

Resolution of the Presidents of the Supreme Audit Institutions of Central and Eastern European Countries, Cyprus, Malta, Turkey and the European Court of Auditors on the report on “Internal Control Systems”

The Presidents of the Supreme Audit Institutions (SAIs) of the Central and Eastern European Countries, Cyprus, Malta, Turkey and the European Court of Auditors, meeting in Riga (Latvia) on 31 March and 1 April, 2004

Recalling that Recommendation 11 of the “Recommendations concerning the functioning of Supreme Audit Institution in the Context of European Integration” states that:

"Supreme Audit Institutions should focus on the development of high-quality, effective internal (management) control systems in audited entities."

Recognising that the definitions of "internal control" and of "internal audit" need to be clearly understood and applied consistently

Recognising that SAIs should continue to focus on the development of effective and efficient Internal Control Systems in public sector entities and, where an internal audit function does not exist, to strongly encourage and support its introduction

Recognising that SAIs should persuade management of auditees of the importance of internal audit functions undertaking the full scope of its role, where this is not currently the case

Recognising that SAIs should encourage management to share internal audit reports with all stakeholders that have some influence on the recommendations made and corrective actions that may be taken thereon

Recognising that SAIs should continuously endeavour to develop good working relations and effective coordination with internal audit units (IAUs) and that common practices, carefully taking into account SAI's independence, could be developed

Recognising that in the light of the audit of EU funds, further investment in human resource development should be undertaken by both SAIs and IAUs

Recognising that training practice through pilot or other test audits in specific audit areas (particularly to those related to EU funds), should be undertaken by both SAIs and IAUs, and that experience gained should be translated into technical guidelines and procedures for guiding future audits

Recognising that technical guidelines and good practice guides on specific EU-related areas (such as Structural and Cohesion Funds, VAT and Customs "Own Resources", etc) should continue to be developed and further discussed

Recognising that SAIs should co-operate on determining the needs for improvement and development of current international standards and guidelines in the area of internal control system, particularly in terms of undertaking risk and materiality assessments

After having taken note of and discussed the report on “Internal Control Systems”

Thank the SAI of Croatia for having prepared the report in co-operation with the SAIs of Denmark, the United Kingdom, the Slovak Republic, the European Court of Auditors, and SIGMA

Agree to disseminate the report to a wide audience and in particular to the internal audit units in their countries and the European Commission

Invite SIGMA to envisage organising a workshop of representatives from internal audit units and the SAIs to discuss principles of co-operation between them

After having taken note of the "INTOSAI Guidelines for Internal Control Standards for the public sector" as adopted by the INTOSAI Committee on Internal Control Standards

Invite the INTOSAI Internal Control Standards Committee to take the report into consideration for its future work