



Czech Republic
Supreme Audit Office

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SAO ROLE IN FIGHTING FRAUD

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SAO's role in fighting fraud - prerequisites

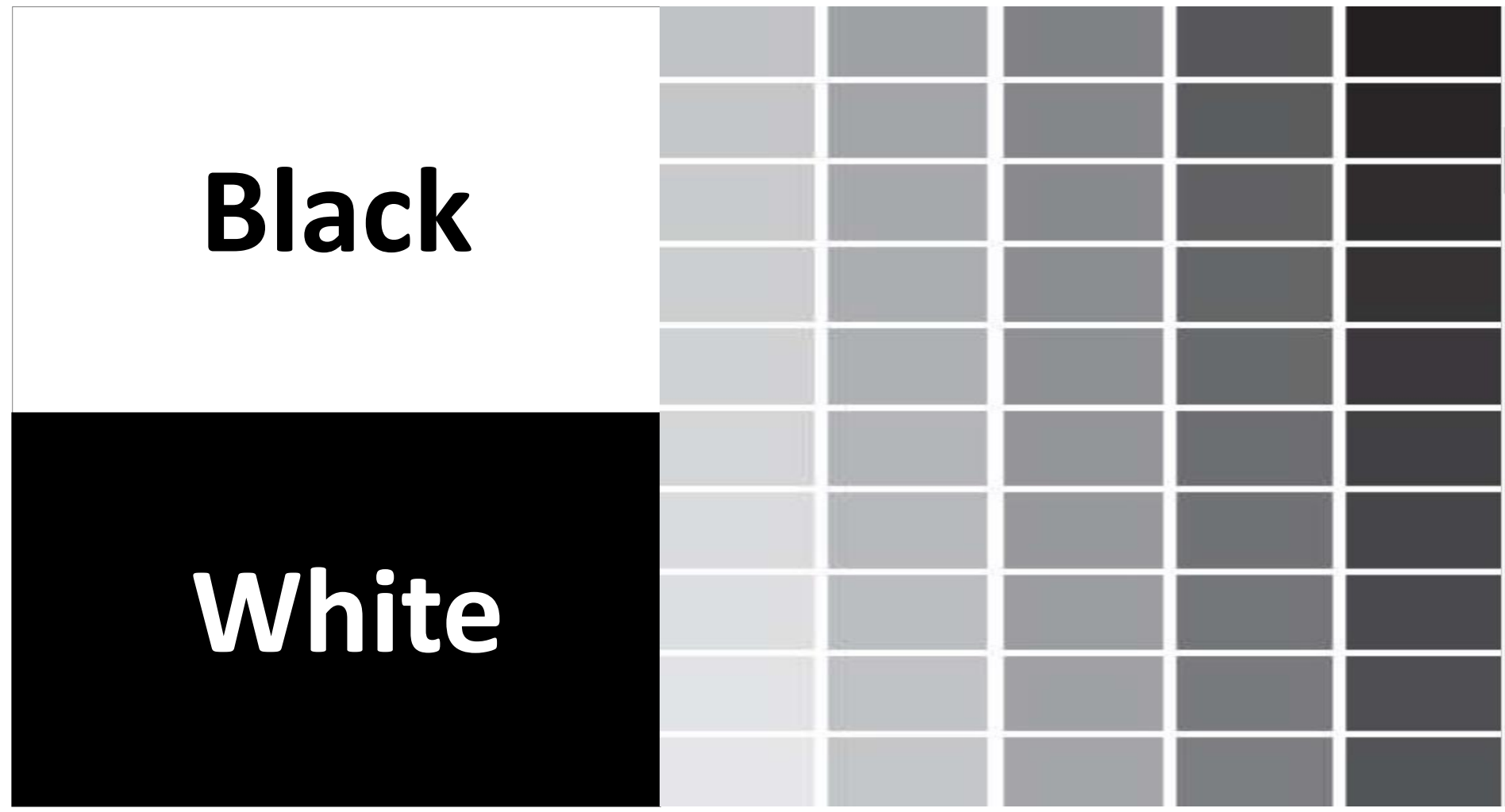
Although the auditor may suspect or identify the occurrence of fraud, **the auditor does not make legal determinations** of whether fraud has actually been committed.

SAO's auditor **is obliged to report circumstances that may indicate the possibility of fraud or abuse** to the competent law enforcement body (prosecutors, the police)

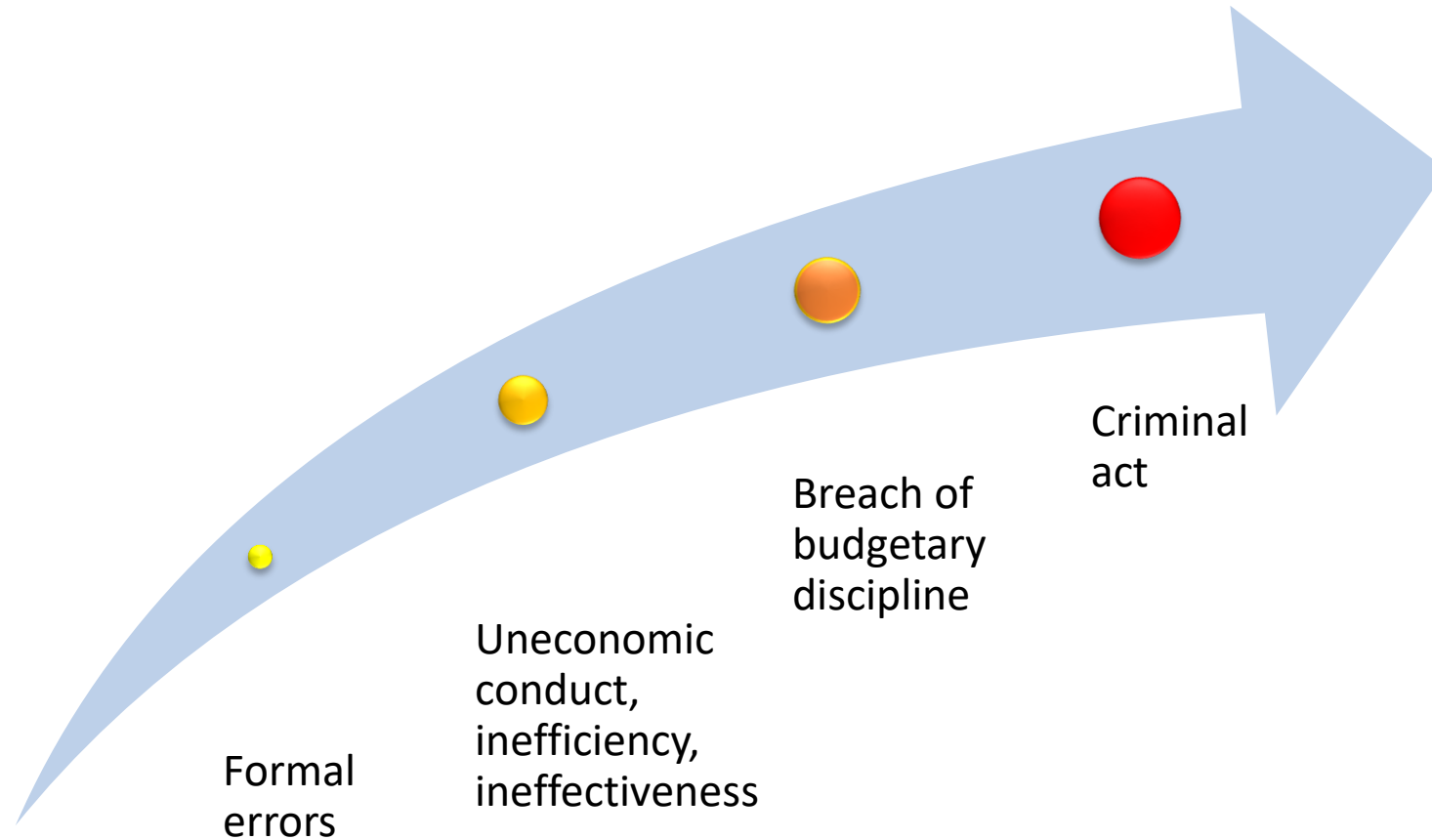
Auditor **needs to be familiar with applicable laws and regulations** in regard to reporting, communication and documentation of indications or suspicions of fraud.

Auditor should be able to **obtain legal advice** in issues regarding indications of fraud.

Materiality of audit findings



Materiality of audit findings



Impact of SAO's audit findings

Long term impact

- Legislative changes
- Changes in auditee procedures

Immediate impact

- Notifications of breach of budgetary discipline
- Criminal notifications

SAO's legal obligation of cooperation with other law enforcement authorities



Good practice

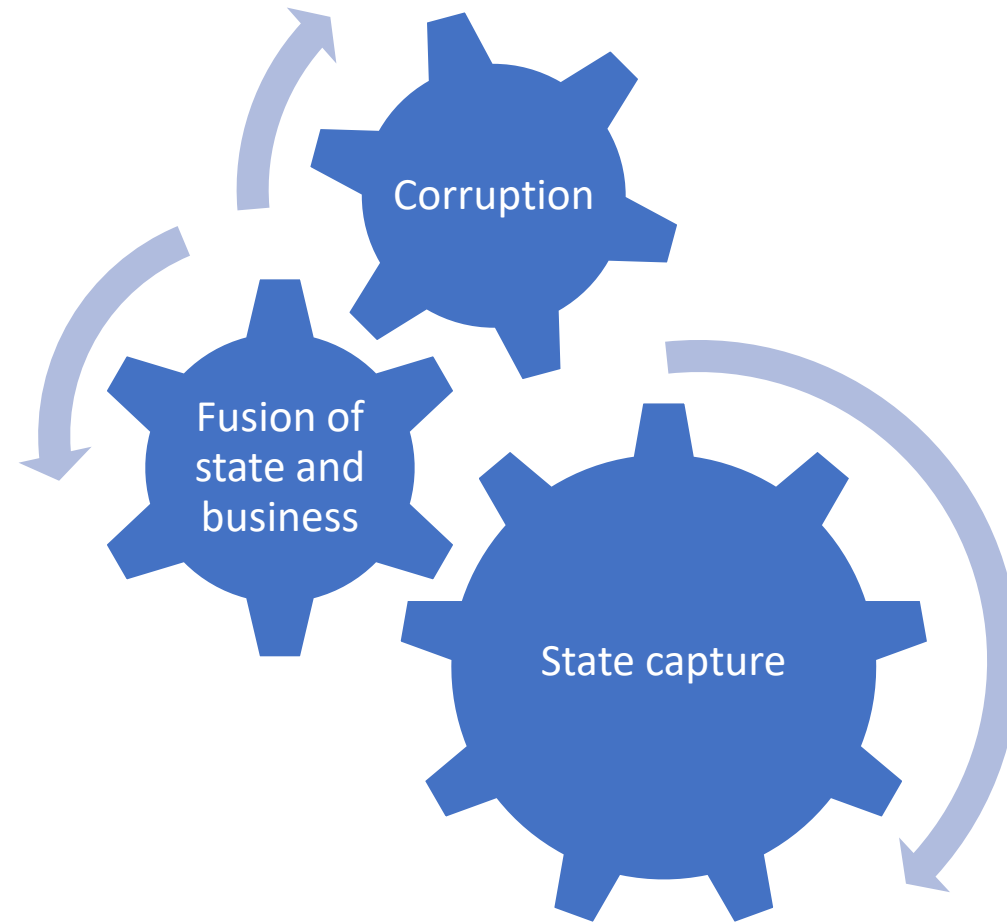
- Professional education of auditors (internal, external)
- Information sharing with competent law enforcement bodies
- Agreement on Mutual Cooperation with The Prosecutor General's Office
- Seminars on budgetary discipline with the Ministry of Finance
- SAO lectures at the Police Academy
- International cooperation with SAIs and European Public Prosecutor's Office (EPPO) -2024

Cooperation and communication

- **Financial authorities** – Ministry of Finance , General Financial Directorate, Financial Offices
- **Criminal proceeding bodies** – State Prosecutor's Office, European Public Prosecutor's Office



Complexity of the issue



The only thing necessary for the triumph of evil is for good man to do nothing.

A handwritten signature in black ink, reading "Edmund Burke". The signature is written in a cursive style with a large, prominent initial "E".

Edmund Bourke, statesman and philosopher (1729-1797)

Steps forward – not to become institutionally captured

Strengthening the legal background of the SAI

- Support the execution of the mandate (auditing, jurisdictional, investigation and/or consultative functions, if applicable)
- Protect and strengthen the mandate
- Support external processes related to national law system (to assess draft legislation and participates in settlement meetings and/or participate at governmental working groups)

Cooperation

- with academia, non-governmental organisations, main stakeholders

Transparency

- publishing audit reports

**Hope is not the belief that something will turn out well,
but the certainty that something is worthwhile -
regardless of how it turns out.**

Václav Havel
❤️

Václav Havel, 1st President of Czech Republic (1936-2011)



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