



ANNEX C1: Twinning Fiche

Project title: Further strengthening of Kosovo National Audit Office impact

Beneficiary administration: Kosovo National Audit Office (KNAO)

Twining Reference: KS 17 IPA FI 01 19

Publication notice reference: EuropeAid/163152/DD/ACT/XK

EU funded project

TWINNING INSTRUMENT

1. Basic Information

1.1 Action Programme for Kosovo*¹ for the year 2017, Objective I, Part II, IPA 2017/040-507, Sector Budget Support under the Instrument for Pre-accession Assistance (IPA II), under direct management mode.

For British applicants: Please be aware that eligibility criteria must be complied with for the entire duration of the grant. If the United Kingdom withdraws from the EU during the grant period without concluding an agreement with the EU ensuring in particular that British applicants continue to be eligible, you will cease to receive EU funding (while continuing, where possible, to participate) or be required to leave the project on the basis of Article 12.2 of the General Conditions to the grant agreement.

1.2 Twinning Sector: Democracy and Governance.

1.3 EU funded budget: maximum amount 700,000.00 Euro.

2. Objectives

2.1 **Overall objective** of this project is to further improve the public financial management in Kosovo and build confidence in public spending by promoting transparency and enhancing public accountability.

2.2 **Specific objective** is to support the National Audit Office of Kosovo (KNAO) to further develop its capacities for sustainable delivery of its mission's objectives according to International Standards of Supreme Audit Institutions (ISSAI) and enhance its impact through an intensified communication with citizens, Parliament and other stakeholders².

2.3 The elements targeted in key strategic documents, i.e. Stabilization and Association Agreement (SAA), the National Programme for Implementation of the SAA (NPISAA); the European Commission Report on Kosovo 2018 and the KNAO Strategic Plan (2018-2021).

- **Stabilization and Association Agreement between the European Union and the European Atomic Energy Community and Kosovo**

Article 97: Public internal financial control and external audit oblige the Parties (Kosovo and EU) to cooperate with the aim of further developing an independent external audit function in Kosovo consistent with internationally accepted standards and EU good practice. Cooperation shall also focus on capacity building of the KNAO (former Office of Auditor General).

- **National Programme for Implementation of the Stabilisation and Association Agreement**

Increasing the number of implemented audit recommendations by audited entities is one of the measures in the National Programme for Implementation of the Stabilisation and Association Agreement.

- **The European Commission Report on Kosovo 2018**

The Report in the chapter on financial control noted that the KNAO has started to engage more proactively with civil society. However, implementation of the recommendations in the Annual Audit Report is modest and needs to improve. The impact of audit work is limited. Implementation of audit recommendations needs to improve, especially at municipal levels. Only 26 % of the recommendations issued in 2015 were fully implemented, 37 % partially and 38 % not at all³.

- **Kosovo National Audit Office Strategic Plan (2018-2021)**

Outward Communication and Relations of KNAO with audited entities and the Assembly of Kosovo (AoK) is specified in the recently approved Strategic Plan (2018-2021) of KNAO. Specifically, in the Strategic Goal 3: Communication, Impact and Integration, through strategic objective 1, KNAO aims to develop and maintain good external relations by promoting audit and enhancing impact. With strategic objective 2 KNAO intends to

¹ 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

² "Stakeholder" is defined in this document as a person, group, organisation, member or system that can affect or can be affected by the actions, objectives and policies of government and public sector entities

³ The Annual Audit Report for 2016 shows a slight improvement with implementation of audit recommendations. 34% of total recommendations fully implemented and another 26% partially implemented.

enhance cooperation with the Assembly of Kosovo (AoK) and parliamentary committees in order to increase the accountability in the public sector. Finally, with the strategic objective 3, KNAO plans to enhance the impact through follow-up audits and by establishing effective mechanisms to follow-up implementation of audit recommendations.

As for the 1st Strategic Goal “Independence and Professional Standards” in the Strategic Plan, KNAO intends to fulfil the constitutional and legal mission by carrying out audits of relevance in line with ISSAIs. Strategic objectives within this goal are as follows: 1. to strengthen independence and mandate in line with ISSAIs, including necessary legislative changes; 2. to advance audit methodology and quality control systems to ensure audit quality according to ISSAIs, including automation of audit; and 3. to improve quality and increase the portfolio of Publicly Owned Enterprises (POEs).

3. Description

3.1 Background and justification:

Currently KNAO has 164 employees, 137 of which are audit staff. It drafts and submits to the AoK and audited entities over 130 regularity and performance audit reports annually. All audit reports are made public.

In accordance with the Constitution, the Auditor General (AG)⁴ is the highest institution of economic and financial control in the Republic of Kosovo. The AG exercises its functions under the law and is functionally, financially and operationally independent in exercising its functions and responsibilities. AG reports to the AoK.

KNAO has the right to audit all financial, administrative and other activities, programs and projects managed by public institutions, including the process and proceeds from the sale of assets, privatizations and concessions. KNAO conducts regularity audits of the Kosovo Budget and all budget organizations (BOs) as well as POEs. KNAO also executes performance audits. KNAO has the right to follow public funds to the final beneficiary.

KNAO exercises its mandate in accordance with national legislation and the International Standards of Supreme Audit Institutions (ISSAIs).

The current law on KNAO was approved in June 2016. After this date, important updates have been made to the ISSAIs, while no general review has yet been carried out to analyse how the KNAO law addresses the requirements of the updated ISSAIs. There is therefore a need to reflect in the Audit Manual and relevant working papers the way KNAO can address the demands arising from the national legislation and the updated ISSAIs.

With updating of standards related to accounting and financial reporting, the reporting methods in the annual financial statements have also changed. While most of the documentation (manual and working papers) have a significant scope in the audit of the statements prepared in the Cash Accounting Basis, the financial reporting of BOs has been advanced to the so-called modified cash basis, which means that a significant number of the statements prepared on the accrual basis have been added.

This gap is even more pronounced in the audit of POEs where financial reporting is conducted on the basis of accrual accounting. As KNAO has increased the audit portfolio of POEs (from 9 in the last audit season to 12 in the audit season 2018/19) by including those POEs that are considered highly complex, the auditors involved need further support.

Therefore, an important objective of this Project is to update the Regularity Audit Manual and relevant working papers, in accordance with the applicable legislation and updated ISSAIs and to further develop professional capacities of KNAO staff, related to auditing of financial statements prepared based on accrual basis of accounting. The previous Twinning projects have demonstrated as a result significant improvements in the work undertaken, however, the focus of this Project is more specifically on accrual components of BOs and audit of large and complex POEs.

Although KNAO enjoys a high credibility among the general public in Kosovo, consistent audit recommendation implementation has been lacking, despite the efforts of KNAO to mobilise action by audited entities. Over 1000 audit recommendations are given to audited entities annually and only around one third of them have been implemented by audited entities. KNAO believes that this Project will contribute to improving the implementation of the audit recommendations by audited entities, and the impact of KNAO in general as

⁴ Throughout the document, the word AG will be substituted by KNAO for ease of reference. Both have the meaning of a supreme audit institution of Kosovo.

well as improve KNAO's relations with audited entities and the AoK. KNAO has also engaged with other stakeholders and donors in the working group on Public Finance Management Reform Strategy, pushing for increased accountability of public institutions.

Through this Project KNAO wants to make audit recommendations publicly available in an easy-to-understand format through an online database. KNAO also aims at intensifying communication with citizens, Parliament and other stakeholders in order to increase its impact through implementation of recommendations by audited entities.

3.2 Ongoing reforms:

Kosovo is implementing the Public Finance Management Reform Strategy (PFMRS) 2016-2020, adopted in June 2016. It addresses fiscal discipline, allocation and operational efficiency and cross-cutting issues. A total of twelve (12) strategic priority areas have been identified and addressed through this Strategy.

The strategy is complemented by the National Public Procurement Strategy 2017-2021, adopted in January 2017 and under the responsibility of the Public Procurement Regulatory Commission (PPRC) and the Public Internal Financial Control Strategy (PIFC) 2015-2019, adopted in 2015 and under the responsibility of the Central Harmonisation Unit (CHU) within the Ministry of Finance (MoF).

Public Finance Management Reform Strategy of Kosovo 2016-2020, especially the Priority number 9, in the chapter on Strengthening external audit, requires improvement of the communication with the AoK. KNAO is implementing measures in order to increase impact of the audit work, and at the same time is committed to further develop relationship with appropriate contacts in the AoK, mainly Budget and Finance Committee (BFC) and the Committee for Oversight of Public Finances (COPF), by using KNAO's findings to hold the government accountable. It is expected that this coming Project will contribute to further implementation of the abovementioned reform.

3.3 Linked activities:

KNAO is supported by Swedish National Audit Office (SNAO) through a cooperation agreement named "Institutional Development of the National Audit Office of the Republic of Kosovo" on further strengthening the institutional capacity and capability of KNAO. The current cooperation agreement has started with its implementation in July 2017 and will last until June 2020.

The project comprises of six components: Management, Performance auditing, Human Resource Management, Regularity auditing (FA & CA), Communication and other development activities (strategic planning, annual audit plan, etc).

Another project supported by the World Bank (WB) has just started in October 2018 and it will be completed by September 2019. The Project aims at strengthening KNAO's capacity on the value for money (VFM) in the field of procurement and developing working papers and audit programs for VFM on procurement based on relevant ISSAIs.

KNAO has a continuous cooperation with USAID within the project "Transparent, Effective and Responsible Municipality – TEAM". TEAM is a five year project financed by the USAID in Kosovo that started in January 2017 and is planned to be completed in January 2022. The project is designed to improve the process of procurement, transparency and oversight, through provision of comprehensive assistance to all municipalities of Kosovo in order to improve accountability for public funds and spending. The project is also assisting KNAO in the development of capacities and methodology in the areas of fraud detection at the local governance level, and detection of fraud in the procurement area at the central government.

In addition, the project is supporting KNAO with introduction of an Audit Management System (AMS). During the first quarter of 2019, the project will hire consultants to assist KNAO in performing mapping of audit processes that would be supported by the AMS.

KNAO also cooperates with the German Society for International Cooperation (GIZ) that supports AoK, in particular the parliamentary committees COPF and BFC.

In addition KNAO cooperates with Swiss Cooperation Office through the Decentralisation and Municipal Support – (DEMOS) project, which focuses on supporting Kosovo municipalities.

KNAO has also signed bilateral cooperation agreements with the Supreme Audit Institution (SAI) of Albania, Turkey and the Wales Audit Office.

With regards to human capacity building, besides coaching, mentoring and training activities with SNAO, KNAO auditors attended internships programs provided by the European Court of Auditors (ECA) and U.S. Government Accountability Office (GAO).

3.4 List of applicable *Union acquis*/standards/norms:

Acquis Chapter 32: Financial Control. This chapter covers two main policy areas: (a) the internal control of public finances (ICPF) and external auditing (EA); and (b) protection of financial interests of EU and protection of Euro from counterfeiting. Concerning the ICPF and external audit, there is no specific EU legislation that would be used in approximation with national laws. Instead, the states commit in adopting the International Organization of Supreme Audit Institutions (INTOSAI) standards known as ISSAIs, as well as good practices of EU.

Other legislation relevant to the external audit includes:

Law on Management of Public Finances and Responsibilities; Law on Public Procurement; Law on Civil Service; Law on Publicly Owned Enterprises; Law on Salaries of Civil Servants; Anti-Corruption Law.

Constitution of Kosovo articles 136, 137 and 138.

Law No. 05/L-055 On the Auditor General and the National Audit Office of the Republic of Kosovo.

3.5 Results per component

Mandatory Result 1 (Component 1): Communication with citizens, Parliament and other stakeholders enhanced

The following indicative sub-results will be achieved:

Sub-Result 1.1

Strengthened effective communication with citizens, Parliament and other stakeholders.

Sub-Result 1.2

Strengthened coordination and communication with relevant parliamentary committees.

Sub-Result 1.3

More effective dialogue and communication with the public and main stakeholders.

Sub-Result 1.4

Strengthened communication and effective consultations of KNAO with diverse Civil Society Organizations.

Mandatory Result 2 (Component 2): Institutional capacities of KNAO strengthened

The following indicative sub-results will be achieved:

Sub-Result 2.1

KNAO impact increased, through implementation of recommendations by audited entities.

Sub-Result 2.2

Improved methodology of issuing audit recommendations and their implementation.

Sub-Result 2.3

Enhanced skills of the Audit Team Leaders to measure accurately the level of progress with implementation of recommendations.

Sub-Result 2.4

General and technical capacities of KNAO staff strengthened.

Mandatory Result 3 (Component 3): Improved Audit Manuals (Financial and Compliance) and working papers, in accordance with applicable legislation and updated ISSAIs

The following indicative sub-results will be achieved:

Sub-Result 3.1

General role of KNAO in the area of Public Financial Management strengthened.

Sub-Result 3.2

Improved Audit Manuals and Working Papers Package.

Sub-Result 3.3

Strengthened KNAO staff capacities in the use of updated manuals.

Sub-Result 3.4

Enhanced skills of relevant KNAO staff through studying new practices and learning from the experiences of the MS - SAI.

3.6 Means/input from the EU Member State Partner Administration(s)*:

3.6.1 Profile and tasks of the PL:

Requirements: The Member State Project Leader (PL)

- University degree or equivalent professional experience of 8 years within an EU MS public administration or supreme audit institution;
- Minimum 3 years of management experience within an EU MS public administration or supreme audit institution;
- Experience in project management;
- He/she must have good leadership skills and a broad knowledge of policies and processes in the area of external audit, including the control of EU funds;
- Fluency in written and spoken English;
- Proven contractual relationship to public administration or mandated body as defined in twinning manual.

Tasks of Project Leader

- General overall supervision and coordination of the project;
- Ensuring backstopping and mobilisation of the short-term experts;
- Bears the overall responsibility for the correct and successful implementation of the project and for its sound financial management;
- Permanent contacts with the main counterpart in the BC;
- Undertaking all activities specified in the project and achieving the mandatory results.

3.6.2 Profile and tasks of the RTA:

Requirements: RTA

- University degree or equivalent professional experience of 8 years within an EU MS public administration or supreme audit institution;
- Minimum 3 years of experience in an EU MS public administration or public sector financial audit/SAI;
- Experience in project management;
- Experience in implementing similar or related assistance and cooperation projects will be considered an asset;
- Fluency in written and spoken English;
- Proven contractual relationship to public administration or mandated body as defined in twinning manual.

Tasks:

- Throughout its entire duration and he/she is in charge of the day-to-day implementation;
- Advice and technical assistance to the representatives of the Beneficiary administration;
- Reports regularly to the Member State PL;
- Actively contribute to the work of any sector monitoring process set up in the Beneficiary country;
- Regularly updates the work plan to be transmitted to the Project Steering Committee under the authority of the Member State PL;
- Advising on EU policies and best practices, related legislation and regulations;
- Networking with stakeholders of the project in Kosovo and in MS.

3.6.3 Profile and tasks of the Component Leaders:

Requirements: Component Leaders

- University degree or equivalent professional experience of 8 years within an EU MS public administration or supreme audit institution;
- Minimum 3 years of experience in an EU MS public administration or public sector financial audit/SAI;
- Fluency in written and spoken English;
- Proven contractual relationship to public administration or mandated body as defined in twinning manual.

Tasks:

- Advice and technical assistance to the representatives of the Beneficiary administration;
- Reports regularly to RTA and the Member State PL;
- Actively contribute to the work of any sector monitoring process set up in the Beneficiary country;
- Support the RTA in updating the work plan to be transmitted to the Project Steering Committee under the authority of the Member State PL.

3.6.4. Profile and tasks of other short-term experts:

Requirements: STE

- University degree or equivalent professional experience of 8 years within an EU MS public administration or supreme audit institution;
- Minimum 3 years of experience in an EU MS public administration or in areas relevant to their specific assignment;
- Fluency in written and spoken English;
- Good skills in reporting and communication.

Tasks:

- Delivering expertise under the overall responsibility of the Member State PL and the coordination and supervision of the RTA;
- Delivering support to the Beneficiary administration through specific activities in the Beneficiary country, including workshops, seminars, training sessions, meetings with officials of the Beneficiary administration, joint drafting sessions, etc;
- Preparation and reporting work, before and after their missions to the Beneficiary country.

4. Budget

Maximum budget 700,000.00 Euro.

5. Implementation arrangements

5.1 European Union Office in Kosovo

Postal address: Kosova Street 1, P.O.Box 331, Pristina 10000, Kosovo

Phone number: +383 38 5131 200

Email: delegation-kosovo@eeas.europa.eu

Contact person

Mrs. Burbuqe Kelmendi

Project Officer/Twinning Coordinator

Email: burbuqe.kelmendi@eeas.europa.eu

5.2 Institutional framework

The beneficiary of this Twinning project is Kosovo National Audit Office, Department for Methodology and Quality Control, Divisions of Audit of Budgetary Organisation and POEs.

5.3 Counterparts in the Beneficiary administration:

5.3.1 Contact person & PL counterpart

Mr. Ilir Salihu

Deputy Auditor General

Kosovo National Audit Office

Lagjja Arbëria, Str. Ahmet Krasniqi 210, Pristina 10000, Kosovo

5.3.2 RTA counterpart

Mr. Riza Spanca

Team Leader for Methodology, Standards and Development

Kosovo National Audit Office

Lagjja Arbëria, Str. Ahmet Krasniqi 210, Pristina 10000, Kosovo

6. Duration of the project

18 months.

7. Management and reporting⁵

7.1 Language

The official language of the project is the one used as contract language under the instrument (English / French). All formal communications regarding the project, including interim and final reports, shall be produced in the language of the contract.

7.2 Project Steering Committee

A project steering committee (PSC) shall oversee the implementation of the project. The main duties of the PSC include verification of the progress and achievements *via-à-vis* the mandatory results/outputs chain (from mandatory results/outputs per component to impact), ensuring good coordination among the actors, finalising the interim reports and discuss the updated work plan. Other details concerning the establishment and functioning of the PSC are described in the Twinning Manual.

7.3 Reporting

All reports shall have a narrative section and a financial section. They shall include as a minimum the information detailed in section 5.5.2 (interim reports) and 5.5.3 (final report) of the Twinning Manual. Reports need to go beyond activities and inputs. Two types of reports are foreseen in the framework of Twinning: interim quarterly reports and final report. An interim quarterly report shall be presented for discussion at each meeting of the PSC. The narrative part shall primarily take stock of the progress and achievements *via-à-vis* the mandatory results and provide precise recommendations and corrective measures to be decided by in order to ensure the further progress.

⁵ Sections 7.1-7.3 are to be kept without changes in all Twinning fiches.

8. Sustainability

Sustainability of the project will be ensured by the senior management team of KNAO, and staff involved in the project. The proposal to be elaborated in order to develop capacities of KNAO and to provide effective guidance on communication, impact and updated audit approach; and enable KNAO to further develop the quality of its outputs, therefore provide effective support to public financial management developments.

9. Crosscutting issues

During implementation of the project, specific attention will be paid to the need for gender balance and equal opportunities for all communities in the selection process. Terms of reference will cover the impact of the project on women and minorities, including employment opportunities, and will encourage the beneficiary to comply with Kosovo law on employment of women and minorities. Minority representation will be pursued across the civil service and in all aspects of activities on the project. Active steps will be needed to encourage adequate minority participation in selection procedures for the programme.

During implementation of the project production of printed material will be kept to the strictest minimum. The project is of a purely technical nature and does not have a direct impact on environment.

10. Conditionality and sequencing

Projects to be implemented through twinning require the full commitment and participation of the senior management of the beneficiary institution. In addition to providing the twinning partner with adequate staff and other resources to operate effectively, the senior management must be actively involved in the development and implementation of the policies and institutional change required to deliver the project results.

11. Indicators for performance measurement

Indicators for Result 1:

- A published Strategy for effective communication with citizens, Parliament and other stakeholders, tailored to women and men's different communication needs.
- Number of performance audit reports submitted to and reviewed by the relevant parliamentary committees (except COPF) increased, from 1 in 2018, up to 10 in 2020.
- Number of performance audit reports presented to public and main stakeholders increased, from 2 in 2018, up to 6 in 2020.
- Number of meetings of the Consultative Forum, increased from 0 in 2018 up to 2 in 2020.

Indicators for Result 2:

- Level of implemented recommendations by audited entities increased, from 26 % in 2017 up to 35 % in 2020.
- A finalised report on causes behind the low level of implementation of audit recommendations.
- Finalized guidelines based on the new approach for drafting recommendations.
- Trainings for drafting recommendations identified, organised and delivered.
- Fifteen (15) KNAO staff (disaggregated by gender) has gained new experiences from the partner SAI on the methodology for measuring implementation of recommendations and their impact through a study visit to the MS-SAI.
- Audit recommendations database online on KNAO's web page.

Indicators for Result 3:

- The evaluation report on compatibility among KNAO mandate, law on KNAO and updates ISSAI-s, prepared and submitted to KNAO.
- Manual and working papers including practical examples that are linked to the accrual components of the financial statements and requirements from AMS are updated.
- Mission reports that documents work done with pilot teams, covering pre-planning stage/planning/execution/reporting stage.
- Trainings related updates in manual and working papers, delivered to audit team leaders.
- Fifteen (15) KNAO staff (of dept. of methodology and quality control and staff involved in auditing of POEs and financial audit team leaders of budgetary organizations, disaggregated by gender), have learned new practices and experiences from a study visit to the MS- SAI.

12. Facilities available

- office space including chairs, tables, air-conditioning, etc.;
- computers including laptops and photocopiers;
- software and licenses including email systems and Internet access (enabling speedy communication);
- security measures linked to infrastructure and/or communication systems;
- secretarial support;
- venues for conferences, training and workshops;
- information access rights relevant to the assignment.

ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format (compulsory)

ANNEX 1: LOGICAL FRAMEWORK MATRIX IN STANDARD FORMAT

Further strengthening of Kosovo National Audit Office(KNAO) impact					
	Description	Indicators (with relevant baseline and target data)	Sources of Verification	Risks	Assumptions (external to project)
Overall Objective	To further contribute to improved public financial management in Kosovo and building confidence in public spending by promoting transparency and enhancing public accountability.	<ul style="list-style-type: none"> • Proper and efficient utilisation of public funds and EU assistances. • Transparency and public confidence • Compliance of Kosovo system with EU PIFC policy, EU expectation and good practices. 	<ul style="list-style-type: none"> • KNAO's Annual Audit Reports • EU Commission Country Progress Reports • SIGMA assessments • OECD reports 		Total budget 700.000,00 Euro
Specific (Project) Objective(s)	To support the National Audit Office of Kosovo (KNAO) to further develop its capacities for sustainable delivery of its mission's objectives according to ISSAIs and enhance its impact through an intensified communication with citizens, Parliament and other stakeholders.				

	Description	Indicators (with relevant baseline and target data)	Sources of Verification	Risks	Assumptions (external to project)
Mandatory results/outputs by components	<p>1st Result:</p> <p>Communication with citizens, Parliament and other stakeholders enhanced</p> <p>1.1 Strengthened effective communication with citizens, Parliament and other stakeholders.</p> <p>1.2 Strengthened coordination and communication with relevant parliamentary committees.</p> <p>1.3 More effective dialogue and communication with the public and main stakeholders.</p> <p>1.4 Strengthened communication and effective consultation of KNAO with Civil Society Organisations.</p>	<p>A published Strategy for effective communication with citizens, Parliament and other stakeholders.</p> <p>Number of performance audit reports submitted to and reviewed by the relevant parliamentary committees (except COPF) increased, from 1 in 2018, up to 10 in 2020.</p> <p>Number of performance audit reports presented to public and main stakeholders increased, from 2 in 2018, up to 6 in 2020.</p> <p>Number of meetings of the Consultative Forum, increased from 0 in 2018 up to 2 in 2020.</p>	<p>KNAO web page.</p> <p>Minutes of meetings of relevant parliamentary committees.</p> <p>Minutes of meetings.</p> <p>Meetings' conclusions.</p>	<p>Parliamentary committee not keeping the pace of work and timetable</p> <p>Civil Society do not participate actively through consultative forum</p>	<p>KNAO Strategic Plan 2018-2021.</p> <p>Commitment of KNAO senior management to continue an open dialogue and cooperation with media and CSOs</p> <p>KNAO providing necessary logistics.</p>

	Description	Indicators (with relevant baseline and target data)	Sources of Verification	Risks	Assumptions (external to project)
	<p>2nd Result:</p> <p>Institutional capacities of KNAO strengthened</p> <p>2.1 KNAO impact increased, through implementations of recommendations by audited entities.</p> <p>2.2 Improved methodology of issuing audit recommendations and their implementation.</p> <p>2.3 Enhanced skills of the Audit Team Leaders to measure accurately the level of progress with implementation of recommendations.</p> <p>2.4 General and technical capacities of KNAO staff strengthened.</p>	<p>Level of implemented recommendations by audited entities increased, from 26 % in 2017 up to 35 % in 2020.</p> <p>A finalised report on causes behind the low level of implementation of audit recommendations.</p> <p>Finalized guidelines based on the new approach for drafting recommendations.</p> <p>Trainings for drafting recommendations identified, organised and delivered.</p> <p>Fifteen (15) KNAO staff has gained new experiences from the partner SAI on the methodology for measuring</p>	<p>Specific report as requested by 2.1.</p> <p>Mission reports.</p> <p>KNAO working papers.</p> <p>Training materials and records.</p> <p>Study visit materials and records.</p>	<p>The relevant bodies involved in improvement process are not engaged to address the required changes.</p> <p>The entities do not take actions on implementation of recommendations.</p>	<p>Continued KNAO commitment to improving writing of audit recommendation.</p> <p>Absorption capacity of the KNAO is not a constraint and the KNAO takes ownership of cascading what is learned during the project to the whole office.</p> <p>KNAO having operational, functional and financial independence.</p>

		<p>implementation of recommendations and their impact through a study visit to the MS-SAI.</p> <p>Audit recommendations database online on KNAOs web page.</p>	<p>Database in place.</p>	<p>Lack of operator that can address the technical requirements.</p> <p>Failure in procurement procedures</p>	
	<p>3rd Result:</p> <p>Improved Audit Manuals (Financial and Compliance) and working papers, in accordance with applicable legislation and updated ISSAIs.</p> <p>3.1 General role of KNAO in the area of Public Financial Management strengthened.</p> <p>3.2 Improved Audit Manuals and Working Papers Package.</p> <p>3.3 Strengthen KNAO staff capacities in the use of updated manuals.</p>	<p>The evaluation report on compatibility among KNAO mandate, law on KNAO and updates ISSAI-s, prepared and submitted to KNAO.</p> <p>Manual and working papers including practical examples that are linked to the accrual components of the financial statements and requirements from AMS are updated.</p> <p>Mission reports that</p>	<p>Improvements in approach to fulfil the mandate.</p> <p>Specific comment to relevant bodies for required amendments (changes) in current law in compliance with ISSAIs.</p> <p>Mission reports.</p> <p>Proposals for updates to manuals /guidelines/working papers.</p>	<p>Member states' relevant institutions interested in establishing a twinning arrangement. The legal framework is in line with EU standards.</p>	<p>Support from KNAO Senior Management Team. Low turnover of staff.</p> <p>Necessary support and access in relevant documentations for assessments.</p> <p>Availability of the committed and enthusiastic staff for pilots.</p> <p>KNAO staff responds positively to</p>

	<p>3.4 Enhanced skills of relevant KNAO's staff through studying new practices and learning from the experiences of the MS-SAI.</p>	<p>documents work done with pilot teams, covering pre-planning stage/planning/execution/reporting stage.</p> <p>Trainings related updates in manual and working papers, delivered to audit team leaders.</p> <p>Fifteen (15) KNAO staff (of dept. of methodology, quality control and staff involved in auditing of POEs and financial audit team leaders of budgetary organizations), have learned new practices and experiences from a study visit to the MS- SAI.</p>	<p>Training materials.</p> <p>Relevant bodies assessments.</p> <p>Study visit materials and records.</p>	<p>project experts approach of mentoring and coaching.</p> <p>Timely and adequate availability of pilot audit documentation.</p> <p>All involved proactively share experiences with colleagues.</p> <p>Commitment of the relevant institutions and the Government.</p> <p>Beneficiary allocates sufficient staff for the project and provides office space.</p> <p>The staff is motivated to participate and learn.</p>
--	---	--	--	---

Sub-results per component (optional and indicative)		Means One Twinning contract	Costs 700.000,00		Assumptions
--	--	--	-----------------------------------	--	--------------------