**Report of the INTOSAI Task Force on Procurement Contract Audit
at the 6-th meeting of the Steering Committee of the Committee on Knowledge Sharing and Knowledge Services (KSC)**

**(Cairo, 14-15 October 2014)**

Distinguished chairman,

colleagues,

The Russian Federation is currently at the stage of building a new, improved public procurement system.

In 2014, the new Law on contract procurement system came into force to ensure the interrelation and regulation of all processes: planning and justification of procurement, supplier selection, conclusion and execution of a contract.

Along with openness and transparency, the Law sets forth new principles: professionalism of customers, their obligation to ensure the efficiency and effectiveness of the public procurement.

Much attention will be given to the justification of procurement, including the use of a system of qualitative and quantitative standards.

The introduction of information technologies will continue. Even now, all notices of competitive procurement, both public and municipal, are placed on the same federal portal (zakupki.gov.ru).

In 2016, it is planned to introduce a unified information system in the area of procurement.

It will contain the whole array of information on procurement, providing the possibility to exercise control and interrelation with the Electronic Budget system.

Each purchase in the system will be identified and supported from the time it is included in the procurement plan up to the completion of the contract performance.

I would also like to note that the Law on the contract system contains a separate article that confer powers for the audit procurement, to the Accounts Chamber of the Russian Federation, the control and accounting bodies of regions and municipal entities.

The new functionality of the Accounts Chamber needs efficient methodological support. At present, we have approved and started applying Methodological Guidelines on the audit in the area of procurement – this is a working instrument for auditors, the algorithm of their activities.

However, we are interested in the improvement of our work, the development of advanced approaches and methods of audit; therefore, the exchange of experience with our foreign colleagues is especially important to us at the current stage.

Let me briefly inform you of the results of activities of the INTOSAI Task Force on Procurement Contract Audit, which the Accounts Chamber of the Russian Federation has the honor to lead.

The Task Force was established last year thanks to the joint Russian-American initiative. The main objective of this working body is to develop, under the authority of INTOSAI, universal approaches and procedures for the performance of public procurement contract audit.

It should be noted that the idea has sparked interest in the audit community, which is, in particular, indicative of a number of supreme audit institutions wishing to take part in the activities of the new working body of INTOSAI. Representatives of ten SAIs from all regions of the world have come to attend the first meeting. By the way, a total of 24 countries are members of the Task Force. The Secretariat of the Task Force has been established from within the Accounts Chamber of the Russian Federation, who get actively involved in the work.

The first attendee meeting in the framework of the Task Force was held on 25 June 2014 in Moscow, and it certainly was of great importance for the working body. In the course of the meeting, we have not only exchanged views with colleagues on the features of the current systems of public authorities in our countries, involved in procurement activities, but also approved the terms of reference and the Work Plan for 2014 - 2016.

We have agreed on the venue of the next meeting in the frame of the Task Force in 2015 in Bulgaria.

As one of the goals of the Task Force, we consider preparation of guidelines for SAIs in the field of carrying out the public procurement contract audit. For this, we definitely need to generalize experience of our colleagues and to agree on the terms that will be used by us in the preparation of materials.

The meeting participants decided to create a glossary, which is planned to be updated on an ongoing basis and make it available to all of the audit community by posting it on the website of the Task Force.

In addition, the participants agreed to submit to the Secretariat of the Task Force, regulatory acts and other documents governing procurement issues as well as data on the experience of the public procurement audit. This, according to the members of the Group, will be another starting point for developing guidelines on the conduct of the contract audit.

According to the participants, the creation of another guidance material not supported by the practical implementation may not be of interest to the audit community as a whole and for individual SAIs, in particular.

In this regard, we have decided to prepare a plan for the implementation of pilot projects for the public procurement audit, including carrying out of joint activities. Currently, this document is under active consideration.

We gave much attention to the dissemination of information about the activities of the Task Force among our foreign colleagues. We were unanimous in the opinion that the most effective tool for solving this problem would be the Internet.

At the meeting, we approved the layout of the Task Force’s website, determined what areas it would include and how often it was assumed to hold their actualization.

In addition to the dissemination of the information on issues of the contract audit, the website is supposed to be used as a channel of communication between the members of the Task Force. We believe that in the very near future it will become a platform for discussing issues related to the performance of control activities in the area of public procurement.

In conclusion, I would like to note that the subject matters of the Task Force are at the junction of the most complex and challenging issues faced by the audit community: from the performance audit to the fight against corruption. And, of course, we would be grateful for your contribution to the activities of this still, very young, working body of INTOSAI.

Thank you for your attention.