



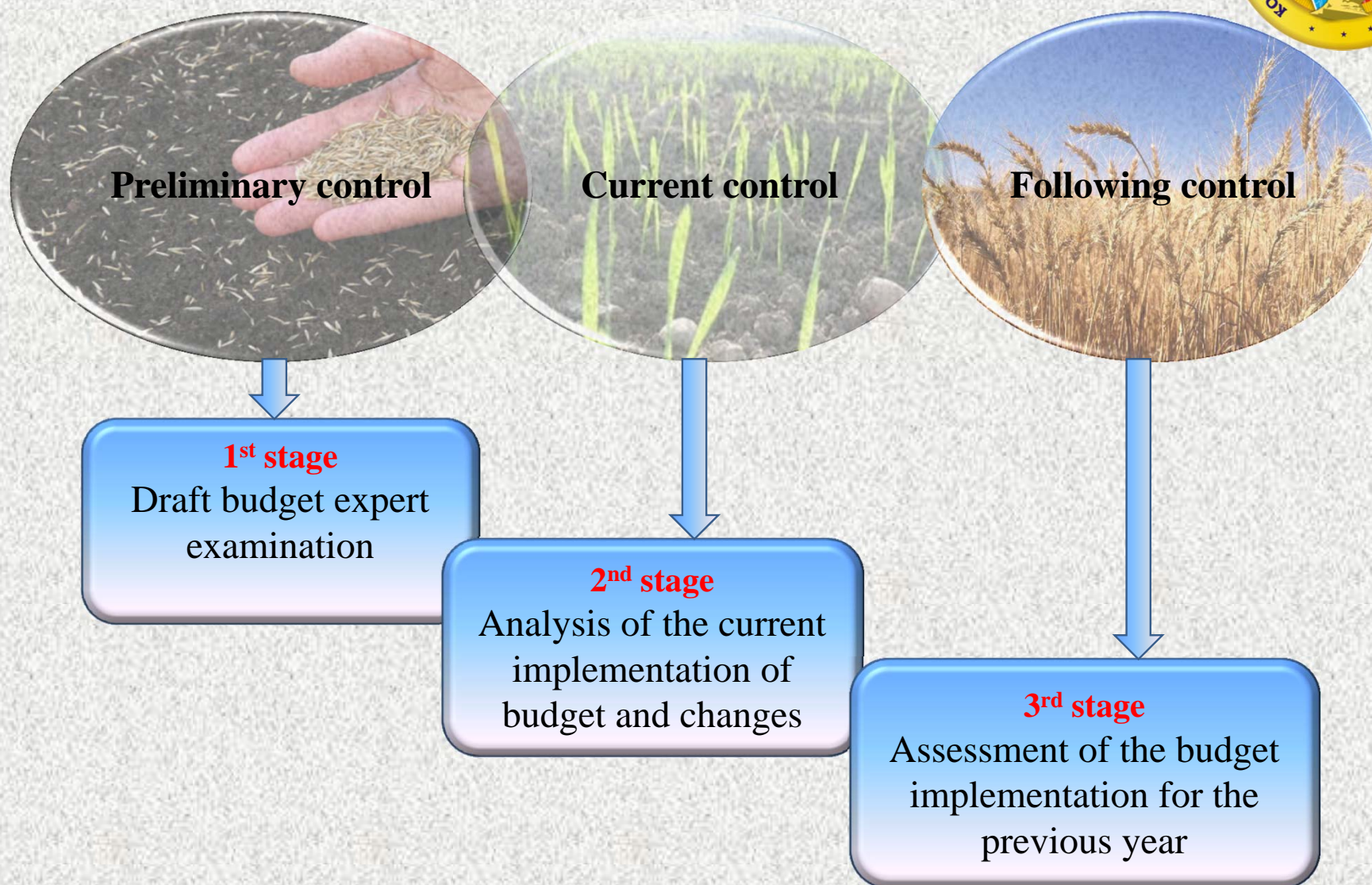
Audit procedures for assessment of efficiency, economy achievement and continuous improvement of processes

In terms of Volgograd region

Igor Dyachenko,
Chairman of Chamber of Control and
Accounts of Volgograd region



Control continuity





Region area 112.9 Kkm2
Population 2.58 million people

1st stage

Aims of the draft budget expert examination

Determination of compliance of the draft law, documents and materials brought along herewith in the regional parliament with the current legislation

Assessment of the draft budget compliance with the principal fields of the medium-term planning strategy, aimed at the final result, the budgetary and tax policy, provisions of the annual budget message of the Governor of the region and other policy documents

Analysis of validity, reasonability and authenticity of indices contained in the draft budget

Quality assessment of the forecasting of revenues and expenditures of the regional budget, debt policy and inter-budget transfers



During the draft budget expert examination



efficiency



sufficiency



**dynamics of basic indices
are evaluated**



2nd stage

Current control procedures

Monthly monitoring of budget revenues (risk of non-fulfillment assessment, determination of causes)

Budget changes expert examination

Monitoring according to the most important social and economic issues

Prevention of probable underfulfillment of revenues, budget imbalance, deviation from priority areas of expenditures. Changes assessment in terms of reasonability and financial provision



3rd stage

Following control

Laborious

**37 reports (for each branch
ministry and agency)**

Least effective

**(according to an
accomplished fact)**



Principal cases of ineffective expenditures based on inspections results



Result

Expenditures



Expenditures over the average market values



Expenditures on maintenance of assets in good operating condition higher than the original cost of new assets and the opposite situation



Purchase of tangible assets in excess of the set standards of maintenance (expenditure)

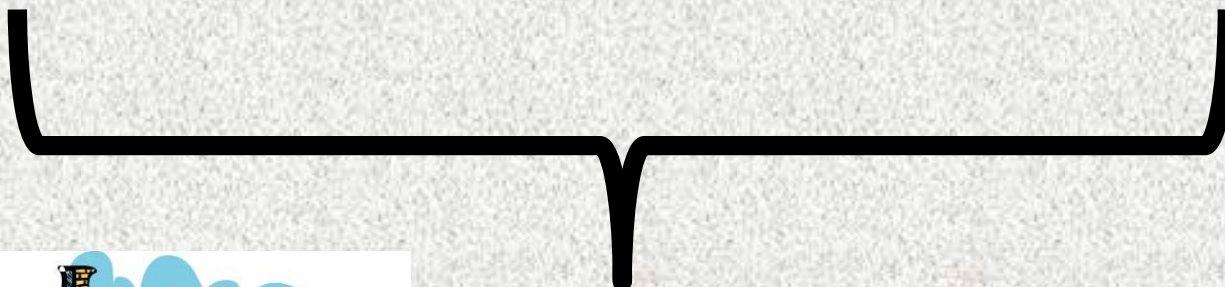


Payment for works (services) of third parties, which could be preformed by subject matter employees within their responsibilities

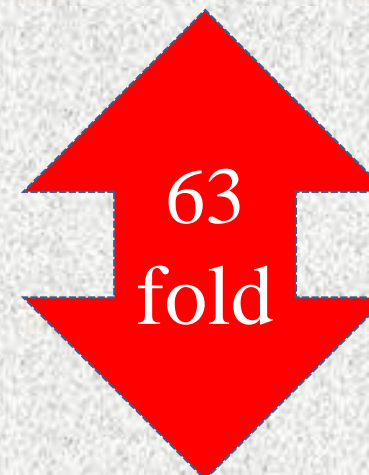
Inspection in one of the municipalities of Volgograd region



1596,7
Thousand roubles



25,2
Thousand roubles



Principal cases of ineffective expenditures based on inspections results



Result

Expenditures



Purchase of tangible assets, which are not necessary or will be necessary after a long period



Use of tangible assets other than as intended



Disuse of purchased assets for various reasons



Payment for unusable assets – goods of improper quality, including expired goods



Capital investments in assets, which were not removed from operation in accordance with the established procedure and became non-operational



Payment for construction and assembling operations performed without expert examination of construction documents when documents do not meet the current requirements



Challenges



Lack of a unified research-based procedure for classification of persons actions as leading to ineffective expenditures

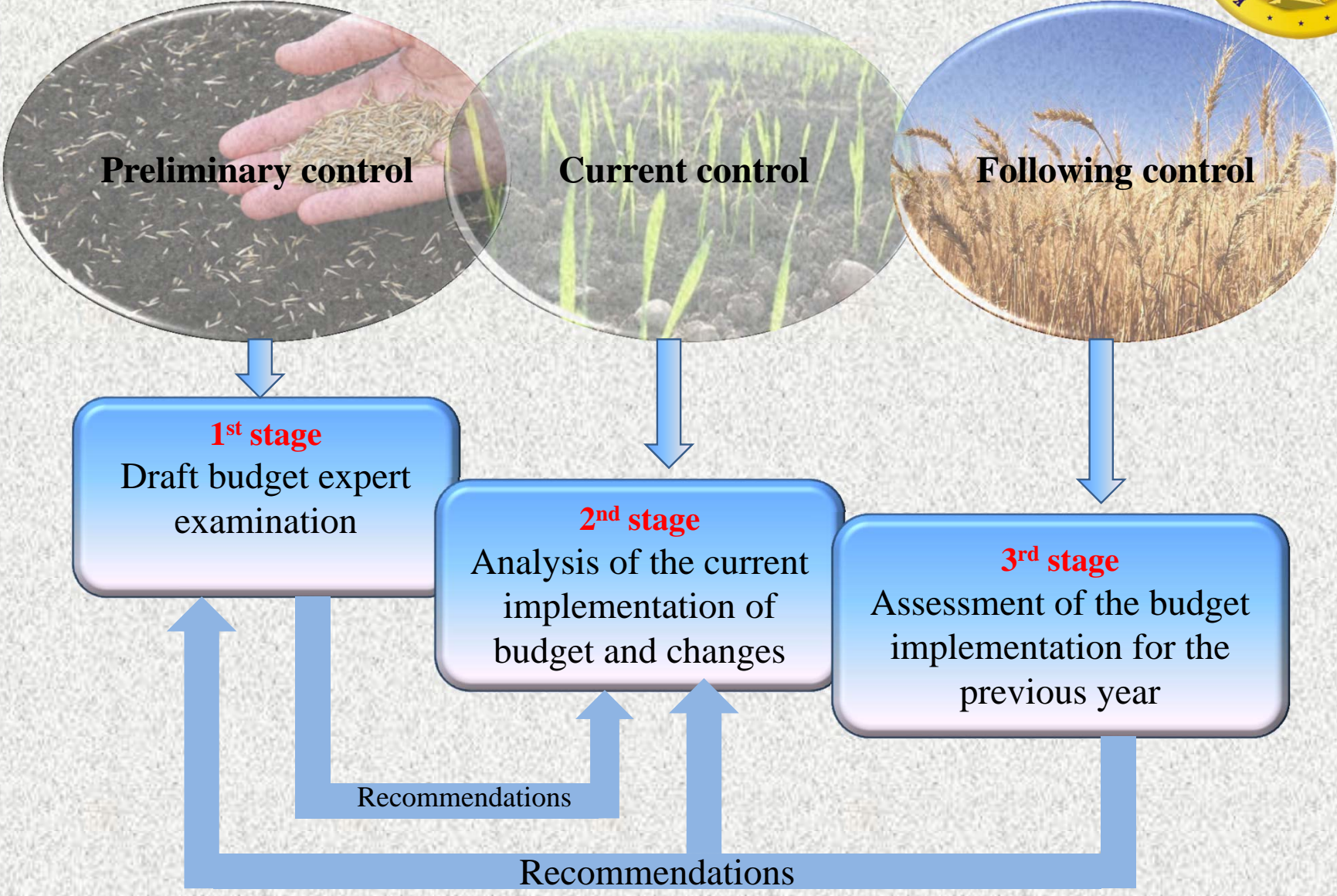


Legislation does not provide neither criminal nor administrative responsibility



Complicated proof in court practice

Control continuity





*Thank you for
attention*

Igor Dyachenko

Chairman of Chamber of Control and Accounts of Volgograd region