

AUDIT OFFICE OF THE INSTITUTIONS OF BOSNIA AND HERZEGOVINA

AUDIT OFFICE OF THE INSTITUTIONS IN THE FEDERATION OF BOSNIA AND HERZEGOVINA

THE MAIN OFFICE FOR THE REPUBLIKA SRPSKA  
PUBLIC SECTOR AUDITING

AUDIT OFFICE OF THE PUBLIC SECTOR AND THE INSTITUTIONS IN BRCKO DISTRICT OF BOSNIA AND  
HERZEGOVINA

## **STRATEGIC DEVELOPMENT FRAMEWORK**

**2013 - 2020**

**Sarajevo**

## **COORDINATION BOARD OF SUPREME AUDIT INSTITUTIONS**

Pursuant to Article 46, Par. (4) of the Audit Law of the Institutions of Bosnia and Herzegovina (BiH Official Gazette', No. 12/06), the Coordination Board, at its 71st meeting, adopted the following

### **DECISION**

#### **I**

The Strategic Development Framework 2013-2020 is hereby adopted.

#### **II**

This Decision shall enter into force on the day of its adoption.

No: 06-50-1-3-2/14

**Chairman of the Coordination Board**

Milenko Šego

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## **Introduction**

The Strategic Development Framework, as a document adopted by the Coordination Board, is the document of the Audit Office of the Institutions of Bosnia And Herzegovina, the Audit Office of the Institutions in the Federation of Bosnia And Herzegovina, the Main Office for the Republika Srpska Public Sector Auditing and the Audit Office of the Public Sector and the Institutions in Brcko District of Bosnia and Herzegovina, aimed at directing the development of supreme audit institutions (SAIs) in Bosnia and Herzegovina in line with the accepted ISSAI framework and best EU practices.

Values, unified approaches and priorities in the process shall create best prerequisites for facing challenges and assuring added value to public governance and the citizens of Bosnia and Herzegovina.

The Strategic Development Framework covers the period 2013-2020, taking into account development needs of all SAIs in Bosnia and Herzegovina in accordance with existing legislation.

Strategic directions contained in the Strategic Development Framework are based on assigned mandates and legislation, need assessments of individual SAIs in BiH, recommendations given in 2012 SIGMA Peer Review Report, as well as international professional requirements arising from principles defined in declarations and conclusions adopted by the Congress of International Organization of Supreme Audit Institutions (INCOSAI).

## 1. Vision, Mission and Values

The **vision** of the future development of SAIs in BiH is founded on the consistent performance of audits in accordance with ISSAI auditing framework. It is focused on creating an added value in the public sector in BiH, by encouraging efficient and effective use of public resources, and continuous improvement of the system of transparent financial management and increased public accountability in public funds management.

The SAIs in BiH strive to become recognizable as leading public sector audit institutions within the neighboring and regional countries, as well as supreme audit authorities and promoters of recognized auditing practices.

The **mission** of SAIs in BiH is to perform audits (financial audits, performance audits and compliance audits) and through timely and accurate audit reports, permanently report to the legislative and executive bodies, other relevant authorities and the public in general on how the public funds are being managed, and whether the public funds are managed in a regular, economic, efficient and effective manner.

The **values** that underlie and guide our work are:

- Professionalism – professional conduct (expertise, attitude), respect, exercise of professional judgement, objectivity, continuous professional development, exchange of information;
- Transparency – all the work of SAIs is made public and available to all relevant stakeholders;
- Honesty and self-sustainability – ethics-based, no one may bribe, corrupt or threaten our staff;
- Integrity and independence – willing to commit to the fundamental ideas of supreme audit institutions, and to be true to their professional findings and results;
- Results orientation and effectiveness – always focus on the results, value for money, and demonstration of long term persistence.

## **2. Strategic Development Directions**

Strategic Development Directions 2013-2020 are as follows:

- **Strengthening public trust**
- **Institutional development**
- **Professional development of staff**
- **Professional cooperation**
- **International role**
- **Ensuring audit impact**

### **3. Description of Strategic Development Directions**

#### **Strengthening public trust**

- Intensify activities for better positioning of SAIs in BiH within the public, particularly in terms of their roles, mandates and activities;
- Promote economy, efficiency, effectiveness and ethics of public governance by means of financial, compliance, performance and special audits;
- Demonstrate achievement of the highest standards in SAIs' work and performance in order to maintain their own credibility.

#### **Institutional development**

- Strengthen independence of public sector audit in line with the principles of Lima and Mexico declarations and provisions of the Resolution UN A/66/209;
- Build and strengthen institutional capacities with establishment of functional and flexible internal units in all SAIs in BiH;
- Adopt the concept of total quality management, implement the quality assurance function, as well as quality control in new audit processes.

#### **Professional development of staff**

- Continued approach to the audit professional training system (internal and external);
- Cooperation reflected through team work, openness and respect, the typical values the SAIs adhere to;
- Auditor certification.

## **Professional cooperation**

- Exchange of professional experiences and tendency to ensure consistent audit quality;
- Update of existing and adoption of new documents;
- Harmonize audit methodology and work in line with recognized ISSAI framework and international standards;
- Improve and develop cooperation to contribute to the quality of single auditor, audit team and SAIs;
- Cooperation with Central Harmonization Units and internal audit;
- Improve cooperation with the academic community and professional auditing associations (for external and internal audit) in BiH.

## **International role**

- Visibility and representation in international professional bodies and organizations in line with applicable legislation;
- participation in symposia and congresses of international significance to promote the achievements and practices of SAIs in BiH;
- participation in seminars, study tours and other forms of accessing international practices and exchange of experiences.



## **Ensuring audit impact**

- Strengthen independence of SAs in BiH in line with ISSAIs;
- Improve and develop new modalities of cooperation with the Parliaments in order to promote the role and importance of public sector audit in society;
- Communication with the media.

#### **4. Further steps**

In order to maintain the status of SAIs that have been successfully and efficiently operating, each SAI in BiH, depending on their own need assessments and with their own supporting documentation, shall define its own further steps. When drafting their own documents, the SAIs shall take the following into account:

- The role and mandate the SAIs in BiH have in the society;
- Coordination with other institutions, the media and the public;
- Promoting high standards, transparency, accountability and integrity in financial management and performance in public sector;
- Discharge of audit mandate in a balanced, stable and long-term manner in order for the relevant stakeholders to recognize SAIs as independent, objective and reliable source of information;
- Implementation of ISSAI framework;
- Promoting mechanism to address inappropriate behavior in managing the public funds, fraud and corruption, in accordance with ISSAIs;
- Timely delivering of audit services/high quality reports providing added value to the stakeholders;
- Foster activities to establish and implement developed written procedures necessary for the stakeholders (auditees, governments and parliaments) to act upon audit findings and recommendations;
- Application of a modern approach to total quality management in order to ensure audit quality and an organization that is open for positive changes – continuously striving for the improvement and efficient use of resources.

The vision, mission and values should guide each of the SAIs towards achievement of the above goals and development directions. In addition, these principles should be respected and upheld before the relevant stakeholders at all times.

## **5. Monitoring and evaluation**

Through the implementation of annual programmes and plans and through established mechanisms, each SAI in BiH shall monitor the results and the progress for the period set in their own development strategies. To finalize the implementation of set objectives, they shall establish appropriate monitoring tools including collection of data on overall progress in implementing development goals of each SAI in BiH.

Such a process should be established in a way to be formalized as a consistent multiannual process.

All monitoring and evaluation activities, including mid-term evaluations, final evaluations and evaluation of achieved results, shall involve coordination and cooperation between all SAIs in BiH.

## **6. Final remarks**

Strategic development framework 2013-2020 shall serve as a kind of basis for recognizing development needs.

Information on progress in specific areas shall be exchanged in a way to use the experiences of individual SAIs in BiH for elaboration of their own development strategies in which their development needs will be explained in more detail.

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