

INTOSAI



Exposure draft

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Guide for Cooperative Audit
Programs Between Supreme
Audit Institutions

INTOSAI Professional Standards Committee

PSC-Secretariat

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This publication was prepared by the INTOSAI Capacity Building Committee – Subcommittee 2¹. According to the strategic plan of INTOSAI 2005-2010 Goal 2, the main tasks of the Capacity Building Committee (CBC) are to build the capabilities and professional capacities of Supreme Audit Institutions (Supreme audit institutions) through training, technical assistance and other development activities. The Subcommittee is to develop advisory and consulting services by:

- Developing a database of experts and investigators in public finance field. Professionals working today in different Supreme audit institutions, as well as recently retired SAI staff, may be available to perform consulting and advisory duties;
- Encouraging joint and coordinated or parallel auditing programs. Joint programs are useful to validate methodology, generate guidelines, and improve processes;
- Encouraging internship and visit programs. The programs would facilitate the visit of professionals from other Supreme audit institutions to share or receive current knowledge in innovative audit areas.

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Catalogue No. ISBN

¹ For more information: <http://cbc.courdescomptes.ma/index.php?id=17>

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APENDIX

1 Introduction

In recent years, cooperation among supreme audit institutions has expanded considerably. The momentum for this development was largely provided by INTOSAI through its congresses, standing committees, working groups, meetings, seminars and, in the most recent period, by its support of the INTOSAI development initiative. In many cases, cooperation was also the result of bilateral and regional initiatives through which the supreme audit institutions put into practice the INTOSAI motto which says that the exchange of experience benefits all.

The individual contributions to this Guide requested from all supreme audit institutions clearly show the extent of cooperation activities currently under way. They prove that supreme audit institutions intend to meet the challenges arising from global change by identifying and implementing new ways of effective organization and management for themselves. The present Guide is to be a contribution towards achieving the goal that the international community of supreme audit institutions can play an ever more essential role in improving public resource management.

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1.1 Format of this Guide

The structure of this Guide reflects the successive steps of an audit mission. It addresses the steps of preparing, implementing and evaluating an audit exercise and provides advice and recommendations on each of these stages. The relevant explanations under each item cannot and are not meant to completely and fully address all the questions that may arise when conducting audits by several supreme audit institutions. In this Guide, it is impossible e.g. to take into consideration the variety in the national legal frameworks under which supreme audit institutions have to operate. Nevertheless, it appears likely that this Guide addresses the key questions to be answered by participants in a cooperative audit².

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1.2 Objective of the Guide

This Guide is to provide supreme audit institutions with a tool for preparing, implementing and following up on bilateral and multilateral audits. During the joint planning of such audits, the guide is to alert all participants to important issues that need to be clarified and agreed as a prerequisite for making the audit a success. Especially the model of a formal audit agreement and the checklist serve this purpose. While making use of the Guide cannot ensure that the audit will be a success for all participants, it may help to avoid potential pitfalls. The benefit that the Guide may provide partly depends on the lessons learnt by supreme audit institutions in applying it.

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² For the development of this guide the following documents were used as reference: Cooperation Between Supreme Audit Institutions – Tips and Examples for Cooperative Audits, 2007, ISSAI 5140: “How SAls may cooperate on the audit of International Environmental Accords”

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1.3 Definitions

Bearing in mind the international environment in which this Guide is to be used, it appears to make sense to start out by defining some of the concepts dealt with below. This is to prevent potential misunderstandings that might arise in the future cooperation of several Supreme Audit Institutions.

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Type of cooperative audits³

Cooperative audits between two or more supreme audit institutions can be divided into three types: parallel, coordinated and joint audits (see figure 1).

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- **Parallel Audit Mission:** A decision is taken to carry out similar audits. Methodology and audit approach could be shared. The audit is conducted more or less simultaneously by two or more autonomous auditing bodies, but with a separate audit team from each body, usually reporting only to its own governing body and only on matters within its own mandate.
- **Coordinated Audit Mission:** A coordinated audit is either a joint audit with separate audit reports to the supreme audit institutions own governing bodies or a parallel audit with a single audit report in addition to the separate national reports.
- **Joint Audit Mission:** Key decisions are shared. The audit is conducted by one audit team composed of auditors from two or more autonomous auditing bodies who usually prepare a single joint audit report for presentation to each respective governing body.

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Management (hierarchy) levels

Under a cooperative audit, the participating Supreme Audit Institutions have to perform different functions. The tasks need to be coordinated in common or national teams, fieldwork is to be conducted, reports need to be drafted and decisions need to be taken. The functions are performed by persons who, while having different job titles within the hierarchy of each Supreme Audit Institution, have similar types of work to do. For purposes of this Guide, the various levels are defined as follows:

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Roles and responsibility will be undertaken depending on the participating supreme audit institutions.

- **1st -level:** top management such as auditor general, (first) president or their deputies
- **2nd -level:** heads of divisions, departments, line managers

³ See INTOSAI, *How Supreme audit institutions May Co-operate on the Audit of International Environmental Accords*, 1998; INTOSAI, *Cooperation between Supreme Audit Institutions – Tips and Examples for Cooperative Audits*, 2007, Introduction, p. 1.

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- **3rd level:** heads of audit units, sections
- **4th level:** senior auditors / auditors
- **5th level:** other employees.

The success of the audit will depend on the commitment of every party involved, specifically of the top management (First level).

Committees

When performing cooperative audits, it is important to have bodies/committees responsible of taking decisions and follow up to the whole process.

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Each supreme audit institution representative for either of the committees will be appointed at the signing of the standard agreement or during the preparation of audit, by official document

Depending on the type of cooperative audit participating SAIs may constitute the following committees:

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- **Coordination Committee:** This is a body for coordinating cooperative work under a parallel or coordinated audit exercise. The committee members share views on the audits and agree on the approach to be adopted. They communicate the information necessary for taking decisions to decision-makers at the participating supreme audit institutions and represent the decisions of these responsible persons vis-à-vis the other supreme audit institutions. The members of such committees may be experienced auditors (4th level) or higher.

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Alternatively, participating SAIs may choose one of them as the Coordinator SAI to hold the responsibility of the fulfilment of the audit program (e.g. milestones, schedule).

- **Steering Committee:** This is a body for monitoring and steering the activities of the audit team in the course of a joint audit. This body takes all decisions about the cooperative audit to the extent that the leaders of the audit are not authorized to take them. At the same time, the representatives keep in contact with their respective supreme audit institutions. The members should have the authority to take decisions within their organizations (3rd level or higher).

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Type of reports

In principle, there are two different forms in which the supreme audit institutions may report on the results of a cooperative audit.

- **Joint report (joint audit):** The participating supreme audit institutions draw up a joint report, which includes the findings, conclusions and recommendations developed by the audit and is made available to the respective governing bodies and to national institutions. The report may be drawn up in one or several languages.
- **Joint report (coordinated audit):** The participating supreme audit institutions draw up a joint report – based on national reports, where applicable. The joint report includes some or all of the findings, conclusions and recommendations represented jointly by the supreme audit institutions. The joint report will be made available to the appropriate parliamentary or governing bodies, and if possible, according to legal framework, to any other stakeholder – supplementary to the national reports where appropriate. The report may be drafted in one or several languages.
- **National audit report (coordinated / parallel audit):** The participating supreme audit institutions produce separate national reports. They include the findings, conclusions and recommendations developed by the national audit, supplemented, when possible, by the results of the audits of the other participating supreme audit institutions. The reports may have identical structures or may be similar only in parts. They are made available to the national bodies.

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2 Initiation of the audit

2.1 Objective of audit cooperation

The Lima Declaration (Art. 15) rightly points out that the international sharing of information and experiences is an effective means of helping supreme audit institutions accomplish their tasks.

This implies the sharing of lessons learnt as well as the training of auditors and advice on audit methods. While regards need to be made to the different legal and economic framework of each nation, it is possible to use the experience gained by others as a basis for drawing conclusions about potential improvements in one's own country and better arrangements for the exercise of one's own audit functions. This approach may also help avoid repeating systemic errors that have already been detected by other supreme audit institutions.

International cooperation contributes to the training of auditors which increasingly becomes an international endeavor and gives them the chance to familiarize themselves with new working methods. At the same time, it offers

the opportunity to unambiguously and clearly define the meaning of individual technical terms (terminology) in the various languages.

Supreme audit institutions have worked together in a variety of ways. They have done so regularly in the form of parallel or coordinated audits, which involves the sharing of information. Joint audit missions have been less frequent; such audits have been carried out by Algeria, Cyprus, Indonesia⁴, Lithuania, Maldives, Mozambique, Peru, Slovenia and Venezuela.

Cooperation in an audit is usually necessary where a supreme audit institution carries out an audit requiring field work abroad. As a rule, supreme audit institutions are not entitled to conduct any audit work outside the territory of their country, e.g. at beneficiaries abroad, without the consent of the other country concerned. In some cases, the law authorizes them, subject to specified conditions, to request the assistance of foreign audit institutions.

2.2 Decision on audit cooperation

The replies to the questionnaire distributed by the Working Group (cf. annex 1) indicate that, apart from the fundamental interest in bilateral or multilateral cooperation, there is a wide variety of different underlying motives. Cooperative audits may enhance existing cooperation between supreme audit institutions and may strengthen informal networks.

Cooperation among supreme audit institutions is not a waste of time but a need for keeping them effective, since it promotes benchmarking and the development of best practice in all institutions involved⁵. It serves the development and enhancement of general professional knowledge of public-sector auditors. The sharing of lessons learnt, knowledge and methodology in fields of interests of the supreme audit institutions was often mentioned as a motive. Supreme audit institutions wish to review their existing practices and compare them to international good practice and standards. In some cases, this knowledge is needed for an audit exercise already under way. The INTOSAI Working Group on Environmental Auditing has mentioned the following principal objectives:

- to support supreme audit institutions in developing understanding of the specific problems connected with environmental auditing;
- to facilitate exchange of information and experiences in this field;
- to publish methodological Guidelines and other information useful for supreme audit institutions (i.e. recommendations in the scope and methods of environmental audits).⁶

Today, the major reason is likely to be the need to work out solutions to international challenges, e.g. environmental issues, collection of taxes and

⁴ Indonesia through participation in the audit; in Cour des Comptes audit – note: CdC was UNBOA incumbent – BPK RI's auditors participated actively. The auditors were using UN auditing standards.

⁵ XVIII INCOSAI, Theme I, discussion paper on the possibilities for bilateral and multilateral cooperation among Supreme Audit Institutions (SAIs). Author: National Audit Office United Kingdom.

⁶ Website INTOSAI WGEA: <http://www.environmental-auditing.org/>.

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duties or combating and prosecuting international crime. For many supreme audit institutions, the motivation to find common solutions for problems of an international scale is the decisive factor for the desire to cooperate. In a number of cases, cooperation aims at developing a common policy of the supreme audit institutions, above all for the protection of our environment.

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Frequently, cooperative audits also refer to programs, in which several countries are involved, e.g. the audit of financial assistance to strengthen the agricultural and regional infrastructure, of donor funds. For example: auditing of the tsunami fund was becoming common interest of many supreme audit institutions due to huge amount of money involved from donor countries to tsunami-hit countries. Therefore it is necessary to have a sound report which is transparent and accountable for donors, which usually raised funds from people. For a donor country, however, it was more efficient to involve local auditors in their supreme audit institutions audit so that they gain a better understanding of the real condition of tsunami victims. The audits often address transparency, proper use, reporting on and verification of these programs.

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In the case of other issues of an international scale, e.g. customs administration and immigration, money-laundering, human trafficking or multinational defense agreements, audits by an individual supreme audit institution within its national borders do not make much sense.⁷

2.2.1 Selection of the appropriate audit field

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In many cases, cooperation will be motivated by the fact that such cross-border matters as environmental pollution, visible and invisible imports or exports, cash flows or certain taxes or customs duties can only be audited in the form of cross-border cooperation. Apart from the former, certain conditions and/or transactions found in more than one country can be audited such as government grants to particular sectors of the economy (energy sector or agricultural sector). The analysis of the responses to the questionnaire indicated a number of interesting audit fields that can be divided into several, partly overlapping audit areas (cf. annex 2).

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2.2.2 Selection of SAIS for the audit

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The selection of suitable audit participants is often directly influenced by the audit theme.

- In the case of audits in the field of the environment and environmental funds, the participants are selected from among those countries that belong to given geographic region (e.g. countries adjoining a lake or the sea, forest or national parks) or countries that are parties to a given convention (e.g. Helsinki Convention). In the case of environmental audits, the participation of supreme audit institutions of

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⁷ See XVIII INCOSAI, Theme I, discussion paper on the possibilities for bilateral and multilateral cooperation among Supreme Audit Institutions (SAIs). Author: National Audit Office United Kingdom.

countries that exert particular influence on the environment is of considerable interest. Concerning audits of aid funds for the relief of natural disasters the supreme audit institutions of both the donor and recipient countries should participate.

- When it comes to auditing certain structures (bridges, motorways), the audit institutions of the countries in which the structure is located will participate in the audit.
- Audits relating to cross-border commercial transactions in certain goods / services and to the connected taxes and custom duties will be conducted in cooperation by the supreme audit institutions of those countries to which these transactions and revenues are of significant concern. The same applies to the cross-border movement of ordinary and hazardous wastes. For those audits, the participants are also usually chosen from the countries concerned.
- Apart from regional factors, cooperation by several supreme audit institutions may make sense, if they or their countries have similar interests. For instance, a cooperative audit might look into the cost-effectiveness of loans that international organisations have granted to individual recipient countries.
- Apart from the former, there is a special interest in the participation of Supreme Audit Institutions of countries that have special expertise owing to already having conducted an audit in the relevant field, have proven experts on their staff or make frequent use of audit methods that are also of interest of other supreme audit institutions. This applies especially to audits that are primarily conducted for training purposes. Another participation option to be considered is the supreme audit institution of a country which (probably) has developed **good practice** in a given area, although the supreme audit institution concerned has not yet conducted a relevant audit. In this case, a cooperative (parallel) audit which involves the sharing of essential audit findings is an attractive option.

2.2.3 Selection of the suitable type of audit

Audit cooperation between supreme audit institutions is not a novelty but is continuously increasing and may take a wide variety of different forms.

A distinction is usually made between:

- Consultancy: restricted to sharing information;
- Mutual support: the audit is based on audit results developed by another supreme audit institution without duplicating them;
- **Harmonization:** **audits with similar or common audits methodology and approach;**
- Joint audit: the audit team is made up of individual auditors from **a number** supreme audit institutions. In some countries, there are legal

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barriers preventing joint audits because there is no legal authority for doing audit work outside the national territory.⁸

While consultancy and mutual support can largely be practiced informally, coordinated^d and parallel audits (on the basis of harmonization) require thorough preparations and agreements. However, in many cases, the participants have no mutual legal obligations and cooperation is rather based on the principle of good will.⁹

One may distinguish between parallel or (simultaneous) audit, coordinated audit and joint audit (cf. item 1.3 above). These forms of cooperation can often not be clearly set apart (cf. figure 1 below). The degree of cooperation varies along a continuum from parallel audits to joint audits. A decision as to which type of cooperative audit is conducted is not really important as far as the participating Supreme Audit Institutions take the same opinion about all relevant points. Audits that fully meet the description of the concept of “joint audit” are rare and in a number of cases¹⁰ are subject to special requirements.

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⁸ For example in Austria; see report of the Austrian SAI by collegiate executive Mag. Wilhelm Kellner on audits of Supreme audit institutions in a globalized environment (multilateral audits, coordinated audits); 19th UN/INTOSAI Symposium, SYMPOSIUM ON VALUE AND BENEFITS OF GOVERNMENT AUDIT IN A GLOBALISED ENVIRONMENT, 28–30 March 2007, Vienna, Austria, <http://www.intosai.org/uploads/anlageie.pdf> Page 90-94.

⁹ Example: Understanding on which points to include in the national reports that are to appear in parallel to the joint audit report: (“National Reports should include the following issues”) on the International Coordinated Audit of the Chernobyl Shelter Fund http://eurosai.nik.gov.pl/en/site/px_Chernobyl_Shulezhko.pdf.

¹⁰ While the German SAI may enter into agreements with foreign, supranational or international audit authorities, issue or accept commissions to carry out individual audit assignments, or may take over audit duties on behalf of supranational or international institutions, this is contingent on empowerment by international treaties or intergovernmental agreements (article 93, paragraph 2, Federal Budget Code).

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Characteristics of Cooperative Audits

Figure 1

TYPE OF AUDIT				
	Parallel Audit	Coordinated Audit		Joint Audit
Team	National audit teams	National audit teams	Joint audit team	Joint audit team
Objectives	similar / (partly) identical	similar / (partly) identical	identical	identical
Scope	similar	similar / (partly) identical	identical	identical
Methodology	similar	similar / (partly) identical	identical	identical
Conducting	(nearly) simultaneous	simultaneous		
Report	National audit reports	National audit reports	Joint audit report	Joint audit report
Evaluation	National audit teams	National audit teams	Joint audit team	Joint audit team

In many cases, several supreme audit institutions carry out audits that are of a mixed type because they meet the criteria of more than one category of cooperative audits. In most cases, such audits are coordinated involving elements of consultancy and of mutual support.

2.3 Confidentiality

Cooperation with the Supreme Audit Institutions of other countries necessarily implies sharing information. As a rule, audit findings may be communicated to other audit bodies only in cases where relevant legislation provides for doing so.

Therefore, the sharing of information should be limited to those Supreme audit institutions that work together in a cooperation project and need the findings in order to be able to participate. In the case of multilateral audits it may make sense to restrict the communication of certain information to one SAI that exercises a coordinating function.

Information should be shared only as need be taking into account the following aspects:

- It is usually sufficient to furnish the partner institutions with summary information. As a rule, it will not be necessary to provide the partner

institutions with complete audit reports that are addressed to national bodies (e.g. the Parliament or the Government).

- Where the communication of data has been agreed and is necessary for performing the cooperative audit, personal data should be depersonalized.
- Certain classified data may not be sent via e-mail or by ordinary post without being encrypted.
- The audited body or other stakeholders concerned¹³ have a right to be heard before audit findings are forwarded to other bodies – including other supreme audit institutions.
- The cooperating supreme audit institutions should agree that information will be released to third parties only with the consent of the supreme audit institution from which the data originates (see Standard Audit Agreement, Article 15).

Generally, standing orders are in place that governs how certain data are handled. In view of its wide scope of authority, the supreme audit institution is usually responsible for ensuring that the documents and information received are given confidential treatment and that specific provisions on secrecy are complied with.

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In some countries, any retrieval of sensitive data by public authorities is subject to privacy rules. Sensitive data especially include personal data, i.e. data that permit conclusions about the personal circumstances of the citizens or legal entities affected. Especially, communication to other bodies of data collected may encroach upon the right to privacy. Therefore, the data are usually always depersonalized before passing them on or even publishing them. Where it is impossible to restore personal identification, communicating the data does not interfere with privacy rights.

Certain groups of persons are bound by special rules on professional secrecy (e.g. staff of medical and psychological assessment services, lawyers in connection with providing advice to their clients). Those who, in the course of their audit work, receive information to which professional secrecy rules apply, partly have the same duty of secrecy and, in case of infringement, face the same penal sanctions as other professionals.

In addition to general official and professional secrecy rules, specific secrecy rules need to be complied with. In many countries, these include postal and telecommunications secrecy, tax secrecy and secrecy of social security and welfare matters. In addition, there is a large number of other legal provisions on privacy e.g. the right to secrecy of parties to administrative proceedings or similar rights according to commercial law.

2.4 Formal agreement on audit cooperation

Depending on the mode of audit cooperation and depending of the kind of audit cooperation chosen, there is a wide variety of open issues on

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¹³ In the case of Germany, this applies e.g. to natural or legal persons not covered by rights of audit but appearing in audit reports because they are involved in discharging public administration functions

which (possibly binding) agreement should be reached by the participating Supreme audit institutions prior to the commencement of the cooperative audit (cf. annex 4 - Standard Audit Agreement). The aim is to prevent any delays in conducting audit work by means of discussing frankly all essential issues among all participants before starting the audit. Clear rules to which the participating supreme audit institutions have committed themselves in the audit agreement will especially be of merit for operative decision-making on organizational issues. In drafting the agreement, attention needs always to be paid to safeguard independence in connection with audits and the collection of audit evidence.

3 Sequence of steps of audit work

Once the preliminary steps up to the signing of a formal audit agreement have been taken, the arrangements made must be put into practice. Full communication among all participants is a vital ingredient for the success of any cooperative audit.¹⁴

3.1 Preparation of audit

In the course of audit preparation, all agreements (formally concluded where applicable) relating to the audit is implemented. This includes especially the formation of one or several audit teams, the necessary training, identify and exchange the nation-wide significant risks relating to the audit theme and audit objectives of the cooperative audit, the analysis of audit findings already available and the drawing up of an audit design outline including also a time schedule¹⁵.

Audit team(s)

Concerning the selection of participating auditors, various approaches may be appropriate depending on the form of audit chosen¹⁶.

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¹⁴ See INTOSAI, 2007, Throughout All Audit Phases, p. 3

¹⁵ During the preparation of a coordinated audit, the steps to be followed will depend on the approach to be adopted, either as a joint audit with separate audit reports or as a parallel (or concurrent) audit with a unique report, in addition to the national reports.

Figure 2

<u>Parallel Audit</u>	<u>Joint Audit</u>
<ul style="list-style-type: none"> • Selection of members of the national audit teams. • Designation of the responsible national team leaders • Exchange of information about the audit teams among the participating supreme audit institutions • Joint coordination meeting of the persons responsible for the audit teams • Setting-up of a coordination committee 	<ul style="list-style-type: none"> • Selection of the respective members of the participating supreme audit institutions (4th level or higher) • Designation of the responsible team leadership (3rd level or higher) • Release of the members/auditors selected for the joint audit from other duties • First information exchange between the members of the audit team. • Joint preparatory meeting of the audit team • Setting-up of a steering committee

In the case of joint audits, it is advisable to designate the members of the audit team already in the formal audit agreement. At least the member that is to responsibly represent each participating supreme audit institution in the audit team needs to be designated at an early stage. requirements to be met by the participating auditors, especially with respect to language skills, can thus be discussed and agreed among the participating supreme audit institutions on a timely basis.

Where the participating supreme audit institutions have formed a joint audit team, the respective members need to be enabled to provide an adequate input into the work of the team for a considerable period of time. Apart from the formal requirements that have to be met to ensure this, the auditors should be largely relieved from other audit work. Such arrangements can effectively prevent potential conflicts arising from parallel commitments to different tasks that especially may jeopardize compliance with the time schedule agreed for the joint audit.

Relying on external expertise may also be of merit. The experts may come from one or several countries involved and provide support to audit work for the benefit of all participants. Funding for such experts may be agreed by participating SAIs at the beginning of the audit.

Leading and decision-making bodies

The structure of leading and decision-making bodies may differ according to the form of audit chosen:

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Figure 3

<u>Parallel Audit</u>	<u>Joint Audit</u>
<ul style="list-style-type: none"> • Leading the national audit teams will be the responsibility of the national supreme audit institutions • Taking decisions about the national audit will be the responsibility of the national supreme audit institutions • The audits will be coordinated by a joint body (coordination committee) • Where decisions on individual issues have to be taken jointly, they will be taken by the decision-makers at the respective national supreme audit institutions (where necessary) 	<ul style="list-style-type: none"> • The leader(s) of the audit team will be designated jointly by all participating supreme audit institutions • Decisions about the audit within the scope of authority assigned will be taken by the leader(s) of the audit team • Steering of the audit by a joint body (steering committee) • Decisions about the joint audit outside the scope of authority given to the leader(s) of the audit will be taken by a steering committee on which all participating supreme audit institutions will be represented

For most parallel audits, joint leading and decision-making bodies are not likely to be needed. Since national audits are conducted under the responsibility of each national SAI, only a coordinating body is required. Its task will be to ensure the necessary sharing of information and coordination of the national audits.

In contrast, there should be a single leadership in the case of joint audits. The leader(s) designated jointly will discharge their functions under their own responsibility within the scope of authority assigned. A joint steering committee of representatives from all participating supreme audit institutions should be set up to take decisions that go beyond the leadership's authority. These representatives should have the necessary decision-making powers in order to be largely able to take decisions without further coordination processes within their respective national institutions. If this requirement is not met, there is a risk that the coordination procedures within the national supreme audit institutions have a significant impact on the development of the joint audits.

If a joint report on the results of coordinated audits is to be produced, it is advisable to set up a joint committee for drafting and coordinating this report. Here again, the national representatives of this committee should have the necessary decision-making powers to reach a final agreement on the findings, conclusions and recommendations of the joint report.

Preparatory meetings / training events

A joint meeting of the participants should take place prior to commencement of the audit(s). Its objective should be to exchange views about the theme, contents and successive phases of the planned audit(s). Such a meeting provides a forum for the participants to talk about lessons already learnt, to point out national peculiarities and to impart relevant knowledge for the audit. In case of a joint audit, this preliminary meeting also provides the opportunity for the members of the audit team to come to know each other. In the case of parallel audits, at least the members of the coordinating committee (if any) should meet.

In addition, it may be useful to hold joint training events in preparation for the cooperative audit. Seminars and workshops of the participating auditors may help to ensure that they can start the audit on the basis of an identical level of knowledge. In this context, it may be worthwhile to call in external experts from international organizations or academies that are already dealing with the audit theme, in many cases from an international perspective.

Conduct of preliminary (national) studies

National legal and other provisions permitting, preliminary studies before starting the audit may be useful. The essential purpose of such a preliminary study is to generate basic findings for the audit by means of research e.g. on the Internet or in libraries.

On this matter, SAIs could identify and exchange the nation-wide significant risks relating to the audit theme and audit objectives of the cooperative audit

The sources of information to identify such risks would include but not limited to the following:

- Budget documents of the auditee;
- Internal guidelines and operating manuals of the auditee;
- Previous audit findings;
- Internal audit reports;
- Discussion with the national governing bodies and key stakeholders;
- Data from the management information system.

Compilation of results of previous (national) audits

Compiling and analyzing the results of previous audits that addressed a similar audit theme is an appropriate preparation for carrying out the joint audit. The findings and recommendations developed by previous audits may indicate potential approaches for the joint audit. However, it is necessary to consider the extent to which the respective national situations lend themselves to an international review.

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Audit design outline (including time schedule)

The most important ingredient to the preparation of an audit is drafting an audit design outline. Depending on the form of the audit, the requirements as to contents, structure and approach differ.

Figure 4

<u>Parallel Audit</u>	<u>Joint Audit</u>
<ul style="list-style-type: none">• National audit design outlines with comparable contents, perhaps on the basis of a common model• Deviations / adjustments in accordance with the respective national legal framework are possible• The audit design outline needs to be approved by the authorized decision- makers of the respective national SAI	<ul style="list-style-type: none">• Uniform audit design outline• Taking into account the national legal frameworks that govern the work of the participating Supreme audit institutions• Approval by all participating Supreme audit institutions

As a rule, the audit design outline is not likely to be an integral part of the formal audit agreement between the Supreme audit institutions. In case of a joint audit, it will therefore have to be approved at least on the level of the steering committee, unless the right of approval is reserved - by national legal provisions, where applicable – to the decision-makers within the participating supreme audit institutions. If so, sufficient time must be allowed for coordination.

Time table / Action plan

Planning the timing of the audit(s) is an essential component of the audit design outline. Where the audit is based on a formal audit agreement among the participating supreme audit institutions, it is likely that the key points, such as basic steps of work, time for / form of completion of each step, have already been set out in that agreement. The degree of precision of and commitment to the time schedule will also depend on the form of audit.

Figure 4

<u>Parallel Audit</u>	<u>Joint Audit</u>
<ul style="list-style-type: none">• Framework timetable with the essential common milestones e.g. dates of starting and finishing the national audits, reporting of audit findings etc.• General timetable with large time buffers• Acknowledgement of the timetable by all participating Supreme audit institutions• Timetables for national audits, taking into account the above-mentioned mile stones	<ul style="list-style-type: none">• Detailed time table, taking into account the successive phases of the joint audit• Allotting time for the various audit steps, especially the necessary coordination work within the participating Supreme audit institutions.• Approval by the participating Supreme audit institutions (steering committee)

In parallel audits, the timetable thus merely provides a framework within which the Supreme audit institutions should conduct their own audits under their sole responsibility. Changes in the national audits may affect the agreed timetable but not necessarily so.

3.2 Implementation of audit

When conducting joint audits, a number of peculiar features arise from cooperation and coordination among the participating Supreme audit institutions. The joint audit or the several national audits follow the usual sequence of audit steps. In case of a joint audit, the individual SAI is superseded as decision-making, monitoring and steering body by the leader(s) of the audit or the steering committee¹⁷.

Monitoring compliance with the timetable and audit progress

The extent to which the participating Supreme audit institutions are involved in monitoring compliance with the timetable and audit progress depends on the form of audit chosen.

¹⁷ In the case of a coordinated audit, the implementation of the audit will follow the steps depending on the approach to be adopted, either as a joint audit with separate audit reports or as a parallel (or concurrent) audit with a unique report, in addition to the national reports.

Figure 5

<u>Parallel Audit</u>	<u>Joint Audit</u>
<ul style="list-style-type: none"> Steering the national audits is the responsibility of each participating Supreme Audit Institution All participants need to be informed of any significant deviations from the timetable in the course of the national audits Adjustment of the timetable after coordination among the participating Supreme audit institutions (coordination committee, where appropriate) 	<ul style="list-style-type: none"> Steering the joint audit is the responsibility of the leader(s) of the audit/the steering committee Involvement of the national Supreme Audit Institutions only where needed and on the initiative of the steering committee Adjustment of timetable by the steering committee

On the whole, parallel audits imply that the participating Supreme audit institutions perform essential steering functions independently of each other, while, in the case of a joint audit, these functions are delegated to the team leader(s) or a steering committee.

Regular sharing of information / working meetings

While communication is of particular importance in any audit, it is an indispensable ingredient for the success of a cooperative audit. Whenever it seems necessary or advisable, full sharing of information should take place not only within the audit teams but also among other responsible officers in the participating Supreme audit institutions. Regular mutual information

e.g. on the progress made, any interim findings generated from field work or responses of the audited bodies will enable the participating Supreme audit institutions to adapt their activities accordingly where necessary.

Especially during a parallel audit, the sharing of information can ensure that the national audits generate comparable results. Where one participating institution identifies any need for change or difficulty, the other parties involved may react in an early stage.

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Apart from the use of electronic media (e-mail, Internet), regular joint meetings are a suitable tool for information exchange. In particular, such meetings foster informal contacts between the participating individuals and create the basis for cooperation in a spirit of mutual confidence. The participants should come to know each other by means of open communication and discussions outside the formal meetings, thus avoiding potential impediments to cooperative audit work.

Exchange of results

Apart from the continued sharing of information about the audit(s), the exchange of audit results is the essential core element of a cooperative audit conducted by Supreme audit institutions.

Figure 6

<u>Parallel Audit</u>	<u>Joint Audit</u>
<ul style="list-style-type: none">• Communication of the results of the national audits, also of interim results where appropriate• Reconciliation of the results among the participating Supreme audit institutions	<ul style="list-style-type: none">• Sharing of information about the results of the respective national collection of audit evidence• Agreement on audit findings after completion of the collection of audit evidence

Under parallel audits, the national Supreme audit institutions will communicate to each other the audit results on or before the date when the national audits are completed. They should also inform the other participating organizations about essential interim results. On this basis, the participating Supreme audit institutions may analyze and compare their specific national situations. Such information may also provide the basis for a final joint report.

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In the case of joint audits, the respective national Supreme audit institutions should be informed about the audit evidence collected in their respective countries. They may then analyze the findings at an early stage and may help clarify apparent inconsistencies or misunderstandings. All results should be discussed by the joint bodies, taking into account any advice provided by the Supreme audit institutions. Another alternative will be for SAIs to decide what information to exchange, during audit planning phase, based on the materiality, and require the audit evidences of the significant findings shared with partner SAIs. If this were the case, the proposed step may include:

- Firstly, establish and agreed the materiality level for performance audit and/or financial audit among the participating SAIs;
- Then, the significant findings are identified by the joint steering committee;
- Finally, exchange the audit evidences on material findings among participating SAIs.

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3.3 Reporting on the audit

The nature, content and scope of reporting and the potential addressees of the joint report on an audit by two or more Supreme audit institutions are largely determined by the form of audit chosen. Therefore, reporting may take the form of national documents or of a document drafted jointly.

Figure 7

<u>National Audit Report(s)</u>	<u>Joint Report</u>
<ul style="list-style-type: none">• National reports with similar structures• Potential deviations derived from the designs/results of the national audits• Findings, conclusions and recommendations are developed under the separate responsibility of each national SAI• Where appropriate, a joint summary of the national reports may be produced (e.g. as a component of the national reports)• Reports addressed to national bodies (Parliament, Government etc.)	<ul style="list-style-type: none">• Single report• Findings, conclusions and recommendations are developed under the joint responsibility of all participating Supreme audit institutions• Reports addressed to national bodies (Parliament, Government etc.)• Where appropriate, also addressed to international organizations which have a responsibility in the audited field

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While in a joint audit, all participating supreme audit institutions issue an identical report, several independent national reports are issued in the case of parallel audits. These reports should have similar structures but need always take regard to national peculiarities. To that extent, deviations, e.g. owing to other and possibly broadened audit approaches are possible without jeopardizing the objectives of the cooperative audit. Whether, in addition to the features of a parallel audit, the results of the other national audits are reflected in the national reports or whether a separate document is drawn up will depend on the interests of each SAI and the legal framework in which it operates. The SAIs might wish to consider including a joint summary into their national reports

Since a parallel audit merely involves comparable audits at the national levels, reporting is addressed primarily to the responsible national bodies. These may be the Government or individual ministries and the Parliament. Usually, the joint report on a joint audit will also be addressed to these bodies. Based on its international approach, such a report will be also of interest to organizations that have to deal with the issues audited in an international context. Within the scope of the legal framework by which

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each SAI is governed, the option of joint reporting to such organizations should always be borne in mind.

4 Evaluation and further audit cooperation

The participating Supreme audit institutions should not yet terminate the audit exercise upon conclusion of the audit process and submission of a report. If supreme audit institutions wish to comply with their primary duty of seeking to improve public sector performance, they have to ensure that their own activities comply with high quality standards. Therefore, the supreme audit institutions themselves should assess whether the audit has been successful. Such an ex-post review is part of a system of quality management which is to enable Supreme audit institutions to identify deficiencies and address them where necessary.¹⁸

The term “evaluation” can be defined as the description, analysis and assessment of projects and processes. In the case of audits, such evaluation needs to be based on such criteria as audit standards and rules of procedure that explain how the successive phases of the audit have to be implemented. One key element the audit design outline (see item 3.1 above).

In addition, participating SAIs could consider including best practices and lessons learnt about the auditing, when possible, and appropriate, this can also be mentioned on the audit report under recommendations or as a separate document, previously agreed by the SAIs.

4.1 Review of audit performed

In any evaluation, first check the implementation of the successive steps of the audit, in particular, compliance with the timetable, achievement of the pre-set audit objectives, the extent to which audit findings reflect the audit approaches and the action taken by the audited bodies in response to the audit recommendations. This form of evaluation could also be conducted in the case of purely national audits.

Information on the evaluation of the audit exercise should be recorded in writing in the form of an audit minute. In this document, the individuals who participated in the audit will show whether the audit has developed as expected or whether there have been deviations. This refers to such factors as the timeframe and the audit approach (scope and audit methodology). Such an audit minute should give detailed reasons for the differences between targeted and actual performance.

¹⁸ The Supreme audit institution of Denmark, Finland and Norway published an evaluation report (lessons learned) of their “Parallel Audit of the Nordic Cooperation Regarding the Electricity Emergency Preparedness” in February 2009. An abstract of the report can be found at: <http://uk.rigsrevisionen.dk/media/1892056/1-2008.pdf>.

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Deviations from the audit design outline and time schedule should not be considered as tantamount to deficiencies. Since the audit design and time schedule are worked out at the beginning of an audit, it is possible that little information is yet available about the audit topic. If e.g. more information than expected needs to be analyzed at an audited body, this may justify delays in audit performance.

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4.2 Ex-post evaluation of audit cooperation

Cooperative audits of Supreme audit institutions often are more demanding on the auditors and require a larger input than national audits. Further problems may be caused by the cooperation of several Supreme audit institutions. Ex-post evaluation therefore should also assess the quality of audit cooperation. Problems in this field may arise, if auditors with different mother tongues are assigned to a cooperative audit. In such a case, adequate command of other languages is of considerable importance. The participating Supreme audit institutions should make sure that the auditors assigned have adequate language skills. This is contingent upon the Supreme audit institutions taking timely action to bring auditors to the required level of command of the foreign language concerned.

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Another question to be addressed is whether the audit objectives set prior to commencement of the audit have actually been achieved. The more precisely the objectives have been defined, the better can the evaluation reveal whether the objectives have been reached fully, partly or not at all. Since compared to national audits, international audits require a larger cooperation effort among auditors; a critical assessment needs to be made of whether the results of the audit have justified the connected input of time and resources. In view of the considerable costs of official travel abroad, the evaluation also should verify compliance with the cost ceiling.

There are two reasons why the evaluation of audit exercises and audit cooperation is important for the participating supreme audit institutions: on one hand, the results of ex-post evaluation are an important basis for deciding about further action after the audit (for details see 4.3 below), on the other hand, the evaluation may teach lessons that can be applied to future audits.

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Hungary

4.3 Continuation of audit cooperation

At the end of ex-post evaluation, Supreme audit institutions should consider whether continuing cooperation in the audited field will add value. The evaluation of this issue depends on the result of the audit. If e.g. considerable deficiencies in government operations have been identified and if Supreme audit institutions have made recommendations for improvement, it may be a good idea to conduct a follow-up audit after a certain period of time.

The audit results could also prompt supreme audit institutions to look into similar audit fields. In this way, they could apply and perhaps even enhance acquired knowledge.

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Appendix to ISSAI 5800

*The following annexes are still pending
of further update*

Annex 1 Specimen audit cooperation agreement

Annex 1.1 – What was the audit(s) topic?

(*N.B.:* Formal audit agreements were concluded between the participating Supreme Audit Institutions for those audits whose title has been printed in **bold type** in the table below.)

Algeria	External audit of WFP¹: regularity and compliance audit
Algeria	External audit of WFP and FAO²: effectiveness and reliability audit
Argentina	Management Audit on the Circuit Operational Information of the Southern Common Market (Mercosur). Analysis of the processing, monitoring and control standards Mercosur to be incorporated into national law.
Argentina	Audit operational loads of food by land transport. Analysis of the operative control of imports, exports and transit cargo of food for ground transportation in areas integrated Control border for the purposes of evaluating the legality, effectiveness, economy and efficiency of the activities carried out.
Austria	Evaluation of the law on grants for the Environment – Environment grants abroad.
Austria	Audit on the protection of nature in the Region Lake Neusidl/Fertö
Austria	Coordinated Audits of the Implementation of Tasks Related to Environmental Projects and Measures in the Thaya River Basin
Austria	Environmental Audit Report on the three-border area of Hungary, Slovenia and Austria
Austria	NATURA 2000 European network
Austria	Utilization of state financial means allotted for air and ozone layer protection and implementation of related international agreements
Austria	WGEA's global audit on climate change ³
Austria	Audit of Value Added Tax
Bulgaria	Parallel audit on the audit of EU project funds
China	Audit on dust and sandstorm prevention projects
Cyprus	Marine Pollution from ships
Czech Republic	Value Added Tax and Excise Taxes
Czech Republic	Value Added Tax Administration
Czech Republic	Shortcomings in VAT administration after accession of Czech Republic to European Union
Czech Republic	Excise Duty Administration
Czech Republic	Financial means expended on air quality protection
Czech Republic	State funds management and performance of international obligations in hazardous wastes treatment (Basel Convention)
Czech Republic	State Funds Spent on the Enhancement of Purity of Water in the Oder Watershed
Czech Republic	Environmental Projects and Measures in the Dyje River Basin Financed by State Funds and Funds Provided to CR from Abroad

¹ WFP = World Food Programme.

² FAO: Food and Agriculture Organization of the United Nations.

³ WGEA = The INTOSAI Working Group on Environmental Auditing.

Czech Republic	State Property and Financial Means Allocated to Cover the Work of the Refugee Facilities Administration of the Ministry of Interior
Czech Republic	Parallel Audit on the processes for identifying, reporting and following up on Irregularities by the Working Group on Structural Funds II ⁴
Czech Republic	Funds earmarked for development of motorway D8
Czech Republic	The Audit of internal control system of the structural funds
Denmark	II Audit of Implementation of Provisions of the Convention on the Protection of the Marine Environment of the Baltic Sea Area
Estonia	Pollution from ships in the Baltic Sea
Estonia	Fisheries management and monitoring of the environmental impact on fish stocks in the Baltic Sea
Estonia	Implementation of the NATURA 2000 network in Europe
Estonia	INTOSAI WGEA Global Coordinated Audit on Climate Change
Estonia	EUROSAI WGEA international audit activities addressing mitigation of climate change and adaptation to its effects
Greece	MARPOL audit: Preventing and dealing with marine pollution from ships
Germany	Parallel Audit of Management and Utilization of State Financial Means Allotted for Highway and Road Construction
Germany	Audit of the Fisheries Management and Monitoring of the Environmental Impact on Fish Stocks in the Baltic Sea
Germany	Shortcomings in VAT administration after accession of Czech Republic to European Union
Germany	Funds earmarked for development of motorway D8
Germany	II Audit of Implementation of Provisions of the Convention on the Protection of the Marine Environment of the Baltic Sea Area
Germany	Co-operation Agreement between the Russian Court of Audit and the Bundesrechnungshof
Germany	Exchange of Information between Tax Administrators in VAT Area
Germany	Audit on Administration of Reduced Rates of Value Added Tax
Germany	Tax advantages linked with taxation of the companies
Germany	Transparency and reporting of tax subsidies
Hungary	Audit of the Internal Control System of the Structural Funds
Hungary	Tax advantages linked with taxation of the companies
Hungary	The flood control preparedness in the Upper Tisza region
Hungary	Nature conservation of the Lake Fertő
Hungary	Environmental protection in the area of three borders Hungary-Austria and Slovenia

⁴ Irregularities are defined by EU regulation 2988/1995 as “any infringement of a provision of Community law resulting from an act or commission, intentional or not, by an economic operator, which has, or would have, the effect of prejudicing the general budget of the Communities”.

Hungary	Building of the Löttschberg Basic tunnel and the Szekszárd Danube bridge
Hungary	Implementation of the Natura 2000 Network in Europe – in the framework of the Environmental Working Group of the EUROSAT WGEA
Hungary	Using of the Structural Funds for environmental goals – Working Committee of EU Structural Funds
Hungary	Audit of the investment on Maria-Valeria bridge
Hungary	Report on the Swiss-Hungarian parallel audit
Hungary	Audit of the construction of the railway line Zalalövö – Bajánsenye- Hodoš – Murska Sobota
Indonesia	Auditing on Tsunami Fund
Iraq	Training in privatization Audit in cooperation with Jordan SAI
Iraq	Training in Incomplete Records in Cooperation with NAO
Iraq	Training in financial Audit in cooperation with Egypt SAI
Iraq	Training in accounting standards and evidence in cooperation with NAO
Iraq	Training in fraud and anti corruption in cooperation with NAO
Iraq	Training in IT Audit in cooperation with India SAI
Iraq	Training in performance audit in cooperation with Tunisia SAI
Iraq	Training in contracting and general purchases in cooperation w b and ILO ⁵
Kazakhstan	Audit of using of the budget funds directed at fire control in frontier zones with the Russian Federation
Kazakhstan	Audit on realization of the Frame Convention on protection of marine environment of Caspian Sea
Korea	Cooperation audit on dust and sandstorms (DDS)
Latvia	On Administration of Corporate Income Tax
Latvia	On Administration of Reduced Rates of Value Added Tax
Latvia	Public authority activities to ensure movement of goods and other items through border post between Latvia and Russia
Latvia	The compliance of the planning, monitoring and effectiveness of ERDF co-financed environmental programs to EC regulations and policy planning documents
Lesotho	Procurement of goods and services
Lithuania	Tax Subsidies in 2006
Lithuania	Exchange of Information between Tax Administrators in VAT Area
Lithuania	Implementation of the hazardous Waste management program. The French Cour des Comptes confirmed its readiness to provide support in a joint audit with two auditors who audited hazardous waste management.
Lithuania	Second Audit of Implementation of Provisions of the Convention on the Protection of the Marine Environment of the Baltic Sea Area

⁵ ILO = International Labour Office.

<http://www.ilo.org/public/english/bureau/gender/newsite2002/about/audit.htm>.

Lithuania	Performance (output/effectiveness) on Structural Funds programs in the areas of environment
Lithuania	Implementation of the Natura 2000 network in Lithuania. (Establishment of protected territories network "Natura 2000" in Lithuania)
Macedonia	Phare 2000 Project on Computerization of the Macedonian judiciary
Maldives	SAARC Secretariat audit & its centers ⁶
Malta	Preventing and dealing with pollution from ships at ports and at sea
Malta	EU Structural Funds – Environmental Programs
Mozambique	SADC – Secretariat Financial Audit⁷
Mozambique	Audit of CPLP – Community of Portuguese Speaking Countries
Pakistan	Certification of financial statements of budget support grant given by the government of USA to the government of Pakistan
Peru	Environmental Auditing to INRENA (National Institute of Natural Resources), through the project "Forest Management of Alexander Von Humboldt National Forest" (located in Ucayali and Huanuco – Regions of Peru). The purpose of this was to inform relevant governmental levels related to reasonableness of main management components, the degree of fulfillment of objectives and planned goals in "Forest Management Plan of Alexander Von Humboldt National Forest" and respective laws in force.
Peru	Environmental Auditing in The Mantaro Basin (located in the Cerro de Pasco and Junin – Regions of Peru). The purpose of this was to analyze the performance of Public Entities (such as Health Ministry, Education Ministry, Agriculture Ministry, City Hall and others) related to protection and conservation of The Mantaro River Basin.
Peru	Environmental Auditing to Putumayo River Basin (located in Loreto – Region of Peru). The purpose of this is to evaluate the performance of Public Entities related to protection and conservation of Putumayo River Basin, under the Development Binational Program.
Poland	Implementation of the provisions of the convention on the protection of the Marine Environment of the Baltic Sea Area (Helsinki Convention)
Poland	Impact of economic activities on the environment of the Białowieża Forest
Poland	Agreement between Poland and the Czech Republic on water management of cross-border waters; Agreement on the International Commission for protection of the Oder against Pollution (Project Oder I)
Poland	Implementation of tasks resulting from international agreements on border waters signed between Lithuania and Poland
Poland	Implementation of anti-pollution tasks with a detailed account of public funds
Poland	Management of the state budgetary funds and state property in administration of Pieniny National Park
Poland	Flood protection and elimination of flood damages
Poland	First audit of implementation of the provisions of the Convention on Protection of the Marine Environment of the Baltic Sea Area (Helsinki Convention)
Poland	Reducing air pollutant emissions in the Polish-German border area
Poland	Financial Means Spent on the Enhancement of Purity of Water in the Oder Watershed
Poland	Agreement between Poland and the Czech Republic on water management of cross-border waters; Agreement on the International Commission for protection of the Oder against Pollution (Project Oder II)

⁶ SAARC = South Asian Association for Regional Cooperation, <http://www.saarc-sec.org/main.php?t=13>.

⁷ SADC = Southern African Development Community, <http://www.sadc.int/>.

Poland	Effectiveness of the action taken towards nature conservation and international tourism development in the Niemen River catchment area
Poland	Coordinated Audits of Implementation of Tasks Related to Environmental Projects and Measures in the Thaya River Basin
Poland	Second audit of implementation of provisions of the Convention on the Protection of the Marine Environment of the Baltic Sea Area (Helsinki Convention)—Pollution from ships in the Baltic Sea (Helsinki II)
Poland	National parks in Polish-Slovak border area
Poland	Flood prevention programs in the Carpathian region
Poland	Impact of economic activity on the environment of the Białowieża Forest
Poland	Parallel audit of protection of the Bug River
Poland	Road check points on the Polish-Ukrainian Border
Poland	Execution of Value Added Tax Revenues by Tax Offices (January 2004 – June 2005)
Poland	Implementation of the Agreement dated 6 July 1995 between the Republic of Poland and the Slovak Republic on legal relations and cooperation on the common state border
Poland	Parallel audit of using tax relief and exemption as a state fiscal policy instrument
Poland	Cross-border movement of wastes between Poland and the Russian Federation
Poland	Implementation of the convention on the control of cross-border movements of hazardous wastes and their disposal (Basel Convention)
Poland	International audit of the Chernobyl Shelter Fund
Qatar	IT Audit of Billing Operations of Kahramaa
Romania	Transparency and reporting of tax subsidies
Slovak Republic	Investment project Maria Valeria bridge
Slovak Republic	Excise duty administration
Slovak Republic	Implementation of the Cooperation Agreement on the Polish-Slovak state border
Slovak Republic	National parks in the Polish-Slovak border area
Slovak Republic	State funds management and performance of international obligations in hazardous waste treatment (Basel Convention)
Slovak Republic	Management of VAT and system VIES
Slovak Republic	Construction of the motorway
Slovak Republic	Utilization of the state funds allotted for air and ozone layer protection and implementation of related international agreements
Slovak Republic	Excise duty administration
Slovak Republic	State property and financial means allocated to cover the work of the refugee facilities administration
Slovak Republic	Parallel audit of implementation of the agreement on cross-border water issues signed by the government of Slovakia and Ukraine
Slovak Republic	Education and preparation for labor market
Slovenia	Audit on railway construction Zalalovo – Bajansenje - Hodoš – Murska Sobota
Slovenia	Environmental audit on the three-border area of Hungary, Slovenia and Austria
Slovenia	Audit on the conservation of biodiversity on the area of the planned regional parks Snežnik and Kočevsko Kolpa and in Risnjak National Park

Sweden	The government's preparation and statement of tax expenditure
Sweden	Aid through budget support – The Government's and Sida's handling of a key type of development aid
Turkey	Marine pollution from ships
Ukraine	Parallel audit of road border check points on the Polish-Ukrainian border
Ukraine	Parallel audit of the flood control preparedness in the Upper Tisza region
Ukraine	Parallel audit of implementation of flood protection measures on cross-border waters of Ukraine and Republic of Poland
Ukraine	Parallel audit of protection of waters in the Bug River Catchment Area from pollution
Ukraine	Parallel Audit of Implementation of the Agreement on Cross-border Water Issues Signed by the Government of the Slovak Republic and the Government of Ukraine
Ukraine	International Co-ordinated audit of Chernobyl Shelter Fund
Venezuela	Environmental audit in the basin of Catatumbo River

Annex 1.2 - What audit field did you look at?

N.B.: Audit titles are listed in brackets where this audit field was only addressed by some audits.

Employment, education and vocational training	Algeria, Iraq (Professional education and training for the mentioned training programs), Lesotho, Slovak Republic
Infrastructural investments	Algeria (External audit of WFP: Regularity and compliance audit), Bulgaria, Czech Republic (State funds management and performance of international obligations in hazardous wastes treatment (Basel Convention), State Funds Spent on the Enhancement of Purity of Water in the Oder Watershed, Environmental Projects and Measures in the Dyje River Basin Financed by State Funds and Funds Provided to CR from Abroad; Funds earmarked for development of motorway D8), Hungary, Latvia, Lithuania, Macedonia (Computerization of the Macedonian Judiciary), Malta, Slovenia
Public works	Ukraine
Health	Argentina
Budget / public finances	Algeria, Argentina, Czech Republic, Kazakhstan, Latvia, Lithuania, Maldives, Malta, Mozambique, Pakistan, Romania, Slovak Republic, Sweden, Ukraine
Information technology	Algeria, Hungary, Iraq, Latvia, Qatar
Structural and procedural organization / personnel management	Algeria, Argentina, Czech Republic (State Property and Financial Means Allocated to Cover the Work of the Refugee Facilities Administration of the Ministry of Interior), Hungary (Procedural compliance with EU regulations), Latvia, Malta
Social security	Slovak Republic
Taxes	Algeria (External audit of WFP: Regularity and compliance audit), Austria (VAT), Czech Republic, Hungary, Latvia, Slovak Republic, Sweden
Environment	Argentina, Austria (not VAT), China, Cyprus, Czech Republic (Financial means expended on air quality protection, State funds management and performance of international obligations in hazardous wastes treatment (Basel Convention), State Funds Spent on the Enhancement of Purity of Water in the Oder Watershed, Environmental Projects and Measures in the Dyje River Basin Financed by State Funds and Funds Provided to CR from Abroad), Denmark, Estonia, Greece, Hungary, Kazakhstan, Korea, Latvia, Lesotho, Lithuania, Malta, Peru, Poland, Slovak Republic, Slovenia, Turkey, Ukraine, Venezuela
Internal and external security	Lithuania, Ukraine
Other	Algeria (External audit of WFP: Regularity and compliance audit): Loans, stock, distribution of food, salaries Argentina: Infrastructure Czech Republic: Structural funds in the EU – to carry out a review of the processes in place for identifying, reporting and following up on Irregularities (Parallel Audit on the processes for identifying, reporting and following up on Irregularities by the Working Group on Structural Funds II) Czech Republic: At several fields financed from SF according to the particular country (The Audit of internal control system of the structural funds) Hungary (R&D co-operation) (Indonesia: All those aspects above a-l were looked at and judged for reasonableness). Mozambique

Annex 1.3 - What was the audited entity?

Statutory Authority	Algeria (direction of audit and general inspection); Austria, Cyprus (relates to Cyprus Ports Authority), Hungary, Malta (Malta Maritime Authority), Peru, Qatar, Slovak Republic, Turkey
Ministry / Department	Argentina, Austria, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Greece Hungary, Kazakhstan, Korea, Latvia, Lithuania (Ministry of Finance, State Tax Inspectorate), Macedonia (Ministry of Justice, Prosecutor office, Court of Appeal, Basic Courts, Corrective institution and European Agency for reconstruction), Malta (Oil Pollution Response Module; Planning and Priorities Coordination Division (Office of the Prime Minister). Poland, Romania (Ministry of Economy and Finances, Ministry of Interior and Administration Reform), Slovak Republic, Slovenia, Sweden, Turkey, Ukraine, Venezuela
Subordinate body	Argentina, Czech Republic, Denmark, Greece, Hungary, Korea, Latvia, Poland, Slovak Republic, Sweden (Sida - Swedish International Development Agency), Turkey, Ukraine, Venezuela
Municipal Council	Bulgaria, Denmark, Poland, Turkey, Venezuela
Provincial Council	Austria, China, Denmark, Hungary, Poland, Turkey, Ukraine
Government Company	Austria, Hungary, Kazakhstan, Poland, Slovenia, Turkey, Ukraine, Venezuela
Other	Algeria (Regional office and Country office), Hungary (Managing Authorities, Audit Authority), Indonesia (United Nations entities that were UNOCHA, UNICEF and UNHCR: by law, these audit entities were subject to be audited by United Nations Board of Auditors. France which has been serving as UNBOA invited the participation of BPK's auditors in their audit), Maldives (South Asian Association for Regional Cooperation), Qatar (Special Institution)

Annex 1.4 - Is there a specific legal framework for your SAI to participate in a bilateral or multilateral audit mission?

(N.B.: Indications of links to the Internet were not included in the replies but added by the authors)

No legal framework needed	Algeria, Argentina, Austria, Estonia, Greece, Hungary, Indonesia ⁸ , Kazakhstan, Korea, Latvia, Lithuania, Macedonia, Malta, Poland (“No general legal framework needed but common positions on concrete cooperation signed by all audit partners”), Qatar, Slovenia, Sweden ⁹ , Turkey
Legal framework by the constitutional law of the SAI	Hungary¹⁰ , Latvia ¹¹ , Peru, Slovak Republic
Legal framework by a formal agreement	Denmark, Hungary¹² , Lithuania ¹³ , Ukraine, Venezuela Iraq (There is a legal structure due to formal agreement with (UNDP ¹⁴) to implement training programs mentioned in 1.1), Romania (The law of function and operation of the Romanian Court of Accounts no. 94/1992 modified and completed, specifies on Art. 7, (2) “The Court of Accounts may collaborate with similar international bodies, and may exercise, in their name, the control over the administration of the funds put at Romania’s disposal, if by treaties, conventions, or other international agreements this competence is established”),
Others	Czech Republic: Act. No. 166/1993 Coll., § 16 International Cooperation concerning the Supreme Audit Office (states that the Supreme Audit Office cooperates with the Supreme Audit Institutions (SAIs) abroad and may conclude agreements on audit activities with them. It may also delegate SAO members and auditors to international and supranational audit institutions). Czech Republic: Working Group on Structural Funds II as Working group of EU SAIs Contact Committee ¹⁵ Macedonia: SAO Development strategy specifies SAO participation in bilateral and multilateral audit missions ¹⁶ Maldives: SAARC Member Country’s Audit SAARC Secretariat

⁸ A minus sign was inserted in the boxes for all potential answers

⁹ A question mark was added to one of the two audit missions indicated

¹⁰ The sign “(X)” was only inserted for the 7th and 8th audit mission (while an “X” appears without brackets under question 1.5).

¹¹ Ticked only for the 4th audit mission.

¹² The sign “(X)” was only inserted with respect to the 10th through 12th audit mission (while it appears without brackets under 1.5).

¹³ Only for a single audit mission.

¹⁴ UNDP = United Nations Development Programme, <http://www.undp.org/>.

¹⁵ The Contact Committee is an assembly of heads of SAIs of the EU Member States and ECA.

¹⁶ SAO = State Audit Office.

Annex 2 Examples for cooperative audit missions

(1) Audit in the field of the environment and environmental funds

Sea area (pollution, flooding, nature conservation)

- Preventing and dealing with marine pollution from ships at ports and at sea
- Agreement between Poland and the Czech Republic on Water Management of Cross-border Waters; Agreement on the International Commission for Protection of the Oder River against Pollution (Project Oder I and II) MARPOL audit
- State funds spent on the enhancement of the purity of water in the Oder River watershed
- Parallel audit of protection of waters in the Bug River Catchment Area from pollution
- Implementation of anti-pollution tasks with a detailed account of public funds
- First audit of the implementation of the provisions of the Convention on Protection of the Marine Environment of the Baltic Sea Area (Helsinki Convention)
- Second audit of the implementation of provisions of the Convention on the Protection of the Marine Environment of the Baltic Sea Area (Helsinki Convention) - Pollution from ships in the Baltic Sea (Helsinki II)
- Fisheries management and monitoring of the environmental impact on fish stocks in the Baltic Sea
- Coordinated Audits of the Implementation of Tasks Related to Environmental Projects and Measures in the Thaya River Basin
- Environmental Projects and Measures in the Dyje River Basin Financed by State Funds and Funds Provided to Czech Republic from Abroad
- Audit on the protection of nature in the Region Lake Neusidl/Fertö
- Audit on the implementation of the Framework Convention on Protection of Marine Environment of Caspian Sea
- Environmental Auditing in the Mantaro Basin (located in the Cerro de Pasco and Junin Regions of Peru)
- Environmental Auditing to Putumayo River Basin (located in Loreto Region of Peru). The purpose of this is to evaluate the performance of public entities related to protection and conservation of Putumayo River Basin, under the Binational Development Program.
- Environmental audit in the basin of Catatumbo River
- Parallel audit of the implementation of the agreement on cross-border water issues signed by the governments of Slovakia and Ukraine
- Effectiveness of the action taken towards nature conservation and international tourism development in the Niemen River catchment area
- Flood protection and elimination of flood damages
- Parallel audit of the flood control preparedness in the Upper Tisza region
- Flood prevention programs in the Carpathian region
- Parallel audit of implementation of flood protection measures on cross- border waters of Ukraine and Republic of Poland

Climate area (air, climate change, ozone, sandstorms)

- INTOSAI WGEA Global Coordinated Audit on Climate Change

- EUROSAT WGEA international audit activities addressing mitigation of climate change and adaptation to its effects¹⁷
- Utilization of state financial means allotted for air and ozone layer protection and implementation of related international agreements
- Reducing air pollutant emissions in the Polish-German border area
- Cooperation audit on dust and sandstorms protection (DDS)

Forest area and National Parks

- Environmental Auditing to INRENA (National Institute of Natural Resources), through the project "Forestal Management of Alexander von Humboldt National Forest" (located in Ucayali and Huanuco Regions of Peru).
- Impact of economic activities on the environment of the Białowieża Forest
- National parks in Polish-Slovak border area
- Management of the state budgetary funds and state property in administration of Pieniny National Park
- Audit on the conservation of biodiversity in the area of the planned regional parks Snežnik and Kočevsko Kolpa and in Risnjak National Park

Hazardous waste

- Implementation of the convention on the control of cross-border movements of hazardous wastes and their disposal (Basel Convention)
- State funds management and performance of international obligations in hazardous wastes treatment (Basel Convention)
- Implementation of the hazardous Waste management program.
- Cross-border movement of wastes between Poland and the Russian Federation

Funds in the area of environment disaster

- Auditing of Tsunami Fund
- International Coordinated audit of Chernobyl Shelter Fund

Funds and other environmental audits

- EU Structural Funds – Environmental Programs
- Use of the Structural Funds for environmental goals – Working
- Committee of EU Structural Funds
- Performance (output/effectiveness) on Structural Funds programs in the field of environment
- Evaluation of the law on grants for the Environment – Environment grants abroad
- Audit of using of the budget funds earmarked for fire control in frontier zones with the Russian Federation
- Environmental protection on the three-border area of Austria, Hungary, Slovenia
- Implementation of the Natura 2000 Network in Europe – under the auspices of EUROSAT's Environmental Working Group (WGEA)
- Implementation of the Natura 2000 network in Lithuania
- Implementation of tasks resulting from international agreements on border waters signed between Lithuania and Poland
- Environmental audit on the three-border area of Hungary, Slovenia and Austria

¹⁷ http://eurosai.nik.gov.pl/en/site/dzialalnosc/seminaria_warsztaty.

- The compliance of the planning, monitoring and effectiveness of ERDF co financed environmental programs with EC regulations and policy planning documents.

(2) Audit of programs and funds

- Audit of internal control system of the Structural Funds
- Parallel audit on the processes for identifying, reporting and following up on irregularities by the Working Group on Structural Funds II
- External audit of UN World Food Program (WFP) - Regularity and compliance audit
- External audit of Food and Agriculture Organization (FAO)
- Audit of operational food transportation. Analysis of the operative control of imports, exports and transit cargo of food for surface transportation in areas of integrated control border focusing on the legality, effectiveness, economy and efficiency of mission performance.
- Management audit on the Circuit Operational Information of the Southern Common Market (Mercosur). Analysis of the processing, monitoring and control standards of Mercosur to be incorporated into national law.

(3) Audit of taxes, customs and excise

- Audit of Value Added Tax
- Value Added Tax Administration
- Value Added Tax and Excise Taxes
- Exchange of Information between Tax Administrators in VAT Area
- Management of VAT and system VIES (VAT Information Exchange System)
- Audit of the Administration of Reduced Rates of Value Added Tax
- Execution of Value Added Tax Revenues by Tax Offices
- Shortcomings in VAT administration after accession of Czech Republic to European Union
- Tax advantages linked with the taxation of companies
- Audit of the Administration of Corporate Income Tax
- Transparency and reporting of tax subsidies
- The government's preparation and statement of tax expenditure
- Parallel audit of using tax relief and exemption as a state fiscal policy instrument
- Excise duty administration

(4) Audit of Buildings and construction

- Parallel Audit of Management and Utilization of State Financial Means Allotted for Highway and Road Construction
- Building of the Lötschberg Basic tunnel and the Szekszárd Danube bridge
- Audit of the investment on Maria-Valeria bridge
- Audit of the construction of the railway line Zalalövö – Bajánsenye- Hodoš – Murska Sobota
- Construction of motorways
- Funds earmarked for development of motorway D8

(5) Audit in connection with a border

- Road check points on the Polish-Ukrainian Border (Parallel audit of road border check points on the Polish-Ukrainian border)

- Implementation of the Cooperation Agreement on the Polish-Slovak state border¹⁸

(6) Training by conducting cooperative audit missions

- Training in financial audit
- Training in performance audit
- Training in IT audit
- Training in privatization audit in cooperation
- Training in dealing with incomplete records
- Training in accounting standards and evidence
- Training in fraud and anti corruption
- Training in contracting and general purchases

(7) Others

- Aid through budget support – The Government's and Sida's handling of a key type of development aid
- Education and preparation for labor market
- State Property and Financial Means Allocated to Cover the Work of the
- Refugee Facilities Administration of the Ministry of Interior
- Public authority activities to ensure movement of goods and other items through checkpoints between Latvia and Russia
- Procurement of goods and services
- Phare 2000 Project on Computerization of the Macedonian judiciary
- Audit of the SAARC Secretariat & its centers
- SADC – Secretariat Financial Audit
- Audit of CPLP – Community of Portuguese Speaking Countries
- Certification of financial statements of budget support grant given by the government of USA to the government of Pakistan
- IT Audit of Billing Operations of Kahramaa.

¹⁸ Implementation of the Agreement dated 6 July 1995 between the Republic of Poland and the Slovak Republic on legal relations and cooperation on the common state border.

Annex 3 Checklist for audits with other Supreme Audit Institutions

1) Preamble

- Should the reasons for and objectives of an audit be stated in a preamble?

2) Participants

- Which SAIs participate in the audit? Have all potentially interested SAIs been informed about the audit mission?
- What units within the SAIs serve as contacts for providing audit related information?
- May further SAIs join an audit mission once it has started?

3) Description of the subject matter of an audit mission

- What is the title of the audit?
- What is the audit topic? Has the audit topic been clearly defined?
- To whom is the audit addressed?
- Which form of audit do the participating SAIs seek to achieve?
- What objectives does the audit pursue?
- What areas is the audit to cover? And what is its focus?
- What is the audit scope and audit depth?

4) Preparation of audit

- Shall the designated auditors be named in the agreement?
- How do the auditors prepare for the audit? Is a kick-off meeting to take place?
- Need the auditors have a specific qualification? Are auditors with that qualification available?
- Are audit findings taken into account that are already available at the SAI?
- What methods will be used to collect and analyse audit evidence? [LCRI]

5) Modalities of audit

- What timeframe (start, end) has been set for the audit? Has a timetable been drawn up?
- On what basis do the participating SAIs carry out the audit? What standards are applied?
- Can the SAIs also draw on external expertise?

- What are the detailed arrangements for cooperation among the participating SAIs? Is the audit to be monitored by the SAIs?
- In what form and to what extent will the participating SAIs share information?
- Is this information subject to restrictions, e.g. with respect to confidentiality?
- Is the audit process divided into several stages? Are progress reports prepared?
- Has a common working language been determined? Need for translations?

6) Financial arrangements

- How are the costs of the audit apportioned among the SAIs? Is there a pro rata arrangement?
- Is there a need for establishing a joint budget for the audit mission?

7) Result of audit

- In what form are the audit results documented?
- In which language will a report be drafted and to whom will it be addressed? If a report is drafted in several languages, which version is to be the official one?
- What methods will be used to analyse findings, conclusions and recommendation in the audit report?^[LCR2]
- Under what conditions may an SAI discontinue audit work?
- Will the participating SAIs evaluate the audit mission?
- When will it be appropriate to perform a joint follow-up audit?
-



*Guide
For
Cooperative Audit
Programas
Between
Supreme Audit Institutions*

*Annex 4
Standard Audit Agreement*

INTOSAI – CAPACITY BUILDING COMMITTEE

Subcommittee 2

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Preamble / Introduction

Background of the audit, general objectives, SAI's national laws and Regulations

This Agreement was concluded among the representatives of ... (SAI) and..(SAI) following their previous mutual negotiations in terms of the respective activities of ...

General Principles

Audits standards of international professional bodies, reference to guidelines

This Agreement is based on the principles established in the publication "...". The Agreement is also based on the lessons learnt in the joint activities within the ...

Article 1 Participating SAIs

Names of all participating organisation

The ... (SAI) and ... (SAI) (hereinafter referred to as the “contracting parties”) are parties of this Agreement.

Article 2 Title of Audit

Name of audit (national)

The contracting parties have agreed to cooperate on an audit of the ...

Article 3 Subject / scope of Audit

Subject / scope of audit (detailed description including any national peculiarities)

The contracting parties agreed to perform the audit designed to ... They will also focus on how the individual countries ...

Article 4 Type of Audit

Cooperation in the form of a parallel, joint or coordinated audit

Cooperation between the contracting parties shall take the form of coordinated audits. Coordinated Audits shall be parallel audits with a joint report supplemented by separate national reports. A parallel audit shall be defined as an audit mission performed by separate audit teams at the participating SAIs.

Alternatively: The cooperation between the contracting parties shall take the form of co-ordinated audits. Co-ordinated audits are defined as simultaneous audits with a single joint report in addition to separate national reports. Concurrent audit is defined as an audit mission conducted more or less simultaneously by ...(SAI) and ...(SAI), but a separate Audit team

from each SAI reporting only to its own legislature and only the observations and conclusions relating to its own country.

Alternatively: The two contracting parties will carry out their audits independently within the territory of their respective country. This does not exclude the participation of auditors from the other country in the audit work carried out in the host country. Both contracting parties respect the limitations resulting from the underlying audit regulations and applicable secrecy rules in each of the two countries.

Article 5 Character / Nature of Audit

Audit of legality / regularity / performance

The focus of the audit shall be on the regularity and financial Compliance of

Alternatively: The audit shall be a compliance and performance audit focusing on implementation, effectiveness and efficiency.

Alternatively: The nature of the audit will be a performance audit defined as described in INTOSAI's Auditing standards and the EU Auditing Standards.

Alternatively: The audit is focused on economical, effective and efficient utilization of the public funds.

Article 6 Audit Objective(s)

Description of the common objectives of the audit and of any national objectives going beyond the common objectives

The audit in ... will be focused on measurements concerning ... as well as the efficiency and the economical output of invested funds and international co-operation in the framework of both of our mandates.

Alternatively: The audit shall be aimed at reviewing relevant legislation governing ... with regard to issues such as compliance, enforcement and best practices.

The audit will include an analysis of ... and a review of how the ... are being monitored.

Article 7 Methodology

Common audits standards (INTOSAI / EUROSAI or other regional working groups / international standards of other professional bodies / national, common standards; national deviations where applicable
Audit methodology will be used in accordance with

- INTOSAI Audit Standards
- EUROSAI Audit Standards
- National Audit Standards and Guidelines.

Alternatively: The applied methodology shall be in compliance with

- ...

Article 8 Criteria of Audit

Naming of common relevant audit fields (issues on which the audit is to focus); national deviations where applicable

The contracting parties will apply the same audit criteria in order to facilitate international comparisons. The audit issues shall be evaluated from the viewpoint of compliance with national legal regulations and obligations ensuing from relevant national law, EU law and international law.

Alternatively: Financial, economic und ecological issues will be evaluated in performance Audits of the economy, efficiency and effectiveness of the audited entities.

Alternatively: Financial, economical and environmental problems will be assessed with regard to the compliance with national legislation und obligations settled in international conventions, protocols and EU directives and guidelines.

Article 9 Audit Team(s)

Names of the participating auditors and their functions (e.g. national coordinators); previous (audit) experience; procedure in cases where participants need to be replaced

SAI

Mr. ..., Director

Mr. ..., Senior Auditor

Alternatively:

Project Leader:

Coordinator of the Coordinated Audit:

Head of the Coordinated Audit:

Project Leader:

Coordinator of the Coordinated Audit:

Head of the Coordinated Audit:

Article 10 Time Schedule / Action Plan of Audit

Time schedule / action plan for carrying out the audit including important milestones and working meetings

The national Audit should commence no later than ..., and should be completed no later than ... (final text version).

Alternatively: ...(SAI) and ...(SAI) start national audit work in ... and finish it in...

Article 11 Coordination and Monitoring Procedures

Leading and coordination of the joint audit; coordination of the successive audit steps; monitoring of compliance with the timetable and of audit progress; production of interim reports

The two SAIs will coordinate their audit schedules and designs. If field work generates new findings that seem to require the coordination of further procedure, the representatives of the two SAIs will, if necessary, meet at short notice to share lessons learnt. The SAIs will organise working meetings on agreed dates at which they will share the audit evidence obtained and discuss further procedure. Each of the two SAIs will produce interim reports by ... and by ... and will make these reports available to each other free and without delay.

Article 12 Preparation

Steps to prepare the audit mission (e.g. joint work shops, training, seminars); sharing of lessons learnt and of information about audit findings already available

Article 13 Conduct of Audit

Names of the national bodies to be audited; implementation of joint field work

Article 14 Exchange of Information

Nature and extent of information exchange; intervals of and motives for information exchange; method of information exchange (e-mail, files, interim reports)

Exchange of information among the contracting parties, including future meetings and consultations will be concerted following the requirements of the agreement. For this purpose electronic mail may be used.

Article 15 Confidentiality / Protection of Property Rights

Arrangements to safeguard the confidentiality of information (rules on official secrecy, tax secrecy, trade secrets); information exchange, disidentification

All Auditors should respect the confidentiality of information acquired during the course of performing professional services and should not use or disclose any such information without proper and specific authority or unless there is a legal or professional right or duty to disclose.

Article 16 Type of Audit Reporting

Nature and extent of reporting (joint report / identically structured national reports / national reports)

On completion of the audit exercise, each SAI will produce a national audit report. The SAIs will exchange the texts of the national audit reports in accordance with the respective legal provisions governing their work. These national reports shall serve as the basis for the production of a final joint audit report on the result of the audit exercise.

Article 17 Reporting to National Government / Parliament

Reporting to national / international bodies (Parliament, Government, ministries); use of information provided by the other participating SAIs

The parties to this agreement will be free to decide whether and in what form the result of the coordinated audit will be communicated to the respective national parliamentary bodies. The same shall apply to international institutions, in which case the parties to this agreement will coordinate their respective communications.

Article 18 Language, Translation and Interpretation

Agreements on the use of national languages and / or a common language; translations (in writing / oral)

All official documents based on the cooperation of ... (SAI) and ... (SAI) will be written in English.

Information on coordinated Audit results will be shared through the joint audit report. The introductory joint statement will be in ... languages... followed by the summary audit reports in the respective national languages and in English. Final recommendations will be in ... languages.

Article 19 Costs of Audit / Cost Sharing

Listing of types of costs (e.g. travel, printing and photocopying) that have to be borne separately by the participating SAIs; allocation of common costs

The parties to this agreement will bear the costs incurred in connection with the performance of the joint audits for their staff, translation and interpretation services and insurance policies.

Article 20 Audit Budget

Adoption of a joint budget for the audit including the provisions of funding; management and accounting procedure

Article 21 Conflict Settlement

Arrangements for settling disputes (escalation stages, decisions making powers)

Article 22 Further Information

Other issues relevant for the audit

Appendix ... to this agreement is part of this agreement and describes the audit in further details.

Article 23 Modifications or Amendments

Arrangements for the solutions of open questions during the joint audit

In case any of the contracting parties intends to modify or amend this agreement, the other contracting party has to be notified. Any changes will be approved and stated in the protocols of the mutual working meetings held by the contracting parties.

Signature, date and place (by each SAI)