*Reports of the members of the Working Group on the national experience of use of KNI in SAI activities*

*28.03.18*

The Accounts Committee for Control over Execution of the Republican Budget of the Republic of Kazakhstan – Gulsana Daribayeva.

**Dear colleagues, dear participants of the Working Group!**

The Accounts Committee of the Republic of Kazakhstan **use the Key national indicators** in its activities during analysis and assessment of **efficient and lawful administration of national funds**.

Within carrying out the expert-analytical activities in the form of preliminary and follow-up assessment we practice **the use of criteria or a set of special indicators which allow to assess** the state of public finances and the pace of development of the sector and the country in accordance with the strategic goals of the program documents.

**1.** The previous year for the first time we implemented the function on preliminary assessment of the draft republican budget by the basic directions of its expenses.

The assessment of the draft budget stipulates analysis of validity of the draft republican budget indicators, presence and sufficiency of normative legal and methodological base for its development with submission of recommendations to the Government and the Parliament.

Taking into account its basic goal to prevent planning of inefficient expenses and to find reserves for more sustainable use of budget funds **the main criteria for the draft budget assessment were**:

1) **validity and reliability of expenses**;

2) compliance with the budget system principles.

On the basis of **the budget system principles and using the certain set of performance indicators** the efficiency of the process of the draft republican budget planning as a whole and its separate mechanisms as well as public agencies’ and authorized bodies’ activities were assessed. Namely:

1) **Budgeting in compliance with the goals of the state policy,** including:

- Focus of the draft budget on achievement of indicators, goals and tasks of the President’s Addresses to the people and the documents of the state planning system;

- Continuity and consistency of decisions in public finance administration.

2) **Assessment of the budget feasibility:**

- The correctness of budget parameters determination, existence of fiscal risks, external and internal factors for the development of the country’s economy; availability of analysis of the consequences of alternative economic scenarios (optimistic and pessimistic) for public finances in Kazakhstan;

- Compliance of priorities of social and economic development with the directions of strategic documents and the Address of the President to the people of Kazakhstan;

**3) Assessment of completeness and transparency:**

- Completeness of the information on budget submitted to the Parliament;

- Openness and availability of information on budget to the public and the integrity of providing the information on budget.

Following the results of assessment, a number of recommendations of normative-methodological and organizational nature were developed, the implementation of which, in our opinion, will allow to provide, on a better level, the complete and reliable information on the state of public finances and their forecasting.

**2.** Annually, within the framework of the follow-up assessment, the Accounts Committee's conclusion to the Government's report on the execution of the republican budget for the relevant fiscal year is formed, which is submitted to the Parliament of the country in May of the year following the reporting year.

The conclusion is prepared through the prism of assessing the efficiency of budget funds use through the achievement of direct and final results of budget programs aimed at achieving the strategic goals and tasks of the state and sectoral programs.

In order **to increase the efficiency of the use of national resources and to achieve the Key target indicators at the national level, it is planned to reformat the work on conducting the follow-up assessment through program-target orientation.**

The work in this direction is carried out within the framework of formation of an Integrated and interrelated map of target indicators. **The map of target indicators** will allow:

- determining the clarity of the decomposition of target indicators at the national level for lower-level purposes;

- identifying the target indicators, the achievement of which is complicated in view of existence of duplication of goals, activities, results indicators of the program documents;

- monitoring the problem areas of the state planning system and providing an assessment of the efficiency of the program documents implementation by the results of the reporting year.

Such an approach, in our opinion, will allow us to assess the impact of state and sectoral programs on the achievement of national goals in accordance with the key national indicators as well as the work of the Government and authorized bodies in this direction.

**Thank you for your attention.**