

INTOSAI WORKING GROUP ON KEY NATIONAL INDICATORS

**MINUTES OF THE
9th MEETING OF THE WORKING GROUP**

April 26-28, 2016

Tsaghkadzor, Armenia

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Chaired by

The Auditor of the Accounts Chamber of the Russian Federation

Tatiana N. Manuylova

Participants:

Members of the Working Group:

1	Armenia	Mr. Ishkhan	Zakaryan	Control Chamber of the Republic of Armenia
2		Mr. Seyran	Avagyan	Control Chamber of the Republic of Armenia
3		Mr. Artavazd	Nersisyan	Control Chamber of the Republic of Armenia
4		Mr. Karen	Arustamyan	Control Chamber of the Republic of Armenia
5		Mr. Eduard	Sukiasyan	Control Chamber of the Republic of Armenia
6		Mr. Zorayr	Karapetyan	Control Chamber of the Republic of Armenia

7	Austria	Ms. Elisabeth	Dearing	Federal Court of Audit
8	Bulgaria	Ms. Gergana	Stancheva	Bulgarian National Audit Office
9		Ms. Dileta	Kassabova- Tokatlyan	Bulgarian National Audit Office
10	Brazil	Mr. João Augusto	Nardes	Federal Court of Accounts
11		Mr. Cláudio	Altounian	Federal Court of Accounts
12		Mr. Luiz	Akutsu	Federal Court of Accounts
13	China	Mr. Baohou	Sun	National Audit Office of China
14		Mr. Huazhang	Peng	National Audit Office of China
15		Mr. Yunfei	Lu	National Audit Office of China
16		Mr. Lin	Yu	National Audit Office of China
17		Mr. Xun	Zhou	National Audit Office of China
18	Finland	Mr. Ville	Vehkasalo	National Audit Office of Finland
19		Mr. Timo	Oksanen	National Audit Office of Finland
20	Indonesia	Prof. Eddy	Soepardi	Audit Board of the Republic of Indonesia
21		Mr. Bahtiar	Arif	Audit Board of the Republic of Indonesia
22		Mr. Mustaknif		Audit Board of the Republic of Indonesia
23		Ms. Dominika Dayvera	Rosana	Audit Board of the Republic of Indonesia
24	Italy	Dr. Raffaele	Squitieri	Corte dei Conti
25		Dr. Guivanni	Coppola	Corte dei Conti

26	Moldova	Ms. Marianna	Spoialo	Court of Accounts of the Republic of Moldova
27	Russia	Ms. Tatiana	Manuylova	Accounts Chamber of the Russian Federation
28		Mr. Dmitry	Zaytsev	Accounts Chamber of the Russian Federation
29		Mr. Vladimir	Kuleshov	Accounts Chamber of the Russian Federation
30		Mr. Valery	Kryuchkov	Accounts Chamber of the Russian Federation
31		Ms. Ani	Saakyan	Accounts Chamber of the Russian Federation
32	Slovak Republic	Mr. Juraj	Kolarovič	The Supreme Audit Office of the Slovak Republic
33		Mr. Václav	Školuda	The Supreme Audit Office of the Slovak Republic
34	USA	Mr. Joseph Cristopher	Mihm	Government Accountability Office
35	Zambia	Mr. Louis	Mwansa	Office of Auditor-General
36		Mr. Smart	Nguni	Office of Auditor-General

April 26, 2016

Welcome remarks

Ms. Tatiana Manuylova, the Auditor of the Accounts Chamber of the Russian Federation, welcomed all participants in Tsaghkadzor at the 9th meeting of the INTOSAI Working group (WG) on Key National Indicators (KNI). She extended her

gratitude to Control Chamber of the Republic of Armenia and all Armenian colleagues for the opportunity to hold the 9th meeting of the WG on KNI in Armenia and for the perfect organization of the meeting. In her speech Ms. Manuylova drew attention to the United Nations 2030 Agenda for Sustainable Development that aims to foster the economic growth, social inclusion and environmental protection. She mentioned the important role of SAIs in achieving the global goals and fostering the efficiency, accountability, effectiveness and transparency of public administration. One of the themes of the INCOSAI XXII is how INTOSAI can contribute to the UN 2030 Agenda for Sustainable Development. She also noticed the interconnection of such issues as key national indicators and sustainable development goals. Ms. Manuylova declared the meeting opened and gave a floor to the Chairman of the Control Chamber of the Republic of Armenia Mr. Ishkhan Zakaryan.

Mr. Ishkhan Zakaryan, the Chairman of the Control Chamber of the Republic of Armenia, emphasized that it was a real pleasure and honor to hold the meeting in Armenia. He noted that it's time to think about the measures necessary for making "tomorrow" better than "today", think about the effective control which will help the countries' economies to become more capable, sustainable and attractive.

The SAI of Armenia understands and confirms the importance of KNI for the progress in the public area. It recognizes that for each country the KNI is nowadays a very important element of the sustainable development. And the INTOSAI Working group on KNI has already done a huge work on researching that theme. Mr. Zakaryan thanked the SAI of Russia for effective chairing. In conclusion, Mr. Zakaryan wished good luck to all participants.

Ms. Tatiana Manuylova presented the agenda of the 9th meeting to the WG member-states for approval. The agenda was approved without any changes.

Presentations and reports

1. Mr. João Augusto Nardes, the Minister of the Federal Court of Accounts of Brazil (TCU), presented the SAI of Brazil in the capacity of a new member of the INTOSAI Working group on KNI. There was prepared a video presentation about the TCU. Mr. Nardes told about the TCU international activity both at global and regional levels (INTOSAI, World Bank, OECD, OLACEFS). He also mentioned that TCU was elected to be President of the Professional Standards Committee (PSC) in 2017 and it participates in different INTOSAI subcommittees. In his presentation Mr. Nardes also spoke about the Public Governance Index in Brazil, which is based on three governance mechanisms – leadership, strategy and control.

2. Mr. Seyran Avagyan, a Board Member of the Chamber of Control of the Republic of Armenia, spoke about the key national indicators in Armenia. Mr. Avagyan highlighted the KNI's role and noticed that the SAI of Armenia has become a member of the Working group since 2011. He presented the results of the SAI's work in the field of KNI associated with reforming of the Chamber of Control of the Republic of Armenia in the framework of global development. Mr. Avagyan drew attention to the important role of budgeting and noticed that Armenia is now passing to the program budgeting. Taking that fact into account he assured that the SAI of Armenia would do its best for raising the KNI role and significance. He believes that the KNI audit is very useful for the Government in the context of program budget implementation. Mr. Avagyan said that in Armenia they began the process of harmonization of their and EU standards, and they were planning some pilot audits, about which the Working group members would be informed later.

3. Ms. Tatiana Manuylova, the Auditor of the Accounts Chamber of the Russian Federation reported on the WG activities for the period from March 2015 to April 2016.

Ms. Manuylova reminded in few words about the results of the 8th meeting of the Working group. She presented the SAI of Brazil as a new member of the Working group. Then she spoke about the main results of the Group's activities. In her speech Ms. Manuylova mentioned the audits carried out as a second phase of the subproject "Analysis of opportunities on the use of KNI for international comparisons in the context of sustainable development and recommendations".

Ms. Manuylova outlined the chronology of the Guidance document development and mentioned that it is intended to be updated and reworked in order to become an ISSAI. The Guidance was reported at the 7th INTOSAI KSC Steering Committee Meeting and at the 67th INTOSAI Governing Board Meeting. Currently the Guidance is sent to the INTOSAI community for commenting.

Ms. Manuylova highlighted the importance of the Knowledge base on key national indicators (Knowledge base, KB). She reported the WG Secretariat has conducted a great deal of work to improve that resource.

Ms. Tatiana Manuylova paid attention to the activities of the Expert Group on KNI of the Council of the Heads of SAIs of the Commonwealth of Independent States. The 8th meeting of the Expert Group was held in May, 2015 in Tajikistan. The Expert group member-states joined the initiative to overhaul the Knowledge base on KNI.

Ms. Manuylova reported on cooperation between INTOSAI and OECD. At the 54th OECD Forum in June 2015 the initiative of a new framework agreement between INTOSAI and OECD was discussed. The WG Secretariat has prepared a draft framework agreement. At present the draft is agreeing with the OECD.

Ms. Manuylova outlined the main activities of the Working group in 2016-2017:

1. Elaborating the Draft Guidance Document on the development and use of KNI's in SAI's activities;
2. Overhauling the Knowledge base on KNI;
3. Launching a new subproject in frames of the Guidance Document;
4. Preparing the ISSAI (on the base of the Guidance Document on the development and use of KNI's in SAI's activities).

4. Dr. Gyula Zoltan Pulay, the representative of the State Audit Office of Hungary made the final report on the results of the subproject "Analysis of opportunities on the use of KNI for international comparisons in the context of sustainable development and recommendations" in his video presentation.

The purpose of the subproject was to test the applicability of the internationally accepted sustainable development indicators during the audits conducted by SAIs. The pilot audits were conducted in Austria, Bulgaria, Kazakhstan and Russia.

Dr. Pulay outlined that each member of the subgroup selected his own topic in which the SAI intended to test the application of sustainable development indicators. The SAI of Hungary prepared a list of questions, which was sent to the subgroup members:

1. What were the actual audits launched by the SAI wherein sustainable development indicators were included;
2. Exactly which sustainable indicators were used;
3. A short description of the audit;
4. How the key indicators worked within the audit.

Then he gave a brief overview of four audits implemented by the four members of the subproject.

The analysis of these audits raised the following questions:

1. Whether the applied indicators were specific enough to create a direct link between the indicator and the audited theme?
2. How could the different scales – on the one hand macro indicators, on the other hand – the audits carried out at the level of sectors or institutions, be reconciled.
3. Were the applied indicators supported by the country's national statistics?
4. Whether the methodology selection of the indicators was correct?

Dr. Pulay concluded that they didn't get general answers to all those questions, but however some lessons were learnt from the audits related to the specific questions.

5. Prof. Eddy Mulyadi Soepardi and Mr. Bahtiar Arif the representatives of the Audit Board of the Republic of Indonesia, gave the information about current development of the use of KNI by the Audit Board of the Republic of Indonesia.

Prof. Eddy Mulyadi Soepardi spoke about the five-year strategic plan which was endorsed by the Audit Board. He stressed that beside vision, mission and strategic objectives, the strategic plan for 2016-2020 provided audit plan policy which would be used to develop annual audit plan and SAI budget. He mentioned that the Audit Board of the Republic of Indonesia was also chairing the INTOSAI Working Group on Environmental Audit. As the Chair of the Audit Board attended a meeting discussing sustainable development goals (SDGs). And he supposed that the topic would be important to be discussed in regard to the key national indicators.

The more detailed information was presented by Mr. Bahtiar Arif. He looked into the national medium term development plan (2015-2019) and noted that its mission was to achieve national security to protect sovereignty of territory, promote self-reliant economy, secure maritime resources; achieve prosperous, sustainable and democratic society, free and active foreign affairs policy and strengthening maritime state identity, high quality of life, prosperity and welfare; competitive nation, a self-reliant, developed, strong, and national interest based maritime country, and achieve society with Indonesia personality and culture.

He spoke about KNI as important reference of SAI Strategic Plan Development.

He also emphasized the 12 principles of the value and benefits of the SAIs under each of 3 objectives:

- Strengthening the accountability, transparency and integrity of government and public sector entities;
- Demonstrating ongoing relevance to citizens, Parliament and other stakeholders;
- Being a model organization through leading by example.

Mr. Bahtiar Arif also spoke about the coherence of the SDGs and KNI.

6. Dr. Raffaele Squitieri, the President of SAI of Italy, talked about the development of the well-being indicators and their first results in the national context.

Dr. Squitieri spoke about their attempt to develop a multi-dimensional approach of the BES ("Equitable and Sustainable Well-being") in order to integrate the key indicator that records the level of economic well-being, the GDP, with other indicators that can provide a more complete picture of the overall well-being. The BES analyzes the factors that have a direct impact on human well-being and environment through twelve domains: health, education and training, work and life balance, economic well-being, social relationships, politics and institutions, security, subjective well-being, landscape and cultural heritage, the environment, research and innovation, quality of services - divided into 130 high statistical quality indicators. Dr. Squitieri mentioned BES becoming a research tool aimed to provide an assessment on each domain trend by an exploratory analysis of the different indicators.

He also pointed out the need to identify key national indicators that allow to concretely achieving economic assessments and have a perceptible impact on public

budgets. Thereby there was identified the "level of selective waste collection" as an indicator that could adequately respond to this need.

He talked about national system environmental detection "The Smartness in Waste Management" which allows to constantly follow the municipalities and their environmental performance.

Dr. Squitieri believes that the environment future is in sustainability and recycling and it is necessary to reduce the costs of selective waste collection and recycle, while allowing new management policies. To identify the performance criteria in order to evaluate the management systems, it should be considered both the phenomena of which it is expected the development: on the one hand the reduction of waste not intended for recycling, and on the other, the level achieved by recycling. He emphasized that local entities started to record revenues thanks to separate agreements with the national Consortia for recyclables. He pointed out that the support of masterly legislation, top and bottom efforts and commitments converge towards shared objectives were needed for real changes.

7. Mr. Juraj Kolarovič the representative of the Supreme Audit Office of the Slovak Republic, reminded about the previous presentation at the 8th meeting concerning the national experience in the field of development and use of KNIs in SAI of Slovakia and gave the floor to his colleague – **Mr. Václav Školuda**, who focused on the issue of self-government. First he spoke about the territorial self-government and noticed that self-government performs not only the legal given competences, but also the responsibility for effective, efficient and economical use of public funds. Then Mr. Školuda spoke about the Supreme Audit Office (SAO) of the Slovak Republic and pointed out that SAO needs a number of instruments for audit and understanding how to use these instruments in consonance with its roles and missions. In conclusion he mentioned that in assessment of municipalities' development capacity it is important to accept not only the size, but also the status of municipalities in administrative and settlement system of the country.

8. Ms. Marianna Spoialo, the Head of the Performance Audit Division of the Court of Accounts of the Republic of Moldova, presented the results of the assessment of the progress in the implementation of energy efficiency policies in the Republic of Moldova with application of key national indicators. She pointed out that the main objective of the audit was to establish whether the measures taken by the responsible authorities had impelled to achieve the objectives of energy efficiency policy through the Energy Efficiency Fund. Thereby she talked about the achieved progress, main problems and proposed some recommendations.

Among the achievements Ms. Spoialo mentioned the setting up of the Agency for Energy Efficiency (AEE) and the Energy Efficiency Fund (EEF); the approval of the National Program on Energy Efficiency 2011-2020 that defines the policies and priority actions to be implemented, the National Action Plan for Energy Efficiency for 2013-2015; and 87 projects for funding of energy efficiency that would be financed from sources of Energy Efficiency Fund amounting to 80%. She also noticed the strategic targets of the development of energy strategy of the Republic of Moldova until 2030: to reduce energy intensity, gas emissions of greenhouse, energy consumption in buildings.

As for the problems, she mentioned the delay in the development and approval of normative legal acts; weak institutional capacities of the Local Public Authority (LPA) of level II have the impact of failure to identify the energy efficiency measures at local level; the delay of creating Energy Efficiency Fund (EEF) led to the failure to implement the energy efficiency project. The achievement of the EEF objectives is compromised by the limited institutional capacity, which generated unassimilated financial resources allocated for the implementation of energy efficiency projects.

It's worth mentioning the following recommendations given by Ms. Spoialo:

- establishing clear and concise operational provisions of EEF activities;
- defining a reliable management of the projects to be financed from the EEF;

- strengthening institutional capacities of EEF, ME, AEE and LPA of the II level;
- examining the audit results within a government meeting, in order to eliminate the problems that restrict the actors activity involved in implementing energy efficiency policy;
- increasing efforts on streamlining the development process of the field of energy efficiency and improvement of the expected performance;
- increased monitoring of the management decisions of the Energy Efficiency Fund on policy implementation processes and energy efficiency projects.

9. Mr. Louis Mwansa, Director Planning and Information of the Office of the Auditor General of the Republic of Zambia, made a presentation on key national indicators in Zambia.

Mr. Mwansa started his presentation with the general information about the SAI of Zambia, its mandate, responsibilities and types of the currently conducted audits. Then he noticed that the KNIs were spelt out in the Vision 2030 (national development planning framework) and in the 5-year period National Development Plans. There is also a system of a rolling medium term Expenditure Framework which has other short term indicators. There are 3 groups of national development indicators used in Zambia – economic, social and governance indicators.

Mr. Mwansa pointed out that there are indicators at program, sectoral and national level which are KNI. In addition, Zambia being a member of the United Nations (UN), has the resolve of meeting the Sustainable Development Goals (SDGs) which with the associated with various Sectoral Indicators.

He outlined that the SAI of Zambia carried out audits of public funds that are ordinarily employed in meeting KNI's per sector, per institution, per programme and project.

Then he went on to describe the challenges faced by the SAI of Zambia, namely:

- Audit of KNI is not yet formally institutionalized with the structures of the SAI.
- Capacity is yet to be built in auditing of KNI.
- Transition from financial and regularity audit to program audit that handle KNI is required.
- The concept is still new and the linkage between the audits and KNIs has historically been blurred.

In conclusion he added that during the strategic period 2017-2021 there should be made some restructuring, staff training, KNI research, a specific framework and methodology on the audit of KNI. And there should be carried out pilot KNI audits in line with developed methodology.

10. Ms. Elisabeth Dearing the representative of the Federal Court of Audit of Austria, reported on the experiences of Austrian SAI in the use of KNI (Gender Target) in performance audit.

For her presentation Ms. Dearing chose the audit concerning the equality of women and men. The name of that audit was “Gender target, indicators and measures of implementation in the Ministry of Justice”. She shortly described the legal background in Austria. Ms. Dearing noticed that they had constitutional regulations about the outcome orientated budget management and other regulations in the Federal Organic Budget Act and in the Annual Budget Law. She emphasized that at least one outcome target derived directly from the gender equality objective and that was why the gender equality issue became a strong pillar of the outcome orientation in the Austrian budget management.

The Gender Target is a part of one general outcome objective (concerning the enforcement of sentences and orders in general) which is defined as „... taking into account the living conditions of female inmates in the enforcement of sentences and orders“. The Ministry of Justice defined the measure of implementation as establishment of additional departments for female inmates in provincial prisons

including facilities for mothers and children and working opportunities. And the number of such additional departments is an indicator for the implementation assessment.

The Ministry of Justice collected gender-specific data on inmate-related characteristics (e.g. the duration of detention, completed school education), which, however, had significant quality deficiencies. The shortcomings of the socio-economic data and the lack of management-relevant indicators (e.g. education) rendered the steering difficult.

Ms. Dearing finished her speech with following conclusions:

- Legally defined quality criteria are useful;
- Staff should be involved in the process of defining outcome targets, measures and indicators;
- Politically responsible Ministers should give political requirement.

11. Mr. Sun Baohou, Deputy Auditor General of National Audit Office of the People's Republic of China (CNAO), talked about application of key national indicators to social security audit in China.

He pointed out that China established a comprehensive social security system, covering social insurance, social assistance, social welfare and housing support for both urban and rural people. China's Social Security Audit should safeguard social security funds and improve social security system. Mr. Sun Baohou highlighted that audit institutions in China focus on the implementation of social security policies, and the truthfulness, compliance and performance of the social security funds management. Audit institutions also include the business index and data of social security into the scope of audit and try to define key indicators for audit purposes and divides them into four groups, namely: 1. Indicators for evaluating the implementation of social security policies; 2. Indicators on the sustainability of

social security policies; 3. Indicators for evaluating social security funds management; 4. Indicators for evaluating social security business management.

In his speech Mr. Sun Baohou clarified that there are two methods used to collect key indicators data: 1. Standardized data collection for specific audit projects; 2. Established routine and standardized data collection mechanism with the administrative departments of social security businesses. With the above mentioned methods, the CNAO set up a social security data analysis model that combines routine back-office data analysis and audit field data analysis, which is conducive to establish digitalized audit methodology, featured with "general analysis, on-site verification, systemic study", and to improve the efficiency and effectiveness of social security audit.

Dr. Sun Baohou proposed a vision for key indicators use in social security audit, implying that indicators for social security policy evaluation and routine analysis and using of key indicators will be highlighted with ways of organizing social security audits being subject to great changes.

12. **Mr. J. Christopher Mihm**, the Strategic Issues Managing Director of the United States Government Accountability Office, talked about the KNIs, INTOSAI, and the Follow-up and Review of the 2030 Agenda for Sustainable Development.

Mr. Mihm reported on the 2030 Agenda for sustainable development and the growing role of SDGs. He stressed that INTOSAI also pays a lot of attention to the SDGs which are one of the two themes for the Congress this December in Abu-Dhabi. He also drew attention to the fact that the UN General Assembly in resolutions A/66/209 and A/69/228, recognized the key roles that Supreme Audit Institutions can play in helping to ensure the effective implementation and follow-up and review. The SAIs' contribution to it is expected to be the following:

1. Support national efforts to build effective, accountable, and inclusive institutions, as called for by SDG 16 which commits each nation to “promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.”
2. Audit national systems of assessing progress toward meeting national sustainable development goals,
3. Undertake performance audits that examine the economy, efficiency, and effectiveness of key government programs that contribute to specific aspects of the SDGs, and
4. Be models of transparency and accountability in their own internal operations, including auditing and reporting.

Besides, Mr. Mihm listed the illustrative areas where SAIs, subject to their individual mandates, could contribute to the implementation and follow-up and review of SDGs.

He outlined the following potential key focus areas for assessing national preparedness to implement the SDGs:

- Integration of SDGs into national frameworks;
- Establishment of sustainable development goals, reporting regimes, and accountability mechanisms;
- Capacity of national statistical systems to produce data—including disaggregated data;
- Capacity of the “Center of Government”;
- National follow-up and review plans.

13. Mr. Dmitry Zaytsev, the Executive Secretary of the WG on KNI (SAI of Russia), reported on the development of the Knowledge base (KB) on key national indicators.

Mr. Zaytsev presented the developed version of the KB, which consisted of 7 main blocks: About us; Glossary; Group members; Discussions; Analytical materials; Videoconferences; Surveys.

He handed over the login and password to the responsible persons from each member-country and explained how to use KB.

The authorized users may edit the information about their countries and left messages – private (to other users) and public (in different parts of the KB).

Mr. Zaytsev mentioned that in the near future a Guidance on the KB be posted on the site.

In conclusion Mr. Zaytsev noted that the WG Secretariat is looking forward to any ideas on KB improvement.

14. Mr. Dmitry Zaytsev, SAI of Russia, delivered a report on the practical use of the “Key National Indicators: Guidance for Supreme Audit Institutions” (Guidance).

The Secretariat had prepared an Initial assessment and the Project proposal of the Guidance by October 2014. Basing on these documents the Guidance was developed and in August 2015 was approved by the WG members. Then it was reported at the 7th INTOSAI KSC Steering Committee Meeting in Washington; and at the 67th INTOSAI Governing Board Meeting in Abu-Dhabi. In January 2016 the approved draft of the Guidance was sent for commenting to the INTOSAI community member-states. Mr. Zaytsev told about the comments, which the Secretariat got from the audit community, and brought some of them out for the discussion. It was decided to prepare a common table of the received comments and to post it for the further work at the Knowledge base.

The Guidance document is intended to be presented at the INTOSAI Congress (INCOSAI) in December 2016 after considering all the comments.

15. Mr. Dmitry Zaytsev (SAI of Russia) spoke about the possible themes of the future subprojects and mentioned that it is necessary to research the issue of the practical use of the Guidance document. Then the Brazilian colleagues supposed to initiate a new subproject on the public governance. It was decided to carry out the first workings in 2016 and to approve the theme, research framework and the list of participants at the 10th meeting of the Working group in Brazil.

16. Mr. Dmitry Zaytsev (SAI of Russia) presented **the Working Plan for 2016**. The document was discussed and approved by all the participants. The working plan for 2016 is available on the WG on KNI web-site.

17. Mr João Augusto Nardes, the Minister of the Federal Court of Accounts of Brazil (TCU), made a video presentation about Brazil as the venue for the next Meeting of the WG. It was agreed by the WG member-states to held the 10th meeting of the INTOSAI WG on KNI in 2017 in Brazil.

18. The representatives of the **SAI of Poland** couldn't participate in the 9th meeting of the Working group, but however they prepared a presentation about use of key national indicators in the process of audit planning.

Summing up the report of the Supreme Audit Office of Poland the following can be pointed out:

- The Supreme Audit Office of Poland (NIK) operates on the basis of a work plan, yearly adopted by the Council of NIK, on a proposal of the President of NIK.
- The Council of NIK adopts the draft work plan submitted by the President of NIK without any changes or with minimal changes only. This shows how important is the organisation of works related to the development of the draft NIK annual audit plan.
- The responsibility for the development of NIK work plan lies with:

- the Team (Working Group) for audit planning, established in 2012, whose main task is to select audit subjects;
 - Department of Strategy, responsible for assessing the resources and the logistics of the planning procedure.
- The basic rule for selecting audit subjects is to consider to what extent a potential audit answers the following question: “How do public authorities manage the most important threats to the implementation of the State’s strategic goals?”.
 - The procedure for developing a NIK work plan consists of 6 steps: 1) guidelines, 2) proposals, 3) draft audit plan, version 0, 4) hearings, 5) draft audit plan, version 1, 6) final audit plan
 - In 2016, the Audit Planning Team adopted a new method for identifying audit priorities. Instead of describing general audit priorities suggested audit areas are indicated, related to four large groups of some 30 issues. The essence of the new attitude consists in adopting a unified description format that comprises three elements:
 - the description of the current situation, including:
 - main threats (risks) for the implementation of strategic goals that stem from the above description,
 - suggested audit areas that correspond to the risks identified.
 - For the sake of the audit planning process, a large database has been developed in the Audit Planning Team, which covers over 500 indicators. It contains information on a series of temporary indicators that should be considered in risk analysis.
 - The described procedure is expected to allow for:
 - deepening analytical works in departments,
 - focusing audit subjects on the most important problems of the country,

- objective selection of points of reference for findings of individual audits,

and – as the final result – for more effective activities of NIK for the implementation of the State’s strategic goals.

Summing up the results of the 9th meeting of the WG, Ms. Tatiana Manuylova expressed her gratitude to the Control Chamber of the Republic of Armenia for excellent organization of the meeting and thanked the WG members for active participation and contribution in the WG activities.