact of the auditor’s public role in his private life” and “Walk the Talk/ Ethical challenges in the work of a public auditor”</td>
</tr>
<tr>
<td>Women leadership training (GIZ and AFROSAI)</td>
</tr>
<tr>
<td>X EUROSAI Congress, “Ethics management in the public audit. Education &amp; training”</td>
</tr>
<tr>
<td>IX EUROSAI-OLACEFS joint Conference, “Integrity/Anticorruption”</td>
</tr>
<tr>
<td><strong>Workshops</strong></td>
</tr>
<tr>
<td>Participating several TFAE members in the INTOSAI Review Team led by the SAI of Poland</td>
</tr>
<tr>
<td><strong>ISSAI 30 review</strong></td>
</tr>
<tr>
<td>Participation of several TFAE members in the INTOSAI Review Team led by the SAI of Poland</td>
</tr>
<tr>
<td><strong>Meetings with SAI’s staff</strong></td>
</tr>
<tr>
<td>Romania, Italy, Turkey, Spain, United Kingdom, Portugal</td>
</tr>
</tbody>
</table>

During the last 10 years, the TFA&E achieved many things, and this is the time and place to highlight the most relevant ones:

<table>
<thead>
<tr>
<th>Ethics within SAIs / Auditing Ethics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Surveys</strong></td>
</tr>
<tr>
<td>Supporting SAIs to enhance their ethical infrastructure- Part 1 - A general overview of SAIs ethical strategies and practices”</td>
</tr>
<tr>
<td>Supporting SAIs to enhance their ethical infrastructure- Part 2: managing ethics in practice (including the annex with SAIs articles)</td>
</tr>
<tr>
<td>Auditing Ethics in the Public sector – A general overview of SAIs’ practices</td>
</tr>
<tr>
<td><strong>Papers</strong></td>
</tr>
<tr>
<td>Ethics leadership role in managing Ethics</td>
</tr>
<tr>
<td>Ethics leadership: Set the tone for action</td>
</tr>
<tr>
<td><strong>Flyer/ List of attitudes</strong></td>
</tr>
<tr>
<td>Design and implementation of a webpage for the Task Force, with a restricted member’s area</td>
</tr>
<tr>
<td><strong>Webpage</strong></td>
</tr>
<tr>
<td>Auditing Ethics</td>
</tr>
<tr>
<td>Enhancing Ethics within Supreme Audit Institutions</td>
</tr>
<tr>
<td>Methods and measuring tools to audit ethics</td>
</tr>
<tr>
<td>International good practices seminar “From the integrity survey to the integrity audit”</td>
</tr>
<tr>
<td>EUROSAI Goal Team 1 and TFAE (co-organisation), “The importance of ethics and integrity for SAIs”</td>
</tr>
<tr>
<td><strong>Seminars/Conferences</strong></td>
</tr>
<tr>
<td>YES Conference</td>
</tr>
<tr>
<td>EUROSAI Congress</td>
</tr>
<tr>
<td>VIII Conference EUROSAI – OLACEFS: experiences of SAIs on transparency and ethics’ audit</td>
</tr>
<tr>
<td>YES 2 Conference: “The impact of the auditor’s public role in his private life” and “Walk the Talk/ Ethical challenges in the work of a public auditor”</td>
</tr>
<tr>
<td>Women leadership training (GIZ and AFROSAI)</td>
</tr>
<tr>
<td>X EUROSAI Congress, “Ethics management in the public audit. Education &amp; training”</td>
</tr>
<tr>
<td>IX EUROSAI-OLACEFS joint Conference, “Integrity/Anticorruption”</td>
</tr>
<tr>
<td><strong>Workshops</strong></td>
</tr>
<tr>
<td>Participating several TFAE members in the INTOSAI Review Team led by the SAI of Poland</td>
</tr>
<tr>
<td><strong>ISSAI 30 review</strong></td>
</tr>
<tr>
<td>Participation of several TFAE members in the INTOSAI Review Team led by the SAI of Poland</td>
</tr>
<tr>
<td><strong>Meetings with SAI’s staff</strong></td>
</tr>
<tr>
<td>Romania, Italy, Turkey, Spain, United Kingdom, Portugal</td>
</tr>
</tbody>
</table>
# Ethics within SAIs / Auditing Ethics

<table>
<thead>
<tr>
<th><strong>Video</strong></th>
<th><strong>Guideline</strong></th>
<th><strong>Coaching SAIs</strong></th>
<th><strong>EUROSAI Project Group</strong></th>
<th><strong>Roll-out of Into-Saint</strong></th>
<th><strong>Prize</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviews of Heads of SAI related to Ethics</td>
<td>Part I - “How to implement ISSAI 30”</td>
<td>European Court of Auditors, SAI of Greece, SAI of Bosnia and Herzegovina</td>
<td>Participation in the EUROSAI Project Group led by Hungary &quot;Role of SAIs in spreading Integrity Culture&quot;</td>
<td>Encouraging self-assessment for 7 European SAIs</td>
<td>Integrity in the Public Sector (awarded by the University of Castilla La Mancha and the World Compliance Association)</td>
</tr>
<tr>
<td>Ethics matter video competition (won by SAI of Israel)</td>
<td>Part II– An Ethics training Model</td>
<td></td>
<td></td>
<td>2018</td>
<td>Madrid, 2019</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Coaching SAIs
- European Court of Auditors, SAI of Greece, SAI of Bosnia and Herzegovina

### EUROSAI Project Group
- Participation in the EUROSAI Project Group led by Hungary "Role of SAIs in spreading Integrity Culture"

### Roll-out of Into-Saint
- Encouraging self-assessment for 7 European SAIs

### Prize
- Integrity in the Public Sector (awarded by the University of Castilla La Mancha and the World Compliance Association)
The two most recent products of the TFA&E are directed to the reinforcing of Ethics within SAIs and constitute parts I and II of the guideline on How to Implement ISSAI 30:

- The Ethics Training Model aims at supporting SAIs in complying with the requirements of ISSAI 130 – the Code of Ethics of INTOSAI – mainly paragraph 19 when stating that “Clear communication is necessary to increase staff’s awareness and understanding of the code of ethics. This can include educating staff on promoting the SAI’s values and addressing ethical dilemmas, by offering workshops and training, leadership engagement, and disseminating ethics topics and good practices of the same that states”. In this context, this document offers guidance to inspire SAIs when organising their ethics training initiatives, mainly in what relates to training strategies, approaches and examples of courses content.

- On the other hand, the Ethics Maturity Model, in line with paragraph 22 of ISSAI 130, provides SAIs with a tool to encourage a step-by-step approach in implementing its requirements, to define levels of compliance with the ISSAI and to offer SAIs a vision on how they can go even further. The tool can be used when SAIs conduct self-assessments and internal and external reviews, mainly to identify and analyse possible weaknesses and recommend measures for improving ethics management.

After this adventurous and fruitful period, the TFA&E has concluded its activities, by its own proposal and decision of the EUROSAI 2020 Congress.

The SAI of Portugal has completed 3 mandates as leader of the TFA&E and considered that, while the group has successfully fulfilled most of the planned tasks, a need was felt to change the dynamics. Recognising that there are reasons to keep the integrity agenda alive in EUROSAI, moreover in face of the survey results and the evolution of the environment in which SAIs operate, the TFA&E has discussed the possible future format of the work still to be done. Both the results of those discussions and the conclusions from the survey indicate that a permanent platform should exist to allow a continuous exchange of information, documentation and experiences on the subject.

To meet those expectations, the TFA&E submitted the proposal for approval by the EUROSAI Governing Board and the Congress to establish, within the Strategic and Operational Plan, a «EUROSAI Network for Ethics». This initiative has been accepted, and on the latest EUROSAI Congress the Network was established, to be in charge to manage an online permanent platform that keeps SAIs informed and collaborative in the topics of SAIs’ ethics management and SAIs’ integrity awareness raising, ethics related audit initiatives and anti-corruption role.
Besides that, the intention of the Network is to keep an updated information flow on those subjects, by collecting and disseminating studies, guidelines, reports, articles, information on conferences, seminars, workshops and training courses and any other related tools, to encourage EUROSAI members to share relevant information, development initiatives and experiences on the mentioned topics with the SAIs’ community as well as to explore and share knowledge in areas that may raise new ethical concerns, such as the use of artificial intelligence, data protection, etc.

It is further intended for the Network to promote an active liaison and cooperation on these subjects, acting as a broker and contact point and putting SAIs with shared interests in contact with each other or with external partners, to facilitate contacts that may provide support to SAIs, as they may request, regarding the reinforcement of ethics control systems or the promotion of integrity in the public sector organisations, to keep liaison activities with INTOSAI, IDI, INTOSAI Regional Organisations, OECD, ECIIA and other relevant partners on the topics at stake, as well as to identify and encourage EUROSAI SAIs to conduct activities for strengthening their capacity or role in the identified areas.

Established in this way, the EUROSAI Network on Ethics intends to contribute to the EUROSAI community by:

- promoting the theoretical and practical study of the problems and matters relating to SAIs’ ethics management and SAIs’ integrity awareness raising, ethics related audit initiatives, and related disciplines,

- collaborating in the exchange of techniques and knowledge considered to be of interest of the EUROSAI members, especially in the area of SAIs’ ethics management and SAIs’ integrity awareness raising, ethics related audit initiatives and other related initiatives,

- promoting and facilitating the exchange of information and documentation among EUROSAI members in relation to SAIs’ ethics management and SAIs’ integrity awareness raising, ethics related audit initiatives and other related initiatives,

- making effort to achieve greater understanding of problems and matters relating to the audit of public finances, and especially in the part relating to SAIs’ ethics management and SAIs’ integrity awareness raising, ethics related audit initiatives and other related initiatives.

The responsibility to build and keep the Network was entrusted to the SAI of Croatia, for an initial period of 3 years, until the next EUROSAI Congress, with the support of the SAI of Portugal as a co-chair.

The launching of the platform is expected by the end of the year at the latest, when all SAIs will be invited to share their plans, relevant documents and information, experiences and good practice.

Contacts: n.et@revizija.hr
5.1. Heads of EU SAIs discuss response to COVID-19 crisis and Next Generation EU

5.2. Annual reports of the European Court of Auditors for the 2020 financial year

5.3. Other reports, opinions, reviews and publications issued by the European Court of Auditors in 2021

5.4. Novelties concerning the Members of the European Court of Auditors in 2020-2021
EU SAI audit COVID-19 measures

The Contact Committee of the European Union’s supreme audit institutions offers a forum for discussing and addressing EU public audit issues. On 10 November 2021, the European Court of Auditors hosted an online Contact Committee event. Due to the ongoing COVID-19 pandemic, it was the first official meeting of the heads of the EU supreme audit institutions (EU SAIs) since the 2019 Contact Committee meeting in Warsaw. The two sessions focused on the SAIs’ response to the COVID-19 crisis and the challenges of auditing Next Generation EU (NGEU), in particular the Recovery and Resilience Facility (RRF) and the National Recovery and Resilience Plans.

During the first session, the participants took the opportunity to discuss their recent audit work, covering a broad range of COVID-19 related issues ranging from procurement of personal protective equipment, to health and crisis management, to overall strategies for overcoming the socio-economic effects of the pandemic. The magnifying-glass effect of the pandemic revealed structural issues at every level. Auditing COVID-19 response measures is resource intensive, and teams must carry out these tasks on top of their ‘normal’ audit work. This may hamper the identification of potential audit gaps.

Auditing recovery and resilience plans is of strategic importance to EU SAIs

The second session was dedicated to discussing the EU’s response to the pandemic and its consequences for EU SAIs and their work. In December 2020, the EU and its Member States mobilised an unprecedented €1.8 trillion in funding to support recovery, adopting first the NGEU, then the multiannual financial framework for 2021-2027 a few days later. Particularly in the case of the RRF, which is a fairly innovative funding instrument by EU standards, success is heavily reliant on the relevance of the National Recovery and Resilience Plans and their effective implementation by the Member States.

At the same time, it would be a missed opportunity if these additional funds were not used to their best effect to achieve a quick and sustainable recovery. Moreover, given the enormous amounts of funding made available to stimulate recovery, this is a key issue for EU SAIs to include in their strategic considerations and reflections. The heads of the SAIs agreed that this would be an ongoing task over the next few years, to help ensure accountability and the effective, efficient and economic use of these funds at every level.

Given the diversity and complexity of the issues at stake, the heads of the SAIs welcomed the joint initiative by the ECA and the SAIs of Belgium and Germany to facilitate professional exchanges on NGEU-related issues and tasks at auditor level among the EU SAIs.

The Contact Committee also endorsed the proposal to discuss NGEU implementation in greater depth, based on ongoing audit work, at its next meeting. This is due to take place in May 2022 at the ECA (COVID-19 permitting).

This article was originally published in the ECA Journal 3/2021.
ANNUAL REPORTS OF THE EUROPEAN COURT OF AUDITORS FOR THE 2020 FINANCIAL YEAR

European Court of Auditors

On 26 October 2021, the European Court of Auditors (ECA) published its annual reports on the implementation of the EU budget and the European Development Funds for the 2020 financial year.

The objective of the annual reports is to provide findings and conclusions that help the European Parliament, the Council and citizens to assess the quality of EU financial management, and to make useful recommendations for improvement. Central to the annual reports are the annual statements of assurance on the reliability of the EU accounts and the regularity of the transactions underlying them.

Annual report on the implementation of the EU budget for the 2020 financial year

The EU budget is adopted annually by the European Parliament and the Council within the framework of a longer-term budget agreed for a period of several years (known as the ‘multiannual financial framework’ or MFF). The 2020 audit covered the last year of the period that began in 2014 and ran until 2020, though amounts will continue to be disbursed. Ensuring that the budget is properly spent is primarily the responsibility of the European Commission. However, about two thirds of the budget are spent under what is known as ‘shared management’, with individual Member States distributing funds and managing expenditure in accordance with EU and national law.

The ECA is required to provide a statement of assurance to the European Parliament and the Council under Article 287 of the Treaty on the Functioning of the European Union (TFEU). To this purpose, every year the ECA audits EU revenue and expenditure, examining whether the annual accounts are reliable and whether income and expenditure transactions comply with the applicable rules at EU and Member State level. In 2020, the EU spending totalled €173.3 billion. The ECA examines expenditure at the point when final recipients of EU funds have undertaken activities or incurred costs, and when the Commission has accepted the expenditure. The ECA did not examine advances paid in 2020 unless they were also cleared during the year. Therefore, the audit population for 2020 amounted to €147.8 billion. The spending area of ‘Natural resources’ made up the largest share of the overall audit population (40.8 %), followed by ‘Cohesion’ (32.8 %) and ‘Competitiveness’ (11 %).

Overall results

The ECA concluded that the EU accounts for 2020 were prepared in accordance with international public sector accounting standards and present, in all material respects, a true and fair view of the EU’s financial results for the year and its assets and liabilities at the end of the year. Therefore, as has been the case every year since 2007, the ECA gave a clean opinion on the reliability of the accounts.

The EU balance sheet included a liability for pension and other employee benefits amounting to €116 billion at the end of 2020. The further increase of this estimate was mainly due to a decrease in the nominal discount rate, which reflects the reduction in global interest rates.

On 1 February 2020, the United Kingdom ceased to be an EU Member State. On 31 December 2020, the EU accounts showed a net receivable due from the United Kingdom of €47.5 billion based on mutual obligations defined in the withdrawal agreement.

Revenue ($174.3 billion) for 2020 was legal and regular, and free from material error.

The error in expenditure for 2020 was material and pervasive. For expenditure as a whole, the ECA estimated the level of error to be between 1.8 % and 3.6 %. The mid-point of this range remained the same as last year at 2.7 %. Therefore, the ECA issued an adverse opinion on expenditure for the second consecutive year.
Concerning the significant areas of EU spending for which the ECA provides a specific assessment, the level of error was material for ‘Cohesion’ and ‘Competitiveness’. For ‘Natural resources’, the estimated level of error was close to materiality (2.0 %). The level of error was below materiality in ‘Administration’.

Error rates reflect the level of risk

In 2020, the ECA found once again that the way expenditure was disbursed had an impact on the risk of error. EU spending is characterised by two types of expenditure involving distinct patterns of risk. The risk of error is lower for entitlement payments, which are based on beneficiaries meeting certain (less complex) conditions: these include student and research fellowships (under ‘Competitiveness’), direct aid for farmers (‘Natural resources’) and salaries and pensions for EU staff (‘Administration’). The risk of error is high for cost reimbursements, where the EU reimburses eligible costs for eligible activities (involving more complex rules): these include research projects (under ‘Competitiveness’), investment in regional and rural development (‘Cohesion’ and ‘Natural resources’) and development aid projects (‘Global Europe’).

The most common errors in high-risk expenditure were:

- ineligible projects and expenditure, as well as infringements of internal market rules (in particular non-compliance with state aid rules) in ‘Cohesion’;

- ineligible costs, administrative errors and absence of essential supporting documents in the rural development, market measures, environment, climate action and fisheries spending area (altogether around 31 % of total spending in ‘Natural resources’);

- ineligible costs, in particular direct personnel and direct other costs, in research spending (around 57 % of total spending in ‘Competitiveness’); and

- absence of supporting documents, non-compliance with public procurement rules as well as costs not incurred and ineligible costs in the spending area of ‘Global Europe’.

In 2020, high-risk expenditure further increased compared to the previous four years and clearly made up the majority of the audit population, accounting for around 59 % of it (2019: 53 %). The increased share taken by this expenditure type was mainly due to a further €20 billion increase in the ‘Cohesion’ audit population. The estimated level of error for high-risk expenditure was 4.0 % (2019: 4.9 %).

Low-risk expenditure accounted for the remaining 41 % of the audit population (2019: 47 %) and mainly included entitlement payments. The estimated level of error in this part of the population was below the materiality threshold of 2 %.

Comparing the error level estimates with those of the Commission

The ECA compared its error level estimates with those of the Commission. The annual management and performance report, for which the college of Commissioners has ownership and is responsible, summarises key information from the annual activity reports on internal control and financial management. It includes the risk at payment, which is the Commission’s estimate of the amount that is paid without being in accordance with the applicable rules. Overall, the Commission’s estimate of the risk at payment for 2020 was 1.9 %, below the ECA’s materiality threshold (2.0 %) and estimated level of error (2.7 %).

In addition, the annual activity report of each Commission directorate-general (DG) includes a declaration in which the director-general provides assurance that the report presents financial information properly and that the transactions under their responsibility are legal and regular. For this purpose, all DGs provided estimates of the risk at payment in their spending.

The ECA considered that, as reported last year, issues still exist concerning ex post audits by the Commission’s Common Audit Service (‘Competitiveness’), Member States’ controls reflected in their control statistics (‘Natural resources’), checks by Member State audit authorities (‘Cohesion’), and the annually commissioned residual error rate study (‘Global Europe’). These issues affect the Commission’s estimation of the risk at payment for 2020, which is lower than the ECA’s estimated levels of error for ‘Competitiveness’, ‘Cohesion’ and ‘Natural resources’.

---

1 In the annual report the ECA presents the results of its audit of the legality and regularity of transactions, and the review of the regularity information provided by the Commission for the main headings of the 2014-2020 MFF: ‘Competitiveness’, ‘Cohesion’, ‘Natural resources’, ‘Security and citizenship’, ‘Global Europe’ and ‘Administration’. 
Suspected fraud

The ECA reports all suspected fraud detected during its audit work to the European Anti-Fraud Office (OLAF), which then decides whether to investigate and follow up, where appropriate in co-operation with national judicial authorities. In 2020, the ECA referred six cases of suspected fraud (2019: nine) to OLAF. In June 2021, the ECA started cooperating with the European Public Prosecutor’s Office (EPPO) based on the administrative arrangement between the two organisations.

Implementation of the EU budget

The ECA also analysed the implementation and use of the EU budget in 2020. The available budget for 2020 was almost fully implemented. In order to react quickly to the COVID-19 pandemic and provide support, two main budgetary tools were used: amending budgets and transfers. Outstanding commitments continued to rise, reaching €303.2 billion by the end of 2020. The increase was smaller than in previous years, partly due to the additional payment appropriations being made available for combating the COVID-19 pandemic.

The overall annual absorption rate for 2020, the final year of the 2014-2020 MFF, was 15 %: the same as the rate in 2013, the final year of the previous 2007-2013 MFF. However, cumulative absorption was around 7 % lower than under the previous MFF. While by the end of 2020, all of the European Structural and Investment Funds allocated to the Member States (€465 billion) had been committed, this left 45 % (€209 billion) to be absorbed with considerable differences between Member States. This amount constitutes the main part of the outstanding commitments at the end of 2020.

Great challenges ahead

The EU response to the COVID-19 pandemic will have a very substantial impact on the EU’s finances: for the 2021-2027 financial period, the combined funding allocation from the Next Generation EU (NGEU) instrument and the MFF will be €1 824 billion, almost twice the amount of spending in the previous MFF period. In view of this, the ECA identified the risk of a delayed start to the implementation of shared management funds in the 2021-2027 financial period, as well as challenges related to sound financial management in the use of funds due to COVID-19 related changes.

“In view of the great challenges that lie ahead of us, we must remain even more vigilant about the financial soundness of the EU”, said ECA President Klaus-Heiner Lehne, “Over the next seven years, the EU will spend significantly more than in the previous programme period. The 27 Member States agreed on a COVID-19 recovery programme, which will be financed by issuing public debt. This decision marks a major shift in EU finances. It entails an obvious need for effective checks on how EU money is spent, and on whether the intended results are achieved.”
Annual report on the activities funded by the 8th, 9th, 10th and 11th European Development Funds for the 2020 financial year

The European Development Funds (EDFs) were the main instrument by which the EU provided development cooperation aid to the African, Caribbean and Pacific (ACP) countries and overseas countries and territories (OCTs) until the end of 2020. The partnership agreement signed in Cotonou on 23 June 2000 for a period of 20 years (‘the Cotonou Agreement’) was the framework governing the EU’s relations with ACP countries and OCTs. Its primary objective was to reduce and ultimately eradicate poverty. For the 2021-2027 MFF, development cooperation aid to Africa, Caribbean and Pacific is integrated into the Neighbourhood, Development and International Cooperation Instrument (NDICI/Global Europe) and development cooperation aid to OCT is integrated into the Overseas Association Decision. However, the 8th, 9th, 10th and 11th EDFs will not be integrated into the EU general budget and will continue to be implemented and reported on separately until their closure.

For 2020, expenditure subject to audit in this area was €4.0 billion. This expenditure relates to the 8th, 9th, 10th and 11th EDFs.

As for the reliability of the EDFs’ accounts, the ECA concluded that the 2020 accounts were not affected by material misstatements, and that the revenue of the EDFs did not contain a material level of error. However, expenditure for the 2020 financial year was affected by material error, with an estimated most likely level of error of 3.8% (2019: 3.5%). The ECA’s opinion on expenditure for the 2020 financial year is therefore adverse.

Report on the performance of the EU budget – status at the end of 2020

In addition, on 15 November 2021, the ECA published its Report on the performance of the EU budget, covering the performance of spending programmes under the EU budget as at the end of 2020.

The ECA examined the results achieved by EU spending programmes financed from the EU budget, based on performance information from the Commission and other sources, including its own recent audit and review work. It also assessed whether and how the Commission and the co-legislators have used the lessons learnt from previous MFF periods (e.g. from evaluations, impact assessments and audits) to improve the design and performance of spending programmes for the 2021-2027 period.

Although some of the spending programmes examined were affected by the COVID-19 pandemic in 2020, in some the available information shows that there has been progress in their performance. The auditors give a fairly positive assessment of the European Commission’s (and the co-legislators’) ability to use lessons learned from the past implementation of programmes to improve the design and performance of spending programmes for the 2021-2027 period. However, the Commission needs to improve the use of impact assessments and follow-up actions arising from evaluations.

The annual reports on the implementation of the 2020 EU budget and European Development Funds, the report on the performance of the EU budget, as well as related information material, are available on the ECA’s website.
OTHER REPORTS, OPINIONS, REVIEWS AND PUBLICATIONS ISSUED BY THE EUROPEAN COURT OF AUDITORS IN 2021

European Court of Auditors

Special reports
The ECA's special reports set out the results of its audits on EU policies and programmes or management topics related to specific budgetary areas.

The ECA published the following special reports in 2021:

- **Special Report No 1/2021**: Resolution planning in the Single Resolution Mechanism
- **Special Report No 2/2021**: EU humanitarian aid for education: helps children in need, but should be longer-term and reach more girls
- **Special Report No 3/2021**: Exchanging tax information in the EU: solid foundation, cracks in the implementation
- **Special Report No 4/2021**: Customs controls: insufficient harmonisation hampers EU financial interests
- **Special Report No 5/2021**: Infrastructure for charging electric vehicles: more charging stations but uneven deployment makes travel across the EU complicated
- **Special Report No 6/2021**: Financial instruments in cohesion policy at closure of the 2007–2013 period: verification work yielded good results overall, but some errors remained
- **Special Report No 7/2021**: EU space programmes Galileo and Copernicus: services launched, but the uptake needs a further boost
- **Special Report No 8/2021**: Frontex’s support to external border management: not sufficiently effective to date
- **Special Report No 9/2021**: Disinformation affecting the EU: tackled but not tamed
- **Special Report No 10/2021**: Gender mainstreaming in the EU budget: time to turn words into action
- **Special Report No 11/2021**: Exceptional support for EU milk producers in 2014–2016 - Potential to improve future efficiency
- **Special Report No 12/2021**: The Polluter Pays Principle: Inconsistent application across EU environmental policies and actions
- **Special Report No 13/2021**: EU efforts to fight money laundering in the banking sector are fragmented and implementation is insufficient
- **Special Report No 14/2021**: Interreg cooperation: The potential of the European Union’s cross-border regions has not yet been fully unlocked
## Special Reports 2021

<table>
<thead>
<tr>
<th>Special Report No 15/2021:</th>
<th>Air passenger rights during the COVID-19 pandemic: Key rights not protected despite Commission efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special report No 16/2021:</td>
<td>Common Agricultural Policy and climate: Half of EU climate spending but farm emissions are not decreasing</td>
</tr>
<tr>
<td>Special Report No 17/2021:</td>
<td>EU readmission cooperation with third countries: relevant actions yielded limited results</td>
</tr>
<tr>
<td>Special Report No 18/2021:</td>
<td>Commission’s surveillance of Member States exiting a macroeconomic adjustment programme: an appropriate tool in need of streamlining</td>
</tr>
<tr>
<td>Special Report No 19/2021:</td>
<td>Europol support to fight migrant smuggling: a valued partner, but insufficient use of data sources and result measurement</td>
</tr>
<tr>
<td>Special Report No 20/2021:</td>
<td>Sustainable water use in agriculture: CAP funds more likely to promote greater rather than more efficient water use</td>
</tr>
<tr>
<td>Special Report No 21/2021:</td>
<td>EU funding for biodiversity and climate change in EU forests: positive but limited results</td>
</tr>
<tr>
<td>Special Report No 22/2021:</td>
<td>Sustainable finance: More consistent EU action needed to redirect finance towards sustainable investment</td>
</tr>
<tr>
<td>Special Report No 23/2021:</td>
<td>Reducing grand corruption in Ukraine: several EU initiatives, but still insufficient results</td>
</tr>
<tr>
<td>Special report No 24/2021:</td>
<td>Performance-based financing in Cohesion policy: worthy ambitions, but obstacles remained in the 2014-2020 period</td>
</tr>
<tr>
<td>Special report No 25/2021:</td>
<td>ESF support to combat long-term unemployment: Measures need to be better targeted, tailored and monitored</td>
</tr>
<tr>
<td>Special Report No 26/2021:</td>
<td>Regularity of spending in EU Cohesion policy: Commission discloses annually a minimum estimated level of error that is not final</td>
</tr>
<tr>
<td>Special Report No 27/2021:</td>
<td>EU Support to tourism - Need for a fresh strategic orientation and a better funding approach</td>
</tr>
</tbody>
</table>
Specific annual reports

In 2021, the ECA audited the accounts and underlying transactions of the EU agencies and other bodies for the financial year 2020. The Annual report on EU agencies for the financial year 2020 presents a comprehensive overview on the agencies set up by the European Union and the detailed results of the annual agency audits. A summary (2020 audit of EU agencies in brief) is also available.

The audit confirmed the positive results reported in previous years. Through the statements of assurance issued for each agency, the ECA provided:

- unqualified (clean) audit opinions on the reliability of all agencies’ accounts;
- unqualified (clean) audit opinions on the legality and regularity of the revenue underlying the accounts for all agencies; and
- unqualified (clean) audit opinions on the legality and regularity of the payments underlying the agencies’ accounts for all agencies, except for ACER, eu-LISA and ENISA (for which a qualified opinion was issued).

The ECA also published the Annual report on EU Joint Undertakings for the financial year 2020, together with a summary (2020 Audit of EU Joint Undertakings in brief). Overall, the audit of the Joint Undertakings (JUs) for the financial year 2020 confirmed the positive results reported in previous years. Through the statements of assurance issued for each JU, the ECA provided:

- unqualified (clean) audit opinions on the reliability of accounts for all nine JUs; and
- unqualified (clean) audit opinions on the legality and regularity of the transactions underlying the accounts for all nine JUs.

However, various matters needing improvement were observed in the areas of budgetary and financial management, in-kind contributions, grant payments, procurement procedures, human resources and sound financial management.

The ECA has an obligation to report annually on any contingent liabilities of the Single Resolution Board, the Commission, or the Council arising from the performance of their resolution tasks. In 2021, the ECA issued the Report (pursuant to Article 92(4) Regulation (EU) 806/2014) on any contingent liabilities arising as a result of the performance by the Single Resolution Board, the Council or the Commission of their tasks under this Regulation for the 2020 financial year.

Finally, the ECA audited the annual accounts of the European Schools and published the Report on the annual accounts of the European Schools for the financial year 2020.

Opinions

Opinions provide the ECA’s views on new or updated regulation with a significant impact on EU financial management.

The following opinions were published in 2021:

- Opinion No 1/2021 (pursuant to Article 322, TFEU) concerning the proposal for a Regulation of the European Parliament and of the Council establishing the Brexit Adjustment Reserve
- Opinion No 2/2021 (pursuant to Article 322(2) TFEU) concerning the Commission’s proposal for a Council Regulation amending Regulation (EU, Euratom) No 609/2014 in order to enhance predictability for Member States and to clarify procedures for dispute resolution when making available the traditional, VAT and GNI based own resources
Reviews

Reviews are based on accumulated knowledge and experience. They cover different EU-related policy and management topics, and their objectives vary. They may provide scene-setting description and analysis based on published audits, often from a cross-cutting perspective. The ECA also uses them to present analyses of areas or issues not yet audited, or to establish facts on specific topics or problems.

In 2021, the ECA published the following reviews:

- Review No 1/2021: The EU’s initial contribution to the public health response to COVID-19
- Review No 2/2021: EU actions to address low digital skills
- Review No 3/2021: Financial contributions from non-EU countries to the EU and Member States
- Review No 4/2021: EU actions and existing challenges on electronic waste
- Review No 5/2021: The EU framework for large transport infrastructure projects: an international comparison

Audit previews

Audit previews provide information based on preparatory work undertaken before the start of an on-going audit task. They are intended as a source of information for those interested in the policy and/or programme being audited.

During 2021, the ECA published audit previews on:

- Strengthening the rule of law in the Western Balkans
- What is the EU doing to address the innovation divide?
- A single market for investment funds – ensuring investor protection and financial stability
- Air passenger rights during the COVID-19 crisis
- The Commission’s role in providing high-quality European statistics
- Resilience of the EU institutions during the COVID-19 crisis
NOVELTIES CONCERNING THE MEMBERS OF THE EUROPEAN COURT OF AUDITORS IN 2020-2021

European Court of Auditors

The Council of the European Union appoints the Members of the European Court of Auditors after consultation with the European Parliament, following nomination by their respective Member States.

The following new Members of the European Court of Auditors took office in 2020-2021:

- **François-Roger Cazala** (France) for the period from 1 January 2020 to 31 December 2025 in replacement of Danièle Lamarque;
- **Joëlle Elvinger** (Luxembourg) for the period from 1 January 2020 to 31 December 2025 in replacement of Henri Grethen;
- **Helga Berger** (Austria) for the period from 1 August 2020 to 31 July 2026 in replacement of Oskar Herics; and
- **Marek Opioła** (Poland) for the period from 1 February 2021 to 6 May 2022, in replacement of Janusz Wojciechowski (Poland), whose term of office ceased with effect from 30 November 2019 following his appointment as a Member of the European Commission.
- **João Figueiredo** (Portugal) passed away on 30 June 2021.

Annual activity reports

The ECA’s annual activity report for 2020 provides an overview of the key results and achievements during the year as well as the main developments in its audit environment and internal organisation.

With the Report of the authorising officer by delegation for the financial year 2020 the Secretary-General provides management accountability within the ECA and towards the budgetary authorities.

Journal

The ECA Journal is a periodical which provides a window onto the ECA’s work and role. Each edition of the Journal features articles on a specific theme, mostly from an audit perspective, from contributors working within and outside the EU institutions. It is available in electronic form only.

During 2021, the ECA published three issues of the Journal:

- ECA Journal No 1/2021 – Strategy development in a rapidly changing world
- ECA Journal No 2/2021 – The new CAP creating new horizons
- ECA Journal No 3/2021 – Disasters and crisis management
6.1. ALSAI contribution in good governance regarding the COVID-19 pandemic

6.2. Leveraging the opportunity of a crisis – Estonian National Audit office’s review of large-scale crisis measures

6.3. How the European Court of Auditors turned the new COVID-19 reality into an opportunity

6.4. Small streams of data added up to a large flow – a positive consequence of COVID-19

6.5. A new audit approach in response to challenges: the importance of change management

6.6. Best practise of SAI Latvia in rapid response to the demands of emergency situations

6.7. Challenges in increasing efficiency of support schemes to fight the COVID-19 crisis

6.8. Romanian Court of Accounts during state of emergency: challenges and opportunities

6.9. Reflections on external audits in the aftermath of the COVID-19 pandemic
6.10. Pandemic management, supreme audit institutions (SAIs)’ role in the pandemic risk reduction, and responding to COVID-19: experience and practices of the Turkish Court of Accounts (TCA)

6.11. Global challenges testing ability of SAIs to react: taking measures to mitigate the negative impact of the consequences caused by the pandemic COVID-19


6.13. ARABOSAI’s response to COVID-19 crisis

6.14. Global challenges that put SAIs’ reaction capacity to the test

6.15. The value of working together at OLACEFS in the context of the COVID-19 pandemic

6.16. Pivoting and providing: how IDI up-scaled its support for SAIs in response to the global pandemic

6.17. Review on climate tracking methods

6.18. Role of data analysis activities in auditing and coping with the pandemic

6.19. The role of the state in environmental audit of preventing global changes and preserving biodiversity
The COVID-19 pandemic had its outbreak in December 2019 and it has since been an ongoing struggle around the world, as well as in Albania. Viral diseases are considered to be the deadliest ones as they rapidly take lives and spread continuously. Their ability to easily evolve and adapt to new environments makes them a serious life threat not only to the public but also to health institutions that are making all the efforts to prevent the ongoing spread of viral diseases. In countries with a low economic level, the pandemic has been destructive to the point of survival or impossibility of economic growth. The role of SAIs is of high importance as it pushes and guarantees an effective response in how the government manages public finances and ensures transparency and accountability. The various repercussions of the crisis raise a question about the role of SAIs in responding to the pandemic, as regards both meeting citizens’ expectations and ensuring the transparency and accuracy of financial information relating to pandemic spending.

Are our countries and Supreme Audit Institutions ready to face the global crisis?

The International Disaster Database distinguishes two generic categories for disasters (natural and technological). The natural disaster category is divided into 5 sub-groups, which in turn cover 12 disaster types and more than 30 sub-types. Natural disasters can cause a global crisis, just as COVID-19, and they are a result of geophysical, hydrological, climate-related, meteorological or biological phenomena.

### Figure 1. Natural disaster classification

[Image of a table or diagram showing the classification of natural disasters into Biological, Geophysical, Hydrological, and Meteorological categories.]

A unique feature of disaster-related aid is the impact that it can have on saving lives and property and restoring human dignity. This is because no matter how well-prepared the governments, communities or individuals plan to be, they can never be prepared enough to avoid all adverse effects of major disasters. Auditors can measure the effectiveness of disaster-related aid in terms of results, the most direct examination of which can be achieved by consulting the intended final beneficiaries of the aid. To do this, SAIs can actively seek the input of the affected population by use of interviews and surveys, and by consulting civil society organisations.

The COVID-19 pandemic proved that even developed countries with well-established health systems were not ready to face such a crisis. On the other hand, various SAIs planned and conducted audits related to the pandemic management by their governments. Despite the fact that this pandemic is unique and has features that were unknown to almost all, there are various documents that could help auditors around the world to conduct quality audits related to natural disasters. *Some of these are ISSAI 5500, developed by the International Organization of Supreme Audit Institutions (INTOSAI), which provides general guidance on disaster audit. ISSAI 5510 and 5520 respectively covers the audit of the “pre” and “post” phases of natural disasters; ISSAI 5530 focuses on the specific risks of fraud and corruption related to natural disasters.

The disaster management cycle shown in figure 2 divides the activities supported by disaster-related aid into six segments. Two of these relate to the preventive and preparatory measures which the government can establish and operate in advance of potential disaster. The other four segments describe the activities which follow the occurrence of a disaster. Actually, we are using all these ISSAIs in our audits regarding natural catastrophes. They are extremely valuable in terms of use as possible criteria for planning a “recovery”, “rehabilitation” and “reconstruction” after a natural disaster as they set potential deadlines for each phase.

The world is facing more and more natural disasters, such as fires in Turkey and Greece, floods in Germany and Belgium, or even earthquakes such as the one that occurred in November 2019 in Albania, which caused 51 casualties, are just some of the natural disasters with fatal consequences. Supreme Audit Institutions are increasingly addressing their audits towards natural disasters as they are causing more and more damage.

---

2 ISSAI 5520, Audit of Disaster related aid, paragraph 6.5
3 For more information, look at ISSAI 5520.
As an oversight institution, ALSAI can play a key role in different stages of a crisis like COVID-19, by conducting audits on the implementation of new regulations, programmes, or procurements, in order to provide advice on critical rules and regulations, and give opinions whether funds are being used for the right purposes, as well as by assessing the economy, efficiency and effectiveness of disaster-related aid in terms of results. By embarking on financial, compliance and performance audits that add value considering the related risks, ALSAI aims to have a deterrent effect and contribute to safeguarding government funds.

On the other hand, the protection of the SAI staff itself and the adoption of innovative ways of working is still a challenge ALSAI needs to deal with continuously.

Considering that much of the pandemic-related spending in Albania, occurred through expedited processes and as a result, the risks of corruption, mismanagement and waste were heightened, during 2020 and 2021 ALSAI conducted regularity audits in the Ministry of Health and Social Protection with main focus assessment of the procedures followed for pandemic related funds, where we observed that:

- Following the expedited procurement procedures in cases when we are dealing with "essential interests of the state", resulted to be regulated by a deficient legal framework, where this concept was not clearly foreseen. Thus the decision of the Ministry to follow expedited procedures, resulted to be based on subjective assessment, by increasing the risk of arbitrariness;
- Some procedures failed to meet the criteria of "time" notwithstanding the fact that timely response was the main reason why this type of procedure was followed;
- Some procedures resulted to be non effective, by failing to provide the necessary/vital medical equipment (such as respirators) or medications for COVID-19;
- The Ministry resulted to not have applied penalties for late delivery or non-delivery at all, of some medical equipment and medicines crucial to treat COVID-19, the lack of which put at risk the health of citizens.

Also, ALSAI is conducting a performance audit on "Effectiveness of COVID-19 pandemic situation management in Albania", aiming to assess the effectiveness of policies in managing the pandemic situation, as well as providing a clear picture of integrity, reliability and transparency of the system. The methodology used in this audit consists of:

- Review, analysis and evaluation of reports and data collected during the audit study phase;
- Interviews and open-ended questions with the representatives of the audited entities, questionnaires with the public as well as with the stakeholders, qualitative and quantitative elaboration and analysis of their answers;
- Collection of data from secondary sources and their analysis;
- Obtaining data and studying them from various publications on the COVID-19 pandemic situation;
- Consultation with experts of the field, outside the audited entities;
- Field observation of the situation to take a closer look at the issues raised in this audit.

Also, ALSAI took the opportunity to conduct joint audits with other SAIs to exchange expertise and knowledge in the field. Currently, ALSAI has responded positively to the invitation of North Macedonia SAI for cooperation in a joint performance audit on "Auditing of municipalities’ revenues for providing quality services to citizens during the pandemic". A working group is cooperating closely with partners in order to prioritize the issues.

On the other hand, COVID-19 Pandemic has affected the lives of people, which, in turn, affects the work of auditors, who continuously are facing the challenge of exploring new approaches, and learning new skills to complete tasks they weren’t necessarily prepared to confront, in order to provide effective national pandemic response oversight.

It is said that the struggle you’re in today, develops the strength you need tomorrow. This phrase is more relevant than ever for SAIs, as we are facing numerous challenges and forging new directions to address COVID-19 Pandemic implications. If there has ever been a moment where we should perseveringly turn the threats into opportunities, it is now.
LEVERAGING THE OPPORTUNITY OF A CRISIS – ESTONIAN NATIONAL AUDIT OFFICE’S REVIEW OF LARGE-SCALE CRISIS MEASURES

Roel Burov
Auditor

Alvar Nõuakas
Data Analytics Project Manager, Head of the EUROSAI IT Working Group Secretariat
National Audit Office of Estonia

For most supreme audit institutions (SAIs), 2020 will go down in history as the year in which a significant step forward was taken within the digital realm. Many institutions were faced with the need to organize their operations remotely as well as embark on fast-track projects, surpassing customary procedures. For the National Audit Office of Estonia (NAOE), data analytics was one field in which we were able to innovate and gain valuable experiences, realizing our long-discussed intent to exploit large public sector datasets and apply interactive visualization tools.

Data analytics was one field in which we were able to innovate and gain valuable experiences

As happened in other countries, extensive restrictions and measures were introduced by the Estonian government to fight the COVID-19 pandemic, including several economic support schemes aimed at alleviating the effects of the health crisis. With the latter implemented under great pressure, decision-makers were understandably short on time when evaluating the economic state of potential beneficiaries, a basis for support measures and novel regulative mechanisms. The NAOE, therefore, considered the risk of government support missing or only partially targeting the companies and sectors hit hardest by the pandemic, and monitored the area with heightened attention.

The NAOE conducted several COVID-19 related audits and reviews during 2020, one of which was a review launched in May that focused on the economic support of companies during the crisis – schemes such as wage compensation, aid for rent payments, aid to the tourism sector and small businesses, as well as extraordinary loans and loan sureties. We examined whether state support measures had reached entrepreneurs most affected by the crisis by comparing the sales, labour turnover and number of employees in companies receiving support with the same indicators of those operating without compensation.

The review was a large-scale data analysis, since monthly data on sales turnover, labour taxes and employee statistics across all Estonian companies were enquired from the Tax and Customs Board. At the outset of the review, we started working with the datasets of the first months of 2019 and 2020 and received the rest on a running basis during the remainder of the project. For performing a cross-analysis, data on the beneficiaries of various state crisis support measures was requested from agencies implementing the schemes.

1 https://www.riigikontroll.ee/DesktopModules/DigiDetail/FileDownloader.aspx?FileId=14881&AuditId=2531
https://www.riigikontroll.ee/DesktopModules/DigiDetail/FileDownloader.aspx?FileId=14710&AuditId=2512
The results of the analysis were presented via interactive Tableau dashboards on the NAOE website – a first-ever data-intensive review performed and published in such a manner by our office. Data visualizations were complemented by a standard audit report, centred around the observations and conclusions we had made based on the data analysis.

Interactive dashboards enable diving into the data - to see subsidies by mediating authority, date and business area. Information about data is as important as data itself.

The results of the analysis were presented via interactive Tableau dashboards on the NAOE website

Procedures of the review were completed by March 2021, nearly a year after its launch. The ideal process had been envisaged as us designing a Tableau dashboard and simply adding new monthly data and publishing it on a running basis for interactive monitoring of the situation. In reality, however, a significant amount of time was spent on solving data-related questions. For example, we had to compromise on our original intent to consider various other aspects in the review due to the poor quality or lack of data (e.g. partial availability of companies’ annual reports). We were also not able to publish the interim results of the analysis, despite being already able to make preliminary conclusions and monitor the situation, since data-related issues complicated the design of the visualizations, and data was simply not mature enough for the prying public eye. All of these challenges were valuable lessons learned and showcase the potential risks associated with real-time continuous auditing.

The review project provided us with important information about the varying quality as well as the length of the process of obtaining public sector data, helping us to be better prepared for similar projects in the future. Furthermore, we also identified various areas for potential closer cooperation with Statistics Estonia, a governmental agency responsible for producing official statistics. The NAOE is a relatively small institution and does not house a separate dedicated data unit, making collaboration with the governmental data agency an attractive prospect – aided by Statistics Estonia’s competences and access (vital for data imputation and cleansing), we could save a significant amount of time and focus primarily on output and conclusions. It is very likely that, through collaboration with Statistics Estonia, we could have been able to publish and update data visualizations more operatively during our review. This reflection has given an impetus for exploring data analytics related future cooperation avenues, for example, regarding remote data administration possibilities for the NAOE auditors.

A silver lining of the otherwise rather challenging pandemic situation is the push towards innovative thinking and problem-solving it has generated within the NAOE. We feel more confident when considering using data from different sources in our work and see merit in reaching out to external partners to support us in the process. Interactive solutions and reconceptualization of the outputs of audits as well as the automation of monitoring and parts of the audit process are certainly keywords set to be at the centre of attention in the coming years. As a concrete development area, real-time connection with the most important public sector databases via the Estonian data exchange layer X-Road2 is being worked on, and we hope to see the first positive results on this already in 2022.

Interactive solutions and reconceptualization of the outputs of audits are certainly keywords set to be at the centre of attention in the coming years

---

HOW THE EUROPEAN COURT OF AUDITORS TURNED THE NEW COVID-19 REALITY INTO AN OPPORTUNITY

Leo Brincat
Member of the European Court of Auditors

When the COVID-19 pandemic first struck the European Union and its Member States in March 2020, we soon realised that business as usual was no longer possible for us as an institution. Our Members and staff reacted promptly, and adapted in real time to the restrictions imposed upon citizens and businesses by a public health crisis that had a direct and profound impact on the way we live and work.

Our greatest challenge was to transform our working environment in such a way as to ensure maximum productivity and business continuity, while prioritising the health and safety of our staff.

From the earliest days of the pandemic, our whole institution had to adapt to new ways of working, while attempting to strike a balance between working from home and being in the office.

Various administrative measures were taken to mitigate and manage the impact of COVID-19 at the European Court of Auditors.

In preparing for the post-COVID era, we have taken regular account of the views of our staff and managers, while keeping track of the ways other EU institutions have approached the situation.

An in-house Crisis Management Committee and a Business Continuity Manager played a pivotal role in our approach.

The effectiveness of our Business Continuity Plan was gauged by the scope it allowed for swift action, in full compliance with our host government’s instructions and in step with the other EU institutions based in Luxembourg.

We also set up a highly effective COVID-19 Technical Cell, which constantly monitored the situation and issued regular staff notices. The Cell also advised our Crisis Management Committee and supported the Court itself in its decision-making process.

Our Medical Service was involved in the process at all times, the aim being to guarantee our staff’s well-being.

The support of our IT staff was vital in helping us to manage the switch to 100% teleworking without having to suspend our activities for a single day. They also made our work much easier by facilitating digital connectivity.

Although most of our on-the-spot audit missions to areas with a high COVID-19 risk were put on hold, we ensured the quality and output of our work by performing alternative audit procedures where practical and possible, thus minimising any limitations on their impact.

Videoconferencing both internally and with external stakeholders facilitated our work while we continued to develop new solutions for hybrid meetings at various operational levels.

Training opportunities were offered in the form of various webinars and online conferences, including specific events with a focus on subjects related to the crisis. Our range of e-learning courses was considerably extended.

Although the initial stages of the pandemic required us to work remotely on a full-time basis, effective administrative action enabled us to return to the office gradually as from mid-June 2020, under strictly controlled conditions and in initially limited numbers.
We even managed to resume HR services following a few months of transition, by adapting recruitment procedures and the reception of newcomers to the new reality.

We put in place new cutting-edge detection mechanisms to counter the threat of an upsurge in sophisticated cyberattacks across the EU institutions.

The feedback we received from our stakeholders during the crisis was positive. There was considerable appreciation of our work, particularly of those audits and reviews that dealt with the crisis and our response to it.

One particularly positive point was that the measures we put in place were considered to have improved the well-being of hundreds of our staff, without in any way hindering our productivity and/or the quality of our work.

As things stand, digital communication is now much easier than before.

We have not only become more resilient, but our ability to adapt and innovate has also increased.

Most importantly of all, though, we have managed to maintain trust in our institution, and in each other.

Our response to the new normal has shown that our institution can function with less command and control, ensuring the quality of our work while benefitting from greater empowerment, autonomy and responsibility in our teams.

As a result of our new flexibility, many of our managers have gone far beyond the role traditionally assigned to them. In some instances, productivity has actually been enhanced.

COVID-19 has taught us many lessons, the most important of which is undoubtedly that digital tools are now an indispensable part of our working life and have reshaped our working patterns.

As the situation evolves, further adjustments might still need to be made. However, the eagerness and responsiveness that our staff have demonstrated so far surely makes any new challenges less daunting while at the same time instilling a new confidence and sense of optimism in us all.

As long as we continue to strike an effective balance between well-being and work, no obstacle will be too great for us to overcome.

**COVID-related audit activities for 2020-2021**

- **Special Report 15/2021**: Air passenger rights during the COVID-19 pandemic: Key rights not protected despite Commission efforts
- **Special Report**: Free Movement in the context of COVID-19
- **Special Report**: Food security during the COVID-19 pandemic
- **Special Report**: Resilience of the EU Institutions and bodies
- **Special Report**: COVID-19: vaccines procurement and other health measures
- **Special Report**: Coronavirus Response Investment Initiative (CRII)
- **Special Report**: Commission level control system design audit of whether the Commission’s checks upon receiving payment requests are sufficient and in line with the requirement of the applicable rules
- **Special Report**: Budget Galaxy 2021
- **Special Report**: Debt management at the Commission
- **Special Report**: Commission’s assessment of NRRPs
- **Review 01/2021**: The EU’s initial contribution to the public health response to COVID-19
- **Review 06/2020**: Risks, challenges and opportunities in the EU’s economic policy response to the COVID-19 crisis

**Source**: European Court of Auditors
COVID-19 has been affecting almost all activities in society for as long as a year and a half. From the perspective of auditing, the question is at least twofold. How should audits approach an issue that is ongoing? Is it justified to audit the activities of government authorities when everyone is acting in haste and distress? On the other hand, can audit afford to lose the opportunity offered by such a major, almost unique situation that actually puts society’s ability to function to the test?

Different countries adopted different approaches to the question. One extreme was suspending auditing completely in order to facilitate the operation of the authorities, whereas the opposite extreme was continuing auditing as before. However, regardless of the choice made, all SAIs were offered the same important opportunity: producing and analysing information on the pandemic and its impacts.

Finland was locked down in March 2020. The same week, the National Audit Office of Finland (NAOF) decided to start monitoring the pandemic systematically. Using the word “systematically” may be exaggerated because, in practice, we started off without a plan or preparation. Thus, the pandemic also took the NAOF by surprise.

Systematic work was achieved quickly

The monitoring of the pandemic was thus not structured when the work began. However, we quickly found a natural way of analysing the matters to be monitored. In Finland, the work of the National Audit Office must be related to central government finances, and therefore we focused on monitoring them. The impacts of the pandemic on central government finances proved to be massive. The other areas that we decided to monitor were the administrative decision-making and the response of public administration to the situation, the economic development of the private sector, and also the actual epidemiological situation.

We quickly found a natural way of analysing the matters to be monitored

During the spring, the monitoring group provided the NAOF’s management with several reports of a few pages on the subject. In addition to the monitored issues, the reports included proposals on what the NAOF could or should do in the circumstances. Two audit topics emerged already in the early stages of the pandemic. In response to the economic crisis resulting from the pandemic, the Government topped up the business subsidies granted considerably. Additional support was incorporated in the old schemes, but new subsidies were also established rapidly. The NAOF strove to act quickly. Immediately in spring 2020, the NAOF ensured that public administration would include all old and new subsidies in one and the same scheme so that it would at least not be possible to receive multiple subsidies for the same activities. The NAOF also published a press release, which was also sent to all agencies. We wanted to point out that, despite the exceptional circumstances, the requirements for the use of funds had not been changed. The decision-making and processes were to be of the same quality as in normal circumstances. In addition, an audit of business
subsidies was exceptionally incorporated in our audit plan in the middle of the planning period, and both public administration and the media were informed of this. The other audit topic that we immediately started to work with concerned security of supply. Finland has maintained an emergency supply organization, although many other countries have abandoned similar organizations. At the unexpected outbreak of the pandemic, the expectations for the emergency supply organization’s operations did not meet reality. You can find more detailed descriptions of the findings and recommendations of the two audits through the links below.

The NAOF was not the only one collecting information

It became evident very quickly in the NAOF’s monitoring that, because of the pandemic, society as a whole had woken up to a new kind of information need. The production of information increased considerably and, in the early stages of the crisis, the same issues were monitored in many places and in many ways. However, the production of information became quickly more efficient. The producers of original statistical data started to publish information in a faster cycle – in some cases almost in real time. Economical survey data was produced to an increasing extent by public actors. An example is the data the tax administration has collected on the impacts of COVID-19 on taxes; this data can be distributed very quickly to those who need it. The cycle of collecting data through surveys was also shortened considerably in order to provide a quick idea of the state of the economy, for example.

In addition to data collection, data analysis also increased. Various studies were launched quickly. In the area of economic data, the Helsinki Graduate School of Economics established an economic situation room, which – unlike in the case of traditional peer-reviewed research data – started to make rapid analyses of the state of the economy on the basis of the available data. The NAOF also visualized the state of central government finances and the growth of supplementary budgets, combining the visuals with brief descriptions of the importance of the matter to different sectors.

International cooperation has suffered with the exception of data production

At the outbreak of the pandemic, it became evident that the world continues to be formed of nation states. Each country strived to ensure the safety of its own citizens only – even through very radical lockdown decisions. In reality, the actions taken may not always have protected people in the best possible manner. This kind of approach was particularly ill-suited to preventing a pandemic, which specifically poses a threat to the whole of humanity.
However, data production was an area where international cooperation fortunately continued uninterrupted. As part of this development, SAIs also quickly began to consider the possibility of cooperating. Different kinds of cooperation related to the production of information emerged quickly. All SAIs probably share the opinion that COVID-19 boosted the cooperation between them. The fact that people switched over to remote work almost everywhere and stopped travelling lowered the threshold for cooperation. It is easier to organize meetings that can be attended from home or from your own office. It has also become easier to follow seminar presentations because, as a rule, they are streamed.

**Data production was an area where international cooperation fortunately continued uninterrupted**

**How to prepare for the future?**

An obvious lesson from COVID-19 is that, in a very threatening situation, states act selfishly, protecting their own citizens. Another clear lesson is that, in these kinds of circumstances, there is a need for rapid and comprehensive information on different sectors of society. A third lesson is that a global problem can best be overcome by combining the whole world’s resources, both financial and information ones.

**An obvious lesson from COVID-19 is that, in a very threatening situation, states act selfishly, protecting their own citizens**

SAIs can play a role in all of these areas. Safeguarding the state and society requires maintaining citizens’ trust in their activities. SAIs already have an important role in this based on their mere existence. When future audits are targeted, it is important to keep in mind that systematic collection of data for the knowledge base of public decision-making is essential – especially in the event of an unexpected threat but also in fully normal decision-making. At least here in Finland, the pandemic has taught us that there is room for improvement. As SAIs are among the few authorities that particularly look after the overall interest, they can play an important role in promoting the development through audits. In addition, SAIs can also maintain international cooperation even in difficult circumstances and, through their own work, increase trust between countries, especially as regards the functioning of public finances.

Further information:

- Covid-19 changed the management of central government finances - Annual Report 2021 of the National Audit Office (vtv.fi)
- Central government debt management - National Audit Office of Finland (vtv.fi)
- Direct business subsidies granted in response to the Covid-19 epidemic – Allocation and management of the subsidies in the early stages of the epidemic - National Audit Office of Finland (vtv.fi)
- Security of supply and safeguarding it during the Covid-19 pandemic - National Audit Office of Finland (vtv.fi)
- Business cycle heatmap has now been published - National Audit Office of Finland (vtv.fi)
- Estimated debt ratio falls in the fifth supplementary budget – see the updated visualization - National Audit Office of Finland (vtv.fi)

More information:
Visa Paajanen
visa.paajanen@vtv.fi
A NEW AUDIT APPROACH IN RESPONSE TO CHALLENGES: THE IMPORTANCE OF CHANGE MANAGEMENT

László Domokos  
President of the State Audit Office of Hungary

Bettina Martus  
Head of Risk Analysis Department  
State Audit Office of Hungary

In the current challenging situation caused by COVID-19 pandemic, the State Audit Office of Hungary (SAO) has recognized that a significant part of the potential auditees is involved in the defence against the pandemic, but the situation assessment also made it clear that people need more than ever to be able to turn to individual organizations and institutions with confidence.

Adapting to the changed conditions, the SAO also continued its audits and activities in the epidemiological situation: it expanded its advisory and analytical role arising from its authorisation in law and the resolution of the National Assembly, and also carries out a significant part of its audits more efficiently and effectively in order to be able to reach auditees as broadly as possible, at the same time minimising the burdens on them during the audit. In response to the challenges, the SAO developed a number of methodological changes, as part of which the role of digitalisation became even more important, and new audit approaches were introduced.

The new approaches are based on the opportunities provided by digitalisation tools, evaluating only the most basic and small number of documents of high-risk areas. As a result of the audit, the auditee can restore its regular operation even in the year of the audit.

Thus, with the new approaches including monitoring type and risk-based audits, the SAO simultaneously assesses the essential areas of responsible management, accountability and transparency in case of several audited organizations. All this contributes to the increase in the number of audited organizations, to the general improvement of the public finance situation as well as the accountability as soon as possible.

Audit approaches

Audit approaches can be interpreted as tools ensuring that the audit objectives are met. The audit approaches show the level of the details and the assurance of the audit, which is determined by the validity of the evidence, the extent to which we validated and used them during the audit, and the level of our assurance of regular and/or efficient operation.

The level of audit assurance expresses the degree of correctness, substantiation and reliability of the findings, conclusions, recommendations and opinions formed on the basis of the audit. It should be noted that in the general case there is no absolute (100%) certainty, however, a reasonably high level of certainty can and should be achieved. The higher the level of audit assurance, the lower the audit risk is.

The SAO strives for a high level of assurance during all its audits, so the basic principle in the design of audit procedures is that audits should provide reasonable assurance that errors, irregularities, illegal measures or non-compliances are detected. Reasonable audit assurance means that the information related to the audit meets or does not meet in all material respects with the audit criteria set out during the professional design, and, as appropriate, it has been presented fairly in all material respects. This reasonable level of assurance is different in case of different audit approaches, as the role of audits and their utilization are also different in their case (see later).

The diversification of audit approaches contributes to the application of the materiality principle during audits, as the nature, timing and range of audit procedures to be applied and the assessment of the information obtained during the audit shall be designed
by taking into account the materiality level determined depending on the purpose and object of the audit.

In the case of audit approaches, a kind of development history can be drawn, for which the interpretation of the current role, the external environment – for example: digitalisation, COVID 19 pandemic both have an effect. The interpretation of the role - the purpose and way of utilizing the work of the SAO - influences the tool used, thus the audit approach. For example, a shift from the function of searching for mistakes to an advisory role has led to a shift towards a narrower audit focus, which means a risk-based audit assessment in which case the audit focuses on the most significant or riskier areas.

Narrowing the scope of audits, prioritizing key areas and the interrelation of audits with different audit approaches will contribute to a more efficient use of capacity, improving the quality and economy of audits, which is also a public finance objective. The shift towards mass audits will also help to achieve an increase in audit coverage as a strategic goal.

Among its audits, the SAO performs monitoring, risk-based and detailed audits, which differ in their level of details due to their purposes. The primary consideration in selecting the appropriate audit approach is utilization way and maximisation, so that those audit approaches should be chosen which is expected to provide the greatest added value in a given area. In this present article, we wish to present the characteristics of a monitoring-type audit approach.

Importance of monitoring type audits

As mentioned at the beginning of the article, a significant part of the potential audited circle faced a much greater burden in defense against the pandemic. It is true not only for the health sector that the stability of the system is needed more than ever, but also for other organizations performing public tasks. We can mention examples including local governments. They probably don’t come to mind when we think of institutions that play a key role in defense, but at the same time, the epidemic situation has placed a huge burden on them.

Local governments perform a number of tasks that affect thousands of local residents, for example they provide social benefits, deal with business and vehicle issues, the importance of which has increased during the crisis. In this situation, the integrity and regular, transparent operation of local governments is of paramount importance. In addition to local governments, the role of local government institutions can be mentioned, as in many cases they operate nurseries, kindergartens and other social institutions.

Institutions with a public function of care for the elderly or education, but not belonging to the public sphere, were also exposed to the pandemic. The breach of trust in them was perceptible, so the presence of the SAO became indispensable. Of course, we could give a lot of examples from the institutional circle, which were greatly affected by the pandemic, but the question was more about how the SAO performs its task without obstructing institutions and organizations with a strategic function in defense in the performance of their work, at the same time providing adequate assurance to the proper functioning of these institutions. In response to this dilemma, the SAO applied the monitoring audit approach.

From the second half of 2020, the SAO carries out monitoring-type audits. According to the wording of the second semester 2020 audit plan, the monitoring audits - focusing on the relevant documents of the current situation - will strengthen the SAO's advisory role with real-time evaluation and recommendations for the future.

The monitoring audits will strengthen the SAO's advisory role with real-time evaluation and recommendations for the future

During the monitoring audit, the SAO evaluates a small number of documents provided by all the organizations of the audited group operating in the same legal environment, which are relevant to the audited area, therefore the audit coverage can be significantly increased with the monitoring audits. Monitoring audits burden the audited organizations more moderately, the amount of data provided is significantly lower compared to more detailed audits, the audit is shorter in duration and non-stationary, all of which increases the efficiency of the audit. The monitoring audits provide a comprehensive picture of the previously not audited areas, the change of the already audited area, the direction of the change, the results of the audit can henceforth form the basis of further more detailed audits.
During the monitoring audit, the SAO does not oblige the auditees to prepare an action plan, but in the framework of counselling promotes the implementation of their positive change in public finances already in the distinct phase of the audit process supporting the operation of good governance.

Based on the above, the main features of the monitoring audit are the following:

- it is related to the whole or a large group of organizations operating in the same legal environment;
- it covers the evaluation of documents relevant to the area and the chief leader;
- it focuses on the existence of relevant documents and the basic criteria of its function;
- it focuses on the present documents, gives a real-time evaluation;
- it contains recommendations for the future;
- it does not intend to encourage the auditees to take action by drawing up an action plan but promotes the improvement of the public finance situation already in the second stage of the audit process, driving managers to take action according to their area of competence;
- it recommends co-operation and provides aspects for improvement.

The purpose of the monitoring audit is to provide a current picture of the audited area as well as create an opportunity to address the deficiencies already in the audit process. When selecting the topic of the monitoring audit, the SAO pays attention to the possibilities and materiality of the audit, bearing in mind that the audit in its advisory role seeks to promote the improvement of public finances within the framework of the cooperation of public money users.

An important aspect in the planning of the monitoring audit is that the audited organizations operate in the same legal environment with respect to the assessed area. Within the organizational circle, especially in the case of a very large number (sometimes thousands) of auditees, the formation of segments based on the characteristics of each group may arise in order to support the feasibility of the audit. In order to form groups, criteria must be chosen on the basis of which the organization can be clearly classified into one of the segments (for example territorial location, type of public task performed, size of management framework).

In order to conduct the monitoring audit, it is necessary to identify the relevant documents, the absence of which poses a significant risk to public finances. An essential condition for the evaluation of documents is the definition of the relevant audit criteria. In the case of monitoring audits, the criteria relate primarily to the availability of documents and the essential elements of their content which are necessary for the document to fulfil its role in practice.

In the case of monitoring audits, based on a management letter, auditors also assess the improvement in their reports during a separate second phase of the audit.

Thus, it can be clearly seen that the role of change management is essential in the life of all institutions and organizations, since without reacting to changes in time, their activities are unsustainable and their ability to create added value is lower. The SAO also proved during the pandemic that a thorough assessment of the situation and the transformation of challenges into opportunities, namely the management of changes, create new relevant values.
BEST PRACTISE OF SAI LATVIA IN RAPID RESPONSE TO THE DEMANDS OF EMERGENCY SITUATIONS

State Audit Office of the Republic of Latvia

In the spring of 2020, when the Government of the Republic of Latvia declared a state of emergency due to the deteriorating epidemiological situation, the State Audit Office of the Republic of Latvia immediately initiated the process for launching audits on the use of the funds allocated to limit the spread of COVID-19 and to mitigate the consequences of the emergency. This began with calls for accountability from the Government on the use of funds and raising the need to assess risks and adhere to good governance principles which on 20 April resulted in amending the audit plan for 2020.

When starting the audits of the actions of state institutions with public funds during the national emergency, an analytical overview1 was carried out "Exceptional circumstances caused by COVID-19 and notifications by the competent authorities regarding procurements necessary for containment of the COVID-19 outbreak and deviations from the conformity assessment of goods" on the response of the competent authorities at the global and regional level to the exceptional circumstances caused by COVID-19, which characterizes the scale of the caused crisis and may help in understanding the decisions taken by the Latvian government regarding the organization of purchases of goods necessary to curb the COVID-19 outbreak and deviations from the conformity assessment of goods under emergency conditions.

The purpose of the audits was to assess whether the funds have been requested reasonably and spent for the intended purpose, and provide recommendations to the government and responsible state institutions in areas where the implementation of the planned measures would require improvements. Thus, upon integrating audit issues related to the emergency situation, the areas of intervention for the Latvia SAI during 2020 included four main types: i) 'emergency' spending allocated to address COVID-19 (contingency funds and COVID-19 related budget reallocations); ii) expenditure of priority measures (new initiatives by the government); iii) measures to ensure savings in 'regular' expenditure (expenditure not required during the emergency situation and/or not necessary to maintain the functioning of the sector), and iv) audits originally (pre-emergency situation) included in the Annual audit plan of 2020.

The State Audit Office immediately initiated the process for launching audits on the use of the funds allocated to limit the spread of COVID-19

---

1 The analytical overview was carried out and the report was prepared based on Section 3.3 c) of the State Audit Office Law within the framework of the financial audit “On the accuracy of the financial statement 2020 of the Ministry of Defence”. 
In order to provide recommendations to the government in an efficient manner to meet the urgency of the crisis, the Latvia SAI published the audit results and recommendations for eliminating deficiencies immediately after completing the audits. This was ensured by drafting and distributing 25 interim audit reports without waiting for the final outcome of the financial audits. This enabled the most operative communication on the findings and thus also the ability for the government to take these into account in further work. As a result, 41 recommendations were provided, some of which have already been implemented and taken into account when planning the new measures to curb the COVID-19 pandemic.

In completing the audits of the COVID-19 allocations, the general conclusion is that the funds allocated for curbing the COVID-19 crisis have been spent in line with the purposes for which they have been designed. There are, however, some specific cases that were discussed within the scope of these audits. One issue is that there is no link established in terms of overcoming the COVID-19 crisis, and the criteria defined for granting support are not sufficiently economically justified. For example, support for farmers exceeds their reduction in income; the support eligibility criteria for export enterprises enabled that support was extended to companies for which export volumes and the number of employees had increased rather than decreased. The support to curb the COVID-19 was, in some cases used to solve long-lasting problems such as repairs to hospitals and cultural institutions. The audits of Latvia’s SAI also determined that in some cases criteria for granting aid were unclear and open to interpretation, thus creating unequal conditions for receiving support. Also, in some cases, aid administration mechanisms caused unnecessary administrative burden and additional administrative costs and in some cases, the aid was provided in breach of the established criteria. It was also found that the transparent use of state budget funds is not fully ensured in all cases.

The audit approach was strengthened with open and transparent communication from the State Audit Office to the Government on the necessity to maintain good governance of public spending. This included a public address to decision-makers for accountability (made immediately after a state of emergency was announced in Latvia), an address to the Cabinet of Ministers with an invitation to share high risk areas in COVID-19 spending, the dissemination of a reminder to public institutions to follow good governance principles, and briefings to Government on areas, where allocation of aid shall be improved (such as compensation for work in an environment of high epidemiological risk or necessary improvements in procurement practices under the regulation of a state of emergency). The above were communication activities conducted on COVID-19 spending in addition to the standard communication of findings conducted for every audit which include: discussions with audited institutions on findings, the public launch of audit report, engagement with media and Public Expenditure and Audit Committee of Parliament.
Over the course of 2020, Latvia’s SAI devoted significant resources to auditing the COVID-19 curbing measures; audits were performed for 893 million euros which constitutes 72% of the 1.24 billion euros allocated and 92% of the 967 million euros spent. These audits covered 14 departments (12 ministries, the Social Integration Fund, and the National Electronic Mass Media Council) and 73 activities included in Orders of the Cabinet of Ministers (executive branch).

As a result of this immediate action to reorient auditing during the COVID-19 crisis, 25 interim reports, 2 analytic overviews and 1 summary were drafted on the funds allocated to respond to the COVID-19 and to mitigate the consequences of the emergency.

Measures to curb the COVID-19 pandemic continue, and in addition to funds allocated in 2020, as of 31 July 2021 the Cabinet of Ministers of Latvia supported the allocation of additional funding in 2021 in the amount of 1.89 billion euros and/or reallocation to ministries for crisis management, mitigation and prevention of the COVID-19 pandemic. This amount allocated in 2021 already accounts for around 650 million euros more than that which was allocated in 2020. The audit work of SAI Latvia continued in 2021 via compliance, performance, and combined audits. Audit focus was on areas: 1) which through auditors’ analyses were defined as high risk; 2) topics of significant public interest and 3) checks to ensure that the additional funding allocated for curbing the COVID-19 has been used for its intended purpose.
CHALLENGES IN INCREASING EFFICIENCY OF SUPPORT SCHEMES TO FIGHT THE COVID-19 CRISIS

National Audit Office of Lithuania

The National Audit Office of Lithuania, responding to the pandemic and the measures adopted by the Government, carried out an Assessment of COVID-19 Crisis and Emergency Management in 2020\(^1\). Although the report does not cover the entire year of 2020, it was enough to notice the growing government debt because of borrowing over 7.0 billion euro to finance the increased budget expenditures and mitigate the effects of the pandemic, among them increase of unemployment, decrease in budgetary revenues compared to plans, delay in the implementation of the COVID-19 Management Strategy actions. It was noted by the auditors that one of the Economic Stimulus and Coronavirus (COVID-19) Consequences Mitigation Plan measures - speeding up and simplifying public procurement procedures by allowing a non-negotiated public procurement - made procurement more expensive.

In 2021, the NAO of Lithuania initiated the audit of legality of the implementation of the measures under the objective “Helping businesses to safeguard liquidity” of the Economic Stimulus and Coronavirus (COVID-19) Consequences Mitigation Plan\(^2\). 1.4 billion euro was allocated for this purpose, of which 40.3 per cent was used in 2020. The audit assessed compliance with legal acts of processes and funds intended to help businesses maintain liquidity and analysed whether the legal environment was sufficient to achieve the goals set and the measures adopted. No significant inconsistencies with legislation have been identified in the allocation of funds. However, equal principles and conditions based on objective criteria for different business sectors to receive state budget support would have helped to achieve more transparent and better targeted use of state budget funds.

In response to the crisis, the National Audit Office of Lithuania set up a Working Group of Auditors to collect and analyse data related to the impact of the pandemic on the country’s economy and the

Figure 1. Timeline of Government actions in response to COVID-19 pandemic

\(^1\) https://www.valstybeskontrole.lt/EN/Product/23970/covid-19-crisis-and-emergency-management

\(^2\) https://www.valstybeskontrole.lt/EN/Product/24008/legality-of-the-implementation-of-the-measures-under-the-objective-helping-business
Government decisions to combat the consequences of the coronavirus, to participate in joint initiatives of supreme audit institutions of other countries, to provide information to the Seimas Committee on Audit and the public. The Working Group periodically publishes short reviews on macro-economic and other indicators, support schemes available and expenditures. Generalizing the Working Group findings reported so far, it should be noted that:

- during the pandemic the public debt was increased to the level enforcing debt policy amendments eventually stipulating requirement for other control and transparency mechanisms, however, relevant summary information on the state aid granted related to the COVID-19 pandemic as well as beneficiary lists was not always digitalized and available to the public, therefore additional procedures may be needed to qualify the data;

- the state aid related to the COVID-19 pandemic granted until August 2021 to the business and individuals counts over 3.6 billion euro where more than half of the aid were granted in the form of subsidies (discretionary expenditure measures) meaning clear and objective criteria of the support should be in place;

- the ultimate goal of any support scheme for business intended to tackle consequences of the pandemic was to help businesses to safeguard liquidity, however, increase in the number of supported business units enduring insolvency procedures was identified despite the decrease in the number of general insolvency procedures during the pandemic.

As part of wider response to the COVID-19 crisis, the National Audit Office of Lithuania has joined the following international SAI initiatives:

- EUROSAI project group on Auditing the Response to the COVID-19 Pandemic;
- European Court of Auditors initiative - EU Network Audit: Audit Compendium on the response to COVID-19;
- Participation in INTOSAI workshops and events organised to support SAIs global response to COVID-19 pandemic;

The NAO of Lithuania, by providing periodic reviews on COVID-19 consequences management during the pandemic, calls for continuous monitoring of measures to manage the consequences of the pandemic, assessment of their implementation and risks and, in this context, adjust the measures taken to maximize their benefits for society and the state.

NAO of Lithuania planned a number of audits and assessments directly related to the assessment of the adequacy of decisions to tackle the consequences of COVID-19. In other audits that are already ongoing or planned to start in 2021, it is planned to assess the consequences of the COVID-19 pandemic on certain areas of the public sector and its impact on existing challenges.

The NAO of Lithuania set up a Working Group of Auditors to collect and analyse data related to the impact of the pandemic on the country’s economy and the Government decisions to combat the consequences of the coronavirus

We have planned a number of audits and assessments directly related to the assessment of the adequacy of decisions to tackle the consequences of COVID-19

NAO of Lithuania will continue involvement in international initiatives offered by the EUROSAI, INTOSAI and EU SAIs Contact Committee.

---

3 https://www.valstybeskontrole.lt/EN/Product/All/14/assessments-overviews
The crisis caused by the COVID-19 pandemic put the Supreme Audit Institution of Romania in front of unseen challenges, which aimed, in particular, to modify the annual activity program and accelerate the pace of specific actions. The need to respond quickly and transparently to Parliament’s request, but also to society’s expectations regarding how the public resources are spent during the state of emergency, was the benchmark for all the Court’s actions, in a period dominated by uncertainties. The inherent restrictions, brought by the new medical reality, have been an additional challenge in the context of a public administration in which the paper document, and not the electronic one, is still the basis of any activity. We had to allocate significant human resources in audit missions, at the request of the legislator, to streamline internal workflows, to move internal and external communication from offline to online, when and where possible, to undertake rigorous and fast research work, but also a tailor-made risk analysis. And we had to understand the reality we are in, with its limitations and rigors, and guide the audited entities more than we did before. Finally, the Report submitted to the Romanian Parliament, regarding the Management of Public Resources during the State of Emergency, was unanimously evaluated as one of the most valuable audit documents delivered by the Court of Accounts. References to the findings and recommendations made by external public auditors in this report, prepared and issued in August 2020, during the budget year, continue today, and the effects of the audit work undertaken are a valuable guide for the Romanian public administration.

Recommendations ignored

In order to better understand the challenges of external public auditors, we can take as a benchmark the medical system, the first to respond during the pandemic. The shortcomings of this system have been identified and reported to the Ministry of Health by the Court of Accounts over the years. It has been repeatedly recommended to implement a sustainable policy of securing material provisions and human resources. The fact that the planning of the public health system has not been harmonized with the real needs of the population has generally resulted, moreover during the crisis situation, in inefficient and often misuse of medical services and fundings. The non-existence of medical reserve stocks has resulted in purchases at uncompetitive prices, from unverified suppliers. Then, the legislative process, specific to the state of emergency, had gaps, leaving room for improvisations and implementing errors. Thus, one of the painful characteristics of the external public audit activity in Romania was brought back into spotlight: the

The Report submitted to the Romanian Parliament, regarding the Management of Public Resources during the State of Emergency, was unanimously evaluated as one of the most valuable audit documents delivered by the Court of Accounts.
In order to better understand the challenges of external public auditors, we can take as a benchmark the medical system, the first to respond during the pandemic

far too lax approach by the audited entities regarding the recommendations of Romanian Court of Accounts. And we summarize this reality by trying to answer a few questions: has the Court of Accounts done enough so that the Romanian public administration should be able to understand its obligations? To understand the auditors’ recommendations? To make the necessary decisions to fix what is wrong? Is it understood that the public external audit mission does not end when the audit report is issued? Have we communicated effectively with Parliament to get it to change the legislative framework, where necessary? Have we communicated enough with civil society to make sure it is our partner in the change? If we have things to improve, can we rely on effective feedback from dialogue partners?

Pandemic, a reboot moment

In every crisis there is an opportunity. For the Romanian Court of Accounts, phrasing these questions, and the initiatives taken to answer them, are the main opportunity in this crisis. This finding does not have the character of any visionary discovery, but has a logistical and very pragmatic aspect, translated into the business environment as Return on Investment (ROI). If we were to analyze the ROI in the Management of Public Resources during the state of emergency audit, we could easily conclude that it is the highest of all Court’s activity (see graphs). The allocated resources and the activity performed by the external public auditors can also be seen in the graphs. What is not seen in these graphs are the effects of the audit report. The auditors’ findings were discussed daily, for several months. The public agenda was heavily influenced by them. The media has allocated large space on the Court’s findings, and decision-makers cannot say they do not know what to do. As I said, there are hundreds of auditor recommendations that have not been mastered over the years. But the pandemic crisis must be the Zero Moment of Truth, when we all start to make things moving efficiently, quickly, correctly and transparently.

In order to better understand the challenges of external public auditors, we can take as a benchmark the medical system, the first to respond during the pandemic

Pandemic, a reboot moment

In every crisis there is an opportunity. For the Romanian Court of Accounts, phrasing these questions, and the initiatives taken to answer them, are the main opportunity in this crisis. This finding does not have the character of any visionary discovery, but has a logistical and very pragmatic aspect, translated into the business environment as Return on Investment (ROI). If we were to analyze the ROI in the Management of Public Resources during the state of emergency audit, we could easily conclude that it is the highest of all Court’s activity (see graphs). The allocated resources and the activity performed by the external public auditors can also be seen in the graphs. What is not seen in these graphs are the effects of the audit report. The auditors’ findings were discussed daily, for several months. The public agenda was heavily influenced by them. The media has allocated large space on the Court’s findings, and decision-makers cannot say they do not know what to do. As I said, there are hundreds of auditor recommendations that have not been mastered over the years. But the pandemic crisis must be the Zero Moment of Truth, when we all start to make things moving efficiently, quickly, correctly and transparently.

In order to better understand the challenges of external public auditors, we can take as a benchmark the medical system, the first to respond during the pandemic

Pandemic, a reboot moment

In every crisis there is an opportunity. For the Romanian Court of Accounts, phrasing these questions, and the initiatives taken to answer them, are the main opportunity in this crisis. This finding does not have the character of any visionary discovery, but has a logistical and very pragmatic aspect, translated into the business environment as Return on Investment (ROI). If we were to analyze the ROI in the Management of Public Resources during the state of emergency audit, we could easily conclude that it is the highest of all Court’s activity (see graphs). The allocated resources and the activity performed by the external public auditors can also be seen in the graphs. What is not seen in these graphs are the effects of the audit report. The auditors’ findings were discussed daily, for several months. The public agenda was heavily influenced by them. The media has allocated large space on the Court’s findings, and decision-makers cannot say they do not know what to do. As I said, there are hundreds of auditor recommendations that have not been mastered over the years. But the pandemic crisis must be the Zero Moment of Truth, when we all start to make things moving efficiently, quickly, correctly and transparently.

In order to better understand the challenges of external public auditors, we can take as a benchmark the medical system, the first to respond during the pandemic

Pandemic, a reboot moment

In every crisis there is an opportunity. For the Romanian Court of Accounts, phrasing these questions, and the initiatives taken to answer them, are the main opportunity in this crisis. This finding does not have the character of any visionary discovery, but has a logistical and very pragmatic aspect, translated into the business environment as Return on Investment (ROI). If we were to analyze the ROI in the Management of Public Resources during the state of emergency audit, we could easily conclude that it is the highest of all Court’s activity (see graphs). The allocated resources and the activity performed by the external public auditors can also be seen in the graphs. What is not seen in these graphs are the effects of the audit report. The auditors’ findings were discussed daily, for several months. The public agenda was heavily influenced by them. The media has allocated large space on the Court’s findings, and decision-makers cannot say they do not know what to do. As I said, there are hundreds of auditor recommendations that have not been mastered over the years. But the pandemic crisis must be the Zero Moment of Truth, when we all start to make things moving efficiently, quickly, correctly and transparently.

In order to better understand the challenges of external public auditors, we can take as a benchmark the medical system, the first to respond during the pandemic

Pandemic, a reboot moment

In every crisis there is an opportunity. For the Romanian Court of Accounts, phrasing these questions, and the initiatives taken to answer them, are the main opportunity in this crisis. This finding does not have the character of any visionary discovery, but has a logistical and very pragmatic aspect, translated into the business environment as Return on Investment (ROI). If we were to analyze the ROI in the Management of Public Resources during the state of emergency audit, we could easily conclude that it is the highest of all Court’s activity (see graphs). The allocated resources and the activity performed by the external public auditors can also be seen in the graphs. What is not seen in these graphs are the effects of the audit report. The auditors’ findings were discussed daily, for several months. The public agenda was heavily influenced by them. The media has allocated large space on the Court’s findings, and decision-makers cannot say they do not know what to do. As I said, there are hundreds of auditor recommendations that have not been mastered over the years. But the pandemic crisis must be the Zero Moment of Truth, when we all start to make things moving efficiently, quickly, correctly and transparently.

In order to better understand the challenges of external public auditors, we can take as a benchmark the medical system, the first to respond during the pandemic

Pandemic, a reboot moment

In every crisis there is an opportunity. For the Romanian Court of Accounts, phrasing these questions, and the initiatives taken to answer them, are the main opportunity in this crisis. This finding does not have the character of any visionary discovery, but has a logistical and very pragmatic aspect, translated into the business environment as Return on Investment (ROI). If we were to analyze the ROI in the Management of Public Resources during the state of emergency audit, we could easily conclude that it is the highest of all Court’s activity (see graphs). The allocated resources and the activity performed by the external public auditors can also be seen in the graphs. What is not seen in these graphs are the effects of the audit report. The auditors’ findings were discussed daily, for several months. The public agenda was heavily influenced by them. The media has allocated large space on the Court’s findings, and decision-makers cannot say they do not know what to do. As I said, there are hundreds of auditor recommendations that have not been mastered over the years. But the pandemic crisis must be the Zero Moment of Truth, when we all start to make things moving efficiently, quickly, correctly and transparently.
Public procurement, between legislation and contingency

The 700 external public auditors involved in this audit, at the request of the Parliament, analyzed the management of a 5 billion lei budget for expenditures used in the fight against COVID-19. Most of these expenses, i.e. 73%, were granted for compensations payment related to the temporary suspension of the employment contract, at the initiative of the employer. Almost 2.5 million employees in this situation have applied for compensation. Of these, 2.06 million were approved. All of these payments were reviewed by the auditors, and this is only part of the overall effort. Another key component of the audit concerned the procedures for the award of public procurement contracts during the state of emergency. In formulating their conclusions, the auditors took into account the international context in which the public procurement procedures were carried out in order to create emergency medical stocks.

Good practices and risk analysis

Based on the report regarding management of public resources during the state of emergency, made at the request of the Romanian Parliament, the Court of Accounts issued several complaints to the National Anticorruption Directorate, which are now being investigated. Beyond these legal matters, the Supreme Audit Institution from Romania wanted, through this action, to encourage the audited entities that have demonstrated a correct and efficient behavior. It highlighted models of good practice, and called on everyone to take into account the global context, dominated by uncertainty, when analyzing how public resources were managed during this period. The pandemic has significantly increased the risks to compliance, thus affecting accountability and transparency. These risks are closely linked to the significant volume of financial resources made available to central and local government. The risks also depend on the ambiguities associated with the authorities, which have used new funds for special purposes, but also on the challenges in implementing internal controls, as a result of capacity restrictions in compliance examinations. The risks of fraud and corruption have also increased, due to weak internal controls and the need to balance the urgency of the action with the need to comply with the regulatory framework in force. Thus, the audit evidence was obtained from different sources, which provided a higher level of assurance: scanned and paper documents made available to auditors, information from the press, monitoring of public procurement, as well as from the Electronic Public Procurement System.

The overall conclusion of this comprehensive and urgent audit mission was that, in most cases, the use and management of public resources in preventing and combating the COVID-19 pandemic were in line with the purpose, objectives and responsibilities set out in the state of emergency characteristic legislation. Exceptions were systemic impairments and deviations from the law, identified in certain cases and highlighted in the report. As usual, auditors have made proposals and recommendations, which can be used to build efficient and predictable working procedures for future crisis situations. Which we don’t want, but we can be sure they will come.
REFLECTIONS ON EXTERNAL AUDITS IN THE AFTERMATH OF THE COVID-19 PANDEMIC

Enriqueta Chicano Jávega
President of the Spanish Court of Audit
Secretary General of EUROSAI

The challenges and our responses

In the same way that the pandemic has forced governments to take extreme measures involving significant sacrifices for citizens, Supreme Audit Institutions (SAIs) have had to demonstrate resilience to keep up their contributions to improving the lives of citizens as set out in the international standards applicable to SAIs (ISSAI 12).

SAIs faced two specific challenges during the pandemic: on the one hand, developing our role in a context where most members of staff were working from home and, on the other, continuing to promote good governance in a situation where significant and urgent health risks forced governments to respond quickly, easing certain controls that may have led to laxity and risks in public management.

The Court of Audit has proved it possible to combine working from home and in-person without reducing the quantity and quality of our work, leaving the door open to home-working systems.

At the same time, the Court places strategic importance on the use of technology to make its role more efficient. For example, we will explore projects where technology applied to natural language document analysis helps strengthen the risk analyses that form the basis of our work.

However, the use of technology has also revealed other weaknesses. The rapid generalisation of certain technologies by administrations made it possible for them to keep their activity going in the midst of the pandemic. However, it also showed that there were groups with difficulties in accessing these technologies and that the degree of maturity of the solutions put in place did not always make their mass use possible in a reliable way. In this context, SAIs’ activities can help pinpoint risks and identify good practices to prevent and eliminate technological gaps that deepen inequality.

The pandemic has had a direct impact on public management and has given rise to important questions: how has internal control functioned in these circumstances? How has confidence in public institutions been maintained? And how is the response to citizens being evaluated?

Aware of its role as an active spectator of the crisis, the Court of Audit’s agenda has incorporated audits that address weaknesses in the quality of information in such sensitive areas as the official figures of infections and deaths caused by COVID-19, the health care received, the procurement of supplies and their distribution, and the mechanisms for information exchange and collaboration between administrations for decision-making during health emergencies.

In addition, the strategies adopted for recovery force us to face other realities that are already here, such as the Next Generation funds.

This innovative mechanism behind Europe’s recovery and transformation is a challenge for external control, which has to find an effective role in the panoply of established verifications, adding value and avoiding duplication, overlaps and gaps between internal and external controls.

We must remember the commitment of supreme audit institutions to fulfilment of the Sustainable Development Goals, where the principle of “Leaving No One Behind” is an inspiration for the activities of SAIs whose strategic plans and actions have been permeated by priorities such as environmental sustainability, quality in public governance, gender equality and equity.
Studies and other articles

Reflecting on the risks of the pandemic and integrity

Society has questioned whether the principle of legality has been observed during the COVID-19 crisis. The heavy weight of public procurement, which in Spain accounts for 14% of the GDP, makes it necessary to audit contracts signed during the pandemic. The situation of urgency is conducive to proliferating risks such as overpriced procurement, the delivery of defective products, or a lack of diligence in contracting with suppliers who do not meet their commitments as agreed.

The Spanish Court of Audit has already approved three reports on emergency procurement, and three others are at different stages of preparation. The approved audits have identified weaknesses in the justification of the emergency procedure, a lack of adequate and sufficient credit and a delay in the start of the implementation process. There is also a general absence of a figure responsible for supervising the performance of the contract and issuing instructions to ensure correct provision.

In a significant number of contracts awarded by municipalities and non-administrative public bodies (foundations, non-administrative public entities or independent agencies), the capacity and solvency requirements of the successful tenderer have not been verified, and the contracting body has offered no reasons for the exception to this requirement. Together with the fact that, in some cases, contracts have been signed for matters that were not part of the successful tenderers’ corporate purpose, this creates a risk of non-performance or unsatisfactory performance of the contract.

There is also another important principle at the heart of these issues, one that is fundamental to governance and very much at the heart of the Recovery and Resilience Mechanism: integrity.

Integrity is the essential pillar on which all governance rests. Integrity implies the effective realisation of the principles that must inspire the diligent, fair, equitable and reliable administration of resources.

The Court of Audit understands that training and prevention play a central role in the pursuit of integrity in public management and also involve stakeholders.

One of our audit reports found that a certain entity had an adequate protocol for the monitoring, detection and prosecution of fraud, but no prevention system in place to promote training and information for those with management responsibilities.

It is also noted as a weakness that persons who blow the whistle on irregular behaviour are not informed of the confidentiality measures with which they will be protected or of the procedure that will be followed after they have given their alert or made their complaint.

To speak of ‘integrity’ is to refer to an action that goes beyond compliance, transcending mere formal compliance with the Law, whereby there is a change in the working atmosphere, where probity is the rule, both in public managers and in all stakeholders.

I believe that, to make integrity a reality, it is important not only to treat the pathology of corruption itself, but also to invest in its prevention. This prevention encompasses public managers and stakeholders alike.

The misuse of public goods, corruption... occurs in all countries. What is different is what happens when it occurs, the reactions it provokes, the degree of tolerance it enjoys. We cannot persist in the culture of ‘they are all the same’; the comment ‘we would all do it’ is not acceptable.

I conclude with the aforementioned ISSAI 12, in the conviction that the SAIs’ contribution to making a difference in the standard of living of citizens depends on their contribution to the cultural and educational change that incorporates integrity as a principle of public management.

It may be a long haul, but the return is high and guaranteed.
1. Pandemic management

No one can predict when or where pandemics might occur, but governments can always take measures to prepare for such emergencies and mitigate their impacts on society.

In order to do this, governments need to establish a properly functioning Pandemic Management by developing relevant policies, strategies, and systems. This also requires coordinating the entities and activities to ensure the good governance of those emergencies.

Therefore, a sound Pandemic Management consists of a combination of planning, organizing, coordinating, and implementing processes across all entities. The key element of this system is the legal and regulatory framework and infrastructure such as pandemic mitigation plans, risk assessments, and appropriate information systems.

Overall, COVID-19 has created a huge impact on the SAIs’ organizational, staff management systems, and their operations. In response to this, SAIs have first tried to improve and adjust their organizational strategies, systems, and tools to continue performing their tasks as well as ensure clear and secure communication channels with relevant parties. In this context, many SAIs have taken a wide range of steps from remote working models, remote access to data and documents to electronic communication with the auditees. Likewise, some of them developed a separate audit plan or pandemic action plan, while others established a business continuity management plan for ensuring the continuity of operations as well as responding to major unexpected incidents that could result in significant business disruption.

TCA’s audit practice on pandemic management

After the first implications of the pandemic, the primary concern for the TCA was to ensure business continuity without compromising the health and safety of staff.

The aim was to maintain the performance of ongoing audit work and judicial functions. To this end, a number of measures were taken such as establishing systems with the help of IT for working from home, preparing an action plan for the continuity of trials, auditing and reporting works and training activities from distance.
During this time, the central changes and improvements initially took place in the reconstruction of IT systems. Such systems, along with some IT tools, have been further developed to specifically respond to the remote working needs of auditors. With the help of these programs and tools, TCA conducted special arrangements with audited institutions. In relation to this, many protocols were signed with public entities, which allowed remote access to those entities’ accounting systems directly from the TCA.

Many protocols were signed with public entities, which allowed remote access to those entities’ accounting systems directly from the TCA

According to these protocols, TCA receives data from a single united system, which comprises consolidated data of similar type of auditees. This structure enables auditors to gather evidence directly from public entity’s IT systems.

As an example of these protocols, TCA signed an agreement a year ago with the National Social Security Institution in Turkey. According to this protocol, all social security data of public officials working in Turkey were received and transferred to Data Analysis System to be processed and used as evidential information by auditors.

2. SAI’s role in the pandemic risk reduction and responding to COVID-19

SAIs, with their audit roles as well as advisory and control roles, have significant duties and responsibilities in enabling Pandemic Management System function properly.

First, SAIs can take part in every stage of pandemic risk reduction processes from the initial policy setting phases to implementation stages. The relevant regulations and legislation can be assessed by SAIs, and recommendations be made to improve the legal framework by detecting the loopholes in the entire system.

For the implementation phases, SAIs carry out audits to enhance the transparency, accountability and effectiveness of the pandemic risk reduction activities. This is particularly the case during post-pandemic situations where there may be a likelihood for increased risks of fraud and corruption. This can result from large volumes of pandemic aid arriving into affected regions for rapid distribution to affected people, institutions, and projects to repair the damage caused.

At this point, SAIs can urge governments to develop an anti-fraud and corruption strategy. To do this, they can assess the adequacy of controls already in place as well as audit the design, implementation and operational effectiveness of the controls. Where necessary, SAIs can also recommend the additional controls designed to prevent or mitigate, detect and respond to identified risks.
Furthermore, SAIs can help in enhancing the legal and administrative accountability and transparency of the use of pandemic funds through their audit reports, which are made accessible to all stakeholders. By submitting audit reports to the Parliament, SAIs can encourage Parliament to strengthen its oversight over those financial funds and expenditures. The clarity of SAI reports is quite vital in this respect to ensure maximum impact.

Another point that needs to be highlighted in Pandemic Management is the cooperation between SAIs. This should be developed in accordance with the INTOSAI Guidelines and Standards. SAIs should be encouraged to take part in cooperative audits, conduct joint projects, and exchange ideas to produce effective approaches and policies for the risk reduction measures.

3. Auditing the pandemic: SAIs’ role in ensuring transparency and accountability in the use of emergency funds for COVID-19

As the Pandemic situation unfolds and governments start initiating COVID-related funding programs and expenditures, the role of SAIs has gained great importance in supporting government response mechanisms, thus helping parliamentarians and the public to keep track of those programs and funds.

During emergencies, the risks of public procurement, corruption, mismanagement and waste may tend to increase, particularly in countries where institutional maturity remains lower. Therefore, audits undertaken by SAIs can play a key role as a deterrent to those who may intend to take advantage of the emergency as well as hold governments accountable overspending and allocating those resources – particularly during the times of crisis.

During emergencies, the risks of public procurement, corruption, mismanagement and waste may tend to increase, particularly in countries where institutional maturity remains lower.

Early checks and controls performed by SAIs with relevant stakeholders on COVID-related government programs and expenditures can also contribute towards ensuring transparency and accountability of the use of those emergency funds.

Additionally, SAIs can be engaged in risk assessments regarding those financial funding programs and planning risk-responsive audit approaches.

TCA’s audit practice on COVID-related funds and expenditures

In order to alleviate the adverse impacts of Pandemic on the economy due to the measures and mandatory restrictions, a number of financial aid programmes were introduced in Turkey. Those support packages included health and social care expenses, other public services and emergency measures, support for households, support provided to companies as well as loans and liquidity.

In respect of the use of these Pandemic-related financial aids and the audits of those support packages, the TCA launched an investigation, which covered the activities of general budget organizations, last year.

The purpose of the examination was to inform the Parliament and the public by revealing the financial dimension of the activities and expenditures incurred by central government institutions within the scope of combating the Pandemic.
4. Lessons learned from the management and audit of COVID-19

One of the most important lessons for SAIs that lack experience in dealing with such crises is the need to develop contingency plans for effective management mechanisms and procedures.

Effective communication with all stakeholders is likewise very critical as part of an effective crisis management

A key lesson is to realize the importance of remote working, which requires the development of IT tools, computerizing the paper work of entities and having full access to these systems and data, and digitization of audit work. This also includes improving the capacity building of auditors through various training activities.

Effective communication with all stakeholders is likewise very critical as part of an effective crisis management. The detection of recorded breaches in collaboration with all parties and reporting them help to inform public of shortcomings and failures in crisis management and to take disciplinary actions and legal proceedings against violators.

In this sense, cooperative audits with national agencies and amongst SAIs need to be improved to exchange ideas, knowledge, expertise, experiences and technology to facilitate this process. The recommendations of SAIs do help governments and various stakeholders in making necessary revisions and corrections, improving national disaster plans, laws, and policies, and redefining priorities.

Cooperative audits with national agencies and amongst SAIs need to be improved to exchange ideas, knowledge, expertise, experiences and technology to facilitate this process

After all, those crises affect all of us across the world, thus we need to create an agile and responsive environment with the help of active collaboration with all segments of society including civil society, development practitioners, the private sector, and academia.
GLOBAL CHALLENGES TESTING ABILITY OF SAIs TO REACT: TAKING MEASURES TO MITIGATE THE NEGATIVE IMPACT OF THE CONSEQUENCES CAUSED BY THE PANDEMIC COVID-19

Accounting Chamber of Ukraine

The pandemic COVID-19, which covered the world in 2020, affected all spheres of life and made significant adjustments to the work of each person and institution. Introduced quarantine restrictions around the world have intensified the search for new forms and tools by supreme audit institutions to ensure that governments respond adequately to emergencies, as well as provide the public with up-to-date information on the use of public money.

The Accounting Chamber of Ukraine was no exception in this process

In 2020, the Accounting Chamber of Ukraine has contributed to the fight against the pandemic by developing a tool that allows the most rapid identification of risks arising from the use of public funds to combat coronavirus disease.

A tool that allows the most rapid identification of risks arising from the use of public funds to combat coronavirus disease

Within the framework of monitoring the state of execution of the State Budget of Ukraine, in 2020 the auditors of the Accounting Chamber began tracking disbursements for combating COVID-19 immediately after the introduction of quarantine restrictions in Ukraine and entry into force of the Government’s decision to simplify the procurement procedure at the expense of state and local budgets of necessary items and services to combat the pandemic.

The auditors of the Accounting Chamber have developed an algorithm for identifying and sampling payments that can be used to combat coronavirus disease. The algorithm in the daily mode identifies payments from the State Budget, including from the Fund for Combating Acute Respiratory Disease COVID-19, caused by coronavirus SARS-CoV-2 and its consequences, expenditures of local budgets, extra-budgetary funds and non-budgetary institutions serviced by the State Treasury Service of Ukraine.

From May 2020, the website of the Accounting Chamber presents visualized information in the form of a dashboard (https://tabsoft.co/3qUyy7U), developed jointly with representatives of public organizations.

ACCOUNTING CHAMBER OF UKRAINE
GLOBAL CHALLENGES TESTING ABILITY OF SAIs TO REACT: TAKING MEASURES TO MITIGATE THE NEGATIVE IMPACT OF THE CONSEQUENCES CAUSED BY THE PANDEMIC COVID-19
With the help of a special system, you can search for payments by payers or recipients of funds from a single database, which is formed automatically on the basis of the Treasury Service data (during the implementation of individual budget programs, the expenditures of one program can be taken into account several times, because the computer algorithm selects payments from the administrator to the recipient of budget funds, as well as expenditures directly to recipients of budget funds).

Dashboard allows daily monitoring of payment for goods and services supplied under contracts concluded under the simplified public procurement procedure.

March – December 2020 selected over 367 thousands of payment orders in the amount of UAH 105 billion (approximately EUR 3,4 billion)

In addition, the analytical information on the leaders in terms of expenditures allocated from the state budget to combat COVID-19, by regions and types of budgets was updated automatically.

Dashboard allows daily monitoring of payment for goods and services supplied under contracts concluded under the simplified public procurement procedure. For example, it was found out that respirators with the same degree of protection in some regions of Ukraine were purchased almost 10 times more expensive than in other regions.

The COVID-19 expense dashboard is available for use not only by employees of the Accounting Chamber of Ukraine, but also by all interested authorities, analytical centers, media, members of the public and international organizations. During the period of operation of the resource, it was used by almost 20 thousand people. Some analytical centers host this tool on their website, and the IMF mentions the dashboard as one of the tools for monitoring government spending on COVID-19.

After the public response in May 2020 regarding the non-receipt by employees of medical institutions of additional payments for the treatment of patients with COVID-19, specialists of the Accounting Chamber developed new algorithms for the identification of all payments of the National Health Service of Ukraine (hereinafter – NHSU), which are sent to medical institutions under the program of medical guarantees. Expenditures were made from the state budget, not from the COVID-19 Fund.

A new NHSU dashboard, presented for public use in June 2020, was created together with members of the public (https://tabsoft.co/3t7BFud).

May – December 2020 received information about payments almost on UAH 19 billion (approximately EUR 0,6 billion) for 1300 medical institutions

Dashboard provides the ability to download information about payments in a structured format with additional options, in particular, the type of package for which payment is made, the region of the medical institution and its location.

The Accounting Chamber maintains that there should be a balance between the speed of assistance and the appropriate measures to control spending. The development of modern instruments by the Accounting Chamber will ensure a high-quality and prompt study of the timeliness and effectiveness of the Government of Ukraine’s response to the pandemic and will guarantee control over the spending of funds.
In April 2021, the Accounting Chamber has launched an analysis of the use in 2020 of funds aimed at combating acute respiratory disease COVID-19 caused by the coronavirus SARS-CoV-2, and its consequences, which aims to establish the actual situation and assess the level of financial support from the state budget, aimed at combating the acute respiratory disease COVID-19 caused by the coronavirus SARS-CoV-2 and its consequences, and the use in 2020 of funds allocated for these measures.

Appropriate conditions were created for safe communication between employees of the Accounting Chamber with representatives of auditees during audits. At the time of a strict quarantine, the auditors of the Accounting Chamber suspended access to the objects of control, business trips were canceled. Therefore, quarantine has forced us to use the most of modern IT technologies. Meetings, conferences and seminars have gone online.

Quarantine has forced us to use the most of modern IT technologies

However, in 2020 the amount of audited funds during the audit was UAH 1 trillion 185 billion (approximately EUR 38 billion), which is the largest figure in all 25 years of existence of the Accounting Chamber.

<table>
<thead>
<tr>
<th>Audited</th>
<th>Issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>285 objects</td>
<td>48 reports</td>
</tr>
</tbody>
</table>

In 2020 the auditors of the Accounting Chamber revealed violations and shortcomings in the administration of the revenue side of the state budget, violations of budget legislation, as well as the facts of inefficient management of the State Budget of Ukraine and property and their inefficient use for the total amount of almost EUR 0,9 billion. Closed borders due to the pandemic have not become an obstacle to international cooperation. Together with colleagues from 40 countries – leaders of supreme audit institutions in the framework of EUROSAI video conferences, the leadership of the Accounting Chamber searched answers to the global pandemic COVID-19 during audits.

Closed borders due to the pandemic have not become an obstacle to international cooperation

Despite difficult quarantine conditions, we continued reforms in the Accounting Chamber. Qualitative changes continue in 2021. Our task is to reach a new professional level and improve auditing in Ukraine.
COVID 19: THE EXPERIENCE OF AFRICAN SAIs AND OPPORTUNITIES UNCOVERED FOR ADDRESSING POTENTIAL CRISES IN THE FUTURE

General Secretariat of AFROSAI

In December 2019, an outbreak of coronavirus (COVID-19) was declared in Wuhan Province in the People’s Republic of China. Over time, it has gradually spread around the world, killing several hundred thousand people and progressing from epidemic to pandemic status.

Since its occurrence, the world has faced a shock not seen since the Second World War, and African countries, which were initially spared, have been hit hard since the second quarter of 2020.

This exceptional period generated a socio-economic and organizational shock leading to a profound and brutal change in the situation of several sectors of activity.

Supreme Audit Institutions (SAIs) have not been alien to the subsequent changes brought about by the pandemic. While in some cases there was a willingness to maintain the SAIs’ core activities in spite of the difficult health situation, many other SAIs were virtually closed down, with audits and international activities grinding to a halt and the bulk of the work focusing mainly on administrative tasks.

The coronavirus pandemic has had an impact on the "core business of African SAIs". In response, some have shown themselves to be forward-thinking and flexible enough to be able to continue their activities as best they can.

The cases of the CREFIAF SAIs speak for themselves in this respect. Indeed, from the beginning of March 2020, crisis units were set up to rethink the organizational structure of the institutions. This measure has allowed the SAI of Cameroon, for example, to structure and experiment with shift work in order to limit the massive presence of staff on site and help staff comply with barrier measures.

In other SAIs, including those of AFROASAI-E, home working was almost the rule for staff.

In other SAIs, including those of AFROASAI-E, home working was almost the rule for staff. This redevelopment has ensured the continuity of the work and activities that were in progress. It has made it possible to finalize the audit work started before the health crisis began.

On another level, this unprecedented context required the acquisition and installation of special disinfection equipment and materials and the organization of staff screening sessions to limit the spread of the virus.

Despite the measures taken by African SAIs to effectively combat the coronavirus and continue their activities, they have faced a number of both operational and strategic challenges.

In terms of strategy, most African SAIs faced a significant threat of not achieving their mandates in the short to medium term due to the immediate limitations brought about by the health crisis. The threat resulted in some SAIs becoming less relevant at the peak of the pandemic.

As far as operations are concerned, in addition to the difficulties involving internal coordination, parameters such as downsizing, lack of adequate technological infrastructure, difficult access to the Internet and the inability to carry out audits without the possibility of physical visits have significantly reduced the SAIs' performance. Similarly, external coordination with key stakeholders has become almost impossible.
Lessons from the Covid-19 crisis for African SAIs

The occurrence of the pandemic forces us to reflect on the possibility of a similar situation occurring in the future, of lockdown periods being more recurrent, with the added bonus of an increase in home working and social distancing becoming the norm.

Therefore, it seems urgent to use this experience of crisis management to be better prepared for future crises with similar consequences on human activity and, subsequently, on how entities such as SAIs operate.

The SAI’s role as employer

Business continuity has been a major issue for all public organizations during the crisis, but we must remember that the priority for any employer, including a SAI, in all circumstances is to ensure the safety and protection of staff at the workplace.

Therefore, initiatives focused on the development of risk assessment, and crisis management documents have been most welcome. They will be used as a forward-looking monitoring tool and for proposing concrete actions in line with national and international guidelines should a similar situation arise. They will be an excellent tool for guaranteeing staff protection in the event of a health crisis or one that affects the safety and organization of activities at the SAI.

Elements to capitalize on: Case of the SAI of Cameroon

Clearly, we must recognize today that this crisis has imposed strong operational constraints on the SAI of Cameroon - as elsewhere - and its management methods must be evaluated in order to learn a number of lessons and refine traditional working methods.

The use of cloud computing and other digital tools

Digital tools and the cloud proved essential during the lockdown period, as they allowed work teams to access resources and information remotely from any device, wherever they were. The continuity of activities was also ensured (video-conferences, screen-sharing, etc.).

However, it should be noted that the acceleration of the digital transformation raises the question of data security and the need for it to be controlled.
During the lockdown period, the level of deployment achieved by home working was very high at the SAI. Many members of staff found themselves fulfilling their professional obligations from home using their own digital or IT equipment. In terms of data security, this poses problems, especially vis-à-vis the sensitivity of the information and work carried out by the SAI.

These concerns have not always been anticipated, so they must be given urgent consideration and secure solutions found.

New management practices as a result of home working

The observation of how activities were carried out in the SAI at the peak of Covid-19 shows that remote management requires different organization and work methods. Accordingly, it seems necessary to strengthen the capacities of the SAI’s senior management in the use of videoconferencing applications, in the mobilization and coordination of teams via IT applications, and in the detection of risks of work overload or employee isolation.

When accessible to staff (stable Internet connection, IT equipment etc.), home working is an ideal option in times of pandemic, but consideration must be given to the psychosocial risks involved (psychological distress and tension, etc.). To address this, the SAI leadership will therefore need to address individual concerns by trying to:

- regulate the workload of staff as best as possible;
- ensure that relationships do not deteriorate, by placing importance on the meaning and recognition of work and by making risk prevention a priority.

New audit areas: Audits on pandemic management

In addition to new audit approaches, the COVID-19 pandemic highlighted new audit areas as an appropriate response to the new context against the backdrop of improving citizens’ lives, which INTOSAI believes is the value of SAIs.

As a result, they have had to show themselves to be flexible when turning to new audit areas arising from the management of the health crisis. The audits focused on the following areas:

- the use of emergency funding for COVID-19;
- emergency supplies;
- governmental socio-economic support programmes; and
- vaccination management.

The COVID-19 pandemic highlighted new audit areas as an appropriate response to the new context against the backdrop of improving citizens' lives.
ARABOSAI’S RESPONSE TO COVID-19 CRISIS

The General Secretariat of ARABOSAI

The COVID-19 epidemic has represented an unprecedented challenge for all countries of the world in terms of the breadth and depth of its impacts, which touched all health, economic, social and development aspects. This pandemic has imposed new restrictions on all actors leading to a necessity to think quickly about adopting practical solutions in order to ensure a minimum level of continuity of activity, especially given the lack of clarity about a specific date for overcoming this crisis.

In this context, the impacts of the COVID-19 pandemic raised a number of questions about how to ensure that the Supreme Audit Institutions continue to carry out their original tasks and legal mandates, which is mainly auditing the proper spending of public funds, and that requires the adoption of a certain degree of flexibility in carrying out their activities without neglecting quality and independence requirements.

This pandemic has imposed new restrictions on all actors

The Arab Organization of Supreme Audit Institutions (ARABOSAI) has worked since the outbreak of the COVID-19 crisis at the beginning of the year 2020 to adopt a number of initiatives with the aim of supporting the work of the Arab Supreme Audit Institutions (SAIs), in order to achieve a number of specific objectives that included ensuring the continuity of the audit work in a reasonable format and exchanging best practices and experiences regarding the implementation of different types of audit (financial, compliance, performance audit) in the context of the new constraints that resulted from the health crisis. After its extraordinary meeting held remotely on April 20, 2020, the Governing Board of ARABOSAI approved an exceptional plan proposed by the General Secretariat of the organization, which included topics related to the communication plan and technical accompaniment of the Arab SAIs to confront the repercussions of the crisis on their working procedures and measures to protect their auditors, and organizing seminars and webinars in coordination with member SAIs and the organization’s committees and stakeholders, and organizing remote lectures regarding the consideration of audit practical aspects regarding the Covid 19 pandemic challenges.

1. Adoption of an updated communication plan

One of the most prominent challenges created by the COVID-19 pandemic is how to take the best from technical and logistical solutions for remote work and ensure their effectiveness in order to meet the specific needs of audit work.

In this context, ARABOSAI set a number of goals, including developing an exceptional communication plan, whether with regard to its continuous outputs of publications or reports, or with regard to the outputs related to INTOSAI or its affiliated structures, at the level of its official page on Facebook or on its website.

ARABOSAI set a number of goals, including developing an exceptional communication plan

ARABOSAI has made many achievements in this field, as the "COVID-19" section has been created on the organization’s website in both Arabic and English. This section is used to collect materials related to combatting the repercussions of the pandemic, such as the collection of evidence, definition and determination of audit standards, articles, webinars records and sharing experiences of similar SAIs...
Studies and other articles

The "COVID-19" section has been created on the organization's website in both Arabic and English

In addition, a Special Edition COVID-19 issue of the ARABOSAI Journal has been issued, providing a platform to hold remote meetings for the benefit of the organization's structures and bodies wishing that.

For the axe aiming at enhancing e-learning opportunities, ARABOSAI began programming training courses through the mentioned technology. It benefited from the staff of Arab SAIs who were trained by the INTOSAI Development Initiative (IDI) within the e-learning systems facilitators training program.

2. Technical accompaniment to the SAIs in order to confront the repercussions of the crisis on their working methods and procedures and protecting their staff

In line with the repercussions of the Coronavirus pandemic, the urgent need to benefit from modern technologies at audit work was confirmed. Topics related to how to obtain evidence when performing audits remotely and using artificial intelligence techniques in carrying out these verifications tasks were added to the scientific research plan.

The ARABOSAI Professional and Audit Standards Committee has modified its executive plan by ensuring continuous follow-up of the professional publications of INTOSAI structures as well as the IDI organization, in addition to the professional publications. Also, efforts of the Professional and Audit Standards Committee were extended to other relevant international organizations (particularly the IAASB: International Auditing and Assurance Standards Board) in order to exploit the outputs that can be useful for SAIs in their field work in order to confront the repercussions of the COVID-19 virus. The ARABOSAI's PASC also prepared summaries of the most important publications and translated them whenever it is necessary and publish them on the organization's website and disseminate them to SAIs members.

The ARABOSAI Professional and Audit Standards Committee has also set a goal of in-depth study of the ISSAI 5500 set of standards by updating and reviewing the working papers prepared and published by the aforementioned committee, taking into account the new situation and risks generated by the COVID-19 pandemic.

These efforts contributed to the preparation of research papers on how to adapt the implementation of the three types of audit, disseminate them to member SAIs, and publish them on the organization's website. For example, we could mention the publication of a research paper on "compliance auditing in light of the COVID-19 pandemic" and a research paper on "performance auditing in light of the consequences of the COVID-19 pandemic".

In addition to the cited works, a number of technical outputs related to remote control and reviewing work and manners of confronting the impacts of the crisis on the audit work were translated. In this context, a working paper was translated issued by the Canadian Audit and Accountability Foundation on April 3, 2020 on "6 Ways Auditors Can Cope with the COVID-19 Crisis" and an article on "Remote Auditing for COVID-19 and Beyond: Short-term and long-term implications".

The COVID-19 section has been created on the organization's website in both Arabic and English
3. Training and strengthening communication and coordination with member SAIs, committees of the organization and other relevant parties

The General Secretariat of the ARABOSAI has organized six seminars and webinars in coordination with member SAIs, committees of the organization and relevant parties, during which many practical aspects of the implementation of audit work were discussed in light of the challenges posed by the COVID-19 pandemic, with the aim of sharing experiences and best practices to overcome its negative effects. In this context, the topics addressed through included themes related to the impact of the COVID-19 crisis on the role of Arab SAIs in auditing the implementation of the Sustainable Development Goals (Agenda 2030), challenges and points of interest related to financial auditing and methodology and standards for remote auditing and the role of regional organizations in facing the COVID-19 crisis, and opportunities of cooperation with partners (IDI, regional organizations and INTOsAI’s committees).

Consequently, ARABOSAI has worked to strengthen interaction with the initiatives issued by the IDI, especially those related to the control of emergency funds devoted to financing health and social interventions resulting from the COVID-19 crisis, as the management of these funds is highly considered as subject to high risks of mismanagement and corruption.

On another hand, and within the framework of sharing experiences and best practices between its members that included institutional aspects as well as professional ones, ARABOSAI published in this context, the measures taken to confront the COVID-19 crisis that were adopted by the State Audit Bureau in Qatar and also the work plan of the Federal Office of Financial Audit in Iraq.

4. Challenges

Despite the abundance of efforts and activities undertaken by ARABOSAI in order to adapt to the constraints and new idiosyncrasies emerging from the COVID-19 pandemic and their impact on the normal execution of Arab SAIs role and mandate, some aspects still require additional effort in order to limit their effects on the normal course of the control activities and the training and support activities provided by the ARABOSAI for its members. In this context, it was found through following up the programs of the Arab SAIs and the outputs of the international organizations, as well as through international webinar meetings, that some practical issues need more focus and attention from different stakeholders, including working on developing the use of information and communication technologies in audit work, which contributes to overcome the challenges of field work and provide sufficient guarantees for the smooth, reliable and continuity of remote control work. A new challenge also has raised from the post-COVID-19 crisis which is the effectiveness of the Arab SAIs and their ability to adopt efficient proactive approaches that allow them rapid adaptation to major crises such as the COVID-19 pandemic. In this context, ARABOSAI settled a working group to devise new procedures and methods for audit work to counter the risks that arise in similar situations.
The spread of COVID-19 has posed great challenges to the member SAIs of ASOSAI. Responding to the pandemic requires concerted efforts from all ASOSAI members. It is the right way for ASOSAI to play an exemplary role in promoting collaboration. The members of ASOSAI have been working together through sharing knowledge and experiences and the cooperation has proven to be an excellent mechanism to help us overcome such difficulty more easily. ASOSAI has done the following activities to respond to the pandemic:

Making ASOSAI Activities online

ASOSAI has been conducting capacity development activities for member SAIs. The Capacity Development Administrator of ASOSAI (CDA), fully recognizing the necessity of fulfilling its obligations, has promoted its capacity development activities under the impact of COVID-19.

The Needs Survey is conducted every three years. This time CDA added questions on the impact of COVID-19 on member SAIs and their request to understand the situation. Based on the result, CDA conducted its activities as follows:

Firstly, ASOSAI CDP, a two-year program, is conducted every two years for junior- and middle-level auditors to learn basic audit knowledge and method. It started under the ASOSAI Strategic Plan 2016-2021 to try out a new blended approach on a pilot basis, by combining e-learning and face-to-face meetings.

The CDP from 2020 to 2021 was planned under the theme “Audit on Implementation of SDGs.” Due to the COVID-19 pandemic, ASOSAI postponed the Instructor’s Design meeting and then decided to hold the meeting entirely online. Thanks to the ASOSAI Resource Team, the materials were completed in July 2021 and the program started in August 2021.

Secondly, ASOSAI Seminar is organized annually for knowledge and experience sharing for audit managers of member SAIs. ASOSAI Seminar 2020 was also planned in a face-to-face format in December 2020, but ASOSAI decided to conduct it online for the first time. Based on the needs
survey, “SAI’s Response to COVID-19” was added to the original theme of SDGs, and the Seminar on two themes was held for two days each. Over 60 participants were able to share their experiences and insights online. Furthermore, CDA invited participants from other regional organizations such as EUROSAI to share experiences among the regional organizations.

While conducting online activities in various challenges, ASOSAI will continue its efforts in response to the changing situation to deliver values to its members.

Providing grants to members affected severely by the pandemic

The ASOSAI Governing Board noticed that some SAIs were facing challenges including a lack of necessary information technology, hardware or personal protection equipment. In view of member SAIs’ urgent needs in this difficult time, the Secretariat had the idea to use the funds to support members SAIs affected by COVID-19. The ASOSAI Governing Board adopted the proposal and decided to allocate up to 200,000 U.S. dollars from the ASOSAI fund as the "ASOSAI Grant to Member SAIs Affected by COVID-19" (hereinafter referred to as the "ASOSAI Grant") to support member SAIs in getting through the hardship brought by the pandemic.

A Grant Committee has been established in the Governing Board to ensure fairness, transparency and accountability of the ASOSAI Grant. Since the total requested fund of the approved applications exceeded the budget of 200,000 U.S. dollars, the Grant Committee decided to divide the 200,000 U.S. dollars among the 14 approved applicants on weighted average in accordance with their applied amounts. Each of the 14 SAIs received a grant of about 14 thousand U.S. dollars. Hopefully, the Grant could be of some help for ASOSAI member SAIs in getting through the hardship brought by the pandemic.

Establishing a working group on crisis management audit

The outbreak of COVID-19 pandemic has made the ASOSAI member SAIs realize the importance of crisis management and pursue strategic roles in supporting their governments to establish an effective crisis prevention and response system, not only for infectious diseases, but also for various types of crises.

In light of this, the ASOSAI Governing Board approved the establishment of the ASOSAI Working Group on Crisis Management Audit (WGCMA). It aims to identify and enhance the role of SAIs to assist their governments in improving their accountability when responding to crises. To this end, it will share best audit practices, establish a database of audit data on various types of crises that are common threats to the ASOSAI region, and gather insights on how to implement international initiatives related to crisis management.

The ASOSAI Governing Board approved the establishment of the ASOSAI Working Group on Crisis Management Audit (WGCMA)

The WGCMA, in line with the Strategic Goals of the next ASOSAI Strategic Plan, will endeavor to achieve the following goals: Goal 1) Supporting ASOSAI members to gain a better understanding of issues pertaining to crisis management audit; Goal 2) Establishing a database to support member SAIs to obtain information related to crisis management audit, including experiences of members and recommendations of international communities; and Goal 3) Assisting ASOSAI members to better implement the recommendations of international communities, including the Sendai Framework, the GUID 5330, and the ISSAI 12, as well as consolidating cooperation with international organizations related to crisis management.

As the WGCMA plans to conduct various activities to realize the abovementioned goals, it will contribute to minimizing the risks of future crises and enhance the crisis management capacities of the ASOSAI member SAIs.
The Preparation of the Bangkok Declaration 2021

Members of ASOSAI met at the 15th ASOSAI virtual assembly on 7 September 2021, the State Audit Office of the Kingdom of Thailand was the host of this assembly. The key message shows that the ASOSAI community prepares for the next normal in public sector auditing, announced by the Bangkok Declaration 2021: SAIs and preparing for the next normal.

The Bangkok Declaration 2021 is based on documentary reviews from five necessary international declarations: Lima Declaration 1977, Beijing Declaration 2013, Abu Dhabi Declaration 2019, Hanoi Declaration 2018, and Moscow Declaration 2019. These declarations represent the robust concept as the core concept for public sector auditing development. Meanwhile, the main four chapters of the Bangkok Declaration 2021 follow the ASOSAI strategic plan 2022-2027, giving a whole picture of ASOSAI in the future as follows:

Chapter I: SAIs and promoting good governance in the next normal
1) Recognize the importance of the Beijing Declaration 2013 on promoting good governance by supreme audit institutions.

2) Encourage maintaining the fiscal and financial discipline of audit entities and preparing for an audit of public debt management after the COVID-19 pandemic.

3) Recognize the importance of the Abu Dhabi Declaration 2019 on enhancing collaboration between the supreme audit institutions and anti-corruption bodies to prevent and fight corruption.

4) Promote the importance of e-governance in the new normal.

Chapter II: SAIs and encouraging for the achievement of SDGs
5) Recognize the importance of the Hanoi Declaration 2018 on environmental auditing for sustainable development.

6) Emphasize the Whole of Government (WoG) approach for the audit of SDGs implementation.

7) Consider multi-stakeholders engagement in the audit of SDGs implementation.

8) Consider the principle of Leave No One Behind (LNOB) in the audit of SDGs implementation.

Chapter III: SAIs and leveraging by using advanced technologies for public sector auditing
9) Recognize the importance of the Moscow Declaration 2019 on responding effectively to opportunities brought by technological advancement.

10) Prepare for digital transformation in the next normal.

11) Provide essential tools, equipment, and infrastructure for remote working.

12) Collaborate among SAI members by sharing technologies and innovative practices within the SAI community.

Chapter IV: SAIs and responding to disaster and pandemic issues
13) Realize the knowledge of disaster management and pandemic preparedness.

14) Promote cooperative audit and consideration for sharing knowledge on auditing of disaster management and pandemic preparedness.

15) Promote the development of a Business Continuity Plan in preparing for the next normal and as a response to disaster and pandemic issues.
The year 2020 brought great challenges to Supreme Audit Institutions (SAIs), Technical Bodies and sub-regional groups of OLACEFS. As a result, the members and bodies of the Regional Organization felt the need to rethink and modify their activities, while continuing to work together and share knowledge to build their capacities.

This was achieved through the available technologies and innovative methodologies and the efforts made by the members of OLACEFS, thus demonstrating their resilience.

Main activities in the context of the pandemic:

Organization of OLACEFS Virtual Board Meetings and General Assembly 2020

The LXXI Meeting of the Board of Directors marked a historic milestone for the Regional Organization, as it was the first meeting of its kind to be held in virtual format. The LXXII Meeting of the Board of Directors and the 2020 General Assembly were also held in the same format. Likewise, the Sub-regional Groups of OLACEFS, the Central American and Caribbean Organization of Supreme Audit Institutions (OCCEFS) and the Audit Institutions of Mercosur and Associated Countries (EFSUR) also held their Annual Meetings and Encounters in virtual format.

Organization of webinars and meetings to share experiences regarding the pandemic and the Webinar Series

The COVID-19 Webinar Series was launched in 11 sessions on 20 April 2020. A second series of webinars for OLACEFS Committees, Commissions and Working Parties began on 8 July and involved a total of 9 sessions.
Studies and other articles

The OCCEFS and its Capacity Building Committee organized the webinar series titled "Experiences of SAIs during the COVID-19 health emergency". The series sought to share experiences of the pandemic, identify opportunities in the face of the crisis and strengthen collaboration between SAIs in the sub-region.

The IX EUROSAI - OLACEFS Joint Conference under the theme "Pandemic COVID-19: a unique opportunity for Supreme Audit Institutions to highlight the impact of their activities"

For its part, the EFSUR continued to work on its Gender Seminars in order to promote training on the subject among auditors of the SAIs in the region.

The IX EUROSAI - OLACEFS Joint Conference was organized by the SAI of Hungary from 9 to 11 September 2020 and staged virtually under the theme "Pandemic COVID-19: a unique opportunity for Supreme Audit Institutions to highlight the impact of their activities".

New sections in the Cooperando (Cooperating) Newsletter: "OLACEFS and Sustainable Development Goals - SDGs" and "Auditing in Times of COVID-19"

During 2020, two new sections were created in the OLACEFS Cooperando Newsletter, which is published quarterly and reports on news and initiatives in OLACEFS SAIs, Technical Bodies and Sub-Regional Groups. The "OLACEFS and SDGs" section offers information about members' and technical bodies' activities on said matters. The section titled "Auditing in times of COVID-19" reports on the initiatives of SAIs in their respective countries in the context of the pandemic.

COVID Blog

This blog was created on the OLACEFS website to provide knowledge and information about actions in the region and the world in the face of COVID-19. The blog entries were supported by the SAIs of the Regional Organization, experts in the subject, cooperating agencies and guest SAIs and regional bodies of INTOSAI.

International Observatory for "Government and SAI initiatives in the face of COVID-19"

The OLACEFS and INTOSAI presidencies promoted the International Observatory for Government and SAI Initiatives in the face of COVID-19 with a view to sharing good practices by SAIs worldwide. The web platform offers information on 106 countries and is available in English, Spanish and Russian.

Memoranda of Understanding

OLACEFS signed a Cooperation Agreement with the Economic Commission for Latin America and the Caribbean (ECLAC) in 2020. In 2021, a contract was signed with the Deutsche Gesellschaft für Internationale Zusammenarbeit - GIZ - GmbH of the Federal Republic of Germany for the joint implementation of actions with the global programme Alliance for Integrity (AFIN) and the Regional Project for Strengthening External Financial Control for the Prevention and Effective Fight against Corruption. In the same year, another Memorandum of Understanding was signed with the UN Women Programme.
A set of coordinated audits are being conducted to share knowledge on the response of governments and SAIs to the COVID-19 pandemic.

At OLACEFS, a set of coordinated audits are being conducted to share knowledge on the response of governments and SAIs to the COVID-19 pandemic:

The Coordinated Audit of SDG 3B regarding "Good Health and Well-being" is conducted in the framework of the OLACEFS Working Group on Auditing Disaster Management within the framework of the Sustainable Development Goals and its main objective is to assess the implementation of said goal with a focus on the impact of COVID-19.

For its part, the Coordinated Audit of Economic Aid Programmes in the region, promoted by the Working Group Specialized in the Fight against Transnational Corruption (GTCT), seeks to evaluate the preparations states have made to address and implement socio-economic aid programmes focused on meeting the basic needs of vulnerable population groups during the health emergency.

The main objective of the Compliance Audit on Transparency, Accountability and Inclusion in the Use of Emergency Funds for COVID-19, known as the TAI Audit, is to contribute to transparency, accountability and inclusion in the use of emergency funds. The TAI Audit is coordinated by the INTOSAI Development Initiative (IDI) and is conducted at OLACEFS through the Working Group on Auditing Disaster Management within the framework of the Sustainable Development Goals.

The EFSUR Sub-regional Group also continues to work on the Coordinated Audit "Survey and evaluation of policies implemented in order to comply with SDG 1 from a gender perspective in MERCOSUR member countries and associated countries" - Feminization of poverty.
Committees, Commissions and Working Groups

The OLACEFS committees, commissions and working parties have remained active in their activities, adapting to new forms of communication and coordination.

The OLACEFS Capacity Building Committee (CCC) has made the Coordinated Audits Handbook available in Spanish, Portuguese and English and developed the MOOC (Massive Open Online Course) on Performance Auditing open to SAIs and the general public.

The Legal Advisory Committee (CAJ) worked on validating the signature of the framework agreement between OLACEFS and the Economic Commission for Latin America and the Caribbean (ECLAC), and also provided advice on the request for amendments to the OLACEFS charter.

The Technical Commission on Good Governance Practices (CTPBG) held a competition with the theme "The role of SAIs in the health crisis. The control of public funds in emergencies", and organized a series of meetings on "Post-pandemic governance" regarding social progress, integrity and public policies.

The Commission for Information and Communications Technologies (CTIC) developed a Toolbox to raise awareness of freely available applications that enable teamwork in virtual mode, together with an application for the repository of SAI reports related to the SDGs.

Developed a Toolbox to raise awareness of freely available applications that enable teamwork in virtual mode

The Technical Commission for the Environment (COMTEMA) continued the Coordinated Audit in Protected Areas, which had to be adapted to the new circumstances and was able to continue in virtual format, providing the opportunity to increase the number of participants.

The Citizen Participation Commission (CPC) held the webinar titled "Social control and auditing of SAIs in times of pandemic" with a view to sharing experiences on the importance of transparency and citizen participation for the social control cycle, as well as its effects on SAIs auditing in times of pandemic.

The Committee on Performance Evaluation and Performance Indicators (CEDEIR) also cooperated on the Initiative of Strategy, Performance Measurement and Development Initiative Reporting of the INTOSAI (IDI) with 7 SAIs in the region, and conducted virtual courses, bilateral meetings and workshops on the Performance Measurement Framework.

The Working Group on Public Works Audit (GTOP) continued its execution of the Coordinated Audit of Mining Environmental Liabilities by holding its results consolidation workshop in virtual format. Finally, the Working Group on Gender Equality and Non-Discrimination (GTG) worked on the preparation of a diagnosis and basis for the OLACEFS Gender Equality and Non-Discrimination Policy and organized the virtual course "Introduction to Gender Equality and Non-Discrimination".

The Working Group on Disaster Management Auditing within the framework of the Sustainable Development Goals (GTFD) presented the Regional Action Plan for COVID-19, which aims to raise awareness of the importance of disasters arising from biological hazards such as pandemics and epidemics. It also offered guidance on integrated disaster risk management.

In coordination with the United Nations Office on Drugs and Crime, the Working Group Specialized in the Fight against Transnational Corruption (GTCT) provided training on anti-corruption and transnational crime and produced a manual of good practices on said issues.

Publications and research

In order to share knowledge and good practices, various publications and research projects have been submitted to OLACEFS and INTOSAI. The documents shared included "The concurrent control model as the central axis of a preventive, prompt and timely approach to governmental control in Peru", "Control in the COVID-19 pandemic. A management report on governmental control in the Health Emergency 365 days later", "Control in times of COVID-19: Towards a transformation of control", "Concurrent Control: A quantitative estimate of benefits", among others.
PIVOTING AND PROVIDING: HOW IDI UP-SCALED ITS SUPPORT FOR SAIs IN RESPONSE TO THE GLOBAL PANDEMIC

INTOSAI Development Initiative (IDI)

As the COVID-19 pandemic began to impact on all aspects of life across the globe in 2020, the INTOSAI Development Initiative (IDI) took immediate steps to re-assess the ways to fulfil its goal of supporting effective, accountable and inclusive SAIs, and pivot into targeted and practical action steps.

This meant not only negotiating the working landscape of IDI’s own ‘new normal’, but also adapting to the shifting horizons for the SAIs it supports as lockdowns and social distancing, emergency measures, vaccine rollouts and societal pressures rapidly became a part of the pandemic vernacular.

"We were aware from the onset of COVID-19 that SAIs would face unique and far-reaching challenges,” says IDI’s Director General, Einar Gørrissen. “Governments needed to be agile and resourceful, and so did the bodies that audit them. The role of SAIs was often especially difficult given the related economic and social pressures, including the inevitable backsliding in democracy that can sit alongside the need to act at speed.”

For IDI, it remained vital to focus on the pandemic as a backdrop to SAI operations - including the potential for challenges to SAIs’ independence and the scale of what UN Women has termed “the shadow pandemic”: a reduction in women’s status and gender equality accompanied by a rise in gender-based violence.

In addition to these underlying approaches, IDI’s workstreams embarked on a number of initiatives to address SAIs’ needs in a hitherto unknown matrix of challenges. Some of these are outlined below.

New initiatives in the Well-Governed SAIs workstream

The onset of the pandemic coincided with the completion of some initiatives in the Well-Governed SAIs workstream in 2020. IDI took this as an opportunity to address changed SAI needs in the field of organisational governance while further integrating the workstream’s different elements and placing increased significance on gender equality.

The starting point for the redesign was SAI demand and capacity as reflected in the 2017 Global Survey, SAI PMF assessments, regional questionnaires, and SAI strategic plans. Several trends emerged: SAIs need to be more resilient in the face of risks and crises; they have an increased need for ICT infrastructure; and they need to do more to develop and retain their most important resource, their staff.

For IDI, it remained vital to focus on the pandemic as a backdrop to SAI operations - including the potential for challenges to SAIs’ independence and the scale of what UN Women has termed “the shadow pandemic”: a reduction in women’s status and gender equality accompanied by a rise in gender-based violence.

In addition to these underlying approaches, IDI’s workstreams embarked on a number of initiatives to address SAIs’ needs in a hitherto unknown matrix of challenges. Some of these are outlined below.

For IDI, it remained vital to focus on the pandemic as a backdrop to SAI operations - including the potential for challenges to SAIs’ independence and the scale of what UN Women has termed “the shadow pandemic”: a reduction in women’s status and gender equality accompanied by a rise in gender-based violence.

In addition to these underlying approaches, IDI’s workstreams embarked on a number of initiatives to address SAIs’ needs in a hitherto unknown matrix of challenges. Some of these are outlined below.

New initiatives in the Well-Governed SAIs workstream

The onset of the pandemic coincided with the completion of some initiatives in the Well-Governed SAIs workstream in 2020. IDI took this as an opportunity to address changed SAI needs in the field of organisational governance while further integrating the workstream’s different elements and placing increased significance on gender equality.

The starting point for the redesign was SAI demand and capacity as reflected in the 2017 Global Survey, SAI PMF assessments, regional questionnaires, and SAI strategic plans. Several trends emerged: SAIs need to be more resilient in the face of risks and crises; they have an increased need for ICT infrastructure; and they need to do more to develop and retain their most important resource, their staff.

For IDI, it remained vital to focus on the pandemic as a backdrop to SAI operations - including the potential for challenges to SAIs’ independence and the scale of what UN Women has termed “the shadow pandemic”: a reduction in women’s status and gender equality accompanied by a rise in gender-based violence.

In addition to these underlying approaches, IDI’s workstreams embarked on a number of initiatives to address SAIs’ needs in a hitherto unknown matrix of challenges. Some of these are outlined below.

SAIs need to be more resilient in the face of risks and crises

While the previously existing initiatives on SAI PMF and Strategy, Performance Measurement, and Reporting (SPMR) continue to support SAIs in their strategic management, IDI launched four new initiatives within this workstream in 2021:

PICTure focuses on supporting SAIs in strengthening their ICT governance. This includes stronger management of ICT resources, and planning and steering the implementation of ICT strategies and plans.

TOGETHER aims to support SAIs in enhancing their overall systems for managing human resources, ethics, and on gender and inclusiveness. It will comprise of an overarching component on human resource management, as well as more in-depth interventions on ethics, and on gender and inclusiveness.
CRISP covers crisis and risk management for SAI performance. In October 2021, webinars for the INTOSAI community were conducted in which, among others, the SAIs of Bulgaria and Ukraine and the European Court of Auditors shared their experiences. The initiative will publish guidance material on crisis and risk management geared at SAIs.

Mastery offers leadership masterclasses, empowering SAI leaders to effectively perform their leadership roles and exert a greater impact within and beyond their SAIs. A first masterclass on SAI Independence has been implemented, while further topics like strategic foresight will be addressed in 2022.

Professional and Relevant SAIs - Supporting SAIs in contributing to build back better

The COVID 19 pandemic brought both challenges and opportunities to SAIs and IDI. Throughout the pandemic the Professional and Relevant SAIs workstream’s focus has been two-fold – to continue help SAIs in conducting high quality and high impact audits and to support SAIs in contributing to build back better.

The team supported high quality and high impact audits by developing one-pagers that helped SAIs in deciding on conducting ISSAI compliant financial, compliance and performance audits during the pandemic. IDI also launched a global compliance audit of transparency, accountability, and inclusiveness in the use of emergency spending for COVID-19. Forty-five SAIs are currently conducting this audit on topics like emergency public procurement, socio economic packages and national rollout of COVID 19 vaccines.¹

The outbreak of the pandemic also led to a considerable back-slide on the achievement of Sustainable Development Goals. IDI is currently supporting 54 SAIs in contributing to government efforts for building back better by auditing sustainable public procurement (linked to SDG 12.7), auditing strong and resilient national public health systems (linked to SDG 3.d) and auditing elimination of intimate partner violence against women (linked to SDG 5.2). These audits are ISSAIs-based and use a whole of government approach, underlining SDG principles of coherence, integration, multi stakeholder engagement and Leave No One Behind. The audits also mainstream actions for ensuring audit quality and facilitating audit impact².

IDI adapted its delivery mechanism to provide flexible and resilient support to SAIs. The workstream uses an integrated education and audit support framework for the cooperative audits for providing educational contents, social learning, other resources and audit support. IDI has also organised SAI innovations webinars and marketplace events for helping SAIs in exploring innovative solutions for being flexible, agile and resilient³.

¹ https://www.idi.no/covid-19
² https://www.idi.no/work-streams/relevant-sais/auditing-sdgs
³ https://www.idi.no/work-streams/relevant-sais/sai-innovations
IDI adapted its delivery mechanism to provide flexible and resilient support to SAIs

Global Foundations Unit – helping SAIs keep the lights on

As the pandemic took a firm hold across the world, it became apparent that SAIs faced particular challenges in continuing operations, at the very time that it was most critical for them to be able to audit emergency funding provided to governments to tackle all aspects of COVID-19, and to carry out the focussed audits in procurement, health services and gender-based violence as described above.

While the GFU is well-versed in rolling out global funding programmes on behalf of the INTOSAI Donor Cooperation, the immediacy and scale of the global emergency called for a swift and targeted response. In early October 2020, IDI facilitated the launch of INTOSAI’s “SAI Continuity of Operations During COVID-19” grant to offer SAIs assistance with continuity of operations, particularly through ICT and staff safety measures. A total grant of €700,000 was made available for a period 3 years until expended, with each selected SAI eligible to receive up to €20,000.

With the funds on hand for speedy disbursement, IDI’s GFU team introduced a simple application and approval process that enables SAIs to receive practical assistance to continue working, often remotely. By the time the INTOSAI grant closed at the end of 2021, 54 proposals had been approved, assisting SAIs when they needed it most. Those 54 SAIs each received €11,429 for a total award of €617,166.

GFU also managed a similar programme established by SAI Saudi Arabia, which provided 18 SAIs with ICT equipment to enable them to work from home during the pandemic. In the meantime, the GFU team introduced a series of clinics for hands-on guidance for SAIs in the development of concept notes to support funding applications. These clinics were rolled out to SAIs in the OLACEFSs region, with more carried out for CREFIAF by the end of 2021.

“I’m very proud of the way the IDI team has pulled together and focussed first and foremost on supporting SAIs, at a time when priorities could easily transfer to more domestic matters,” adds Einar Gørrissen. “Some of these new initiatives will remain with us for years to come, and INTOSAI members can continue to access the support they need as they themselves pivot and grow.”

For more on these initiatives, go to www idi no.
Recovery spending following the pandemic coincides with growing concerns over the future global threats, including the climate crisis. Many stimulus packages are thus geared to supporting the transition towards a carbon-neutral economic system. The European Union, for instance, has decided that at least 37% of the Next Generation EU recovery instrument amounting to EUR 750 billion should be used to support climate actions.

A key question is how to ensure that the funding really contributes to climate: are funds allocated in line with the climate objectives and are the actions effective? To support this examination, the National Audit Office of Finland commissioned a report from the Institute of European Environmental Policy (IEEP), which is an independent sustainability think tank. This report provides an analytical review of existing practices to track climate-related expenditure, identifying a range of areas where current tracking systems differ in their practical application. The report analyses climate tracking approaches and key methodological questions based on nine case studies from Canada, France, Ireland, the European Union, Norway, Nepal, Chile, Mexico and the World Bank.

The objectives and tracking systems vary – also harmful subsidies should be identified

The objectives of climate finance tracking methods vary from meeting quantitative climate finance commitments to mainstreaming climate policy by making it relevant to different sectors. It can also improve understanding of the gap between current investment and the level of investment believed to be required. Depending on its level of ambition, the tracking method may also seek to evaluate the effectiveness of finance. The report stresses the need for clarity on the purpose of the tracking system, and transparency on how it is used.

Many tracking systems, such as the one the EU uses and are based on so-called “Rio Markers” identifying whether expenditure is primarily focused on climate outcomes, or whether it addresses them as a principle secondary objective. The Rio Markers system provides a relatively simple approach, and it can be used on the stated objective of expenditure or based on the impacts in practice. There are also systems that use a binary categorisation looking at climate relevance alongside other environmental outcomes. While this can give valuable information on whether climate and other sustainability issues have been mainstreamed in individual areas of expenditure, it is not as effective in providing estimates of overall expenditure on climate.

Identifying funding that has a negative impact on climate objectives would also be essential. Only this way can we gain an overall understanding of the budget’s climate impacts. Essential aspects of climate finance tracking methods include the extent to which indirect impacts are accounted for, and whether taxation is also included as is the case of France and Norway.
Different systems should be comparable

As tracking climate finance becomes more common, the uniformity and comparability of different systems – for example between the EU Member States – will become important. Ideally, one level of governance could rely on information from other levels of reporting. Moreover, different approaches taken in the public and the private sector pose their own challenges, including in situations where public sector investment acts as a catalyst for private investments. For example, the EU taxonomy for sustainable economic activity regulates private investors and contains the principle of doing no harm, according to which climate actions should not hamper the achievement of other environmental objectives.

National Audit Office of Finland commissioned the study to support the European cooperation project focusing on long-term risks and climate finance. The report helps auditors and researchers to verify how climate finance is realised and to better assess its effectiveness, while also providing decision-makers and the wider public with important information on the appropriate use of budget funding. This increases transparency on whether climate expenditure is focused on those areas capable of addressing climate challenges most effectively.

The report is available on the website: Review of approaches to tracking climate expenditure (ieep.eu)

More information:
Vivi Niemenmaa
vivi.niemenmaa@vtv.fi
By the second decade of the 21st century, data has evolved out of its traditional format and turned into big data as a result of many factors such as digital processing of the data, increase in data production and transfer speed, diversification of data sources, decrease in data storage costs and acquisition of unstructured data rather than structured data. The developments in data science and growing amounts of data and information not only changed our daily lives but also changed the functioning of institutions.

It is clear that traditional control methods have served for years and will continue to do so, but since external audit is a data-oriented and continuous activity, it becomes imperative to revise the audit approach accordingly and to keep up with the rapid developments. The scope of audit does not change but digitization results in radical changes in the techniques used in all audit-related processes, from planning to reporting, and even in the understanding of auditing.

An important first step in responding to an ever-evolving audit environment characterized by the widespread use of increasingly sophisticated information technology is the increased use of computer-assisted data analysis techniques. In the last few years, more and more auditors are embracing these developments because it is important to obtain meaningful information out of constantly growing and diversifying data piles and present them to the right targets. In order to obtain this value, we need to process and interpret the data using appropriate analysis methods.

Like most SAIs, the Turkish Court of Accounts (TCA) is using new technologies and working with big data in order to conduct more efficient and higher quality audits. We have accelerated the use of technology in audits through digital tools and data analysis applications over the past decade. Until 2017, many of our practices were based on individual and personal skills. Auditors were gathering raw data and transforming it into usable data by using different software programs such as ACL or Access for conducting analyses.

However, in 2017, a special audit group was formed, and the TCA started building up mechanisms for virtual auditing. As part of our efforts for collecting and storing data and strengthening our technology to improve data analysis capabilities; projects were implemented for centrally collecting and processing the data of the audited entities. Rule-based anomaly detection and technology-enabled risk assessment techniques were embedded into audits. Various analysis scenarios including risk analysis to be applied to the accounting data of all audited public administrations were developed, and a sampling module was initiated. In addition, significant progress has been achieved on issues such as audit management, archiving, classification and statistical and mathematical analysis. And as a result of the need for a system on which the newly developed CAATT methodologies would run, we started using a business intelligence software and created our own platform called VERA (Turkish Court of Accounts Data Analysis System).

After the Pandemic

Although the audit process was already in a state of evolution with the emergence of new technologies, the pandemic accelerated the change towards digitization. The TCA faced with an urgent need to make changes in mainly two areas, which are (1) regulatory needs and (2) right technological infrastructure, communication and training needs.

1. Regulatory needs

As a result of the reduced communication abilities and challenges with accessibility, many audit procedures became unrealizable, and we needed to be more flexible with online interviews and documentation checks during the on site periods of audits. Since it became nearly mandatory to collect documentation electronically, an amendment was made in legislation in September 2020 to ensure that the data of all institutions within the scope of the audit are received electronically.
2. Technological infrastructure, training and communication needs

For many of us, remote auditing is a new concept, and therefore it is very important to establish the right technical infrastructure and provide the necessary training. Hence, during the pandemic, trainings on computer assisted audit techniques continued at an increasing rate. In this context, more than 20 virtual trainings were organized. On-line meetings, webinars, and sharing experiences were among other types of events organized with the aim to stay connected and adequately manage the situation.

By developing secure and accessible methods of communication, we tried to ensure quality and effectiveness in audits. In this regard, an online platform has been developed to create a meeting point for our colleagues and audited entities.

In addition, a web page has been designed to support the use of the system and the computer assisted audit techniques. Now, without registering for the online trainings or discussions, auditors can access the informative videos about the topic they choose by clicking the link in the manual or by scanning the QR code with their phones or tablets at any time and any place.

Additionally, for putting preventive and reactive controls in place in order to reduce the risk of error and fraud, we created scenarios covering the whole audit process from macro planning to reporting. We currently have nine groups of analyses to detect misstatements, staff fraud, and inefficient usage of assets, which are as follows:

- Data verification analyses
- Financial statement analyses
- Analysis scenarios for journal entries
- Analysis scenarios for personnel payments
- Risk analysis scenarios
- Financial statements and books
- Identification of accounts running together
- Sampling analysis and Standardization of account areas

The benchmarks we use are primarily regulations on accounting and accounting theory. For example, in analysis scenarios for journal entries; incorrect transactions are identified from the accounting records and summary tables are generated. And besides fraud or faulty transactions, the records containing risk as the nature of the transaction are also listed.

Alongside growing amounts of data affecting the risks, as a result of the new ways of working after the pandemic, new risks have evolved and previously identified risks needed to be revised as the probability, scale, and significance of misstatements have changed. Today there is a greater need for the right tools to detect, monitor, respond and manage
risks and minimize their effects because factors such as decreased internal control efficiency or increased pressures on management lead to new risks of material misstatements due to fraud or error. Additionally, some of the planned procedures have become impracticable under current circumstances.

For those reasons, we have 134 risk analysis scenarios, each evaluating municipalities on the basis of different criteria. They are being assessed by taking into account their budget size, investments, incomes, transaction numbers and volumes, size of their expenses, and demographic structures, and then they are graded and grouped by their risk profiles. As a result of each scenario, municipalities are given a score from 1 to 5 based on their risk levels. At the end, municipalities with higher total scores are considered riskier than others.

Auditors evaluate the nature of these items and stratify them in terms of their risk levels. All reports are automated and can be seen by auditors for planning and execution of audits and by top management for the strategic planning of audits. The results are not sent to auditees directly, but are shared with them by the auditors.

As auditors needed access to large data files in the corporate database, a cloud system was created under the name of "SayDrive", enabling the auditor to have access to big volumes of data and to share information with other auditors.

**Conclusion**

Although we know that the pandemic will continue to affect our activities, the remaining uncertainty about the future of the pandemic decreases our chances of making a full assessment on the future of the auditing profession. We believe that remote auditing will be the new normal, and the use of digital technologies will ease the ongoing limitations.

During the remote working period, VERA made a great contribution lot to the execution of the audit. Auditors could continue their work without interruption since the data produced by the audited institutions was uploaded to VERA on a constant basis. Our system enabled constant monitoring and reduced dependence on physical documentation, lessening the need for travelling.

By using the analysis scenarios, erroneous or risky transactions were quickly detected, and the auditees were contacted on time. The system provided an objective and knowledgeable set of eyes and an opportunity for auditors to make more informed risk assessments. Additionally, since the data is stored in a central database, data security is ensured. Furthermore, the process of detecting risks and errors through various analyses reduced the risk of uncorrected misstatements and material errors in future financial statements because of the cumulative effect.

All in all, as a result of accelerated adoption of new audit techniques, concentrated and continuous monitoring, decreased dependence on physical documentation, detailed risk assessment providing early warnings and increasing assurance levels, and accelerated reporting, the pandemic has brought us closer to the goal of a higher quality, more efficient and forward-looking audit.
Kazakhstan is located in the center of the Eurasian continent, and characterized by a huge species, genetic, ecosystem and landscape biodiversity. These complexes are quite unique, starting from deserts to high mountains and ending with ecosystems of the seas. Kazakhstan is represented by a full range of subzonal variants of vegetation steppes, deserts and mountain belts characteristic of the Central Asian region. At the same time, more than 75% occupy arid and subhumid territories, they contain more than 40% of the species composition of the entire biological diversity of the country.

Unfortunately, Kazakhstan has developed an unfavorable, and in some regions a crisis environmental situation. Our country has inherited a heavy burden of environmental problems: soil degradation, depletion and pollution of the atmosphere, regional man-made desertification, afforestation, reduction of biological diversity and destruction of the genetic fund of wildlife, the accumulation of dangerous and toxic waste, the intensification of life-threatening natural phenomena and industrial disasters. The development of industrial production has led to a sharp increase in the capacity of enterprises, energy consumption, and resources, which has led to an increase in the amount of waste that pollutes the environment and the depletion of water resources.

According to the Environmental Performance Index 2020 (EPI), Kazakhstan ranks 128th in terms of biodiversity conservation among 180 countries, and 113th among 180 countries in terms of biodiversity and terrestrial ecosystem conservation, according to the UN Sustainable Development Report 2020 (Energy Prom).

World experience shows that the Government should include environmental issues in other policies, and public organizations should include environmental issues in their strategic target programs. Also, to evaluate new and existing activities through a state-run audit, the so-called environmental audit, and a joint one in several countries with a single ecosystem. Environmental audits are widely used in Canada, the United Kingdom, Sweden, the United States, the Netherlands, and other industrialized countries. The eco-audit is designed to help the population obtain objective information about the degree of danger
of a particular enterprise as a source of man-made threat. The study and analysis of foreign experience in solving problems of environmental protection and rational use of natural resources clearly indicate the priority importance of environmental audit programs in improving the efficiency of industrial and non-industrial enterprises, taking into account compliance with the requirements of environmental legislation. Meanwhile, the interstate eco-audit is carried out by analyzing the reports of the audited entities on the impact on the environment.

In accordance with Article 81 of the Environmental Code of the Republic of Kazakhstan, the types of environmental audit are mandatory audit and initiative audit.

The grounds for conducting a mandatory environmental audit of individuals and legal entities are:

- significant environmental damage caused by economic and other activities of individuals and legal entities, documented;
- reorganization of a legal entity: a natural resource user engaged in environmentally hazardous types of economic and other activities, in the form of merger, division and separation;
- bankruptcy of legal entities: natural resource users engaged in environmentally hazardous types of economic and other activities.

An initiative environmental audit is performed at the initiative of the audited entity or its participant, taking into account the specific tasks, terms and volumes of the environmental audit provided for in the contract for conducting an environmental audit between the initiator and the environmental auditor or environmental audit organization.

With the adoption of the Law on State Audit, the Supreme audit institution, the Accounts Committee for Control over the Execution of the Republican Budget has been given new functions aimed at ensuring the quality and transparency of the formation of the draft republican budget, carrying out its preliminary assessment of the main areas of expenditure in order to minimize unjustified and inconsistent directions and amounts of funds included in the expenditure part of the budget, as well as evaluating the reliability of the preparation of consolidated financial statements.

Much attention is paid by the Accounts Committee to the study and implementation of the practices of the State audit institutions and international institutions. As part of its international activities, the Accounts Committee constantly interacts with the SAIs of foreign countries and their international associations to exchange experience and information on current issues of state audit, improve the skills of employees, and conduct joint events. In the light of the current issues of the international community, new areas of state audit have been established, covering the areas of environmental protection.
Life shows the need to take urgent measures to address the most acute environmental problems. Failure to take decisions today leads to much greater economic losses and irreversible deterioration of the living environment of millions of people. The complexity of modern environmental problems necessitates an audit approach to scientific investigation for the following reasons:

Firstly, in such conditions ensures a high level of use of system approach in assessing the environmental problems, which is extremely important, as is to be considered a whole range of issues, including financial, economic and legal aspects are no less important than chemical, biological, and other factors. When conducting an audit, there is a need to attract real specialists in accordance with the specifics of the industry being audited.

Secondly, in the audit approach, priority is given to the criteria of independence and objectivity in conducting research and forming judgments, conclusions and conclusions.

Thirdly, the auditor, being an analyst and auditor, inevitably acquires the skills of a practical psychologist and a social diplomat. These qualities seem to be necessary for effective participation in solving modern environmental issues.

At the same time, the object of environmental audit is the existing, under construction, and liquidated enterprises and organizations whose activities have or may have an impact on the environment. As a rule, this leads to additional financial costs and losses, as businesses begin to pay for the damage caused.

One of the proposals that give stability to economic systems can be environmental insurance, risk quotas, i.e., the introduction of paid quotas similar to the payment for harmful emissions, which is one of the environmental levers of the state for environmental protection. It is important that the customers of the environmental audit can be interested individuals and (or) legal entities, insurance organizations, investors, and necessary government agencies.

The result of conducting an environmental audit, in the end, is primarily financial savings due to more rational management of natural resources and compliance with the requirements of environmental requirements. Often, an eco-audit can facilitate the adoption of special new regulations and serve as a basis for establishing new legal conditions for a particular object or type of activity.

In this case, the instruments of state regulation with the implementation of targeted audit activities are considered as a mechanism for ensuring the established standards and environmental standards. Their use should be aimed at greater differentiation of regulatory requirements for environmental protection imposed on different economic entities and ensuring the application of regulatory requirements at the lowest cost.

A well-known fiscal policy, the main goal of which is the fair redistribution of the gross domestic product in favor of the sustainable development of society, at the same time, can solve pressing issues of environmental protection and nature. The role of the state, in this case, is to regulate the mechanisms and decision-making in which the redistribution of national income leads to the revival of production processes and the preservation of the environment.

Thus, the environmental audit is transformed from a routine procedure for verifying compliance with the law into an economic and legal tool for stimulating environmental activities and making recommendations. The application of a systematic audit approach can provide an effective search for optimal solutions to complex environmental problems at different levels—from servicing a specific enterprise to conducting regional studies and participating in the development of national and regional environmental policies at interstate levels.
Conclusion

Comprehensive legal framework but some minor inconsistencies prevail. Strategic framework not supported by appropriate resources and, in cases, action plans. Monitoring and enforcement remains incidental and reactive as well as based on existing legislation rather than site-specific management plans. Prolonging of management plans raises the risk of marine environment degradation and possibly missing EU obligatory targets. Assessments follow generally accepted practices but limitations in scope prevail. The better safeguarding of MPA is dependent on countries addressing these critical areas of concern.