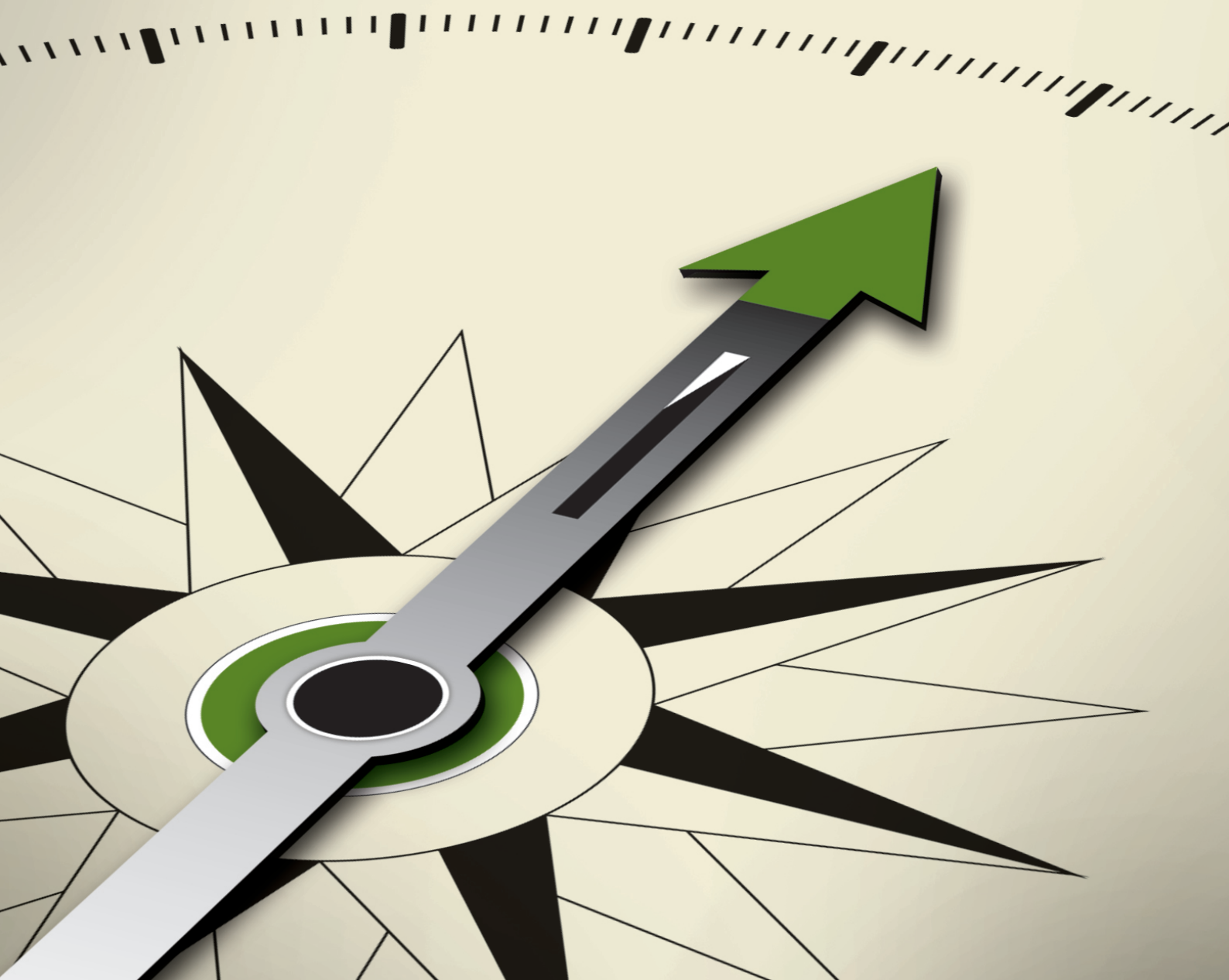




REPUBLIC OF SLOVENIA
COURT OF AUDIT

STRATEGY OF THE COURT OF AUDIT 2021-2024





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No: 002-5/2020/1
Ljubljana, 1 January 2021

1. ABOUT US AND OUR WORK

The Court of Audit is a supreme audit institution that controls the total public spending. It is an independent state body that audits all public institutions that receive public funds and all those that receive European funds in Slovenia, as well as legal persons in which the State, local self-governments or other bodies governed by public law exercise a dominant influence due to ownership, financial participation or the rules which govern their operations. On behalf of taxpayers the Court of Audit assesses, whether the users of public funds distribute financial resources in a way to ensure they are used transparently and efficiently, namely to meet the needs of wider, public interest providing for, maintaining and, nevertheless, increasing the common good. The public funds users are actively participating in all socially relevant fields, such as: healthcare, education, social protection, pensions, public law and order, safety, recreation, culture, environment and spatial planning, defence and public debt. Among the public funds users are also political parties whose operations and financing of the election campaigns are also subject to audit of the Court of Audit.

When drawing up the annual programme of work for the exercise of audit powers, the Court of Audit is fully autonomous. Apart from the mandatory audits required by the law, the Court of Audit considers different factors when developing the programme of work, among others: necessary social reforms, sustainability of public finances, sustainable development, ability of providing permanent services, response of the society to incidental events or unexpected occurrences, influence of information technology on the implementation of services, impact of the EU policies, current public expectations and other factors which are the result of rapid social changes. In addition to the factors which define the work of the Court of Audit, the institution takes into account several criteria upon the preparation of the programme of work, especially the following: strategic guidelines of the State, materiality of the users of public funds, geographical distribution of public funds users, risk of irregular or unsound operations, received initiatives, media reports, experience gained through past audits, possible outputs of control, period from the last implemented audit of an individual user of public funds, implementation of the imposed corrective measures and recommendations, indicators published by other competent bodies and institutions at the national and international level, and the importance of the audited field for the society.

Auditing, advisory and educational roles of the Court of Audit contribute to improved actions of the users of public funds since they are aimed to satisfy the public needs and ensure the use of public funds in the most efficient, effective and economic way as possible.

2. VISION

The vision of the Court of Audit is twofold – on the one hand, it is to maintain the status of a highly reputable and respected institution, recognised for its independent, objective and efficient work, its sustainably-oriented audits and their outcomes, which all materially affect the society and strengthen modern forms of cooperation with other stakeholders, the public and international community.

On the other hand, the vision of the Court of Audit refers to the provision of stimulating respectively favourable in-house environment, whereby highly skilled, competent and efficient employees are the result of good working conditions and processes, equal treatment, healthy environment, possibilities for further education and training, as well as the sense of affiliation to the institution and motivation.

Our institution committed to sustainability shall carry out activities oriented towards sustainable development at the level of its internal and external operations.

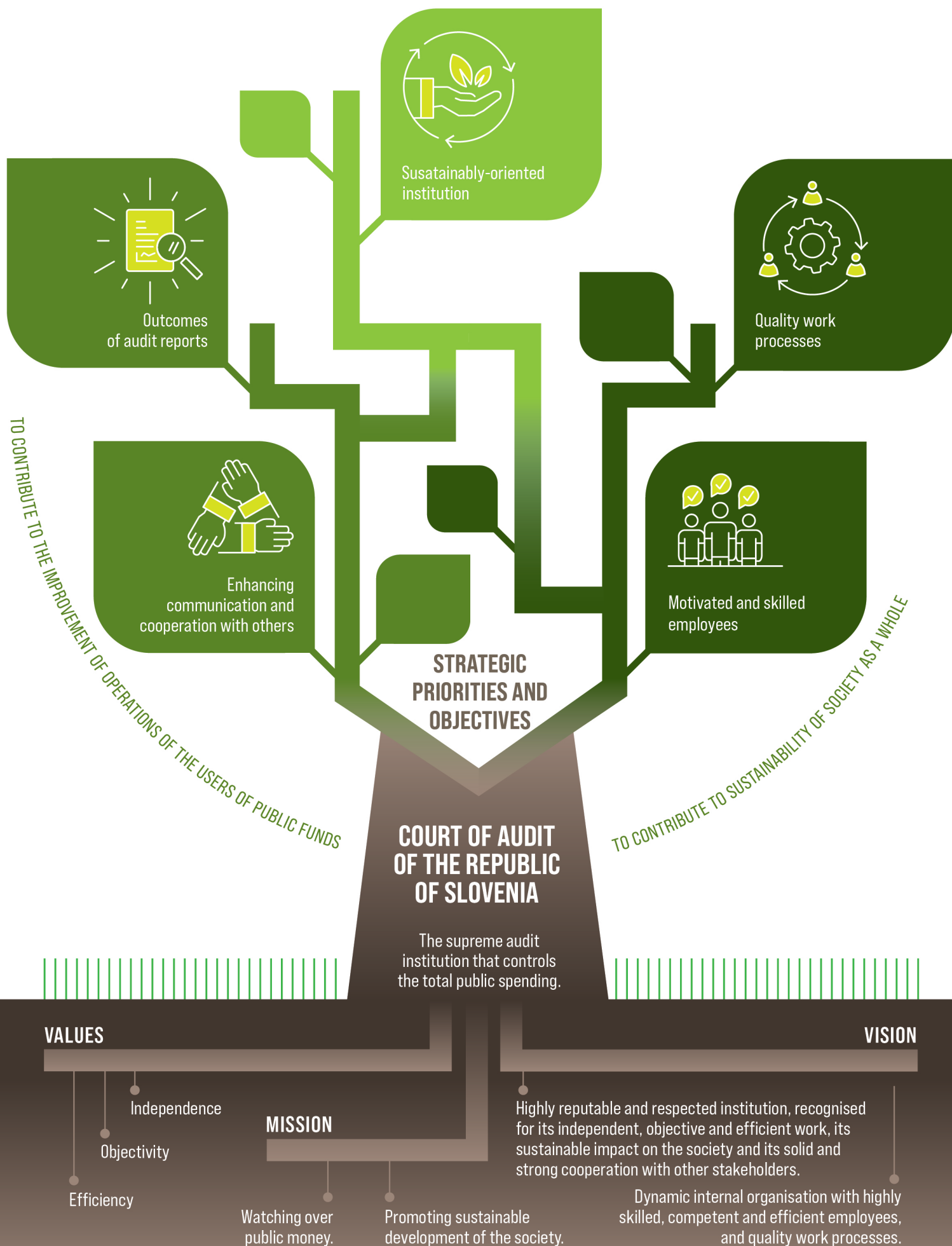
3. MISSION

Watching over public money.

Promoting sustainable development of the society.

By timely detection of risks, international experience, exercising audit powers at the highest level and by raising public awareness of public spending, the Court of Audit shall bring about that Slovenia becomes efficient, competitive, sustainably-oriented and socially just modern society.

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4. VALUES

Independence

The constitution and the act adopted in accordance therewith confer formal, financial and professional independence on the Court of Audit, thus granting the institution the highest degree of autonomy. The Court of Audit is fully independent from the influence of whatsoever in carrying out its mission and must comply with the laws, rules and regulations as well as international auditing standards when performing its tasks and activities. The Court's independence is evident also in planning and adopting the annual programme of work, in free management of funds, selection of standards, methods and forms of work for the purpose of exercising audit powers, and in the choice of topics, fields and scope of audits. The independence pertaining to the process of selecting, planning and implementing audits is the key factor that enables the provision of objectivity and credibility of the Court of Audit as well as the confidence of the public in the institution.

Objectivity

Objectivity of the Court of Audit is based on the impartial, professional and equal treatment of all users of public funds, and on the impartial assessment of facts and expressing of opinions which are always formed in line with the audit findings. The framework thereof is represented by international standards of supreme audit institutions serving as guidance for developing methodology, selecting audit approaches, gathering evidence and forming opinions. The Court of Audit performs its tasks professionally, in accordance with clear and precisely defined rules concerning its operations, providing for equal treatment of audited entities. One of the essential foundations of the operations of the Court of Audit is the information, information system and information security referring to the protection of internal information and information gathered in the course of the audit work. Information security and information handling are thus among day-to-day and crucial tasks of every employee, representing its personal contribution to building confidence in the institution. The findings and expert views and positions of the Court of Audit shall thus be presented clearly, unambiguously and transparently. Opinions of the auditees expressed during the audit procedure must be respected, in addition thereto, the possibility of different interpretations and that there may be several approaches to remedy the disclosed irregularities or/and inefficiencies must be taken into account as well.

Efficiency

Efficiency is an essential constituent of work of the institution respectively its employees and is thus considered in the selection and implementation of audits, presentation of audit findings and monitoring of impacts of the implemented audits on the operations of the auditees and on the systemic changes of the audited field. To follow the principle of efficiency, our institution must timely respond to current affairs and events in the society, have the ability to foresee future developments, be visionary and warn in advance about possible risks, threats and problems in order to prevent them or at least mitigate their consequences.

5. STRATEGIC PRIORITIES AND OBJECTIVES

Key objective of the Strategy

The principal strategic objective of the Court of Audit is **to contribute to the improvement of operations of the users of public funds and to sustainability of society as a whole**. It is to be achieved through careful preparation and realisation of annual programme of work for the exercise of audit powers which shall address an adequate scope of auditees included in the audit, by high-quality and relevant audit reports and well-considered and constructive corrective measures and recommendations. By implementing audits, our institution aims to achieve the greatest outcomes possible regarding the operations of the users of public funds and the efficient management of public assets, to warn about possible future risks, to ensure sustainability of public finances and to encourage users of public funds and citizens to act in a sustainable manner. By timely and objective response, by informing the public, the National Assembly and other competent bodies, the Court of Audit shall contribute to the responsible actions of the users of public funds with Slovenia remaining healthy, safe, economically stable, responsible, internationally competitive and sustainably-oriented country. Achievement of the key objective and its results shall be monitored **by the internationally comparable indicators of efficiency and transparency, the scope of auditees included in the audits, the share of audits pertaining to the sustainable development goals and the number of implemented corrective measures during the audit implementation** and in the post-audit procedure.

Specific objectives of the Strategy

The five specific objectives serving as the cornerstone for achieving the principal strategic objective are twofold – directed inwards and outwards. Besides maintaining the status of trustworthy and respected institution, which is publicly recognised by its independent, objective and efficient work and its users-targeted services and has a significant impact on the society through its sustainably-oriented audits, we endeavour to provide a stimulative working environment to our employees, who represent the greatest potential and the most important capacity for achieving the key objective and mission of the institution. The sustainable development goal is directed inwards and outwards and cannot be uniformly included among internal and external objectives, which is why it is defined as the first out of five specific objectives.

Objective 1: Sustainably-oriented institution

The Court of Audit a socially responsible institution has set to carry out audits also in those fields of environmental protection which have not yet been audited as well as implement follow-up audits in the fields already audited but where the desired progress was not achieved. Our endeavours shall be directed towards economic, social and ethical dimensions of the sustainable development, and shall thus play a vital role in improving the awareness that every development must be socially responsible and protect lives of our future generations. At the same time, we should not neglect that responsible

sustainable policies currently promoted also contribute to more appropriate use of public funds in the future. Sustainability shall remain the key guidance of our audit reports and also of every operation of the Court of Audit. We namely aim to build strong overall ecological awareness and thus to become a role model institution committed to sustainability. In this regard, we shall continue to undertake activities to provide healthy working environment, take preventive action and, at the same time, promote healthy lifestyle of our employees, continue with activities for greening the institution and upgrade already existing projects (rooftop beehive and symbolic planting of the tree) with natural and environmentally friendly materials, strengthen awareness of the importance of nature conservation and protection and proceed with the introduction of paperless operation.

Sustainability of society as a whole, of the Republic of Slovenia as a State and of its every institution is of crucial importance for setting and fulfilling environmentally, economically, socially and ethically acceptable objectives. To this end, it is of high priority for the Court of Audit, a responsible institution watching over the users of public funds, to contribute to high-quality, sustainable, balanced and socially responsible actions, and at the same time be an example of good and responsible governance by pursuing the established objectives of the Court's environmental policy. Achievement of this objective shall be measured by **the share of audits addressing the sustainable development goals** and **the number of activities oriented towards sustainable targeted actions of the institution**.

Objective 2: Outcomes of the audit reports

Our ambition is that our audits create an important impact on the operations of users of public funds as well as on the improvement of the systemic solutions, thereby warn about future risks or reduce the likelihood for the occurrence of negative consequences and their scope. Outcomes of the audits can be achieved directly by audit and post-audit procedures, by developing audit and post-audit reports of high quality and indirectly by constructive corrective measures and recommendations, by monitoring their implementation and notifying competent authorities to take measures on the basis of our findings. Additionally, due care shall be taken when issuing corrective measures and recommendations that shall be clear, doable, well-thought-out and with added value for the auditees and the citizens. Their implementation shall be regularly monitored and also by undertaking the follow-up audits we shall watch over the improvements and thereby insist on the desired level of progress. When planning and implementing audits, we shall strive to define possible savings in public funds and present consequences of irregular or unsound operations. Furthermore, we shall point out legal or systemic irregularities respectively inefficiencies or ineffectiveness and call for remedying the detected issues. Important elements providing quality of audit reporting are apart from understandable, clear, concise and accurate as well as readable audit report also its timely publication, since communicating findings to the interested public is considered as the pre-condition for achieving impacts of the audits.

Appropriate and actually carried out corrective measures and recommendations are key to achieving the audit outcomes. The same applies also for timely implementation and publication of an audit report, whereby we demand in the response report the corrective measures to be performed if they were not remedied already during the audit procedures. Achievement of this objective shall be measured by **the number of implemented corrective measures during the audit and post-audit procedure** and **the number of proposed recommendations**.

Objective 3: Enhancing communication and cooperation with others

Communicating audit findings to the interested public shall remain our guiding principle. All audit reports shall be also in the future published on the website of the Court of Audit and thus generally available. We shall continue to inform the public by using social media, press conferences, interviews and other events at the Court of Audit. While maintaining high quality and high level of expertise of the audit reports, that must be written using expert audit terminology, we shall improve their readability by audit report summaries, infographics, simplified statements for the media and video presentations of the audit reports being a part of the adopted communication strategy. Comprehensive communication with the relevant public is crucial for recognising current issues, it ensures timely detection of future risks, enables thorough overview and enhances the openness of the institution. Proper operations of the Court of Audit undoubtedly have preventive effect, namely within our advisory role we help to prevent irregular and ineffective or inefficient use of public funds in the future. We shall in cooperation with other institutions and local communities continue to participate in the expert events with the objective to enable the public to gain additional knowledge. The audit process shall include important stakeholders and continue to strengthen the cooperation with internal audit services at the users of public funds. The Court of Audit shall maintain constructive bilateral and multilateral relations with the international players, actively participate in different international forums and attend the most important meetings of the INTOSAI and EUROSAI and other working groups and shall selectively promote its presence and influence where the priorities of the institution could be better achieved. In addition to strengthening the cooperation with other supreme audit institutions, exchanging opinions, experience and secondments as well as implementing joint audits and cooperating in the organisation of joint international events, the active participation in the international activities is intended to enrich skills and knowledge of the employees and thereby to promote interests of the institution and thus become a well established and recognised audit institution on the international scale.

Visual and simplified presentation of the audit findings is key for efficiently communicating audit disclosures to the public, while our participation in different domestic and international events, appearance in media and at expert meetings provide for the openness of the institution and constructive cooperation with important stakeholders, therefore we shall measure the achievement of the objective by **the share of the reports presented by using innovative communication tools and approaches** and **the number of participations in the events organised for the public** (expert, educational, media and international).

Objective 4: Quality work processes

Quality is crucial demand of all processes, namely auditing processes as well as business processes. For the efficient operation of the institution it is crucial that the guidelines for defining annual programme of work for the exercise of auditing powers are timely developed, namely the document should consider all factors and measures for the appropriate selection of audits and it should be adopted in due time. Consistency in implementing annual programme of work, taking account of the content and time, is one of the quality indicators of the working processes. Audit objectives are important from the perspective of public finance and have a significant impact thereon, therefore we need to be visionary and flexible while developing and implementing the audit programme considering current events in the society

and be able to respond in due time. Appropriate planning and adopting of the annual programme of work is followed by the implementation of the audit procedures of high quality. Quality assurance also includes reviews of achieved quality standards defined in the guidelines and audit manuals. Further improvements and possible optimisation and rationalisation of audit and other working processes require review of all working processes and, after the completion of complex audit procedures, also a self-assessment. Further development of quality assurance process shall be the core of our efforts in the coming years. Audit process shall be improved on the basis of efficient internal communication, regular meetings and up-to-date intranet page, moreover, the possibilities for the development of new approaches shall be provided. Business continuity management at the Court of Audit shall provide for efficient response in case of natural disasters, epidemics, emergency situations or crisis, thereby enabling the institution to operate in the pre-determined scope.

Quality work processes cover the premises of cooperation, exchange of experience, best practice, circulation of knowledge, development of methodologies, advisory activities and assessment of auditing training needs and reflect in effectively and efficiently implemented annual programme of work, thus the achievement of the objective shall be measured by **the share of audits published within the period of 18 months following the period covered by the audit.**

Objective 5: Motivated and skilled employees

The Court of Audit is an institution employing highly educated, trained and competent personnel. Our objective is to retain the status of role-model state body and excellent employer that meets the objectives of the institution and boosts staff motivation as well as enables upgrading of skills and competences of the employees. In this regard, we shall continue to provide stimulating working environment, where the employees are encouraged in teamworking, mentoring and sharing knowledge among colleagues, as well as kept up to date with topical events and projects offering opportunities for networking and upgrading of their skills. We shall promote own-initiative cooperation that strengthens the affiliation with the institution. Our aims shall be directed towards continuous training and obtaining of specific knowledge of the employees. By attending seminars, conferences, expert meetings and promoting additional expert and academic education we shall, within the framework of the annual programme of training, enable the employees to upgrade their knowledge which is harmonised both with individual interests and the needs of the institution, thereby considering the annual programme of work for the exercise of auditing powers and the economic use of funds. Opportunities for the employees to upgrade their skills and expertise shall also be provided through international cooperation and secondments where they can learn and develop new approaches, practices and methodologies that can be transferred into our environment. On the basis of the personnel strategy we shall analyse current staffing needs, train new employees, promote the achievement of specific skills and quickly and efficiently fill vacancies, thus transferring knowledge and experience to newly arriving employees.

The satisfaction level of the employees that remain in working relation is an important indicator of the circumstances at the institution. Well skilled, motivated and satisfied employees who are able to quickly respond to changes in the environment represent competitive advantage of the institution, thus we shall measure the achievement of the objective by **employee turnover rate** which is to be maintained at the low level and by **implementing the adopted programme of training.**



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Računsko sodišče Republike Slovenije
The Court of Audit of the Republic of Slovenia

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