

STANDARD TWINNING PROJECT FICHE

1. Basic Information

- 1.1 Programme: IPA National programmes/Component I
- 1.2 Twinning Number: AL 13 IB FI 01
- 1.3 Title: Strengthening of external auditing capacities
- 1.4 Sector: Public Administration Reform (Public finance management)
- 1.5 Beneficiary country: Albania

2. Objectives

- 2.1 Overall Objective(s): Contribute to the effective, efficient, transparent and accountable use of public funds
- 2.2 Project purpose: Improve external auditing capacities according to EU good practices and to INTOSAI standards.
- 2.3 Contribution to National Development Plan/Cooperation agreement/Association Agreement/Action Plan

The project will contribute to the implementation of **Article 90 of the Association and Stabilization Agreement of Albania with the EU**, which provides that “the Cooperation between the Parties with focus in priority areas concerning the EU Acquis in the field of public internal financial control (PIFC) and external audit. The Parties cooperate especially to develop an efficient system of PIFC and external audit systems in Albania, in compliance with standards and methodologies accepted by the international community as well as the best EU practices”. Improving and enhancing HSC audit capacities contribute directly to efficient external audit systems in the country.

The Project will also contribute to the **National Strategy for Development and Integration 2007-2013 (NSDI)**. NSDI includes a set of operating principles to ensure that government policy, planning and implementation takes place in a coherent, efficient and integrated manner, which is directly connected with the financial management and control system. A crucial part of the control system is represented by the operation of external supreme audit institution of the country, the HSC. Improving audit performance of HSC means improving country’s financial control system. Furthermore, the NSDI aims at improving public financial management in line with international standards, including the areas of: macro-economic forecasting, multi-annual budget programming, fiscal discipline, the efficiency and

effectiveness of public expenditure, the costing of policies, the planning of public financial investments, the transparency, efficiency and financial autonomy of local government units, the quality of reporting and the transparency of the execution of the budget, as well as the fight against illegal transactions.

A sectoral strategy closely related to HSC is the Public Finance Sector Strategy 2007-2013, which clearly recognises the importance for Albania of moving closer to international standards and the best practices in PIFC / FMC applied by EU Member States. Thereby, improving the efficiency and transparency of the use of taxpayers' money, as well as strengthening the accountability of the state administration are receiving special attention. In this context, the implementation of the new law on Financial Management and Control will demand a significant change in the management of public policies and institutions, and require strong financial and institutional support, if it is to deliver the desired objectives. The role of HSC in supporting PIFC and FMC practices is important.

3. Description

3.1 Background and justification:

The Albanian institutions are undertaking a programme of reforms in order to ensure the functioning of the free market economy. In this regard, auditing is one of main elements. The main institution responsible for this issue is the **High State Control (HSC) / Supreme Audit Institution**. Its activity is foreseen by the Constitution of the Republic of Albania, Articles 162-165. By Constitution, HSC is independent from the executive. It is a member of the International Organization of Supreme Audit Institutions (INTOSAI) since 1984. Its operation is based on a special law No.8270 dated 23.12.1997, amended by the law No. 8599 dated 01.06.2000. During the last decade, some efforts have been made to reform the HSC institution even though, the assistance provided from the State Budget has been limited and did not address fundamental issues in audit development.

Currently, there is a need for enforcement of administrative capacities to conduct professional audits and efficiently fight and prevent fraud and corruption. Staff audit capacity is weak and not in accordance with updated INTOSAI standards and the EU best practices.

This project aims to the consolidation of a modern HSC, able to inform the Albanian Parliament and the public regarding the accountability of government and other public entities for the management of State resources in an effective, economic and efficient manner and also promote awareness throughout the public sector in compliance with EU best practices and updated internationally recognized standards of INTOSAI. Through this project it is expected the increase of audit performance through strengthening of the institutional capacities of HSC, the enhancement of the audit capacities, by developing and implementing modern audit methodologies, developing and qualifying human resources and by using advanced auditing methods and techniques, improvement of the audit reports, methodology and also improvement of schemes for tracking HSC recommendations.

3.2 Linked activities (*other international and national initiatives*):

The **MIPD 2011-2013** recommends that Albania has to further strengthen the application of the principles of sound financial management and implement co-ordinated and effective national policies for the prevention of corruption¹. Strengthened institutional capacity of HSC and increased HSC audit performance contribute to a more efficient prevention of corruption

¹ MIPD Albania, 2011-2013, Chapter 3.2.3., Sector Objectives for EU support over next three years, p. 18-19

in the country. Furthermore, according to the MIPD, Albania should improve policy coordination and planning, better align the policy framework and multi-annual budgeting with the integration agenda, strengthen internal audit functions, inspection services and the Supreme Audit Institute.² More professional HSC audit reports and recommendations will contribute to make economic and fiscal policies more accountable and strengthen financial control; as with specific regard to EU integration, the MIPD 2011-2013 confirms the need to continue support to European integration structures, contribute to strengthening financial control.

This project is complementary with the assistance given so far by the **PHARE Programme** (focused in technical assistance and support for the auditing process in the areas of strategic planning, human resources and information technology), by the **CARDS 2003** (assistance in human resource management) and **CARDS 2004** twinning (*Support to the Albanian Audit Institution*). The project will build especially on the experience gained from the last-mentioned CARDS 2004 twinning project. It is also complementary with the **IPA 2012 twinning project “Implementation of a modern Financial Management and Control System and Public Financial Inspection in Albania”**. In order to foster the collaboration for the implementation of this project a Cooperation Agreement between HSC and Ministry of Finance, based on the INTOSAI Standard ISSAI 9150: "On the Coordination and cooperation between Supreme Audit Institutions and the Internal Auditors in the Public Sector" has been signed (8th of May 2012). The activities anticipated in the Agreement for 2013 will increase the synergy created between the two institutions in public audit area.

An important support for the audit sector comes from **SIGMA** with its yearly progress assessment missions for HSC and the implementation of a “bridging activities” program in the second half of 2012 and during 2013 until HSC starts benefiting from IPA 2013 project. In 2012 SIGMA experts trained over 100 auditors from HSC (75% of HSC audit staff) in performance audit, financial audit, compliance audit and IT audit. In 2013 over 100 people has been trained in performance audit, IT audit, procurement audit, auditing donor funding including EU funds.

3.3 Results:

Component 1: Improvement of Legislative framework for audits

- Result 1.1: Improved/ revised legal framework and new sub legal acts drafted as required by the legislation in force;
- Result 1.2: Prepared guidelines for the implementation of the new legal framework from auditing bodies and improved schemes for tracking recommendations, including improvements in laws and required regulations.

Component 2: Development of audit methodologies and reporting capacities

- Result 2.1: Developed manual of anti-corruption audit;
- Result 2.2: Improved methodology of financial audit; methodology tested in practice;
- Result 2.3: Improved methodology of performance audit; methodology tested in practice;
- Result 2.4: Developed IT audit methodology (tested in practice);
- Result 2.5: Improved reporting, quality control and assurance on audits.

Component 3: Strengthening of HSC institutional capacity and improving impact of HSC audit results

² MIPD Albania, 2011-2013, Chapter 3.2.3., Sector Objectives for EU support over next three years, p. 18

- Result 3.1 Structure and functions of secondary processes of SC developed and improved;
- Result 3.2 Enhanced awareness of stakeholders and public on the auditing.

3.4 Indicative list of activities:

Component 1 *Improvement of the legislative framework*

Activity related to result 1.1:

- Develop the operational scheme to implement the amended Law and draft the by-laws (AI-SAI Chairman's orders, decrees, guidelines necessary for the implementation of AI-SAI Law amendments);
- Revise Internal Regulation in accordance with amendments of the HSC law and new audit approach for Financial, Performance and Compliance audit.

Activity related to result 1.2:

- Draft guidelines for the institutionalization of relations with Parliament referred to EU good practices and determine the measures for its implementation;
- Draft a manual on schemes for tracking HSC recommendations based on EU good practices.

Component 2 *Development of audit methodologies:*

Activities related to result 2.1:

- Development of specific methodologies for anti-fraud and anti-corruption (integrity) audit, based on latest international standards and good international practice such as a guideline to prepare referrals on cases of corruption and fraud detected during audits;
- Study visits to gain experience of peers in combatting corruption;

Activities related to result 2.2:

- Review and update the financial audit manual (such as risk assessment, audit internal control, reviewing internal audit, certification of accounts, follow –up procedures);
- Conduct pilot financial audits.

Activities related to result 2.3:

- Review and update the performance audit manual;
- Conduct pilot audits.

Activities related to result 2.4:

- Development of IT audit methodology;
- Conduct one IT pilot audit.

Activities related to result 2.5:

- Development of methodologies for quality control and quality assurance (test in practice);
- Development of methodological requirements for writing audit reports;

Component 3: *Strengthening of HSC institutional capacity and improving impact of HSC audit results*

Activities related to result 3.1:

- Revise internal structure of the HSC in accordance with amendments of the HSC law and new audit approach for Financial, Performance and Compliance audit;
- Development of functional responsibilities of each HSC organizational unit, job descriptions for each position, establishing lines of authority and responsibility by updating the internal regulation of the institution;
- Drafting a human resource Management policy (including recruitment procedures, performance appraisal system, time recording system, professional education);
- Implementation of the system to evaluate employee performance, audit staff in particular,
- Implementing schemes for managing and documenting the time of the audit work;
- Development and implementation of programmes for certification of auditors and continuous professional development

Activities related to result 3.2

- Improve the structure of the reports submitted to the Parliament and the Parliamentarian Commission on Economy and Finance by preparing reporting models based on EU good practices and training the auditors who prepare such reports;
- Defining steps and measures to achieve transparency of audits and increase public confidence in the institution;
- Design and development of a modern communications strategy, among others the establishment of schemes for online communication with public.

3.5 Means/ Input from the MS Partner Administration:

3.5.1 Profile and tasks of the Project Leader

This project requires a Project Leader who will be responsible for the overall coordination of the project activities. The project leader is expected to closely work with the Resident Twinning Advisor (RTA) and the short-term experts as well as with the counterpart of the beneficiary institution(s).

Profile:

- Long-term civil servant official from a Member State homologue institution (Supreme Audit Institution);
- Educated and experienced in the field of public finance / audit and management;
- At least 5 years working experience in a leading management position;
- At least 10 years working experience in auditing of public finance;
- Excellent English skills (oral and written);
- Excellent computer skills.

Tasks:

- Monitoring and guidance of the whole project;
- Assists the RTA with the project management;
- Provision of legal and technical advice and analysis;
- Overviews the development of all key project outputs and the corresponding procedural/operational manuals, plus the provision of related skills development activities.

3.5.2 Profile and tasks of the RTA

This project requires a Resident Twinning Advisor (RTA) as well as medium/short term experts will implement the project. The RTA has the responsibility to guide the work of the team and collaborate closely with the beneficiary counterpart.

The medium/short term experts will work in close cooperation with the RTA and the High State Control (HSC) staff in order to meet the specific objectives as set out above. The RTA will cooperate primarily with the staff of the HSC and with the implementing institutions.

TASKS:

The RTA will be located within the HSC and over 24 months period will be responsible for the following key activities:

- Coordination of the activities of the team members in line with the agreed work programmes to enable timely completion of project outputs;
- Preparation of projects progress reports;
- Permanent contact with the beneficiary RTA Counterpart;
- Liaison with CFCU and EU Task Manager;
- Liaison with other relevant projects.

Profile of the RTA

- Be fully conversant with relevant EU legislation in the area concerned with proven knowledge of conceptual / systemic issues and practical experience from an executive position;
- Minimum three years of professional experience both at policy and implementation level in external audit activities related to the implementation of the EU acquis in the area covered by the Twinning project fiche
- Good training, public speaking, presentation and communication skills;
- Excellent computer proficiency;
- Excellent oral and written English communication skills;
- University degree in economics, finances, law, social studies or other relevant field.

Additional assets are:

- Previous experience as project coordinator/project manager;

3.5.3 Profile and tasks of the short-term experts

A pool of short/medium term experts will be available. Their “mix” should be identified by the Project Leader/RTA in the course of defining the operational side letters (OSL). The short term experts will work in close cooperation with the PL/RTA and the Beneficiary in order to meet the specific objectives as set out above. Terms of reference for short-term expert(s) will be elaborated by Project Leader/RTA and the beneficiary counterpart at the work plan preparation stage.

The short and medium-term experts are expected:

- To have university degree;

- To have professional experience of EU standards and practices related to supreme audit institution;
- To be currently civil servants/auditors in the homologue institution/service related with the required activity within the project;
- To have at least 5 years of experience in a central and/or local administration of an EU Member State in the relevant area of the required activity within the project;
- Solid training skills and experience in organizing training courses;
- Very good command of English (oral and written);
- Excellent computer skills.

4. Institutional Framework

The Project will be managed for technical aspects by the Department of Scientific Research of HSC and will be closely supervised by the Secretary General and the Chairman of HSC.

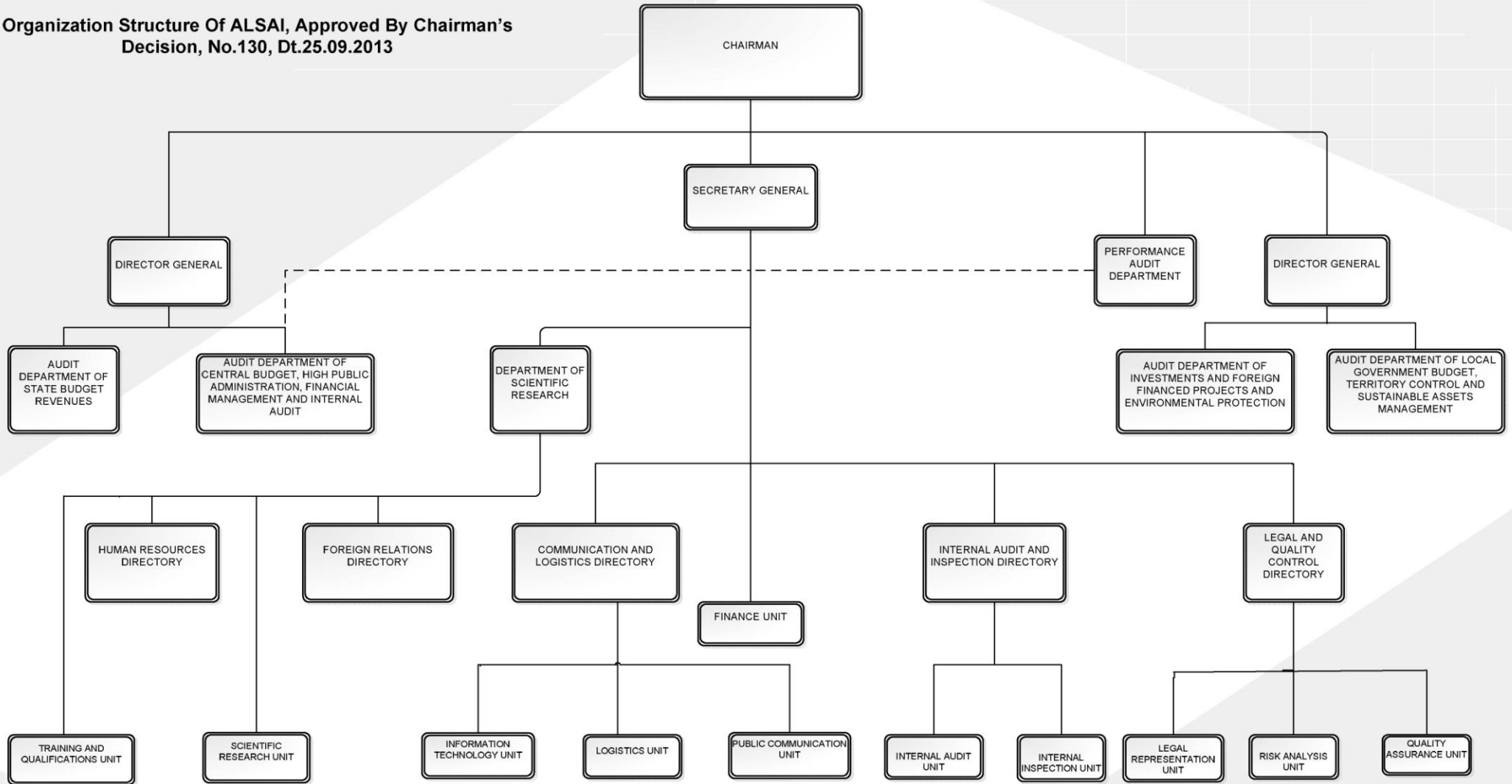
The main contact points in the HSC are:

- **Ms Luljeta Nano, General Secretary of HSC, who will serve as Project Leader**
- Ms. Irena Islami, head of HSC Scientific Research Unit and Ms. Deshira Huqi, Head of International Relations that will serve as RTA counterparts

The above-mentioned persons in HSC will constitute the Project Implementation Working Group from HSC, a body to be established officially by the Chairman of HSC. The Group will meet on monthly basis during the Project lifetime, will work closely and on daily basis with the Resident Twinning Advisor and short-term experts, will take care of ensuring HSC auditors participation in project activities and after project logistics, as well as will write quarterly reports on project performance, suggesting eventual improvements.

The structure of the HSC is presented in the chart below:

Organization Structure Of ALSAI, Approved By Chairman's Decision, No.130, Dt.25.09.2013



Indicative Project budget (amounts in EUR)

PROJECT TITLE			TOTAL EXPENDITURE	SOURCES OF FUNDING								
				IPA CONTRIBUTION		NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTION	
	IB (1)	INV (1)	EUR (a)=(b)+(c)+(d)	EUR (b)	% (2)	Total EUR (c)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/Local EUR (y)	IFIs EUR (z)	EUR (d)	% (2)
Activities 1,2,3												
Contract 1.1	x			2.000.000	95%	100.000	5 %	100.000				
TOTAL IB				2.000.000	95%	100.000	5 %	100.000				
TOTAL INV												
TOTAL PROJECT			2.100.000	2.000.000	95%	100.000	5 %	100.000				

NOTE: DO NOT MIX IB AND INV IN THE SAME ACTIVITY ROW. USE SEPARATE ROW

Amounts net of VAT

- (1) In the Activity row, use "X" to identify whether IB or INV
- (2) Expressed in % of the **Total** Expenditure (column (a))

The co-financing requirement foreseen under IPA will be considered fulfilled according to the provisions of the relevant Financing Agreement.

6. Implementation Arrangements

6.1 Implementing Agency responsible for tendering, contracting and accounting is Central Finance and Contracting Unit (CFCU) in the Ministry of Finance

Ms. Anila Boshnjaku,

Director of the CFCU /Ministry of Finance

Email: anila.boshnjaku@financa.gov.al

Tel.: +355 4 245 11 80

Address: Ministry of Finance, Boulevard “Dëshmoret e Kombit”, Tirana, Albania

Ms. Malgorzata Skocinska

EU Delegation to Albania

Programme Manager, Public Finance, Customs and Taxation

ABA Business Centre, 17th Floor, Rruga Papa Gjon Pali II, Tirana

Telephone: (+355) 4 222 8320.

E-mail: Malgorzata.Skocinska@eeas.europa.eu

6.2 Main counterpart in the BC:

1. *Project Leader:*

Ms. Luljeta Nano

General Secretary

Albanian Supreme Audit Institution (HSC)

E-mail : lnano@klsh.org.al

Mobile (++355)69 20 58 012

Phone (office) : (++355) 2247294 (ext. 425)

2) Ms. Irena Islami, together with Ms. Dëshira Huqi will serve as counterpart of the Resident Twinning Advisor (RTA)

Contact details of Ms. Islami and Ms. Huqi:

Ms. Irena Islami

Head of Scientific Research Unit

Albanian Supreme Audit Institution (HSC)

E-mail: iislami@klsh.org.al; iislami@hotmail.com

Mobile (++355)66 60 18 399

Phone (office) : (++355) 4 22 28 485

Ms. Dëshira Huqi

Head of International Relations

Albanian Supreme Audit Institution (HSC)

E-mail : dhuj@klsh.org.al;

Mobile (++355)68 60 26 567

Phone (office) : (++355) 2247294 (ext. 417)

6.3 Contracts

The Project will be implemented through one Twinning Contract

7. Implementation Schedule (indicative)

- 7.1 Launching of the call for proposals (Date) September 2014
- 7.2 Start of project activities (Date) April 2015
- 7.3 Project completion (Date) April 2017
- 7.4 Duration of the execution period (number of months) **24 months**

8. Sustainability

The key elements to ensure project results' sustainability are:

- Full commitment of HSC staff to ensure viability and continuity of the project;
- State Budget funding ensured for HSC's continued institution building and maintaining achieved structures, capacities and newly trained staff;
- The project in the course of implementation will increase HSC independent action to further pursue its reforming path based on own (already built) capacities;
- Intense cooperation with peers (other SAI-s) will create synergy and accentuate the impact of project's deliverables;
- Efficient cooperation with line ministries (in special focus, with the Ministry of Finance) to ensure intensive fight and prevention against corruption and fraud;
- Efficient cooperation with civil society associations and engaged individuals to ensure transparency and accountability of public entities will positively position HSC versus other donors, such as the World Bank, bilateral donor programs, etc.;
- Efficient cooperation with professional accounting organizations in the country, such as the National Council of Accountants and the Institute of Chartered Accountants (IEKA), based on INTOSAI and IFAC (International Federation of Accountants) standards will enable HSC to produce financial audits at high quality and gain in image and integrity versus future partners and donors.

9. Crosscutting issues (*equal opportunity, environment, etc...*)

Based on the fundamental principles of promoting equality and combating discrimination, participation in the project will be guaranteed on the basis of equal access regardless of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

The project has no discernible effect on the environment. Yet, improvement of audit methodology will result in more qualitative HSC performance audits related to environmental issue and in more direct and efficient recommendations.

Paperless office and IT-compatible procedures will be intensively developed in the project.

The introduction of new IT systems, communication channels and the change of methods will sensibly reduce paper consumption and energy consumption in HSC.

Civil Society involvement

HSC key stakeholders are the academic units (in particular the State University of Tirana) and the public, represented by civil society organizations that fight corruption. HSC has organized formal and informal meetings with members of the Parliamentary Commission of Economy

and Finance and with representatives of key civil society associations, with whom it has established cooperation agreements to increase transparency, to fight against and to prevent corruption and fraud. HSC has also offered and engaged over the last months in cooperation agreements with the Albanian High Inspectorate of Declaration and Audit of Assets, the Albanian Authority of Competition and the Office of General Attorney. With the latter, in July 2012, HSC organized a joint seminar with prosecutors and external auditors to discuss ways to improve the quality of HSC referrals against fraud and corruption.

HSC is in the process of concluding agreements with professional accounting organizations in the country, such as the National Council of Accountants and the Institute of Chartered Accountants (IEKA), with the aim of retrieving high level local expertise for its financial audits and the fight against fraud and corruption.

In April 2012, HSC signed cooperation agreements with six of the most active associations of civil society to fight corruption and seek to increase the transparency of public institutions of the country, namely the Transparency International in Albania, the Civil Alternative Movement, the Centre for Transparency and Free Information, the Institute for Contemporary Studies, the Institute for Democracy and Mediation and the European Movement in Albania. According the agreements, HSC and these associations will cooperate and prepare joint projects/programs to fight corruption and ensure more transparency in the use of public funds. HSC has already consulted the above-mentioned civil society units in the course of preparing the project fiche and has assured their interest in cooperating for the production of different project deliverables, such as the manual on anti-fraud and anti-corruption audit and the preparation of HSC external communication strategy.

The interest to cooperate is high also among professional associations such as the IEKA and the National Council of Accountants and HSC has also assured their support in the project implementation.

10. Conditionality and sequencing

- Timely approval of HSC law amendments by Parliament;
- HSC allocates the sufficient institutional and human resources to co-operate with project experts;
- Good co-operation with stakeholders;
- Political forces set to support integration process in the country and the progress of public administration reform;
- Government fully dedicated to accelerate public finances reform;

HSC highly motivated and completely focused in implementing institutions' new strategic approaches and reforms

ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format (compulsory)

LOGFRAME PLANNING MATRIX FOR Project Fiche		Project title and number	Strengthening of external auditing capacities/ AL 13 IB FI 01	
		Contracting period expires no later than three years from the date of conclusion of Financial Agreement	Execution period expires within a maximum of two years from the end date of contracting	
		Total budget	€ 2,1 Mln	
		IPA budget:	€ 2 Mln	
Overall objective	Objectively verifiable indicators (OVI)	Sources of Verification		
<ul style="list-style-type: none"> Contribute to the effective, efficient, transparent and accountable use of public funds 	<ul style="list-style-type: none"> Increased number of HSC referrals Decreased number of cases of corruption and irregularities in public administration. 	<ul style="list-style-type: none"> Official statistics by Governmental Institutions; EC Progress Reports on Albania; World Bank reports; Organization for Economic Co-operation and Security in Europe reports; Sigma reports. 		<ul style="list-style-type: none">
Specific objective	Objectively verifiable indicators (OVI)	Sources of Verification		Assumptions
<ul style="list-style-type: none"> Improve external auditing capacities according to EU good practices and to INTOSAI standards 	<ul style="list-style-type: none"> Increased number of HSC referrals Decreased number of cases of corruption and irregularities in public administration. 	<ul style="list-style-type: none"> Official statistics by Governmental Institutions; EC Progress Reports on Albania; World Bank reports; Organization for Economic Co-operation and Security in Europe reports; Sigma reports. 		<ul style="list-style-type: none"> Government fully dedicated to accelerate public finances reform; HSC fully dedicated to modernize its audit activity and fight corruption
Results	Objectively verifiable indicators (OVI)	Sources of Verification		Assumptions
1.1: Improvement of Legislative framework for audits 1.2: Development of audit methodologies 1.3 Strengthening of HSC institutional capacity and improving impact of HSC audit results	<ul style="list-style-type: none"> Number of guidelines prepared for implementing the new legislation; An assessment of the legal framework vis-à-vis EU models. 	<ul style="list-style-type: none"> Monitoring by EC Delegation Final Audit Reports Annual HSC reports to Parliament Project's quarterly reports Feedback from audit report users SIGMA reports 		<ul style="list-style-type: none"> Availability of staff for co-operation with the advisers and the trainings HSC staff highly motivated and completely focused in implementing institutions' new strategic approaches and reforms. Readiness to implement recommendations /

	<ul style="list-style-type: none"> • An assessment of the legal framework vis-à-vis the INTOSAI Declarations. • Recognised (or tailored qualification scheme in place). • Staff appraisal system which is consistent across the office, based on objective criteria and which motivates and rewards good performers. • Separate core groups of staff with the skills required to undertake financial and performance audits to international auditing standards (30 and 12 staff respectively); • 10 staff members across` Audit departments able to undertake Computer-assisted audit techniques, with at least 2 competent to train others; • HSC undertakes audits covering a broad range of topics and institutions and provides the Parliament with quality reports and advice ; • Audit staff members aware of their role and responsibilities with respect to fraud and corruption; • Overall strategy and internal guidance on the role of SAI in the fight against fraud and corruption; • Feedback from Parliament’s Commission on Economy and Finance members and audited bodies on impact and usefulness of audits 	<ul style="list-style-type: none"> • Media reports on HSC audit findings and recommendations. 	results of project
Activities to achieve results	Means / contracts	Costs	Assumptions
<ul style="list-style-type: none"> • Sub-activity 1.1.1 Develop the operational scheme to implement the amended Law and draft the by-laws (AI-SAI Chairman’s orders, decrees, guidelines necessary for the implementation of AI-SAI Law amendments); • * Sub- activity 1.1. 2 Revise Internal Regulation in accordance with amendments of the HSC law and new audit approach for Financial, Performance and Compliance audit. • Sub-activity 1.2. 1 Draft guidelines for the institutionalization of relations with Parliament referred to EU good practices and determine the measures for its implementation. Draft a manual on schemes 	<ul style="list-style-type: none"> • Twinning contract • Service contract (Co-financing) 	<ul style="list-style-type: none"> • 2 mln Euro • 100.000 Euro 	<ul style="list-style-type: none"> • Timely approval of HSC law amendments by Parliament • Good co-operation with stakeholders.

<p>for tracking HSC recommendations based on EU good practices.</p> <ul style="list-style-type: none"> • Sub-activity 1.2.2 Development of specific methodologies for anti-fraud and anti-corruption (integrity) audit, based on latest international standards and good international practice such as a guideline to prepare referrals on cases of corruption and fraud detected during audits. Study visits to gain experience of peers in combating corruption <p>Sub-activity 1.2.3 Review and update the financial audit manual (such as risk assessment, audit internal control, reviewing internal audit, certification of accounts, follow –up procedures. Conduct pilot financial audits.</p> <ul style="list-style-type: none"> • Sub-activity 1.2.4; Review and update the performance audit manual. Conduct pilot performance audits. <p>Sub-activity 1. 2. 5 Development of IT audit methodology. Conduct one pilot IT audit.</p> <p>Sub-activity 1. 2. 6 Development of methodologies for quality control and quality assurance (test in practice). Development of methodological requirements for writing audit reports.</p> <ul style="list-style-type: none"> • Sub-activity 1.3.1 Revise internal structure of the HSC in accordance with amendments of the HSC law and new audit approach for Financial, Performance and Compliance audit; • Development of functional responsibilities of each HSC organizational unit, job descriptions for each position, establishing lines of authority and responsibility by updating 			
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<p>the internal regulation of the institution</p> <ul style="list-style-type: none"> • Drafting a human resource Management policy (including recruitment procedures, performance appraisal system, time recording system, professional education); <ul style="list-style-type: none"> • Implementation of the system to evaluate employee performance, audit staff in particular; • Implementing schemes for managing and documenting the time of the audit work; • Development and implementation of programmes for certification of auditors and continuous professional development. <ul style="list-style-type: none"> • Sub-activity 1.3.1 Improve the structure of the reports submitted to the Parliament and the Parliamentary Commission on Economy and Finance by preparing reporting models based on EU good practices and training the auditors who prepare such reports; • Defining steps and measures to achieve transparency of audits and increase public confidence in the institution; • Design and development of a modern communications strategy, among others the establishment of schemes for online communication with public. 			
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2. Detailed implementation chart (optional)

3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period) (optional)

4. Reference to feasibility /pre-feasibility studies. For all investment projects, the executive summary of the economic and financial appraisals, and the environmental impact assessment should be attached (optional)

5. List of relevant Laws and Regulations (optional)

6. Reference to relevant Government Strategic plans and studies (may include Institution Development Plan, Business plans, Sector studies etc) (optional)