

EUROSAI

EUROSAI INNOVATIONS

Sharing good practices among Supreme Audit Institutions

EUROSAI
March 2013

Introduction

Across the EUROSAI community, Supreme Audit Institutions are constantly looking to improve practices and do things differently. New approaches to audit evolve here, management reforms are introduced there or better ways of communicating with taxpayers are tried somewhere else. However, day by day we are often too busy to share what we are trying or to go in search of innovations.

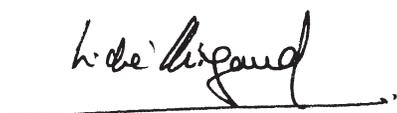
The INTOSAI motto *Mutual Experience Benefits All* does not work unless we share our experiences. This short publication is an attempt to bring to light what things we are proud of within our different institutions and make sure they are shared. Each member of EUROSAI has been asked to describe as briefly as possible up to four innovations which they believe may be of interest to other SAIs. The resulting innovations cover issues associated with audit, management of SAIs, and dealing with external partners and demonstrate the extent of innovation and creativity across the SAI community in the European region.

This publication is part of a range of initiatives to identify and disseminate innovation across the European community of Supreme Audit Institutions. For example, following the VIII EUROSAI Congress in Lisbon in June 2011, the EUROSAI working group on Audit Quality has established an Electronic Good Practices Database (www.asz.hu/en/good-practices) and one of the key themes of the IX EUROSAI Congress in June 2014 will be Innovations.

In compiling this publication, we are not judging the innovations but providing a space for each of the members of EUROSAI to share their own experiences. It is then up to each of us as readers to decide which innovations might be of interest, which innovations might be useful for our own organisations. And if you want to find out more, then at the end of the description of each innovation an email address is attached. Use them!

Our aim is to bring out further editions of this publication – so if you have innovations you are proud of then let us know and they will be published.

I would also like to thank Jean-Raphael Alventosa for chairing the EUROSAI Goal 1 committee on capacity building and the UK National Audit Office, and David Goldsworthy, in particular for help in creating this publication.



M. Didier Migaud

Chair, EUROSAI Goal 1
Premier Président
Cour des Comptes

Denmark: Rigsrevisionen

Adding value to the audit

Ensuring that the conclusions and recommendations made by the Rigsrevisionen in its reports are followed up by the responsible minister within a limited time frame is of decisive importance for the value of the audit in terms of effect and accountability:

- After receipt of an audit report, the minister has two to four months to prepare a response to the issues raised including what measures the ministry will implement to meet the criticism. In a follow-up memorandum to the Public Accounts Committee, the Rigsrevisionen will indicate whether it 1) finds the measures taken by the ministry satisfactory and adequate and therefore recommends that the audit case should be closed, or 2) recommends continued follow-up until the measures required are implemented by the ministry.
- The ministers' responses and the Rigsrevisionen's follow-up memoranda are included in *The Final Report on the Audit of the State Accounts*.

This procedure is referred to as the 'contradictory procedure'

For more information on the contradictory procedure, please contact:

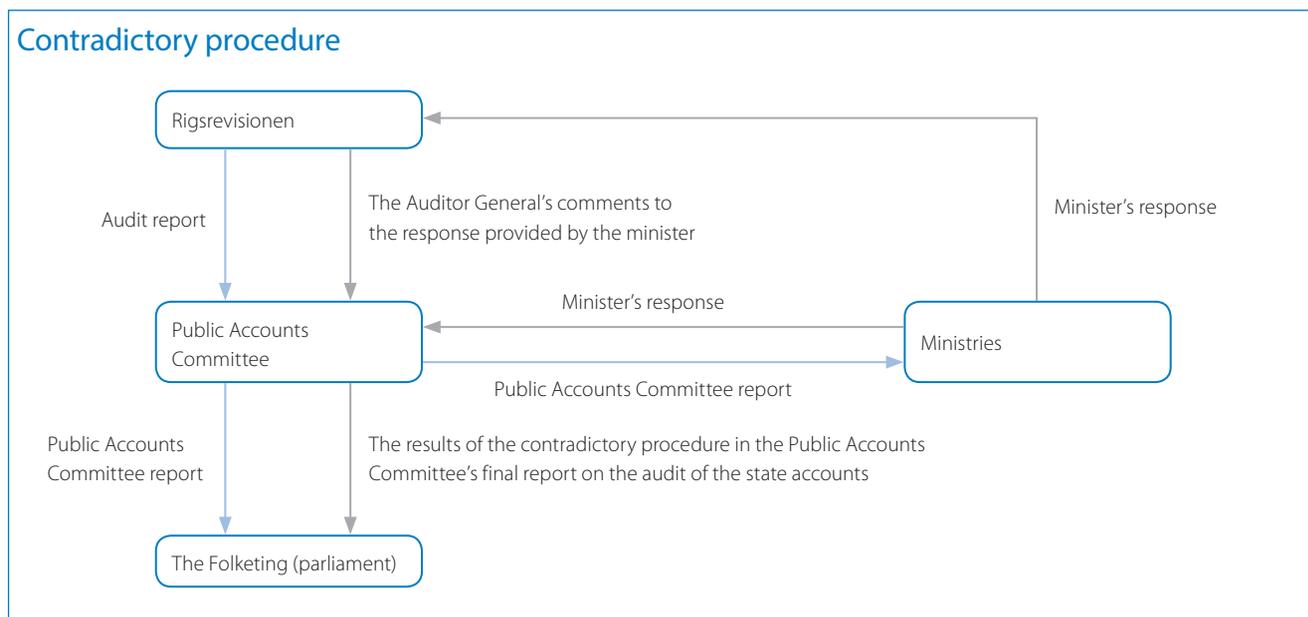
Nanna Henning on: nh@rigsrevisionen.dk or telephone +45 33 92 85 75.

Common strategic analyses

In order to target more effectively our audits on areas of materiality and high risk and to improve knowledge sharing internally, strategic analyses of each individual ministerial remit are now performed jointly by staff specialising in annual audit and performance audit, respectively. This approach helps us achieve the proper focus and at the same time, the cross-ministerial and holistic approach adds value to the audit also for the audit subjects.

For more information on the common strategic analyses, please contact:

Yvan Pedersen on: yp@rigsrevisionen.dk or telephone +45 33 92 85 50.



RIGSREVISIONEN



ISSAI gap analysis

In 2011, the Rigsrevisionen had as one of its internal performance targets, the implementation of the ISSAIs (INTOSAI's International Standards of Supreme Audit Institutions). In December 2010, the management therefore decided to launch a gap analysis project in order to determine the extent to which the Rigsrevisionen meets the requirements of the ISSAIs. The actual analysis work was performed in the period April 2011 to November 2011. The gap analysis of the financial, performance and compliance audit guidelines (ISSAIs 1000-4999) was performed by the financial audit departments and the performance audit departments.

The results of the various gap analyses were translated into so-called bridging documents where the individual elements of the ISSAIs were compared with the Rigsrevisionen's internal auditing standards, audit manuals and general practice.

The results of the exercise were presented to the management along with an action plan to ensure compliance in the areas where discrepancies could not be explained by restrictions following from legislation, our mandate or history.

For more information on the Rigsrevisionen's ISSAI gap analysis, please contact:

Nanna Schnipper on: nas@rigsrevisionen.dk or telephone: +45 33 92 85 09.

Using external evaluators to develop and assure the quality of products

The Rigsrevisionen's major studies have been subjected to external evaluations since 2000. Evaluations of the professional quality of our reports are performed by a panel of experts, which in 2011 comprised six professors from different universities and other institutions of higher education in Denmark. The composition of the panel ensures independent review and assessment. The panel changes continuously which allows us to keep the continuity and at the same time get a fresh perspective on our efforts to develop and assure the quality of our products.

Having the professional quality of our reports rated 'satisfactory' by the evaluators is one of the Rigsrevisionen's external performance targets. The panel of experts assesses the relevance and validity of issues raised in our reports, whether the interrelation of audit criteria, analysis and conclusions is appropriate and the recommendations clear and convincing. We follow-up on the areas that the evaluators have highlighted as having potential for development.

The panel of experts also provides input to our strategic focus areas. Most recently, we have asked the evaluators to consider how we can achieve greater focus on the impact on the lives of the citizens of measures implemented by the government. On the basis of their input, and building on other Supreme Audit Institutions' experience with citizen-directed studies, we are currently developing internal guidance to increase focus on issues of this nature in our reports.

For more information on using external evaluators to develop and assure the quality of products, please contact:

Carina Høgsted on: nch@rigsrevisionen.dk or telephone: +45 33 92 86 97



Estonia: National Audit Office of Estonia

Streaming to reduce ecological footprint of the National Audit Office of Estonia

The overseeing role of an audit office in the public sector calls for setting an example in many ways, such as a considerate attitude in environmental matters. To respond to this concern the Estonian National Audit Office (ENAO) has formed an initiative group for reviewing performance regarding sustainability of office management. Not surprisingly, the environmental impacts of the ENAO do not differ significantly from those of other office type organisations and are related to transport, energy consumption (both heat and electricity) and waste management.

Our biggest achievement so far has been the move to almost paperless document management. All administrative and audit documents of the ENAO are produced and filed electronically. The internal signing procedure is digital with the use of ID cards and electronic signatures (www.id.ee). ENAO mails letters/documents in physical format only in exceptional cases. All incoming paper documents are digitalised and paper copies are not circulated in the office. Also, the archive of ENAO is kept in a digital format. Printers are still available at each floor and are used in case of need. The default settings encourage double-sided printing and we are proud to use recycled paper.

Energy saving is an area, which demands continuous attention. Some examples to illustrate our activities in this field include:

- most office machines (e.g. laptops) hold Energy Star labels;
- office cars have energy saving functions;
- a detailed internal policy for shutting windows and switching off the lights;
- individual temperature control options in every office

There are also ways for using fewer resources:

- the purchase, where possible, of office consumables (e.g. paper) with eco-labels;
- the use of bottled water is kept to a minimum and instead water is provided in 19 litre refillable water containers

Also waste sorting has become an everyday routine: paper waste collection sites are located at each department; and hazardous waste, as well as plastic and glass bottles are collected separately downstairs. Electronic devices are recycled by companies who hold specific certificates. Most of these green features in office management have been achieved through including sustainable thinking in the procurement phase.

For more information on our approach to reducing our environmental footprint, please contact:

Viire Visse on: viire.viss@riigikontroll.ee



Direction des relations internationales,
de l'audit externe et de la francophonie

France: Cour de Comptes

Strengthening our external audit teams with auditors from younger SAIs

In order to successfully honour our external audit contracts with large international organisations such as the United Nations Educational, Scientific and Cultural Organisation (UNESCO), the Organisation for Economic Co-operation and Development (OECD), or the World Trade Organization (WTO), we believe that teams with diverse cultural and linguistic backgrounds are an asset. To take up the challenges of a globalised world, one must take diversity into account. This is why about five auditors from Morocco and five from Tunisia join us for our external audit missions for an average three weeks every year. First, their presence makes it easier for us to manage our large external audit portfolio. Second, these international missions help us build on the international organisations' good practices. Third, we are strengthening ties and establishing cooperation with foreign SAIs. We contribute to expanding international horizons for the auditors of smaller SAIs which otherwise would not have the means to do so. Finally, we are more competitive for procurements because we line up multicultural teams.

For further information on incorporating other SAIs into audit teams, please contact:

M. Richard Bellin, Chief of the International Organisations Audit Department on: rbellin@ccomptes.fr

Making our videoconferencing capacity available for French-speaking SAIs in need of training

The Court of Accounts organises many training sessions to improve auditors' skills. As an example, the session on judgement of accounts (jurisdictional capacity to punish irregularities) is designed for auditors of the Court of Accounts at our Parisian headquarters and regional chambers. Due to the large number of participants, we make the training available on video with cutting-edge technology for the latter. Realising this work could benefit other people, we made these videoconferences available, either live or retransmitted, for colleagues from French-speaking SAIs in need of similar training sessions. For example, we have invited high-ranking auditors from the SAI of Niger to follow our training session by video, live from Paris. The SAI from Niger had acquired the necessary hardware thanks to funding from the Organisation internationale de la Francophonie's programme of 'information highways'. We intend to broaden the scope of the training we offer to fellow French-speaking SAIs. This will help develop capacity in other SAIs and enhance government accountability in developing countries. Moreover, it will help all the parties involved to cut overhead costs by reducing the need to travel abroad.

For further information on delivering training via videoconferencing, please contact:

Ms Pascale Fenech or Ms Caroline Coz, at the International Relations Department of the Court of Accounts on: pfenech@ccomptes.fr and ccez@ccomptes.fr

Publishing every year a separate volume following up on our recommendations to ensure the usefulness of our reports

Our mandate is clearly established by article 47-2 from the Constitution of the French Republic, stating that the Cour des comptes assists the Parliament in controlling government's action, assists the Parliament and the Government in controlling the enforcement of finance laws and the implementation of laws on the financing of Social Security as well as for the assessment of public policies, and contributes to inform the citizens. The purpose of our reports is therefore to introduce changes when necessary. It requires a capacity to be able to verify how these non-mandatory recommendations are effectively managed after our audit reports are published. The Cour demonstrates increasing concern about the annual follow-up of recommendations. We systematically review in a separate report where progress has been made on every recommendation we made public in the last three years. We were, for example, able to confirm in 2012 that 73 per cent of our 772 public recommendations made in the last three years had led to total or at least partial reform. This way, inefficient practices that we have put into the limelight do not fall into oblivion overnight. We keep stimulating the public debate and providing insights for politicians and citizens.

For further information on the report on recommendations, please contact:

Ms Pascale Fenech or Ms Caroline Coz, at the International Relations Department of the Court of Accounts on:
pfenech@ccomptes.fr and ccoza@ccomptes.fr

Introducing a mandatory internship in regional courts of accounts for every new auditor

The Court of Accounts, in virtue of being the country's supreme audit institution, is the appeals body for all the regional chambers. Also, it deals with public policies assessments that have impact at a local as well as at the national level: therefore, all of our auditors have to deal with regional affairs one day or another. In order to properly appraise the issues and to deliver a fair and sound judgment, our auditors must be made familiar with the specific environment and procedures of regional chambers. This is why we have deemed it beneficial to introduce a mandatory internship in local institutions for incoming auditors. The internship further offers valuable professional experience, which our auditors may capitalise on later on in their careers.

For further information on mandatory regional internships, please contact:

Ms Pascale Fenech or Ms Caroline Coz, at the International Relations Department of the Court of Accounts on:
pfenech@ccomptes.fr and ccoza@ccomptes.fr



Georgia: State Audit Office of Georgia

Electronic Monitoring of State Procurement

Development in the use of electronic purchasing by the government, gives the State Audit Office of Georgia (SAOG) the possibility of examining the legality, economy and purpose of state purchases with the minimum level of auditing intervention. The auditor is able to study each procurement case based on information uploaded on the state procurement web page.

Electronic monitoring of procurement simplifies the auditing burden on the auditee as an auditing innovation is to simplify the auditing burden for the object. It also reduces the work for the auditor since the need for costly fieldwork is reduced with the information readily available on a web page. This has allowed the auditors to audit more ministries and use their time more efficiently. The ease with which auditors can monitor the procurement process also has a preventative role as procurement cases can be inspected throughout the procurement cycles from before the budget resources are spent to immediately upon the fulfillment of the liabilities envisaged under the procurement contract.

For more information on the use of electronic purchasing systems by auditors, please contact:

Tinatini Genebashvili on: TGenebashvili@sao.ge

Germany: Bundesrechnungshof

Contribution towards making the federal budget more transparent for the Parliament and the public

In its annual report on federal financial management, the German Bundesrechnungshof informs the two Houses of the Parliament about especially significant audit results and the recommendations resulting from them. In accordance with Art. 114 of the German Constitution, this report also serves as a basis for the Parliament's decision about granting discharge to the Federal Government. In our annual report (<http://bundesrechnungshof.de/publications/annual-reports>), we point out ways in which the Federal Government can save expenditures or increase its revenues. For example, premises rented by a number of statutory health insurance funds are oversized and overpriced. Ensuing financial damage amounted to several million euros. The Bundesrechnungshof demanded that statutory health insurance funds be legally bound to submit draft lease contracts to the supervisory authorities and that contract conclusion or amendments be made contingent on authorities' approval. The proposals of the Bundesrechnungshof are discussed by the Parliament's Public Accounts Committee, which endorses most of them.

Since 2011, the annual reports do not only comprise an analysis of the overall budget but also analyses of the individual departmental budgets. The departmental budgets set out in detail the levels of revenue and expenditure for each ministry and supreme federal authority. Taken together, the overall budget has about 2,500 pages. Our annual report covers each individual departmental budget highlighting long-term trends, structural projects and potential risks to each of them. This is to contribute to greater transparency of the federal budget and of our audit work. The basis for this is provided by the generally available data on the volume and structure of the budget and the information we use to observe developments in the various ministries (and their subordinate agencies) and to plan our audit work. The analysis of the departmental budgets also covers the many off-budget federal entities and social security bodies whose financial management is not directly reflected in the federal budget but nevertheless affects the departmental budgets. The annual report coverage of departmental plans is also based on our audit experience and includes pointers about our criticism and recommendations where they may be important for gaining an overall picture of the departmental budget in question.

For more information on making the Federal budget more transparent, please contact:

international@brh.bund.de



Giving advice to the government

The German Bundesrechnungshof has the right to give advice to the audited bodies, to Parliament and the Federal Government. Its consultant activities have continuously increased and set out significant recommendations for quality improvement, pointing up the potential for savings or increases in revenue. Usually, it makes recommendations on the basis of the lessons learnt from earlier audit work. The right to give advice is provided for by the 'Federal Budget Code', Part V, Section 88: "On the basis of its audit findings, the Bundesrechnungshof may advise both Houses of the Federal Parliament, the Federal Government and individual federal ministries. Where the Bundesrechnungshof gives advice to Parliament, it will inform the Federal Government at the same time." Our audit rules make clear that the responsible college will have to decide which information should be submitted (<http://bundesrechnungshof.de/we-about-us/legal-authority/we-about-us/legal-authority/audit-rules.pdf>). In the decision process it always has to assess whether the disclosure of the advice could undermine the independence of the Bundesrechnungshof or subsequent audits.

Additionally, we have the institution of the 'Federal Performance Commissioner' (<http://bundesrechnungshof.de/federal-commissioner>). Since 1952, the Bundesrechnungshof's President has also served as Federal Performance Commissioner. Under the Federal Government's working guidelines as revised on 26 August 1986, the Commissioner puts forward proposals, recommendations, reports and opinions in order to enhance the efficiency of the federal administration. In addition, the Federal Performance Commissioner is involved in editing the drafts of federal legislation, ordinances and administrative regulations. According to the General Standing Orders for the Federal Government Departments of 26 July 2000 (GGO), federal departments must involve him/her at an early stage in working out the relevant drafts. Up to the time when the full Cabinet deals with the draft legislation or regulations in question, he/she may provide input for legislative or regulatory projects in the form of lessons learnt, assessments and findings generated by the Bundesrechnungshof's audits. The Commissioner may also advise Parliament at its request.

During the past years, the Commissioner rendered quite a number of opinions on public sector performance and structural or operational matters. Some of these referred to individual authorities or to non-federal bodies administering federal funds, while others dealt with government-wide or cross-sectional issues. In 1987, the Federal Commissioner began publishing studies of general interest to make expertise available to a broader public.

For more information on giving advice to government, please contact:

international@brh.bund.de



STATE AUDIT
OFFICE OF HUNGARY

Hungary: State Audit Office of Hungary

The enhancement of institutional performance by online communication

Recognising the importance of online communication, the State Audit Office of Hungary (SAO) has created a new website called 'SAO News', parallel to the official one. The main aim of this new website is to provide fast, fresh, authentic and unbiased information to the public. This way SAO can become the primary source of SAO-related news.

While the official website displays only the news, events and contents prescribed by law, the SAO News is broader covering all kinds of information and news on the SAO's activities. The ultimate goal is that the websites will be considered their primary information source by all the SAO's stakeholders, i.e. the public, press, members of parliament, and SAO officials.

During the conceptualisation of SAO News' publishing process, it was an important principle that it should be flexible, fast and up to date. These features cannot be reached via the publishing process of the official SAO website because during its development safety was the primary objective. The publishing procedure of SAO News is much simpler and more flexible.

A unique feature of the SAO's approach is that department leaders, experts and auditors are required to publish news about their activities, such as audits, national and international cooperations and scientific works, as soon as possible. They are the authors, editors and publishers of their news and all eligible staff are trained to upload information on to the website. This concept ensures that the professional content of articles is not biased and it contributes directly to transparency, with the name and SAO department of the author appearing at the end of the published article.

For further information on the SAO's News Portal please contact:

Ms. Eszter Dürr on: international@asz.hu

Good Practices Database on Audit Quality

Following the 2008 EUROSAI Congress held in Krakow, an international working group (consisting of the SAIs of Denmark, Poland, Hungary, Malta, the Russian Federation and the European Court of Auditors) was mandated to develop and produce the document *Achieving Audit Quality: Good Practices in Managing Quality within SAIs*, aimed at the senior management of SAIs. Being a concise document, the good practice guide does not make it possible to present existing good practices in detail and information included in it may also become outdated over time. For this reason, it was agreed to also establish an Electronic Good Practices Database.

The State Audit Office of Hungary (SAO) volunteered to operate the database on its own website, being accessible via a direct link from the EUROSAI home page as well. The SAO also drew up a template which was circulated electronically, asking EUROSAI members to send – at their discretion, on a completely voluntary basis – standardised examples of good practices in the field of quality management. Templates are categorised – according to both Good Practices Guide topics and ISSAI 40/ISQC 1 elements – and uploaded to the Good Practices Matrix by SAO.

The previous members of the working group continue their cooperation as a 'Monitoring Committee for setting up and operating the Electronic Database on Good Practices', in order to follow-up the operation of the Database, to evaluate the experience gained and to make all necessary recommendations on amendments. So far, 17 pieces of good practices are available on the Database from 7 countries.

For further information, please consult our website:

www.asz.hu/en/good-practices or contact Ms. Eszter Dürr on: international@asz.hu



State Audit Office
of the Republic of Latvia

Latvia: State Audit Office

Assessment of State's financial management within the audit of the consolidated statement

Due to the financial crisis, increasing attention is being paid to the quality of the information included within the State's financial reports in order to verify that the information they contain is reliable and to give end users confidence when using these reports to make financial decisions. The information included within the state financial documents also plays a significant role in maintaining citizens' confidence in the state.

In this regard, it has been important to include in a follow-up assessment in the State's financial statement an indication of what exactly has been achieved by funding and implementing agreed government policies.

As part of auditing these reports, the State Audit Office has repeatedly highlighted the need for the government to produce a result-oriented State budget. Such a budget will not only provide high-quality information regarding public expenditure but also demonstrate the benefits that this expenditure is expected to provide, and give the general public greater clarity on what is achieved with their taxes. In addition to the requirements of the financial audit methodology, the State Audit Office audit teams are instructed to perform cumulative reviews within all financial audits of state entities. This ensures that relevant financial management issues of the particular year are assessed consistently across the whole of the central and local government sector and that comprehensive audit findings and conclusions are produced.

For more information on the assessment of State's financial management within the consolidated statement, please contact:

Lelde Dimante on: lelde.dimante@lrvk.gov.lv or visit our website for audit report summaries in English www.lrvk.gov.lv

Lithuania: National Audit Office of Lithuania

Selection of audit topics

In determining the annual audit programme, National Audit Office of Lithuania (NAOL) seeks to ensure that its resources are targeted at the most risky, topical and important problems of public management of the State. While preparing the programme and choosing audit topics, the NAOL seeks to involve the public as much as possible. A survey is undertaken each year and the parliamentary committees, ministries, governmental and non-governmental institutions, as well as other public sector players are invited to point out possible problems and risky areas and suggest audit topics. In addition, the NAOL website provides an opportunity for each citizen to submit, anonymously if they wish, suggestions regarding the annual audit programme.

All submissions and suggestions, together with risks identified by the NAOL, are analysed and evaluated according to criteria defined by the NAOL. This process enables the NAOL to focus its audit work on both risky audit topics and topics relevant to the public.

For more information on the selection of audit topics, please contact:

Mindaugas Macijauskas on:
mindaugas.macijauskas@vkontrole.lt

Follow-up of recommendations

In order to increase the accountability of the NAOL to the public for the results of its activities, a formal procedure has been introduced to agree and follow-up recommendations. It consists of the following stages:

- Draft recommendations, including how they can be implemented, are discussed with auditees while the audit is being carried out;
- When providing comments on the draft report, an auditee is asked to report on the actions which they are planning to carry out to implement the recommendations;
- During the clearance process on the report, the NAOL assesses whether the auditee's proposed implementation strategy is likely to be effective and challenges the response where it considers the auditee's response is inadequate or unlikely to be effective;
- The audit recommendations and implementation strategy, as well as the timetable, are presented as an appendix in an audit report;
- The auditees inform the NAOL about their progress in implementing the recommendations according to the agreed schedule, and their responses are recorded in the NAOL's information system of the NAOL;
- After the period for implementing the recommendations is over (usually two to three years) a report is prepared on implementation of recommendations for a particular audit; and
- Each year a report is prepared summarising all the reports on implementation of recommendations and this is submitted to the President's Office, the Parliament and the Government.

For more information on follow-up, please contact:

Mindaugas Macijauskas on:
mindaugas.macijauskas@vkontrole.lt



Suggesting to the government the best IT governance practices

IT general controls comprise all the procedures, policies and structures in place to enable IT to support an entity's main business operations. At any level – either institutional or governmental – they provide a framework for effective and efficient IT governance. To audit whether these controls are operating as intended the NAOL carry out the following three-level examination:

- Level 1: During each financial audit a quick scan of IT general controls at an institutional level is performed by financial auditors as a part of their financial audits. This provides considerable information on the way IT is used in the public sector. This is the 1st level IT audit – more facts and less analysis;
- Level 2: The data are then analysed by IT auditors and typical general control weaknesses at institutional level are identified. IT auditors look for institutions with similar sets of general control weaknesses to include them for detailed assessment during specialised IT audits. During such audits not only legal compliance is assessed, but also auditors will look for the possibility of applying best practices to make the controls more effective and efficient. Even if they are not required legally, improvements to general control systems contribute to better IT governance at institutional level;
- Level 3: Once every four to five years, the NAOL carries out a wider audit of the overall IT control environment including procedures, policies, and structures and issues recommendations to the government on ways to improve the national IT governance framework. When it is done, the NAOL starts, once again, to see whether these changes are being implemented at the institutional level

For more information on the auditing of IT general controls, please contact:

Dainius Jakimavičius on: dainius.jakimavicius@vkontrole.lt

Sharing technical knowledge

Audit staff in the different NAOL departments have the specialist knowledge and technical skills to be able to carry out value for money audits in their particular audit areas such as health, social security, internal affairs and agriculture. However, there are some activities of the government, such as information technology or infrastructure construction, where there are very expensive projects which experience similar problems across a wide range of ministries and agencies.

To strengthen audit in these areas, in 2010, the NAOL established the Department of Information Systems and Infrastructure Audit. The aim of bringing together these two different audit functions was to provide shared resources to other audit departments. Apart from carrying out their own regular audits, this Department assigns auditors to audit teams of other departments thus providing the necessary technical expertise.

The most challenging aspect is to listen to the needs of departments and convert them into tangible work packages, allocating the right resources and fitting into audit schedules of other departments. Working together, IT and infrastructure auditors have better possibilities of maintaining their professional competence, while working with the different audit teams and on different audit subjects brings them additional knowledge drawn from the different ministries or agencies they visit. For the NAOL, this strategy has been effective in enabling it to better share staff competences between departments and to use their talents and knowledge more efficiently and effectively.

For more information on sharing technical knowledge, please contact:

Dainius Jakimavičius on: dainius.jakimavicius@vkontrole.lt

Netherlands: Netherlands Court of Audit

Innovation policy

In September 2011, the Netherlands Court of Audit (NCA) published a report on the effectiveness of the Dutch government’s innovation policy. The main conclusion was that it is unclear if doubling the investment (from €1.8 billion in 2003 to €3.7 billion in 2010) had any effect on the innovative position of The Netherlands. Evaluations provide hardly any insight into the effect of investments in innovations and insufficient information if instruments work or not.

The NCA felt that the Minister for Economic Affairs, Agriculture and Innovation should make more effort to show the effects of innovation. We recommended that he did this in an innovative way by showing on a map of The Netherlands where innovation investments go (location), who receives the investment (sectorial, companies, knowledge institutions), how high the investment is, what is done with the money and what impacts have been achieved.

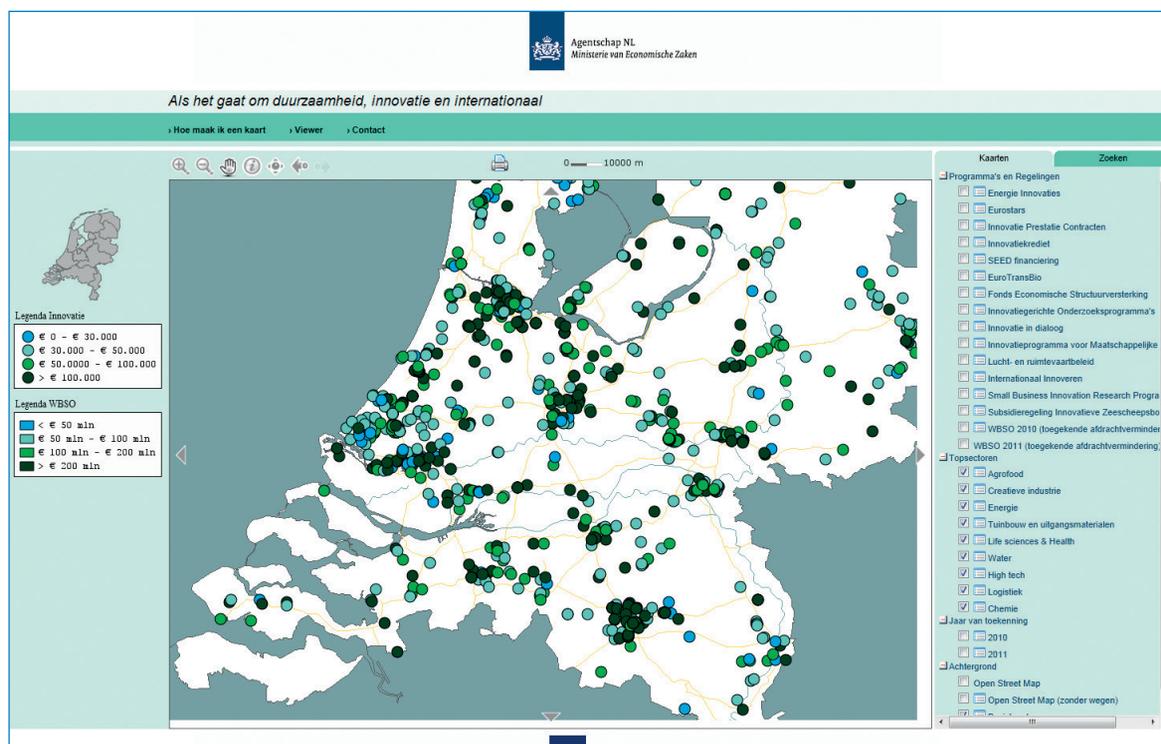
The Ministry followed-up on our recommendation by launching the site www.volginnovatie.nl (follow innovation) in May 2012. With the map viewer users can check what is the amount of the subsidy, who receives it, what regulates the condition of the subsidy, what is the goal of the subsidised project, and who are the project partners.

For more information on the NCA’s work in this area, please contact:

Peter Kempkes on: p.kempkes@rekenkamer.nl

Auditing Integrity and soft controls

Instead of a specific audit programme for fighting corruption, the Netherlands Court of Audit focuses on stimulating integrity. This allows us to take a preventive approach. In our audits we look at integrity management: policies and measures that are aimed at preventing all sorts of unwanted behaviour in organisations and which stimulate an ethical culture.





We have investigated the status of integrity management at the ministries in the Netherlands in 2004 and 2009. Preventive, detective and repressive measures – in effect an integrity management system – are needed to avoid violations of integrity. The integrity management system consists of two parts:

- organisational measures such as regulations, risk analyses, audits and reporting and investigation procedures ('hard' controls); and
- measures to promote an organisational culture of integrity, for example dilemma training sessions and special meetings on the theme of integrity and, above all, exemplary behaviour by management ('soft' controls).

Our audit of the system of integrity management at the ministries covered both hard and soft controls. In addition, we carried out an online perception survey among a random sample of the staff of government ministries and agencies. This allowed us to get a benchmark of the quality of the soft controls.

In addition to auditing integrity management systems the NCA has also developed SAINT, a self-assessment tool for public sector organisations. SAINT is a structured risk analysis workshop, which involves the organisation's own employees. At the same time it is both a diagnostic tool and a cultural intervention. We have translated the tool and adapted it for use within SAIs. We named this version IntoSAINT and are now working on a project to make IntoSAINT available to the entire INTOSAI Community.

For more information on auditing integrity and IntoSAINT, please contact:

Ina de Haan on: i.dehaan@rekenkamer.nl

Storytelling

In 2011-2012, the Netherlands Court of Audit initiated an audit on the development of 'Centres for Youth and Family'. Each municipality was obliged to develop an easily accessible centre for parents and youth to get help in questions about parenting and growing up. This audit was done in cooperation with 33 municipal audit offices.

During the audit we organised several workshops to promote cooperation and exchange of knowledge between the participants. In one of the workshops we exchanged thoughts on conclusions and recommendations. We opted for storytelling as the method. In advance we decided on the themes that we wanted to address in the report. For each of these themes, a factual story was told, taken from the interviews we held during the audit. The workshop participants were instructed to find out what that story did to them and then translate this into a message or recommendation.

What we found was the stories were easily recognised and boosted the discussion. This way of working speeded-up the formulation of conclusions and recommendations.

For more information on the methodology of storytelling or on the results of the audit, please contact:

Marlies Burm on m.burm@rekenkamer.nl or Karen de Kruijff on: k.dekruijf@rekenkamer.nl

Dutch railway

In 2010, the Netherlands Court of Audit noticed that the government's budgetary statements were unclear about the policy objectives of the €3 billion granted annually to the Dutch railway system. We considered this to be an undesirable situation, because this implied parliament lacked insight on how a substantial amount of public money was spent. In order to strengthen the insight of the parliament, we produced an infographic or chart showing the complexity of money flows, the main action and policy objectives. The infographic displayed the total amount of money involved, which budget accounts supply the money, which (government) bodies are involved and what policy objectives are pursued. Since this one infographic was worth a thousand words, we decided to publish only the infographic (including a short explanation), instead of the usual written report. When presented to the parliament they were grateful for the extra insight and astonished by the complexity of the system. This resulted in extra pressure on the Minister of Transport to give extra information on the spending of public money in the railway system in the future. Ever since, the Netherlands Court of Audit publishes more and more infographics that provide insight in the money flows concerning different fields of policy, in order to inform the parliament on how public money is spent.

The poster can be downloaded (in Dutch) on our website:

www.rekenkamer.nl/Publicaties/Onderzoeksrapporten/Introducties/2010/11/Brief_aan_Tweede_Kamer_over_aanbieding_overzicht_spooruitgaven_2011

For more information on the NCA's body of work in this area, please contact:

Ruud van Schijndel on R.vanSchijndel@rekenkamer.nl,
or Edward Elferink on: E.Elferink@rekenkamer.nl

Reducing administrative burdens

In 2011, the Netherlands Court of Audit started a project which was not an audit in the traditional sense of the word (i.e. an evaluation of a policy), but a form of action research. The project was aimed at reducing bureaucratic dysfunction (e.g. dysfunctional rules, regulations and procedures) for employers. Specifically, to make it easier for them to employ people with disabilities for work. It concerns a group of people who receive a benefit according to – what in the Netherlands is called – the Wajong legislation. From a young age they have had either physical or mental disabilities that make it harder for them to find regular employment. Employers who are willing to offer these people work, are entitled to certain subsidies. To acquire these subsidies, they have to deal with a large amount of paperwork and complicated regulations and procedures. This can be such an obstacle for employers that it actually may stop them from hiring people from the Wajong group. To stimulate the employment of the Wajong group and increase public value, we tried to tackle the red tape that prevents employers from accessing the services they need.

To be able to do this, we used a method for action research that was developed by the Kafka Brigade. The Kafka method contains six steps:

- Step 1: Explorative research & case selection
- Step 2: Case research & preliminary reports
- Step 3: Expert critique of the preliminary analysis
- Step 4: Collective performance review
- Step 5: Final recommendations & action plan
- Step 6: Follow-up

(see www.kafkabrigade.nl/?hl=en_US or the website for the Kafka Brigade UK: <http://www.kafkabrigade.org.uk>).

What we did was develop a case example of the dysfunctional bureaucracy faced by a typical employer. We then ran a workshop on the main problems and possible solutions with all the main concerned parties: front-line staff and managers from the organisation that grants the subsidies, the Ministry of Social Affairs and Employment, an employers' organisation, a representative of the Wajong group and representatives of several municipalities.

For more information on the NCA's work in this area, please contact:

Monique Smaal on: M.Smaal@rekenkamer.nl

Poland: Supreme Audit Office of Poland

Plan better to audit better

The Supreme Audit Office of Poland (NIK) has changed its auditing strategy approach. Our objective is that audits should more precisely identify the areas where the state does not operate well and where the consequences of irregularities are burdensome for the society. Thanks to a better selection of audit subjects we want to lower the costs of audits and optimise the use of our resources. That was the reason why an analytical centre – the Planning and Analysis Unit – was set up within the Department of Strategy.

We operate based on the annual work plan. Previously, our priorities and main audit areas used to be defined in a three-year perspective. Shortening of the planning process enables us to respond faster to any signals of potential irregularities in the public sector.

In 2012, NIK adopted a new planning procedure. The new planning consists among others in selecting audit subjects and auditees based on in-depth risk analysis. A new part of our planning process is the multi-aspect analysis of risk factors which have impact on the tasks performed by the state. We developed a risk analysis form and defined the relevance of these risks for state functions (according to the UN classification COFOG). The questionnaire was filled out by all organisational units and experts of NIK. Its results, along with analysis of government programmes and strategic documents, documents of the EU Council, World Bank, OECD and other institutions and press statements, as well as the results of a public opinion poll, provided a complex picture of the state condition. They also made it possible for us to precisely set new priorities of activity for 2013. These results and documents form the basis of our audits.

Another new element of the planning process is the two-stage submission of audit proposals (step 1 – initial audit assumptions and their verification; step 2 – detailed audit chart adopted for the plan). Following the analysis, the Department of Strategy assigns a given status to the audit proposals: for execution/to the audit subjects bank/rejected). The audit statuses are verified and then accepted by the team

under the leadership of the Vice-President of NIK, in charge of the planning procedure. Apart from optimising the subject selection, we make a multidimensional mapping of future audit areas and estimate their workload. These innovations help us plan our audits better. The final product, that is the annual work plan, is adopted by the Council of NIK.

For more information on audit planning, please contact:

Danuta Bolikowska from the Planning and Analysis Unit on: danuta.bolikowska@nik.gov.pl

Mobile Auditor

As our auditors spend most of their time in the field (with the entities they are auditing), it is vital that they have constant and safe access to NIK's telecommunications systems. This need shaped our *Mobilny Kontroler* ('Mobile Auditor') project.

Equipping all our auditors with mobile phones and modems allowing for data transmission to portable computers has proven to be entirely beneficial, since 'Mobile Auditor' allows for connection to, and use of, the internal resources of NIK, without a need to return to headquarters. This has enabled auditors to gain remote access to the audit history of the institution an auditor is working with at a given time, as well as to information of past conclusions and whether recommendations have been acted on. Auditors also have access to databases detailing the laws in force in Poland, as well as the Supreme Audit Office's own internal regulations.

The software installed on mobile computers is leaving auditors free to process and generate the key documents when it comes to conducting and documenting an audit. Thanks to the mobile phones and mobile internet access, those engaged in an audit can maintain ready, and steady, contact with one another, as well as with coordinators tasked with overseeing their work. A further tangible benefit of the project is the way it cuts spending on phone connections.



For more information on mobile auditing, please contact:

Waldemar Klimowicz from the IT Department on:

waldemar.klimowicz@nik.gov.pl or Michał Lewandowski from the IT Department on: michal.lewandowski@nik.gov.pl

NIK's new communication policy

External communication

NIK places considerable emphasis on maintaining modern, dynamic communications which are responsive to the requirements of contemporary media. Thanks to the strategy of prompt response by, and permanent availability of, the NIK's Press Office for journalists, NIK functions as an open institution, keeping abreast of changes in the information society. We also pay a lot of attention to the two-way relationship between audit institution and society, making sure we provide up-to-date information on current issues of interest to citizens. NIK aims to be an institution which assists citizens in practice, not only in theory.

In presenting our audit results we use the specialisation process: most press statements and news releases are addressed to journalists specialising in a given subject and deeply familiar with that audited area. That approach helps to change the way our work is referenced; more and more often our press releases and reports form the basis of a vast range of publications and reportage. Regular meetings with small groups of expert journalists, replacing traditional press conferences, have proven to be very efficient. During these meetings the NIK President and Press Officer explain in detail any intricacies related to the given audit. As a result, the materials and articles are increasingly more reliable.

Another important element of NIK's communication with citizens is the multimedia website. The use of internet facilities, for example, Twitter, YouTube and Facebook, ensure that NIK is able to provide information on the condition and functioning of the state to a wide audience. The scope of NIK's communication is growing also thanks to its dynamically developing English language website.

We offer tailor-made sub-sites to particular groups of people, for instance by creating a bookmark for students to encourage them to visit our institution. There is also a section for journalists which opens up the possibility of keeping in continuous, direct contact with the media. Registration on our website enables journalists and other people to access multimedia materials, including high-definition source video recordings. For two years we have run a special SMS service for journalists: they receive SMS and email notices on all news releases and other new materials placed on the portal. Feedback from journalists shows that this is a very useful and practical solution and we intend to expand this service in the coming years.

Internal communication

NIK has also modernised its internal communication methods. One of the key tools has become the intranet portal. We have redesigned it in a manner making it possible to immediately disseminate information from management to all NIK employees, e.g. via internal email. At the same time, the service is also a platform on which employees can find essential tools and information: computer applications, document templates, the latest information on employee matters and NIK's cooperation with other authorities.

The new portal design was very positively received by NIK employees. Every day the portal records 3,000 to 4,000 unique page views. Articles on the most popular matters are read by nearly 100 per cent of NIK employees.

For more information on the new communications policy, please contact:

Paweł Biedziak, NIK Press Officer on: p.biedziak@nik.gov.pl

Portugal: Tribunal de Contas

Providing parliament and citizens with information on the cost of public education

Following a request from the Portuguese Parliament, the Tribunal de Contas carried out an audit to collect and analyse how much central administration and municipalities were spending on public education (except Universities) for school year 2009-2010, and to calculate and an average cost per student. To carry out this task, the Tribunal developed a web-based application through which local municipalities could enter their data and which would then generate comparative information of use to citizens and schools. The aim is that this information will help schools and municipalities benchmark their performance and seek ways of better managing costs.

The quality of information uploaded by the municipalities was evaluated by comparative analysis with the information asked to the five existing regional education departments of the government (DRE), the one published in the respective year's budget laws and also that provided by the Government department for local authorities (DGAL). Also the information uploaded by municipalities in the central database managed by DGAL, was treated and used for the same purpose. Regarding data quality assurance aspects, i.e. data authenticity, integrity and confidentiality, the application used throughout the audit runs over encrypted channels. In addition, each user/entity received a login/password to access the restricted area where the application was located.

The Tribunal makes available on its website similar information regarding the cost of Central Administration.

For more information on providing parliament and citizens with information on the cost of public education, please contact:

Luz Carmesim on: customedioaluno@tcontas.pt or visit our website: www.tcontas.pt/pt/inqueritos/cma/custo_medio_aluno.shtm

Dealing with management risks in a planned and comprehensive way

In July 2009, the government made it mandatory that all public entities produce risk management plans. The plan developed within the Tribunal de Contas of Portugal is structured around nine organic reference groups, each corresponding to a group of departmental or cross-departmental risks. The plan has helped the Tribunal identify some 55 management risks, and led to the introduction of 133 prevention measures and controls.

The Plan is periodically evaluated by the internal audit office. Their report on the initial plan showed that the Tribunal had completed more than 80 per cent of the actions agreed in 2011.

For more information on the risks identified by the Tribunal, please contact:

Eleonora Almeida on: eleonora.almeida@tcontas.pt or visit our website www.tcontas.pt/pt/plano_risco/plano_prevencao.pdf

Pursuing the value for money of health services' delivery

In 2011, the Tribunal de Contas of Portugal carried out a Value for Money audit of the system of payments, including the way prices were set, for hospitals belonging to the National Health Service (NHS). This study was driven by the rapid growth of public spending on health and the need to contain costs through gains in efficiency and elimination of waste. Consultants were hired and the study methodology included a quantitative analysis of the relative efficiency of hospitals within the NHS, based on Data Envelopment Analysis (DEA) and using information on the activities, resources, and costs incurred by NHS hospitals in 2008.



The Tribunal reached the conclusion that for inpatient activity the total loss due to inefficiencies in hospitals is around €242 million, representing 27 per cent of the total costs (€901 million), and for outpatient activity, the inefficiencies are around €503 million, i.e. 41 per cent of the total costs (€1,220 million).

So, the Tribunal de Contas of Portugal concluded that there was a margin for technical and allocation efficiency improvement.

For more information on this audit, please contact:

Luis Carpinteiro on: luis.carpinteiro@tcontas.pt

Pursuing our own value for money

The Tribunal de Contas of Portugal has been strengthening the monitoring of the implementation of its recommendations.

When audits are completed, the auditees agree that they will implement the recommendations they accept by an agreed deadline and report to the Tribunal on progress. The Tribunal analyses these responses and if insufficient evidence has been made available to provide the Tribunal with assurance then further information will be sought. The Tribunal reserves the right to conduct follow-up audits when appropriate.

This follow-up information, after having been recorded and processed, gives rise to an annual management report encompassing the recommendations issued in the previous three years. The main result of this more structured approach to follow-up is that the Tribunal has seen a 16 per cent improvement over three years in the extent to which recommendations are being implemented.

For more information on follow-up recommendations, please contact:

Eleonora Almeida on: eleonora.almeida@tcontas.pt



Romania: Romanian Court of Accounts

New tools in promoting ethical conduct, independence and integrity

In order to strengthen ethical conduct, independence and integrity of auditors and to lessen conflict of interest risks, the Romanian Court of Accounts (RCoA) has added new provision to its Code of Ethics and Professional Conduct, namely the creation of an Ethical Committee and the requirement that the auditors complete an Independence Statement before starting an audit.

The Ethics Committee

The Committee was set up as a permanent structure under the authority of the Plenum of the RCoA. Its main aims are to:

- raise awareness of the ethical values and principles stipulated in the INTOSAI Code of Ethics and Code of Ethics and Professional Conduct of the Romanian Court of Accounts' Staff (Code of Ethics);
- monitor, and report regularly to the Plenum on the way external public auditors of the RCoA comply with the ethical values and principles stated in the Code of Ethics; and
- provide an internal structure in order to settle amiably disputes regarding the external public auditors in various ethical aspects provided in the Code of Ethics.

The Committee has seven members, appointed by the Plenum for a three-year term: five external public auditors (of which two hold managerial position within the RCoA's central and territorial structures); one adviser to the President of RCoA; and one legal counsellor from the Legal Department. The members meet monthly in an ordinary session and, whenever necessary, in extraordinary session.

The Independence statement

The Independence statement (IS) is a formal document consisting of ten points, and annexed to the Code of Ethics. It is completed by auditors before they are assigned to audit an entity. For example auditors have to declare if they have been employed in the entity during the last 36 months, if they have relatives in managerial positions in the audited body, or if they are in debt financially. The auditors can update the IS during the audit if their circumstances change.

The Court considers that the IS represents a necessary tool in order to prevent and avoid: conflict of interest, and govern the relationship with the management and staff of the audited entity and other parties which could influence, compromise or threaten the ability of the auditors to carry out their tasks objectively and independently free of the corruption risk.

What happens if in the IS auditors declare some specific issues? In the short term: an auditor can be replaced immediately with another auditor before starting the mission, or within 48 hours, if the mission is already started. In the longer term: the Ethics Committee makes an inventory on a quarterly basis of the situations declared by the auditors in the IS and informs the Plenum. In relevant cases, according to best practice, the Committee can propose improvements to the Code of Ethics or use the information to mitigate future risk areas.

For further information on the new code of ethics please contact:

Mr. Corneliu Cornea, external public auditor (member of the Ethics Committee): corneliu.cornea@rcc.ro

Slovenia: Court of Audit of the Republic of Slovenia

Helping government in its implementation of austerity measures

The Court of Audit of the Republic of Slovenia audited the efficiency and effectiveness of austerity measures implemented by the government of the Republic of Slovenia (the government) between 2008 and 2011. The Court of Audit found that the measures had been ineffective with the government failing to meet its deficit reduction and expenditure targets.

Weaknesses were identified at both the planning and implementation stages. The Court of Audit found that the Government had not clearly defined the objectives of different measures nor established clear, measurable, financial targets. The Government had failed also to establish an efficient system of coordinating, monitoring and assessing the implementation of measures. The austerity measures were also not fully integrated with the budget preparation process nor was there a rigorous approach to establishing the viability of the different measures. Once rolled out the Court of Audit found that insufficient attention had been given to what impacts the measures would have on different business processes across the public sector.

The Court of Audit has pointed out that poor implementation of measures and delays may necessitate the adoption of more radical measures in the future. The implementation of austerity measures could be more efficient and effective if the Government set clearer and notably more binding objectives or fiscal rules for the provision of fiscal stability, both at the level of the general government sector and at the level of individual public finance funds. The Court also made wide-ranging recommendations to the government on the ways in which the implementation of the austerity measures should be monitored in the future. These included the disclosure and monitoring of expenditure by cost centres year-on-year and their comparison with the private sector and/or other states.

For further information on monitoring austerity measures, please contact:

Nina Furman on: nina.furman@rs-rs.si

Strengthening the efficiency of VAT collections

The Court of Audit audited the performance of the Ministry of Finance (MF), the Tax Administration of the Republic of Slovenia (TARS), the Customs Administration of the Republic of Slovenia (CARS) and the Statistical Office of the Republic of Slovenia (SORS) to ask the question whether the collection of value added tax in the Republic of Slovenia is efficient or not. It checked whether the volume of losses of value added tax (VAT) in the Republic of Slovenia is known and assessed the activities and measures carried out by TARS, CARS and the MF to reduce VAT losses.

During the audit the Court of Audit confirmed that the volume of VAT losses in the Republic of Slovenia was not known. In the period covered by the audit it was only SORS that regularly and systematically produced estimates to compare the theoretical level of VAT returns with the actual amount collected and hence the estimated VAT losses. During the audit, CARS began developing estimates of VAT losses within its own area of responsibility but TARS and the MF did not produce any such estimates.

Neither TARS nor CARS carried out individual analyses or estimated the volume of VAT losses for individual elements. As a result, the main risks for the occurrence of VAT losses by causes, types of activities, size of taxable persons and types of imported goods were not established. From its own work, the Court of Audit estimated that VAT losses in 2006 amounted to €184 million which is 6.4 per cent of the total VAT income in 2006.

The main weaknesses detected in the VAT collection system at TARS as well as CARS predominantly related to deficient VAT records. At TARS and CARS inspections were carried out by inspectors who covered a wide range of duties and who were not specialised in VAT. The Court of Audit believes that it would be possible to achieve improved efficiency in detecting irregularities and reducing VAT losses by ensuring the deployment of teams of specialised VAT inspectors. The Court of Audit also made a range of other recommendations aimed at reducing the risk of VAT losses.

For further information on strengthening the efficiency of VAT collections, please contact:

Nina Furman on: nina.furman@rs-rs.si

Reducing office costs

In recent years, operating funds for the Court of Audit of the Republic of Slovenia, like those for the rest of the Slovene public sector, have been progressively reduced. One way the Court has sought to contain and reduce costs is by taking a more strategic approach to the management of its training and education budget. Large scale participation in external seminars has been curtailed and as a general rule only one member of staff is released to attend seminars or training events overseas. Instead much more emphasis is being placed on internal training and information dissemination. For example, performance audit department staff have shared their experience and knowledge with auditors from other departments and those attending external events are expected to draw up reports to share information with their colleagues.

To increase the efficiency of internal training events, involving external lecturers or trainers, staff are encouraged to submit questions or issues in advance so that the trainers can make sure their presentations are tailored to the needs of the Court.

In addition, some savings have also been achieved by enabling more staff to work at home, both on a permanent and temporary basis. This has resulted in lowering the costs of visiting some auditees and, to a lesser extent, some reduction in operating and material expenses.

For further information on reducing office costs, please contact:

Nina Furman on: nina.furman@rs-rs.si



Spain: Tribunal de Cuentas

On-Line Training

Since 2005, the Tribunal de Cuentas has been providing Online training, particularly for auditing colleagues from the OLACEF region. The initiative has been developed with the support of several national and international institutions, including the *Centro de Educación a Distancia y para el Desarrollo Económico y Tecnológico* – CEDDET (Centre of Distance Education and for Economic and Technological Development); the Spanish Ministry of Finance; and the World Bank.

Two courses are provided each lasting for around two months; one entitled *External Control* has been offered 17 times and the other *Fraud in Public Management, its audit and pursuant of responsibilities by SAls* has been offered seven times. The educational and training aspect is the responsibility of the Tribunal de Cuentas while CEDDET provides the administrative and IT support.

Each course is divided into different modules and each module lasts for a week. Trainees download the lesson plan and contents at the start of the week and then work through a series of activities including discussion forums; questionnaires that are completed online and automatically corrected; laboratory cases; and other activities. The trainees also have permanent contact with their teachers via email. At the end of the course trainees are assessed and, if they pass, receive a diploma. Responses show trainees have a high level of satisfaction with the training.

For more information on the online training, please contact:

Javier Corral Pedruzo on: Javier.corral@tcu.es

Experts' Network *REI en Fiscalización*:

REI en Fiscalización is an initiative of the Spanish Tribunal de Cuentas conceived as a complementary activity to the training. The Tribunal, in collaboration with *Centro de Educación a Distancia y para el Desarrollo Económico y Tecnológico* – CEDDET (Centre of Distance Education and for Economic and Technological Development), has launched a Latin-American Experts in Public Audit Network (Red de Expertos Iberoamericanos en Fiscalización–REI). This network makes it possible to maintain contact among the course participants using different tools and functionalities. This Network aims to become a new communication channel on training needs and up-to-date knowledge on SAls. It will contribute to capacity building through the pursuit of several objectives, including maintaining contact among professionals; supporting a permanent forum aimed at spreading knowledge, information and laboratory cases; contributing to the permanent improvement of the training programmes; as well as acting as a meeting point among professionals that may request some support from other countries' colleagues.

REI allows its members to keep an updated profile, add contacts, send messages and participate in the different forum threads and groups. It also provides links to several documents, like a digital magazine, monthly bulletin on novelties, Annual Plan of Activities and other activities developed by REI. A specific section is devoted to keeping the members permanently informed with relevant news related to their areas of professional interest. REI also provides short-time courses aimed at updating knowledge. It also shows relevant statistical data.

For more information on *REI en Fiscalización*, please contact:

Enrique Medina on: Enrique.medina@tcu.es

Stakeholders' access to annual accounts and economic-financial management of municipalities

The website rendiciondecuentas.es is an initiative led by the Spanish Tribunal de Cuentas with the participation of most of the Regional Audit Institutions (RAIs) of the country. It simplifies the submission of accounts by the local entities to the external control organs and enables citizens to have access to information on the management of local accounts.

The website is an important demonstration of how the use of information and communication technologies (ICT) can promote accountability and reduce duplication. The site is divided into a public area with free access and a private area specific for the auditees and external auditors.

The public area allows citizens to examine the accounts of any local entity providing information on their annual income, with detail on the main local taxes, their annual expenditure, as well as the year-end economic-financial position. It includes an 'Accountability Observatory' which is a facility that allows the viewer to consult the status of each municipality in terms of accounts submission and to calculate several indicators. The indicators enable the viewer to monitor performance over time and to search by type of entity, by Autonomous Community (Regions) and by sections of population, as well as the compliance with statutory time limits for handling the budget and the General Accounts.

The private area can be accessed both by local entities, to lodge their accounts, and by the Tribunal de Cuentas and RAIs, for their audit. Not only does this system provide greater security and speed of access, but the system also applies a series of validation rules which reveal the existence of deficiencies, inconsistencies or inaccuracies in the information rendered, as well as whether there is any compulsory documentation missing or incomplete. The auditees can identify the main deficiencies before submitting the accounts and then decide to correct them or proceed with submission.

For more information on the website, please contact:

Rafael Pou Bell on: Rafael.pou@tcu.es or visit the platform www.rendiciondecuentas.es



National Audit Office

United Kingdom: National Audit Office

Helping government take a structured approach to reducing spending

The public sector is being constantly challenged to do more with less and in the current financial crisis many UK government departments are facing substantial reductions. The temptation in these situations is to make the easy cuts, freezing recruitment and not replacing staff that leave, but doing this can make it difficult for departments to deliver their required outcomes and often does not reflect good value for money. Instead departments have been urged to take a strategic approach to cost reduction. To help ensure that departments are doing this, the NAO has developed a framework for assessing departments' performance in undertaking structured cost reduction.

This framework includes assessing whether departments know how they will operate at lower cost; have plans in place to get there; are delivering on those plans; and are managing the impact of cost reduction on service delivery. The NAO has carried out seven value-for-money audits in this area, with more under way for 2012-13. To ensure consistency in approach and message, the NAO maintains a small central team of specialists in structured cost reduction. This team works across the NAO providing guidance, quality assurance and regular knowledge-sharing workshops. As a result, our structured cost reduction reports measure departments consistently against a clear set of expectations in this key area. We have summarised these in a recent overview report *Cost reduction in central government: summary of progress*. The UK Parliament's Committee of Public Accounts (PAC) supports these expectations and holds robust hearings challenging departments on their performance in bringing down costs while protecting value.

For more information on the NAO's body of work in this area, please contact:

Sandy Gordon on: sandy.gordon@nao.gsi.gov.uk; or visit our website: www.nao.org.uk/publications/1012/government_cost_reduction.aspx

Reducing office costs

Since returning to its refurbished London Headquarters building the NAO has been seeking to reduce its running costs through the more efficient use of office space. We introduced a system of 'hot desking' whereby staff are not assigned a specific desk but rather must book a desk for those days when they expect to be working in the HQ building rather than at a client's premises. This system has allowed us to operate the office space for front-line audit staff on the basis of eight desks for every ten members of staff, although we still provide a desk for each corporate services staff member as they work permanently in HQ.

In adopting this approach we have been able so far to release 2,440m² of office space which is now sublet to four different tenants. In total, the combination of rent and service charge income earned and the saving in business rates expenditure equates to a £1.65 million annual contribution to the running costs of the NAO.

We are about to embark on the next and final stage of our programme to rationalise our London office space which when complete, by the end of 2012, will release a further 1,180m² for subletting. We plan to achieve this through a combination of further rationalisation of our filing requirements to create space for additional desks within the remaining NAO occupied space, and the reconfiguration of desk banks to create one additional workspace on each bank of 3/4/5 desks. We will be supporting this change with improved technology to make the HQ building fully Wi-Fi enabled and with the introduction of new collaborative software.

For more information on how the NAO has reduced office costs, please contact:

Jim Rickleton on: jim.rickleton@nao.gsi.gov.uk

Strengthening value-for-money conclusions

The purpose of the NAO's value-for-money work is to provide a definitive verdict on whether public money has been spent wisely. Each report should tell the reader our view of how well resources have been used to achieve particular objectives. To achieve greater consistency in how we do this, in 2009, we started to include value-for-money conclusions in our reports. Teams are now required to make a clear and short judgement in the conclusion about whether or not value for money has been achieved, while also recognising that value for money can vary over time. Many of our readers advise that the conclusion is the first section of the report they read because it is considered our overall judgement on spending.

The conclusion of a report should follow clearly from the logic of the findings and reflect the balance of what we have found – good and bad. Teams should ensure it is clear why the conclusion has been drawn. What we can conclude on will depend on the focus of our work and the evidence we can obtain. A few will be based on a cost-benefit analysis. In others cases our conclusion will be based on performance against benchmarks or against established good practice. In some cases we will have to report that we cannot report on value for money because there is not enough data to arrive at a conclusion.

For more information on how the NAO is strengthening its value-for-money conclusions and/or a copy of the NAO Guide – *Drawing and drafting VFM Conclusions* please contact:

Robin Owen on: robin.owen@nao.gsi.gov.uk

Broadening access to specialist advice

The NAO has an ambitious strategy to help Parliament and government drive lasting improvements in public services. Our key focus is on: improving financial management and reporting; helping government make better use of information; and ensuring that services are delivered cost-effectively.

In delivering this strategy the NAO needs to ensure that it has access to a broad range of skills and experiences, including input from senior advisers who can help us develop our strategic approach. In 2010, we set up a programme to identify ex-senior executives from both the private and public sectors who could add value to the development of our work programmes and initiatives. In particular, we were interested in individuals who had senior level experience of: IT systems and analysis, change management, operational efficiency, and financial management. In addition, we have looked to identify individuals with sector experience, specifically health and defence.

These **Senior Professional Advisers** are not employees of the NAO but are engaged on two-year call off contracts providing us with total flexibility as to the number of days we contract with them. The majority of their input has been of one to two days duration, providing senior level advice and insight which has proved highly valuable in developing our thinking. Remuneration is on a fixed daily rate and we have negotiated very competitive deals which are well below commercial rates, thus providing us with excellent value for money.

Further information on the NAO's use of **Senior Professional Advisers** please contact:

John McCann on: john.mccann@nao.gsi.gov.uk

