



Foreign Approaches to the Audit of Transport System Efficiency at the Regional Level



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ABSTRACT

The article is devoted to consideration of foreign instruments for performance audit in the transport sector and to assessment of possibility of applying the methods and procedures of performance audit by Russian regional control and accounting bodies. The objective of the study is to comprehensively analyse the international experience of regulation and organisation of performance audit in the transport sector based on the practices of the Auditor General of Scotland (Great Britain) and the Auditor General of Manitoba (Canada).

Considering the traditionally high share of regional budget expenditures spent on development of the transport system, it is noted that assessment of the economy, productivity

and efficiency of the use of public resources is important not only for regional authorities, but also for the population and business entities.

Based on the analysis of the best practices of regional government audit bodies of Great Britain and Canada in terms of performance audits in the transport sector, advanced methods and audit procedures were recorded that can be applied by Russian regional control and accounting bodies. In particular, the specifics and accuracy of recommendations to the executive authorities presented in the audit report; procedure of assessing correctness of tender procedures and effectiveness of contract execution as part of the performance audit; wide use of external experts during inspections and other features have been noted.

Keywords: *public expenditures, transport, transport system performance audit, Scotland and Manitoba audit bodies, performance audit recommendations.*

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As institutions overseeing the legitimate and effective use of centralized funds, the supreme and regional bodies of external public financial control (state audit) in several countries are endowed with a special status and broad powers, supported by a high degree of responsibility to citizens. In other words, the place and role of government audit is predetermined by the needs of the society. In this context, the relevance of studying the long-term foreign practice of state audit, including at the regional level, multiplies.

Issues related to the international practices of regulation and implementation of external state financial control are discussed in detail in several scientific works [1–7]. Meanwhile, the subject area of most studies refers to the results of activities of supreme audit bodies, while regional audit bodies (especially foreign ones) often «remain in the shadows».

In view of the above, the main *objective* of the research is to study and analyse international standards for auditing effectiveness of the use of public funds in the transport sector and relevant practices of organising a system of external state financial control at the regional level in several countries (Great Britain and Canada), in terms of opportunities for borrowing advanced tools by Russian CAB.

In addition to studying various sources of information, including foreign ones, the study used *methods* of comparison, analysis and synthesis, induction and deduction, and statistical methods.

Russian realities and the relevance of international cooperation

Since 1994, a system of sub-federal control and accounting bodies (hereinafter referred to as CAB or CABs) has been formed in Russia, the first of which was the Control and Accounts Chamber of the Moscow City Duma, transformed on November 1, 1995 into the Chamber of Control and Accounts of Moscow (hereinafter referred to as CCA of Moscow). After a while, CAB appeared in other constituent entities of Russia. Among the first ones, in 1995, the Control and Accounts Chamber of Voronezh region, the Accounts Chamber of Vladimir region, the Control and Accounts Chamber of St. Petersburg (hereinafter referred to as CAC of St. Petersburg) and others were established.

Thanks to twenty-five years of experience in implementation of external state financial

control at the level of a constituent entity of the Russian Federation, a set of regulatory legal acts regulating implementation of state audit and performance audit, knowledge exchange between CABs and adoption of best methods and practices have been developed, but some systemic problems have not yet been resolved.

In international standards, performance audit is considered as an independent examination of the activities of executive authorities, public organisations, program implementation to determine economy, efficiency and effectiveness of resource use [8, p. 110].

Despite the existence of INTOSAI international standards, Federal Law No. 6-FZ dated 07.02.2011 «On the general principles of organisation and activities of control and accounting bodies of the constituent entities of the Russian Federation and municipalities», the relevant laws of the constituent entities of the Russian Federation and local standards, organisation and implementation of state audits in a number of Russian regions cannot be called perfect: significant problems are observed in implementation of audits of effectiveness of the use of public funds. In the context of the main causes for this situation, the following are distinguished:

- lack of material and labour resources of CAB to conduct performance audit at the proper level;
- mixing financial and performance audits;
- long-held practice of conducting performance audits without relying on international and local standards;
- problematic selection of criteria and performance indicators, ignoring them during the control event;
- lack of modern methods of performance audit which are operating big data, comparing the inspected object with the «best bodies/organisations», conducting interviews, polls;
- the desire to conduct a performance audit «with small forces», without a proper evidence base for each of the criteria for evaluating effectiveness;
- insufficient knowledge of international experience in performance audit, low degree of borrowing the best foreign practices.

In addition, in Russia, in contrast to the foreign experience of performance audit, the emphasis in the audit is placed on legality and completeness of spending of the state budget [9, p. 202]. In this regard, it is impossible to



Table 1
Brief description of some regional audit bodies

Name of the governmental audit body	Year of formation	Name of the position of the head	Number of employees	Conducting performance audits
CCA of Moscow (Russia)	1994	Chairman of CCA of Moscow	188	yes
CAC of St. Petersburg (Russia)	1995	Chairman of CAC of St. Petersburg	115	yes
Audit Scotland (Great Britain)	2000	Chair of Audit Scotland Board	≈ 270	yes
Wales Audit Office (Great Britain)	2005	Auditor General for Wales	≈ 240	yes
City of Vienna Court of Audit (Austria)	1920	Director of the City of Vienna Court of Audit	84	yes
Bavarian Supreme Audit Office (Germany)	1812	President of the Bavarian Supreme Audit Office	≈130	yes
Office of the Auditor General Manitoba (Canada)	1933	Auditor General	≈55	yes

Source: compiled by the author based on data of official websites of several Russian and foreign government audit bodies¹.

overestimate the importance of cooperation with foreign audit bodies, including with a view to improving the efficiency audit methodology. One of the forms of such cooperation is membership in the European Organisation of Regional External Public Finance Audit Institutions (hereinafter – EURORAI), established on October 1, 1992 in the city of Manchester and ensuring the exchange of experience and rational implementation of state audit.

In accordance with Art. 3 of the Charter of EURORAI, regional external public finance audit institution can become a member of EURORAI, subject to the acceptance of the Charter and approval by the General Assembly during a regular meeting. According to the official website of EURORAI, as of August 2020, more than 90 institutions from 16 countries (15 European countries and Brazil) were members

of the organisation. At the same time, the largest number of regional (municipal) audit institutions is represented by Russia (17), Germany (13), France (13), Spain (12).

Of course, regional audit institutions have distinctive features not only due to the presence in certain territories of exclusive management mechanisms and practices of interaction with the executive branch, but also due to the different age of institutions, the number and qualifications of staff members (Table 1).

World experience proves that the use of performance audit as an independent type of control improves the process of public resource management by providing complete, reliable, and objective information about efficiency of functioning of organisations that use budget funds [10, p. 71].

Considering the practical importance of studying foreign approaches to performance auditing, one cannot fail to note the key (from the standpoint of determining effectiveness) spheres of using budget funds, including health care, education, the military (security) and others. At the same time, a special place is provided to government spending on development of the transport system since not only the indicators of the national (regional) economy, but also the life of citizens, largely depend on efficiency of transport functioning.

Global trends in improving the efficiency of investments in the transport sector, developing innovative products, digitalisation and informatisation, strengthening economic

¹ Official website of CCA of Moscow. [Electronic resource]: <http://www.ksp.mos.ru>. Last accessed 28.09.2020; Official website of CAC of St. Petersburg. [Electronic resource]: <http://www.ksp.org.ru>. Last accessed 28.09.2020; Official website of Audit Scotland. [Electronic resource]: <http://www.audit-scotland.gov.uk>. Last accessed 28.09.2020; Official website of Wales Audit Office. [Electronic resource]: <http://www.wao.gov.uk>. Last accessed 28.09.2020; Official website of City of Vienna Court of Audit. [Electronic resource]: <http://www.stadtrechnungshof.wien.at>. Last accessed 28.09.2020; Official website of Bavarian Supreme Audit Office. [Electronic resource]: <http://www.orh.bayern.de>. Last accessed 28.09.2020; Official website of Office of the Auditor General Manitoba. [Electronic resource]: <https://www.oag.mb.ca>. Last accessed 28.09.2020.

security could not but affect the Russian economy, and the degree of their influence is described in detail in several research studies [11–14].

The need on the part of society and business for a comprehensive assessment of the economy, efficiency, and effectiveness of using regional public resources for development of the transport sector is due to objective socio-economic factors and trends.

Firstly, government spending on development of the transport system is colossal, and ongoing transport projects are in demand everywhere. So, the budget of the city of Moscow in 2019, in order to improve the transport sector, financed activities totalling 661,8 billion roubles (26,6 % of budget expenditures), which is more than the total amount of expenditures on education and health care; the budget of the city of St. Petersburg – for a total amount of 114,5 billion roubles (17,6 % of budget expenditures). In addition to sub-federal centralized funds, development of the transport system is financed from the federal budget, as well as with participation of private investors. Moreover, the example of Russian megalopolises is not unconventional. Obviously, with the growth of the population of large cities, often due to regional economic differentiation, causing internal (international) migration, the need for implementation of infrastructure projects in the transport industry will only increase.

Secondly, the state through normative legal acts influences the economic behaviour of all participants in production and consumption of transport services. In the context of the new configuration of the market and the imbalance of interests of its participants, legislative changes should motivate all market participants to improve efficiency of railway transport and reduce transport costs in the economy as a whole [15, p. 75].

Thirdly, a large part of the disposable resources of households is spent on services in the transport sector. If we look at distribution of expenditures by decile groups of the population of Russia, the following trend can be traced: with an increase in disposable income, the share of expenditures on transport multiplies. For example, in the first decile group, on average, transport costs were 1,3 %, in the fifth group – 4,8 %, in the ninth – 11,5 % (data regarding the first quarter of 2020) [16]. A similar trend is characteristic of European countries: in

Germany in 2015, the population of the first quintile spent 7,3 % of disposable funds on transport, the fifth quintile – 16,4 %; in Great Britain – 8,3 and 18,6 %, respectively; in Sweden – 8,9 and 15,1 %, respectively [17, p. 12]. In this regard, we believe that with the growth of real incomes of the population in the future, the expenses on products and services of the transport sector will increase both in absolute and in relative terms.

Thus, the growth of public spending on transport, enlargement of megalopolises and the expansion of state transport programs, interest in development of transport infrastructure and reduction of transport costs (through increased competition) on the part of business provide a high potential demand for the results of the activities of public audit institutions through an assessment of effectiveness of the use of public resources in the transport system.

In other words, the general rule is also characteristic of the transport sector: when resources are limited, it is necessary to solve public problems with the lowest costs while achieving certain goals (economy) or to achieve the best result with a fixed amount of funding (efficiency) [18, p. 367].

Currently, in developed countries, financial control authorities widely use the audit of effectiveness of budget expenditures. In a number of states, the share of audit reaches 50–60 % in the total volume of control activities undertaken by supreme audit institutions [19, p. 72]. At the same time, the CCA of Moscow, for example, in 2016 conducted nine performance audits (4,3 % of the total number of control activities), in 2017 – six performance audits (2,8 %), in 2018 – six performance audits (2,6 %) only, while the share of ineffective expenses in the total volume of violations in monetary terms was 87,5 % in 2016, 70,2 % in 2017 and 86,3 % in 2018. Statistics indicate a high volume of ineffective budget expenditures with a relatively small number of performance audits, which underlines the extreme importance of the latter.

At the same time, it should be emphasised that performance audit is a control activity aimed at determining economy, efficiency and effectiveness of the use of public resources through establishment of criteria and performance indicators, the search for evidence for each of the criteria, carried out with a large amount of labour costs, using information systems, big data, mathematical methods, surveys and interviews. In this regard,



the number as well as the quality of performance audits conducted by Russian CABs depends on a number of factors:

- existence of economic, political, social, environmental and other regional features;
- existence of national norms (standards) and traditions of performance audit;
- different budget structures and the amount of audited funds;
- different staffing levels of regional audit institutions;
- uniqueness of regional management systems, the presence of well-established practices of interaction between CABs and the executive branch.

Transport performance audit in Scotland

In terms of the methodology and practice of conducting performance audits in the transport sector, the British regional audit bodies deserve considerable attention, due to the presence of advanced transport technologies, especially in large cities, and high demands of society regarding the transport system.

A performance audit in Great Britain aims to gather evidence to conclude that the costs are in line with the results. Thus, the National Audit Office of Great Britain, when conducting performance audits, focuses exclusively on the final results [20, p. 96].

Structurally, regional audit institutions in Great Britain have many features. In particular, the Audit Scotland includes the Auditor General for Scotland and the Accounts Commission. At the same time, the Auditor General for Scotland is responsible for the audit of all government bodies (except local ones), including the government and government agencies of Scotland, the police, fire services, colleges and others. The activity results in a report to the parliamentary Public Accounts Committee. In turn, the Accounts Commission is the external controller of public expenditures of councils and other local government bodies, contributing to make (update) management decisions of local councils. The Controller of Audit reports to the Accounts Commission on matters of public interest to local government bodies and highlights areas of concern.

Approximately 15 performance audits are conducted annually on behalf of the Auditor General for Scotland and the Accounts Commission, and reports on the results thereof must be accurate and up to date. For these

purposes, most performance audits are carried out with participation of teams of consultants coming from outside Scotland. Most often, these groups include six to ten members with special knowledge of the area being audited.

From the totality of transport performance audits conducted by the Auditor General for Scotland, the performance audit on Transport Scotland's ferry services (October 2017) was selected for further consideration in this article [21].

The performance audit report contains the summary (key messages, recommendations, background, information about the audit), four main parts (Transport Scotland's ferry operations; analysis of the cost and performance of Transport Scotland's subsidised services; examination of procurement arrangements; the long-term planning of ferry services and assets), appendices.

Based on the data of the report, the audited area is characterised by the following statistical data (as of the date of publication of the report):

- There are an estimated 66 scheduled ferry routes in Scotland, managed by a range of public and commercial operators.
- In 2016/17, £209.7 million were spent on ferry services and assets, such as vessels and harbours.
- There are main ferry contracts, through which Transport Scotland subsidises 32 ferry routes, carrying over five million people each year.
- Over ten years period starting from 2007 Transport Scotland's spending on ferries increased by 115 per cent in real terms; the number of passengers increased by 0,3 per cent; car numbers increased by 16.8 per cent.
- More than 99 per cent of scheduled sailings took place and were on time.

In the context of limited public finances, Transport Scotland will find it challenging to continue to provide ferry services that meet the needs of users within its allocated budget.

Besides, the Auditor General for Scotland suggests the analysis of ferry procurement activity revealing the problems and weaknesses. For example, during the tender, which was a new procurement method, the two bidders submitted over 800 queries during the tender process and there were delays in providing them with important information.

Procurement tender was awarded to the bid that was £128 million lower than Transport

Scotland's estimate of £868 million contract cost. The 350 commitments in the bid were not assessed, and after the Transport Scotland updated the contract this has increased the contract cost to £975 million.

These problems and trends identified in the performance audit process were reflected in the recommendations.

The report recommends Transport Scotland particularly to:

1. Develop a Scotland-wide, long-term strategy for its network of subsidised ferries, considering:

- progress already made against the Ferries Plan,
- setting out its intended benefits of subsidised ferry services, their contribution to national outcomes, tools of its measurement and monitoring,
- inclusion of an assessment of the long-term affordability of its spending on services and assets (taking into account financial strategy),
- prioritisation of spending across its network,
- regular monitoring of the developed strategy to ensure it is on time and on budget, remains relevant and affordable.

2. To ensure that Transport Scotland has adequate resources to develop, monitor and report against its long-term ferries strategy.

3. To improve the transparency of ferry service and create the possibility for ferry users to assess the quality of service (e.g., to strengthen social feedback).

4. To improve mechanism of procuring ferry services, and this should include:

- ensuring that procurement teams include staff with procurement qualifications and experience of the ferry sector,
- building in sufficient time to prepare important project documentation,
- ensuring that contract specifications are accurate, up to date and clear to potential bidders,
- providing bidders with clear, good-quality and timely data.

Besides, Transport Scotland was recommended together with ferry operators to better communicate their roles, responsibilities, and accountabilities.

It should be noted that in Great Britain, special attention is paid to development of strategic documents in the field of transport,

aimed at investment in innovation. In particular, it is worth to mention Rail Technical Strategy which has been approved and is now implemented [22, p. 80]. At the same time, reasonableness of development and implementation of strategies are often the subject of performance audits.

Manitoba transport system performance audit (Canada)

Regarding the regulation and implementation of audit of effectiveness of the use of public resources in the transport system, one cannot but mention the regional bodies of external public audit of Canada.

The Office of the Auditor General of Manitoba appears to be one of the most transparent in terms of posting information in open access sources. The auditor general, appointed for a ten-year term by the Manitoba Legislative Assembly, and, assisted by 55 staff members of the Office, conducts public audits in the form of financial statement audits and project audits, the latter are subdivided into performance audits, special audits (investigations) and information technology audits (IT audits), governance audits and reviews.

In the practices of the Auditor General of Manitoba, performance audit is enshrined as a systematic assessment of effectiveness of the management of a government body or program, considering the available powers and resources. Performance audits examine the government's management practices, controls, and reporting systems in the areas that are of strategic importance to provide the Legislative Assembly with independent and objective information on activities of government organisations.

The performance audit in Manitoba as a process consists of four phases comprising planning phase, examination phase, reporting phase, and the phase of follow-up on the status of the recommendations, its features are summarised in Pic. 1.

In many ways, Russian performance audit standards provide for the same sequence of actions as Canadian ones. At the same time, in Canada, attention is focused on some significant, in our opinion, procedures.

Firstly, development of goals and performance evaluation criteria is carried out at the planning stage. Given that audit evidence is collected for each of the criteria, the importance of developing criteria cannot be overemphasised. At the same time, the Russian CAB criteria are often refined



PLANNING PHASE

- Identifying audit topics, considering the financial magnitude, impact of the subject matter on the social, environmental, economic, etc. aspects of Manitoba, high degree of public interest, audit work conducted in the past.
- Preliminary examination of the audit subject, identifying major risks.
- Establishing the scope of the audit as well as of audit timing.
- Developing the audit objective and criteria.
- Outlining audit procedures to optimise collection of appropriate evidence.
- Identifying the required team competency and whether experts will need to be engaged on the audit.
- Determining whether the knowledge gained from other audits performed on the audit subject is relevant – such as work undertaken by Internal Audit.
- Development of an audit plan outlining the approach that will be followed, varying depending on the size and complexity of the audit.

EXAMINATION PHASE

- Obtaining sufficient and appropriate audit evidence based on timely obtaining information from the audit entity.
- Employing a variety of information gathering techniques and procedures, such as interviews, site visits, document requests, benchmarking similar organisations, data analysis, and file review.
- Work meetings with audit entity to discuss preliminary audit findings and conclusions.

REPORTING PHASE

- Preparing an audit report that outlines their findings and concludes on the performance of the audit entity against the audit objective and criteria.
- Identification of recommendations for performance improvement where there are significant differences between the criteria and assessed results.
- Preparation by the audit entity of a formal response with the actions that will be taken to address the issues underpinning each of the audit's recommendations.

FOLLOW-UP PHASE

- Following up on the status of the recommendations to provide a continued analysis of the program performance.
- Scheduling of follow-up on the status of recommendations (first follow-up is scheduled about 18 months after an audit report is released, and annually thereafter for two more years); government departments and crown organizations are accountable to the PAC for the implementation of recommendations.

Pic. 1. Stages (phases) of performance audit by the Auditor General of Manitoba. Compiled by the author based on the information of the official website of the Office of the Auditor General of Manitoba. [Electronic resource]: <https://www.oag.mb.ca>. Last accessed 21.09.2020.

during the main stage (examination phase), which delays the audit process and levels out the results of the planning stage.

Secondly, special methods and procedures for performance auditing, commonly used by Canadian governmental audit bodies, are not always used in Russia, given the lack of their consolidation in standards, which in practice predetermines the confusion of financial auditing and performance auditing.

Thirdly, a well-defined time frame for monitoring recommendations contributes to stable implementation of these recommendations and increases the responsibility of audited entities.

The main measure of quality of the performance audit performed is the content of the report on its

results. To assess the structure of the report and the results of the efficiency audit in the transport sector, the report on the results of the efficiency audit «Oversight of Commercial Vehicle Safety» (December 2019) [23] was considered.

The report on the results of the performance audit regarding Oversight of Commercial Vehicle Safety included several sections typical for the bulk of audits conducted by the Auditor General of Manitoba: comments by the Auditor General, report highlights, main points (detailed disclosure of the key points of the report), response from the audited officials, background information, information about the objective, scope and approach of performance audit, findings and recommendations (the main and most voluminous section).

Table 2

Objectives and criteria of performance audit regarding Oversight of Commercial Vehicle Safety

Objective	Criteria
To assess the adequacy of motor-carrier safety-fitness program	<ul style="list-style-type: none"> • All motor carriers requiring safety-fitness certificates should obtain them. • Safety fitness certificates (both initial and annual renewals) should only be issued to carriers who meet established safety-fitness requirements. • Safety-fitness determinations and ratings should be logically determined and properly supported. • Facility audits should effectively support improvements to carrier safety.
To assess the on-road commercial-vehicle inspections	<ul style="list-style-type: none"> • Standards and policies should be in place to effectively guide on-road vehicle inspections, giving adequate consideration to underlying risks. • Inspectors' performance and results should be monitored and inspection deficiencies followed up with due diligence.
To determine the adequacy of strategic planning and performance management	<ul style="list-style-type: none"> • Strategic plans and clear objectives should be developed, based on sufficient and relevant information. • Strategic planning should identify and consider risks, meaningful performance measures for major activities, and coordination in areas of shared responsibility. • The Department should report on key aspects of commercial vehicle safety.

Compiled by the author based on: Independent Audit Report «Department of Infrastructure: Oversight of Commercial Vehicle Safety». [Electronic resource]: <https://www.oag.mb.ca/audit-reports/report/commercial-vehicle-safety/>. Last accessed 30.09.2020.

According to the comments by the Auditor General of Manitoba, there were a number of commercial vehicle safety issues at the time of the audit:

- the size and loads of heavy commercial vehicles (such as semi and straight trucks greater than 4,500 kg) presented unique safety risks;

- collisions involving these vehicles resulted in 11 deaths, 533 injuries;

- The Infrastructure Department has issued about 7,500 safety fitness certificates, allowing operation of about 45,000 heavy commercial vehicles. However, the audit notes that the Department can improve their processes to better verify and promote the safety of these operators.

In line with the objective of performance auditing, the Auditor General of Manitoba inspected how Infrastructure Department oversees commercial vehicle safety's processes related to:

- Motor-carrier safety-fitness program.
- On-road commercial-vehicle inspections.
- Strategic planning and performance management.

In accordance with the internal standards of the Office of the Auditor General of Manitoba, criteria for assessing effectiveness are established for obtaining audit evidence for each of the objectives (Table 2).

As can be seen from the data in Table 2, 2 to 4 criteria have been developed for each of

the objectives. The collection of audit evidence for each of the criteria made it possible to form key findings based on the results of the performance audit: safety program practices insufficient to verify and promote safety; there are gaps in management of on-road inspections; there are weak planning and performance measurement processes.

It should be noted that, subject to availability of performance criteria, there is no system of performance indicators. This is due to establishment of qualitative, rather than quantitative criteria for assessing efficiency.

The performance audit recommendations were divided into three large groups in accordance with the established objectives and criteria. Generalised examples of the contents of selected recommendations are shown in Pic. 2.

As a result of considering the recommendations of the Auditor General of Manitoba, the Infrastructure Department agreed with them and provided comments on practical implementation of the recommendations, which is reflected in the report.

In particular, the Infrastructure Department has envisaged to incorporate a knowledge test for new commercial vehicle operators and requiring all safety fitness certificate holders or applicants to complete a safety plan, to improve the information technology (IT) system that supports monitoring of commercial vehicles in Manitoba.



Safety program (10 recommendations)	On-road commercial- vehicle inspections (6 recommendations)	Strategic planning and performance management (1 recommendation)
<ul style="list-style-type: none"> • Safety assessment should be more rigorous and logical. • Implementation and harmonisation of best practices applied in other jurisdictions (e.g. in Canada and the USA). 	<ul style="list-style-type: none"> • Greater variability in its weigh station and patrol operating hours in order to make them less predictable. • Monitoring individual officer's performance and inspection results. • It is necessary to require operators to provide proof that vehicle deficiencies not immediately corrected during inspection have been repaired. 	<p>The Department should develop and implement a formal plan for commercial vehicle safety that:</p> <ul style="list-style-type: none"> • Identifies, analyses, and addresses risks; • Sets targets and performance measures that will help it assess the effectiveness of its efforts to improve commercial vehicle safety.

Pic. 2. Selected generalised recommendations of the Auditor General of Manitoba on the results of performance audit on Oversight of Commercial Vehicle Safety. Source: Independent Audit Report «Department of Infrastructure: Oversight of Commercial Vehicle Safety». [Electronic resource]: <https://www.oag.mb.ca/audit-reports/report/commercial-vehicle-safety/>. Last accessed 30.09.2020.

To improve planning, the Department is exploring ways to better use of data and information sharing opportunities going forward using its existing relationships with other agencies having a shared role in commercial vehicle safety.

Conclusions.

1. Considering the «youth» of the theory and practice of performance audit in Russia, the study of international experience of performance audit, carried out in a number of countries since the middle of the 20th century, is of particular relevance. The high development of the regional transport systems of Great Britain and Canada, together with the advanced methods of performance audits, determine not only the importance, but also the need to study and borrow the best practices of these states.

2. An audit of effectiveness of the use of public funds in Scotland has a number of features in comparison with the Russian mechanisms of external public financial control:

- the audit of Scotland includes the activities of the Auditor General for Scotland, who is responsible for the audit of all public

authorities (except local), and the Accounts Commission, which is the external controller of municipal expenditures;

- most performance audits are carried out with a team of consultants of 6–10 members from outside Scotland.

In terms of audit of efficiency of the transport sector, based on the report on the results of the performance audit on Transport Scotland's ferry services, the following features are noted:

- the report is based on a comprehensive analysis of statistical information, within which a search for solutions to existing problems is carried out;

- in addition to assessing the efficiency of ferry crossings, the procurement system for analysed;

- recommendations occupy the main part of the report and contain specific activities required for implementation by the audited organisation;

- special attention in the recommendations is paid to development of a long-term strategy for the network of subsidised ferries, creation of an opportunity to assess quality of services by users, and improvement of the mechanism

of public procurement of ferries and ferry services.

3. The Auditor General of Manitoba (Canada), in turn, carries out financial and project audits, which include performance audits, special audits (investigations) and information technology audits (IT audits). Meanwhile, the methodology for conducting performance audits is largely similar to the Russian one (with rare but important exceptions). This phenomenon is explained by borrowing by the Russian CABs from the Canadian governmental audit authorities of the best methods and practices of performance audit.

As in Scotland, the Auditor General of Manitoba places particular emphasis on strategic planning documents. At the same time, the report on the results of the efficiency audit on Oversight of Commercial Vehicle Safety contains mainly qualitative (not quantitative) criteria for assessing efficiency.

In Canada, not only the immediate results of the performance audit are extremely important, but also specific (precise) recommendations to the executive authorities on how to improve their performance. Specifically, the Manitoba Department of Infrastructure is advised to:

- implement best practices and procedures for assessing driver safety knowledge applied in other jurisdictions;
- get rid of predictability of the work schedule of road inspections (weight stations) and mobile patrols;
- develop performance indicators for the Infrastructure Department;
- examine the risks and need to coordinate with other institutions.

4. It should be noted that the study of international experience in implementation of the audit of efficiency of the transport sector should have an important applied effect from the point of view of the possibility of introducing best practices into the activities of regional CABs in Russia, especially in functioning of CCA of Moscow and CAC of St. Petersburg as bodies with significant potential, extensive labour and material resources. Here, it is advisable to highlight, in our opinion, the integral foundations of the audit of efficiency of the transport system, which have received wide recognition abroad, but are still in their infancy in several federal entities of the Russian Federation.

Firstly, the focus should be made on solving the problems of managing regional public resources to formulate specific and precise recommendations to the executive authorities responsible for the use of funds for development of the transport system. Meanwhile, the recommendations should include, first, ready-made solutions, such as the need for adoption of strategic documents, introduction of best practices in neighbouring jurisdictions, and others.

Secondly, performance audit is directly related to assessment of the economy, productivity and efficiency of budget expenditures, which naturally implies the need to assess correctness of tender procedures and effectiveness of contract execution. It seems reasonable that foreign control bodies include audit activities in the field of procurement of goods, works and services (hereinafter – procurement audit) in the performance audit program, while in Russia procurement audit is often singled out as a separate type of control or expert analytical activity.

Thirdly, implementation of the performance audit of the transport system is always accompanied by large labour costs due to the traditionally large share of budgetary costs for transport, which determines the importance, and often the need to involve external experts for a high-quality control event. However, Russian regional CABs do not always use this opportunity – often due to a lack of resources to attract.

Besides, special attention should be paid to presentable appearance and simplicity of the reviewed reports on the results of performance audits, the content of performance assessment criteria in them. Documents written in a simple and logical language highlighting the problems of the transport sector represent capacity and interest not only for stakeholders, but also for ordinary citizens and businessmen.

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