

4th EUROSAI TFMA ANNUAL MEETING

19 November, 2020
Online

MINUTES

Chair of EUROSAI TFMA, Auditor General of the Republic of Lithuania, Mr Mindaugas Macijauskas and Head of the TFMA Secretariat Ms Jūra Ivonaitytė opened the meeting.

The 4th Annual Meeting focused on:

1. validation of Working Programme 2021-2023;
2. review of the progress and results of the activities under TFMA Strategic Goals;
3. draft of the Activity Plan for 2021.

Ms Jūra Ivonaitytė, Head of the TFMA Secretariat, informed that 4th Annual Meeting is connecting 70 participants from 26 member countries, a partner from EURORAI and a guest from the OECD. The activities of the TFMA are going according to the Working Programme and Activity Plan. TFMA members are fully involved in the activities along with the TFMA Secretariat.

A more detailed look into the content of the activities was taken, the process and the results of the activities were discussed with responsible parties starting from the activities under ***Strategic goal I - Exchanging the best practice and experience to reach audit results that have a substantial impact on improving public financial management.***

Activity 1.7.3. Gathering and systemizing information about audit sample selecting practice at local government level

Implementing the Activity Plan for 2020, SAI of Turkey prepared the questionnaire for the Activity 1.7.3 “To gather and systemize information about audit sample selecting practice at local government level”. The aim of the activity is to find the best practice models via conducting survey.

Mr Umutcan Metin, SAI of Turkey reported on the results of the activity.

The survey was addressed to all EUROSAI members, not only to the Task Force. The presenter emphasized that such wider coverage ensured more comprehensive data.

Activity 1.9.2 Developing the Database about the Main Municipal Data/Expenses

SAI of Slovakia leads an activity related to the data of municipalities. They developed a database about the main municipal data and update it annually to facilitate the comparison and use of data.

Mrs Martina Gallasova, SAI of the Slovak Republic, presented the results of an activity related to the data of municipalities.

Activity 1.9.3 Publishing Audit Compendium “Municipalities owned companies”

In 2018, at the Annual Meeting in Belgrade it was decided to make additional efforts to raise general awareness of recent audit work performed by Task Force member SAIs. This year the first audit compendium was published, setting out in a single document the work of Task Force SAIs on municipality owned companies. The Coordination Group for preparation of the 1st edition of the audit compendium consisted of SAIs of Turkey, Ukraine, Serbia and Italy.

Ms Iva Vasilic Miljic, SAI of Serbia presented the publication.

Activity 1.9.3 2nd Edition of Audit Compendium

Ms Jūra Ivonaitytė, SAI of Lithuania informed that in view of the success of the 1st edition, the activity addressing additional topics of general interest will be pursued. Implementing the Activity Plan for 2020 (Activity 1.9.3) the Secretariat conducted a survey aiming to identify possible topics for the 2nd edition of the audit compendium. Focusing on the Seminar “Municipal Real Estate Management” which is postponed to 2021 the Secretariat suggested that the 2nd edition of the audit compendium addresses recent audits of the management of municipality assets and related issues. 11 members supported the topic. After the Coordination Group is formed in the Q1 of 2021 it will start gathering the material that might be incorporated and used in the 2nd edition of the audit compendium. It was mentioned that SAI of Israel already announced their willingness to contribute to the compendium. Also, it was highlighted that the expert in the field of municipality assets management – Ms Olga Kaganova (*Independent Consultant, Rockville, Maryland, USA and World Bank, Washington, District of Columbia, USA*) kindly agreed to contribute an article for the compendium.

Collaboration in the Audit of Decentralised Policies

Public policies and services, such as education, health, welfare, infrastructure and sanitation, are increasingly developed and provided via different levels of government (national, regional and local), creating co-ordination, governance and audit challenges.

The presentation of *Ms Ina de Haan, OECD Policy Advisor* shared the lessons learned from a 3-year project of Brazil’s Federal Court of Accounts (TCU) and the OECD to improve how TCU and the 32 subnational courts of account in Brazil can work together to help make such decentralised policies more effective and coherent. The project developed a shared indicator-based risk map and its application to selecting audits in the field of education, a model for audit institutions to assess multi-level governance, and explores governance models for stronger collaboration among the courts of accounts in Brazil. These approaches may inspire and inform other supreme audit institutions with responsibilities for auditing decentralised policies and programmes involving federal and subnational governments.

Ms Jūra Ivonaitytė, SAI of Lithuania reminded that the survey which was carried out by EUROSAI TFMA on different typologies of external audit systems and methodologies used by municipal audit bodies was incorporated in the project.

Later on, the results of activities under **Strategic goal II - Making the external municipal auditing system more efficient** - were presented and discussed.

Activities 2.2 – 2.3 Analysis of external audit systems

Ms Jūra Ivonaitytė, SAI of Lithuania recalled that in July 2020 a comparative analysis of external audit systems was published. The publication allows to initiate positive changes in EUROSAI Task Force countries related to more effective external audit systems, promote cooperation between auditing entities and help legislators make decisions on systems' improvement. Among other things, the analysis of external audit system can be useful to stakeholders, other interested parties for analysing and seeking the most effective external control models of local government. As it was already mentioned, the results of the analysis are reflected in the OECD project.

EUROSAI contributed to the Task Force revision work of comprehensive country reports as regards the involvement of regional public sector audit institutions in municipality audit in some member countries. The information of Switzerland, Germany and France was used in preparing this analysis.

Mr Kęstutis Tamulevičius and Ms Toma Gulijeva, SAI of Lithuania presented the analysis.

Activity 2.4 Analysis of administrative supervision of municipalities

The purpose of the Activity 2.4 and the survey was to identify the mechanisms of local government supervision and control established in TFMA countries. This activity concerns the mechanisms that are neither related to those assessed in the previous activity – “The overview of external audit system of municipalities” - nor to judicial control exercised by the judiciary.

Ms Baiba Bebre, SAI of Latvia presented intermediate results of the activity.

Activity 2.5 Collecting and systematizing data on the manner/methods of monitoring the implementation of the recommendations given in the audit reports for local self-government units

SAI of North Macedonia leads an Activity 2.5. According to the Activity Plan 2020 it was planned to conduct the research during the Q3 2020 and to move on with data collecting.

Ms Sonja Tarcugovska, SAI of North Macedonia, provided the updated information.

Discussing the implementation of **Strategic goal III - Encouraging cooperative audits** - *Ms Jūra Ivonaitytė, SAI of Lithuania* reminded that the Goal III of the TFMA involves encouraging cooperative audits. EUROSAI also promotes audit-related cooperation. During the 3rd Annual Meeting in Lisbon, the SAI of North Macedonia expressed an intention to lead and participate in the cooperative audit on topics related to municipality financing sources.

Ms Marina Blazeska, SAI of North Macedonia presented the vision and preparation for a cooperative audit. Representatives of SAIs of Israel, Slovenia, Montenegro and Serbia emphasized that it is important to get a draft of memorandum along with the invitation letter, so that SAIs would be fully aware of the actual expected conditions when making the decision regarding the joining of cooperative audit. SAI of North Macedonia made a commitment to send the invitation letter and the draft memorandum to all TFMA members.

After presenting all the activities and discussing the issues, it was agreed on all of the activities performed under the Strategic Goal I, II and III and on the work that has to be done according to the agreed schedule.

EUROSAI TFMA WORKING PROGRAMME 2021-2023

Draft Working Programme 2021-2023 was prepared and shared with all participants before the meeting. The working assumption is that all representatives have already read the papers and prepared their positions.

Ms Jūra Ivonaitytė, SAI of Lithuania presented the Secretariat's position regarding the vision of the TFMA: that Task Force evolves and the initial vision "to become an active EUROSAI task force covering relevant questions in the sphere of auditing municipalities" is realized and fulfilled. After a thorough analysis of the activities completed and with a view to the results achieved the Secretariat suggested to change the TFMA vision statement in the following way: "to create relevant improvements to municipality audit systems in EUROSAI countries". The proposed changes in vision are reflected in the draft Working Programme 2021-2023.

EUROSAI TFMA ACTIVITIES FOR 2021

Draft TFMA Activity Plan for 2021 was delivered to TFMA members before the Annual Meeting. All TFMA members were invited to contribute to the Activity Plan 2021 by joining the Coordination Groups.

Speaking about Activity 1.9.3, *Ms Jūra Ivonaitytė, SAI of Lithuania* drew the attention of the participants that one member SAI (SAI of Serbia) and one observer (SO for the Republic of Srpska) already expressed their willingness to take part in the Activity together with the Secretariat.

It was offered to come up with ideas for the future activities as well as responsible parties as the Plan for 2021 was left open for proposals up to 15 December and it will be approved by consensus of the Task Force members by the end of 2020. The Secretariat is looking forward to receiving members' interest to suggest and participate in the activities and continue close collaboration with respective SAIs.

Ms Jūra Ivonaitytė, SAI of Lithuania informed that the next Annual Meeting and Seminar on municipality audit will be organised in collaboration with colleagues from SAI of Montenegro who kindly offered to host the postponed Seminar.

RESULTS OF THE MEETING

- The Working Programme 2021-2023 was approved by consensus including the updated EUROSAI TFMA vision statement "to create relevant improvements to municipality audit systems in EUROSAI countries".
- TFMA activities performed in 2020 will be presented in the TFMA Activity Report that will be prepared in the middle of 2021. The information about activities performed will also be provided in the EUROSAI Magazine and the TFMA Newsletter.
- The host of the next TFMA Seminar and Annual Meeting is SAI of Montenegro.
- The TFMA final Activity Plan for 2021 will be discussed by e-mail and approved in due time.

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ANNEX

LIST OF PARTICIPANTS

	Country	Name, surname	Position
TFMA members:			
1.	Albania	Mr Redi Ametllari	Auditor
2.	Austria	Mr Andreas Mayrbäurl	Auditor
3.	Azerbaijan	Mr Azim Abasov	Head of Department
4.	Azerbaijan	Mr Nazim Naghdaliyev	Senior consultant
5.	Bosnia and Herzegovina	Ms Amela Mulahalilovic	Financial auditor
6.	Bulgaria	Ms Svetoslava Enimaneva	Senior Auditor
7.	Bulgaria	Ms Radinka Minkova	Senior Auditor
8.	Bulgaria	Ms Chilem Mehmed	Auditor
9.	Croatia	Ms Ivana Krmić	Senior state auditor
10.	Croatia	Mr Tomislav Saić	Head of regional office
11.	Estonia	Mrs Anneliis Arm	Auditor
12.	Estonia	Mrs Ines Vali	Auditor
13.	Georgia	Mr Mikheil Chikovani	Senior Auditor
14.	Georgia	Ms Tea Arveladze	Senior Auditor
15.	Greece	Mrs Ioulia Papatheodorou	Judge Councillor
16.	Hungary	Mr József Janik	Audit Manager
17.	Israel	Mr Adv. Shai Mizrahi	Senior Manager
18.	Italy	Ms Laura D'Ambrosio	Judge
19.	Italy	Mr Giovanni Coppola	President of Chamber of the European and International Affairs
20.	Latvia	Ms Baiba Bebre	State Auditor
21.	Latvia	Mr Oskars Erdmanis	Head of Audit Sector
22.	Lithuania	Mr Mindaugas Macijauskas	Auditor General
23.	Lithuania	Ms Jūra Ivonaitytė	Chief Advisor
24.	Lithuania	Mr Kęstutis Tamulevičius	Senior Auditor
25.	Lithuania	Ms Toma Gulijeva	Senior Auditor
26.	Lithuania	Ms Ieva Kosaitė	Senior Officer of International Relations Division

27.	Malta	Ms Tanya Mercieca	Assistant Auditor General
28.	Malta	Mrs Maria Ferriggi	Principal Auditor
29.	Moldova	Mr Sergiu Știrbu	Deputy Chief
30.	Moldova	Mr Sergiu Miță	Auditor
31.	Montenegro	Mr Zoran Jelić	Member of Senate
32.	Montenegro	Mrs Dobrila Glomazić	State auditor - Head of Audit Department
33.	Montenegro	Mrs Marija Žugić	Head of International Cooperation department - state auditor
34.	Montenegro	Ms Sonja Raičković	State auditor - Head of Audit Department
35.	Montenegro	Mićun Vlahović	State auditor
36.	Montenegro	Željko Nedović	State auditor
37.	Montenegro	Zoran Medenica	State auditor
38.	Montenegro	Ivana Vujošević	State auditor
39.	Montenegro	Suzana Tot	State auditor
40.	Montenegro	Marija Perović	State auditor
41.	Montenegro	Ljiljana Crnčević	State auditor
42.	Montenegro	Jelena Ljubić	State auditor
43.	North Macedonia	Ms Lilijana Stojanova	Head of Audit Department
44.	North Macedonia	Ms Marina Blazeska	Assistant Head of Audit
45.	North Macedonia	Ms Sonja Tarchugovska	Senior Auditor
46.	Poland	Ms Iwona Zyman	Regional Branch of Opole Director
47.	Poland	Mr Przemyslaw Sperczyński	Public Audit Expert
48.	Portugal	Ms Helena Fernandes	Audit Director
49.	Portugal	Mr Luis Martins	Chief Auditor
50.	Romania	Ms Roxana Flori Seitan	External Public Auditor
51.	Serbia	Ms Iva Vasilic Miljic	Head of International Cooperation and Public Relations Unit
52.	Serbia	Mr Tomislav Jovanovic	Senior Advisor
53.	Slovakia	Ms Martina Gallasová	Auditor
54.	Slovakia	Ms Katarína Šmondrková	Director of the Branch Banská Bystrica
55.	Slovenia	Mr Aleksej Šinigoj	Supreme State Auditor
56.	Turkey	Mr Umutcan Metin	Senior Auditor
57.	Turkey	Mr Mustafa Ersoz	Principal Auditor

58.	Ukraine	Ms Olesia Tsymborska	Senior Specialist of the International Cooperation Department
59.	Ukraine	Ms Oksana Chorna	Deputy Director of the Department
International organizations:			
60.	OECD	Ms Ina de Haan	Policy Advisor
61.	EURORAI	Mr Edgar Thinner	Head of Secretariat General Secretariat of EURORAI
Observers:			
62.	Republic of Srpska	Dr Bojan Ćurić	Senior Auditor for Financial Audit