



Czech Republic
Supreme Audit Office

THE SAO INTRODUCTION

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PRAGUE, 26 APRIL 2017

Legal incorporation of the SAO

The Constitution (Act No. 1/1993 Coll.)

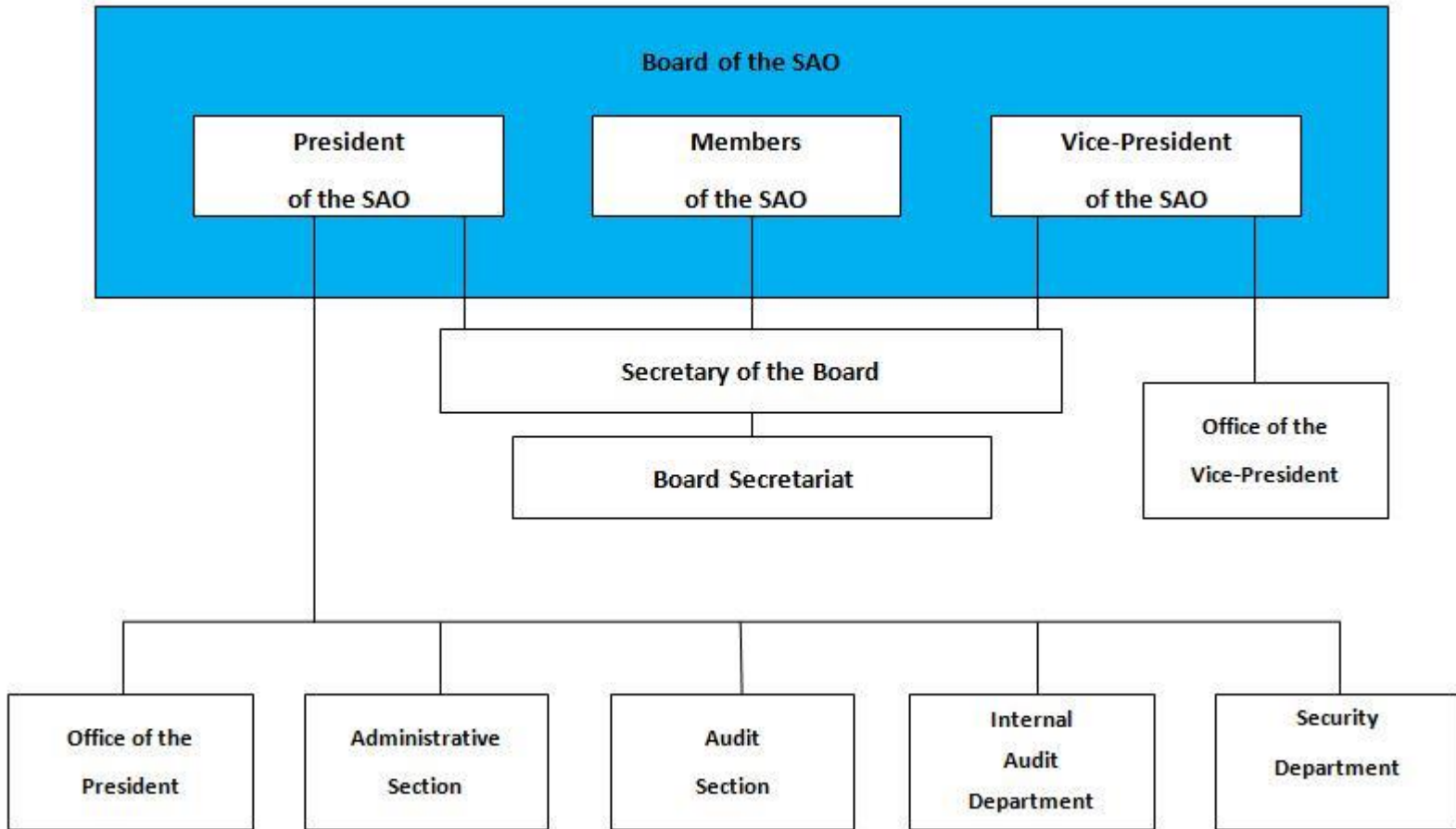
- Powers: legislative
executive
judicial
- The Czech National Bank
- self-administrations – municipalities and regions
- The Supreme Audit Office

The Act No. 166/1993 Coll., on the Supreme Audit Office

SAO audit powers

- ✓ The management of state property and funds collected under the law for the benefit of legal persons, with the exception of resources collected by municipalities or regions under their independent jurisdiction
- ✓ The state final account of the Czech Republic
- ✓ The implementation of the State Budget
- ✓ The management of funds provided to the Czech Republic from abroad and of financial resources for which the State has assumed guarantees
- ✓ The issue and the amortization of government securities
- ✓ The state public procurement

Organisational structure



Audit section

Department of system support of audits

Unit of audit planning and evaluation
Unit of audit quality management
Unit of analyses and KIS administration

Department of state budget audits

Unit of audit of state budget implementation
Unit of audit of state budget financing
Unit of audit of the state final account

Department of audits of social affairs, the environment, education, culture, and healthcare

Unit of audit of social affairs and the environment
Unit of audit of education, sport, science, and culture
Unit of audit of healthcare

Department of defence and security audits

Unit of audit of homeland security
Unit of audit of defence and foreign affairs

Department of agriculture and regional development audits

Unit of audit of agriculture
Unit of audit of the regional development
Unit of methodology of foreign funds audit

Department of transport, energy, and industry audits

Unit of audit of transport
Unit of audit of industry and trade
Unit of methodology of audit of public procurement, programme financing, state enterprises, and state funds

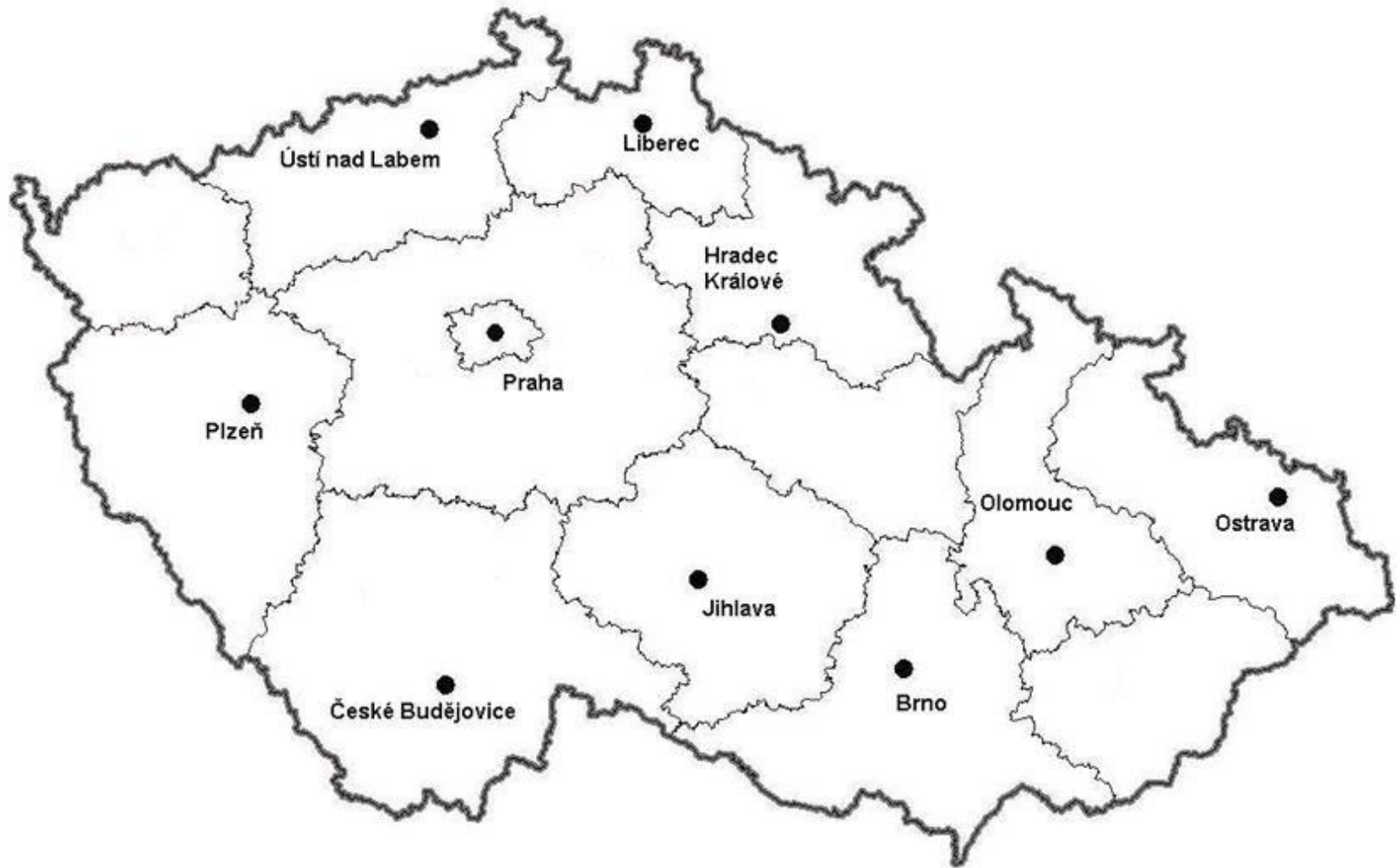
Department of performance audits

Unit of performance audit methodology
Unit of performance audit realization
Unit of audit of information systems

Department of financial audits

Unit of financial audit methodology
Unit of financial audit realization

Regional departments



Number of employees

The SAO has 456 employees in total

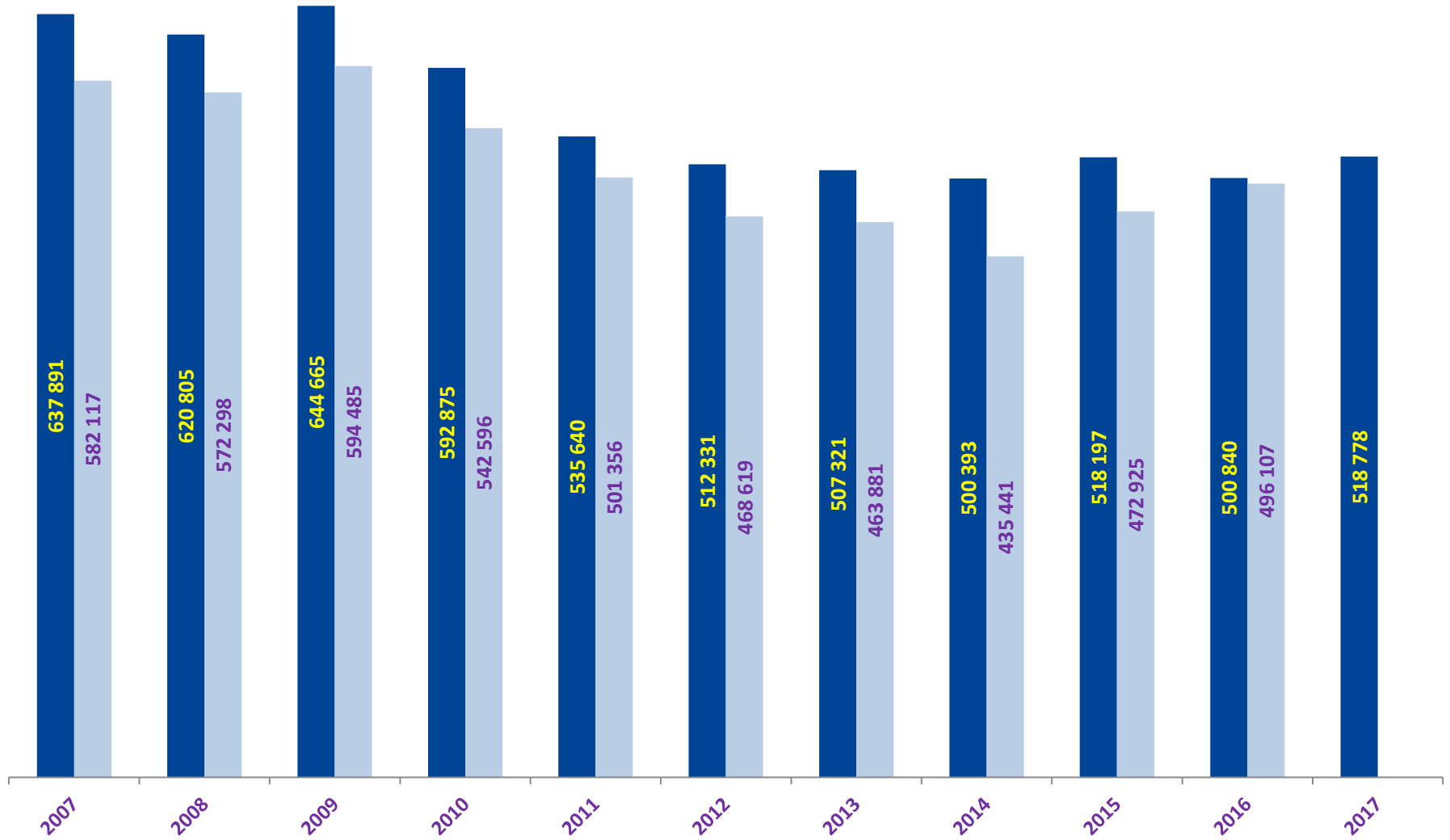
- ✓ 332 in Prague
- ✓ 12 in the training centre
- ✓ 112 in the regional departments

out of those are:

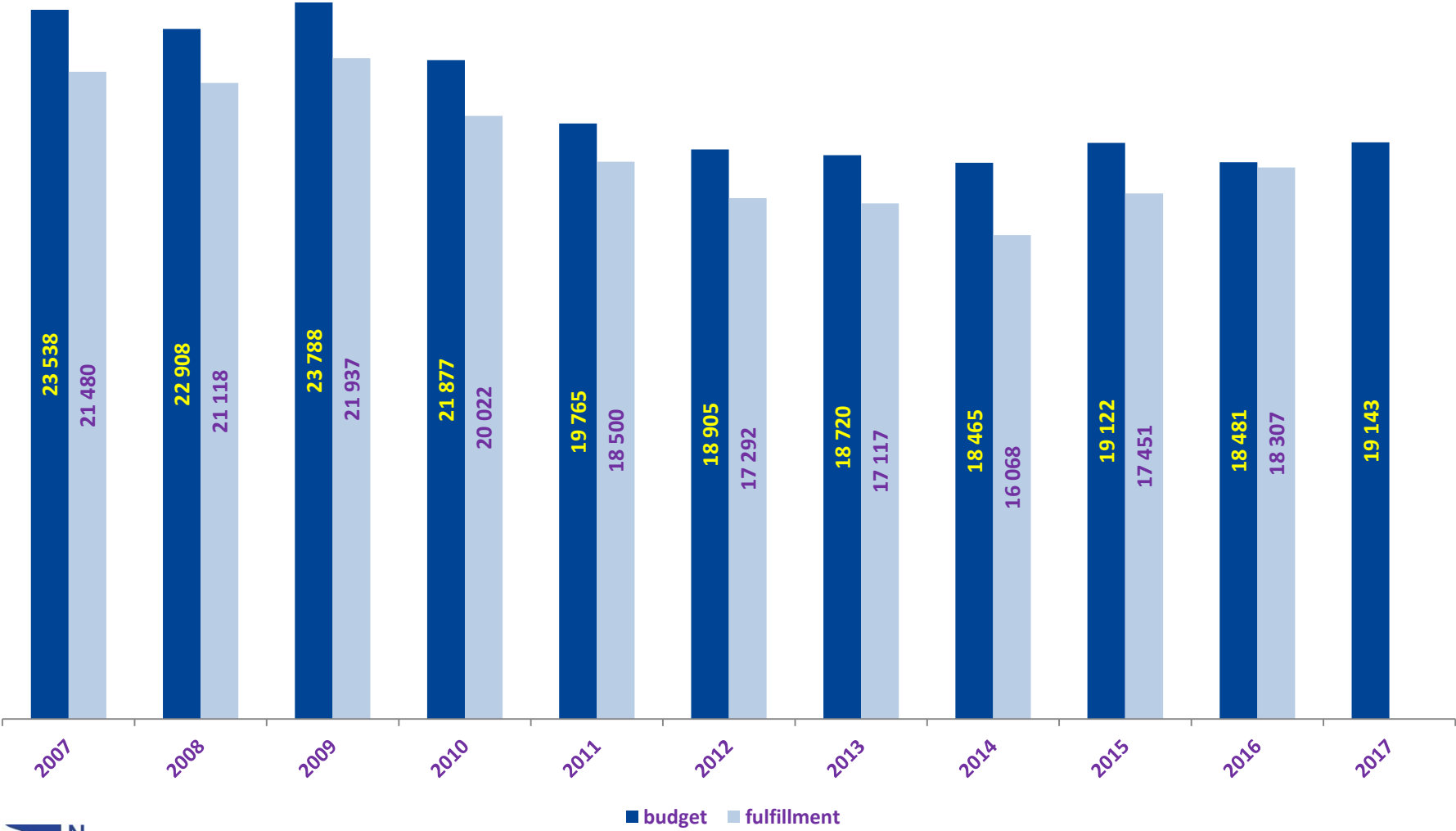
- ✓ 283 auditors
 - ✓ 43 audit supporting personnel
 - ✓ 130 technical support
-
- ✓ 320 in the audit section
 - ✓ 83 in the administrative section
 - ✓ 53 in the other units

As of 1 March 2017

SAO budget in CZK thousands



SAO budget in € thousands



Results of audits

Audit protocol

- ✓ includes in particular a description of the ascertained facts and list the defects found, and specifies the legal regulations which have been violated
- ✓ is not public
- ✓ has circa 20 to 3 000 pages
- ✓ written by the head of auditors
- ✓ 1 AP = 1 auditee

Audit conclusion

- ✓ written report summing up and evaluating the facts ascertained in the course of an audit
- ✓ is public
- ✓ has circa 15 pages
- ✓ written by the Board member
- ✓ 1 AC = 1 audit

Audit conclusion

Audit conclusion (report) is send to:

- ✓ Prime Minister
- ✓ President of the Senate of the Parliament
- ✓ Chairperson of the Chamber of Deputies of the Parliament

Relations with the government

- ✓ Prime Minister asks particular ministry for its statement to the audit conclusion
- ✓ Statement to the audit conclusion together with the audit conclusion are prepared as the government material
- ✓ The SAO is the official commentary body
- ✓ Each audit conclusion is discussed during the government's meeting in attendance of the SAO president
- ✓ The government adopts the decision to the audit conclusion

The government's decision

VLÁDA ČESKÉ REPUBLIKY



USNESENÍ

VLÁDY ČESKÉ REPUBLIKY

ze dne 16. března 2009 č. 301

ke Kontrolnímu závěru Nejvyššího kontrolního úřadu z kontrolní akce č. 08/18
Hospodaření Ministerstva zemědělství se státním majetkem

Vláda

I. bere na vědomí

1. Kontrolní závěr Nejvyššího kontrolního úřadu z kontrolní akce č. 08/18 Hospodaření Ministerstva zemědělství se státním majetkem, obsažený v části III materiálu č.j. 200/09 (dále jen „Kontrolní závěr“),

2. Stanovisko Ministerstva zemědělství ke Kontrolnímu závěru, obsažené v části IV materiálu č.j. 200/09;

II. ukládá ministru zemědělství

1. vydat do 30. dubna 2009 metodický pokyn upravující oblast účtování majetku,

2. odstranit nedostatky v oblasti účetnictví, uvedené v Kontrolním závěru a o tomto odstranění informovat vládu do 30. června 2009,

3. prověřit plnění a účinnost opatření přijatých k odstranění nedostatků uvedených v Kontrolním závěru a o výsledcích tohoto prověření informovat vládu do 30. září 2009.

Provede:

ministr zemědělství

Předseda vlády
Ing. Mirek Topolánek, v. r.

The government's decision

The government:

I. takes notice of:

1. the SAO audit conclusion No. 08/18, which is included in the government's material No. 200/09,
2. the Ministry of Agriculture statement to the audit conclusion,

II. obliges the Minister of Agriculture to

1. issue until 30 April the methodical instructions for the property accounting,
2. eliminate the imperfections in the accounting presented in the audit conclusion and inform the government about it until 30 June 2009,
3. to examine the fulfilment and the effectiveness of the remedial measures adopted to eliminate the imperfections presented in the audit conclusion and to inform the government about it until 31 September 2009.

The government's decision

The government:

I. takes notice of:

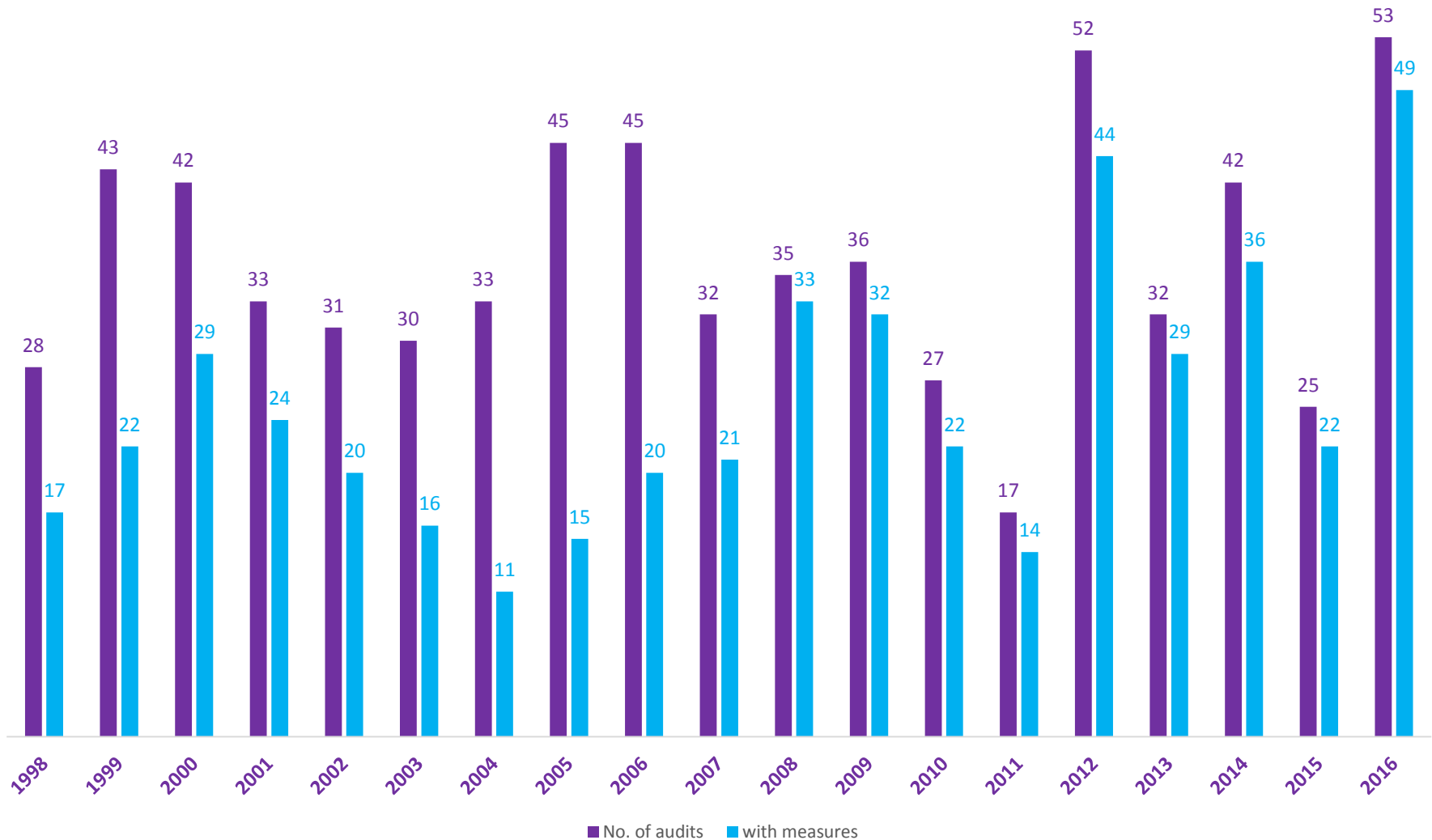
- 1) the SAO audit conclusion No. 08/04, which is included in the government's material No. 287/09,
- 2) the Ministry of Labour and Social Affairs statement to the audit conclusion,
- 3) the remedial measures of the Ministry of Labour and Social Affairs to eliminate the imperfections presented in the audit conclusion;

II. **obliges** the Minister of Labour and Social Affairs to implement the remedial measures and to inform the government about it until 31 December 2009.

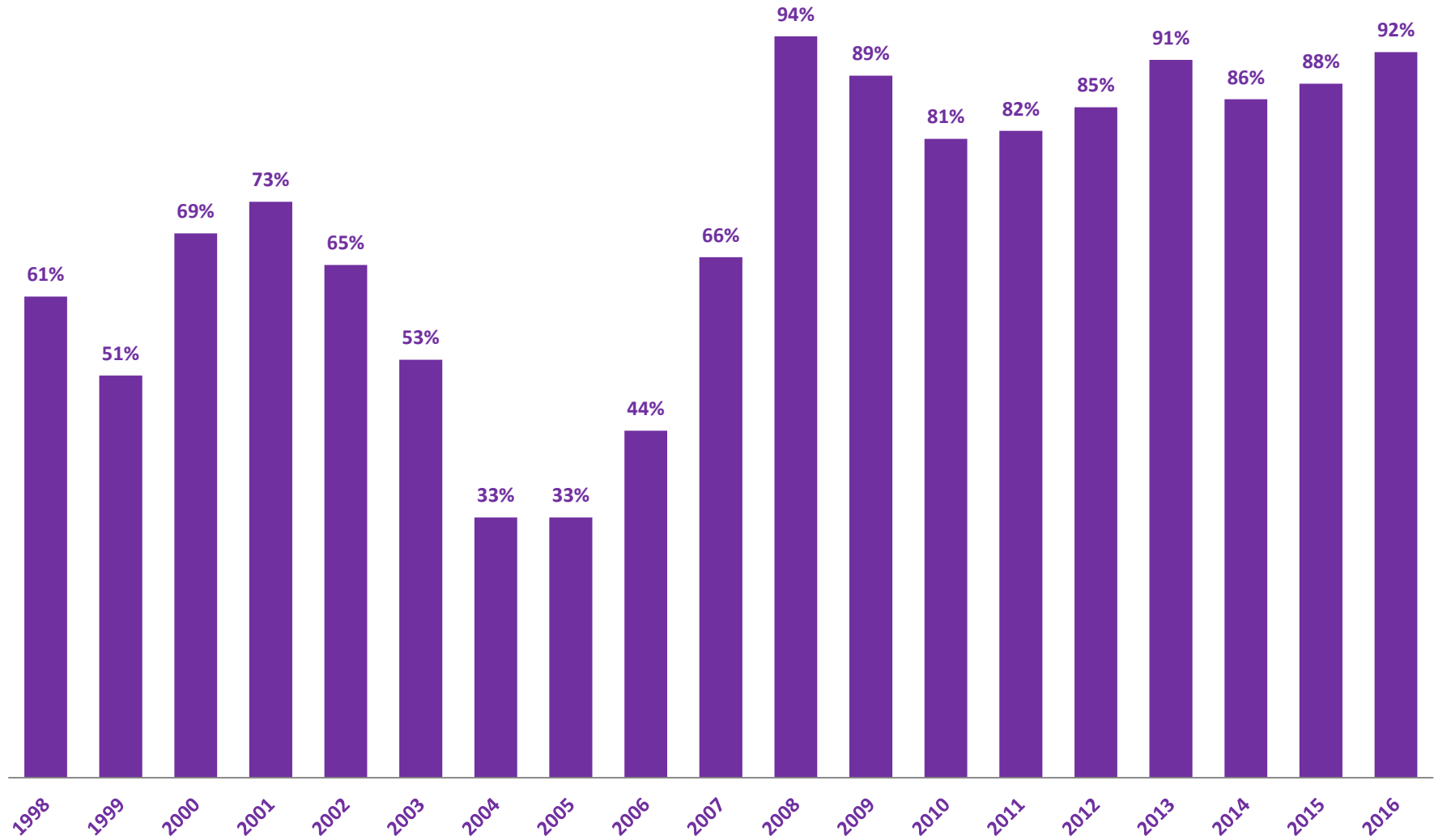
The government's decision

Year	No. of AC at gov. meet.	With measures	With measures in %	Without decision	Interrupted	Interrupted in %	SAO satisfaction	SAO satisfaction in %	No. of meetings
2016	53	49	92 %	0	0	0 %	-	82 %	7
2015	25	22	88 %	0	1	4 %	-	88 %	4
2014	42	36	86 %	0	0	0 %	-	-	5
2013	32	29	91 %	0	0	0 %	-	-	6
2012	52	44	85 %	0	3	6 %	-	-	7
2011	17	14	82 %	0	0	0 %	14	82 %	3
2010	27	22	81 %	0	0	0 %	23	85 %	6
2009	36	32	89 %	0	2	6 %	30	83 %	7
2008	35	33	94 %	0	3	9 %	34	97 %	9
2007	32	21	66 %	1	0	0 %	27	84 %	7
2006	45	20	44 %	1	1	2 %	40	89 %	11
2005	45	15	33 %	2	Not monitored	Not monitored	Not monitored	Not monitored	7
2004	33	11	33 %	0	Not monitored	Not monitored	Not monitored	Not monitored	6
2003	30	16	53 %	0	Not monitored	Not monitored	Not monitored	Not monitored	6
2002	31	20	65 %	1	Not monitored	Not monitored	Not monitored	Not monitored	8
2001	33	24	73 %	0	Not monitored	Not monitored	Not monitored	Not monitored	6
2000	42	29	69 %	4	Not monitored	Not monitored	Not monitored	Not monitored	10
1999	43	22	51 %	15	Not monitored	Not monitored	Not monitored	Not monitored	9
1998	28	17	61 %	20	Not monitored	Not monitored	Not monitored	Not monitored	6
Total/∅	681	476	70 %	44	10	3%	168	88%	7

With the measures



With the measures in %



Relations with the parliament

- ✓ Presentation of the SAO Annual Report
- ✓ Statement to the state final account of the Czech Republic
- ✓ Statement to the implementation of the State Budget
- ✓ Discussion about the audit conclusions

Committee on Budgetary Control

- ✓ Established in 2006
- ✓ Established by the Act on the Rules of Procedure
- ✓ Meetings are open to the public
- ✓ Discusses the audit conclusions (besides the other topics)
- ✓ Adopts resolutions to the audit conclusions
- ✓ Until 2006 the audit conclusions discussed in the subcommittee of the Budgetary Committee

Resolution of the Committee on Budgetary Control

Parlament České republiky
POSLANECKÁ SNĚMOVNA
2009
5. volební období

294

USNESENÍ
Kontrolního výboru
z 39. schůze dne 25. února 2009

ke Kontrolnímu závěru Nejvyššího kontrolního úřadu z kontrolní akce č. 07/14 – Nemovitý majetek, s nímž je přislušné hospodařit Ministerstvo obrany

Kontrolní výbor Poslanecké sněmovny Parlamentu ČR po úvodním výkladu prezidenta Nejvyššího kontrolního úřadu Františka Dokmala, stanovisku náměstka ministryně obrany Františka Padělků, zpravodajské zprávě poslance Daniela Reisingera a po rozpravě

I. bere na vědomí

- a) Kontrolní závěr Nejvyššího kontrolního úřadu z kontrolní akce č. 07/14 – Nemovitý majetek, s nímž je přislušné hospodařit Ministerstvo obrany (dále jen „Kontrolní závěr č. 07/14“),
- b) Stanovisko Ministerstva obrany ke Kontrolnímu závěru č. 07/14, obsažené v části IV materiálu vlády č. j. 613/08;

II. konstatuje, že Ministerstvo obrany v kontrolovaném období postupovalo v oblasti evidence nemovitého majetku v rozporu se zákonem č. 563/1991 Sb., o účetnictví;

III. žádá ministryni obrany, aby předložila kontrolnímu výboru:

- a) do 9. 4. 2009 vyhodnocení přijatých opatření zpracované v návaznosti na usnesení vlády č. 847 ze dne 9. 7. 2008,
- b) do 30. 4. 2009 mapu procesů investiční činnosti Ministerstva obrany,
- c) do 30. 4. 2009 přehled jednotlivých investičních akcí v investičních programech kapitoly Ministerstva obrany v členění schválený rozpočet – skutečné čerpání za roky 2002 - 2008,
- d) do 30. 6. 2009 zprávu o opatřeních Ministerstva obrany k přechodu na nový princip účetnictví k 1. 1. 2010;

Resolution of the Committee on Budgetary Control

Committee on Budgetary Control:

I. takes into consideration:

- a) the SAO audit conclusion No. 06/22,
- b) the Ministry of Defence statement to the audit conclusion, which is included in the government's material No. 808/07;

II. demands the minister of defence to submit to the committee until 30 June 2009 the report on the updating the remedial measures in the area of:

- the programming documentation of the property reproduction,
- the field hospitals for the abroad missions,
- the public procurement,
- the accounting of the property and its inventorying .

Resolution of the Committee on Budgetary Control

Committee on Budgetary Control:

I. takes into consideration:

- a) the SAO audit conclusion No. 07/14,
- b) the Ministry of Defence statement to the audit conclusion, which is included in the government's material No. 613/08;

II. notes, that the Ministry of Defence during the audited period proceeded in the area of the real estate records in the contradiction with the Act on accounting;

III. demands the minister of defence to submit to the committee:

- a) until 9 April 2009 the evaluation of the adopted remedial measures elaborated in accordance to the government decision No. 847/08,
- b) until 30 April 2009 the map of processes of the MO investment activities,
- c) until 30 April 2009 the survey of the particular investment projects in the year 2002-2008 in the structure – budget – real drawing,
- d) until 30 June 2009 the report on the MO remedial measures to the transition to the new principle of the accounting up to 1 January 2010.

Audit conclusions in the Committee on Budgetary Control

Year	No of AC
2006	6
2007	38
2008	31
2009	30
2010	5
2011	6
2012	10
2013	6
2014	13
2015	25
2016	13
Total	183

Qualified suggestions

External suggestion – form of the resolution or the decision

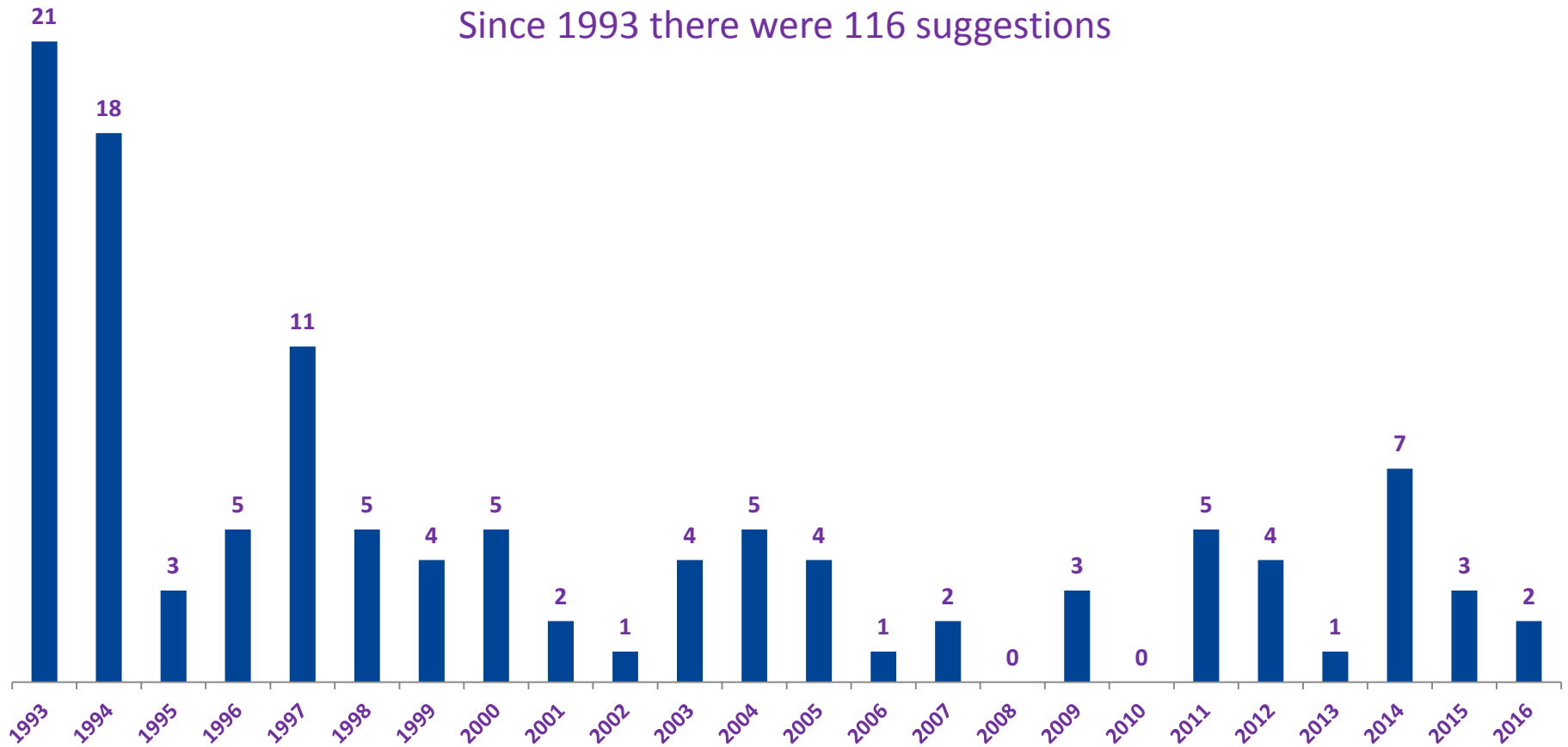
- ✓ of the government
- ✓ of the parliament's chamber
- ✓ of the parliament's body, e.g. committee

The SAO Board can make decision:

- ✓ to place the suggestion into the Annual Audit Plan,
- ✓ to use the suggestion in the current audit,
- ✓ to use the suggestion in the preparation of the Annual Audit Plan in the future,
- ✓ not to place the suggestion into the Annual Audit Plan.

Qualified suggestions

Since 1993 there were 116 suggestions



Qualified suggestions

In the years 2007 to 2016 the SAO received 27 suggestions.

- ✓ the government – 2
- ✓ the Senate of the Parliament – 4
- ✓ the Chamber of Deputies of the Parliament – 21
out of it –15 from the Committee on Budgetary Control

20 out of 27 suggestions were placed into the Annual Audit Plan or will be used in the preparation of the Annual Audit Plan in the future.

Within the same period there were 355 audits in the Annual Audit Plan.

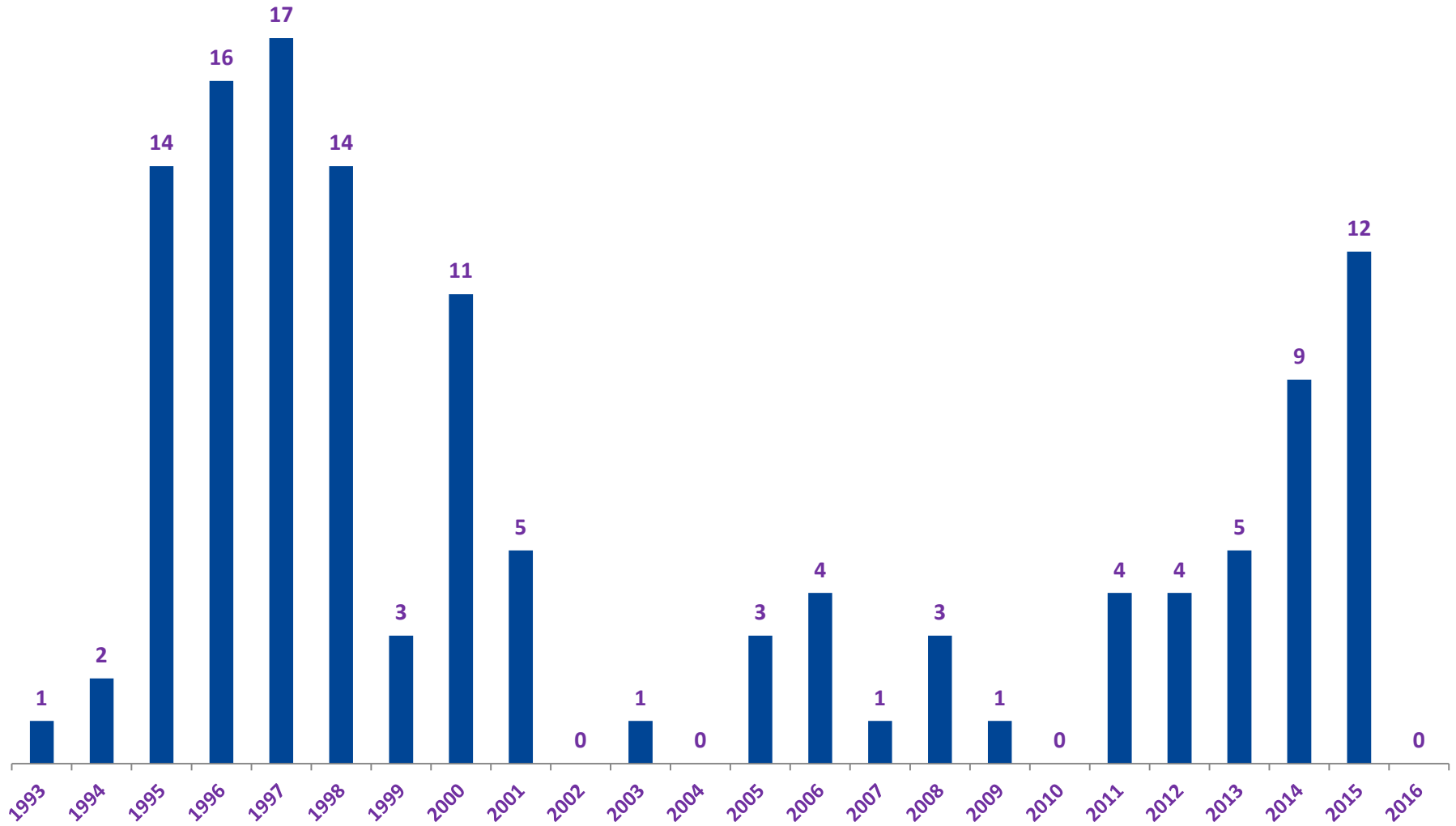
Complaints

Sec. 8 Par. 1 of the Act No. 141/1961 Coll., Criminal Legal Code:
„The state bodies have duty to announce to the prosecutor or to the police body without delay the facts indicating the commission of a crime. “

Since 1993:

- ✓ 130 complaints
- ✓ On 225 auditees
- ✓ In 75 audits

No. of the Complaints



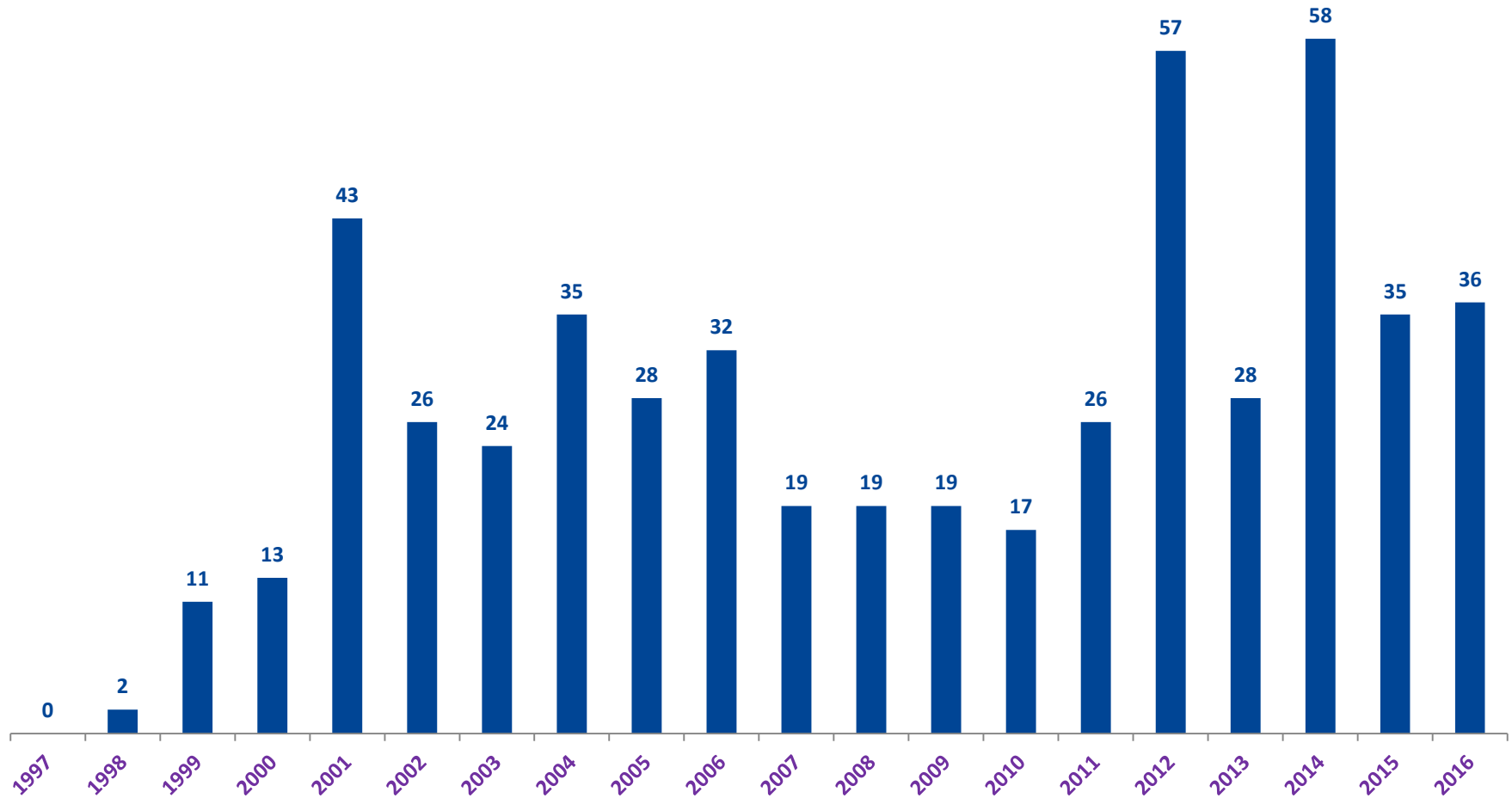
Notices to the Financial Authorities

Sec. 59 Par. 1 of the Act No. 280/2009 Coll., Tax Code:

„The Supreme Audit Office and other audit bodies even without the claim hand on to the taxes administrators the facts indicated in the audit protocols related to the tax administration.“

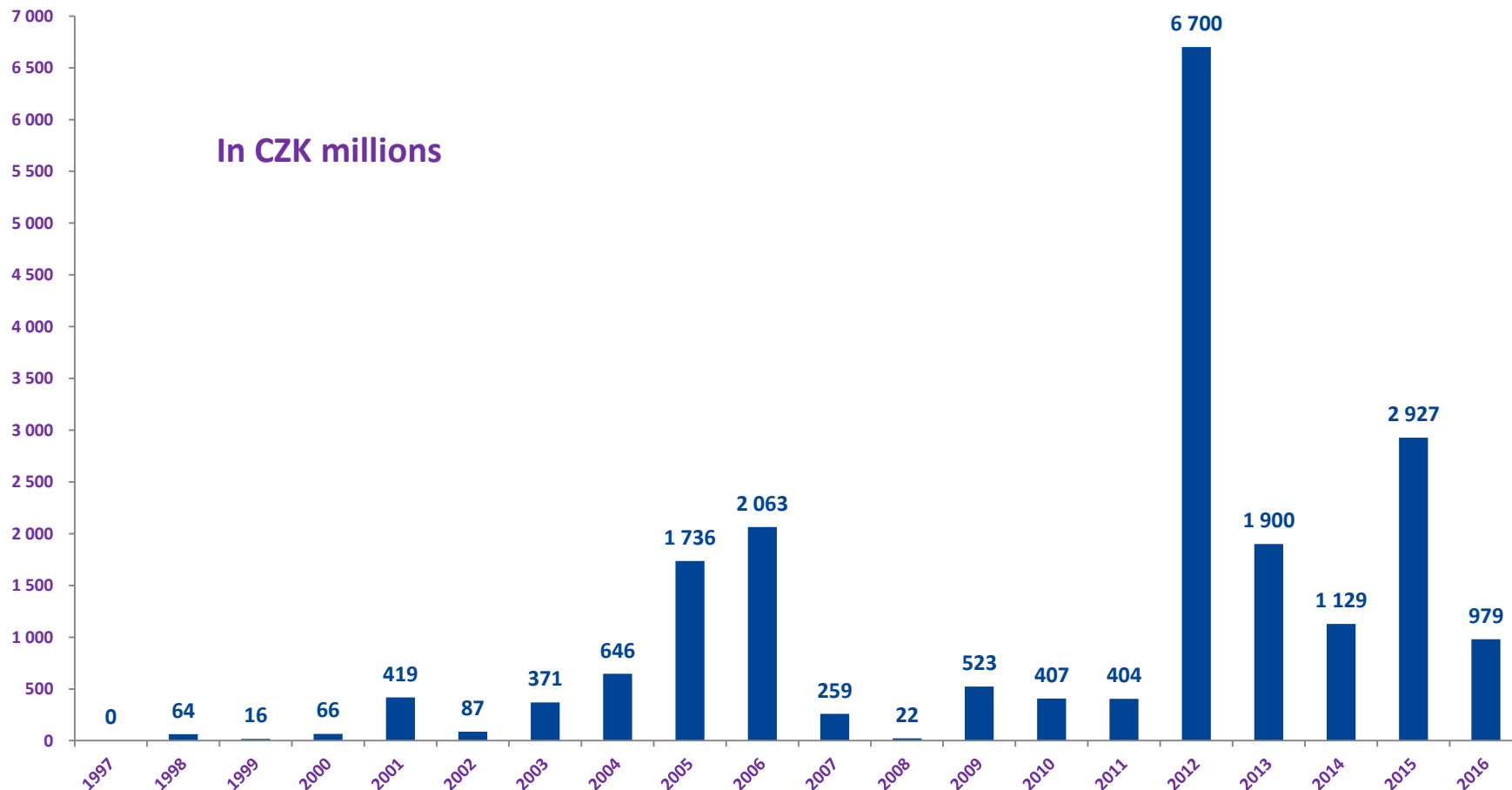
Notices to the Financial Authorities

Since 1997 there were 528 notices



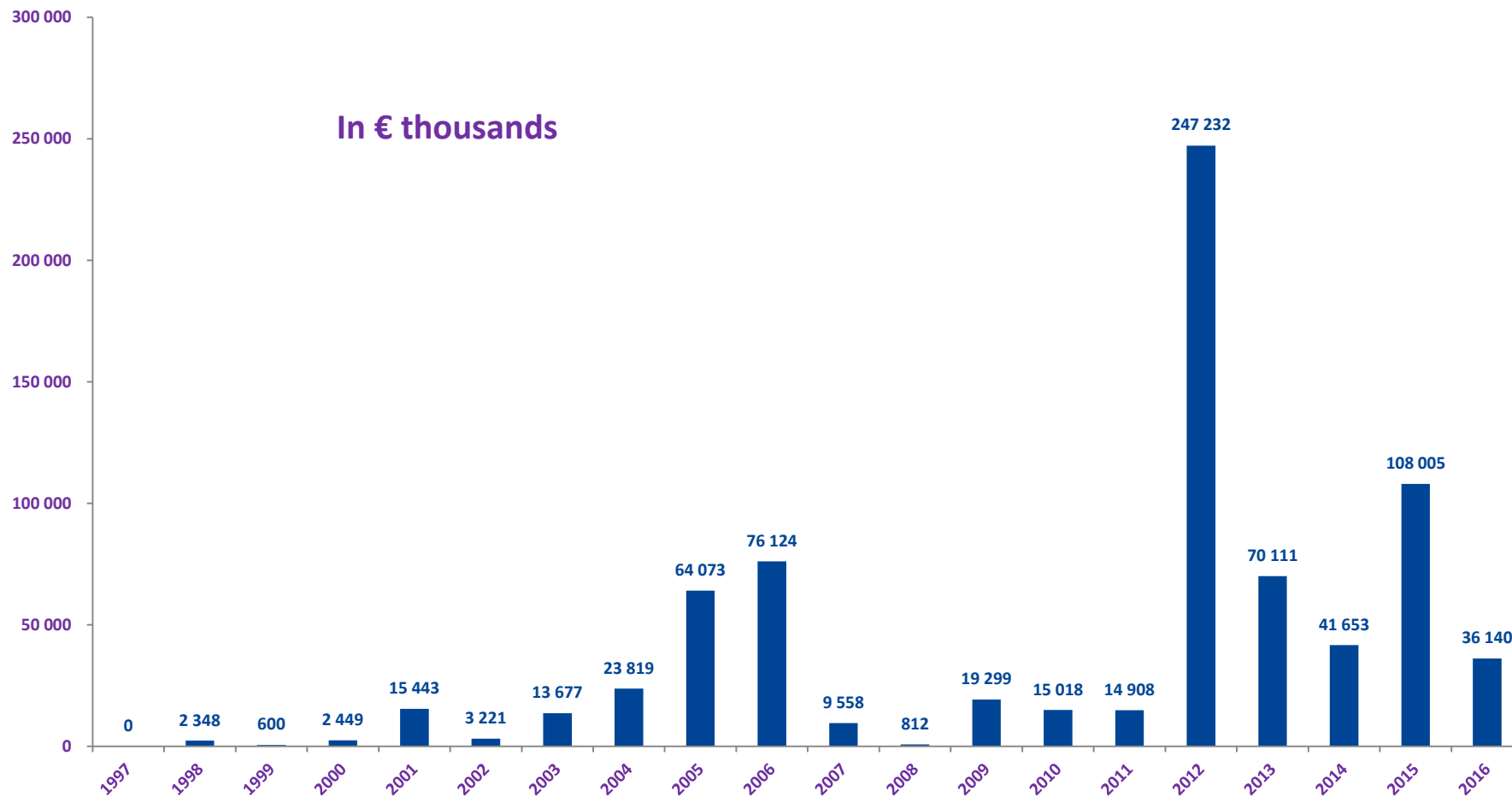
Notices to the Financial Authorities

The SAO announced CZK 20 717 706 477; on average CZK 1 035 885 324 per year



Notices to the Financial Authorities

The SAO announced € 764 491 014; on average € 38 224 551 per year



Thank you for your attention

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