



LIETUVOS RESPUBLIKOS VALSTYBĖS KONTROLĖ
NATIONAL AUDIT OFFICE OF LITHUANIA

To: Supreme Audit Institutions of
EUROSAI

5 October, 2016 No S-(703-1.15.3)-1615

Invitation to join membership of the EUROSAI Task Force on Municipality Audit

Dear Colleagues,

This is following the agreement to create the Task Force on Municipality Audit (TFMA) by the 44th EUROSAI Governing Board Meeting held in European Court of Auditors, Luxembourg 13-14 June, 2016. The Supreme Audit Institution of Lithuania already since 2013 has initiated and organized bilateral as well as international meetings involving other SAIs of EUROSAI to discuss questions on auditing municipalities. The meetings revealed that questions related to municipality audit sphere are relevant to many EUROSAI members. Due to this and in order to continue the initiative of international cooperation at the EUROSAI level after the establishment of the TFMA, we invite your SAI to join the membership of the EUROSAI TFMA.

The activities that were initiated and implemented since 2013, each year included more and more EUROSAI SAIs actively participating in providing answers to the distributed surveys on the most relevant issues, taking part in bilateral, expert meetings and in the organised seminars. Active involvement of other SAIs as well as identified common relevant topics of municipality audit has encouraged us to further cooperate in the sphere of auditing municipalities.

Regional and local governments play crucial roles in the well-being of today's and future generations. Aligning priorities between national and local governments and ensuring the capacities and resources needed for implementation remain critical challenges. New data from an OECD-EU Committee of Regions survey of European regional and local authorities show that the lack of co-ordination across sectors and levels of government, red tape, and excessive administrative procedures are the top challenges for infrastructure investment at the local level. It shows the importance of refocusing our attention on multi-level policy actions and on local data, in this way creating pathways from the local level to meeting global goals.

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The environment of auditing local governments, the variety of schemes and the different relationship between the local and national (federal) governments leads to the differences of how to contribute to the efficiency and effectiveness. In practice, various models of audit systems of local government in different countries exist as well. Knowing the levels of investments and the financial flow in local governments, we have to monitor and analyse the whole system. In this way we can reach the best results, the compatibility of monitoring and accountability and when working together to reach our, the Supreme Audit Institution, mission – the timely audit impact.

For the established TFMA we have set up 3 main strategic goals – to exchange the best practice and experience to reach audit results that have a substantial impact on improving public financial management, to make the external municipal auditing system more efficient and lastly, to encourage cooperative audits between EUROSAI SAIs. The TFMA in order to reach the mentioned goals will focus on implementing a variety of activities, such as organising training seminars, expert meetings, creating networks for sharing information with other SAIs, publishing articles, newsletters etc. A more detailed information regarding the strategic goals and planned activities can be found at http://www.vkontrole.lt/pranesimas_spaudai_en.aspx?id=21875.

If the mentioned goals are of relevance to your SAI, we will kindly welcome your decision to join this Task Force and we look forward to working together to improve the audit of municipalities, having in mind that all the activities in the local entities affect the global level. EUROSAI member SAIs are welcome to join the TFMA and to send us your interest in writing the official letter at international@vkontrole.lt by **5 December** at latest. Also, we would like to inform you that our Office plans to hold a kick-off meeting of the TFMA in the first half of 2017 in Vilnius, Lithuania.

We are looking forward to receiving your interests and cooperating with your SAI on the questions of auditing municipalities in the future.

Yours sincerely,

Auditor General



Arūnas Dulkys