

OUTCOMES OF THE SURVEY ON COOPERATIVE AUDITS

In this document, you can find the outcomes of the survey for the Seminar on Cooperative Audits held in Prague from 13 -15 November 2017.

The survey was distributed in June 2017 to all 50 EUROSAI members (ECA included). By the end of October 2017, the total number of 31 members filled in part II of the survey: Albania (AL), Austria (AT), Belarus (BY), Belgium (BE), Bosnia and Herzegovina (BA), Bulgaria (BG), Cyprus (CY), the Czech Republic (CZ), Denmark (DK), Estonia (EE), Finland (FI), Georgia (GE), Germany (DE), Greece (GR), Hungary (HU), Ireland (IE), Kazakhstan (KZ), Latvia (LV), Lithuania (LT), the former Yugoslav Republic of Macedonia (MK), Republic of Moldova (MD), Poland (PL), Romania (RO), Russian Federation (RU), Serbia (RS), Slovakia (SK), Sweden (SE), Switzerland (CH), The Netherlands (NL), Turkey (TR), Ukraine (UA). Results of the survey were compiled on the basis of these replies.

We thank all the participating SAI for their contribution!

1. *Does the legislation allow:*

a) *your SAI to participate in cooperative audits^{1,2,3}?*

- Yes 31
- No 0

b) *your SAI participate in **joint audit**³ where the audit is conducted by one audit team composed of auditors from two or more SAIs?*

- Yes 23
- No 8 (AL, AT, BG, DE, RO, RS, TR, UA)

c) *your SAI to share information, data, and documents without any restriction with colleagues from other SAIs when conducting a cooperative audit^{1,2,3}?*

- Yes 13
- No 18

(AT, BA, BY, BE, CY, CZ, DK, EE, FI, DE, IE, LV, PL, RU, RS, SE, CH, UA)

¹ **Parallel/Concurrent Audit Mission:** A decision is taken to carry out similar audits. Methodology and audit approach could be shared. The audit is conducted more or less simultaneously by two or more autonomous auditing bodies, but with a separate audit team from each body, usually reporting only to its own governing body and only on matters within its own mandate.

² **A coordinated audit** is either a joint audit with separate audit reports to the supreme audit institutions own governing bodies or a parallel audit with a single audit report in addition to the separate national reports.

³ **Joint Audit Mission:** Key decisions are shared. The audit is conducted by one audit team composed of auditors from two or more autonomous auditing bodies who usually prepare a single joint audit report for presentation to each respective governing body.

Restrictions mostly relate to information on defence, personal data, constitutional information, privacy rights of third parties, tax secrecy, business secrets and non-finalised documents.

2. *Does your SAI perform cooperative audits^{1,2,3}?*

- Yes 30
- No 1 (AL)

Each respondent has carried out at least one cooperative audit since 2014 according to the answers.

3. *Have the cooperative audits^{1,2,3} that you performed between 2014 and 2017 been regulated with a contract/cooperation agreement?*

- Yes 19
- No 12 (AT, BA, CY, FI, GR, IE, LV, MD, RS, SE, CH, TR)

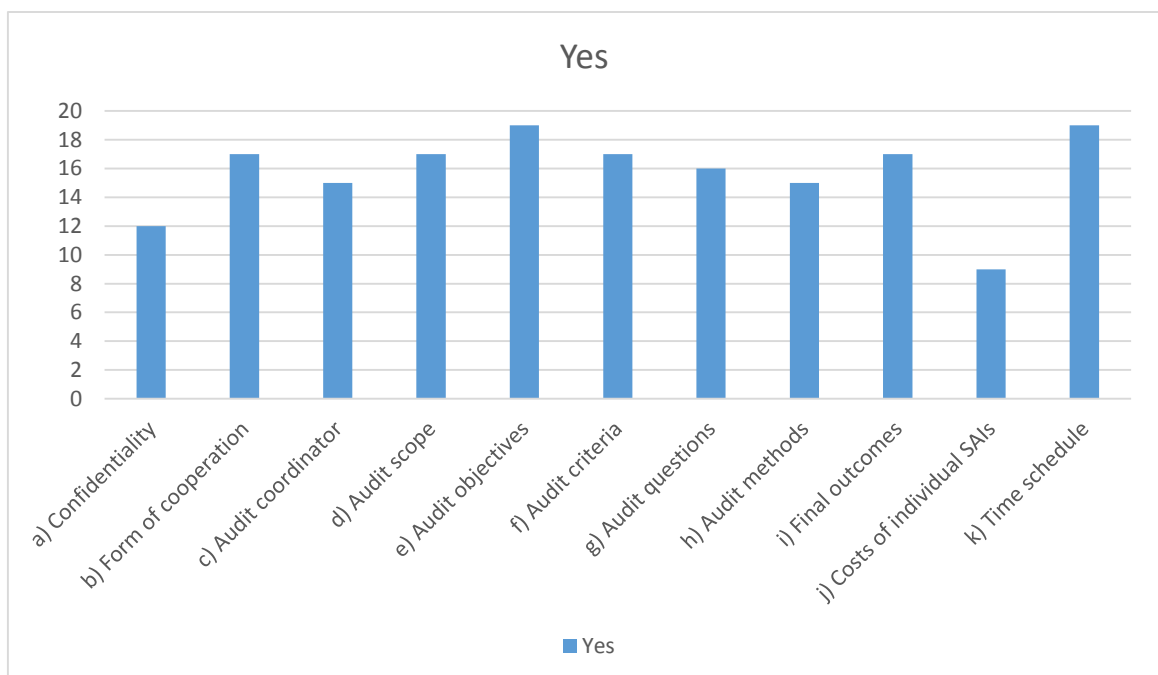
Other kinds of regulations according to the responses are:

- a general cooperation agreement,
- an information note signed by the presidents of the involved SAIs,
- an informal written or oral agreement,
- audit instructions together with a common audit programme,
- statements of intent sent by the involved SAIs.

4. *In case the member states carried out cooperative audits that were regulated with a contract/cooperation agreement, they choose from the possibilities below and added further necessities that were included in the contract/cooperation agreement:*

- a) Confidentiality 12
- b) Form of cooperation 17
- c) Audit coordinator 15
- d) Audit scope 17
- e) Audit objectives 19
- f) Audit criteria 17
- g) Audit questions 16
- h) Audit methods 15
- i) Final outcomes 17
- j) Costs of individual SAIs 9
- k) Time schedule 19
- l) Others:
 - i. participating parties,
 - ii. period covered by the audit,
 - iii. language to be used in communication,
 - iv. procedure to change the agreement (if a participant wants to make changes),

- v. transaction costs,
- vi. printing (related to the joint report in English),
- vii. details about coordinated audit management,
- viii. working language,
- ix. key risk areas,
- x. legal framework,
- xi. auditing standards,
- xii. engagement of audit team,
- xiii. contacts,
- xiv. audit subject,
- xv. audit purposes,
- xvi. list of executors.



5. *In case your SAI conducts cooperative audits, in which types has your SAI participated in 2014-2017?*

- parallel 24
- coordinated 16
- joint 10

6. *Please list links of joint reports of cooperative audits in which your SAI took part in 2014-2017. In case the joint reports are not available online, can you please send them in an attachment to the survey?*

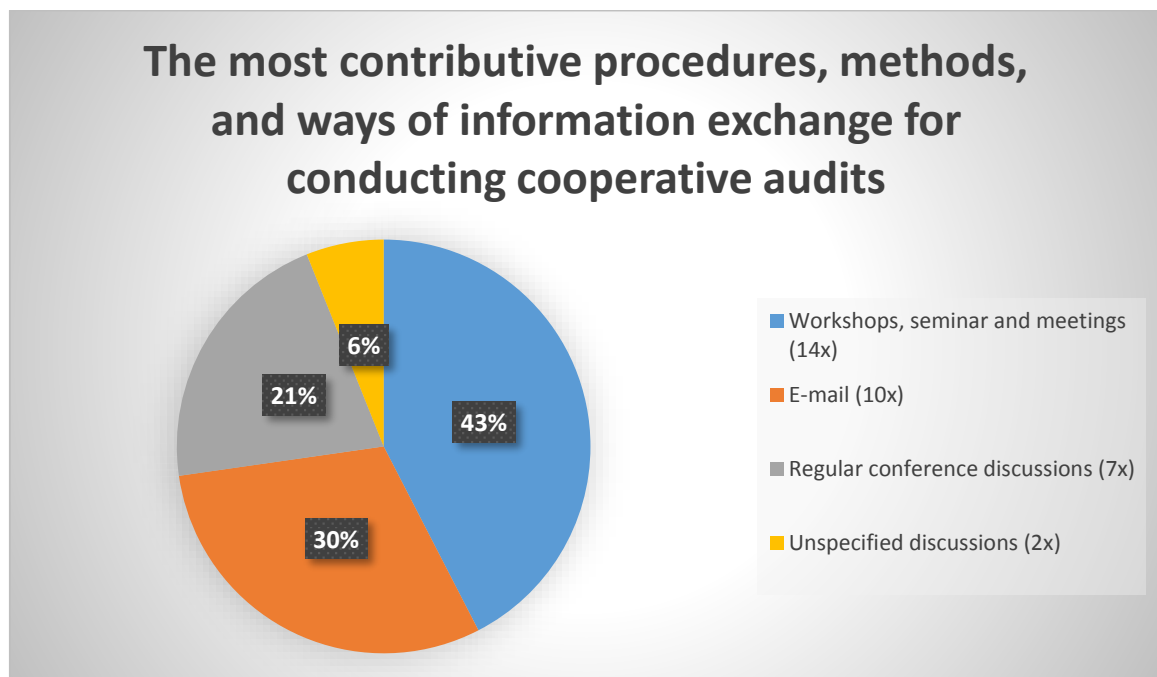
List of reports on cooperative audits 2014-2017 based on Survey for the Seminar on Cooperative Audits, Prague, information received till October 2017 (some of them are also available in the EUROSAI Database of audits <http://www.eurosai.org/en/databases/audits/index.html>):

- [EUROFISC A Multilateral Warning System of the Member joint report](#)
- (participants: Austria, Germany, Hungary)
- [Coordinated audit on the enforcement of the European Waste Shipment Regulation](#)
- (participants: Bulgaria, Greece, Hungary, Ireland, Poland, The Netherlands, Norway, Slovenia)
- [Final report on Simplification of the Regulations in Structural Funds](#)
- (participants: Austria, Bulgaria, Germany, Hungary, Italy, Malta, The Netherlands, Poland, Portugal, Slovakia, Slovenia, Sweden)
- [Joint Study Main characteristics, findings, messages of the coordinated audit of the Graduates' Career Tracking Systems](#)
- (participants: Bulgaria, Hungary, Romania)
- [National Parks - a Cooperative Audit](#)
- (participants: Bulgaria, Croatia, Denmark, Lithuania, Norway, Poland, Ukraine)
- [Overview of the agreement between Estonia Latvia and Lithuania for the development of the Rail Baltic connection](#)
- (participants: Estonia, Latvia, Lithuania)
- [Joint report on Efficiency of Measures Determined by Strategic Documents for Tourism Development](#)
- (participants: Croatia, Hungary, the former Yugoslav Republic of Macedonia)
- [Booklet on Parallel Audit on Biometric Passports](#)
- (participants: Belgium, Latvia, Lithuania, Norway, Portugal, Switzerland)
- Joint Report of Public Funds Allocated to Prevention and Consequences Elimination of Disasters and Catastrophes
- (participants: Ukraine, Azerbaijan, Belarus, Hungary, Kazakhstan, Republic of Moldova, Poland, Russian Federation)
- [Joint Report Audit of Disaster Risk Reduction](#)
- (Initiative of INTOSAI WG on Accountability for and the Audit of Disaster – related Aid, participants: Azerbaijan, Chile, India, Indonesia, The Netherlands, Pakistan, Philippines, Romania, Turkey, Ukraine)
- [Parallel Audit on Excise Duty Administration](#) (the Czech Republic, Slovakia)

- [Coordinated audit of the funds earmarked for the funding of projects implemented within the Operational Programme Cross-Border Cooperation the Czech Republic – Poland 2007–2013](#) (the Czech Republic, Poland)
- [Funds earmarked for the Swiss-Czech Cooperation Programme](#) (the Czech Republic, Switzerland)

7. *Please state which procedures, methods, ways of information exchange, and the like have proved useful and that were the most contributive when conducting cooperative audits to your SAI?*

There were no options to tick in the survey. Answers depended on respondents' experience. Respondents mostly mentioned workshops, seminars and meetings (14x), e-mail (10x), regular conference discussions (7x), and in addition unspecified discussion (2x). According to one respondent, invitation of experts on the related subject to the kick off meeting might be helpful for fruitful discussion.



Several respondents also answered that for a good result of a cooperative audit it is useful to create an audit plan, common questions template, or matrix of questions. Precondition for good cooperation is active involvement of all participating SAIs as well.

From the answers, it is obvious that during a cooperative audit, it is necessary to reach a common understanding, to have an opportunity to discuss problems arising in the

course of audit, to exchange experience, to present national findings, and to discuss common conclusions. All of these form the means for mutual learning.

8. *Please state and specify the biggest problems your SAI had to tackle when conducting cooperative audits.*

- Human resources (mentioned by 5 respondents).

Particular difficulties with the planning of the human resources or a large number of auditors in the working group or insufficient human resources (AT, BY, BG, MD). SAI Lithuania mentioned that possible risk lies in the reluctance to take the leader responsibility in a cooperative audit.

- Time (mentioned by 10 respondents):
 - ✓ Planning the time resources and complying with the plan or risk lies in non-compliance with the set timetable (AT, LT)
 - ✓ Long terms of coordination of audit programs (BY)
 - ✓ Time-consuming processes (BG)
 - ✓ Different prioritisation in the audit plan of SAI's participant (CY)
 - ✓ Risk lies in "obsolete" findings due to the long process of formulation and adoption of a joint report (LV, LT, NL)
 - ✓ Time pressure (MD)
 - ✓ Problem to get all participating SAIs on the phone at the same time (CH)
 - ✓ Adjustment of time as regards the parallel audit and regular obligations in house (e.g. time to perform the audit, time to issue a report, adjustment of procedures) (RS)
- Financial resources, especially as for their planning (e.g. translation costs, printing of the joint report, travel expenses) (AT).
- Joint reports and difficulties with formulation of common conclusions (mentioned by 5 respondents).
 - ✓ Reaching of an agreement for the content, the structure, and the wording of the joint report, especially with regard to being in line with the national reports (AT)
 - ✓ Materiality of findings and ways of their aggregation and interpretation (CZ)
 - ✓ Vague understanding of the end result (EE)
 - ✓ Coordination of the final report between the parties (RU)
 - ✓ Formulation of common conclusions because of different national scope and other circumstances (SE)
 - ✓ Discussion about level of transparency in consolidating report (CH)
- Communication (mentioned by 5 respondents)
 - ✓ Communication in foreign language (CZ, RO)
 - ✓ Clarification of terminology and risks which may arise due to usage of common audit terminology and its interpretation (CZ, LT)
 - ✓ Formulation of audit questions and ensuring that they are understood in the same way (FI)

- ✓ Availability of teams to hold joint meetings and communicate on a weekly basis in order to keep up with all audit phase processes (MK)
- Differences – 9 respondents
 - ✓ Different legislative arrangements as for publishing the results of audits in each country (CZ)
 - ✓ Different mandate (FI, PL)
 - ✓ Publication, constitutional informational privacy rights of third parties, data protection (DE)
 - ✓ Power of publication. Legislation dictates that the Head of SAI must lay report before the Minister of a Department. Publication is outside his power as a body has three months to publish the report. (IE)
 - ✓ Different databases in the participating states (AT)
 - ✓ Differences concerning the subject of the audit as to the system of realization and financing projects, institutions and their responsibilities, legislation (CZ, MK)
 - ✓ Different prioritisation in the audit plan of participant SAI's (CY)
 - ✓ Various professional judgement of auditors (KZ)
- Other
 - ✓ Adjusting the methodology in planning phase (EE)
 - ✓ Finding and narrowing down a subject that has both national interest and interest from the perspective of many SAIs from the added value of benchmarking or to make results comparable (FI)
 - ✓ Identification of performance indicators and comparable processes (SK)
 - ✓ Stakeholders' reluctance to reply to questionnaires and present data (GR)

9. *Can you share experience from creating joint reports, e.g. wording/statement of joint findings and measures of remedy at the seminar?*

Results not important in the overview.

10. *Please state how exchange of information and documents from the implementation of cooperative audits works in your SAI. Member states could choose from the possibilities below and add their own observations.*

- | | |
|---|----|
| • e-mail | 27 |
| • online platform for sharing information | 9 |
| • other | 17 |

The other ways of exchanging information were meetings, presentations and workshops (15x), and videoconferences (6x).

11. Have you used any information sources (statistical, sources of analysis and evaluation, and the like), for example OECD, EUROSTAT sources for preparation and implementation of cooperative audits that would be useful to the other SAIs?

14 member states replied to this question and they mentioned information sources mentioned below:

- OECD data (SE, SK, TR)
- Eurostat (TR, RO)
- European Commission, Taxation and Customs Union Directorate-General (TAXUD) (AT)
- Basel Committee of Banking Supervision, UN Convention on Biodiversity, EUROSTAT (CY)
- The Energy Efficiency Directive 2012/27 / EU, The Energy Performance of Buildings Directive 2010/31 / EU, COBIT Framework, ISO 27002 (LT)
- International statistics (EE)
- National statistics (PL, RU, RS, MK, CZ)

12. Have you used any tools for preparation and implementation of cooperative audits that would be useful for other SAIs (e.g., IDI e-learning, discussion forum, etc.)?

- Yes 7
- No 25

Tools:

- Workshops and joint work (RS)
- Skype meetings or Viber groups (SE, MK)
- Seminars (UA)
- Preliminary meetings (RU)
- Videoconferences (RU, CZ)
- Discussion forums and meetings (RO)

13. How does your SAI present results of cooperative audits in your country?

- webpage 28
- presentation in Parliament 18
- press conference 5
- other 6
 - ✓ Court of Auditors / Accounts committee (AT, DK)
 - ✓ Press releases (BG, DE, LT, RS, FI)
 - ✓ Mass media interviews (BG)
 - ✓ Communication to the Public Authorities and Ministries (GR)

14. Does your SAI plan to perform a cooperative audit between 2018-2020?

- | | |
|---|----|
| • Yes | 23 |
| • No | 5 |
| • Do not know, the plan is being prepared | 2 |
| • Without answer | 1 |

In progress or planned:

- Quality of Air (Albania, Estonia, the Netherlands, Romania) – in progress
- Marine protected areas (co-leaders Malta and Cyprus) – in progress
- Banking Supervision Post SSM (coordinated by Germany and The Netherlands) – in progress
- Fisheries control (Denmark)
- Government enterprises under shared ownership (Denmark)
- Energy efficiency in public sector buildings (Estonia, Hungary, Latvia, Lithuania)
- Customs duties (Kazakhstan, Armenia, Belarus, Kyrgyzstan, Russia – member states of the Eurasian Economic Union)
- Audit of metro investments – joint audit (Turkey)
- Audit of earthquake risk reduction – parallel/coordinated audit (Turkey)
- East Carpathian transboundary biosphere reserve (Ukraine)
- International audits in the sphere of prevention and consequences elimination of floods, earthquakes (Ukraine, Belarus)
- Waste management and utilization (Ukraine)
- VAT in e-commerce (Belgium)
- Preventing and eliminating the consequences of earthquakes (Romania)
- National parks (the Czech Republic)
- Motorways (the Czech Republic)
- Environmental politics (the Czech Republic)

Preparation

- Sustainable Development Goals (coordinated by IDI)
- Application of the anti-dumping duty from 2014 to 2017 (the Czech Republic, Slovakia)
- Efficiency and cost-effectiveness in selecting social security contributions (the Czech Republic, Slovakia)

Yes - not defined

- Value Added Tax (Germany)
- Municipality (Lithuania)
- Energetics, environment, Eurasian Economic Union (Russian Federation, Belarus)
- Budgetary procedures and frameworks, fiscal consolidation measures (Finland)

15. *If you are considering to perform or take part in a cooperative audit at the moment, what themes (e.g., VAT, the environment, etc.) would interest you and which ones you would take part in?*

- Sustainable Use and Management of Natural Resources (BG)
- Environment (HU, KZ, MD, RU, TR, UA, BY, MK, RO)
- Energy (BG, RU)
- Security (BG)
- Construction and Re-Construction of Transport Infrastructure (BG, CZ)
- Health and education (GR, MK, RO)
- Value Added Tax (HU, DE, CZ)
- Customs procedures (HU, CZ)
- Agenda 2020 (Territorial Development) (HU)
- Municipality audit topics (LT, TR)
- Disasters and Catastrophes (RS, UA)
- IT (Digital Signature, Cyber Crime, IT Security at Embassies) (CH)
- Budgetary procedures (FI)
- Tourism (MK)

16. *How does your SAI initiate a joint audit^{1,2,3}? What is the impulse/initiative/motivation/reason to perform such an audit?*

Impulses for conducting a joint audit mentioned in the survey were:

- WG - informal/formal discussion (AT, GR, CH, UA, BE, MK)
- Membership in CD Network for fiscal policy auditing (Finland as Chair)
- Network of SAIs of Candidate and Potential Candidate Countries (BA)
- Importance of the subject on the national level, stakeholders interest and participating SAI (BG)
- Fitting into the Reporting Strategy (IE)
- Topic and comparability of results - environmental and/or social insights (CY, LV, LT, MD, PL, SK, SE, NL)
- Addressing partners or designing another SAI if the audit is aimed at a common interest, e.g., from the environment (EE, BY)
- Transnational issues (DK)
- Sharing and receiving good practices in the field of audit (GE, DE, HU, TR)
- Fulfilment of international obligations (KZ)
- Negotiations between Chairmen of two SAIs (RU, MK)
- Motivation to find an effective solution to the problems of the EU countries and to find good practice (RO)
- Common legislative framework (CZ)
- Cross-border tax administration (CZ)

- Risk area of tax evasion (CZ)
- Cooperation between members of both SAIs (CZ)

Part III

In order to fulfil the EUROSAI Strategic plan 2017 – 2023, please specify which proposals you would find useful to be supported by EUROSAI.

- | | |
|--|----|
| • organisation of seminars | 23 |
| • a specific web platform for presenting joint reports | 7 |
| • a webpage assigned for presenting joint reports | 16 |
| • a discussion forum | 13 |
| • other: | 2 |
| ✓ link to INTOSAI | |
| ✓ Database of audits | |