



The Contact Committee of the
Supreme Audit Institutions of the European Union

Status Outline of EU SAI Contact Committee Working Group Activities

2008

Working and Expert Groups
Working Group on Structural Funds III
Working Group on National SAI Reports on EU Financial Management
Working Group on Activities on Value Added Tax
Working Group on Common Audit Standards
Joint Working Group on Audit Activities

Name of WG	Working Group on Structural Funds III
Purpose/Mandate	In December 2006 the Contact Committee gave its mandate to the Working Group to examine the "performance (output/effectiveness) of the Structural Funds programmes in the areas of employment and/or environment".
Activities in 2007	<p>26 – 27 February 2007, The Hague: Meeting of the Core Group; preparation of the common audit plan, the audit schedule and the agenda for the Working Group meeting in Bonn</p> <p>17 - 18 April 2007, Bonn: Constituent Meeting of the Working Group III; adoption of the common audit plan and audit schedule; agreement on further proceedings concerning the follow up on the report of Working Group II</p> <p>10 – 11 December 2007, Prague: Second meeting of the Working Group; Exchange of experiences on the audit plan's implementation, description of the audit's situation and presentation of first audit results; first discussion of topics for a Working Group IV (from 2009)</p> <p>The field work for the parallel audit started in July 2007.</p>
Status/Outcome/ Results in 2008	<p>End of field work in March 2008</p> <p>Delivery of Country Reports in May 2008</p> <p>Draft final report in September 2008</p>
Links to relevant working group reports/ documents	http://www.contactcommittee.eu
Activities this year (meetings etc.)	<p>05 – 06 June 2008, London: Meeting of the Core Group; preparation of the draft final report; discussion of possible topics for a Working Group IV</p> <p>08 – 10 September 2008, Budapest: Final Meeting of the Working Group III; adoption of the draft of the final report of the current Working Group, its draft resolution and possible topics for a Working Group IV</p>
Working group members and observers	<p>SAs of Austria, Finland, Germany (Chair), Hungary, Italy, Latvia, Malta, Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain and United Kingdom as well as the SAs of Bulgaria, the Czech Republic, Lithuania and the European Court of Auditors as Observers.</p> <p>Core Group: SAs of Germany, Latvia, Netherlands, Poland United Kingdom.</p>
Name of contact person/chair of working group	<p>Chair: Heinz-Gerhard Rammoser, Member of the Bundesrechnungshof</p> <p>Contact Person: Markus Bangert, Auditor at the Bundesrechnungshof (Markus.Bangert@brh.bund.de)</p>
Activity Plan for 2009	<p>Preparation of the next Working Group session (Working Group IV)</p> <p>Preparation and start of a parallel audit according to the new mandate of the Working Group IV</p>

Name of WG	Working Group on National SAI Reports on EU Financial Management
Purpose/Mandate	<p>The Working Group strives to assist SAIs developing overall EU reports on EU financial management. Whilst recognizing the differences that exist among national SAIs, it functions as a platform to promote co-operation in the field and co-ordinate approaches and make recommendations on themes of common interest.</p> <p>In the longer term the Working Group hopes to intensify the co-operation among EU SAIs in the development of national SAI reports (support function) and to arrive at the use of viable indicators in national SAI reports that actually measure the development of EU financial management and enable the making of comparisons between Member States (common elements function).</p>
Status/Outcome/Results in 2008	<p>Ten SAIs that have produced an overall report on EU financial management by the end of 2008: Austria, the Czech Republic, Denmark, Estonia, Germany, Hungary, Italy, Lithuania, the Netherlands, the United Kingdom. A report issued by German external audit institutions is expected to be published late 2008 or early 2009. This also applies to the 2008 Austrian report. The Slovenian audit that was announced last year has temporarily been postponed and is expected to be carried out in the near future. The Slovakian and Swedish SAIs are at present studying the feasibility of producing such a report.</p> <p>With respect to its <i>support function</i> the Working Group has developed a number of activities in 2008. Most important is the development of a closed intranet site for EU SAIs in which they can find and exchange relevant information on EU financial management and on the Working Group. At its annual meeting in Warsaw (25-26 September) the Working Group agreed with the proposed set up of its intranet web page and decided to start filling the pages as soon as possible. In Warsaw the Working Group furthermore discussed new developments taking place in EU financial management and presentations were given by representatives of the Austrian and Czech SAIs on the first overall EU reports that these SAIs have developed.</p> <p>With respect to its <i>common elements function</i> the WG continued in 2008 its efforts to develop some basic measures/indicators of the development in financial management in the individual Member States. On the one hand the basic financial information included in the Common Agricultural Policy analysis carried out last year was updated. On the other hand two draft templates were developed to extend these efforts to the field of Structural Funds (on the basis of information included in the Annual Summary that each Member State now has to submit by 15 February) and to the management of irregularities. At the meeting in Warsaw the presentation of these activities led to a first debate on the added value of such tools and the conditions under which they can be used.</p>
Links to relevant working group reports/ documents	<p>Update of CAP financial information indicators – version September 2008 (intranet)</p> <p>Analysis of CAP System Descriptions – version November 2007 (intranet)</p> <p>Comparing overall EU reports – version November 2007 (intranet)</p> <p>Systems Description Format (applied to Common Agricultural Policy) – final version 7 July 2006 (intranet)</p>

	Producing Reports on EU Financial Management – November 2004
Activities this year (meetings etc.)	<p>Development of the set up of the WG web pages – July-August 2008</p> <p>Update of Common Agricultural Policy basic financial information – July-September 2008</p> <p>Draft template on Structural Funds on the basis of Annual Summary information – May-September 2008</p> <p>Draft template on Irregularities management – May-September 2008</p> <p>Annual update of table on EU Audit Activities of Member State SAIs – September-November 2008</p> <p>Meeting in Warsaw, 25-26 September 2008 – at which the following 17 SAIs participated: Netherlands (chair), Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, Germany, Hungary, Italy, Lithuania, Malta, Poland, Slovak Republic, Sweden, Turkey and the European Court of Auditors</p>
Working group members and observers	<p>The activities of the Working Group are open to all EU SAIs. Almost all SAI have participated in its meetings, although not all attend annually.</p> <p>The SAIs of Cyprus, Finland, Germany, Greece, Spain and the ECA participate in the Working Group as observers.</p>
Name of contact person/chair of working group	<p>Contact person for the Working Group is Fanny Melker – Netherlands Court of Audit (f.melker@rekenkamer.nl).</p> <p>Chair of the Working Group is Piet Rozendal – Netherlands Court of Audit</p>
Activity Plan for 2009	<p>In 2009 the Working Group intends to:</p> <p>Continue its activities with regard to its web pages and finish the implementation of in Warsaw agreed upon set up of the intranet site and screen which parts of it can be made public on the CC website;</p> <p>Continue its discussion and development of the templates in the field of Structural Funds and irregularities and the possibilities of using these in overall EU reports on EU financial management;</p> <p>Ascertain which support national SAIs would like to receive from the WG and assess the results the WG has reached so far and define the objectives it wishes to reach in the medium term.</p>

Overview of EU audit activities of Member State SAIs in 2007 and 2008		National SAI overall report on EU financial management	Separate EU section in Annual Report of SAI	Focus of EU audits by SAI	Type of EU audit reports by SAI	Object of parallel/co-ordinated audits
<i>Member States</i>						
	Austria	A (12/2008)	-	FM/POL	S/G	POL
	Belgium	-	-	FM	S/G	POL
	Bulgaria	-	-	FM/POL	S/G	FM
	Cyprus	-	X	FM	G	-
	Czech Republic	A (5/2008)	X	FM	S	FM/POL/R
	Denmark	A (11/2008)	X	FM/POL	S	-
	Estonia	O (10/2007)	-	FM/POL	S	POL
	Finland	-	X	FM/POL	S/G	POL
	France	-	X	FM	G	POL
	Germany	Expected	-	FM/POL	S/G/Aud	FM/POL/R
	Greece	-	X	FM	G	-
	Hungary	A (9/2008)	-	FM/R	S/G	FM/R
	Ireland					
	Italy	A (1/2008)	-	FM	S	FM/POL
	Latvia	-	-	FM/POL	S/G	FM/POL
	Lithuania	A (4/2008)	X	FM/POL/R	S/G	FM
	Luxembourg	-	-	-	-	-
	Malta	-	-	POL	S/G	FM/POL
	Netherlands	A (2/2008)	-	FM/POL	S	POL
	Poland	-	-	FM/POL/R	S/G	FM/R
	Portugal	-	X	FM/POL/R	S/G	FM
	Romania					
	Slovak Republic	F	X	FM	G	FM
	Slovenia	Expected	X	FM/POL	S/G	POL
	Spain	-	-	FM/POL	S/G	FM
	Sweden	F	-	POL	S/G	POL
	United Kingdom	A (4/2008)	-	R	Aud	FM

15. Status Outline

<i>Candidate countries</i>					
Croatia	-	X	FM/R	S/G	-
FYR of Macedonia	-	-	-	S	FM
Turkey	-	-	FM	S	-
<i>Legend</i>					
Symbol	Explanation				
FM	Audit on Financial Management of EU funds				
POL	Audit (performance) on EU policy results and/or effects				
R	Audit on other EU related issues				
A	Overall EU report published annually				
O	Overall EU report published once				
P	Overall EU report published periodically				
F	(Intends to) study feasibility of overall report in near future				
S	Results published in separate report				
G	Results integrated in more general report				
Aud	Results only made available to auditee				
X	Yes				
-	No/not applicable				

Name of WG	Working Group on Activities on Value Added Tax
Purpose/Mandate	<p>Forum for the exchange of experiences about functioning of the VAT system in the EU with special interest to:</p> <ul style="list-style-type: none"> • General Trends in the VAT Area • Administrative cooperation among member states • Measuring VAT loss due to fraud • Tackling intra-community VAT Fraud • Monitoring Developments in the area of VAT
Status/Outcome/ Results in 2008	<ul style="list-style-type: none"> • Core Group 1 Report on measuring VAT GAP • Core Group 2 Report on the current state of play on the preparation of an Anti VAT Fraud Strategy at EU level • Activity Report 2008
Links to relevant working group reports/ documents	<ul style="list-style-type: none"> • Report of Core Group 1 on Measuring VAT GAP • Report of Core Group 2 on the current state of play on the preparation of an Anti VAT Fraud Strategy at EU level • Anonymized consolidated SAIs' replies on the questionnaire of Core Group 2 to establish the current state of play on the preparation of an Anti VAT Fraud Strategy at EU level
Activities this year (meetings etc.)	<ul style="list-style-type: none"> • Held plenary meeting in Malta on the 4-5 September chaired by NAO Malta • Core Group 1 Meeting in London in January chaired by NAO UK • Core Group 2 Meetings in Bonn in January and Brussels in June chaired by the Bundesrechnungshof • Core Group 2 Meeting scheduled for December in Luxembourg to be chaired by the Bundesrechnungshof • Evaluation of the efficiency of the VAT Working Group operation and analysis of actions and ways forward • Steering Committee meeting scheduled for December in Luxembourg

Working group members and observers	<ul style="list-style-type: none"> • Members: Austria, Belgium, Bulgaria, Czech Republic, Cyprus, Denmark, Estonia, Finland, Germany, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden, United Kingdom • Observer: Greece, European Court of Auditors
Name of contact person/chair of working group	<ul style="list-style-type: none"> • Mr. Paul Borg - NAO Malta – Chair of Working Group • Mr. Brian Vella – NAO Malta – Liaison Officer • Chairmanship of Working Group is on a rotational basis. With effect from December 2008, after Contact Committee Meeting, Chair of Working Group will be Mr Paul Stafford (ECA). Ms Sabine Hiernaux-Fritsch will be the other contact person for the ECA
Activity Plan for 2009	<ul style="list-style-type: none"> • To continue its work on the progress in measuring VAT evasion after the availability of the study ordered by the Commission (<i>Reckon</i> report) • To review the <i>Reckon</i> report on measuring VAT evasion and to assess the implications for the VAT Working Group • To review and update the questionnaire to identify VAT evasion trends • To review and analyse relevant published VAT data and data produced by the Core Group to identify VAT evasion trends • To continue to observe the evolution of the EU anti-fraud strategy and, where possible, to submit its own proposals on how to improve the fight against VAT Fraud • To encourage SAIs, as far as possible, with regard to the current state of play at EU level, to assess to what extent national legislation and administrative measures comply with the agreed measures and opportunities already offered by Community law as well as with the judgment of the Grand Chamber of the European Court of Justice of 17 July 2008 in the case No. C-132/06. Each SAI will be invited to briefly report on its assessment to the 2009 Working Group plenary meeting • To continue the evaluation on the efficiency in the operation of the VAT Working Group, looking for ways for further improvements • To present the findings at the next VAT Working Group meeting in Luxembourg in 2009

Name of WG	“Contact Committee Working Group on Common Auditing Standards and Comparable Audit Criteria based on internationally recognised standards tailored to the EU area”
Purpose/Mandate	To develop common auditing standards and comparable audit criteria, based on internationally recognised standards, tailored to the EU area - both in the field of compliance and performance audits.
Status/Outcome/ Results in 2008	<ul style="list-style-type: none"> • Further progress in the elaboration of the section of the Exposure Draft, dealing with common auditing standards and comparable audit criteria in the field of compliance audits through the formulation of optional “Interpretative Notes” covering specific practical and technical aspects to complement the core-document, completed in 2007. • Progress in the drafting of the section on common auditing standards and comparable audit criteria in the field of performance audits leading to the finalisation of the core-document on this subject and the compilation of optional 'Interpretative Notes' covering specific practical and technical aspects. • Progress on the section of the Exposure Draft, dealing with the relevant experiences and approaches of the different EU SAIs in auditing EU funds through the compilation of case studies; • Discussion on a facultative, voluntary mapping exercise of the participating SAIs covering the respective legal frameworks and the SAIs' mandate, the types of audits carried out in general and, within the EU context, the reports published by the SAIs, their frequency and their addressees.
Links to relevant working group reports/ documents	<ul style="list-style-type: none"> • Contact Committee Working Group on Public Procurement. • Contact Committee Working Group on Structural Funds. • Contact Committee Working Group on national SAI reports on EU Financial Management. • Database on audit quality.

Activities this year (meetings etc.)	The Contact Committee Working Group has held four meetings in 2008, hosted by the ECA. The seminars have taken place on 28-29 February, 24-25 April, 26-27 June and 16-17 October 2008.
Working group members and observers	The European Court of Auditors (chair) and the SAIs of Austria, Bulgaria, Czech Republic, Denmark, France, Germany, Estonia, Spain, Ireland, Italy, Cyprus, Latvia, Lithuania, Luxemburg, Hungary, Malta, Netherlands, Poland, Romania, Slovenia, Slovakia, Finland, Sweden and the United Kingdom.
Name of contact person/chair of working group	The seminars are chaired by Professor Josef BONNICI. (Member, ECA) Contact Person is Raymund KIST.(Attache', Cabinet of Prof. Bonnici)
Activity Plan for 2009	<p>In order to achieve further progress in the elaboration of the Exposure Draft the Working Group will:</p> <ul style="list-style-type: none"> ○ proceed with the elaboration of the sections of the Exposure Draft, dealing with common auditing standards and comparable audit criteria in the fields of compliance audit and performance audit by compiling additional optional "Interpretative Notes" covering practical and technical aspects; ● identify and discuss relevant EU specificities and compile pertinent case studies to be developed into the section dealing with the experiences and approaches of the different EU SAIs in auditing EU funds. ● enhance further the benefits from sharing the knowledge and relevant experience gained through its work <p>The Working Group intends to communicate to the Contact Committee its progress report and activity plan as outlined in this note and it will present a new resolution thereby formalising the objectives and tasks of the working group for 2009.</p>

Name of WG	Joint Working Group on Audit Activities (JWGAA)
Purpose/Mandate	<p>Originally a Candidate Countries Working Group set up to promote and facilitate small-scale, practical, hands-on co-operation between Candidate Country and EU Member State SAIs the (renamed) Joint Working Group on Audit Activities (JWGAA) was established in 2002.</p> <p>The 2004 Contact Committee confirmed the JWGAA as a key element of the post -May 2004 EU enlargement framework with a mandate to contribute to maintaining the working links and co-operation between the SAIs of the Contact Committee and the Presidents' Network (Candidate and potential-Candidate countries).</p> <p>The JWGAA Chair provides the Contact Committee with an annual report on the level and nature of all small scale audit activities.</p>
Status/Outcome/ Results in 2008	<p><u>Parallel Audit on the Audit of EU project funds</u>: A Consolidated Report on the activity was drafted by the JWGAA Chair and finalized with further input and support from participant SAIs - Albania, Bosnia & Herzegovina, Bulgaria, Croatia, FYR Macedonia and Romania - and Sigma. The report summarises the activity and the main findings, recommendations and impacts of the national SAI reports produced by the six participants as well as drawing together the wider experiences and lessons learned.</p> <p>The participating SAIs felt that the parallel audit had contributed to three key aims of their cooperation activities by</p> <ul style="list-style-type: none"> ▪ Facilitating the process of institution building in the SAIs of the Network; ▪ Furthering the development of their audit practices in auditing EU funds; and ▪ Strengthening the creation of professional networks within the region. <p><u>Workshop on the audit/evaluation of PIFC systems</u>: JWGAA members provided input and advice at the development stage on the design and content of the workshop programme and assisted in identifying and securing SAI speakers and facilitators. The event was hosted in July 2008 by SAI Turkey and supported by the ECA and Sigma.</p> <p><u>Twinning Guide</u>: the document "Making SAI Twinning Successful: A Good Practice Guide" is now on circa and arrangements are in hand to post it on the full contact committee website as already approved by the CC. (Link to circa (password required) http://circa.europa.eu/Members/irc/eca/sai/library?l=/candidate_candidate_coun/institution_successful)</p> <p><u>Annual Activity Report for the Contact Committee</u>: Monitoring bi-/multi-lateral audit activities (ongoing) and compiling the annual report for presentation in Luxembourg.</p>

Links to relevant working group reports/ documents	"Parallel Audit Activity on EU funded projects: Consolidated Report" was approved by the Presidents' Network in November 2008 by written procedure. The Contact Committee will be asked if it can be posted on the Contact Committee website (CC2008 meeting).
Activities this year (meetings etc.)	Liaison Officers' meetings (May 2008, Bratislava & October 2008, Luxembourg): attended by the JWGAA Chair and representatives of other CC SAIs attended and contributed (<i>Bulgaria - May</i>). Other activities were largely carried out by e-mail
Working group members and observers	Full JWGAA <ul style="list-style-type: none"> ▪ All SAIs from the Contact Committee and the Presidents' Network ▪ Sigma <u>Core Group</u> SAIs of United Kingdom (Chair), France, Hungary, Romania and the European Court of Auditors <i>plus</i> Sigma
Name of contact person/chair of working group*	Iain Johnston (Chair) SAI of the United Kingdom (NAO) e-mail: iain.johnston@nao.gsi.gov.uk Tel: +44 207 798 7089 Fax: +44 207 798 7466
Activity Plan for 2009	Maintain contacts with and support to the Network by <ul style="list-style-type: none"> • inputting to Candidate and Potential Candidate country Liaison Officers' meetings; • contributing to further development of the Network Activity Plan; • assisting with the design of activities and ensuring proper account is taken of the important lessons-to-be-learned from previous activities; • facilitating CC support to specific Network projects or initiatives for example <ul style="list-style-type: none"> - the possible follow-up PIFC seminar – currently under consideration; - consideration of conducting a further, future parallel audit activity. <u>Reporting</u> to the Contact Committee (Budapest, November/December 2009)