

Standard Summary Project Fiche for the Transition Facility

1. Basic Information

1.1 CRIS Number: 2006/018-118-02-01

1.2 Twinning contract: LV/2006/IB/FI/01

1.3 Title: Protection of the European Union and state budget funds

1.3. Sector: Public finance

1.4. Location:

Republic of Latvia

State Audit Office

Kr.Valdemara street 26, Riga, LV-1010

2. Objectives

2.1 Overall Objective

To reinforce the ability of the State Audit Office (SAO) to provide the Parliament, other stakeholders and the general public with good quality information on the use of public funds – the European Union (EU) funds and state budget funds.

2.2 Project purpose

1. To develop and implement a quality management system in the State Audit Office.
2. To provide audit staff with the skills for performing specialized financial and performance audits.

2.1 Justification

In accordance with the „Comprehensive monitoring report on Latvia’s preparation for membership” September, 2003 Chapter 28 Financial Control: In the field of external audit, framework legislation has been adopted and is in line with the *acquis*. Implementing legislation has only been partially adopted, as the SAO needs to continue to incorporate international audit standards into its current work.

Latvia is meeting the majority of the commitments and requirements in the area of external audit control over structural action expenditure and protection of the EU financial interests. Preparations need to be speeded up to complete implementing legislation for external audit and to implement the international auditing standards. The independence and operational capacity of the SAO has to be further developed and improved.

3. Description

3.1 Background and justification

The SAO is the Supreme External Audit Institution in Latvia and its activities are laid down in the State Audit Office Law. The Law requires that audits are undertaken according to International Auditing Standards, it also gives the SAO the right to audit the final beneficiaries of the EU funds. The SAO performs two main types of audit: financial audits and performance audits.

A peer review of the SAO in 1999 was undertaken by SIGMA. The review recommended that Twinning would be the most effective way to introduce many development needs identified. This has led to the Phare 2000 Twinning project (Twinning project “Improving public expenditure management” Component 4 “External audit”) support to the SAO to reform its institutional capabilities. The Phare 2000 project did much to provide the basic systems and methodologies required to underpin audits undertaken to International Auditing Standards and to improve the efficiency of its internal processes. At the end of the Phare 2000 project most audit staff had been trained in financial audit and/or performance audit. Methodology manuals had been prepared for both financial and performance audit. However the Twinning partners identified certain other key issues, which were impeding the further development of the SAO. Principally, these concerned re-structuring and pay and grading – and these are being addressed in the 2003 Twinning project “Public funds external audit”, which started in February 2005.

As the Phare 2003 project “Public funds external audit” was beginning, SIGMA undertook a further peer review of the SAO (November 2004 to February 2005). It concluded that in support of the reorganisation it was necessary for the documentation of the audit methodologies and supporting processes to be updated and for short training courses to be provided to promote greater consistency in the use of the methodology across the new audit divisions.

In July 2005 amendments to the State Audit Office Law were approved which changed significantly some of the SAO’s audit functions and internal organisation. Simultaneously changes in the structure of the SAO were made in May 2005. As a result, the main and support processes of the SAO work changed substantially.

With audit processes now developed, adequate resources allocated to core audit work and with the ability, for the first time, to recruit experienced audit staff, the SAO is in a good position to deliver professional audit outputs. These will not only provide assurance on how public money has been spent, but over time, will increasingly provide recommendations aimed at improving the delivery of public services in Latvia. These developments – which have been introduced in a relative short time period - now need to become embedded in the SAO through Quality Management Systems, which will address not only the effectiveness and quality of the audit work, but also of the supporting processes. There is also a need to ensure that the SAO itself can provide the necessary technical training and quality control processes. This project would therefore also focus on building sustainability of the introduced changes.

The second theme, which this Twinning project is to address, would be to provide the specialist training and guidance necessary for the SAO to be a realistic candidate to undertake the formal certification function with respect to EU funds. With the basic audit skills and structures now in place, the appointment to such a function would do much to improve the credibility and profile of the SAO, and would be a fitting testament to the progress made to date.

3.2 Linked activities

In 2002-2003 there was Phare 2000 Twinning project “Improving public expenditure management” Component 4 “External audit” aimed to strengthen the SAO. The Component 4 “External audit” activities resulted in financial and performance audit methodologies as well as administrative systems such as time recording and performance appraisal.

An 18 month long Phare 2003 Twinning project “Public funds external audit” started in February 2005 and is addressing the following problems:

- to improve the pay and assist in the recruitment of staff with the necessary experience;
- to change the current structure of the SAO to ensure the most effective deployment of the existing staff;
- to ensure that the staff undertaking EU funds audits have the necessary skills;
- to implement IT tools in order to improve the efficiency of administrative systems;
- the assistance in order to establish effective reporting and liaison arrangements with the new Parliamentary Public Expenditure and Audit Committee;
- to develop the capacity of the SAO in order to evaluate the effectiveness of the Government’s actions against fraud and corruption.

The Phare 2003 project “Public funds external audit” is due to finish in August 2006. One project activity – “Changing the SAO structure” is completed. Changes in the structure of the SAO were introduced in order to provide the most effective use of the key staff and the existing resources, and these changes became effective on the 1st of May 2005.

The re-structuring has revealed a need to re-define the SAO’s processes and procedures in many areas. **Therefore the main priorities of the Transition Facility 2006 project would be:**

- to build a Quality Management System (QMS) in the SAO;
- to improve the effectiveness and quality of the SOA audit work;
- to assist the SAO in development of its own internal training capability;
- to provide practical guidance to SAO auditors on certification of expenditure and evaluation issues.

These would fall under two broad project activities.

Project Activity 1 would be the development of the QMS. As a result of restructuring, new processes have been developed that should be defined and described precisely, as well as the missing processes are stated. As well as process descriptions, this Activity would also include quality control procedures for both financial and performance audit. Also on the audit side it would include the development of an internal training system at the SAO, employing the most experienced auditors as teaching staff and developing training programmes. Another part of this activity would introduce quality

management into the supporting administrative processes, principally the Human resources.

Project Activity 2 would involve the provision of specific skills to enable the SAO to undertake new tasks and to enhance its existing work. Certification of the Guarantee expenditure section of the European Agricultural Guidance and Guarantee Fund (EAGGF) according to the European Commission regulations currently is provided by a private audit company in Latvia. A fixed-term contract is awarded for this work every two years. According to the State Audit Office Law, the SAO already provides opinions on the correctness of preparation of the financial statements by ministries. The EU funding for the Guarantee expenditure section of the EAGGF is consolidated under the annual balance of Ministry of Agriculture. The mentioned funds compose a substantial part of expenditures of Ministry of Agriculture wherewith the SAO shall ascertain lawfulness, effectiveness and economy of the mentioned funds. Performing functions of the Certifying institution, the SAO would obtain a part of the necessary confidence for auditing the financial statement of Ministry of Agriculture. With the standard of its financial audits improving, and its existing statutory responsibility for Ministry audits, it would be logical now for the SAO to consider bidding for the EAGGF work. After having acquired the necessary skills, the SAO would be well-placed to broaden its scope and involve itself in the process of certification of the expenditure of the EU funds and in evaluation of the efficiency of different support programmes, and thereby increase its profile and credibility as a Supreme Audit Institution. Activity 2 would also involve specific help to performance auditors in the evaluation of public programmes and to financial auditors in the audit of consolidated accounts.

3.3 Results

The main task of the Twinning activities is to increase the personnel's efficiency, to enlarge the number of qualified auditors with knowledge in new audit fields and to establish Quality Management System.

Overall mandatory results (targeted objectives) of the project are:

1. A quality management system in the State Audit Office developed and implemented;
2. Audit staff acquired skills for performing specialized financial and performance audits.

1. Development of the Quality Management System

1.1. A review of the existing systems for ensuring quality in both the core audit processes and the supporting administrative systems.

1.2. An Implementation Plan for those parts of the quality management system that need to be developed.

1.3. Descriptions of the existing processes have been developed.

1.4. Identification and subsequent description of the missing processes have been developed.

1.5. For the core audit processes, tools for implementation of the following areas:

- 1.5.1. training programmes for financial and performance audit;
- 1.5.2. a team of trainers for training/giving lectures on financial and performance audits has been developed and trained.
- 1.5.3. managerial skills of the middle and the highest level managers have been improved (teambuilding, communications and leadership skills).

1.6. The transfer of skills to ensure the continued assessment and development of quality systems.

2. *Acquirement of the specialized types of audits*

2.1. Methodology for certification of the expenditure of the EU funds.

2.2. Methodology for the financial audits of consolidated annual reports developed by the SAO reviewed and assessed.

2.3. Acquirement of knowledge and skills for evaluating public sector programmes:

2.3.1. Methodology for programme evaluation audits has been developed;

2.3.2. A practical performance “pilot audit” for programme evaluation has been performed, adopting the developed methodology.

3.4 Activities

Activity 1. Development of the Quality Management System

1.1. Determination and evaluation of the existing processes (those of the core audit activity, administrative support and management systems), determination of the missing processes.

1.2. Development of the Implementation Plan of the QMS.

1.3. Elimination of the determined deficiencies in the processes and descriptions of the existing processes.

1.4. Identification and subsequent description of the missing processes.

1.5. Development of tools (internal training group, training programmes, development of the leadership skills, etc.) for ensuring the missing and deficient processes.

1.6. Staff training for implementation of the QMS.

Activity 2. Acquirement of the specialized types of audits

2.1. Development of methodology for certification of institutions involved in administration of the EU funds (certification services).

2.2. Evaluation of the developed methodology for financial audits of consolidated annual reports.

2.3. Development of methodology and acquirement of skills for evaluating public sector programmes.

MEANS

Twinning contract:

These activities will be implemented through a Twinning contract with an EU Member State Supreme Audit Institution, involving a full-time Resident Twinning Adviser (RTA). The RTA will be a long-term advisor for 18 man months, the exact duration being left to the twinning contract, supported by approximately 140 man days of short-term expertise, involving seven experts.

The RTA will undertake the following:

- overall project management and planning procedures;
- the co-ordination and scheduling of the work of the short-term experts;
- reviewing existing training programme and audit quality requirements;
- developing an appropriate training programme and an audit approach for

- certifying audit work and providing ongoing advice on these audits;
- developing audit guides and procedures related to the audit of evaluation of effectiveness of EU funds and state budget programmes.

Profile of RTA:

The Expert should meet the following requirements:

- expert in external audit (including audit of the EU funds) with a long-term (minimum 8 years) professional experience within a Supreme Audit Institution in an EU Member State;
- experience with the practical setting up and implementing a QMS;
- thorough understanding of audit work and a good knowledge of QMS and auditors training issues;
- experience to give theoretical and practical advises for audit quality issues;
- experience in coordination and management of Twinning activities;
- Relevant University degree/ Professional audit qualification;
- fluent conversational and written English.

EU Short-term experts, with the appropriate skills and experience, will be required for the following activities:

- review of the existing training programmes to identify the necessary improvements;
- review the audit quality system to identify the necessary improvements;

Requirements for short-term experts:

- relevant University degree;
- experience in theoretical and practical advising for elaboration of audit methodology;
- at least three-year working experience in similar EU Member State institution;
- experience in QMS;
- lector's experience and necessary competence to organize training;
- fluent conversational and written English.

The Twinning contract will elaborate the precise number, tasks and working days of experts.

The SAO will allocate the necessary technical resources (computers, printers, office space for the foreign experts) and the financial resources to cover all the local costs related to the participation of the SAO staff in the project activities.

3.5. Lessons learned

Experience from the Phare 2000 project "Public Expenditure Management" has shown that, in order to maximise the benefits of a Twinning project, enough human resources need to be made available by the beneficiary. It is particularly important to book the time of the key staff involved in the project to ensure their full participation in the project activities. Also, audit staff needs additional time to implement new audit techniques as well.

During the course of the current project, effective project management procedures have been set up. Project working group meetings are taking place on a weekly basis and this ensures good follow up on the project progress. Also, SAO employees who

work in the respective field have been appointed as project counterparts responsible for each activity or sub-activity.

The above mentioned principles will also be stipulated in this Transition Facility 2006 Twinning project. Transition Facility 2006 project activities and project time schedule are linked with Activity plan of the SAO Strategic development plan 2006-2009. When the SAO Annual audit plan for year 2007 will be prepared, the Twinning project activities and experts' visits on audit issues will be taken in account as well.

4. Institutional Framework

The beneficiary institution is the SAO, which is one of the key institutions in the system of financial control in Latvia. The SAO employs about 200 staff and is organised into five Audit Departments and one Audit Methodology, Analysis and Development Department. The proposed Twinning Activities will involve staff from different Departments and administrative support units. The Project working group will consist of the Auditor General (also SPO) and project counterparts (representatives of the SAO senior staff with longest experience in particular field) responsible for each activity or sub-activity. Project counterparts will be appointed during the drafting stage of the Twinning Contract. Scope of the project is to improve external audit by strengthening of the Supreme Audit Institution in Latvia – the State Audit Office for protection of the European Union funds and state budget resources.

5. Detailed Budget

MEUR	Transition Facility support			Co-financing			Total cost (TF plus co-financing)
	Investment Support	Institution Building	Total Transition Facility (=I+IB)	National Public Funds (*)	Other Sources (**)	Total co-financing of the project	
Twinning Contract		0.545	0.545				0.545
Total		0.545	0.545				0.545

(*) contributions form National, Regional, Local, Municipal authorities, FIs loans to public entities, funds from public enterprises

(**) private funds, FIs loans to private entities

Contributions from the Latvian administration for effective implementation of the twinning/twinning light/TA may be further detailed in the twinning contract/Terms of references.

VAT does not constitute eligible expenditure except where it is genuinely and definitely borne by the final beneficiary. VAT which is considered recoverable, by whatever means, cannot be considered eligible, even if it is not actually recovered by the final beneficiary or individual recipient.

6. Implementation Arrangements

6.1. Implementing Agency

Implementing agency of the project will be the Central Finance and Contracting Agency (CFCA) of the Ministry of Finance. CFCA will be responsible for the financial and administrative management of the project in accordance with Extended Decentralized Implementation System.

Central Finance and Contracting Agency
Acting director
Ms. Marita Salgrave
1 Smilsu Street, Riga, LV 1050, Latvia
Phone: +371 7094342
Fax: +371 7094348

Programme Authorising Officer
Deputy State Secretary of the Ministry of Finance
Ms. Inta Vasaraudze
1 Smilsu Street, Riga, LV 1050, Latvia

The overall technical responsibility is under the State Audit Office of the Republic of Latvia
Senior Programme Officer
Auditor General
Ms. Inguna Sudraba
Riga, Latvia LV 1010
Tel: +371 7017501, Fax: +371 7017673

6.2. Twinning

Project leader will be:
State Audit Office of the Republic of Latvia
Head of Sector
Ms. Ilvija Atvare
Kr Valdemara iela, 26
Riga, Latvia LV 1010
Tel: +371 7017601
Fax: +371 7017673

6.3. Non-standard aspects

There will be no non-standard aspects regarding implementation of the project. Contract procedures will be followed under Extended Decentralised Implementation System. For the Twinning project the Twinning manual will be followed.

6.4. Contracts

Twinning contract - 0.545 MEUR (parallel in-kind co-financing will be ensured as stated in the Twinning Contract).

7. Implementation Schedule

Implementation Schedule (Indicative)

		Start of tendering /call for proposals	Start of project activity	Completion
1.	Twinning Contract	II Quarter of 2006	IV Quarter of 2006	II Quarter of 2008

8. Sustainability

The SAO has foreseen adequate staff resources to maintain QMS function. The necessary costs will be envisaged in SAO's yearly budget.

9. Conditionality and sequencing

Most important milestones of the project in terms of impact:

- The QMS is setup by I Quarter of 2008;
- The in-house training is setup by the end of 2007.

ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format.
2. Detailed implementation chart for Twinning contract by experts.
3. Detailed implementation chart by activities.
4. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period).
5. Summary indicative budget.

LOGICAL FRAMEWORK MATRIX

LOGFRAME PLANNING MATRIX FOR Project: Protection of the European Union and state budget funds		Programme name and number	
		Contracting period expires	Disbursement period expires
		Total budget: EUR 545 000	TF budget: EUR 545 000
Overall objective	Objectively Verifiable Indicators	Sources of Verification	
To reinforce the ability of the State Audit Office (SAO) to provide the Parliament, other stakeholders and the general public with good quality information on the use of public funds – the European Union (EU) funds and state budget funds.	Parliament and other stakeholders admit the SAO work as high quality.	<ul style="list-style-type: none"> • Press/ Ratings of opinion surveys. • Public Accounts Committee recognizes the SAO work results and uses SAO recommendations. 	
Project purpose	Objectively Verifiable Indicators	Sources of Verification	Assumptions
1. To develop and implement a quality management system in the State Audit Office.	Descriptions of the main activity processes until November 2007 have been developed and approved by the Council of the SAO	<ul style="list-style-type: none"> • Final Report • Decision of the SAO Council 	The SOA has appointed personal responsible for QMS issues.
2. To provide audit staff with the skills for performing specialized financial and performance audits.	Skills of financial and performance auditors have been consolidated for performing new types of audits.	<ul style="list-style-type: none"> • Final Report 	The SAO recruits and holds highly qualified audit experts.
Results	Objectively Verifiable Indicators	Sources of Verification	Assumptions
1. Development of the Quality Management System 1.1. A review of the existing systems for ensuring quality in both the core audit processes and the supporting administrative systems. 1.2. An Implementation Plan for those parts of the quality management system that need to be developed. 1.3. Descriptions of the existing processes have been developed. 1.4. Descriptions of the missing processes have been	<ul style="list-style-type: none"> • Description of the existing system • Implementation Plan of the Quality Management System has been approved by the SAO Council • Descriptions of the existing and missing processes have been approved by the SAO Council 	<ul style="list-style-type: none"> • Decisions of the SAO Council • Quarterly report • Mission reports • Seminar checklist 	<ul style="list-style-type: none"> • All necessary data and documentation are available to the experts in sufficient time • Staff for lecturing on financial and performance auditing has been determined.

<p>developed.</p> <p>1.5. For the core audit processes, tools for implementation of the missing processes have been developed, including:</p> <p>1.5.1. training programmes for financial and performance audit;</p> <p>1.5.2. a team of trainers for training/giving lectures on financial and performance audits has been developed and trained.</p> <p>1.5.3. managerial skills of the medium and the highest level managers have been improved (teambuilding, communications and leadership skills).</p> <p>1.6. The transfer of skills to ensure the continued assessment and development of quality systems.</p>	<ul style="list-style-type: none"> •training programmes of financial and performance audits have been developed; •4 trainers have been trained on financial auditing •2 trainers have been trained on performance auditing •6 seminars for medium and advanced level managers on developing leadership skills and for team development have been held •6 seminars on developing presentation and communication skills have been held •6 seminars for preparing the SAO's staff for implementation of the Quality System have been held. 		
<p>2. Acquirement of the specialized types of audits</p> <p>2.1. Methodology for certification of expenditure of the EU funds.</p> <p>2.2. Methodology for the financial audits of consolidated annual reports developed by the SAO reviewed and assessed.</p> <p>2.3. Acquirement of knowledge and skills for evaluating public sector programmes:</p> <p>2.3.1. Methodology for programme evaluation audits has been developed;</p> <p>2.3.2. A practical performance "pilot audit" for programme evaluation has been performed, adapting the developed methodology.</p>	<ul style="list-style-type: none"> •Methodology for performance of the specialized financial audits (certification of expenditure) has been approved by Auditor General •Report on assessment of methodology for financial audits of consolidated annual reports has been prepared •methodology for specialized performance audits has been approved by the SAO Council •performance "pilot audits" for programme evaluation has been completed 	<ul style="list-style-type: none"> • Decisions of Auditor General • Quarterly report • Mission reports • Audit Report for the performed Pilot audit has been approved 	<ul style="list-style-type: none"> • Methodology for financial audits of consolidated annual reports has been developed and approved by the SAO Council. • An audit groups for performance of the "pilot audit" has been set up.

ACTIVITIES	Means (Indicative)		Assumptions
<p>1. Development of the Quality Management System</p> <p>1.1. Determination and evaluation of the existing processes (those of the core audit activity, administrative support and management systems), determination of the missing processes.</p> <p>1.2. Development of the Implementation Plan of the Quality Management System.</p> <p>1.3. Elimination of the determined deficiencies in the processes and descriptions of the existing processes.</p> <p>1.4. Descriptions of the missing processes.</p> <p>1.5. Development of tools (internal training group, training programmes, development of the leadership skills, etc.) for ensuring the missing and deficient processes.</p> <p>1.6. Staff training for implementation of the Quality Management System.</p>	<p>1.1. RTA – 60 m/d and STE 1 – 10 m/d for situation analysis and assessment of current processes</p> <p>1.2. RTA – 20 m/d for drawing up the Implementation Plan of the Quality Management System.</p> <p>1.3. RTA – 60 m/d and STE 1 – 10 m/d to provide assistance for drawing up descriptions of the existing processes</p> <p>1.4. RTA – 60 m/d and STE 1 – 15 m/d to provide assistance for drawing up descriptions of the missing processes</p> <p>1.4. STE 2 – 9 m/d to provide assistance for drawing up missing processes descriptions</p> <p>1.4. STE 3 – 9 m/d to provide assistance for drawing up missing processes descriptions</p> <p>1.5. STE 2 - 6 m/d for creating financial audit training programmes and STE 3 - 6 m/d for creating performance audit training programmes</p> <p>1.5. STE 4 - 4 m/d for financial and performance audit training of trainers</p> <p>1.5. STE 4 - 18 m/d for leadership seminar and seminar for team building (six 3-days seminar)</p> <p>1.5. STE 4 - 12 m/d for seminar on improvement of presentation and communication skills (six 2-days seminars)</p> <p>1.6. RTA – 6 m/d and STE 1 – 6 m/d for seminars to the SAO's staff for quality</p>		

<p>2. Acquirement of the specialized types of audits 2.1. Development of audit methodology for certification of expenditure of the EU funds (certification services). 2.2. Evaluation of the developed methodology for financial audits of consolidated annual reports. 2.3. Development of methodology and acquirement of skills for evaluating public sector programmes.</p> <p>Daily management and coordination of the Twinning project</p>	<p>management system (six 1-day seminars)</p> <p>2.1. STE 5 - 12 m/d for preparation of the audit methodology for certification 2.2. STE 6 - 3 m/d for evaluation of the financial audit methodology for consolidated annual reports. 2.3. STE 7 - 8 m/d for preparation of the methodology for evaluation programmes 2.3. STE 7 - 12 m/d for pilot audit</p> <p>RTA - 134 m/d</p>		
			Preconditions

IMPLEMENTATION CHART

Year	2007												2008						
Month	12	01	02	03	04	05	06	07	08	09	10	11	12	01	02	03	04	05	06
Twinning: RTA																			
STE 1																			
STE 2																			
STE 3																			
STE 4																			
STE 5																			
STE 6																			
STE 7																			

ACTIVITIES IMPLEMENTATION CHART

	2006	2007												2008					
	12	01	02	03	04	05	06	07	08	09	10	11	12	01	02	03	04	05	06
Twining																			
Activity 1. Development of the Quality Management System																			
1.1. Determination and evaluation of the existing processes (those of the core audit activity, administrative support and management systems), determination of the missing processes.																			
1.2. Development of the Implementation Plan of the Quality Management System.																			
1.3. Elimination of the determined deficiencies in the processes and descriptions of the existing processes.																			
1.4. Descriptions of the missing processes.																			
1.5. Development of tools (internal training group, training programmes, development of the leadership skills, etc.) for ensuring the missing and deficient processes.																			
1.6. Staff training for implementation of the Quality Management System.																			
Activity 2. Acquirement of the specialized types of audits																			
2.1. Development of methodology for certification of expenditure of the EU funds (certification services).																			
2.2. Evaluation of the developed methodology for financial audits of consolidated annual reports.																			
2.3. Development of methodology and acquirement of skills for evaluating public sector programmes.																			

CUMULATIVE CONTRACTING and DISBURSEMENT SCHEDULE (Mil. EUR)								
	VI Q 2006	I Q 2007	II Q 2007	III Q 2007	IV Q 2007	I Q 2008	II Q 2008	TOTAL
Twinning Contract								
Contracted total	0.545							0.545
TF	0.545							0.545
Disbursed total		0.284	0.050	0.050	0.050	0.056	0.055	0.545
TF		0.284	0.050	0.050	0.050	0.056	0.055	0.545

Annex 5**Summary indicative budget, EUR**

Twinning budget section	Transition Facility budget
RTA	283 300
Assistant	22 500
Project preparation and co-ordination	46 300
Audit fee	6 000
Translation / Interpretation costs	5 200
Activity No 1 Quality management system	120 400
<p>Costs of twinning expertise for approx. 105 days:</p> <p>1.1. Determination and evaluation of the existing processes (those of the basic activity, support and management), determination of the missing processes. RTA involvement and 10 experts' days</p> <p>1.2. Development of Implementation Plan of the Quality Management System. RTA involvement.</p> <p>1.3. Description of the existing processes and elimination of the determined deficiencies in the processes. 10 experts' days</p> <p>1.4. Description of the missing processes. 33 experts' days</p> <p>1.5. Development of tools for ensuring the missing and deficient processes. 46 experts' days for: 6 experts' days for creating regularity audit training programmes; 6 experts' days for creating performance audit training programmes; 4 experts' days for training of trainers; 30 experts' days for development of managerial skills (leadership seminars, team developing seminars and development of communication skills).</p> <p>1.6. Training of the staff for implementation of the QMS (seminars to the SAO's staff) 6 experts' days</p>	
Activity No 2 Acquirement of the specialized types of audits	48 100
<p>Costs of twinning expertise for approx. 35 days</p> <p>2.1. Development of methodology for certification of expenditure of the EU funds (certification services). 12 experts' days</p> <p>2.2. Evaluation of the developed methodology for financial audits of consolidated annual reports. 3 experts' days</p> <p>2.3. Development of methodology and acquirement of skills for evaluation of the EU programmes, state support tools and programmes. 20 experts' days: 8 experts' days for preparation of the methodology for evaluation programmes; 12 experts' days for pilot audit .</p>	
SUB-TOTAL	531 800
Provisions for changes in prices (2.5% of sub-total)	13 300
TOTAL	545 100