

Standard Twinning Light Project fiche

1. Basic Information

1.1. Publication notice reference: EuropeAid/137-341/DD/ACT/XK

1.2. Programme: Annual Action Programme for Kosovo* for 2014

1.3. Twinning Number: KS 14 IB FI 01 TWL

1.4. Title: **Securing sustainability of the Operational Capacity within the Office of the Auditor General Kosovo**

1.5. Sector: Public Administration Reform

1.6. Beneficiary: Kosovo

2. Objectives

2.1 Overall Objective:

The overall objective of this project is to further contribute to the stewardship of public funds and improved public financial management within Kosovo through supporting enhanced transparency and accountability in public institutions.

2.2 Project Purpose:

1. further development and improvement of the quality of the core regularity audit (including IT system audit);
2. the introduction of a new Auditor General; and
3. the development and implementation of secondary legislation foreseen under the new law¹.

2.3 Contribution to National Development Plan / Cooperation Agreement / Association Agreement / Action Plan:

The European Partnership Action Plan 2012 foresaw the strengthening of the operational capacity and financial and operational independence of the Office of the Auditor General (OAG). (Priority 150 'Strengthen operational capacities as well as operational and financial independence on High Audit

*This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

¹ Law on the Auditor General and National Audit Office of Kosovo

Institution. Monitor and implement recommendations of this institution’- is linked with other related public sector finance developments included in priorities 83, 92 and 149).

The IPA Multi Country Strategy Paper 2014-2020 sets out the priorities for EU horizontal and regional financial assistance for the period 2014-2020 to support Kosovo and its neighbours. Within this framework public financial management systems needs to be significantly strengthened to reduce the risk of fraud and corruption and there is a need to enhance governance and the institutional capacities of the governments in areas such as the management of public funds. These are areas that can be supported by an effective SAI and the OAG’s role is reinforced through references in the ‘National Strategy for European Integration - Kosovo 2020’ and particularly in the ‘Thematic Round Table – Economy, Finance and Statistics – Kosovo 2020’. The latter restates the key challenges facing the OAG and mechanisms to address these.

The European Commission in its 2013 Progress Report for Kosovo noted: ‘Oversight of the Government needs to be improved, including follow up to committee recommendations to ministries More attention needs to be paid to the reports of the Auditor General.’

The Feasibility Study for a Stabilisation and Association Agreement between the European Union and Kosovo (SWD (2012) 339 final) stated that Kosovo needs to continue to implement democratic reforms. The Assembly has to improve scrutiny of legislation and monitoring of implementation of policies and laws. The Assembly's legislative capacity needs to be further enhanced, notably those units which participate in the elaboration of laws and preparation of legislation. The legislative procedure needs to be strengthened to ensure the quality of legislation and compliance with the *acquis* through cross-sectorial cooperation within the Assembly and with other authorities. The financial and administrative independence of the Assembly from the government needs to be ensured.

The **Action Plan on Negotiation of the Stabilisation and Association Agreement** adopted on 12 March 2013 by the Parliament includes that the Assembly will approve among others the Assembly’s Strategic Plan 2013-2018, the New Rules of Procedure, as well as the strategic plan on managing human resources. The necessity for improvement of coordination between the Assembly and executive, and the enhancement of capacities to approximate the domestic legislation with EU *acquis*, and the monitoring of policy implementation are also objectives set out in the SAA Action Plan

Furthermore, the Action Plan further emphasis two key developments which will impact on the project – specifically:

- In order to meet obligations under the Stabilization and Association Agreement, a new law that will ensure organizational, functional and financial independence of the Office of Auditor General (OAG) will be approved and implemented. Also the necessary secondary legislation for implementing the law will be approved; and
- The human quality and capacity of OAG will increase through the new certifying scheme compatible with ISSAI for the Regularity Auditors of public sector.

This Twinning light project will directly contribute to the objectives mentioned above through increased quality of audits undertaken and the support this provides to Parliamentary Scrutiny. Previous quality

improvements need to be embedded and implemented across the OAG and the importance of IT system audit needs to be reflected in a broader IT audit programme. The framework provided by secondary legislation will promote an efficient and effective operational approach and support to a new Auditor General will support effective management of the OAG.

3. Description

3.1 Background and Justification:

The Office of the Auditor General continues to focus on promoting sound financial management in public administration and accountability across government. It is an independent institution that plays a role in holding to account and promoting change in Public Finance.

In order to meet obligations under the Stabilization and Association Agreement, a new law has been drafted by a working group established by the Ministry of Finance² that will ensure organisational, functional and financial independence of the Office of Auditor General (OAG). This law is expected within couple of weeks to be addressed by the Government meeting and then shall be sent to the Assembly for further proceeding.

Since September 2014 the office is running without an Auditor General. The process for appointing the Auditor General has been initiated by the President Office based on President Decree for this process. Currently a candidate name after an open process has been sent from the President to the Assembly. The Assembly shall upon the proposal of the President of Kosovo with a majority of vote of all its deputies, appoint the Auditor General for a term of five (5) years.

The office now has 146 staff. In the audit season 2014/15, 115 audit reports are planned. Emphasis is being placed on consolidating the quality of financial audit and improving management and performance audit. The latter is currently supported by a bilateral agreement with the Swedish national Audit Office which will operate until July 2016.

In the period of the proposed Twinning Light a number of initiatives will have to be developed, implemented and embedded further including:

- An up-dated Corporate Development Strategy aligned to the Kosovo European perspectives;
- An up-dated Regularity Audit manual and associated working paper package and reporting template;
- An updated Quality Management Framework;
- A new law on the Auditor General and the National Audit Office of Kosovo;
- Additional Secondary legislation in the fields of Human Resources and general administration reflecting the new law;

² Ministry of Finance are the sponsor of the new Law on the Auditor General and National Audit Office of Kosovo

- An organisational structure supporting work in relation to priorities under the European agenda;
- Established stakeholder involvement in the audit; and
- An expanded business portfolio including donor fund audits and good governance cooperation and advice.

These developments will occur against a background of the EU Integration Strategy/ the Stabilisation and Association Agreement and potentially direct budget support in the PFM field. This embeds higher expectations on financial, statistical and result reporting and development of structures securing the financial interest of the EU. Equally as important is the operation of the relatively new fifth legislature.

The previous Twinning Projects (most recently KS 11 IB FI 01 – Further Support to the Office of the Auditor General of Kosovo to Reach EU Good Practice Standards) have demonstrated tangible improvements in the work undertaken but the required quality thresholds are not being consistently met and challenges to be faced include improved:

1. Contextual understanding – using a better understanding of auditees to drive an improved audit focus and a better understanding of the OAG role related to direct EU payments;
2. Quality, timing and relevance of IT system audit outputs;
3. Clarity between opinion, compliance and good governance work;
4. Internal regulations and processes to support these requirements; and
5. Sustainability.

Kosovo is a potential European Union candidate country, currently in the initial phase of the Stabilisation and Association Process (SAP). Kosovo is undergoing the process of harmonisation of its legislation with the EU *acquis*. These procedures also require a strong modern Supreme Audit Institution. The relevant chapters of the EU *acquis* are chapters 32 (Financial Control) and 33 (Financial and Budgetary Provisions).

3.2 Linked Activities:

1. The bi-lateral cooperation agreement with the Swedish National Audit Office which mainly supports the introduction and development of Performance Audit.
2. EU funded projects Including PIFC
3. USAID projects within the PFM area related to good governance and the development of performance indicators in the municipalities, strengthening effectiveness and building a more responsive national and local administration and assemblies.

4. UNDP projects “Capacity Development Facility for Institutional Reform” works to strengthen individual and organisational capacities of the Kosovo government to meet the challenges deriving from the European integration process. The project “Public Administration Reform” provides high-level policy advice, guidance, technical and capacity development support for the implementation of the Public Administration Strategy and Action Plan.
5. SDC (Switzerland) project “Decentralisation and municipal support”.
6. OSCE Project “Support to Kosovo Assembly”. Through this project OSCE supports a number of committees and relations with civil society;
7. GIZ Project in support to Parliamentary Committee on Budget and Finance, The Project title is: “Reform of Public Finances”. GIZ supports CBF with expertise provided by international and local experts;
8. New Twinning Project: Support to the Kosovo Assembly with the aim to support the creation of independent functioning of the Kosovo Assembly, to strengthen its oversight role in relation to work of the Government and Independent Agencies and to strengthen the role of the Kosovo Assembly in EU related issues regarding SAA process.

3.3 Results

Component 1: Regularity Audit Practices – Support for Audit Teams and the Audit Support Department (ASD)

- Result 1.1 Quality in individual audit assignments
- Result 1.2 Enhanced quality review process
- Result 1.3 Training programme developed
- Result 1.4 Updated documentation of the Regularity Audit Manual including reporting template
- Result 1.5 Developed audit approach for small organisation
- Result 1.6 Guideline for audit of Direct Payments developed

Component 2: IT system Audit – Support for IT system Audit Team and Regularity Auditors

- Result 2.1 Audit staff trained and coached on carrying out IT system audit

Result 2.2 IT system audit guidelines developed

Component 3: Sustainability and Ownership – Support to the New Auditor General

Result 3.1 New incoming Auditor General coached on relevant audit/PFM issues

Component 4: Sustainability and Ownership – Development of Secondary Legislation

Result 4.1 HR secondary legislation developed

3.4 Activities:

The activities listed below represent the minimum activities to be implemented in the course of the Twinning project. Member State(s) may propose additional activities in line with the methodology elaborated in its proposal.

Component 1: Regularity Audit Practices – Support for Audit Teams and the Audit Support Department

Activity 1.1: Mentoring Audits (including the Kosovo Budget/Annual Financial Statements) of Audit teams reflecting developments made in previous projects. Skills of audit teams developed in line with good European practice specifically applying the ‘Westminster’ audit model which has been applied by the OAG in the last 5 years.

The focus of the mentoring should be on the validation of a common planned approach by teams for 2015 audits with substantial input before fieldwork commences. This will emphasise the need to minimise the ‘opinion work’ and more clearly assess and implement compliance and good governance activity. Challenge is required on actual ‘job budgets’.

Activity 1.2: The improved quality review process has been established since 2014 but needs to be reassessed in line with the updated guidance and further work is required to ensure consistent application of the review methodology by ASD.

Activity 1.3: Training programme directly addresses identified training needs. Quality control and skills of audit teams developed in line with good European practice.

Support is required to help ASD analyse the results of the 2014 and 2015 Quality Review (planning) processes to develop and deliver an effective training programme in January 2016.

Activity 1.4: Updated documentation was rolled out for 2014 audits. The impact of this need to be assessed and where necessary amended to ensure more effective application by audit teams.

Activity 1.5: A common approach is currently applied to all regularity audits. The variation in the size of audits suggests the potential to develop a small audit package including a small audit reporting template.

The proposals should focus on sustainability of regularity audit developments. Model Audit Documentation should also be the focus of work undertaken

Activity 1.6: Develop Guidelines for the audit of Direct Payments in line with good European practice.

Component 2: IT system Audit – Support for IT system Audit Team and Regularity Auditors

Activity 2.1: Mentored Audits of IT system audit team reflecting initial process in this area in the previous project. Skills of audit team developed in line with good European practice.

The focus of the mentoring should be on the validation of the planned approach by teams for 2015 audits with additional focus on strategic planning.

Activity 2.2: The existing skill base within the OAG related to IT system audit is low – guidance will have to reflect this and support the ability of all auditors to consider IT system audit issues.

The proposals should focus on sustainability of IT system audit developments.

Component 3: Sustainability and Ownership - Support to the New Auditor General

Activity 3.1: Management Coaching – to consider a range of relevant issues, including an audit strategy and relationships with Parliament.

The proposals should reflect the needs and priorities of the incoming Auditor General.

Component 4: Sustainability and Ownership – development of Secondary Legislation

Activity 4.1: Analysis of the ‘post law’ legal framework and the extent to which existing internal regulations need to be revised or enhanced within the specified timetable has already started. A number of internal guidelines and instructions (with a focus on HR issues) have been produced with the support of the last twinning but needs to be revisited, whilst others will remain. The remaining analysis should serve as a basis for the elaboration of proposals on new and/or modified internal rules with special regard to the financial and budgetary management, the management of international relations and protocol matters, as well as the ICT support.

The proposals should reflect the need to support effective implementation of the new legislation.

The table below provides an indicative work schedule regarding the aforementioned activities:

Date Duration	Activity	Output	Output (working days)
Month 1	Activity 1.1	Mission Report – Post Planning Stage/Interim Stage	MS experts 12 working days
	Activity 1.2	Workshop with ASD plus updated guideline proposals on implementation of QA process	MS experts 8 working days
	Activity 1.5	Proposals for Production of Small Audit Package and Report	MS experts 8 working days
Month 2	Activity 1.3	Training developed	MS experts 8 working days
	Activity 1.4	Manuals/Working Papers and Report Frameworks proposals for updates updated	MS experts 8 working days
	Activity 2.1	Mission Report for Each Pilot Audit - Planning Stage	MS experts 8 working days
	Activity 2.2	Guideline Proposals Prepared	MS experts 8 working days
	Activity 3.1	Specific Coaching Activities	MS experts 16 working days
Month 3	Activity 1.3	Training delivered	MS experts 4 working days
	Activity 1.6	Proposals for a guideline on audit of Direct Payments	MS experts 8 working days
	Activity 2.1	Mission Report for each pilot audit – implementation stage	MS experts 8 working days
Month 4	Activity 1.1	Proposals for update of ‘model’ audit documentation	MS experts 10 working days
	Activity 1.5	Proposals for development of small audit ‘model’	MS experts 4 working days
Month 5/6	Activity 1.1	Mission Report for Each Pilot Audit – Pre Finalisation Stage	MS experts 17 working days
	Activity 2.1	Mission Report for Each Pilot Audit – Implementation Stage	MS experts 8 working days
	Activity 4.1	Updated regulation Proposals Workshops on implementation	MS experts 25 working days
Total			160 working days

Two visibility events will be organised in the course of the implementation of the project; Kick-off meeting at the start of the implementation and a Final meeting at the end of the project activities.

Two Steering Committee meetings will be held for the purpose of reviewing the progress made under the project as well as to discuss results achieved and/or problems occurring. The first Steering Committee meeting will be held during the third month of project activities implementation in order to discuss and comment on the draft start-up report. The second Steering Committee meeting will be organised during the last month of the implementation period to discuss the draft final report.

It should be noted that the participation of the Member State Project Leader in Steering Committees meetings have to be combined with expert missions, in case the Member State Project Leader is also a short-term expert in the Twinning light project. If the Member State Project Leader is not a short-term expert in the Twinning light project then his/her visits (one visit every three months) as part of his overall task to ensure coordination and political steering of the project, should be organised at the same time as the two Steering Committee meetings of the project.

The exact participants of the Steering Committee meetings will be defined during the implementation of the project, but will at least include the following members:

- BC Project Leader;
- MS Project Leader;
- Representative of the Office of European Union; and
- Representative of the Ministry of European Integration.

The beneficiary is committed to provide all necessary infrastructure such as office space and desktop computers with internet connection for experts, venue for holding seminars and workshops, and to ensure the necessary local staff/experts inputs.

3.5 Means/Input from the MS Partner Administration:

3.5.1 Profile and Tasks of the Project Leader

One of the experts may act as a Project Leader responsible for general co-ordination of the project.

Profile of the Project Leader

Requirements:

- At least University degree in law, political science, economics or similar discipline relevant to the project;
- Minimum 10 years of experience in a managerial position within an EU MS;
- Minimum 5 years of experience in capacity building activities;
- Experience in project management;
- Fluency in written and spoken English;
- Computer literacy;
- Proven contractual relationship to public administration or mandated body as defined in Twinning Manual;
- Previous experience in at least one EU funded project having as a beneficiary a State Audit Institution; and

- Previous work experience in Kosovo is an asset.

Tasks of the Project Leader

- General overall co-ordination of the project;
- Mobilisation of the short term experts;
- Ensuring backstopping and financial management of the project in the MS;
- Permanent contacts with the main counterpart in the BC; and
- Undertaking all activities specified in the project and achieving the mandatory results.

3.5.2 Profile and tasks of the Short term Experts

Profile of the short term experts

Requirements:

- University degree in law, political science, economics or similar discipline relevant to the project;
- Minimum 5 years of experience in a State Audit Institution;
- Fluency in written and spoken English;
- Computer literacy;
- Proven contractual relationship to public administration or mandated body as defined in Twinning Manual;
- Experience in a previous SAI Twinning Project is preferred; and
- Previous work experience in Kosovo is an asset.

Tasks of the short term experts

- Undertaking all activities and achieving mandatory results;
- Conducting analysis on the area of the project components;
- Preparing and conducting training programs; and
- Elaboration and presentation of proposals on the area of the project components.

4. Institutional Framework

The main Beneficiary of this Twinning Light project is the Office of the Auditor General Kosovo.

The OAG is an independent institution funded by the Kosovo budget carrying out annual statutory regularity audit of virtually all public sector bodies. For regularity audits it produces interim and final audit reports. All of the latter are submitted to Parliament and considered by the Committee for the Oversight of Public Finances (COPF). The number of Performance audit reports is getting higher over the years and these are considered by the Assembly as well.

The organisational structure of OAG provides for an Auditor General, a Deputy Auditor General, two Assistant Auditor Generals and a Director General (covering corporate services). The Deputy Auditor General is responsible for Performance Audit with the three constituent Departments reflecting the EU integration agenda, i.e. services to citizens, private sector development and value for money in procurement. One Assistant Auditor General is responsible for Municipalities and the other for Central Organisations. Both address the EU integration pillar of good governance through their Regularity Audit work.

5. Budget

The maximum total budget for the project is EUR 250.000,00.

Interpretation and translation costs will be reimbursed from the budget only for the purpose of workshops and seminars. Up to 7% of the budget can be used for translation and interpretation purposes.

Provision for visibility costs and expenditure verification costs should be included in the budget.

6. Implementation Arrangements

6.1. Implementing Agency:

EU Office in Kosovo acts as a contracting authority and takes decisions for and on behalf of the beneficiary country.

Contact persons:

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6.2. Project Leader counterpart:

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6.3. Contracts:

It is envisaged that the Project will be implemented through one Twinning Light Contract with an indicative amount of 250.000,00 EUR.

6.4. Reporting:

The Start-up Report will cover the first two months of the contract and will be submitted during the third month. The Start-up Report will:

- Clearly define the aims and purpose of the aid provided by the project;
- Give a detailed description of the content of particular parts of the project;
- Work out in detail the activities carried out and the results achieved;
- Work out in detail all modifications agreed with the beneficiary institution;
- Review difficulties encountered during the implementation of the project and outline measures that were undertaken for their removal;
- Provide all findings obtained and preliminary conclusions; and
- Contain a general plan of activities for the implementation of the remained duration of the project.

The Final Report shall be submitted within three months upon completion of the project activities and in any case within the legal duration of the project. It shall contain the following:

- Complete review of all activities carried out by MS experts during the implementation of the project;
- Achieved progress concerning each activity;
- Summary of all project activities and results with particular emphasis on mandatory results;
- Estimation of the project impact compared with the project aims and measures of the achieved progress;
- Identification of all important problems met during the implementation of the contract and solutions that have been applied;
- Lessons drawn from the project; and
- Recommendations for further steps in future projects.

Reports shall be submitted to the Ministry of European Integration and European Union Office in Kosovo in the form of 2 hard copies and an electronic version on CD each. All reports shall be written in English and if requested by Contracting Authority and Beneficiary, in Albanian and Serbian as well.

6.5. Working Language

The working language is English. However, for the interviews, workshops and seminars, interpretation will be provided.

7. Implementation Schedule (Indicative)

Launching of the Call for Proposals: Q3 2015

Start of project activities: Q4 2015

Project completion: Q2 2016

Duration of the execution period: 9 months.

Implementation period of the Action will last 6 months.

*Please note that the awarding of the twinning contract is subject to the conclusion of a financing agreement **between the European Commission and the Kosovo Government** for the Annual Action Program for 2014, which does not modify the elements of the twinning procedure. If the precedent condition is not met, the contracting authority will cancel the call for proposal without the candidates being entitled to claim any compensation.*

8. Sustainability

Sustainability of the project will be ensured by the senior management team of the OAG. The proposals to be elaborated in order to: strengthen the core audit activity of the OAG; provide effective internal regulations; and support the incoming Auditor General will enable the OAG to further develop the quality of its outputs and therefore provide effective support to public financial management developments.

9. Crosscutting Issues

Based on the fundamental principles of promoting equality and combating discrimination, participation in the project will be guaranteed on the basis of equal access regardless of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

10. Conditionality and Sequencing

Not applicable.

ANNEX 1: Logical framework matrix in standard format

Overall objective	Objectively Verifiable Indicators	Sources of Verification	Assumptions
The overall objective of this project is to further contribute to the stewardship of public funds and improved public financial management within Kosovo through supporting enhanced transparency and accountability in public institutions.	Measuring OAG performance against International Organisation of Supreme Audit Institutions (INTOSAI) Auditing standards and good practice at mature MS SAIs.	OAG's annual reports – namely the Annual Performance Report and Annual Audit Report Individual OAG Audit Reports SIGMA assessments EU's Progress Reports	Commitment of the BC to ensure the necessary support at political level and also sufficient human resources, data and the documents. Continued OAG commitment to its Corporate Development Plan and to developmental progress in general.
Project Purpose	Objectively Verifiable Indicators	Sources of Verification	Assumptions
1. further development and improvement of the quality of the core regularity audit (including IT system audit); 2. the introduction of a new Auditor General; and 3. the development and implementation of secondary legislation foreseen under the new law	A trained cadre of audit staff with direct mentored experience of MS expert-guided good practice. Audit staff confident in carrying out the full range of OAG audits to MS level of good practice. A management who are ready to manage change. Lower level managers pushing good quality high quantity outputs. Mid-level managers proactively pushing forward value adding methods and promoting innovation. ASD further strengthened as demonstrated by enhanced QA process and associated initiatives. Quality gaps reduced.	OAG Audit Reports – the clients' reaction to these reports in terms of recommendations accepted and specific impacts of these reports. References by the Auditor General in his annual reports regarding the state of management at the OAG. SIGMA assessments. Positive and constructive media and Assembly reaction to the outputs of the OAG.	Absorption capacity of the OAG is not a constraint and the OAG takes ownership of cascading what is learned during the Project to the whole office. Law on the Auditor General and National Audit Office approved New Auditor General appointed
Results	Objectively Verifiable Indicators	Sources of Verification	Assumptions
Component 1: Regularity Audit Practices – Support for Audit Teams and the Audit Support		Final report Mission Reports	Necessary support from the OAG Senior Management Team

<p>Department</p> <p>1.1 Quality in individual audit assignments</p> <p>1.2 Enhanced quality review process</p> <p>1.3 Training programme developed</p> <p>1.4 Updated documentation of the Regularity Audit Manual including reporting template</p> <p>1.5 Developed audit approach for small organisation</p>	<p>Mission Report produced– Post Planning Stage/Interim Stage</p> <p>Results of ASD QA results</p> <p>Proposals drafted for update of ‘model’ audit documentation</p> <p>Mission Report for each pilot audit produced – pre finalisation stage</p> <p>Analysis</p> <p>Consultation</p> <p>Preparation of Documentation</p> <p>Adopted approach</p> <p>Workshop with ASD plus updated guideline proposals on implementation of QA process</p> <p>Training programme developed</p> <p>Training organised and delivered</p> <p>Manuals/Working papers and report frameworks proposals for updates updated</p> <p>Proposals for production of small audit package and report</p> <p>Proposals for development of small audit ‘model’</p>	<p>ASD Reports and Bulletins</p> <p>Proposals for updates to manuals/ guidelines etc.</p> <p>Workshop/Training materials</p>	<p>(SMT). Low turnover of key staff</p> <p>Availability of the committed and enthusiastic staff members for Pilot Audit/ Workshops etc.</p> <p>OAG staff respond positively to STE approach of mentoring and challenging</p> <p>Timely and adequate availability of pilot audit documentation in advance of STE visits</p> <p>All involved proactively share experiences with colleagues</p>
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<p>1.6 Guideline for audit of Direct Payments developed</p>	<p>Proposals drafted for a guideline on audit of Direct Payments</p>		
<p>Component 2: IT system audit – support for IT system audit team and regularity auditors</p>			
<p>2.1 Audit staff trained and coached on carrying out IT system audit</p>	<p>Mission Report for each pilot audit – planning stage produced</p>		
	<p>Analysis Consultation Preparation of Documentation Adopted approach</p>		
	<p>Mission Report for each pilot audit – implementation stage produced</p>		
<p>2.2 IT system audit guidelines developed</p>	<p>Updated Guidelines Guideline proposals prepared</p>		
<p>Component 3: Sustainability and Ownership – Support to the New Auditor General</p>			
<p>3.1 New incoming Auditor General coached on relevant audit/PFM issues</p>	<p>Specific coaching activities carried Coaching events</p>		
<p>Component 4: Sustainability and Ownership – development of Secondary Legislation</p>			
<p>4.1 HR secondary legislation developed</p>	<p>Analysis Consultation Preparation of Documentation Updated regulation proposals</p>		

	Workshop on implementation		
Activities	Means	Specification of costs	Assumptions
<p>Component 1: Regularity Audit Practices – Support for Audit Teams and the Audit Support Department</p> <p>Activity 1.1: Mentored Audits of Audit teams reflecting developments made in previous projects. Skills of audit teams developed in line with good European practice.</p> <p>The focus of the mentoring should be on the validation of the planned approach by teams for 2015 audits with substantial input before fieldwork commences. This will emphasise the need to minimise the ‘opinion work’ and more clearly assess and implement compliance and good governance activity. Challenge is required on actual ‘job budgets’.</p> <p>Activity 1.2: Enhanced quality review process undertaken by Audit Support Department (ASD). Skills of audit teams developed in line with good European practice.</p> <p>The improved quality review process has been established since 2014 but need to be reassessed in line of updated guidance and further work is required to ensure consistent application of the review methodology by ASD</p> <p>Activity 1.3: Training programme directly addresses identified training needs. Skills of audit teams developed in line with good European practice.</p>	One twinning light project	€ 250.000	<p>Necessary support from the OAG SMT. Low turnover of key staff</p> <p>Availability of the committed and enthusiastic staff members for Pilot Audit/ Workshops etc.</p> <p>OAG staff respond positively to STE approach of mentoring and challenging</p> <p>Timely and adequate availability of pilot audit documentation in advance of STE visits</p> <p>All involved proactively share experiences with colleagues</p>

<p>Support is required to help ASD analyse the results of the 2014 and 2015 Quality Review (planning) processes to develop and deliver an effective training programme in January 2016.</p> <p>Activity 1.4: Update of the Regularity Audit Manual and associated documentation including reporting templates. Skills of audit teams developed in line with good European practice.</p> <p>Updated documentation was rolled out for 2014 audits. The impact of this need to be assessed and where necessary amended to ensure more effective application by audit teams.</p> <p>Activity 1.5: Development of an approach for the audit of small organisations. Skills of audit teams developed in line with good European practice.</p> <p>A common approach is currently applied to all regularity audits. The variation in the size of audits suggests the potential to develop an audit package for small organisations including a reporting template.</p> <p>The proposals should focus on sustainability of regularity audit developments. Model Audit Documentation should also be the focus of work undertaken</p> <p>Activity 1.6: Proposal for a guideline on audit of Direct Payments</p> <p>Component 2: IT system Audit – Support for IT system Audit Team and Regularity Auditors</p>			
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<p>Activity 2.1: Mentored Audits of IT system audit team reflecting initial process in this area in the previous project. Skills of audit team developed in line with good European practice.</p> <p>The focus of the mentoring should be on the validation of the planned approach by teams for 2015 audits with additional focus on strategic planning.</p> <p>Activity 2.2: Development of IT system Audit Guidelines and associated documentation. Skills of audit teams developed in line with good European practice.</p> <p>The existing skill base within the OAG related to audit of IT systems is low – guidance will have to reflect this and support the ability of all auditors to consider IT system audit issues.</p> <p>The proposals should focus on sustainability of IT system audit developments.</p> <p>Component 3: Sustainability and Ownership - Support to the New Auditor General</p> <p>Activity 3.1: Management Coaching – to consider a range of relevant issues including relationships with Parliament.</p> <p>The proposals should reflect the needs and priorities of the incoming Auditor General.</p> <p>Component 4 : Sustainability and Ownership – development of Secondary Legislation</p> <p>Activity 4.1: Analysis of the ‘post law’ legal framework and the extent to which existing internal</p>			
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regulations need to be revised or enhanced within the specified timetable has already started. A number of internal guidelines and instructions (with a focus on HR issues) will be produced before the Twinning light starts, whilst others will remain. The remaining analysis should serve as a basis for the elaboration of proposals on new and/or modified internal rules with special regard to the financial and budgetary management, the management of international relations and protocol matters, as well as the ICT support.

The proposals should reflect the need to support effective implementation of the new legislation