

# ISSAI 4300 Draft

- Background.
- What has been done since the last meeting (Batumi, september 2011)?

## ISSAI 4300 Draft

### Background:

- *Compliance audit tasks performed by SAIs cover a wide range of subject matters and may vary widely on an international basis*
- *Objectives scope and nature of a particular Compliance audit depend on a number of factors including the mandate and constitutional role of SAI*
- *Agreed on the need of guidance for public sector auditors operating in a Court of accounts environment .*
- *This standard is not only important for the Courts, but for the credibility of INTOSAI as a whole as it was emphasized by the PSC chair regarding to the importance of the standards being applicable for all kinds of SAIs*

## **Background:**

### ***Section 10 in ISSAI 4100 and ISSAI 4200: Additional Guidance for Public Sector Auditors Operating in a Court of Accounts Environment***

#### **Underlining specific issues in:**

- *Performing Audits in a Court of Accounts*
- *Communicating and Enforcing the Law*

#### **Recognizing that:**

- *Different processes in Various Models of Courts of Accounts*

→ **Appears the need for further exploration of Court of Account issues.**

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### The proposed methodology approach

- *Gathering information* to consider the differences among SAls operating as Courts
  - ➔ questionnaire
- Jurisdictional mandates
- Audit process within Jurisdictions
  - ➔ to define the audit objectives and tasks of the courts as in terms of subject matter
- assess the relationship between the audit phase and the judgment phase
- Formulate constructive recommendations.

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- Referring to the agenda at the CAS meeting in Batumi in September 2011, it was agreed that the ISSAI 4300 should be developed further and take into consideration the comments and suggestions made by the committee members and the outcome of the questionnaire.
- a meeting was held in Luxemburg on the 14th and 15th of March 2012 hosted by the European Court of accounts.
- The meeting was attended by the representatives of the ECA and the Courts of Brazil, Romania and Tunisia.

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The objectives:

- to achieve a high level standard, generic enough to be applicable for various SAIs belonging to the court model
- The standard is to be presented as part of a package which requires for the document to be in line with the existing structure of ISSAI 4100 and 4200, while recognizing that specific issues and particularities related to the jurisdictional function of SAIs of the court type which have not been covered by ISSAI 4100 and ISSAI 4200 should be highlighted to bring useful guidelines for auditors of those SAIs (who can be at the same time judges).

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- Amendments to the original text were introduced in the view of clarifying concepts, removing inconsistencies and obtaining more generic guidelines.

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Major issues discussed and resulted into amendments :

- Responsibility concerns other persons than the accountants who are authorising officers and managers of public funds and of the management of the state's public and private patrimony
- Compliance audit is connected also to transactions related to the revenues, expenditures, assets and liabilities of public administrations and not only to public accounts



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Major issues discussed and resulted into amendments :

- It was decided to remove the concept of **financial liability** in the whole text because **Personal liability includes financial liability** and the auditor's responsibility is to gather evidence on the personal liability of the public official who may be held liable for the loss, misuse or waste of public funds or goods, and may be required to repay the full amount related to the non compliance acts, plus penalties and/or may be subject to sanctions.

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The amended ISSAI 4300 also includes other provisions compared to the previous version , such as:

- definitions of non-compliance act and Unlawful act ;
- the need for the Courts of Accounts to develop audit programs with regard to the prescriptive period;
- a more detailed content of the audit report;
- 3 additional appendixes, one on more details about prescription consideration the second on estimation of financial loss or waste of public funds and a final one as Example of a general compliance act with Unqualified Opinion on the State Budget and Disclaimer on Compliance.

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The 4300 team (a wonderful team work and spirit):

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