

<b>Activity report.</b> <b>ASP visit to Tatarstan and Tyumen</b> <b>to Participate in Parliamentary Hearings on Pilot Audit Reports</b> <b>and to Hold Meetings on the Role of Media in the Parliamentary Oversight Process</b> <b>December 16-21, 2006</b>	
<p><b>PPF MISSION FRAMEWORK AND STRATEGY</b></p> <p><b>INTENDED OUTCOMES.</b></p> <p><i>100-200. Improved performance audit capacity of ACRF and regional ACs and capacity of FA and regional dumas to efficiently and transparently liaise with respective AC on issues arising from performance audits.</i></p> <p><b>RELEVANT OUTPUTS:</b></p> <p><i>100. Enhanced buy-in by and capacity of ACRF and/or regional pilot ACs to conduct performance audits and to generate and publicize transparent and accurate reports.</i></p> <p><i>200. Strengthened buy-in by and capacity of FC Commission on Interaction with the ACRF and/or State Duma Subcommittee for Cooperation with the ACRF and/or select regional dumas to consider and utilise audit reports by the ACRF and regional ACs.</i></p> <p><b>DECEMBER 2006 ACTIVITY CONTRIBUTING TO RESULTS:</b></p> <p><i>One-week visit by Assistant Auditor General Ron Thompson and ASP Field Manager Valery Ponomarev to Tatarsan and Tyumen including:</i></p> <p><i>(1) Tablings in the Tatarstan and Tyumen legislatures of pilot audit reports on agriculture and road maintenance produced under ASP;</i></p> <p><i>(2) Meetings with representatives of local media to share Canadian experience in the role and involvement of media in the parliamentary oversight process.</i></p> <p><b>CONTRIBUTION OF ACTIVITY TO CIDA PRIORITIES:</b></p> <p><i>The visit contributed to CIDA's priority of promoting democratic development by strengthening oversight of the executive branch at the regional level.</i></p>	<p><b>PROGRESS TO DATE</b></p> <p><b>CONTRIBUTION OF LATEST ACTIVITY TO RESULTS:</b></p> <p>The activity was a culmination of ASP work focused on the introduction of performance auditing at the regional level and marked the achievement of important project results at the outcome level.</p> <p>Based on discussions with ASP experts, both Tyumen and Tatarstan ACs have finalized and tabled their audit reports to the respective legislatures. Parliamentary hearings on the reports were held in Tatarstan and Tyumen on respectively December 18 and 20, 2006. The hearings at Tatarstan Gossovet, where the reports were considered at a joint meeting of two key parliamentary committees involved in overseeing the spending of the regional budget, can be considered the best (and closest to Canadian experience) practice achieved at the regional level in Russia so far. Hearings in Tyumen were held at a plenary session of the region's Duma. While less time for discussion was allocated, the advantage of this format was that all deputies were present and also got familiarised with Canadian experience in parliamentary oversight and performance auditing as shared by a presentation delivered by Assistant Auditor General Ron Thompson.</p> <p>As pointed by the Deputy Speaker of the Tatarstan Gossovet, understanding the value of performance audits, there is now a stronger buy-in among regional legislators and ACs to institutionalise the process of holding parliamentary hearings on audit reports.</p> <p>Given their strong influence in the work of AACRF, it can be expected that the Tatarstan and Tyumen regions would play the role of flagships for reform in disseminating project experience to other regions of the Russian Federation.</p> <p>Responding to Russian partner interest, a pilot effort was also made to involve local media in project activities. About 15 journalists in Tatarstan and 20 in Tyumen were introduced to Canadian experience in parliamentary oversight and the role of media thereof. This was an important first attempt to address the fact that journalists in Russia have little if any knowledge on the importance of parliamentary oversight over the execution of the budget, on the role of auditing bodies as parliamentary watchdogs, on the nature of performance audits as compared to other types of audit, and on the role of media communicating the findings of the reports to taxpayers.</p>

## RESULTS ACHIEVED BY LATEST ACTIVITY:

*Outcome indicator 100-200. Number of performance audits undertaken; number of performance audit reports tabled and published; AC audit reports considered by Federal Assembly or select regional dumas;*

**(1) Based on discussions with ASP experts, both Tyumen and Tatarstan ACs have finalized and tabled their audit reports to the respective legislatures.** *Each of the ACs tabled two reports with results of the pilot audits on agriculture and road construction conducted under ASP.*

**(2) Parliamentary hearings on the reports were held in Tatarstan and Tyumen on respectively December 18 and 20, 2006.** The report hearings at Tatarstan Gossovet can be considered the best (and closest to Canadian experience) practice achieved at the regional level in Russia so far. The reports were tabled by the Tatarstan AC at hearings presided by the Gossovet Deputy Chairman and held jointly by the Committee of Budget and the Committee of Economy: the two key parliamentary committees involved in overseeing the spending of the regional budget. Regional Ministers and their key staff responsible for the audited areas were present, and responded to questions asked by many of about 30 deputies that were present. Hearings in Tyumen were held at a plenary session of the region's Duma. While less time for discussion was allocated, the advantage of this format was that all deputies were present.

**(3) Understanding the value of performance audits, there is now a stronger buy-in among regional legislators and ACs to institutionalise the process of holding parliamentary hearings on audit reports.** This was pointed by the Deputy Speaker of the Tatarstan Gossovet who was chairing the report hearings in that region. Growing interest in AC work was also stressed at official meetings of the Canadian delegation with Mr. Mykhametshin, Speaker of the Tatarstan Gossovet and Mr. Korepanov, Tyumen Duma Speaker.

Until now the reports of local ACs were based on financial compliance audits (which examine whether budget funds are spend by the appropriate rules) and were of less interest for the legislators who believed that misspending and wrongdoings discovered were of prime interest for law enforcement bodies. Performance audits now provide parliamentarians with a new tool allowing them to examine whether taxpayers money were spent efficiently which in turn can give them ideas on how to improve the process of budget allocations and can allow them to formulate demands on changes that the governments should implement in order to improve their performance.

**(4) Audit report hearings in Tatarstan and Tyumen were better prepared and conducted than the hearings on the first round or regional audits finalised under ASP in 2005.** An important reason here was that partners in Tyumen and Tatarstan, notably the chairs of the ACs of these regions, were well familiar with the results of the 2005 Leningrad and Voronezh hearings. Also, based on lessons learned from the 2005 round of audits, the Parliamentary Centre was able to improve program delivery and provide better assistance to the regions of Tyumen and Tatarstan.

**(5) It can be expected that the Tatarstan and Tyumen regions would play the role of flagships for reform in disseminating project experience to other regions of the Russian Federation.** In particular, the Chairmen of the ACs of the two regions Mr. Demidov and Mr. Sheregov are well-respected members of the Association of Accounting Chambers of the Russian Federation and have serious influence over the activities of this body.

*Output indicator 100. Number of people trained; Number of media pieces on performance auditing and AC reports;*

**(1) About 80 regional parliamentarians were familiarised with Canadian experience in parliamentary oversight and performance auditing.** Assistant Auditor General Ronald Thompson delivered presentations at both report tablings, familiarising 50 Tyumen and 30 Tatarstan parliamentarians with the way performance auditing and Canadian parliamentarians' interest in it have evolved over the years and also sharing experience with the tabling of OAG audits on agriculture and road construction.

**(2) About 15 journalists in Tatarstan and 20 in Tyumen were introduced to Canadian experience in parliamentary oversight and the role of media thereof.** Responding to interest expressed during the October-November 2006 visit to Tyumen, the Canadian delegation held meetings with local journalists from both print media and major local TV stations in order to introduce them to the concepts of parliamentary oversight, performance audit reports and parliamentary hearings thereof and the role of the media in this process. The meetings were extremely timely and useful because, as one journalist stated, media interest to the activities of accounting chambers was only connected with investigations of misspending of criminal nature. Journalists in Russia have little knowledge on the importance of parliamentary oversight over the execution of the budget, on the role of auditing bodies as parliamentary watchdogs, on the nature of performance audits as compared to other types of audit, and on the role of media communicating the findings of the reports to taxpayers.

**(3) The full text of the speech that Assistant Auditor General Ron Thompson delivered at the tablings was published in the Tyumen magazine "Taxes, Investment, Law".**

**(4) Events held in Tyumen and Tatarstan were covered extensively by local media.**

**VALUE-ADDED OF PC TEAM IN ACHIEVING RESULTS:**

ASP Field Manager Valery Ponomarev played an important facilitating role at meetings held ensuring a highly productive dialogue between Assistant Auditor General Ron Thompson and Russian partners.

**Glossary of abbreviations:**

**AACRF:** Association of the Accounting Chambers of the Russian Federation

**ACRF:** Accounting Chamber of the Russian Federation

**ACs:** Accounting chambers

**ASP:** Accountability Strengthening Program

**CRPP:** Canada-Russia Parliamentary Program

**PC:** Parliamentary Centre