

## SAI PORTUGAL

The Court of Auditors of Portugal carried out an analysis of the consequences of the *Covid 19* pandemic in its work early March. By the second week of March **more than 90% of the staff was teleworking**. At the same time, the necessary measures have also been taken to continue to fulfil the Court's mission, with the special concern of avoiding burdens or restrictions for the administrations and audited entities, considering the *Covid 19* context, in which public intervention is primarily directed towards the prevention and combating of this pandemic and the preservation of the health and safety of all.



A survey on this type of work was launched, with very positive results, both as far as productivity and continuity of tasks were concerned, as well as when it came to the capacity and technological means available.



A project to review and **adjust the strategic, operational and annual plans** was soon put in place, with a wide involvement of the members of the Court and their support structure. The Court shifted the focus of its work towards COVID-19-related aspects in its action plan and audit programme for 2020 and will soon review the Strategic Plan and the medium-term Operational plan 2020-2022, considering the updating of risk assessment and adjustments made.

As a result, **27 new tasks** were identified and others were delayed. Some tasks were cancelled in light of the burden they could cause to public entities in the centre of the crisis or due to them becoming superfluous given the current predicament.

One of the main concrete results of the aforementioned new tasks will be the publication, still in 2020, of a **progress report on the global response to Covid 19 by the public health sector**. Another report will focus on the **budget execution** and *covid 19's* impact on it. Contracts waived by law to follow all legal requirements due to the pandemic emergency will be assessed and monitored by the Court.

Meanwhile, the Court has already issued a first *covid 19* related report<sup>1</sup>:

### Identification of risks in the use of public funds during emergencies

**OBJECTIVE:** Based on the results of previous audits and on recommendations from international organisations, the Court identified key risks that public funds managers face in emergency situations, aiming to draw their attention to the need to mitigate and manage those risks and to remind them of previous Court recommendations.

**MAIN TOPICS:** A timely response to the health, economic and social crisis entails the weakening of control and accountability mechanisms, leading to increased risks of waste, mismanagement and corruption. Risks were grouped around the following topics:

- \* Risks in the regulatory, strategic and operational management of the emergency;
- \* Specific risks in the main types of measures: public subsidies, loans to businesses, donations for social support;
- \* Risks due to weaker controls and increased integrity vulnerabilities, notably in the fields of financial management, public procurement and IT systems;
- \* Risks for fiscal transparency, as concerns the calculation and communication of the precise cost and financial impact of the emergency related measures as well as accounting rules and procedures.

**RECOMMENDATIONS:** The Court warned the government and all public funds managers to be attentive to the identified risks and to consider implementing protective measures, notably:

- \* Ensuring clarity and coherence of the exceptional legislation and regulations;
- \* Issuing guidelines for an harmonised implementation of emergency measures;
- \* Defining clear lines of responsibility and coordination;
- \* Applying careful adequate parameters to IT processing of new special measures targeted to a large number of beneficiaries;
- \* Establishing monitoring mechanisms;
- \* Preventing duplications of aid;
- \* Safeguarding integrity in the response to the crisis;
- \* Ensuring proper documentation and full transparency of procedures;
- \* Maintaining fundamental controls, such as segregation of functions, cross-checking, confirmation of delivery, stock control and physical verifications;
- \* Applying budget and accounting procedures that allow the clear identification of the COVID-19 related measures, for the purpose of measurement, analysis and accountability. Only this framework allows the assessment of their impact on public accounts and fiscal sustainability.

Finally, the Court of Auditors of Portugal is also keen to participate in the work of the EUROSAI Project Group on Auditing the Response to the Covid-19 pandemic.

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<sup>1</sup><https://www.tcontas.pt/pt-pt/ProdutosTC/outras-aco-es-controlo/relatorios-oac/Documents/2020/relatorio-2020-01.pdf>