

## SAls: in search of citizens' engagement



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# EDITORIAL

**Enriqueta Chicano Jávega**

President of the Spanish Court of Audit  
Secretary General of EUROSAI



Dear colleagues, welcome to issue 27 of our EUROSAI magazine.

The constitutional addressee par excellence of our audit reports is the Parliament, but we cannot ignore the growing interest of citizens in our work. From my perspective, this interest is a logical consequence of their status as the primary demanders of public goods and services to which they, in turn, significantly contribute with their taxes. Additionally, the greater information and education available to them lead to higher expectations regarding the public response to this demand, consequently calling for a more efficient and effective public management. Supreme Audit Institutions (SAIs) are there to assess legality, accountability and management quality. Hence, our citizens demand from us audits that address their questions promptly. We want to be perceived as specialised institutions that meet the requirements of transparency and good governance, but which are at the same time close to citizens, providing them with both technically sound and comprehensible answers. In short, useful replies. It is essential for us to take on the challenge of establishing a citizen engagement strategy; therefore, the proposed theme for this issue of the magazine is "SAIs: in search of citizens' engagement".

I would like to express my gratitude to the authors who have participated in this issue of the magazine for their valuable contributions. The articles submitted show that citizens' demand for participation can cover any phase of the audit cycle: from proposing subjects, areas, or activities to be audited, to communicating the final result or monitoring the implementation of recommendations, including the potential contribution of information during fieldwork or participatory audits, among others. However, the opportunity for participation is mainly conditioned by the scope allowed by the legislation specific to each SAI, although, as can be seen from the interesting contributions received, there are always some aspects or areas that can be worked on and improved. And indeed, work is being done and improvements are being made, as is also evident in this issue.

In fact, the 27<sup>th</sup> issue of our magazine is actually the 28<sup>th</sup>, as the introductory issue (number zero) covers the beginnings of our journey as European organisation of SAIs and as regional organisation of INTOSAI, more than thirty years ago. It is also the first issue to be exclusively published in digital format, making it more environmentally sustainable.

Throughout these decades we have grown in membership, developed structures, faced challenges and, above all, EUROSAI has served as a channel for collaboration and knowledge sharing among our SAIs. In brief, to make us feel a sense of community.

Threats and challenges are a constant throughout the history of societies, from which our organization cannot be exempted. While EUROSAI's activities have benefited from significant normalisation after the pandemic, they are still heavily influenced by the situation in Ukraine. Even in these tragic circumstances, I would like to especially highlight the efforts made by the SAI of Ukraine to maintain active and high-level participation, particularly leading the Working Group on the Audit of Funds Allocated to Disasters and Catastrophes. The Governing Board, for its part, maintains in force the Statement adopted at its 56<sup>th</sup> extraordinary meeting, suspending all collaboration with the SAIs of the Russian Federation and Belarus. Our affection and solidarity with the Ukrainian people remain intact, as well as our desire for the country to return to normal, as swiftly as possible.

I would also like to highlight the development during these months of an intense dynamic of cooperative work between the Presidency and Secretariat teams, which could not have been achieved without the auspices of the President of EUROSAI and of the SAI of the Czech Republic, Mr Miloslav Kala. The culmination of these shared efforts took place during the visit of a delegation of the EUROSAI Presidency to the headquarters of the Spanish Court of Audit in April 2023. On that special occasion, Mr Kala honoured us by unveiling the EUROSAI plaque on our historic façade which, from that moment on, indicates the physical location of the organisation's Secretariat.

The forthcoming months will be a time of intense work for EUROSAI members. The XII Congress, under the motto "Sharing Minds = Greater SAIs" is scheduled to take place in May 2024, in Israel. These lines were already drafted when we were all taken aback by the terrible terrorist attacks on the civil population of Israel, that took place on the 7<sup>th</sup> of October. I have transmitted Mr Englman, State Comptroller and Ombudsman of Israel, and next EUROSAI President, my condemnation of these acts and the solidarity with his fellow citizens.

I make a vow for a prompt restoration of peace in the EUROSAI region.







# EUROSAI ACTIVITIES

- 1.1. EUROSAI Prague Post-Congress Get-Together
- 1.2. 56<sup>th</sup> and 57<sup>th</sup> EUROSAI Governing Board meetings
- 1.3. EUROSAI activities 2022
- 1.4. Advance of EUROSAI activities 2023
- 1.5. Appointments in EUROSAI members during 2022-2023
- 1.6. Travelling Club of Experts: webinars that travel around EUROSAI

## EUROSAI PRAGUE POST-CONGRESS GET-TOGETHER

### Miloslav Kala

President of the Supreme Audit Office of the Czech Republic



At the 55<sup>th</sup> Governing Board Meeting in London, on 16 November 2021, it was approved that an international conference, the EUROSAI Prague Post-Congress Get-Together, would take place in Prague on 22-24 May 2022. As the name of the conference suggests, it was a follow-up event of the XI EUROSAI Congress which was organised online by the Supreme Audit Office of the Czech Republic (SAO CR) in April 2021 due to the unfavourable pandemic situation prevailing in Europe as well as around the world.

The main aim of the EUROSAI Prague Post-Congress Get-Together (hereinafter "Post-Congress") was to offer participants the opportunity to engage in a total of nine workshops dedicated to topics such as tax audit, anti-corruption, environmental SDGs and others. Five of the workshops were organised by the SAO CR and the remaining four were led by colleagues from SAI Belgium, Sweden, Türkiye and the United Kingdom. You can find a detailed overview of all the workshops including their outcomes here: <https://www.eurosai2021.cz/>

The Post-Congress also brought together 30 Heads and Deputy Heads of European supreme audit institutions (SAIs) who participated in a discussion on the contents of the new EUROSAI Strategic Plan for 2024-2030. The top representatives of European SAIs were also able to partake in bilateral meetings where they could discuss topics of common interest. A highlight of the event, was a cocktail reception at the Prague Castle where the President of the Czech Republic, Mr Miloš Zeman, personally greeted all the Heads and Deputy Heads of European SAIs who were present in Prague for the Post-Congress.

The Post-Congress agenda also entailed a so-called Marketplace where experts from individual SAIs presented results of their audit work and projects. Also, prizes were awarded to the best products which resulted from the workshop discussions and could be useful for auditors in the field.

The EUROSAI Prague Post-Congress Get-Together was the largest event organised in recent years by the Supreme Audit Office of the Czech Republic – with 200 delegates from 37 countries. It was a great honour for the Czech SAO to host such an important event and to contribute to what makes EUROSAI special and unique: providing a platform for sharing knowledge and ideas across the continent.



## 56<sup>th</sup> AND 57<sup>th</sup> EUROSAI GOVERNING BOARD MEETINGS

### Supreme Audit Office of the Czech Republic

In contrast to other years, during which the Governing Board met once a year, the year 2022 required an extraordinary 56<sup>th</sup> Governing Board meeting, in addition to the 57<sup>th</sup> Governing Board meeting held in Lisbon.



At the end of February, Europe woke up to a whole new reality. The Russian Federation attacked neighbouring Ukraine, unleashing a war that runs counter to the values on which post-war Europe was founded. Many states and organisations have responded to this aggression by reviewing their relations with the Russian Federation and Belarus, and this was also the case with EUROSAI. As mentioned in the preamble to the EUROSAI Statutes, EUROSAI honours the purposes and principles of the United Nations Charter and therefore had to respond.

At the request of the members of the EUROSAI Governing Board, the President of EUROSAI convened an extraordinary 56<sup>th</sup> online meeting of the EUROSAI Governing Board on 3 March 2022. The sole agenda item was EUROSAI's response to the aggression of the Russian Federation and Belarus against Ukraine.

For this purpose, the EUROSAI Presidency, together with some members of the Governing Board, drafted a EUROSAI Governing Board statement on the situation in Ukraine (Statement). The EUROSAI Governing Board carefully considered all aspects of the adoption of this Statement and debated the form of its text. In the end, all Governing Board members present adopted the Statement unanimously.

The Statement contains the following points:

- suspension of all cooperation with the Accounts Chamber of the Russian Federation and the State Control Committee of the Republic of Belarus and any government institution of the Russian Federation and the Republic of Belarus;

- call upon EUROSAI members to refrain from any cooperation with the Accounts Chamber of the Russian Federation and the State Control Committee of the Republic of Belarus, any government institutions of the Russian Federation and the Republic of Belarus, and refrain from participation in the events organized by those within or outside the cooperation frameworks of EUROSAI and INTOSAI;
- call upon INTOSAI to consider the suspension of the holding of office of INTOSAI Presidency of the Accounts Chamber of the Russian Federation;
- pledge to maximally support and assist the Accounting Chamber of Ukraine in performing their duties and maintaining its independence;
- call upon EUROSAI members to provide the Accounting Chamber of Ukraine maximum support and assistance in performing its duties and maintaining their independence.

At the 55<sup>th</sup> Governing Board Meeting in London, the



Governing Board unanimously accepted the invitation of SAI Portugal to host the upcoming EUROSAI Governing Board Meeting in Lisbon. The meeting was held in the sumptuous representation rooms of SAI Portugal and was attended by all members of the Governing Board and the Heads of the EUROSAI Working Groups. Traditionally, observers included the INTOSAI Secretariat and IDI. SAI Brazil was also invited as the future INTOSAI Presidency.

A central pillar of the meeting was the progress and achievements in the different EUROSAI governance portfolios and EUROSAI working groups (see following articles). The EUROSAI Presidency presented to the Governing Board a draft text to be used when communicating with the media when they request a comment from the EUROSAI President on developments in the individual EUROSAI SAIs, as long as they do not touch on the EUROSAI agenda:



*EUROSAI, as an organisation of European independent audit institutions, deals with issues of common interest such as auditing standards or international cooperation. By its very nature, it cannot comment on matters that concern individual audit institutions at national level.*

Furthermore, SAI Israel informed the Governing Board members about the progress in the preparation of the EUROSAI Strategic Plan 2024-2030. SAI Israel submitted a draft questionnaire to be distributed to all EUROSAI members to find out what expectations EUROSAI members have from the new EUROSAI Strategic Plan.

The Governing Board, in the absence of other participants, discussed the implementation of the Statement. The Governing Board agreed that the Statement is valid and that EUROSAI's approach towards SAI Russia and SAI Belarus remains unchanged.

Another important point of the meeting was the discussion on the EUROSAI strategy for the XXIV INCOSAI in Rio de Janeiro. The Governing Board members agreed on the form and content of the promotion of EUROSAI's work and results at the EUROSAI stand. It was decided that most of the information would be presented in the form of videos. The EUROSAI Presidency then combined all the contributions into one video, which can be found on the EUROSAI Presidency website [here](#).

Finally, the President of SAI Israel presented to the Governing Board the plans for the XII EUROSAI Congress in Israel. This will be held from 27 until 29 May 2024.

The Governing Board accepted the warm invitation of the President of SAI Lithuania to host the upcoming EUROSAI Governing Board in Vilnius and approved it unanimously. At the same time, the President of SAI Israel invited colleagues to Jerusalem for the 4th EUROSAI Governing Board meeting at the technical level to be held at the end of March 2023.



## EUROSAI ACTIVITIES

2022

<b>January</b>	<b>31 January.</b> EUROSAI Project Group on future risks and climate change - Foresight Workshop Online
	<b>04 February.</b> EUROSAI Coordination Team meeting, meeting at technical level Online
<b>February</b>	<b>24 February.</b> EUROSAI Task Force on Municipality Audit (TFMA) members' meeting "Exchanging the latest audits results, innovations in municipal audits or innovations boosted by audits" Online
	<b>03 March.</b> 56 <sup>th</sup> EUROSAI Governing Board Meeting (Extraordinary Meeting) Online
<b>March</b>	<b>04 March.</b> 4 <sup>th</sup> meeting of the EUROSAI PG for the "Relaunch of the EUROSAI's Website" Online
	<b>30 March.</b> EUROSAI-ECIIA virtual event "European Public Sector Forum: New challenges for internal and external auditors in the Public Sector" Online
	<b>07 April.</b> Seminar on "Learning from the COVID-19 Pandemic" Online
<b>April</b>	<b>12 April.</b> e-Seminar of the EUROSAI Working Group on Information Technologies (ITWG) on the topic "Water behind the dam – challenges regarding data flow for a SAI" Online
	<b>26 April.</b> Kick-off meeting of the EUROSAI Project Group on Data Envelopment Analysis (DEA) and other benchmarking methods Online
	<b>29 April.</b> Kick-off meeting of EUROSAI Project Group: "Capacity building on non-SAI stakeholder engagement" Online
<b>May</b>	<b>10 - 11 May.</b> EUROSAI WGEA Spring Session Water supply and its quality in the aspect of the climate change Online
	<b>22 - 24 May.</b> EUROSAI Post-Congress Get-Together Prague (Czech Republic)
	<b>14 June.</b> EUROSAI Project Group "Audit English" – Session 1 Pilot Course Online
<b>June</b>	<b>16 June.</b> Kick-off webinar of the EUROSAI Project Group on Travelling Club of Experts on the topic "Quality Assurance Methods in Audit" Online
	<b>27-29 June.</b> 3 <sup>rd</sup> meeting at technical level of the EUROSAI Governing Board Warsaw (Poland)
	<b>29 June.</b> 2 <sup>nd</sup> meeting of the EUROSAI Project Group for Drafting the EUROSAI Strategic Plan (ESP) for 2024-2030 Warsaw (Poland)

September	<b>06 - 07 September.</b> 15 <sup>th</sup> Meeting of the EUROSAI Working Group on Information Technologies (ITWG) Bucharest (Romania)
	<b>08 September.</b> 2 <sup>nd</sup> Webinar EUROSAI Project group "Travelling Club of Experts" Online
	<b>12-15 September.</b> 5 <sup>th</sup> Young EUROSAI (YES) Conference Stockholm (Sweden)
	<b>21-22 September.</b> 57 <sup>th</sup> EUROSAI Governing Board meeting Lisbon (Portugal)
	<b>26 September.</b> EUROSAI Project Group on Auditing the Response to the Covid-19 pandemic – COVID Vaccine Webinar Online
October	<b>19-20 October.</b> 6 <sup>th</sup> Annual Meeting of EUROSAI TFMA and the 5 <sup>th</sup> Annual Seminar "Digitalisation of public service delivery and administration in municipalities" Vilnius (Lithuania)
	<b>19 October.</b> EUROSAI Project Group "Audit English" – Session 2 Introduction to Financial Audit Online
	<b>20 October.</b> EUROSAI Strategic Goal 2 meeting Online
	<b>25 October.</b> EUROSAI Coordination Team meeting at technical level Online
November	<b>17 November.</b> 3 <sup>rd</sup> Webinar EUROSAI Project group "Travelling Club of Experts" Online
	<b>22 November.</b> 8 <sup>th</sup> Meeting of the EUROSAI Working Group on the Audit of Funds Allocated to Disasters and Catastrophes Online
	<b>24 - 25 November.</b> EUROSAI Project Group on Data Envelopment Analysis (DEA) and other benchmarking methods – Workshop Prague (Czech Republic)
	<b>29 - 30 November.</b> 20 <sup>th</sup> EUROSAI WGEA Annual Meeting Environmental Protection in turbulent times Warsaw, Poland & Online
December	<b>07 December.</b> EUROSAI Project Group "Audit English" – Session 3 Practicing Writing in English Online
	<b>13 December.</b> 5 <sup>th</sup> meeting of the EUROSAI Project Group for the "Relaunch of EUROSAI's Website" Online



## ADVANCE OF EUROSAI ACTIVITIES

2023

January	<b>10 January.</b> 3 <sup>rd</sup> meeting of the EUROSAI Project Group for Drafting the EUROSAI Strategic Plan (ESP) for 2024-2030 Online
	<b>25 January.</b> 6 <sup>th</sup> meeting of EUROSAI Strategic Goal 1 Online
	<b>30 - 31 January.</b> EUROSAI Symposium on Emerging Issues "Digital Audit" "Preparedness for Emergencies" London (United Kingdom)
February	<b>09 - 10 February.</b> EUROSAI Project Group on Data Envelopment Analysis (DEA) and other benchmarking methods – Workshop Madrid (Spain)
	<b>15 February.</b> 4 <sup>th</sup> Webinar EUROSAI Project group "Travelling Club of Experts" Online
March	<b>16 March.</b> EUROSAI-ECIIA webinar Collaboration between internal and external audit in the public sector Online
	<b>27 March.</b> 4 <sup>th</sup> meeting at technical level of the EUROSAI Governing Board Jerusalem (Israel)
	<b>28 March.</b> 4 <sup>th</sup> meeting of the EUROSAI Project Group for Drafting the EUROSAI Strategic Plan (ESP) for 2024-2030 Jerusalem (Israel)
April	<b>14 April.</b> 5 <sup>th</sup> meeting of the EUROSAI Project Group for Drafting the EUROSAI Strategic Plan (ESP) for 2024-2030 Online
	<b>19 April.</b> e-Seminar of the EUROSAI Working Group on Information Technologies (ITWG) "Identify yourself: the devious road to eID" Online
	<b>24 April.</b> EUROSAI Project Group on Auditing the Response to the Covid-19 pandemic – Webinar "The long-term impact of Covid-19" Online
	<b>27 April.</b> 6 <sup>th</sup> meeting of the EUROSAI Project Group for Drafting the EUROSAI Strategic Plan (ESP) for 2024-2030 Online

May	<b>10 May.</b> 7 <sup>th</sup> meeting of the EUROSAI Project Group for Drafting the EUROSAI Strategic Plan (ESP) for 2024-2030 Online
	<b>11 May.</b> Kick-off meeting of the EUROSAI Project Group on Benefits and Methodologies of Real Time Audit Rome (Italy)
	<b>25 - 26 May.</b> EUROSAI WGEA Spring Session "Climate Change: Progress Made in Adaptation Efforts" Warsaw (Poland)
	<b>29 May.</b> 8 <sup>th</sup> meeting of the EUROSAI Project Group for Drafting the EUROSAI Strategic Plan (ESP) for 2024-2030 Online
June	<b>14 - 15 June.</b> 58 <sup>th</sup> EUROSAI Governing Board meeting Vilnius (Lithuania)
	<b>21 June.</b> New Initiative of a parallel audit on "Artificial Intelligence" Project organised by the SAI of Israel under EUROSAI Strategic Goal 1 Online
July	<b>03 - 05 July.</b> Investigations Summer School Initiative organised by the SAI of the Netherlands under EUROSAI Strategic Goal 1 The Hague (the Netherlands)
	<b>12 July.</b> 5 <sup>th</sup> Webinar EUROSAI Project group "Travelling Club of Experts" Online
September	<b>12 September.</b> 4 <sup>th</sup> meeting of the EUROSAI Project Group on Data Envelopment Analysis (DEA) and other benchmarking methods The Hague Online
	<b>25 - 26 September.</b> EUROSAI WGEA Annual Meeting Prague (Czech Republic)
October	<b>06 October.</b> EUROSAI-ECIIA "Working Together Forum" Brussels (Belgium)
	<b>10 - 11 October.</b> 16 <sup>th</sup> Meeting of the EUROSAI IT Working Group Warsaw (Poland)
	<b>18 - 20 October.</b> 7 <sup>th</sup> Annual Meeting and 6 <sup>th</sup> Annual Seminar of EUROSAI TFMA Warsaw (Poland)
	<b>26 - 27 October.</b> 9 <sup>th</sup> Meeting and Seminar of the EUROSAI Working Group on the Audit of Funds Allocated to Disasters and Catastrophes (WGAFADC) Bucharest (Romania)
November	<b>15 - 16 November.</b> 2 <sup>nd</sup> EUROSAI Audit Methodology Meeting Warsaw (Poland)
December	<b>11 - 12 December.</b> 5 <sup>th</sup> Workshop of the EUROSAI Project Group on Data Envelopment Analysis (DEA) Warsaw (Poland)



## APPOINTMENTS IN EUROSAI MEMBERS DURING 2022



**Mr Christian Descheemaeker**  
Chairman of the Board of Auditors of Monaco



**Mr Sami Yläoutinen**  
Auditor General of the Supreme Audit Institution of Finland



**Mr Karl Eirik Schjøtt-Pedersen**  
Auditor General of the Supreme Audit Office of Norway



**Mr Atom Janjughazyan**  
President of the Audit Chamber of the Republic of Armenia



**Ms Birgitte Hansen**  
Auditor General of the Risgsrevisionen (Supreme Audit Institution) of Denmark



**Mr Ľubomír Andrassy**  
President of the Supreme Audit Office of the Slovak Republic





**Mr Guðmundur Björgvin Helgason**  
Auditor General of the Icelandic National Audit Office (INAO)



**Ms Jana Ahčin**  
President of the Court of Audit of the Republic of Slovenia



**Dr László Windisch**  
President of the State Audit Office of Hungary



**Mr Pascal Stirnimann**  
Director of the Swiss Federal Audit Office



**Mr Tony Murphy**  
President of the European Court of Auditors



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**Mr Tsotne Kavlashvili**  
Auditor General of Georgia





## APPOINTMENTS IN EUROSAI MEMBERS DURING 2023



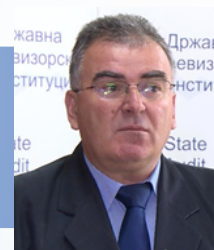
**Mr Andrii Maisner**

Acting Chairman of the Accounting Chamber of Ukraine



**Mr Duško Pejović**

President of the State Audit Institution of Serbia



**Mr Dimitar Glavchev**

President of the Bulgarian National Audit Office



**Mr Pieter Duisenberg**

President of the Netherlands Court of Audit





## TRAVELLING CLUB OF EXPERTS: WEBINARS THAT TRAVEL AROUND EUROSAI

### Aušrinė Asanavičienė

Principal auditor-methodologist, Innovation and Methodology Department  
National Audit Office of Lithuania

Auditing is a profession that often seems boring to people from outside, requiring a lot of paperwork and routine work. However, our community is creative, inventive, and innovative, and often sees problems before they can arise. And undoubtedly, it is a community that connects professionals and experts in their field, who are passionate about their work and dedicated to the public sector.

EUROSAI provides an opportunity for expert auditors from various countries to learn about audit practice, share experiences, and communicate. And when communicating, great ideas arise. This also happened in 2021. When becoming members of the EUROSAI Governing Board, the National Audit Office of Lithuania proposed an idea to foster cooperation among experts on various topics from different supreme audit institutions. The main idea was to promote cooperation according to specific interests.

In the 5<sup>th</sup> meeting of the EUROSAI Strategic Goal 1 (that took place in September 2021) participants of a parallel brainstorming session on the Club of Experts, moderated by the National Audit Office of Lithuania, strongly agreed that the idea to foster auditors to exchange knowledge based on common interests in an informal way should be further developed further on.

But good ideas do not come one by one, and in parallel in the same meeting State Comptroller and Ombudsman Office of Israel proposed an idea to establish a travelling webinar: the idea was that each year supreme audit institutions could decide on an annual broad topic, and every 3 months one volunteering supreme audit institutions would organize a webinar dealing with an aspect of this topic.

As the ideas sounded very similar, the National Audit Office of Lithuania and the State Comptroller and Ombudsman Office of Israel merged two ideas into one and that is how the project group Travelling Club of Experts came to life.

During the brainstorming session back in 2021 all the participants agreed strongly on one thing – auditors are those, who need to be addressed and involved in the activity. But getting back to the fact, that the profession itself is very formal we came up with the idea to organize webinars that wouldn't require big formalities and that could place a platform for auditors to ask questions directly and freely.

It was agreed, that the main goal of the Club was to foster informal professional cooperation among auditors on audit, and audit methodology-related topics, that aren't covered by EUROSAI working groups, networks, project groups, or other activities. One additional goal of the Club was also a willingness to engage a larger number of supreme audit institutions to be involved in EUROSAI's activities – mainly on the auditors' level and there the form of webinars became an excellent tool.

The National Audit Office of Lithuania and the State Comptroller and Ombudsman Office of Israel prepared a joint proposal and since its approval, we had the green light for the activities. Starting in June 2022 the Travelling Club of Experts started its journey.

So, what does a webinar organized by the Club look like? The National Audit Office of Lithuania and the State Comptroller and Ombudsman Office of Israel initiate activities: organize online events/webinars, moderate discussions, actively participate in promoting the Travelling Club of Experts among EUROSAI members, and sometimes give their presentations too. Meetings usually last up to 1-1,5 hours covering two to three presentations from different supreme audit institutions on a certain topic. After the presentations group discussion and questions and answers sessions are held. Webinars are being recorded with the consent of participants and presenters.

Topics discussed focus on areas that are not covered by other EUROSAI activities but are important for the audit community. Informal communication and webinars as a main working method allow us to connect with a larger audience. The main focus is to connect auditors among themselves, bring them closer, and promote EUROSAI as the organization and its usefulness to every auditor and officer, working with audit methodology and/or specific topic.

In our practice, we realized that a short presentation of the topic and a longer discussion among participants, who are mainly auditors, works best when trying to foster sharing insights and practices from various countries.

Since the beginning of its activities Club has already organized 3 webinars in 2022 on topics of quality assurance methods, evaluations and assessments, carried out by supreme audit institutions, and audit

innovations. More than three hundred participants from forty EUROSAI countries took part in the webinars. We've reached 85% of the audience to be auditors. Speakers were colleagues from United Kingdom, Estonia, Austria, and the Netherlands. Presentations were also read by representatives of Israel and Lithuania.

In the first webinar on the topic of quality assurance methods, colleagues from the National Audit Office of the United Kingdom talked about their Analysis Hub – a hub, that connects various inner experts in the office and that is oriented towards analytical developments; innovations; knowledge base; provision of advice and expertise to teams; development of capabilities. They work on eight methods networks: economics, mapping, financial analysis, data analysis, qualitative methods, modelling, statistics, and surveys. They also created a qualitative methods network by organizing audit interviewing, focus groups, document reviews, online consultations, observations, case studies, and fieldwork ethics. The hub develops methodological capability by learning and development, organization of network seminars, advising audit teams, and providing them with quality assurance and commissions from audit teams and the wider office.

The State Comptroller and Ombudsman Office of Israel presented questionnaire and data-based audit: 23 Government Ministries, and 51 Government Companies – checked risk controls based on the COSO framework and Best Practices in preventing fraud and embezzlement. They've created 6 separate questionnaires on risk management, information systems, human resources and payroll, money collection, payment methods, procurement, and inventory. A 99% response rate was reached merging all answers. What was outlined: data analysis, abnormalities, and irregularities in various areas. Investigation of abnormal results was provided further on and the results were presented to the public.

The National Audit Office of Lithuania presented a system, created of internal and external reviews; procedures, covering supervision of every audit and audit team; guidelines – internal quality assurance

legislation, prepared by the National Audit Office of Lithuania and the results of two broad systemic audits related to social policy and the quality assurance methods used in those audits.

During the second webinar on the topic of evaluations and assessments, the National Audit Office of Lithuania and the State Comptroller and Ombudsman Office of Israel presented the products that are being regularly published but are not regulated by INTOSAI standards and therefore are not considered to be audits, rather investigations or reviews.

In the third webinar, covering audit innovations, colleagues from the Austrian Court of Audit presented the new analytical tool – ACA box, that is used for the exchange of data with external institutions, for example with auditees.

A representative from the National Audit Office of Estonia gave a presentation on the use of big data and artificial intelligence in auditing and an example of an audit, where these tools were used.

A colleague from the Netherlands Court of Audit presented the activities and work examples of the Design Audit Studio established within the office. The presentation focused on visual storytelling of the story being the results of audit reports.

Judging by the number of questions that arises after presentations and feedback the Club receives directly from participants makes us believe that the activities of the Travelling Club of Experts not only reach its goals but are also very useful and interesting.

In 2023, the Travelling Club of Experts plans to organize at least 5 webinars, starting from the first, that will be held on the 15<sup>th</sup> of February, covering the topic "Future challenges for supreme audit institutions: auditors' perspective". Presentations will be given by the supreme audit institutions of Ukraine, the Czech Republic, and Lithuania. Other topics, that are planned for 2023 will focus on how to define a quality audit report, public procurement, and others.









# IMPLEMENTATION OF THE EUROSAI STRATEGY

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

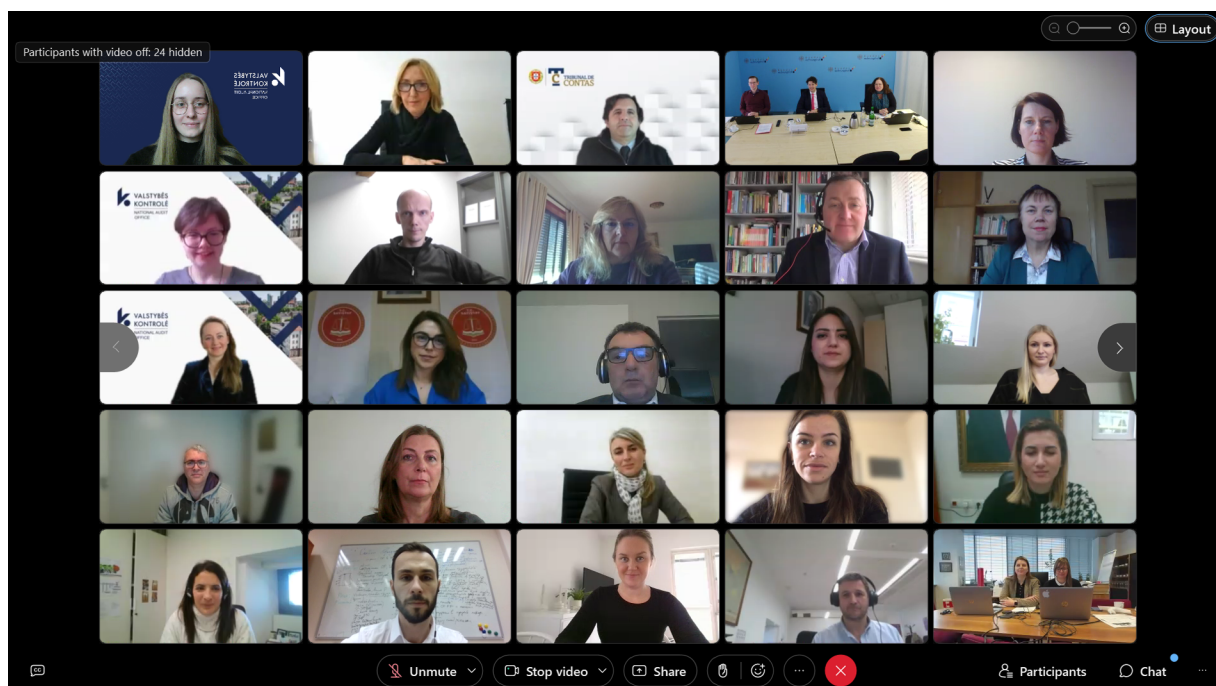
- 2.1. EUROSAI Strategic Goal 1: Professional Cooperation – an overview of great activities and innovative ideas
- 2.2. EUROSAI Strategic Goal 2: Helping EUROSAI members deal with new opportunities and challenges by supporting and facilitating their institutional capacity development
- 2.3. Portfolio on Overall Governance and Culture
- 2.4. Latest developments of the EUROSAI Portfolio on Communication
- 2.5. Portfolio on relations with non-SAI stakeholders: Knowledge-sharing and capacity building approach for increasing the impact of EUROSAI
- 2.6. Updates on the Portfolio on Relations with INTOSAI and its Regional Organisations
- 2.7. Portfolio on Emerging Issues and Forward Thinking: 2023 – The year of stability, don't bet on it



# EUROSAI STRATEGIC GOAL 1: PROFESSIONAL COOPERATION – AN OVERVIEW OF GREAT ACTIVITIES AND INNOVATIVE IDEAS

## EUROSAI Strategic Goal 1

Co-led by the National Audit Office of Lithuania and the German Bundesrechnungshof



For the sixth time, the EUROSAI members discussed ongoing projects and new ideas on how to implement the EUROSAI Strategic Goal 1 (SG1) on professional cooperation. The meeting, organized by co-leading SAIs of Germany and Lithuania, was held as a videoconference on 25 January 2023 and brought together 50 participants and 13 presentations of various projects, working groups and new initiatives.

### What SG1 is All About?

Supporting effective, innovative and relevant audits by promoting and brokering professional cooperation is the core of the Strategic Goal 1 defined in the EUROSAI Strategic Plan 2017–2024.

In order to achieve 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 innovative audit approaches and methods by making use of new technologies; and to facilitate the sharing of knowledge and experience within EUROSAI and with external stakeholders and partners.

### In the Centre of SG1 – Successfully Driven Projects

Recognizing the importance of professional cooperation, EUROSAI members implemented a number of significant projects, which progress is periodically discussed in the meetings. During the last SG1 videoconference, the journey of ongoing projects was presented by the SAIs of the Czech Republic, the Netherlands, Lithuania, Turkey and Croatia.

The SAI of the Czech Republic presented its two coordinated projects – Benchmarking International Exchange Project (BIEP) and EUROSAI databases of audits and products. BIEP, a platform which eases a process of collecting and sharing relevant information among auditors, strives for the maximum in the future perspective and implements professional cooperation even more by motivating auditors to use BIEP as the common form of communication.

Colleagues from the Czech Republic also highlighted that increased numbers of registered audits are recorded in the EUROSAI database of audits and products. In the near future it is expected to update



the database, modernise its design and improve the search function so it would be more reliable and user-friendly.

The SAI of the Netherlands intrigued everyone by introducing the project "Investigations: Webinar and Summer School" that resumed its activities after the pandemic and letting take a sneak peek to the upcoming three day long summer school training, which will take place in person in the Netherlands this July. We suggest you do not wait too long for the opportunity to slip away and register once the invitation letter with information will come!

During the meeting, the participants learned how the freshly baked project "Travelling Club of Experts" led by the SAIs of Israel and Lithuania is doing. The project which aims to encourage more frequent cooperation and exchange of experience among auditors had its kick-off meeting in June 2022, three webinars already and is not planning to stop – the new year resolution is to have five more webinars of which one is planned to be in a hybrid format.

The SAI of Turkey had its hands full with presentations of their projects "Auditing in the New Normal: Connecting Technology to Audit Process" and "Raising the Awareness of SAIs on Enterprise Risk Management (ERM) and Using the ERM Approach in Developing Risk-based Annual Audit Plans", and their minds busy with finalizing and distributing among all EUROSAI members Survey Analysis Reports for both of the projects.

Last but not least, one more important project – the "Ethics Network" – linking EUROSAI SG1 and SG2, was presented by the SAI of Croatia. The project aims to create a permanent online collaboration platform for ethical 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 newer format.

In addition to these projects' presentations, progress reports of the active Working Groups (WG) and Task Forces were presented or shared remotely: EUROSAI ITWG, WG on Environmental Auditing, WG on the Audit of Funds Allocated to Disasters and Catastrophes and the EUROSAI Task Force on Municipality Audit, chaired respectively by the SAIs of Estonia, Poland, Ukraine and Lithuania.

## What the Future Holds for SG1?

With the new year came new plans and resolutions – the SG1 is not an exception. The SAIs of Israel, France and Italy presented new initiatives and two of them invited all the participants to dive into two parallel brainstorming sessions.

The SAI of Israel jumped on the bandwagon and introduced a new initiative – a parallel audit on Artificial Intelligence (AI). The development of AI has accelerated in recent years and is most likely to affect both administrations and auditors alike. It creates big

opportunities for more an effective administration, but also entails risks and obstacles. The initiative proposed aims at identifying areas and methods to audit the use of AI, taking into account the broader context of governance, policy and legislation as well as protection of information and privacy.

The SAI of France presented the EUROSAI Innovations Newsletter which leading France took over from the SAIs of Germany and Lithuania. The EUROSAI Innovations Newsletter is dedicated to innovative audit approaches, new ways of engaging with stakeholders or new management concepts. From the beginning of the newsletter's existence, the most contributed SAIs were mostly from continental Europe or Scandinavia. Colleagues from France have identified some needed newsletter improvements and set a few goals: shorter, one-topic focused articles, reinforce the concrete and practical dimension by including links and contacts to enable readers to extend their reading in an operational manner and diversify contributors. Everyone who is interested and willing to spare one's time, is welcome and invited to join an editorial committee for the Newsletter.

The outbreak of the pandemic and the war in Ukraine, has highlighted the urgency to equip SAIs with new tools to deal with emergency situations, speeding up the process that has led various institutions to consider the use, among other tools, of Real Time Audit (RTA). An increasing interest in the matter caused the SAI of Italy to create a place where members could pool knowledge on the subject of RTA.

The new project group which is aiming to start its mission in 2023, wishes to pursue six goals: take stock of the situation regarding the use of RTA among European SAIs with an updated survey; identify common practices on the one hand and differentiated and innovative practices on the other hand; highlight the benefits and support training initiatives for the dissemination of methodologies adopted; bring the methodologies and benefits arising from RTA in crisis situations to current use; develop a Methodological Paper; and evaluate the possibility of developing a parallel RTA.

Straight after the presentations, the representatives were divided into break-out groups to express their opinion on the topics – EUROSAI Innovations Newsletter and the PG on Benefits and Methodologies of Real Time Audit – in two parallel brainstorming sessions. The participants were active and involved in raised discussions on the topics and expressed their immediate agreement to new SG1 initiatives for 2023. As shown in this article, SG1 is looking forward to an exciting time full of new initiatives and innovative activities. The SG1 team is awaiting the involvement and encouraging the whole EUROSAI community to participate in ongoing and future activities and continue implementing that aspired professional cooperation.

## EUROSAT STRATEGIC GOAL 2: HELPING EUROSAT MEMBERS DEAL WITH NEW OPPORTUNITIES AND CHALLENGES BY SUPPORTING AND FACILITATING THEIR INSTITUTIONAL CAPACITY DEVELOPMENT

### EUROSAT Strategic Goal 2

Co-led by the Supreme Audit Office of Poland (NIK) and the Swedish National Audit Office (Swedish NAO)

The year 2023 is the final stretch for the current EUROSAT Strategic Plan, so it comes as natural to make summaries and plans for the future. At their latest brainstorming meeting in October 2022, the participants in the implementation of EUROSAT Strategic Goal 2: Helping EUROSAT Members deal with new opportunities and challenges by supporting and facilitating their institutional capacity development, listened to the updates on the achievements of the individual projects and plans for future events.

One of the recent projects implemented within EUROSAT Strategic Goal 2 (SG2) are workshops on the **Data Envelopment Analysis (DEA)**, which is a quantitative method for measuring efficiency of decision-making units used in performance auditing. Following a kick-off of the project in April 2022, two editions of the workshop took place: in November 2022 and in February 2023. The project is led by the SAI Sweden, with the participation of experts from SAI Norway, gathering participants from various EUROSAT member SAIs. Future workshops will be organised to further develop and disseminate the method.



Another latest initiative realised within SG2 is the **Audit English** project, led by the SAI Poland, with the SAIs of the United Kingdom and Sweden as vice-chairs. The objective is to harmonise the English terminology related to public auditing and control so that more auditors can participate in international events, coordinated audits, or external audits of international organisations. The pilot course was held in June 2022, followed by two online courses: on financial audit terminology designated for translators, interpreters and international relations staff of SAIs (October), and on writing good audit recommendations, addressed to auditors (December). Due to high interest in the project, our ambition is to continue in the future and to try to respond to needs voiced i.a. by participants in previous workshops. In accordance with the principles of the implementation of SG2: demand-driven, focus on results, and quality before quantity, we will try to meet these needs.



EUROSAT Strategic Goal 2 on Capacity Building

Another project within SG2 is dedicated to **collaboration with national level UN Agencies in the context of SAIs' SDG-related audit processes**, led by the SAI of Türkiye, concluded with the Discussion and Recommendations Paper. The objective of the paper is to set general principles regarding the cooperative relations between SAIs and national UN agencies. Such cooperation is of great potential as for audit planning, defining audit topics and scope, risk identification and relevant legislation concerning the Sustainable Development Goals – these all ultimately lead to high quality audits of how individual countries implement SDGs.

The **EUROSAI Secondment Programme** is an SG2 project that has been waiting for its launch for some time already, which has been due to the COVID pandemic and the resulting restrictions on travelling and meetings. The programme is aimed to facilitate secondments of staff members, also by providing co-financing from the EUROSAI budget to eligible SAIs (i.e. those on the OECD list of countries applicable for Official Development Assistance). The lead of the project has been taken over by the current EUROSAI Presidency – SAI Czech Republic, the Terms of Reference are being updated, and the launch can be expected shortly.

The **Audit Methodology** project, comprising in-person workshops aimed to inspire methodologists from EUROSAI SAIs, has been also on hold due to the pandemics. The SAI of Poland – the organiser of the first edition of the project, which was dedicated to three topics: (1) Quality Assurance, (2) Communication with stakeholders, and (3) Audit planning based on risk analysis – is ready to organise the second edition in 2023, and one of potential topics is the revised ISSAI 140, expected to be approved by INTOSAI in autumn. The co-leaders of SG2 are, however, open to other suggestions for topics, so that the needs of the EUROSAI community are properly reflected.

The idea of the project on **SAI Evaluation Tools and Methods**, led by the SAI of Sweden, is to navigate SAIs on available tools for evaluation and self-assessment, such as peer reviews, SAI PMF, IntoSAINT, ITSA, ITASA, or iCAT, so that they can choose the most relevant to their needs. Considering the relatively low number of EUROSAI SAIs that undergo evaluations, or even plan to do so, it seems that some guidance in the area is needed – to be presented in the form of a paper and/or workshops on experiences of SAIs that have recently undergone evaluation.

In 2022, SG2 also realised a project on **communication on INTOSAI Professional Pronouncements**, coordinated by the Swedish SAI. It comprised a workshop on the INTOSAI Framework of Professional Pronouncements (IFPP) that was held at the EUROSAI Prague Get-Together event, followed by a panel

discussion. The purpose of the workshop was to present the structure of the IFPP and the standard setting process, as well as the challenges and success stories in implementing INTOSAI pronouncements, especially ISSAI, i.e. International Standards of Supreme Audit Institutions.

Since SG2 is an overarching goal, gathering all EUROSAI initiatives related to institutional capacity building, several projects and initiatives from the portfolio of the **EUROSAI IT Working Group (ITWG)** fall under SG2. These included the e-seminar entitled “Water behind the dam – challenges regarding data flow for a SAI” (April), and the group’s business meeting, connected with the hybrid event “IT standards and guidelines – what is the future of IT auditing” (September). ITWG has also developed a new initiative – the course for non-IT auditors entitled “Introduction to IT Auditing”. It is a virtual course of a MOOC format, consisting of seven modules, and it has been developed in cooperation with university professors. Two first modules of the course were organised already in 2022: IT Audit in a SAI, and IT systems, software and data.

The importance of capacity development for strengthening the audit profession in Europe cannot be overvalued, and it is a joint responsibility of all EUROSAI members. The co-leaders of the implementation of EUROSAI Strategic Goal 2 have been trying to contribute to support SAIs and their staff – auditors and non-auditors alike – to become more professional, to support them in improving skills and to offer new ones. Ideas for new projects and initiatives are developed on the basis of the actual needs of the EUROSAI community, gathered e.g. at brainstorming meetings and from feedback given by the participants in individual events. In this way, the offer of projects realised within SG2 can be regularly reviewed and adjusted to these needs. Quality over quantity!



## PORTFOLIO ON OVERALL GOVERNANCE AND CULTURE

### EUROSAI Presidency activities and events in 2022

#### SAI of the Czech Republic and EUROSAI Presidency

Holder of the Portfolio on Overall Governance and Culture



Group photo, 3<sup>rd</sup> GB meeting at technical level, Warsaw

The year 2022 was marked by “getting back to normal”. After more than two years of the ongoing COVID-19 pandemic which forced us to move our modus operandi to the online world, in 2022 we were able to work and meet face to face just like in the pre-COVID era. Although online meetings proved to be a useful tool to for discussing day to day business, they can never measure up to meetings where you can interact with colleagues in person. The EUROSAI Presidency had a fair share of both types of meetings and as the overview below proves, in-person events prevailed.

#### EUROSAI Coordination Team meeting

On 4 February 2022 the meeting of the EUROSAI Coordination Team (CT) at technical level was held online. The main topic on the agenda was the reporting process to the EUROSAI Governing Board and Congress. The CT participants agreed to follow the rules laid out in the EUROSAI General Procedures, including time frames of submitting reports. In case a “time gap” occurs between a Working Group or Task Force report to the respective EUROSAI Strategic Goal co-leaders or Governance portfolio holder and the actual reporting to the EUROSAI GB, it will be reported in the actual WG and TF report to the GB, however, this event will be reflected in the SG report of the following year as the SG reports are finalised before GB meetings.

Other topics on the agenda included planning the upcoming Governing Board Meeting as well as the 3<sup>rd</sup> Governing Board Meeting at technical level which precedes the presidential level GB meeting by at least

6 weeks. Also, the EUROSAI-ARABOSAI Conference which was to take place in May 2022 in Ukraine was discussed. At the time of the Coordination team meeting, it was believed that SAI Ukraine would be able to go ahead with the conference, given the ongoing pandemic situation and the escalations on the Ukrainian-Russian border. However, a few weeks later, these hopes were crushed when Russia blatantly attacked Ukraine.

#### 3<sup>rd</sup> EUROSAI Governing Board Meeting at technical level

Colleagues from SAI Poland kindly hosted the 3<sup>rd</sup> EUROSAI Governing Board Meeting at technical level on 28 – 29 June 2022 in Warsaw. The meeting was chaired by the holder of the EUROSAI Presidency, the Supreme Audit Office of the Czech Republic. Technical level GB meetings proved to be a useful instrument for facilitating decision making in EUROSAI and to ensure a seamless GB Meeting at presidential level.

At the meeting in Warsaw, which brought together members of the EUROSAI GB as well as observers (SAI Portugal, Austria, Norway and IDI) and SG1 and SG2 co-leaders (SAI Germany, Sweden), reports of the various GB portfolio holders were presented. Apart from this, topical issues were discussed, for example the ongoing war in Ukraine which has repercussions, among other areas, also for the work of EUROSAI. Next, upcoming events were discussed, such as the 5<sup>th</sup> EUROSAI Young Conference and the XXIV INCOSAI and how EUROSAI was planning to present itself at this global event.



An important item on the agenda was the discussion about the new EUROSAI Strategic Plan (ESP) 2024-2030. It was decided an internal scan would be performed in order to identify the most pressing needs of EUROSAI members and thus to reflect them in the new ESP for the upcoming period.

### Bilateral meeting with SAI Israel

As the EUROSAI Presidency of the Supreme Audit Office (SAO) of the Czech Republic has already passed its midway mark and the handover to SAI Israel is fast approaching, at the beginning of September 2022, Mr Kala, EUROSAI President, and his team met in Jerusalem with Mr Englman, State Comptroller and Ombudsman of Israel. The main aim of the bilateral meeting was to share the experience of SAO Czech Republic with organising the EUROSAI Congress and running the EUROSAI Presidency.

Mr Kala explained in detail all the steps that needed to be taken to organise the XI EUROSAI Congress which, as we all know, could not take place in the envisaged format and was instead moved to an online platform due to the COVID-19 pandemic which was still disrupting our lives in 2021. Nonetheless, Mr Kala described the three teams, made up of various departments of SAO Czech Republic, that were established in connection with Congress preparations, and pointed out obstacles and problems that arose along the way and which the Israeli team could also run into.

Furthermore, Mr Kala and his team shared how many employees of the International Relations Department, which was in charge of organising the XI EUROSAI Congress, were involved in the preparations and broke down the various tasks that were assigned to them. The preparatory phase was demanding not only in terms of staffing (creating a professional team) but also timewise – the preparations started three years in advance.

Hopefully, colleagues in Israel will find the shared knowledge of SAO Czech Republic useful and will undoubtedly prepare an unforgettable XII EUROSAI Congress.

### IRCP meeting and IDI's meeting on SAI independence

In 2022, SAO Czech Republic also took part in various IDI initiatives. The Presidency together with the Secretariat represented EUROSAI at the **INTOSAI Regions Coordination Platform (IRCP)** meeting which took place in Oslo on 31 May to 2 June. The main objective of the meeting was to identify the needs and priorities of INTOSAI regions in order to incorporate them into the new INTOSAI strategic plan. In total, six priority areas were singled out which need to be addressed in the future in order to successfully



Bilateral meeting with SAI Israel

develop the capacities of SAIs and strengthen their relevance.

On 17-21 October, the IDI convened the 1<sup>st</sup> Meeting of the Reference Group on Proactive Advocacy for SAI Independence in Pisa. The reference group was established in order to inform and contextualize IDI's approach to proactive advocacy and to bring together seasoned professionals from different jurisdictions to ensure an appropriate representation of the models of SAIs and legal systems. SAO Czech Republic took part in the meeting in its capacity as the EUROSAI Presidency and shared the main criteria on which the independence of the Czech SAO is based. This way it contributed to the pool of ideas and knowledge regarding the prerequisites from which SAI independence stems from.

### EUROSAI at the XXIV INCOSAI

One of the largest events of the year 2022 was beyond doubt the XXIV INCOSAI in Rio de Janeiro. SAI Brazil officially took over the reins of INTOSAI. Apart from the integral milestones of the INCOSAI agenda, the event also enabled various INTOSAI regions and organisations to present their work. The EUROSAI Presidency took this opportunity and prepared the content, together with other GB members and Working Groups/Task Forces, of the EUROSAI stand. Congress participants were, among other things, able to learn about the broad range of activities of EUROSAI project and working groups. The promotional video together with other information is available at [www.euroesai2021.com](http://www.euroesai2021.com).



EUROSAI stand at INCOSAI



## LATEST DEVELOPMENTS OF THE EUROSAI PORTFOLIO ON COMMUNICATION

### Spanish Court of Audit - EUROSAI Secretariat

Holder of the EUROSAI Portfolio on Communication

During the period 2022-2023 the Portfolio on Communication continued its activity, always guided by the principles of understandability, simplicity, dialogue, action-oriented focus, accessibility, accuracy and objectivity, and timeliness, in pursuit of the overall goal that **EUROSAI members recognise the Organisation as a promoter of its common interests and as a support in their work.**

### 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"**

As holder of the Portfolio, the Spanish Court of Audit (EUROSAI Secretariat) with the assistance of the SAI of Israel (1<sup>st</sup> Vice-Presidency of EUROSAI) in their capacity as leader and co-leader respectively of the Portfolio, also kept in mind the guiding principles included in the EUROSAI Strategic Plan (ESP) 2017-2024. In particular, the one related to **"promote increased member participation and extend the value of EUROSAI's activities among its members and other stakeholders through enhanced communications"**.

The Secretariat, as an essential part of EUROSAI's communication, needs to be directly involved in the Portfolio on Communication as it is the main contact point for all EUROSAI matters, and also manager of the EUROSAI website and publisher of the EUROSAI Magazine.

Since 2022, in development of the current **EUROSAI Communication Framework (ECF)** approved by the XI Congress in April 2021, especial focus remains on strengthening the relationship among EUROSAI members to promote the successful development of the Organisation.



Communication is an essential tool to effectively reach the identified target audiences in EUROSAI, whether these are EUROSAI member SAIs, its key actors and structures, other EUROSAI stakeholders, or SAI's target audiences as described in the ECF.

The needs of EUROSAI members and main stakeholders, as well as gradually undertaking the necessary actions to become a support platform for external public sector auditors in Europe, have also been in mind when designing the Portfolio on Communication's roadmap for this period.

### Main activities developed under the EUROSAI Portfolio on Communication during the period 2022-2023:

- **Relaunch of the EUROSAI website.**

This is undoubtedly one of the most significant initiatives in the field of EUROSAI's communication. As well promoting EUROSAI's external image, the new website will make EUROSAI activities and products more visible and accessible to its members, and to other stakeholders, reaching out to all the EUROSAI community and encouraging active participation in the Organisation's initiatives and projects.

In continuation of the work carried out by the Project Group (PG) on the relaunch of the EUROSAI website set up in June 2021, which resulted in the proposal for a new EUROSAI website that was presented and approved at the 55<sup>th</sup> Governing Board (GB) meeting, the EUROSAI Secretariat continued the due process aimed at launching the new website:

- The Secretariat drafted a document with the **technical requirements** for the procurement of an external contractor to develop the new website, which was followed by a **market consultation<sup>1</sup>** to determine the maximum amount of the budget for the new EUROSAI website.



- After a thorough analysis of the market consultation's results by the EUROSAI Secretariat & the Spanish Court of Audit's (SCA) ICT services department, a **report was elaborated to determine a threshold for the budget of the new EUROSAI website.**
- This resulted in the **Secretariat's proposal on a threshold for the contracting of the new website<sup>2</sup>**, which was approved by the EUROSAI GB by written procedure in May 2023.
- Following the approval, and the subsequent internal procedure within the SCA<sup>3</sup>, the Secretariat published the **call for tenders for the new EUROSAI website in the Official Journal of the European Union (OJEU)**, on 10 July 2023. The outcome of which is yet to be determined as the deadline for submitting bids was set the 25<sup>th</sup> of August 2023, after the submission of this article.
- The next step will be to select a provider among the bids received in order to start the technical development of the new EUROSAI website, that should be launched by the beginning of 2025.

- **Update of the content of the existing EUROSAI website.** As manager of the current **website**, the Secretariat has continued to update its sections in order to usefully reflect the development of EUROSAI's bodies and structures and its respective initiatives, as well as other activities carried out by EUROSAI's members and stakeholders.

- In pursuit of the Portfolio's goal of **developing detailed guidelines** for implementing an effective and enhanced communication in EUROSAI, some initiatives have been also carried out:

- **Renovate the information procedure that takes place after EUROSAI Governing Boards<sup>4</sup>** where, with the aim of streamlining the communication process after GB meetings, a **piece of news<sup>5</sup> containing the Summary of Agreements (SoA)** of the respective GB meeting is drafted, distributed, and published in the EUROSAI website, putting an end to the additional separate Summary of Agreements' document that had been drafted up to that moment.
- **Informative PowerPoint for making financial requests from the EUROSAI budget** which has been distributed by the Secretariat in the consecutive calls for EUROSAI subsidies since January 2023. It includes the complete information on how EUROSAI members can make such requests.



- **Enhancement of EUROSAI publications.** The relaunch of the EUROSAI website will provide the opportunity to review the concept of the EUROSAI Magazine, a need that became apparent after evaluating the results of the Survey for the relaunch of the EUROSAI website that was distributed to all EUROSAI members in 2021.

<sup>1</sup> Published in the Spanish Public Sector Contracts' Platform on 28 February 2023 and in force for two weeks.

<sup>2</sup> Secretariat's proposal for an authorisation to allocate a maximum amount of € 157,000 (VAT excluded) from EUROSAI's Welfare Fund (WF) to the contracting of the new website. The corresponding VAT will also be allocated to the WF (to be determined depending on the applicable legislation of the future supplier).

<sup>3</sup> The Secretariat informed the Procurement Unit and the ICT Directorate of the SCA, so that the corresponding documents could be prepared for the approval of the SCA's Governing commission that was necessary for the subsequent call for tenders.

<sup>4</sup> Proposal of the EUROSAI Secretariat approved by the Governing Board at its 55<sup>th</sup> meeting.

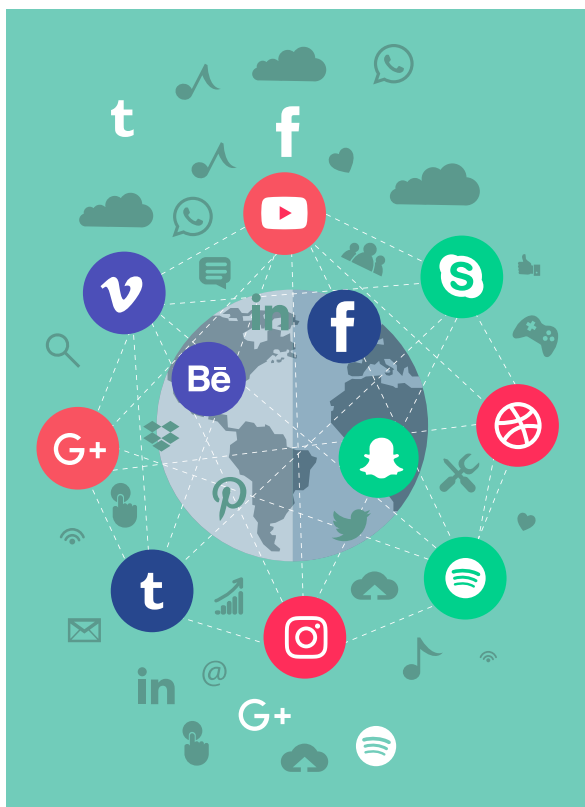
<sup>5</sup> For example, the SoA of the 58<sup>th</sup> EUROSAI Governing Board meeting: <https://www.euroesai.org/en/calendar-and-news/news/The-58th-EUROSAI-Governing-Board-meeting-was-held-in-Vilnius-on-14-15-June-2023-Summary-of-Agreements/>



As a first step to transform the Magazine into a digital one, the Secretariat proposed to make it a paperless publication. The EUROSAT GB agreed to do so in July 2023, and this issue no. 27 has been the first edition to implement such a decision.

The **Highlights Newsletter**, designed as a regular publication featuring a modern and attractive layout, is another initiative led by the SAI of Israel to be launched in the coming months to provide useful technical information to auditors.

- **Enlarging EUROSAT channels to widely reach out to its audience**, entering social media gradually as an additional regular communication channel. The EUROSAT Presidency's social media -Twitter<sup>6</sup> and the EUROSAT Presidency website<sup>7</sup>- are already in place. A YouTube channel will be also used to disseminate videos with EUROSAT related content.



- **Fostering promotion of EUROSAT with practical tools**, including several initiatives to facilitate the knowledge of EUROSAT as Organisation such as the drafting of Welcome packages to newcomers in the EUROSAT community. They have been elaborated by EUROSAT's Secretariat and Presidency for a smooth introduction in the roles within the EUROSAT Governing Board (members / First Vice-Presidency), or when a SAI becomes a EUROSAT member, and they are permanently revised and updated.



- **Promotion of EUROSAT within member SAIs - "Communication Package"**. A package with PowerPoint presentations, videos, leaflet, etc. of EUROSAT activities and outputs will be developed. It will be mostly aimed at auditors and will be disseminated within SAIs. Although the responsible party for developing some of these materials still needs to be determined, others have already been published as the **"EUROSAT at a glance" booklet**, launched in March 2022 by the EUROSAT Presidency, and available at the EUROSAT website.



This resource kit will complement the set of templates for EUROSAT Reports and PowerPoint presentations already developed and distributed by the EUROSAT Secretariat.

<sup>6</sup> EUROSAT Presidency official Twitter account: [EUROSAT Presidency @EUROSAT\\_OP](https://twitter.com/EUROSAT_OP)

<sup>7</sup> EUROSAT Presidency website: <https://www.eurosai2021.cz/>

# PORTFOLIO ON RELATIONS WITH NON-SAI STAKEHOLDERS: KNOWLEDGE-SHARING AND CAPACITY BUILDING APPROACH FOR INCREASING THE IMPACT OF EUROSAI

## State Audit Office of the Republic of Latvia

Holder of the Portfolio on Relations with non-SAI Stakeholders

### Areas of responsibility

Since 2021 the State Audit Office of the Republic of Latvia (SAI Latvia) is responsible for the EUROSAI governance portfolio on Relations with non-SAI stakeholders. The objective of the portfolio is to provide EUROSAI, as an organization, as well as its SAIs and members, with an external network that can assist in improving audit work and increasing the impact of EUROSAI and SAI institutions.

Building and strengthening EUROSAI's external network, SAI Latvia is advancing development in two areas: professional cooperation and knowledge sharing with relevant organizations internationally and capacity building on non-SAI stakeholder engagement.

### Knowledge sharing on international level

Working in a dynamic and evolving environment, SAIs can deliver powerful and relevant messages to maintain a forward-looking perspective to stakeholders and governments. It is equally important for SAIs to share their experience and expertise, but also to receive feedback from external stakeholders in evaluating audit work and meeting public expectations. EUROSAI can reinforce these messages by strengthening relationships and fostering closer institutional cooperation on the global level. EUROSAI's presence in international events and conferences allows us to keep the finger on the pulse of the latest developments in the public sector, strengthening accountability and transparency and solidifying confidence in the effectiveness of SAIs.

Within its capacity as the Governing Board member, SAI Latvia has enhanced EUROSAI's presence in several international events in 2021 and 2022.



EUROSAI-ECA side-event at the UN Climate Change Conference, Glasgow, UK, 4 November 2021, photo by SAI Latvia



## UN Climate Change Conference in Glasgow (COP26)

Under SAI Latvia's portfolio and in cooperation with SAI Israel - 1<sup>st</sup> Vice-president of EUROSAT, the panel discussion "Translating climate change into delivery" took place as an EU side event at the UN Climate Change Conference in Glasgow in November 2021. During the event, representatives from SAIs Latvia, Israel and UK as well as the European Court of Auditors shared case studies from audits conducted in climate change. The experiences highlighted the complexity of these audits and the challenges resulting from the cross-sectoral, over-arching nature of the work and thus also, the subsequent analysis of achievements. The case studies presented the benefits from analysis conducted during audits which are addressed to the governments to maximise the performance of public spending to reach climate change targets. The panel discussion gathered around 200 representatives from governments, research institutions civil society and audit institutions. Video recording [here](#).



EUROSAT panel discussion at the international conference "Accelerating the Transition to Clean Energy through Renewable Energy Investments", Tbilisi, Georgia, 27 October 2022, photo by Energy Regulators Regional Association

## Participation in the international conference "Accelerating the Transition to Clean Energy through Renewable Energy Investments"

In October 2022, the representatives of EUROSAT – SAIs Latvia and Israel, and the European Court of Auditors - shared case studies in a panel discussion "Lessons learned from government renewable energy policies: an auditor's perspective", as part of an international conference in Tbilisi, Georgia. The conference, organised by the Council of European Energy Regulators, has long provided a dedicated space for European policy makers, regulators, and financiers to follow high-level discussions on renewable energy policy in the EU and globally, as well as gain knowledge about the renewable energy investment climate policy. In the panel discussion EUROSAT shared recent audit work in the field of energy and discussed recommendations for the implementation of energy policy. Conference webpage [here](#).

## Capacity building on non-SAI stakeholder engagement

SAI Latvia will implement two capacity building projects under its portfolio. Consequently, two project groups have been established - EUROSAT-ECIIA Project Group on cooperation with internal and external auditors and Capacity building Project Group on non-SAI stakeholder engagement.

### Cooperation with ECIIA



Prepared by SAI Latvia

Taking over from SAIs Netherlands, SAI Latvia is resuming cooperation with the Confederation of European Institutes of Internal Auditing (ECIIA). A Memorandum of Understanding was signed in 2022, and an exchange of experience initiated on the promotion of cooperation between internal and external auditors in the European public sector.

In summer of 2022, we launched a survey with the aim to enhance knowledge on assurance coordination and its benefits to EUROSAT. In total 29 respondents shared their experiences while providing positive confirmation that the cooperation and communication between their institution and internal audit exists. A joint webinar with ECIIA will take place at the end of February 2023 on the results of the survey and the way forward for the project.

### ECIIA Conference 2022

In October 2022, EUROSAT took part in the ECIIA Annual Conference's panel discussion "Internal and external audit in the Public Sector. Two roles, one destiny". First results of the survey were presented on the risks and benefits from the existing experience of cooperation received from 28 SAIs of EUROSAT and the European Court of Auditors. Conference webpage [here](#).



ECIIA Conference, Brussels, Belgium, 6 October 2022, photo by SAI Latvia

#### Capacity building Project Group on non-SAI stakeholder engagement



Prepared by SAI Latvia

In spring of 2022 another project group together with SAIs partners from different countries was initiated under the portfolio to improve cooperation mechanisms with civil society and to facilitate its involvement and understanding of audit work.

In April 2022, a kick-off meeting was launched, and 9 SAIs responded to our call to join the project group. Over the summer, cooperation was extended to join forces with the OECD/SIGMA, carrying out a survey and similar analysis on SAIs cooperation with

external stakeholders. The work of the project group is ongoing and further activities will be announced in 2023. One of the key decisions of the PG in 2023 will be to determine what form of transferring knowledge on the experiences of SAIs in citizen engagement will best suit EUROSAI auditors.

## PG on EUROSAI cooperation with ECIA



## PG on SAIs cooperation with civil society

Prepared by SAI Latvia

## 2023 Plans



Prepared by SAI Latvia



# UPDATES ON THE PORTFOLIO ON RELATIONS WITH INTOSAI AND ITS REGIONAL ORGANISATIONS

## Spanish Court of Audit - EUROSAI Secretariat

Holder of the EUROSAI Portfolio on Relations with INTOSAI and its Regional Organisations

The Spanish Court of Audit holds the EUROSAI portfolio on Relations with INTOSAI and its Regional Organisations and has maintained a strategic role, in its capacity as EUROSAI Secretariat, by developing strong and close relations with INTOSAI, its bodies, the INTOSAI Development Initiative (IDI), and other EUROSAI peers in the INTOSAI community.

This extensive portfolio aims at **two main objectives included in the guiding principles of the EUROSAI Strategic Plan (ESP) 2017-2024<sup>1</sup>**. The first one consists of channelling fluent and close relations with INTOSAI and its bodies, being the second one related to INTOSAI's Regional Organisations, and the work carried out to build a structured and close cooperation with them.

These goals are being developed as well with due coordination with the co-leaders of the EUROSAI Strategic Goal 1, SAIs of Lithuania and Germany, and Strategic Goal 2, SAIs of Poland and Sweden<sup>2</sup>.

For the **successful achievement of the first goal**, it must be noted that INTOSAI's Secretariat and IDI attend as observers and report at the EUROSAI Governing Board meetings and, in the other direction, the EUROSAI Secretariat also reports on the activities of the Organisation at INTOSAI Congresses and Governing boards.

EUROSAI, as Regional Organisation and through its Secretariat takes part in key INTOSAI bodies like the Capacity Building Committee (CBC) Steering Committee, the INTOSAI-Donor Cooperation (IDC) Steering Committee, the INTOSAI Supervisory Committee on Emerging Issues (SCEI), and the Regional Capacity Development Forum.

Aligned with the first goal, building a close relation with IDI also contributes to the fulfilment of the objective. In this respect, the EUROSAI Secretariat periodically distributes among EUROSAI members, either via e-mail or uploading specific news to the EUROSAI website, information about the launching of the IDI initiatives. It should be highlighted too in this field of the collaboration with IDI, that along with the representatives of all INTOSAI Regional Organisations (IROs) a successful workshop was held in Oslo to prepare a Guidance Note of Strategic Management for **IROS<sup>3</sup>**, which was finally published in March 2023.



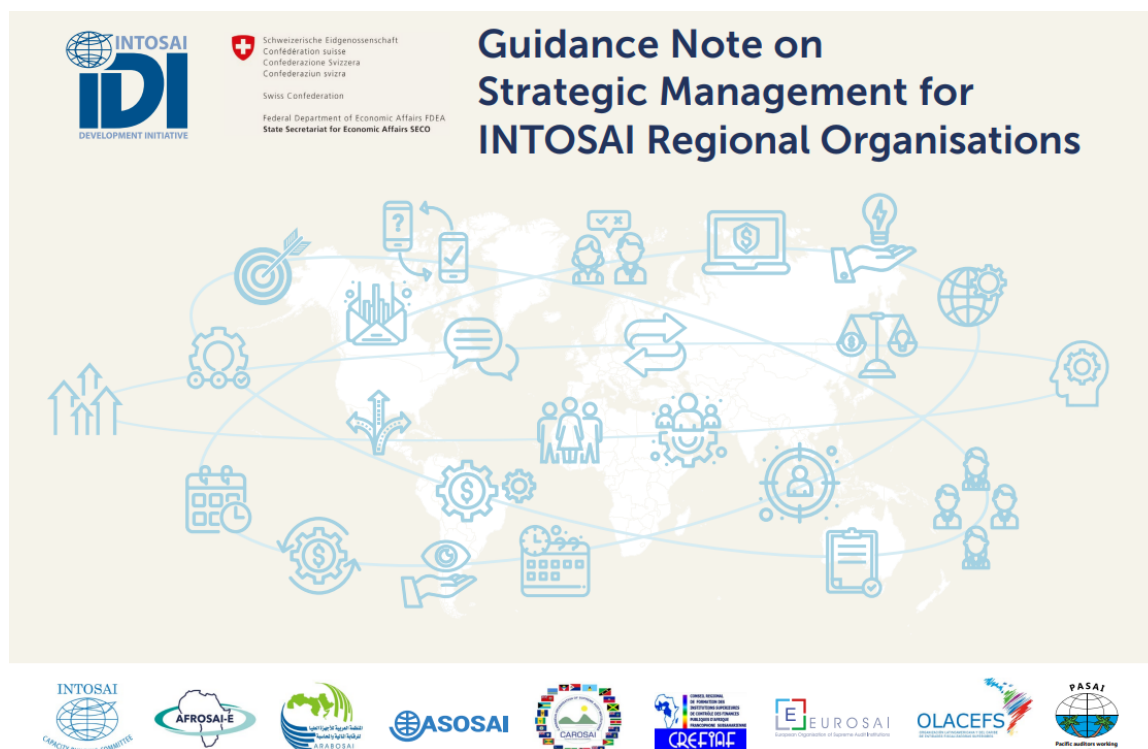
<sup>1</sup> [https://www.euroesai.org/handle404?exporturi=/export/sites/euroesai/.content/documents/strategic-plan/2017-2024\\_EUROSAI\\_Strategic\\_Plan\\_EN.pdf](https://www.euroesai.org/handle404?exporturi=/export/sites/euroesai/.content/documents/strategic-plan/2017-2024_EUROSAI_Strategic_Plan_EN.pdf)

<sup>2</sup> SG1: objective 1.3. To facilitate the sharing of knowledge and experience within EUROSAI and with external stakeholders and partners.

SG2: objective 2.5. Represent EUROSAI in the wider INTOSAI Community through the appointment of specific liaisons.

<sup>3</sup> [file \(idi.no\)](#)





The chart below can serve as a general picture of the close relations between EUROSAI and INTOSAI. It can be noticed there that, in addition to the EUROSAI representatives, several EUROSAI members have a key position in INTOSAI structures.

INTOSAI Congress (INCOSAI)		EUROSAI Secretariat (as invited guest)
INTOSAI Governing Board		SAIs of Poland & Portugal (EUROSAI representatives) and ECA, as members of the INTOSAI GB, and <b>EUROSAI Secretariat</b> as guest
INTOSAI PSC		ECA (Chair), SAIs of Norway, Poland (ICS Chair), Sweden & Ireland (PAS Chair) as members of Steering Committee. <b>EUROSAI Secretariat</b> as IRO Secretariat
CBC	Steering Committee	<b>EUROSAI Secretariat</b> , Sweden as Vice-chair, SAI of Poland (as SG2 coleader) and ECA (as chair of PSC)
	P2P work stream	SAI of the Netherlands (chair)
	Subcommittee Peer review	SAI of Slovakia (chair)
	Workstream ACCC	SAI of Sweden (chair)
	Audit of Donor Funds	SAI of Sweden (chair)
	Regional Capacity Development Forum	<b>EUROSAI Secretariat, Presidency</b> & SAI of Poland (SG2 coleader)
	INTOSAI Regions Coord. Platform & Round table of Regions	<b>EUROSAI Secretariat, Presidency</b> & SAI of Poland (as SG2 coleader)
	Knowledge Sharing Committee (KSC)	ECA (PSC chair), Finland, Russian Federation, Switzerland as Chairs of KSC's WGs
	Policy, Finance and Administration Committee (PFAC)	Austria (INTOSAI SG), ECA (Chair of PSC), Norway/IDI & Russian Fed. as members
	INTOSAI Donors Cooperation (IDC) Steering Committee	<b>EUROSAI Secretariat</b> , ECA (chair PSC), Austria (INTOSAI SG), Norway (IDI host) & Sweden (Vice Chair CBC)
Forum of INTOSAI Professional Pronouncements (FIPP)		Norway (Chair) and Denmark (Vice-chair)
INTOSAI Development Initiative (IDI)		<b>EUROSAI Secretariat</b>
Supervisory Committee on Emerging Issues (SCEI)		<b>EUROSAI Secretariat</b> , Austria (INTOSAI SG) & ECA (chair of PSC)
INTOSAI Journal editorial board		<b>EUROSAI Secretariat as associate editor</b>

As for the [cooperation with IROs](#), EUROSAI has a long tradition of collaboration, primarily OLACEFS, ARABOSAI, and ASOSAI, with whom EUROSAI has previously signed cooperation agreements. In the recent past, the primary means of collaboration have been the organisation of joint conferences between EUROSAI and each of the Regional Organisations, and bilateral Terms of Reference have already been signed with ARABOSAI, ASOSAI and OLACEFS.

As all of us know, the war in Ukraine made impossible the celebration of the VI EUROSAI-ARABOSAI Joint Conference, which should have been hosted by the SAI of Ukraine in Kyiv from 17-19 May 2022. Unfortunately, since the announcement of the cancelation, no new candidacies have been received to host the aforementioned joint conference and thus, it will be postponed to, at least, 2024.



It is the turn for ASOSAI to organize the next ASOSAI-EUROSAI Joint Conference, and we expect our colleagues from EFS China, that holds ASOSAI Secretariat, will inform us about the host in the coming months.

With ARABOSAI, EUROSAI has also signed an addendum during the XXIV INCOSAI held in Rio de Janeiro with two main areas of collaboration: Sustainable Development Goals (SDGs) and Information Technologies (IT) audits.

In relation to OLACEFS, EUROSAI was invited to participate as guest speaker in the annual meeting of its "Comité de Creación de Capacidades - CCC" (Capacity Building Committee) held in Ecuador in April 2023. The EUROSAI Secretariat actively participated, organizing several activities. The EUROSAI Secretariat has also started a fruitful dialogue with the new OLACEFS presidency, the SAI of the Republic of Paraguay, in order to ramp up the mutual exchange of information and to help in the organisation of the next OLACEFS - EUROSAI joint conference that is expected to be held in 2024.



OLACEFS Capacity Building Committee meeting, Ecuador, April 2023

# PORTFOLIO ON EMERGING ISSUES AND FORWARD THINKING: 2023 – THE YEAR OF STABILITY, DON'T BET ON IT

## United Kingdom National Audit Office (NAO)

Holder of the Portfolio on Emerging Issues and Forward Thinking



### Introduction

After massive social and economic disruption caused by the COVID-19 pandemic, we hoped 2022 would provide some stability. We were wrong. The Russia-Ukraine situation has not only been a tragedy for the people of Ukraine but has impacted economies across Europe by its effect on established supply chains for energy, food and other goods, as well as the movement of refugees fleeing the conflict. This has fuelled inflation and affected standards of living as well as leading to a rethink of defence and energy strategies at a national and European level. Alongside this, the rate of climate change continues to accelerate with unpredictable consequences. We saw very high temperatures across Europe and floods, heatwaves and droughts causing major local disasters. Sadly, the start of 2023 shows no sign of these crises abating and has been marked by the terrible earthquake in Turkey and Syria.

Against this backdrop, the challenges for the public purse and public services continue. Here in the UK there have been substantial levels of spending to support people through the pandemic and to manage the shocks to energy prices while also trying to keep major infrastructure programmes on track. For this to be sustainable, there has been an inevitable sharpening focus on efficiency: a growing emphasis on using digital services and data to help reduce the cost of government.

As audit offices, we have a vital role to play and our work has never been more important. Our mandates mean that we will continue to hold our governments to account and support transparency for citizens and our parliaments. But will that be enough? Should we have more to offer given that we have unique insights from the audits we complete throughout the year? Could we help our governments improve and make better use of public money? If this is the case, then this raises the stakes for us as the watchdogs of public spending and an onus on us to be on the front foot regarding emerging issues. We need to make sure that we become ever more relevant as our governments tackle the challenges that lie ahead. We are agile in our thinking and provide fresh insights and timely recommendations which help make a real difference to how public services are delivered.

### Emerging Issues Portfolio

We regularly consult SAIs across Europe to identify what they see as the main emerging topics. for SAIs. The top themes that continue to grab attention are:

- **Technological developments** increasingly support the delivery of public services. There are opportunities in the use of Artificial Intelligence (AI) to automate services, exploiting big data to understand citizens better, or the transformative potential of technology to make efficiencies and savings in public administration; and challenges in maintaining cyber security.
- **Environment, climate and sustainability** issues continue to be big topics for governments across Europe. There are many important areas for SAIs including: public spending on climate change and adaption; implementation of the UN sustainable development goals; environmental, sustainability and governance (ESG) reporting; and accounting for reductions in carbon pledges.
- **Government preparedness for future emergency responses** – heavily influenced by COVID-19 which continued to be of importance to SAIs but focus has moved on to wider impact on public services and learning the lessons from the pandemic.

Other themes included: demographic changes, changing expectation of public sector audit and citizen engagement with stakeholders.

We have structured our portfolio to address many of the main priorities. There are two active project groups within the portfolio which cover two significant topics: COVID 19 and Future Risks and Climate Change. We plan to set up a new project group to look at universal themes of resilience and preparedness to focus on how governments can plan more effectively. We have supplemented this by a deep dive symposium into specific topics, and plan to do more of these.

## Project Group on auditing the response to the Covid-19 pandemic

During the last year, this group has held webinars that covered auditing the vaccination role out across Europe and the wider impact of the pandemic on public services. This topic continued to be of interest and lots of important audit work has taken place across the EUROSAU region. We learnt about, how like other policies associated with the pandemic, the vaccine programmes across Europe operated at unprecedented pace, scale and complexity, and in conditions of profound uncertainty. Traditional procurement and other regulations were not suitable for these circumstances but there are lessons to be learned about acting in a flexible and agile way whilst maintaining accountability and transparency. We also learnt about the high cost of the pandemic and the knock-on effect that it continues to have on public services.

Collectively we need to reflect on our learning from the experience of auditing responses to Covid 19. To help us learn how to audit these emergency responses but also on auditing how prepared our governments are for other potential high-risk events.

## Project Group on Preparing for future risks and climate crisis

Last summer, this project group held a hybrid seminar on public sector decarbonisation with 15 SAIs joining us in London and many more online. At this meeting we asked participants whether they would like the project group to continue. There was a strong appetite for it to continue in some form, with feedback that participants welcomed the opportunity it has brought to network with peers on these important issues, and that the informal nature of the discussions, with no written output, has helped its accessibility.

## Potential for a new project?

We have consulted on the idea of taking key themes from both of these project groups so that we maximise the learning about governments' response to unexpected events, whether it be a breakout of an infectious disease or an environmental catastrophe. In June 2023, we will propose to the Governing Board that we constitute a new project group "Resilience and preparedness". This will help SAIs respond to the INCOSAI Theme paper I "The Role of Supreme Audit Institutions in Emergency Situations". The proposed project group will focus on identifying how to audit public spending by governments preparing for the unexpected, whether this be public health, environmental, economic or other shocks which require government intervention.

## EUROSAI Symposium

During January 2023, we hosted an event in London designed to look at two emerging issues: auditing digital government and resilience and preparedness. The symposium was attended by 38 people from 23 countries. We had speakers from SAIs and we also had external speakers from government and experts from the private sector.

The first day covered the issues of Resilience, with a focus on the challenges in auditing government's resilience, preparedness and how SAIs can integrate these two things into their work programmes. On the second day we discussed digital transformations in government; and the ways in which SAIs need to adapt and build their skills to keep pace with technological developments in our digital age.

### *Resilience*

The first speaker was a government official who set out how large risks should be identified in an ideal world and set out a framework on what good might look like for a resilient government. They talked about the importance of leadership in managing the unknown and dealing with threats that affect multiple government departments or ministries. The speaker presented a framework 'the resilience cycle' of key components that need to be in place to assess the resilience of government.

The resilience cycle which was described, is one where risks are anticipated and are accurately assessed; actions are put in place to prevent issues happening in the first place; then appropriate preparations are made for when an event could happen. Ideally, in the cycle there is a process where preparedness can be validated and assurance can be given; if an event occurs then there's an appropriate response; there are good recovery plans in place; and most importantly that governments learn from events that take place and improve resilience.







### The Resilience Cycle and its Processes



The next speaker provided a perspective from the private sector. The speaker provided a different lens to view resilience and highlighted the importance of planning with failure in mind. Planning to ensure systems are in place that protects important services and that there are proportionate responses based on risk tolerance. In preparing response plans, they highlighted the importance of mapping inter connectivity, testing scenarios and having proper mitigations in place.

We also heard from two SAIs; from Lithuania, about the work they had done on resilience, giving an overview of the work that has been done by their Office to audit responses to health emergencies (the pandemic), cyber security risks, and environmental risks. SAI UK explained that they are starting to integrate an assessment of resilience into their performance audit work - understanding how each government department is anticipating and managing issues that could impact on national resilience.

The day ended with an excellent discussion on the definition of resilience; on the work taking place to assess resilience; and how you assess the effectiveness and efficiency of resilience activities.

### *Auditing digital government*

Day two started with a look at some of the methodologies used in performance audit to increase efficiency in the way that audit methodologies such as questionnaires can be implemented. Colleagues from SAI Czech Republic spoke about how they had used online survey software to understand the effectiveness of digital education. We also heard from SAI France



about their own digital transformation. Of particular interest was how they use data and digital engagement to improve their relationship with citizens and using digital transformation to give them a greater say. They also provoked thought about the skills needed to help support their digital audit.

The UK National Audit Office spoke about the challenges in auditing the implementation of digital change in government. Drawing on various audit reports, they had identified some of the common barriers to success in government.

The final speaker was from the private sector and talked about the technology trends for government in 2023 and beyond. Alongside the obvious topics of AI, he talked about hyper-automation which describes how organisations automate all processes that can be automated. He started by playing a video clips from the 1960s predicting home working using technology. It took a while but a lot of the concepts were spot on, for example predicting video conference calls.

The speaker talked about the importance of improving digital customer experience and the importance of

managing data and keeping data safe. Managing data in the 'sovereign cloud' so that data can be shared helpfully but at the same time storing data in a trusted environment that is within one jurisdiction.

During the two days, it was clear that the external environment will impact on our work and there were two high level themes that will influence the way governments operate:

- **'the triple squeeze'**: persistent high inflation; scarce and expensive talent; and global supply constraints
- **resilience** - increase pace of disruption and frequency of disruptive events

The symposium was an opportunity to step back from our day to day work and we had some good discussions about the audit challenges that we currently face. We plan to have more symposiums of this kind where we can look over the horizon and think about, and plan for, the implications that they may have on our audit work. We hope that this will help all SAIs continue to be relevant, have impact and be ready for that next unexpected event.







# EUROSAI WORKING GROUPS AND TASK FORCES

- 3.1. EUROSAI WGEA activities in 2022
- 3.2. EUROSAI IT Working Group has published first modules of training course IT audit for non- IT auditors
- 3.3. Activity of the EUROSAI Working Group on The Audit of Funds Allocated to Disasters And Catastrophes in 2022
- 3.4. Task force on Municipality Audit discusses the new reality: digitalization
- 3.5. EUROSAI network on ethics – highlights



## EUROSAI WGEA ACTIVITIES IN 2022

### National Audit Office of Poland

Chair of the EUROSAI Working Group on Environmental Auditing (EWGEA)



Climate change, water scarcity, post-pandemic reality and warfare have influenced the activities of EWGEA in 2022. Thanks to the determination and good energy present among the participants, fruitful cooperation was continued mainly in online formula. Nevertheless, the working group has been slowly transitioning towards hybrid (both online and in-person) form of collaboration. One of the joint group activities, a cooperative audit, involving a few participating SAIs, ended in early 2022. The EWGEA activities in 2022 managed to encourage and support professional cooperation among its members as well as continued to facilitate knowledge and experience sharing.

Meetings:

**Spring Session on water supply and water quality was held on 10<sup>th</sup>-11<sup>th</sup> May 2022:**



Water supply and water quality in the face of climate change were the subject of the Spring Session of the EWGEA, which took place online. The meeting was attended by representatives of European Commission, European Environment Agency, European Regional Center for Ecohydrology of the Polish Academy of Sciences – UNESCO, Chair of Ecohydrology and Applied Ecology of the University of Lodz (Poland), University of Malta, ECA, INTOSAI Working Group on Environmental Control and European Remote Sensing Association.

Key note speakers gave their presentations on e.g. the importance of the desalination process in an arid country. The working group had a chance to become acquainted with challenges, innovative methods and systemic solutions for reduction of pollution in river systems and seas in the context of newest strategic documents of United Nations. The key note presentations were also focused on water resources across Europe.

The spring session was a chance for working group members to attend three workshops to discuss and share their ideas on sea and rivers pollution, flood threats, water supply and droughts. Representatives of SAIs exchanged experiences on performance audits on flood risk management, water supply and wastewater management, investigating of government authorities' efforts to adapt infrastructure and built-up areas to a changing climate.

The most important findings of this session in terms of conducting audits concerned placing more emphasis on the issue of water quality, and not only on the amount of water needed. It was stressed out that it is crucial to audit actions taken to actively counteract water shortages, not only crisis actions to minimize the effects of water deficits. The need to raise awareness of the problem of water scarcity and prioritisation of water supply in the event of shortages was underlined throughout the meeting.

**The 20<sup>th</sup> Annual Meeting was held in a hybrid manner (partly in-person, partly online) on 29<sup>th</sup>-30<sup>th</sup> November 2022 and its main topic was Environmental protection in turbulent times (post-covid era, warfare, climate change issues):**



During the meeting in Warsaw, the results of recent audits of European SAIs were discussed, regarding the transparency of funds for counteracting climate change and the implementation of sustainable development goals, adaptation of the economy, co-financing of various sectors with negative effects on the environment, coastal protection, reduction of greenhouse gases. Among all of the very informative presentations from SAIs representatives, in spite of the circumstances colleagues from SAI Ukraine took their time to present the effectiveness of measures to reduce greenhouse gas emissions in Ukraine, the impact of military operations. Representative of European Environmental Agency presented the

project on the vision of Europe in 2050. European Commission gave a presentation on polluter pays principle and environmentally harmful subsidies. Professor Zalewski, from the European Regional Ecohydrology Center under UNESCO auspices, strongly emphasized the key role of SAIs in creating standards in the field of environmental protection and shaping the state policy in this area, as well as the need to change the education system to take into account the current knowledge about the climate, water scarcity, consequences of failure to act in response to global warming. In the end, on the second 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.

### Joint Report on Management of Plastic Waste in Europe



Joint Report on Management of Plastic Waste in Europe as a result of a cooperative audit was finished in April 2022. The closing meeting was held on 9<sup>th</sup> May 2022. 12 participants decided to join the coordinated audit on Management of Plastic Waste in Europe (SAIs of: Republic of Albania, Republic of Bulgaria, Hungary, Republic of Malta, Republic of Moldova, Republic of North Macedonia, Republic of Poland, Portuguese Republic, Romania, Republic of Serbia, Slovak Republic and Republic of Turkey). Participants prepared a common audit framework containing the main audit question, three audit aspects and a number of sub-questions to be addressed by the national audits. The main audit question was: Have the relevant public authorities developed policies and implemented measures aimed at achieving goals (adopted in in such policies) regarding generation and management of plastic waste? The Report is based on: documents received from audit participants, i.e. summaries of national audits, tables and presentations on individual audit aspects, external materials and Eurostat waste databases. The findings of this coordinated audit show that, for the time being, Circular Economy is more prominent as theoretical concept rather than practical action taken by in particular countries covered by the audit. Substantial change will be needed in the waste management system to fully embrace the Circular Economy model. The Joint Report contains 11 recommendations to improve plastic waste management concerning in particular: eco-design of plastic packaging, EPR schemes, deposit-return scheme for packaging, separate collection of waste, data reporting systems, recycling rate of municipal waste calculation methodology, monitor the outcomes, transboundary movements of waste, educational and informative measures.

More information may be obtained at:  
<http://www.eurosaiwgea.org/> or  
[eurosaiwgea@nik.gov.pl](mailto:eurosaiwgea@nik.gov.pl), [Zine.AbassAli@nik.gov.pl](mailto:Zine.AbassAli@nik.gov.pl)  
[nik.gov.pl](mailto:nik.gov.pl) and [Michal.Dudek@nik.gov.pl](mailto:Michal.Dudek@nik.gov.pl)

### Other EWGEA activities:

- During 2022 EWGEA Steering Committee met twice – in May and December 2022. The meeting held in spring was devoted mainly to the topic on the annual EWGEA meeting held in November 2022. At the second meeting, Steering Committee agreed on main topics for the group meetings in 2023 and discussed a proposition of a cooperative audit.
- What next? EWGEA spring session and annual meeting are planned to be held 25<sup>th</sup>-26<sup>th</sup> May 2023 in Warsaw (Poland) and 25<sup>th</sup>-26<sup>th</sup> September 2023 in Prague (Czech Republic), respectively. The topics of these meeting are going to cover progress made in adaptation efforts to climate change and sustainable energy, which includes concepts and topics such as energy security, energy independence, or self-sufficiency, support of renewable energy sources, energy savings, which are topics that are very current with regard to the political situation in Europe.
- Massive Open Online Courses (MOOC), a project led by SAI Estonia focused on promoting, using and developing e-learning tools in cooperation with stakeholders is underway. Environmental auditing e-courses running from January to April 2023 are open for registration.

## EUROSAI IT WORKING GROUP HAS PUBLISHED FIRST MODULES OF TRAINING COURSE IT AUDIT FOR NON-IT AUDITORS

### National Audit Office of Estonia

Chair of the EUROSAI Working Group on Information Technologies (ITWG)



In the frames of **Research and Training Hub** project, EUROSAI IT Working Group is developing a training course **IT Audit for non-IT Auditors**. The purpose of the course is to increase the quality and impact of contemporary audits that frequently include IT components or could cover them if auditors had better comprehension of the field. On a wider scale, the whole society could potentially benefit if non-IT-auditors had an understanding of IT auditing. This course, taking advantage of modern interactive training format, gives auditors the chance to extend their horizon and ask the right questions.

The training course will consist of 7 modules in total, covering the following topics: IT audit in a supreme audit institution; IT systems, software, data management; IT governance; information security and protection of personal data; business continuity; procurement and outsourcing; IT development, operation and application management. All topics are illustrated with numerous examples and best practices derived from supreme audit institutions' previously published audits.



The modules will be published step by step, first three modules are already available.

### Currently published modules

The first module **IT Audit in a Supreme Audit Institution** has five chapters. It starts with an overview of SAI audits with IT components, followed by addressing IT components in SAI audits, standards and frameworks relevant to the IT audit, planning of an audit with an IT component, and IT auditing methods.

The second module **IT Systems, Software and Data** has six chapters. It gives an overview of IT infrastructure, systems, software, and services. In addition, it introduces risks related to data quality, and outlines IT standardization and auditing aspects.

The third module **IT Governance** is divided into five chapters, starting with an introduction to the main concepts of IT governance, followed by IT governance premises and components, IT governance frameworks and standards, and of course covering aspects of IT governance in public sector and IT governance auditing.

### Access to the course

The training course is offered as massive open online course (MOOC) in Moodle environment, free of charge. There are no time limitations to taking the course - you can take it at your own pace. The exercises in the course material can be taken unlimited number of times.

Join more than 1000 colleagues who have already enrolled to the course!

The EUROSAI ITWG Moodle is operated by the EUROSAI ITWG Secretariat / the National Audit Office of Estonia. Training course can be accessed via <https://training.eurosai-it.org>, it is necessary to create an account.

In case of questions, please contact EUROSAI IT Working Group Secretariat via [itwg@riigikontroll.ee](mailto:itwg@riigikontroll.ee).

# ACTIVITY OF THE EUROSAI WORKING GROUP ON THE AUDIT OF FUNDS ALLOCATED TO DISASTERS AND CATASTROPHES IN 2022

## Accounting Chamber of Ukraine

Chair of the EUROSAI Working Group on the Audit of Funds Allocated to Disasters and Catastrophes (WGAFADC)



In the modern world there are still many dangers that can take thousands of human lives in an instant and leave behind millions of ruined destinies. Therefore, the issues of the need to prevent disasters and minimize their consequences remain relevant for supreme audit institutions (SAIs) that can implement their tasks.

Today, countries suffer great losses from accidents, catastrophes, fires, and natural disasters that lead to the death of people. There are calamities that can affect everyone individually and at the same time all together.

In particular, not only Ukraine, but also other countries suffer from the consequences of the terrible military aggression of the Russian Federation against Ukraine. It is about the food crisis that affects millions of people all over the world; a humanitarian catastrophe, as a result of which, according to the World Bank, more than 12 million Ukrainians became displaced, and more than 13 million people are in need of urgent humanitarian assistance; ecological disaster – numerous environmental risks are intensifying and threaten to increase the number of victims among the population, and there is also a threat of a nuclear disaster that could affect part of the world.

Disasters have a significant impact on people, the environment and the economy. Accordingly, significant sums are spent on humanitarian aid and rehabilitation of victims, as well as on the restoration and reconstruction of damaged infrastructure and public facilities.

SAIs play an important role in ensuring accountability and transparency in how disasters are managed, including the preparedness of governments to prevent and respond to disasters.

In 2022, the WGAFADC faced new challenges along with the growing trends in the occurrence of disasters and calamities.

The implementation of the group's mission (on capacity building, coordination and consolidation of efforts of the European SAIs to help their governments in development of effective and efficient instruments for prevention and consequences elimination of disasters and catastrophes) was carried out "in three steps"

through the implementation of three strategic aimed at:

1. Professional development of auditors (Step 1 "TOWARDS").
2. Disaster prevention and minimization of relevant threats (Step 2 "FORWARD").
3. Effective external communication (Step 3 "TO THE WORLD").

In 2022 the activities of the WGAFADC and were carried out taking into account the peculiarities of this period, namely the restrictions related to the COVID-19 pandemic and caused by the legal regime of martial law introduced in Ukraine on February 24, 2022 in connection with the military aggression of the Russian Federation, which changed the format of activity of the group's Secretariat. Despite this, during this period the Working Group implemented a number of measures aimed at fulfilling the tasks of its Strategic Plan.

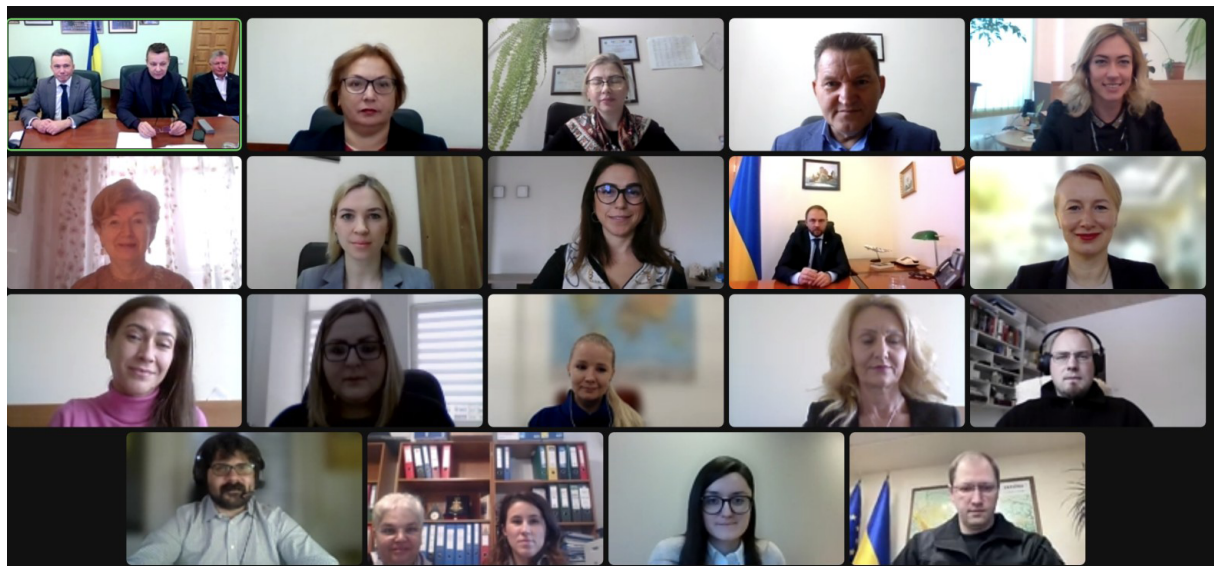
Thus, within the framework of the implementation of the Strategic Goal 1, the needs of the members of the Working Group in the development of methodological materials were studied, and training activities aimed directly at auditors who carry out control measures in the field of prevention and liquidation of the consequences of disasters, as well as the exchange of experience and best practices between auditors on audits in this area, continued.

Within the framework of the implementation of the Strategic Goal 2, attention was focused on the identification of the most relevant areas of risk on the occurrence of disasters, the need to develop practical recommendations aimed at assessing probable losses and minimizing their negative consequences, and initiating conducting audits as part of monitoring efforts of governments aimed at preventing natural disasters.

Within the framework of the implementation of the Strategic Goal 3, the activities of the Working Group were focused on improving the external communication of the Working Group with stakeholders, increasing awareness of its activities.



In particular, on the 22<sup>nd</sup> of November 2022, the annual meeting of the Working Group was held. Given the limitations, the event is organized in video conference mode. A plenary session on the topic "Catastrophes caused by force majeure circumstances, assessment of probable losses and minimization of negative consequences: challenges for SAIs" was also held as part of the event. In the framework of the meeting a seminar on the topic "Methodological approaches to the audit of losses and damages caused by military conflicts" also took place.



The meeting was attended by 32 participants from 14 SAIs, namely: the Republic of Albania, the Republic of Bulgaria, the Republic of Estonia, Georgia, Hungary, the Republic of Italy, the Republic of Latvia, the Republic of Lithuania, the Republic of Moldova, the Republic of Poland, Romania, the Republic of Turkey, Ukraine and the European Court of Auditors.

The results of the work of the WGAFADC in 2022 proved that if the first group of force majeure circumstances, namely, natural phenomena of a spontaneous nature, SAIs repeatedly dealt with, then with the other two: extraordinary (extreme) situations in public life; prohibitive actions of the state, including in particular war and the COVID-19 pandemic, have come into contact only in recent years, which have become new topics in the work plans of SAIs and a new challenge for them.

As a result, there is a need to develop guidelines for auditing the assessment of damages caused by armed conflicts of an international nature/armed aggression. It is not only about Ukraine, but about the development of a universal audit guide that could be used by any state that suffered as a result of the war.

Accordingly, the further activities of the Working Group, in particular, will be aimed, among other things, at:

- preparation for conducting an international coordinated audit on "Readiness of governments to prevent disasters and eliminate their consequences";
- conducting an audit and preparing a joint report on the results of an international coordinated audit of forest fire protection;
- the beginning of work on the development of:
  - » practical recommendations for conducting audits of probable damage assessment and minimizing the negative consequences of disasters;
  - » guidelines for the audit of the assessment of damages caused as a result of armed conflicts of an international nature/armed aggressions.

## TASK FORCE ON MUNICIPALITY AUDIT DISCUSSES THE NEW REALITY: DIGITALIZATION

### National Audit Office of Lithuania

Chair of the EUROSAI Task Force on Municipality Audit (TFMA)



TFMA Seminar's Group Photo. Source: NAOL

All could agree that days pass as slowly as a snail, but years fly as fast as a rocket. Task Force on Municipality Audit (TFMA) is looking forward to its seventh birthday already, but the biggest and most exciting gatherings of these years were actually not those celebrating the establishment of TFMA, but those in Seminars and Annual Meetings where the most relevant issues are discussed. This time – digitalization of public services and administration in municipalities.

For the second year, TFMA has tried to return back to its pre-pandemic routine and invited all the members from the 27 countries to join the 5<sup>th</sup> Seminar and 6<sup>th</sup> Annual Meeting in person. Those, who couldn't make it, had an open chance to participate virtually.

The EUROSAI TFMA Seminar "Digitalization of Public Service Delivery and Administration in Municipalities" took place in Vilnius, Lithuania, on 19<sup>th</sup> October 2022. The event was chaired and hosted by the National Audit Office of Lithuania and joined by members of TFMA, observers and guests both in person and remotely.

"Digitalization of [public] services helps local governments meet public expectations and become more efficient and resilient. This way, more citizens can gain access to service delivery. Equally important is the digitalization of administration. The critical importance of digitalization has become especially revealed during the pandemic time. Today it's more than obvious that digitalization of services and administration brings benefits to society by increasing efficiency and speeding up processes both at local and national levels" – the Seminar began with the opening remarks by Mindaugas Macijauskas, the Auditor General of the Republic of Lithuania and Chair of the EUROSAI TFMA.

Knowing that it is important for auditors to see and hear the insights of experts and stakeholders and understand the big picture, the opening of the Seminar was followed by the plenary session with presentations of invited keynote speakers who openly talked about European level initiatives in supporting a digital transition, shared Finnish perspective and presented extremely digitalized and drone-driven Vilnius City Municipality which left everyone in awe. Despite the fact that the presentations given by

the keynote speakers left the majority of members impressed, it is worth remembering that developing user-centric, smart and efficient digital services is quite a challenge for national-scale institutions, and even more so for municipalities: with fewer resources, but obliged to provide services that are really close to the people.

Later followed the panel discussion “Digitalization of public services in municipalities: is it more a challenge, or a possibility to grow?” inviting everyone to listen about experiences, insights, and ideas on the digitalization of services in local government from different angles: auditors, local government, and innovators and find the answer to the brain-racking question – how to make all stakeholders more open to the change and cooperation to make digitalization really work.

The second part of the day was devoted to sharing audit results and exchanging auditors’ insights. There were presentations of case studies from the Task Force’s members – SAIs of Albania, Israel, North Macedonia, and Spain.

The most vibrant activity was also left for the end of the Seminar – the participants were divided into three discussion groups for the workshop session. The workshop session was organised in a hybrid way, which at first seemed like a challenge, but ended quite well – all participants, both taking part in person and online, had equal opportunities to actively participate and discuss good practices, issues, and challenges on the topic.

“Digitalization is associated with new technologies and innovation which does not always work, there is a risk of failure, however, it uses public finances, and the public resources must be used efficiently and effectively, and a balance should be found between caution and risk-taking and seeing change as an opportunity – not a threat. That’s why auditors should be interested in diverse practices, lessons, and success and failure stories” – shared some insights Mindaugas Macijauskas.



TFMA Seminar. Source: NAOL

As if reflecting on the thoughts of the NAOL Auditor General, participants in groups discussed three topics:

- Making cooperation between central and local government in digital transformation more efficient
- Building capacities of local authorities in the digitalization of public services
- Improving citizens’ ability to use e-services

The discussion began with a vote in response to questions on cooperation between central and local governments, the capacities of local authorities, and the quality of e-services in the countries. The answers varied between being average and poor, therefore participants shared good practices and possible recommendations on how the situation could be improved.



TFMA Seminar’s Group Discussion. Source: NAOL

### Last Notes:

Digitization is one of the topics that receives special attention from TFMA members. Recently, the Task Force also is focusing its activities on other topics relevant to the audits in municipalities:

- Implementation of the Sustainable Development Goals at a sub-national level
- Municipalities’ own revenues for providing quality services to citizens during a pandemic
- Social support for vulnerable groups in municipalities
- Municipal debt management
- Distribution of transfers and grants
- Public local transport



## Quotes of the Seminar



**Mr Paolo Ciambellini,**  
Council of European  
Municipalities and  
Regions (CEMR)

*The European Union  
should support a  
bottom-up, and not  
a top-down digital  
transition.*

“



**Ms Eva-Stina Merith  
Slotte,** Association  
of Finnish Local and  
Regional Authorities,  
Finland

*Creating a digital  
public sector does not  
come easy.*

“



**Ms Eglė Radvilė,**  
Vilnius City Municipality,  
Lithuania

*From Smart Cities  
to Intelligent  
Communities.*

“



**Mrs Ieva Žilionienė,**  
NRD Companies,  
Lithuania

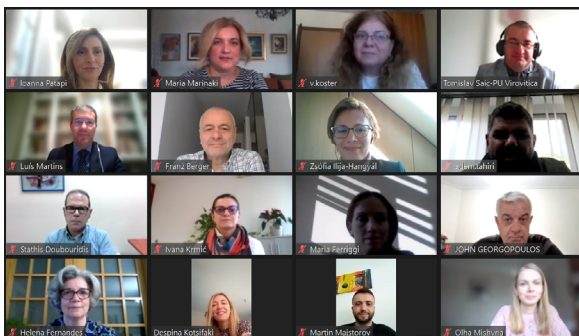
*Don't let a "fear of  
failure" stop you from  
being innovative!*

“

## Task Force – Not Indifferent to New Initiatives

### A new remote platform

TFMA launches the new activity initiated by SAI of Latvia “A master class on methodological issues in municipality auditing” – a remote platform for exchanging and analysing real-life examples and approaches to topical methodological issues in compliance and performance audits.



TFMA Seminar's Online Group Photo. Source: Zoom

All the information about the TFMA can  
be found at:

<https://www.tfma.eu/>

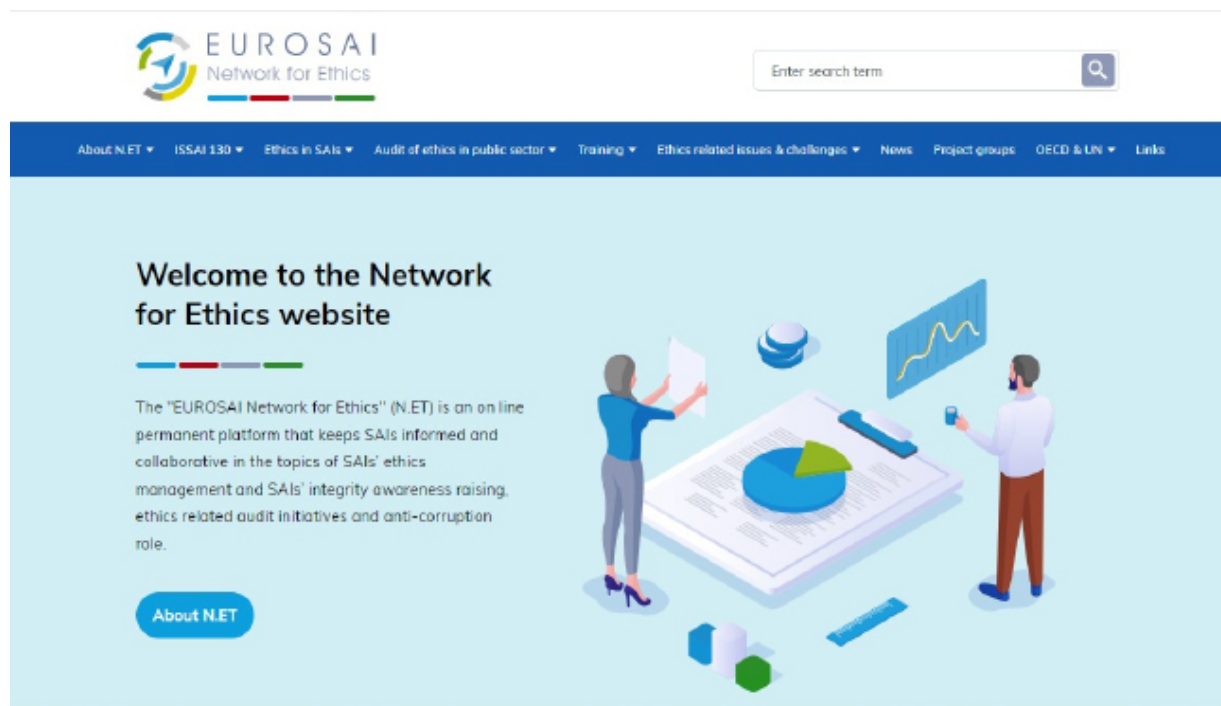
For additional information, please contact  
the EUROSAI TFMA Secretariat via email:  
[eurosai.tfma@valstybeskontrole.lt](mailto:eurosai.tfma@valstybeskontrole.lt)



## EUROSAI NETWORK ON ETHICS – HIGHLIGHTS

### State Audit Office of Croatia

Chair of the EUROSAI Network for Ethics (N.ET)



It has been about 1,5 years since EUROSAI Network for ethics (N.ET) began operating as a permanent platform for continuous exchange of information, documentation and experiences of SAIs and to keep them informed and collaborative in the topics of SAIs' ethics management and SAIs' integrity awareness raising, ethics related audit initiatives and anti-corruption role.

This brief overview intends to highlight the most relevant achievements of the N.ET so far.

Today, the N.ET has **31 members**.

Since its foundation, it has **focused on**:

- information and activities related to SAIs' ethics management and to SAIs' integrity awareness raising, ethics related audit initiatives and anti-corruption role
- keeping 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

- exploring knowledge in areas that may raise new ethical concerns, such as the use of artificial intelligence, data protection and whistleblowing
- facilitating contacts both, between the SAIs and with relevant partners that may provide support to SAIs regarding the reinforcement of ethics control systems or the promotion of integrity in the public sector.

In that sense, **contacts were initiated and cooperation established** with relevant institutions and organizations, such as INTOSAI Development Initiative (IDI), INTOSAI University (U-INTOSAI), OLACEFS Specialized Working Group on the Fight against Transnational Corruption (GTCT), OECD, GRECO, Network of Corruption Prevention Authorities (NCPA) and the INTOSAI Global Expert Team (IGET).

In the same period, the N.ET has **published a number of information** related to international conferences, seminars and webinars related to public integrity issues, whistleblowing, digital mind-set, fighting corruption and other events as well as methodological tools related to ethics and integrity in public sector.

In order to provide more practical and more interactive assistance to its members, the N.ET has recently **introduced the practice** of informing them about news (by e-mail) simultaneously with their publication on the website.

And finally, the N.ET has recently sent a reminding e-mail to its members **encouraging them** to share relevant information, development initiatives, experiences, activities and documents (e.g. studies, guidelines, reports, articles, information on conferences, seminars, workshops and training courses any other related tools) on the above mentioned topics with the N.ET and so with the wider SAIs' community.

The activities of the N.ET during the next period will continue to be aimed at:

- drawing the attention of the audit community to the issues in the field of ethics management, integrity awareness raising, ethics related audit initiatives and anti-corruption,
- fostering and keeping promoting active liaison and cooperation, knowledge and experience-sharing on topics of common interest of the members,

In order to contribute to development and growth of ethics culture and management in SAIs as well as deepening and acknowledgement of integrity audit in the SAIs community.



More information may be obtained at:  
[www.eurosai.revizija.hr](http://www.eurosai.revizija.hr)  
For additional information please contact  
the N.ET Team via e-mail:  
[N.ET@revizija.hr](mailto:N.ET@revizija.hr)







# INFORMATION ON EU

- 4.1. Auditing the recovery and resilience facility – a strategic task and a challenge for the EU's Supreme Audit Institutions
- 4.2. The European Court of Auditors' annual reports for the 2021 financial year
- 4.3. Other reports, opinions, reviews and publications issued by the European Court of Auditors in 2022
- 4.4. Changes in the college of members of the European Court of Auditors in 2022



# AUDITING THE RECOVERY AND RESILIENCE FACILITY – A STRATEGIC TASK AND A CHALLENGE FOR THE EU’S SUPREME AUDIT INSTITUTIONS

## European Court of Auditors

The Contact Committee of the heads of the supreme audit institutions of the European Union held its 2022 meeting on 3 and 4 May at the ECA in Luxembourg. This was the first non-virtual annual meeting to be held since 2019. The event was devoted to discussing the implementation of the Recovery and Resilience Facility (RRF) nationally and across the EU, with a particular focus on the associated audit challenges.

### Challenges posed to the EU and its member States by the pandemic and the invasion of Ukraine

After a short welcome speech by ECA President Klaus-Heiner Lehne and some introductory remarks on the first session, the heads of SAIs discussed emerging issues, (audit) priorities, a strategy for future cooperation and the corresponding measures and activities. A key concern was the need to further develop cooperation among the Contact Committee members, thus increasing its value for the heads of SAIs and the institutions they represent.

The evening session on the first day looked at the paradigm shift brought by the COVID-19 crisis and the invasion of Ukraine, both of which had affected many policy areas, both nationally and in the EU, and had returned EU autonomy and security to the top of EU leaders’ agendas.

The session opened with a video address by Valeriy Patskan, Chairman of the Accounting Chamber of Ukraine. Mr Patskan described the situation in his country and the atrocities the Ukrainians had had to endure since the start of the Russian invasion. He then shared his wishes and hopes for the post-war period, when cooperation between Ukraine and its Western partners would be central to rebuilding and reforming the state and its institutions. He thanked the Contact Committee for its quick reaction in support of the Ukrainian cause (see **Box 1**). His words and personal testimony made a strong impression on all participants.

### Box 1 – Contact Committee response to the invasion of Ukraine

On 11 March 2022, the Contact Committee circulated a **letter** to all the members of the International Organization of Supreme Audit Institutions (INTOSAI). The letter expressed solidarity with and support for the people, state and institutions of Ukraine, in line with the values promoted by the EU and its member states. It condemned the illegal invasion of the sovereign state of Ukraine by the Russian Federation, supported by the Republic of Belarus, as a breach of international law and a violation of human rights.

In the spirit, and in support, of the **statement** issued by the Governing Board of EUROSAI, the SAIs of the Contact Committee called on all INTOSAI members to reaffirm their joint commitment to peace, justice and strong institutions, and to condemn the invasion of Ukraine by all appropriate means.

The members of the Contact Committee agreed to refrain from any cooperation with or participation in events or activities organised by the Accounts Chamber of the Russian Federation or the State Control Committee of the Republic of Belarus, or by any other government institution of the Russian Federation or the Republic of Belarus.

The second part of the evening session was introduced by Nathalie Tocci, Director of the Istituto Affari Internazionali, an independent non-profit think tank. Ms Tocci is a renowned strategy and policy expert who was previously special advisor to EU High Representative and Vice-President of the Commission Josep Borrell. As special advisor to Mr Borrell's predecessor Federica Mogherini, she wrote the European Union Global Strategy for foreign and security policy and worked on its implementation.

Ms Tocci made a pragmatic examination of the various starting points and perspectives with a view to demonstrating the need for a new approach to policy areas such as trade, defence, health, migration, technology and the economy as a whole. In the past, these had often been tackled more or less independently, but a more holistic and comprehensive approach was now required. After a thought-provoking exchange, participants were left in no doubt that issues relating to the autonomy and security of the EU were closely intertwined. Furthermore, it was imperative to understand this in challenging times, whether due to a global pandemic, military aggression like the invasion of Ukraine, or the climate crisis.

### Implementing the RRF and its audit and control framework: state of play

On the second day, Iliana Ivanova, ECA Member and Dean of the ECA's audit chamber Investment for cohesion, growth and inclusion, introduced a session on "Assessing the (added) value of the RRF at national and EU level – a strategic task and challenge for EU SAIs". She welcomed, as keynote speaker, Céline Gauer, Director-General at the European Commission, who is Head of the Recovery and Resilience Task Force (RECOVER), and three facilitators: Helena Lindberg, Auditor General of Sweden, Arno Visser, President of the Netherlands SAI, and Ivana Maletić, ECA Member. In response to the COVID-19 crisis, the EU had launched the NextGenerationEU (NGEU) initiative,

under which the main instrument, the RRF, was scheduled to provide €806.9 billion (in current prices) to mitigate the socioeconomic impact of the pandemic and stimulate the fast and sustainable recovery of European economies.

In her keynote speech, Ms Gauer gave details about the rollout of the RRF and described what progress had been made in implementing it so far. The member states had drawn up national recovery and resilience plans (NRRPs), which had been approved by the Commission and the Council. It was now up to the member states to make the best possible use of these additional funds in accordance with the relevant rules and regulations. For example, funding could go to the green transition or digital transformation, or to enhance economic cohesion, productivity and competitiveness across all member states. Ms Gauer highlighted some general and future challenges and underlined the potential opportunities and benefits of the RRF. In her own words: "Within a few weeks we will already have disbursed hundreds of billions of euros, which after a bit more than a year of implementation is quite remarkable".

In terms of opportunities, she also commented positively on the long-awaited reforms that the new instrument would help to implement. These included justice reform in Italy, labour market reform in Spain and reform of the educational system in Slovakia. She drew particular attention to the possible synergies between reforms and investments, the instrument's scope for faster and leaner delivery, and its flexibility. The main challenges, according to Ms Gauer, were the tight rollout schedule (e.g. for drawing up, assessing and approving NRRPs, and subsequently assessing payment requests), administrative capacity and the need to create ownership of each NRRP. To quote the speaker again: "these are not the plans of a government, these are the plans of a country". While the opportunities presented by the instrument thus seemed to outweigh the challenges, Ms Gauer also



Contact Committee meeting 2022. © European Union 2022 – Source: ECA



made it clear that the key to success lay in a common effort with clearly defined roles and responsibilities at EU and national level. However, she felt that the member states were in the driving seat, because they were in charge of implementing their NRRPs.

Following the presentation the heads of the SAIs engaged in lively discussion under the moderation of Ms Lindberg and Mr Visser. The discussion touched on complementarity and the added value of the RRF, the delicate question of accountability and allocation of responsibilities at the various levels, potential issues in relation to the monitoring, control and audit frameworks, and the special role of SAIs as independent institutions.

### Auditing the RRF and NRRPS

The second part of the session was facilitated by Ms Maletić, reporting Member for the ECA's audit of the Commission's assessment of NRRPs. It featured presentations by the SAIs of Greece, Italy, Belgium, Germany, Lithuania, Latvia and Finland, each of which described its audit work, whether completed, ongoing or yet to start, in relation to the RRF and the relevant NRRP.

Many aspects were addressed in this regard, ranging from the audit of procurement procedures, to different types of audit and methodological approaches, to more thematic issues such as risk or green tagging. During the lively discussion which ensued, more technical questions and challenges were also highlighted, such as the lack of well-defined milestones and targets and the need for adequate monitoring and control systems. The debate showed that SAIs would have to further deepen and intensify their cooperation to ensure that proper audit coverage would contribute to greater accountability, sound financial management and transparency. At the level of the Contact Committee, this was already taking place in the form of a shared activity, on the audit of issues relating to the NGEU, which the SAIs of Belgium and Germany and the ECA had launched in September 2021. In this context, auditors and experts were meeting regularly to exchange their experience on relevant topics, and to discuss themes and issues that had emerged in connection with auditing the RRF and NRRPs.



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## THE EUROPEAN COURT OF AUDITORS' ANNUAL REPORTS FOR THE 2021 FINANCIAL YEAR

European Court of Auditors

On 13 October 2022, the European Court of Auditors (ECA) published its annual reports on the implementation of the EU budget and the European Development Funds for the 2021 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.

Ensuring that the EU budget is properly spent is primarily the responsibility of the European Commission. However, about two thirds of the budget is spent under what is known as 'shared management', with individual Member States distributing funds and managing expenditure in accordance with EU and national law.

### Annual report on the implementation of the EU budget for the 2021 financial year

The EU budget is adopted annually by the European Parliament and the Council as part of a longer-term budget agreed for a period of several years, known as the 'multiannual financial framework' (MFF).

For the first time, the ECA's 2021 audit covered not only the **traditional budgetary resources** agreed as part of the **2021-2027 MFF**, but also the **'The Recovery and Resilience Facility' (RRF), the main component of the EU's Next Generation EU (NGEU)**, a recovery package which is intended to alleviate the economic consequences of the pandemic.

To receive RRF support, Member States had to submit their national recovery and resilience plans (NRRPs) to the Commission for assessment and approval by the Council. By the end of 2021, the Council had approved 22 NRRPs, and 20 Member States had collectively received €36.4 billion of pre-financing (up to 13 % of their total allocated grants).

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). For 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 2021, the ECA provided **two separate opinions on the legality and regularity of expenditure**: one on EU **budget spending** and one on **RRF spending**.

The RRF is a temporary instrument, financed by issuing bonds. Most importantly, though, it follows a different delivery model. Unlike EU budget spending that is based on the reimbursement of eligible costs or compliance with EU or national rules, under the RRF the condition for payment is the satisfactory achievement of predefined milestones or targets.

Taking into account that **EU budget spending** totalled **€181.5 billion**, and spending on **non-repayable RRF support** (grants) amounted to **€46.5 billion**, payments from the EU in 2021 totalled **€228 billion**.

As regards the ECA's opinions, the total audit population for 2021 amounted to €154.3 billion, with separate audit populations for EU budget spending (€142.8 billion) and RRF spending (€11.5 billion).

For the EU budget audit population, the 'Natural resources and environment' area contributed the largest share (39.7 %), followed by 'Cohesion, resilience and values' (33.5 %) and 'Single market, innovation and digital' (10 %).

The RRF audit population included the single payment made to Spain in 2021. The other 19 Member States had received only their pre-financing.



### Overall results

The ECA concluded that the **EU accounts for 2021** 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:

- liability for pension and other employee benefits amounting to €122.5 billion at the end of 2021 (2020: €116.0 billion). The further increase in this amount was mainly due to a decrease in the nominal discount rate, which reflects the reduction in global interest rates; and
- a net receivable due from the UK of €41.8 billion (2020: €47.5 billion), based on mutual obligations defined in the withdrawal agreement. This decrease is mainly due to payments received from the UK during 2021 in line with the terms of the withdrawal agreement.

The impact of Russia's invasion on loans and grants for Ukraine in the EU accounts has been assessed, and is appropriately accounted for and disclosed in line with accounting rules.

The ECA gave also a **clean opinion on revenue (€239.6 billion) for 2021**.

However, the ECA continued to issue an **adverse opinion on the legality and regularity of EU budget expenditure for 2021**, as the level of error was material and pervasive for the third consecutive year. For expenditure as a whole, the ECA **estimated the level of error** to be **3 %** (2020: 2.7 %).

In the **most significant areas of EU budget spending**<sup>1</sup> for which the ECA provides a **specific assessment**, the **level of error was material** for 'Single market, innovation and digital' (4.4 %) and 'Cohesion, resilience and values' (3.6 %), and close to materiality for 'Natural resources and environment' (1.8 %). 'European public administration' was free of material error.

Once again, the ECA found that 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 'Single market, innovation and digital'), direct aid for farmers ('Natural resources and environment'), and

salaries and pensions for EU staff ('European public administration'). The risk of error is higher for cost reimbursements, where the EU reimburses eligible costs for eligible activities (involving complex rules): these include research projects (under 'Single market, innovation and digital'), investment in regional and rural development ('Cohesion, resilience and values' and 'Natural resources and environment'), and development aid projects ('Neighbourhood and the world').

The **most common errors in high-risk expenditure** were:

- ineligible costs and projects, as well as infringements of internal market rules (in particular, non-compliance with state aid rules), an absence of essential supporting documents, and non-compliance with public procurement rules in 'Cohesion resilience and values';
- ineligible beneficiaries, projects or expenditure, and failure to meet agri-environmental commitments are the most common errors found in the rural development, market measures, environment, climate action and fisheries spending area (altogether, around 33 % of total spending on 'Natural resources and environment');
- ineligible costs – in particular direct personnel – in research spending (Horizon 2020 and the Seventh Framework Programme under 'Single market, innovation and digital'); and
- expenditure not incurred, ineligible costs, an absence of supporting documents and non-compliance with public procurement rules in 'Neighbourhood and the world'.

In 2021, **high-risk expenditure** increased further compared to previous years, representing 63.2 % of the audit population (59 % in 2020). Its estimated level of error was 4.7 % (2020: 4 %).

**Low-risk expenditure** accounted for the remaining 36.8 % of the audit population (2020: 41 %), and mainly included entitlement payments. The estimated level of error in this part of the population was below the materiality threshold of 2 %.

For the first time, the ECA issued an **opinion on the legality and regularity of RRF expenditure**. It gave a **clean opinion on the first payment under the RRF**. The audit population comprised only the single payment to Spain of €11.5 billion, and the respective pre-financing.

<sup>1</sup> In the 2021 annual report, the ECA provided a specific assessment for the main policy headings of the 2021-2027 MFF: 'Single market, innovation and digital', 'Cohesion, resilience and values', 'Natural resources and environment', 'Migration and border management', 'Security and defence', 'Neighbourhood and the world', and 'European public administration'.

The Spanish request for payment followed the reported achievement of 52 reform milestones. The ECA's audit covered the regularity of the RRF payment made to Spain. The basis for the assessment was the condition for payment, i.e. that the milestones and targets as defined in the Council Implementing Decision (CID) had been satisfactorily fulfilled. To do this, the ECA examined whether the Commission had gathered sufficient and appropriate evidence to support its assessment of satisfactory fulfilment of the 52 milestones. Compliance with other EU or national rules is not part of the regularity assessment.

The ECA found that one of the milestones (relating to a Corporate Income Tax Reform) was not satisfactorily fulfilled. However, it estimated that the related error was not material.

#### Comparing error level estimates with those of the Commission

From a horizontal point of view, the ECA reported on issues that concern the Commission's Annual Management and Performance Report (AMPR) – for which the College of Commissioners has ownership and responsibility – that summarises key information from the annual activity reports (AARs) 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 2021 was 1.9 %, below the ECA's materiality threshold (2 %) and estimated level of error (3 %).**

Like the ECA's estimated level of error, the Commission's estimate does not include RRF expenditure, for which it discloses the control results separately, based on a qualitative assessment. In addition, the AARs of each Commission directorate-general (DG) includes a declaration in which the director-general provides assurance that the report represents 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, except for the RRF, for which the Commission bases its assessment of the control results on a combination of the results from Member States' and its own audits and controls.

For each MFF heading where the ECA provided a specific assessment, the comparison showed that the Commission's risk at payment is lower than the ECA's estimated level of error for 'Single market, innovation and digital' and 'Cohesion, resilience and values'. For 'Natural resources and environment', the Commission's estimate of the risk at payment (1.8 %) is consistent with the ECA's estimate.

In the AMPR, the Commission presents its overall risk assessment for 2021 annual expenditure in order to identify and focus action on high-risk areas. The Commission estimates risk to be low for 55 % of the expenditure, medium for 23 % and high for 22 %. However, the ECA detected weaknesses in the Commission's ex post checks, which underestimated the risk at payment in the assessed areas, which in turn affect the robustness of the Commission's risk assessment.

The Commission's reporting on actual financial corrections and recoveries in its AMPR has improved compared to last year, but the presentation of 'corrections for past years' (€5.6 billion) was considered prone to misunderstanding. It includes preventive measures that do not relate to past payments or accepted expenditure. Furthermore, Member States' preventive measures cannot be attributed directly to the Commission.

Lastly, the ECA noted that the Commission, in its AMPR, reports that it had sent a first **notification to Hungary** in April 2022 under the '**general regime of conditionality**'. This triggered the procedure that may lead to the imposition of measures against a Member State for breaches of the principles of the rule of law. However, the AMPR did not disclose details of the notification, or how it may affect the regularity of the expenditure concerned.

#### 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 the cases concerned, where appropriate, in cooperation with national legal authorities. In 2021, the ECA referred **15 cases of suspected fraud** (2020: six) to OLAF. At the same time, the ECA reported one of these cases to the European Public Prosecutor's Office (EPPO), along with an additional case identified in 2021.

#### Implementation of the EU budget

In its 2021 annual report, the ECA highlighted the risk that the implementation of shared-management funds under the 2021-2027 MFF could be delayed due to the late adoption of the Common Provisions Regulation (CPR). The ECA also highlighted the risk of pressure on the Commission's and the Member States' administrative resources due to the need to speed up the absorption of funding from the European Structural Investment Funds (ESIF) under the 2014-2020 MFF and the additional availability of financing (NGEU).

In the 2021 annual report, the ECA stated that **EU budget implementation** was low for commitments but **high for payments**.

A total of €113.4 billion was committed, which was only 68 % of the total amount available (€166.8 billion). This rate is exceptionally low, and was even lower than in 2014, the first year of the previous MFF (77 %).

The ECA found that delays in adopting the sectoral regulations slowed down the launch of new programmes, particularly for the shared management funds under the CPR<sup>2</sup>. Only 2 % of the available amount of commitment appropriations for these funds was used. **The use of commitment appropriations for the three biggest funds (the European Regional Development Fund, the Cohesion Fund and the European Social Fund) was less than 1%.** As a result, according to the provisions of the MFF Regulation, almost €49 billion out of an available total of €50.1 billion in commitment appropriations for the shared management funds needs to be transferred from 2021 to the 2022-2025 financial years. The related payments to Member States will therefore be made later than originally planned.

In 2021, the MFF ceiling for payment appropriations was €166.1 billion, and the amount available for payments in the final budget was €168 billion. **Actual payments totalled €163.6 billion, i.e. 97 % of available payment appropriations.** Taking into account additional payments of €62.6 billion from assigned revenue (mainly RRF grants) and €1.8 billion of carry-overs from 2020, payments in 2021 totalled €228 billion.

During 2021, the Member States continued to absorb European Structural and Investment Funds (ESIF) from the 2014-2020 MFF period. At the end of 2021, total cumulative payments for the 2014-2020 ESIF operational programmes amounted to €331.1 billion, out of a total of €492 billion. The remaining €160.9 billion should be paid out, and the remainder de-committed by the closure of the programmes before the end of 2025, except for the European Agricultural Fund for Rural Development, for which closure will take place in 2027.

At the end of 2021, outstanding commitments totalled €341.6 billion: €251.7 billion for the EU budget and €89.9 billion for NGEU. **Taking into account only the EU budget part, the EU's outstanding commitments decreased significantly** from a historical high of €303.2 billion at the end of 2020, **mainly due to delays in implementing the shared managed funds under the 2021-2027 MFF.** However, together with outstanding NGEU commitments, total outstanding commitments reached a record amount.

The **total exposure of the EU budget to contingent liabilities more than doubled in 2021**, from €131.9 billion to €277.9 billion. This was mainly due to €91 billion issued in **bonds to finance NGEU**, and an extra €50.2 billion in the loans made to Member States under the European instrument for temporary support to mitigate unemployment risk in an emergency (**SURE**).

Lastly, the EU is using its budget and additional flexibility to react to **Russia's war of aggression against Ukraine**. This increases the EU's budgetary needs, and leads to a higher risk of contingent liabilities to the EU budget being triggered. At the end of 2021, Ukraine had outstanding loans with a nominal value of €4.7 billion under the Macro-Financial Assistance and Euratom programmes. In addition, the European Investment Bank (EIB) has granted loans worth €2.1 billion which are supported by EU guarantees.

### Great challenges ahead

The EU response to the COVID-19 pandemic had 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.

*"With the war of aggression in Ukraine, the energy shortage, the coronavirus pandemic and climate change, the EU is being forced to deal at one and the same time with the consequences of an unprecedented series of crises", said ECA President Tony Murphy. "Such an environment creates increased risks and challenges for the EU's finances and makes it all the more important that the European Commission manage them soundly and effectively. Through our work, we play an important role in ensuring this."*

### Annual report on the European Development Funds for the 2021 financial year

The **European Development Funds (EDFs)** were the main instrument which the EU used to provide development cooperation aid to the African, Caribbean and Pacific (ACP) countries and overseas countries and territories (OCTs) until the end of 2020, with the 11<sup>th</sup> (and final) EDF covering the 2014-2020 MFF. 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 for African, Caribbean and Pacific states has been integrated into the Neighbourhood, Development and International Cooperation Instrument (NDICI/Global Europe), and development cooperation aid for OCTs has been incorporated into the Overseas Association Decision. However, the 8<sup>th</sup>, 9<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> EDFs were not

<sup>2</sup> The eight shared management funds under the CPR are the European Regional Development Fund; the European Social Fund Plus; the Cohesion Fund; the Just Transition Fund; the European Maritime, Fisheries and Aquaculture Fund; the Asylum, Migration and Integration Fund; the Internal Security Fund; and the Instrument for Financial Support for Border Management and Visa Policy.



integrated into the EU general budget, and continue to be implemented and reported on separately until their closure.

For 2021, the total value of expenditure subject to audit in this area was €3.1 billion. This expenditure relates to the 9<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> EDFs.

As for the reliability of the EDFs' accounts, the ECA concluded that the 2021 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 2021 financial year was affected by material error, with an **estimated level of error of 4.6%** (2020: 3.8 %). **The ECA's opinion on expenditure for the 2021 financial year is therefore adverse.**

#### Report on the performance of the EU budget – status at the end of 2021

On 14 November 2022, 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 2021.

The ECA has reported on the **mainstreaming of five horizontal policy priorities** that are relevant for the EU's current multi-year spending until 2027<sup>3</sup>. It audited a selection of 11 spending programmes representing 90 % of payments made up to the end of 2021 under four operational headings of the 2021-2027 MFF.

The Commission pursues horizontal policy priorities across spending programmes. It aims to progressively incorporate them into the design and spending of the EU budget in order to ensure that spending programmes address them in addition to their own programme objectives. Making cross-cutting policies part and parcel of the way the EU's spending programmes are designed, carried out and assessed is important for maximising transparency in how funds for different priorities are allocated, and for providing a broad overview of the EU budget's performance.

The ECA found that climate and biodiversity priorities were mostly incorporated adequately; the United Nations' Sustainable Development Goals (SDGs) and the digital transition had been partially incorporated. Gender, on the other hand, had been incorporated to a much lesser extent.

In addition, there are major differences in the way the Commission measures the EU budget's contribution to the five key cross-cutting policies and reports on their achievement in its performance framework.

*"The Commission should better incorporate the EU's overarching policy priorities into its performance framework, in particular for gender equality, digital transition and the SDGs, while taking into account the cost and feasibility of its approach,"* said François-Roger Cazala, the ECA Member responsible for the report. *"It should also improve reporting on cross-cutting policy priorities to show how it makes the most of every euro spent, as well as better highlighting expenditure that contributes to several horizontal policy priorities at the same time."*



The annual reports on the implementation of the 2021 EU budget and European Development Funds, the report on the performance of the EU budget, and other related information, are available on the ECA's [website](#).

<sup>3</sup> Relevant horizontal policy priorities for 2021-2027 MFF: combat climate change; preserve biodiversity; gender equality; the United Nations' Sustainable Development Goals (SDGs); and digital transition.



## OTHER REPORTS, OPINIONS, REVIEWS AND PUBLICATIONS ISSUED BY THE EUROPEAN COURT OF AUDITORS IN 2022

### European Court of Auditors

#### Special reports

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

The ECA published the following special reports in 2022:

- **Special report 01/2022:** EU support for the rule of law in the Western Balkans – Despite efforts, fundamental problems persist
- **Special report 02/2022:** Energy efficiency in enterprises – Some energy savings but weaknesses in planning and project selection
- **Special report 03/2022:** 5G roll-out in the EU – Delays in deployment of networks with security issues remaining unresolved
- **Special report 04/2022:** Investment funds EU actions have not yet created a true single market benefiting investors
- **Special report 05/2022:** Cybersecurity of EU institutions, bodies and agencies – Level of preparedness overall not commensurate with the threats
- **Special report 06/2022:** EU intellectual property rights – Protection not fully waterproof
- **Special report 07/2022:** SME internationalisation instruments – A large number of support actions but not fully coherent or coordinated
- **Special report 08/2022:** ERDF support for SME competitiveness – Design weaknesses decrease effectiveness of funding
- **Special report 09/2022:** Climate spending in the 2014-2020 EU budget – Not as high as reported
- **Special report 10/2022:** LEADER and community-led local development facilitates local engagement but additional benefits still not sufficiently demonstrated
- **Special report 11/2022:** Protecting the EU budget – Better use of blacklisting needed
- **Special report 12/2022:** Durability in rural development – Most projects remain operational for the period required, but there are opportunities to achieve longer lasting results
- **Special report 13/2022:** Free movement in the EU during the COVID-19 pandemic – Limited scrutiny of internal border controls, and uncoordinated actions by Member States
- **Special report 14/2022:** The Commission's response to fraud in the Common Agricultural Policy – Time to dig deeper
- **Special Report 15/2022:** Measures to widen participation in Horizon 2020 were well designed but sustainable change will mostly depend on efforts by national authorities

- **Special report 16/2022:** Data in the Common Agricultural Policy – Unrealised potential of big data for policy evaluations
- **Special report 17/2022:** External consultants at the European Commission – Scope for reform
- **Special report 18/2022:** EU institutions and COVID-19 – Responded rapidly, challenges still ahead to make the best of the crisis-led innovation and flexibility
- **Special report 19/2022:** EU COVID-19 vaccine procurement – Sufficient doses secured after initial challenges, but performance of the process not sufficiently assessed
- **Special report 20/2022:** EU action to combat illegal fishing – Control systems in place but weakened by uneven checks and sanctions by Member States
- **Special report 21/2022:** The Commission's assessment of national recovery and resilience plans – Overall appropriate but implementation risks remain
- **Special report 22/2022:** EU support to coal regions – Limited focus on socio-economic and energy transition
- **Special report 23/2022:** Synergies between Horizon 2020 and European Structural and Investment Funds – Not yet used to full potential
- **Special report 24/2022:** e-Government actions targeting businesses – Commission's actions implemented, but availability of e-services still varies across the EU
- **Special report 25/2022:** Verification of Gross National Income for financing the EU budget – Risks in data compilation well covered overall, but scope for increased prioritisation of actions
- **Special report 26/2022:** European statistics – Potential to further improve quality
- **Special report 27/2022:** EU support to cross-border cooperation with neighbouring countries
- **Special report 28/2022:** Support to mitigate Unemployment Risks in an Emergency (SURE)





## Specific annual reports

In 2022, the ECA audited the accounts and the underlying transactions of the **EU agencies and other bodies** for the financial year 2021. The **Annual report on EU agencies for the financial year 2021** presents a comprehensive overview on the agencies set up by the EU and provides detailed results of the annual agency audits. A summary (**2021 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 of the agencies' accounts;
- unqualified (clean) audit opinions on the legality and regularity of the revenue underlying all of the agencies' accounts; and
- unqualified (clean) audit opinions on the legality and regularity of the payments underlying all of the agencies' accounts, except for eu-LISA (for which a qualified opinion was issued).

Nevertheless, for most agencies, the ECA draws attention to areas for improvement in paragraphs on "emphasis of matter" and "other matter", as well as in observations that do not call into question the audit opinions.

The ECA also published the **Annual report on EU Joint Undertakings for the financial year 2021**. Overall, the audit of the Joint Undertakings (JUs) for the financial year 2021 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 nine JUs; and
- unqualified (clean) audit opinions on the legality and regularity of the transactions underlying the accounts for nine JUs.

Nevertheless, the ECA highlighted areas of importance through paragraphs on "other matter" or "emphasis of matter", and flagged up areas for improvement through its observations, without calling into question the audit opinions.

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 2022, the ECA issued the **Report (pursuant to Article 92(4) of Regulation (EU) No 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 2021 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 2021**.



## 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 2022:

- ◇ **Opinion 01/2022 (pursuant to Article 287(4), TFEU) concerning the Commission's proposal for a Regulation on the statute and funding of European political parties and European political foundations**
- ◇ **Opinion 02/2022 concerning the Commission's proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU, Euratom) 2018/1046 on the financial rules applicable to the general budget of the Union**
- ◇ **Opinion 03/2022: Methods and procedure for making available own resources based on the Emissions Trading System, the Carbon Border Adjustment Mechanism and reallocated profits, and measures to meet cash requirements**
- ◇ **Opinion 04/2022: REPowerEU**
- ◇ **Opinion 05/2022: EPPO child allowance**
- ◇ **Opinion 06/2022 (pursuant to Article 322(1), TFEU) concerning the proposal for a Regulation of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (recast)**
- ◇ **Opinion 07/2022 concerning the proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU, Euratom) 2018/1046 as regards the establishment of a diversified funding strategy as a general borrowing method**
- ◇ **Opinion 08/2022 (pursuant to Article 322(1), TFEU) concerning the proposal for a Regulation of the European Parliament and of the Council establishing a Social Climate Fund as revised by the Council**



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Architects of the ECA's buildings: Paul Noël (K1 building, 1988) and Jim Clemes (K2 building, 2004, K3 building, 2013)

## Reviews

Reviews are based on accumulated knowledge and experience. They cover different EU-related policy and management topics, and their objectives vary. They sometimes provide a 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 relating to specific topics or problems.

In 2022, the ECA published one review:

- ◇ **Review 01/2022: Energy taxation, carbon pricing and energy subsidies**

## Audit previews

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

In 2022, the ECA published audit previews on:

- ◇ **Support to mitigate Unemployment Risks in an Emergency (SURE)**
- ◇ **Becoming the world's second largest battery producer**

## Annual activity reports

The ECA's **Annual activity report for 2021** 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.

The **Report of the authorising officer by delegation for the financial year 2021** contains information about the ECA's resource management, and about the efficiency and effectiveness of its internal control systems. It provides management accountability both internally within the ECA, and externally to the budgetary authorities. The report is sent to the Commission, the European Parliament and the Council as part of the annual budget discharge procedure.

The **2021 ECA sustainability report** contains information on the ECA's sustainability practices and behaviour that is of interest to institutional stakeholders and EU citizens. It provides an overview of the economic, environmental and social impacts of the ECA's operations.

## Journal

The ECA Journal is a periodical that 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.

The ECA published two issues of the Journal in 2022:

- ◇ **ECA Journal 01/2022: "Cohesion and NextGenerationEU – Concord or clash?"**
- ◇ **ECA Journal 02/2022: "The EU Recovery and Resilience Facility – A jump to a resilient Europe?"**



# CHANGES IN THE COLLEGE OF MEMBERS OF THE EUROPEAN COURT OF AUDITORS IN 2022

## European Court of Auditors

On 20 September 2022, the college of Members of the European Court of Auditors elected **Tony Murphy** (Ireland) as President for a three-year term commencing 1 October 2022.

In 2022, after consulting the European Parliament on the nominees from six member states, the Council of the European Union appointed the following new Members of the European Court of Auditors:

- **Jorg Kristijan Petrovič** (Slovenia) for the period from 7 May 2022 to 6 May 2028, replacing Samo Jereb;
- **Stef Blok** (Netherlands) for the period from 1 September 2022 to 31 December 2025, replacing Alex Brenninkmeijer, who passed away on 14 April 2022;
- **George Marius Hyzler** (Malta) for the period from 1 October 2022 to 30 September 2028, replacing Leo Brincat;

- **Lefteris Christoforou** (Cyprus) for the period from 2 November 2022 to 1 November 2028, replacing Lazaros S. Lazarou;
- **Laima Liucija Andrikiienė** (Lithuania) for the period from 16 November 2022 to 15 November 2028, replacing Rimantas Šadžius;
- **Keit Pentus-Rosimannus** (Estonia) for the period from 1 January 2023 to 31 December 2028, replacing Juhan Parts.


In 2022, the Council of the European Union also reappointed the following Members for a further six-year term, from 7 May 2022 to 6 May 2028:

- **Jan Gregor** (Czech Republic);
- **Mihails Kozlovs** (Latvia);
- **Marek Opiola** (Poland).



College of Members of the ECA. © European Union 2023 – Source: ECA/Victor Fischbach



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- 5.1. The role of the Chamber of Accounts of the Republic of Azerbaijan in the implementation of the sustainable development goals
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# THE ROLE OF THE CHAMBER OF ACCOUNTS OF THE REPUBLIC OF AZERBAIJAN IN THE IMPLEMENTATION OF THE SUSTAINABLE DEVELOPMENT GOALS

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### A. Sustainable Development Goals (SDGs) as an international challenge

The Sustainable Development Goals Initiative has been adopted as an international challenge in regard with the implementation of the "Transforming Our World: The 2030 Agenda for Sustainable Development" adopted by the UN General Assembly Resolution of September 25, 2015. The SDGs are the continuation of the previous international challenges -Millennium Development Goals (MDGs).

In respect to the changes made to the system of global indicators at the 51st session of the Statistical Commission held in 2020, the number of SDG indicators was increased to 247, and the names of some indicators were specified.

### B. Institutional base of SDGs in Azerbaijan

The National Coordination Council for Sustainable Development (NCCSD) was established in Azerbaijan. The establishment of the NCCSD is an important step in the formation of a new institutional base for solving socio-economic problems.

In order to effectively organize the activities of the Council, thematic working groups in 4 areas consisting of authorized representatives of government agencies were established: economic development and decent employment; Social issues; Environmental issues; Monitoring and evaluation.

### C. The role of Supreme Audit Institutions in the implementation of SDGs

Currently, this document is strongly supported by SAIs at the international level is considered as an important

initiative in the realization of the socio-economic goals of the states.

The activities of the SAIs are primarily based on ISSAIs that are internationally recognized standards. In 2016, ISSAI 5130 on "Sustainable Development Goals: The Role of Supreme Audit Institutions" was adopted, and later on, the document was renamed as GUID 5202 "Sustainable Development Goals: The Role of Supreme Audit Institutions".

### D. Audit of Sustainable Development Goals as the main direction of the activity of the Chamber of Accounts

9 strategic goals have been defined in the Strategic Plan of the Chamber of Accounts for 2021-2025.

The 6<sup>th</sup> of these goals is performance audit. One of the important requirements is the alignment of the topics selected for the upcoming years with the goals of the Sustainable Development Goals (SDGs) on the performance audit.

On this basis, 4 audit topics were selected for 2021 and 5 for 2022. In 2021, 2 of the selected topics and 3 in 2022 were evaluated. In this case, the SDG targets were accepted as one of the audit criteria.



*9 strategic goals have been defined in the Strategic Plan of the Chamber of Accounts for 2021-2025*

		Audit topic	SDG and indicators
2021	1	Assess forest management activity of the Forestry Development Service under the Ministry of Ecology and Natural Resources of the Republic of Azerbaijan relevant to SDG 15: Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss.	<b>SDG 15. Life on land</b> SDG Indicators: [15.1-15.2]
	2	Evaluation of the effectiveness of the "2014-2020 State Program on the restoration and protection of immovable historical and cultural monuments, improvement and development of the activity of historical and cultural reserves"	<b>SDG 11. Sustainable cities and communities</b> SDG Indicators: [11.4] + inclusiveness principle
2022	1	Assessment of the effectiveness of the activity on improving the surface water supply of agriculture in the regions that use the water of the Upper Karabakh Canal	<b>SDG 6. Clean water and sanitation</b> SDG Indicators: [6.4] + inclusiveness principle
	2	Audit of activities in the field of chronic kidney disease in the Republic of Azerbaijan	<b>SDG 3. Good health and well-being</b> SDG Indicators: [3c]
	3	Evaluation of the effectiveness of the new subsidy mechanism in the field of crop production	<b>SDG 2. Zero hunger</b> SDG Indicators: [2.3-2.4-2.5-2.4A]

Table 1. Performance audit topics and alignment with the SDGs

**1. In 2021, SAI Azerbaijan aimed to assess forest management activity of the Forestry Development Service under the Ministry of Ecology and Natural Resources of the Republic of Azerbaijan relevant to SDG 15: Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss**

Some of SDG 15 targets were used as audit criteria by SAI Azerbaijan, particularly:

15.1 Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements by 2020,  
15.2 Promote the implementation of sustainable management of all types of forests, halt deforestation,

restore degraded forests and substantially increase afforestation and reforestation globally by 2020,

15. B Mobilize significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to developing countries to advance such management, including for conservation and reforestation.

Results SAI Azerbaijan assessed forest management activity, inter alia, on the basis of indicators 15.1.1 and 15.2.1 defined for targets 15.1 and 15.2 of the SDGs 15 in Global forest resources assessment 2020: Main report of the Food and Agriculture Organization of the United Nations (FAO).

Indicator 15.1.1 ("Forest area as a proportion of total land area") remained unchanged at 12 % during 2010–2020, while indicator 15.2.1 ("Progress towards sustainable forest management") remained at the low level due to poor forest management.

Indicator 15.2.1 also considered the forest area under independently verified forest management certification schemes. Forest management certification in Azerbaijan was evaluated as unsatisfactory.

## **2. Evaluation of the effectiveness of the "2014–2020 State Program on the restoration and protection of immovable historical and cultural monuments, improvement and development of the activity of historical and cultural reserves"**

The Goal 11.4 "Protect the World's Cultural and Natural Heritage" under the SDG 11 "Sustainable Cities and Communities" adopted by the UN means the preservation of the world's cultural and natural heritage and envisages the strengthening of measures for their protection by 2030. The indicator 11.4.1 represents the amount of all expenses (budgetary and non-budgetary) per capita for protection, preservation and conservation of cultural and natural heritage.

The amount of all expenses (budgetary and non-budgetary) per capita for the protection, protection and conservation of cultural and natural heritage, taking into account the expenses on reserves, has not had a noticeable growth dynamic in recent years, being very small. In addition, the small amount of expenses resulted in the lack of necessary activities to achieve the goals set by the UN, and the restoration-conservation and protection of monuments was left out of the necessary focus.

**In 2022, the SDG assessment has already been carried out on 3 of the 5 selected audit topics.**

### **1. Assessment of the effectiveness of the activity on improving the surface water supply of agriculture in the regions that use the water of the Upper Karabakh Canal**

Indicator 6.4.1 "Change in water use efficiency over time" of Target 6.4 "Increase water-use efficiency and ensure freshwater supplies" under SDG 6 "Clean water and sanitation" as a measure of productivity is defined as the ratio of the country's Gross Domestic Product to drinking water taken from all sources and indicates how much GDP falls on each m<sup>3</sup> of water.

The lack of effective use of water resources in the main channel basin regions has caused the growth rate of the amount of water taken for irrigation to exceed the

growth rate of GDP. As a result, negative trends such as the decrease of the indicator of GDP amount per m<sup>3</sup> of water determined by SDG 6 were also observed at the macro level.



*The lack of effective use of water resources in the main channel basin regions has caused the growth rate of the amount of water taken for irrigation to exceed the growth rate of GDP*

### **2. Audit of activities in the field of chronic kidney disease in the Republic of Azerbaijan**

The non-approval of the staff number for the hemodialysis departments of state medical institutions by the Ministry of Health, as well as the fact that the planned places in the residency training on nephrology are not proportional to the number of patients and hemodialysis departments are considered as some of the factors preventing the achievement of the Target 3.c. "Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in least developed countries and small island developing States" of SDG 3 "Good health and well-being".

### **3. Evaluation of the effectiveness of the new subsidy mechanism in the field of crop production**

Within the framework of SDG 2 "End hunger, achieve food security and improved nutrition and promote sustainable agriculture", the following goals have been defined in the field of agriculture:

Target 2.3 "Double the productivity and incomes of small-scale food producers" is also explained by the UN as a 2-fold increase in agricultural productivity by 2030. Within that target "2.3.1. Within that target Indicator 2.3.1. "The volume of production per labour unit by classes of farming/pastoral/forestry enterprise size" implies a 2-fold increase of the average productivity of food producers, as well as the added value per 1 worker in agriculture by 2030.



According to the information of the official website (<https://sdg-tracker.org/zero-hunger>) on the monitoring of measures taken under the SDG, the amount of added value per 1 worker in the field of agriculture, forestry and fishing in 2015 was 1945.83 US dollars and in 2019 2251.12 US dollars, with only 305.29 US dollars or 15.7% increase in 4 years. This shows that there is a need to strengthen the necessary measures in order to achieve SDGs.

Indicator 2.5.1 "Number of plant and animal genetic resources for food and agriculture secured in either medium or long-term conservation facilities" of Target 2.5 "Maintain the genetic diversity in food production" refers to the amount of genetic plant and animal resources protected for food and agriculture in the medium or long term.

According to the information of the relevant SDG monitoring site the number of protected genetic plant samples in Azerbaijan increased from 11,839 units in 2014 to 13,237 units or increased by 11.8% in 2020. This means the goal of protecting genetic diversity by 2020 has been achieved and the measures have been taken in this direction.

Target 2.5th goal - refers to the amount of plant and animal genetic resources conserved in protected areas for food and agriculture in the medium or long term.

According to the information of the relevant SDG monitoring site, the number of protected genetic plant samples in Azerbaijan increased from 11,839 units in 2014 to 13,237 units or by 11.8% in 2020. This indicates that measures had been taken to achieve the goal of protecting genetic diversity by 2020.

Indicator 2.A.1. "Agriculture orientation index for government expenditures" on Target 2.A "Invest in rural infrastructure, agricultural research, and technology and gene banks" shows the level of focus of state expenditures on agriculture and is determined by the ratio of state expenditures on agriculture to the share of agriculture in GDP. If this index is higher than one, it means that the agricultural sector receives a higher amount of government funds than its economic value, and if it is less than one, it means that the focus on agriculture is at a low level.

The ratio of the specific weight of agricultural expenses in the state budget expenses to the specific weight of agriculture in GDP in 2015 and 2021 is 0.5; in 2021, the ratio is 0.6, which means that there is no significant change in the direction of agriculture in 2021 compared to 2015.



*The ratio of the specific weight of agricultural expenses in the state budget expenses to the specific weight of agriculture in GDP in 2015 and 2021 is 0.5; in 2021, the ratio is 0.6, which means that there is no significant change in the direction of agriculture in 2021 compared to 2015*

#### E. Repository of Good Practices in Voluntary National Review (VNR) Reporting Engaging of supreme audit institutions and other relevant institutions

2030 Agenda: Member State reviews of progress at the national and subnational levels can be supported by "national parliaments as well as other institutions" (paragraph 79).

The Chamber of Accounts is Azerbaijan's Supreme Audit Institution. In 2020, it amended its mandate to incorporate SDGs. Thus, in 2020, the Chamber conducted the first performance audit, namely the "State Financial Control Measure on Assessment of Forest Management Activities of the Forest Development Service under the Ministry of Ecology and Natural Resources of the Republic of Azerbaijan," which is following SDG15 indicators.

As a result, the Chamber acknowledges that forest management is of great social, public, economic, and cultural importance and has global significance in the context of climate change. Therefore, in addition to assessing the effectiveness and efficiency of forest development funds, lack of funding for forestry management should also be evaluated and more attention paid to the socio-economic significance of forests and greenery rather than the economy.



*As a result, the Chamber acknowledges that forest management is of great social, public, economic, and cultural importance and has global significance in the context of climate change*

# THE ECA – BRINGING OUR WORK CLOSER TO THE EU CITIZEN

## The ECA's internal and external efforts

**Eva Lindström**

Member of the European Court of Auditors



The European Union is made up of its citizens and its democratic system and values rest upon them. Citizen participation and engagement are crucial to achieve accountability and trust in public administration. The European Court of Auditors (ECA), headquartered in Luxembourg, is the EU institution responsible for the external audit of the EU's finances. As an institution, we are not the most well-known to citizens. From an outside perspective, auditing can be seen as the mere scrutiny of financial accounts. However, what we strive to achieve is value for public money, and that every euro of EU taxpayer money spent is well-invested and brings results on the ground.

The ECA publishes the results of its audit work through a variety of reports – annual reports, specific annual reports, and special reports – depending on the type of audit. Other published products include opinions and review-based publications. Annual reports contain the results of financial and compliance audit work on the EU budget and European Development Funds. Our approximately 35 special reports published each year present the results of selected performance and compliance audits of specific spending or policy areas, or budgetary or management issues.

Strengthening trust in government and promoting the accountability, efficiency and transparency of the public administration are at the heart of public sector auditing. Nevertheless, reaching out to citizens is a challenge. Through our audit work, by assessing the economy, effectiveness, efficiency, legality and regularity of EU actions and subsequently publishing our findings for everyone to read, we try to bring our work closer to citizens. This is to improve accountability, transparency and financial management, in order to



*Strengthening trust in government and promoting the accountability, efficiency and transparency of the public administration are at the heart of public sector auditing*

foster citizens' trust in the context of current and future challenges facing the EU. Reaching out to citizens and stakeholders is therefore something that we have always considered a priority. As a result, we have implemented various strategies, both at the different stages of our audits as well as beyond our audits, in order to build and maintain stronger bonds with our stakeholders, citizens and taxpayers. Strategies encompassed in this article include the drafting of the annual work programme and the selection of audits, audit visits, engaging with external experts and NGOs, post-publication communication and the use of social media platforms.

Furthermore, our 2021-2025 strategy presents three strategic goals: improving accountability, transparency and audit arrangements; targeting areas in which we can add the most value; and providing assurance in a challenging and changing environment. Our work programme takes into account a broad range of issues, which reflect the EU's main challenges and key concerns in its response to the multiple crises with which it is faced. Several of the work programme's selected audits have a direct impact on the individual taxpayer and may also draw their interest. A few examples would be recent audits in relation to the COVID-19 pandemic, the energy union, using hydrogen as fuel, passenger rights, and the treatment of hazardous waste.



*Our 2021-2025 strategy presents three strategic goals: improving accountability, transparency, and audit arrangements; targeting areas in which we can add the most value; and providing assurance in a challenging and changing environment*

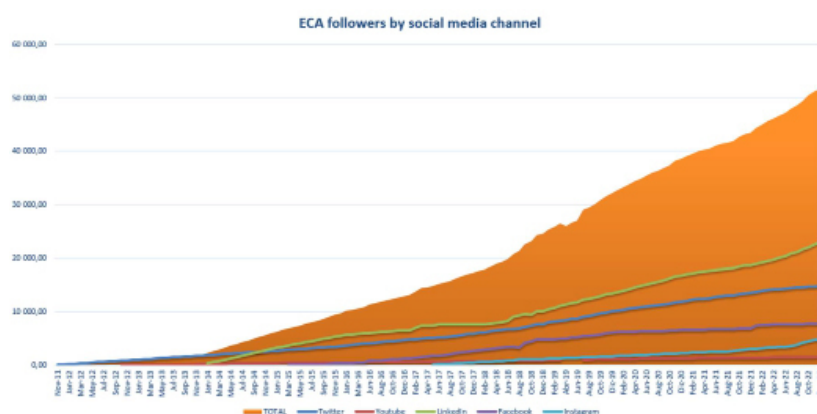
In the course of our audit work, we regularly engage with citizens in various ways. During our audits, we collect relevant data e.g. by conducting interviews with beneficiaries of EU funds, or with NGOs that have experience and interest in the audit area. For example, in the context of producing our recent review on animal transport, I visited a Polish NGO, specialised in the field, to exchange views on animal transport and welfare in Poland. Another example is my visit to the Netherlands in conjunction with our ongoing audit on soil protection and manure management, where I discussed the issue of soil protection and wetlands with an experienced Dutch NGO and several experts in this field.

In addition to audit visits, several other aspects of our methodology allow for stakeholder and citizen engagement. For example, we engage with and use external experts, either individually or collectively, in the form of focus groups. External experts allow us to gain access to specialist skills, knowledge, or experience, helping us to obtain sufficient, appropriate audit evidence. They can also provide advice to confirm, challenge, or refine significant judgements made throughout the task.

To ensure that our reports are accessible and understandable to the interested and informed reader, we go to great lengths when it comes to ensuring readability. When writing our reports, we adhere to both INTOSAI and internal guidelines in order to ensure transparency, clarity and quality in our final product, as well as the use of inclusive language and a consistent and attractive style of writing. We also place emphasis on the use of new technologies that have the potential to maximise our work's visual appeal and presentation.

Our citizen engagement efforts do not end with the publication of our work, but rather further possibilities to engage stakeholders and citizens come into play. These involve contacting news outlets, holding press briefings and stakeholder meetings, and sharing information about our work through the various social media channels. As shown in the graph (see figure 1), our social media presence has increased exponentially over the last decade, with over 50 000 followers across all platforms by the end of 2022.

Earlier this year, we published a review on



*Our social media presence has increased exponentially over the last decade, with over 50,000 followers across all platforms by the end of 2022*

the EU's actions to combat the increasing amount of hazardous waste generated, for which I was the ECA's reporting Member. On the day of publication, we invited several NGOs, associations and key players in the field to attend an open-floor stakeholder meeting to discuss the review with us. This type of interactive dynamic has improved in recent years through the use of new technology. As an illustration of this, we are developing a public "interactive dashboard" to allow participants to interact with our work in a visual way and at their own convenience. New and innovative ways of communicating are essential to successfully reach out and connect with citizens.



*New and innovative ways of communicating are essential to successfully reach out and connect with citizens*





Post-publication communication is not only carried out from the ECA as an institution. The ECA's Members often travel back to their own member states to present relevant ECA reports at national level. During my missions to Sweden, I typically meet with ministers and secretaries of state as well as chairs of parliamentary committees, who are all active in fields related to our published reports. This allows us to discuss and have an exchange of views on the current state of play in Sweden. Our reports can also be referenced in press conferences and debates, which in turn vastly increases the likelihood of raising awareness at citizen level in the country I know best.



*Our reports can also be referenced in press conferences and debates, increasing the likelihood of raising awareness at the citizen level*

Furthermore, in my capacity as the ECA's Member for Institutional Relations, my role is not only to travel to promote our work. I also work closely with other ECA Members to optimise our networks and contribute to creating an effective platform to reach out and promote citizen involvement and engagement on an EU-wide level, including at other EU and international institutions.

Our methodology, from planning, preparing and carrying out our audits to post-publication communication, incorporates EU citizen engagement at the various levels and layers of our work. We believe that a broader outreach and a higher level of citizen engagement and interest contributes to a higher quality of our audit work. It also increases public trust in our institution and therefore the EU as a whole, which is a fundamental prerequisite for democracy. At the end of the day, auditing is not about money, it is about people.



*We believe that a broader outreach and higher level of citizen engagement contribute to a higher quality of our audit work and increase public trust in our institution and the EU as a whole*



# AUDITS CAN TAKE CITIZEN PERSPECTIVE INTO ACCOUNT ON SEVERAL LEVELS

**Sari Aroaho**

International Relations Planner  
National Audit Office of Finland

For the National Audit Office of Finland (NAOF), the participation of citizens has a broader meaning than their actual involvement in audits. Through impactful and timely audits, audit topics, the conclusions and recommendations of the audits and the right kind of external communications, the NAOF can take citizens effectively into consideration in its work. Although citizen engagement is sometimes only considered to take place through interviews or inquiries, the NAOF sees it in a broader sense. Even though citizens are not directly involved in audits, they are still the NAOF's stakeholders, alongside parliament and the central government.

This article will present a few examples of how the NAOF can take citizens into account in its work and take a closer look at the audit of work-based immigration.

## An impactful and timely audit benefits citizens

By publishing impactful and timely audits, the NAOF offers political decision-makers and citizens useful and up-to-date information on how public funds are used. By viewing the NAOF's audits, citizens can gain a better understanding of their government's financial situation and may choose to take action to ensure their money is used responsibly. In this way, the NAOF's work promotes transparency between citizens and the central government and encourages good governance.

The most important stakeholder group for the NAOF is the central government, especially the decision-makers. Through audits, audit topics and the conclusions and recommendations in the audits, the NAOF can influence and improve the decisions made in the central government, which can ultimately be reflected in the quality of the life of citizens. The NAOF's conclusions and recommendations are based on sufficient and convincing audit evidence, and the implementation of the recommendations is reviewed a few years after the audit. In this way the NAOF can assess the impact of its work.



*The NAOF's conclusions and recommendations are based on sufficient and convincing audit evidence, allowing assessment of the impact of its work on citizens' lives*

The dissemination of the NAOF's recommendations and observations through active and engaging communication channels, such as websites and social media, is essential in connecting the NAOF with the citizens. By utilizing these platforms, the NAOF can raise awareness of its audits and ensure the public is kept informed. Communication channels are excellent in bringing out information about observations that, due to lack of space, have not ended up in recommendations, for example. The NAOF develops a communication strategy for every audit, aiming to reach the broadest possible audience.

One example of an impactful audit is the NAOF's audit of the renovation of the Olympic Stadium in 2021, which gained significant media attention. The audit's observations, conclusions and recommendations provided new information on the project, sparking public interest in the topic. The audit enabled the NAOF to reach many citizens, while raising interest in the audit and making citizens more aware of the actions of the entities responsible for the renovation.

## Citizen perspective can be taken into account in audits

Although the NAOF's work is targeted at the central government, the citizen perspective can be taken into account in audits. The following provides a few examples of audits from recent years that have included the citizen perspective.

The NAOF audited the status and development of the Suomi.fi services in 2022 (Finland in Finnish is Suomi). The Suomi.fi services are support services for electronic transactions. The audit found that the services' development should be more focused on customer needs. One recommendation was to clarify and strengthen strategic steering so that the development of services would be purposeful and planned.

In 2020, the NAOF audited the impacts of the TE Office (public employment and business services) reform conducted in 2013. The audit revealed that the reduction in the number of offices in the TE Office network and the introduction of service lines did not improve the employment rate or customer satisfaction in the years following the reform.

In 2022, the NAOF audited work-based immigration. One of the focus areas in the audit was customer orientation. As work-based immigration has been a hot topic for a few years now, this perspective provided the audit with greater insight, while also taking citizens into account and pushing the central government to become more attentive to their customers, the citizens. The audit also received substantial media attention in Finland, and the findings made in the audit were well received by decision-makers. This was an exemplary demonstration of how the NAOF can effectively take citizens into account through customer orientation and bring their voices to audits. As this audit was also an example of an impactful and timely audit, let's take a closer look at the audit and the audit findings made in it.

### Customer orientation focus: the case of work-based immigration audit

Finland's dependency ratio is deteriorating faster than in the other Nordic countries. To combat this, the Finnish Government has set a goal to increase the number of work-based immigrants by circa 10,000 people each year. Achieving this would reduce Finland's sustainability deficit by approximately 0.5 percent of the gross national product, equating to more than one billion euros. To reach its goals for work-based immigration, Finland must ensure that the responsible authorities, including nearly 20 entities, are customer-centric and available to their customers (work-based immigrants and their employers) throughout the entire immigration process. Based on the audit, there is still room to improve the customer-centricity, although progress has evidently been made.

The multi-entity field can create confusion for customers, making it difficult for them to decide, for instance, who they should contact in certain situations. Also, finding reliable information about work-based immigration in Finland can be a challenge due to the vast number of sources available online.

Language challenges were also found to be an issue. Applying for a work-based residence permit abroad is difficult due to applicants' inadequate language skills and the lack of instructions in any other language than English. Additionally, the staff in embassies often lack the time to provide applicants with the necessary guidance, while applicants often lack the digital skills needed to complete their applications. As a result, many applications are returned to the applicants, which increases the duration of the process. However, considerable investments have been made in customer orientation, for instance through the implementation of a virtual customer service. In the future, measures will be taken to enhance customer orientation and efficiency in the initial phase of immigrants entering Finland. This will include outsourcing the residence permit tasks of Finnish

embassies abroad and introducing remote interviews of applicants to offer smoother transactions and savings in travel costs. These changes are part of the ongoing reform of the Aliens Act.

The audit recommended streamlining the permit process and investing in customer orientation. It is essential to ensure that the permit processes are simplified, and that customer orientation is invested in. The audit found shortages of general guidance and counselling services for work-based immigrants and their family members. From the customers' point of view, the permit process should be made even more predictable for applicants and their employers.

### Citizens' voice is also heard through complaints and reports on irregularities

Citizens can turn to the NAOF if they suspect financial irregularities at a government agency, state enterprise or state-owned company. This increases the transparency of the NAOF's work and brings the citizens' voices to the NAOF. One of the principles is that every contact can have an impact. The NAOF produces a compilation of the complaints and reports on irregularities submitted to it. This is utilized, among other things, in the office's audit planning. Also, the NAOF can get up-to-date information on issues that would not come up in ongoing audits, as not all entities are audited annually.



*Citizens can turn to the NAOF if they suspect financial irregularities, increasing transparency and bringing citizens' voices to the NAOF's attention*



### To sum it up

In summary, the National Audit Office of Finland aims to better the quality of life for citizens by auditing central government finances and providing conclusions and recommendations based on audit evidence. The NAOF engages citizens in its work through impactful and timely audit topics and by communicating their conclusions and recommendations through external communication channels, such as its website and social media. The NAOF also takes citizens into account in its audits, for example by auditing the status and development of the Suomi.fi services and the customer orientation in work-based immigration. Finally, the NAOF listens also to citizens' voices through complaints and reports on irregularities.



# LEVERAGING KNOWLEDGE IN AUDITS FOR THE GOOD OF SOCIETY – CAPTURING PIECES OF THE PUZZLE

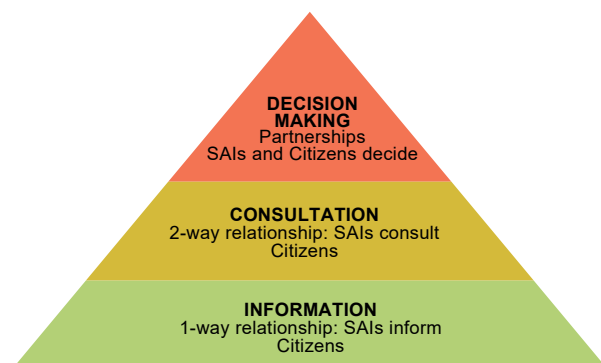
State Audit Office of the Republic of Latvia

## Introduction

At INCOSAI XII, delegate SAIs highlighted in the Rio Declaration the intent to foster improved collaboration with stakeholders to advance our work. Within the scope of principle 6 on communicating effectively with stakeholders ISSAI P-12 states that “SAIs should engage with stakeholders, recognising their different roles, and consider their views, without compromising the SAI’s independence”. SAI Latvia identifies part of this as the leverage of knowledge for the good of society.

The Department of Economic and Social Affairs of the United Nations Secretariat has published a compendium of innovative practises of citizen engagement by SAIs for public accountability titled “Citizen Engagement Practises by Supreme Audit Institutions”<sup>1</sup> whereby different stages of engagement are presented.

## ISSAI guiding principles and their implementation by SAI Latvia



### Stages of citizen engagement with SAIs<sup>1</sup>

The first, broadest stage is a one-way relationship where the SAIs inform the public. This is the most commonly used type of engagement which is practised by SAIs globally and is embodied through ISSAI P-20 Principles of Transparency and Accountability under principle 7 that SAIs report publicly on the results of their audits and on their conclusions regarding overall government activities. This includes reporting on conclusions and recommendations from audits, reporting on follow up measure taken and others. SAI Latvia maintains this principle through the publication of audit reports, via **an on-line recommendation platform** which provides information (updated

twice a year) on progress made by auditees in the implementation of recommendations and giving updated information under the hashtag #PecRevizijas (#AfterAudit).

The second level is deemed consultation described as a two-way relationship whereby SAIs consult citizens. This tier of citizen engagement is an important part of the work of SAI Latvia and presents challenges to the auditor in using this consultation instrument in the most efficient way to leverage the knowledge needed to conduct the audit and bring about pertinent findings for the good of society and to maintain SAIs independence. For SAI Latvia this consultation tier delves to a deeper level - real engagement, as the

“ Within a two-year period, SAI Latvia has cooperated with more than 80 civil society organisations. ”

Prepared by SAI Latvia

input from citizens and citizen-groups is dynamic and diverse as demonstrated in the three examples.

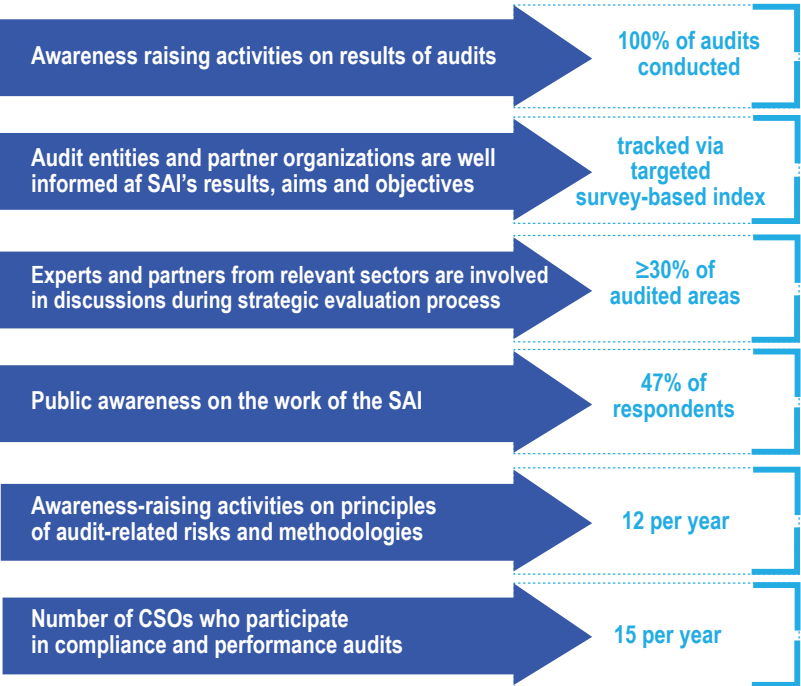
At the decision-making level SAIs work together with civil society in partnerships to make decisions together. SAI Latvia has established a Public Council comprised of experienced professionals from various areas of private sector and academic environment. It is a consultative body consisting of SAI Latvia’s invited experts who are well-known in society and highly valued in the sectors of their professional activity. The members of the Public Council are involved in the strategic planning of audit topics. The Council informs and educates the public about audit findings of SAI Latvia (in dissemination of audit results), inviting state and local government institutions to use the funds of the public sector in an expedient manner, setting the sustainable development of the State of Latvia as a joint goal.

“ The first, broadest stage is a one-way relationship where the SAIs inform the public ”

<sup>1</sup> DESA, 2013. <https://iniciativatpa.org/wp-content/uploads/2014/09/INTOSAI-citizen-engagement.pdf>

As a part of SAI Latvia’s strategy for the period 2022-2025, we have set cooperation as one of our three core values. Thus, during this period we have targeted specific actions in enhancing cooperation in various realms, including via citizens engagement which we track progress on under the following indicators:

Civil engagement strategic targets for 2022 - 2025



Prepared by SAI Latvia

Best practises

How are small ports managed?



Prepared by SAI Latvia

Auditors worked with representatives of six associations involved in the management of ports in Latvia pertaining to interests related to fisheries, sailing & yachting, ship brokers and timber manufacturing. Together, they helped to gain a deep understanding of the specifics of the audit topic and the related risks (in terms of the regulatory framework, practical aspects and good governance, such as engagement in decision-making at the municipal level on port development issues). The audit team applied surveys and review of documentation to gain evidence. Engagement also contributed to drafting recommendations to achieve higher value for the citizens. Audit report available [here](#).

Does the child with behavioural disorders and his/her family have the opportunity to receive the necessary support?

Long-standing cooperation has been established on child-related issues between SAI Latvia auditors and civil society organisations. Engagement starts at the audit planning stage to enhance auditors grasp of complex problems and issues that need attention. Practitioners joined auditors at the discussion organised about the results of the audit to provide further insight into the audit recommendations. These organizations which support children with behavioural issues helped to spread information on the audit and its results more broadly and made the impact of the necessity to address the issues stronger and more widely heard by the general public and the responsible authorities. Audit report available [here](#).



Audit publicity photo, Depositphotos



Discussion with NGOs on audit results on children with behavioural disorders. Prepared by SAI Latvia

**Monitoring the implementation of the recommendations of the closed regularity audit “Performance Efficiency of the Ministry of Education and Science and compliance with the statutory requirements in developing and organising implementation of the national science policy”**

Almost ten years had passed since the previous audit in the science area and thus we began during the audit planning stage by initiating focus group discussions with members of Latvia’s Association of Young Scientists (LJZA) and researchers of the Baltic Studies Centre on current issues in the science field, changes made over the period since the previous audit, their views on problems that exist which hinder development.



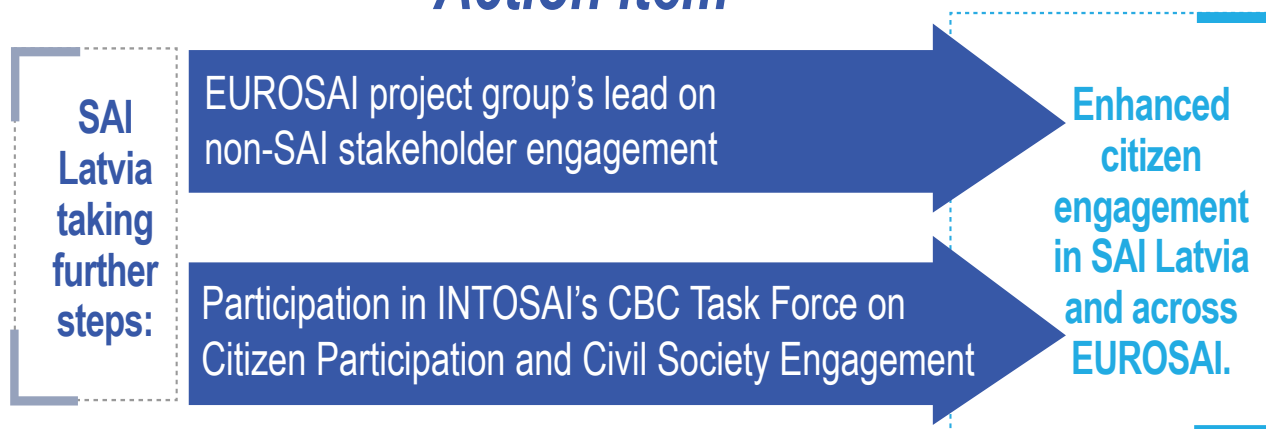
Audit publicity photo, Depositphotos



The information gathered from researchers of five different scientific institutions were used in assessing risks and developing the audit approach. Cooperation continued at the evidence gathering stage engaging the Board Chair of LJZA to provide input on the draft questionnaire prepared on collecting information on results of project implemented in fundamental and applied research. Discussions with the LJZA Board Chair at the final audit stage on findings assisted activities related to the launch of the report in terms of preparations for the reactions from the science community. Audit report available [here](#).



## Action item



Prepared by SAI Latvia



# THE POWER OF CITIZENS' VOICE IN THE PREPARATION OF THE SAI'S ANNUAL ACTIVITY PLAN

## National Audit Office of Lithuania

Each year, when drawing up the Annual Activity Plan of the National Audit Office of Lithuania (NAOL), careful consideration is given to the choice of audit topics and the scope of the audit work, so that the limited resources of the institution can be focused on the most pressing and important issues in public governance.

To get more information about the issues of public governance that are relevant to the citizens, the NAOL on its own initiative invites citizens to actively contribute to the development of the Annual Activity Plan throughout the year, on the institution's website, in social networks, during telephone and e-mail consultations by pointing out the important weaknesses of the public sector they encounter. The public sector problems identified by citizens are taken into account in the selection of the directions and topics of the public audit and, where relevant, are assessed in the context of the audit.

Citizens can alert the NAOL on the observed public sector area problems and submit their suggestions through several simple channels by:

- writing reasoned suggestions on audit topics and public sector weaknesses observed through an online form on the NAOL's website (the form in Lithuanian can be found by clicking on this link: <https://www.valstybeskontrole.lt/LT/Siulymai/Naujas>);
- sending a letter by regular post or email;
- calling the customer service number on the website;
- coming to the NAOL and making written or oral suggestions.



*Citizens can alert the NAOL on the observed public sector area problems and submit their suggestions through several simple channels*

All citizens' proposals received are recorded in the NAOL's document management system and forwarded to colleagues in the Planning and Impact Department (PID), who are meticulously working on the NAOL's Annual Activity Plan. The PID ensures that the most significant risks in the public sector are identified and that audits and other assessments are planned within the competence of the Supreme Audit Institution.

All suggestions received from citizens are included in the risk analysis process - the suggestions are allocated according to the public sector areas covered by each specific suggestion and monitored by an individual PID staff member responsible for the area. If the information provided by citizens is used for public sector monitoring, they are provided with an informative response.

So what are the criteria for taking into account citizens' proposals?

- The citizen's suggestion raises issues that are used as an additional argument to justify the risks already seen by the PID staff.
- The proposal has the potential to trigger as yet unidentified risks. In this case, the public sector area is further investigated by collecting data and meeting with public sector area experts.

And the risks that qualify for the Annual Activity Plan are ranked according to:

- The impact the future audit will have on a specific area of the public sector.
- The link to the NAOL priorities, strategic documents/State budget allocations and State assets.
- Which part of society is concerned with these risks.
- Whether the public and the media pay much attention to the proposed risks.



*The National Audit Office aims to cooperate as widely as possible with the academic community, and to this end, cooperation agreements have been concluded with several Lithuanian universities*

The NAOL is implementing a number of additional strategic measures to strengthen the voice and promote the involvement of the public in the preparation of the Annual Activity Plan. One of them is the validation of the relevance of the identified risks by including the expertise of external stakeholders and experts through an annual survey.

This survey also aims to identify issues in the performance of the public sector that require major changes. Almost three hundred institutions were invited to take part in the survey in May last year.

These external stakeholders include not only public institutions, but also other public sector bodies, various non-governmental

organisations, associations, confederations, etc., which have submitted 34 proposals for audit and assessment topics for 2023.

The 2023 Annual Activity Plan includes 13 new topics for audits and assessments, of which 9 were proposed in the annual survey mentioned above.

## GOOD TO KNOW

The National Audit Office of Lithuania also creates an open educational space and educational activities for Lithuanian citizens – starting from elementary school children and continuing with everyone interested in broadening one's horizons about Institution's activity:

- The National Audit Office aims to cooperate as widely as possible with the academic community, and to this end, cooperation agreements have been concluded with several Lithuanian universities. Several times a year, representatives of the NAOL give lectures to students at universities, during which the results of the institution's activities are not presented as dry theoretical material, but as different practical situations addressed together with the students by conducting an audit.
- Representatives of the National Audit Office are invited to give lessons to schoolchildren (recently via distance learning) on the importance of the institution and its place in the state system. Such lessons also are meant to introduce the functions and mission of the NAOL, the auditing profession, and to encourage students to take an interest in the profession and to consider it as a future career option.
- The National Audit Office is also happy to receive pupils and students in person, by prior arrangement. A short tour of the institution provides a brief history of the institution, a chance to see what the auditors' daily work looks like, and a lecture on the work of the NAOL and the impact it has on the state and on the people.
- In addition to the important but less frequent educational activities mentioned above, the National Audit Office shares useful, interesting and, in some cases, unknown information about the daily life of the Office and its staff on its social networks every week.



*The National Audit Office is also happy to receive pupils and students in person, by prior arrangement*





# PORTUGUESE COURT OF AUDITORS (TRIBUNAL DE CONTAS) AND THE PARLIAMENT: RELATIONS FOR GREATER AUDIT IMPACT, OVERSIGHT AND ACCOUNTABILITY

## Tribunal de Contas of Portugal



### I. SAIs and National Parliaments

The effectiveness of any management activity (public or private) requires a good control system; management and its control are, therefore, inseparable.

In the control of public management activity, notwithstanding the internal control developed by supervisory bodies and services endowed with technical independence (the one exercised by the Inspectorate General of Finance), there has always been a need for external and independent financial control in relation to the supervised entities.

This is not only about technical independence, but of a broader independence, translated, namely, in self-government, in the power to determine the action plan, without the possibility of interference from other bodies and in the independent status of those who exercise such control. This characteristic is fundamental in SAIs in relation to any other control bodies.

The relationship between national Parliaments and SAIs recall Article 15 of the 1789 Declaration of the Rights of Man and of the Citizen, which states: "La société a le droit de demander compte à tout agent public de son administration".

Any modern society finds in its Parliament the legitimate representative of the citizens, since they are the ones who elect it. Citizens are the reason for the SAIs existence, and, together with their respective Parliaments, are the main beneficiaries of their activities. Parliament and citizens are, therefore, elements that make up the "identity card" of the SAIs. In civilized societies, accountability for the management of public funds is made before the:

- Citizens;
- Parliaments, the legitimates representatives of the citizens;
- External and independent financial control bodies.

The SAIs and Parliaments are elements of a balanced and interactive system of public accountability.

The SAIs guarantee the credibility of financial information, through their technicality and independence, providing Parliaments with a more effective exercise of their oversight action over Governments.

The political attention of Parliaments favours the exercise of appropriate influence on Governments, contributing to compliance with the recommendations formulated by the SAIs and to a greater accountability. Above all in democratic regimes the SAIs assume their full potential, with the fundamental mission of informing citizens and the Parliament how public financial resources are managed, possibly with the establishment of financial liabilities.



*Parliament and citizens are, therefore, elements that make up the 'identity card' of the SAIs*



Tribunal de Contas (Portuguese Court of Auditors)

Through the recommendations formulated by the SAIs, the control of public financial activity represents a pedagogical mission and a contribution to the balance of life and good public financial management. The existence of a SAI corresponds, in most states, to a political and constitutional choice at the level of the state structure itself. A comparative analysis of SAIs leads to the conclusion that there are, at least, five common elements:

- are public bodies;
- are the highest level of control;
- the control developed is external;
- are endowed with independence;
- the Parliament, representative of the citizens, is the privileged addressee of its activity, except for jurisdictional activity, when it exists.



*The SAIs guarantee the credibility of financial information, through their technicality and independence, providing Parliaments with a more effective exercise of their oversight action over Governments*

## II. Portuguese Court of Auditors (TdC) and Portuguese Parliament (AR) within the normative framework of the Portuguese Constitution (CRP) and the Organizational and Procedural Law of the TdC (LOPTC)

Differently from what occurs in some countries, where SAIs correspond to the Auditor General model and are auditing bodies and not Courts, in other countries SAIs correspond to the Court of Auditors model and are true Courts.

In Portugal, the CRP [Article 209/1(c)] inserts the TdC into the categories of Courts.

The TdC is a Financial Court, supreme and unique in its jurisdiction and, like the Parliament, is a sovereign body, being independent and subject only to the law.

The TdC:

- Controls all use (public or private) of public funds;
- Audits the legality and regularity of public revenue and expenditure;
- Assesses good financial management, and may make recommendations;
- Enforces the financial liabilities of any managers of public money.

These competences reflect a concern to ensure good public financial management, safeguarding the interests of citizens, the main beneficiaries of the TdC activity. Although the actions of the TdC are characterized, *prima facie*, by the pursuit of the public interest, ensuring legality and good financial management, the rights of citizens, the holders of public financial resources and assets, are also guaranteed.

### A. Relations between TdC and Portuguese Parliament (Assembleia da República – AR) in the CRP

Exemplifying the relations between the TdC and the AR, with consequences on the LOPTC, in the CRP we highlight:

i) Article 107: “The Budget’s execution shall be scrutinised by the Court of Auditors and the Assembly of the Republic...”.

The AR, which exercises legislative power, and the TdC, member of the judiciary, control the Government, which exercises executive power, with regard to the execution of the State Budget.

ii) Article 214 (a specific rule of the CRP about the TdC) /1(a), states that “The Court of Auditors is the senior/supreme organ for the scrutiny of the legality of public expenditure and for judging the accounts which the law requires to be submitted to it...”.

This is why the TdC must be heard when the draft State Budget Law is presented.

The CRP [Article 214/1(a)] also states that it is the TdC competence, namely: “Give an opinion on the General State Accounts...”.

The Article 5/1(a) of LOPTC repeats this competence. The no. 2 determines that “It is also incumbent upon the Court to approve (...) opinions prepared at the request of the Parliament (...) on legislative projects on financial matters”.



*The TdC is a Financial Court, supreme and unique in its jurisdiction and, like the Parliament, is a sovereign body, being independent and subject only to the law*

## B. Audits of the TdC

Notwithstanding the importance of the function of enforcing financial liability, within the competencies of the TdC we also find the auditing function that, although autonomous from it, is complementary and interdependent, within the scope of external financial control of the spending of public money.

The LOPTC [Article 5/1(g)] states that it is the TdC competence "To conduct on its own initiative, or at the request of the Assembly of the Republic (...), audits of the entities referred in Article 2".

On its own initiative or at the request of the Parliament, reports resulting from audit activity are intended to the:

- AR;
- Citizens;
- Audited entities, possibly accompanied by recommendations; and
- Serve as a basis for the judgment of liabilities, namely financial.

## III. Relationship between TdC and AR

In Portugal, the relations between the TdC and the AR were characterized, until 2000, by a high degree of formality, essentially translated into the annual delivery by the Court of its Opinion on the General State Account.

Since then, this relationship/cooperation between the two entities has intensified, namely:

### A. In the area of financial/budgetary oversight:

- The TdC communicates to the AR the information obtained in the oversight of the budget execution;
- The AR evaluates and approves the General State Account, preceded by an opinion from the TdC;
- The TdC may make recommendations to the AR for the correction of legislative or management deficiencies;
- It is up to the AR the submission to the Public Prosecutor's Office of the opinions of the TdC in order to establish any financial liabilities.



Portuguese Constitution, approved in 1976



*The presence of the President of the TdC or rapporteurs of audit reports in sessions of the Parliamentary Committee on Budget, Finance and Administrative Modernization*

- The presence of the President of the TdC or rapporteurs of audit reports in sessions of the Parliamentary Committee on Budget, Finance and Administrative Modernization;
- The AR can request to the TdC:
  - Audits of any type or nature;
  - Annually, audits of two bodies of the Internal Control System;
- The TdC sends to the AR:
  - Audit reports that it considers should deserve its attention.

### B. Legislative Activity:

- The AR may ask the TdC for opinions on legislative projects on financial issues/matters;
- The TdC may propose legislative initiatives necessary for the exercise of its jurisdiction.

### C. Mutual Control:

- The accounts of the AR are submitted to the TdC, which gives an opinion on them;
- The accounts of the TdC are sent to the AR;
- The TdC sends its Annual Plan and Activities Report to the AR;
- In the preparation of its Strategic Plan, on a three-yearly basis, the TdC is heard by AR.



*The AR, which exercises legislative power, and the TdC, member of the judiciary, control the Government, which exercises executive power, with regard to the execution of the State Budget*





### *The TdC sends its Annual Plan and Activities Report to the AR*

#### IV. Conclusion

Given their nature and raison d'être, the SAIs are intrinsically linked to the Parliaments and citizens.

The SAIs are:

- an instrument of accountability arising from public management;
- a factor in the construction of a stronger and resilient financial system, given the pedagogical character of their recommendations.

The TdC is a guarantee for citizens and an indispensable scientific-technical support base for Parliament in the exercise of its political oversight.



*The SAIs are an instrument of accountability arising from public management and a factor in the construction of a stronger and resilient financial system, given the pedagogical character of their recommendations*



Assembleia da República (Portuguese Parliament)

## OPENING NEW WINDOWS TO COMMUNICATION

The Spanish Court of Audit explores new tools and technologies to increase public knowledge of the Institution

### Spanish Court of Audit - EUROSAT Secretariat



The Spanish Court of Audits' new slogan "Accounting for you" ["Contamos para ti"] perfectly captures the main objective of the new president's communication drive. It has a triple meaning thanks to the polyvalent significance of the word "contar" in Spanish (to count, meaning to audit public accounts, to count as in to explain and report on the activity of the institution, and to count on, as in to be a source of reliable data for the general public).



In today's interconnected world, the importance and significance of communication across the board is undisputed. Institutions must ensure that their commitment to provide timely and accurate information to citizens is clear, out of respect, responsibility, and in accordance with the principle of transparency.



*Institutions must ensure their commitment to transparency through timely and accurate information*

Just like other Supreme Audit Institutions (SAIs), the Spanish Court of Audit is fully aware of its need to improve the way it communicates its everyday work to the general public.



*The Spanish Court of Audit aims to make its work accessible and understandable to the public*

### A big challenge ahead

There is no doubt that the need to improve communication has served as a stimulus to continuously transform complex and technical content into information that is accessible and useful to the general public. This has involved a major internal cultural shift throughout the institution, a process we have yet to complete.

It is not only about keeping our primary audience informed, in other words, also keeping Parliament and other auditors up to date. This, without any doubt, will still be the Court of Audit's main job. To try to communicate their work more clearly and effectively using direct and accessible language; easy language for the understanding of the information that the Institution gives.

Moreover, the Court has decided that they want to engage with the general public, opening new windows to people for better communication, and exploring new innovative ways of doing so. This renewed vision of the Court's communication policy has unleashed a multitude of in-house initiatives and an exciting project designed to explain to people that it is an institution they can "count on". And, also, that is an institution they can trust as a reliable source, while also being efficient in all the matters that have an impact on Spanish public funds. An institution that is willing to be held accountable to citizens, that explains what it does and what it is in a human and familiar way.

The Court of Audit is aware of how difficult it is, especially for technical institutions, to reach an audience as wide as possible. Nonetheless, the Court has a very proactive attitude, and it makes an effort to deliver interesting, high-quality information in a fast and dynamic way. The Court does not want to be an Institution “in the shadows” whose job is mostly unknown to the general public. It seeks a bigger presence, and to convey clearly and pleasantly its job. With this, they hope to captivate the interest of their wide ranging audience, or to simply say: we’re here and this is what we do.

In order to achieve the desired improvement in its communication, the Court of Audit has also made a significant effort to create more resources and take on specialized staff in the communication department in order to continue to make progress and keep the institution’s public profile attractive and up to date.



*Resource allocation and hiring specialized staff in the communication department are part of the effort to enhance communication*

### New ways of communicating

One of the first actions taken by the Audit Section has been to give a new image to the main product of the Court of Audit, the audit reports. It was necessary to modernize the presentation of its content and improve the language used in order to communicate the results in a more direct and understandable way. That is why, the [summaries of the audit reports](#), which are much more didactic and visual, have begun to be published regularly on the Court of Audits’ website in Spanish and, slowly but surely, in English.



*Modernizing audit reports and improving language to enhance communication*



After exploring cautiously the wide range of available tools, as well as analyzing the public, objectives and channels; the Court made a selection of the communication tools that could be the most useful to reach their objective.



In this effort to improve and expand the Institution’s communication, we could not turn our back on the essential direct window of communication with citizens that **social media** now provides us with. Their creation is part of a digital communication plan that will peak with the release of a new website for the institution.



*Publication of more didactic and visual summaries of audit reports on the Court’s website*

Since November 2022, the Court has had a presence in different social media platforms such as Twitter, LinkedIn, Instagram or YouTube. We have to keep in mind the changes that have been going on in communicative processes recently. In order to create content, visual language and graphic design are key. The challenge is adapting complex products to these new forms of language and trying to transform them into an easier, more accessible product for the general public.



Through social media, the spotlight is shifting towards a wide range of reports, projects, initiatives and meetings carried out by the institution. With social media, the dissemination of external control and auditing of accounts play a very important part. The contents are in the form of notes, short presentations, images or videos made by the communication team and, sometimes, by professionals too.

The institutional profile of the Court of Audit is corporate and, even though it is managed by the communication department, there is a constant interaction and collaboration with the institution’s other departments.





*Increased use of social media to highlight reports, projects, and initiatives*



The change in corporate mentality is evident. The Court of Audit wants its staff to also put on their communication glasses. Precisely with the aim of helping its staff to think about how to communicate their work better, whether in writing or in graphic



presentation, a course on "Institutional communication: techniques, procedures and tools to talk to citizens" was organized with the participation of various experts from the field of communication.



*Encouraging staff to improve communication skills through a specialized course*

## An upgrade in traditional communication

The media are the main source of public opinion, and the Court of Audit is looking for a change in the culture of the journalists. Mainly, so they can be fully aware of the importance of the information related to the management of public funds and auditing of accounts.



*Transforming Traditional Communication for Greater Media Engagement*

The **media database**, which is organized by region, topic, etc., has been improved and it includes more than 200 journalists from the national and regional press, who are kept regularly updated on the Court's everyday work. The purpose is to better share content of interest. Here, the summaries of reports play a fundamental part in helping journalists understand and contextualize the information from the Court of Audit.



On the other hand, a closer approach to the media is sought by organizing **informative meetings** with journalists, aimed at facilitating a better understanding of the characteristics and functions of the Court of Audit, both at the level of external control and auditing of accounts.



### *Improved Media Database with Over 200 Journalists for Regular Updates*

Also, the department of communication issues **informative notes**, which are spread throughout media, the web page or the Institution's intranet. The headlines and the texts are meant to be clear and direct. This is done so they can feel more familiar towards society, while also explaining in a direct way the activities, functions and history of the Court within the context using the most comprehensible language possible.

### Not afraid of creativity

The Court of Audit has put into practice other initiatives while looking for a direct connection with the citizens. A very successful example is **the makeover of the metro station "Tribunal" in Madrid** in honor of the 40<sup>th</sup> anniversary of the Ley Orgánica del Tribunal de Cuentas (LOTCu) on the May 12, 1982.



### *Transforming Madrid's 'Tribunal' Metro Station: A Creative Tribute*

This is an immersive experience that brings knowledge of the institution closer to public transport users through drawings which explain what the Court of Audit is and what it does. The experience is completed with a **QR code that leads to a video** in which the drawings come to life to tell, in 90 seconds, the main functions of the Court of Audit.



Another original initiative, in celebration of the 40<sup>th</sup> anniversary of the LOTCu, has been the creation of a **commemorative postage stamp**<sup>1</sup>.



### *Commemorating 40 Years: The Creation of a Special Postage Stamp*



### The Court of Audit speaks up

The celebration of the **40<sup>th</sup> anniversary of the LOTCu**, for which the communication department developed various products and in the framework of which several commemorative meetings were also held throughout 2022, offered further opportunities to put into practice the Court of Audit's intention to position itself as a living institution close to the citizen.



The audience to the Plenary Session of the Court of Auditors by His Majesty King Felipe VI, the preparation of a press dossier with the main milestones of these 40 years, or the meetings with Emeritus, regional counterparts and staff of the Court of Audit provided more communication opportunities to be present and to disseminate the work of the Court among the citizens.

<sup>1</sup> The stamp is dedicated to the 40<sup>th</sup> anniversary of the Organic Law of the Court of Auditors (Ley Orgánica del Tribunal de Cuentas) can be purchased at Spanish post offices, by contacting the Philatelic Service at the following e-mail address [filatelia@correos.com](mailto:filatelia@correos.com)

Also, given that many people are unaware that the Spanish Court of Audit is also the permanent Secretariat of the **Organization of European Supreme Audit Institutions (EUROSAI)**, the aim was to highlight this important task that our Institution has been carrying out uninterruptedly since 1990 with great dedication and enthusiasm.



For this reason, and in line with the communication strategy approved by the EUROSAI Governing Board, in October 2022 the **institutional video of the Secretary's Office** was recorded, in which the President of the Court of Audit explains our work within this international organization in a simple and entertaining way. The video has been available since then on **EUROSAI's web page**.

Another decision, promoted by the International Relations department of the Court of Audit, was the **unveiling of a distinctive plaque on the façade of the Spanish Court of Audit**, which was unveiled by EUROSAI President Miloslav Kala during his visit to the Court in April 2023.



## Looking towards the future

We live in an ever changing world in which new windows open constantly, they allow us to communicate in a more direct and familiar way with citizens. The Spanish Court of Audit's focus will still be centered on seeking and exploring new ways to connect and inform our different audiences in the most effective way possible. The objective will always be to create a short, convincing and kind message that reflects the spirit and values of our institution. This way we can swiftly and easily present ourselves to society with a clear will to stand the test of time.



*Embracing Change: The Court of Audit's Future Communication*

On the other hand, the Court is looking forward to the opportunity to find out how far they can reach with this new way of communicating. Only six months ago new channels of communication were opened. In these channels, we have managed to generate a great deal of content as well as capture the attention of the online community. What other communication windows will the use of AI open?

In the meantime, feel free to follow us!

TRIBUNAL DE CUENTAS  
ESPAÑA

[https://www.tcu.es/  
es/sala-de-prensa/](https://www.tcu.es/es/sala-de-prensa/)



[https://twitter.com/tcu\\_es](https://twitter.com/tcu_es)



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com/channel/  
UCZUPbqh0Zt4BHUh3PuMKttA](https://www.youtube.com/channel/UCZUPbqh0Zt4BHUh3PuMKttA)



# CITIZEN'S INPUT IN A PERFORMANCE AUDIT OF PAYMENT SCHEMES

**Max Verhoeven**

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Senior International Advisor

Netherlands Court of Audit

One of the pillars of the Netherlands Court of Audit's current strategy is to carry out audits from the perspective of citizens and businesses. We accordingly approached a performance audit on the Dutch government's payment schemes from the citizens' point of view<sup>1</sup>. To better understand the schemes' effectiveness in practice, we invited a select target group to ring a call centre we had set up especially for the audit. In this article we describe how the audit team carried out this new audit approach and what it delivered.



*To better understand the schemes' effectiveness in practice, we invited a select target group to ring a call centre we had set up especially for the audit*

## Audit Topic

If someone does not pay a penalty or settle a debt within the set time limit, the government can take measures to collect the amount due. Citizens can avoid the cost of such measures by applying for a payment scheme with a new settlement date. Several government organisations offer payment schemes in the Netherlands.

The Dutch government expects citizens to take personal responsibility to pay penalties and settle debts on time, and to take action if they are unable to do so. The government must in turn meet a number of conditions to collect the money and prevent citizens from falling deeper into debt. The information it provides on the collection process, for instance, must be understandable and transparent and where necessary the schemes must be tailored to an individual's personal circumstances. In the light of these policy principles, payment schemes are effective if they are accessible to the applicants, money is collected and they prevent additional costs that increase the debt level for citizens.



*The Dutch government expects citizens to take personal responsibility to pay penalties and settle debts on time, and to take action if they are unable to do so*

Both citizens and professionals (e.g., debt administrators) can apply for a payment scheme. Our audit recognised two types of payment schemes. Standardised schemes allow citizens to pay off a debt in a fixed number of instalments. These schemes are highly automated and applicants do not have to undergo an exhaustive application procedure. Customised schemes are tailored to an individual citizen's financial circumstances.

We audited payments schemes offered by three debt collection organisations in respect of:

- ◆ fines and penalties, collected by the Central Judicial Collection Agency (CJIB),
- ◆ chronic care and social support insurance contributions, collected by CAK, the central office for exceptional medical insurance,
- ◆ taxes and social insurance contributions, collected by the Tax and Customs Administration.

We used a variety of audit methods: data analyses, interviews with policy makers and implementers, document analyses, desk studies and interviews with a select group of users of payment schemes.



*Both citizens and professionals (e.g., debt administrators) can apply for a payment scheme*

<sup>1</sup> The summary of the report is accessible through the following link: <https://english.rekenkamer.nl/publications/reports/2023/03/23/payment-schemes-and-government-debt-collection>


## Through the eyes of citizens

To approach the payment schemes from the citizens' perspective, the audit team first examined the public information available to applicants, such as letters received by post and information on a collection organisation's website. We also audited whether the information was understandable: was it clear what the organisation expected from citizens and was the language level appropriate for readers with a limited vocabulary? This was not always the case. Our findings actually prompted one organisation to immediately revise its letters. We also audited whether the organisations informed citizens correctly about the conditions applying to the debt collection procedure.

To gain a fuller picture of the accessibility and importance of payment schemes, we put the experiences of scheme users at the heart of our audit.

### Selecting the target group

We then selected a target group for personal interviews so that the auditors could ask more detailed questions. The target group was made up of people with a customised payment scheme because they had had to go through a series of steps in the application process, including providing information on their financial situation.

 *To gain a fuller picture of the accessibility and importance of payment schemes, we put the experiences of scheme users at the heart of our audit*

The target group consisted of financially vulnerable people who would otherwise not contact us, perhaps because of shame or mistrust of the government. We therefore expected only a limited number of respondents to contact us. The target group also included receivers and other professionals working in the field, such as debt administrators.

As the audit team could only work with whoever contacted it, it was not possible to interview a representative group. It was therefore decided (and communicated to the auditee in advance) that the interview results would be used only to illustrate how citizens are affected by the schemes and not to assess the organisations' compliance with applicable standards. Other audit methods were used to assess compliance with standards, such as interviews with civil servants, data analyses and document analyses.

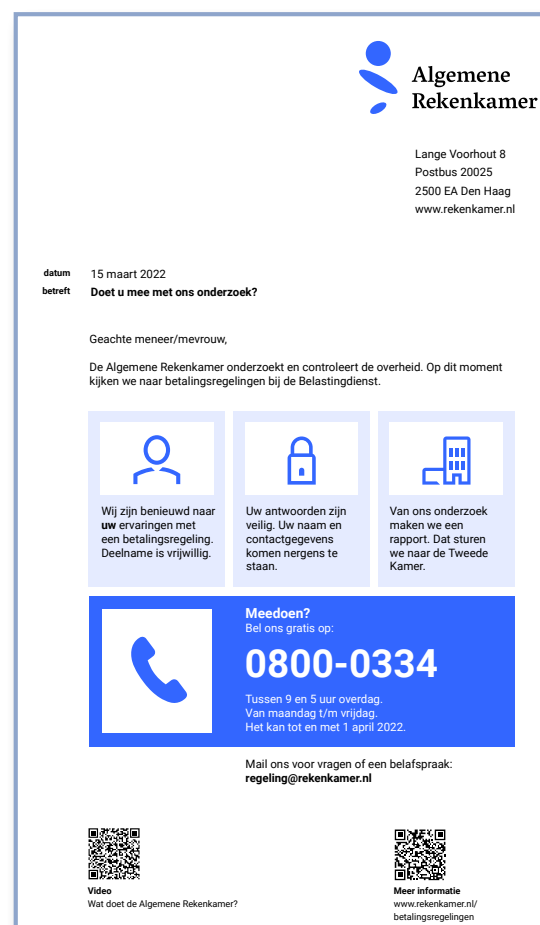
We selected the target group by means of data analysis. A key selection criterion was that the applicant had applied for and been offered a customised payment scheme within the past year (so that it was still reasonably fresh in the mind).

## Reaching out to users

We agreed with the collection organisations that they would post the invitations on our behalf, as they had far more experience than us in printing and sending large-volume mailshots. A member of our **Design Audit Studio** was asked to design a letter to invite users to call us. The letter had to meet the following conditions:

- the language had to be as simple as possible so that the letter could be understood by everyone,
- the content had to explain what the Court of Audit was, why we were holding the interviews and what we would do with the results.
- the letter had to persuade readers to ring the Court of Audit.

The designer included infographics in the letter to support the text. The letter<sup>2</sup> is shown alongside this article. Specialised editors provided input regarding the language level and the English translation. For recipients who wanted more information, an internet link and a QR code guided readers to a Q&A page on the Court's website. An email address was also provided so that readers could ask questions or arrange a telephone interview at a particular time.



**Algemene Rekenkamer**

Lange Voorhout 8  
Postbus 20025  
2500 EA Den Haag  
www.rekenkamer.nl

datum 15 maart 2022  
betreft **Doet u mee met ons onderzoek?**

Geachte meneer/mevrouw,

De Algemene Rekenkamer onderzoekt en controleert de overheid. Op dit moment kijken we naar betalingsregelingen bij de Belastingdienst.

Wij zijn benieuwd naar uw ervaringen met een betalingsregeling. Deelname is vrijwillig.

Uw antwoorden zijn veilig. Uw naam en contactgegevens komen nergens te staan.

Van ons onderzoek maken we een rapport. Dat sturen we naar de Tweede Kamer.

**Meedoen?**  
Bel ons gratis op:  
**0800-0334**  
Tussen 9 en 5 uur overdag.  
Van maandag t/m vrijdag.  
Het kan tot en met 1 april 2022.

Mail ons voor vragen of een belafsprake:  
regeling@rekenkamer.nl

Video  
Wat doet de Algemene Rekenkamer?

Meer informatie  
www.rekenkamer.nl/  
betalingsregelingen

<sup>2</sup> The Netherlands Court of Audit investigates the Dutch government. We are currently auditing a number of payment arrangements operated by the Dutch Tax and Customs Administration. To this end, we invite members of the general public to participate voluntarily in interviews. This interview will be in Dutch only.

Support staff then acquired and set up the telephone number that citizens could ring free of charge. Specific technical know-how was needed to build a call centre and arrange call menus, telephones and voicemail.

Before holding the interviews, the audit team was trained in how to deal with shame, frustration and suspicion in an interview. These and other emotions often arise when interviewing financially vulnerable people. Four or five auditors answered the telephones every day for a month and interviewed callers using a semi-structured questionnaire.

### What was the outcome?

About 2,100 invitations were sent out and we interviewed more than 100 people by telephone. The audit team found the interviews very enlightening to comprehend payment schemes from a user's perspective. We learnt how people got into financial difficulties, what they thought about the application process and how important the payment schemes were to them. The auditors felt they were carrying out socially significant work.

Quotations from the interviews were included in our report to illustrate the findings and risks. Many callers said, for instance, that a customised scheme was not only important to regain control of their finances but also to reduce financial anxieties and stress.

Some interviewees provided information that we could later verify by means of desk studies and interviews with staff of the collection organisations. It became apparent that two organisations used arbitrary methods to calculate monthly payments that users could afford to pay. Furthermore, it was not clear how they ensured that customised schemes left people with enough money to live on. Several professionals we interviewed also said they could not follow how monthly payments were calculated. Some of the citizens agreed with the professionals that the monthly payments were so high that they could not get by.

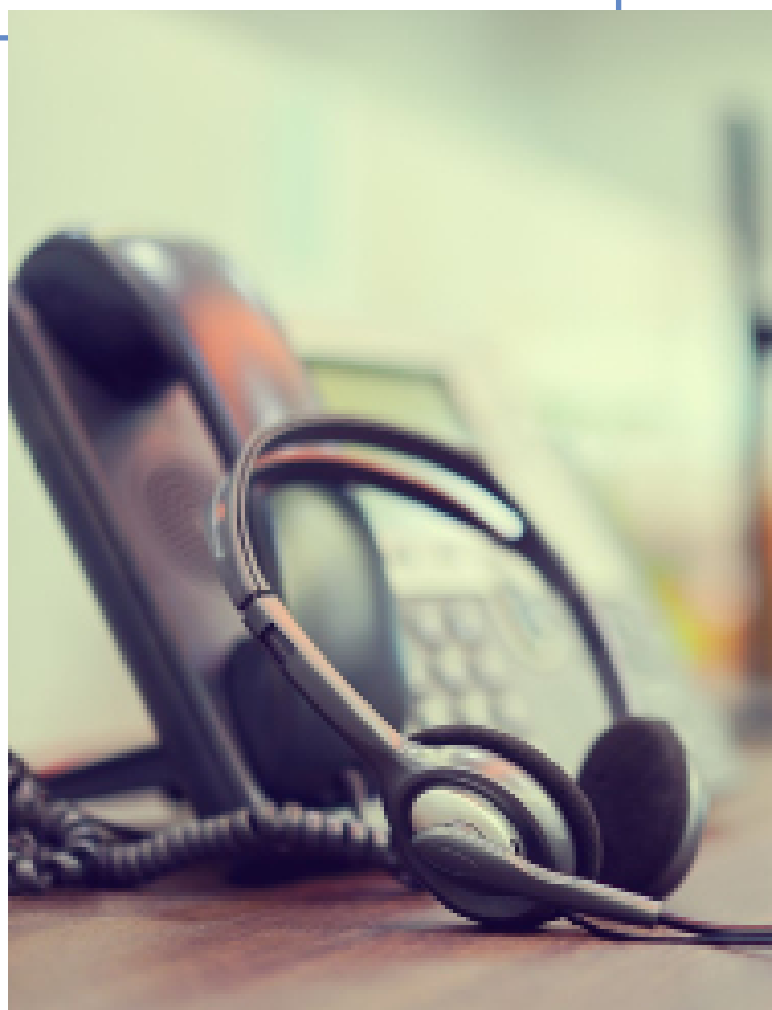


*Many callers said, for instance, that a customised scheme was not only important to regain control of their finances but also to reduce financial anxieties and stress*

The audit team also learnt what risks and consequences were the most onerous from a citizen's perspective. We took this insight into account in our final opinion. Despite the small size of the target group, we can conclude that customised payment schemes can have far-reaching consequences as there is a risk they will leave citizens with less than enough money to live on.

### Conclusion

By interviewing users of the Dutch government's payment schemes, our audit considered the schemes' effectiveness from a citizen's perspective, a priority in the Court of Audit's current strategy. We selected a specific target group and invested in our communication with the target group. We had to draw on a range of disciplines, including audit design and IT expertise. Different communication skills were also required from the auditors. The users' experiences were not representative but were valuable to identify risks and complement other audit methods. We designed the audit in order to make a difference to the lives of citizens in keeping with ISSAI 12, The Value and Benefits of Supreme Audit Institutions.





# A DIFFERENT PERSPECTIVE ON PARTICIPATORY AUDITING

**Omer Demirdas**

Principal Auditor

Turkish Court of Accounts

Citizens' expectations from public services have increased considerably with globalization. Global integration and the innovations brought by information technologies have led citizens to see and demand better services and to request that these services be provided in the fastest and easiest way possible.

Citizens want easy access to public services, and they want those services to meet their expectations. They want to know who is responsible for providing the services they want to use, how to access these services, to be able to access services through any channel, where to apply when they encounter a problem, and to be treated as a citizen rather than a customer.



*Citizens' expectations from public services have increased considerably with globalization*

Citizens also expect public services to be provided more cost-effectively and efficiently while ensuring that justice and equity are not disregarded. They want public resources not to be misused and wasted, and the public interest to be prioritized in resource utilization. In short, citizens no longer accept public services that are not transparent, difficult to access, do not try to understand citizens' needs, and are inefficient and inadequate.

This approach refers to a service approach called citizen-oriented public service. It takes into account citizens' wishes, expectations, and concerns at every stage of the design, provision, and audit of public services. It involves citizens in the processes by making them more transparent, easily accessible, and of high quality through some private sector tools. It is based on citizen satisfaction and continues to pursue justice, equality, and public interest. Citizens now want to be involved in all decision-making mechanisms, to shape their country in every aspect, and to ensure that better and more is produced. In light of all these developments, the main purpose of the citizen-oriented public service approach is to make citizens the priority of service, to involve citizens in service provision, to provide high-quality and fast services, and to ensure efficiency in resource allocation.



*In light of all these developments, the need for a new audit has become inevitable for auditing public services from different angles*

In light of all these developments, the need for a new audit has become inevitable for auditing public services from different angles. In other words, this development has led to the idea that the audit of the offered services, as well as the provided services, should be carried out from a citizen-oriented perspective. Such an audit questions to what extent public services are citizen-oriented and tries to realize this by involving citizens in the process and taking into account their opinions, demands, and expectations. Participatory audits directly involve citizens and civil society groups in the audit process. It is thought that this audit can be possible, especially with the facilities provided by information and communication technologies. This audit approach, which both focuses on citizens and involves them in the audit process, can be realized in different ways. For example, social auditing, citizen contracts, joint budgeting systems, and citizen report cards are tools that enable citizen-oriented auditing.

Participatory audits directly involve citizens and civil society groups in the audit process with the help of these tools. They are based on a collaborative framework between civil society and SAIs, where Non-Governmental Organizations (NGOs) provide useful, qualified and well-supported information on the quality of services provided by government agencies. As NGOs tend to focus on service provision, it is assumed that being close to direct service users and having the ability to monitor specific issues in the field can enrich the audit by an SAI and the auditors' understanding of the situation. Of course, these tools and practices are necessary and important for a citizen-oriented audit. However, to achieve the desired benefit from the citizen-oriented audit, it is necessary to first develop citizenship awareness and reflect this awareness in the management processes.

However, while the above-mentioned issues sound good in theory, participatory or citizen-oriented audits have some practical challenges. In participatory auditing, citizens and NGOs are expected to be actively involved in the audit process. However, it is unclear which citizens and non-governmental organizations will actively participate. In particular, while those in power are trying to show that their services are accepted by wider society, those who are close to the opposition are likely to try to create the opposite perception.



*In participatory auditing, citizens and NGOs are expected to be actively involved in the audit process*

Participatory audits and practices are therefore particularly relevant at the local level rather than at the national or central level, and are traditionally better suited to performance audits rather than financial or compliance audits. They are also expected to be more successful in practice in small, relatively ethnically homogeneous countries. However, it is very difficult, if not impossible, to implement participatory services and audits at the national level, especially in countries that are geographically large, ethnically diverse, and where there are large gaps in development between regions within the country. In countries with more diverse ethnic groups and larger socio-economic gaps between citizens, these groups have different expectations of life and of the state, which can lead to difficulties in almost all areas, from what should be audited to how it should be audited.



*Participatory audits and practices are therefore particularly relevant at the local level rather than at the national or central level*

On the other hand, the course of the world, especially after Covid-19, makes us question whether citizen-oriented auditing is sustainable. In this context, we can say that the existence of the participatory audit mechanism, which is good in theory but in practice provides performance and efficiency locally, is also in jeopardy. This is because in times of epidemics, wars, and famine, people are more concerned with how well their basic needs are met than how much they participate in public service or audits. In such a case, if the theoretical assumptions and actual realities do not match, it can be said that human nature tends to follow the actual reality in general, so he or she will not be interested in audits that have no sanctions compared to other audits and that are known to have no effect other than public pressure.



*On the other hand, the course of the world, especially after Covid-19, makes us question whether citizen-oriented auditing is sustainable*

For this reason, the SAIs should focus on audit models that can open the vision of societies and the world, read globally and apply locally. The SAIs, which cannot realize where humanity is going or trying to be taken in the globalizing world and cannot offer a vision to their countries and communities, do not have much to offer to their societies and other people in the world with classical audit models. The SAIs should now go ahead of society, evaluate the present with historical readings, anticipate the changes that may occur both in their own country and in the world in the next 10, 20, 30, or even 50 years, and ensure that necessary measures are taken. Only then can the SAIs truly conduct citizen-oriented audits.



*The SAIs, which cannot realize where humanity is going or trying to be taken in the globalizing world and cannot offer a vision to their countries and communities, do not have much to offer to their societies and other people in the world with classical audit models*



# SAI: STRIVING TOWARDS CITIZEN PARTICIPATION

## The importance of Supreme Audit Institutions for society

### Bruno Dantas

President of the Governing Board of the International Organization of Supreme Audit Institutions (INTOSAI) and President of the Brazilian Federal Court of Accounts (TCU – Supreme Audit Institution of Brazil)

In a challenging fiscal, social and political environment, governments have been increasingly demanded by society to demonstrate the effectiveness of public spending, including not only the traditional dimensions of legality, effectiveness and efficiency, but also the dimension of equity, so that public policies help reduce inequalities and combat the concentration of privileges in specific interest groups at the expense of the collectivity.

In this regard, Supreme Audit Institutions (SAIs) have emerged as critical players in the cycle that begins with the elaboration of public policies, progresses through the implementation of programs and actions, and culminates in accountability and the assessment of its results by society.



*Supreme Audit Institutions (SAIs) have emerged as critical players in the cycle that begins with the elaboration of public policies*

Many SAIs have advanced in their ability to provide quality inputs for the elaboration and review of public policies, by focusing on delivering value to society in their audit work. According to our experience at the Federal Court of Accounts (SAI Brazil), the greater the interaction between the control institution, those who implement the public policy and its target audience, the greater the impact of the audit results on the creation of processes, products and deliverables.



*According to our experience at the Federal Court of Accounts (SAI Brazil), the greater the interaction between the control institution, those who implement the public policy and its target audience*

From a primary point of view, Supreme Audit Institutions are generally expected to demonstrate their value when the consequences of their actions are translated into societal benefits. However, even though some of the outcomes are measurable in financial terms, others are more difficult to predict. They can result, for example, from the expected consequences to the control itself, the prevention of waste, improvements in resource allocation, suggestions for improving laws, the reduction of environmental damage, and the improvement of public policies.

SAIs are known to operate under various mandates and models. However, the objectives and principles built to add value to society can be implemented in any SAI, since they are all considered as “pillars of integrity”<sup>1</sup>. After all, SAIs are responsible for scrutinizing public spending, improving fiscal governance, safeguarding probity in the public financial sector and minimizing corruption.

SAIs must be perceived as trustworthy entities in order to fulfill their roles and add more value to citizens. They can only be trusted if they are recognized as competent, independent, and accountable. This requires each SAI to act decisively to strengthen the accountability, transparency and integrity<sup>1</sup> of government entities and the public sector, as well as to demonstrate its continued relevance to citizens by serving as a model organization and leading by example.

To be a trusted voice, Supreme Audit Institutions must understand the evolution of society and its impact on public management, as well as conduct a meaningful dialogue with stakeholders to understand how their actions can contribute to the continuous improvement of government deliverables. By properly addressing citizens’ expectations, prioritizing audits and monitoring results, SAIs increase their relevance. As a result, each Supreme Audit Institution can assist its respective government in learning from the past, making sound decisions in the present, and thinking strategically for the long term. SAIs can, therefore, help citizens trust that policy decisions are made based on their actual needs.

<sup>1</sup> DYE, K. M.; STAPENHURST, R. (1998). Pillars of Integrity: The Importance of Supreme Audit Institutions in Curbing Corruption. Washington, D.C.: World Bank, World Bank Institute.



For the effective improvement of Public Administration, auditing must be done in two dimensions: by an institutional authority, exercised by public agents defined by law; and by social control, exercised directly by society. The performance of these complementary mechanisms can improve public accountability and contribute to social transformation and development of the country.

Citizen participation in monitoring public management depends on full transparency of the information produced by the state. In this scenario, many SAIs of the INTOSAI community have been working to improve citizen engagement in the control of public management.

International cooperation, in turn, can leverage the improvement of citizen engagement tools around the globe. In recent years, a number of initiatives have been developed at the regional level in Latin America and the Caribbean to improve the effectiveness of communication between SAI and citizens.

The Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS), for example, created the Citizen Participation Commission (CPC) in 2009. In addition, the OLACEFS Strategic Plan 2023-2028 has a goal to strengthen the value and benefit of SAI for Citizenship through standards and best practices, stimulate the role of SAI in the 2030 Agenda, and advance the Citizenship Partnership in fiscal control.

As for INTOSAI, the Capacity Building Committee (CBC) published the document "Civil Society Engagement: a Framework for SAIs" in 2021. Additionally, the CBC created the Task Force on Citizen Participation and Civil Society Engagement (TFCP), dedicated to the development of tools to support the implementation of good practices in the field. The motion to create the TFCP was approved by the INTOSAI Governing Board at its 76th Annual Meeting, held within the framework of the XXIV INCOSAI in Rio last November.

The Rio Declaration, adopted at the XXIV International Congress of Supreme Audit Institutions (INCOSAI), states that "INTOSAI's global voice is a strategy to communicate our values, results and impact" and "to recognize the positive potential of INTOSAI to fulfill its global voice leveraged by the results of its work". This commitment reflects a call to action for all SAIs to collaborate effectively in order to have a far-reaching impact that improves citizens' daily lives.

According to the SAI Strategic Management Framework (SSMF), published in 2020 by the INTOSAI Development Initiative (IDI), the strategy of control institutions should describe the value chain, which represents how the supreme control institution generates values and benefits for society. This

guidance is aligned with INTOSAI-P-12, which outlines the principles to be followed to generate value and benefits for the lives of citizens.

In this regard, the Federal Court of Accounts (SAI Brazil) revised its strategic planning for the period 2023 to 2028, with the goal of explicitly stating the "public value" sought by its actions, based on the following axes: credibility of public accounts, regularity and economy of acts and contracts, effectiveness of public policies, and accountability in public management.

To achieve the stated goals, the TCU has undertaken joint initiatives with other Brazilian institutions (institutional control) and civil society organizations (social control) in order to increase the transparency of the government's actions and thus enable citizen participation in auditing the management of public resources.

It is well known that relations between SAIs and citizens have long been established by historical conditions, norms and regulatory frameworks, access to technology, and political conditions of each country, among other aspects. Making global voice a reality presents several challenges and opportunities for citizen participation. As the INTOSAI community improves its institutional structure, it becomes increasingly important for SAIs to share their best practices for citizen participation.

By systematizing, promoting and consolidating best practices and lessons learned in citizen engagement, we can strengthen our global voice. Thus, the INTOSAI becomes even more relevant in guiding SAIs to address challenges, and, by delivering results, SAIs also increase their relevance to society.

In order to ensure accountability and transparency, Supreme Audit Institutions must remain vigilant in their audit role. Traditional audit methods are critical for the verification of government accounts, which is at the heart of the SAI's mandate, as well as for the integrity and for a better financial management of the public sector, and do not conflict with the emergence of assessment activities. This just goes to show that different types of control exist.

It is important that each SAI have its respective strategic plan encompassing the value chain, the objectives, and the key results that will guide its actions in improving public administration for the benefit of society.

With this in mind, it is time to promote further debate about the social impact we intend to generate. It is a good time for Supreme Audit Institutions to become more aware of the role they are playing, or could play, and be prepared to plan strategically, manage their resources effectively, and ensure that their work is timely and generates effective results.

# SUPREME AUDIT INSTITUTIONS WORK IN THE PUBLIC INTEREST

## Citizen participation initiatives within INTOSAI and the Austrian Court of Audit

### Austrian Court of Audit - INTOSAI General Secretariat

"Supreme Audit Institutions (SAIs) work in the public interest." These are the introductory words of the final declaration made at INCOSAI XXIV in November 2022 in Rio de Janeiro, Brazil – the "Rio Declaration"<sup>1</sup>.

In the public interest and thus in the interest of citizens, INTOSAI strives to evolve as a leading international institution "enabling its members as they seek to achieve their full potential in their efforts to enhance public sector accountability, thereby strengthening governance and ultimately improving the lives of citizens".<sup>2</sup>

The initiatives taken by the INTOSAI community as well as the Austrian Court of Audit (ACA), which runs the INTOSAI General Secretariat, to engage citizens in their work are described below:

### International citizen participation initiatives

INTOSAI and its members operate in increasingly dynamic, interconnected and complex environments. They are required to be professional, independent, inclusive and resilient in order to deliver value and benefits to their governments and citizens.

It is of key significance to SAIs that the General Assembly of the United Nations acknowledged the important role citizens play as stakeholders in external public audit in its resolution A/RES/66/209 on "Promoting the Efficiency, Accountability, Effectiveness and Transparency of Public Administration by Strengthening Supreme Audit Institutions". This emphasizes the importance of SAIs as pillars of a more just society and a more efficient as well as effective state at the service of its citizens.



*INTOSAI and its members operate in increasingly dynamic, interconnected and complex environments*

Citizen participation also found its way into the INTOSAI policy framework. In particular, the INTOSAI Capacity Building Committee (CBC) has looked into the importance of cooperating with civil society. For instance, a blog<sup>3</sup> on this topic was set up within the CBC. Furthermore, SAIs could share their experiences gained from this collaboration in the framework of virtual workshops. In this regard, the CBC has published the following documents:

- The document "The Future Relevant Value-Adding Auditor"<sup>4</sup> aims to initiate a dialogue within the CBC and INTOSAI about the necessary key competences for auditors. Besides critical thinking skills, resilience and digital literacy, the ability to collaborate and communicate with the public is highlighted as an essential requirement.
- The publication "Engagement with Civil Society – A Framework for SAIs"<sup>5</sup> seeks to explain the identified benefit of such an engagement and to provide SAIs with a set of principles based on global good practices. The framework is supported by a collection of best practices and is also available at the INTOSAI Community Portal's Knowledge Centre.<sup>6</sup>

In addition to international cooperation, the ACA also attaches great importance to cooperation with the SAIs of the European Union. In this context, the conference "What Future for Europe" must be highlighted. It was organized by the SAI of France in Paris in March 2022 and was also dedicated to the exchange between SAIs and civil society. In particular, the initiative "#tell\_us" (#zeigenSieauf) – which will be presented in more detail below – generated a great deal of interest at international level. In part due to the example set by the ACA, the SAI of France set up its so-called "plateforme citoyenne" (Citizens' Platform).

<sup>1</sup> [https://www.intosai.org/fileadmin/downloads/about\\_us/Organs/Congresses/2022\\_Rio\\_Declaration/EN\\_Rio\\_Declaration\\_2022.pdf](https://www.intosai.org/fileadmin/downloads/about_us/Organs/Congresses/2022_Rio_Declaration/EN_Rio_Declaration_2022.pdf)

<sup>2</sup> INTOSAI Strategic Plan 2023–2028, p. 3, "Vision"

<sup>3</sup> CBC blog: Promoting citizen participation and civil society engagement at the global level

<sup>4</sup> [https://intosaiabc.wpengine.com/wp-content/uploads/2020/11/20201106-The-Future-Relevant-Value-Adding-Auditor\\_CBC\\_Nov-2020.pdf](https://intosaiabc.wpengine.com/wp-content/uploads/2020/11/20201106-The-Future-Relevant-Value-Adding-Auditor_CBC_Nov-2020.pdf)

<sup>5</sup> [https://intosaiabc.wpengine.com/wp-content/uploads/2021/06/20210629-Engagement-with-Civil-Society\\_A-Framework-for-SAIs\\_CBC\\_28-June-2021\\_fnl.pdf](https://intosaiabc.wpengine.com/wp-content/uploads/2021/06/20210629-Engagement-with-Civil-Society_A-Framework-for-SAIs_CBC_28-June-2021_fnl.pdf)

<sup>6</sup> <https://www.intosaicommunity.net/>

## Citizen participation initiatives within the ACA

Since 2017, the ACA has increasingly focused its activities on the interests of citizens. Accordingly, the ACA's fundamental strategic approach reads as follows: "We audit, independently and objectively. At your service."


Furthermore, the benefit for citizens takes centre stage within the ACA's three-year audit priorities. From 2018 to 2021, the priority read: "Quality of public-sector service provision, with particular regard to the benefit for citizens, cost optimization and a modern-day fulfilment of tasks." In this context, the ACA assessed how the state safeguards or increases citizens' quality of life in accordance with the Sustainable Development Goals laid down in the United Nations 2030 Agenda.

 *Since 2017, the ACA has increasingly focused its activities on the interests of citizens*

The focus on the needs of citizens is also reflected in the ACA's current audit priority for the period from 2022 to 2024. It reads: "Next Generation Austria. Are we passing on something besides debt for the next generation? On the future role of the state for the next generation."

With this priority, the ACA covers a broad range of topics that directly benefit citizens. These include in particular areas of public services (such as energy and water supply), environment and climate protection, labour and social affairs (such as pensions, health, old-age care, hospitals), schooling and education as well as internal and external security. Moreover, anti-corruption, compliance and good governance must also be mentioned.

Concerns can also be raised at any time by telephone or in writing ("citizens' letters") or else in anonymous form, e.g. as whistle-blowers, for whom the ACA has set up a special "letterbox".

 *We audit, independently and objectively. At your service*



*Concerns can also be raised at any time by telephone or in writing ('citizens' letters') or else in anonymous form, e.g. as whistle-blowers, for whom the ACA has set up a special 'letterbox'*

Furthermore, since 2017, the ACA has regularly and proactively called on citizens – via its website, videos on YouTube or its podcast – to submit their audit suggestions by post, via email or social media. Since 2019, this initiative has been running as the "#tell\_us" (#zeigenSieauf) campaign, in the framework of which the ACA communicates on its website which audit suggestions were made by citizens. Although not every indication leads to a stand-alone audit, it often turns out that audit suggestions frequently cover parts of already envisaged or planned audits and can thus even be integrated in current audits. Overall, around 25% of the suggestions submitted by citizens are incorporated into the ACA's audit programme, as can be seen from the following examples:

- At the suggestion of citizens, the ACA audited the "Inter-Company Apprenticeship"<sup>7</sup>. It was created for young people who were unable to find an in-company apprenticeship despite considerable job placement efforts or who dropped out of an in-company apprenticeship. The ACA noted that across Austria only about half of the young people who had completed an inter-company apprenticeship were employed three months later or had taken up an in-company apprenticeship.
- In the framework of the audit "Obstetric Care in Lower Austria and Vienna", the ACA also took into account suggestions made by citizens.<sup>8</sup> In the audit report, the ACA revealed shortages in the provision of intensive care services for newborns, which are due to hospital bed capacities as well as a lack of medical professionals. Also as regards the transport of newborns to a neonatology unit, specially trained accompanying medical staff was partly lacking.
- In its report "The Österreichische Post AG – Quality of Mail and Parcel Delivery for Universal Service"<sup>9</sup>, the ACA critically pointed to a "source of annoyance" for many citizens: the marked increase in the issuance of delivery notifications, even though someone had been at home at the time of delivery, as well as the sharp rise in complaints about lost postal items, for which monitoring was not required by law. However, the ACA positively noted the speed of delivery.

<sup>7</sup>[https://www.rechnungshof.gv.at/rh/home/news/Ueberbetriebliche\\_Lehrausbildung\\_mit\\_Schwerpunkt\\_Oberoester.html](https://www.rechnungshof.gv.at/rh/home/news/Ueberbetriebliche_Lehrausbildung_mit_Schwerpunkt_Oberoester.html)

<sup>8</sup>[https://www.rechnungshof.gv.at/rh/home/news/Wien\\_und\\_Niederoesterreich\\_sollen\\_erforderliche\\_Intensivbet.html](https://www.rechnungshof.gv.at/rh/home/news/Wien_und_Niederoesterreich_sollen_erforderliche_Intensivbet.html)

<sup>9</sup>[https://www.rechnungshof.gv.at/rh/home/news/news/aktuelles/-Gelber\\_Zettel-Beschwerden\\_ueber\\_gescheiterte\\_Zustellver.html](https://www.rechnungshof.gv.at/rh/home/news/news/aktuelles/-Gelber_Zettel-Beschwerden_ueber_gescheiterte_Zustellver.html)



Another initiative to engage citizens in the work of the ACA results from the Austrian Political Parties Act (Parteigesetz). It stipulates that impermissible party donations shall not be transferred back to the donors but referred to the ACA. It is the ACA's task to transfer these donations to charitable or scientific organizations. In this context, the ACA's President came up with the idea not to have the ACA itself distribute the funds, but to publicly call on citizens to submit suggestions as to which organizations could receive financial support. Ultimately, it is determined by lot which organization receives the impermissible party donations. The result of the drawing is also published on the ACA's website. In 2022, the ACA passed on a total of EUR 5,912.83 this way.



*The COVID-19 pandemic confronted the ACA with the question of how it can stay in touch with citizens during this particularly challenging time and thus engage them in the work of the ACA*

Last but not least, the numerous speeches at the Austrian Parliament, interviews and contributions in various print and online media as well as lectures – most recently to students of the University of Vienna or of the Vienna University of Economics and Business in autumn 2022 – by the President of the ACA must be mentioned. They bring the ACA's value and importance for Austrian citizens permanently into the focus of public interest.

### More citizen participation – an outlook

With the Rio Declaration<sup>10</sup>, the participants at INCOSAI XXIV reaffirmed the importance of cooperating with stakeholders, including citizens. This current focus of INTOSAI is also confirmed by a new "Task Force on Citizen Participation and Civil Society Engagement" (TFCP). The Task Force's objectives include the identification and exchange of best practices for citizen participation and/or civil society engagement in the work of SAIs.

The INTOSAI General Secretariat invites you to share your experiences as part of the work for the INTOSAI community and to contribute with your engagement to the further development of external public auditing.



*Ultimately, around 25% of the suggestions submitted by citizens are incorporated into the ACA's audit programme*

The COVID-19 pandemic confronted the ACA with the question of how it can stay in touch with citizens during this particularly challenging time and thus engage them in the work of the ACA. The aim was to show that the ACA was able to continue its work – despite numerous lockdowns and other restrictions. Since 2021, the President of the ACA has therefore been providing information in the podcast "Trust: The ACA Podcast": on examples of audits of COVID-19 measures, on how criticism of the results of the ACA's audit work is dealt with, on citizen participation, audit priorities and many other topics. Until end-2022, 19 podcast episodes had been published, with which the ACA has demonstrably succeeded in reaching even more people than before.



*With the Rio Declaration, the participants at INCOSAI XXIV reaffirmed the importance of cooperating with stakeholders, including citizens*

<sup>10</sup> [https://www.intosai.org/fileadmin/downloads/about\\_us/Organs/Congresses/2022\\_Rio\\_Declaration/EN\\_Rio\\_Declaration\\_2022.pdf](https://www.intosai.org/fileadmin/downloads/about_us/Organs/Congresses/2022_Rio_Declaration/EN_Rio_Declaration_2022.pdf)

## “BEGINNING AND ENDING WITH THE CITIZENS WE SERVE.” HOW IDI IS SUPPORTING SAIS’ CITIZEN ENGAGEMENT ON MULTIPLE LEVELS

### INTOSAI Development Initiative (IDI)

With an ever-increasing focus in INTOSAI on SAIs’ impact on the wider world, IDI has directed significant attention in recent years to keeping citizen engagement front of mind. Of course, all the activities in which IDI supports Supreme Audit Institutions are ultimately for the well-being of the country’s citizens, but certain areas stand out in which this recognition of SAI services’ end goal is a driving force: audits, accountability, transparency and inclusion.

### Putting Citizens at the Centre of SAI Audits

We started our reflections on engaging with citizens in SAI audits by asking ourselves, ‘Why does it matter to SAI audits?’

The question is answered by one of the fundamental pronouncements of IFPP, INTOSAI P 12. The main value and benefit of SAIs’ audit work is in the extent to which it makes a difference in the lives of citizens. A financial audit seeks to improve financial accountability. Performance audits target economy, efficiency, and effectiveness of government actions. A compliance audit improves the integrity, transparency, and accountability of those charged with governance. Every audit is citizen-focused, aiming to have a positive effect on the lives of citizens.



*At IDI, we recommend building strong stakeholder coalitions and involving citizens right from the development of the audit strategy outlining the SAI’s audit portfolio*

Citizens or peoples of a nation are the main clients of SAI audits. If the SAI is to deliver value and benefits to its citizens, they need to be placed at the centre of SAI’s audit process and the visualized impact of SAI’s audit work. Their involvement throughout the audit process is critical.

### How do SAI audits engage with citizens?

At IDI, we recommend building strong stakeholder coalitions and involving citizens right from the development of the audit strategy outlining the SAI’s audit portfolio. This is a longer-term audit strategy for delivering value to annual and individual audit plans. Under the Facilitating Audit Impact initiative, we have included guidance on this in the upcoming playbook on ‘Planning for SAI Audit Impact’. We have also explored the actual practices followed by several SAIs around the world in our upcoming playbook on ‘Strong Stakeholder Coalitions for SAI Audit Impact’. SAI practices of citizen engagement at different stages of SAI audit include:

- a ‘Citizens participatory audit’ approach where the audit team is composed of SAI people and citizens
- open days for citizens
- accepting citizens’ request for audits
- inviting citizens to give inputs to audit topics or involving citizens in audit topic selection
- a parliamentary kiosk in the audit office where citizens can access information about the audit findings
- use of ‘Budget Monitor’ - a tool for two-way communication between the SAI, parliaments, civil society organizations and citizens
- SAIs providing feedback on citizens’ complaints
- beneficiary surveys
- feedback surveys after audit reports
- use of tools like cartoons, infographics etc. to disseminate key messages from the audit report
- partnerships with CSOs conducting social audits on local community issues

Besides engaging with citizens in their audit process, SAIs can also examine the extent of participation and citizen engagement by the government in the implementation of SDGs. Multi-stakeholder engagement, especially with non-state actors, is a key principle of UN’s 2030 Agenda. The IDI’s SDGs Audit Model (ISAM) reflects on key questions to be asked in auditing multi stakeholder engagement.

## Engaging with citizens from sections of population which are marginalised or vulnerable

While engaging with citizens we also urge SAIs to consider the principle of 'leaving no one behind'. This means finding ways to engage with those who are marginalised or vulnerable. Depending on the country context this could include those discriminated against due to poverty, gender, ethnicity, disability, migration or age. SAIs can ask themselves what engagement mechanisms they could use to reach out to these sections of society and hear their voices and perspectives.

In their audits, SAIs can also reflect on how the issue they are auditing affects those who are marginalized. For example, climate change has a disproportionately severe negative impact on vulnerable sectors like women and children living in poverty, or the disabled. During the COVID pandemic, IDI facilitated an audit of 'Transparency, Accountability and Inclusion' in government spending, and at INCOSAI 2022, we launched two initiatives which will support SAIs in mainstreaming focus on and participation of vulnerable and marginalized citizens in SAI audits: Equal Futures Audit Changemakers and Global Cooperative Audit of Climate Change Adaptation actions (CCAA). As well as holding 'inclusiveness' at its core across all five thematic areas linked to climate change adaptation actions, the CCAA initiative will also help SAIs who wish to adopt a citizen's participatory approach in conducting the audit.

Citizens are also a part of the larger ecosystem. They can work together with SAIs through civil society organisations to facilitate greater audit impact and raise the profile of SAIs.



*While engaging with citizens we also urge SAIs to consider the principle of 'leaving no one behind'*

## How could CSOs be instrumental in raising SAIs profile?

SAIs play an important role in accountability, serving as important oversight bodies to effectively hold governments to account on their financial activities. They are one of the main sources from which society can learn how public resources are managed by their governments. As such, SAIs must be independent from the bodies they audit – yet that independence can be challenged in many ways, such as political threats or complexities within a country's context.



*Besides engaging with citizens in their audit process, SAIs can also examine the extent of participation and citizen engagement by the government in the implementation of SDGs*

Independent does not have to mean isolated, however. Engagement between SAIs and civil society results in better informed audits, stronger oversight and more effective accountability, and has the potential to reduce governments' vulnerability to corruption. Increasingly, evidence shows that SAI-CSO engagement provides added benefits to audit and budget oversight processes. These include increasing efficiency in a country's use of public resources, as well as strengthening components of the rule of law while increasing the legitimacy and reputation of the SAI.

## A resource kit to help CSOs advocate for SAI independence

In view of this, IDI entered a partnership with one of the largest accountability bodies in the civil society sphere - Transparency International - to connect the INTOSAI community with a constellation of renowned actors from the accountability ecosystem. This partnership resulted in the creation of the recently released joint publication, 'Safeguarding the Independence of Supreme Audit Institutions: A Resource Kit for Civil Society Organisations'.

In the Resource Kit, IDI and Transparency International outline several ways for CSOs to support the work of SAIs, such as:

- Submitting evidence for audit purposes, thereby enhancing the identification of possible areas of risk in government performance
- Creating joint programmes aimed at building citizens' interest and understanding on public financial management and oversight
- Providing mutual learning, where CSOs can find out more about public auditing and SAIs can benefit from CSOs' technical knowledge, as well as methodologies on monitoring the use of public funds (e.g. public expenditure tracking surveys and social audits)
- Disseminating and simplifying the message of audit findings to the public
- Placing pressure on public institutions to take corrective actions on findings in audit reports and supporting the follow-up process of SAI recommendations.



CSOs can become allies for SAIs facing challenging contexts, and along with other support, the Resource Kit provides tools for them to do just that. When SAI Independence is at risk, they can help SAIs to counter threats by contributing actively to IDI's advocacy mechanisms, such as the SAI Independence Rapid Advocacy Mechanism (SIRAM). Additionally, CSOs can connect SAIs with broader democratic institutions including the media, academia, other public oversight organs and broader networks.

Globally and regionally, threats to SAI Independence are continuing to grow. Safeguarding SAI Independence via civil society organisations is a key factor in countering such threats. Together with Transparency International, IDI will soon hold a webinar to launch the pilot implementation of the resource kit across different INTOSAI regions. We look forward to strong participation from SAIs in the EUROSAI region in these upcoming activities, especially in providing expertise to develop further content related to the kit.

### IDI and citizen engagement

Along with the resource kit, IDI's EFA Changemakers and CCAAA initiatives will roll out across EUROSAI and the rest of INTOSAI in the coming months.

"SAIs across the world engage with citizens in different ways and at many different stages of the audit process. Strong citizen engagement depends on a number of factors: the mandate of the SAI, the local context, institutional arrangements, and the capacity of the SAI for citizen engagement. IDI is fully committed to supporting SAIs in their ultimate service to citizens, in all that service's forms, practices and applications - because one thing remains consistently clear. All SAI activities, for every SAI, begin and end with the citizens they serve." Einar Gørrissen, Director General of IDI.



*When SAI Independence is at risk, they can help SAIs to counter threats by contributing actively to IDI's advocacy mechanisms, such as the SAI Independence Rapid Advocacy Mechanism (SIRAM)*



*SAIs across the world engage with citizens in different ways and at many different stages of the audit process. Strong citizen engagement depends on a number of factors: the mandate of the SAI, the local context, institutional arrangements, and the capacity of the SAI for citizen engagement*



## SAIS: IN SEARCH OF CIVIC ENGAGEMENT

### General Secretariat of AFROSAI

The practice of citizen engagement, which stems from the principles of New Public Management aims at bringing citizens/users/clients closer to decision-making centres. This helps them increase their involvement in the establishment of public policies and achieve greater impact on the field. The benefits outcomes have made this approach a central element to almost all organisations, both private and public. In this respect, organisations are reviewing their values, mission and vision in order to align themselves with the expectations of their citizens.

For some years now, this approach has been progressively integrated by all public administrations on the African continent. Its objective is to boost their performance and contribute significantly to improve the living conditions of citizens, which are priority targets of public policies.

African Supreme Audit Institutions, institutional actors responsible for ensuring the proper use of public resources, could not remain on the side-lines of this new inclusive and integrative approach. This is all the more so, as their work contributes to the promotion of good governance as a guarantee of development and poverty reduction. Moreover, SAIs have to demonstrate their relevance to citizens and other stakeholders by communicating and cooperating more proactively and effectively.



*The practice of citizen engagement... aims at bringing citizens/users/clients closer to decision-making centres*

On the African continent in general, citizen engagement is highly dependent on the level of democratisation of states and political regimes. For example, this approach will be more prevalent in states with parliamentary systems, because of the prominence of the legislative branch, composed of elected officials are in permanent contact with the population of their electoral districts and are able to take their needs into account.

This also has an impact on the SAI model and the level of citizen engagement with these institutions. Particularly in AFROSAI it is observed that SAIs with the "Westminster" model have a healthier relationship with external stakeholders, including citizens, compared to those with a jurisdictional or "Napoleonic" model.



*Particularly in AFROSAI it is observed that SAIs with the 'Westminster' model have a healthier relationship with external stakeholders, including citizens*

Despite the differences between SAIs within the continent, which stems from institutional and cultural disparity, it should be noted that they have generally integrated the practice of citizen participation into their various processes.

This is done through strategies that vary from one SAI to another in a constant effort to strengthen the relationship between the state and society; all of which cannot be done without overcoming certain challenges.

### I. Some strategies put in place to seek citizen engagement

Among the strategies implemented by SAIs, the most common are: whistleblowing, the establishment of cooperation frameworks with civil society organisations or professional entities as well as communication on deliverables and SAIs recommendations.

#### 1. Whistle-blowing

Almost all African SAIs receive whistle-blower reports from the public. This information, which makes it possible to identify areas of high risk of fraud or corruption, helps, after cross-checking and verification, to carry out audit missions.



This is the case, for example, in SAI Cameroon where a Legal Affairs and Information Exploitation Division (DAJEI) has been created. It is in charge of receiving and analysing the whistle-blowing reports from citizens, with a view to integrate them in the annual audit programmes. In the Office of the Auditor General of Zambia, a free telephone line has been provided, in order to involve citizens in the planning of audits and communication of results.

## 2. Frameworks for cooperation with Civil Society Organisations (CSOs) and professional bodies

The setting up of cooperation frameworks with Civil Society Organisations for sharing and exchanging information is a common practice among AFROSAI SAIs. This is particularly the case for the SAIs of Burkina Faso, Cameroon, Niger, Senegal and Zambia, just to name a few.

The example of Senegal is very illustrative in this

respect. Through the signing of a partnership agreement with the Centre d'Études et de Recherches en Ingénierie Juridique et Financière (CERIF) on 22 June 2021, SAI Senegal has materialised its will to contribute in promoting its missions and functions. It will be done by organising seminars, colloquia, forums, capacity-building sessions, awareness-raising caravans, and the design of television spots, sometimes in the local language, to raise awareness, which are broadcast on Radio Télévision Sénégalaise (RTS). The Court of Audit is striving to make itself more popular to citizens through CERIF.

In the same vein, inter-agency collaboration is becoming increasingly important among similar organisations in Zambia. Recently, the Office of the Auditor General of Zambia and other government institutions signed an inter-agency coordination framework for asset recovery in Zambia. The SAI of Zambia also has a Memorandum of Understanding (MoU) with other agencies such as the Anti-Corruption Commission, the Financial Intelligence Unit and the Drug Enforcement Commission for the prompt exchange of information during audits.

## 3. Communication on deliverables and recommendations

The publication of audit reports by the majority of African SAIs is a privileged tool for public information and is at the heart of the promotion of good governance and reinforces their role as watchdogs to leaders. Through these reports, citizens are informed of the way public resources are managed. It enables them to effectively contribute to debates on the management of public funds. Civil society organisations on their part, gather information to defend the collective interest for which they were created.

This is particularly the case with the Court of Auditors of



*The setting up of cooperation frameworks with Civil Society Organisations for sharing and exchanging information is a common practice among AFROSAI SAIs*



Niger and the Office of the Auditor General of Namibia, which have developed communication and stakeholder involvement strategies, which are planning documents that serve as a framework for interactions with CSOs, the media and citizens.

## II. Major challenges in the quest for citizen engagement

Although implementing measures to engage the public, African CSOs face a number of challenges that reduce citizen engagement, or at least diminish its impact. In addition to the imperfection of the mechanisms described above, the non-institutionalisation of participation strategies, the reluctance to share information, and the lack of funding for these mechanisms, where they exist, are all challenges that need to be addressed in order to move towards genuine citizen engagement.

More so, one could also note the low number of audits on issues interesting the citizens and, in some cases, the lack of knowledge of SAIs' missions by citizens due to a lack of communication.

### 1. The unsystematic publication of audit reports

Although made public in some AFROSAI SAIs, audit reports remain confidential in other SAIs. This cultural and organisational reluctance to share information is not conducive to good citizenship. However, if they are not accessible to the public, citizens cannot be encouraged to follow-up audit results and recommendations. All this is likely to limit citizen participation in the accomplishment of the missions of these SAIs, which remain unknown to a vast majority of the population.

### 2. Few audits on issues of interest to citizens

A great majority of African SAIs carry out compliance audits on the management of public funds; anything that has a general scope and does not impact on major change.

The focus should be on thematic audits such as health, education, energy, etc., from which the majority of the population suffers.

### 3. Lack of awareness of SAI's missions

In the execution of their missions, SAIs are bound by obligations of reserve and discretion. This often leads to a lack of communication between SAIs and external stakeholders, especially citizens who are supposed to be the primary beneficiaries of their work.

In the case of some countries, citizens simply do not know about the SAI, while in other countries, the institution is known but its missions are not well

known. Even when there are exchanges between SAIs and citizens, they are generally unidirectional and non-participatory.

How then can we imagine citizen participation in the



*Even when there are exchanges between SAIs and citizens, they are generally unidirectional and non-participatory*

audit process and in the life of a SAI? In order to improve this situation, it would be wise to consider some possible solutions that could make the SAI-citizen relationship more dynamic and fluid, and thus encourage the involvement of citizens in the work of SAIs.

In this regard, many SAIs in AFROSAI have developed strategies for communication and relations with external stakeholders. However, the challenge related to this issue remains the financing of the actions resulting from these strategies.



*Financing of actions resulting from communication and relations strategies with external stakeholders remains a challenge for many SAIs in AFROSAI*

## III. For a better engagement of citizens towards African SAIs

In order to increase the involvement of citizens in the accomplishment of the missions of African SAIs, they're encouraged to:

- Institutionalise the practice of citizen engagement;
- Set up formal frameworks for collaboration and information sharing with civil society actors;
- Develop effective communication strategies to raise public awareness on their role, missions and above all, usefulness;
- Seek additional financial resources to fund actions arising from the communication strategies developed;
- Share good practices on the most appropriate mechanisms;
- Establish participatory audit mechanisms involving citizens.

## NETIZENS' PARTICIPATION IN THE AUDIT: FIVE WAYS OF SAI ENGAGING WITH DIGITAL CITIZENS<sup>1</sup>

**Dr. Sutthi Suntharanurak**

Director of International Affairs Office  
State Audit Office of the Kingdom of Thailand  
ASOSAI Chair

Citizen participation in an audit is when **citizens actively** ensure that government agencies, organizations, and businesses are held accountable and financially responsible for their actions. This type of participation entails citizens being educated on the procedures and understanding of financial audits to assist in the process and ensure that all funds are accounted for properly.

This participation could include attending auditor meetings, discussing financial reports, helping the auditor locate documents, or even providing information to the auditor. Citizen participation in audits can help hold those in power accountable, promote transparency, and increase trust in government, organizations, and businesses.

*Citizen participation in audits can help hold those in power accountable, promote transparency, and increase trust in government, organizations, and businesses*

However, the digital era shows the indispensable factor of the Internet. Therefore the buzzword likes netizens became the new term. **A netizen is an individual who uses the Internet as a means of communication.** They are typically active on social media networks, blogs, and other online communities. Netizens are also known for participating in online conversations and debates, sharing creative content and media, and participating in activism and other related activities.

In Thailand, the Thai government attempts to promote digital citizens' use of the Internet and digital technologies, such as computers and mobile devices, to access web-based services for their social, economic, political, and cultural activities. They generally engage in activities connected to Thai society, culture, and global issues. **Digital citizens in Thailand use the Internet to communicate and share information, access government services, meet with other people, and shop online.** In addition, they use digital technologies to support their business, find and share

news and entertainment, engage in e-commerce, and strengthen personal and professional relationships. The government encourages digital citizens to take responsibility for their online activities through personal analytics and cybersecurity initiatives, as well as campaigns promoting access to and inclusion on digital platforms.



**Digital citizen participation is engaging with governments and civic organizations on digital platforms to make a difference.** This engagement can be done through online forums, social media campaigns, online petitioning, and other digital activities. Digital citizen participation allows citizens to connect, share and work on new solutions to society's problems and issues while accessing real-time information. Citizens become active players in representation and decision-making initiatives by engaging in these activities.

*Digital citizen participation allows citizens to connect, share, and work on new solutions to society's problems and issues while accessing real-time information*

Therefore, the role of citizens in the auditing process has evolved. Historically, citizens were primarily engaged in auditing by providing testimony to a court or filing complaints with an auditor. However, the rise of technology and the Internet has changed the way citizens can participate in audits.

<sup>1</sup>This article represents the role of SAI Thailand as the ASOSAI Chairman (2021-2024), which promoted the Bangkok Declaration 2021: ASOSAI and the Next Normal.

Today, citizens are often engaged through online participation, or what is sometimes referred to as “netizen” participation. **Netizens can participate in the auditing process by engaging in online dialogue and submitting comments, evidence, and queries through online forums.** They may also participate in online surveys and polls and provide feedback on draft reports and recommendations. Sometimes, citizens may even serve as witnesses or experts in an online audit.



Online complaint letter mechanism by SAI Thailand  
Another example of netizens' participation in an audit Source: <https://complaint.audit.go.th/>

Overall, the increased accessibility of online technology has allowed citizens to become more actively engaged in auditing and their voices to be heard in auditing debates and decision-making.

For these reasons, Supreme audit institutions (SAIs) should use digital tools to engage with netizens, providing information and data that is both easily accessible and understandable.

Some potential ways for SAIs to engage with netizens include:

1. **Establish social media accounts on popular platforms** such as Twitter, Facebook, and Instagram to disseminate audit reports and other information.
2. **Host webinars and other online events** to discuss key findings and answer questions from the public.
3. **Create interactive maps or visualizations** to make complex data accessible to a lay audience.
4. **Publish online articles, blogs, and videos to explain the work of the SAI**, its findings, and what these implications mean for citizens.
5. **Develop an app to allow users to track the progress** of individual audit projects.

Ultimately, by becoming more open, transparent, and engaging in digital dialogue with netizens, SAIs can become more accessible, reach a wider audience, and better demonstrate the value of their work to the public.



Today, citizens are often engaged through online participation, or what is sometimes referred to as 'netizen' participation

Establish social media account

Host webinar

Interactive maps

Publish online article

Develop an SAI application

Five ways for SAIs to engage with digital citizens



# ELEVATING CITIZEN ENGAGEMENT IN PUBLIC AUDITING

## The approach of the General Audit Chamber St. Maarten

**Keith A. de Jong LL.M**

Director of the General Audit Chamber St. Maarten

**Joane Dovale-Meit MA**

Former Director of the General Audit Chamber St. Maarten

How public funds are spent should be on every taxpayer's radar. Audits conducted by Supreme Audit Institutions (SAIs) can help ensure that governments use public resources responsibly and sustainably, ultimately benefiting society. After all, regardless of size, SAIs share similar goals: creating a direct and positive impact on society through their work.

Public engagement contributes to a SAIs success. It allows us to understand better the needs and priorities of the communities we serve. We build trust and promote good governance by fostering open and transparent communication with the public.



*How public funds are spent should be on every taxpayer's radar*



*Like other SAIs worldwide, the General Audit Chamber ensures that taxpayer money is used transparently, effectively, and legally*



Title: Flag-Map of St. Maarten  
Source: commons.wikimedia.org

### Who are we?

The General Audit Chamber, the national SAI of St. Maarten, is tasked with examining and evaluating the use of public funds. Located in the Caribbean, St. Maarten is an autonomous country within the Kingdom of the Netherlands. It encompasses 16 square miles, has a population of approximately 40,000 people, and shares its borders with French Saint Martin. We are a young and proud institution, established on October 10, 2010. A board of three persons supervises us, and our secretariat consists of seven dedicated members. Like other SAIs worldwide, the General Audit Chamber ensures that taxpayer money is used transparently, effectively, and legally. The institution plays a central role in promoting accountability within the government, acting as a check on officials' actions.



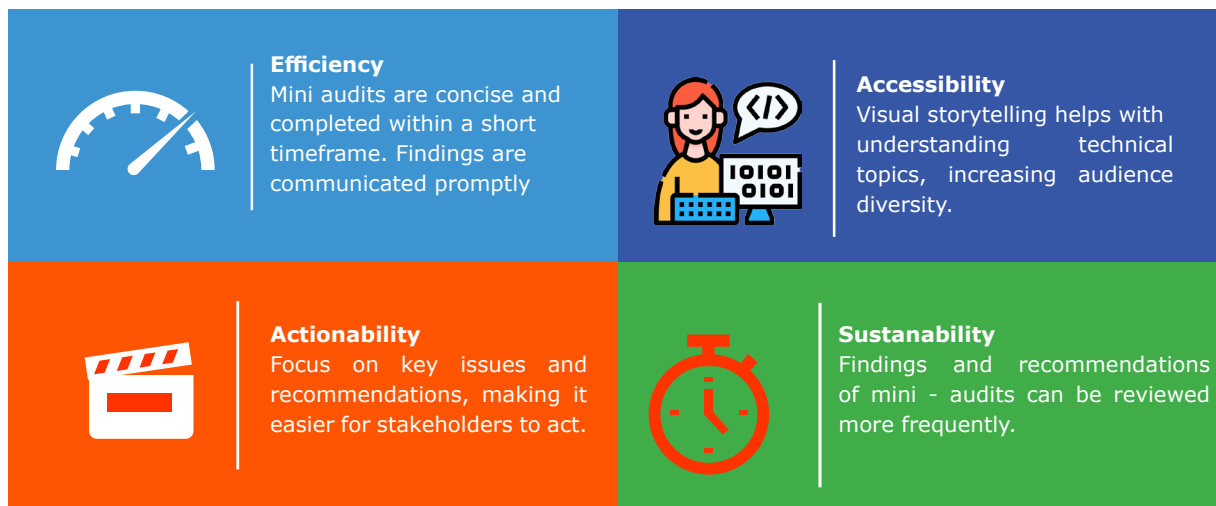
Title: Logo General Audit Chamber  
Source: General Audit Chamber St. Maarten

In the last decade, we implemented several innovative measures to increase public engagement. Too often, we are confronted with surprised faces when mentioning our findings to the general public. This tells us that the interest is there, but involvement requires effort from the SAI. That is the complicated part, considering that reports compete for attention in a media-saturated world. Which message will likely secure the most public interest, a dense technical report, a 280-character social media post, or a 15-second explainer video?

### Increasing public engagement

We fundamentally changed our approach. First, we adopted a new reporting style that emphasized language efficiency, limited the use of technical jargon, and encouraged visual storytelling. Then we moved to 'digital-only' reporting, with the added benefit of lowering our publication costs. Moving to digital reporting allows us to connect beyond our island and reach people worldwide, including the St. Maarten diaspora.

Last but not least, we introduced the mini-audit. With this tool, we focus on current topics, highlighting findings and suggesting easy-to-implement recommendations.



For us, our change in approach enhanced:

Mini-audits have proved to be highly effective on St. Maarten. We have been able to conduct frequent and targeted reviews on specific topics and provided easy-to-implement recommendations leading to Government follow-up. Since its introduction in 2020, the mini-audit represents 40% of all reports. Public concerns about the accessibility of the business application process prompted one notable mini-audit. That report was widely shared and received significant public attention. Subsequently, the responsible Minister announced that business-license applications would move online. That is a positive sign of the power of public engagement.

Our approach did not ignore the influence of social media. In combination with our easy-to-read digital reports, we found a powerful way to improve public engagement. Using popular social media platforms, the General Audit Chamber regularly shares updates on our activities and findings, keeping the public informed. Besides the usual links to our reports, we develop visually appealing infographics and explainer videos that quickly communicate essential information to the public. From 2020 to the end of 2022, the number of people who view our content, known as the reach, increased sixteen-fold.

While social media platforms allow stakeholders to view updates and links, they do not provide many opportunities for interaction. Traditional social media is passive and does not engage stakeholders beyond a few seconds or a single 'click through'. So, we took the next step towards securing meaningful engagement with citizens; interactivity.

Title: Interactive online environment  
Source: General Audit Chamber St. Maarten

Title: Mini-audit key benefits

Prepared by: Mr. Keith de Jong and Mrs. Joane Dovale-Meit

## The power of online interactive engagement

In August 2022, the General Audit Chamber launched an interactive online environment designed specifically for communication and interaction. Instead of scrolling through a newsfeed on a social media platform, which can sometimes be monotonous, we invite the public to participate in surveys, quizzes, and interactive videos. Visitors enjoy a more engaging and rewarding experience.

Our digital tool allows anyone to participate from any



location, making it easier and more accessible to ask questions or provide input. A simple click transports the viewer to the General Audit Chamber's interactive environment to learn more about the institution and its latest findings on how tax money is being spent. On average, a visitor spends four minutes in our online environment. We will continue introducing innovative new content to maintain the public's interest.

Using interactive tools and social media platforms for public engagement supports how the General Audit Chamber builds trust with citizens. By actively deploying these modern digital tools, we remain transparent and demonstrate our dedication to addressing the public's concerns. This can help to increase confidence in the institution and its role in promoting sound public governance. To explore for yourself, [click](#) here, or visit our website [www.arsxm.org](http://www.arsxm.org). You can also check out our Facebook, Instagram, or LinkedIn page (General Audit Chamber Sint Maarten).

### The Caribbean Organisation of Supreme Audit Institutions

Aside from social media, the General Audit Chamber promotes transparency and accountability through its membership in the Caribbean Organization of Supreme Audit Institutions (CAROSAI). Since its establishment in 1988, CAROSAI members have been working together to strengthen public sector accountability throughout the Caribbean. There are presently twenty-three members.

By participating in CAROSAI, we learn from the successful practices of other SAIs and share our own experiences and insights. This helps improve the quality and effectiveness of audits, ultimately contributing to better regional governance.

Overall, we have made great strides in increasing public engagement and transparency using social media, interactive content, and mini-audits. The organization has effectively communicated with the public and provided valuable information by leveraging these tools. As a result, the General Audit Chamber plays a vital role as a trusted and objective source of information.



Logo of CAROSAI Source: [www.carosai.org](http://www.carosai.org)







European Organisation of Supreme Audit Institutions  
Organisation des Institutions supérieures de contrôle des finances publiques d'Europe  
Europäische Organisation der Obersten Rechnungskontrollbehörden ORKB  
Организация высших органов финансового контроля Европы  
Organización de Entidades Fiscalizadoras Superiores de Europa