

# **Development Strategy of the Supreme Audit Office of the Slovak Republic for 2014 - 2020 and its elaboration**

## **Strategic Objective 1 - Development of audit activities**

Audit activity and its systematic development is the main strategic objective of the SAO SR management. This area of activities in the SAO SR conditions requires to focus continually and in its complexity on the audit activity, ensuring the highest quality of its performance, realisation and monitoring of the achieved results. It is essential to ensure that the scope and mode of implementation of the audit activity is in line with the ISSAIs, the relevant generally binding regulations as well as the conclusions and recommendations resulting from the INTOSAI Congresses documents, other international organizations and relevant international conventions. The implementation of ISSAIs in internal regulations and their consistent application in audit activities is indispensable for achieving international quality criteria in audit procedures. In this context, it will be necessary:

### **MEASURE 1 FOCUS AUDIT ACTIVITY ON IMPORTANT PUBLIC POLICIES**

#### **Specific activities**

##### **Activity 1.1**

To elaborate Strategic Plan of SAO SR Audit Activity for 2015-2020 with a focus on significant public policies and to ensure its continuous up-date.

##### **Activity 1.1.1**

To identify partners and target groups of potential topics / areas of strategic focus for SAO SR audit activity;

##### **Activity 1.1.2**

To communicate the strategy of audit activities by NKU SR with target groups.

##### **Activity 1.2**

To develop an annual control plan using a risk analysis for 2015 and then annually.

##### **Activity 1.3**

To perform monitoring and evaluation of the fulfillment of the Strategic Plan and the annual plan of NKU SR audit activity.

##### **Activity 1.4**

To secure, following the recommendations by: INTOSAI, EUROSAI, the V4 + 2, Contact Committee of SAI of EU members, other relevant EU bodies, as well as the development of the Slovak economy, updating the Strategic, possibly Annual Plan of the audit activities of the SAO SR.

##### **Activity 1.5**

To introduce macroeconomic analysis of the budgetary management in the Slovak Republic for the needs of SAO SR.

**Proposed indicators:**

The Strategic Plan of SAO SR audit activity; Annual Audit Plan of SAO SR; number of audited subjects; number of audits per auditor; number of audits in total; audits year-to-year; number of audits according to coordinator; audits according to audit types; audits according to topics; number of performance audits; number of suggestions; compliance with audit terms (time frameworks); number of auditor/days planned and real; number of findings and change according to audit type; number of findings and change; number of violation of laws; volume of audited funds; subjects and legislative findings; expenditure on audit; number of macroeconomic analyses.

**MEASURE 2 ACHIEVE HIGHER QUALITY OF AUDITS CONTROL BY IMPLEMENTING INTERNATIONAL AUDIT STANDARDS AND PROCEDURES****Specific activities**

## Activity 2.1

To develop and implement a plan for the implementation of ISSAIs according to their individual levels and standard numbers for the SAO SR conditions with a view to 2020, with a specified timetable, responsibility, specification of needs (in particular translation, education, communication, application) and financial resources.

## Activity 2.2

To assess the implementation of the plan for the implementation of international audit standards for SAO SR.

## Activity 2.3

To determine the expert guarantor for compliance audit.

## Activity 2.4

To develop a new directive for the quality assessment of audit activities and other activities of NKU SR with a stress to compliance with international ISSAI audit standards.

## Activity 2.5

To draw up an annual plan for the control of the quality of audit activities and other activities of SAO SR;

## Activity 2.6

To perform monitoring and evaluation of the fulfillment of the annual quality control plan of audit activities and other activities of SAO SR;

**Proposed indicators**

The plan of international standards ISSAI implementation; evaluation of tasks and timeframe fulfilment for the ISSAIs implementation; the plan for audit activities quality and other selected activates by SAO SR assessment; its monitoring and annual evaluation.

### **MEASURE 3 IMPROVEMENTS IN MANAGING AUDIT QUALITY PROCEDURES**

#### **Specific activities**

##### Activity 3.1

To apply the exchange of experience and knowledge of good practice by the NKU SR expert units in the form of presentation of good practice while fulfilling tasks in audit activities;

##### Activity 3.2

To prepare a SAO SR internal regulation on the performance audit management system;

##### Activity 3.3

To align the internal regulation on audit rules with international ISSAIs;

##### Activity 3.4

To evaluate the implementation of the SAI PMF Action Plan adopted at the meeting of the SAO SR top management on 19.06.2013;

#### **Proposed indicators:**

Presentations of good practice; a set of measurable indicators for selected SAI PMF processes within SAO SR; a map of processes (management, main and supporting); measurable process indicators; internal regulations to ensure a performance management system and a management system for auditing EU funds; adjusted rules of audit activity.

### **MEASURE 4 INCREASE USE OF CAATS METHODS, RISK ANALYSIS AND DATA ANALYSIS FOR CONTROL ACTIVITY**

#### **Specific activities**

##### Activity 4.1

Ensure the sustainability of the IDEA software application and its use in the SAO SR audit activity, while identifying and exploiting other possibilities of using other software applications;

##### Activity 4.2

Apply risk analysis and other analytical procedures in the audit activity in accordance with the relevant methodological guidelines in order to ensure the maximum quality of the audit activity;

#### **Proposed indicators:**

Number of uses of IDEA software; number of risk analyses performed; number of analytical procedures according to relevant methodologies instructions.

## **Strategic objective 2 Institutions development**

In taking the consistent fulfillment of the SAO SR mission and the application of the principles to function as an independent external audit body to assess the funds and assets use to the extent defined by the Constitution of the SR and the relevant laws, it is extremely important to ensure the conditions for its sustainable development. In addition to maximise performance in the application of the law, it is appropriate to respond in adequate manner to the challenges arising from the current socio-economic development in the Slovak Republic in the light of the global developments in the area of public finances and the need to effectively protect the financial interests of citizens. In the conditions of SAO SR, in order to ensure the continuous development of the institution, it proceeds in accordance with the peer review 2011 recommendations. In this context, it is also necessary to implement the INTOSAI conclusions and recommendations on the status and tasks of SAI in global economic and financial relations and the public administration functioning. In order to ensure the strategic objective in question, it will be necessary to implement:

### **MEASURE 1 STRENGTHENING THE INSTITUTIONAL IDENTITY**

#### **Specific activities**

##### **Activity 1.1**

To apply the CAF model in SAO SR conditions in order to regularly obtain a quality certificate;

##### **Activity 1.2**

To review the forms of cooperation and implementation of the audit materials for the NR SR, its committees, the local self-government and other interested parties;

##### **Activity 1.3**

To create and implement a systemic approach to report audit findings for further action by the stakeholders;

##### **Activity 1.4**

To activate the work of the Legislative Council of the SAO SR President, draw up a plan of its activities and evaluate the implementation of the work plan;

#### **Proposed indicators:**

Tasks of CAF Action Plan for SAO SR improvement plan; Work Plan of the Legislative Council of the SAO SR President;

## **MEASURE 2 INTRODUCE IT SUPPORT TO MANAGE THE PROCESSES IN THE CORE BUSINESS AND SUPPORTING ACTIVITIES.**

### **Specific activities**

#### Activity 2.1

To ensure the implementation and regular evaluation of the KIS project and ensure its operation to the full extent of the projected parameters in the main and support activities of the SAO SR;

#### **Proposed indicators:**

The fulfillment of the respective contracts for securing the implementation of KIS including MIS, number of records about deficiencies in KIS in the helpdesk;

## **MEASURE 3 THROUGH EDUCATIONAL ACTIVITIES, PROFESSIONAL GROWTH AND SPECIALIZATION IS ENHANCED AS WELL AS THE PERFORMANCE OF EMPLOYEES IS INCREASED.**

### **Specific activities**

#### Activity 3.1

To elaborate the concept of care for human resources in conditions of SAO SR;

#### Activity 3.2

To elaborate and regularly evaluate the annual plan of training for SAO SR staff according to their functional classification, specialization and costs;

#### Activity 3.3

To regularly evaluate the concept of care for human resources in SAO SR;

#### **Proposed indicators:**

Implementation of the concept of care for human resources in SAO SR, fulfillment of the annual plan of education, number of educational activities;

## **MEASURE 4 TO DEVELOP ACTIVITIES IN THE FIELD OF FRAUD AND CORRUPTION PREVENTION**

### **Specific activities**

#### Activity 4.1

To initiate negotiations on forms of systematic cooperation of SAO SR with law enforcement bodies and other stakeholders in the field of the fight against fraud and corruption prevention;

#### Activity 4.2

To evaluate the effectiveness of SAO SR activities in the area of prevention against fraud and corruption;

### Activity 4.3

In line with the strategic priorities of INTOSAI, to focus on fraud and corruption prevention in the conditions of the SAO SR conditions using the guide: "Tackling Fraud and Corruption in Environment and Managing Natural Resources Audits";

#### **Proposed indicators:**

Cooperation agreements, the number of negotiations, the number of cases of suspected fraud and corruption reported;

### **Strategic objective 3 Relationships to SAIs and international organisations**

The SAO SR membership in INTOSAI, as an autonomous, independent, professional and non-political international organization, is a platform for the implementation the international activities with a significant impact on its performance and quality of activity. Following the successful implementation of the conclusions of the INTOSAI Congresses related to the standardisation of individual areas of SAI activity, the SAO SR activities representatives in the expert working groups of international organizations are important to support joint activities. Informal exchange of knowledge, experience and knowledge of good practice and good practice with partner SAIs significantly contribute to the successful solution of issues of common interest. Significantly important are the relations and cooperation within the EUROSAI, in particular with the SAIs of the EU Member States and the ECA, in relation to their tasks relating to the protection of the financial interests of the EU and its own citizens to assess the management of public funds and the management of public property. For the systemic development of relations with SAIs and interested international it will be necessary:

### **MEASURE 1 TO CARRY OUT ACTIVITIES IN THE FIELD OF FOREIGN RELATIONS IN ACCORDANCE WITH THE FOREIGN POLICY OF THE SLOVAK REPUBLIC AS WELL AS MULTILATERAL AND BILATERAL AGREEMENTS**

#### **Specific activities**

##### Activity 1.1

To elaborate the SAO SR activities plan in the field of foreign relations;

##### Activity 1.2

To evaluate the fulfillment of the NKU SR activities plan in the field of foreign relations;

#### **Proposed indicators:**

Number of SAO SR activities in the field of foreign relations, evaluation of the plan of activities in the field of foreign relations;

### **MEASURE 2 ENHANCE COOPERATION WITH EU BODIES, THE EUROPEAN COURT OF AUDITORS (ECA) AND THE SAI FROM EU, INTOSAI, EUROSAI, THE CONTACT COMMITTEE OF HEADS OF STATE OF THE EU AND ECA, AND THE V4+2 COUNTRIES**

### **Specific activities**

#### Activity 2.1

Participate actively at regular coordinating meetings with the EU organs and the SR permanent representatives to the EU in order to ensure effective and quality external audit of EU funds;

#### Activity 2.2

To actively fulfill the tasks arising from the representation of the SAO SR in the bodies, committees, subcommittees and working groups of INTOSAI, EUROSAI and in the Contact Committee of the leaders of the EU SAIs of the EU and ECA and the V4 + 2 countries;

#### Activity 2.3

To ensure high-quality performance of the Presidency of the "INTOSAI Sub-Committee on Best Practice and Quality Assurance through Voluntary Peer Review";

#### Activity 2.4

To ensure the presentation of the results of the SAO SR audit activities at home and abroad through contributions to international collections and journals;

### **Proposed indicators:**

The presentation of activities, results from parallel audits, conclusions and recommendations of the INTOSAI Sub-Committee on Best Practice and Quality Assurance through Voluntary Peer Review, number of articles in foreign media;

## **Strategic objective 4 Relationship with the public**

Fulfilling the mission of the NKU SR in accordance with the principles of its functioning, as outlined in the Development Strategy of the NKU SR 2014-2020, it requires responsible and partner-like access to stakeholders, and it is about the communication with target groups (the public and media). A relationship with the public and the media, as well as feedback on communication activities, will be an important part of increasing the performance and quality of SAO SR based on an update of the communication strategy for 2014-2020. To achieve the strategic goal in the field of public, it will be necessary:

### **MEASURE 1 TO EVALUATE AND UPDATE THE COMMUNICATION STRATEGY FOR 2014-2020, THE ANNUAL COMMUNICATION STRATEGY AND COMMUNICATION PLAN**

#### **Specific activities:**

##### Activity 1.1

Develop and periodically evaluate the annual communication strategy and the SAO SR communication plan;

##### Activity 1.2

The NKU SR Communications Council submits proposals to improve the presentation of the NKU SR;

**Proposed indicators:** number of media outputs, their criteria: quality (positive, negative, neutral), topic, number of published press releases, information and organization of press conferences, press releases, number of press conferences, open door layout, number of suggestions by SAO SR communication board for improvement);

## **MEASURE 2 PRIORITISE TO PROVIDE UP-TO-DATE INFORMATION ON THE AUDIT ACTIVITY**

### **Specific activities**

#### Activity 2.1

To evaluate compliance with the Media Policy and Feedback Guidelines of the SAO Communications Board;

#### Activity 2.2

Review the way to provide up-to-date information on SAO SR audit activities through its web site; to ensure the clarity of this information also include information on the objectives and the purpose of the audits as well as on the recommendations by the SAO SR to the audited entities and stakeholders in order to eliminate the identified deficiencies and improve the status in the audited area; publishing current brief information (within RKIS);

**Proposed indicators:** the number of published control activity information; their distribution according to whether it is a notice of audit, its course, outcome, remedies, number of press releases, information and organization of press conferences;

## **MEASURE 3 REGULARLY MONITOR THE FEEDBACK FROM THE MAIN TARGET GROUP: THE PUBLIC (BOTH PROFESSIONAL AND LAY)**

### **Specific activities**

#### Activity 3.1

Regularly evaluate the feedback from SAO SR communication with the public and update the annual communication strategy, communication plan and individual activities, evaluate the traffic of the web site;

#### Activity 3.2

Regularly to survey the feedback, social prestige and social responsibility of SAO SR in particular - questionnaire form on the web site, at regular intervals by public opinion survey about NKU SR;



**Proposed indicators:** regular annual analysis of communication activities, media outcomes and applications, regular evaluation of web site traffic, its quality, monitoring of the public satisfaction with the quality of the web site, the number of information provided on the evaluation of the feedback;

## **MEASURE 4 CUSTOMIZE COMMUNICATION TOOLS WITH MORE EFFECTIVE ONLINE COMMUNICATION**

### **Specific activities**

#### Activity 4.1

Develop an analysis of the communication tools effectiveness of SAO SR web site, including its foreign language version, in order to extend and streamline mutual online communication with the public;

#### Activity 4.2

In communication, to start using innovative communication tools, online media, video posts, learning spots, social networks (Twitter), corporate mobile apps;

### **Proposed indicators:**

Number of web log-ins, their quality, comparison of the effectiveness of individual online communication tools;

## **Strategic objective 5 Relationships to the public administration organs and organisations**

Relations with organs and organisations in public administration are permanently one of the strategic interests of the SAO SR. The level of their quality and efficiency decisively determines the success of the fulfillment of the SAO SR mission to assist the entities in their audit / control activity to improve the state of public finances, to manage public funds and to solve the existing problems in the public property handling. In order to increase the efficiency of the SAO SR work, especially in the area of the control activity results implementation and the use of its recommendations aimed at eliminating the identified deficiencies and improving the public funds and public property management, it is necessary to establish the best forms of mutual relations, seek and apply new, more effective forms of mutual relations and cooperation. An important SAO SR strategic goal, in line with the good practice of partner SAIs, is to strengthen the educational, advisory and preventive audit function. At the same time, to ensure consistent application of the reporting obligation in relation to the shortcomings identified, which require further management of the competent public authorities. In the relations to organs and public administration organisations, to achieve strategic intentions, it will be desirable:

## **MEASURE 1 TO STRENGTHEN THE COOPERATIONS WITH THE ORGANS FROM TAXES ADMINISTRATION**

### **Specific activities**

#### Activity 1.1

Ensure regular working meetings of SAO SR representatives with representatives of the Slovak Financial Administration, focusing on selected problems in the area of tax arrears and tax administration;

### **Proposed indicators:**

Number of records from working meetings;

## **MEASURE 2 STRENGTHEN THE PREVENTIVE AND EDUCATIONAL AUDIT FUNCTION**

### **Specific activities**

#### Activity 2.1

To develop forms to of information facilitate information about the focus and results of the SAO SR audit activity and the ways of their implementation;

#### Activity 2.2

To organise workshops for employees of public authorities and local municipalities in order to present the most serious and most frequently identified shortcomings and good practice by the audited entities;

**Proposed indicators:** number of organised activities

## **MEASURE 3 APPLY THE GOOD PRACTICE KNOWLEDGE**

### **Specific activities**

#### Activity 3.1

Within the framework of publishing activities, working seminars and other activities by the SAO SR, to focus on the public funds and assets management audit results, inform the interested parties about the acquired knowledge of the good / best practice from the audited entities;

**Proposed indicators:** Number of activities