

DRAFT

**GOOD PRACTICE RECOMMENDATIONS FOR
THE AUDIT OF FUNDS ALLOCATED TO
DISASTERS AND CATASTROPHES**

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Preamble

These Recommendations are developed by the EUROSAI Task Force on the Audit of Funds Allocated to Disasters and Catastrophes, within the framework of realization of the Strategic goal 2 «Development of methodology and capacity building of SAIs in the field of audit of the audit of funds allocated to disasters and catastrophes».

The purpose of this document is to provide supreme audit institutions with assistance in improvement of audits in the field of prevention and liquidation of consequences of catastrophes by means of choice, generalization and dissemination of good practice when conducting audits in this sphere. The document's purpose doesn't include providing a complete description of procedures, which must be implemented by a public auditor when conducting audits of funds allocated to disasters and catastrophes. We focused exactly at how to check, what to check and what is the purpose of our actions during the conduct of these audits.

This document contains recommendations. Taking into account provisions of INTOSAI ISSAIs, relevant documents developed by working bodies of INTOSAI and EUROSAI, international organizations dealing with catastrophes, these Recommendations complement, expose and specify standards which SAIs use in their work, with examples of good practices and advices of public auditors based on the results of audits performed.

Generalised results of the survey, conducted by the EUROSAI Task Force on the Audit of Funds Allocated to Disasters and Catastrophes among the Task Force members, and the database on the audits on natural and man-caused disasters and catastrophes in Europe, which underlay the Recommendations are placed on the website of the EUROSAI task force <http://portal.rp.gov.ua/control/eurosai>.

We wish to express gratitude to all SAIs that took part in the survey and provided information to the audits database, namely to the SAIs of Austria, Azerbaijan, Byelorussia, Belgium, Bulgaria, United Kingdom, Hungary, Germany, Lithuania, Moldova, Netherlands, Poland, Russian Federation, Slovakia, Ukraine, Czech Republic, Estonia and European Court of Auditors.

We hope that this document, including experience of already conducted audits in the field of prevention and liquidation of consequences of catastrophes, will become a practical manual in solving issues related to the conduct of this type of audits.

Introduction

Taking into consideration the increasing amount of natural and man caused accidents and catastrophes , which for the last decade did great damage to the environment, the population and society in general, and also their further possible threats and dangers, acknowledging the importance of the abovementioned questions and work, done in this sphere, the necessity of an increased role of the European SAIs in the audit of measures taken for the prevention and management of the consequences of catastrophes, and also the increasing interest to integrate efforts and experiences of European SAIs, the VII EUROSAI Congress (Krakow, Republic Poland) decided to establish the EUROSAI Task Force on the Audit of Funds Allocated to Disasters and Catastrophes.

This EUROSAI Task force was established on the basis of the former special sub-group on the audit of funds allocated for the elimination of consequences of natural, man caused catastrophes and radio-active wastes of the EUROSAI Working group on environmental auditing.

The SAIs of Ukraine, Azerbaijan Republic, Hungarian Republic, Republic Belorussia, Republic Bulgaria, Republic Kazakhstan, Kingdom of Belgium, Republic Moldova, Lithuanian Republic, Republic Poland, Republic Armenia, Russian Federation, European Court of Auditors are the members of the Task Force and three SAIs (Kingdom of Norway, Republic of Italy, Slovak Republic), take part in the work of the Task Force as observers.

The mission of the Task Force consists in coordinating and joining efforts of European SAIs in order to achieve greater knowledge about catastrophes and to assist governments in working out effective and efficient instruments of catastrophes prevention and elimination of their consequences.

The intensity of catastrophes is significant and turns the attention of the public and governments of many countries. Victims, destructions and other numerous consequences of catastrophes force states, various non-government organizations, companies and other donors to provide assistance related to catastrophes. In turn, there is an increase of risks related to possible various abuses and ineffective use of funds.

In most countries, which took part in the survey conducted by the Task Force, state, society and mass media raised questions related to the prevention and elimination of consequences of catastrophes. As a result, national strategies and governmental programs aimed at prevention of catastrophes risks as well as elimination of their consequences are being developed and approved.

There is a necessity in turning greater attention of SAIs within the framework of national auditors' powers to the problems of effective and reasonable use of public funds allocated for the prevention and elimination of consequences of this negative phenomenon. Besides, it's considered expedient to conduct systematic large-scale studies of this question from the methodological perspective, including on the use of preventive measures and the efficiency of implementation and functioning of national systems of prevention and elimination of consequences of catastrophes.

For this reason within the framework of the EUROSAI Task Force on the Audit of Funds Allocated to Disasters and Catastrophes, Strategic goal 2 «Developing the methodology and capacity building of SAIs in the field of auditing the prevention and consequences elimination of disasters and catastrophes» recommendations (guidelines) were prepared for SAIs that carry out audits of funds allocated to the prevention and elimination of consequences of catastrophes, based on the experiences of various SAIs.

In order to develop these Recommendations, the Task Force:

- generalized and analysed materials and presentations provided by speakers (representatives of European SAIs, Government of Ukraine, UN Development Programme and Representative Office of the World bank in Ukraine as well as leading scientists) during meetings of the Task Force;

- conducted a survey among the Task Force members in order to collect information about natural and man caused catastrophes in Europe, about SAIs audits in this sphere and about methodology of European auditors, generalized and assessed results of questionnaire;

- provided the maintenance of a database of audits on natural and man caused catastrophes in Europe, analysed the reports about conducted audits in the field of prevention and elimination of consequences of catastrophes;

- developed a Glossary of terms on conducting audits in the field of prevention and elimination of consequences of disasters and catastrophes, aimed at more efficient communications and better mutual understanding between SAIs of different countries;

- studied documents of the INTOSAI and EUROSAI working bodies, in particular, the INTOSAI Working Group on Accountability for and Audit of Disaster-related aid, the EUROSAI Working Group on Environmental Auditing, and international organizations, concerning catastrophes.

The prepared recommendations consist of four basic sections which provide details and examples from the conducted audits on issues as follows:

- Section 1 «The characteristic of a subject of audits in the sphere of the prevention and liquidation of consequences of catastrophes» includes a definition and classification of catastrophes, a description of stages of catastrophes management, a basic list of research subjects for audits in the field of prevention and elimination of consequences of catastrophes;

- Section 2 «The General characteristics and types of audits on prevention and consequences elimination of disasters and catastrophes» provides general methodological approaches to the conduct of audits, and recommendations on the choice of the type of audit (financial, compliance, performance or complex) depending on the special objectives and tasks that the auditors face;

- Section 3 «Peculiarities of an audit on prevention and consequences elimination of disasters and catastrophes based on best audit practice », based on an analysis and systematization of best practice examples of audits, outlines special features of audits in the field of prevention and elimination of consequences of

catastrophes depending on what stage of emergency management (warning, preparedness provisions, emergency reaction or rehabilitation and reconstruction) will be the focus of the audit. For each stage of emergency management this section provides recommendations on the choice of audit objectives, subjects and tasks; possible risks are determined and recommendations on the proper actions of auditors are proposed;

- Section 4 « Peculiarities of conducting a cooperative audit » pays attention to the methodology of international audits, considers questions and problems which auditors face during joint, parallel, coordinated audits in the field of prevention and elimination of consequences of catastrophes, provides examples of good practices of international audits.

In addition, the document contains the appendixes «List of materials and papers used in developing Methodological Recommendations» and «Glossary of terms relating to audits in the field of prevention and consequences elimination of disasters and catastrophes».

Part 1. The characteristic of audits subject in the field of prevention and consequences elimination of catastrophes

The Glossary of terms to conduct audits in the field of prevention and consequences elimination of disasters (Appendix 2), according to UNISDR Terminology on Disaster Risk Reduction, defines the term «Disaster» as «A serious disruption of the functioning of a community or a society involving widespread human, material, economic or environmental losses and impacts, which exceeds the ability of the affected community or society to cope using its own resources».

It should be noted that worldwide there are a lot of definitions of the term «Disaster», developed and acknowledged by various institutions, which means this concept is complicated and varied . However there are three crucial factors that distinguish disasters among the great number of natural and man caused threats - presence of human victims, considerable scale of harm and inability of community or society to manage them on their own.

At the same time disasters can be considered, speaking in medical terms, as a «sharp display» of natural and man caused threats which by unlucky coincidence of circumstances (e.g. under conditions of emergency) can obtain disaster character.

The analysis of the survey conducted by the EUROSAT Task Force shows that there are certain distinctions in classification of disasters, depending on the region and historical concepts. In all regions a distinction is made between natural disasters – disasters as a result of natural threat that affect man (floods, storms, hurricanes, droughts, extreme temperatures, forest fires, landslides, avalanches, earthquakes, tsunamis, volcanic eruptions) and disasters related to activity of man. In turn, the last one can subdivide, for example, in man caused or technological (nuclear, industrial, transports disasters, disasters caused by dangerous materials, fires, explosions), social (wars, epidemics, terrorism) and environmental.

It should be noted that presently it's unreasonable to define such disasters as droughts, floods and cyclones as strictly «natural» ones, since their sources are in human activity, for example, wrong use of lands, hasty timber cuttings. Therefore the term «threat of socially-natural character» gains significance.

In accordance with the results of the survey conducted among the EUROSAT Task Force member SAIs, in Europe harm from man caused disasters is far more serious, than from natural ones. Despite the general high level of technical progress and safety, the number of man caused disasters, the number of human victims and the amount of economic losses as a result of man caused disasters keep on growing in Europe. Most of man caused disasters in the last few years happened in such sphere of economy as transport and communications, on the second place is construction and housing, on the third place is the industrial complex. The most widespread reason of natural disasters in Europe are storms, floods, fires, although the earthquakes and eruptions of volcanoes happen in some countries. The research conducted by the United Nations Environment Programme ([Global environment outlook-3](#)), pointed out that Europe generally suffers less from disasters than many developing countries,

due to a higher level of ‘coping capacity’ in terms of government ability to prepare and respond to disasters.

Enormous negative economic, socially-psychological and political consequences of disasters require permanent counteraction to these threats. It requires the establishment and permanent improvement of disaster warning systems, preparedness, reaction and rehabilitation measures after a disaster.

There is a great number of documents developed by the UN, by international and national organizations which provide understanding of disasters’ nature and management mechanisms. We present a list of some of them, which, in our view, can be of great use for public auditors designing audits in the field of prevention and elimination of consequences of disasters:

- [«Hyogo Framework for Action 2005-2015: Building the resilience of nations and communities to disasters \(HFA\)»](#)

- [Inter-Agency Contingency Planning Guidelines For Humanitarian Assistance \(IASC\)](#);

- documents placed on site [Disaster Response Preparedness Toolkit](#) (OCHA);

- documents placed on site [International Strategy for Disaster Reduction](#) (UNISDR).

Prevention of disasters and providing disaster preparedness are actions undertaken before disasters happen and aimed at reducing disaster risks and/or effects. In accordance with the [UNISDR Terminology on Disaster Risk Reduction](#) preparedness is the knowledge and capacities developed by governments, professional response and recovery organizations, communities and individuals to effectively anticipate, respond to, and recover from, the impacts of likely, imminent or current hazard events or conditions. Measures to prevent disasters involve establishment of conception and practical actions in order to decline their risk by through the systematic work aimed at analysis and control over causal factors of disasters, including the decline of susceptibility to the threats, diminishment of vulnerability of population and property, reasonable management of land resources and environment and increase of preparedness to the unfavorable events.

Mechanisms of disasters prevention and disaster preparedness at the level of state include:

- risk assessment and evaluation, including the analysis of dangers and analysis of vulnerability/potential;

- knowledge development including education, training, researches and know-how;

- establishment of proper institutional structure involving organizational, political, legislative actions and actions of community;

- development and implementation of environmental management activities, land-tenure and city planning, defense of vital objects, application of science and technique, partnership and contacts, financial instruments;

- establishment and accurate functioning of the prevention system, including forecasting, monitoring and informing;
- maintenance of preparedness of governing bodies, forces and facilities designed to perform emergency works in case of disaster.

At the level of separate objects, such as high threat objects and vitally-important objects and surrounding territories measures of disaster prevention and disaster preparedness involve:

- effective and reasonable allocation of objects from the perspective of their natural and man caused disasters' safety and safety of population;
- increase of technological safety of production processes and operating reliability of equipment;
- development and implementation of engineering and technical measures to decline possible losses and harm in case of emergencies (reduce of possible consequences);
- state control, expertise and monitoring over construction and functioning of objects;
- development of effective measures to provide steady vital functions in case of disaster.

Experience shows that implementation of effective prevention measures and preparedness can prevent the emergence and development of disaster or substantially decrease its consequences.

If, notwithstanding all disaster prevention measures taken, a catastrophe happens, it is necessary to undertake as soon as possible measures of reaction, in particular assistance of emergency services and state support to rescuing lives of people, reducing harm to their health, providing public safety and meeting primary needs of the affected population. Emergency measures include:

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- analysis, assessment and reports about the damage inflicted by disaster;
- ongoing information to the public;
- searching and rescue works;
- treatment and taking care of victims;
- evacuation of people and animals;
- providing victims with food, water and habitation;
- providing with hygiene and sanitary-prophylactic measures;
- first financial aid to victims;
- clearing away rubbles;
- renewal of communications;
- emergency construction.

Effective management at the stage of urgent reaction involves complex and co-ordinated actions of state, nongovernmental and private organizations, including international ones, in order to provide humanitarian help.

Rehabilitation and reconstruction after a disaster is putting objects, means of subsistence and conditions of life of the population affected by the disaster, including factors of disaster risk, to their initial state and, if necessary, their improvement. Rehabilitation and reconstruction measures include:

- rehabilitation of basic services and production enterprises;
- rehabilitation of transportation infrastructure;
- housing construction;
- implementation of measures to prevent disaster iteration.

The analysis of information on audits carried out by SAIs in the area of prevention and elimination of consequences of disasters shows that during audits SAIs, as a rule, cover all stages of disaster management: disaster prevention, disaster preparedness, emergency reaction to disasters and elimination of their consequences.

Subjects of the audits conducted in this area, depending on the audit objective and the SAI's powers include:

- regulations in the field of prevention and elimination of consequences of disasters, including laws, decision of governments, norms of relevant agencies and services;
- planning in the field of prevention and elimination of consequences of disasters, including national strategies, regional, special plans in case of disasters;
- special purpose programs in the area of natural and man caused disasters and mechanisms of their implementation;
- financial and material resources, allocated and spent for the purpose of prevention and elimination of consequences of disasters, including humanitarian aid;
- activity of governments, agencies and services in the field of prevention and elimination of consequences of disasters, mechanisms of decision making, allocation of responsibilities and co-ordination between bodies, responsible for prevention, preparedness, reaction and overcoming of disasters consequences.

Part 2. General characteristics and types of audits on prevention and consequences elimination of disasters and catastrophes

All audit activities should be within the SAI's audit mandate (6(i) [ISSAI 100](#)).

Audits on prevention and consequences elimination of disasters and catastrophes are not a separate type of audits. As well as environmental audits ([Guidance on Conducting Audits of Activities with an Environmental Perspective](#), paragraph 124), they are in the frame of public finance audit – financial audit, compliance audit and performance audit. These types of audits differ from other kinds in the audit subjects, orientation of goals and the assessment criteria for an estimation of performance of tasks. The general approaches and methodology of auditing depend on concrete type of the audit chosen for the best disclosing of put subjects – whether there will be it financial audit, compliance audit, performance audit or comprehensive audit which simultaneously will consider to some extent questions of correctness, legality and performance.

The analysis of audits related to catastrophes, on which information has been given by SAIs –Task Force members, has shown that the most widespread types of audit are performance audit and comprehensive audit which is comprehensive of elements of financial audit, compliance audit, and performance audit.

2.1. Financial audit

The purpose of audit related to catastrophes in the frame of financial audit is allowing the auditor to conclude whether the financial reporting of the audit object is prepared, in all essential aspects, according to the conceptual basis for financial reporting.

It is necessary to be guided by financial audit standards, in particular INTOSAI Financial audit Guidelines ([ISSAI 1000-2999](#)), and also national standards for conducting financial audits for auditors who conduct financial audit of funds allocated to stages of the prevention of catastrophes, catastrophe readiness, emergency reaction and liquidation of consequences of catastrophes.

Audit subjects for audits of funds allocated to disasters and catastrophes are the financial reporting, budgetary and off-budget funds, balance sheets, the ledger, other registers and the accounting data, the documentation about purchases, contracts, other primary documents, concerning activities of functions dealing with the prevention of catastrophes, catastrophe readiness, emergency reaction, liquidation of consequences and safety of objects.

Criteria of financial audit in this field, basically, should not differ from criteria of financial audit in general. It is necessary for auditors to give special attention to validity and proper use of the funds allocated to the prevention and liquidation of consequences of catastrophes.

Besides, probably, it will be necessary for auditors to make a conclusion about reliability of calculations of the future expenses, obligations and assets to make a

financial estimate of possible or real consequences of catastrophes as in case of audit ([Guidance on Conducting Audits of Activities with an Environmental Perspective](#), paragraph 206).

2.2. Compliance audit

An audit related to catastrophes aims to estimate activity compliance of the audit object to regulatory legal acts (both national, and international) which regulate the sphere of the prevention, readiness and liquidation of consequences of both natural and anthropogenic catastrophes.

When conducting such audits it is necessary to consider current compliance audit standards, such as INTOSAI Compliance audit Guidelines ([ISSAI 4000-4200](#)), and also national standards for compliance audit.

Subject of compliance audit can be:

- Laws, concepts, strategy on maintenance of the prevention of catastrophes, readiness for them, emergency reaction and liquidation of consequences of catastrophes;
- Regulatory legal acts (positions, statutes) regulating activity of audit object regarding functions on assurance of readiness, emergency reaction and liquidation of catastrophes consequences;
- Plans for an emergency situation case;
- Procedure of using of the funds allocated to disasters and catastrophes;
- Procedure of carrying out of purchases;
- Management decisions in sphere of assurance of readiness, emergency reaction and liquidation of catastrophes consequences etc.

It is necessary to notice that discrepancy to legislation requirements, crudity and inconsistency of regulatory legal acts in this field can result, in case of catastrophe, in increasing the volume of damage and the number of sufferers and, probably, human victims. Therefore the importance (and the price) of even the slightest discrepancy can be very high. The reasonable approach will be to define the norms regulating the audited activity, their weight which will be directly proportional to the scale of possible consequences in case of discrepancy, and depending on this weight, to estimate their importance in planning and carrying out the audit.

A good rule of thumb is compliance audits (as a rule, in a comprehensive audit with performance audit) are the most comprehensive type of audits for estimating the observance of international agreements in the sphere of disasters and catastrophes.

2.3. Performance audit

An audit concerning catastrophes aims to estimate the performance of function fulfillment by state structures in the sphere of the prevention and liquidation of consequences of catastrophes, the effectiveness and productivity of task programs in

this field, and also the economy in using funds for catastrophe readiness on state, regional and objective levels.

During audits it is necessary to consider current performance audit standards, such as INTOSAI Performance audit Guidelines ([ISSAI 3000-3100](#)), and also national standards of performance audit.

Performance audit subjects relating to catastrophes can be:

- The state strategy, task programs in the field of the prevention and liquidation of consequences of natural and man-caused catastrophes, and mechanisms of their implementation;
- Mechanisms of decision-making, distribution of duties and coordination between the bodies responsible for the prevention, readiness, reaction and overcoming of catastrophes consequences;
- Plans for an emergency situation case;
- The organization of monitoring and forecasting service;
- Mechanisms of risks of catastrophes appearance management;
- The organization of the information and prevention service;
- The organization of life-saving services activity;
- Training programs and training for personnel and population in case of emergency situations;
- The funds allocated for catastrophe readiness of the state to catastrophes;
- The funds allocated for overcoming of catastrophes;
- The funds allocated for rehabilitation and reconstruction after catastrophes, etc.

The basic general criteria of productivity and performance decrease in audits are decrease amount of catastrophes, reduction of the damage caused by them, quantities of victims. If these results achieved, economy of expenditures of funds and resources, probably, would not be a matter of principle. However, it is not necessary to forget that in the frame of resources limitation their economical use will lead to more productivity. Besides, uncontrolled using of resources, without accurately calculated expediency of their using can raise risk of swindle.

2.4. Comprehensive audit

Comprehensive audit to a greater or lesser extent includes elements of financial audit, compliance audit and performance audit. Such association of different approaches allows considering a question as a whole, to develop an all-round vision of a problem from the point of view of financing, legislation, involved mechanisms of implementation and organizational structures.

Part 3: Peculiarities of an audit on prevention and consequences elimination of disasters and catastrophes based on best audit practice

3.1. Audit on mitigation and preparedness

The policy of every country and world association must include measures on prevention and liquidation of consequences of catastrophes. It is necessary for providing the steady development and socio-economic stability of our states. Till recently the majority of the countries tried to lessen risks, related to catastrophes, paying special attention to measures on consequences liquidation, rehabilitation, providing the basic necessities for the suffering population. Nevertheless, the growth of the number of catastrophes and the size of the losses caused by them set new problems: prognostication and warning of catastrophes, as the analysis of the best practice (materials presented by European public auditor reports and lectures) shows, is for the state far less expensive than liquidation of their consequences and renewal.

In the future application of the systematic informing must have the necessary condition of the effective warning of catastrophes become about frequency, intensity and principal reasons of what will be in future. Arguments called to impel administration to the selection of resources from the state budget on warning and mitigation of possible consequences and must be convincing and scientifically grounded.

Therefore Supreme audit institutions (SAIs), conducting monitoring and control of management processes relating to extraordinary situations, must give special attention to audits in the field of catastrophe warning and preparedness to future catastrophes.

The results of the survey among the task force members and the analysis of audits concerning prevention and liquidation of consequences of catastrophes, learned that catastrophe warning and catastrophe readiness are under intent attention of SAIs accountants – members of EUROSAI.

The audits related to catastrophe warning can concentrate the attention on different levels:

➤ **International level**

- The purpose of the audits is to observe the implementation of international agreements in the area of warning and mitigation consequences of natural and man-caused catastrophes.
- It is necessary to define the conduct of these audits, what international agreements in the indicated area were ratified or accepted by the state. The digit-by-digit algorithm of choice of audit themes is described in the document of The Audit of International Environmental Accords (INTOSAI Working Group on Environmental Auditing 1998).

The audits of observance of international agreements can be conducted as an compliance audit performance or comprehensive audit. The concrete audit choice depends on the mandate of every SAI.

Basic directions of conduct of these audits could be:

- observance of the laid obligations responsible public institutions within the framework of the international agreements;
- creation of effective mechanisms of realization of implementation of international agreements in area of warning and liquidation of consequences of extraordinary situations of natural and technogenic character;
- efficiency of control activity after the observance of requirements of international agreements.

Practice of audits concerning the fulfillment of commitments within the framework of international agreements in the area of warning and mitigation of consequences of catastrophes showed that usually these audit focus on the following objects:

- central institution of executive power, co-ordinator of measures on fulfilling the commitment of the state within the framework of international agreement;
- central and local institutions of executive power, accountable for providing implementations of requirements of international agreement and introduction of the mechanisms foreseen by them;
- institutions of state administration, the tasks of which are organization of collection, treatment of these supervisions, statistical information, their proper use on national and international levels etc.

For example: [EUROSAI Audit On Climate Change](#), participating members - EUROSAI Working Group on Environmental Auditing.

The aim of this audit was to assess the actions taken in the States of Cooperating SAIs to implement the provisions of the United Nations Framework Convention on Climate Change, the Kyoto Protocol to this Convention, Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance within the Community and the requirements of the national legislation in the scope of climate change.

The aim and objectives of this audit were:

- the performance of observations on climate change and its effects;
- actions taken to mitigate climate change;
- forecasts and assessments of the actual anthropogenic greenhouse gas emission and absorption levels;
- reporting on the scope of the actions taken and planned to be taken in order to mitigate climate change and achieved effects of these actions.

Audit «Transboundary movement of wastes among Ukraine, the Slovak Republic and the Republic of Poland in the period from 2004 – 1st half-year of 2007 in light of provisions of the Basel Convention» also touched the international questions. The audit aimed at evaluating the degree of implementation by Ukraine, the Slovak Republic and the Republic of Poland of provisions of the Basel Convention on the control of transboundary movement of hazardous wastes and their disposal, relevant regulations of the European Union and national legislation, in particular:

- delivering the decisions permitting for transboundary movement of wastes and regularity and effectiveness of checks in this field,
- regularity and effectiveness of control activities aiming at detection of incidents of illegal transboundary movement of wastes.

The main directions of this audit that showed results were:

- establishing competent authorities for issuance of decisions on matters related to transboundary movement of wastes, adopting national legislation to the Convention's provisions and proper performance of the procedures for issuance of the permits for international trade of wastes;
- assurance of an effective system of control of the transboundary movement of wastes, specifying the form and course of control of execution of the permits for international trade of wastes;
- activity of the authorities whose competences consisted in issuing the permits for transboundary movement of wastes;
- activity of the authorities whose competences consisted in conducting controls of the transboundary movement of wastes;
- coordination and co-operation between the authorities issuing the permits and the authorities established to control such permits, sufficiency of material-technical facilities of the authorities, which are responsible for control of the transboundary movement of wastes.

Audit covering the flood control preparedness in the Upper Tisza region was about Transboundary Water Agreement entered into by the Government of the Republic of Hungary and the Government of Ukraine. The main questions that were touched in process of carrying out the audit were:

- level of regulation of transboundary water cooperation;
- construction of the flood protection system;
- development concepts in flood protection;
- further development of joint systems of inland water protection, application of unified localisation plans;
- the flood monitoring, alarm and forecasting system;
- joint research relating to flood prevention;
- internationally financed projects, bilateral and multilateral cooperation.

Summarizing the experience and results of this audit, the State Audit Office of Hungary specified, that it was useful to apply a top-down approach at this audits, which covered a wide and complex scope with many involved parties. That is, the audit started with the different national strategies, laws and their provisions, requirements, as the supreme level, and then advance ("shift") gradually down to the governance and control systems, the stipulated rules, the services to be provided. At such audits, alignment between two subsequent hierarchical levels should always be checked when "shifting downwards". The top-down principle applies also to organizational hierarchy. One should examine first the governmental level of coordination, regulation, activities and then go down to the "ministries", government sectors and then to the lower-level agencies, institutions.

Except for the affected questions, the audits of warning of catastrophes and providing the readiness of international level can examine other questions of intergovernmental co-operation, for example, development and realization of intergovernmental co-operation having a special purpose and scientific and technical programs on questions of warning of extraordinary situations, including the questions of defense of population, financial and cultural values, environment.

➤ **National level**

The purpose of these audits is an estimation of the level of readiness of the state or its separate systems to possible catastrophes, the degree and efficiency of implementation of functions of central public institutions on the prevention and liquidation of consequences of catastrophes.

Audits of this level can cover both the whole national system for warning and preparedness to catastrophes and its separate subsystems.

The theme of audit gets out, coming from the list of catastrophes, probability of origin of which is high enough, origin, volumes of resources, used on warning and providing of readiness of the state, and supposed scale of consequences, ranged depending on probability.

For the performance of the indicated goal public accountants can focus the attention on implementation of the followings tasks:

- estimation of mechanisms of decision making and allocation of duties between institutions, accountable for warning, preparedness, reacting and overcoming of consequences of catastrophes;

- estimation of the degree of achievement of results of special purpose public policies and budgetary programs in the field of warning and preparedness to catastrophes;

- estimation of expedience, sufficiency, legality of the selection of catastrophe warning and readiness facilities and legality, economy and effectiveness of their use.

The audit objects can be governments, institutions of central executive power, accountable for the realization of public policies of catastrophe warning catastrophes and readiness of the state wholly or partly, by the certain subject of audit, reacting

and liquidations of consequences of catastrophes, their structural subdivisions, managers and recipients of facilities which head for providing of functioning of the state system of warning and reacting on the extraordinary situations of technogenic and natural character.

When examining the separate stages of functioning of the national warning system and catastrophe readiness, the following aspects could be selected as audit themes for this level:

- estimation of the state of planning of measures on warning of catastrophes and mitigation of their consequences;
- estimation of the organization and functioning of the system of monitoring and prognostication of catastrophes at regional and object level;
- estimation of mechanism of management the risks of origin of catastrophes, estimation of efficiency of management method by them;
- estimation of the teaching programs and trainings on readiness to the possible catastrophes;
- estimation of information and warning systems;
- estimation of the financial management of the implementation of measures on warning of catastrophes and mitigation of their consequences.

The aim of the audit of National Audit Office of Estonia [«Emergency Preparedness of Estonia»](#) was to assess Estonia's preparedness for emergencies resulting from bird flu, an influenza pandemic, extensive marine pollution and transportation accidents involving dangerous chemicals and the functioning of the emergency preparedness system. The National Audit Office is hoping to contribute to improving the preparedness through recommendations for solving the problems.

Availability for emergency preparedness based on criteria:

1. Is the emergency assessment correct?

- 1.1. Has it been identified where, why and when an emergency may occur?
- 1.2. Is the assessment of the likelihood of the emergency and the extent of its consequences correct?

2. Are emergency response plans correct?

- 2.1. Is the division of roles (who does what how and when) clear?
- 2.2. Have the resource and service needs to be identified?
- 2.3. Is the plan regularly assessed, tested and improved?

3. Have preconditions been created for implementing the plan?

- 3.1. Have the required resources (financial, material and human resources) been ensured?
- 3.2. Have measures been taken for acquiring absent but required resources?
- 3.3. Are the resources available if required?

In the Report of National Audit Office of Bulgaria [«Audit of the organisation of the activity of the Ministry for Emergency Situations related to consequences elimination of disasters and catastrophes for the period 01.07.2006 to 30.06.2007»](#) the assessment of the expediency and effectiveness of the existing organisation of the activity of the Ministry for Emergency Situations related to consequences elimination of disasters and catastrophes carried out on following criteria:

1. Presence of effective organization in regard to perception of administrative policy, expedience and effectiveness of administrative decisions from point of present resources and tasks, necessary for successful realization of measures on prevention of consequences of natural calamities and failures.

2. Presence of effective organization of workings processes on horizontal and vertical levels for acceptance of preventive measures and their realization (capture of data about potentially dangerous objects, examination of the state of safety, organization of registration and reacting on catastrophes, system of the early warning and notification, leadthrough of educational measures and practical employments etc).

3. Accordance to the put aims, foreseen in a current legislation, in the context of their accordance to plenary powers and priorities of MEM MEASURES.

4. Presence of effective co-ordination of activity of responsible structural subdivisions of Ministry and other institutions on prevention of consequences of natural calamities and failures.

The objective of the Audit [«Foot and Mouth Disease: Applying the Lessons»](#) of the National Audit Office of the United Kingdom is to examine the progress made by the Department for Environment, Food and Rural Affairs in response to the Report of House of Commons' Committee of Public Accounts on the 2001 outbreak of Foot and Mouth Disease in:

- minimizing the chances of a future outbreak of Foot and Mouth Disease;
- preventing any future outbreak becoming an epidemic;
- controlling the costs of future outbreaks.

In the process of audit the Department's preparations for a future outbreak: improved animal health policies to reduce the risk of an outbreak, contingency planning, staff training, the availability of vaccination as an adjunct to culling, improved dialogue with stakeholders and standing arrangements with contractors to make resources available to fight any future outbreak, Department's disease control strategy, arrangements to control the cost of a future outbreak. The way the Department managed issues remaining from the 2001 outbreak was also investigated: final payments to some contractors remain to be resolved.

In base of results and experiences of this audit, the National Audit Office of the United Kingdom found that:

- It is useful for such audits to consider lessons learned from similar disasters or catastrophes in other countries, or other types of disasters and catastrophes;

- It is important that audits of disasters and catastrophes take into account views from as many types of stakeholders as possible, not just those who were most obviously affected. In this report, for example, farmers and food shops were the obvious victims but other types of businesses, such as those in the tourist industry, also suffered.

During the audit's conduct public accountants can run into the problem of receipt, by treatment and further publication of information which is state secret (in the field of civil defense, protecting from terrorism etc.) or confidential information. This information requires the special attention and, possibly, guarantees from the side of the auditors concerning the non-inclusion of this information in a report or including of confirmative information only in a generalized way.

➤ **Regional level**

In principle, the aims and tasks of audits of catastrophe warning and readiness at this level can be identical to the aims and tasks of audits at the national level.

The analysis of reports on results of these audits selected the following basic audit objects at this level:

- central institution of executive power, accountable for guidance and control in the studied area;
- institutions, controlled by the central institution of executive power, implementing measures on warning and mitigation of consequences of catastrophes of natural and technogenic character at regional level;
- local authorities controlled by the regions.

To the audits of this level it is possible to take and audits of questions in area of warning and providing of readiness to the catastrophes of natural and technogenic character, the scale of which engulfs the border-line regions of a few states.

In 2006 the Supreme Audit Institution of the Republic of Hungary, the Republic of Slovenia and the Republic of Austria carried out the [*Co-ordinated audit of environment and nature protection in the three-border-region of Hungary, Slovenia and Austria.*](#) The main objectives were to address:

- the quality of rivers, groundwater, soil and natural habitats,
- the situation of sewage disposal,
- the effectiveness of the measures taken by the authorities to foster environment and nature protection, and of the application of funds,
- deficiencies and need for further measures.

In the audits special emphasis was given to the transboundary cooperation of the competent authorities of the three countries in the field of environment protection.

The State Audit Office of Hungary, based on results of the audit, showed that emphasis must be placed on auditing the efficiency of preventive measures, "systems". They include the improvement of weather forecasting systems, the establishment of flood forecast facilities in cooperation between several countries, and the actions to identify or prevent the pollution of rivers across the borders, through joint measures of water quality and the timely exchange of data. Another

priority issue is to audit actions that help (in the long run) to retain, develop and maintain/update the "flood management toolkit" including machinery, human resource, the competence of the human resource, etc.

➤ **Objective level**

The objective level of audit does not mean that it relates to the catastrophes objective level. Emergency relating to one object can become reason of catastrophe of national scale. The prime example of it is the Chernobyl catastrophe.

The purpose of this audit is to estimate of the state of object from point of warning of origin of possible natural or technogenic catastrophe. This purpose can be the unique purpose of audit, but, frequently, this estimation is to one of sub aims at the general estimation of legality and efficiency of activity of object of audit and use of facilities on implementation of his functions and tasks.

These audits of this level can focus on the following aspects:

- estimation of accordance to activity of object to the requirements of nature protection legislation and norms of technical regulation and accident prevention;
- estimation of degree of influence of object on a natural environment and vital functions of people;
- estimation of efficiency, plenitude and validity of measures on the guard of natural environment and achievement of the required strength security, which are conducted on an object.

In addition, at the audit of concrete object it is expedient to give the estimation of public institution's activity, carrying out control and supervision after the state of object safety.

The audit objects are chosen from a list of so-called «hot points», taking into account their priorities from a point of view of magnitude and possible effects on people's health and state environment:

- objects presenting an increased danger, which can cause both natural and technogenic catastrophes (objects of energy, oil and gas pipelines, chemical factories, grounds of wastes, tailing dump, sludge collectors, soldiery bases etc.);
- vital-important objects (considerable ecosystems, tunnels, weirs, stations of water supply points etc.).

In every country the list of «hot points» must be formed by national experts on the basis of existent official information and monitoring, and also taking into account practical experience and knowledge, accumulated by national experts.

Analyses of major industrial accidents made by United Nations Environment Programme ([Global environment outlook-3](#)) indicate that component failure and operator error are the two most common immediate causes but the dominant underlying causes identified were poor safety and environmental management. The age of process plants is a further factor as the probability of 'wear-out' failure increases with age. Lack of expenditure on safety and environmental management,

and operating plants past their design life, are often a result of pressure from shareholders wishing to increase profitability, although this may result in major losses in the long run. However, they also reveal gaps in regulation and monitoring.

In addition, when analyzing risks it is necessary to take into account as for «hot points», that not only the above-stated technogenic factors but also natural threats can cause catastrophes, such as displacement of soil, floods etc.

3.2. Audit of the emergency response phase

Audits, that provide an assessment of the actions and financing at the stage of the emergency response to disaster, cover often additionally any stage of readiness, or stage of recovery from the effects of the catastrophe.

The purpose of an audit of the emergency response phase can be:

- Assessment of revenue transparency to carry out activities and its proper and efficient use during or immediately after a disaster, including rescue and other urgent work to halt acts of hazards, rescue of life and the preservation of human health, as well as the localization of emergencies anthropogenic and natural character;

- Assessment of the legality and effectiveness of government's actions, central and regional authorities in charge of emergency situation response.

In addition, one of the auditor's problems can be the evaluation of the effectiveness and feasibility of the measures taken to prevent the occurrence of disasters and to mitigate their consequences, including plans for emergencies, analysis of shortcomings of such measures in a real-life environment. Therefore, it is logical that the recommendations resulting from these audits are aimed at improving the degree of prevention and preparedness for future disasters.

One of the problems that auditors may face is getting access to classified information, which is a state or commercial secret that requires a guarantee from the auditors of not including this information in the report or the inclusion of confirm data only in aggregated form.

[Special report No 3/2008 of European Court of Auditors «The European Union Solidarity Fund: how rapid, efficient and flexible is it?»](#) answers the following questions:

(a) Did the Fund provide a rapid response to the applicants, i.e. states or regions affected by a disaster? (How much time did it take from the disaster to the payment of aid? What factors account for variation in time taken for obtaining aid from the Fund? Can the time actually taken be regarded as showing that the Fund provided a rapid response to the applicants?);

(b) Was the aid granted efficiently? (Correlation of total cost of managing the Fund and aid granted);

(c) Was the Fund's response to applicants flexible without compromising the principle of equitable treatment? (How are regional disasters treated by the Fund? Does the grant calculation principle compromise the fair treatment of grants allocated to regional disasters?);

(d) Are applicants satisfied with the Fund?

The audit was mainly carried out through interviews, file examination at the Commission and analysis of the data collected. In addition, the Court carried out an

electronic survey by addressing questionnaires to the 37 applicants out of 41 in 17 states that had sought aid from the Fund.

The main questions addressed by [Special report No 3/2006 of European Court of Auditors «The European Commission Humanitarian Aid Response to the Tsunami»](#) are:

(a) Was the Commission's response to the tsunami sufficiently rapid and appropriate?

(b) Were DG ECHO's (Directorate-General of European Community Humanitarian Aid Office) actions effectively coordinated with those of other Commission services, international organizations and other countries?

(c) Were DG ECHO's monitoring and control procedures designed to ensure that projects implemented by partners were relevant, timely and efficiently implemented?

(d) Did projects implemented by DG ECHO's partners achieve their expected results and were short-term rehabilitation actions adequately sustainable?

The audit was based on an examination of documentation, on interviews, on on-the-spot visits and on a review of other audits and evaluations. DG ECHO's management, monitoring and control systems were assessed at HQ level and corroborated by visits to DG ECHO's field offices, partners and projects in Sri Lanka and Indonesia.

Report on the results of a joint audit [«Lessons on accountability, transparency and audit of Tsunami-related aid»](#), carried out by members of the Task Force regarding the transparency, accountability and audit of disaster-related aid wanted to answer the following question: What can we learn from the Tsunami case and other disasters regarding transparency, accountability and audit to be better prepared for another disaster?

This audit encompasses a variety of issues: complexity of aid sector; lack of transparency and overview of Tsunami-related aid on international and national level; lack of single information in aid coordination databases and in accountability documents of governments, NGOs and international organisations; accountability and audit mandates; lack of audit cooperation and coordination; added value of using geographical data in auditing disaster-related aid.

The report identified issues on which the donor and recipient of disaster-related aid would be guaranteed and that may be the audit criteria:

- Has the aid pledged been provided (trust)?
- Has the aid provided been spent on its intended purpose (regularity)?
- Has the aid provided been spent in the most efficient way (efficiency)?
- Has the aid provided has been spent in the most effective way (effectiveness)?

The objective of the Audit [«The UK's Response to the South Asia Earthquake»](#) of the National Audit Office of the United Kingdom was to examine the effectiveness of the Government response, and its working with the Disasters Emergency Committee (DEC) and organisations receiving funding from them.

National Audit Office conducted interviews and reviewed documentation relating to the earthquake response for a sample of DEC Members. The main areas covered by interviews were planning, operations (including procurement, logistics and DFID (Department for International Development) funded flights), financial management and evaluation. Auditors conducted interviews with staff from DFID's Conflict, Humanitarian and Security Department and reviewed relevant documentation including policy guidelines and evaluations of the earthquake response, financial and narrative reports submitted to DFID by DEC members who also received DFID funding.

A field visit to Pakistan was conducted. Interviews were held with representatives from Department for International Development Pakistan, DEC Members, the Government of Pakistan, United Nations.

In an audit of emergency response cannot be disregarded the risk of corruption in humanitarian assistance. The research of «Transparency International», in particular «Preventing Corruption in Humanitarian Assistance», «Mapping the Risks of Corruption in Humanitarian Action» and others can be extremely useful for auditors to determine the factors that may indicate corruption.

3.3. Audit of the rehabilitation and reconstruction phase

Audits of the recovery and reconstruction phase are, usually, the logical continuation of the audit of the emergency response phase. Its main goals are:

- Assessment of the legality, effectiveness, efficiency and economical use of funds for rebuilding of the country or the affected area after the disaster (rehabilitation and reconstruction of buildings, rehabilitation of transport infrastructure, etc.);
- Assessment of the effectiveness and legality of the authorities responsible for recovery after disaster;
- Assessment of the effectiveness and efficiency of programs aimed at rehabilitation and reconstruction after disaster.

In addition, they may include research, as the lessons learned in overcoming the catastrophe were taken into account, to enhance preparedness for future disasters and reducing risk factors.

In the field of rehabilitation and reconstruction after disaster there is a high probability of corruption risks, which the auditors must take into account in planning and conducting audits of this stage.

Being aware of the need to eliminate the consequences of the accident at the Chernobyl Nuclear Plant, to increase the ecological and radiation safety in Europe and to tackle efficiently the problems around transformation the Shelter Object into an environmentally safe system, the Supreme Audit Institutions of Ukraine, Germany, Switzerland, Poland, Russian Federation, Slovak Republic and European Court of Auditors carried out the [*International Coordinated Audit of Chernobyl Shelter Fund*](#). Audit objective: to establish actual state of affairs regarding legal, organizational and financial support of ChNPP (Chernobyl Nuclear Plant)

decommissioning and transforming destroyed ChNPP Unit 4 into an environmentally safe system.

The audit focused on the following issues:

- review of national contributions and donations allocated to the Chernobyl Shelter Fund on execution of the Agreements on contributions;
- analysis of the Donor Assembly's activities in part of efficient control over Fund's operations;
- analysis of annual EBRD financial reports submitted to the Donor Assembly members.

The main vectors, that were reviewed during the audit and were reflected in the conclusions of the audit, are:

- the state of intergovernmental cooperation regarding the establishment of the Chernobyl Shelter Fund;
- Fund's replenishment by relevant financial contribution;
- Ukraine's activities toward the ChNPP decommissioning;
- providing of execution of the works incorporated into the Shelter Implementation Plan on a timely basis, as well as appropriate financing volumes, in particularly the completion of the Liquid radioactive waste treatment plant, the Intermediate spent fuel storage facility (ISF-2), the Industrial complex for solid radioactive waste management designed for solid radioactive waste removal, processing, packing and temporary storage;
- the level of management concerning international technical assistance of funds allocated through EBRD for ChNPP decommissioning and transformation of destroyed Unit 4 into an environmental safe system;
- the Donor Assembly's activities as concerns the efficient control over the Fund's operations and in verifying the effectiveness of measure execution.

The Accounting Chamber of the Russian Federation conducted an audit concerning the use of budgetary funds allocated to the elimination of consequences of the Chernobyl disaster, in three stages:

- Preliminary control during the preparation of the federal budget of the Russian Federation draft for the next few years. They checked the volume of budget funds to eliminate the consequences of the Chernobyl accident in the draft budgets for the following years, and their compliance with the instructions of the Program "Overcoming the consequences of radiation accidents until 2010".

- Monitoring during the execution of the Russian Federation federal budget this year. They checked the timing and rhythmicity of funding of the budget approved for the year, based on the quarterly report of the Ministry of Finance of the Russian Federation and government customers of the Program.

- follow-up validation of the federal budget of the Russian Federation over the past year, as well as conducting directly inspections of public funds allocated for elimination of consequences of the Chernobyl disaster to the government customers and recipients of the Program funds.

Control criteria:

- Completeness and timeliness of funding for the elimination of consequences of the Chernobyl accident and their compliance with instructions of the Program;

- Compliance with regulations at the conclusion of public contracts for works, services and supply of machinery and equipment;
- Compliance with the Program task dates for commissioning of facilities and equipment;
- Match actually performed the physical volume of design and construction documents work and acts of reception of the works;
- Achievement of Program goal, as well as their performance in quantitative terms.

The key questions addressed by [Special report No 6/2008 of European Court of Auditors «European Commission rehabilitation aid following the tsunami and hurricane Mitch»](#) with the objective of assessing the Commission's performance in managing rehabilitation aid following Hurricane Mitch and the tsunami are as follows:

- (a) Did the Commission adequately identify the rehabilitation needs of those affected by disasters?
- (b) Do Commission procedures ensure that aid is implemented in a timely and efficient manner?
- (c) Have projects achieved their expected results including satisfactory links with short-term relief and longer-term development?

The aim of the Audit [«Funds provided for remedies of the transport infrastructure damages caused by the 2002 flood»](#) of Supreme Audit Office of the Czech Republic was to examine management of funds provided from the state budget and the State Fund of Transport Infrastructure for reconstruction programs at 22 audited entities during period from 2002 up to the conclusion of the audit. The audit covered 105 projects, i.e. 18% of all remedy projects in railway, road and water transport infrastructure.

Summarizing the experience gained during the audit, the auditors focused on the high risks of misuse of funds (funds dedicated for remedying flood damages may be also used for reconstruction of damages, which were caused by poor repairs and maintenance); the approving of the projects without satisfactory documentation and without reviewing whether they met the determined binding parameters.

Part 4. Peculiarities of conducting a cooperative audit

The results of the survey conducted among the members of the Task Force of EUROSAI show that many audits in the area of prevention and liquidation of disaster consequences are international, which confirms both the transboundary nature of disaster effects and the need for joint, coordinated action by governments in the same area and shared control over the impact of these actions, effectiveness and legality of the use of appropriated funds. International audits can be divided into the following types:

1) audits of compliance with international agreements covering environmental issues, cooperation in the prevention and elimination of consequences of natural and anthropogenic disasters, nuclear and industrial safety, the fight against terrorism.

An International audit of this type can be carried out, even by countries that do not have common borders, if there are intergovernmental agreements on the prevention and elimination of consequences of disasters.

Examples of this type of audit are the following audits that have been mentioned in Section 3:

➤ [*Eurosai Audit On Climate Change*](#) about the implementation of the provisions of the United Nations Framework Convention on Climate Change, the Kyoto Protocol to this Convention, Directive 2003/87/EC, which was attended by SAIs - members of EUROSAI Working Group on Environmental Auditing;

➤ [*Audit «Transboundary movement of wastes among Ukraine, the Slovak Republic and the Republic of Poland in the period from 2004 – 1st half-year of 2007 in light of provisions of the Basel Convention»*](#) about the implementation of the provisions of the Basel Convention on the control of transboundary movement of hazardous wastes and their disposal, relevant regulations of the European Union and national legislation;

➤ [*Audit covering the flood control preparedness in the Upper Tisza region*](#) about the implementation of the Transboundary Water Agreement entered into by the Government of the Republic of Hungary and the Government of Ukraine.

2) Audits concerning the prevention and elimination of consequences of disasters, where the scope covers the border regions of several states. Although these audits may also include verification of compliance with international treaties, the issues raised by them usually go beyond that.

Examples of this type of audit are the following audits:

➤ Parallel audit of the use of budgetary funds and other funding sources allocated to the regulation, protection, study and reproduction of aquatic biological resources and environmental security in the Azov-Black Sea basin fisheries, carried out within the EUROSAI Task Force on the Audit of Funds Allocated to Disasters and catastrophes.

The purpose of this audit was to determine the actual situation regarding the implementation of international agreements and projects in the field of regulation, protection, study and reproduction of aquatic biological resources and environmental security in the Azov-Black Sea basin fisheries, as well as monitoring and evaluating the effectiveness of using public funds for these purposes.

The audit objects were state executive authorities of the Russian Federation and Ukraine, carrying out state regulation and control of fisheries and environmental

security in the Azov-Black Sea basin, research organizations, companies and organizations - recipients of public funds.

The following common issues for the parallel audit were identified:

- Compliance with international treaties, laws and other regulations governing the monitoring and supervision of aquatic biological resources and their habitats, the management, conservation, research, preservation and reproduction of aquatic biological resources and their habitat, as well as environmental safety ;

- Assessment of marine biological resources of the Azov-Black Sea basin;

- Distribution and development of quotas of aquatic biological resources allocated in 2008 for commercial fishing, fisheries research and monitoring purposes and for fish farming, breeding and acclimatization of marine biological resources;

- Effectiveness of public administration in implementation of Agreement between the Government of the Russian Federation and the Government of Ukraine on cooperation in fisheries from 24 September 1992, including the decision of the Russian-Ukrainian Commission on Fisheries in the Azov Sea;

- Efficient use of public funds allocated to the management, protection, study and reproduction of aquatic biological resources and environmental security in the Azov-Black Sea basin fisheries;

- [Co-ordinated audit of environment and nature protection in the three-border-region of Hungary, Slovenia and Austria](#) (this example was already mentioned in Section 3);

3) audits on the provision of humanitarian assistance and development assistance to eliminate the impact of disasters. As an example, we can cite the report on the results of the joint audit [«Lessons on accountability, transparency and audit of Tsunami-related aid»](#), carried out by members of the Task Force regarding the transparency, accountability and audit of disaster-related aid.

Some features of this audit are the complexity of aid flows and differences in mandates, SAIs who usually have not the authority to audit private funds, and, as noted in the Report on the results of this audit, the transition of assistance between source and destination making it unclear whether aid is still public or whether it is private or mixed, and who has the authority to audit them.

Detailed guidelines of audits of international treaties on environmental protection is presented in the directory of the INTOSAI Working Group on Environmental Auditing [«How SAIs may co-operate on the audit of international environmental accords»](#). The primary objectives of this booklet are to define the approaches by which these audits might be carried out i.e. concurrent, joint or co-ordination, outline the advantages and disadvantages of each type of audit, outline the general nature and methodology of each type of audit. It should be noted that the Directory pays attention not only to international agreements on the environment, but also to other instruments, most of its provisions are general in nature, without specific reference to the Environmental Auditing Working Group, and therefore its study and appropriate application of knowledge and experience can be extremely useful for audits of treaties in the area of prevention and elimination of consequences of disasters.

The paper of the INTOSAI Working Group on Environmental Auditing [«Cooperation Between Supreme Audit Institutions: Tips and Examples for Cooperative Audits»](#) provides information and ideas on how to make cooperation work between

Supreme Audit Institutions effectively. Reflecting the real-world experience of practitioners from some 29 SAIs, the paper provides practical advice and tips through each phase of the audit cycle. While the examples in this paper are drawn from cooperative environmental audits, the tips have been generalized to make them broadly applicable to cooperative audits of any topic.

Recommendations for international audit and cooperation between SAIs reflected in the [**GOOD co-operation PRACTICE GUIDE for audit activities based on experience gained by SAIs in the Candidate Countries and the European Union**](#) developed by the Joint working group on audit activities. This Guide also contains a basic practical check list of the key requirements for good co-operation and a list of lessons learned drawn from a series of case studies in six different actual audit scenarios.

The carrying out of international audits requires harmonization of various practices and methods of conducting audits in the participating SAIs, of the terms set in national legislation and everyday life of the countries. Exchange of experiences, that are necessarily part of an international audit, helps to develop methodologies by SAIs - participants go beyond the habitual and established, to develop new forms and methods of cooperation.

Appendix 1. List of materials and papers used in developing Methodological Recommendations

1. [Analysis of questionnaire results of the EUROSAI Task Force on the Audit of Funds Allocated to Disasters and Catastrophes.](#)
2. [UNISDR Terminology on Disaster Risk Reduction.](#)
3. Report of United Nations Environment Programme «[Global environment outlook - 3](#)» .
4. «[Hyogo Framework for Action 2005-2015: Building the resilience of nations and communities to disasters \(HFA\)](#)» (Extract from the final report of the World Conference on Disaster Reduction (A/CONF.206/6)).
5. [Inter-Agency Contingency Planning Guidelines For Humanitarian Assistance](#) (IASC (UN Inter-Agency Standing Committee (IASC))).
6. Documents posted on the site [Disaster Response Preparedness Toolkit](#) (OCHA),
7. Documents posted on the site [International Strategy for Disaster Reduction](#) (UNISDR).
8. [Guidance on Conducting Audits of Activities with an Environmental Perspective](#) (INTOSAI Working Group on Environmental Auditing).
9. [The Audit of International Environmental Accords](#) (INTOSAI Working Group on Environmental Auditing).
10. [Preventing Corruption in Humanitarian Assistance](#) ([Transparency International](#)).
11. [Mapping the Risks of Corruption in Humanitarian Action](#) ([Transparency International](#)).
12. «[How SAIs may co-operate on the audit of international environmental accords](#)» (INTOSAI Working Group on Environmental Auditing).
13. «[Cooperation Between Supreme Audit Institutions: Tips and Examples for Cooperative Audits](#)» (INTOSAI Working Group on Environmental Auditing).
14. [GOOD co-operation PRACTICE GUIDE for audit activities based on experience gained by SAIs in the Candidate Countries and the European Union](#) (Joint working group on audit activities).

Appendix 2. Glossary of terms to conduct audits in the field of prevention and consequences elimination of disasters and catastrophes