

Brazilian Paper - CAS Expert Seminar

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Issue presented: The Brazilian Audit Assurance Project

The project aims to increase the assurance provided by TCU's audits, whether they are financial, compliance or performance, through the development and dissemination of methods. This is one of the TCU's initiatives to implement the concepts brought by the new level 3 of ISSAIs.

Implementation challenges:

Project team is investigating and testing procedures to make our audit process and conclusions stronger, oriented by Intosai's and other EFS's standards and guidelines.

The project is assisting three pilot audits to test some procedures. Each pilot audit is of an audit type, so the project team can assess each type individually, to meet its specificities.

The expected final product is a guide to support audit teams on how to provide assurance – minimum standards, that may address issues such as:

- How to assess evidence appropriateness and sufficiency.
- The relation between the process of scoping and the level of assurance to be provided.
- The effect of qualitative sampling in the level of assurance provided.
- How to develop a proper documentation during the audit process.
- What information must be in the report to clear state the level of assurance provided.

Why is this issue important for the maintenance process?

The project aims to align Brazilian practices with ISSAIs standards and guidelines and is an opportunity to identify the practical difficulties in the applicability of the concept of assurance in performance and compliance audits.

Many implementation issues are emerging from this experience, specially in the context of the Court of Accounts, and it can be a contribution to other countries implementation process.

A short abstract of possible subjects to be discussed:

The expert seminar and the CAS meeting is a great opportunity to develop further on issues such as:

- How to declare the level of assurance in a limited assurance audit in which non-compliances were found?
- Can a limited assurance approach be turned into a reasonable assurance approach by restricting the audit scope?
- Does the use of a qualitative sampling in a compliance audit imply in a limited assurance audit?
- What is the difference between an audit with a qualified opinion motivated by the auditor's inability to collect all the evidences needed and a limited assurance audit?