APPROACHES FOR REACHING THE STAKEHOLDERS AND PROCEDURES FOR MAKING THE AUDIT RESULTS AVAILABLE TO THE PUBLIC – GOOD PRACTICES

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135th anniversary and 20 years of modern public external audit in Bulgaria

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Main principles of Bulgarian National Audit Office (BNAO)’s work with stakeholders:

- Openness and transparency;
- Impartiality and clarity of messages.

Effective media policy contributes to the presentation of the BNAO audit activity, aimed at gaining higher trust and authority.
Providing information about the audit activity – informing a wide range of users:

✓ Informing the stakeholders and the public;

✓ Providing information to the National Assembly;

✓ Cooperation with the European Court of Auditors and SAIs of other countries;

✓ Cooperation and coordination with other bodies and NGOs.
Ways of communicating audit results

1. Informing the public and the stakeholders

1.1. Informing the audited organization:

✓ communication and dialogue during all stages of the audit;
✓ balanced approach and constructiveness.
Ways of communicating audit results

1.2. Ensuring full transparency and publicity on the NAO’s web page regarding:

1.2.1. Audit Programme

✓ The Audit Programme is made available to the National Assembly within 7 days of its adoption or amendment.
✓ The annual audit programme, in its part concerning the auditing of accounts for European Union funds is sent to:
  - The European Court of Auditors;
  - The European Commission;
  - the Internal Control Directorate of the Ministry of Finance.
1.2.2. Results of audits concluded:

- Notice of the handing over of the draft audit report;
- Final audit report;
- Reports with the results of checks for the follow-up of recommendations;
- Reports and opinions for certification of financial statements;
- Making the results of joint or parallel audits available to the public.
Ways of communicating audit results

1.2.3. Activity of the BNAO:

- Meetings and exchange of experience with other SAIs, seminars, etc.;
- Meetings with managers from the executive, taking part in the work of Committees of the National Assembly;
- Discussions of draft legislation;
- Participation in debates, roundtables, etc.
- Bulletins and annual activity reports of the NAO.
Ways of communicating audit results

2. Informing the National Assembly and the Council of Ministers

2.1. To the National Assembly:

- Audit reports for audits assigned to the NAO by the National Assembly, as well as other audit reports;
- Information about recommendations;
- Activity report of the National Audit Office.

2.2. To the Council of Ministers:

- In case of a disclaimer of certification or a disclaimer of opinion of a financial statement by the NAO;
- Information about the recommendations.
3. Cooperation with the European Court of Auditors (ECA), the European Commission (EC), and the supreme audit institutions of other countries (SAIs).

- Exchange of information and good practices when conducting joint audits with other SAIs;

- Submitting reports to the ECA and the EC.
Ways of communicating audit results

4. Cooperation and coordination with other bodies and NGOs:

4.1. Providing information to other control and law enforcement bodies:

✓ If available data points to damages and violations which do not constitute a crime;
✓ Where violations of public procurement procedures have been established;
✓ If available data points to crime.
Ways of communicating audit results

Cooperation and coordination with other bodies and NGOs (cont.)

4.2. Providing information to specialized authorities for prevention and fight against fraud and corruption;

- Cooperation with the professional organizations of internal auditors and accountants in Bulgaria;
- Communication with NGOs and associations;
- Relations with universities.
Ways for communicating audit results

5. Interaction with media

5.1. realized by the specialized Media Policy Unit within the BNAO-main tasks:

- review of audit reports prior to their publication on the BNAO website;
- preparation of press releases, press conferences, interviews, etc.;
- maintaining informal contact with journalists;
- daily review and analysis of print and electronic media.
5.2. BNAO organizes seminars and meetings with media representatives to ensure understanding of the BNAO activity and awards journalists and media in compliance with internally adopted rules.

5.3. All results of the BNAO activity are made available to the public through the website of the institution which is regularly updated as content and periodically as design.
**Ways of communicating audit results**

Requirements to the information published in the media about audit reports:

- key audit aspects;
- clear, useful and detailed information;
- based on facts;
- impartial;
- the use of specialized terminology to be reduced;
- timely, exact and complete;
- reducing the volume of information regarding qualitative indicators;
- correct presentation of findings;
- providing information on corrective actions, undertaken in response to recommendations made – good practices.
Audit on the price regulation and the control exercised over its observance by the State Energy and Water Regulatory Commission in relation to suppliers of heat energy, electricity, water and natural gas for the period 01.01.2007-30.04.2013

(Good practices)
MAIN QUESTION:
Has the pricing activity in the sectors of electricity, heat energy, natural gas and water-supply and sewerage services and the control exercised over the application of the pricing decisions by the State Energy and Water Regulatory Commission (Commission) been implemented legally/correctly?

MAIN TASKS:
✓ Analysis and evaluation of the legislative provision, incl. legal and sub-legal acts.
✓ Studying the Commission’s structure and functions, as well as the independence of the regulatory body.
✓ Analysis and evaluation of the methods for price regulation of the electricity, combined generation of heat and electricity, natural gas and water-supply and sewerage services.
Conclusions from the audit:
✓ Clear rules and procedures for developing and updating methodologies, rules and instructions have not been adopted;

✓ The issue of the independence of the regulatory body is still open;
✓ The legally adopted electricity pricing regulation model during the audited period is ineffective;
✓ Lack of real actions aimed at liberalization of energy market;
✓ Bulgaria is one of the few EU member states which has one natural gas provider.
Wide public response and media presentation of the audit during its implementation and following its completion:

- Round table organized for price regulation of energy and heat, water and natural gas and the control exercised for its observance.

- Significant interest towards the audit results and wide media presentation;

- The audit report was introduced to the National Assembly.
Thank you for the attention!