

History and Future of CAP Audits of the SAO

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Audit Mandate

- Audit area – based on Section 3 (paragraph 1, letter a, d) of the Act No. 166/1993 Coll., on the Supreme Audit Office
- Audit approach - based on Section 4 (paragraph 1) of the Act No. 166/1993 Coll.
- Audit scope
 - EU budget's revenue,
 - Common Agricultural Policy,
 - Structural Funds,
 - Other EU Financial Instruments - Internal policies of the EU (Community Programmes) – shared management, „state entity“

History of CAP Audit at the SAO

- Position of the SAO (currently department IV.) as external audit institution in relation to the CAP
- Responsibility of agricultural sub-department up to 2006
- 2003 – 2006 audit conception - from all expenditures of the Ministry of Agriculture's chapter and the Czech Office for Surveying, Mapping and Cadastre to the CAP's expenditures

Audit in the years 2004 and 2006

- 2004 - Audit of the Special Accession Programme for Agriculture and Rural Development (SAPARD) – as training for auditors
- 2005 - Audit of Operational Programme Rural Development and Multi-functional Agriculture (OPRDMA) in 2005
- 2006 - Audit of HRDP (Horizontal Rural Development Plan)

Changes in period 2006 - 2007

- 2006 - SAO reorganization
- Establishment of the specialized department No. IV
- Responsibility for the audit of financial resources provided to the Czech Republic from abroad
- CAP sub-department competent exclusively for the audit of state budget's resources and EU budget's resources relating to the CAP

SAO Strategy

Audit strategy: goal 2 – “Foreign financial resources“

- Periodical compliance audit of each measure
- Publishing of the annual reports on this activity
- Mid-term activities – annual basis
 - Carrying out the audit at least of one measure for Cohesion and CAP policy
 - Preparation of the summary report on each policy
 - Preparation of the summary of SAO audit reports (i.e. EU Report)

Audits in years 2007 and 2010

- 2007 - Audit of „Direct Payments“
- 2008
 - Audits of payments in the framework of common market organization were provided in accordance with set out conditions
 - Audit of measures LEADER+ and LEADER
- 2009 - Operational Programme of Fishery
- 2010 - Audit of intervention market costs and export subventions
- Currently – PILOT PROJECT ON CO-ORDINATED AUDITS; AXIS II OF RURAL DEVELOPMENT PLAN

CAP Audit at the SAO in Summary Table

Policy	Measure	Audit Volume (in mld. CZK)	Total allocation	Was or will be audited										
				2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
Pre-accession measure	SAPARD	7,8	7,8											
Structural Policy	OPRDMA	7,5	7,5											
CAP 2004 - 2006	Direct payments	46,9	79,5											
	Common market organization	14,7												
	Companion measures- HRDP	18												
CAP 2007 - 2013	Direct payments/payments for farm	72	111,0											
	Common Market Organization - payments	10												
	Common Market Organization - interventions	24												
	Common Market Organization - export subventions	5												
	Rural Development - Axis I Competitiveness	21	93,0											
	Rural development – Axis II Preservation of the Environment	48												
	Rural Development - Axis III Quality of Country Life	16												
	Rural Development - Axis IV Leader+	4,9												
	Fisheries	1												

Our future challenges

- Using of experience from preceding program period and pilot project of co-ordinated audit
- Assurance of the reliability of supervisory and control systems and the emphasis on the audit on the spot at the final beneficiaries
- Classification of shortcomings
- Implementation of performance audits into the activities of CAP sub-department

Questions

- What will be the CAP after 2013?
- Can be CAP audit system more effective? External specialty?
- Can we use methods and techniques which was invented in the other SAO? Is standardization of CAP audit method and techniques needed and possible?
- Lead the treatment of shortcomings to their full use?
- Is the audit of spending and registration of public money in accordance with set conditions sufficient for us?

- More information you can get from the SAO's EU Report - <http://www.nku.cz/cz/publikace/eu-report.htm>
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Thank you for your attention !