



Landesrechnungshof  
Brandenburg

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# "Quality in audit processes – Practical experiences"



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## Basic Questions

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Why do we need to establish quality in audit processes?

What does "Quality in audit processes" mean?



# General Framework

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- International standards and guidelines
- Institutional framework set by regional constitution and regional law
- Establishing mechanisms to ensure quality with regard to audit procedures and audit findings



## General Framework

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Institutional framework to ensure audit quality

- Collegiate model for decision-making
- Judicial independence of the colleagues
- Occupational skills of the colleagues
- Right to be heard - a constitutional principle



# General Framework

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A programme to ensure quality and quality improvement:

The Audit Regulations of the Court of Audit of the State of Brandenburg



## Quality Assurance - Topics

- Quality assurance during audit planning
- Quality assurance during audit preparation
- Quality assurance during audit conducting
- Quality assurance for reporting
- Review: Follow-up audit
- Ex Post Control \ Quality Assessment \ Self-Assessment



## Quality Assurance during Audit Planning (1)

Auditing should be conducted timely.

Article 7  
Audit Regulations

In the length of time unaudited areas should not remain.

Articles 13 and 23  
Audit Regulations

Audit topics should be chosen in consideration of the audit's expected results and possible prevention.

Article 22  
Audit Regulations



## Quality Assurance during Audit Planning (2)

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Audits should gear towards

- areas of high financial importance,
- important tasks and programmes,
- essential issues of administration as in planning, implementation, execution, control and governing
- administrative high risk tasks.

Articles 22, 23  
Audit Regulations





## Quality Assurance during Audit Planning (3)

An annual work plan should be prepared for one year.

A medium term work plan should be prepared for the two years to follow, it should be adjusted every year.

Article 25  
Audit Regulations



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## Quality Assurance during Audit Planning (4)

Audit Planning = Planning of Training



## Quality Assurance during Audit Preparation (1)

An audit concept should be drawn to prepare the audit.

The audit concept should define the main audit topics, the audit scope and the audit objective.

Article 30  
Audit Regulations



## Quality Assurance during Audit Preparation (2)

The audit concept should inform about

- audit scope and audit tasks
- audit methodology
- the auditors involved and their respective assignments
- the time frame.

Article 30  
Audit Regulations



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## Quality Assurance during Audit Preparation (3)

The audit's time and effort should be reasonable with regard to the audit topic's importance and the expected audit outcome.

Article 7  
Audit Regulations



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## Quality Assurance during Audit Preparation (4)

Still missing: rules to examine audit risks  
and audit risk limitation.



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## Quality Assurance during Audit Performance (1)

The audit team leader participates in the audit performance, especially during field work.

Introductory discussion with the head of the audited entity before starting field work.

Article 29  
Audit Regulations



## Quality Assurance during Audit Performance (2)

The relevant facts should be assessed completely and appropriately in accordance with the audit concept.

Findings should be discussed with the audited entity to eliminate misunderstanding.

Article 34  
Audit Regulations





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## Quality Assurance during Audit Performance (3)

Relevant modification with respect to the audit concept should be discussed.

Article 34  
Audit Regulations

Closing conference at the end of field work.

Article 37  
Audit Regulations



## Quality Assurance for Reporting (1)

The audit report should be drafted shortly after field work.

Audit report consists of

- memo about the audit performance
- draft of the audit letter

Article 38  
Audit Regulations



## Quality Assurance for Reporting (2)

The audit letter contains the facts, their critical acclaim, necessary conclusions and recommendations how to correct mistakes.

The critical acclaim should disclose the criteria on which it is based.

Article 40  
Audit Regulations



## Quality Assurance for Reporting (3)

Political decisions are not valuated,  
only their prerequisites and effects.

Article 8  
Audit Regulations

Legal rights of third parties have to be  
respected.

Article 11  
Audit Regulations



## Quality Assurance for Reporting (4)

The "College of Two" finalizes the audit letter.

The audited entity is requested to respond to the audit letter.

The further treatment of the findings depends on the comments of the audited entity.

Article 41  
Audit Regulations



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## Completion of the Audit

The "College of Two" decides on ending of the audit.

Base: evaluation of audit objectives.

Article 43  
Audit Regulations



## Review: Follow-up Audit

Follow-up audits are not obligatory.

A review in general takes part during the next audit.

Article 20  
Audit Regulations



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# Self-Supervision

**Ex Post Control**

**Quality Assessment**

**Self-Assessment**

**Peer Review**





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What does the future hold?



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**Thank you for your  
Attention.**

