

Resolution of the Presidents of the Supreme Audit Institutions of Central and Eastern European Countries, Cyprus, Malta, Turkey and the European Court of Auditors on the “Guidelines on Audit Quality”

The Presidents of the Supreme Audit Institutions (SAIs) of the Central and Eastern European Countries, Cyprus, Malta, Turkey and the European Court of Auditors, meeting in Riga (Latvia) on 31 March and 1 April, 2004

Considering the mandate of the rapporteurs of the SAIs of Hungary, Malta and Poland on the “Guidelines on Audit Quality” that was agreed upon by the SAI Presidents at their Meeting in Bucharest (Romania) in December 2002, namely that:

“In view of the importance of the theme and increased awareness by an SAI on quality control and post-audit review, it is advisable to explore the feasibility of preparing a comprehensive and detailed Guideline based on the European Implementing Guidelines for the INTOSAI Auditing Standards (in particular on Guideline No. 51 “Quality Assurance”) for discussion among interested parties, including the Contact Committee of the SAIs of EU Member States. The Presidents ask the present rapporteurs (Liaison Officers of the SAIs of Hungary, Malta and Poland) and other interested parties to consider preparing such a guideline with the assistance from all interested SAIs and from SIGMA.”

Recognising Recommendation 7 of the “Recommendations concerning the functioning of Supreme Audit Institution in the Context of European Integration” which states that:

“Supreme Audit Institutions should ensure that their human and financial resources are used in the most efficient way to secure the effective exercise of their mandate. To this end, SAI management will need to develop and institute appropriate policies and measures to help guarantee that the SAI is competently organized to deliver high-quality and effective audit work and reports.”

Recognising the importance of quality control and assurance at both the institutional and working level, as indicated by quality control standards and guidelines in the INTOSAI Code of Ethics and Auditing Standards, the European Implementing Guidelines for the INTOSAI Auditing Standards, the IFAC International Standards on Auditing as well as other international and national auditing standards and practices,

Recognising the need for an SAI to produce work of a high quality that is subject to sound policies, practices and procedures,

Recognising that practices and procedures in audit quality may differ between all organisational types of SAIs, and even between SAIs of the same type,

Recognising that practices and procedures may differ between different types of audit, mainly between Regularity Audit and Performance Audit,

Recognising, however, that the principles and need for audit quality remain basically the same, irrespective of the type of SAI model or the type of audit carried out,

Recognising that the immediate audience for these guidelines is the SAIs of the Accessing and Candidate/Prospective Candidate countries,

Recognising that the guidelines may also prove useful to other EUROSAI and INTOSAI Members,

After having taken note of and discussed the “Guidelines on Audit Quality”,

Recommend the following:

- The SAI should have in place effective audit quality policies, practices and procedures to ensure that its audit work is carried out at a high level, both on an institutional and working level;
- The SAI should ensure that all its audit work and reports are based on reliable and appropriate evidence that can stand scrutiny by stakeholders;
- The SAI should recognise that ensuring audit quality is an on-going process that should be given high priority, be continuously monitored, and updated when circumstances or developments so warrant;
- The SAI should consider, in the light of its own national circumstances, the “Guidelines on Audit Quality” as useful source material when it comes to update its own guidelines on audit quality.

In view of the general applicability of these guidelines, the Presidents also recommend to the Auditor General of Latvia to transmit them:

- to the Contact Committee of SAIs of EU Member States for its information and other use it may deem appropriate; and
- to the EUROSAI and INTOSAI General Secretariats for their information and consideration.

Thank the SAIs of Hungary, Malta and Poland for the work on behalf of the Presidents in preparing these guidelines, as well as the French Cour des comptes and SIGMA for their active participation and valuable technical assistance in these guidelines.