

STRATEGY OF THE NATIONAL AUDIT OFFICE OF ESTONIA 2014-2020¹

The mission of the National Audit Office of Estonia (NAOE) is to **help the Parliament (*Riigikogu*), the Government and local governments act smartly**, and make important decisions in the interests of the general public and weighing all kinds of information as thoroughly as possible before these decisions are made. In order to achieve this, the NAOE evaluates the functioning of the state's policies and action plans, and gives the governing bodies feedback about the performance of their work. The NAOE also checks that the reporting system of the executive government is relevant and that all reports are understandable and correct. For this purpose the NAOE implements its experience and the best audit practices whilst also being open to innovation.

The **core values of the employees of the National Audit Office of Estonia** are objectivity and independence, competence and diligence, cooperation and openness, and honesty and integrity.

STRATEGIC OBJECTIVES

1. The audits of the National Audit Office of Estonia support the development of Estonia in conditions influenced by global, regional and local factors, and are aimed at solving and preventing the problems that concern the society's capacity to function.

- The NAOE values the impact of audits, i.e. auditing is a way to achieve positive changes and to help solve the problems of the state and society. Auditing is the main activity of the NAOE and quality audit reports are its main output that are valued above all by the audit departments. If necessary, the NAOE also prepares overviews and memoranda, organises seminars and other activities that support the main activities.
- The NAOE itself also raises issues in society and promotes discussion on subjects that have a significant impact on everything that concerns the NAOE's area of activity, especially in the cases where significant risks in adherence to the principles of reasonable use of money or good governance can clearly be observed.
- The work of the NAOE is aimed at the general public, *Riigikogu*, Government and local authorities. An important duty of the NAOE is to guarantee that the general public is informed as well as possible about matters that fall in its competency by balancing the information offered by the executive government, if necessary. The NAOE, relying on its independence, offers the general public controlled information about the functioning of the state so that the general public and the *Riigikogu* can evaluate the activities of the executive government and to compare the amount of money spent with the results achieved.

2. The National Audit Office of Estonia audits all sectors as much as possible without excluding assessment of the use of public funds within any scope.

- In the coming years, the NAOE will focus mainly on the following areas: internal and external security, smart and healthy workforce implemented in the best possible manner, structural reforms and major investments.
- The NAOE keeps developing the methodology of financial, performance and compliance auditing. The audits are organised pursuant to the significance of the problems that motivate them and all audits are based on up-to-date and relevant methodology.
- The primary purpose of financial audits is to prevent problems to guarantee a transparent and optimal reporting system about the use of state budget funds, the reliability of the annual report of the state and the accounting data used in the financial statistics of the state, and to improve the financial discipline of the agencies and consequently also the financial management of the state.
- The purpose of compliance audits is to check the compliance of the relevant transactions with the compliance requirements set forth in legislation and to make recommendations in order to improve the functionality of the internal control system.
- The goal of a performance audit is to assess whether the Government has used money purposefully for the elimination of any obstacles to the state's development and whether activities have had the desired impact.
- In cooperation with the *Riigikogu* the NAOE wants to develop solutions that would allow the local community and taxpayers in general obtain information about the reasonability of the use of money by local authorities.
- The NAOE will increase the scope of assessing the use of information technology. The purpose of this is to assess the functionality of specific information systems and the reliability of the data collected in them, as well as the capacity and options of state agencies to use information systems in making important political decisions and to analyse the functionality of the public services based on information systems.
- The NAOE considers important to proceed from the UN Sustainable Development Goals and it also evaluates the various aspects of the state's functioning from this view.
- In any audit, the NAOE also considers the justification of the relevant procedures and, if necessary, makes recommendations for changing unnecessary and irrelevant or outdated rules.
- The NAOE does not duplicate the tasks or focus on the areas that other agencies are primarily obliged to deal with.

3. The National Audit Office of Estonia is a well-known and recognised audit organisation.

- The goal of the NAOE is to be a valued place in the public sector where people can serve the state – a place of work that offers an outlet for professionals who are provided with diverse opportunities for self-development. The working conditions comply with modern requirements, are environmentally friendly, flexible and support creativity.
- At the international level, the NAOE primarily cooperates in the areas of supreme audit institutions where it is possible to share our knowledge and experience with others or where participation helps improve the competency of the auditors of the NAOE.
- The NAOE requests the inclusion of the relevant committees of the *Riigikogu* in the development of its budget more than before.

¹**The strategy approved on 24 March 2014 was updated on 10 May 2017.**