



REPUBLIC OF SLOVENIA
COURT OF AUDIT

Strategy 20¹⁴/₂₀



MISSION

The Court of Audit informs the public about important audit findings concerning the operations of state bodies and other users of public funds in a timely and objective manner. It provides recommendations to state bodies and other users of public funds for the improvement of their operations.



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Ljubljana, 9 December 2013

RESOLUTION A/66/209 of the General Assembly of the United Nations

»The Supreme Audit Institutions can accomplish their tasks objectively and effectively if they are independent of the audited entity and are protected against outside influence. The Member States are encouraged to apply, in a manner consistent with their national institutional structures, the principles set out in the Lima and Mexico declarations.«

PURPOSE OF THE STRATEGY

The Strategy of the Court of Audit of the Republic of Slovenia 2014-2020 covers all the key factors that will affect the work of the Court of Audit in the period defined by the Strategic Development Documents of the Republic of Slovenia and the Multiannual Financial Framework of the European Union 2014-2020.

Article 150 of the Constitution of the Republic of Slovenia provides that the Court of Audit is the highest body for supervising state accounts, the state budget and all public spending. Under the Constitution, the Court of Audit is ensured the highest level of formal independence, in accordance with the provisions of the Lima and Mexico declarations of the International Organisation of Supreme Audit Institutions (INTOSAI) and in line with the Resolution A/66/209 of the General Assembly of the United Nations. In compliance with its constitutional mission, the Court of Audit provides the Slovenian society with relevant, expert, timely and complete information on the operations of the users of public funds and endeavours to improve the use of public funds by providing recommendations and imposing measures. The Court of Audit is independent, objective and efficient in the performance of its duties.

At the time of the adoption of this Strategy, the Republic of Slovenia faces a financial and economic crisis. In the next seven years, the operations of the Court of Audit will thus be focused on the responsiveness of the public sector to the effects of the crisis. Aside from the monitoring of fiscal consolidation with the emphasis on the management of public debt, the implementation of structural reforms, repair of the banking system, privatisation of state assets, establishment of conditions for increased competitiveness of enterprises, recovery of economic growth, reduction of the unemployment of the youth, improvement of the efficiency of tax collection and disbursement of funds from the European Union budget as well as improvement of the efficiency of the local self-government, the Court of Audit by carrying out performance audits will point to all the risks which could adversely affect the long-term sustainability of public finances or the readiness of the Slovenian society for future challenges.

It is important that the public sector will be able to efficiently address these challenges and implement adequate changes. The Court of Audit will monitor the risks accompanying the implementation of such changes and respond to them by carrying out performance audits and providing adequate proposals for potential improvements. With the implementation of regularity and financial audits, it will at the same time continue to ensure the enforcement of compliance of operations of the users of public funds with the relevant regulations.

The Strategy covers the period of seven years. We expect to meet the objectives set for the key fields of operations of the Court of Audit within the period concerned. Should there be deviations, we will respond with the improvements of our operations in due time while in the event of substantial changes of external circumstances we will react also by applying changes to this Strategy.

We believe to be able to achieve the set strategic objectives aimed at increasing the efficiency of operations of the users of public funds and ensuring the efficiency of our operations and thus continue to benefit all taxpayers and all the users of public funds.

Tomaž Vesel
President of the Court of Audit of the Republic of Slovenia

VISION

The vision of the Court of Audit is to watch over public money and through timely reports and adequate measures contribute to increasing the added value of the public money spent for all taxpayers and the users of public funds. To this end, it is of vital importance that the stakeholders perceive the Court of Audit as a reliable and credible partner. It is essential that:

- **the public** perceives the Court of Audit as an independent, supreme audit and supervisory institution, which with its expert, objective, timely and efficient work contributes to the monitoring of the use of public funds;
- **the National Assembly** perceives the Court of Audit as an independent auditor watching over public money, examining the use of public funds and reporting about its findings to the National Assembly and the public;
- **the users of public funds** perceive the Court of Audit as an expert and independent auditor, which with its implementation of audits and provision of advisory services actively helps improve their operations.

MISSION

The mission of the Court of Audit is to inform the public and the National Assembly about important findings from the audits of operations of the users of public funds in a timely and objective manner and, based on its experience and knowledge of good practices, to provide advice to the users of public funds on how to improve their operations. By disclosing irregularities and inefficiencies, it points to the responsibility of state bodies and holders of public office and thus operates for the good of all the citizens of the Republic of Slovenia and the European Union.

Within the scope of its audit powers, the Court of Audit helps the users of public funds by identifying and disclosing errors, irregularities and inefficiencies in their operations as well as by making requests and providing recommendations for the elimination thereof.

Within the scope of its advisory powers, the Court of Audit helps the users of public funds by expressing opinions and providing answers to public finance questions, and the legislative and executive branches of government by proposing amendments to the relevant regulations.

VALUES

The Court of Audit respects and enforces the values of INTOSAI - independence, integrity, expertise, credibility, inclusiveness, cooperation and innovation. Our auditors are committed to the values provided for in the International Auditing Standards, the INTOSAI Code of Ethics adopted in 1998 and based on it the Code of Ethics of State Auditors. Moreover, we consider the values that apply to public sector employees. Defined as the key values of the Court of Audit are independence, objectivity and efficiency.

Independence

In accordance with the Constitution, the Court of Audit is an institution with the highest possible level of formal independence. Each year, financial independence, autonomy in setting standards, methods and forms of work as well as independence in drawing up an annual work programme, selection of priority fields and the scope of individual audits are deemed the essential conditions for the independent execution of our mission. Our independence is continuously enforced in all the processes of cooperation with others. The independence is namely the key factor that enables the provision of integrity and credibility of the Court of Audit as well as the confidence of the public in the institution. Our independence allows us to provide the public with objective and credible reports.

Objectivity

The Court of Audit is an institution that treats all the users of public funds equally. All audit reports of the Court of Audit are drawn up in accordance with the International Standards of Supreme Audit Institutions (ISSAI) and are clear, transparent and constructive. The information is presented on the basis of the collected audit evidence. The opinions are expressed based on objective criteria. The findings and conclusions are not in any way tendentious.

Efficiency

The Court of Audit endeavours to provide the highest level of efficiency. Efficiency represents the starting point of our work, from the selection of audits, their implementation and the presentation of the findings to the monitoring of the enforcement of the proposed changes in the operations of the users of public funds respectively the systemic regulation of individual fields of their operation.

CRITERIA FOR THE SELECTION OF AUDITS

In the selection of audits, the Court of Audit applies the following criteria:

- financial coverage - the total amount of public funds intended for the operations of the users of public funds covered by audits;
- audit outcomes - the improvement of operations of the users of public funds and the prevention of potential adverse consequences;
- current public expectations - responses to current challenges;
- comprehensive insight - a complex mix of different policies, several ministries and many public and private entities;
- international obligations; and
- use of unique powers.

Financial Coverage

Our activities are directed mainly at the fields of a significant financial value. We strive to use the available audit capacity to cover the widest possible field of public finances. This allows us to improve our approach of focusing the activities on non-audited entities.

Audit Outcomes

We are active in the fields where we assess improvements can be made and in the fields where we identify higher risks (assessment of the likelihood for the occurrence of potential adverse consequences and the magnitude thereof). Within these fields, we also look for good practices that may help others. The outcomes are achieved either directly with the implementation of audit and post-audit procedures as well as follow-up audits or indirectly based on the promotion of disclosures and recommendations.

Current Public Expectations

Wherever possible, our activities are directed at the fields in the society where there exists the need to solve the problems as soon as possible respectively reduce the likelihood for the occurrence of adverse consequences and the magnitude thereof.

Comprehensive Insight

Several ministries and institutions may be involved in the formulation and implementation of policies.

Partnerships with private and semi-private entities may be entered into as well. With our role and position, we are enabled a good overview of both the individual links and the entire networks. Special attention is thus paid to complex systems. Sometimes a particular field is so complex that a comprehensive insight is only available to some. In such instances, a good insight may be provided only based on the implementation of a performance audit by a top-down approach. Such audits allow us the recognition of wider structures and hidden trends as well as timely detection of problems. The timely detection of problems is deemed a prerequisite for our appropriate response, in the form of adequate reporting and relevant proposals of solutions through demands and recommendations.

International Obligations

The Republic of Slovenia has been involved in a wide web of international connections, taking over a number of obligations. The Court of Audit examines the authenticity of the data transmitted and the fulfilment of the commitments made.

Unique Powers and Marginal Social Phenomena

We give priority to topics where it is important to use our unique powers. In other words, the Court of Audit does not carry out any in-depth investigations which may be carried out thoroughly by others within the scope of their powers. We take special care to point out also to any marginal social phenomena if such issues are not addressed by any competent authority or when the pressure of the interested public is not enough.

FACTORS THAT DEFINE OUR WORK

The frameworks for the provision of public services are the subject of constant changes and the Court of Audit should be quick to respond to such changes. Presented below are specific factors that will influence the scope and complexity of the work of the Court of Audit during the period covered by the Strategy.

Statutory Audits

In accordance with the Court of Audit Act, the Court of Audit should annually carry out any statutory audits. Statutory audits include an audit of the regularity of the implementation of the state budget, audit of the regularity of operations of the Pension and Disability Insurance Institute of Slovenia as well as audit of the regularity of operations of the Health Insurance Institute of Slovenia. It should additionally perform audits of the regularity of operations of an adequate number of urban and other municipalities as well as audits of the regularity of operations of an adequate number of commercial and non-commercial public service providers. The municipalities and the commercial and non-commercial public services to be audited are determined in the Programme of Work for the Exercise of Auditing Powers of the Court of Audit.

In accordance with the provisions of the First Pension Fund of the Republic of Slovenia and Transformation of Authorised Investment Corporations Act, an audit of the regularity of operations of the First Pension Fund is carried out by the Court of Audit annually.

The Court of Audit also carries out audits in compliance with the regulations governing the operations of political parties and the implementation of election and referendum campaigns.

Based on the Act Defining the Measures of the Republic of Slovenia to Strengthen Bank Stability, the Court of Audit should annually perform also an audit of operations of the Bank Assets Management Company.

Public Administration Reforms

In the coming years, the consequences of the financial and economic crisis, demographic trends, migration of young people, extensive public sector and other factors will necessitate the implementation of reforms, which will affect the type and quality of public services and the operation of the users of public funds and consequently increase the competitiveness of enterprises, recover economic growth and thus improve the quality of lives of the citizens of the Republic of Slovenia. We will be able to cope with these challenges only with the consistent implementation of the principles of good governance by all the users of public funds. As a fundamental right of all the citizens of the European Union, the principles of good governance provide the basis for a democratic and prosperous society, which is confirmed in

Article 41 of the Charter of Fundamental Rights of the European Union.

Performance of operations under the principle of good governance is much more than merely complying with the law.

In practice, the principle imposes upon the ministries and other users of public funds the implementation of the following tasks:

- focus on the objectives and results in the form of benefits for the recipients of public services;
- clear definition of roles and responsibilities for the effectiveness of operations;
- establishment of a management culture where the principles of the Code of Conduct for Civil Servants will be actively used in their operations with the users of public services;
- adoption of reasoned decisions taking into account the transparency of operations and risk management;
- planning of adequate resources, which at the management level will facilitate the effective implementation of tasks;
- inclusion of stakeholders and taking responsibility for the decisions adopted.

In the implementation of changes, the Court of Audit will thus remain devoted to its existing practice and continue to strive for the enforcement of good governance, which is based on a clear division of managerial and political accountability. The Court of Audit will monitor the responsiveness of the general government to environmental changes, its ability to adapt to such changes respectively its introduction and implementation of reforms as well as endeavour to measure the effects of the reforms implemented.

Long-term Sustainability of Public Finances and Management of Public Debt

In the years 2011 and 2013, the European Parliament and the Council of the European Union adopted packages of regulations which lay down rules in relation to the coordination of economic policies and the prevention or reduction of excessive general government deficit as well as rules and sanctions for the prevention or elimination of excessive macroeconomic imbalances. Established for the provision of the closer coordination of economic policies and sustained convergence of the economic performances of the Member States is multilateral surveillance as an integral part of the European Semester. The European Semester contains a clear timetable of activities, which involves the European Commission, the European Parliament, the European Council, the Council of the European Union and the Member States of the European Union, and is reflected in the preparation of the budgets of the Member States.

The Treaty on Stability, Coordination and Governance in the Economic and Monetary Union entered into force on 1 January 2013. It is aimed at strengthening fiscal discipline in the euro area by applying a balanced budget rule and an automatic corrective mechanism. The Member States will be required to incorporate the requests for budgetary discipline, automatic corrective mechanisms and independent institutions for ex-ante fiscal surveillance into their legal systems. The Republic of Slovenia fulfilled the first part of its commitments for the adaptations to the *acquis* in May 2013 by amending Article 148 of the Constitution of the Republic of Slovenia.

The Court of Audit will actively monitor the activities of the Republic of Slovenia in the field of ensuring long-term sustainability and management of public debt.

Sustainable Development

Considering the global climate changes, sustainable development has become one of the most important issues, the achievement of which has been based on the protection of ecosystems and the environment for future generations. The Court of Audit 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.

Consumers, enterprises and the users of public funds have become increasingly aware of the importance of environmental performance. A growing number of enterprises have considered environmental protection as a key part of their business strategies. Environmental issues have been dealt with by the users of public funds at various levels (for example, ministries, agencies, state-owned enterprises), not merely in Slovenia but also in the areas of the neighbouring states. All this suggests that the environmental issues are by their nature without any boundaries. The Court of Audit has already developed an audit approach for the implementation of parallel and international audits, which is based on close cooperation with the Supreme Audit Institutions of other states. This practice will be continued in the present strategic period.

European Union Funds and International Obligations

Strategically adequate and sound management of European Union funds can improve significantly the impact of public expenditure on economic growth, employment and social cohesion of Slovenia and thus contribute significantly to restoring the confidence in the state. With the implementation of audits of the efficiency and effectiveness of the management of European Union funds, the Court of Audit will strive for the establishment of sound financial management and responsible implementation of common policies and development plans, which in the future will be even more closely linked also with structural reforms of the state.

The Republic of Slovenia has been involved in a wide web of international connections, such as connections within supranational institutions, within the euro area, as well as in individual connections with the states on the basis of bilateral agreements. The commitments arising therefrom affect both our internal organisation and our public finances. The Court of Audit will examine the authenticity of data communicated on the basis of international obligations and express opinions on the fulfilment of the commitments made.

Local Self-Government

The total volume of municipal budgets is equivalent to a quarter of the state budget. The budgets of urban municipalities amount to approximately a third of all the funds. The most extensive municipal budget is more than four hundred times bigger than the smallest one. It is very important for the Court of Audit to provide assurance as to the use of such funds, which is why the local budget is included in our programme of work proportionally to other three budgets while our audit approach takes into account also the materiality of municipal budgets.

Municipalities have been engaged in local matters of public importance, which are determined by law or

by a general act of individual municipalities. It is not to be expected that the local matters of public importance will be dealt with equally in all the municipalities and neither is this the objective of the local self-government, it is important, however, that the level and method of dealing with such matters are in compliance with the legal minimum and the principle of rationality. To this end, the Court of Audit will identify the most important operational risks, not only in value but also in nature, and the identified fields will be used as the basis for the implementation of the same types of audits in several municipalities, i.e. cross-sectional audits. The cross-sectional audits will facilitate the comparison of different municipalities in individual fields of their operation, which will allow for a more efficient identification of major irregularities and inefficiencies to be prevented as well as good practices to be reasonably communicated to other municipalities. With the performance of the advisory role of the Court of Audit, the stress being placed also on legislative solutions, the outcomes of the implementation of audits will be expanded to the entire local community budget, which will result in the achievement of greater added value.

We will monitor the activities under the legislative regulation of the field of local self-government, where the longstanding challenge of establishing a second level of local self-government, i.e. regions, has been joined by the issue of the adequacy of functional, territorial and organisational elements of the regulation of the local self-government system in general. Our attention will be paid to the monitoring of strategic policies and the reflection on the appropriate level of local self-government to address certain local matters of public importance, notably to the provision of commercial public services and to the corresponding system of financing local communities.

Public Institutes

Notwithstanding any attempts to change the organisation of non-commercial public service providers, public institutes have remained the predominant form of status for the provision of public services. The Court of Audit has covered this segment of the operations of the public sector and the provision of public goods primarily with the implementation of financial and regularity audits.

Aside from the implementation of statutory annual audits, the Court of Audit will monitor and with the implementation of audits respond adequately to the introduction of austerity measures in the field of compulsory health as well as pension and disability insurance, which will have a direct impact on the operations of both budgets in the period from 2014 to 2020, as well as promote the introduction of the necessary measures for the sustainability of public finances in the fields concerned.

Individual non-commercial public services may vary considerably but they all bring important social effects, since every citizen must be ensured at least a minimum level of such services through the systems of the implementation and financing of health care, social security, education, schooling, sport, culture and science. In the present strategic period, the Court of Audit will thus be increasing the proportion of performance audits, which will reflect the specifics of non-commercial public service providers and special features in the provision of public services in the field concerned.

Public Enterprises and Organisation of the Provision of Commercial Public Services

Due to the fragmentation of providers of commercial public services at the local level and the responsibility of municipalities for ensuring the provision of commercial public services, the provision of

such services is disorganised since the arrangements in municipal ordinances are not consistent with the changes in regulations at the national level. The lack of a sufficient number of qualified staff, especially in municipalities, does not provide adequate control over the implementation of commercial public services. The fragmentation of contractors, on the other hand, hinders efficient provision of commercial public services in line with the principle of economies of scale. The Court of Audit will thus continue to audit the organisation of the provision of commercial public services.

The responsibility of municipalities for the provision of commercial public infrastructure linked to regional infrastructure systems or infrastructure facilities, which must be due to lower costs of the provision of commercial public services used by a larger number of users, causes difficulties in arranging and financing of these projects. Hence, there exist risks of the excessive number and size of commercial public infrastructure facilities and thus inefficient use of public funds, which is reflected in the increased pressure on the prices of commercial public services. Special attention will be paid to this issue by the Court of Audit.

Inefficient organisation of commercial public services does not allow for the compliance with the rules on the pricing of commercial public services that would provide the coverage of eligible costs and a reasonable profit only. Therefore, we will pay attention also to the regulation of prices for the provision of commercial public services and the effectiveness thereof.

Public Agencies and Public Funds

As a general rule, regulatory, development and professional tasks in the public interest are performed by public agencies as specialised professional institutions, which are not required to be under direct political control and may be due to their specific organisation more independent and efficient than the ministries. The same holds true for the implementation of sectoral policies, which is entrusted to public funds. The operations of agencies and funds have a significant impact on specific areas of public spending. Assurance on the regularity and efficiency of their operations is therefore important for providing goods in the public interest and ensuring public confidence in the functioning of the state in the implementation of planned policies. Our audit work will be focused on the establishment of adequately qualified regulatory authorities and on the effectiveness of their work.

Integration of Public and Private Sector

The procurement of goods, services and works, the implementation of certain policies or the performance of certain activities require from the users of public funds to cooperate with private operators, in the form of public procurement, granting of concessions and state aid and public-private partnerships. This leads to the establishment of relations with entities with different strategic starting points and different objectives, which makes this field particularly exposed to risks and it is thus of utmost importance to ensure a regular and efficient use of public funds. With a targeted approach to the study of the existing practices, the Court of Audit will endeavour to prevent undesirable practices and consolidate those practices that ensure a more efficient use of public funds and improve the accessibility and quality of public services.

Privatisation

A significant part of our attention will be devoted to the announced processes of the third round of privatisation. The Court of Audit will audit at least the major projects of selling enterprises owned by the Republic of Slovenia respectively the Slovenian Sovereign Holding. In June 2013, the National Assembly adopted a programme of selling fifteen enterprises partially owned by the state. The field of privatisation is very delicate, it involves high risks while such sales and the purpose of the use of the proceeds of sales of investments may bring a significant impact on the state budget and the reduction of public debt.

Implementation of Performance Audits in Terms of Operations of the Users of Public Funds

The provision of an efficient use of public funds is one of the most important objectives to be pursued by all the users of public funds. Owing to this, performance audits are considered one of the most important fields of work of Supreme Audit Institutions. In-depth and follow-up audits will be carried out especially in the fields important for the recovery and promotion of economic growth (science, development, education, agriculture) and for the provision of health and social security of the citizens of the Republic of Slovenia (health care, welfare, food safety, protection against natural disasters, etc.)

Implementation of Information System Audits

Information system audits are not only an important element for the evaluation of the implementation of internal control systems in organisations but can with a systematic and structured approach facilitate the assessment and improvement of various aspects of the efficiency, effectiveness and economy of operations of the users of public funds. We will continue to audit the efficiency of the functioning of major information systems, examine the effectiveness of their upgrading and the introduction of new services. We will be also involved in the monitoring and development of domestic and international methodologies for the implementation of information system audits.

Accounting Systems in the Public Sector

Council Directive 2011/85/EU of 8 November 2011 on requirements for budgetary frameworks of Member States requires the Member States to establish public accounting systems comprehensively and consistently covering all sub-sectors of general government and containing the information needed to generate accrual data with a view to preparing data based on the European System of Accounts 1995 (ESA 95). According to the European Commission, it thereby acknowledges the essential incoherence between the cash-based public accounting systems and the budgetary control of the Member States, which is based on the accruals principle, and the resulting tendency to move to an accruals-based public accounting system in all the Member States.

International Public Sector Accounting Standards are currently the only internationally recognised set of public sector accounting standards, however, there have been ideas raised in the European area to establish European Public Sector Accounting Standards, which would be completely adapted to the requirements of the Member States.

In the light of the fundamental importance of the accounting system for sound financial management and

efficient operation of the users of public funds, the Court of Audit will be actively involved in such processes monitoring developments in the field concerned. Particular attention will be devoted to the processes of preparing basic accounting documents - balance sheets, the stress being placed on the financial statement of the state budget and the consolidated balance sheet of central and local governments.

STRATEGIC OBJECTIVES

We have set the following strategic objectives for the period from 2014 to 2020 to help us focus our activities on important challenges ahead:

- **Objective 1:** to contribute to the improvement of operations of the users of public funds and improve the quality of work of the Court of Audit;
- **Objective 2:** to detect changes in a timely manner, identify the emerging risks and respond thereto in good time;
- **Objective 3:** to provide advice to the users of public funds;
- **Objective 4:** to improve outcomes by strengthening communication and cooperation with others; and
- **Objective 5:** to provide a stimulating working environment.

Objective 1: to contribute to the improvement of operations of the users of public funds and improve the quality of work of the Court of Audit

- The approach used by the Court of Audit in its selection of audits is based on the assessment of risk. In the present strategic period, the approach will be upgraded with a detailed procedure specifying the application of the presented criteria for the selection of audits. Our audit work is namely focused primarily on covering the fields with the highest risks respectively the fields with the greatest consequences in the event of the materialisation of the risks. Aiming to improve the operations of the users of public funds, we will endeavour to achieve the greatest outcomes possible. We will strictly enforce the accountability of the users of public funds and seek to identify the cases of suspicion of criminal offences and misdemeanors and initiate procedures accordingly.
- The Court of Audit will continue to learn from the audit methodology and practices developed by other Supreme Audit Institutions and transfer the knowledge to the employees of the Court of Audit. Free flow of knowledge, information, experience and best practice namely represents an essential element of internal communication. Also the priority fields set in this Strategy reflect the views based on our internal communication intensified with the organisation of regular board meetings and updating of our intranet site. As we have done in the past, we will continue to strive for excellence. Further development of quality assurance techniques will be the core of our efforts in the coming years. This will include self-assessment after the completion of each project as well as evaluation at the international level (peer review) every five years. We will thus be able to contribute to the identification and implementation of best practices.

Objective 2: to detect changes in a timely manner, identify the emerging risks and respond thereto in good time

- The primary task of the Court of Audit is to report to the public and the National Assembly in a timely manner whether public funds have been used regularly and efficiently. Timely response and timely reporting are considered the key factors for the achievement of outcomes.
- The Court of Audit should be constantly aware of new technologies applied by the users of public funds. The auditors should know how the systems work and monitor any changes. As our audit approaches develop, we will be able to effectively audit the functioning of the systems.
- The Court of Audit responds to the proposals of the National Assembly and, in accordance with relevant legal provisions, includes such proposals for the implementation of audits in its programme of work. Such practice will be continued also in the future.
- The Court of Audit is considered the window of civil society. Comprehensive communication with the target public, such as individuals and the institutions of civil society, enhances the openness of the Court of Audit as well as ensures timely detection of problems and appropriate responses thereto.
- We are able to respond to emerging issues for which it is important to be addressed in a short time scale. The Court of Audit will continue to endeavour to respond to key public finance challenges in a timely manner. Where necessary, external experts will be included in dealing with such issues.

Objective 3: to provide advice to the users of public funds

- Direct advice

The Court of Audit receives many questions posed by the users of public funds. It responds by expressing opinions on the relevant issues. Such method of knowledge transfer increases the value of our audit services. Quality and timely responses will therefore continue to be the focus of our efforts.

- Advice to target groups of the users of public funds

The Court of Audit organises expert meetings (conferences, sessions, round tables) with the users of public funds in order to provide them with the examples of good practice. Such meetings are deemed the key mechanisms for the presentation of the established irregularities and inefficiencies and the prevention of recurrence thereof. We will continue with such working methods also in the period covered by the present Strategy.

Objective 4: to improve outcomes by strengthening communication and cooperation with others

- Communication of findings to the interested public and the National Assembly is one of the important steps to achieve outcomes of our audits. In addition to the adequate presentation of our reports and the further strengthening of cooperation with the Commission for Public Finance Control of the National Assembly of the Republic of Slovenia, we will enhance our cooperation with other working bodies of the National Assembly.
- All of the Court of Audit reports are public. Once served to the users of public funds, they are available also on the website of the Court of Audit. Our website also sets out the audits which are currently in progress, allowing the National Assembly and the public to be at all times aware of the audits being implemented. We will maintain this communication approach also in the period covered by this Strategy. With various forms of publication on our website, such as an overview of the phases

of audits in progress, archive of published audit reports, good practices, views and opinions, graphical representation of the budget, answers to frequently asked questions and news, we want to create the best possible working conditions for the media observing the work of the Court of Audit. We will thus also enable the public to be well informed. We will comply with the principles and policies laid down in the INTOSAI Communication Guideline, the emphasis being placed on the promotion of a better understanding of the field of auditing and accessibility of information to the public and the media.

- We will continue to strengthen our cooperation with internal audit services of the users of public funds and with other bodies providing general preventive role.
- At the international level, we will maintain our cooperation with the Supreme Audit Institutions of the Member States of the European Union, European Court of Auditors as well as EUROSAI and INTOSAI international organisations. With the international presentation of our audit findings, we will continue to endeavour for our audit work to be recognised also internationally. We will request the external evaluation of foreign partners to keep internationally comparable level of quality. With the application of the highest professional standards, we will continue to strengthen the reputation of the Court of Audit and contribute to the development of the audit profession at the international level.

Objective 5: to provide a stimulating working environment

- Motivation and creativity of the employees are essential for the achievement of best results. They are based on the stimulating working environment and the opportunities for personal growth. The stimulating working environment will be provided with good internal communication, active participation of the employees, openness, the respect for diversity and the promotion of teamwork. We will provide opportunities for trainings and professional development to facilitate further personal growth of the employees.

Monitoring of the Achievement of Objectives

The Court of Audit uses the following specific indicators for the regular monitoring of the achievement of strategic objectives: the internationally comparable indicators of the efficiency and transparency of the public sector; the share of statutory audit reports issued within the prescribed time; the share of audits completed within the period of eighteen months after the period covered by the audit; the amount of potential savings identified in the operations of the audited users of public funds; the share of inadequately implemented corrective measures; the compliance of the implementation of audits with the International Auditing Standards; the proportion of time spent for the implementation of audits with the objective of expressing an opinion on the efficiency, effectiveness or economy of operations; the percentage of the statutory requirements met in terms of the issued audit reports; the extent to which the annual programme of work for the exercise of auditing powers is complied with; the share of audits carried out on the basis of initiatives and the relevance of topics in the media; the average number of recommendations provided in individual audit reports; the share of performance audits with the defined financial respectively other audit outcomes; the percentage of reports published on the website of the Court of Audit within two working days from the date of the issue of the audit reports; and the number of the participants of trainings.

The specific indicators are presented in the annual financial plans as well as in the semi-annual and annual financial reports of the Court of Audit. They will be further developed within the period of the present Strategy.

RESOURCES

Our employees are our essential and the most valuable resource. In accordance with our strategic objectives, we are therefore required to create a good working environment, improve their professional competence, encourage their ability to respond to current issues as well as ensure the closest possible mutual cooperation (team work).

- Education

Our employees are highly educated. Employment, education and development of skills of the employees are considered essential. We believe the continued development of skills of the employees to be vital for us to be able to follow the changes in the environment in which we do our work.

- Flexibility

Considering the constant changes in the public sector, our employees should be flexible in performing their tasks. We are committed to investing in the skills of our employees.

- Mutual cooperation (team work)

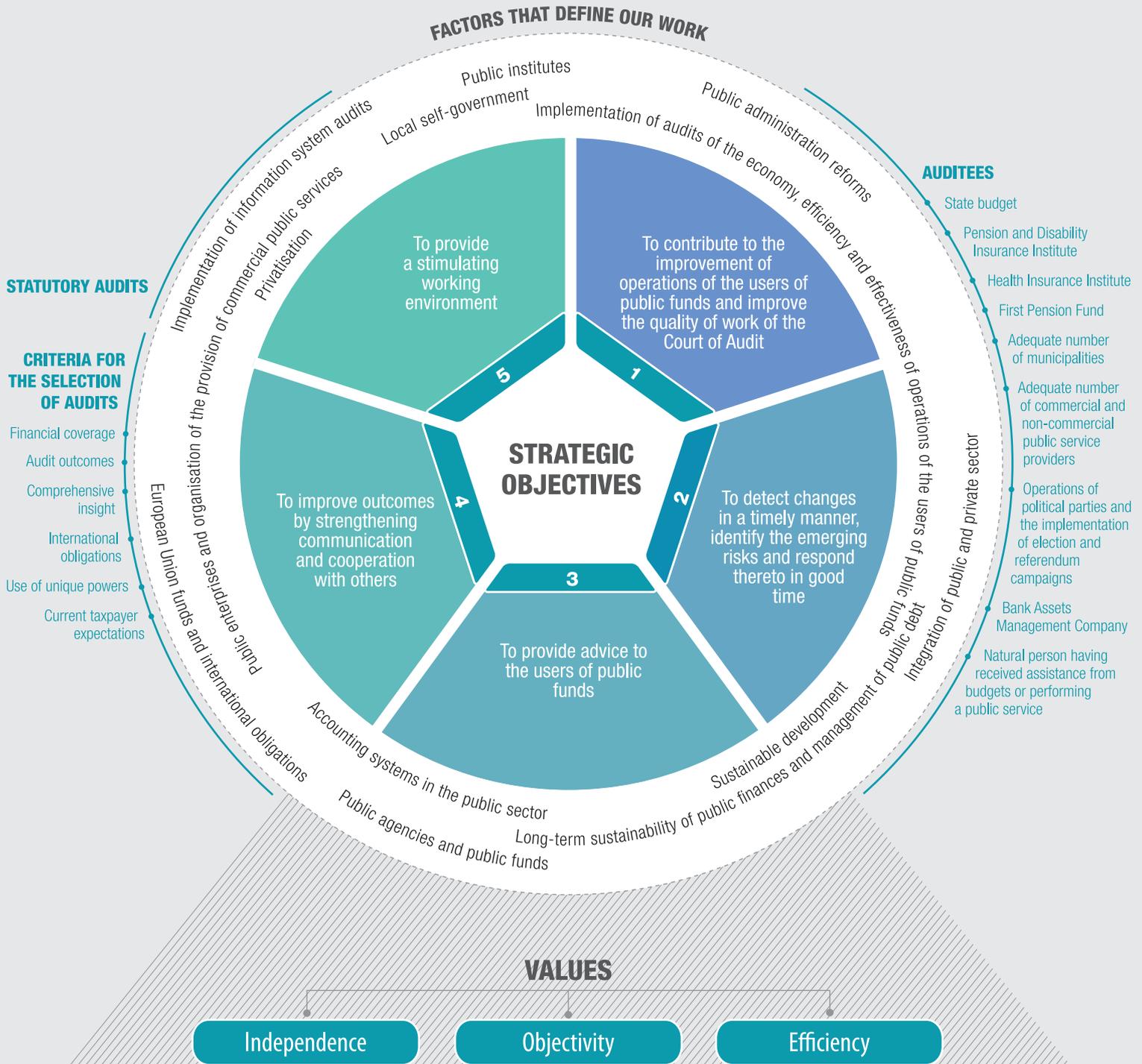
The management will encourage our employees to develop their professional and personal potential as well as emphasize the importance of cooperation within the institution. The best results will be achieved if we work as a team.

Appropriate material conditions for work are considered our second essential resource. For the performance of their work, our employees will be ensured, to the extent possible, adequate means of work, including appropriate working premises, personal computers and software, internet connections, mobile phones and company cars. Such equipment enables their work at the Ljubljana headquarters, Maribor branch office, at the premises of the users of public funds and at home.

For the strategic objectives of the Court of Audit to be achieved, the resources will be used as efficiently as possible.



Watching over public money.



Watching over public money

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