

Preparation of the audit questions applied to all-area audit actions

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Preparation of the audit questions applied to all-area audit actions

1. Specific matter of the all-area audit actions
2. Audit aimed at compliance with the principles of program budgeting
3. Audit of the preparation and realizations of the investment constructions



1. Specific matter of the all-area audit actions

Benefits :

- larger sample of audited issue,
- possibility of detailed examination of several problem,
- minimalization of failures and faults at generalization of the audit findings,
- higher quality of the outcome from the audit action,
- better possibility of proposition of the system recommendations for solution of determined problem.



1. Specific matter of the all-area audit actions

Disadvantages:

- necessity of using of larger auditors capacity,
- higher demands for co-ordination of audit actions,
- higher expenses for performance of the audit actions,
- more difficult manipulation of the results of the audit action.



2. Audit aimed at compliance with the principles of program budgeting

Base:

- audit performed only 2 years after all-area application of this budgetary approach,
- first all-area audit of program budgeting,
- 18 central authorities of the state administration were subjects of the audit, it means more than 50 % of whole amount,
- insufficient knowledge of the program budgeting from the side of audited bodies as well as auditors,
- insufficient legislative regulation of audited issues



2. Audit aimed at compliance with the principles of program budgeting

- complicated creation of criteria of program creation,
- necessity of processing and evaluating of the questionnaire in the process of the audit action preparation,
- searching of main problem of introduction the program budgeting into practice,
- providing of individual training of auditors by the program budgeting coordinator,
- close cooperation with program budgeting coordinator during whole audit action performance as well as searching of system recommendations.



2. Audit aimed at compliance with the principles of program budgeting

Audit objective:

- to evaluate putting program structure together, reality of the intentions and program objectives and their fulfillment and keeping of determined measurable coefficients,
- to search possibilities for generalization of the audit knowledge for other state bodies,
- to propose system recommendations by which will be provided the improvement of the quality of the progressive budgeting process,
- to verify results and introduced coefficients used for performance measuring.



2. Audit aimed at compliance with the principles of program budgeting

Audit object :

- legislative and organizational conditions for applying of program preparation, realization, monitoring and evaluation in the scope of budgetary chapter authority,
- characteristics of the program structure,
- fulfilling of the program objectives (sub-program, project/element) and evaluation of measurable coefficients,
- system of the monitoring and evaluating of aims fulfilling by the budgetary chapter administrator.



2. Audit aimed at compliance with the principles of program budgeting

Questions orientation :

- to verify results and introduced coefficients used for performance measuring,
- to evaluate whether demonstrated fulfilling of the measurable coefficient is in charge of the reality,
- to evaluate potential deviation and to find the reason,



2. Audit claimed at compliance with the principles of program budgeting

- verifying whether measurable coefficients are tools for monitoring and evaluation of the aim,
- formulation of the programs in direct connection with the objective and whether they are auditable and cost effective,
- evaluation, whether determined objectives are brief, measurable, concrete, explicit, real, auditable and affected by organizational units of the budgetary chapter administrator.



Knowledge from the program budgeting audit

- objectives had not sufficient connection to the amount of financial means in relevant programs,
- central authorities of the state administration in the framework of its legal competencies often transferred financial means according to the current needs of relevant units,



Knowledge from the program budgeting audit

- financial means in some cases were not laid out and drawn to an extent that corresponds objectively to expenditures for each program, sub-program or their elements,
- means carried to the next year were not used neither the next year,



Knowledge from the program budgeting audit

- central authorities of the state administration in the specification of obligated coefficients failed to set to legal entities objectives and measurable coefficients of the program structure or it was not defined the ratio via which the organization should contribute to the achievement of the objective,
- Individual programs were often not used for the implementation of a specific projects with the aim to achieve greater cost-efficiency but they provided mainly analytical information on activities performed by the budgetary chapter,



Knowledge from the program budgeting audit

- some elements of the program structure did not state clearly the content of activity and did not constitute whole integrity, some elements of the program structure, under which was spent considerable amount of financial means, did not determine any objective or objectives were defined only in relation to a portion of expenditures approved for the sub-program concerned,
- elements or objectives had frequently not been met despite the fact that expenditures had been accounted for in full or there were determined objectives, fulfillment of which could not be impacted by the organization,



Knowledge from the program budgeting audit

- evaluation of the objectives and measurable coefficients fulfillment was often performed formally, without correct and corresponding documents,
- part of audited central authorities of the state administration did not consistently observe the principles of the methodological instruction in improving given sphere during the process of preparation, realization, monitoring and evaluation of the program structure,
- the possibility to introduce in the monitoring report detected shortcomings – e. g. inappropriate objective, failure to meet the schedule as well as suggestions for their remedy had been used insufficiently.



2. Audit of the preparation and realization of the investment constructions

Starting points:

- generally known sphere – indicates problem in the long term,
- declaration of considerable range of objective reason,
- law effect of taken measures,
- audit was performed in 8 central authorities of the state administration and 17 constructions; other 9 central authorities of the state administration were asked to fulfill the questionnaire.



2. Audit of the preparation and realization of the investment constructions

Main well-known problem during realization of the investment constructions:

- long and inferior preparation of the investment constructions,
- failure to perform terms of the realization of the constructions,
- increase of investment costs at realized constructions,
- general acceptance of real status,
- insufficient interest of real cause searching.



2. Audit of the preparation and realization of the investment constructions

Audit objective :

- real cause searching of generally known problem,
- possibilities searching of cause elimination that effects unacceptable status,
- suggestion of generally accepted recommendations that solve permanent problem,
- deep analysis of the process according to individual phase.



Creation of the audit questions

Phase of preparation of the investment constructions:

- why are constructions prepared insufficiently and badly,
- why are constructions prepared on the base of insufficiently defined needs,
- why are construction intents prepared inconsistently,
- why are investment costs of the constructions underestimated,
- why are project documentation and construction intent worked out with the lapse.



Creation of the audit questions

Phase of the constructions realization:

- why are begun new constructions despite there are many other unfinished constructions,
- why are begun constructions despite their insufficient financial assurance,
- why are extended terms of realization,
- why are insufficiently made contracts of constructions realization,
- why there are many contract annexes



Creation of the audit questions

Phase of constructions acceptance and their putting in possession:

- why are not applied sanctions agreed in the contract regarding the draughts during the defects elimination,
- why are not constructions putting in possession despite accord a legal permission and use,
- why is not realized final technical and economic valuation of the constructions in stated terms



Conclusions and recommendations:

- With the aim of termination of realized constructions in stated terms to limit beginning of new constructions in some central authorities off the state administration,
- to consider possibility of building specialized bodies for realization of investment proceeding in individual central authorities of the state administration,
- to assure so that construction intents deliberate needs and requirements of prepared constructions to actualize especially financial costs of the constructions,



Conclusions and recommendations:

- to perform state expertise of the construction intents over stated limit of investment costs /4 million €/,
- professional and financial assurance of the construction preparation to prevent time displacement of individual phases of the process,
- to minimize cases, when the project documentation is prepared and consequently it is determine not to realize the construction,



Conclusions and recommendations:

- to pay attention to the process of the public procurement, especially to assure economy when determine the criteria,
- To pay attention when choosing construction supervision and consistently pursue timely elimination of the defects,
- Putting in possession realize immediately after inducting into use.



Thank you for your attention.

Questions, please.

