



Annual Work Plan (2019)
Project: Enhancement of Municipal Audit

Country: Serbia

UNDAF Outcome(s): By 2020, governance institutions at all levels have enhanced accountability and representation to provide better quality services to people and the economy

Expected Output(s):
 (Those that will result from the project and extracted from the CPAP) Management of public funds is improved at all levels

Implementing Partner: State Audit Institution

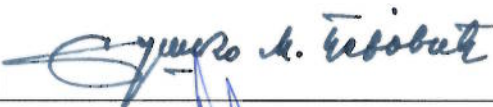
Other Partners (i.e. Responsible Parties): Ministry of Finance, UNDP CO Serbia

The overall objective of the project is to establish a network between the Central Harmonization Unit and cities representing the seat of regional centers in order to enhance the system of Financial Management and Control across local self-government units and ensure that the internal audit function in local government is in place, fully functional and supported and demanded by the municipal leadership. It further seeks to develop the interface between internal and external municipal audit in municipalities, for the purpose of increasing the audit effectiveness, given more responsibility for the financial audit towards internal auditors and increasing the external auditors focus on performance audit. The project will enable more frequent and higher quality municipal audits by SAI within the budget cycle and to establish good practice in sub national PFM reform enforcement. Finally, good public finance management practices will be recorded by civil society and media and promoted widely.

Throughout the year the project component shall support the State Audit Institution (SAI) in development of relations between external and internal audit in order to promote internal audit and internal financial controls at the local level. One of the major activities in 2019 shall be communicating State Audit findings and most common irregularities in Public spending to municipal officials, promotion of Internal Audit and trainings for State Auditors.

Programme Period:	2015-2019
Programme Component:	State Audit Institution
Project Title:	Enhancement of Municipal Audit for Accountability and Efficiency in Public Finance Management
Award/Output Number:	00087601/00094544
Duration:	2015-2019

Estimated Annualized Budget:	\$ 196,710.93
Annual allocated resources:	
• SDC	\$ 196,710.93

Agreed by SAI 

Agreed by UNDP 

<p>a risk-based approach and respective prioritization of the selection of LSGs for external audit, based on good practice analysis and an expert workshop (participative, including the SCTM);</p> <p>Baseline:</p> <ol style="list-style-type: none"> 1. Analysis conducted and a debate with key stakeholders held on criteria for definition of audit frequency and scope and to advise SAI further action <p>Indicator:</p> <p>SAI Department for audit of LSGs use new criteria for definition and scope of audit (yes/no)</p> <p>Targets:</p> <p>Yes</p> <p>Output: 1.3</p> <p>LSGs, SCTM and the parliamentary committee on finance are regularly informed by the SAI on recurring external audit findings and on how</p>	<p>Activity 1.3</p> <p>At least 1 meeting during 2019 with local self-governments and parliamentary committee organized with an aim to sensitize stakeholders on common and recurring audit findings.</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>UNDP</p>	<p>SDC</p>	<p>71600 Travel 75700 Training, Workshops and Conferences</p>	<p>1,000 2,000</p>
<p>Activity 1.4</p> <p>Support to Working group consisted of State Audit Institution and Ministry of Finance representatives (Central Harmonization Unit-CHU)</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>UNDP</p>	<p>SDC</p>	<p>75700 Training, Workshops and Conferences</p>	<p>2,000</p>

<p>SAI and Central Harmonisation Unit (CHU) introduce international audit standards (such as defined by INTOSAI and the Institute for Internal Audit (IIA) jointly, in order that external audits can build on internal audits and external audits can (increasingly) focus on LSGs' performance; The interface between internal and external audit is developed for the purpose of audit effectiveness.</p> <p>Indicators:</p> <ol style="list-style-type: none"> Working group consisting of SAI and MoF/CHU representatives introduced international audit standards for both internal and external audit (yes/no); All internal municipal auditors received up-to-date and tailor-made information on how to achieve international audit standards by 2019 (yes/no) Number of meetings in order to discuss issues related to interaction and cooperation between the internal and external auditors. <p>Targets:</p> <ol style="list-style-type: none"> Yes Yes At least 2 	<p>Activity 1.6</p> <p>Organised regular up-to-date information on international auditing standards for internal auditors.</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>UNDP</p>	<p>SDC</p>	<p>71600 Travel 74200 Printing and translations 75700 Training, Workshops and Conferences</p>	<p>19,657 5,000 5,000</p>
<p>Activity 0</p> <p>Project management</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>UNDP</p>	<p>SDC</p>	<p>71400 Contractual services – individuals 74500 Miscellaneous 63400 Policy Advice & Backstopping* 74100-M&E</p>	<p>53,956.71 6,244.76 8,000 4,500</p>	
<p>• DPC reflected under 63400 Costs</p> <p style="text-align: right;">Subtotal Direct Project</p>									<p>182,139.76</p>
<p style="text-align: right;">General Management Services (GMS 8%)</p>									<p>14,571.18</p>
<p style="text-align: right;">Total Project Costs</p>									<p>196,710.93</p>