

## Visit of the Serbian Audit Authority (AA) to the ECA

Visit related to an EU project "Support to the capacity building of the AA of Serbia" within the Instrument for Pre-Accession Assistance (IPA) - 9 July 2014

By Rosmarie Carotti



### List of participants from the Audit Authority Office of EU Funds Government of the Republic of Serbia (Serbian Audit Authority)

1. Elizabeta Ester Lojpur – Head of Audit Group (IPA Component 1 - TAIB)
2. Svetlana Novakovic Pantelic – Auditor in the Audit Group (IPA Component 2 - CBC)
3. Ljiljana Pantic - Head of Audit Group (IPA Component 3 - RD)
4. Danica Popadic - Head of Audit Group (IPA Component 5 - IPARD)

### They were accompanied by the Technical Assistance Project expert:

Assoc. Prof. Ivan Ignjatov, State University "Goce Delcev" Stip, FYR Macedonia, Public Sector Audit Specialist and Trainer from the Former Yugoslav Republic of Macedonia

### For the ECA

Geoffrey Simpson, Director (on the left)  
Jussi Bright, team leader (on the right)

### IPA and Serbia

Pre-accession assistance supports the stabilisation and association process of candidate countries and potential candidate countries.

The financial assistance provided through the EU's Instrument for Pre-Accession (IPA I) aimed to help Serbia to prepare for assuming and effectively implementing obligations of its future membership in the EU.

Serbia was granted EU candidate status in March 2012, and on 21 January 2014, the first Intergovernmental Conference took place, signaling the formal start of Serbia's accession negotiations.

IPA I expired in 2013 and IPA II (2014 – 2020) will ensure that there is no interruption in the assistance.

The IPA instrument has five components:

- 1: Technical assistance and institution building managed by DG Enlargement
- 2: Cross-border co-operation with EU MS and IPA country
- 3: Regional development (e.g. transport, environment)
- 4: Human resources development (e.g. combating exclusion)
- 5: Rural development managed by DG AGRI

The assistance is managed by the EU delegation in Serbia.



For the ECA: Kevin Cardiff, ECA Member; Jussi Bright, team leader; Bogna Kuczynska, team leader; Svetoslav Hristov, team leader;  
For Serbia: Elizabeta Ester Lojpur, head of audit group; Ljiljana Pantic, head of audit group; Danica Popadic, head of audit group; Svetlana Novakovic Pantelic, auditor; Prof. Ivan Ignjatov, expert on the EU-funded project "Support to the capacity building of the audit authority in Serbia"

### The welcome

The Serbian Audit Authority (AA) was set up to check how the EU funds are used. AA staff are civil servants. They report to the Commission and keep the Serbian government informed.

The guests came within the framework of a study tour organised by Assistant General IPA Auditor, Assoc. Prof. Dr. Ivan Ignjatov, from the former Yugoslav Republic of Macedonia. After having visited the European Commission in Brussels they came to learn the ECA's audit approach in auditing EU funds. This experience is very valuable for the AA in Serbia which was given its accreditation a few months ago and has just started its audit activity.

Prof. Dr. Ivan Ignjatov had also participated in an internship programme of the ECA as he reported in the December 2013 edition of the ECA Journal<sup>1</sup>. Jussi Bright, who had made all the arrangements for this visit, was his then team leader and mentor for a performance audit on EU-Cards programmes in the Western Balkans.

The guests were warmly received by Director Geoffrey Simpson, Directorate of the Presidency, in his function of Liaison Officer of the ECA and responsible for the ECA's strategic support. While the ECA's main international co-operation focus is the Contact Committee of the Supreme Audit Institutions, it also supports the network of candidate and potential candidate countries.

1. "My experience of creating an Audit Authority in a Western Balkan country" ECA Journal, December 2013

Director of the Presidency, Geoffrey Simpson, is also responsible for communication and briefly outlined the ECA's new communications and stakeholder relations strategy.

### Overview of the session

Team leader Jussi Bright talked about performance audit at the ECA:

- performance audit standards and the ECA's performance audit manual;
- the ECA's mandate, objectives and limitations to performance audit;
- the ECA's audit approach to performance auditing;
- relationship between performance audit and financial audit;
- ECA performance audit toolkit 2009 – 2013

Team leader Bogna Kuczynska presented the ECA financial audit work:

- the ECA's declaration of assurance (DAS);
- the distinction between financial audit and compliance audit;
- reliability of the accounts and checks on control systems.

Team leader Svetoslav Hristov presented the ECA's audits of pre-accession countries:

- Croatia (SR No 11/2011)
- Kosovo – rule of law (SR No 18/2012)
- Serbia (only the audit approach was presented as the report will be published later this year)

To close the session, the guests were honoured by the visit and presentation of Kevin Cardiff, ECA Member, who gave an insight into EU accountability which, in practice, is an enormous industry. European institutions and mandates cannot be compared to national ones. He reminded the visitors that a large part of accountability is managed by the Member States.

### Conclusion

The guests considered this day of exchange very useful for them. Beyond a continuous activity of system audits, the mandate of the AA in Serbia, according to the implementing regulation, is to verify the effective functioning of the established control procedures for using IPA funds and the reliability of the financial information sent to the Commission. This kind of experience sharing regarding the financial and performance audits also is a requirement for the AA especially with IPA 2 (2014-2020).