



GUIDELINES: BEST PRACTICES

The example of the regional and territorial courts of audit in
France

Principle 13: Standards and Quality Control

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Diapositiva 1

GF1

rayer "with" et remplacer par "at"
Guthmann, Frédéric; 12/04/2016



THE REQUIREMENTS LAID DOWN BY PRINCIPLE 13 PROFESSIONAL STANDARDS AND QUALITY CONTROL

Principle 13 requires the following measures:

- 1. The regional audit institution (IRC) must have professional standards;**
- 2. The professional standards apply to the procedures for preparation and writing of reports;**
- 3. The procedures thus defined include quality control mechanisms;**
- 4. The standards must form part of an audit process; GF3**
- 5. The members of the IRC must comply with a code of conduct;**
- 6. The IRCs are subject to the obligation of self-assessment or peer assessment.**

Diapositiva 2

GF3

remplacer "audit process" par "follow-up procedure"

Guthmann, Frédéric; 12/04/2016



ROLES AND ORGANIZATION OF THE REGIONAL AND TERRITORIAL COURTS OF AUDIT: THE SPECIFICITY OF THE PUBLIC PROSECUTOR'S DEPARTMENT

The roles of the regional and territorial courts of audit (CRCs) include, in particular:

- **Assessment of the accounts of public accountants;**
- **Examination of the management of regional public organizations and organizations for which optional control is entrusted to them;**
- **Giving opinions on the budget situation of regional public organizations (obligation of balanced local public accounts).**

The regional and territorial courts of audit have a public prosecutor's department independent of the head office, and which reports to the Attorney General with the Cour des Comptes (government audit agency).

Diapositiva 3

GF2

"at" et non "with"

Guthmann, Frédéric; 12/04/2016



PROFESSIONAL STANDARDS OF THE REGIONAL AND TERRITORIAL COURTS OF AUDIT

Act 2011-1862 of 13 December 2011 provides that the members of the Cour des Comptes and the regional and territorial courts of audit *"are required to comply, in the exercise of their responsibilities, with the professional standards laid down by the first president (of the Cour des Comptes)";*

This legal obligation is itself the consequence of the international commitments made by the Cour des Comptes (INTOSAI);

The professional standards were adopted in December 2014;

They are available in French, English and German:

<http://www.ccomptes.fr/Nos-activites/Normes-et-deontologie>



1. THE REGIONAL AND TERRITORIAL COURTS OF AUDIT HAVE PROFESSIONAL STANDARDS

The professional standards adopted in December 2014:

- Are public, binding on third parties and communicated to the audited organizations which may cite them as a valid reference;
- The professional standards comprise:
 - Cross-functional provisions (scheduling, human resources and code of conduct, work quality and quality control);
 - An approach by business area (assessment of accounts, management control, assessment of public policies, certification of accounts);
 - Appendices, in particular the **code of conduct charter**;
- The professional standards apply to:
 - The Cour des Comptes and the regional and territorial courts of audit.



2. THE PROFESSIONAL STANDARDS APPLY TO ALL PROCEDURES

Apart from the cross-functional standards, the standards are presented by type of activity;

Within each type of activity, the standards are based on the chronological progress of audit operations;

The standards are based directly on the laws and regulations (in particular the tax court **GF4 Code) and internal documents (internal instructions) but at no time refer to a positive law text;**

Each standard has been drawn up to be able to be applicable directly, independently of the others;

The terminology, although it is technical, has been chosen to allow easy understanding for anyone who might be concerned by an audit.

Diapositiva 6

GF4 remplacer "tax court code" par "financial jurisdictions code"
Guthmann, Frédéric; 12/04/2016



3.1 THE STANDARDS CONTAIN A QUALITY CONTROL MECHANISM: THE HEAD OFFICE

Quality control is performed on several levels by the head office:

- Audit personnel: magistrates and audit assistants;
- The chamber president, its vice-president and the section presidents (senior supervisory staff);
- The registry contributes to compliance with the procedures throughout the work;
- The governing body: GF5 regional and territorial courts of audit deliberate on all work on a collegial basis.

The audit personnel check, with complete impartiality, the quality of the work that they produce. They undertake to deliver the work within reasonable deadlines.

The CRCs take the necessary measures to ensure the confidentiality of the information that they receive.

Diapositiva 7

GF5

remplacer "governing body" par "deliberating board"

Guthmann, Frédéric; 12/04/2016



3.2 THE STANDARDS CONTAIN A QUALITY CONTROL MECHANISM: THE PUBLIC PROSECUTOR'S DEPT

Quality control is also, in an independent and complementary manner, a matter for the public prosecutor's department:

- The public prosecutor's department is represented in each chamber by one or more financial prosecutors;
- The public prosecutor's department takes part in each stage of the proceedings by drafting prosecution addresses or conclusions. As part of this work it verifies correct application of the proceedings, correct interpretation of the legal texts referred to and the presence of audit evidence for the references appearing in the reports;
- This is an original mechanism which can ensure compliance with the quality of work;
- The public prosecutor's dept has acquired a set of independent and complementary standards which will soon be made public.



4. THE STANDARDS FORM PART OF AN **GF6** AUDIT PROCESS

The professional standards are not fixed:

- The Cour des Comptes has established a committee for monitoring professional standards;
- The monitoring committee is national, but the CRCs form part of this initiative;
- The organizations representing the CRC magistrates are consulted by the monitoring committee and their remarks are taken into account where appropriate.

Diapositiva 9

GF6

follow-up procedure

Guthmann, Frédéric; 12/04/2016



5. THE MEMBERS OF THE CRCS MUST COMPLY WITH THE CODE OF CONDUCT CHARTER

The professional standards contain in appendix the code of conduct charter of the Cour des Comptes and the regional and territorial courts of audit:

- **The code of conduct charter is prior to the professional standards;**
- **Act 2006-769 of 1 July 2006 established a Higher Council, as well as a code of conduct board which is responsible, *inter alia*, for giving decisions on the existence of breaches of discipline and on penalties.**
- **The code of conduct charter concerns the following points:**
 - Independence;
 - Neutrality;
 - Integrity;
 - Prevention of conflicts of interest;
 - Discretion and secrecy;
 - Professional relations;
 - Outside activities.



6. THE OBLIGATION OF SELF-ASSESSMENT OR PEER ASSESSMENT: QUALITY ASSURANCE

The role of the permanent inspection task force of the CRCs is to ensure that the work is in compliance with professional standards. It is located in the Cour des Comptes;

One of its roles is to ensure that all the quality assurance processes of the head office are properly complied with;

The Attorney General, for his part, ensures that the public prosecutor's department with the CRC performs its quality control efficiently;

The CRC presidents can carry out an audit on all or part of their organization, their methods and their work, including on matters of quality control and assessment of the CRC by an outside regional audit institution.



CONCLUSION

The regional and territorial courts of audit have become naturally integrated into a process of professional standards;

The procedures employed in France are original. In addition to an internal audit carried out by the head office, the CRCs have a public prosecutor's department ensuring independent quality control;

The measures taken regarding compliance with the code of conduct are prior to application of the professional standards. They support the latter and now appear appended to the standards. Accordingly, they are binding on third parties and take on a very special dimension.



THANK YOU FOR YOUR ATTENTION

Questions