**A.A. Piskunov. Report on the results of implementation of the Pilot project on KNI within the framework of the CIS**

**A.A. Piskunov    
Report on the results of implementation of the Pilot project on KNI within the framework of the CIS The 3rd Meeting of the INTOSAI Working Group on KNI**    
Dear colleagues!

As you may know, the pilot project on KNI within the framework of the CIS is being implemented as a part of the Working group activity. For this purpose an Expert Group was established following the resolution of The Board of Heads of supreme audit institutions of the CIS member-states, this Group consists of the representatives of the Supreme Audit Institutions of nine countries.

A peculiar feature of this pilot project is the agreed Economic development strategy of the CIS till 2020 approved by the political leaders of the CIS member-states that is aimed to establish a common economic space.

To the moment, 3 meetings of the Expert Group have been held. In 2009 the 2nd and 3rd meetings of the Expert Group were organized, the main result of these meetings was development and approval of the Draft Guidelines for the use of key national indicators in Performance audit, the Glossary of terms with suggestions and amendments of the members of The Board of Heads of supreme audit institutions of the CIS member-states and the Expert Group on KNI.

First of all, during the preparation of the Draft Guidelines, a survey was held among SAIs – members of the Expert Group. This survey was aimed to define the degree of preparedness and the level of practical application of Performance audit and key national indicators in the activities of SAIs in the CIS member-states; it was also aimed to define consistency in the approaches to the above mentioned issues and development on this basis of a draft international standard for SAIs of the CIS member-states.

In order to discuss the Questionnaire the Secretariat held a number of meetings in Kiev, Kishinev, Minsk and Astana in February 2009. Following the results of these meetings the required amendments were approved and the Questionnaire was distributed among members of the Expert Group.

The Questionnaire contained three groups of questions that allowed gathering the information required for systematization and estimation of peculiar features of national strategic planning systems, particularities of a regulatory framework and performance auditing experience, as well as peculiarities of development of a system (set) of key national indicators used in the SAIs activity in the CIS countries.

Based on this analysis and on detailed consideration of international experience the Draft Guidelines for the use of key national indicators inPerformance audit was developed and presented at the IX Session of The Board of Heads of supreme audit institutions of the CIS member-states held in September - October 2009 in Dushanbe. Apart from that, there was held a survey based on international experience, which results were used for preparing the material "Analysis of international experience and perspectives of the use of KNI in the CIS member-states SAIs activity", also presented in Dushanbe. In 2010, with regard to the amendments, the materials on this topic are planned for issue.

As arranged, by November 2009 the Secretariat received the suggestions and amendments to the Draft Guidelines from the members of the Expert Group, that were presented during the 3rd meeting of the Expert Group that took place in Moscow (Russia) in November 26, 2009. At the beginning of the year 2010, with introduction of the presented amendments, the document was approved by all Heads of SAIs of the CIS member-states – members of the Expert Group.

The final version of the Draft Guidelines includes the following sections:

* Term of Performance audit;
* Performance audit purposes;
* Spheres of Performance audit;
* Performance audit steps;
* Methods of collection and analysis of information;
* Preparation of an economic-methodological basis of the audit;
* Performance audit criteria determination;
* Methodology of indicators/key national indicators selection in Performance audit;
* Development of key national indicator system;
* Definition of audit evidence and received data analysis;
* Preparation and distribution of the report on Performance audit results;
* Monitoring of recommendations realization.

As several CIS member-states face the problem of terminological inconsistency, the Glossary of terms was included in the Draft Guidelines; it contains both terms and comments to their use.

Apart from that, during the 3rd meeting of the Expert Group there was held a demonstration of the Draft Knowledge Base on the use of KNI in Performance audit in CIS member-states and also the discussion of the methodological approach to its development.

As a result of the discussion, the structure of the Knowledge Base comprised all the sections of Draft Guidelines alongside with the following parts:

* Performance experience;
* Statistical data.

The tools for effective work with the Knowledge Base data were presented at the Meeting.

Also the issue of the Knowledge Base of the INTOSAI Working Group on KNI and possibilities of the Expert Group members participation in this project was discussed at the meeting.

In conclusion, the perspectives of further filling up and use of the Knowledge Base of the Expert Group on KNI were discussed.

Particularly, within the framework of the Meeting there was considered and approved with relevant amendments the Working Plan of the Expert Group for 2010. Following the results of the discussion, with the aim of further approval of the Guidelines and the Knowledge Base, it was decided to add the following activities to the Working Plan of the Expert Group:

* Approval of the Draft Guidelines at the X Session of The Board of Heads of supreme audit institutions of the CIS member-states in September - October 2010;
* Submission of the Guidelines for consideration of the Inter-Parliamentary Assembly of the CIS member-states as an international standard on audit activities.

The work that has already been conducted by the Expert Group and that will continue in 2010 is aimed at the following:

* development of a framework logical model of SAIs activity within the KNI system for the purpose of development and realization of national strategies for social and economic development;
* providing conditions for online (via the web-site) communication of representatives of SAIs and external experts on the social-economic development assessment on the basis of KNI;
* organizing a number of seminars and trainings for representatives of SAIs within the framework of Performance audit for the purpose of supporting the corresponding initiatives within SAIs.

The experience gained through the implementation of the Pilot Project allows ensuring integral vision and agreed approaches to the methodological support and construction of logical structure of the KNI Knowledge Base for assessing development in certain countries and regional associations of various scale.

Today this issue is a burning one with regard to audit problems of national and international financial institutions, defined by G20 for the purpose of monitoring and timely prevention of financial risks, and also with regard to understanding the fact that the post-crisis problems spread far beyond the boundaries of G20 countries, while remaining the competence of INTOSAI. We hope that the results obtained within the pilot project will contribute to achieve the goals of our Working Group and to solve the progress assessment problems.