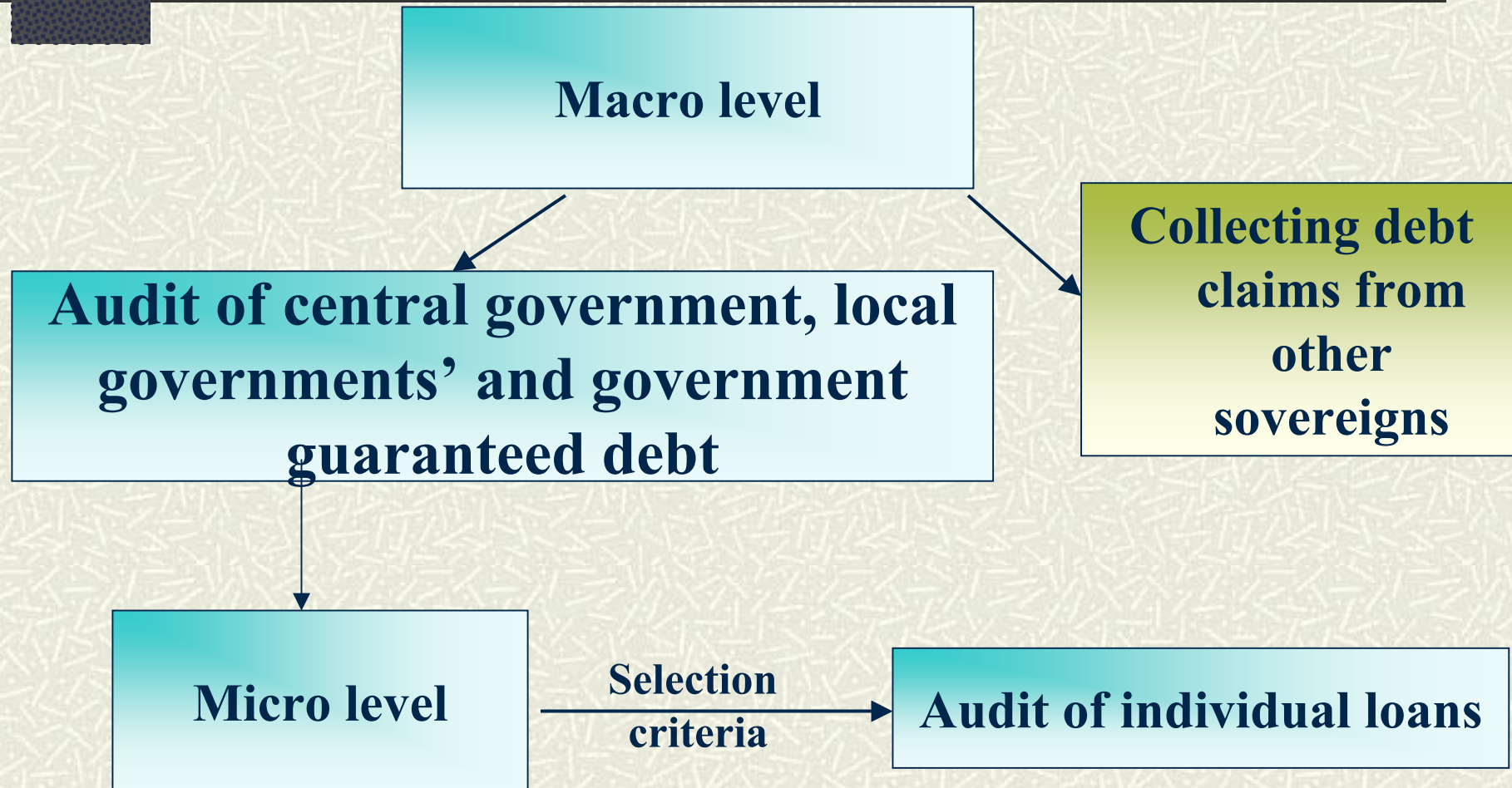


The Bulgarian Experience in Public Debt Audit

The Audit Process Structure



Audit at Macro Level

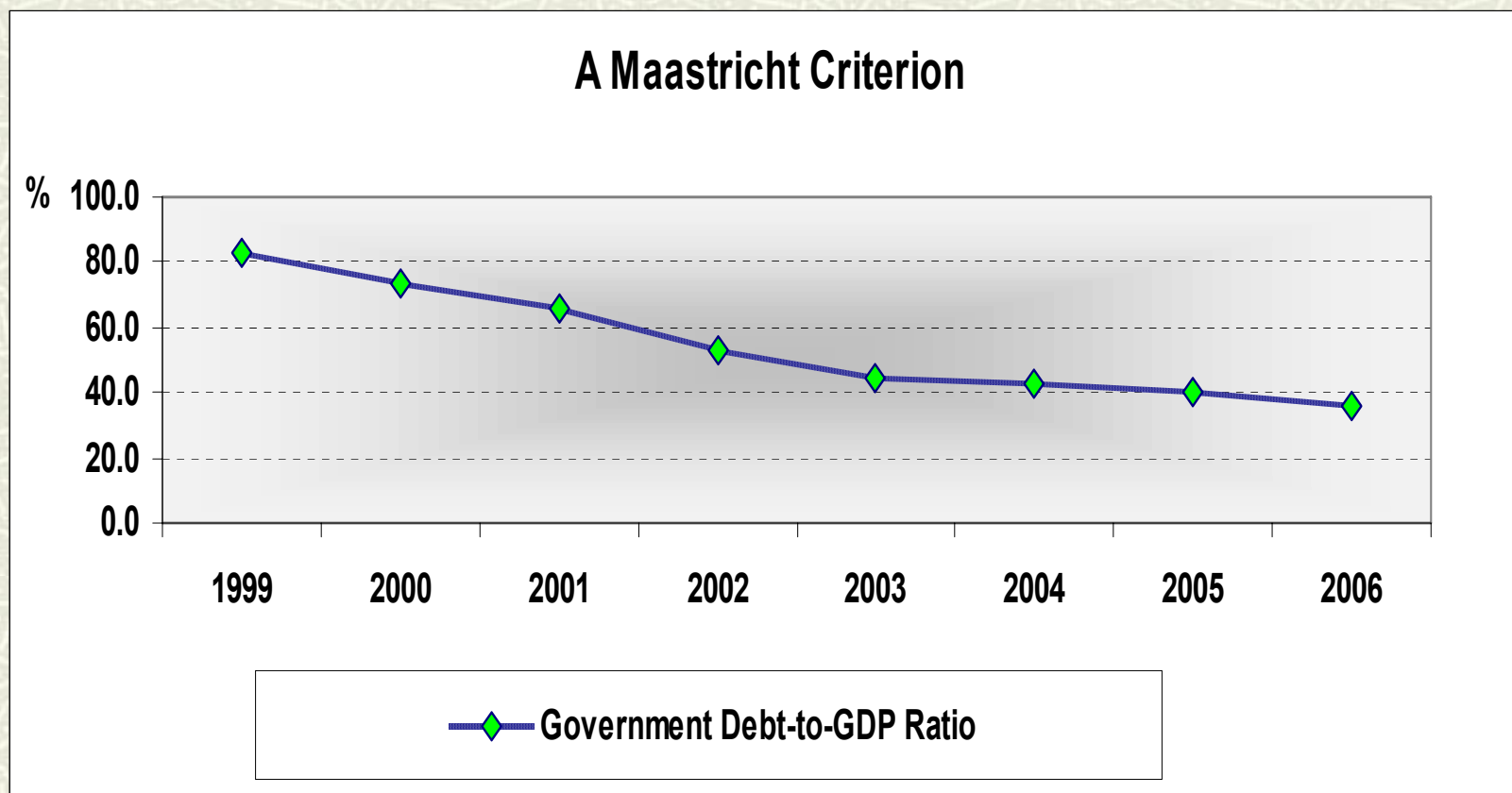
1. Monitoring:

- # macroeconomic indicators
- # government debt (external and domestic);
- # local governments' debt;
- # government guaranteed debt

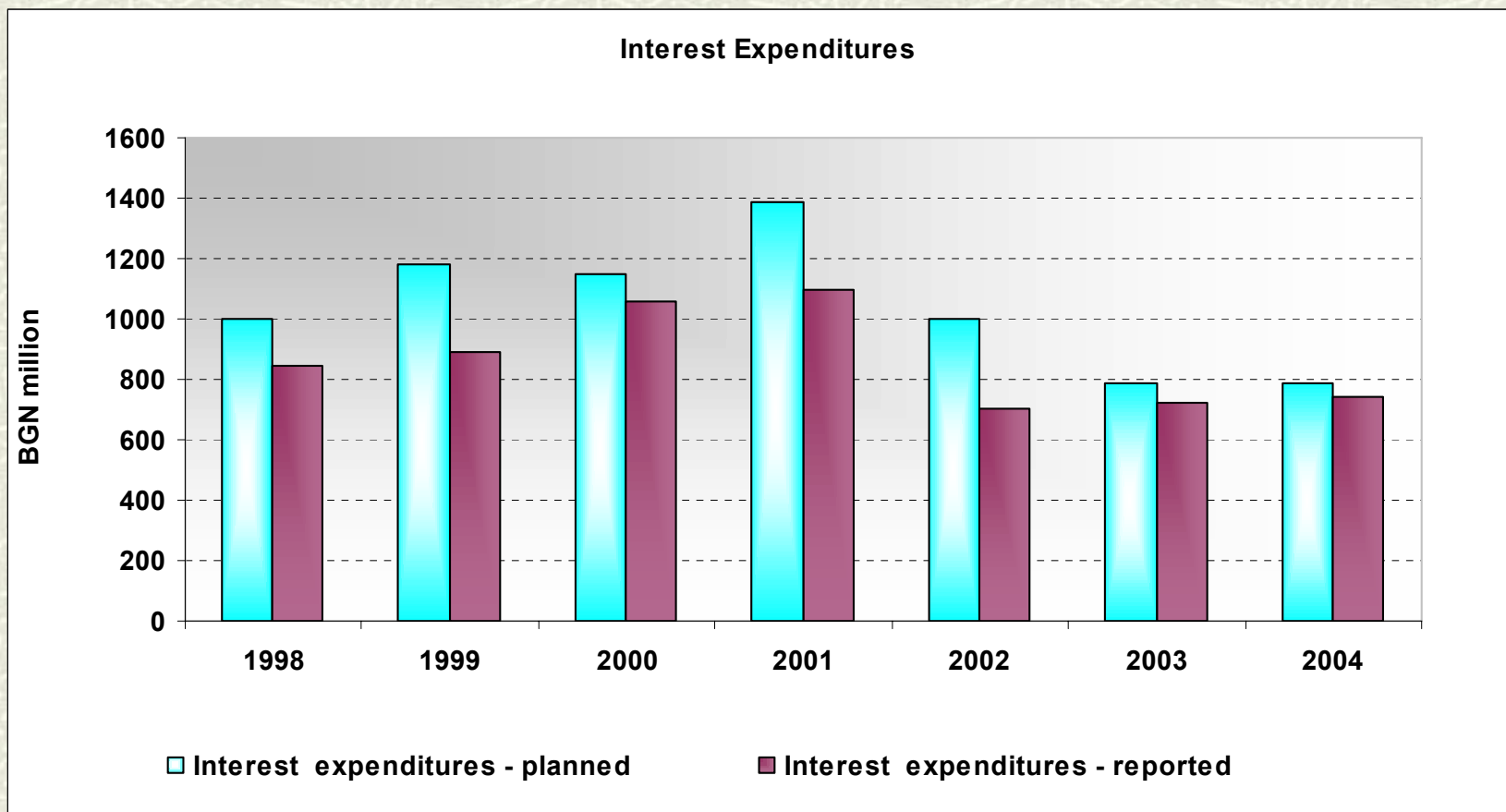
2. Analysis and evaluation of the debt instruments used

3. Checking the compliance with statutory limits on debt management

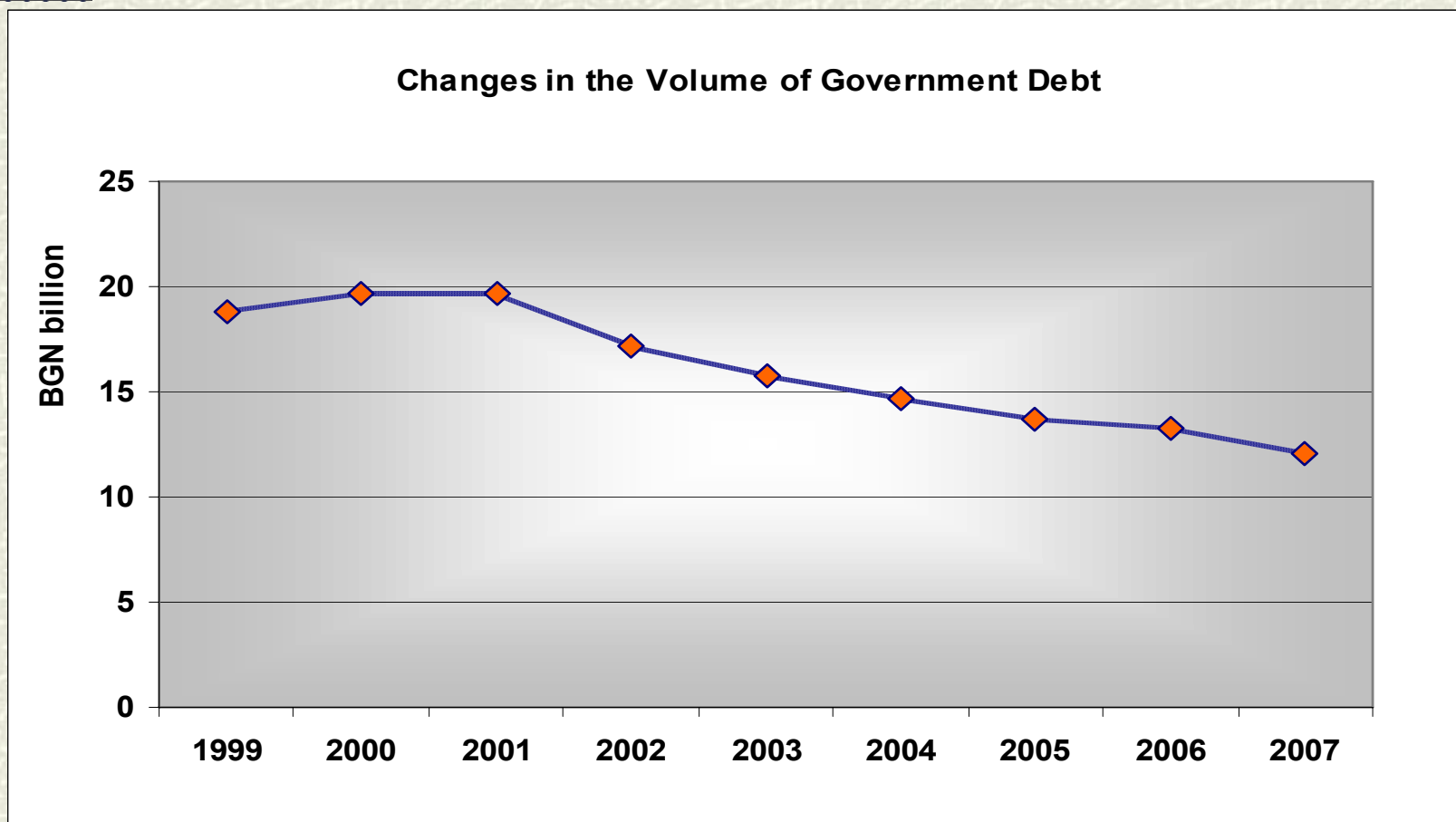
Monitoring macroeconomic indicators



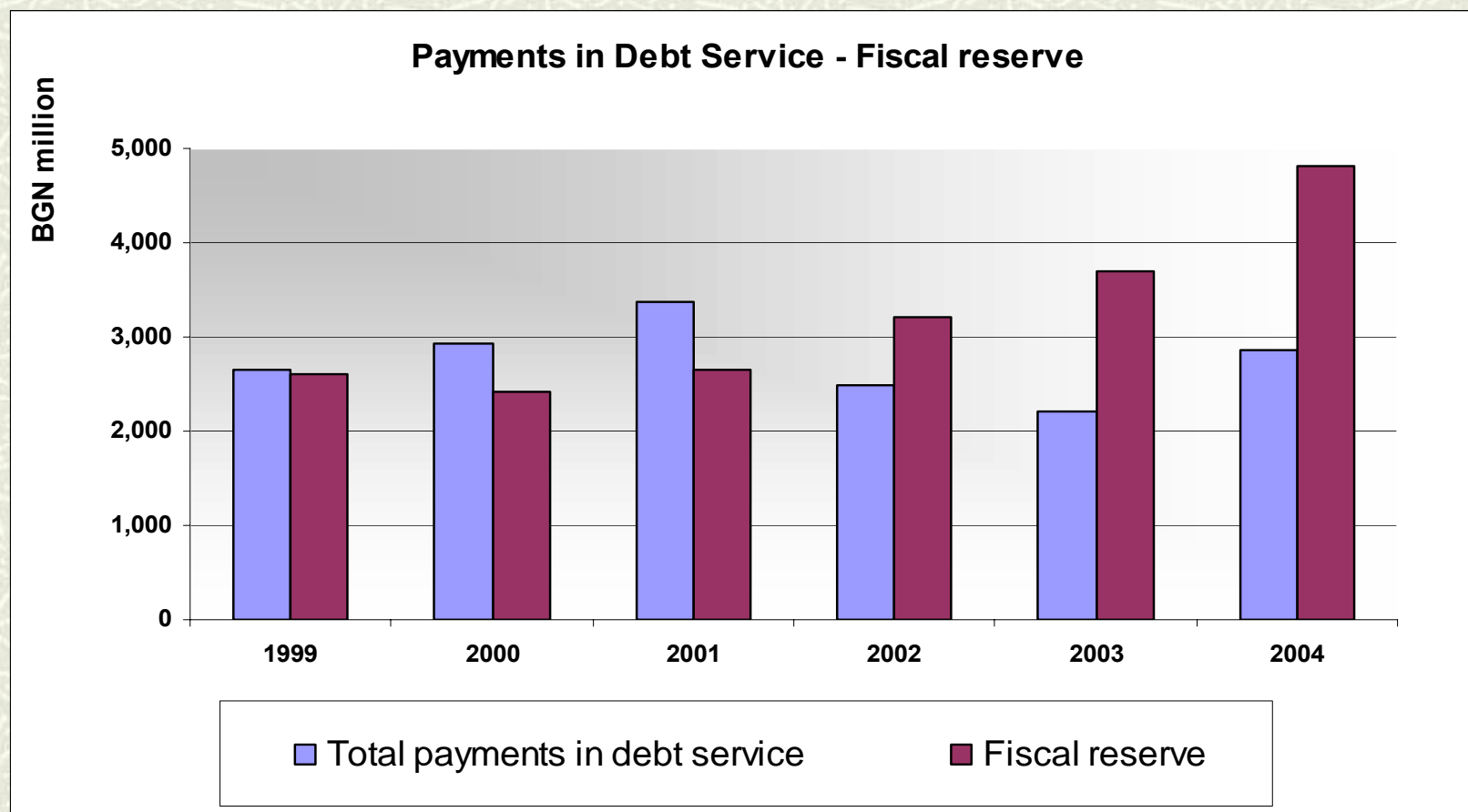
Monitoring macroeconomic indicators



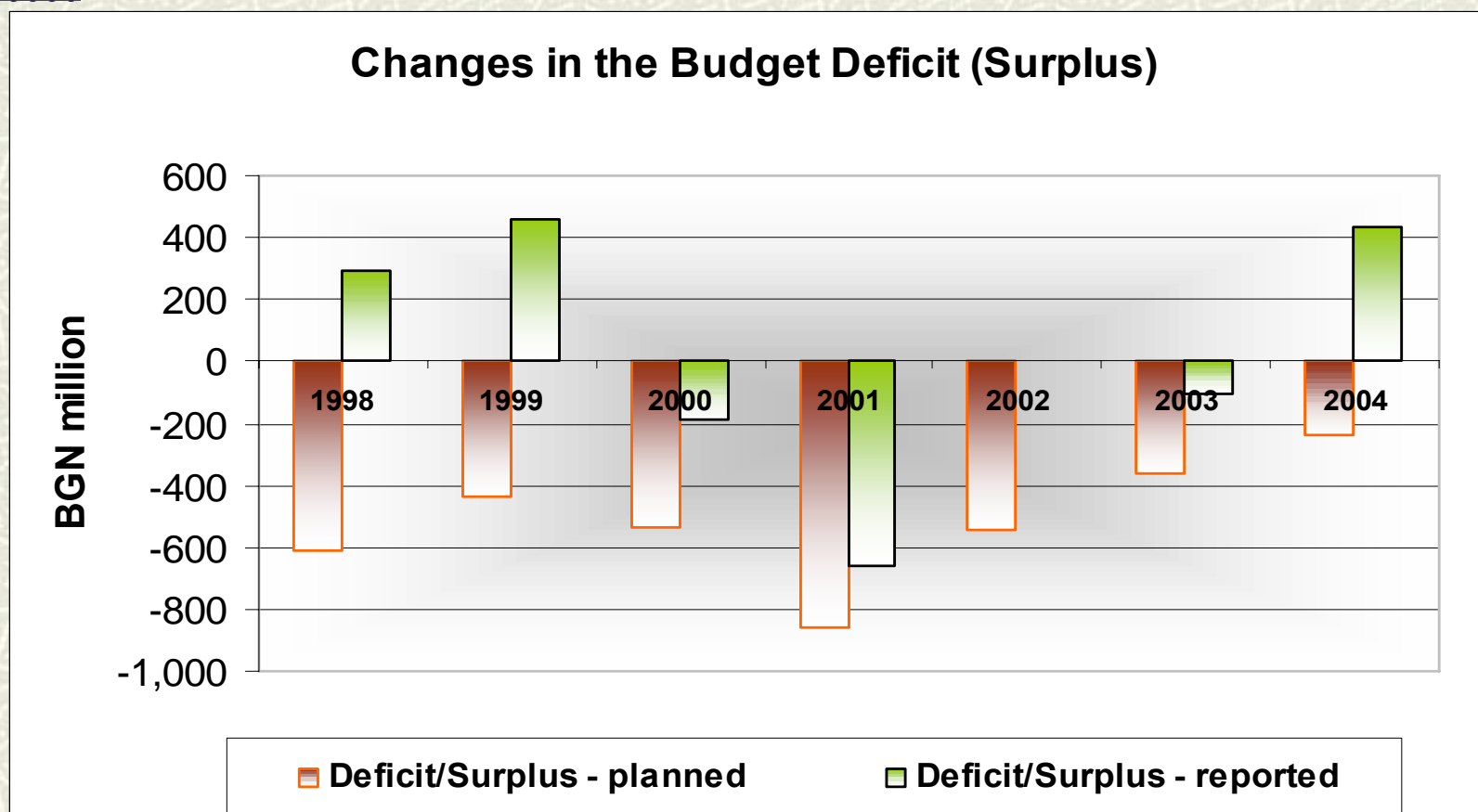
Monitoring macroeconomic indicators



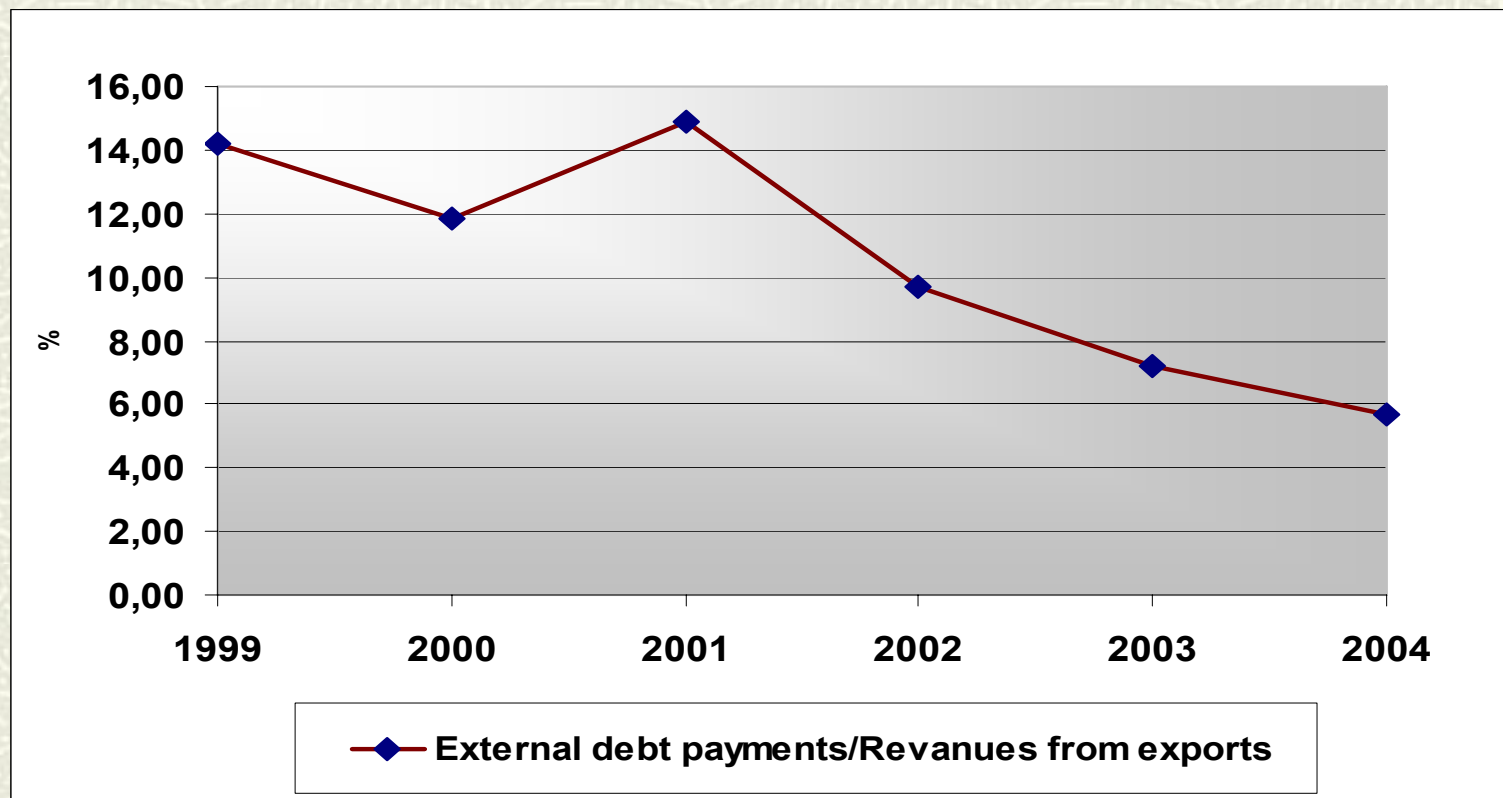
Monitoring macroeconomic indicators



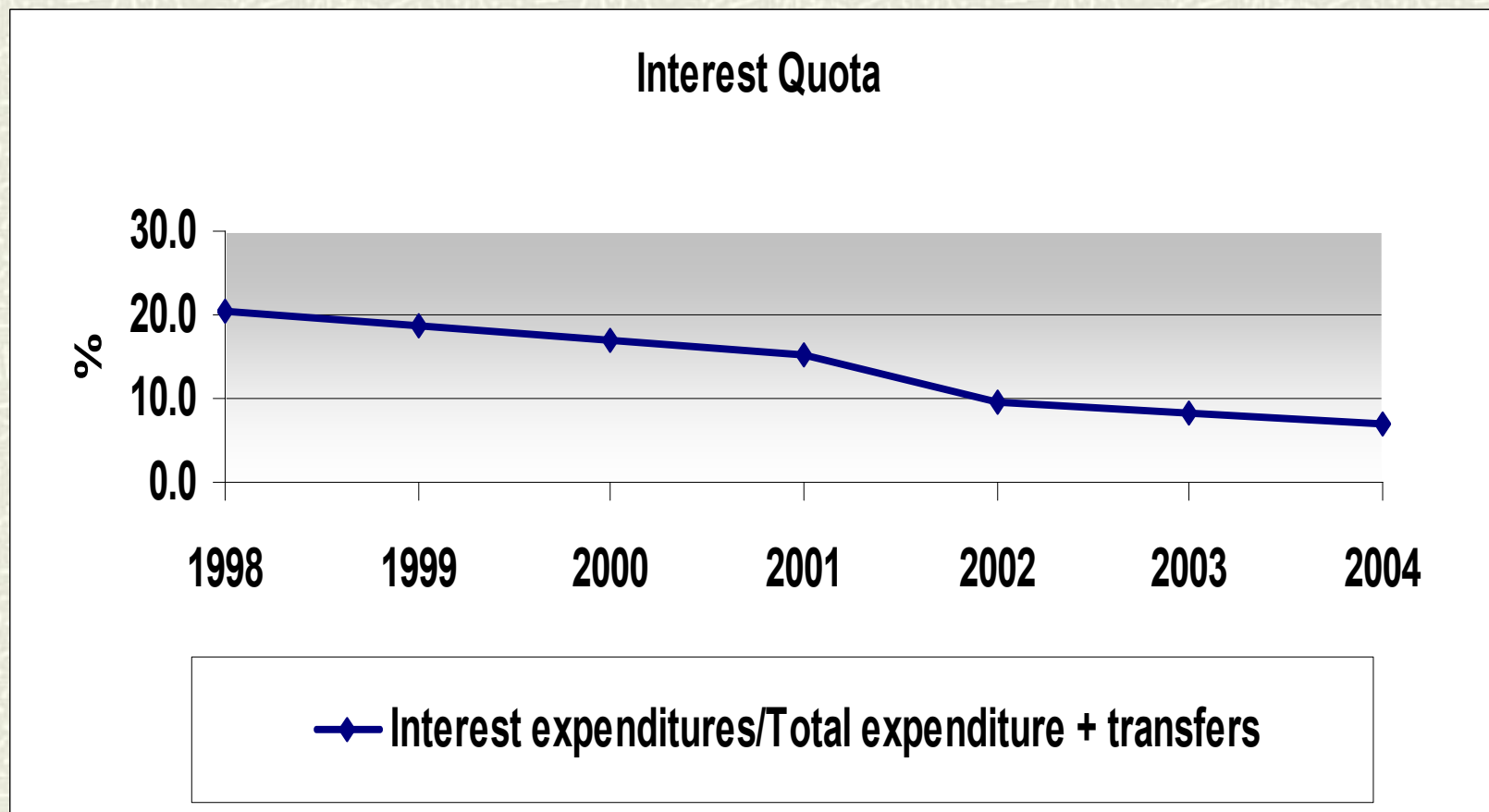
Monitoring macroeconomic indicators



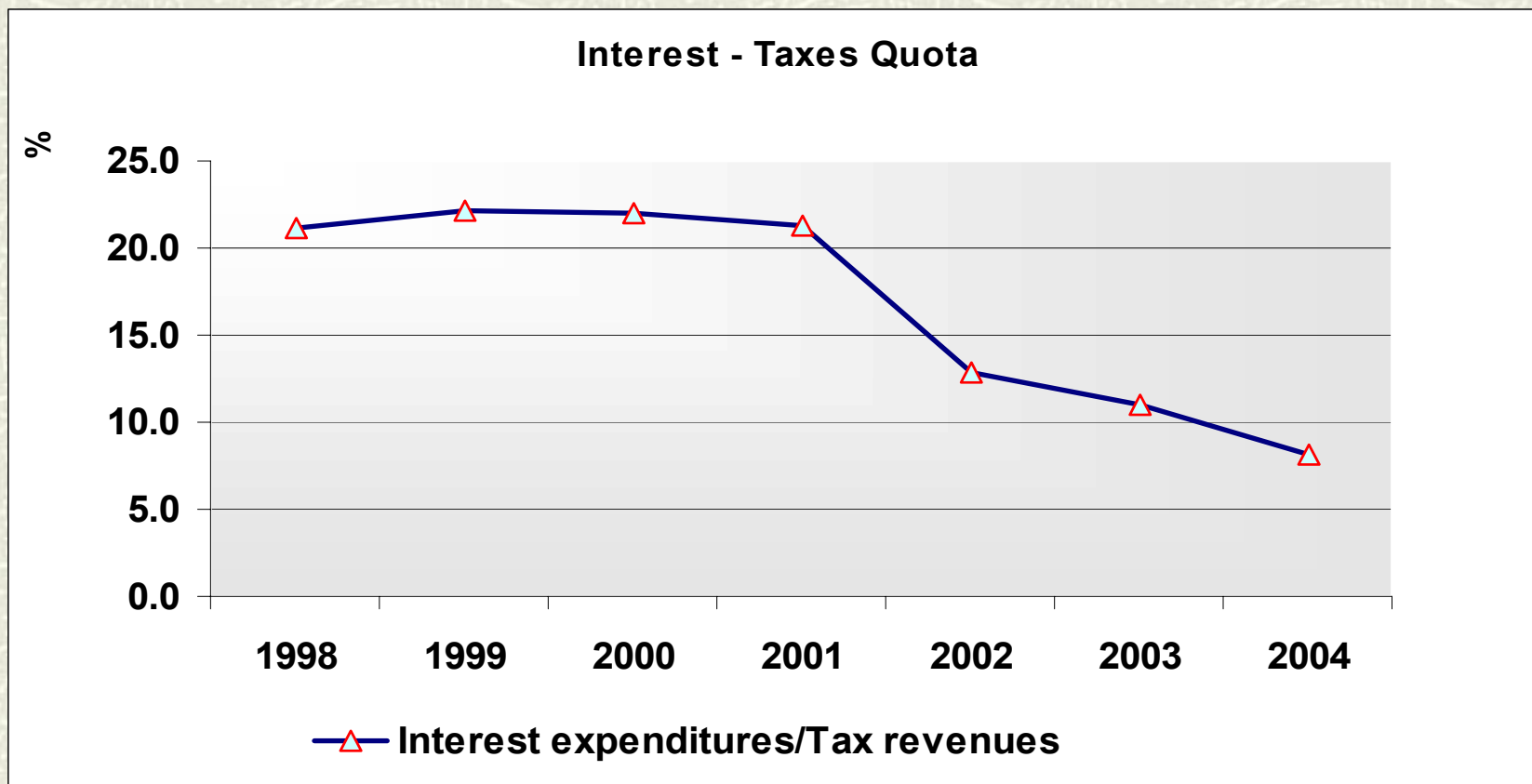
Quotas



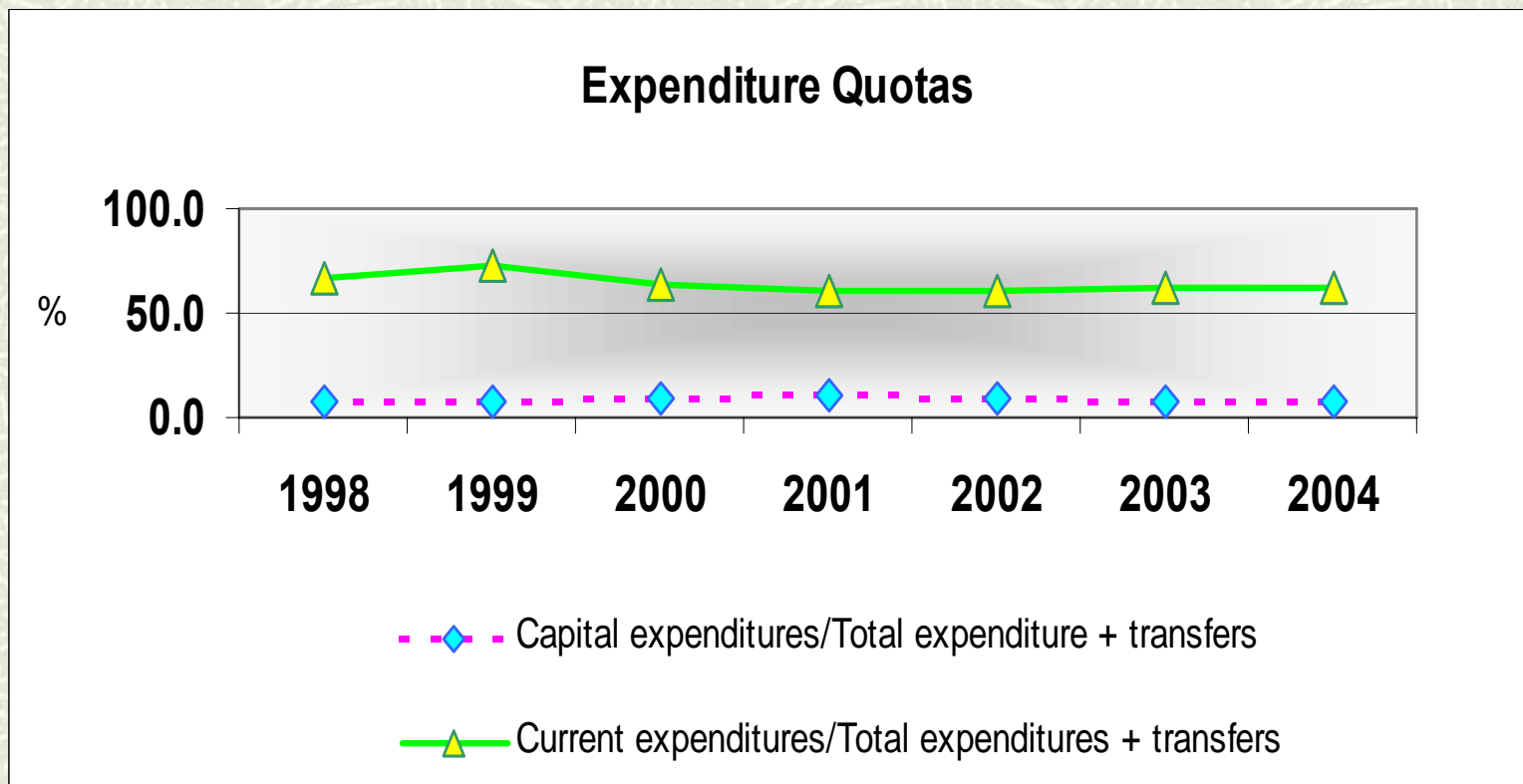
Quotas



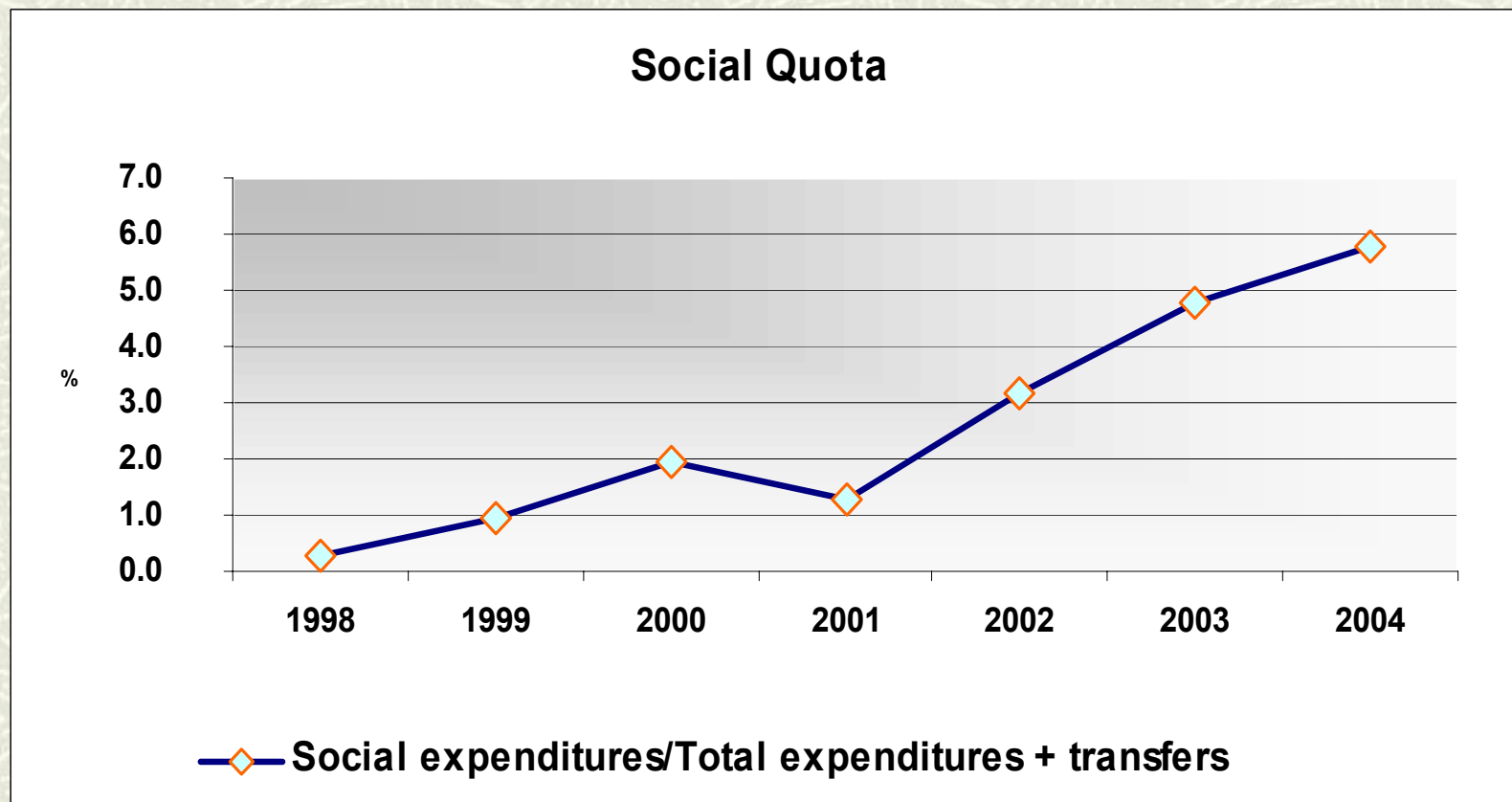
Quotas



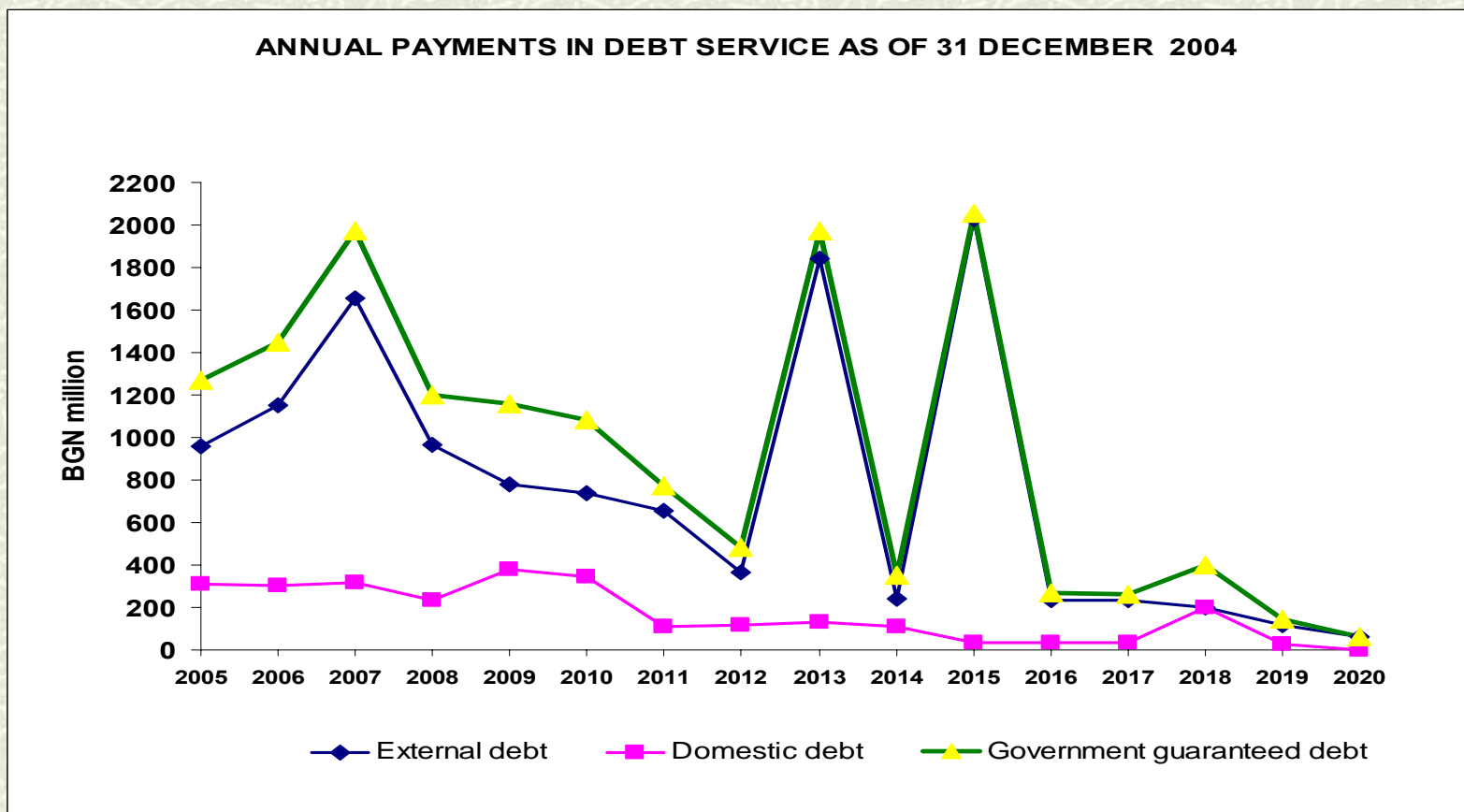
Quotas



Quotas



Monitoring Government Debt



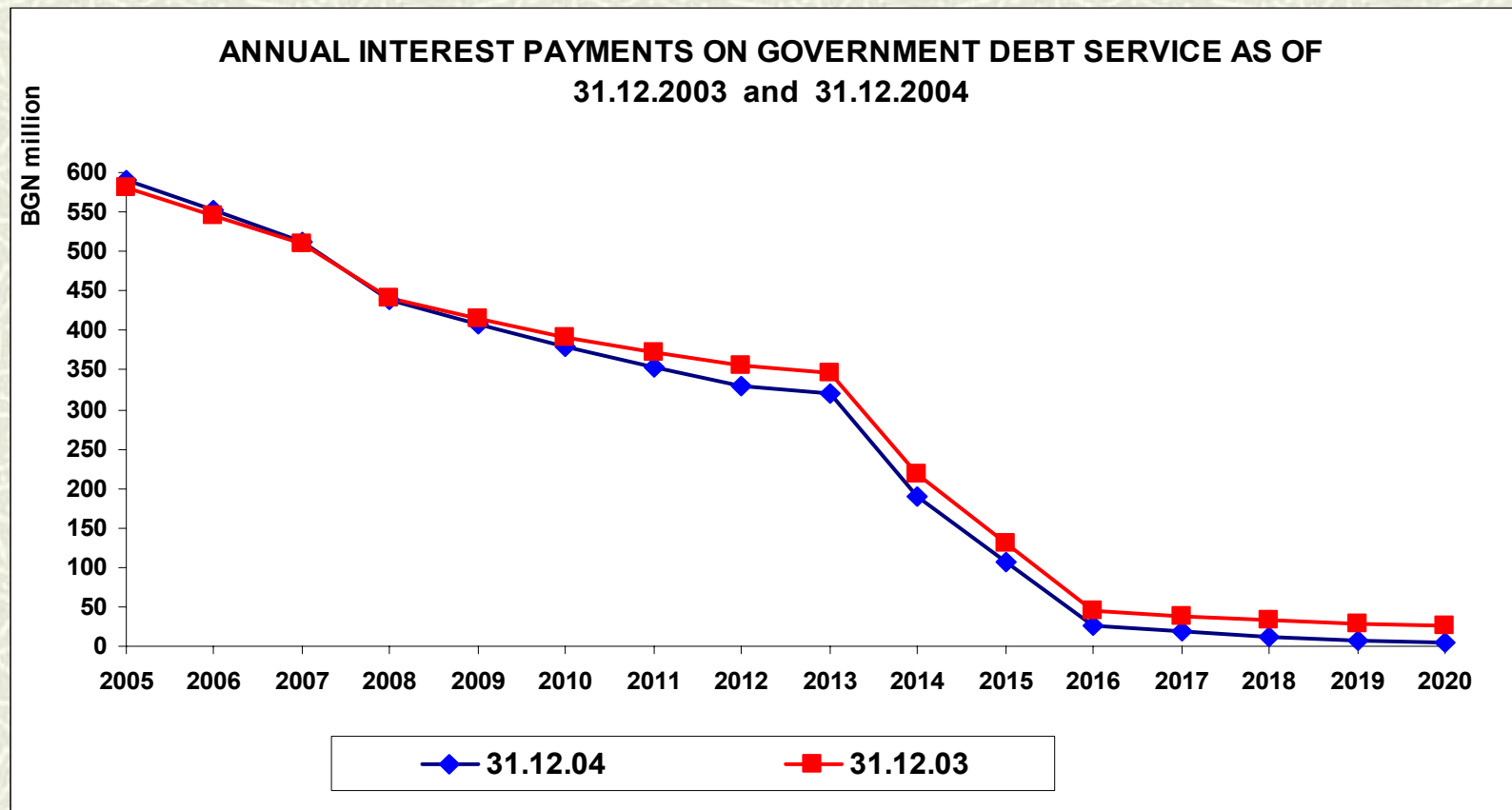
Monitoring Government Debt

PERCENT RELATIVE SHARE OF GOVERNMENT DEBT ELEMENTS AS OF 31 DECEMBER 2004

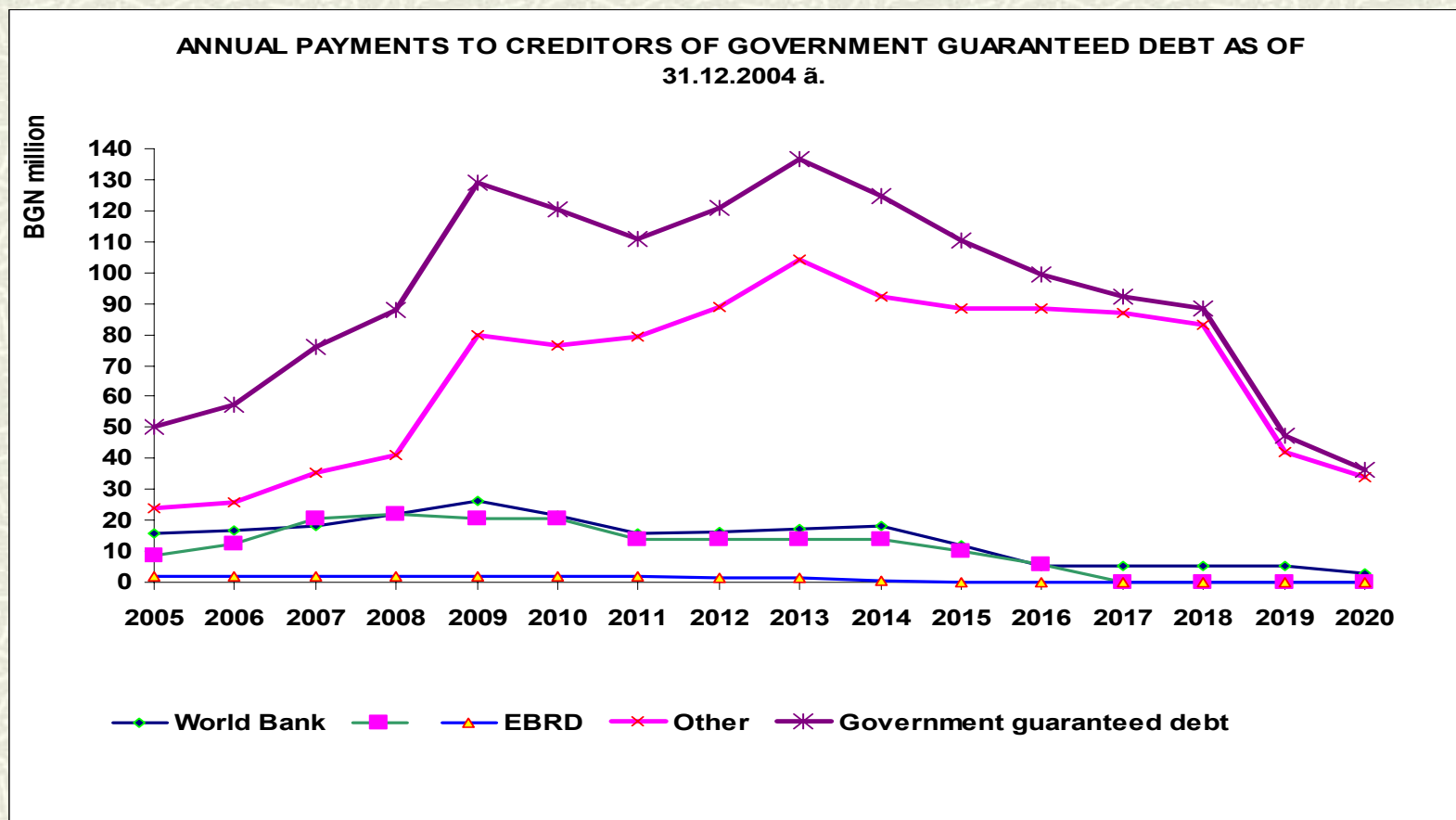
(%)

	Type of debt	Principal	Interest
1	External Debt	82.17	85.32
2	Domestic debt	17.83	14.68

Monitoring Government Debt



Monitoring Government Guaranteed Debt



Monitoring Funds Spending under Investment Loans

	Credit or	Purpose of Loan	Loan amount	Funds spent in 2004	% of used funds as of 31.12.04	Effective date of loan	Completion date of project
1	World Bank	Health System 2	68.90 million euro	5.68 million euro	46.38%	19.10.2000	31.12.2005
2	World Bank	Customs	7.73 million euro	2.32 million euro	62.14%	29.11.2000	30.09.2005
3	World Bank	Children in social care	8.80 million euro	4.13 million euro	63.46%	02.05.2001	30.06.2005

Monitoring Debt Service

(BGN million)

Creditor	Debt	Interest	Fees	Total
London Club	1286.25	74.97	-	1 361.23
Paris Club III	84.06	14.59	-	98.65
Poland	0.00	3.37	-	3.37
Total debt up to 1990	1 370.31	92.93	-	1 463.24
Government bonds issued	-	321.26	-	321.26
Total government loans, incl.:	388.94	150.34	4.72	544.00

Audit at Macro Level (2)

Analysis and evaluation of the debt instruments used

National Audit Office

Republic of Bulgaria

National Audit Office

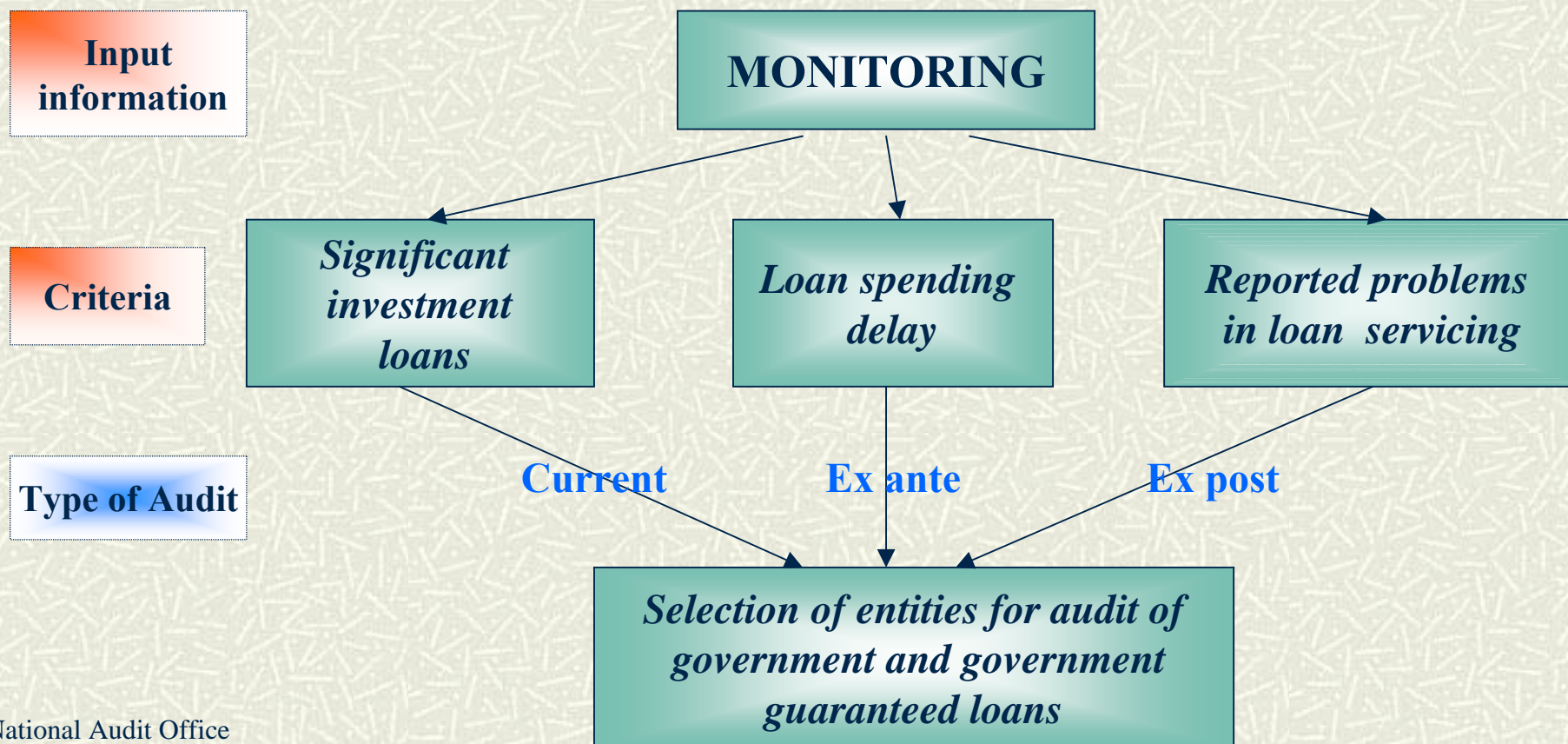
Republic of Bulgaria

Audit at Macro Level (3)

**Checking the compliance with
statutory limits on debt management**

Audit at Micro Level

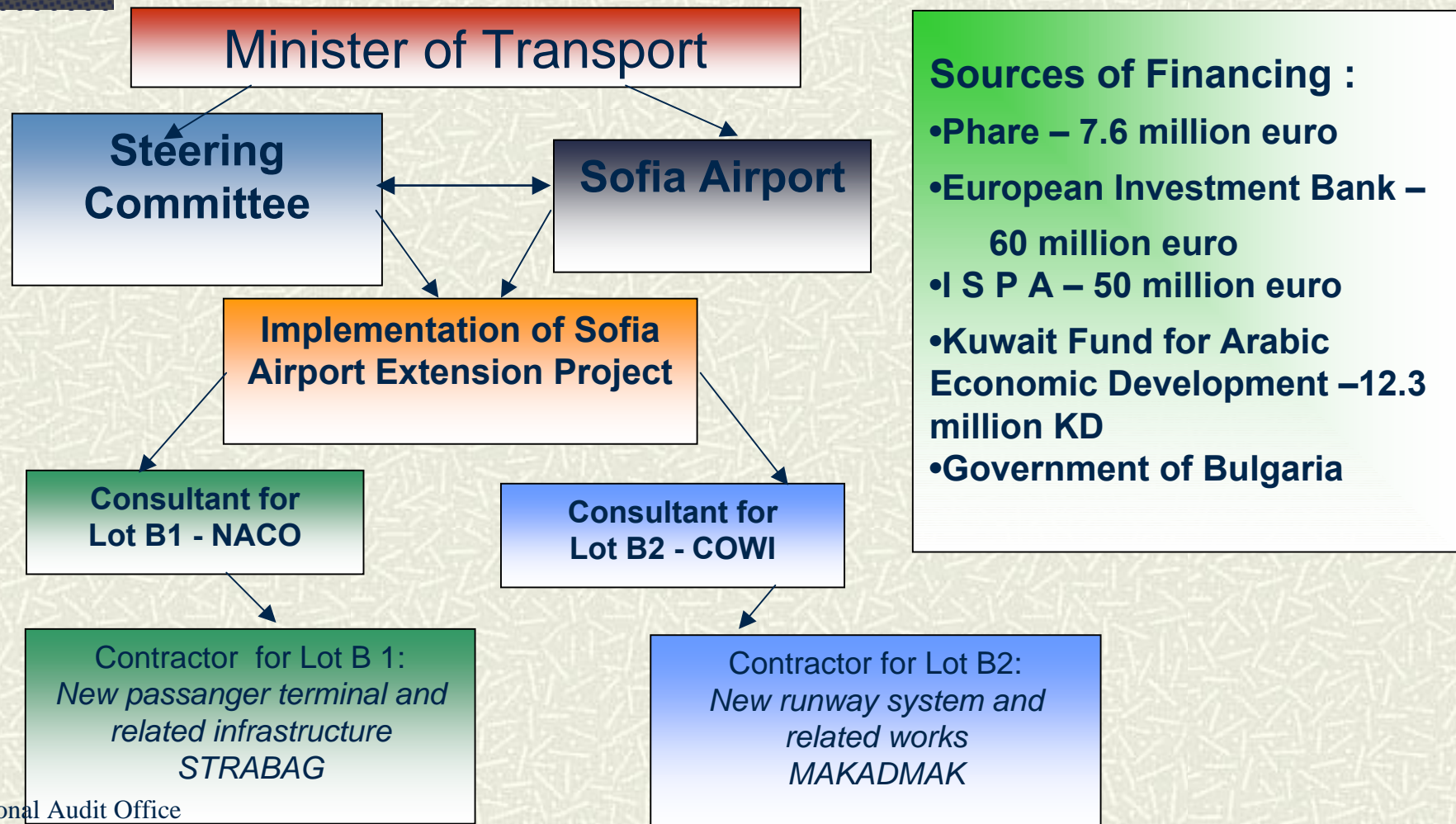
Criteria used in selecting audits of individual government and government guaranteed loans



Audit of the procurement, management and servicing of borrowed funds for the Sofia Airport Extension Project



Project Management and Financing



Instruments and Techniques Used in the Audit of Funds under Government and Government Guaranteed Loans

- # **Review of the legality of signing**
- # **Regularity audit**
- # **Analysis of the contractual relations**
- # **Performance audit**