

Auditing approaches to planning and conducting audits in the field of disasters

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Allocated to Disasters and Catastrophes**

The policy of each country and the world community as a whole must necessarily include measures to prevent and eliminate the consequences of disasters. This is necessary to ensure sustainable development and socio-economic stability of our states.

As the analysis of the best global practice based on the reports and reports submitted by European auditors shows, the prevention of disasters is much cheaper for the state than the elimination of their consequences and recovery.



Disaster prevention and preparedness audits can focus on different levels:



- International level.
- National level.
- Regional level.
- Institutional/organizational level.



International level...

The main directions of these audits can be:

- observance by the responsible state bodies of their obligations within the framework of the concluded contract;
- creation of effective mechanisms for the implementation of international agreements in the field of prevention and liquidation of the consequences of natural and man-made emergencies;
- the effectiveness of control activities in compliance with the requirements of international treaties.



National level...

In order to achieve this goal, the SAI can focus its attention on the following tasks:

- assessment of decision-making mechanisms and distribution of responsibilities between bodies responsible for prevention, preparedness, response and overcoming the consequences of disasters;
- assessment of the degree of achievement of state policy results, state target and budget programs in the field of disaster prevention and preparedness;
- assessment of expediency, sufficiency, legality when allocating funds for disaster prevention and ensuring preparedness for them and the legality, economy and effectiveness of their use.



Regional level...

The analysis of the reports based on the results of audits identified the following main audit objects of this level:

- the central body of executive power responsible for management and control in the field under study;
- institutions controlled by the central body of the executive power, which ensures the implementation of measures to prevent and eliminate the consequences of natural and man-made disasters at the regional level;
- local authorities of the inspected regions.

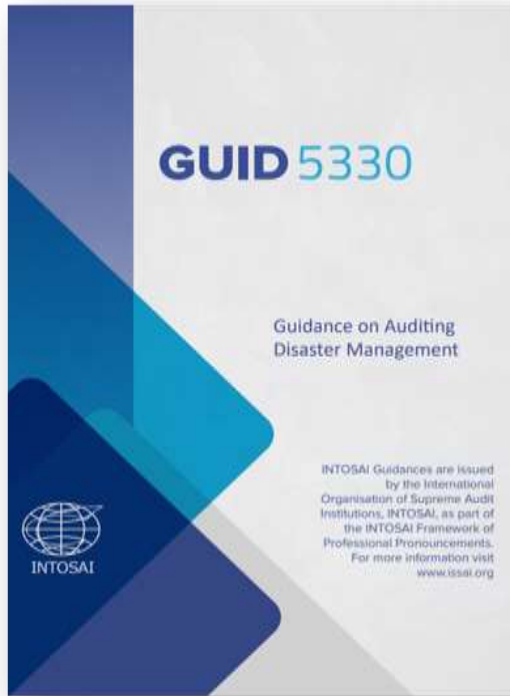


Institutional/organizational level...

These audits focus on the following aspects:

- assessment of compliance of the object's activity with the requirements of environmental legislation and norms of technical regulations and safety equipment;
- assessment of the object's degree of impact on the surrounding natural environment and people's daily life;
- assessment of the effectiveness, completeness and reasonableness of the measures to protect the natural environment and achieve the required level of safety carried out at the facility.





Source: [GUID-5330-English.pdf \(issai.org\)](https://www.issai.org/publications/guid-5330-english)

According to INTOSAI GUID 5330, due to the complexity of natural disaster management or because governments may inaccurately assess their risk of a natural disaster, auditors need to conduct a risk assessment of the audit environment to correctly identify high-risk areas as potential audit subjects or audit targets.

Conducting such an assessment can help auditors:

- identify elements of risk in society and whether these elements were prioritized or protected by authorized parties;
- determine whether the government has identified appropriate disaster preparedness and mitigation measures to include in the disaster plan;
- determine whether the potential risk of disaster is realized;
- get other information about the disaster;
- determine the need for emergency assistance.

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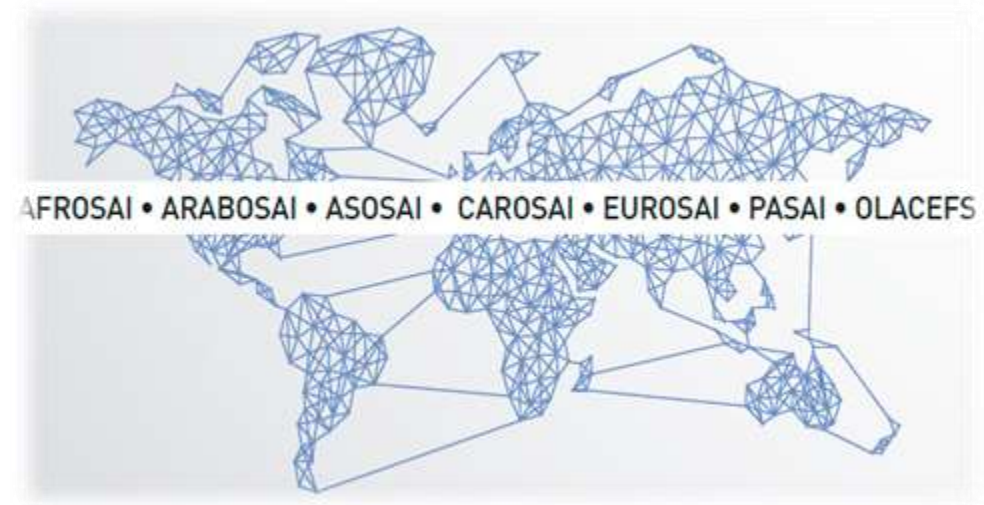
Necessary condition for the effective prevention of disasters is the systematic informing of governments about their frequency, intensity and main causes. Arguments intended to encourage the government to allocate resources from the state budget for the prevention and elimination of possible consequences must be convincing and scientifically based.

ISSAI 100 requires auditors to apply the following principles when planning an audit:

- ❖ clearly defined audit conditions;
- ❖ received an understanding of the nature of the entity / program subject to audit;
- ❖ carried out risk analysis or problem analysis;
- ❖ identified and assessed fraud risks related to audit tasks;
- ❖ developed an audit plan in order to ensure the efficiency and effectiveness of the audit.



The audit should be planned in such a way as to reduce the audit risk to an acceptably low level.



According to INTOSAI GUID 5330, the questions to ask when planning a disaster audit are:

1. Are the characteristics of disasters defined?
2. What is the structure and management policy? What are the restrictions and government policies?
3. Is the development of a national policy for combating disasters and the allocation of funds for a plan for combating natural disasters foreseen?
4. Are disaster plans in place? At central, regional and/or local levels in high-risk areas or in the case of cross-border risks? Is consistency and harmonization ensured?
5. Who are the persons involved?

Thank you for attention!



The Accounting Chamber
Supreme Audit Institution of Ukraine