

**The Canada- Russia Parliamentary Program
Pilot Project – the OAG Perspective
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In October 2002 the Canadian Auditor General's Office, as part of a Canadian Delegation, conducted seminars and held meetings with Russian counterparts as well as members of the Duma and the Federation Council. This portion of a larger project managed by the Parliamentary Centre was designed to complete an awareness of the Canadian National Audit Office value-for-money concepts and methodologies.

Through the Parliamentary Centre, the Canada Russia-Parliamentary Program (CRPP), funded by the Canadian International Development Agency, and in partnership with the Russian Federal Assembly and the Accounting Chamber of the Russian Federation, launched a pilot project designed to strengthen parliamentary oversight in Russia. The objective is to strengthen the way in which the Federal Assembly of the Russian Federation monitors government expenditures. With the assistance of the Office of the Auditor General of Canada (OAG), the Accounting Chamber will develop Value-for-Money (VFM) methodology that will be employed in two test audits. The result of these test audits will be submitted for consideration by the Duma Subcommittee on Financial Control, Accounting, Audit and Collaboration with the Accounting Chamber and the Federation Council Commission on Interaction with the Accounting Chamber, as well as other appropriate committees of the Federal Assembly. CRPP will work with both chambers of the Russian legislature to prepare parliamentarians and their staff on how to hold hearings to consider the AC reports.

The project aims: (a) to make its reports more user friendly for parliamentary oversight committees; (b) to improve the capacity of the Duma Subcommittee on Financial Control, Accounts, Audit, and Collaboration with the Accounting Chamber, and the FC's Commission on Interaction with the Accounting Chamber to hold hearings to discuss the Accounting Chamber's reports; and (c) to expose the AC to VFM methodology as it is practised in Canada. Prior to the seminars in October, five Russian delegations had previously visited Canada since May 2001 to gain first hand experience by interacting with senior Canadian colleagues.

Several objectives were set by the Canadian Office participants to measure the project's progress to date. Progress was viewed primarily from the ability of the Canadian Auditor General's Office to communicate its value-for-money mandate and practices to the Russian Accounting Chamber and then witness tangible evidence of its adaptation to the Russian circumstances. To ensure value-for-money was being realized in this project, the following objectives were set and reviewed by the Canadian members during their October visit.

Objective: *Support for this project was at the highest level from both countries.*

It was obvious in visits to both countries that the heads of each Audit Office had made personal public commitments to the success of the project. They met with delegations and ensured their most senior personnel were assigned to the tasks. For the Canadian visit in October, Mr. Stepashin, head of the Accounts Chamber, addressed the Accounts Chamber seminar participants and met with Canadian members twice during the week.

Plans for exchange visits are underway for the heads of both Offices to review progress to date and exchange information on the next stage of the project.

In addition, meetings were held in both countries with elected legislative officials who showed clear support for the future success of this project. In the October visit, a Canadian parliamentarian, Mrs. Marlene Jennings, actively participated in the seminars and meetings, and shared her experience as a previous Vice-Chair of the Public Accounts Committee, a committee of the Canadian parliament that receives and uses the Auditor General's Reports to hold government officials to account.

Objective: *Clear indication of Russian awareness of Canadian Value for Money Auditing*

Throughout the visit in October it was evident to the Canadian Delegation that the Canadian experience in value for money auditing was well understood. Numerous well informed questions were asked of the Canadians throughout the week. They demonstrated a clear understanding of concepts and practices as well as a sound adaptation to the Russian circumstances.

Several articles, written by our Russian counterparts from previous visits to Canada, were very tangible evidence of not only understanding how the Canadian system of Value for money functioned, but also how it operates in the Canadian parliamentary system. It was most informative for the Canadians to read how certain concepts and methodologies can be adapted to Russian conditions.

Objective: *Tangible conversion of audit material to the Accounts Chamber methodology*

The Office of the Auditor General of Canada has a comprehensive audit manual to support its value for money audit practice. Within a few weeks of receiving a translated copy, the Accounts Chamber had used it in several seminars, provided copies to hundreds of seminar participants and loaded it onto the organization's intranet site. Material used in seminars was based upon the Canadian model but adapted, with examples, to the Russian circumstances. Numerous copies were visible to the Canadian seminar participants, and many questions were based upon the manual's contents.

The Canadian Audit Office will issue an updated version of its Manual in December, 2002 and plans are already underway to provide a translation as soon as possible to all staff members.

Copies of all the Canadian two day seminar materials will be made available in Russian and it is expected that this material will get wide circulation in the Accounts Chamber and Regional Chambers.

Objective: *Strong working relationships established*

The five Russian visits to Canada since May 2001 and the October 2002 visit to the Accounts Chamber have resulted in strong working relationships and friendships being established. Over the past several months of the project, open and ongoing dialogues have occurred as well as the free flow of documents and plans. Meetings have been cordial and frank. From the outset it has been clear to all parties in the project that the Canadian experience is to be shared and will be adapted to Russian circumstances. Each party to the project is clearly equal in relationship and respects the others

particular circumstances; an essential ingredient to a strong partnership. A good example of this in practice was the two day seminar. Presenters from both Audit Offices provided attendees with personal testimonials about their experiences and expectations of value- for-Money auditing.

The meetings in Moscow clearly established on both sides who was responsible for which deliverables in the overall project and everyone was certainly in agreement. From the Canadian perspective, we are looking forward to the next visit to Canada when we can exchange our experience about report writing and publishing. We will then be anxious to learn about the challenges of adapting it to a different set of conditions.

Conclusion

The recent visit to Moscow by the Canadian Delegation was a truly memorable experience. Not only did we continue to establish strong working relationships but we also made good friends at the same time. We had strong support for the seminars we delivered and were delighted to work along side with senior personnel from the Accounts Chamber as true partners in this project.

Much in the way of value-for-money methodology has been translated, taught and is being adapted to Russian circumstances. The level of effort by the Accounts Chamber to reach this point so soon is truly impressive. More has yet to occur, and we are making time and resources available to exchange more information.

As we are about to enter the next stage of the project, we will each begin to put theory into practice with a value for money audit project involving Children of the North. As members of the Canadian delegation, we eagerly look forward to continuing our working partnership through this next stage. The experience to date has been rewarding in so many ways and we feel there has certainly been value-for-money achieved thus far.