

PERFORMANCE AUDIT: TELECOMMUNICATION SOLUTIONS IN THE INSTITUTIONS OF BIH

The Audit Office of the Institutions of Bosnia and Herzegovina conducted a performance audit titled: "Telecommunication Solutions in the Institutions of Bosnia and Herzegovina (BiH)." The audit was conducted in accordance with the Law on Auditing the Institutions of BiH, International Standards of Supreme Audit Institutions - ISSAI and the Performance Audit Principles of Supreme Audit Institutions in BiH.

The audit examined whether a systematic approach was in place to using the public money for the purposes of telecommunication solutions in the institutions of BiH and whether the institutions of BiH undertook necessary activities to ensure cost-effectiveness and efficiency of existing telecommunications solutions.

The study showed that, at the level of the institutions of BiH, no systematic approach exists in this area. The strategies and parts of strategies addressing this area at the level of BiH have either expired or are not being implemented. No specific activities have been undertaken, at the level of the institutions of BiH, to resolve the issue in a systematic manner. No basic prerequisites for a strategic approach, such as analyses and reliable expenditure records for telecommunications solutions, have been created. As a consequence, institutions are implementing various telecommunications solutions that cannot be claimed with certainty to be efficient and cost-effective, since no comprehensive analyses have been undertaken.

In the absence of a systemic approach, most institutions did not undertake activities to analyse possibilities to improve the existing telecommunications solutions they use. Thus, most institutions failed to properly use market opportunities such as public procurements, where possible, or joint ventures to take advantage of economies of scale. Also, the possibilities of more efficient use of networks owned by the institutions of BiH have not been sufficiently exploited to reduce the leasing expenses the institutions incur for securing data transmission. New technologies that enable more efficient and economical operations are not being implemented or are partially applied.

The audit showed that a systematic approach to the issue of telecommunication solutions, as well as more responsible behaviour of the institutions towards the use of public funds, by applying the principles of economy and efficiency, can result in significant improvements and savings.

The report contains recommendations addressed to the Council of Ministers and the executive branch institutions at the level of BiH. Namely, although the audit was a sample-based, part of the recommendations can be applicable to all other institutions of BiH not covered by the sample.