



Ukraine **NOW**

THE ACU ROLE IN THE
AUDITING DAMAGE AND
LOSSES



Рахункова
палата



The war in Ukraine has been
raging since 2014

Amount of damage and losses is catastrophic!



Before the full-scale invasion of
russia on February 24, 2022,
there was no proper accounting
for damage and losses



INTOSAI

In 2018 ACU initiated the
establishment of a specific
working group in the framework of
INTOSAI

Damage and Losses

Ukraine's recovery and reconstruction needs

(March, 2023)



\$ 411 billion

(by the World Bank)

General amount of direct losses

caused to the infrastructure of Ukraine

(February, 2023)



\$ 144 billion

(by replacement cost)

Total amount of expenditures of the State Budget of Ukraine in 2022

(revised plan)



\$ 82,9 billion

(at the rate of central bank of UA
UAH 36,6 - \$ 1)

New York Annual Budget for 2022-2023



\$ 101 billion

(according to the Office of the New York City Comptroller Brad Lander)



Damage and Losses



HUMAN

???



ENVIRONMENTAL

???



SOCIAL & ECONOMIC

???

A comprehensive, full-fledge and reliable assessment of all types of damage and losses will significantly increase the total amount of damage and losses caused to Ukraine as a result of the war started by the russian federation

Work Done



**March
2022**

initiating
the issue
of damage
assessment
necessity

**March
2022**

approval of the
Procedure for
Determining
Damage and
Losses Caused
to Ukraine as a
Result of the
Armed
Aggression of
the russian
federation

**April
2022**

establishing
the **National
Council**
for the
Reconstructio
n of Ukraine
from the
Consequences
of War

**May
2022**

establishing
the
Commission
for the
Audit of
Damage
Inflicted on
Ukraine as a
Result of
russian
aggression

**July
2022**

presentation
of the Draft
**Ukraine
Recovery
Plan**

**July
2022**

approval of
the new
version of the
Procedure for
Determining
Damage and
Losses Caused
to Ukraine as
a Result of
the Armed
Aggression of
the russian
federation



Work Done



**October
2022**

**approval of the Methodology
for Determining the Damage
and the Amount of Losses**

caused to enterprises,
institutions and
organizations of all forms of
ownership

**November
2022**

**the UN General Assembly
Resolution Recommendations**

of an international
Register of Damage to serve
as a record of evidence and
claims information on
damage, loss or injury to
all natural and legal
persons concerned, as well
as the state of Ukraine,
caused by the Russian
Federation's
internationally wrongful
acts in or against Ukraine

**February
2023**

adoption of the Law on
compensation for damage and
destruction of certain
categories of immovable
property as a result of
hostilities, which defines
the legal basis for the
creation and maintenance of
the State Register of
Damaged and Destroyed
Property

Key Challenges



- ▶ Need for a significant resources to conduct damage and losses assessment



- ▶ Applied assessment methods have not been verified (validated)



- ▶ Need for clear coordination among authorities, as for recording and assessing real damage and losses

The role of the ACU

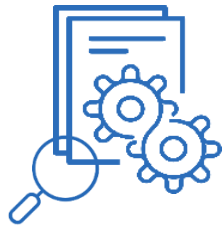
Results of our work are important for

- › protection of interests in international courts
- › obtaining reparations
- › determining the amount of money for restoration



The Accounting Chamber of Ukraine should conduct audits based on international standards with the support of foreign partners

Tasks for the ACU



- › **assessment of the processes** by which damage is documented and assessed



- › **to determine whether the damage and losses assessment was carried out in accordance with the methods**, to assess the completeness of the data and the correctness of calculations



- › **to evaluate methods for the damage and losses assessment**, important aspects of their full coverage, appropriateness of formula for calculating, etc

Tasks for the ACU (auditing)



- › determination the types of audit and audit procedures that can and should be applied, taking into account the scope of work



- › development of clear audit approaches, plans and tasks for determining the scope of audit

Operational risks



It is worth considering that the Accounting Chamber faces difficult tasks and possible obstacles

the audit of damage and losses assessment

requires specific staff skills which at this time is not enough

ACU will face the task of conducting a large number of such audits in a short period of time,

which will require speeding up all work processes and clear understanding of resources

digitalization and setting audit standards for procedures,

the use of audit software products and data analysis, and the improvement of personnel skills will contribute to solving these challenges

ACU strategic task



As the result

**our task is to develop guidelines
for an audit of damage and losses
assessment**

The impact of the ACU's activities

(internal – within the country)



for society

- ④ confirmation or refutation of the reliability of the results of the Government assessment of damage and losses caused by the armed aggression of the russian federation
- ④ ensuring proper and complete recording of citizens losses



for the State

- ④ recording the damage and losses assessment caused to Ukraine as a result of the military aggression of the russian federation in accordance with the international standards and approaches

The impact of the ACU's activities

(external – at the international level)



for the SAIs

- ✓ summarizing and updating best practices on an audit of damage and losses assessment
- ✓ developing guidelines (standard) on an audit of damage and losses assessment caused by the war



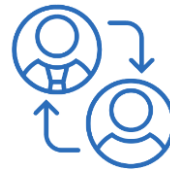
for international organizations and donors

- ✓ ensuring the accuracy of specific amounts of recovery assistance

Potential cooperation directions with the NAO UK



exchange on best
practices between
other SAIs to create
a database of damage
assessment reports



consult audit
groups on
methodological
issues that may
arise during
specific audits



contribute to
other SAIs-
partners
engagement

Potential cooperation directions with the NAO UK



provide methodological
assistance in developing
guidelines on an audit of
damage and losses
assessment and compliance
auditing guidelines



conduct joint
training on
using big data
in auditing



support in
implementation
of software
products to
automated audit



**BE BRAVE
LIKE
UKRAINE**



The Accounting Chamber
Supreme Audit Institution of Ukraine