



Audit Quality Management System within the Accounts Chamber of the Russian Federation

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The Accounts Chamber of the Russian Federation, established in 1995

✓ The Constitution of the Russian Federation:

“For purposes of exercising control over the federal budget the Council of Federation and State Duma set up the Accounts Chamber the composition and activities of which are defined by the federal law”.

✓ The Federal Law “On the Accounts Chamber of the Russian Federation”:

“The Accounts Chamber of the Russian Federation is a standing body of state financial control set up by the Assembly and reporting thereto”.

✓ Budget Code of the Russian Federation

- The Accounts Chamber prepares conclusions on the draft federal budget of the forthcoming financial year and on the RF Government report on execution of the federal budget for the reported financial year.

The Board of the Accounts Chamber

- ✓ **Chairman** – appointed and released from his duties by the State Duma (lower chamber of Parliament) as advised by the President of the Russian Federation;
- ✓ **Deputy Chairman** - appointed and released from his duties by the Federation Council (upper chamber of Parliament) as advised by the President of the Russian Federation;
- ✓ **12 Auditors** – Heads of Audit Departments – 6 are appointed by the State Duma, 6 – by the Federation Council.

Audit Quality includes:

- ❑ stakeholder focus;
- ❑ compliance with the established requirements;
- ❑ fulfillment of the audit objectives.

Audit Quality Management System

➤ Quality Planning

➤ Quality Assurance

➤ Quality Control

➤ Quality Improvement

Quality Planning includes:

- ✓ establishment of quality requirements;
- ✓ elaboration of appropriate rules and procedures of audit process;
- ✓ determination of required resources.

Audit meets the quality requirements in case:

- ✓ all established procedures have been appropriately and completely implemented;
- ✓ approved audit programme has been completely carried out;
- ✓ audit reports are based on findings and working papers, which contain relevant data and evidence;
- ✓ audit documents structure, contents and forms comply with the established requirements (reliability, objectivity, relevance, timeliness, clarity, effectiveness).

Quality Planning

System of State
Financial Control
Standards

Accounts Chamber
Rules of Procedure

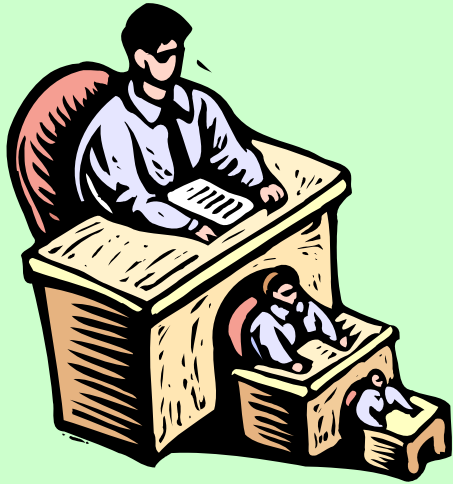


Plan of Accounts
Chamber Activities
for 2007

Financial Control
Standard (draft)
“Audit Quality
Management”

Quality Assurance -

is a fulfillment of established quality requirements and procedures. It includes:



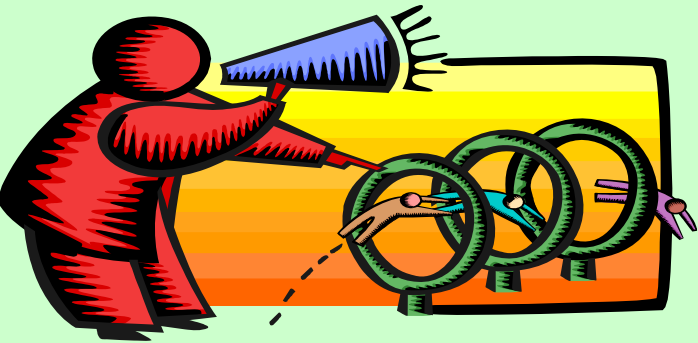
✓ Audit participants' activity management.

✓ Supervision over the audit process.

Audit participants' activity management :

- distribution of function and duties in job descriptions
- establishment of the group of inspectors
- management of employees' activity
- employees activities assessment in the audit process

Supervision over the audit process



➤ Availability of skilled and competent audit team.

➤ Compliance of work performed with the audit program.

➤ Compliance with norms and requirements of financial control standards.

➤ Obtaining information on problems emerging in the course of audit.

➤ Timeliness in taking measures aimed at solving problems.

Quality Control Is:

Reviews of planning procedures, audit activities and results with a view to compliance with the established requirements.



Quality Control Forms:

Ongoing quality control

Follow-up quality control

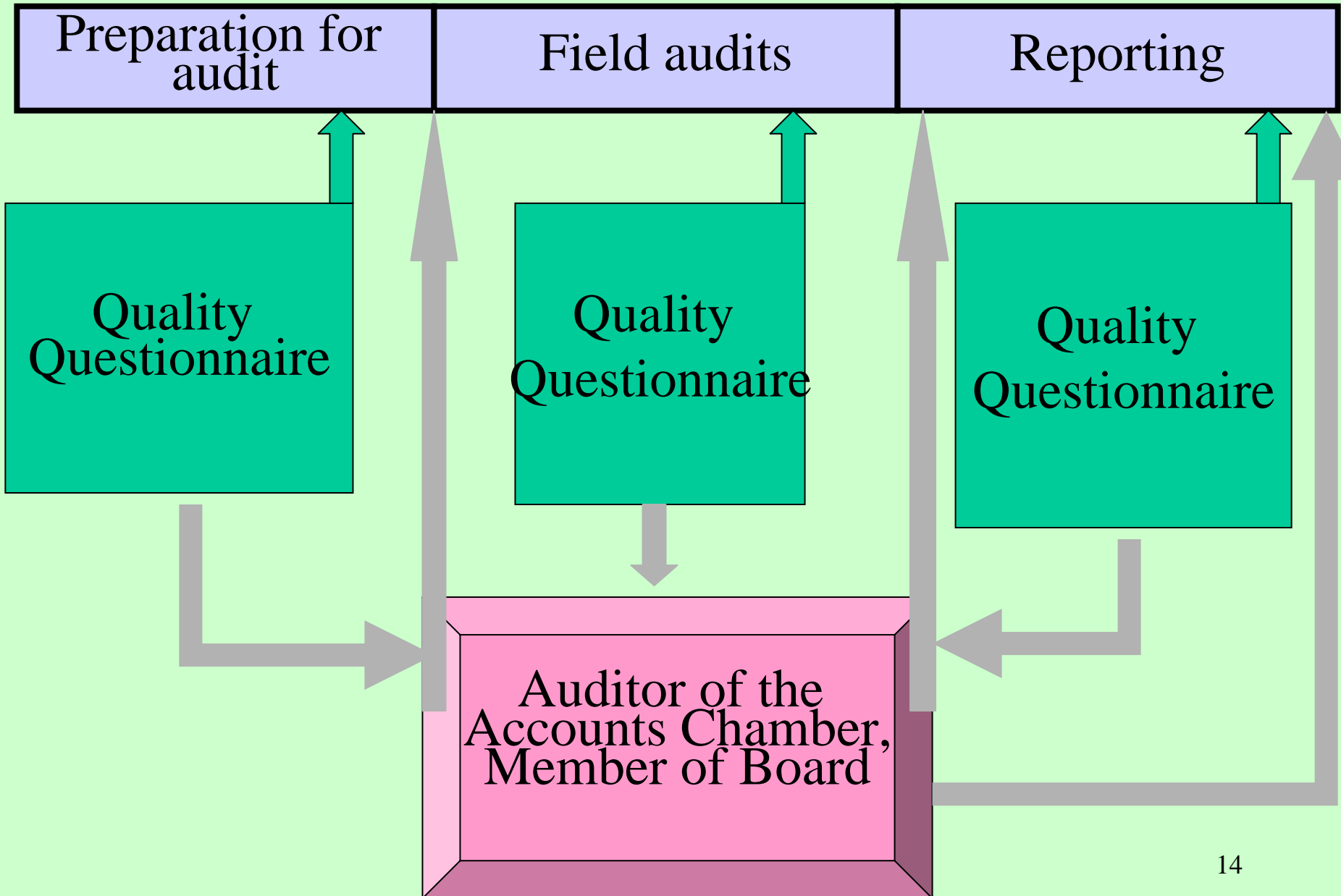
Organization of Quality Control



- ❑ **Chairman of the Accounts Chamber,**
Directors of Audit units conduct expert meetings before the Board meetings (every week) where results and quality of conducted audits are discussed.

- ❑ Auditors of the Accounts Chamber as Heads of corresponding Audit departments discuss results and quality of conducted audits before presenting reports to the Board.

Ongoing quality control

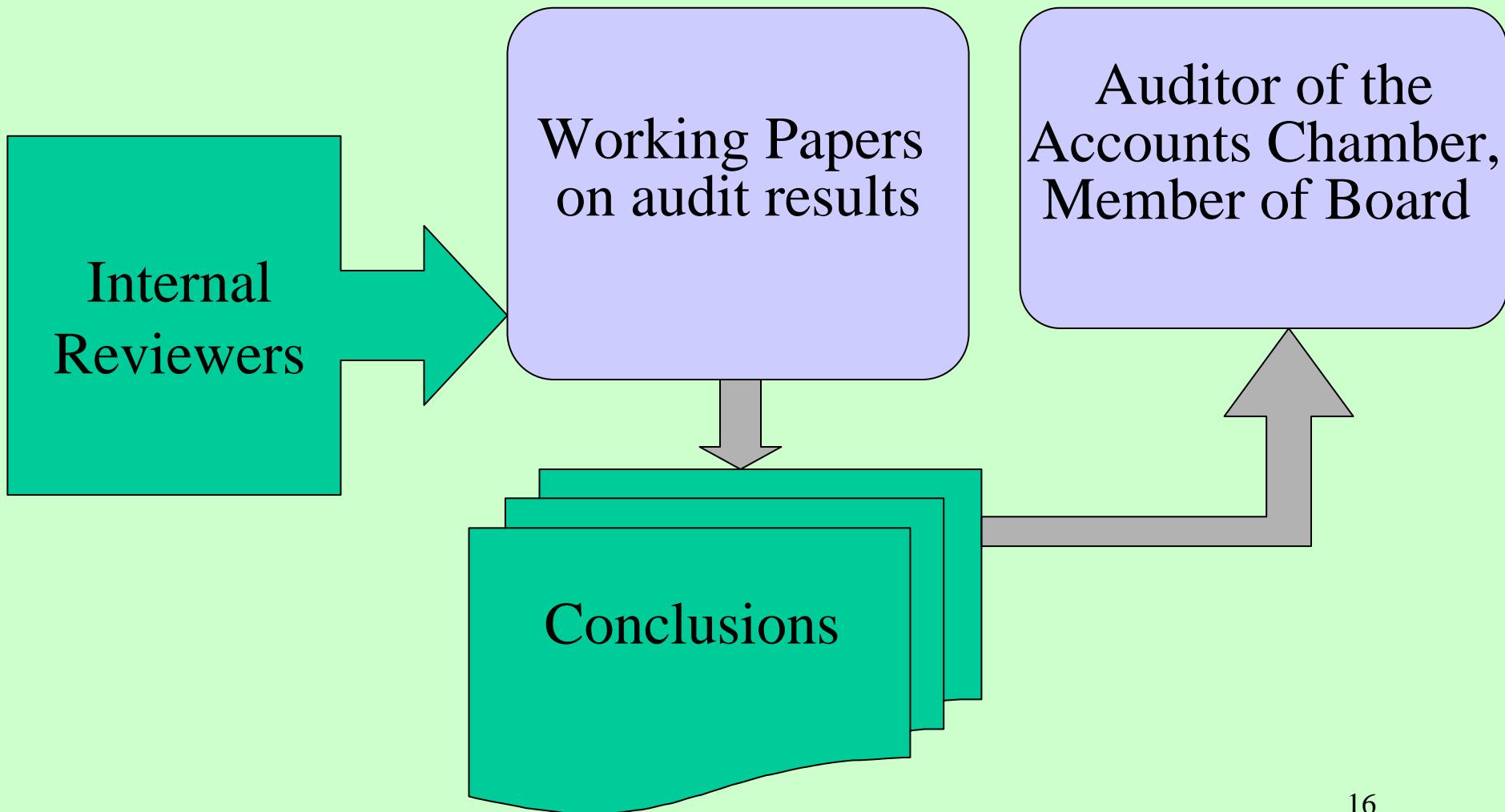


Follow-up quality assurance

Internal reviews of audits quality.

Feedback from audited organizations
(conduction of surveys).

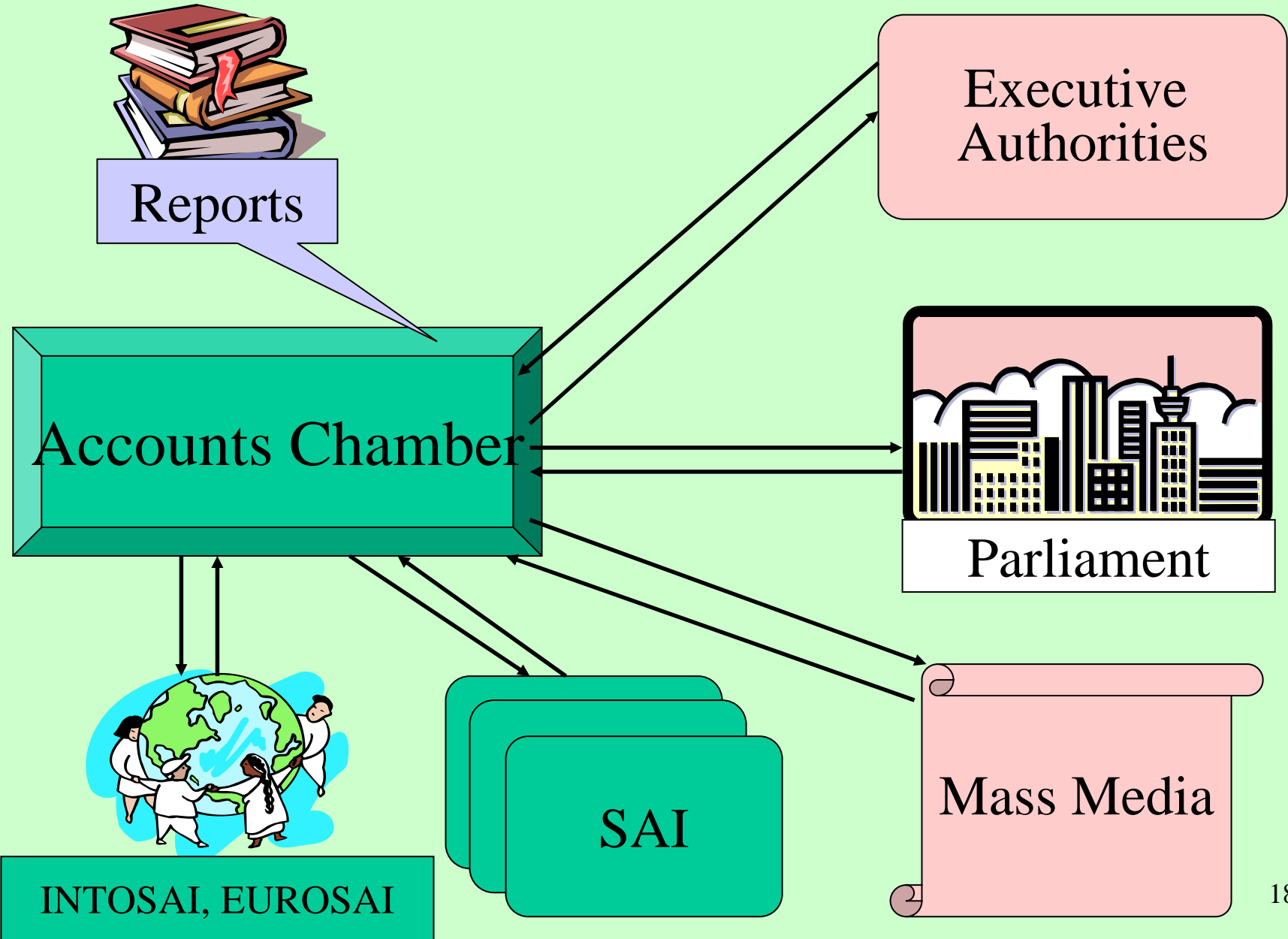
Internal Quality Reviews



Surveys of audited organizations

- On a regular and selective basis on individual audits.
- In the form of a questionnaire listing questions on various aspects of a completed audit.
- Obtaining external information on the quality of Accounts Chamber inspectors' activity in the audit process.
- Information on benefits rendered to the audited organization by conducted audit.

External Relations' Impact on Quality



Audit Quality Improvement

