



SUPREME AUDIT OFFICE OF POLAND (NIK)

USE OF KEY NATIONAL INDICATORS IN THE PROCESS OF AUDIT PLANNING

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ROLE OF THE PLANNING PROCEDURE

- The Supreme Audit Office performs its audit tasks based on annual work plans submitted to the Sejm of the Republic of Poland
- In the planning process the Act gives precedence to the audits that NIK is obliged to conduct by virtue of law and international contracts:
 - audit of state budget execution
 - audit of the execution of the “guidelines for the monetary policy”
 - audits commissioned by the Sejm
 - audits of international institutions (CERN, Council of Europe)
- Other audits are planned according to the audit priorities approved by the Council of NIK
- The planning process enables NIK to focus its auditing activity on key issues related to the state functioning
- NIK can also perform so-called *ad-hoc audits*
- The audit plan of NIK should cover all main risks for the achievement of strategic goals of the State policies, defined in the government strategies

LEGAL FRAMEWORK FOR THE DEVELOPMENT POLICY

**According to the Act of 6 December 2006 on the Rules of the Development Policy
the system of country development strategies contains:**

- **Long-term development strategy**
- **Medium term development strategy**
- **Integrated strategies (e.g. National Regional Development Strategy, Strategy for Development of the National Security System, Strategy for Innovation and Efficiency of the Economy, Human Capital Development Strategy, Transport Development Strategy, Strategy for Energy Security and Environment, Efficient State Strategy)**
- **Operational programs**
- **Other strategies and programs, incl. Voivodship Development Strategies**

Each strategy has its own performance indicators

PLANNING PROCEDURE IN NIK

| STEP | RESPONSIBLE | APPROVAL |
|---|---|-------------------------|
| 1. GUIDELINES: - technical issues - risk analysis | DoS WG | President of NIK |
| 2. PROPOSALS | Departments & Regional Branches Auditors Members of the Board Sejm, Senat, Ombudsman Chancellery of the Prime Minister | |
| 3. DRAFT AUDIT PLAN, VERSION 0 | WG | President of NIK |
| 4. HEARINGS | WG | |
| 5. DRAFT AUDIT PLAN, VER 1 | WG & DoS | President of NIK |
| 6. FINAL AUDIT PLAN | DoS | Council of NIK |

DoS – Department of Strategy

WG – Working Group on Audit Planning, established 2012

STRUCTURE OF THE RISK ANALYSIS

SEGMENTS

| STATE AND ITS MAIN FUNCTIONS | SOCIETY – CONDITIONS AND QUALITY OF LIFE | ECONOMY | FINANCE |
|--|--|---|--|
| PUBLIC ADMINISTRATION DEFENCE INTERNAL SECURITY JUSTICE TREASURY SCIENCE ENVIRONMENT SPATIAL PLANNING GLOBAL RISKS | LABOR MARKET & WORK CONDITIONS HOUSEOLDS' REVENUE DWELLINGS EDUCATION HIGHER EDUCATION HEALTH CARE SOCIAL SECURITY CULTURE SPORTS AND RECREATION | MACROECONOMIC SITUATION INNOVATIONS & COMPETITIVENESS ENERGY & RAW MATERIALS SECURITY COMPETITION AND CONSUMER PROTECTION AGRICULTURE & RURAL DEVELOPMENT MINING TRANSPORT INLAND NAVIGATION COMMUNICATION | MONETARY POLICY GENERAL GOVERNMENT FINANCE PUBLIC DEBT FINANCIAL MARKETS AND INSTITUTIONS |

DESCRIPTION OF EACH SEGMENT



The new form of “Risk Analysis” was prepared for the first time in 2016

Special database was created to support the preparation of “Risk Analysis”

CONTENT OF THE SECTION “CURRENT SITUATION”

- **Previous and current values of performance indicators for related strategies**
- **Comparison with expected values of indicators**
- **Results of related NIK audits**
- **International rankings and comparisons (EU, OECD)**
- **Qualitative analysis**
- **Reports of international institutions**
- **Important information from other sources**

STRUCTURE OF THE DATABASE

| PERFORMANCE INDICATORS FOR MOST IMPORTANT STRATEGIES | SELECTED MACROECONOMIC INDICATORS | INTERNATIONAL RANKINGS | PUBLIC REVENUE & EXPENDITURE |
|--|--|---|---|
| LONG-TERM STRATEGY (2030) MEDIUM-TERM STRATEGY (2020) INTEGRATED STRATEGIES PARTNERSHIP AGREEMENT OPERATIONAL PROGRAMS OTHER STRATEGIES | NATIONAL ACCOUNTS PRICES LABOR MARKET TRADE PUBLIC FINANCE AGRICULTURE INDUSTRY | DOING BUSINESS GLOBAL COMPETITIVENESS CORRUPTION PERCEPTION INDEX | STATE BUDGET REVENUE STATE BUDGET EXPENDITURE GENERAL GOVERNMENT EXPENDITURE BY FUNCTIONS AND REGIONS LOCAL BUDGETS |

Database contains more than 500 indicators

DATABASE – INTERNATIONAL RANKINGS

| <i>Global Competitiveness Index GCI - Globalny Indeks Konkurencyjności</i> | | | | | | | | | | | |
|--|-----------|------|-----------|------|-----|-----------|------|-----------|------|-----------|------|
| POLAND | | | | | | | | | | | |
| YEARS | 2006-2007 | | 2007-2008 | | ... | 2013-2014 | | 2014-2015 | | 2015-2016 | |
| POLAND'S RANK | 45 | | 51 | | ... | 42 | | 43 | | 41 | |
| VALUE OF INDICATOR | 4,39 | | 4,28 | | ... | 4,46 | | 4,48 | | 4,49 | |
| NUMBER OF RANKED COUNTRIES | 120 | | 128 | | ... | 148 | | 144 | | 140 | |
| PILLARS | VALUE | RANK | VALUE | RANK | | VALUE | RANK | VALUE | RANK | VALUE | RANK |
| INSTITUTIONS | 3,64 | 69 | 3,65 | 82 | ... | 4,01 | 62 | 4,02 | 56 | 4,07 | 58 |
| INFRASTRUCTURE | 3,29 | 65 | 3,03 | 80 | ... | 3,96 | 74 | 4,24 | 63 | 4,30 | 56 |
| MACROECONOMIC ENVIRONMENT | 5,10 | 51 | 5,01 | 56 | ... | 4,88 | 65 | 4,77 | 63 | 5,11 | 46 |
| HEALTH AND PRIMARY EDUCATION | 6,46 | 21 | 5,96 | 36 | ... | 6,03 | 42 | 6,17 | 39 | 6,15 | 40 |
| HIGHER EDUCATION NAD TRAINING | 4,73 | 33 | 4,62 | 35 | ... | 4,88 | 37 | 5,04 | 34 | 5,05 | 31 |
| GOODS MARKET EFFICIENCY | 4,26 | 56 | 4,12 | 69 | ... | 4,34 | 57 | 4,49 | 51 | 4,51 | 46 |
| LABOR MARKET EFFICIENCY | 4,44 | 41 | 4,44 | 49 | ... | 4,20 | 80 | 4,14 | 79 | 4,11 | 81 |
| FINANCIAL MARKET DEVELOPMENT | 4,10 | 64 | 4,32 | 64 | ... | 4,54 | 38 | 4,60 | 35 | 4,26 | 43 |
| TECHNOLOGICAL READINESS | 3,39 | 46 | 3,44 | 51 | ... | 4,47 | 43 | 4,47 | 48 | 4,78 | 41 |
| MARKET SIZE | 5,06 | 22 | 4,88 | 22 | ... | 5,14 | 20 | 5,12 | 19 | 5,16 | 21 |
| BUSINESS SOPHISTICATION | 4,03 | 56 | 4,04 | 68 | ... | 4,06 | 65 | 4,06 | 63 | 4,09 | 55 |
| INNOVATION | 3,43 | 43 | 3,28 | 58 | ... | 3,24 | 65 | 3,26 | 72 | 3,32 | 64 |

DATABASE – PERFORMANCE INDICATORS

LONG-TERM DEVELOPMENT STRATEGY

| Nazwa wskaźnika | VALUE | | | ... | VALUE | | GOAL |
|--|-------|-------|-------|-----|-------|-----|----------------|
| | 2003 | 2004 | 2005 | ... | 2014 | ... | 2030 |
| GOAL: IMPROVING THE QUALITY OF LIFE IN POLAND | | | | | | | |
| GDP PER CAPITA (MAX FOR EU = 100) | 34 | 34 | 34 | ... | 52 | ... | 75 i więcej |
| HUMAN DEVELOPMENT INDEX | 0,858 | 0,862 | 0,803 | ... | 0,843 | ... | 0.900 i więcej |
| COMPETITIVENESS | | | | | | | |
| EXOPENDITURE FOR R&d AS PERCENTAGE OF GDP | 0,56 | 0,56 | 0,57 | ... | 0,94 | ... | 3 |
| SAIDI | . | . | . | ... | 191,3 | ... | 17 |
| NUMBER OF PATENTS PER 1 MILLION INHABITANTS | 2,86 | 3,24 | 3,35 | ... | . | ... | 100 i więcej |
| PISA TEST - PERCENTAGE OF HIGHEST SCORES | 8 | . | . | ... | . | ... | 13 |

EXPECTED EFFECTS

- **Deepening the pre-audit analysis in the NIK departments**
- **Concentration of the NIK audits on the main risks for the development goals**
- **Better choice of benchmarks for planned audits**



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THANK YOU FOR YOUR ATTENTION

**For questions and comments
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