

Assessment of the long-term strategic documents preparation with the EU perspective 2014-2020

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NIK's AUDIT MANDATE

- The NIK's mandate covers **all state and local government bodies** (*some of them, e.g. courts, can be audited only with regard to the implementation of the budget, financial and property management*)
- NIK can also audit, with regard to legality and proper management, the activity of other organisational units and enterprises, to the extent to which they use state or communal property or resources, or incur financial liabilities to the state.

NIK's AUDITS in 2014

- 110 planned audits + the state budget execution audit and 150 ad hoc audits
- 8 international audits
- 2 audits of international organisations
- 2483 audited units
- Annual ***Analysis of the implementation of the state budget execution and monetary policy guidelines*** and ***Annual Activity Report*** soon to be submitted and presented to the Parliament
- 106 notifications sent to the law enforcement agencies, incl.
- 45 notifications sent to the Prosecutor's Office
- 102 notifications on the violation of the state budget execution discipline
- 75 legislative proposals

NIK's role in public governance

- pointing out irregularities and warning of the consequences
- paying heed to legality and best practices of the management of assets and public finances
- supplying information on the condition of the state
- indicating flawed mechanisms in the management and loopholes in the law

The reform of strategic planning

- the Development Strategy Rearrangement Plan (the Council of Ministries, November 2009):
 - from the narrow, sectoral approach – to public policy integration and enhancement
 - the replacement of over 400 sector strategies to strategic framework (long- and medium-term strategies, 9 cross-sectoral strategies)
- preparatory stage - 2010-2012
- the system of strategic documents was adopted by the CM at the turn of the 2012-2013
- multiannual budgetary planning perspective

The strategic documents system



Development Management System - strategies implementation framework

- financial framework (circa 17% of GDP, year by year, broken down into integrated strategies)
- strategic state tasks and implementation methods, accordingly to COFOG classification
- hundreds of performance indicators divided into key areas
- sources of financing:
 - EU funds (circa 76 billions euro in 2014-2020),
 - the State budget - long-term Financial Plan is drawn up for the financial year and the next three years
 - foreign direct investment
 - reforms in labour market and social security system

The audit of long-term strategic documents preparation

- Main audit goal – assessment of the strategic planning system creation process
- Detailed audit objectives were formulated in reference to key actors:
 - The Prime Minister Chancellory (supervision, production of LNDS)
 - The Ministry of Regional Development (coordination, production of NDS)
 - Ministries responsible for integrated strategies

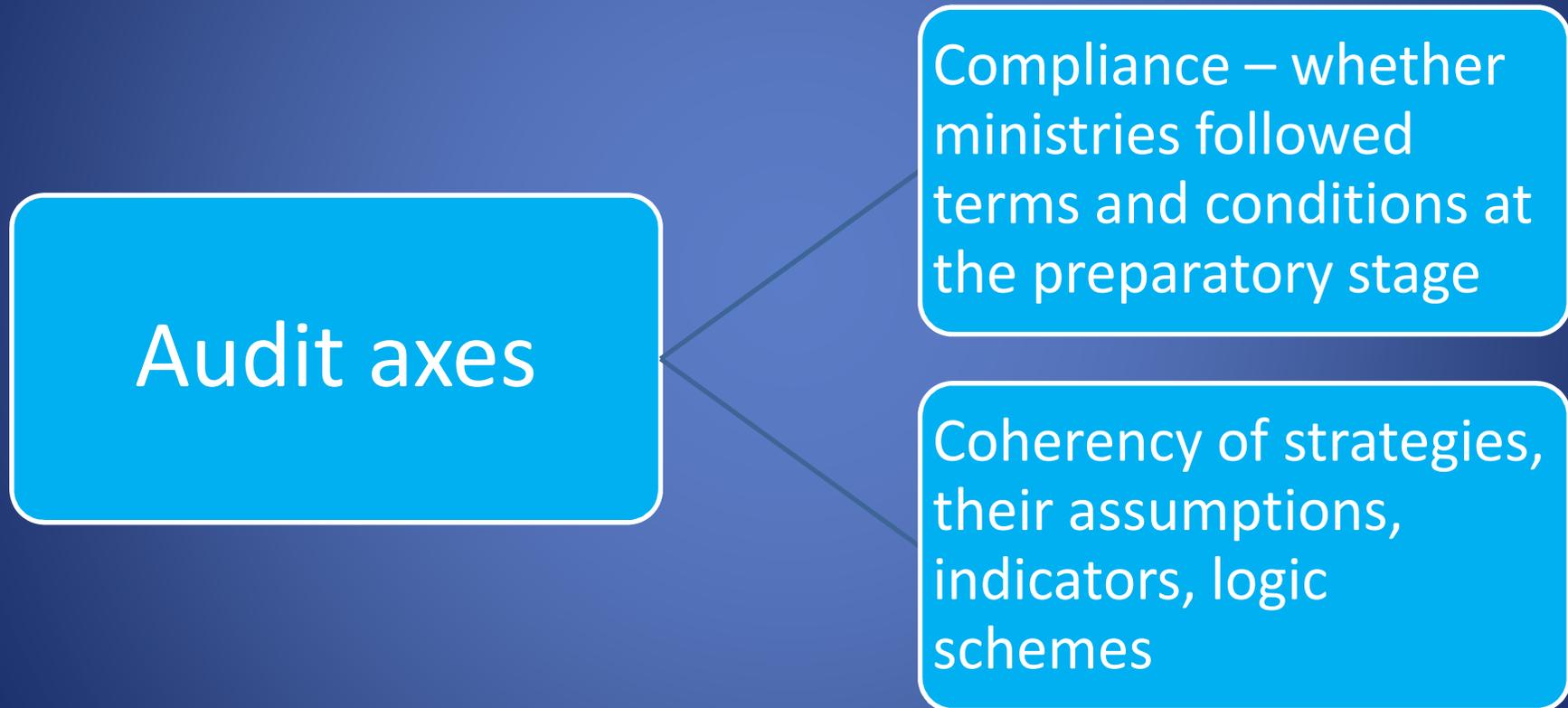
Audit assumptions

- the audit topic was in accordance with one of the priority in the NIK's annual plan for 2012 - *ensuring the ongoing and long-term financial stability of the State*
- the public opinion and MPs interest
- dysfunctions in strategic planning identified during the recognition audit
- the need to order the strategic planning required by the EU
- the organization strategic documents preparation was defined in the Act and in the government's implementing regulations

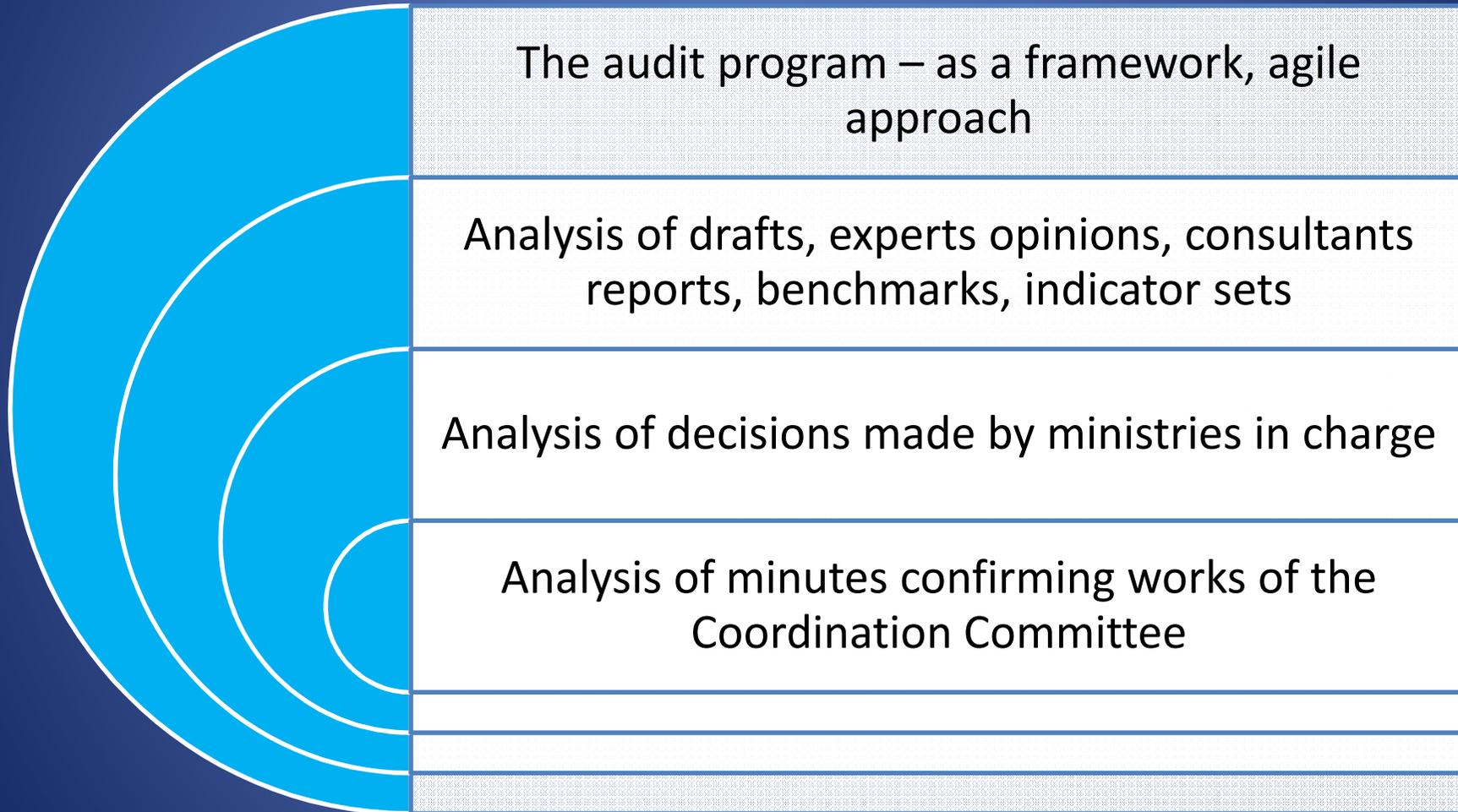
Audit methodology

- the audit covered the 7 ministries and the Prime Minister Chancellery
- selected entities played key roles in strategic programming
- the NIK was supported by the expert in final phase of the audit program preparation

Audit methodology



Audit methodology



Audit results

General opinion – positive, despite identified irregularities (medium)

Identified systemic problems:

- The only one scenario of social and economy development of the country (LNDS)
- The sequence of strategies preparation and adoption was disturbed (rather accidental)
- The lack of LNDS during most of the preparatory period (lack of proper benchmarks)
- Unnecessarily delays in drafting, consultations and arrangements (low efficiency and cooperation)
- Incompliances with provisions included in legal acts
- Framework timetable has not been met

Audit organization

- audit coordination – the NIK's Warsaw Branch + six others NIK's department (participants)
- the audit program – detailed task for each participants
- the coordinator responsibility:
 - audit program preparation and performance,
 - assessments unification and the same scale reference assertion
 - general audit report formulation

Lesson learned

- the audit mobilized the government side to organize strategic planning before signing cooperation agreement with the EC
- redirecting of way of thinking about strategic planning, application of indicators for monitoring and evaluation
- since 02 2016 - the new concept - economic development will be based on five pillars: re-industrialization, increasing innovation, increasing the level of investment, international expansion of companies and a sustainable social and regional development

Audit results communication

- Parliamentary committee
- audit recommendations were adopted by the Prime Minister and the Minister of Regional Development

Thank you for your
attention
Obrigado