

Results of the RIFIX Work Group Member Pre-Event Survey

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1

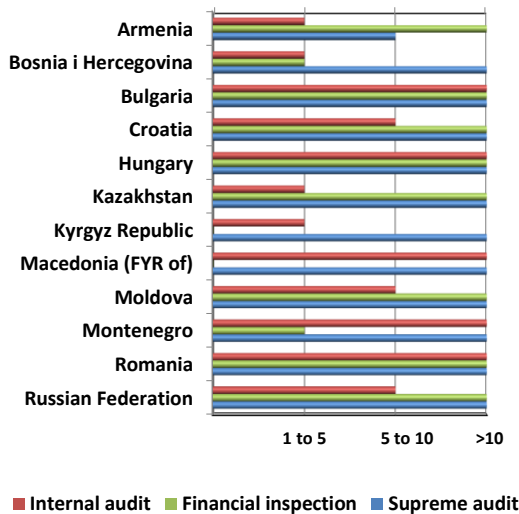
Disclaimer

- This presentation does not cover all questions asked in the survey.
- The following charts omit the “other” option from presentation and estimates, unless otherwise specified.
- The discussion covers only 12 countries that have responded to the survey, e.g. statement “80% of all countries” means 9 out of 12 countries responded .
- Some countries do not have all the institutions the questionnaire is referring to and therefore, percentages given in the presentation are usually taking this into account by reducing the denominator where appropriate and showing relevant numbers in parenthesis.
- Bosnia and Herzegovina results represent its Federal government arrangements, if not specified otherwise.

2

Existing institutions of control

QQ2-3. Do you have the following institutions in your country and when were they established?



1. **Supreme audit** institutions are on average the oldest: only 1 out of 12 countries – Armenia - established it less than 10 years ago;
2. 2/3 of the countries have **financial inspections** also established over 10 year ago
3. **Kyrgyz Republic and Macedonia** reported that they do not have financial inspection institutions, without them the latter share is 80%;
4. 41% have **institutions of internal audit** in public sector established more than 10 years ago.
5. Bulgaria, Hungary and Romania established all three institutions over 10 years ago

3

Regulating institutional interactions (summary)

QQ. 4, 5, 6. Are there **any** documents in your country regulating interaction between?

All Three					BUL KAZ ROM RUS
SA & IA + SA & FI				CRO	
SA & IA + IA & FI			ARM		
SA & IA		B&H KYR * MOL MTN			

SA – supreme audit
IA – internal audit
FI – financial inspections

1. Four countries – Bulgaria, Kazakhstan, Romania, and Russia - have regulatory base for interactions among all three institutions;
2. Hungary does not have any regulatory documents of this nature, although it has all three institutions.
3. Overall, interactions with FI are least regulated, while interactions with SA is best regulated.
4. It is also worth to notice that B&H has a regulatory base for interactions between FI and CHU IA, while MAC has such base for SA and CHU IA.

* Kyrgyz Republic reportedly does not have a special financial inspections institution.

4

Accountability of institutions of control

QQ7.1-7.3. Please indicate accountability of ...

	Supreme audit		Internal Audit			Fin. Inspect.		
ARM		FU		HI		MF		
B&H	PA		G	MF	HI	G	MF	
BUL	PA			HI		MF		
CRO	PA	FU		HI	FU	MF		
HUN	PA			HI		G		
KAZ	PR			MF	HI	G	MF	
KYR	PR	PA		MF	HI			
MAC		FU		HI		MF		
MOL		FU		HI		MF		
MNT	PA	FU		HI	FU			
ROM	PA		G	MF	HI		MF	
RUS	PA			HI		G	MF	

President Government Head of institution
Parliament MoF Fully independent

1. Croatia and Montenegro – SA and IA are accounted to the Parliament and Head of Institutions, respectively, but at the same time reportedly fully independent.
2. SA and IA have “double” accountability in Kyr;
3. IA and FI have “triple” accountability in B&H;
4. IA accountable to government, MoF and Head of institution in ROM and MoF and Head of institution in KAZ;
5. Double accountability for FI exists in KAZ, ROM and RUS.

5

Placement of: internal audit and financial inspections

QQ8-9.

	Internal Audit			
	First level budget users	Second level budget users	In local government bodies	Other public entities
ARM	M	O	M	O
B&H	M	M	M	
BUL	M	O	M	O
CRO	M	M	M	M
HUN	M	M	M	O
KAZ	M		M	
KYR	M	M	M	
MAC	M	M	M	M
MOL	M	O	O	O
MNT	M		M	
ROM	M	M	M	M
RUS	M	O	O	O

Mandatory Optional Not defined

	Financial Inspections			
	Government	MoF	Local gov. bodies	Ministries
		X		
		X*		
		X		
	X	X		
	X			
		X		
		X**		
		X	X	X
	X	X		X

- * B&H - the budget inspection is established on two levels: Federal Ministry of Finance and Canton Ministry of Finance.
 ** MTN - the Law is in the procedure.

Coverage by audits and inspections is significant, but not even

Q.10. Scope of subjects to audits/inspections

	Operational processes	Financial operations	Financial statements	All State budget resources	Local budget resources	Donor funds	Entities budget and budgets of institutions subordinate to an entity	All state administration organizations	All local administration organizations	Institutions subordinate to an entity	Structural units of an entity	Compliance	Efficiency and effectiveness	
ARM	4	7	7	7	4	4	7	6	4	4	4	2	2	4
B&H	6	7	6	7	7	7	7	7	6	6	4	6	6	6
BUL	7	7	5	7	7	0	7	7	7	7	7	7	7	10
CRO	6	7	7	7	7	7	7	7	7	7	7	6	6	8
HUN	6	7	6	7	6	5	7	6	6	7	2	7	6	5
KAZ	7	7	7	4	2	3	2	7	4	7	0	7	4	6
KYR	2	2	6	2	2	3	6	2	2	6	6	6	0	0
MAC	7	7	7	7	7	7	7	7	7	7	7	7	7	11
MOL	6	7	7	7	7	7	7	7	7	7	7	7	6	11
MNT	6	7	7	7	7	7	7	7	7	7	7	7	7	10
ROM	6	7	5	7	7	2	7	7	7	7	2	2	7	9
RUS	7	7	7	7	2	7	7	7	2	7	2	7	6	9
	3	11	5	9	7	6	10	9	6	9	6	7	1	

Navy blue - SA, IA and FI; Yellow – SA only;
 Light blue – no FI; Orange – IA only;
 Bright green – no IA; Red - nothing
 Purple – no SA;

7

Reforms of oversight institutions

Q11. Are there (have there been) any reforms in your country connected with structural changes related to functions of SA, IA, FI? Do they coordinate reforms between them?

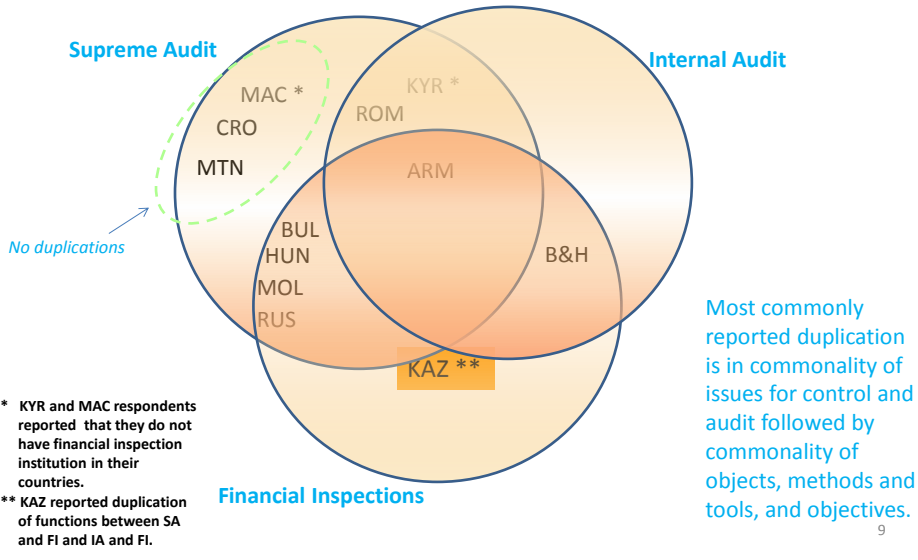
	Yes, and they are coordinated	Yes, but without coordination	No, but we are planning the need
Armenia		X	
Bosnia i Hercegovina			X
Bulgaria		X	
Croatia	X		
Hungary	X		
Kazakhstan	X		
Kyrgyz Republic		X	
Macedonia (FYR of)	X		
Moldova		X	
Montenegro			X
Romania	X		
Russian Federation	X		

1. Half of responded of countries are reforming/had reformed audit and inspection institutions in a coordinated manner;
2. Another third have had reforms, but they were not necessary well coordinated;
3. Two of the twelve countries responded to the survey are just planning to have these reforms;

8

Duplication of functions between regulation institutions

Q13. Do you believe there is duplication of functions between ...



Clarity of the functional division between regulation institutions

Q12. How do you evaluate division of functions in your country between ...

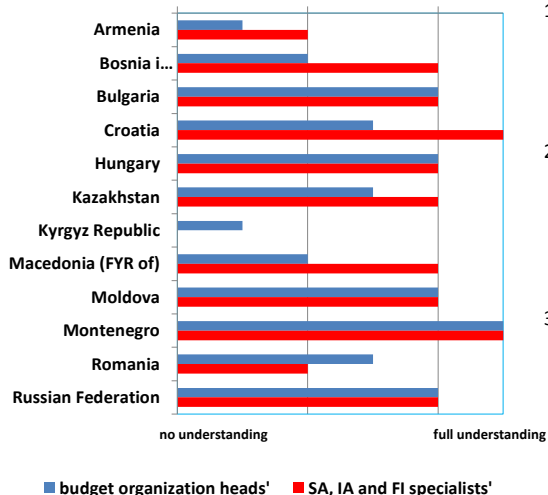
	SA & IA	IA & FI	SA & FI
Armenia	2	2	1
Bosna i Hercegovina	3	2	1
Bulgaria	3	3	2
Croatia	3	3	3
Hungary	3	3	2
Kazakhstan	3	2	3
Kyrgyz Republic	2	0	0
Macedonia (FYR of)	3	2	2
Moldova	3	3	2
Montenegro	3	3	3
Romania	3	2	3
Russian Federation	2	3	2

Sufficient and clear
 Insufficiently clear, needs improvement
 Unclear

1. The clearest division of functions exists between SA and IA – 3/4 of countries responded to the questionnaire think that way (7/14);
2. For IA & FI the number is 50% (6/12).
3. Sufficient and clear division of functions between the SA & FI reported 1/3 of countries (4/12).
4. The Kyrgyz Republic does not have a FI institution;

Understanding of differences in functions of regulation institutions

QQ.19 – 19.1. How do you rate the degree of understanding of differences in functions ... by heads of budget organizations and by specialists working for SA, IA and FI



1. Only three countries reported **no** experience with “facing non-understanding of difference between SA, IA and FI functions – Macedonia, Romania and Russian Federation.
2. At the same time, the chart to the left shows that only in Montenegro the understanding is “complete”; in Croatia there is a full understanding of differences between specialist working for these institutions.
3. It is interesting to notice that among 12 country respondents an average understanding of differences by heads of budget organizations is 3, i.e. right in the middle between complete lack of understanding (0) and full understanding (5).
4. Average understanding of differences is not much higher among specialist – 3.5.

Degree of cooperation between regulation institutions

Q20. How do you evaluate cooperation in your country between ...

QQ. 21-23. How is cooperation between institutions implemented ...

	SA & IA	SA & FI	IA & FI
Armenia	Insufficient, needs improvement	Rather bad	Insufficient, needs improvement
Bosna i Hercegovina	Sufficient and clear	Insufficient, needs improvement	Insufficient, needs improvement
Bulgaria	Insufficient, needs improvement	Insufficient, needs improvement	Insufficient, needs improvement
Croatia	Sufficient and clear	Sufficient and clear	Insufficient, needs improvement
Hungary	Insufficient, needs improvement	Insufficient, needs improvement	Insufficient, needs improvement
Kazakhstan	Sufficient and clear	Sufficient and clear	Sufficient and clear
Kyrgyz Republic	Insufficient, needs improvement		
Macedonia (FYR of)	Sufficient and clear	Sufficient and clear	Sufficient and clear
Moldova	Insufficient, needs improvement	Insufficient, needs improvement	Insufficient, needs improvement
Montenegro	Insufficient, needs improvement	Insufficient, needs improvement	Sufficient and clear
Romania	Sufficient and clear	Sufficient and clear	Sufficient and clear
Russian Federation	Sufficient and clear	Insufficient, needs improvement	Sufficient and clear
	6/12	4/11	5/11

Sufficient and clear
Insufficiently clear, needs improvement
Rather bad

The most common types of cooperation arrangements:

1. SA & IA: exchange of reports and information (75%), coordination of plans, participation in commissions/councils and systematic use of reports/work results (50% each).
2. SA & FI: (Kyrgyz Republic does not have FI institution) exchange of reports and information (9/11), coordination of plans and systematic use of reports/work results (5/11 each), followed by participation in commissions/councils (4/11).
3. IA & FI: (Kyrgyz Republic does not have FI institution) exchange of reports and information (5/11), coordination of plans, participation in commissions/ councils and systematic use of reports/work results (4/11 each).

Access to information

QQ. 26-28. Please indicate types of information where mutual access between institutions is ensured.

	SA & IA/IA & SA					FI & IA/IA & FI					SA & FI/FI & SA						
	Ann. Plans	Strat. Plans	Sum. Rep.	All. Rep.	Elect. DB	Ann. Plans	Strat. Plans	Sum. Rep.	All. Rep.	Elect. DB	Ann. Plans	Strat. Plans	Sum. Rep.	All. Rep.	Elect. DB		
ARM	0	2	2	0	0	0	2	2	0	0	0	0	2	0	0	5	No access
B&H	2	0	2	0	1	0	0	1	2	0	0	0	0	0	2	4	SA -> IA;
BUL	2	2	2	2	0	2	1	2	2	0	2	2	2	2	0	10	FI -> IA;
CRO	1	2	1	2	1	0	0	0	2	0	1	1	1	2	1	4	SA -> FI
HUN	2	2	2	1	1	1	1	1	1	1	2	2	2	1	1	6	Mutual access
KAZ	1	1	1	0	0	2	2	2	2	2	2	2	2	1	1	8	
KYR	1	1	1	1	1												
MAC	2	2	2	2	2	1	2	2	2	2	0	2	2	2	2	13	
MOL	1	0	0	0	0	0	0	0	0	0	1	0	0	0	0		
MNT	1	1	2	1	1	0	0	0	0	0	0	0	0	0	0		
ROM	2	2	2	2	0	1	1	2	2	0	1	1	2	2	0	8	
RUS	1	1	2	2	1	1	1	2	2	1	0	2	2	2	0	7	
mutua																	
I	5	6	8	4	1	1	3	7	7	2	3	5	6	4	1		

13

Further cooperation would bring extra benefits

Q. 29. Specify areas where, in your opinion, cooperation can bring benefits?

	Exchange of control results	Planning	Joint control measures	Systemic use of each other results
ARM	x	x	x	x
B&H	x		x	x
BUL	x	x		x
CRO	x	x		
HUN	x	x		x
KAZ	x	x		x
KYR				
MAC	x	x	x	x
MOL		x		
MNT	x		x	x
ROM	x	x		x
RUS	x	x	x	x
	10	9	5	9

- **Notice:** The most common "other" area was "training", especially common training.
- Respondents are least interested in performing "joint control measures".
- Most common problems in interactions between SA, IA and FI were:
 1. competition for prestige (7/12);
 2. deficiency in regulatory framework (5/12); and
 3. mentality (4/12).

14

Thank you