

In the coming year, Albania should in particular:

- increase the number of the pilot financial and compliance/regulatory audits by the SAI in accordance with the updated audit manuals and the INTOSAI auditing standards.

External audit The SAI's functional, operational and financial independence is set out in the constitutional and legal framework in line with the INTOSAI standards. Full implementation of the legal framework will need to be further ensured. Concerning institutional capacity, in 2015, the SAI had 125 auditors out of around 170 employees, compared to 119 in 2014 and 113 in 2013. The SAI focuses on compliance audits determining economic damage and violations of rules, rather than on audits that could help to prevent such damage in the first place. Financial audits do not yet result in professional audit opinions although the SAI is gradually starting to address them. As outlined in the 2015-2017 strategic development plan, the SAI is committed to improving the quality of audit work in line with the INTOSAI standards. Compliance and financial audit manuals have been updated accordingly and their application is ongoing. The SAI adopted its 2016 audit plan according to a risk assessment methodology.

The impact of audit work is still limited due to focus on compliance audits and detection of irregularities. In 2015, the SAI completed 158 audits, uncovering irregularities totaling EUR 919.9 million, half of which relate to the audit of the state-owned electricity distribution operator.

This represents a substantial increase compared to 2014, when EUR 87.5 million worth irregularities were uncovered. The SAI presented 51 cases to the General Prosecutor's Office concerning 159 officials (of whom 56 were high officials), up from 41 cases concerning 149 officials in 2014. SAI's recommendations include legislative, administrative, organizational and indemnification measures as well as recommendations for penal charges. The Ministry of Finance developed an action plan to follow up on the SAI's findings, but more systematic implementation is needed. Out of the SAI's 2 510 organizational recommendations in 2015, 817 were fully and 335 partially implemented. Half of the administrative and disciplinary measures were complied with. Audit reports are summarized quarterly and published on a regular basis on the SAI website. The SAI 2015 annual audit was submitted to parliament but is yet to be discussed.

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