

# The International Standards of Supreme Audit Institutions ISSAI 5500-5599 "Guidelines on Audit of Disaster-related Aid"

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# ISSAI 5500

*\* At the end of 2013 the XXI INCOSAI in Beijing, China, approved 5 International Standards of SAI (ISSAI) of new series 5500, on auditing disaster-related aid*



# INTOSAI Working Group on Accountability for and the Audit of Disaster-related Aid (WG AADA)

- \* **Chairman of WG AADA**-European Court of Auditors
- \* **Participants** -SAIs of Austria, Chile, China, France, Georgia, India, Indonesia, Jamaica, Japan, Kenya, Republic of Korea, the Netherlands, Norway, Pakistan, Peru, the Philippines, Romania, Russian Federation, Sri Lanka, Turkey, Ukraine and the United States of America

# ISSAI 5500 links with the different activities of disaster-related aid across the disaster-management cycle

- \* ***Pre-disaster activities:***

- mitigation (ISSAI 5510, 5540)

- preparedness (ISSAI 5510, 5540)

- \* ***Post-disaster activities :***

- individual disaster response (ISSAI 5520, 5530, 5540)

- emergency response (ISSAI 5520, 5530, 5540)

- rehabilitation (ISSAI 5520, 5530, 5540)

- reconstruction (ISSAI 5520, 5540)

# Structure of ISSAI 5500:

- \* **ISSAI 5500** – Introduction to the 5500 series of ISSAIs and INTOSAI GOV 9250;
- \* **ISSAI 5510** – The audit of disaster risk reduction;
- \* **ISSAI 5520** – The audit of disaster-related aid;
- \* **ISSAI 5530** – Adapting audit procedures to take account of the increased risk of fraud and corruption in the emergency phase following a disaster;
- \* **ISSAI 5540** – Use of geospatial information in auditing disaster management and disaster-related aid



# ISSAI 5500 – Introduction

- \* Introduces basic definitions and assists SAI which ISSAI could be used at different phases
- \* Presenting the **INTOSAI GOV 9250** “Integrated Financial Accountability Framework (the IFAF)”, which is a framework for reporting and making publically available transparent, verified information on humanitarian aid



# ISSAI 5510 - The audit of disaster risk reduction

- \* Provides **guidance** and good practice on auditing disaster risk reduction, and recommendations which SAIs may make regarding the good use of public funds and the value of investing in pre-disaster measures which can greatly reduce the cost of post-disaster activities.
- \* Provides **cases of best practice**.

# Structure of ISSAI 5510:

- \* **Part 1** Defines disasters, disaster management and disaster risk reduction.
- \* **Part 2** Explores the issues SAls are faced with when planning or conducting an audit of disaster risk reduction. Also it draws examples from the experiences of SAls, gathered by means of surveys and a parallel audit conducted amongst SAls.
- \* **Part 3** Proposes an audit program to assist SAls in auditing disaster risk reduction



# ISSAI 5520 – The audit of disaster-related aid

- \* ISSAI 5520 addresses the audit of the whole of the post-disaster phase and provides guidance to auditors concerning relief, recovery, rehabilitation and reconstruction expenditures.
- \* Provides **examples** of auditing disaster-related aid and includes an **example of guidelines** for private sector auditors of disaster-related aid.

# ISSAI 5520 is structured as follows:

- \* **Part 1** defines disaster and the different phases of disaster management.
- \* **Part 2** defines disaster-related aid and key players and features of disaster-related aid and develops a matrix of the key topics and risks in the management of disaster-related aid.
- \* **Part 3** highlights aspects of the audit process illustrated by the experiences of SAIs which have audited disaster-related aid: cooperation between auditors, information and data gathering, selection of audit topics, financial, performance and compliance auditing of disaster-related aid, reporting disaster-related aid and tools for auditing disaster-related aid.

# Main features of disaster-related aid for consideration by auditors :

- \* In many cases audit disaster-related aid can involve examining aid paid directly to operational agencies **which are not part of government**. Whether SAIs have an obligation or a right to audit disaster-related aid and the type and extent of that audit depends on the mandate of each SAI.
- \* Special consideration should be given to **post-disaster emergency activities** because of increased risk of fraud and corruption.
- \* Once rehabilitation and reconstruction activities commence, auditors may consider the risk of fraud and corruption in **procurement** associated with high volumes of public expenditure on reconstruction projects.
- \* SAI auditors may need to be trained in the **key skills** required to audit disaster-related aid so that it should be taken into consideration when planning the audit.
- \* SAIs can actively seek the input of the affected population by use of **interviews** and by consulting civil society organizations. SAIs can consider sending auditors **on-the-spot** at an early stage of the emergency to record evidence from the point of view of the disaster victims.

# ISSAI 5530 - Adapting audit procedures to take account of the increased risk of fraud and corruption in the emergency phase following a disaster

The purpose of ISSAI 5530 is to:


- \* • define terms and the role of SAIs (**part 1**);
- \* • guide auditors towards the guidance available and the challenges raised by the risk of fraud and corruption in disaster-related aid (**part 2**);
- \* • bring together and illustrate the relevant risks and indicators of fraud and corruption in the emergency phase following a disaster (**part 3**) and
- \* • propose ways in which auditors may consider adapting procedures to take account of the increased risks (**part 4**).

# ISSAI 5540 - Use of geospatial information in auditing disaster management and disaster-related aid

- \* Presents **geospatial information** as a tool for auditing the pre- and post-disaster phases.
- \* Introduces **Geographical Information Systems (GIS)** as an audit tool and provides practical guidance on the use of geospatial information in audit work.

# ISSAI 5540 is structured in five chapters :

- \* 1. Introduction
- \* 2. Geospatial information and geographical information systems (GIS)
- \* 3. The use of geospatial information in disaster management
- \* 4. Using geospatial information in auditing disaster risk reduction
- \* 5. Using geospatial information in auditing disaster response and recovery



***Geographical Information Systems  
(GIS) were used by the auditors of  
the Accounting Chamber of Ukraine  
in conducting audit on National Parks  
in 2013***

# How to use new ISSAI?

- \* ISSAI 5500 closely related to common audit methodology and INTOSAI audit procedures of third and fourth levels. Each SAI independently defines the scope of its implementation depending on the legal and regulatory framework and mandate. New series of ISSAI can be used for audits at all levels of government (central, regional and local) as well as by auditors of private entities (such as NGOs receiving and managing public funds).





***Thank you  
for attention!***

