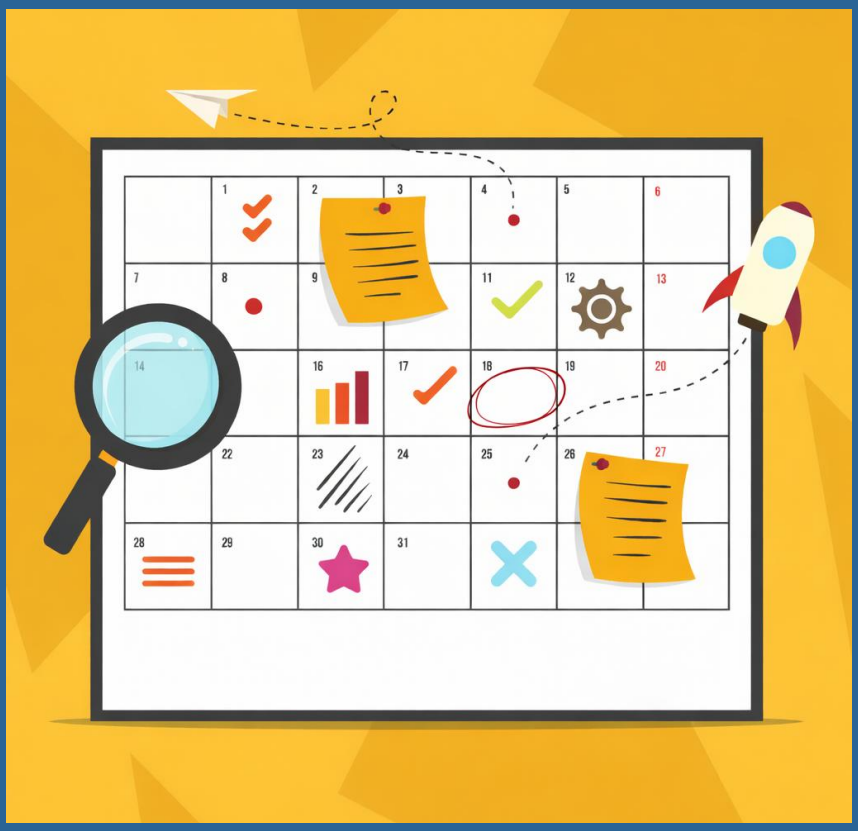
BOSNIA AND HERZEGOVINA



STRATEGIC DEVELOPMENT PLAN

OF THE AUDIT OFFICE OF THE INSTITUTIONS OF BOSNIA AND HERZEGOVINA 2026-2030

UREDZA REVIZIJU INSTITUCIJA BIH
КАНЦЕЛАРИЈА ЗА РЕВИЗИЈУ ИНСТИТУЦИЈА БИХ
AUDIT OFFICE OF THE INSTITUTIONS OF BOSNIA AND HERZEGOVINA

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Strategic Development Plan of the Audit Office of the Institutions of Bosnia and Herzegovina for the period 2026–2030

Sarajevo, December 2025

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INTRODUCTION

Through its mandate and its work based on ethics, professionalism and responsible conduct, the Audit Office of the Institutions of Bosnia and Herzegovina (hereinafter: the Office) plays a significant role in improving public finances and thus contributes to improving citizens' lives by providing independent, comprehensive and publicly available reports on the results of its audits. This approach is also one of the requirements defined in INTOSAI-P 12, a key document establishing the principles governing the work of the International Organization of Supreme Audit Institutions (INTOSAI) as a community, as well as individual supreme audit institutions (SAIs). The Office must therefore continuously build and maintain public trust by creating added value and visible benefits, encouraging necessary changes and achieving measurable results. In doing so, it contributes to more efficient operations of the institutions of Bosnia and Herzegovina, reducing unnecessary public expenditure and strengthening public accountability and control mechanisms within the institutions.

The Office bases its work, among other things, on the provisions of the INTOSAI Framework of Professional Pronouncements (IFPP), which encompasses the principles, standards and guidance that supreme audit institutions (SAIs) should apply in their day-to-day activities. As the IFPP is a dynamic framework that continuously evolves to ensure that SAIs keep pace with changes in society and public administration, the Office must reflect these changes in its own development. This is particularly important in today's environment, characterised by rapid and often profound changes. All these changes strongly influence the way the public sector operates and, consequently, the work of supreme audit institutions, whose key role is to support efforts towards accountable, economical, effective and transparent management of public resources.

Through its mandate, namely audits of financial statements, performance audits and special audits, the Office plays a key role in ensuring transparent, effective and accountable management of the public finances of the institutions of Bosnia and Herzegovina. Alongside its regular audits, the Office is called upon to continuously improve its capacities, working methods and institutional position, in line with international standards and contemporary challenges in public administration. This Strategic Plan for 2026–2030 provides a roadmap for the Office's further development, in the light of its achievements to date, new needs for digitalisation and greater efficiency, and the requirements for strengthening audit impact.

The Strategic Development Plan of the Audit Office of the Institutions of BiH is the key document defining the long-term development directions, priorities and mechanisms for strengthening the Office's institutional and professional capacities. The document is based on the applicable Law on the Audit of the Institutions of BiH, assessments of the Office's work and activities conducted by SIGMA (the 2020 peer review and the 2024 public administration review) and the World Bank (PEFA), and BiH's strategic commitment to making progress in the European integration process, particularly under Chapter 32 (Financial Control). In this context, it also draws on the findings and recommendations of the European Commission's reports on BiH's progress in the European integration process in the area of external audit.

The international organisations INTOSAI and EUROSAI (European Organisation of Supreme Audit Institutions) set their members the challenging task of responding to global changes in their operating environment. This Strategic Development Plan therefore draws on the current strategic plans of INTOSAI and EUROSAI. Its preparation also took account of guidance in

official INTOSAI documents, such as the INTOSAI Development Initiative (IDI) SAI Strategic Management Handbook and the SAI Playbook on Planning for Audit Impact.

The Plan is designed to build on previous strategic frameworks, particularly the Strategic Development Plan of the Audit Office of the Institutions of Bosnia and Herzegovina for 2021–2025, retaining the basic principles while introducing new priorities and implementation mechanisms adapted to current circumstances.

1. MISSION, VISION AND VALUES OF THE AUDIT OFFICE



OUR VISION

A modern and innovative Office, enhanced through digitalisation, with advanced audit methodologies, high institutional credibility and a significant impact on improving public financial management in the institutions of BiH.



OUR MISSION

The Audit Office of the Institutions of BiH acts as an independent, professional and accountable institution that, through financial audits, performance audits and special audits, ensures transparency, legality and efficiency in public management, protecting the public interest and contributing to citizens' trust in state institutions.



THE VALUES THAT GUIDE US

Independence	This entails achieving institutional, organisational and functional independence in carrying out the entrusted mandate, as well as full financial autonomy, by ensuring sufficient financial resources to enable the Office to fulfil its remit in full.
Integrity	The Office's integrity is the integrity of each of its employees. In the way it is managed and the way its employees perform the tasks of the audit profession, the Office leads by example, adhering to the highest standards of professional conduct and acting solely in the public interest.
Objectivity	The Office carries out the work entrusted to it impartially and without bias, basing its audit conclusions on sufficient, relevant and reliable evidence.
Transparency	The Office communicates the findings established through its audits in clear, comprehensive and publicly available reports, while respecting confidentiality rules and data protection requirements.
Professional competence	In accordance with international auditing standards, we acquire, develop and maintain the highest possible level of professional knowledge and skills in public sector auditing and public financial management required to perform the duties entrusted to the Office professionally.

2. LEGAL FRAMEWORK AND INSTITUTIONAL CAPACITY

2.1. Legal framework

The Office is a supreme audit institution in Bosnia and Herzegovina and began operating in 2000.



The Office's mandate is defined by the Law on the Audit of the Institutions of BiH, generally accepted auditing standards and the IFPP. The Office regularly monitors changes to the IFPP in financial, compliance and performance auditing and applies the relevant published parts of this framework. Audit manuals providing auditors with guidance on applying ISSAI and ISA standards at all key stages of an audit are used in conducting audits and quality control. The Office has developed its own audit methodology, comprising written audit procedures and processes designed to ensure a consistent approach to conducting audits.

The Office is a member of the International Organization of Supreme Audit Institutions (INTOSAI) and the European Organisation of Supreme Audit Institutions (EUROSAI).

2.2. Institutional capacity

The Office's internal organisation is laid down in the Rulebook on Internal Organisation and Job Classification. The work falling within the Office's remit is carried out by the following organisational units: the Department for Professional and Operational Support to the Auditor General and Deputy Auditors General and Support to the Audit Process; the Department for Strategic Planning, Monitoring and Standards; the Financial Audit Departments; the Performance Audit Department; the Department for Financial Audit Development, Methodology and Quality Control; the Department for Performance Audit Quality Control, Methodology and Planning; the Department for Legal, Financial and General Affairs and Audit Process Support; and the Department for Information Technology and Information Systems Audit.



The Office is responsible for financial and compliance audits, performance audits and other specific audits. Its remit covers all public institutions of BiH, including the Parliamentary Assembly of BiH, the Presidency of BiH, the Council of Ministers of BiH and budget institutions; extra-budgetary funds provided for by law; funds provided as loans or grants for BiH by international bodies and organisations to an institution or project in BiH; and funds provided from the budget to any other institution, organisation or body.

The Office's remit also covers companies in which the state holds an ownership interest of 50% plus one share or more. Auditing also encompasses all financial, administrative and other

activities, programmes and projects managed by one or more institutions and bodies of BiH, including the processing of, and revenue from, asset sales, privatisations and concessions.

An important function performed by the Office in relation to cooperation among public sector auditors within BiH is its role in the Coordination Board of Supreme Audit Institutions in BiH (hereinafter: the Coordination Board), comprising the Auditors General and Deputy Auditors General of the public sector audit institutions in BiH.

The Coordination Board's most significant role is to ensure a consistent approach to public sector auditing throughout BiH. Its most important functions are therefore to establish consistent manuals and guidance based on INTOSAI auditing standards; exchange professional experience and strive for consistent audit quality; organise and coordinate development activities across all three audit offices; allocate audit responsibilities for joint activities; and determine representation in international bodies.

3. SITUATION ANALYSIS

3.1. The Office's situation and challenges

Public sector auditing is an essential oversight mechanism intended to identify, in a timely manner, irregularities and departures from established rules, as well as breaches of the principles of legality, economy, effectiveness and efficiency in public financial management. This enables appropriate measures to be taken in specific situations, those responsible to be held accountable, damage to be remedied, and action to be taken to prevent, or at least reduce the likelihood of, similar shortcomings recurring.

The Audit Office of the Institutions of BiH operates in accordance with the Law on the Audit of the Institutions of BiH (Official Gazette of BiH, No. 12/06). Its mandate encompasses financial audits (including compliance audits), performance audits and special audits. According to SIGMA reports, certain institutions at BiH level are not covered by the Office's audits because their auditing is also governed by specific laws, including the audit of the Central Bank of BiH and the audit of revenue collected by the Indirect Taxation Authority.

Another longstanding issue that the Office continues to face concerns securing permanent premises. Since its establishment, the Office has operated in rented business premises under lease agreements. In 2019, the Council of Ministers of BiH adopted a decision approving the purchase of a building for the Office's permanent accommodation, after which public calls were issued on two occasions. However, neither procedure resulted in an acceptable bid. Resolving this issue will therefore remain among the key strategic commitments, as doing so would significantly strengthen the Office's operational and technical capabilities.

SIGMA's 2024 Public Administration Assessment Report states that improvements have been made in recent years in strategic planning and communication systems, that audit institutions in BiH conduct their mandatory audits in accordance with the International Standards of Supreme Audit Institutions (ISSAIs), and that they conduct performance audits, although their number is limited by a lack of resources. The report also states that processes for reporting and following up the implementation of recommendations are in place, although the implementation rate remains low. The Office has established cooperation with civil society organisations, previously through annual consultation meetings and currently through public calls for proposals of potential performance audit topics within the Office's remit. However, parliamentary committees do not consistently use the reports of state audit institutions to scrutinise the executive, and follow-up mechanisms are limited.

The Auditor General and Deputy Auditors General are appointed by the Parliamentary Assembly following a public call, for a non-renewable seven-year term. The Law on the Audit of the Institutions of BiH provides for the Office's financial, functional and operational independence, but this is not guaranteed by the Constitution of BiH. SIGMA made the same observation in its 2020 peer review report, which recommended that any review of Bosnia and Herzegovina's constitutional arrangements should include public sector external audit. Such a review should address not only the establishment of audit offices but also substantive issues such as the function and tasks of external audit and the basic conditions for appointment and management in audit offices, with their independence protected by the supreme court.

The Office is legally required to conduct its activities in accordance with INTOSAI's IFPP, including the ISSAIs. Manuals and methodologies are updated in line with changes to this

framework. The Office is nearing completion of the update to its financial audit methodology in accordance with the revised ISSAIs under the IFPP. In 2024, with IDI/INTOSAI support, the Audit Office of the Institutions of BiH adopted its Policy on the System of Audit Quality Management, and activities to improve the quality management system in the context of the newly adopted ISSAI 140 are under way.

The Audit Office of the Institutions of BiH is currently implementing a project to introduce an IT system for managing the audit process, financed through the IPA II programme. The system will automate a substantial part of the Office's audit processes. The latest European Commission report on BiH's progress therefore notes that some progress has been made in establishing a modular and adaptable Audit Management System (AMS) for all four supreme audit institutions in BiH, with the aim of streamlining audit processes, improving monitoring and enhancing compliance with international standards, thereby increasing the quality of audit work.

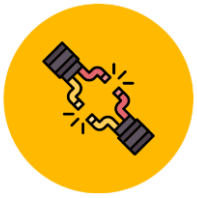
Under the Law on the Audit of the Institutions of BiH, the Office must audit all budget users at BiH level every year (74 institutions, plus an audit of budget execution), requiring the commitment of the Office's resources regardless of any risk assessment results. In 2024, the Office conducted 75 mandatory financial audits, four performance audits and two follow-up reviews of performance audit recommendations. Reports are published on the Office's website immediately after their submission. Engagement quality reviews for 2025 were planned in accordance with the new ISSAI 140 and the adopted policy, while monitoring activities on completed 2024 audit engagements were carried out in early 2025 in accordance with ISSAI 140 and the adopted policy.

Implementation of the Office's previous Strategic Development Plan for 2021–2025 delivered a number of important results:

- improved planning and reporting systems;
- audit methodologies updated in accordance with the ISSAIs;
- a Quality Management Policy established in accordance with ISSAI 140;
- implementation of the Audit Management System (AMS) launched;
- public calls for performance audit proposals introduced;
- improved cooperation with civil society;
- greater transparency in the publication of reports.

The Office's Strategic Development Plan for 2026–2030 will seek to maintain the results achieved and address future development challenges.

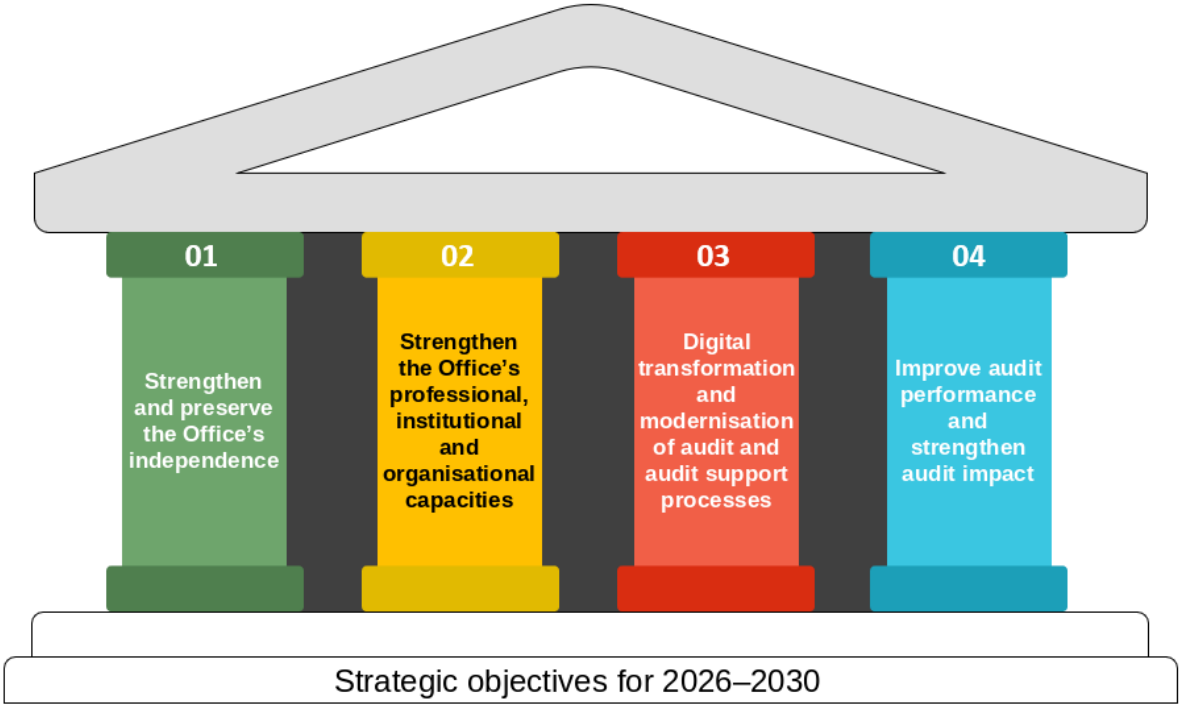
3.2. SWOT analysis

STRENGTHS		WEAKNESSES	
Clear legislative framework – The Law on the Audit of the Institutions of BiH provides the legal basis for operations, powers and institutional independence.		Limited implementation of recommendations – On average, 30–50% of audit recommendations are implemented, reducing the actual effect of audit.	
Institutional stability and continuity – More than 25 years of operation, with established internal procedures, planning and audit methodologies.		Lack of constitutional protection of independence – The Office has no constitutional status, weakening the formal guarantees of independence.	
Compliance with international standards (ISSAIs) – Methodologies are largely aligned with the ISSAIs.		Weak institutional response to audit findings – Insufficient implementation of recommendations and their recurrence in subsequent cycles.	
Transparency and public availability – Audit reports are regularly published and publicly available.		Limited human and IT capacities – Insufficient digitalisation of audit processes and insufficient capacity in specialised audit areas.	
Qualified and experienced staff – Professional auditors with many years of experience in external public sector auditing.			

OPPORTUNITIES		THREATS	
European integration process – Alignment with the EU acquis, particularly Chapter 32 (Financial Control), creates opportunities to strengthen institutional capacities and independence.		Lack of political will to implement recommendations – Institutions often show little willingness to remedy identified irregularities.	
Digital transformation of audit – Introducing data analytics, e-auditing and digital tools to increase audit efficiency and quality.		Financial constraints and risks to independence – The possibility of audited institutions influencing the Office's budget.	
Regional and international cooperation – Active membership of INTOSAI, EUROSAI and networks of SAIs from EU candidate countries.		BiH's complex institutional framework – This complicates coordination, harmonisation and full audit coverage.	
Stronger cooperation with parliament and civil society – Greater visibility of audit findings strengthens institutional accountability.		Risk of losing qualified staff – Constraints on pay policy compared with the entity-level audit institutions.	
Artificial intelligence (AI) as a tool in management and auditing.		Limited audit impact on public policy – Insufficient use of audit findings in budget planning and reforms.	

4. STRATEGIC OBJECTIVES 2026–2030

Based on an analysis of the Office's current situation, needs and capacities, four main strategic objectives have been identified for 2026–2030:



As these objectives involve action in several areas and across several functional responsibilities, the main strategic objectives have been broken down into strategic sub-objectives. The sub-objectives will be implemented through a series of activities to be specified in a comprehensive action plan forming an integral part of the Strategic Development Plan.

4.1. Strengthen and preserve the Office's independence



Strategic objective 1	Strategic sub-objectives
Strengthen and preserve the Office's independence	**1.1. Strengthen institutional protection of independence by advocating constitutional or statutory protection, and ensure budget stability and the Office's financial autonomy**
	1.2. Preserve objectivity and professional integrity in the Office's work, preventing undue influence

Background:

1.1. One of the Office's most important unresolved issues remains the fact that it has no constitutional status. Although the current legislative framework provides an adequate degree of independence and a clearly defined mandate, powers and audit scope, the absence of a constitutional basis is, in principle, a potential risk to the Office's independence, as it is not sufficiently protected. At the same time, this situation may adversely affect the position and importance of external public sector auditing in Bosnia and Herzegovina. Such an example is rare both in the countries of the region and among members of the INTOSAI community, as the fundamental principles governing supreme audit institutions, contained in the IFPP (the Lima Declaration – INTOSAI-P 1 and the Mexico Declaration – INTOSAI-P 10), clearly advocate a constitutional basis for SAIs. Although the Office submitted an initiative to the Parliamentary Assembly of BiH several years ago, and there was willingness in principle to consider this issue in the context of constitutional reforms, no concrete progress has been made to date. The Office must therefore continue to press for its inclusion in the Constitution of Bosnia and Herzegovina in accordance with the Lima and Mexico Declarations, bearing in mind that this would also provide additional legal protection mechanisms for the Office. It is also necessary to draw attention to, and seek exemptions from, all acts of the institutions of BiH that affect the Office's financial, functional or any other form of independence.

1.2. Preserving objectivity and professional integrity is crucial to the credibility and effectiveness of external public sector auditing. INTOSAI's international principles, particularly the Lima and Mexico Declarations, clearly require supreme audit institutions to be protected from political and other undue influence that may undermine the independence of audit judgement and reporting. SIGMA assessments of Bosnia and Herzegovina consistently emphasise that, although the legislative framework largely recognises the independence of supreme audit institutions, practical mechanisms for protecting integrity need to be strengthened further, particularly in managing ethics and conflicts of interest and ensuring institutional resilience to informal pressure. SIGMA highlights the importance of a strong institutional culture, clear internal procedures and an active management role in promoting professional values. In this context, it stresses the need for consistent application of ethical standards, transparent operations and continuous strengthening of auditors' capacity to resist undue influence when planning, conducting and reporting on audits. In view of the above, the Office should continue to strengthen its internal mechanisms for integrity, quality management and professional ethics, to ensure lasting objectivity in its work and preserve public trust in the role of external audit in Bosnia and Herzegovina.

4.2. Strengthen the Office's institutional, professional and organisational capacities



Strategic objective 2	Strategic sub-objectives
Strengthen the Office's institutional, professional and organisational capacities	**2.1. Adopt and implement new audit methodologies in line with changes to the IFPP**
	2.2. Maintain and improve the system of audit quality management (ISSAI 140).
	2.3. Actively participate in activities to secure suitable and permanent premises for the Office

Background:

2.1. The INTOSAI Framework of Professional Pronouncements (IFPP) provides the basis for developing and applying modern, high-quality and internationally comparable audit practices by supreme audit institutions. Continuous changes and improvements to the IFPP, including updates to the ISSAIs, guidance and principles, require timely adaptation of national audit methodologies and practices to ensure their alignment with international requirements and good practices.

The Audit Office of the Institutions of Bosnia and Herzegovina continuously monitors changes to the IFPP and recognises the need for a systematic approach to adopting and implementing new audit methodologies. Adopting new or revised standards and guidance involves not only formally adapting methodological documentation, but also applying them consistently in day-to-day audit work, supported by appropriate auditor training and adjustments to internal procedures.

During the strategic period 2026–2030, activities under this sub-objective will focus on analysing relevant changes to the IFPP, systematically integrating them into existing financial, performance and compliance audit methodologies, and developing or improving supporting methodological guidance and tools.

Implementing new methodologies will require a coordinated and phased approach, including building staff capacity, adapting digital tools and the AMS, and monitoring the practical application and effects of the new methodologies. In this way, the Office will ensure that its audit practice remains aligned with international standards, relevant to the national context and capable of responding to new challenges in the management of public funds.

2.2. The Audit Office of the Institutions of Bosnia and Herzegovina has established and applies a system of audit quality management in accordance with International Standard of Supreme Audit Institutions ISSAI 140 – Quality Management for SAIs. This system provides the institutional framework for ensuring consistent application of auditing standards, professional judgement and ethical principles at every stage of the audit process, with the aim of strengthening the confidence of legislative and other users in the results of the Office's work.

In this context, the Office has adopted a Quality Management Policy defining the fundamental principles, objectives and responsibilities in audit quality management. The Quality Management Policy is the core document of the quality system and expresses the commitment of the Office's management to continuously improving audit quality, upholding professional standards and consistently applying the applicable methodological and procedural arrangements.

Implementing the Quality Management Policy requires its consistent application in day-to-day work through clearly defined roles and responsibilities for management and staff, integration of quality principles into internal acts, methodological guidance and audit procedures, and adequate internal communication and staff training. Particular importance attaches to raising staff awareness of the significance of the quality system and their individual responsibility for audit quality.

Further maintaining and improving the quality management system involves continuously monitoring its effectiveness, regularly reviewing and updating the Quality Management Policy, and adapting the system to changes in the ISSAIs, audit practice and the Office's organisational structure. Improvements should focus on strengthening internal quality control mechanisms, improving documentation and records, and systematically using the findings of internal and external quality assessments to continuously improve audit processes.

In this way, the quality management system, based on the adopted Quality Management Policy and ISSAI 140, is a key instrument for ensuring that audit tasks are performed consistently, transparently and professionally, and for strengthening the Office's institutional credibility and independence.

2.3. The Office still lacks permanent and suitable premises. Its business premises are used under lease agreements with third parties. Following many years of efforts and requests to the competent institutions, funding for a multi-year capital investment to purchase a building for the Office's permanent accommodation was approved in 2019. On this basis, public calls were previously issued on two occasions, neither of which resulted in acceptable bids. Unfortunately, no progress was made in implementing this strategic sub-objective during the previous strategic plan, despite the Office's continuous and proactive efforts to help resolve the problem. Suitable and permanent premises are an important prerequisite for the Office's stable and efficient operation, appropriate working conditions for staff, and the protection and safekeeping of audit documentation. Long-term reliance on unsuitable or temporary premises may therefore constrain work organisation and planning for further institutional development.

Within its remit, the Office will actively participate in initiatives and activities aimed at securing a permanent and functional solution for its premises, in cooperation with the competent institutions. These activities should be aligned with the Office's long-term development needs, including opportunities to expand capacity and improve working conditions. Active participation in the process conducted by the competent institutions to secure suitable and permanent office premises will therefore remain a strategic priority.

4.3. Digital transformation and modernisation of audit and audit support processes



Strategic objective 3	Strategic sub-objectives
Digital transformation and modernisation of audit and audit support activities	**3.1. Establish a fully functional Audit Management System (AMS) and integrate all stages of the audit process into a digital environment**
	3.2. Digitalise the Office's internal audit support processes
	3.3. Introduce AI tools into management, audit and operational processes to improve efficiency

Background:

3.1. Improving audit practice and increasing the efficiency of audit work require a modern and integrated Audit Management System (AMS) that provides digital support for all stages of the audit process, from planning and risk assessment through audit execution to reporting and following up the implementation of recommendations. Such a system is a key tool for standardising audit procedures, strengthening internal quality control and improving the transparency and traceability of audit activities.

The Audit Office of the Institutions of Bosnia and Herzegovina, in cooperation with the other supreme audit institutions in BiH and through the Coordination Board, has begun developing an Audit Management System with support from an EU IPA II-funded project. Development of the AMS is a significant step forward in the digital transformation of audit processes and a response to longstanding challenges associated with partial automation, fragmented electronic tools and limited scope for systematic management of audit data.

During the strategic period 2026–2030, the focus will be on completing development, testing and phased implementation of the AMS in day-to-day audit practice, ensuring that it is fully functional and adapted to the Office's audit methodologies. Particular attention will be paid to integrating the AMS with the new financial audit manual, performance audit methodologies and the Quality Management Policy, in accordance with the requirements of the ISSAIs, particularly ISSAI 140.

Implementing the AMS will require a planned approach, including adjustments to internal procedures, staff capacity building, adequate technical support and continuous monitoring of system operation. Establishing a fully functional AMS will create the conditions for improving auditors' efficiency, reducing the administrative burden, strengthening analytical capabilities and improving the quality of the Office's audit work in the long term.

3.2. In addition to high-quality audit practice, the Office's efficient operation requires modern, transparent and streamlined internal support processes. The current level of digitalisation of administrative and audit support processes, including document management, personnel records, financial and administrative activities, and internal approval and reporting procedures, relies partly on paper-based and semi-digital processes. This may result in inefficiencies, an increased administrative burden and a risk of errors.

Digitalising internal audit support processes is an important step towards improving organisational efficiency, transparency and accountability, and freeing up additional time and resources for core audit activities. Introducing electronic document management, automating administrative workflows and improving internal information systems will contribute to better process control, data security and easier access to relevant information.

During the strategic period 2026–2030, the Office will gradually introduce digital solutions for internal administrative processes, ensuring compliance with applicable regulations on data protection, information security and document archiving. These activities will be aligned with the development of the AMS and other IT solutions to create a unified and interoperable digital environment within the Office.

3.3. The rapid development of artificial intelligence (AI) technologies offers new opportunities to improve audit practice and audit support processes. AI tools can make a significant contribution to more efficient processing of large volumes of data, identifying patterns and risks, improving analytical procedures, and automating certain administrative and technical tasks within the audit process.

The Office recognises the potential of AI tools to support auditors' professional judgement, rather than replace audit responsibility and independence. Introducing AI solutions requires careful planning, risk assessment, algorithmic transparency and adherence to ethical principles, quality standards and applicable regulatory frameworks. Particular attention must be paid to protecting personal and confidential data, information security and the reliability of results generated by AI tools.

During the strategic period 2026–2030, the Office will gradually consider and introduce AI tools into management, audit and operational processes, in line with available capacities and international good practices of supreme audit institutions. These activities will be aligned with AMS development, the digitalisation of internal processes and the quality management system, with particular emphasis on building staff capacity and ensuring responsible and controlled use of AI technologies.

4.4. Improve audit performance and strengthen the impact of audit on society



Strategic objective 3	Strategic sub-objectives
Improve audit performance and strengthen the impact of audit on society	**1.1. Increase the transparency of audit results, including digital platforms and visualisations aimed at improving understanding of audit reports**
	1.2. Further strengthen the system for following up the implementation of recommendations
	1.3. Improve cooperation with institutional and non-institutional external stakeholders
	1.4. Further improve communication with the Parliamentary Assembly of BiH and relevant committees to strengthen audit performance.

Background:

4.1. Transparency is one of the fundamental principles governing the work of the Audit Office of the Institutions of Bosnia and Herzegovina and a key prerequisite for strengthening public trust in audit results. Publishing audit reports and other relevant information gives legislative bodies, executive institutions, the media and the wider public insight into the management of public funds and resources. However, the complexity of audit findings and the technical nature of audit reports may prevent the wider public from fully understanding them.

To make audit results more accessible and easier to understand, approaches enabling clearer, more readily understandable and better-tailored presentation of key findings and recommendations must be developed further. This includes improving digital platforms and using visualisations, summaries and other communication tools that help users better understand audit reports while maintaining their professional and methodological consistency.

During the strategic period 2026–2030, the Office will continue to develop and improve the presentation of audit results, drawing on modern digital solutions and international good practices of supreme audit institutions. These activities will be aligned with the Office's principles of transparency, accountability and independence, with particular focus on strengthening communication with users of audit reports.

4.2. The effectiveness of audit work is measured not only by the quality of reports produced but also by the extent to which audited institutions implement the recommendations issued. Systematic follow-up of recommendation implementation is a key mechanism for assessing the actual impact of audit on improving the management of public funds, strengthening accountability and improving institutional performance. However, the extent of implementation depends not only on the Office's activities but also on other stakeholders. The Office must continuously improve the activities through which it can contribute to better implementation of recommendations.

The Office has established a system for following up the implementation of recommendations, enabling it to monitor the extent and pace of implementation. Further development of this system, however, requires improvements to the methodological

approach, consistent application of criteria for assessing implementation, and stronger analytical and reporting capacities. Improving information exchange with audited institutions and users of audit reports presents a particular challenge.

During 2026–2030, the Office's activities will focus on further strengthening the system for following up the implementation of recommendations, including integration into the Audit Management System (AMS), improving reporting on the extent of implementation and increasing the transparency of this process. This approach seeks to increase the visibility of audit results and their actual contribution to improving public administration. It is also necessary to highlight improvements introduced to date that are directly or indirectly attributable to audit work, to demonstrate the importance of audit in society.

4.3. Cooperation with institutional and non-institutional external stakeholders is an important aspect of the Office's activities and contributes to strengthening the transparency, relevance and impact of audit work. These stakeholders include legislative bodies, the executive, judicial institutions, academia, civil society, the media and other interested parties that play a role in using and promoting audit results.

Although cooperation with key institutional stakeholders has been established, there is scope for further improvement and for more systematic involvement of non-institutional stakeholders in activities aimed at understanding and following up audit findings and recommendations. Improved cooperation should be based on clear principles, while preserving the Office's independence and respecting the statutory powers of all parties involved.

During 2026–2030, the Office will seek to further develop forms of cooperation and communication with external stakeholders through structured dialogue, information exchange and activities to raise awareness of the role and importance of public sector auditing. These activities will contribute to a better understanding of audit reports, stronger accountability of audited institutions and greater overall audit impact on improving the management of public resources.

4.4. The effectiveness of public sector auditing depends to a large extent on high-quality and continuous cooperation with the Parliamentary Assembly of BiH and the relevant parliamentary committees, which play a key role in considering audit reports and following up the implementation of audit recommendations. Strengthening this cooperation ensures that the Office's findings and recommendations are considered promptly, properly understood and used in parliamentary scrutiny of the institutions of BiH.

Improved communication and coordination with the Parliamentary Assembly and the relevant committees contribute to greater visibility of audit findings, strengthen the accountability of audited institutions and encourage systematic follow-up of audit recommendations. This increases audit impact on improving the management of public funds, strengthening institutional transparency and accountability, and improving the public administration system overall.

Cooperation should be improved through institutionalised arrangements, regular information exchange, participation of the Office's representatives in committee meetings, and professional support to further clarify audit findings and consider subsequent steps. The aim is to ensure effective use of audit results in legislative and oversight processes. This approach contributes to strengthening public trust in the work of audit and the

Parliamentary Assembly and ensures that audit has a measurable and sustainable effect on society.

5. MONITORING IMPLEMENTATION OF THE STRATEGIC PLAN



Control and oversight of the implementation of activities set out in the Strategic Plan provide continuous insight into the extent of implementation of planned activities, enable corrective measures to be defined and applied, allow timely review of established indicators and expected results, and support appropriate management decisions.

Results achieved will be monitored, analysed and presented through the preparation of a comprehensive action plan and annual operational implementation matrices, ensuring effective monitoring, initiation and implementation of the activities envisaged in this Strategic Plan. Where analysis of these matrices identifies significant deviations from planned objectives or obstacles to implementation, amendments to the Strategic Plan and the corresponding annual programmes will be proposed and submitted for re-adoption.

The strategic objectives implementation matrix forms an integral annex to the Strategic Plan and sets out precisely defined activities required to achieve each strategic objective, those responsible, implementation deadlines and estimated budgetary implications. Implementation of the activities listed in the matrix will be subject to continuous and systematic monitoring.

Implementation of the Strategic Plan will also be monitored through regular management meetings, both at senior management level (the Auditor General and Deputy Auditors General) and at an expanded level including management and heads of organisational units. Implementation of the Strategic Plan will be subject to continuous coordination and control. Each year, the Office will evaluate the activities and measures implemented under the Strategy, propose annual implementation action plans and, at the end of each calendar year, prepare a document evaluating implementation of the strategic and action plans.

Sarajevo, 29 December 2025

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Auditor General

Hrvoje Tvrtković, signed