

Project title	Corporate and Public Sector Accountability Project (CAPSAP)
General information	Region: Azerbaijan Duration: 2011 to 2013 Budget: USD 24 million (World Bank: USD 14 million; SECO: USD 2.1 million; Government of Azerbaijan: USD 8 million)
Project partners	<ul style="list-style-type: none"> • Institutional partner: Chamber of Accounts, Ministry of Finance • Implementing partner: World Bank
Project objectives	The objective of the project is to improve accountability and transparency in managing public spending through strengthening financial reporting for public authorities and public interest entities in line with international best practices.
Background	<p>Strengthening accountability and transparency is one of the central challenges the government is currently facing. Public expenditures have risen markedly during the recent years fuelled by strong oil revenues. Accountability and transparency within public authorities and public interest entities however remain weak. There is a strong need to improve budget transparency and the efficiency and effectiveness of public spending.</p> <p>The Government of Azerbaijan and the World Bank launched the Corporate and Public Sector Accountability Project (CAPSAP) to address these issues. CAPSAP consists of three components: i) corporate sector accountability (implementing international accounting standards in public interest entities), ii) public sector accountability (strengthening public internal financial control and Chamber of Accounts) and iii) strengthening accounting, auditing and financial management capacity (creation of Azerbaijan Center for Professional Accounting and Audit Training Education and Research). SECO funds the component related to strengthening the Chamber of Accounts, Azerbaijan's Supreme Audit Institution.</p>
Project activities	<p>The following activities are carried out under the SECO funded project component based on the strategic development plan of the Chamber of Accounts:</p> <ul style="list-style-type: none"> • Enhancing legislative framework • Improving enforcement mechanism and methodology on external audit • Providing on-line connection to the Treasury Information and Management System • Developing and implementing a training program for the Chamber of Accounts • Twinning and pilot audit with an experienced peer Supreme Audit Institution • Supporting annual independent financial and performance audits
Project results	<p>The following results are expected:</p> <ul style="list-style-type: none"> • Functional and transparent public sector external audit and internal financial control functions • Strengthened capacity of the Chamber of Accounts capable to ensure full audit coverage of all public sector bodies • Increased influence of the Chamber of Accounts on the overall state budget process • More efficient and transparent use of public resources