

*Press Release*

**Transparency International–Moldova: Results of New Central Government Survey on Communication with Court of Accounts, Professionalism and Integrity of Auditors, and Implementation of Court Recommendations**

In order to make an overview of the work of the Court of Accounts (CoA), TI–Moldova, in line with an analysis of the work and monitoring of implementation of CoA recommendations, conducts surveys with audited public authorities (CPAs). One such survey has recently been completed. Its purpose was to analyse the opinions and experiences of CPA representatives regarding communication with public auditors, their behaviour, professionalism and integrity, implementation of CoA recommendations, as well as monitoring changes over time.

The survey was based on a questionnaire addressed to the *management of public entities and those responsible for communication with the CoA.* The questionnaire was developed jointly with the CoA and tested in CPAs. The survey was conducted from 10 September to 30 October 2023, with representatives of 20 CPAs (ministries and subordinate entities) participating[[1]](#footnote-1). Timeframe concerned: *2022 – September 2023*.

**Survey Summary Results**

***Presence of internal rules on communication with the CoA and those responsible for this process****.* Although three years ago CPAs were advised to develop and implement internal rules that would ensure and facilitate communication with the CoA[[2]](#footnote-2), only 44% of respondents currently report that their entity has such rules in place. About 2/3 of respondents claim there is a unit/person in their public entity responsible for communication with the CoA. Compared to the previous survey (2021), the share of respondents confirming the presence of internal rules for communicating with the CoA as well as the designation of persons in charge of this process has decreased, a possible explanation being the turnover of staff and insufficient informing of persons engaged in communicating with the CoA in some public entities.

***Communcating to CPAs the information to be presented during audit missions.*** Although about 2/3 of respondents noted that CoA auditors had *fully* communicated to them the information and documents they were to submit, 1/3 of respondents felt they had been *partially* informed or not informed *at all*. Compared to 2021, the share of respondents who say they were fully informed has decreased. According to some respondents, auditors request excessive documents, and as the workload is high and the equipment outdated, the process of copying and sending information takes a great deal of time.

***Any irregularities/misconduct identified during external audit missions.*** Nearly ¾ of respondents said the auditors had identified irregularities/misconduct in the work of their public entity; 7% - that irregularities had not been identified; and 18% avoided answering this question. About 40% of respondents who confirmed that irregularities/misconduct had been identified claim that such cases occurred often; and 60% – rarely.

When asked to assess how significant the deviations identified by the auditors were, *none of the public entities categorized them as many and serious*. The most frequently cited were non-significant (57.6% of total responses) and significant (33.3%) deviations. To note that, according to the *CoA Annual Report on Management and Use of Public Financial Resources and Public Assets in 2022*, following the audit of financial statements of ministries, two adverse opinions, 10 qualified opinions, and only one unqualified opinion were issued.

***Do public entities examine draft reports sent in by the CoA? Are entities' arguments taken into account?*** About 90% of respondents noted they *always* reviewed the draft audit reports from the CoA; and 10% - *in most cases.* According to some respondents, an impediment in reviewing drafts was the very short timeframe for that set in the legislation.

Although more than half of the respondents claim that CPA explanations on a draft audit report have been *fully* and *largely* taken into account, around 41% say that *only some arguments* have been accepted by the CoA. Some respondents noted that audit teams did not provide sufficient explanations on the merits/non-merits of the arguments presented.

***How clear/explicit were CoA recommendations?*** The majority of respondents' answers *reveal that recommendations were vague*, for the implementation of which further clarification was needed (47% of all answers), a quarter of the answers – that the *recommendations were general/complex,* and only every fifth answer states that the *recommendations were sufficiently clear*.

***To what extent have public entities implemented the CoA recommendations?*** Respondents rated their efforts quite highly: about 85% of them say that *a large part of the recommendations* have been implemented or that they have been *fully* implemented. More critical were only 15% of respondents who noted that *some of the recommendations had not been implemented*. To note that CoA and State Chancellery (SC) assessments on the implementation of CoA recommendations are modest.

***Transparency of audit results and actions taken by CPAs to implement CoA recommendations.*** CPAs ensure the transparency of the results of CoA audits, which is confirmed by TI–Moldova's verification of the content of ministries' websites – all of them have sections dedicated to the results of external controls and audits, in which the CoA decisions and audit reports are inserted. Compared to 2021, the situation in this regard has improved.

However, information on the implementation of the CoA recommendations is not always made public. The websites of only five ministries (MoF, MAFI, MoJ, ME, MFAEI) post information on the measures carried out. Other ministries (MoH, MIA, MLSP, MA, MIRD, MEDD, MER) only post action plans on the implementation of audit recommendations on their websites, while the website of MoC lacks such information.

***Level of professionalism and impartiality of CoA auditors.*** Respondents' views on the professionalism of CoA auditors are quite positive: about 1/3 consider it *high* and 2/3 – *medium*, similar to the opinions expressed in the 2021 survey. The impartiality of auditors was also rated quite highly: 44.4% of respondents considered it *high* and *medium*; 3.7% - *low*, and 7.4% avoided answering the question. Compared to the previous survey, the share of respondents considering the integrity of CoA auditors to be high has decreased.

***Confidence in CoA audit report findings.*** The majority of respondents (about 70%) have medium confidence in the findings of CoA reports, and 30% - a lot of confidence, which shows that there are reservations about improving the quality of audit reports, and thus increasing the level of auditor professionalism. Compared to the previous survey, the share of respondents who have a lot of confidence in CoA work has slightly decreased.

***Do CoA auditors ensure confidentiality of information? Is information obtained from audit assignments used for personal purposes?*** In the opinion of about 41% of respondents, CoA auditors *fully ensure* the confidentiality of information obtained in the course of their work; another 41% of respondents *did not know/avoided answering* the question, and 18% are of the opinion that this requirement is *partially met*. Compared to the 2021 survey, the share of respondents who say that auditors fully ensure the confidentiality of information has decreased.

As regards possible cases of auditors using work information for personal purposes, 1/3 of the respondents claim that such cases have not occurred and 2/3 of the respondents avoided answering this question, possibly because they did not know about such cases. The share of respondents who claim that their work information has not been used for personal purposes has increased compared to the 2021 survey.

***Attitude of CoA auditors towards public entity employees during audit missions.*** Respondents' opinions in this context *are positive*: about 4/5 rate it as *kind/respectful*; 11% - *careless*; 4% - *rude;* and 4% did not express a view. Opinions are similar to those expressed in the 2021 survey.

***Could CoA actions and rulings be influenced by politicians, dignitaries or auditors' relationships with close people?*** As in the 2021 survey, about 4/5 of respondents avoided answering this question, either out of ignorance or of unwillingness to answer, and 1/5 of respondents noted that such situations could not occur.

***Possible situations of unethical behaviour, conflicts of interest, abuses in the work of CoA auditors.*** The vast majority (74.1%) of respondents noted that such situations had not occurred in the last two years; 7.4% said such situations had ocurred; and 18.5% did not answer the question. When asked whether in the last two years they had been made aware that an audit report could be ‘improved’ through informal channels, 93% of respondents said that such situations had not occurred and 7% did not answer the question. Respondents' opinions have not changed considerably compared to the 2021 survey.

***Familiarisation with AIS “CoA Audit,” suggestions for improvement.*** Although training for CPA on how to use the AIS “CoA Audit” has been organised in the last two years, about 1/3 of respondents from ministries consider they are not familiar at all with its operation. Respondents noted some problems and came up with proposals to improve this system, including giving access to the SC, allowing entities under the CPAs to view data in the system, opening more than one access account for an entity. Also, both respondents from ministries and subordinate entities consider it necessary to continue training on this topic.

***Challenges in implementing CoA recommendations.*** When asked if there were any problems hindering the implementation of CoA recommendations, about 4/5 of the respondents confirmed this, pointing to various problems, ranging from the shortage of finance and accounting staff and their insufficient level of qualification to short deadlines for implementing the recommendations and challenges in implementing legislative recommendations.

***CPA proposals/suggestions on CoA work.*** Respondents came up with a number of proposals, asking for more attention from auditors to auditees’ explanations; joint discussion with CPAs on typical deviations identified during audits; dissemination of good practices in implementing recommendations; exclusion of duplication in reporting to the SC and CoA on the implementation of recommendations; continued development of skills in using the AIS “CoA Audit”.

**RECOMMENDATIONS:**

* CoA and SC should consider the views/suggestions of CPAs expressed in the survey, including to facilitate the process of monitoring and reporting on the implementation of CoA recommendations;
* Increase the quality of audit recommendations: avoid vague and complex wording, specify concrete actions to be taken;
* Simplify auditee reporting to SC, synchronise it with the CoA practices with a view to reducing manoeuvring by public entities;
* SC and CoA should support the exchange of experience among public entities on the implementation of CoA recommendations, promotion of best practices;
* The SC should post documents related to CPA communication with the CoA and the SC on its website, as well as report on the implementation of recommendations (in particular, Prime Minister's Order No. 39/2020, Guidelines on Monitoring, Evaluation and Methodological Support in Implementation of CoA recommendations);
* Public entities that do not have internal rules for communication with CoA auditors should develop and apply them, and should forward them to subordinate entities for information;
* Public entities should post information on measures taken to implement CoA recommendations on their websites, with a possible link to the CoA website;
* CoA auditors should continuously monitor compliance with ethical rules, implicitly the requirements regarding integrity, confidentiality of information, and respectful attitude towards auditee employees;
* CoA should consider the possibility of providing access to data in CPA’s ‘personal office’ to their subordinate entities, as well as to other public authorities, targeted in the implementation of CoA recommendations;
* Continue to train CPA representatives and subordinate entities in the functionalities of AIS “CoA Audit” and develop their skills in using this system.

*This press release was produced as part of the project "Mobilizing Civil Society To Monitor and Report on Integrity of State Institutions and Anti-corruption Activities in Moldova" implemented by Transparency International–Moldova with the support of the Criminal Justice and Law Enforcement Section of the US Embassy in Chişinău. The views expressed are those of the authors and do not necessarily reflect the position of the donor.*

1. Ministry of Agriculture and Food Industry (MAFI); Ministry of Finance (MoF); Ministry of Health (MoH), Ministry of Foreign Affairs and European Integration (MFAEI); Ministry of Justice (MoJ); Ministry of Labour and Social Protection (MLSP); Ministry of Internal Affairs (MIA); Ministry of Environment (ME); Ministry of Education and Research (MER); Ministry of Defence (MoD); Ministry of Culture (MoC); Ministry of Infrastructure and Regional Development (MIRD); Ministry of Economic Development and Digitisation (MEDD); State Tax Service (STS); Customs Office (CO); Border Police (BP); General Police Inspectorate (GPI); Material Reserves Agency (MRA); National Archives Agency (NAA); National Probation Inspectorate (NPI). [↑](#footnote-ref-1)
2. Prime Minister's Order No.39/2020 (includes *Model Regulations on How to Communicate with CoA Audit Teams*). [↑](#footnote-ref-2)