

# The role of evaluations in the audit activity of the AA

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**Ministry of Finance**  
of the Czech Republic



# Outline

- Audit Authority - introduction;
- Difference between audit and evaluation;
- Examples of the use of evaluations in audit work;
- Working with evaluations, using their conclusions and recommendations.



# Audit Authority - introduction

## Definition of the function of the audit authority and its role

The audit authority is responsible for the implementation of:

- System audits;
- Audits of operations;
- Audits of Accounts;
- Horizontal audits;

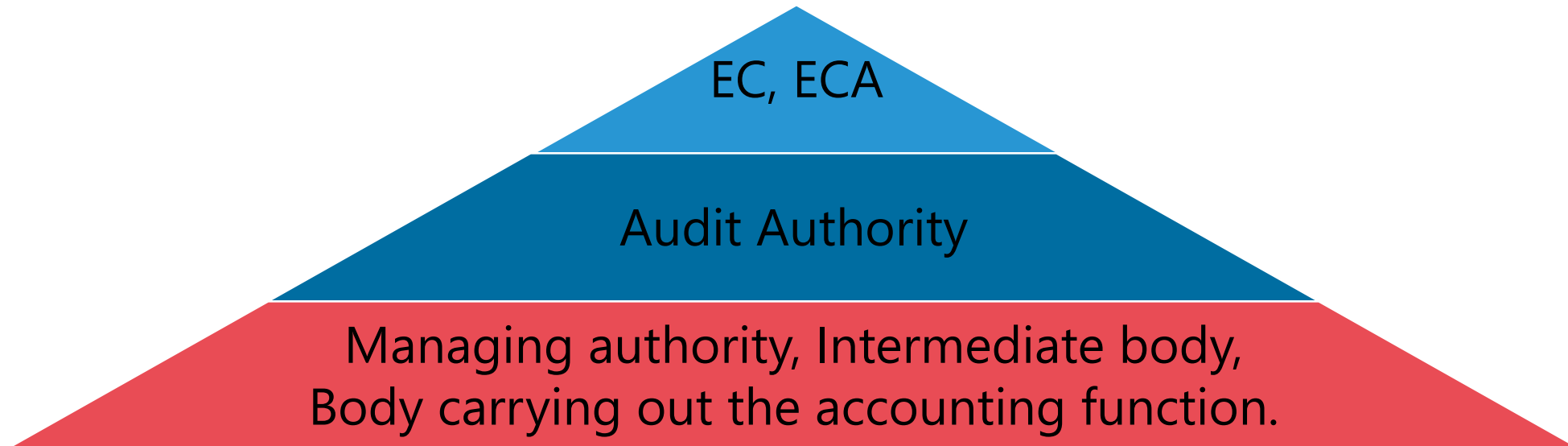
in order to provide the European Commission an independent assurance as to the **effective functioning of the management and control systems**, including the legality and regularity of the expenditure included in the **accounts** presented to the Commission.

**The Audit Authority shall be functionally independent of the audited bodies.**



# Audit Authority - introduction

- Prepare Audit strategies for EU aid programmes and update them regularly.
- Provides Annual Control Reports and Annual opinions to the EC.
- Coordinates activities related to EC, ECA audit missions.
- Cooperate with other national control institutions (SAO, Tax offices).



# *The difference between audit and evaluation*

## Audit

- Audit assesses the overall **functioning of the management and control system**, according to predetermined standards (key requirements set out in the EU/National legislative framework);
- The audit may result in **recommendations for improvement** of the certain areas in the management and control system.

## Evaluation

- Evaluation **measure and assess** how particular area of implementation or related service is achieving its objectives;
- The outputs of evaluations are usually further used in the **decision-making process**.



# Examples of the use of evaluations in audit work

- Evaluations can be used for **different audit activities**, for example preparation of Audit Strategies, Risk analysis of system / horizontal audits (the evaluated area must overlap with audit objective).
- Where the results of evaluations were used during audits carried out by the Audit Authority, the data and outputs from the evaluations were used only as one of the several supporting documents to justify the audit finding.
- As an example from practice, the results of evaluations were used for a finding concerning the ownership disclosure and tools to improve the situation in the area of anti-corruption measures.



# Examples of the use of evaluations in audit work

- In 2021, a discussion led by the NCA was carried out concerning the unification of financial corrections for errors not identified in the area of public procurement (non-contractual corrections). Representatives from audit authority and implementation bodies agreed that before the actual unification of the rules across programmes, it would be useful to have an **evaluation**, i.e. an analysis and summary of the current situation across the operational programmes. Subsequently, the NCA and its Evaluation and Publicity Department prepared an evaluation which mapped the adjustment of non-contractual corrections in all OPs and indicated possible areas where unification could be discussed and areas where it is not possible or not appropriate in view of the different settings of the OP.



# Working with evaluations, using their conclusions and recommendations.



The EU legislative framework does not oblige Audit Authorities to work with evaluations, but evaluations can be used not only to measure results against objectives set out for the operational programmes, but also as a **preventive tool** for risky areas.







**Thank you for your attention**

