



## SUMMARY REPORT OF EXTERNAL REVIEWS

# RESULTS OF EXTERNAL REVIEWS CARRIED OUT IN MUNICIPAL CONTROL AND AUDIT SERVICES IN 2019

30 May 2019 No IPE-11

## SUMMARY

### Objective and scope of the review

The objective of the external review is to assess the audit quality control system established by the municipal control and audit services and the quality of the audits carried out and to issue an opinion thereof. The 2019-year external review assessed the audit quality control systems in ten municipal control and audit services. To assess the quality of the audits carried out by these services, all financial audits of the 2017 sets of annual consolidated accounts and three performance audits completed in 2018 (one in each of the three selected municipalities) were selected for the external review.

### Main results of the review

The external review of the assessment of the audit quality control systems and the external review of the audits carried out revealed significant and insignificant non-compliance with legal acts regulating conduct of an audit and, as a result, the audit quality control systems established by the municipal control and audit services of ten municipalities were assessed as follows:

- four services as having minor weaknesses, but in principle, quality control systems in place are effective and ensure that audits are carried out in accordance with legal acts regulating conduct of an audit;
- six services as having significant weaknesses, meaning that existing quality control systems do not ensure that audits are carried out in accordance with legal acts regulating conduct of an audit.

The quality of the ten financial and three performance audits by these services selected for the review has been assessed:

- financial audits: five audits were assessed at level I, i.e. no significant non-compliance with legal acts regulating conduct of an audit, five other audits assessed at level II, i.e. having significant non-compliance with legal acts regulating conduct of an audit;
- performance audits: one audit was carried out at level I, i.e. that there are no significant non-compliance with legal acts regulating conduct of an audit, the other two – at level II, meaning that there are significant non-compliance with legal acts regulating conduct of an audit.