

COURT OF ACCOUNTS
OF THE REPUBLIC OF MOLDOVA

STRATEGIC DEVELOPMENT PLAN

April 2006 to December 2010

CZU

Descrierea CIP a Camerei Naționale a Cărții

Lector:
Procesare computerizată:
Copertă:

Editura „Pontos”
Bd. Ștefan cel Mare și Sfânt, 180
MD-2004, Chișinău
Republica Moldova
tel.: 29.58.04
www.pontos.info.md
editura.pontos@gmail.com

Tipar executat la Tipografia „Reclama”
Str. Alexandru cel Bun, 111
MD-2004, Chișinău
Republica Moldova

Comanda nr.

©

ISBN

PREFACE BY THE PRESIDENT OF THE COURT OF ACCOUNTS OF MOLDOVA

The Parliament and Government of the Republic of Moldova face many challenges as it seeks to guide the country through a major process of transformation to meet EU standards of governance. These include the development of better systems for the preparation of financial statements and the transformation of the process of internal financial control whereby line ministries take a greater responsibility for establishing rigorous systems of internal financial control and accountability.

The Court of Accounts supports this process but these changes will inevitably impact on its own role and responsibilities, set in article 133 of the Constitution of the Republic of Moldova, which stipulates that the Court of Accounts shall control the formation, management, and use of public assets and report to the Parliament on an annual basis.

- In the European Union action plan the Republic of Moldova is committed to the creation of a supreme audit institution that complies fully with EU and international standards. And the Court of Accounts will try its best to achieve this goal.
- Also in January 2006 Ministry of Finance launched a major project to transform the financial management processes of the Country with the support of the World Bank and other Development partners. This will result in the creation of an integrated financial management system (IFMIS) and the transformation of the service for internal financial control from a control institution to a modern internal audit function.

To address these needs the Court of accounts has adopted this strategic development plan to ensure that it can become a supreme audit institution which meets the highest standards of independence, objectivity and professionalism in its external control and audit of the public finances.

We have been guided in this process through technical assistance provided by the United Kingdom Department for International Development, for which the court is extremely grateful. We have also consulted widely with the key stakeholders, including Parliament and the Ministry of Finance, that have a clear interest in the Court's work and taken into account their comments on the goals and objectives contained therein.

A team of nine members and staff of the Court of Accounts developed the plan.

An international consultant, Richard Maggs, whose services were provided through the DFID technical assistance project, advised the team. In preparing the strategic development plan the Court of Accounts undertook a study tour to the United Kingdom National Audit Office and the Tribunal de Cuentas of Spain. This allowed us to understand the way that modern audit institutions work. It also provided us with additional knowledge of the way that audit institutions operate in both the Anglophone and Francophone models of financial control. We are grateful for the time and effort devoted by the UK National Audit Office and the Tribunal de Cuentas in assisting us in this way.

While the plan represents inputs from a large number of people, it is first and foremost the plan of myself and the members of the Court. Our country has bestowed upon us the honour of leading the Court of Accounts at an important time in its development. This plan represents the goals and objectives we have set ourselves in meeting this challenge over the remaining period of our five year term. It is however a living document to be updated and modified over the coming years.

The plan itself is centred around four main pillars:

- **Institutional strengthening.** If the court is to become a model external audit institution, the legal framework within which we operate needs to be aligned to EU and international norms. We also need to ensure that the Court has access to the resources, and in particular Information technology, needed to provide an effective audit service in the 21st Century.
- **Profession Building.** The second pillar builds on the existing professionalism of the staff of the court while responding to the need to make the transformation from the external control of government entities to the external audit of the accounts of those institutions. This will require a major change in the way we do our work and the way that we report the results of our exami-

nations to those we will in future audit. In recent changes in the legal framework of the Court, Parliament has also asked the court to expand its work to encompass the economy, efficiency and Effectiveness with which project and programmes are implemented. This is a challenge the Court is confident it will rise to but it will require investment in new skills and expertise.

- **Developing People.** Effective external scrutiny of the public finances is wholly dependent on the competence, diligence and skills of the staff of the Court of Accounts. Our staff really is our greatest asset. Under this pillar of our strategy the court will work to establish high standards of human resource management that will ensure that we can attract, retain and motivate all those who work for us. We will also invest significantly in skills and professional training.
- **Securing a greater impact from our work.** The final pillar of the strategic development plan focuses on the importance of achieving real impact through an independent and professional audit. We recognise that the Court of Accounts alone cannot secure the changes in management systems and controls necessary to respond to our reports. These rightly are the responsibility of those than manage government funds. The Court will work to improve the ways it communicates its findings and in establishing effective working relationships with the entities that it controls/audits. It will also take action to ensure that its recommendations receive full consideration, The court of accounts will also establish rigorous processes to measure the impact of its work and the financial benefits that flow to the nation therefrom.

We recognise that the changes proposed will not be achieved overnight. We are also dependent on the willingness of our development partners to provide support for such efforts. In parallel with the development of the plan the court has also therefore prepared draft terms of reference for a major three year technical assistance project,

I commend and have circulated the plan to the Parliament, Ministry of Finance and our Audited Entities and to other key external stakeholders. I look to their future support as the Court of Accounts takes the necessary steps to implement this strategic development plan.

In summary the strategic development plan represents an important milestone for the Court of Accounts in our work to assist the country to achieve its wider goals of integration with the International community. It also represents a significant challenge for the members and staff of the Court of accounts. I am confident that through their professionalism, diligence and hard work they will rise to meet this challenge.

Mrs Ala Popescu

President of the Court of Accounts of the Republic of Moldova

March 2006

TABLE OF CONTENTS

Preface by the President of the Court of Accounts of Moldova	3
1. Our Vision, Mission, Values and Goals.....	6
2. The Strategic Planning Process	8
3. The Key Directions of Change Identified Through the Situation Analysis.....	9
4. Goals, Objectives and Main Activities	17
5. Milestones and Performance Indicators.....	21
6. Implementing the Strategic Plan	23
7. Benefits and Costs.....	28
Annex 1 Priorities for 2006	30
Annex 2 Detailed Goals, Objectives and Activities for proposed three year technical assistance project	35
Annex 3 Projected Costs	61
Annex 4 Court of Accounts Staffing.....	62
Annex 5 Court of Accounts Organigram.....	63
Annex 7 List of Abbreviations	64

1. Our Vision, Mission, Values and Goals

1.1 The vision of the Court of Accounts summarises what the Court of Accounts is seeking to achieve through its strategic development plan. Our vision is

“Better audit to promote greater accountability and better management of public funds.”

This vision recognizes that improvements in external control/audit arrangements are needed to promote stronger lines of accountability by the managers of public funds for the resources under their control. But the Court of Accounts also has an important role to play in helping government entities to manage their resources better.

1.2 The mission of the Court of Accounts outlines how the Court of Accounts will meet its vision. Our mission is:

To carry out independent, credible, transparent and professional controls/audits of financial resources and public assets management, which promote high standards of financial management for the benefit of the citizens of Moldova.

In its mission the Court of Accounts recognises that an effective external financial audit of public authorities is fundamental to achieving high standards of public financial management in Moldova. And good financial management is not an optional extra but a fundamental feature of good governance which of real and direct benefit to the citizens of Moldova.

1.3 The values of the Court of Accounts are those attributes that we will show in implementing the strategic development plan. They represent the key features of the culture of external audit that is to be developed. Our Core values are:

- Independence An organization that, through its actions, is seen to be independent of those that we audit, operates freely and intransigently.
- Transparency An open way of working and promoting our findings,.
- Integrity Exhibiting the highest standards of integrity in all our work.
- Competence Having the right skills and experience to undertake our audit work to the highest standards.
- Tenacity and Dynamism. Not allowing administrative and procedural obstacles to detract it from its mission.
- Co-operation Working more effectively in teams.
- Learning from others A more outward looking organisation which drawing on the experience and skills of others
- Effectiveness Focusing on the final impact of our work.
- Treating people with respect . Treating each other and those will work with, with dignity and respect.
- Lawfulness Respecting the law in all that we do...

1.4 The main goals through which the Court will achieve its vision are shown in the high level summary of the strategic development plan below

Vision

Better audit to promote greater accountability and better management of public funds

Mission

To carry out independent, credible, transparent and professional controls/audits of financial resources and public assets management, which promote high standards of financial management for the benefit of the citizens of Moldova

GOAL I

Institutional Strengthening
development of a strong and independent institution in line with EU and INTOSAI standards and with adequate resources to meet its goals

GOAL II

Profession Building development and progressive implementation of international audit standards methods and guidelines for the external control/audit of Government institutions

GOAL III

Developing People development of human resource management policies and practices that facilitate the recruitment retention and motivation of staff

GOAL IV

Securing Greater impact working with others to ensure that the outputs of the Court of Accounts achieve real and lasting impact on public financial management

Values

Independence – Transparency – Integrity – Competence – Tenacity – Dynamism – Co-operation – Learning from others – Effectiveness – Treating people with respect – Lawfulness

2. The Strategic Planning Process

2.1 The Strategic development plan was developed over a period of three months in the following way:

- The President of the Court nominated a nine person strategic planning team to work in tandem with an international consultant.
- The consultant held introductory meetings with each member of the court, the head of Departments and their head of Directorates.
- The President and members of the court and all senior staff held a one day workshop to identify the vision, mission and values of the Court and the main strengths, weakness, threats and opportunities it faces.
- The strategic planning team identified 11 key areas for further study to inventory the current situation and the areas for strategic change. These were:
 - Legal Framework
 - Organisation and structure of the Court
 - Methodology for external control
 - Methodology for performance audit
 - Management of work
 - Quality control
 - Human Resource Management
 - Information technology and administrative support functions
 - External relations
 - Communication (internal and external)
 - Training
- Individual team members were nominated to work with the consultant on each of these areas.
- The consultant held four focus groups with different groups of staff including senior controllers, more junior controllers, administrative support staff and staff from the North and South regional offices
- The Strategic planning team considered the four main goals to be covered by the strategic development plan and agreed a series of high level objectives for each goal.
- The consultant developed a draft strategic development plan based on the agreed goals and high level objectives.
- The President on the advice of the strategic planning team approved a draft plan for circulation to key stakeholders.
- The plan was revised to reflect the comments made.
- A final plan was adopted by the Court of Accounts on 17 April 2006.

2.2 The strategic development plan contains

- A summary of the key directions of change envisaged in the plan. (Section 3)
- The high level goals, objectives and main activities, that will govern the development of the court over the remainder of the five-year term of the President and Members of the Court These include the activities required to implement the plan. (Section 4)
- The key milestones and performance indicators against which progress in achieving the plans objectives will be measured. (Section 5)
- The way the plan is to be implemented and key risks to implementation (Section 6)
- The costs and benefits associated with the strategy. (Section 7)

2.3 Development partners have indicated that are willing to support the court through a three-year technical assistance project

The Court has developed a detailed action plan for a three year technical assistance project which is not expected to begin until January 2007. The detailed actions are listed in Annex 2

The Court considers that some of the actions contained in the technical assistance proposals are priorities where work should commence where possible during 2006. It is actively seeking assistance from partner institutions for support in addressing these priorities where possible during 2006. These are listed in Annex 1

The Court is naturally grateful for the support it has received and which has been promised for the future.

3 The Key Directions of Change Identified Through the Situation Analysis

The strategic development plan can be summarized as a series of key directions of change. That is from the current situation to the ideal situation. The table below summarises the main directions of change embodied in the plan.

GOAL I INSTITUTIONAL STRENGTHENING	
FROM	TO
<p>Legal framework out of line with EU best practice, for example</p> <ul style="list-style-type: none"> • Parliament able to direct court to carry out examination • Parliament determines staffing structure and pay levels and budget agreed in discussion with Ministry of Finance • No independent financial audit of the Court • No requirement to carry out an annual financial audit of main public entities. • Unclear provisions on the audit of ATU authorities (local authorities) • The Court is required to provide an opinion on the state budget law, state social insurance budget law, compulsory health insurance funds • The Law on the Court of Accounts provides neither for the right nor the obligation of the Court to apply the international control/audit standards • 60 day limits imposed on the time available to carry out the thematic controls requested by parliamentarian factions • Powers to request the penalisation and dismissal of people responsible for control violations 	<p>Legal Framework harmonized with EU best practice (<i>Objective 1.1</i>)</p> <ul style="list-style-type: none"> • Parliament able to request Court to carry out examinations but final decision rests with the Court • Parliament determines budget available but leaves Court to decide on appropriate structure and organization and pay levels • Parliament appoints an external auditor to audit the Court's accounts • Annual audit of all main public bodies • Clear provision for the audit of ATU authorities and a redefined role for the Court • The Court does not have responsibilities for Budget preparation that may impact on its independence to audit the budget. • Control/audit procedures determined by international standards and process of implementation delegated to the Court. • The Court provides an annual report to Parliament on its activities, internal efficiency and effectiveness. • Responsibility for disciplinary actions held by audited entities
<p>The structure and organization of the Court does not reflect proposals contained in the strategic development plan</p>	<p>The structure and organization of the court is modified to reflect the changes proposed elsewhere in the strategic development plan. (<i>Objective 1.2</i>)</p>
<p>Unclear responsibilities for the audit of ATU authorities</p> <ul style="list-style-type: none"> • Current requirements do not provide for the audit of ATU authorities in ways that both reinforce local accountability and provide central Government with independent information on the performance of ATU authorities. 	<p>Clear and unambiguous audit arrangements for all local authorities. (<i>Objective 1.3</i>)</p> <ul style="list-style-type: none"> • The law clearly states who is responsible for auditing ATU authorities. • The role of the court of limited to the audit of central government subventions to ATU authorities. • The Court may, in conjunction with the auditors of ATU authorities carry out reviews of the economy, efficiency and effectiveness with which ATU authorities have used subventions from state budget.

GOAL I INSTITUTIONAL STRENGTHENING	
FROM	TO
<p>IT as a support tool</p> <ul style="list-style-type: none"> • The Court has limited IT capacity fewer than half of the controllers have access to computers • There is limited access to data available within Government Departments • Connections to internet are slow and difficult to use • The email contact of the Court staff members is limited • Minimal server capacity for central records • The IT support unit has too few staff to support existing capacity effectively. IT function not headed at a senior enough level. • No IT strategy to guide the development use and control on information held electronically • The Court are considering a concept paper produced by the Department of Information Technology. 	<p>IT is a driver of harmonized professional standards and efficient audit processes (<i>Objective 1.4</i>)</p> <ul style="list-style-type: none"> • All staff have access to IT for use on audit and controls work • The Court has access to all data required for the audit of public entities • Faster links to internet and intranet established • All staff contactable by email • Enhanced server capacity and security provisions • IT support recognized as a pivotal role in the organization and led and staffed accordingly. • Clear IT strategy covering the organization's needs, maintenance of capacity and security of data,
<p>Minimal management support systems and processes</p> <ul style="list-style-type: none"> • The Court lacks readily accessible information on the cost of its controls and audit work and of indirect support activities. • Cost budgets are not established for controls/audit work or for other essential development and support activities e.g. training. • Information is available on the time taken to produce control/audit work as this work has to be completed within a set timescale. 	<p>Effective business management and support processes (<i>Objective 1.5</i>)</p> <ul style="list-style-type: none"> • The court has budget and time management systems in place to track the progress and cost of all its activities and to control its indirect costs. • Budgets are established for all planned work and output reviewed to measure internal efficiency. • The Court has greater freedom on the time required to complete tasks and management information on which to present the actual time taken to carry out activities.
<p>Incremental resource budgeting</p> <ul style="list-style-type: none"> • Budget represents an annual bid for resources based on previous years figures • The balance in the budget between staffing costs and necessary supporting expenditure (e.g. for travel and training does not seem right. There is only minimal provision for training, travel expenses and for information technology. This is leading to poor internal efficiency where staff in regional offices often have less than five hours of effective work because they are forced to travel daily to the audited entities. • The annual report does not make clear the impact of resources provided on the scope and effectiveness of the work undertaken 	<p>Zero-based budgeting derived from detailed manpower planning (<i>Objectives 1.6 and 3.4</i>)</p> <ul style="list-style-type: none"> • Budget for the Court of Accounts is based on a comprehensive assessment of resources needed to meet legal requirements • Annual report on activities makes clear the impact of resource shortfalls on the capacity of the organizations to undertake its work.

GOAL I INSTITUTIONAL STRENGTHENING	
FROM	TO
<p>Lack of a policy unit, responsible of developing strategic recommendations</p> <ul style="list-style-type: none"> • There is only limited capacity for the President and members of the Board to secure policy advice. 	<p>There is a properly staffed policy unit responsible for advising the president on issues affecting the management and organization of the Court’s work and its relations with stakeholders. (<i>Objective 1.5</i>)</p> <ul style="list-style-type: none"> • The president and members of the Court have access to high quality advice on the strategic management of the organization.
<p>No external oversight of the Court’s own financial management</p>	<p>Formal oversight processes involving both internal and external audit of the Court. (<i>Objective 1.8</i>)</p> <ul style="list-style-type: none"> • Parliament appoints an external auditor to examine and report on the annual accounts of the Court • There is an internal audit function reporting direct to the president.

GOAL II PROFESSION BUILDING	
FROM	TO
<p>Own Control Standards</p> <ul style="list-style-type: none"> • The Court defines its own standards and norms and publishes these internally • Most control work is recorded manually and standards and norms are available to staff in written form. • The plans for Controls/audit work result in clear planning documents and instructions but the rationale and logic for the planned approach is not documented in working papers. • Review is undertaken at two levels within the organization but the extent of review is not clearly documented. • Reporting and evidence standards exist but some anecdotal evidence that these are not always applied. 	<p>International Audit Standards (<i>Objectives 2.1 and 2.2</i>)</p> <ul style="list-style-type: none"> • The Court as an interim measure identifies and applies international standards on planning and documentation to its external control work. • The Court approves the use of international audit standards • The Court has an audit Manual and detailed guidelines on the implementation. • Standards are fully available to all staff. • IT used to ensure that all staff comply with the audit manual and that work meets international standards. • The planning documentation includes a record of key decisions affecting the planned approach. • There is an effective first and second level of review of work before audit reports are produced and this review is properly documented. • Common standards are enforced for the determination of the reliability, relevance and sufficiency of audit evidence before presenting final opinions/reports.

GOAL II PROFESSION BUILDING	
FROM	TO
<p>Cyclical coverage of controlled entities with unclear rationale for selecting entities for examination</p> <ul style="list-style-type: none"> • The rationale for decisions on which entities to control is not clear or publicly available • The Court's planned programme of control activities can be disrupted by parliamentary requests for controls. • While the Court maintains a detailed spreadsheet listing the entities controlled this does not contain information on the financial resources managed by each audited entity 	<p>Annual audit of all main public bodies and clear rationale for cyclical audits of lower level public institutions (<i>Objective 2.2</i>)</p> <ul style="list-style-type: none"> • The law provides for an annual audit of all major public entities • The Court is able to respond to requests from Parliament without displacing higher priority work.
<p>External Controls</p> <ul style="list-style-type: none"> • No overall opinion or attestation on the financial statements • Controls work is driven by the nature of the entity to be controlled and internal standards and norms 	<p>External Audits (<i>Objective 2.2</i>)</p> <ul style="list-style-type: none"> • An audit opinion on a set of financial statements • Audit work driven by the requirements to provide an opinion on the accounts and international accounting standards
<p>Limited capacity to undertake performance audits.</p> <ul style="list-style-type: none"> • The Court has undertaken a small number of thematic reviews with performance audit elements. • The Court intends to add performance audit components elements to its general controls activities 	<p>Increased capacity to undertake a range of performance audits examining the economy, efficiency and effectiveness of the implementation of key government policies (<i>Objective 2.3</i>).</p> <ul style="list-style-type: none"> • The Court distinguishes clearly the work it does to audit the financial statements and the work it does to audit performance. • There is a separate plan for performance audit work. • All staff provided with awareness training on the nature of performance audit work. • A smaller number of staff provided with training sufficient to leader major performance audit examinations.
<p>No capacity to carry out audits of IT based accounting systems.</p>	<p>The Court has sufficient capacity to carry out an external audit of major IT systems (<i>Objective 2.4</i>)</p> <ul style="list-style-type: none"> • All auditors provided with IT awareness training. • A small team established with greater skills to undertake audits of major IT systems.

GOAL II PROFESSION BUILDING	
FROM	TO
<p>Quality control is mainly ensured through the line management review of audit work.</p> <ul style="list-style-type: none"> • It is left for Heads of Divisions to determine how much information they seek on quality control. Some seek a lot of information on the impact of their work in line with best practice. • There is no independent periodic test check of the work undertaken by one line unit by someone from another part of the Court. • There is no requirement for the collection of third party views on the quality of work carried out. 	<p>The Court has a clear policy on quality control (<i>Objective 2.5</i>) which provides for</p> <ul style="list-style-type: none"> • Annual test check of the quality of work of all staff by someone independent of their line management • There is periodic consultation of third parties involved in the control/audit to determine the effectiveness of the controls/audits carried out. • Regular reports to the president of Court on the quality standards of work achieved.

GOAL III DEVELOPING PEOPLE	
FROM	TO
<p>Personnel Management</p> <ul style="list-style-type: none"> Personnel function focuses on recruitment, pay, promotion and discipline. 	<p>Development, implementation and regular review of a Human Resource Management Strategy governing all aspects of the Court's interaction with its staff (<i>Objective 3.1</i>)</p> <ul style="list-style-type: none"> HR function focuses on the development of people management practices that facilitate recruitment, retention and motivation of staff
<p>Unbalanced age and staffing profile</p> <ul style="list-style-type: none"> The vast majority of staff in the organizations are aged 40 or over. There are relatively few staff in the (junior) controller ranks The current recruitment process encourages the recruitment of more senior staff. 	<p>More balanced age and staffing profile (<i>Objective 3.2</i>)</p> <ul style="list-style-type: none"> Recruitment facilitates as increased number of staff in the junior controller role. Minimal standards established for recruitment of staff
<p>Basic audit work and drafting reports is undertaken at relatively high levels in the organization.</p> <ul style="list-style-type: none"> The flat structure at controller and senior controller level leads to audit review work being done by Heads of Departments. 	<p>Audit work is delegated down to lower levels allowing senior staff to devote more time to strategic issues (<i>Objective 3.2</i>)</p> <ul style="list-style-type: none"> With additional controllers there would be more scope for senior controllers to undertake first stage review work in leading teams, relieving head of Divisions and Departments of this work and allowing them greater time for strategic issues.
<p>No use made of the Court's powers to utilise private sector experts in its work, despite legal powers to do so. No budget to cater for such activities</p>	<p>Full consideration is given to the use of private sector expertise, particularly on the audit pf accruals based accounts and in carrying out performance audit. Budget available as appropriate for meeting the costs of such work. (<i>Objective 3.3</i>)</p>
<p>Job driven HR practices</p> <ul style="list-style-type: none"> There are no arrangements of the regular assessment of the performance of staff. Arrangements previously in place for assessing staff in relation to individual controls abandoned following a change in the arrangements for determining bonuses. 	<p>Competencies driven HR practices (<i>Objectives 3.4 and 3.5</i>)</p> <ul style="list-style-type: none"> The Court has clear competencies established for each role in the organization. Competencies are used to drive the recruitment and promotion of staff All staff are regularly assessed on the basis of core competencies

GOAL III DEVELOPING PEOPLE	
FROM	TO
<p>Training plan for 2006 produced in February 2006.</p> <ul style="list-style-type: none"> Plan covers activities for 2006. 	<p>The Court has a multi-annual training plan covering all its training needs and based on a rigorous training needs assessment. <i>(Objective 3.6)</i></p> <ul style="list-style-type: none"> The court has a detailed multi-annual training plan and an external training budget sufficient to meet its needs as a supreme audit institution Longer term decision taken on formal certificated training in audit and accountancy.
<p>Limited internal training capacity</p> <ul style="list-style-type: none"> The court has two members of staff who are fully trained IDI training specialists. One of these is now head of Department and unable to devote time to training work. The PFMP project will provide training to the Court's staff on the use of the IFMIS system when this is introduced. The Budget available for external training is too small for a professional audit institution. Heads of Divisions are required to provide 20 hours of Induction training to new staff. There is no record of what is covered in this induction process but most staff receive copies of the Courts standards norms and guidelines. 	<p>Properly staffed training unit to provide training and advice to line units on the implementation of international standards and methods for financial and performance audit <i>(Objective 3.7)</i></p> <ul style="list-style-type: none"> All staff of the Court have been trained in financial audit through the proposed technical assistance project. Certain members of staff have been trained in performance audit work The training unit has sufficient staff and expertise to carry out ongoing training in audit methods as staff change. Key members of staff have received overseas training to provide them with additional expertise. There is a centralized induction process whereby all staff are provided with the same general introduction to the work of the Court. New staff are required to provide details of all induction training received.
<p>Internal communications are often hierarchically based.</p> <ul style="list-style-type: none"> The court hold annual meetings of all its staff Staff in the provinces are regularly called into headquarters for meetings. 	<p>The Court has a clear policy for communicating internally. <i>(Objective 3.8)</i></p> <ul style="list-style-type: none"> All staff have access to email and a fully functioning internet (though IT developments) There is a regular staff newsletter

GOAL IV SECURING GREATER IMPACT	
FROM	TO
<p>The external communication is limited to:</p> <ul style="list-style-type: none"> • The annual report to Parliament . As per the latest amendments to the Law on the Court of Accounts, the report shall be heard in a special session • The Court of Accounts Decisions on the control outcomes, that contain the overview of the situation identified at the controlled entity, requirements and recommendations, are published in the Official Gazette. • The Court of Accounts President has the right to participate in the Parliament and Government meetings • The Courts actions result in significant financial saving for the Country but this information does not feature prominently in its reports. • Press releases have been issued in recent times. • A press officer post is currently vacant • The Court's web site is not updated frequently 	<p>The Court presents its work effectively to Parliament and the media. <i>(Objective 4.1)</i></p> <ul style="list-style-type: none"> • The Court produces an annual report on its activities, in addition to the annual report on the Budget which provides Parliament and the media with a summary of its activities including financial savings generated and its internal efficiency. • The Court actively manages its relationships with key external stakeholders. • The Court regularly issues press releases on the outcome of its work • All the Court's published material reflects a common house style • Information on the Court's activities and all its reports are freely and publicly available through its web-site, which is updated regularly
A relatively closed way of working	<p>Fully open and transparent process for planning and implementing the Court's work <i>(Objective 4.1)</i></p> <ul style="list-style-type: none"> • The Court adopts a policy of openness in its dealings with others.
<p>A focus on things that have gone wrong</p> <ul style="list-style-type: none"> • The annual report to Parliament focuses on individual violations rather than wider systemic issues. 	<p>Practical recommendation on how to put things rights</p> <ul style="list-style-type: none"> • The annual report to Parliament contains high-level analysis of trends in financial management and recommendations for action to redress these. <i>(Objective 4.2)</i>
Annual report on the implementing the budget does not meet Parliament's needs for more analytical content.	Annual report on the Budget is a shorter more incisive document, providing Parliament with greater analysis and detailed information by way of well structured appendices. <i>(Objective 4.2 and 4.3)</i>
<p>The Court contributes to and attends INTOSAI events as far as budgets allow.</p> <ul style="list-style-type: none"> • Central support unit provides direct assistance to the President in managing relations with other Supreme Audit Institutions. 	<p>The Court is an active member of EUROSAI and INTOSAI and a member of key technical working groups. <i>(Objective 4.4)</i></p> <ul style="list-style-type: none"> • The court has established effective bilateral relations with a number of key EU member state SAIs and these result in key development activities.

4. Goals, Objectives and Main Activities

4.1 Goal 1 Institutional strengthening. The development of a strong and independent institution in line with EU best practice and INTOSAI standards and with adequate resources to meet its goals

Objective 1.1 To adjust the legal framework of the Court of Accounts so that it meets EU best practice and international standards in terms of its independence

Objective 1.2 To ensure that the structure, Organisation and administrative framework of the Court of Accounts meets best practice and promotes the cost-effective implementation of work.

Objective 1.3 To determine in consultation with the Deputy Prime Minister's Office, the Ministry of Finance, and representatives of ATU authorities, an appropriate structure for the audit of ATU authorities, and the role of the Court of Accounts therein, that (a) avoids overlap and duplication (b) ensures that all ATU authorities are subject to external audit, (c) reinforces local accountability and (d) ensure that Parliament has information on the effective use of central government resources.

Objective 1.4 To develop the capacity and use of IT in the court of Account such that IT is a major enabler of the application of common auditing standards and an effective tool in the analysis of IT data held by Public Entities.

Objective 1.5. To enhance the internal capacity to provide advice to the President and members of the court of accounts on policy issues affecting the Court.

Objective 1.6 To develop a budget for the institution based on a realistic assessment of the resource needs to complete work in accordance with international standards.

Objective 1.7 To develop and implement modern business management practices that provide the Court of Accounts with timely and relevant information on its internal efficiency and the effectiveness of its controls/audits.

Objective 1.8 To introduce adequate oversight arrangements for the Court of accounts, including a new internal audit function and an independent external financial audit.

4.2 Goal 2 Profession building. The development and progressive implementation of standards methods and guidelines for the external control/audit of Government institutions

Objective 2.1 To identify and implement best practice and/or international standards for the conduct of external control activities and thematic studies and apply these to the selection of entities for control and the conduct of control work.

Objective 2.2 To develop and implement a new methodology for the external annual attestation of the accounts of the Government of Moldova

Objective 2.3 To develop the capacity and methodology to undertake reviews of the economy, efficiency and effectiveness with which the executive implements Government policy

Objective 2.4 To develop the capacity to conduct an effective audit of IT based financial systems.

Objective 2.5 To develop and implement procedures for the formal and periodic assessment of the quality of work undertaken by the Court of Accounts

4.3 Goal 3 Developing people. The development of human resource management policies and practices that facilitate the recruitment retention and motivation of staff.

Objective 3.1 To develop and implement a human resource management strategy that covers all aspects of the recruitment, retention and motivation of staff,

Objective 3.2 To develop and implement an objective system to assess, and keep under review, (a) the staffing needs of the Court of Accounts in terms of both the number and the skills of staff required to undertake the agreed programme of controls/audits and (b) the skills actually available..

Objective 3.3 To consider the costs and benefits of using private sector auditors in the audit of enterprises producing accruals accounts and therefore requiring a high level of accounting and auditing skills

Objective 3.4 To develop, publicise and implement a set of competencies required of both the professional (control/audit) and administrative support staff of the court. Set in train a system for the regular review of the competencies required.

Objective 3.5 To develop a competencies based approach of assessing the performance of staff.

Objective 3.6 To develop and implement a training plan for the organisation based on a rigorous assessment of training needs, which provides all staff with the skills they need to undertake effective control/audit work.

Objective 3.7 To develop sufficient in house training capacity to provide refresher training to existing staff and basic training to new staff in the conduct of audit work.

Objective 3.8 To develop and Implement an effective policy for internal communications

4.4 Goal 4 Securing greater impact from our work. Working with others to ensure that the outputs of the Court of Accounts achieve real and lasting impact on public financial management.

Objective 4.1 To develop and implement a communication policy that promotes the work of the Court of Accounts and fosters effective working relationships with key stakeholders

Objective 4.2 To review the format, content and impact of the annual report to Parliament on the management of public finances and the outcome of control activities and implement proposals for increasing its effectiveness.

Objective 4.3 To establish robust relationships with academic institutions actively engaged in public sector policies.

Objective 4.4 To establish robust multilateral and bilateral links with the INTOSAI and EURO-SAI audit community and with the current and future members of the European Union.

PRIORITY ACTIVITIES					
GOAL	2006	2007	2008	2009	2010
I	<ul style="list-style-type: none"> Review legal framework Hold seminar on local authorities Develop IT strategy and proposals Conduct zero-based budget review 	<ul style="list-style-type: none"> Promote legal changes Review organisational structure Installation and testing of IT equipment Establish IT training facility Training in core business system software Training IT support staff Establish Policy Unit Review the annual budget Develop new business management practices Creation of Internal Audit Function 	<ul style="list-style-type: none"> Implement legal changes Installation and testing of IT equipment Training in core business system software Review annual budget Implement business management reporting systems Implement time recording system Implement activity budgeting systems Creation of External Audit Function 	<ul style="list-style-type: none"> Implement legal changes Review annual budget Further IT training Review effectiveness of business management systems 	<ul style="list-style-type: none"> Implement legal changes Review annual budget Further IT training Review of IT strategy
II	<ul style="list-style-type: none"> Develop guidance on applying international standards for external control work Develop proposals for performance audits, train staff and begin implementation of two pilot studies 	<ul style="list-style-type: none"> Train staff in application of international standards to external control work Conduct external controls in line with new standards Develop methodology and guidance for annual attestation audit (financial audit) Finalise first round of pilot performance audits Develop performance audit guidelines and conduct 2-3 further pilot audits Develop quality control process Carry out first year of quality control reviews 	<ul style="list-style-type: none"> Train pilot staff in methodology for attestation audit Pilot test attestation audits for 2007 accounts Finalise second round of pilot performance audits Determine future approach to performance audit and conduct 4-5 performance audits Develop proposals on how to meet IT audit needs Establish small central unit to conduct IT audit work Carry out 2 pilot audits of IT systems Carry out second year of quality control reviews 	<ul style="list-style-type: none"> Train all staff in methodology for attestation audit First full-year implementation of attestation audit for 2008 accounts Review first full year of implementation of performance audit methodology Revise performance audit guidance Complete 4-5 performance audits Develop longer term plan for IT audit Carry out 2 further IT audits Carry out quality control reviews 	<ul style="list-style-type: none"> Review of first full-year implementation and revision of guidance and approach to attestation audit Complete 4-5 performance audits Carry out quality control reviews

PRIORITY ACTIVITIES					
GOAL	2006	2007	2008	2009	2010
III	<ul style="list-style-type: none"> Develop HR strategy 	<ul style="list-style-type: none"> Develop staff skills database Review scope for using external experts Agreed competency framework for organisation as a whole Conduct training needs assessment and develop training plan Establish internal communication strategy 	<ul style="list-style-type: none"> Pilot test use of external experts Review approach to recruitment, evaluating staff performance and career development Implement changes to recruitment procedures Implement changes to staff assessment Implement training plan Introduce regular staff newsletter Develop intranet 	<ul style="list-style-type: none"> Implement changes to career development Review implementation of HR strategy Implement training plan 	<ul style="list-style-type: none"> Update HR strategy Update training needs assessment and training plan Implement training plan
IV	<ul style="list-style-type: none"> Review annual report Maintain effective bilateral relations with key European SAIs 	<ul style="list-style-type: none"> Review annual report Establish external communication strategy Develop standard house style for all written work Develop internet website and ensure publication of all reports Establish meetings with key stakeholders Review possible links with academic institutions Attend INTOSAI Congress in Mexico Consider membership in INTOSAI working groups Maintain effective bilateral relations with key European SAIs 	<ul style="list-style-type: none"> Review annual report Conduct annual meetings with key stakeholders Foster closer relationships with academic institutions Attend EUROSAI Congress in Poland Maintain effective bilateral relations with key European SAIs 	<ul style="list-style-type: none"> Review annual report Conduct annual meetings with key stakeholders Maintain effective bilateral relations with key European SAIs 	<ul style="list-style-type: none"> Review annual report Conduct annual meetings with key stakeholders Review external communications strategy Attend INTOSAI Congress Maintain effective bilateral relations with key European SAIs

5. Milestones and Performance Indicators

This section of the strategic development plan provides the main milestones and performance indicators against which the Court will evaluate its success each year in implementing the strategic development plan.

Milestones related to the specific actions that are to be completed in a particular year and the performance measures list those actions where there is a clearly measurable numeric indicator such as the number of staff trained our seminars and workshops held.

MILESTONES					
GOAL	2006	2007	2008	2009	2010
I	<ul style="list-style-type: none"> Proposals for law changes agreed by the Court Policy paper on the audit of local authorities Proposals for IT development adopted Zero-based budget set 	<ul style="list-style-type: none"> IT training facility established Policy unit established New format agreed for the Court's budget Internal audit function created 	<ul style="list-style-type: none"> The Law on the Court of Accounts amended Time recording system implemented Activity budgeting system implemented External audit function created by Parliament 		
II	<ul style="list-style-type: none"> Guidance produced on application of international standards to external control work Two pilot performance audits started 	<ul style="list-style-type: none"> External controls completed in line with new standards Quality control process developed First two performance audits completed 	<ul style="list-style-type: none"> Attestation audits pilot tested on 2007 accounts 2-3 performance audits completed Central unit for IT audit work established IT audits pilot tested 	<ul style="list-style-type: none"> Full-year implementation of attestation audit for 2008 accounts 4-5 performance audits completed 	<ul style="list-style-type: none"> Attestation audit for 2009 accounts 4-5 performance audits completed
III	<ul style="list-style-type: none"> HR strategy developed 	<ul style="list-style-type: none"> Staff skills database established Competency framework agreed Training needs assessment completed Training plan adopted Internal communications strategy established 	<ul style="list-style-type: none"> New recruitment procedures implemented New staff assessment procedures implemented New training plan implemented Staff newsletter introduced Intranet developed 	<ul style="list-style-type: none"> Career development processes established Training plan implemented 	<ul style="list-style-type: none"> HR strategy updated Training needs assessment and training plan updated New training plan implemented
IV	<ul style="list-style-type: none"> Annual report submitted in improved format 	<ul style="list-style-type: none"> Annual report submitted in improved format External communications strategy established Standards house style adopted Meetings held with key stakeholders INTOSAI Congress attended 	<ul style="list-style-type: none"> Annual report submitted in improved format Meetings held with key stakeholders EUROSAI Congress attended 	<ul style="list-style-type: none"> Annual report submitted in improved format Meetings held with key stakeholders 	<ul style="list-style-type: none"> Annual report submitted in improved format Meetings held with key stakeholders INTOSAI Congress attended

KEY PERFORMANCE MEASURES					
GOAL	2006	2007	2008	2009	2010
I	<ul style="list-style-type: none"> IT equipment in place 50 staff trained in core business system software 	<ul style="list-style-type: none"> 100 staff trained in application of international standards to external control work Methodology/guidance for annual attestation audit developed Guidance developed on performance audit 2 pilot performance audits completed 10 external controls quality reviewed 	<ul style="list-style-type: none"> 50 staff trained in core business system software 20 staff trained in attestation audit methods 5 pilot attestation audits completed 2-3 performance audits completed 2 pilot audits of IT systems completed 10 external controls quality reviewed 	<ul style="list-style-type: none"> 50 staff trained in core business system software 80 staff trained in methodology for attestation audit All accounts subject to annual attestation audit 4-5 performance audits completed 2 audits of IT systems completed 2 audits of IT systems completed 10 attestation audits subject to quality control review 	<ul style="list-style-type: none"> Newly recruited staff trained in core business system software All accounts subject to annual attestation audit 4-5 performance audits completed 2 audits of IT systems completed 10 attestation audits subject to quality control review
III	<ul style="list-style-type: none"> Pilot testing of use of external experts on control work Four workshops on HR policy and practice awareness 	<ul style="list-style-type: none"> Six workshops on HR policy and practice awareness Four issues of staff newsletter published 	<ul style="list-style-type: none"> Six workshops on HR policy and practice awareness Four issues of staff newsletter published 	<ul style="list-style-type: none"> Six workshops on HR policy and practice awareness Four issues of staff newsletter published 	<ul style="list-style-type: none"> Four issues of staff newsletter published
IV	<ul style="list-style-type: none"> Visit one European SAI Host visit from one European SAI Internet available to 60 staff 	<ul style="list-style-type: none"> Visit one European SAI Host visit from one European SAI Internet available to 90 staff 	<ul style="list-style-type: none"> Visit one European SAI Host visit from one European SAI Internet available to all staff 	<ul style="list-style-type: none"> Visit one European SAI Host visit from one European SAI Internet available to all staff 	<ul style="list-style-type: none"> Visit one European SAI Host visit from one European SAI

6. Implementing the Strategic Plan

The court intends to implement the strategic development plan in the following way:

- To make the strategic development plan and information on its progressive implementation freely and publicly available on its web-site.
- To establish within the Court a task force with responsibility for implementing the strategic development plan. This will consist of a team of 3-4 people working full time on the actions needed to implement the strategic development plan.
- To establish as necessary ad hoc and task driven working groups to action particular elements of the strategic development plan. These groups will be supported by the strategic planning task force and will focus on specific activities.
- To nominate a member of the Court to lead the Strategic Planning Task Force.
- To establish a steering Committee chaired by President of the Court of Accounts and including as members the Vice President and two other members of the Court of Accounts, a representative of the staff of the Court one representative from the Ministry of Finance, two representatives of the organisations subject to its control/audit, and one representative from the Internal financial control service. The court will invite its development partners to attend the steering committee as observers.
- The steering committee will meet at least quarterly to review progress in implementing the strategic development plan and to advise and guide future developments.
- To seek assistance from Development partners in implementing key elements of the plan as noted below in 6.4.

6.1 The need for realism

The court is legally responsible for carrying out the external control of State and Local authority institutions each year and for producing an annual report to Parliament on its work.

The many development activities proposed must therefore be undertaken in ways which do not detract or limit its ability to meet its legal responsibilities

The proposals herein and in particular the time-frame reflect therefore a compromise between the need to make major changes in the way we undertake our work and the time staff can make available to devote to this work.

6.2 Factors influencing timescale of development activities.

External control/audit work is undertaken on an annual basis. The Court must each year complete its control and audit work in time to provide Parliament with a report on the execution of budget within six months of the end of the financial year. This results in high work load as staff work to complete control/audit work in the first five months of the calendar year.

In developing its strategic development plan the Court of Accounts has looked to ensure that certain activities (e.g. training and development of new methodologies are scheduled) to avoid peaks in workload. The annualised nature of Control/audit work generates “windows of opportunity” for development activities that, if missed, can result in a full years delay to implementing changes. This is one of the reasons why the Court of Accounts has identified some high priority actions to be undertaken if possible in the latter half of 2006 (Annex 1).

Under the Public Financial Management project, the Ministry of Finance will be implementing a major integrated financial management information system (FMIS). The project will result in fundamental changes to the nature and extent of current internal control work and a transformation to a new system of internal audit. This will take some four years to be introduced and will have a major impact on both the nature scope and methodology of the work of the Court of Accounts. The Court of Accounts will need to coordinate the activities in its strategic development plan closely with the changes effected under the PFM project. It is also essential that the conceptual framework of new PFM system provides in total for the effective control and audit of the public finances. Changes in external

control practices must of necessity be integrated with these developments to ensure that, in total, public funds are properly managed and controlled.

The implementation of the strategic development plan will inevitably have an impact on the resources required by the Court of Accounts as not all activities can or will be funded by external donors. The Court of Accounts intends to review carefully its funding needs in 2006 to ensure that it presents to the Ministry of Finance a budget proposal that is better framed around the needs of a modern Supreme Audit Institution operating to European Union standards. Under the current legal framework the Court of Accounts is dependent on the Ministry of Finance for approval of the budget submitted to Parliament.

6.3 Development assistance sought

Across the European Union and in existing candidate countries most supreme audit institutions have benefited from external technical assistance over a period of between two and six years. Some of this support has been provided through bilateral contacts between SAIs of existing EU Member States and some has been provided through institutional twinning arrangements fostered under the European Twinning Programme.

Assistance of this sort has been highly valuable to countries in transition, It provides access to skills expertise and knowledge that are simply not available in Moldova. But it also fosters longer-term institutional partnerships that continue long after the technical assistance project has ended.

The Court of Accounts believes that a technical assistance project of this sort is necessary to provide the engine to drive forward the changes it is proposing in its strategic development plan. In discussions with its development partners the Court of Accounts has received assurances that there is a wide measure of support for such a “twinning” project on mutual cooperation and technical assistance.

It will take some 6-9 months to establish a major technical assistance project. The plan therefore contains at annex 2 the detailed activities that would be covered in a three year technical assistance project of this sort beginning in January 2007. The Court of Accounts will be discussing separately with its development partners the likely terms of reference for such a project. Its strong preference is that such development assistance is provided as far as possible from among the community of European Union SAIs.

The Court of Accounts wishes to begin implementation of its strategic development plan as soon as possible. The Court has therefore identified those activities that should be commencing if possible as a matter of priority from May to December 2006. This is particularly important in carrying out performance audits and enhancing external control work, where the “window of opportunity” mentioned above is the latter half of the year.

6.4 Priorities for work in 2006

The Court considers that the following actions are those that could be tackled as a matter of priority in the latter half of 2006.

- A review of the content and presentation of the annual report to Parliament and advice and assistance during the production of the report for the budget year ended 2005 to enhance both the content and presentation of the report. This work would need to be completed by 30 June 2006
- Developing proposals on the changes to the legal framework required to meet best EU practice and INTOSAI standards
- Work to develop the Court’s approach to performance audits. This should include at least two pilot projects commencing in the second half of 2006.
- A review of the court’s approach to the planning and organisation of external control activities and guidance thereon to identify practical ways in which their methodology can be adapted to reflect international standards for planning and documentation.
- Developing proposals for enhancing the IT resources available to its staff in conducting audit work.
- A major seminar of key decision makers to determine the best approach to the external audit of ATU authorities that meets both the needs of local democracy and those of central government.

- Developing a strategy for the use of Human Resources.
- A fundamental review of the structure and sufficiency of the annual budget of the Court of Accounts.

6.5 Risks to the successful implementation of the strategic development plan.

As part of its strategic planning process, the Court of Accounts has identified the main risks that may affect the implementation of the plan. Effective risk management is a key feature of all successful change programmes and this initial list of major risks will be updated and reviewed on a regular basis throughout the implementation of the strategic development plan.

The table below list the major risks identified by the Court of Accounts and the actions it proposes to take to minimise or otherwise manage the risk.

Risk identified	Mitigation factors and /or actions proposed
Parliament does not consider it necessary to effect changes to the Law of the Court of Accounts.	Court of Accounts members to lobby Parliament on the benefits and importance of changes to the Court of Accounts legal framework. Seminar to debate the need for changes to the law of the Court of Accounts
Lack of support from development partners for a major technical assistance project	Adoption of the Strategic development plan to demonstrate to development partners the commitment to longer-term change. Regular discussions with Development partners
Delays in commencing technical assistance project	Thorough preparation of proposals for technical assistance. Providing quick feedback to development partners on issues arising from the strategic development plan and on proposals for technical assistance. Bilateral agreements with the UK National Audit Office and the Court of Accounts of Spain providing for exchange of expert knowledge, should development partner support not materialise quickly.
Changes to the Membership of the Court of Accounts	President, Vice President and members have been elected for a five year team co-terminus with the strategic development plan. Wide dissemination and discussion of the strategic development plan should ensure that the plan has a wide measure of support beyond the immediate members and staff of the Court of Accounts.
Lack of resources and/or commitment within the Court of Accounts to properly support a major development plan.	Personal commitment by the members of the Court to the implementation of the plan. Proposals for development partner funding support for a small team of Court of Accounts staff to work as a strategic development plan implementation team Planning of key development activities to coincide with suitable “windows of opportunity” to reduce pressures on staff. High level of involvement of the staff of the Court of Accounts in the implementation of the strategic development plan.
Lack of conceptual consistency in the changes proposed in the work of the Court of Accounts with key actors in Public Financial Management	Creation of a steering committee to oversee implementation of the strategic development plan with representative from key stakeholders from across the Public Financial Management Spectra. Technical assistance to be provided through existing EU member state SAIs who meet EU best practice standards.
Loss of trained staff	Provision of contextual (on the job) training wherever possible and practical. Development of better HR management processes whereby staff have clearer understanding of links between training and future career development. Increasing the impact of the work of the Court of Accounts so that staff can see how their own work leads to real changes in public financial management. Providing greater opportunities for involvement in higher profile work. Increasing the status and importance of the Court of Accounts and thereby its attractiveness as an employer. In the longer-term, relating pay and reward mechanisms more closely to skills and performance.

Court of Accounts practices may not meet EU accession standards	Advice from existing EU SAIs on developing legal framework, Wide circulation of audit methodology for comment before implementation.
Changes in best practice invalidate proposed direction of change	Best practice will evolve during the course of the project but systematic contact through INTOSAI events should ensure that all staff are aware of developments Twinning with highly experienced EU SAIs will enable the court to benefit from the very latest developments.
Lack of continuity in expert advice provided	Procurement process to emphasise the importance of continuity in provision of short term expertise. An institutional partnership should ensure continuity of approach even if individual experts change.

6.6 Detailed implementation activities.

The Table below summarises the detailed implementation activities over the strategic planning period.

KEY IMPLEMENTATION ACTIVITIES					
	2006	2007	2008	2009	2010
PUBLICISING THE PLAN	<ul style="list-style-type: none"> Public launch of strategic development plan (18 April) Internal launch meeting Publish strategic development plan Plan quarterly newsletter Commentary on strategic development plan in annual report to Parliament 	<ul style="list-style-type: none"> Quarterly newsletter Commentary on strategic development plan in annual report to Parliament 	<ul style="list-style-type: none"> Quarterly newsletter Commentary on strategic development plan in annual report to Parliament Midterm review of strategic development plan 	<ul style="list-style-type: none"> Quarterly newsletter Commentary on strategic development plan in annual report to Parliament Development of new strategic development plan 	<ul style="list-style-type: none"> Quarterly newsletter Commentary on strategic development plan in annual report to Parliament Development of new strategic development plan
IMPLEMENTATION TASK FORCE	<ul style="list-style-type: none"> Establish Strategic development plan Implementation Task Force Identify areas of responsibility for individual task force members Provide English language training as necessary for task force members Identify secondment and training of relevance to task force members 	<ul style="list-style-type: none"> Provide English language training as necessary for task force members Identify secondment and training of relevance to task force members 	<ul style="list-style-type: none"> Provide English language training as necessary for task force members Identify secondment and training of relevance to task force members 	<ul style="list-style-type: none"> Provide English language training as necessary for task force members Identify secondment and training of relevance to task force members 	<ul style="list-style-type: none"> Provide English language training as necessary for task force members Identify secondment and training of relevance to task force members
ACTIVITY WORKING GROUPS	<ul style="list-style-type: none"> Establish activity working groups as necessary For each task working group establish <ul style="list-style-type: none"> Chairperson to lead the group Nominated rapporteur Detailed terms of reference Length of task Involvement of international experts Translation/interpretation needs Outputs required 	<ul style="list-style-type: none"> Establish activity working groups as necessary 	<ul style="list-style-type: none"> Establish activity working groups as necessary 	<ul style="list-style-type: none"> Establish activity working groups as necessary 	<ul style="list-style-type: none"> Establish activity working groups as necessary
STEERING COMMITTEE	<ul style="list-style-type: none"> Establish Steering Committee with membership from the Court of Accounts and key external stakeholders Inaugural meeting of Steering Committee 	<ul style="list-style-type: none"> Quarterly meetings of the Steering Committee 	<ul style="list-style-type: none"> Quarterly meetings of the Steering Committee 	<ul style="list-style-type: none"> Quarterly meetings of the Steering Committee 	<ul style="list-style-type: none"> Quarterly meetings of the Steering Committee
TECHNICAL ASSISTANCE	<ul style="list-style-type: none"> Develop proposals for technical assistance Initiate contractual procedures as necessary 				

7. Benefits and Costs

7.1 Benefits

The Lima Declaration of Audit Precepts adopted by INTOSAI recognises that an independent and fully functioning supreme audit institution has a fundamental role to play in promoting open, transparent and accountable governance. The aim of this strategic development plan is to enhance the capacity of the Court of Accounts to provide the Republic of Moldova with an audit institution that meets this important objective.

The implementation of this strategic development plan will provide many direct and indirect benefits to the Government, Parliament and citizens of Moldova. We identify below some of the key benefits:

- Meeting EU accession criteria for establishing a fully functioning SAI
- Reinforcing the accountability of line ministries for the financial control of resources used by them in the delivery of government programmes
- Clear division of responsibilities for the external audit of ATU authorities
- Avoidance of overlap and duplication of control activities between external and internal control
- Promoting transparency through the provision of better and more complete information to Parliament on the overall effectiveness with which the state budget has been utilised for the benefit of the citizens of Moldova
- An annual attestation audit of the state budget facilitating effective discharge by Parliament
- A programme of regular external audits of the performance of government departments in implementing key policies
- A more effective and efficient external audit process
- The generation of cash savings for government through the identification of the scope for eliminating inefficient and uneconomic practices
- The introduction of modern IT will generate internal efficiency savings allowing the staff of the court to produce more work for the same staff costs.
- The use of statistical sampling techniques as part of a modern audit methodology will allow the court to make more precise calculations of the likely level of error of misstatement in areas of the accounts where a clear opinion cannot be given.
- The Court of Accounts will be able in future to audit major IT systems so as to provide a wider assurance on the effectiveness of financial Management systems.
- Development of the Court of Accounts into a modern, professional organisation with a highly motivated and well rewarded work force

7.2 Costs

There are two main elements of the costs of implementing the strategic development plan: costs relating to external technical assistance and costs to be borne by the Court of Accounts in terms of staff time spent on development work. In broad terms the staff time to be devoted to the implementation of the strategic development plan is estimated to amount to 10-15% of the total available.

The estimated cost of the technical assistance required is shown in the following table.

Nature of input	Possible volumes	Estimated cost
International long term advisers	2 advisors (5 person years), including all support costs (accommodation, education costs etc)	\$1,440,000
International short term advisers	90 106 person weeks, including travel and subsistence	\$779,380
Local consultants	3 task force members and one interpreter/assistant	\$144,000
Translation and interpretation costs	450 days of interpretation, 15,000 pages of translation	\$119,250
Training costs – hire of rooms, hire of translation equipment, etc		\$60,500
Overseas training for staff of the Court of Accounts	15 weeks of training	\$37,500
Office support for project team, Computers, fax copier, internet connections, furniture. Including local transport costs.	Various	\$55,000
Capital expenditure on IT development for the Court of Accounts, Desk tops. Lap tops servers, etc.	Various	\$350,000 ¹
TOTAL		\$2,985,630

¹ This is a broad estimate requiring further refinement

ANNEX 1 PRIORITIES FOR 2006

Priority 1 To review the format, content and impact of the annual report to Parliament on the management of public finances and the outcome of control activities and implement proposals for increasing its effectiveness in the report on the implementation of the budget for 2005.

Activity 1.1 Review the content and presentation of the annual report on the implementation of the budget and make recommendations for enhancing the presentation of findings in time for these to be reflected in the final report.

Timing May-June 2006 **Responsible** Members of the Court of Accounts with advice from Consultant(s)

Activity 1.2 Review the impact of changes to the presentation of the annual report with key external stakeholders and make proposals for enhancing the content of the report on the implementation of the 2006 Budget.

Timing September 2006 **Responsible** Members of the Court of Accounts with advice from Consultant(s)

Priority 2 To review the legal framework of the Court of Accounts and develop proposals so that it meets EU best practice and international standards in terms of its independence

Activity 2.1 Review the current law and identify all the areas where the law does not meet EU best practice and INTOSAI standards.

Timing by June 2006 **Responsible:** Legal Division with input from Consultant(s)

Activity 2.2 Prepare proposals for amendments to the law so that it fully reflects EU best practice and international standards.

Timing by September 2006 **Responsible:** Legal Division with input from Consultant(s)

Activity 2.3 Review and approval of proposals for amendments to the audit law by the Court of Accounts.

Timing September 2006 **Responsible:** Court of Accounts

Activity 2.4 Promote the benefits of securing a change in the law to Parliament and other Key stakeholders, including seminar with key stakeholders.

Timing October – December 2006 **Responsible:** Court Members; Consultant(s) to develop proposals for seminars.

Priority 3 To develop detailed costed proposals for meeting the IT needs of the Court of Accounts.

Activity 3.1 Carry out a full inventory of current Information Technology capacity in the *Court of Accounts* including:

- The number, age, condition and location of desk-top and lap-top computers.
- The capacity, age, condition and use of centralised computer storage facilities e.g. servers.
- The number of legally available software licences for each item of core office software and the extent of the use of software without adequate licence cover (if any).
- The level of security afforded to data held electronically and access thereto.
- The current level of interconnectivity of computer hardware.
- The current capacity and use of access to the Internet.
- The current location and use of computers by staff
- The IT skills levels of staff in the Court of Accounts and their ability to use mainstream business software e.g. MS Word, Excel and PowerPoint.

- The skills and number of staff available to provide general technical support to staff in the daily use of IT.
- The extent to which data is available to staff relating to computerised financial transactions and other systems which facilitate the cross checking of the validity of financial transactions, including the extent to which this data can be accessed by individuals directly or through a centralised facility.
- The extent to which information on the Court of Accounts and its work is available to external third parties through a internet web-site and the extent to which this is regularly updated.

Timing May 2006 **Responsible** : Court of Accounts IT staff with advice from Consultant(s)

Activity 3.2 Develop a policy paper for the Court of Accounts that identifies the strategic options available for enhancing its IT capacity. This policy paper should as a minimum:

- Identify as a longer term goal the IT needs for the Court of Accounts that would enable it to meet generally acceptable standards of a modern Supreme Audit Institution,
- Identify any immediate changes to the location and use of existing IT capacity that could beneficially be applied.
- Identify the extent and estimated cost of enhancing IT capacity in the longer term and the priorities with which additional financial resources available should be utilised e.g. whether additional funds should first be used to increase the number of desktops or the capacity of central servers.
- Consider the options for enhancing IT capacity at two levels. A basic support level that provides all staff with reasonable but not continuous access to IT. And an optimum level whereby all professional staff would have continuous access to IT for use in their audit work such that IT could be used as a major driver of changes in professional and business management information.
- Consider the scope, source and likely timing of the additional funding required for (a) immediate capital purchases and (b) annual maintenance and replenishment of this new capacity.

Timing June 2006 **Responsible**: Court of Accounts IT staff with input from Consultant(s).

Activity 3.3 Consideration and approval of the best option(s) for developing IT capacity.

Timing July 2006 **Responsible**: Court of Accounts

Activity 3.4 Development of fully-costed proposals for additional IT required. These should include proposals for staged implementation to reflect the capital cost and running costs that are likely to be available.

Timing September-October 2006 **Responsible**: Court of Accounts IT staff with advice from Consultant(s)

Activity 3.5 Discussions with Development Partners on the likely scope and timing of external support for IT enhancement and preparation of project proposals as necessary.

Timing September – December 2006 **Responsible**: Court of Accounts

Activity 3.6 Discussions with the Ministry of Finance on the longer-term adjustments needed to the Budget of the *Court of Accounts* to meet the annual running costs of an enhanced IT capability. This may need to include strengthening of the support staff available to service the Court's IT support needs.

Timing July 2006 **Responsible**: Court of Accounts.

Priority 4 To enhance the capacity and methodology to undertake reviews of the economy, efficiency and effectiveness with which the executive implements Government policy through carrying out pilot audit reviews in 2006.

Activity 4.1 Carry out a review of previous performance audit work, consulting as necessary with staff and other key stakeholders.

Timing June 2006 **Responsible** Methodology Division with input from Consultant(s)

Activity.4.2 Develop in outline, proposals for introducing performance audit work in the Court of Accounts. As part of the development process hold seminars/workshops on key areas of performance audit. These should include:

- Selection of subjects for performance audit
- Planning performance audit work
- Performance audit techniques
- Presenting the findings of performance audit work

Timing July 2006 with seminars spread over period of involvement **Responsible** Methodology Division with input from Consultant(s)

Activity 4.3 Prepare detailed proposals for a series of 2-3 pilot performance audits over a two year period.

Timing July 2006 **Responsible** Consultant(s) to produce proposals and Court of Accounts to agree on areas to be examined.

Activity 4.4 Consider and approve the pilot approach to performance audit work.

Timing July 2006 **Responsible** Court of Accounts

Activity 4.5 Develop guidance for the staff of the Court in how to carry out performance audit work drawing on existing best practice guides. These should include both high-level guidance on the overall approach and detailed guidance in key areas.

Timing September 2006 **Responsible** Methodology Division with input from Consultant(s)

Activity 4.6 Develop training course(s) for all staff who are to undertake performance audit pilots. These courses should be designed to be modular (covering for example planning performance audit work, tools and techniques, reporting results, etc) so that training in particular aspects of carrying out performance audits can be provided as close as possible to the time when this work is to be undertaken.

Timing September 2006 **Responsible** Consultant(s) working with the Court's methodology section as appropriate.

Activity 4.7 Provide training to staff that are involved in the pilot audits. Five days of modular training to 16-20 staff.

Timing October 2006 **Responsible** Consultant(s) in consultation with Methodology Division

Activity 4.8 Implement pilot performance audits

Timing November 2006 – January 2007 **Responsible** Court of Accounts staff with advice and guidance from Consultant(s) and Methodology Division as work progresses.

Activity 4.9 Review the results of individual pilot audits as they are completed through workshops with staff and key stakeholders.

Timing February 2007 **Responsible** Methodology Division with input from Consultant(s)

Priority 5 To identify and implement best practice and/or international standards for the conduct of external control activities and apply these to the selection of entities for control and the conduct of control work on the examination of the implementation of the 2006 Budget.

Activity 5.1 Review and document the existing external control process and identify the areas where international standards and best practice could be beneficially applied. This should consider in particular:

- The process of selecting entities for cyclical control
- The cycles adopted for different entities
- The planning of control activities, and in particular the extent to which key planning decisions on risks, materiality, significant events and changes, legal and regularity framework are fully documented.
- The guidance provided to staff in the form of high level planning memorandum.
- The detailed control programmes produced.
- The documentation of control findings.
- The first and second stage review of findings.
- The process for confirming control findings.

- The reporting process

Timing September 2006 **Responsible** Methodology Division with input from Consultant(s)

Activity 5.2 Prepare detailed proposals for consideration by the Court of Accounts for the adoption of key changes in the way that external control work is planned conducted and recorded. Identify the extent to which this can be implemented with or without further training. These should include:

- A clear and transparent methodology for the selection of entities for external control that reflects amongst other things the financial value of resources utilised by each organisation and a high level assessment of risk
- A planning approach that requires staff to document all major planning decisions and results in an approved plan for each control activity.
- A standardised approach to the documentation of control findings.
- The use of statistical sampling techniques.
- Explicit provision for first and second stage review of control findings.
- Proposals for additional guidance and training where needed on the planning conduct and reporting of control activities.

Timing October 2006 **Responsible** Methodology Division with input from Consultant(s)

Activity 5.3 Consideration and adoption of proposals for enhancing the Court of Accounts external control methodology.

Timing November 2006 **Responsible** Court of Accounts

Activity 5.4 Develop additional guidance on the application of international standards to external control work.

Timing November – December 2006 **Responsible** Methodology Division with input from Consultant(s) to develop Court of Accounts to approve.

Activity 5.5 Develop and carry out additional training required to implement new guidance. This should encompass:

- As a minimum, a one day training course for all controllers on the main areas where changes are required and an overview of the new guidance issued by the Court of Accounts.
- A further one day of training, if required, on planning and completing external control work with particular emphasis on planning and the assessment of risk, selection of items for testing, documentation of findings and reporting.

Timing January 2007 **Responsible** Methodology Division with input from Consultant(s)

Activity 5.6 Provide advice to staff in applying new guidance to external control work.

Timing February – June 2007 as required **Responsible** Methodology Division with input from Consultant(s)

Activity 5.7 Review the application of new approach in small sample of external control activities. This should cover all the main areas of the Court's work. Report results to Court of Accounts for action as appropriate.

Timing July 2007 **Responsible** Methodology Division with input from Consultant(s) to review progress Court of Accounts to consider and modify guidance as appropriate.

Priority 6 To determine in consultation with the Deputy Prime Minister's office, the Ministry of Finance, and representatives of ATU authorities, an appropriate structure for the audit of ATU authorities, and the role of the Court of Accounts therein, that (a) avoids overlap and duplication (b) ensures that all ATU authorities are subject to external audit, (c) reinforces local accountability and (d) ensures that Parliament has information on the effective use of central government resources.

Activity 6.1 Design and deliver a seminar for key stakeholders involved in the audit of ATU authorities with the aim of promoting a wider debate and on the need for clarity in the external audit arrangements of ATU authorities. The seminar should be structured to facilitate high level conclu-

sions on the way ahead. It should include speakers from one of more EU member states and representatives from ATU Authorities, the Court of Accounts, the Ministry of Finance (including the Internal Financial Control service), the Deputy Prime Ministers Office, Key Government Departments and the Parliament. Development partners should also be encouraged to attend.

Timing May 2006-June 2006 **Responsible:** Consultant(s) to develop programme for the Seminar, Court of Accounts to sponsor event and invite interested parties.

Activity 6.2 Develop a policy paper for the Deputy Prime Minister's Office and other key stakeholders on the options for the audit of ATU authorities based on the outcome of the seminar undertaken in activity 1.3.1.

Timing July 2006 **Responsible:** Consultant(s) to provide a draft paper for consideration and approval by the Court of Accounts.

Priority 7 To develop a human resource management strategy that covers all aspects of the recruitment, retention and motivation of staff

Activity 7.1 Carry out a range of workshops and focus groups to identify the key features of current HR practices at the Court of Accounts; best practice in audit institutions; and areas for future development.

Timing September 2006 **Responsible** HR Division with input from Consultant(s)

Activity 7.2 Prepare proposals for the Court on the options available for HR development and an outline HR strategy. These should cover the full range of HR activities and a recommended framework, included staffing needs for the HR function, within which further action can be taken.

Timing October – November 2006 **Responsible** HR Division with input from Consultant(s)

Activity 7.3 Decision on the way forward on HR issues. The timing of future activities will need to take into account resources actually available to implement them.

Timing November 2006 **Responsible** Court of Accounts

Activity 7.4 Development of HR strategy.

Timing December 2006 – January 2007 **Responsible** HR Division with input from Consultant(s)

Priority 8 To develop a budget for the institution based on a realistic assessment of the resource needs to complete work in accordance with international standards.

Activity 8.1 Carry out a special zero-based budgetary review as part of the Budget preparation cycle. The aim of this review will be to identify the resources required both in terms of staff and support costs, for the Court of Accounts to fulfill its mandate to best EU practice and International standards. This review will need to encompass:

- Consideration of an appropriate cycle for undertaking external control activity
- Estimates of the staff time required to complete external control work in line with international standards.
- Consideration of the costs and benefits of the current practice of undertaking most control work without incurring overnight subsistence costs
- Estimates of the costs of providing adequate continuing professional education to staff.
- Activities and support provided under technical assistance that will continue to be needed when the project comes to an end.

Timing June -July 2006 **Responsible:** Accounting unit with input from Consultant(s)

Activity 8.2 Consideration of changes required to the structure of the budget of the Court of Accounts and a plan for effecting such changes over the next 3 years.

Timing September 2006 onwards **Responsible:** Court of Accounts in consultation with the Ministry of Finance.

ANNEX 2 DETAILED GOALS, OBJECTIVES AND ACTIVITIES FOR PROPOSED THREE YEAR TECHNICAL ASSISTANCE PROJECT

Goal 1. Institutional strengthening. The development of a strong and independent institution in line with EU best practice and INTOSAI standards and with adequate resources to meet its goals

Objective 1.1 To adjust the legal framework of the Court of Accounts so that it meets EU best practice and international standards in terms of its independence

Activity 1.1.1 Review the current law and identify all the areas where the law does not meet EU best practice and INTOSAI standards.

Timing MI **Responsible:** Consultant(s) Methodology and Legal Division with input from Consultant(s)

Activity 1.1.2 Prepare proposals for amendments to the law so that it fully reflects EU best practice and international standards.

Timing M2 **Responsible:** Consultant(s) Methodology and Legal Division with input from Consultant(s)

Activity 1.1.3 Review and approval of proposals for amendments to the audit law by the Court of Accounts.

Timing M2 **Responsible:** Court of Accounts

Activity 1.1.4 Promote the benefits of securing a change in the law to Parliament and other key stakeholders, including seminar with key stakeholders.

Timing M3-7 **Responsible:** Court members and Consultant(s)

Activity 1.1.5 Assist Parliament in the review of the proposed law as appropriate.

Timing M8-12 depending on the level of support for change and Parliamentary timetable
Responsible Court of Accounts and Consultant(s)

Activity 1.1.6 Review and revise the strategic plan so that the objectives and activities are aligned with the amended law actually passed by Parliament.

Timing M13 depending on when amendments to the law are adopted. **Responsible:** Court of Accounts with advice from Consultant(s)

Objective 1.2 To ensure that the structure, organisation and administrative framework of the Court of Accounts meets best practice and promotes the cost-effective implementation of work.

Activity 1.2.1 Prepare proposals for the Court of Accounts on (a) the most appropriate structure for the Court of Accounts to meet its goals as laid out in the strategic plan and likely changes in the legal framework affecting its work and (b) the timing of any restructuring required. This activity should make adequate provision for the training and other support needs of the Court of Accounts.

Timing M3 **Responsible** Consultant(s) to prepare discussion paper in consultation with the senior staff of the Court of Accounts

Activity 1.2.2 Review and approval of proposed changes to the structure of the Court of Accounts.

Timing M4 **Responsible** Court of Accounts

Activity 1.2.3 Implement the structural changes approved by the Court of Accounts seeking Parliamentary approval as required.

Timing M5-7 **Responsible:** Court of Accounts with advice from Consultant(s) on timing and sequencing of any changes required

Activity 1.2.4 Keep under review the effectiveness of the new organizational structure and the impact of changes in the legal framework and make proposals for further changes as appropriate.

Timing Ongoing Responsible: Consultant(s) / Court of Accounts

Objective 1.3 To determine in consultation with the Deputy Prime Minister's office, the Ministry of Finance, and representatives of ATU authorities, an appropriate structure for the audit of ATU authorities, and the role of the Court of Accounts therein, that (a) avoids overlap and duplication (b) ensures that all ATU authorities are subject to external audit, (c) reinforces local accountability and (d) ensures that Parliament has information on the effective use of central government resources.

Activity 1.3.1 Design and deliver a seminar for key stakeholders involved in the audit of ATU authorities with the aim of promoting a wider debate and on the need for clarity in the external audit arrangements of ATU authorities. The seminar should be structured to facilitate high level conclusions on the way ahead. It should include speakers from one of more EU member states and representatives from ATU authorities, the Court of Accounts, the Ministry of Finance (including the Internal Financial Control service), the Deputy Prime Minister's Office, key government departments and the Parliament. Development partners should also be encouraged to attend.

Timing M1-2 **Responsible:** Consultant(s) to develop programme for the seminar, Court of Accounts to sponsor event and invite interested parties

Activity 1.3.2 Develop a policy paper for the Deputy Prime Minister's Office and other key stakeholders on the options for the audit of ATU authorities based on the outcome of the seminar undertaken in activity 1.3.1.

Timing M3 **Responsible:** Consultant(s) to provide a draft paper for consideration and approval by the Court of Accounts

Activity 1.3.3 Identify the potential impact on the Court of Accounts of changes agreed in the arrangements for the external audit of ATU authorities in terms of the staffing and organisation of work.

Timing M6 **Responsible:** Consultant(s) to develop proposals in consultation with the Territorial Department

Activity 1.3.4 Review and approval of changes to the staffing and organisation of the Court of Accounts to reflect decisions on the external audit of ATU authorities.

Timing M7 **Responsible:** Court of Accounts

Activity 1.3.5 Implementation of organisational and staffing changes consequent to the establishment of a new external audit framework for ATU authorities.

Timing M8-12 **Responsible:** Court of Accounts

Objective 1.4 To develop the capacity and use of IT in the Court of Account such that IT is a major enabler of the application of common auditing standards and an effective tool in the analysis of IT data held by public entities.

Activity 1.4.1 Carry out a full inventory of current information technology capacity in the Court of Accounts including:

- The number, age, condition and location of desk-top and lap-top computers.
- The capacity, age, condition and use of centralised computer storage facilities e.g. servers.
- The number of legally available software licences for each item of core office software and the extent of the use of software without adequate licence cover (if any).
- The level of security afforded to data held electronically and access thereto.
- The current level of interconnectivity of computer hardware.
- The current capacity and use of access to the Internet.
- The current location and use of computers by staff

- The IT skills levels of staff in the Court of Accounts and their ability to use mainstream business software e.g. MS Word, Excel and PowerPoint.
- The skills and number of staff available to provide general technical support to staff in the daily use of IT.
- The extent to which data is available to staff relating to computerised financial transactions and other systems which facilitate the cross checking of the validity of financial transactions, including the extent to which this data can be accessed by individuals directly or through a centralised facility.
- The extent to which information on the Court of Accounts and its work is available to external third parties through a internet web-site and the extent to which this is regularly updated.

Timing M1-2 **Responsible** : Court of Accounts IT staff and Consultant(s)

Activity 1.4.2 Develop a policy paper for the Court of Accounts that identifies the strategic options available for enhancing its IT capacity. This policy paper should as a minimum:

- Identify as a longer term goal the IT needs for the Court of Accounts that would enable it to meet generally acceptable standards of a modern Supreme Audit Institution,
- Identify any immediate changes to the location and use of existing IT capacity that could beneficially be applied.
- Identify the extent and estimated cost of enhancing IT capacity in the longer term and the priorities with which additional financial resources available should be utilised e.g. whether additional funds should first be used to increase the number of desktops or the capacity of central servers.
- Consider the options for enhancing IT capacity at two levels. A basic support level that provides all staff with reasonable but not continuous access to IT. And an optimum level whereby all professional staff would have continuous access to IT for use in their audit work such that IT could be used as a major driver of changes in professional and business management information.
- Consider the scope, source and likely timing of the additional funding required for (a) immediate capital purchases and (b) annual maintenance and replenishment of this new capacity.

Timing M2-3 **Responsible:** Court of Accounts IT staff with input from Consultant(s)

Activity 1.4.3 Consideration and approval of the best option(s) for developing IT capacity.

Timing M3 **Responsible:** Court of Accounts

Activity 1.4.4 Development of fully-costed proposals for additional IT required. These should include proposals for staged implementation to reflect the capital cost and running costs that are likely to be available.

Timing M4 **Responsible:** Court of Accounts IT staff with advice from Consultant(s)

Activity 1.4.5 Discussions with Development Partners on the likely scope and timing of external support for IT enhancement and preparation of project proposals as necessary.

Timing M1-6 This will depend on the extent to which IT needs will be met within the proposed major technical assistance project or through a separate support project. **Responsible:** Consultant(s) and Court of Accounts

Activity 1.4.6 Discussions with the Ministry of Finance on the longer-term adjustments needed to the Budget of the Court of Accounts to meet the annual running costs of an enhanced IT capability. This may need to include strengthening of the support staff available to service the Court's IT support needs.

Timing M6 **Responsible:** Court of Accounts

The timing of the following activities will be closely linked to the timescale and volume of new IT available to the Court.

Activity 1.4.7 Receipt, testing and installation of additional IT equipment and software

Timing M13-36 **Responsible:** Court of Accounts IT staff

Activity 1.4.8 Development of a training programme for enhancing general IT skills so that all staff will receive basic level of training in Core business systems.

Timing M9 **Responsible:** Consultant(s) in consultation with Court of Accounts IT staff

Activity 1.4.9 Establish a small IT training facility with 5-6 computers where hands on training can be given during the period when additional IT training is being provided to staff.

Timing M13 Responsible: Consultant(s) to advice on requirements Court of Accounts to implement

Activity 1.4.10 Train one staff member to a high level of competence in Core business system software and design a basic one or two day IT course that this staff member can deliver to all staff over the Implementation period. Estimated total number of person training days required 150-300 in up to 30 1 or 2-day courses for 5-6 staff.

Timing M11, 13-36 Responsible: Consultant(s) to design and oversee first few courses, remainder to be delivered by Court of Accounts staff member

Activity 1.4.11 Identify and provide additional training to specialist IT support staff. Likely to be in the region of 10-15 days each year for members of the IT section.

Timing M Responsible: Consultant(s) to identify opportunities in consultation with Court of Accounts IT staff.

Activity 1.4.12 Establish a code of practice for IT use including key security issues for approval by the Court of Accounts

Timing M12 Responsible: Consultant(s) to develop and Court of Accounts to review and approve

Objective 1.5 To enhance the internal capacity to provide advice to the President and members of the Court of Accounts on policy issues affecting the Court.

Activity 1.5.1 Prepare proposals for the Court of Accounts to consider on the optimum level and staffing needs for strategy and analytical (policy) support to the Chairman, Members and staff of the Court of Accounts. This should identify (a) the extent to which such support will be provided as part of the technical assistance project (b) the likely level of such advice required once the technical assistance project ends and (c) whether a single policy support unit should also include support for the development of new approaches to financial and performance audit.

Timing M1 Responsible: Consultant(s) in consultation with senior staff

Activity 1.5.2 Review and approval by the Court of Accounts of short, medium and longer term proposals for providing appropriate policy support.

Timing M2 Responsible: Court of Accounts

Activity 1.5.3 Identify 2-3 members of staff with the aptitude for policy development and advisory work and seek funding for these staff to be seconded to work with external consultants during the course of the project such that they can be assigned to continuing policy development work when the project ends. Provide for targeted short-term secondments and specialist external training opportunities in EU SAIs for the Court of Accounts staff members selected to work with the TA project team.

Timing M3-9 Responsible: Court of Accounts to identify suitable staff members and Consultant(s) to prepare and progress proposals for external training/secondment

Objective 1.6 To develop a budget for the institution based on a realistic assessment of the resource needs to complete work in accordance with international standards.

Activity 1.6.1 Carry out a special zero-based budgetary review as part of the budget preparation cycle. The aim of this review will be to identify the resources required both in terms of staff and support costs, for the Court of Accounts to fulfil its mandate to best EU practice and International standards. This review will need to encompass:

- Consideration of an appropriate cycle for undertaking external control activity
- Estimates of the staff time required to complete external control work in line with international standards.
- Consideration of the costs and benefits of the current practice of undertaking most control work without incurring overnight subsistence costs

- Estimates of the costs of providing adequate continuing professional education to staff.
- Activities and support provided under technical assistance that will continue to be needed when the project comes to an end.

Timing M5-7 **Responsible:** Court of Accounts finance staff with input from Consultant(s)

Activity 1.6.2 Consideration of changes required to the structure of the budget of the Court of Accounts and a plan for effecting such changes over the next 3 years. .

Timing M8-10 **Responsible:** Court of Accounts in consultation with the Ministry of Finance

Activity 1.6.3 Review and revision of the zero-based budget during the course of the projects to reflect (a) decisions on audit approach, staff development needs and other issues arising from other activities within the strategic plan; (b) the response of stakeholders and the Parliament to the proposals put forward by the Court of Accounts.

Timing M17-19, 29-31 **Responsible:** Court of Accounts finance staff with input from Consultant(s)

Objective 1.7 To develop and implement modern business management practices that provide the Court of Accounts with timely and relevant information on its internal efficiency and the effectiveness of its controls/audits.

Activity 1.7.1 Review and inventory of all the management information available to the Court of Accounts and the quality and effectiveness of the systems on which this information is based. Comparison of information available with best practice in other SAIs.

Timing M4 **Responsible:** Strategic Planning Taskforce with input from Consultant(s)

Activity 1.7.2 Deliver seminars workshops to enhance the awareness within the Court of Accounts of better business management. 3-4 workshops on different aspects of business management.

Timing As required **Responsible** Consultant(s)

Activity 1.7.3 Preparation of proposals for consideration by the Court of Accounts on the business management systems that should be developed during the course of the project. This should include consideration and proposals on the following:

- A simple time recording system to collect information on the costs of carrying out different types of control activities and on the costs of other overhead work.
- The development of staff and cash budgets for all clearly defined activities
- The monitoring of the completion of work within both time and cost.
- Enhancing the information available on the entities subject to external control to include information of the financial resources for which these entities have responsibility and as a consequence the volume of the total state budget subject to external control each year by the Court.
- Identification of the benefits of external control activity in terms of actual cash savings generated by the work of the Court.

Timing M6 **Responsible:** Consultant(s) and Strategic Planning Taskforce to prepare proposals for review and approval by the Court of Accounts

Activity 1.7.4 Decision by the Court of Accounts on the business management systems it wishes to implement.

Timing M6 **Responsible** Court of Accounts

Activity 1.7.5 Development and Introduction of a simple time recording system.

Timing M development 9-12 implementation 13-36 **Responsible:** Consultant(s) to develop system and pilot test its use. Court of Accounts to oversee full implementation.

Activity 1.7.6 Development and introduction of activity budgeting system.

Timing development M9-12 implementation 13-36 **Responsible:** Consultant(s) to develop and pilot test system. Court of Accounts to oversee full implementation

Activity 1.7.7 Development of management reporting process that provided the Court of Accounts with adequate information on which to monitor internal efficiency and effectiveness.

Timing M21-24 **Responsible:** Consultant(s) to develop and pilot test reporting process. Court of Accounts to oversee full implementation

Activity 1.7.8 Development of internal reporting processes for measuring the impact of the work of the Court of Accounts.

Timing Development M9-12; implementation 13-36 **Responsible:** Consultant(s) to develop and pilot test implementation, Court of Accounts to oversee full implementation

Activity 1.7.9 Review of the effectiveness of business management systems.

Timing M25,36 **Responsible** Strategic Planning Taskforce to review with input from Consultant(s) and advise Court of Accounts of necessary changes

Objective 1.8 To introduce adequate oversight arrangements for the Court of Accounts, including a new internal audit function and an independent external financial audit.

Activity 1.8.1 Preparation of proposals for the introduction of an internal audit function within the Court of Accounts. This should include consideration of contracting in this function from either public sector or private sector auditors, or the appointment of a staff member to undertake this work on a part-time basis as it is doubtful whether a full time appointment is necessary.

Timing M7 **Responsible:** Strategic Planning Taskforce with input from Consultant(s)

Activity 1.8.2 Consideration and decision on the creation of an internal audit function.

Timing M8 **Responsible:** Court of Accounts

Activity 1.8.3 Consideration and decision the creation of an external audit of the Court of Accounts.

Timing M12 **Responsible:** The Parliament will have to decide on the External audit arrangements of the Court of Accounts **as part of its consideration of proposals for aligning the law of the Court of Accounts with EU standards. Activities in relation to the law of the Court of Accounts will be covered under Objective 1.1**

Goal 2. Profession building. The development and progressive implementation of standards methods and guidelines for the external control/audit of Government institutions

Objective 2.1 To identify and implement best practice and/or international standards for the conduct of external control activities and thematic studies and apply these to the selection of entities for control and the conduct of control work.

Activity 2.1.1 Review and document the existing external control process and identify the areas where international standards and best practice could be beneficially applied. This should consider in particular:

- The process of selecting entities for cyclical control.
- The cycles adopted for different entities.
- The planning of control activities, and in particular the extent to which key planning decisions on risks, materiality, significant events and changes, legal and regularity framework are fully documented.
- The guidance provided to staff in the form of high level planning memorandum.
- The detailed control programmes produced.
- The documentation of control findings.
- The first and second stage review of findings.
- The process for confirming control findings.
- The reporting process.

Timing M4-5 **Responsible** Methodology Division with input from Consultant(s)

Activity 2.1.2 Prepare detailed proposals for consideration by the Court of Accounts for the adoption of key changes in the way that external control work is planned conducted and recorded. Identify the extent to which this can be implemented with or without further training. These should include:

- A clear and transparent methodology for the selection of entities for external control that reflects amongst other things the financial value of resources utilised by each organisation and a high level assessment of risk
- A planning approach that requires staff to document all major planning decisions and results in an approved plan for each control activity.
- A standardised approach to the documentation of control findings.
- The use of statistical sampling techniques.
- Explicit provision for first and second stage review of control findings.
- Proposals for additional guidance and training where needed on the planning conduct and reporting of control activities.

Timing M5-6 **Responsible** Methodology Division with input from Consultant(s)

Activity 2.1.3 Consideration and adoption of proposals for enhancing the Court of Accounts external control methodology.

Timing M6 **Responsible** Court of Accounts

Activity 2.1.4 Develop additional guidance on the application of international standards to external control work.

Timing M7-9 **Responsible** Methodology Division to develop with input from Consultant(s)

Activity 2.1.5 Court of Accounts to approve new guidance

Timing M9 **Responsible** Court of Accounts

Activity 2.1.6 Develop and additional training required to implement new guidance. This should encompass:

- As a minimum, a one day training course for all controllers on the main areas where changes are required and an overview of the new guidance issued by the Court of Accounts.

- A further one day of training, if required, on planning and completing external control work with particular emphasis on planning and the assessment of risk, selection of items for testing, documentation of findings and reporting.

Timing M9-10 **Responsible** Consultant(s) Methodology Division in consultation with Methodology Division

Activity 2.1.7 Deliver training to staff.

Timing M11-12 **Responsible** Consultant(s) with input from Methodology Division

Activity 2.1.8 Provide advice to staff in applying new guidance to external control work.

Timing M13-18 as required **Responsible** Consultant(s) with input from Methodology Division and Strategic Planning Taskforce

Activity 2.1.9 Review the application of new approach in small sample of external control activities. This should cover all the main areas of the Court's work. Report results to Court of Accounts for action as appropriate.

Timing M19 **Responsible** Consultant(s) to review progress Court of Accounts to consider and modify guidance as appropriate

Objective 2.2 To develop and implement a new methodology for the external annual attestation audit of the accounts of the Government of Moldova.

Activity 2.2.1 Develop in outline, proposals for a new financial audit approach with an annual attestation process

Timing M7-10 **Responsible** Consultant(s) working with the Methodology Division

Activity 2.2.2 As part of the development process hold seminars/workshops on key areas of financial audit including:

- International standards on planning and documenting and reporting on audit work.
- The concepts of Risk and Materiality.
- The use of statistical sampling techniques.

Timing M7-10 or as required **Responsible** Consultant(s) in consultation with Methodology Division

Activity 2.2.3 Consideration and agreement of the outline of the new audit approach.

Timing M11 **Responsible** Court of Accounts

Activity 2.2.4 Prepare draft audit manual and detailed audit guidelines.

Timing M11-12 **Responsible** Consultant(s) working with the Methodology Division to consider use of Romanian audit manual as a basis for producing the first draft

Activity 2.2.5 Determine the pilot areas for implementation, the 3-4 pilots should be representative of the range of the audit work facing the Court of Accounts and cover the main Departments undertaking audit work.

Timing M11 **Responsible** Methodology Division with inputs from Consultant(s) to advise, Court of Accounts to make final decision.

Activity 2.2.6 Prepare training courses for staff involved in the pilot audits.

Timing M **Responsible** Consultant(s) working with the Methodology Division

Activity 2.2.7 Provide training to all staff that are to be involved in pilot work, including senior staff. The courses should include

- Five day course on financial audit, covering planning, audit testing. Documentation and reporting.
- (possibly) a two-day course of use of statistical sampling techniques in financial audit.

Timing M13 (N.b. courses should be timed as close as practicable to the planned date for carrying out the pilot audits. **Responsible** Consultant(s) to develop and present the training courses in close liaison with the Methodology Division

Activity 2.2.8 Carry out the pilot audits.

Timing M14-18 Responsible Court of Accounts staff with advice and support from the Methodology Division, Strategic Planning Taskforce and Consultant(s) as the pilot audits progress

Activity 2.2.9 Review and evaluate the success of the pilot audit work, and prepare a paper for the Court of Accounts on full roll-out of the new audit approach.

Timing M19 Responsible Consultant(s) to hold workshop(s) with all pilot audit participants and key stakeholders

Activity 2.2.10 Decision on the timing of the full roll out of the new audit approach.

Timing M19 Responsible Court of Accounts

Activity 2.2.11 Revise audit manual detailed guidelines for audit staff.

Timing M21 Responsible Methodology Division with input from Consultant(s)

Activity 2.2.12 Prepare plan for full roll out to all staff.

Timing M21 Responsible Methodology Division with input from Consultant(s)

Activity 2.2.13 Train all staff in financial audit in line with proposed roll out plan. N.b. this may be over a two year period because of the training and support needs.

Timing M21-24 Responsible Consultant(s) to work with Methodology Division to revise training courses with the intention that these are delivered initially by consultants but with a gradual increase in training of elements of the courses by the Court's own staff

Activity 2.2.14 Provide support and advice to Court of Accounts staff implementing the new approach.

Timing M22-30 Responsible Consultant(s) and the Methodology Division

Activity 2.2.15 Review implementation.

Timing M31 Responsible Methodology Division with advice from Consultant(s)

Activity 2.2.16 Review and revise guidance to reflect actual results of implementation.

Timing M33 Responsible Methodology Division with input from Consultant(s)

Activity 2.2.17 Provide additional training as necessary on areas where weaknesses have been identified in implementation. Five one-day refresher courses for all staff.

Timing M34-36 Responsible Methodology Division with input from Consultant(s)

Objective 2.3 To develop the capacity and methodology to undertake reviews of the economy, efficiency and effectiveness with which the executive implements Government policy

Activity 2.3.1 Carry out a review of previous performance audit work, consulting as necessary with staff and other key stakeholders.

Timing M1-2 Responsible Strategic Planning Taskforce with input from Consultant(s)

Activity 2.3.2 As part of the development process hold seminars/workshops on key areas of performance audit. These should include:

- Selection of subjects for performance audit.
- Planning performance audit work.
- Performance audit techniques.
- Presenting the findings of performance audit work.

Timing M3-5 or as required Responsible Consultant(s)

Activity 2.3.3 Develop in outline, proposals for introducing performance audit work in the Court of Accounts.

Timing M3-5 Responsible Consultant(s) working with the Methodology Division

Activity 2.3.4 Prepare detailed proposals for a series of 2-3 pilot performance audits over a two year period.

Timing M6 Responsible Strategic Planning Taskforce with advice from Consultant(s) to produce proposals and Court of Accounts to agree on areas to be examined

Activity 2.3.5 Consider and approve the pilot approach to performance audit work.

Timing M6 Responsible Court of Accounts

Activity 2.3.6 Develop guidance for the staff of the Court in how to carry out performance audit work drawing on existing best practice guides. These should include both high-level guidance on the overall approach and detailed guidance in key areas.

Timing M4-8 **Responsible** Methodology Division with input from Consultant(s)

Activity 2.3.7 Develop training course(s) for all staff who are to undertake performance audit pilots. These courses should be designed to be modular (covering for example planning performance audit work, tools and techniques, reporting results, etc) so that training in particular aspects of carrying out performance audits can be provided as close as possible to the time when this work is to be undertaken.

Timing M4-8 **Responsible** Consultant(s) working with the Court's Methodology Division as appropriate.

Activity 2.3.8 Provide training to staff that are involved in the pilot audits. Five days of modular training to 16-20 staff.

Timing M9-10 **Responsible** Consultant(s) with input from Methodology Division

Activity 2.3.9 Implement pilot performance audits

Timing M10-13 **Responsible** Court of Accounts staff with advice and guidance from Consultant(s) and Strategic Planning Taskforce as work progresses

Activity 2.3.10 Review the results of individual pilot audits as they are completed through workshops with staff and key stakeholders.

Timing M14-15 **Responsible** Methodology Division with input from Consultant(s)

Activity 2.3.11 Prepare a summary paper on the outcome of the pilot performance audits for circulation discussion with staff and stakeholders.

Timing M15 **Responsible** Consultant(s) working with the Methodology Division

Activity 2.3.12 Provide the Court of Accounts with options for the further roll out of performance audit work to the remainder of the organisation. This will need to include consideration of whether Performance audit work should be undertaken by a specialised team with the court or by all staff.

Timing M15 **Responsible** Methodology Division with advice from Consultant(s) to prepare proposals

Activity 2.3.13 Decision on the future approach and staffing of performance audits.

Timing M16 **Responsible** Court of Accounts

Activity 2.3.14 Revise performance audit guidance to reflect the outcome of the pilot audits.

Timing M17-18 **Responsible** Methodology Division with input from Consultant(s)

Activity 2.3.15 Provide training to staff in accordance with the decision by the Court on the future approach to performance audit. The development of modular training courses during the pilot phase should be continued to ensure that this covers additional performance audit techniques and methods as these are required by the Court.

Timing M19-21 **Responsible** Consultant(s) to provide initial training with an increasing involvement of the Methodology Division

Activity 2.3.16 Advise on implementation

Timing M21-25 **Responsible** Methodology Division with input from Strategic Planning Taskforce and Consultant(s)

Activity 2.3.17 Review first year of full implementation.

Timing M26 **Responsible** Methodology Division with input from Strategic Planning Taskforce and Consultant(s)

Activity 2.3.18 Revise guidance.

Timing M27 **Responsible** Methodology Division with input from Strategic Planning Taskforce and Consultant(s)

Objective 2.4 Objective 2.4 To develop the capacity to conduct an effective audit of IT based financial systems.

Activity 2.4.1 Review the current extent and use of IT to produce accounting and other data relevant to the external audit of the financial statements.

Timing M13-14 **Responsible** Consultant(s)

Activity 2.4.2 Review the progress made and future plans for the introduction of the new integrated financial management system (FMIS) and establish appropriate liaison arrangements with the FMIS project.

Timing M13 **Responsible** Consultant(s) and Court of Accounts

Activity 2.4.3 Identify the skills and expertise necessary to audit the current IT systems and the skills and expertise that will be required to audit the new IFMIS system.

Timing M14 **Responsible** Consultant(s)

Activity 2.4.4 Determine the extent to which the needs of the Court will be met as part of the FMIS project and what additional needs, if any, the Court of Accounts has.

Timing M14 **Responsible** Consultant(s) in consultation with the FMIS project

Activity 2.4.5 Prepare proposals for the Court of Accounts on how best to meet the current and future IT audit needs. This should include: the benefits and drawbacks of establishing a small central unit to carry out IT audit work; the need for all staff to receive general training in the audit of IT systems; the possibility of contracting out this work; proposals on the level and staffing of a central unit or contracting out the work; proposals on general IT awareness training for all staff.

Timing M15 **Responsible** Consultant(s)

Activity 2.4.6 Decision by the Court of Accounts on the future approach to the audit of IT systems.

Timing M16 **Responsible** Court of Accounts

The following activities will depend on the decision of the Court of Accounts and have assumed that the Court will want to establish internal IT audit capacity.

Activity 2.4.7 Establish a small central unit to conduct IT audit work.

Timing M19 **Responsible** Court of Accounts

Activity 2.4.8 Provide on the job training to staff of new IT Audit Section through a series of pilot audits of IT systems.

Timing M19-24 **Responsible** Consultant(s) and IT Audit Section

Activity 2.4.9 Identify longer term training needs of central IT Audit Section and look to fill these through short term secondments to a developed SAI.

Timing M24 **Responsible** IT Audit Section with advice from Consultant(s)

Activity 2.4.10 Develop a longer-term plan for the audit of IT systems and provide advice and assistance in the implementation of the plan.

Timing M25, 26-36 as required **Responsible** IT Audit Section with input from Consultant(s)

Objective 2.5 To develop and implement procedures for the formal and periodic assessment of the quality of work undertaken by the Court of Accounts

Activity 2.5.1 Provide a series of awareness workshops and seminars on key aspects of quality control and different options available for evaluating the quality of both financial and performance audit.

Timing M3-5 and as required **Responsible** Consultant(s)

Activity 2.5.2 Develop proposals for the introduction of quality control procedures covering both financial and performance audit work, The quality control arrangements should encompass:

- The in-line quality control checks expected of the first and second stage reviewers.
- The periodic assessment of a selection of completed audits
- The use of feedback from audited entities and the final recipients of audit reports.

Timing M3-5 **Responsible** Methodology Division with input from Consultant(s)

Activity 2.5.3 Decision by the Court of Accounts on the quality control arrangements to be adopted for its work.

Timing M5 **Responsible** Court of Accounts

Activity 2.5.4 Development of instructions and guidelines on quality control.

Timing M6 **Responsible** Methodology Division with input from Consultant(s)

Activity 2.5.5 Implementation of first year of quality control reviews.

Timing M7- **Responsible** Consultant(s) to oversee the first year process with input from the Strategic Planning Taskforce and Methodology Division

Activity 2.5.6 Review the outcome of the first year implementation of the quality control arrangements and prepare a paper for the Court of Accounts on actions required to address issued identified including any modifications needed to the Quality control arrangements.

Timing M9 **Responsible** Methodology Division with input from Consultant(s) to prepare paper, Court of Accounts to consider action required

Activity 2.5.7 Revision of quality control procedures and guidelines and implementation of second year exercise.

Timing M18-19 **Responsible** Consultant(s) would be involved in the design of the second year quality control process and would oversee the work. Majority of work in the second year would be undertaken by Strategic Planning Taskforce and Methodology Division

Activity 2.5.8 Review of the outcome of the second year exercise and revision of guidance as appropriate.

Timing M21 **Responsible** Methodology Division would take the lead in preparing this paper with advice as appropriate from Consultant(s)

Activity 2.5.9 Development of proposals for the third year quality control exercise and implementation of third year exercise.

Timing M30-33 **Responsible** Methodology Division with Consultant(s)'s advice as appropriate

Goal 3. Developing people. The development of human resource management policies and practices that facilitate the recruitment, retention and motivation of staff.

Objective 3.1 To develop and implement a human resource management strategy that covers all aspects of the recruitment, retention and motivation of staff

Activity 3.1.1 Carry out a range of workshops and focus groups to identify the key features of current HR practices at the Court of Accounts; best practice in audit institutions; and areas for future development.

Timing M2-3 **Responsible** Consultant(s) in co-operation with HR managers

Activity 3.1.2 Prepare proposals for the Court on the options available for HR development and an outline HR strategy. These should cover the full range of HR activities and a recommended framework, included staffing needs for the HR function, within which further action can be taken.

Timing M4 **Responsible** HR Division with input from Consultant(s)

Activity 3.1.3 Decision on the way forward on HR issues. The timing of future activities will need to take into account resources actually available to implement them.

Timing M5 **Responsible** Court of Accounts

Activity 3.1.4 Development of HR strategy.

Timing M6-9 **Responsible** HR Division with input from Consultant(s)

The further consideration of the Court's HR needs by HR professionals with a background in HR work at Supreme Audit Institutions may lead to revision of the objectives and activities listed below.

Objective 3.2 To develop and implement an objective system to assess, and keep under review, (a) the staffing needs of the Court of Accounts in terms of both the number and the skills of staff required to undertake the agreed programme of controls/audits and (b) the skills actually available.

The estimates of staff time required to undertake external control work will be determined under objective 1.6. Under this objective the Court will need to consider additionally the skills required (a) to carry out existing external control work and (b) to carry out external financial audit and performance audits.

Activity 3.2.1 Develop a simple database on the knowledge, skills, education, training, previous control assignments, and other qualifications of all staff employed by the Court of Accounts.

Timing M9-12 **Responsible** Consultant(s) to advise on data needs. HR Division to populate the database with input from Strategic Planning Taskforce

Activity 3.2.2 Review the skills required for planned work (Activity 1.6.1) against the skills available and prepare options for the Court of Accounts on how to address any mismatch between the two. These proposals should include comments on the benefits of establishing areas of specialist knowledge where these would be advantageous.

Timing M12 (and then annually in June/July thereafter). **Responsible** Strategic Planning Taskforce with Consultant(s)'s input to carry out the initial exercise and then provide support to HR staff in subsequent years

Activity 3.2.3 Consideration and decisions by the Court of Accounts on how to address skills mismatches identified.

Timing M13 and then annually **Responsible** Court of Accounts

Objective 3.3 To consider the costs and benefits of using private sector auditors and experts in the audit of economic enterprises and other areas of the work of the Court of Accounts requiring a high level of accounting, auditing or other specialist skills

Activity 3.3.1 Review the technical difficulty of auditing the accounts of a selection of economic enterprises and other organizations where the audits require specialist inputs. Assess the skills required for undertaking this work. Present proposals to the *Court of Accounts* for auditing these organizations in the short, medium and longer term. Consider as part of this review the costs and benefits of using private sector auditors and experts to carry out this work in the short to medium term and the training needs of the staff of the Court to be able to audit these accounts in the longer term.

Timing M9-11 **Responsible:** Consultant(s)

Activity 3.3.2 Consideration and decision by the *Court of Accounts* on the audit of more complex accounts and entities.

Timing M12 **Responsible:** Court of Accounts

Activity 3.3.3 Where the Court of Accounts decides to subcontract work to private sector accountants or other experts, carry out a sample review of the effectiveness and quality of the work carried out. Advise the Court of Accounts on the actions to be taken in the light of the review. Consider and integrate longer-term training and staffing needs for the audit of more complex accounts as part of the work to be undertaken under Goals 1 and 3.

Timing M19-21 **Responsible:** Consultant(s) to review the quality of the work carried out in cooperation with the Methodology Division and the Court of Accounts to reflect this is decisions on further use of private sector audit firms and expertise.

Objective 3.4 To develop, publicise and implement a set of competencies required of both the professional (control/audit) and administrative support staff of the Court. Set in train a system for the regular review of the competencies required.

Activity 3.4.1 Identification of key competencies for each level in the organisation.

Timing M9-10 **Responsible** HR Division with input from Consultant(s) to identify core competencies at each level through focus group sessions with staff and managers

Activity 3.4.2 Agreement of a competency framework for the organisation as a whole.

Timing M11 **Responsible** Court of Accounts

Objective 3.5 To develop a competencies based approach to recruitment, evaluating staff performance, and career development.

Activity 3.5.1 Review the current approach to recruitment, evaluating staff performance and career development and assess its effectiveness in providing the Court with the skilled staff it requires. Consider in particular:

- How the recruitment process impacts on the age profile of staff.
- The extent to which there are effective processes for the induction of all new staff.
- The feedback provided to staff on their performance
- The extent to which career progression is actively managed.
- How talented people in the organisation are able to reach their potential.

Timing M13-18 **Responsible** HR Division with input from Consultant(s)

Activity 3.5.2 Prepare proposals for the Court of Accounts to consider regarding the adoption of a competencies based approach, through a series of workshops on best practice in this field and a paper on options available to the Court of Accounts.

Timing M18 **Responsible** HR Division with advice from Consultant(s)

Activity 3.5.3 Decision on action to be taken in relation to recruitment, evaluating staff performance and career development.

Timing M19 **Responsible** Court of Accounts

Activity 3.5.4 Implement changes to recruitment procedures.

Timing M21-22 **Responsible** HR Division to implement with Consultant(s)'s advice on new procedures

Activity 3.5.5 Implement changes to staff assessment procedures.

Timing M23-24 **Responsible** HR Division to implement with Consultant(s)'s advice on new procedures

Activity 3.5.6 Implement changes to career development.

Timing M25-26 **Responsible** HR Division to implement with Consultant(s)'s advice on new procedures

Objective 3.6 To develop and implement a training plan for the organisation based on a rigorous assessment of training needs, which provides all staff with the skills they need to undertake effective control/audit work.

Activity 3.6.1 Conduct seminars workshops to raise awareness of training needs.

Timing M3-6 and as required **Responsible** Consultant(s) in consultation with Methodology Division.

Activity 3.6.2 Carry out a training needs assessment. This activity will draw on the outputs of a number of other activities and the aim will be to identify (a) training needs of staff to meet existing responsibilities; and (b) training required to meet additional demands of changes in the audit approach.

Timing M4-6 This may need to be conducted in two stages to cater for the pace of other developments. **Responsible** Consultant(s) to advice on methodology and Methodology Division and Strategic Division and Strategic Planning Taskforce to compile appropriate data on needs

Activity 3.6.3 Develop a training plan for meeting the training needs identified. The plan should distinguish ongoing training needs from the initial training required for all staff when undertaking new work for the first time e.g. following the move to external audit.

Timing M7-9 **Responsible** Methodology Division with input from Consultant(s)

Activity 3.6.4 Approval of the training plan.

Timing M9 **Responsible** Court of Accounts

Objective 3.7 To develop sufficient in house training capacity to provide refresher training to existing staff and basic training to new staff in the conduct of audit work.

Activity 3.7.1 Review the training capacity available from within the Court of Accounts including the extent to which this could be supplemented externally. Consider:

- Training available to Court of Accounts staff under the FMIS project.
- Training available from within the EUROSAI Training Committee.
- Training available from other SAIs bilaterally,
- Training to be provided through technical assistance under other objectives of the strategic plan.

Timing M4-6 **Responsible** Strategic Planning Taskforce with input from Consultant(s)

Activity 3.7.2 Identify the optimum capacity required within the Court and prepare a options paper for consideration by the Court of Accounts.

Timing M6 **Responsible** Methodology Division with advice from Consultant(s)

Activity 3.7.3 Decision by the Court of Accounts on training capacity required and actions needed to develop this.

Timing M9 **Responsible** Court of Accounts

Activity 3.7.4 Identification of suitable training opportunities and funding for training the Court's identified trainers.

Timing M10-24 as opportunities are available **Responsible** Methodology Division with advice from Consultant(s) to identify opportunities Court of Accounts to make staff available for training

Objective 3.8 To develop and implement an effective policy for internal communications.

Activity 3.8.1 Review through a series of focus groups and workshops the way that the Court communicates with its staff and how this compares with best practice.

Timing M9 **Responsible** Strategic Planning Taskforce with input from Consultant(s)

Activity 3.8.2 Hold awareness workshop(s) on the importance of effective communication.

Timing M10 **Responsible** Consultant(s)

Activity 3.8.3 Identify changes that could be made to current practice. Consider in particular

- Access to auditing standards, guidelines and methodologies.
- How information is made available to staff on the decisions of the Court.
- Formal and informal communication practices. (e.g. Management meetings, cascading information, email).
- The utility of information held on the organisations intranet.
- Prepare proposals for the Court of Accounts on future communication policy.
- The scope for developing an in house magazine.

Activity 3.8.4 **Timing** M9-10 **Responsible** Strategic Planning Taskforce with input from Consultant(s) Decision on future communication policy

Timing M10 **Responsible** Court of Accounts

Activity 3.8.5 Develop and pilot a regular newsletter for staff

Timing M12 **Responsible** Strategic Planning Taskforce to develop pilot newsletter and Court of Accounts to consider further issues.

Activity 3.8.6 Review the scope for developing/enhancing the intranet web-site for staff use.

Timing M15-18 **Responsible** Strategic Planning Taskforce with advice from Consultant(s) to consider as part of IT developments.

Goal 4. Securing greater impact from our work. Working with others to ensure that the outputs of the Court of Accounts achieve real and lasting impact on public financial management.

Objective 4.1 To develop and implement a communication policy that promotes the work of the Court of Accounts and fosters effective working relationships with key stakeholders

Activity 4.1.1 Review existing external communications practices.

Timing M2-3 **Responsible** Strategic Planning Taskforce with input from Consultant(s)

Activity 4.1.2 Carry out awareness seminars.

Timing M3-4 as required **Responsible** Consultant(s)

Activity 4.1.3 Develop an external communication strategy for the Court of Accounts by conducting workshops and seminars with staff and external stakeholders on ways to enhance current practices. Consider in particular

- The creation of one or more fora for the Court of Accounts to meet with its main external stakeholders and other control/audit agencies.
- The Court of Accounts interaction with the media and in particular the style and content of its press releases,
- The standard of presentation of external documents, including the annual report,
- The content and regular updating of the Court of Accounts web site.

Timing M2-4 **Responsible** Strategic Planning Taskforce with input from Consultant(s)

Activity 4.1.4 Court of Accounts to consider proposals and adopt an external communications policy.

Timing M6 **Responsible** Court of Accounts

Activity 4.1.5 Institute or formalise a series of meetings with key external stakeholders to progress matters of mutual interest. These should include a regular meeting with senior representatives of audited entities, meetings of external and internal control bodies, coordination meetings with the FMIS project management, and meetings with the Parliamentary Budget Committee.

Timing M6 **Responsible** Court of Accounts to establish and run meetings and Consultant(s) to advise on the scope and content of meetings

Activity 4.1.6 Develop a “house style” in MS Word for all documents produced by the Court of Accounts. Use the official logo of the Court of Accounts on all published material.

Timing M6 **Responsible** Strategic Planning Taskforce with advice from Consultant(s) to prepare proposals Court of Accounts to adopt agreed style.

Activity 4.1.7 Develop a process for regularly publishing information on all the Court’s activities on the official web-site and monitoring external access levels.

Timing M9-12 **Responsible** Strategic Planning Taskforce with advice from Consultant(s) to advise on content Court of Accounts to develop processes for updating web-site

Objective 4.2 To review the format, content and impact of the annual report to Parliament on the management of public finances and the outcome of control activities and implementation proposals for increasing its effectiveness.

Activity 4.2.1 Review the content and presentation of the annual report on the implementation of the budget and make recommendations for enhancing the presentation of findings in time for these to be reflected in the final report.

Timing M1 **Responsible** Members of the Court of Accounts with input from Consultant(s)

Activity 4.2.2 Review the impact of changes to the presentation of the annual report with key external stakeholders and make proposals for enhancing the content of the report on the implementation of the 2006 Budget.

Timing M2-3 **Responsible** Members of the Court of Accounts with input from Consultant(s)

Activity 4.2.3 Provide ongoing input to the annual reports for each year.

Timing M13-18, 25-30 **Responsible** Members of the Court of Accounts with input from Consultant(s)

Objective 4.3 To establish robust relationships with academic institutions actively engaged in public sector policies.

Activity 4.3.1 Review the extent to which the Court of Accounts would benefit from establishing closer links with key academic institutions in Moldova. Consider in particular whether the Court of Accounts could work with certain institutions in the conduct of performance audits and the extent to which material of the effectiveness of government policies is available to staff conducting performance audit work.

Timing M10 **Responsible** Methodology Division

Activity 4.3.2 Prepare proposals for establishing closer links with academic institutions.

Timing M10 **Responsible** Methodology Division

Activity 4.3.3 Establish links with key academic institutions that may be able to assist the Court of Accounts in its work.

Timing M13-36 as required **Responsible** Court of Accounts

Objective 4.4 To establish robust multilateral and bilateral links with the INTOSAI and EUROSAI audit community and with the current and future members of the European Union.

Activity 4.4.1 Attend the triennial congresses of EUROSAI and INTOSAI contributing country papers for key congress themes. Actively consider the benefits of, and funding for, regular attendance at events organised by the EUROSAI training committee.

Timing As required **Responsible** Court of Accounts

Activity 4.4.2 Consider whether the Court of Accounts should become members of the working groups established by INTOSAI, in particular the working group on privatisation and on environmental audit.

Timing M1 **Responsible** International Relations Section to prepare proposals for Court of Accounts

Activity 4.4.3 Seek membership of the working group established by the European Court of Accounts for countries seeking accession to the European Union and secure funding for attending the annual meetings thereof.

Timing M1 **Responsible** Court of Accounts

Activity 4.4.4 Maintain a programme of regular bilateral contacts and exchanges with the audit institutions of EUROSAI and in particular with members and candidates for accession to the European Union. Enter into Memoranda of Understanding as appropriate.

Timing Ongoing **Responsible** International Relations Section to prepare proposals for the Court of Accounts

Activity 4.4.5 Secure funding for attendance at key international training courses provided by other audit institutions (E.g. the international training course run by the UK national Audit Office and the GAO Fellowship programme).

Timing As required **Responsible** Strategic Planning Taskforce to consider funding options for the Court of Accounts

Activity 4.4.6 Keep under review the benefits of and scope for funding of short-term 3 month placements of key staff in developed audit institutions.

Timing As required **Responsible** Strategic Planning Task Force to advice Court of Accounts

ANNEX 3 PROJECTED COSTS

	Unit cost	Unit	Units	Cost	Total cost
Long Term Advisers	\$20,000	Month	72		\$1,440,000
Short Term Advisers	\$7,325	Week	106.4		\$779,380
Assistant	\$1,000	Month	36	\$36,000	
Task Force Members	\$1,000	Month	108	\$108,000	\$144,000
Interpretation	\$65	Day	450	\$29,250	
Translation	\$6	Pagini	15000	\$90,000	\$119,250
Room Rental Seminars	\$350	Day	20	\$7,000	
Room Rental Training	\$1,750	Week	30	\$52,500	
Launch event	\$1,000	Day	1	\$1,000	\$60,500
Overseas Training	\$2,500	Week	15		\$37,500
Office Support equipt etc.		Bulk est		\$25,000	
Transport		Bulk est		\$30,000	\$55,000
IT Development		Bulk est			\$350,000
					2,985,630

ANNEX 4 COURT OF ACCOUNTS STAFFING

Staffing – 150 people

Controllers – 109 people

Management	2 people
CA member	5 people
Advisor of the CA President	2 people
Head of department	5 people
Head of division	7 people
Head of section	7 people
Head of service	1 person
State superior controller	62 people
State controller	16 people
Superior counselor	2 people

Accountant-economist	95 people
Jurist	13 people
Language specialist, French	1 person

under the age of 30	9 people
under the age of 40	12 people
under the age of 50	38 people
under the age of 60	49 people
Over 60 years	1 person

ANNEX 7 LIST OF ABBREVIATIONS

ATU	Administrative Territorial Unit
CCRM	The Court of Accounts of the Republic of Moldova
DFID	United Kingdom Department for International Development
EUROSAI	The European Organisation of Supreme Audit Institutions
EU	European Union
FMIS	Financial Management Information System
HR	Human Resources
HRM	Human Resource Management
INTOSAI	The International Organisation of Supreme Audit Institutions
IT	Information Technology
PMFP	Public Financial Management Programme
SAI	Supreme Audit Institution
SPT	Strategic Planning Team of the CCRM
UKNAO	United Kingdom National Audit Office
IFMIS	Integrated Financial Management Information System
NAO	National Audit Office
M	Month