

Bulgarian National Audit Office

**Integrity related
activity of the
Bulgarian National
Audit Office –
2016-2018**



General information (1)

- In 2016, the National Audit Office of the Republic of Bulgaria (BNAO) participated in a joint project for the implementation of IntoSAINT - an instrument for assessing the integrity of the SAI.
- **Within the project:**
 - Auditors from the BNAO were trained as moderators to carry out self-assessment of the SAI integrity;
 - Participated as co-moderators in carrying out the self-assessment of the integrity of SAIs of Bosnia and Herzegovina and Moldova.



General information (2)

- The BNAO self-assessment was performed in June 2016
- The self-assessment was conducted applying the IntoSAINT methodology as provided by the Netherlands Court of Audit for members of INTOSAI.
- Focus of the self assessment was the whole organisation
- The moderators were from the SAIs of the Netherlands and Bosnia and Herzegovina
- Participants – 10 representatives of audit departments and 5 from the support staff.



Methodology used (1)

- **Identification of processes**
 - ✓ What (part of the) organisation?
 - ✓ What tasks are being performed?
 - ✓ What organisational processes are vital?
- **Assessment of vulnerabilities**
 - ✓ What are the inherent vulnerabilities?
 - ✓ What are vulnerability enhancing factors?
 - ✓ What is the vulnerability profile?



Methodology used (2)

- **Assessment of Integrity Control System**
 - ✓ Existence of controls
 - ✓ Operation of controls
 - ✓ Effectiveness of controls
- **Gap analysis**
 - ✓ What is the vulnerability profile?
 - ✓ Does the integrity control system protect the organisation against these vulnerabilities?
 - ✓ What are the remaining vulnerabilities?
- **Recommendations**



A good practice!

- The top management of the SAI was involved in order to feel part of the process and to accept the results.
- The participants were formally selected with a written order which made them take the workshop more seriously. Also the respective managers were informed that their staff has been assigned an additional task.
- The results were presented to the top management by an external moderator which created more confidence for objectivity.



Summary of results of the self assessment (1)

- Balance between vulnerabilities and the integrity control system;
- Average inherent vulnerability – medium;
- Maturity level of the ICS – medium;
- The most relevant vulnerable areas are: audit, handling information and enforcement.



Summary of results (2)

Four important issues that can challenge the integrity of the BNAO:

- **Integrity policy - no overall integrity policy;**
- **Audit planning - high workloads, unbalanced distribution of work, pressing deadlines;**
- **Human Resources Management – clear and objective criteria for recruitment, career development, performance appraisal and rewards seem absent; no feedback about job satisfaction;**
- **Decision making – better communication of management decisions.**



Summary of results (3)

Recommendations:

Integrity policy

- Develop and adopt an overall integrity policy;
- Appoint a person responsible for (coordinating and monitoring) the integrity policy;
- Identify and evaluate integrity risks regularly ;
- Assemble information about job satisfaction and opinions about the organisation through exit interviews, analyse this from an integrity perspective in order to monitor and adapt the integrity policy;
- Invest in raising integrity awareness through discussions, meetings



Summary of results (4)

Recommendations:

Audit planning

- Ensure that audit programmes can be executed on time with sufficient human resources;
- Synchronize audit programmes of different departments;
- Improve audit planning to ensure fair division of workload to avoid overload of staff;
- Develop other mechanisms (rotation in the teams) to avoid overload of staff.



Summary of results (5)

Recommendations:

Human Resources Management

- Increase transparency in HRM by setting clear and objective criteria for recruitment, career advancement, salaries and bonuses;
- Establish a feedback system about job satisfaction (for example: an employee satisfaction survey).

Decision making

- Invest in internal communication to make management decisions more visible, transparent and understandable for the staff.



Follow – up (1)

- Information about the IntoSAINT self-assessment of the BNAO was published on the SAI website;
- The action plan for the implementation of the recommendations from the IntoSAINT integrity self-assessment was approved on 18-th of November 2016;



Follow – up (2)

What has been done after the self-assessment:

- Integrity policy - April 2017
- BNAO Development Strategy 2018-2022 - May 2018
- Operational Plan for Development Strategy implementation – August 2018
- new Code of Ethics – May 2018
- Methodology for Planning and Reporting of the Workload of Auditors –November 2017
- Changes in the audit manual, concerning all types of audit, brought in compliance with the new ISSAIs – by the end of 2018;



Follow – up (3)

What has been done after the self-assessment:

- Questionnaires about job satisfaction and opinions about the organisation - one of them - as an exit interview – June 2017;
- The Chairperson of the Ethics Committee appointed as responsible for (coordinating and monitoring) the integrity policy;
- Responsible departments and employees appointed for carrying out a regular reviews of published information on the Intranet portal and ensuring it is up-to-date in order to make management decisions more visible, transparent and understandable .



What's next?

- **Conducting self-assessment of the ethical climate and the integrity of the BNAO to monitor the adequacy and effectiveness of measures against violations of ethical principles and norms – by the end of 2021**
- **Applying a Framework for Professional Competence for Audit Offices at the National Audit Office – by the end of 2019.**
- **Analysing the factors that affect employee's satisfaction, such as working conditions, values, personal development, emotional factors, work, relationships with the supervisor.**



What's next?

- Ensuring awareness and open communication about integrity violations within the institution, as well as commitment of the staff to the goals, activities, and achievements, related to integrity by:

- ✓ developing and maintaining a special section of the BNAO Intranet;
- ✓ organizing internal PR – presenting information about decisions and events within the SAI, related and/or having impact on integrity;
- ✓ including integrity related topics as a separate section in the annual training plan of the BNAO staff, e.g. ethics, conflict of interest, communication and management skills, etc.





Thank you for the attention!

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