

National audit office in Kosovo (NAO) vs Court of audit in Slovenia (CA) - who has the best performance?

Prof. Ass. Gresa Mjaku Krasniqi

*Prof. Dr. Department Economics,
Faculty of Economics and Business, University for
Business and Technology (UBT), Pristina.*

Abstract

The purpose of this paper is to investigate the efficiency of the work of auditors in the public sector in the Republic of Kosovo. We used secondary data due to lack of data from primary data. The database includes all auditors from the National Audit Office in the Republic of Kosovo and the Court of Audit in the Republic of Slovenia. A comparative method is applied according to 15 performance indicators ordered by INATOSA. The results show that to present comparative results should be summarized as follows in brief points: OAG's mandate is 5 years while CA's is 9 years, OAG conducts only two types of audits in the Republic of Kosovo while CA conducts all types of audits. Also in terms of finance OAG has a budget twice as small as CA's. In terms of professionalism, almost both of these institutions have adequate education. And finally in terms of time scope, CA has been operating for 25 years while OAG for 15 years.

Keywords: Independence; Legal Framework; Internal Governance; Ethics; Reporting; Human Resources and Training; Kosovo vs Slovenia.

1. Introduction

Over the past years there have been more and more demand for transparent financial reporting in the private and public sectors and a concomitant expansion of auditors' responsibilities. Because these requests were born as a result of joint massive failures (Enron, WorldCom, Parmalat) and badly managed public sector projects significantly exceeded the budget or failed in achieving the intended objectives. In this regard Deakin (1998) says that the most effective way to improve financial performance is to reduce the level of irregularity and fraud improvements through state institutions. Soon after these major corporate failures, the attention of managers, auditors, politicians, investors and the financial markets focused on strengthening internal controls to ensure that such failures will not occur again. It was a universal acceptance among these stakeholders that performance systems should be improved significantly to reduce the risk of financial losses in the future and emerges work performance in audience. Based on this aspect and based on the importance of the research itself, the author as Ferdousi, (2012) says that Performance auditing was widespread in the 1980s by various factors but dominated by the reason for the fair distribution of resources. Since the demand for those resources is always increasing while the resources are limited. For this reason, looking at the importance of performance auditing, the author in question Gomes, (2001) says: "Performance auditing as an important governance process involves a wide range of procedures, activities and

plans that can be accessed in forms and ways different and of course a good and useful approach to show the importance of performance is the involvement of institutions". If we analyze this type of audit it is quite complex because in itself it is different from the traditional one because the fields for choosing topics for performance auditing are more complex Kim et al., (2017). Property, finance, education, justice, health and social security, culture - these are the main areas of the public sector that can be covered by performance audits. In our concrete case regarding the office of the Auditor General for 2019, these were the basic topics for performance auditing such as: Economic development and well-being, health, education, environment and security, public procurement, etc. Performance Report NAO, (2019). In this research, the aim was to present the work of state auditors and their performance for a certain period of time, taking into account the 15 performance indicators and the comparability of the work of auditors between the two countries. Starting from the provision of secondary data and considering the current situation of these two countries in terms of auditing, during the research many research questions arise such as:

1. *What is the real state of performance of public audit offices?*
2. *How influential are the reports and the work of public auditors in these two countries?*
3. *How independent are the auditors in their work?*
4. *Why does Kosovo still face problems of the nature of work ethic, financial support?*
5. *How much legal support do the auditors have in these public institutions?*
6. *How do they stand with the capacity of human resources and the level of training?*

In general, the contribution of this study is inevitable because this study will have scientific significance as an information tool and a ground for further research on the performance of the audit office in Kosovo and practical for designing more effective policies for adults. The efficiency of the work of auditors also using by policy-makers, leaders and decision-makers for a fair and transparent allocation of work in these institutions. To present comparative results should be summarized as follows in brief points: OAG's mandate is 5 years while CA's is 9 years, OAG conducts only two types of audits in the Republic of Kosovo while CA conducts all types of audits. Also in terms of finance OAG has a budget twice as small as CA's. In terms of professionalism, almost both of these institutions have adequate education. And finally in terms of time scope, CA has been operating for 25 years while OAG for 15 years.

The paper is organized as follows: Section II- Literature review is a general review on performance auditing and then a review on 6 performance indicators, Section III- Data methodology, Section IV- Comparative analysis with 15 performance indicators in between the Republic of Kosovo and Slovenia, Section V- Research Conclusions.

II. Literature review

In general, in relation to the performance, many authors have been taken for different countries, such as Australia, Denmark, Norway, Japan, Austria, Sweden, such as these authors; Adams, N. (1986), Alon, G. (2007), Arena, M., Jeppesen, K. (2010), Arthur, A., Rydland, LT, Amundsen, K. (2012), Azuma, N. (2003), Bartel, R., Schneider, F. (1990), Barzelay, M. (1997), Blume, L., Voigt, S. (2007), Bonollo, E. (2013), Bringselius, L. (2011), Clark, C., De Martinis, M. (2003), Dillon, MC (1985), Dwiputrianti, S. (2011), English, L. (2007), Gay, O., Winetrobe, B. (2003), Gerald P. (2015), Gomez, SE, Padia, N. (2014)), Hamburger, P. (1989); Norton, S., Smith, L. (2008), Pallot, J. (2003), Parker,

LD, Guthrie, J. (1991), Pollitt, C., Roberts, S. (1994), Skaerbaek, P. (2009), Wanna, J., Ryan, C., Ng, C. (2001), Weets, K. (2011), Wilkins, P. (1995) et al. Such a comparison in terms of performance of two countries like the SAI of Lithuania and the SAI of the Netherlands has been made by the authors (Vasiliauskiene & Daujotaitė, 2019). Performance audit is the audit of the economy, efficiency and effectiveness in the use of resources by the auditor entity to achieve the objectives. By using standards and practices, they aim to increase the effectiveness of state entities and programs. Which means that in performance auditing we are dealing with the Three E's (Gray, A., Jenkins, B., Glynn, J. (1992):

- Economization (Minimizing the cost of resources used);
- Efficiency (Relationship between outputs and results of resources used for their production);
- Effectiveness (The rate of achievement of objectives and the relationship between the planned impact and the actual impact of an activity).

In general the three E's cannot be evaluated separately from each other. Because when assessing the impact it is important to consider the cost of the inputs used to create the impact. Similar to this is the assessment of the economy where the usefulness of inputs for the production of outputs should be taken into account. "Three E-jat" are useful concepts that guide the auditor in formulating problems, so auditors in the case of Kosovo use the model "Input-output" (CAO Report, 2019). This model offers useful tools for dealing with different situations. The model is based on the hypothesis that there is a possibility for arranging concepts in a chain form and for identifying how they affect other causes and effects. To understand it in more detail we have presented in (Figure 1) the following input-output model.



Figure 1: Input-Output Model

Source: <http://zka-rks.org>

Since the purpose of this research is to see the performance part of state auditors, in this context we have initially symmetrically included the characteristics and specifics of performance audit in the public sector, in this regard special attention was paid to the method of analysis structural-functional, which includes: documents, reports, various articles, legal acts, strategies and a relatively high number of authors cited (close to 180). To continue further, using the comparative method and in terms of performance by comparing two independent external audit institutions as "Office of

the Auditor General (OAG)" - Republic of Kosovo with "Court of Audit (CA)" - The Republic of Slovenia, using the Performance Measurement Framework, as a standard INTOSA document has 15 indicators to measure the performance of ISAs grouped in six areas (INSTOSA, 2016).

II.1 Independence and Legal Framework

Independence is in fact an important principle of the audit profession Previts and Merino, (1998) that are considered necessary for audits and give high quality research to Mautz and Sharaf, (1961). Therefore, regulatory bodies such as the Securities and Exchange Commission (SEC) and (PCAOB) have pursued a range of policies to promote and enhance the ability of auditors to maintain independence. Lack of independence can lead to biased judgments, indicating a failure in the audit process, but such failures do not necessarily reduce the quality of audit results Peecher et al., (2014). The purpose of this paper is to provide an analysis of selected scientific studies to enable an evaluation of research findings and to provide a broader context for understanding concerns regarding auditor independence and regulatory aspects. From various researches we notice that many authors show different factors that hinder the independence of the audience, while many others that support it, for example we have the research of Church and Shefchik (2012), Peecher et al., (2014). A very important factor is the prejudices and the regulatory aspect that influence the decision-making of the auditors, which may hinder the ability of the auditors to maintain their independence. Gramling et al., (2010), note that in the audit work and more precisely in the independence of the auditor have a relatively high impact the regulatory aspects of how the independence of the work of an auditor is regulated by law.

II.2 Internal Governance and Ethics;

The ethical attitude of any profession is critical to its acceptance in society (Mintz, 1995). This is especially true for the auditing profession where ethical failures can have far-reaching economic implications and cause widespread financial inconvenience. Armstrong (1993, p. 38) considers ethical behavior to be "at the core of the reason for the existence of each profession." Despite the critical importance of ethics for the internal audit function, little has been published in this area. Therefore, the objectives of this study are to explore the sensitivity of internal auditors to ethical dilemmas and to examine whether corporate governance mechanisms can actually influence ethical decision-making. We also examine whether the level of experience of internal auditors influences their ethical decisions. Only a few studies have focused on the ethical decision-making of internal auditors (Dittenhoffer and Klemm, 1994; Larkin, 2000). We have different authors who have studied the issue of ethics and governance from different perspectives and from different influencing factors (for example in Larkin research, 2000) had researched the factor of age, gender and experience in the work ethic of an auditor, or we have the case of Dittenhoffer and Klemm (1994) who had set some ethical issues and looked at the auditors' position on these issues and this research was repeated after 10 years and concluded that auditors were much more ethical now than in the past, and authors such as O'Leary and Stewart, (2007) in their research proved that various factors affect internal governance as well as work ethic, a dominant factor was the work experience of the auditor.

II.3 Audit Coverage and Reporting

In this sector we talk about what types of audits we have and reporting as an important element of the auditor's work. Starting with the idea that the types of audit and what is the audit now we only know that they are basic for any research in this sector we will stop only for the reporting part, as a very important part. Also regarding the reporting changes according to the standards in force is taken the author Bodez, (2017).

II.4 Human Resources and Training

Today, auditors, in addition to having the necessary education in the field, must hold training from time to time to be aware of any legal or administrative changes. The auditor should have good communication skills, leadership skills, various project management and be well prepared for the various software programs that audit companies may have. For this reason, attending training plays an important role in the auditor profession. We can say that training is a motivating factor Fetai & Mjaku, (2020). We also have many other authors who proved that training plays an important role in the performance of the auditor's work such as Salome and Rotimi, (2013), Mathis & Jackson, (2000), Abdul et al., (2014), Badu & Kuutol, (2013).

II.5 Communication and Cooperation with Stakeholders

Based on the research of Fetai & Mjaku, (2020) a research conducted with auditors working in public institutions in the Republic of Kosovo, the authors in question concluded that OAG is in constant communication except with its staff as well as with third parties such as the media. Also, according to the research, OAG's auditors have good cooperation with international audit organizations and by exchanging good training practices with different countries such as Slovenia, USA, Germany, etc.

III. Research methodology

Based on the international, European and national regulatory framework, research objectives and mediation, this research was conducted as a descriptive to obtain a comparative knowledge on the performance of two public audit offices in two different countries, to identify convergences. and divergences, in order to open up new levels for improving applied practices. We intended to make a comparison in terms of performance of two public audit institutions such as the National Audit Office in the Republic of Kosovo with the Court of Audit in the Republic of Slovenia. The reason why we have taken these two countries in comparability is that in addition to the good relations that these two institutions have by exchanging evidence and practices with each other and we have materials and documentation, sufficient reports for third parties as secondary data, the reason why we have set up a parallel comparison in terms of geographical-spatial extent because the Republic of Slovenia in terms of spatial (size) of geographical extent is the same as Kosovo and also in terms of population numbers are almost equal as states. We are based on scientific papers, on annual reports to both audit offices, on European Commission reports i.e. our research is about secondary data.

IV. Comparative aspect of performance between the court of audit (CA) and the office of the auditor general (CAO).

The performance measurement framework, as a standard INTOSA document has 15 indicators to measure the performance of ISAs grouped in the above six areas. We, as researchers are based on the performance reports of OAG (External Audit Institution for the Republic of Kosovo) and CA (External Audit Institution for the Republic of Slovenia), with the help of 15 key performance indicators we have tried to do comparisons of the two institutions mentioned above. Such performance measurement enables us to identify the strengths and weaknesses of the audit work as well as the management of the organization. Performance measurement through performance indicators under the Performance Measurement Framework, which summarizes the ISSAI standards and good practices set by INTOSAI provides an overview of the activities and outcomes of an ISA area. Objective performance measurements in the form of measurement indicators, make it possible to compare the performance of the activities of an ISA with other institutions as sisters in the specific case Kosovo-Slovenia.

1. Independence and Legal Framework

This area covers the Independence and Legal Framework of the NAO and the CA. The measuring indicators that have been applied for this field are: the independence and the mandates of these 2 institutions.

1.1 Independence of the Audit Office: With the entry into force of the new Law no. 05 / L-055 "On the Auditor General and the National Audit Office"¹ from June 2016, functional, financial and operational independence has been consolidated. The Auditor General and the NAO have full discretion in performing and exercising the functions and competencies to implement its mandate in accordance with the Constitution, the Law and the Internationally recognized public sector Auditing Standards. According to the legislation in force, the Auditor General is independent in the organization and management of the CAO. However, when we talk about the CA in Slovenia and its independence, it is ensured by law, exactly by law no. 48/94².

1.2 Mandate: Such a mandate is the basis of the work of the CAO, which has functional, financial and operational independence as its main theme. The Auditor General is accountable only to the Assembly for the exercise of the duties and powers set forth in the Constitution, law, and public sector auditing standards. The Auditor General has a 5-year mandate, while in the case of Slovenia we have the Court of Audit which consists of the main department represented by the director and two sub-departments that have a 9-year mandate of leadership.

1.3

2. Internal governance and ethics

This area covers the internal governance and ethics of the NAO and CA's. The measurement indicators we have applied are: Strategic planning, organizational control environment, internal communication and audit planning.

2.1 Strategic planning: For an organization to be successful it is necessary to define its

¹ http://www.zka-rks.org/wp-content/uploads/2017/05/LIGJI_NR_05_L-055_P%C3%8BR_AUDITORI_N_E_P%C3%8BRGJITHSH%C3%8BM_DHE_ZYR%C3%8BN_KOMB%C3%8BTARE_T%C3%8B_AUDITIMIT_T%C3%8B_REPUBLIK%C3%8BS_S%C3%8B_KOSOV%C3%8BS_892932.pdf

² <http://www.rs-rs.si/en/about-the-court-of-audit/legal-basis/court-of-audit-act/>

most important objectives within a strategic plan. To fulfill its vision, the CAO has drafted the "Corporate Development Plan 2015-2020"³. This document contains three pillars which address institutional sustainability, the contribution to strengthening good governance and maintaining and enhancing the quality of corporate governance and auditing. On the other hand, GJA in Slovenia has incorporated its strategic plan called "Strategy 2014/20"⁴ which contains reinforcement strategies in various areas of auditing focused on risk management.

2.2 Organizational control environment: ISA should have an internal control system that provides reasonable assurance that it manages its economic operations efficiently and economically in accordance with laws and regulations under INTOSAI Governance Standard 9100. In view of these, some concrete steps have been taken:

2.2.1 Changes in the organizational structure: In order to strengthen the quality control in the audit, in line with the ISSAI 40 standard "Quality Control and Assurance", with the new organizational structure was created the Division for Quality Management in Auditing as a separate division. Also, in order to achieve the objectives of the NAO, two new departments were created: the Department for auditing public enterprises and the Department for auditing projects. While as part of the performance department has entered the audit of IT systems. While in Slovenia from the structure created and remodeled initially the two offices of the cabinet of deputies after the president have been divided into three sub-departments of leadership and as an integral part we have the secretary.

2.2.2 Drafting the new Code of Ethics: The OPA has drafted the new Code of Ethics and Conduct, which was approved by the Auditor General in October 2016⁵ based on the principles contained in the INTOSAI Code of Ethics. The Court of Audit in Slovenia has drafted the IESBA Code of Ethics which is in force since 2011⁶.

2.3 Internal communication: The CAO has built an effective internal communication with employees, giving each employee the opportunity to express themselves openly both vertically and horizontally on issues related to their work and those within the institution PA holds regular weekly meetings with the senior management of the NAO as well as monthly meetings with the directors of the departments. The latter submit weekly reports on the activities of the departments. Furthermore, within the NAO, there is an Intranet network that facilitates communication between departments. Almost under the same conditions, the internal communication between the Court of Audit in Slovenia is realized, except that the reports are reported on a monthly basis.

2.3.1 Audit planning: Audits are conducted in accordance with a self-defined program: Based on this, the Annual Audit Plans are drafted and the OPA and CA are drafted at the beginning of the audit season. The drafting of the Plan takes into account the fulfillment of constitutional and legal obligations for regularity audits, the widest possible coverage with performance audits (and why this in Kosovo is still in the initial stages) based on the assessment of the importance and topicality of certain issues. and addressing specific requests of the Assembly and other stakeholders, such as donors, etc.

³ http://www.zka-rks.org/wp-content/uploads/2017/06/ZKA_RVP_2016_Shqip_7964451.pdf

⁴ <http://www.rs-rs.si/en/about-the-court-of-audit/institution/strategy/>

⁵ <http://zka-rks.org/wp-content/uploads/2017/05/Standardet-c-INTOSAI-t-dhc-Kodi-i-Etikes.pdf>

⁶ <http://www.rs-rs.si/en/public-media/news/news/the-eca-conference-on-ethics-and-integrity-in-public-administration/>

2.3.2

3. Audit coverage and Reporting

Indicators in this area relate mainly to the scope of audits by type, coverage of audits by type and number, addressing recommendations by budget organizations, reporting audit results and the impact of audits on public financial management.

3.1 Scope of Institutions: In accordance with its scope, CAO conducts two types of audits (Regularity audits of budget organizations (based on cash system); of public enterprises (based on accrual system) and Performance audits, including audits of projects funded by donors and international financial institutions, upon request, while the GJA in Slovenia conducts performance, regularity, financial and operational audits over a long period of time.

3.2 Number and type of audit reports: For 2018, 95 regularity audits, 17 performance audits and 2 audits of donor funded projects (completed) by the OAG were performed. While in Slovenia we have so far conducted over 1460 audits by the Court of Audit, issued more than 1800 reports, and audited more than 950 bodies⁷.

4. Financial management, assets and support services

The CAO and GJA have also received donations from international partners who have supported their development strategy.

4.1 Financial resources: Based on Budget Law no. 05 / L-071⁸ for OAG is financed from the budget of the Republic of Kosovo and also from time to time there were receipts from donors such as: European Union, Swiss Government (DEMOS Project), World Bank and refunds from previous years. And GJA in Slovenia is funded by the Budget of the Republic of Slovenia and receives various donations from the World Bank and the European Union.

5. Human resources and training

Human resources are the main pillar of audit institutions, as they achieve the strategic objectives of the institution. In order to increase the quality of work, and conduct more audits, we have created a new approach to human resource management.

5.1 Analysis of the structure of human resources: The number of employees in the CAO includes the total and the administration with 160 employees. In addition, the number of women in leadership positions at all levels is considerable. In total close to 46% consist of females and 54% of males. The age structure of NAO employees is relatively young, 59% of employees are under the age of 40, Over 93% of employees have more than two years of experience with NAO, which proves that employees are equipped with knowledge and necessary experiences for the audit work environment. While GJA in Slovenia over 60% of employees are with a Bachelor Faculty, close to 30% with a Master). It consists of 119 civil servants and 9 officials (Court of Audit, Slovenia)⁹.

5.2 Vocational training of staff: This includes ongoing professional training and certification of auditors. It should be noted that the Court of Audit in Slovenia provides special training in the field of risk and internal control. A general summary in tabular terms is also presented in Annex 1.

⁷ <http://www.rs-rs.si/en/about-the-court-of-audit/institution/annual-reports/annual-report/annual-report-2019/>

⁸ <https://gzk.rks-gov.net/ActDetail.aspx?ActID=11323>

⁹ <http://www.rs-rs.si/en/about-the-court-of-audit/institution/annual-reports/annual-report/annual-report-2019/>

V. Conclusions

Today, the need for efficient and effective public management in every country is emphasized, mainly with the awareness of institutions about the importance of internal control. Of course, this has increased the role and importance of internal audit in public institutions. But, in general, from our research on the case of Kosovo, some challenging findings emerged from the analysis of internal audit and internal control, the legislative framework, human resources and the funding system. The general conclusion is that the experiences of other countries, especially neighboring countries, are an inexhaustible source of information, which can help develop and establish a system of public internal financial control.

Regarding the comparative aspect of performance for the External Audit Office in the relationship between the Republic of Kosovo and the Republic of Slovenia we have the following conclusions:

1. Independence and Legal Framework: Duration and management of the external audit office by the Auditor General in the Republic of Kosovo has a legal mandate of up to five years, while in the Republic of Slovenia it has a nine-year mandate. At the same time, the Auditor General provides security, independence and full competence to make the right decisions on public entities in the Republic of Slovenia than in the Republic of Kosovo. Regarding the reporting hierarchy, both institutions report to the respective assemblies on an annual basis.

2. Audit coverage (types of audit) and reporting: While in the Republic of Kosovo only two types of audits are performed: regularity and performance, in the Republic of Slovenia all types of audits are performed: regularity, financial, operational and of performance. This, in turn, testifies to the opportunities that the Slovenian state captures in the good management of public money, while, on the other hand, the audit court in Slovenia is characterized by a higher number of reports on an annual basis, about 18 times more than in the Republic of Kosovo, which speaks of a continuous transparency on the management of public money;

3. Financial Management: The National Audit Office (NAO) in Kosovo is funded from the budget of the Republic of Kosovo, but, of course, they also accept various donations. This office has a total budget of close to three (3) million euros, while the Court of Audit (GJA) in the Republic of Slovenia has double the budget. However, compared to three times higher salaries in Slovenia, the NAO has no budget gap.

4. Professionalism and human resources: Regarding the professionalism of the NAO, it consists of a staff of about 160 auditors of which 30 are civilians, 48% with a Bachelor and 20% with a Master. Also, out of the total turnout, there is a higher number of male than female auditors. While GJA is characterized by 60% of employees with a Bachelor and 30% with a Master. The staff mainly consists of 133 auditors. In terms of duration, the CA of the Republic of Slovenia has been operating as an external audit office for 25 years, while the CAO in the Republic of Kosovo has been operating for 15 years. In general, from this we can see that the duration and experience of the audit do not have many relevant differences, it is simply the institutional culture, discipline, accountability, productivity itself and the performance measurement system in the respective institution (Metrix system);

5. Trainings: A very controversial part is the training part. In general, in terms of

auditing, both countries conduct occasional training. But the CA is at a higher level of training, focusing more on specific training in the field of risk, while the NAO is still in general training for professional continuity.

References

[1]	Daniel Botez, "Updates Regarding Audit Reporting" <i>STUDIES AND SCIENTIFIC RESEARCHES.</i> , vol. 25, p. 12, 2017.
[2]	Monika VASILIAUSKIENĖ, Dalia DAUJOTAITĖ, "Performance Audit: A Cross-Country Comparison Of Practices Of Selected Supreme Audit Institutions" <i>Verslas: Teorija Ir Praktika / Business: Theory And Practice</i> , vol. 20, no. 1, p. 352–362, 2019.
[3]	G. MB, Writer, <i>Performance audit argument: a public management policy analysis about supreme audit institutions.</i> [Performance]. Control by Evaluación del Desempeño Gubernamental, 2001.
[4]	Lorenz Blume and Stefan Voigt, "Does organizational design of supreme audit institutions matter? A cross-country assessment," <i>European Journal of Political Economy</i> , vol. 27, no. 2, pp. 215-229, 2011.
[5]	Louise Bringselius, "Performance audit at the Swedish Supreme Audit Institution (SAI).," <i>The Lund Institute of Economic Research Report Series</i> , p. 23, 2011.
[6]	European Commission, "State Audit and the Media as the Watchdogs of Democracy - A Comparative," <i>The Periodical of the Office of the State Comptroller and Ombudsman</i> , vol. 61, pp. 55-100, 2007.
[7]	Neil Adams, "Efficiency auditing in the Australian National Audit Office," <i>Australian</i> , vol. 3, pp. 189-199, 1986.
[8]	Nobuo Azuma, "The Role of the Supreme Audit Institution in NPM: International Trend," <i>Government Auditing Review</i> , pp. 85-106, 2003.
[9]	Youdit Birhanu, <i>Factors Affecting Performance Audit Effectiveness: In Case Of Office Of Federal Auditor General Of Ethiopia.</i> , Addis Ababa, Ethiopia: Addis Ababa University, 2016.
[10]	Rainer Bartel, Friedrich Schneider, "Efficiency and Effectiveness Control Based on Economic Analysis: The Example of the Austrian Court of Audit," <i>Contribution to "The Economic Functions of Supreme Auditing Institutions"</i> , edited by Juergen, p. 36, 2019.
[11]	National Audit Office, "Work reports 2019," http://www.zka-rks.org/publications/ , Pristina, Kosovo, 2019.
[12]	Marika Arena, Kim Klarskov Jeppesen, "The Jurisdiction of Internal Auditing and the Quest for Professionalization: The Danish Case," <i>International Journal of Auditing</i> , vol. 14, no. 2, pp. 111-129, 2010.
[13]	INTOSA, "INTOSA," Raport, 15 2 2016. [Online]. Available: https://www.intosaicbc.org/sai-pmf/ .
[14]	Nusrat Ferdousi, <i>Challenges Of Performance Audit In The Implementation Phase: Bangladesh Perspective</i> , North South University, Bangladesh: Master in Public Policy and Governance Program, 2012.
[15]	Jane Etverk, <i>Measuring Performance Audit Effectiveness: The Case Of Estonia</i> , Tartu: University Of Tartu, 2002.

[16]	Mark Deakin, "The development of computer-based information systems for local authority," <i>MCB UP Ltd</i> , vol. 16, no. 2, pp. 61-82., 1998.
[17]	Elivio Bonollo, "National Audit Courts in a Public Sector under Stress: From "Watchdog" to "Sheepdog" Function," in <i>Proceedings of 22nd International Business Research Conference</i> , Madrid, Spain, 9 - 10 September 2013, 18 p., 2013.
[18]	Productivity Commission, "Regulator Audit Framework," Australian Government, Australia, 2014.
[19]	Michael Barzelay, "Central Audit Institutions and Performance Auditing: A Comparative," <i>An International Journal of Policy, Administration and Institutions</i> , vol. 10, no. 3, pp. 235-260, 1997.
[20]	Arnfrid Arthur, Lars Tore Rydland, Kristin Amundsen, "The User Perspective in Performance Auditing-A Case Study of Norway," <i>American Journal of Evaluation</i> , vol. 33, no. 1, pp. 44-59, 2012.
[21]	European Community Commission, "Communication From The European Commission On The European Parliament And Council," https://www.mei-ks.net/repository/docs/raporti_i_progresit_2009_i_ke_per_kosovenperkthimi_zyrtar.pdf , Bruksel, (14.10.2009).
[22]	European Commission, "Communication From The European Commission On The European Parliament And Council On The Work Report In Kosovo," http://www.mei-ks.net/repository/docs/20170717114956_raporti_i_progresit_2016_shqip.pdf , Bruksel, 9.11.2016.
[23]	National Audit Office in Kosovo, "Annual performance report," http://www.zka-rks.org/wp-content/uploads/2020/04/RVP_2019_Shqip.pdf , Prishtina, Kosovo, 2019.
[24]	Commission Of The European Communities, "Progress Report On Kosovo (According To Resolution 1244)," Http://Www.Mei-Ks.Net/Repository/Docs/Raporti_Progresit_2008_Shqip.Pdf , Bruksel, 05.11.2008.
[25]	Colin Clark, M. De Martinis and R. Kiraka, "Transformation of public sector auditing in southern African countries : comparing the independence and accountability of supreme audit institutions," <i>Journal of Public Administration</i> , vol. 38, no. 2, pp. 118 - 132, 2003.
[26]	
[27]	Septiana Dwiputrianti, <i>Effectiveness of Public Sector Audit Reports in Indonesia (Preceding and Following Audit Reform)</i> , Australia: Thesis Submitted for the Degree of Doctor of Philosophy Crawford School of Economics and Government College of Asia and the Pacific Canberra., 2011.
[28]	Linda English, "Performance Audit Of Australian Public Private Partnerships: Legitimising Government Policies Or Providing Independent Oversight?," in <i>The Accounting & Finance Association of Australia and New Zealand</i> , Australia, 2007.
[29]	Oonagh Gay , Barry Winetrobe, " Parliamentary audit: the Audit Committee in comparative context," A report to the Audit Committee of the Scottish Parliament, University College London , 2003.
[30]	Patricia Gerald, "Cross-Jurisdictional Performance Audits: Impacts and options for the Australian National Audit Office," <i>Accountabilities, New Challenges</i> , ANU Press, The Australian National University., Canberra., 2015.

[31]	Gomez, S.E., Padia, N., " Public Performance Audit Reports: Extent of Format Compliance," <i>South Africa versus Australia, Global Review of Accounting and Finance</i> , vol. 5, no. 1, pp. 13-26, 2014.
[32]	Gray, A., Jenkins, B., Glynn, J., " Auditing the three E's: The challenge of effectiveness," <i>Public Policy and Administration</i> , vol. 7, pp. 56-69, 1992.
[33]	Peter Hamburger, "Efficiency Auditing by the Australian Audit Office: Reform and Reaction under Three Auditors-General," <i>Accounting, Auditing & Accountability Journal</i> , vol. 2, no. 3, pp. 3-21, 1989.
[34]	Simon D. Norton L. Murphy Smith, "Contrast and Foundation of the Public Oversight Roles of the U.S. Government Accountability Office and the U.K. National Audit Office," <i>Public Administration Review</i> , vol. 68, pp. 921-932, 2018.
[35]	Author links open overlay panelJune Pallot, "A Wider Accountability? The Audit Office and New Zealand's Bureaucratic Revolution," <i>Critical Perspectives on Accounting</i> , vol. 14, no. 1/2, pp. 133-155, 2003.
[36]	Parker, L., Jacobs, K. and Schmitz, J, " Performance Auditing: in the Australian National Audit Office: A Definitional Discourse," <i>Financial Accountability & Management</i> , 1991.
[37]	Simon Roberts and Christopher Pollitt, "Audit or Evaluation? A National Audit Office Value-for-Money Study," <i>Public Administration</i> , vol. 72, no. 4, pp. 527 - 549, 2007.
[38]	Peter Skærbæk, "Public Sector Auditor Identities in Making Efficiency Auditable: The National Audit Office of Denmark as Independent Auditor and Modernizer," <i>Accounting, Organizations and Society</i> , vol. 34, no. 8, pp. 971-987, 2009.
[39]	Christine Ryan and Chew Ng John Wanna, "From Accounting to Accountability : A Centenary History of the Australian National Audit Office," Allen & Unwin, Australia, 2001.
[40]	Peter Wilkins, "Performing Auditors?: Assessing And Reporting The Performance Of National Audit Offices-A Three-Country Comparison," <i>Australian Journal of Public Administration</i> , vol. 54, no. 4, pp. 421-430, 1995.
[41]	Weets, K., "The impact of performance at local government level: a multiple case study within the city audit office of Rotterdam, in: Lonsdale, J., Wilkins, P., Ling, T. (eds.), <i>Performance Auditing, Contributing to Accountability in Democratic Government</i> , pp. 248-267, 2011.
[42]	<i>A history of accountancy in the United States: The cultural significance of accounting</i> , 1998.
[43]	Conor O'Leary and Jenny Stewart, "Auditors' Ethical Decision Making: An Exploratory Study," <i>Managerial Auditing Journal</i> , vol. 22, no. 8, pp. 787-808, 2007.
[44]	Dittenhoffer, M.A. and J.T. Sennetti, "Ethics and the internal auditor, ten years later," The Institute of Internal Auditors, Altamonte Springs, Florida, 1994.
[45]	Mintz S.M., "Virtue Ethics and Accounting Education," <i>Issues in Accounting Education</i> , vol. 10, no. 2, pp. 247-267, 1995.
[46]	Armstrong, M.B., " Ethics and Professionalism for CPAs," Publishing Co., Ohio, South-Western , 1993.
[47]	Joseph M. Larkin, "The ability of internal auditors to identify ethical dilemmas," <i>Journal of Business Ethics</i> , vol. 23, no. 4, pp. 401-409, 2000.

[48]	Abdul Ghafoor Awan,, "Impact Of Professional Training On Employees' Performance: A Case Study Of Pakistani Banking Sector" <i>European Journal of Accounting Auditing and Finance Research</i> , vol. 2, no. 8, pp. 70-80, 2014.
[49]	Ezeani Nneka Salome, Oladele Rotimi, "Implications of Traning and Development Programmes on Accountants Productivity in Selected Business Organizations in Onitsha, Anambra State, Nigeria," <i>International Journal of Asian Social Science</i> , vol. 3, no. 1, pp. 266-281, 2013.
[50]	Mathis, R. & J. J., " Human Resource Management (9th Ed.)," <i>International Journal of Asian Social Science</i> , pp. 266-281, 2000.
[51]	Ebeneser Badu, Peter Kutool, "The effectiveness of internal auditors in detection of financial irregularities: an empirical examination of its determinants in organisations in Ghana," <i>African J of Accounting Auditing and Finance</i> , pp. 299 - 311, 2013.
[52]	MAUTZ, R. and SHARAF, H. , <i>The philosophy of auditing</i> . Florida: American Accounting, Florida: American Accounting Association, 1961.
[53]	Peecher, Mark E., "An accountability framework for financial statement auditors and related research questions," <i>Accounting, Organizations and Society, Elsevier,,</i> vol. 38, no. 8, pp. 596-620, 2014.
[54]	Church, B. K., and L. B. Shefchik, "PCAOB inspections and large accounting firms," <i>Accounting Horizons</i> , vol. 2, no. 1, p. 43-63, 2012.
[55]	Gramling, A., G. Jenkins, and M. H. Taylor, "Policy and research implications of evolving independence rules for public company auditors," <i>Accounting Horizons</i> , 547-566, 2010.
[56]	Besnik Fetai and Gresa Mjaku, "The determinants and efficiency of auditing in the Republic of Kosovo," <i>International Journal of Public Sector Performance Management</i> , vol. 6, no. 1, pp. 56 - 67, 2020.

Annex 1:

In the following table we have presented in a general way (summary) the aspect of the performance of the NAO in Kosovo and the CA in Slovenia.

<i>Comparison in terms of Performance Kosovo - Slovenia</i>		
The INTOSA Standard's (measurable indicators)	<i>Republic of Kosovo</i>	<i>Republic of Slovenia</i>
1. Independence and Legal Framework	<p>1. The independence of the OAG (It is secured by the Constitution and law no. 05 / L-055);</p> <p>2. The mandate of the OAG (CA¹⁰ has a 5-year mandate and is accountable only to the Assembly);</p>	<p>1. Independence of CA (It is ensured by the Constitution and the law in force No. 48/94;</p> <p>2. Mandate of CA (CA has a 9-year mandate and is accountable only to the Assembly);</p>
2. Internal Governance and Ethics	<p>1. Strategic planning (OAG has drafted the "Corporate Development Plan 2015-2020");</p> <p>2. Organizational control environment (Change in organizational structure, Drafting of the new Code of Ethics of the NAO, Internal communication, Audit planning).</p>	<p>1. Strategic planning (CA has drafted "Strategy 2014/20");</p> <p>2. Organizational control environment (Drafting of the IESBA Code of Ethics that entered into force 2011, Internal Communication, Audit Planning).</p>
3. Audit Coverage and Reporting	<p>1. Scope of the NAO's (Regularity Audit is mandatory for public enterprises while Enforced Audit is upon request);</p> <p>2. Number and type of Audit reports (95 Regularity Audit reports & 17 Percent Audit reports, 2 donors);</p> <p>3. Regularity Auditing Standards and Quality Control (Update of Regularity Audit Manual, Quality Control);</p> <p>4. The impact of the audit on the management of public finances (Support of the Assembly, Cooperation with the judiciary, Number and percentage of recommendations implemented);</p> <p>5. Performance Audit (Upon request).</p>	<p>1. CA's scope (Regularity Audit and Financial Audit is mandatory for public enterprises while Operational Audit is performed for the Pension Insurance Institution. Inclusive Audit for Private companies, Banks, Insurance Companies);</p> <p>2. Number and type of audit reports (Until 2015 the court has conducted 1,460 audits, has released more than 1,800 reports and audited more than 950 bodies);</p> <p>3. Regularity Auditing Standards and Quality Control (Regularity Audit Manual Update, Quality Control);</p> <p>4. Impact of the audit on the management of public finances (Support to the Assembly, Cooperation with the judiciary, Number and percentage of recommendations implemented);</p> <p>5. Performance Audit (mainly focused on PSA¹¹, AE¹², IT, AF¹³).</p>

¹⁰ General Auditor

¹¹ Privatization of State Assets

¹² Environmental Audits

¹³ Audit of EU funds

<p>4. Financial Management, Assets and Support Services</p>	<p>1. Financial resources (From the budget of the Republic of Kosovo and Received Donations); 2. Financial Independence (Depending on the types of Audit performed and Institutional communication. For 2018/19, a request was made to increase the number of auditors to 10 auditors and the budget from € 2,397,794 to € 2,853,963). Optimality is determined by the Assembly if it is insufficient and justified at the request of the AG (Based on the size of the entity being audited and the number of employees). 3. Assets (Capital and Non-Capital Investments)</p>	<p>1. Financial resources (From the budget of the Republic of Slovenia and Donations received); 2. Financial Independence (Have full financial independence regardless of the type of audit they perform but only these should be billed as relevant evidence, the CA budget is € 6,500,000); Optimality is determined by the CA itself by arguing, otherwise it is decided by parliament. 3. Assets (Capital and Non-Capital Investments).</p>
<p>5. Human Resources and Training</p>	<p>1. Competencies (All rights to conduct an audit based on standards and rules protected by law 05-L-055, Article 4); 2. Professionalism (Nearly 48% have a Bachelor's degree and 20% a Master's degree); 3. Analysis of the structure of human resources (46% Female & 56% Male, 59% of employees are under the age of 40, Over 93% of employees have more than two years of experience with NAO, 160 Auditors and 30 civil servants); 4. Professional training of staff (NAO has been active for 15 years and conducts continuous professional training, Certification of auditors so far 50 certified by CIPFA UK, 40 in the certification phase).</p>	<p>1. Competencies (All rights to conduct an audit based on standards and rules protected by law 012-01 / 94-101); 2. Professionalism (Over 60% of employees have a Bachelor's degree, close to 30% have a Master's); 3. Analysis of the structure of human resources (Number of staff is 133 employees / of which 70% are auditors and 30% civil servants and 9 officials). 4. Professional training of staff (CA has been active for over 23 years and conducts continuous professional training, certification of auditors, special training in the field of risk and internal control).</p>
<p>6. Communication and Cooperation with Stakeholders</p>	<p>1. Presence in the media, 2. Cooperation with partner ISAs (Participation for the first time in the INTOSAI Congress, cooperation with Sweden 2017-2020 project, EU-Poland twinning project, World Bank funded project starts 2018 with a period of 18 months, cooperation with USAID project 5 year until 2020, cooperation with GIZ, with office in Switzerland.); 3. Annual Conference; 4. External supervision (For the first time in Ks. Was carried out in 2017 by the Audit Office of Sweden);</p>	<p>1. Parliament, Ministry of Finance. 2. With the international arena: (European Union Supreme Audit Institutions, the European Court of Auditors and the EUROSAI and INTOSAI working groups, the UK Audit Institution's strong support in auditing Public Private Partnerships); 3. Annual Conference; 4. External supervision (CA is performed once in 5 years)</p>