

Latvijas Republikas
Valsts kontrole

STRATEGY 2026-2029 OF THE STATE AUDIT OFFICE OF THE REPUBLIC OF LATVIA

RIGA 2025

INTRODUCTION

Dear Readers,

The motto of the work of the State Audit Office team is clearly reflected in our vision: our audits have made a significant contribution to the well-being of society and contributed to the sustainable development of the country. Every vision, however, remains only a tangle of words if it is not followed by specific actions and measurable results. Yale University professor Lee G. Bolman once said, "A vision without a strategy remains an illusion". Therefore, our progress towards the implementation of this vision is embodied in the Strategy of the SAO Latvia, which outlines both the directions for the development of public sector auditing and the tasks for ensuring the growth of the institution.

This strategy is an essential tool in our activities, as it helps to maintain focus on long-term goals and specifies the steps to achieve them. The strategy gives a clear message to both our cooperation partners and our current and future team members about what to expect from the SAO Latvia.

In this new stage in our development, we will pay particular attention to increasing the proportion of performance audits. These audits will allow us to make an even greater contribution to the sustainable development of Latvia and to provide answers to the growing expectations of the public and



cooperation partners for our expertise in the improvement of public administration. In parallel, we will continue to introduce a results-oriented approach to recommendations by providing both those that measure their monetary and non-monetary benefits for state institutions and society.

The development of human capital occupies a special place in the work of our institution. A strong, competent and growth-oriented team of the SAO Latvia is our greatest asset and a solid basis for achieving our goals both in this and future strategic periods. With their professionalism and passion, it is our staff that allows us to increase the authority and trust of the State Audit Office both within the public administration and society in Latvia, and among international partners.

On behalf of the State Audit Office of Latvia,
Mr. Edgars Korčagins,
Auditor General

The Strategy of the State Audit Office of the Republic of Latvia for 2026-2029 (hereinafter referred to as the Strategy) is a medium-term development planning document. The purpose of the Strategy is to ensure systematic and effective performance of the functions and tasks of the State Audit Office of Latvia (SAO Latvia) and is the basis for the planning and implementation of its activities by facilitating the development of the institution and the achievement of results. Based on the results of the Strategy, we will also develop a human capital strategy

and an information technology strategy in 2026, which will complement the directions for development and the deliverables set out in the Strategy.

In the process of developing the Strategy, we assessed the current situation, carried out a risk assessment of the implementation of the current Strategy, analysed the main global trends and future challenges for supreme audit institutions (SAIs), exchanged best practises with other SAIs, and involved our employees and representatives of the Public Council of the SAO Latvia.

Assessment of the current situation



To assess whether the activities of the SAO Latvia are still effective, targeted and meet the needs of the public, we conducted: an assessment of the progress of the implementation of the Strategy of the SAO Latvia for 2022-2025; an international peer review¹ of our activities; a self-assessment of external communication and stakeholder involvement (in accordance with the Performance Measurement Framework²); a self-assessment of the professional ethics and integrity of the SAO Latvia (using the IntoSAINT methodology); a study on the SAO Latvia employee engagement³; an assessment of the function of the SAO Latvia on recovery of losses caused as a result of illegal actions; various surveys (public surveys, surveys of opinion leaders and surveys of audited entities); and we reviewed the resources for covering the expenditure of the SAO Latvia approved in the State Budget Law and the planned expenditure.

We identified the activities carried out from 2022 to 2025, which impact the further development of our SAI in this strategy period, i.e.: During the assessment, we concluded that it is important to focus on such strategically important

- An improved process for the identification of problem issues topical to Latvia's society by establishing a practice, in addition to sectoral risk assessments, to analyse national development trends and to conduct surveys of groups of interested parties;
- Amendments to the State Audit Office Law of Latvia have come into force, which provide that the SAO Latvia shall hereon provide only one opinion on the accuracy of the annual consolidated financial statement of the Republic of Latvia;
- A new approach to the monitoring of recommendations of the SAO Latvia has been developed, which involves assessing the result achieved and not just the process and actions;
- Proposals have been drafted for the effectiveness of the process regarding the right of the SAO Latvia to decide on the recovery of losses from officials and employees if they have been caused to the state or municipal budget as a result of illegal action;
- Increase in co-operation with non-governmental organisations and involvement in public sector educational activities;
- A sustainable approach has been introduced in the SAO Latvia by reducing office space, the consumption of resources and increasing energy efficiency, thus creating savings in the SAI budget. A decision was taken to move to new premises in 2027, thereby reducing the use of office space by more than half;
- Development cooperation agreements have been entered into with other SAIs and the SAO Latvia now leads the EUROSAI Working Group on Municipality Audit;
- A reduction in the number of positions through streamlining functions;
- The Quality Management Policy of the SAO Latvia is developed in accordance with the international standard ISSAI 140⁴ on quality management.

Risk assessment of the implementation of the Strategy

issues as the maintenance of institutional independence, strengthening audit support functions, development and sustainability of human resources, improvement of communication strategy, and the maintenance of optimal balance between human resources and activities.

Key global trends

will affect society, economics and governance in the future. These changes will create new challenges and opportunities for SAIs, especially on issues such as economic challenges, public debt, digital transformation, demography, climate change, migration, equality and the lack of public trust in public institutions.

It is therefore essential to adapt one's work in a timely manner to be able to assess the resilience of public finances in these circumstances and strengthen the role of SAO Latvia in society.

Experience of other SAIs

After exploring the experience of other institutions, we gained confirmation of similar challenges in such areas as: ensuring the sustainability of public finances, economic challenges and public debt, reducing bureaucracy, strengthening cooperation with

the parliament and society, retaining employees and attracting new talent, ageing of the population and the people leaving the country, the introduction of the approach of new quality management system, strengthening institutional capacity, increasing disinformation, cybersecurity, rapid development of digital technologies.

The discussions focused on performance indicators, which are most relevant for an independent audit institution in a changing and challenging environment.

Opinion of employees

The involvement of the SAO Latvia staff in the team for Strategy development brought significant benefits, as we used the practical experience and knowledge of the institution's processes, at the same time promoting involvement, motivation and a sense of responsibility for the implementation of the Strategy, as well as establishing

trust between the management and employees. In order to strengthen responsibility for the values of the SAO Latvia, we involved employees in the preparation of explanations to five target audience groups about the values that characterize our corporate culture.

Opinion of the Public Council of the SAO Latvia

The views⁶ of external stakeholders helped to identify the most important issues for the public and cooperation partners. In the discussions, we paid

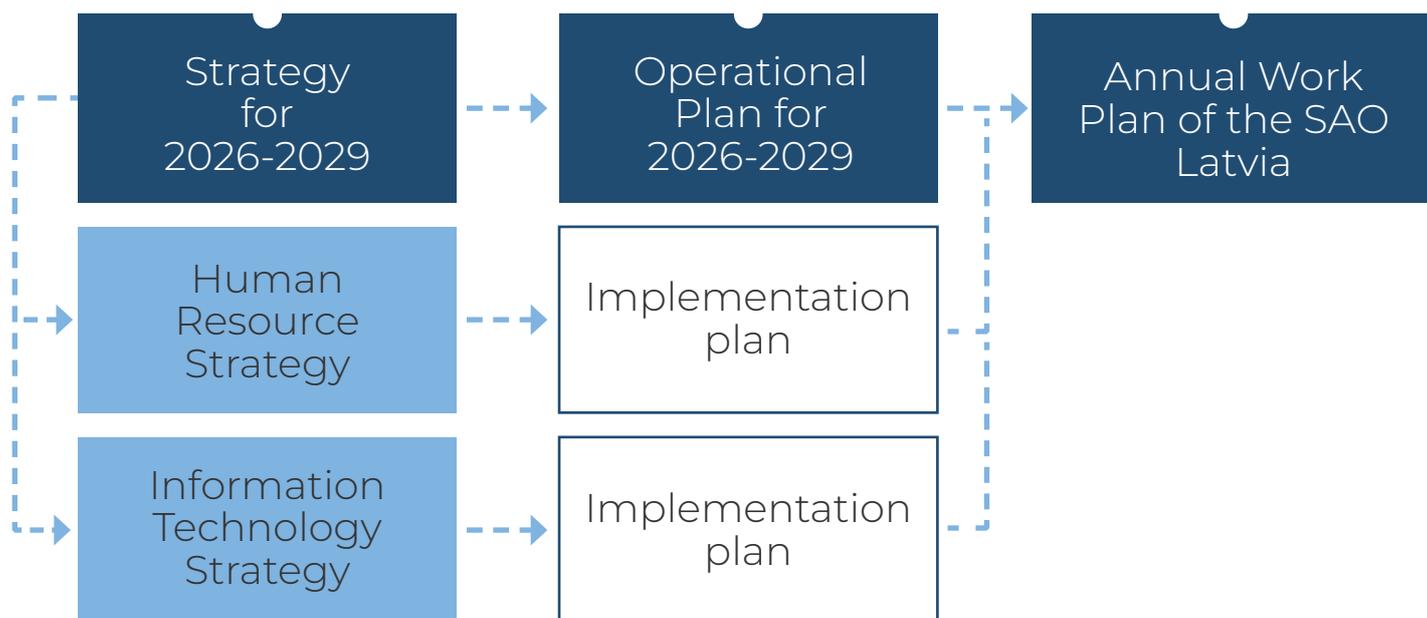
special attention to the identification of audit topics in high-risk areas of public interest, as well as the impact of the geopolitical situation on processes in general.

OPERATIONAL STRATEGY OF THE SAO LATVIA FOR 2026-2029



We included the mission, vision, values and purpose of the State Audit Office in the strategy; we defined the policy results and performance indicators that characterize our core activities. In two areas of activity, we determined the results of development and the most important activities for the next four years. In turn,

in the plan for the implementation of the Strategy and in the annual work plan, which ensures the operational implementation of the Strategy, we determine the performance indicators, activities and those responsible for the implementation of activities.



SAO LATVIA



Mission

We are the watchdog of public resources and make sure that they serve the common good.



Vision

Our audits have contributed significantly to the social welfare and the sustainable development of the country.



Values

Accountability.
Cooperation.
Development.



Strategic goal

The goal of the SAO Latvia is the efficient, diligent and legal operation of the public sector in the public interest.

Policy results and performance indicators

90 % of audits are conducted in areas which are high risk and which are topical for the public.

Assurance⁷ is provided that the national financial information provides a clear and accurate understanding of the country's financial situation.

100 % of completed performance and compliance audits provide recommendations with a financial or other form of impact.

Two-fold financial return for every euro invested in securing the operations of SAO Latvia.

More than 90 % of the state institutions surveyed consider that audits of the SAO Latvia have contributed to the efficient, economical and effective use of public sector resources.

More than 80 % of the public surveyed consider that the SAO Latvia as a whole is important for the successful functioning of the country.

Lines of action



Line of action I – Development of public sector auditing

Line of action II – Development of the resources of the SAO Latvia

LINE OF ACTION I – DEVELOPMENT OF PUBLIC SECTOR AUDITING



- 1** Result to be achieved
- Public sector auditing has resulted in improved quality of services based on the needs of Latvia's population, and the fair and efficient use of public resources.

Activities

Through audits, we will continue to develop an approach to help state administration do their work more economically, effectively and efficiently.

We will identify audit topics in areas that are high risk and are relevant to society by carrying out risk assessments of audit policy areas and by paying attention to reducing bureaucracy and administrative burden, cross-sectoral coverage, and also by surveying the parliament, non-governmental organisations, the Public Council of the SAO Latvia on issues that, in their opinion, would be important to audit.

We will expand cooperation with other institutions in Latvia on the use of reliable data and research in public sector auditing to make work more effective and to promote public trust.

We will control that the recommendations made as a result of the audits lead to quantitative and qualitative changes⁸, and not relate solely on the process- or action-level.

Indicators

- Every year, 70 % of completed performance and compliance audits assess bureaucracy and/or administrative burden and make at least one recommendation to reduce it.
- Every year, 60 % of the audits completed make recommendations for reducing public spending or increasing revenue.
- Each year, at least 30 % of completed performance and compliance audits cover audited entities from more than one sector.
- The average duration of performance and compliance audits is 13 months.
- At least two audits and/or reviews are carried out during the strategy period in cooperation with other SAIs.
- Every year, 70 % of the completed performance and compliance audits involve non-governmental organisations and/or experts in the field.
- At least 16 performance, compliance audits and review reports are drafted each year.
- Each year, at least 40 % of completed performance and compliance audits use innovative technologies, methods and/or big data analysis.
- By 2027, the recommendations of the previous international peer review⁹ have been implemented.

2 Result to be achieved

Public sector auditing provides assurance on the accuracy of the annual financial statement and improves the sustainability, governance and reporting of public finances to the public through compliance assessments.

Activities

By making the performance of financial audits more effective, we will introduce an approach to assess the adequacy of the use of the State budget to give the public a clearer idea of whether public funds are used in accordance with the purpose of allocation, in compliance with the applicable legislation by achieving the planned results, and in the public interest.

We will cooperate with other institutions in Latvia on financial sustainability risks.

We will continue to involve internal auditors and certified auditors in financial audits to promote effectiveness and professional cooperation in public sector supervision. We will continue to automate the work of financial audits by using big data, artificial intelligence and analytics.

Indicators

- Each year, the amount of the budget regarding the conformity of the use of which has been ascertained is assessed no less than at the level of materiality specified in the annual consolidated financial statement.
- In financial audits, resources¹⁰ are devoted to the examination of annual reports, compliance issues and/or other types of assessments.
- Each year, no more than 25 % of the total working time spent on audits per year is devoted to financial audits.
- During the strategy period, at least two audit-based products have been developed¹¹, prepared as a result of cooperation between the Financial Audit Department and sectoral Audit Departments.

3 Result to be achieved

An effective loss recovery process is ensured.

Activities

We will identify the risks of illegality and identify relevant audit topics or define audit issues to reduce and eradicate illegal behaviour in the public sector.

We will encourage changes in the State Audit Office Law and develop guidelines for the recovery of losses, cooperate with law enforcement agencies and experts in the field to ensure diligent actions of officials with state budget funds. We will publish the practice of SAO Latvia in the field of loss recovery.

Indicators

- During the strategy period, the SAO Latvia has reduced the costs of ensuring the loss recovery process by at least 50 %.
- During the strategy period, 80 % of the funds spent as a result of illegal activities are recovered¹².

4 Result to be achieved

The professional excellence of audits is strengthened by the developed quality management system.

Activities

We will implement the quality management system in accordance with the requirements of the Quality Management Policy of the SAO Latvia and improve the methodological management of audits in accordance with our organisational structure.

We will involve experts from other SAIs and conduct a peer review of our activities to obtain a professional and independent assessment of our work.

Indicators

- The peer review of the SAO Latvia carried out in 2028 does not identify any significant discrepancies regarding the compliance of its activities with the ISSAIs and the principles of good governance.
- 80 % of the audited entities surveyed appreciate the work of SAO Latvia.
- The level of risks included in the risk register shall not increase or decrease¹⁵.

5 Result to be achieved

The SAO Latvia is a reliable and publicly understood independent supervisor and expert of state administration.

Activities

We will evaluate which groups/audiences of society are strategically important (priority) for achieving both the goals of external communication and the goals of the Strategy of the State Audit Office to adapt communication formats/channels to these audiences.

We will develop our website as a full-fledged media and central source of information, as well as use social media platforms purposefully by adapting content to each audience to create clearer, more accessible and target-oriented communication.

We will introduce the principles of plain language into audit reports and create a modern form of audit reports to make them easier to understand for the general public.

We will draft an action plan for crisis communication to ensure timely, clear and reliable information.

Indicators

- 30 % of the surveyed population recognises the SAO Latvia and 50 % of the public trust it.
- 35 % of the surveyed non-governmental organisations use the audit results conducted by the State Audit Office.
- Each year, representatives of the State Audit Office participate in at least 10 activities as experts of state administration.
- Every year, 20 products based on audit results are developed and training and experience exchange activities based on the work of the SAO Latvia are implemented.
- 90 % of the public opinion leaders surveyed¹⁴ admit that the audit reports of the State Audit Office are clearly understandable and easy-to-read.
- 70 % of the public opinion leaders and representatives of audited entities surveyed assess the communication of audit results as appropriate and proportionate.

LINE OF ACTION II – DEVELOPMENT OF THE RESOURCES OF THE STATE AUDIT OFFICE



6 Result to be achieved

Purposeful and systematic development of human resources is provided.

Activities

We will develop a human resources development strategy, including a plan for the professional development of employees, especially in the field of digital competences in order to implement the strategic goals of SAO Latvia.

We will establish professional development pathways for auditors and improve learning and development practices taking into account the requirements of ISSAI 150 to streamline the already established modular training.

We will look for professional development opportunities, with a particular focus on upskilling in big data analysis, the use of artificial intelligence and other technologies to promote knowledge useful for the performance of work duties, in cooperation with SAIs of other countries, the International Organisation of Supreme Audit Institutions (INTOSAI) and the European Organisation of Supreme Audit Institutions (EUROSAI).

We will ensure the activities of the Secretariat of the EUROSAI Working group on Municipality Audit (WGMA).

Indicators

- Every year, each employee devotes at least 20 hours to the acquisition of knowledge and the exchange of experience.
- By 2027, individual development plans for employees are introduced.
- 40 % of employees are involved in activities aimed at the improvement and development of knowledge of the State Audit Office, other SAIs or the public sector.
- During the strategy period, no less than two development cooperation projects are ensured, including by attracting external resources, and cooperation with at least 15 partners.
- Every year, participation in at least 15 international activities (presentations, peer reviews of SAIs of other countries, trainings and other activities) in which the SAO Latvia shares its experience.

- 7** Result to be achieved
- The system of motivation of employees of the State Audit Office (tangible and intangible) and the corporate culture safeguard the loyalty and attraction of employees.

Activities

We will conduct a self-assessment of professional ethics and integrity to assess the current situation and gain confidence in the implementation of the recommendations provided in the previous assessment¹⁵.

In line with the challenges of SAIs, we will update the Code of Ethics Handbook to maintain high standards of professional ethics.

We will conduct a survey on employee well-being to promote work-life balance, improve the working environment and strengthen the sustainability of the institution.

We will promote the State Audit Office as an attractive employer and plan effective selection processes to reduce the time from the moment of announcing a vacancy to filling the vacancy.

Indicators

- The level of employee engagement indicator¹⁶ does not decrease or increases.
- Annual staff turnover shall not exceed 13 %.
- The level of employee well-being indicator¹⁷ does not decrease or increases.

- 8** Result to be achieved

An effective and efficient organizational environment is ensured.

Activities

We will review the descriptions of work processes and procedures to optimise them for a more efficient organization of work. We will carry out internal audits to provide an assessment for improving the operation and effectiveness of the internal control system.

We will establish procedures for the transition and organization of work in the new open-type office premises to safeguard an effective, thoughtful and employee-friendly organization of work that is in line with the values and goals of the institution. We will conduct surveys on the well-being of employees when starting work in the new premises and on the well-being of employees after the adaptation period in the new premises.

We will evaluate the effectiveness of the channels used in internal communication to ensure that information is conveyed to employees clearly, in a timely manner and achieves its purpose.

Indicators

- Two internal audits carried out annually.
- A survey on the well-being of employees after the adaptation period in the new premises is conducted.
- A balanced distribution of working time is ensured each year: 75 % audit and audit support function, 15 % development function and 10 % administrative function.
- No less than 75 % of employees in the survey admit that internal communication is timely, understandable and sufficient for the performance of work duties.
- A survey on the well-being of employees when starting work in the new premises is conducted.
- 70 % of employees use the intranet on a daily basis.

9

Result to be achieved

The information and communication technology solutions available to employees provide added value in their daily work.

Activities

We will develop an information technology strategy of the State Audit Office to strengthen a secure information technology environment and determine the directions for the development of information and communication technologies of the institution for the coming years.

We will introduce new audit support software, automate routine and low value-added tasks to use resources more effectively and focus more on audit areas of public interest. We will develop guidelines for the use of artificial intelligence in everyday work.

Indicators

- 80 % of employees are satisfied with the relevance of information technology functionality to work needs.
- 99 % of information technology is available during working hours.
- Every year, each employee devotes no less than five hours to the acquisition of knowledge in data analysis, in the field of information and communication technologies.
- 80 % (in 2027) and 98 % (in 2029) of employees have passed a simulated phishing test successfully.

EXPLANATIONS OF VALUES FOR FIVE AUDIENCE GROUPS



We complement the Strategy with an explanation of the values **ACCOUNTABILITY** **COOPERATION** **DEVELOPMENT** to our target audiences in order to raise public awareness of the role of the institution, strengthen trust and establish an open dialogue.

Audience

Executive power. Audited entities. Law enforcement agencies

Accountability

We are professional, unbiased and independent by providing assessments based on facts and thorough analysis. In our work, we adhere to professional public sector auditing standards by fostering trust and positive change. We are responsible for our actions and strive to lead by example. With recommendations to the audited entities, we seek to improve the social and economic situation in Latvia.

Development

We improve professionalism by investing in employees and innovation, optimising work processes and using new tools. We are building a modern, forward-looking institution that is able to overcome the challenges of state administration. We promote the identification and promotion of good practices and successful solutions in state administration. identificēšanu un popularizēšanu valsts pārvaldē.

Cooperation

We share knowledge and experience, listen and discuss by facilitating a transparent and effective public sector, its development and credibility. We believe that openness and accountability are the basis for a reliable and honest relationship with the public and our cooperation partners.

Audience

Public. Mass media

Accountability

We conduct audits that bring the greatest benefit to society and the country as a whole. We are responsible for the information provided by explaining the results of audits and their impact on society and state administration. We design sustainable and economically sound recommendations that promote the public good and trust in the public sector.

Development

We listen and accept criticism. We use a variety of methods of processing, analysing and presenting information. We make our information about audit results easy to understand.

Cooperation

We invite the public to get involved and provide an opportunity to report problems and express their views by facilitating a trusting partnership. Our work is meaningful and result-oriented thanks to public participation.

Audience

Saeima (Latvia's Parliament)

Accountability

We promote responsible behaviour in the public sector and take responsibility for the audits we carry out. We identify problems and make recommendations to help the Saeima make decisions.

Cooperation

Our work for the benefit of the country is based on cooperation with the Saeima so that the results of audits contribute to changes in society and the country.

Development

The focus of our work is development, which ensures quality and the ability to provide an impartial vision of the possibilities for improvement and development of state administration.

Audience

Public organisations. Academia

Accountability

Our independence means responsibility to society and the advocacy of its interests. We ensure that our work is up to date, based on professional auditing standards and meets the needs of society.

Cooperation

We work with public organisations and educational institutions to promote responsible public sector behaviour in the public interest.

Development

We promote the development of the country and public trust by making state administration more effective and accessible to all groups in society.

Audience

International partner organisations

Accountability

We are part of the international community of SAIs by contributing to the development of the mission of SAIs and audit practices on a global scale. We support SAIs in other countries through the implementation of international standards and by promoting good governance. We are a partner for other SAIs in strengthening independence and professional ethics.

Cooperation

We are a professional and sustainable cooperation-oriented international partner. We participate in international activities by sharing audit results, experience and best practices.

Development

We promote the international recognition and professional development of the SAO Latvia, strengthen the image of a competent supreme audit institution. With the experience gained, we improve the management of the State Audit Office and introduce new solutions.

References

¹ The internationally accepted way of carrying out such an assessment is peer review, which is carried out by representatives of SAIs of other countries in accordance with international auditing standards.

² IDI PMF – INTOSAI Development Initiative Performance Measurement Framework.

³ The employee engagement indicator is determined according to the TRI*M™ Employee Engagement methodology.

⁴  International Standard for Supreme Audit Institutions (ISSAI) 140.

⁵ Navigating Global Trends: Future implications for Supreme audit institutions 2025-2040.

⁶ Meeting of the Public Council of the SAO Latvia.

⁷ Auditor opinion on the annual consolidated financial statement with a level of at least 95 % confidence.

⁸ The SAO Latvia. "In the implementation of recommendations, the SAO Latvia will assess the result, not the process" dated 6 November 2024.  <https://lrvk.gov.lv/en/news/in-the-implementation-of-recommendations-the-state-audit-office-of-latvia-will-assess-the-result-not-the-process>

⁹ The internationally accepted way of carrying out such an assessment is peer review, which is carried out by representatives of SAIs of other countries in accordance with international auditing standards.

¹⁰ In 2026, the baseline value will be determined.

¹¹ Report/ interim report/ review report/ individually assessed issue in the context of a financial audit.

¹² Percentage % of the amount determined in decisions on the recovery of damages.

¹³ In 2026, the baseline value will be determined.

¹⁴ Public opinion leaders who are familiar with one of the audit reports of the State Audit Office.

¹⁵ The self-assessment of professional ethics and integrity using the IntoSAINT methodology was previously carried out in 2025.

¹⁶ The employee engagement rate is set in 2025 and is monitored according to the TRI*M™ Employee engagement methodology.

¹⁷ The well-being indicator is determined by a survey organised by SAO Latvia.

