

STANDARD SUMMARY PROJECT FICHE

Basic Information

- 1.1 CRIS Number:** 2003/004-979-08-03
1.2 Twinning Number: LV/2003/IB/FI-03
1.3 Title: Public Funds External Audit
1.4 Sector: Public Finance
1.5 Location: State Audit Office, Latvia

Objectives

2.1 Overall Objective

To strengthen the State Audit Office's capacity to operate in accordance with EU requirements on public funds external audit

2.2 Project Purpose

To strengthen the State Audit Office as an independent, professional and efficient organisation in public funds external auditing

2.3 Accession Partnership and the priorities of the NPAA

AP2002 - 2003

Financial Control:

Accelerate alignment in the area of external audit, in particular enhance the operational capacity and independence of the State Audit Office Strengthen the fight against fraud

To continue efforts to ensure the correct use, control, monitoring and evaluation of Community pre-accession funding as a key indicator of Latvia's ability to implement the financial control acquis.

NPAA:

The financial control section of the latest Regular Report (November 2002) stated that: A formal mechanism in Parliament to discuss the State Audit Office's reports and recommendations remains to be introduced. In addition INTOSAI standards including guidelines and the audit manual need to be approved and implemented. Latvia needs to further develop the operational capacity of the State Audit Office.

3. Description

3.1 Background and justification:

The State Audit Office (SAO) is the Supreme Audit Institution in Latvia. The State Audit Office's activity and audits are laid down in the State Audit Office Law, which came into force in June 2002. The law requires that audits are undertaken to International Auditing Standards, it also gives the SAO the right to audit the final beneficiaries of the EU funds. It is independent of Government and has two main roles: financial audits and performance audits. The law requires the SAO to submit a report on the execution of the state and local government budgets and to provide an annual opinion about the correctness of the financial statements of the ministries, central state institutions and local governments. The SAO is required to produce an annual report for Parliament each year as well as annual opinions and reports and major issues during the year. Performance audits are also carried out in which the SAO evaluates whether public resources have been used in a cost-efficient and effective manner.

A peer review of the State Audit Office in 1999 was undertaken by SIGMA. It helped to formulate the SAO's Strategic Plan for 2000-04 and made a number of recommendations to improve the quality of the SAO's audits and administrative processes. The review recommended that Twinning would be the most effective way to introduce the changes required.

This has led to the Phare support (LE00.11.01 Public Expenditure Management Project) to the SAO to reform its institutional capabilities, as part of the requirements for Latvia's accession to the EU.

The Phare 2000 project will do much to provide a sound basis to improve the quality of the work of the SAO and in improving the efficiency of its internal processes. The project proposes recommendations that the SAO needs to follow up. Therefore the proposed Phare 2003 project will address the following problems:

- the pay and conditions in the SAO currently do not provide the necessary incentives for the better able staff to progress and do not provide sufficient incentive to assist in the recruitment of staff with the necessary experience;
- the current structure of the SAO does not ensure the most effective deployment of existing staff (for example the need for staff specialisation in performance audit and EU funds audit). The current staff performance appraisal system to be introduced in 2003 under the Phare 2000 project will identify areas within the SAO where strategic re-skilling may be required;
- while the SAO currently audits pre-Accession EU funds, it needs to develop a strategy for auditing Structural funds and will need to ensure that staff undertaking these audits have the necessary skills. Furthermore, staff will need to acquire the skills required to develop an effective audit approach to this work;
- the SAO needs assistance in order to implement the strategy for use of IT in order to improve both the efficiency of its audits and administrative systems;
- the status of the SAO and profile of its work will increase significantly with the setting up of a Public Expenditure and Audit Committee by the new Government. Effective reporting and liaison arrangements with the new Committee will therefore need to be established;
- to develop the capacity of the SAO in order to evaluate the effectiveness of the Government's actions against fraud and corruption.

The main priorities of the 2003 project would therefore be:

- to improve the pay system and office structure required to recruit, motivate and retain the quality of staff needed by the SAO;
- to assist the SAO in the achievement of its Corporate and Strategic Plan especially, to enable it to play an effective part in wider public sector expenditure management and accounting issues;
- to build on the improvement in the quality of the SAO financial and performance audit, particularly in developing an audit approach to the final beneficiaries of EU public expenditure;
- to establish effective arrangements for the SAO's relations with Parliament, in particular on elaborating procedures on the reporting and liaison arrangement with the proposed Public Expenditure and Audit Committee.

Other priorities of the project will be:

- to provide practical guidance to SAO auditors on fraud and corruption issues;
- to strengthen the SAO in the use of IT to both improve internal business practices and accountability.

3.2 Linked activities

Phare 2000 Public Expenditure Management Project (Component 4 - Strengthening the External Audit function)

The aim of the component is to:

- deliver technical training to audit staff;
- introduce staff competency frameworks;
- introduce a job recording and resource monitoring system; and
- acquire IT equipment and develop a strategy for the more effective use of IT.

At the end of Phare 2000 project most audit staff of the SAO will have been trained in financial audit and/or performance audit. Key staff will have been trained in the audit of the EU funds, privatisations, procurement and in Computer-Assisted Audit Techniques. Methodologies and guidance will have been prepared for financial and performance audit. Competency frameworks will have been prepared specifying, for each grade, the skills and competencies required to undertake the jobs of the SAO effectively. These will provide a rational basis for appraising the performance of staff, promotions, recruitment and for identifying training needs. The Phare 2000 project will also provide a planning and time-recording system to enable the SAO to cost each of its activities (audit and non-audit) and to better monitor the use of its own resources.

The Phare 2000 project will result in a number of systems being put in place (the main one being an integrated job recording and time recording system) to help the administrative efficiency of the SAO and in the area of staff development. Some of the activities proposed in the Phare 2003 project will depend on these outputs (see conditionalities in Section 12) but there will be no overlap, as none of the activities proposed in sections 3.3 and 3.4 are covered in the current project. As part of the Phare 2000 project, assistance will be provided to the SAO in developing a Strategic Plan for 2005 onwards. Part of this will involve identifying, for both performance and financial audit, a competency gap of the skills required and to help the SAO develop strategies for filling this gap.

The wider Phare 2000 project covers public procurement and Internal Audit and, on these issues, there is already cooperation and liaison with the SAO.

Phare 2002 Public Finance Management

This project will start in 2003, and will provide assistance on the setting up of systems for the administration of EU Structural Funds and for the further improvement of Internal Audit in central Government. Co-operation will be required on matters connected with internal financial control and on Internal Audit. As the 2002 project did not foresee assistance to the SAO, there will be no overlap with the proposed 2003 Phare project.

Netherlands Matra 2002 Improving the top-management system and strengthening the State Audit Office administrative capacity

A bi-lateral project with the Netherlands Court of Audit will also commence in 2003 and will last into 2004. The project – ‘Improving the top-management system and strengthening the administrative capacity of the State Audit Office’ – while focusing on public relations, communications and senior management does include subjects which are relevant to this project proposal. Firstly it includes advice on the SAO’s role in the fight against fraud and corruption. Once the *role and policies* in Latvia’s institutional framework have been established, the Phare 2003 project will follow this up with *practical* guidance and training for auditors in fraud and corruption awareness.

Part of the bi-lateral project includes assistance on performance audits and the audit of EU funds. The exact nature of the assistance on these issues has yet to be determined but it will respond to training needs identified in the Phare 2000 project. The focus of both components will be on the approach adopted by the Netherlands Court of Audit, with internships for SAO staff to the Netherlands. Advice under the proposed Phare 2003 project needs to be geared

towards implementing the SAO's own methodology and providing hands-on assistance in the audit of EU funds.

3.3 Guaranteed Results/Outputs

TWINNING

- paying and grading system for the staff of the SAO developed;
- changes in the structure of the SAO introduced in order to provide the most effective use of key staff;
- implementation of the Strategic plan, including the development of training needs analysis introduced, and training plans to address skills gaps identified;
- financial and performance audits according to International Auditing Standards of EU Funds to final beneficiaries introduced;
- procedures between the SAO and the Parliament's Public Expenditure and Audit Committee on reporting to the committee, including the form, and frequency of reporting, and the procedures for follow-up action by the Public Expenditure and Audit Committee on SAO recommendations developed;
- awareness of the SAO audit staff on the fraud and corruption issues raised and clear guidelines on the role of the SAO in the fight against fraud and corruption produced;
- SAO staff on the use of IT in both its audits and administrative processes trained.

Technical Assistance

Thorough analysis of the local job market for professional auditors prepared to underpin the pay and grading system developed by Twinning experts and to ensure that recommendations are appropriate to the local job market

3.4 Activities/inputs

ACTIVITIES

Twinning

- in-depth situation analysis at outset of project to ascertain current position and to refine, if necessary, what needs to be done in the form of an action plan;
- review of the current pay and grading position within the SAO, give recommendations for improvement and to assist in their implementation (EU short term expertise);
- review of current structure of the SAO, provide recommendations on possible restructuring of the SAO
- assistance in the implementation of SAO Strategic plan, especially in addressing skills gaps (via training needs analyses and training strategies) and maximizing its contribution to developments in the public sector;
- development of audit guides and procedures related to the audit of Structural funds;
- training on the performance and financial audit of EU funds (two 3-day training events for around 25 audit staff);
- study visit to an EU Member State for key staff to review approaches to EU funds audit (3-day study visit for 4 EU funds audit Team Leaders/Section Heads);
- on the job training and advice for EU funds auditors;
- advice on the procedures required for effective working relations with the new Parliamentary Public Expenditures and Audit Committee and practical assistance on putting in place reporting methods, liaison arrangements and follow-up action;

- training on fraud and corruption awareness and seminars on developing anti-corruption strategies for certain audit teams (two 2 day training events for up to 40 audit staff);
- assistance in the production of audit guidelines on fraud and corruption;
- assistance on maximizing the use of IT in the SAO's audits and in its administrative processes (EU short-term expertise)

Technical Assistance

In parallel with the pay and grading work done by Twinning experts (see above), technical assistance will provide a thorough analysis of the local job market for professional auditors, therefore ensure that the analysis of twinning experts is appropriate to the local job market and ensuring that recommendations on future recruitment options in the light of local conditions are practical

Expertise required will be in recruitment (of professional staff), professional audit training and in the motivation and retention of staff.

MEANS

These activities will be implemented through a twinning arrangement with an EU Member State Supreme Audit Institution, involving a full-time Pre-Accession Adviser (PAA). The PAA will be a long-term advisor for 18 months the exact duration being left to the twinning covenant, supported by 6 man months of short-term expertise, involving a minimum of three experts.

The PAA will undertake the following:

- Overall project management and the co-ordination and scheduling of the work of the short-term experts;
- Assisting with the development of robust strategic and corporate planning procedures;
- Reviewing on how the specialisation of staff and other changes would provide for more effective use of staff;
- Development of effective arrangements for working with the Public Expenditure and Audit Committee.
- Developing an appropriate training programme for the audit of the EU funds and providing ongoing advice on these audits and developing an audit approach of the EU grants and subsidies to final beneficiaries; and
- Developing audit guides and procedures related to the audit of Structural funds.

PAA Profile:

- Expert in external audit of public (including EU) funds, with a long-term (minimum 10 years) professional background within a Supreme Audit Institution in an EU Member State;
- Relevant University degree/ Professional audit qualification.
- Thorough understanding of audit institutions and a good knowledge of management and Human Resource issues;
- Experience in management and co-ordination of institutional restructuring;
- Good command of English;

EU Short-term experts, with the appropriate skills and experience, will be required for the following activities:

- Review the current pay and grading system to identify how it could better reward individuals' contributions to the SAO;
- Provide fraud and corruption awareness training to audit staff;
- Provide advice and training in the use of IT to improve the efficiency of audit practices and administration and to ensure more effective audits.

For the first and third activities, short-term experts must be professionally qualified in personnel and IT respectively. For the second activity the expert must have a background in fraud and corruption issues in a

national audit institution and have had practical experience in working with clients to develop anti-fraud and corruption strategies. All experts must have a minimum of 5 years' experience with a public sector audit institution and have a good command of English.

The SAO will allocate the necessary material resources (computers, printers, office space for the foreign experts) and the financial resources for bearing all the local costs related to the participation of its staff in the project activities.

Technical assistance

Short-term consultancy to review conditions locally to benchmark the SAO's pay and conditions with other employing institutions to underpin the pay and grading review under Twinning. Expertise required will be in recruitment (of professional staff), professional audit training and in the motivation and retention of staff.

The company or expert(s) undertaking this work need not be local but would need a thorough appreciation of local market conditions for recruiting qualified and part-qualified staff and needs to be in a position to advise on recruitment options.

Means: Technical assistance contract to be let (value 0.088 m euros)

3.5 Lessons learned

Experience from the Phare 2000 project "Public Expenditure Management" has shown that, for the benefits of twinning to be maximised, sufficient resources need to be made available by the beneficiary. Particularly it is important to make available the time of key staff involved in the project to ensure their full participation. Also audit staff needs additional time to implement new audit techniques and this time also will need to be anticipated in a future twinning project.

4. Institutional Framework

The beneficiary institution is the SAO, which is one of the key institutions in the system of financial control in Latvia. It is required to report to Parliament on the way Government and the Executive has spent public money. In order to reinforce the strength of the financial control system it is essential that the relations between the SAO and Parliament are constructive. This fiche proposes that the twinning project work to develop such relations.

The SAO employs some 200 staff and is organised into 4 audit Departments and the Chancellery, providing the support services. The proposed Twinning Activities will involve staff of different Departments. The activities involving pay and grading and Office structure will involve predominantly Chancellery staff. EU funds audit training will be directed to audit staff in the State Economic Activities Department and fraud and corruption awareness work will involve staff across all audit Departments.

The Project Steering Committee will comprise representatives from the SAO, the Member State Audit Office undertaking the project and the EC Delegation.

5. Detailed Budget

				MEUR		
	Phare Support					
	Investment Support	Institution Building	Total Phare (=I+IB)	National Co-financing	IF1	TOTAL
1. Twinning Covenant		0.537	0.537	0.054		0.591

2. Service contract		0.080	0.080	0.008		0.088
Total		0.617	0.617	0.062	-	0.679

Contract 1 - Twinning Covenant will have parallel co-financing: 54,000 EUR - national financing will provide office space, office support, salaries for the counterpart staff, travel tickets for the counterpart staff for study visits in EU countries.

Contract 2 – Technical Assistance will have parallel co-financing: 8,000 EUR. National financing will provide office space, office support.

6. Implementation Arrangements

6.1. Implementing Agency

The Contractual and Financial Implementation:

PAO – Ms. Valentina Andrejeva, State Secretary, of the Ministry of Finance

Tel.: +(371) 7095502, fax +(371) 7095413, address – 1, Smilšu street, Riga, LV 1919

Implementing agency - CFCU

Mr. Armands Eberhards, Director,

Tel.: +371 7094342, fax +371 7094348, address – 1, Smilšu street, Riga, Latvia LV 1919

The technical implementation will be the responsibility of the State Audit Office. The State Audit Office will ensure that the goals and objectives set in this project will correspond.

SPO: Mr Raits Cernajs, Auditor General

Tel:+371 7017501

Fax:+371 7017673

E-mail:

The responsibility for technical implementation will be under:

State Audit Office of the Republic of Latvia

Kr Valdemara Iela, 26

Riga

LATVIA-LV 1937

6.2. Twinning

Contact person for Twinning experts will be:

Mr Raits Cernajs, Auditor General

Tel:+371 7017501

Fax:+371 7017673

6.3 Non-standard aspects

There will be no non-standard aspects regarding implementation of the project. Standard procedures of the Commission in accordance with Practical Guide to Phare, ISPA and SAPARD contract procedures will be followed under Extended Decentralised Implementation System. Prior to EDIS accreditation, DIS will be followed. EDIS will apply from the date of accession at latest. For twinning the twinning manual will be followed.

Ratio: if during project implementation the project cost for some reason will decrease, the Phare financing will also decrease proportionally.

6.4 Contracts

Contract I : Twinning covenant - 0.537 MEUR (parallel co-financing)

Contract II: Technical Assistance – 0.080 MEUR (parallel co-financing)

7. Implementation Schedule

7.1. Start of tendering/call for proposals

Contract I Twinning covenant: Quarter III 2003

Contract II Technical Assistance: Quarter II 2004

7.2. Start of project activity

Contract I Twinning covenant: Quarter II 2004

Contract II Technical Assistance: Quarter III 2004

7.3 Project completion

Contract I Twinning covenant: Quarter IV 2005

Contract II Technical Assistance: Quarter IV 2004

8. Equal Opportunity

When recruiting, promoting and rotating their employees, Latvian public institutions (including the State Audit Office) take into account professional qualification, level of competence, compliance with the Law on State Civil Service (when applicable), correspondence to the job description, performance and like factors, not their age, sex or nationality. There is equal opportunity for men and women.

9. Environment

Not applicable

10. Rates of return

Not applicable

11. Investment criteria

11.1. Catalytic effect

Not Applicable

11.2 Co- financing:

The State Audit Office will ensure the co-financing for the project.

11.3. Additionality:

Phare grant will not displace other financiers.

11.4. Project readiness and Size:

Project will be ready for tendering process after the signature of Financing Memorandum.

11.5. Sustainability:

Any equipment provided to the responsible institutions will be maintained by their own means, the necessary

costs will be envisaged in each institution's yearly budget.

11.6. Compliance with state aids provisions

Not applicable

11.7. Contribution to National Development Plan

Not applicable

12 Conditionality and sequencing

The following would need to have been successfully implemented prior to the 2003 project beginning:

- Staff performance appraisal system has been fully implemented for all grades (Phare 2000 project)
- Integrated time-recording and job management system has been successfully implemented (Phare 2000 project)
- State Audit Office policy on fraud and corruption agreed and adopted (Netherlands bi-lateral project)
- This project needs to be well co-ordinated with ongoing projects, in particular the Netherlands bi-lateral project and any duplication of activities should be avoided
- Adequate co-financing needs to be in place before the start of the 2003 project

Logical frame matrix

ANNEX 1

LOGFRAME PLANNING MATRIX FOR:		Programme name and number LV XXXXXX	
PUBLIC FUNDS EXTERNAL AUDIT		Contracting period expires	Disbursement period expires
		Total budget :0.679 MEUR	Phare budget: 0.617MEUR
Overall objective	Objectively verifiable indicators	Sources of Verification	Assumptions
To strengthen the State Audit Office's capacity to operate in accordance with EU requirements on public funds external audit	<ul style="list-style-type: none"> Standards and yardsticks of the International Organisation of Supreme Audit Institutions (INTOSAI) Auditing standards are fully met. 	<ul style="list-style-type: none"> Annual report on the activity of the State Audit Office Annual report to Parliament on the execution of the State Budget Final reports on the results of audits. 	<ul style="list-style-type: none"> Continued political commitment to meet the Accession requirements (see paragraph 2.3 of fiche)
Project purpose	Indicators of Achievement	Sources of Verification	Assumptions
To strengthen the State Audit Office as an independent, professional and efficient organisation in public funds external auditing	<ul style="list-style-type: none"> Audit of final beneficiaries of national and EU public expenditure performed The roles and responsibilities of the State Audit Office in respect of fraud and corruption defined The State Audit Office's reports by the European Commission/Court of Auditors considered Number of the State Audit Office's recommendations implemented, and action taken by Parliamentary Committee 	<ul style="list-style-type: none"> Final Audit Reports on the results of audit of final beneficiaries. Annual report on the activity of the State Audit Office with references to actions on fraud and corruption. Actions taken by the Public Expenditure and Audit Committee. 	<ul style="list-style-type: none"> Sufficient financial resources are available Trained staff are retained The political will to set up a Parliamentary Committee is maintained
Results	Objectively verifiable indicators	Sources of Verification	Assumptions
TWINNING - Paying and grading system for the staff of the SAO developed; - Changes in the structure of the SAO introduced in order to provide the most effective use of key staff; - Implementation of the Strategic plan, including the development of training needs analysis introduced, and training plans to address skills gaps identified; - Financial and performance audits according to International Auditing Standards of EU Funds to final beneficiaries introduced. - Procedures between the SAO and the Parliament's Public Expenditure and Audit Committee on reporting to the committee, including the form, and frequency of, reporting, and the procedures for follow-up action by the	<ul style="list-style-type: none"> Higher performing staff better rewarded and motivated Separate groups of staff with the skills required to undertake financial and performance audits to international auditing standards State Audit Office with an ability to respond to public sector developments and provide meaningful input. 25 staff members able to undertake financial and performance audits of national/EU grants and subsidies to final beneficiaries to international auditing standards Internally distributed manuals or guidelines on 	<ul style="list-style-type: none"> Monitoring by EU Delegation Final Audit Reports PAA quarterly reports and report of TA supplier Certificates of classroom-based and practical training for audit staff. 	<ul style="list-style-type: none">

<p>Public Expenditure and Audit Committee on SAO recommendations developed;</p> <ul style="list-style-type: none"> - Awareness of the SAO audit staff on the fraud and corruption issues raised and clear guidelines on the role of the SAO in the fight against fraud and corruption produced; - SAO staff on the use of IT in both its audits and administrative processes trained. <p>TECHNICAL ASSISTANCE</p> <ul style="list-style-type: none"> - Thorough analysis of the local job market for professional auditors prepared to underpin the pay and grading system developed by Twinning experts to ensure recommendations are appropriate to the local job market 	<p>the audit of grants and subsidies</p> <ul style="list-style-type: none"> • State Audit Office undertake audits covering a broad range of topics and institutions and provide the Parliamentary Committee with quality reports and advice • 40 Audit staff members aware of their role and responsibilities with respect to fraud and corruption. • Internally distributed guidance on the role of Office in the fight against fraud and corruption. • Routine use of IT by staff in audits and support functions • Report produced providing with practical pay/grading review recommendations, which are based on a thorough understanding of local market conditions 		
Activities or inputs	Means		Assumptions
<p>TWINNING</p> <ul style="list-style-type: none"> - In-depth situation analysis at outset of project to ascertain current position and to refine, if necessary, what needs to be done in the form of an action plan; - Review of current pay and grading position within the SAO, give recommendations for improvement and to assist in their implementation (EU short term expertise); - Review of current structure of the SAO, provide recommendations on possible restructuring of the SAO - Assistance in the implementation of SAO Strategic plan, especially in addressing skills gaps (via training needs analyses and training strategies) and maximizing its contribution to developments in the public sector; - Development of audit guides and procedures related to the audit of Structural funds; - Training on the performance and financial audit of EU funds (two 3-day training events for around 25 audit staff); 	<p>PAA – 18 man months</p> <p>Short – term expertise – 11 man months</p> <p>Two 3-day training events</p> <p>A 3-day study visit to an EU Member State</p> <p>Two 2-day Training Courses for up to 40 audit staff</p>		<p>Selected Member State is able to provide necessary Advice and training</p>

<ul style="list-style-type: none"> - Study visit to an EU Member State for key staff to review approaches to EU funds audit (3-day study visit for 4 EU funds audit Team Leaders/Section Heads); - On the job training and advice for EU funds auditors; - Advice on the procedures required for effective working relations with the new Parliamentary Public Expenditures and Audit Committee and practical assistance on putting in place reporting methods, liaison arrangements and follow-up action; - Training on fraud and corruption awareness and seminars on developing anti-corruption strategies for certain audit teams; assistance in the production of audit guidelines on fraud and corruption (two 2 day training events for up to 40 audit staff); - Assistance on maximizing the use of IT in the SAO's audits and in its administrative processes (EU short-term expertise) <p>TECHNICAL ASSISTANCE</p> <p>Reviewing the pay and grading work done by Twinning experts (see above), and preparing thorough analysis of the local job market for professional auditors, therefore adjusting the analysis of twinning experts to the local job market and ensuring that recommendations on future recruitment options in the light of local conditions are practical</p>	<p>TECHNICAL ASSISTANCE</p> <p>One short-term consultancy contract</p>		
--	--	--	--

	Preconditions
	<ul style="list-style-type: none"> - Staff performance appraisal system has been fully implemented for all grades (Phare 2000 Twinning) before the start of the 2003 project - Integrated time-recording and job management system has been successfully implemented (Phare 2000 Twinning) before the start of the 2003 project - State Audit Office policy on fraud and corruption agreed and adopted (Netherlands bi-lateral) - This project needs to be well co-ordinated with ongoing projects, in particular the Netherlands bi-lateral project and any duplication of activities should be avoided - Adequate co-financing needs to be in place before the start of the 2003 project

ANNEX 2**Implementation Chart for the Project****STRENGTHENING OF THE LATVIAN STATE AUDIT OFFICE**

Year	2004												2005											
Month	01	02	03	04	05	06	07	08	09	10	11	12	01	02	03	04	05	06	07	08	09	10	11	12
Twinning: PAA																								
STE*																								
Technical Assistance Contract																								

*25 weeks STE input over this period

ANNEX 3

Implementation Chart

	2004												2005											
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Preparation/ situation analysis to assess current position and to develop Action Plan				x	x																			
Pay grading review & new system developed						x	x	x	x	x	x	x	x	x	x	x	x							
Technical Assistance input								x	x															
Review of SAO structure, identification of training needs and skills gaps						x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x		
Financial and performance audits of EU funds -																								
development of SAO policies						x	x																	
training								x	x	x														
practical help (including study visit)										x	x	x	x	x	x									
preparation of guidance															x	x	x							
Advice and practical help on liaison - reporting arrangements with Public Expenditure and Audit Committee								x	x	x	x	x	x	x	x	x	x	x	x	x	x			
Assistance on fraud and corruption:																								
development of SAO policy										x	x													
training													x		x									
practical help															x	x	x	x	x	x	x	x		
Assistance in improving use of IT								x					x				x			x				

CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE
(EUR million)

	2004			2005			
	II	III	IV	I	II	III	IV
Contract 1 – Twinning Covenant							
Contracted total:	0.537						
Phare	0.537						
Disbursed total:	0.430		0.483				0.537
Phare	0.430		0.483				0.537
*National		0.009	0.018	0.027	0.036	0.045	0.054
Contract 2 - Technical Assistance							
Contracted total:		0.088					
Phare		0.08					
*National		0.008					
Disbursed total:		0.048	0.08				
Phare		0.048	0.08				
*National		0.004	0.008				
Contracts 1 and 2							
Disbursed total:							
Phare	0.430		0.563				0.617
National	0	0.013	0.026	0.035	0.044	0.053	0.061

** Parallel co-financing: Contract 1 - will be applied for covering of office costs for experts, infrastructure facilities and travel costs for national counterparts
Contract 2 - will form part of the TA Contract cost*

