

EUROSAI Working Group on Municipality Audit (WGMA) holds its Vth Masterclass

On 18th of December 2024, the latest Masterclass organized by EUROSAI/WGMA was held on the topic “Sampling in Determining the Audit Scope.”

The member countries of this Working Group shared their experiences regarding the above-mentioned topic, as well as its practical application in financial and compliance audits. More specifically, three presentations were delivered by the SAIs, as follows.

The presentation delivered by the SAI of Bulgaria focused on the methods used to identify the key areas on which financial or compliance audits of the selected entities would concentrate. The presentation addressed the most commonly used criteria for selecting items from municipal financial statements to be audited and, on this basis, determining the processes that could be included within the audit scope. The risk analysis process used to determine the entities to be audited was also explained in detail. In addition, examples from compliance audits of local government units were presented, illustrating how three key audit areas were addressed: public procurement procedures, budget management, and asset management.

The SAI of Lithuania shared its experience in conducting a performance audit of the education system concerning the salaries of teachers and teaching staff. The presentation addressed how budget funds allocated to education are used and implemented in accordance with government provisions, and whether other budget allocations are used rationally and appropriately.

The presentation by the SAI of Israel focused on the work of the Local Government Audit Division, providing information on a new audit approach: moving away from audits conducted solely within a single institution towards parallel audits on the same topic across different institutions. To facilitate auditing under this new approach, the institution has developed a methodology structured into three levels. The first level analyses available data for all local government entities; the second level focuses on a smaller group, examining non-public or less accessible data; and the third level involves in-depth analysis of detailed, non-public data. According to the material provided, this selection methodology anticipates the workload associated with ongoing audits and facilitates an equitable distribution of the audit workload among audit teams. The presentation focused extensively on the methodology and criteria for selecting entities to be audited.

The Albanian Supreme Audit Institution (ALSAI) is an active member of this Working Group, and the Masterclass was attended by auditors Salvi Deda and Marli Muça from the Local Government Audit Department.