

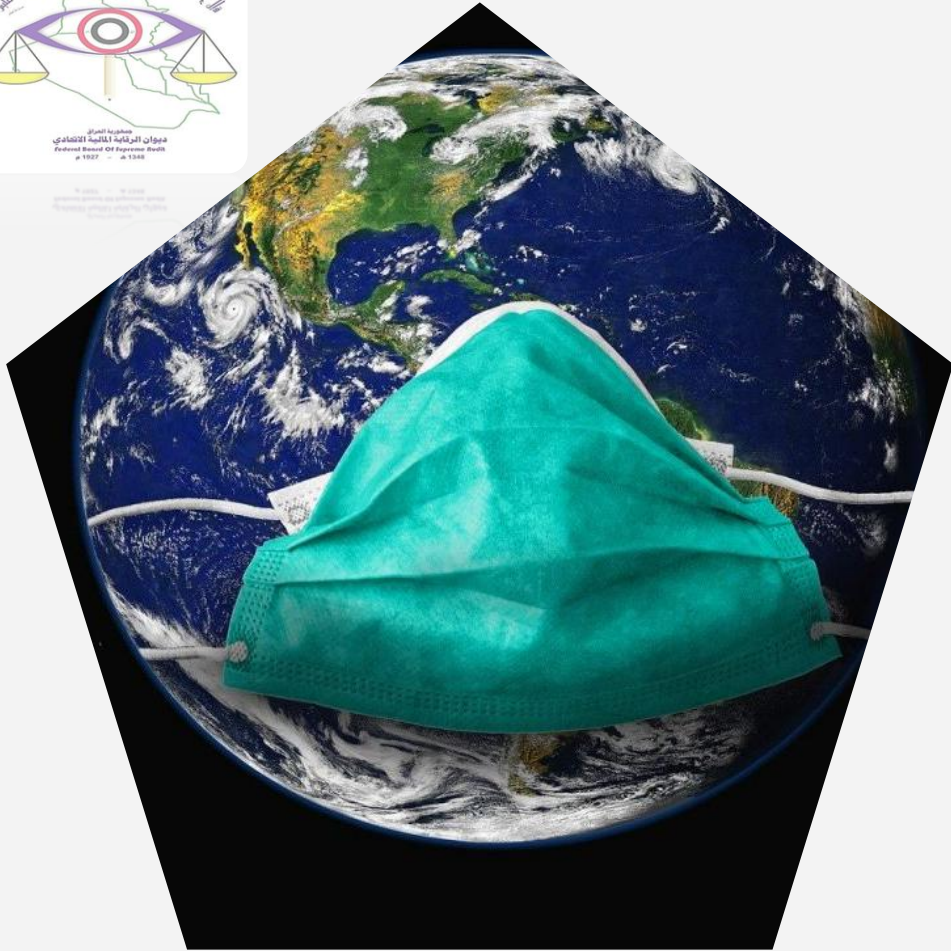


FBSA's Role in Auditing Funds and Measures Undertaken in response to COVID-19 Pandemic

June 2021



**Dear Colleagues
Good Morning**



Introduction

The novel Coronavirus outbreak has proved to be challenging to the management of the disease worldwide. It also reveals the significance of the risk it directly and critically poses on the implementation of SDGs . Its alarming level of spread prompts implementing the third goal on health due to the dramatic loss of human life under the poor quality and inability of health systems to respond to the repercussions of this pandemic

Presentation Main Topics

01

Topic 1 : Measures taken by FBSA to confront the pandemic.

02

Topic 2: Challenges faced by FBSA and how to respond to them

03

Topic 3 : Types of audits carried by the FBSA and their results.

04

Topic 4 : Lessons learnt





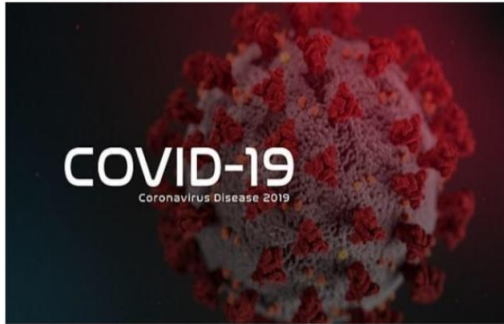
Topic 1

Measures taken by the Federal Board of Supreme Audit to confront the pandemic

ديوان الرقابة المالية الاتحادي
دائرة الشؤون الفنية والدراسات

خطة عمل الديوان في ظل جائحة كورونا (Covid-19)

ايار-٢٠٢٠



1. Developing an action plan and a program to carry out audits during the pandemic according to the latest pronouncements and best practices of relevant professional and regional organizations

The plan outlines a number of goals to ensure FBSA's success in carrying out its tasks during the upcoming period in response to the impacts of the pandemic. These goals are as follows

- Continuing the conduct of high-quality financial audits and taking into account flexibility in dealing with government agencies.
- Evaluating government measures to confront the pandemic and their impact on achieving the SDGs

To ensure the achievement of these goals, executive projects have been formulated for each goal with identifying the executing agency. These projects are as follows:

01

Directing the audit work teams working in the Ministry of Health and its formations to examine and control the financial spending operations, audit the procedures for implementing contracts and the amounts of grants received and disbursed on the direct health response, and take into account the additional measures necessary to ensure that the exceptional public spending to confront the pandemic has been carried out based on the purpose for which it was allocated.

02

Conducting cross-audits for those covered by the emergency grant among low-income citizens affected by the pandemic to ensure the safety of information and disbursing funds to the affected segments of people by the total lockdown under the pandemic

03

Evaluate the policies, programs and procedures of the Ministry of Health in confronting the pandemic in line with goal-3 of the SDGs on ensuring that everyone enjoys good health patterns

2. Guidelines for auditors working in the private sector



Under the framework of FBSA's efforts to keep pace with developments of covid-19 affecting the performance of audit tasks and take practical measures to help reducing the its impact as much as possible and overcome the obstacles facing auditor`s work, including the response to audit risks and in the context of providing technical assistance to professional bodies, practical guidelines have been developed for auditors in the private sector according to the latest pronouncements and best practices of the relevant professional and regional organizations.

Guidelines have been sent to the Board of accounts control and auditing profession in the Republic of Iraq to circulate them to auditors.



3. Guidelines for auditors working in the health sector

At the organizational level



Preventive measures adopted by the central crisis cell and sub-cells in governorates



Financial management of the state of emergency under the pandemic





Topic 2

Challenges faced by FBSA
and how it responded

Delays in obtaining the information and data necessary to complete audits. Field visits by auditors to work sites, hospitals and stores are hindered by the risk of infection. Thus, audit work cannot be carried out within the set periods.

Challenge1



Response

Observing flexibility when auditing government actions taken in circumstances where quick response and urgent measures were needed by the government, without violating compliance audit standards in general especially applying the rules and instructions of contracting and service delivery in line with the principles of accountability, transparency and integrity.

Non-utilization of information technology in auditees, poor infrastructure and requirements for operating electronic systems and software used for remote communication between audit bodies and auditees to ensure work completion in a timely manner. Also, poor technological infrastructure of FBSA impedes the required communication imposed by work requirements under the pandemic

Challenge2



Response

Intensify communication with officials of the Ministry of Finance and other entities concerned with confronting the pandemic to examine and monitor receipts and disbursements of allocations and grants that have been made since the declaration of health emergency and to rearrange FBSA work priorities, accordingly.

Risks of misusing the available funds and non-compliance with laws, regulations and instructions under the implementation of exceptional measures to confront the pandemic

Challenge3

Auditing post-contract procedures and way of carrying them out given the fact that auditing procurement procedures is not possible as they are excluded from applicable laws and regulations

Response





Topic 3

Types of audits carried out
by FBSA and their results



Despite the exclusion of MoH contracts for drugs and medical supplies from the applicable laws and regulations to confront the pandemic, FBSA did not remain passive. It has adopted an alternate method of audit i.e. verifying the procedures for implementing contracts through the application of standards of compliance, performance and financial audit, as shown below.

Focus areas in performance audit

2

The quality of services provided to the infected. The audit indicated poor health services provided in some hospitals, such as the lack of control over the entry and exit of visitors and patients, weak inspection and sterilization procedures, as well as failure to dispose waste of isolation halls in a safe manner

4

Verifying the sufficient number of medical and nursing staff to face the pandemic. The results of the audit indicated the lack of such staffs, which led to a deficiency in providing health care services to the infected.



1

Verifying the number of infected persons and the extent to which their numbers are proportional to the capacity of the hospitals. The results of audit showed that the capacity of the hospitals was insufficient to accommodate the infected because of limited number of hospitals.

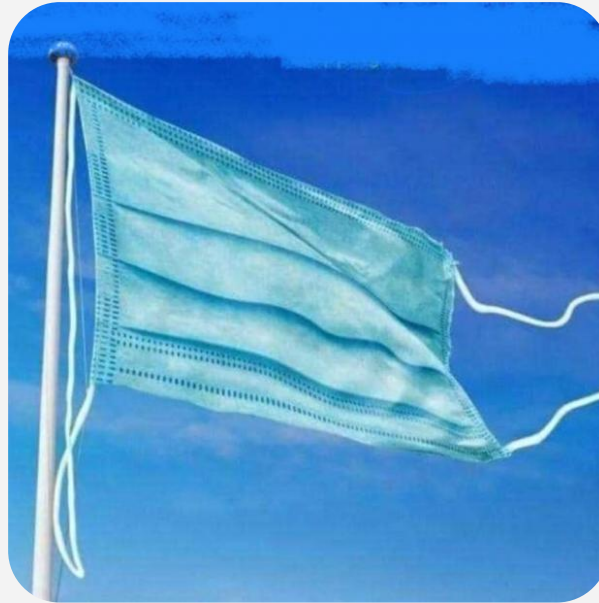
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The efficiency of the procedures of some hospitals designated to quarantine the infected in working at their full capacity and preparing the necessary beds. The audit indicated that accommodation capacity was not exploited in full despite the urgent need for it.

Focus areas in performance audit

6

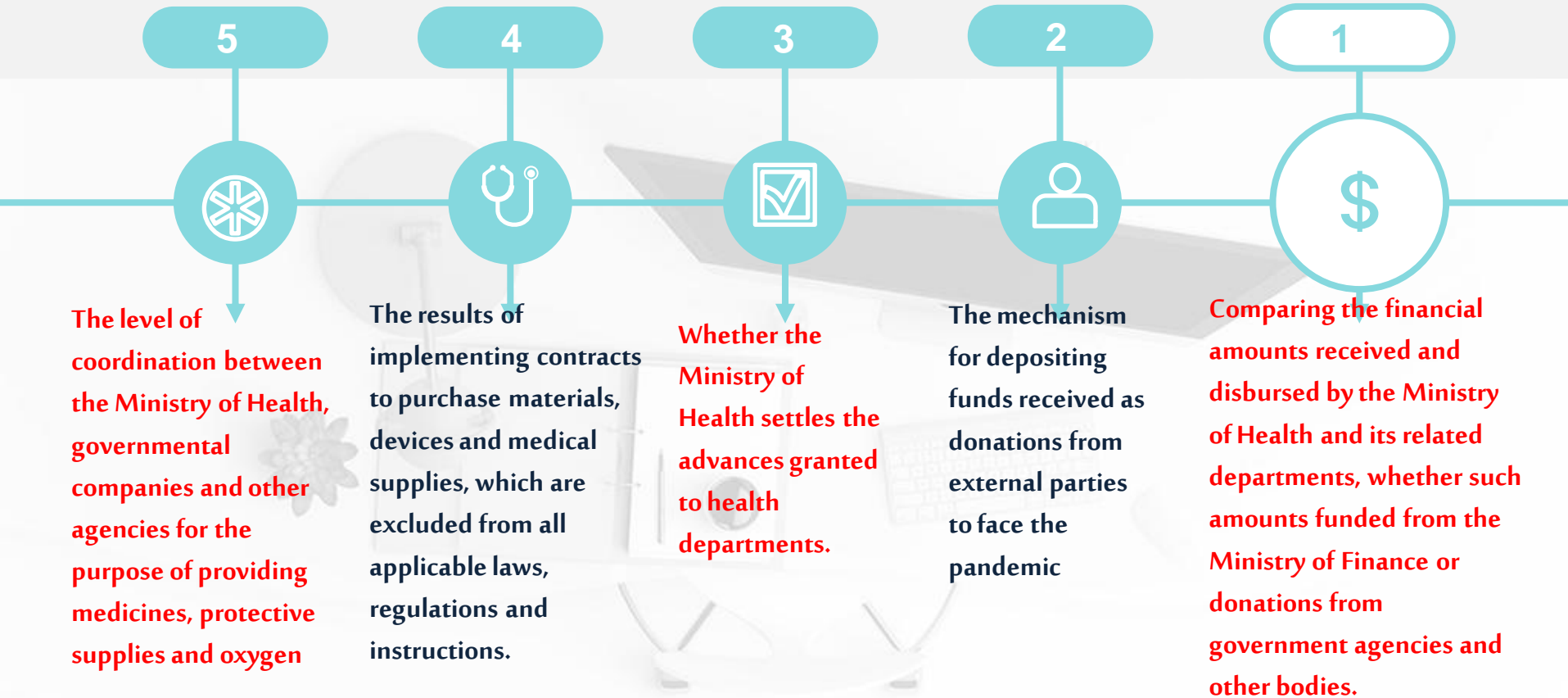
Verifying that medicines and medical supplies are provided in a timely manner. The audit indicated a delay in providing the health departments with the actual need for medicines and vitamins, or providing them with limited quantities for some medicines, and thus the inability of hospitals to meet the needs of patients



5

Adequacy of medical supplies and medicines provided. The audit indicated the lack of oxygen systems in some hospitals designated to isolate and treat the infected, the lack of oxygen bottles without urgent solutions to provide them, and the lack of providing some important medical devices and the suspension of some laboratories.

Focus areas in performance audit





Topic 4

lessons learnt

First



Developing an action plan for our SAI, has had a great impact in drawing a clear vision of the areas that need to focus efforts and priorities to face the pandemic. It proves to have a positive role in updating the work plans of field teams working in the health sector

Second



The types of audits exercised by FBSA, whether financial, performance or compliance audit, contributed to highlight the risks and deficiencies in the measures taken to confront the pandemic, thus drawing the attention of decision makers to the urgent improvements that are required to be implemented before the matter aggravates by making appropriate recommendations and reporting them to the audited entity ASAP.

Third



Excluding the contracts made to confront the pandemic from applicable laws and regulations due to the health emergency which requires making urgent decisions and measures, does not necessarily mean undermining the role of FBSA. The focus of audit can be on a more important stage, which is the implementation stage. The guidelines developed for the employees in the health sector have contributed significantly to directing the auditors' attention towards identifying policies, systems and operation management in the health sector, comparing the achievements with the exceptional plans that were developed to confront the pandemic in order to detect negative and positive deviations and explain their causes. Thus , ensuring that economic resources are being managed from funds and in kind and in cash grants and specifying the causes of misuse and waste.

Fourth



Flexibility should be observed when auditing government measures taken under such circumstances that needed a quick response and urgent measures by the government, without prejudice to the principles of compliance audit in general in terms of applying contracts and services instructions and in line with the principles of accountability, transparency and integrity.



**Thank you for your
kind attention**

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