

Logframe 1 – Project proposal:		Program Title and Number	Pages 9,10 (10)
Technical Assistance in Internal Auditing Implementation at the National Fund (NF)		Framework Contract approval date: April 2001	Project Completion Date: November 2001
		Total budget: 160 000,00 EUR	Phare budget share: 120 000.00 EUR
Wider objective	Indicators of Achievement	Sources of Information	
The implementation of internal auditing within the NF (in correlation with the internal auditing function required for the Sapard implementation agency and the future network of implementation agencies throughout the CR)	JMC ² approval that requirements have been met NAO ² approval that requirements have been met	Regular EC assessment reports Regular CR government assessment reports	
Project Objectives	Indicators of Achievement	Sources of Information	Assumptions

<p>Provide assistance in building and implementing an internal auditing system within the NF in the areas of management and control of public finances within the framework of state administrative reforms and self administration building (co-ordination and expertise in integrating the financial mechanisms of national development programmes and EU pre-accession and structural assistance programmes for CC)</p> <p>Provide assistance in building a network of implementation agencies for the Phare, Ispa and Sapard pre-accession programmes (the integration and simplification of standardised procedures utilising the experience of other countries)</p> <p>Assess the absorption capacity of the CR concerning NF activities and identify the factors necessary to increase absorption capacity in the CR in relation to the activities of the Management and Monitoring Committee (MMC) ² with the objective of facilitating the successful preparation of the Community Support Framework (CSF) Contract</p> <p>Propose the procedures for assessing absorption capacity at the national, regional and municipal levels and identify the basic indicators assessing growth</p>	<p>An increase in direct international co-operation between the NF and the NF s in partner CC s</p> <p>A stronger role of the NF within the structure of the MF (increase the level of co-operation with the Sapard implementation agency and other organizations aspiring to become an accredited implementation agency for the Phare and Ispa programs)</p> <p>The transfer of internal auditing experience in an international context as well as implementing internal auditing in the CR and its relevance in carrying out external auditing in the CR (Supreme Auditing Offices, (NKU)</p> <p>The establishment of internal auditing co-operation between the NF and the newly implemented EC system of assessment in CC's (Assessment Cells for the Phare, Ispa and Sapard programs)</p> <p>The establishment of internal auditing co-operation between the NF, MF and other bodies of state administration and self administration (related to the implementation of a State treasury (ST) system, monitoring and assessment systems and for the building of a system of internal control and internal auditing)</p>	<p>The conclusions of JMC² (MSC and JCC)² meetings and the assessment of the NF at the MF (NAO² and the relevant departments within the NF)</p> <p>The conclusions of seminars focusing on the activities and effectiveness of the NF as well as building and identifying the activities of implementation agencies in CC's (management, control and assessment)</p> <p>The conclusions of Management and Monitoring Committee (MMC) meetings (the positions of other ministries and regional bodies on the activities of the NF)</p> <p>Phare, Ispa and Sapard program assessment reports concerning the activities of the NF</p> <p>The higher level of expertise achieved by the professional public and university graduates (ie. the creation of a web site promoting the increase of public financing in the CR)</p>	<p>The joint efforts of MF departments to increase the effectiveness of finances received from public budgets (ex-ante control of budgetary expenditures and payments)</p> <p>The effectiveness of the new Phare, Ispa and Sapard pre-accession program assessment system -Assessment Cells (AC)</p> <p>The unified approach and effort of all participating ministries to increase the absorption capacity of the CR (related to the activities of the MMC)</p> <p>The assessment of experience gained from the accreditation of the first implementation agency in the CR (Sapard payment agency)</p> <p>Co-operation with EU member countries and other CC's in building an internal auditing system and the transfer of gained know-how by holding joint meetings (seminars and conferences)</p>
<p>Complete pilot absorption capacity assessments of Final Beneficiaries (FB) financed from centrally administered sources of public funds (the state budget and other public domestic and foreign sources) including their capability of utilising IFI and private sector sources of funding.</p> <p>Assess the capability of universities and consulting companies in completing the tasks related to increasing the effectiveness of public financing and promote their involvement in the ESC programme</p>	<p>The inclusion of absorption capacity growth criteria in basic and implementation documents</p> <p>The expressed interest of universities and consulting companies in co-operating in the building of an internal auditing system for the ESC programme within the bodies of state administration and self administration</p>	<p>The reaction of the media (the general public's increased interest in the administration of public financing in the CR, in other CC's and EU member countries)</p> <p>Twinning and EC technical assistance quarterly and final reports for the CR</p>	<p>An adequate amount of quality project proposals for all available EU pre-accession assistance programs</p> <p>Co-operation with the National Training Fund (NTF) in organizing the participation of universities in the ESC program (prioritize the need to introduce or increase the quality of course material for students preparing for ESC - related professions)</p>
<p>Results</p>	<p>Indicators of Achievement</p>	<p>Sources of Information</p>	<p>Assumptions</p>

<p>The implementation of internal auditing within the NF, personnel trained and prepared to effectively carry out internal auditing within the NF and future implementation agencies (Sapard Implementation agency pilot application)</p> <p>The introduction of procedures, which direct the activities and measure the effectiveness of internal auditing within the NF and define its relationship to external auditing (EC Assessment Cells, Supreme Audit Office/NKU etc.)</p> <p>Co-operation amongst the CC's and EU member countries in implementing internal auditing projects</p> <p>An analysis of methods of increasing absorption capacity in EU member countries and in CC's; defining absorption capacity in correlation with NF activities, determining indicators and pilot assessment of current absorption capacity in accordance with the NF's activities and what is required in building a State treasury (ST) system at the MF (the NF as a subsystem of the ST)</p> <p>The conclusions of three workshops attended by the representatives of CC National Funds (max 5)</p> <p>The preparation of university and training course text book material in agreement with universities willing to cooperate</p>	<p>Prepared overviews, discussed at seminars and regular MMC meetings approved by the MF (NAO)²</p> <p>Prepared recommendations for absorption capacity assessments including indicators and pilot applications (absorption capacity assessments completed by a contractor)</p> <p>The number and scope of recommendations and proposals made by the contractor and accepted by the director of the NF</p> <p>The assessments of the three seminars (by the director of the NF and directors of the implementation agencies)</p> <p>The permanent inclusion of the internal auditing function in the organizational structure of the NF</p> <p>The assessment of work carried out on the building of an internal auditing system by foreign experts</p> <p>The background material prepared at the request of the NF director</p> <p>The approval of the summarized SWOT analysis assessing the impact of internal auditing implementation during the preparation, realization and control of public investments made under the direction of the MF in the CR</p>	<p>The records established and regularly kept by the director of the NF concerning all NF matters and discussions (the records will be kept by authorized NF personnel, who will be responsible for completing an internal audit once the project is completed)</p> <p>The records of consultations with the management of accredited and soon to be accredited implementation agencies</p> <p>The records and list of participation of three seminars and key work meetings held (organized) and attended by the director of the NF</p> <p>The assessments of foreign experts requested by the DEC and/or the EC (only in conflicting cases identified beforehand by a third party)</p> <p>The records of meetings held by the council of university and faculty rectors concerning the participation of universities in the ESC program</p> <p>Project progress reports (inception report, one interim report and the final report)</p>	<p>Co-operation between the director and his team with the contractor and co-operation between NF departments and the other departments of the MF</p> <p>Co-operation and interaction of the internal auditing function at the NF with the relevant departments and ministries in the CR (in correlation with regular MMC meetings)</p> <p>The utilization of current and future EU programs (twinning programs MF, Ministry of Interior Affairs, Ministry of labour and Social Affairs, Ministry for Regional development and other relevant programs) to strengthen the activities of the NF</p> <p>Co-operation with EU member and Candidate Countries</p> <p>The interest of universities and consulting companies in the subject of implementing internal auditing at the state administrative and self administrative levels (public finances and development projects)</p>
<p>Activities</p>	<p>Resources</p>		<p>Assumptions</p>

<p>Analyse approaches to absorption capacity assessment for Final Beneficiaries (FB) in selected EU member and Candidate Countries (in relation to Logframe 3)</p> <p>Prepare a procedure manual for implementing and measuring the effectiveness of internal auditing at the NF (in relation to the internal auditing function for the Sapard Implementation agency)</p> <p>Provide technical assistance in realising the basic steps in building a network of implementation agencies in the CR</p> <p>Establish absorption capacity indicators and their verification during the pilot project</p> <p>Prepare and methodically manage three workshops including an assessment of their contribution</p> <p>Train NF personnel and implementation agency network staff (accredited and soon to be accredited)</p> <p>Provide expert assistance in completing tasks in the field of public relations and co-operation with universities in the field of public finance (attending work meetings, seminars, conferences and preparing reviews and analysis as required by the NF, in relation to Logframe 3)</p>	<p>Framework contract (LOT 10 – Economic development) with an approximate budget of 160 000 EUR with a 75% Phare and 25 % MF ratio of financing (40 000 EUR has been allocated from the NPAA program budget for the MF)</p> <p>Required personnel for the project: 4 consultants</p> <p>Operating costs: expenditures for 3 seminars held at the MF (not including facility rental costs), traveling expenses, translations, preparing and publishing printed material and interpreting</p> <p>Contract period: 8 calendar months</p> <p>Consultant qualifications: previous experience in managing, controlling and auditing public finances at the central and regional levels (including experience with the ST system of the country in which the consultant is qualified to practice); previous experience in preparing and realizing EU pre-accession assistance programs, knowledge of state development programs, forming financial frameworks and program planning and their assessment</p>		<p>Co-operation with the bodies of state administration and self administration and their institutions in building a network of implementation agencies</p> <p>The MF (NF) should ensure the participation of its personnel (including the required personnel of any other state administrative or self administrative body) at meetings and consultations held outside of the CR</p> <p>The MF (NF) should provide the necessary facilities for seminars, work meetings and an office with the necessary office equipment and basic administrative services (telephone, e-mail etc.)</p> <p>The willingness of universities to create and jointly administer an internet web site promoting absorption capacity growth and increasing the effectiveness of public financing</p>
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