AUDIT IN PROCUREMENT

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Accounts Chamber of the Russian Federation

LEGAL BASIS OF AUDIT IN PROCUREMENT

Federal Law No. 41-FZ
dd April 5, 2013
On the Accounts Chamber of the Russian Federation

Articles 13, 14, 15, 16…

Federal Law No. 44-FZ
dd April, 5 2013
On the Contract System of the Federal and Municipal Procurement of Goods, Works and Services

Article 98

Federal Law No. 6-FZ
dd
February 7, 2011
On General Principles of Organisation and Operation of Control and Accounting Bodies of Subjects of the Russian Federation and Municipal Formations

Articles 9, 10…

METHODOLOGY OF AUDIT IN PROCUREMENT

STANDARD
"AUDIT IN PROCUREMENT OF GOODS, WORKS AND SERVICES CARRIED OUT BY AUDIT ENTITIES (CONTROL)"

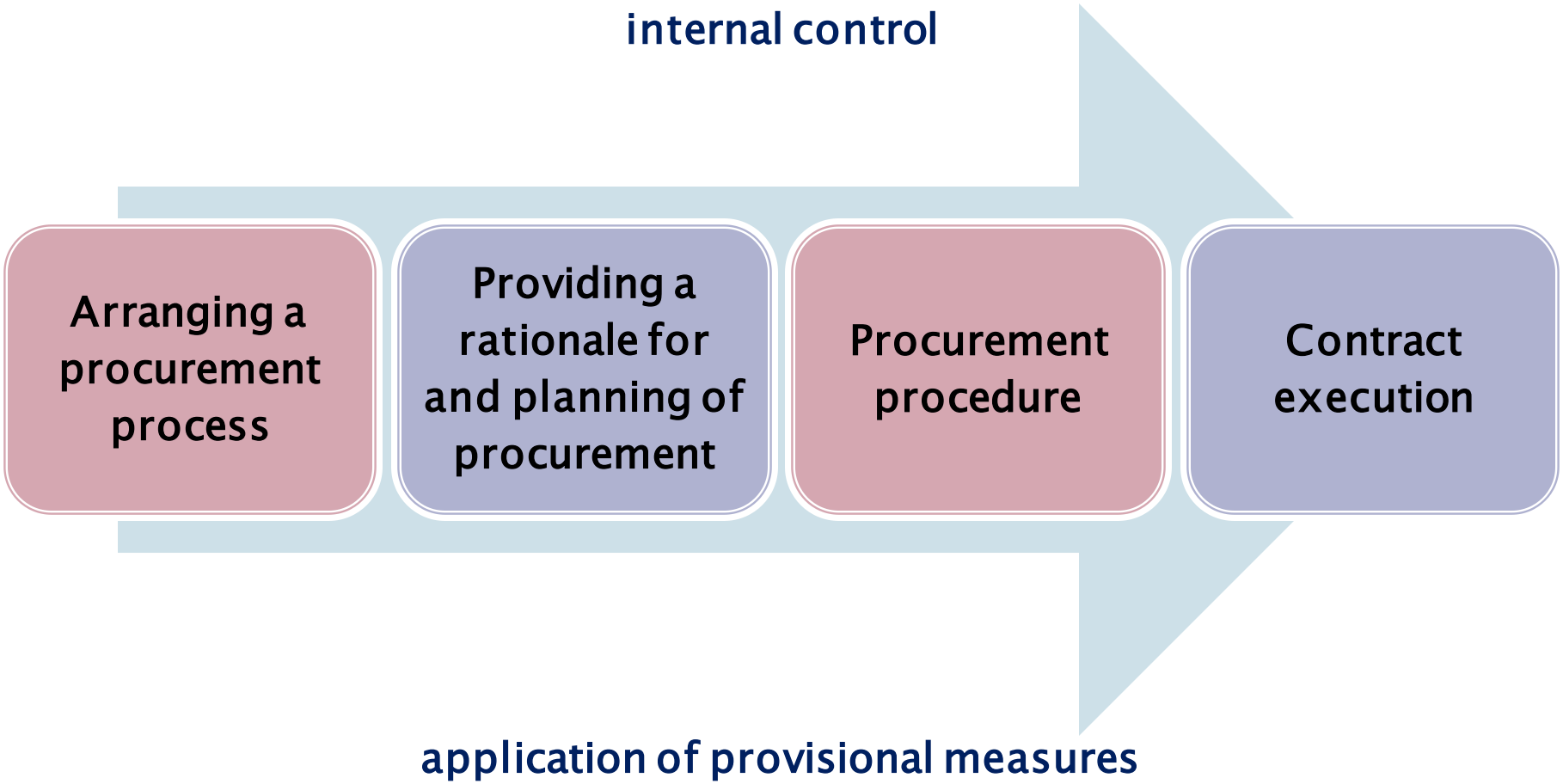
- Audit scope
- Legality, expediency, validity, timeliness, efficiency, effectiveness and practicability in audit in procurement
- Control activity
- Expert analytical activity
- Information activity
- Control over the implementation of audit results in procurement
- Annex "Structure of the Section on Procurement Audit Findings Log and Report"

METHODOLOGY OF AUDIT IN PROCUREMENT

METHODOLOGICAL RECOMMENDATIONS FOR AUDIT IN PROCUREMENT

- Sources of information for audit in procurement
- Stages of audit in procurement and their content
- Content and procedure for checking, analysing and assessing the legality, expediency, validity, practicability, timeliness, efficiency and effectiveness of procurement costs for planned to be concluded, concluded and executed contracts
- Generating and placing consolidated data on findings of audit in procurement in a unified information system
- Annex “Focus Areas and Issues of Audit in Procurement”

MAIN ISSUES OF AUDIT IN PROCUREMENT



UNDERTAKING CONTROL MEASURES

CONTROL MEASURES IN THE WORK PLAN
OF THE ACCOUNTS CHAMBER

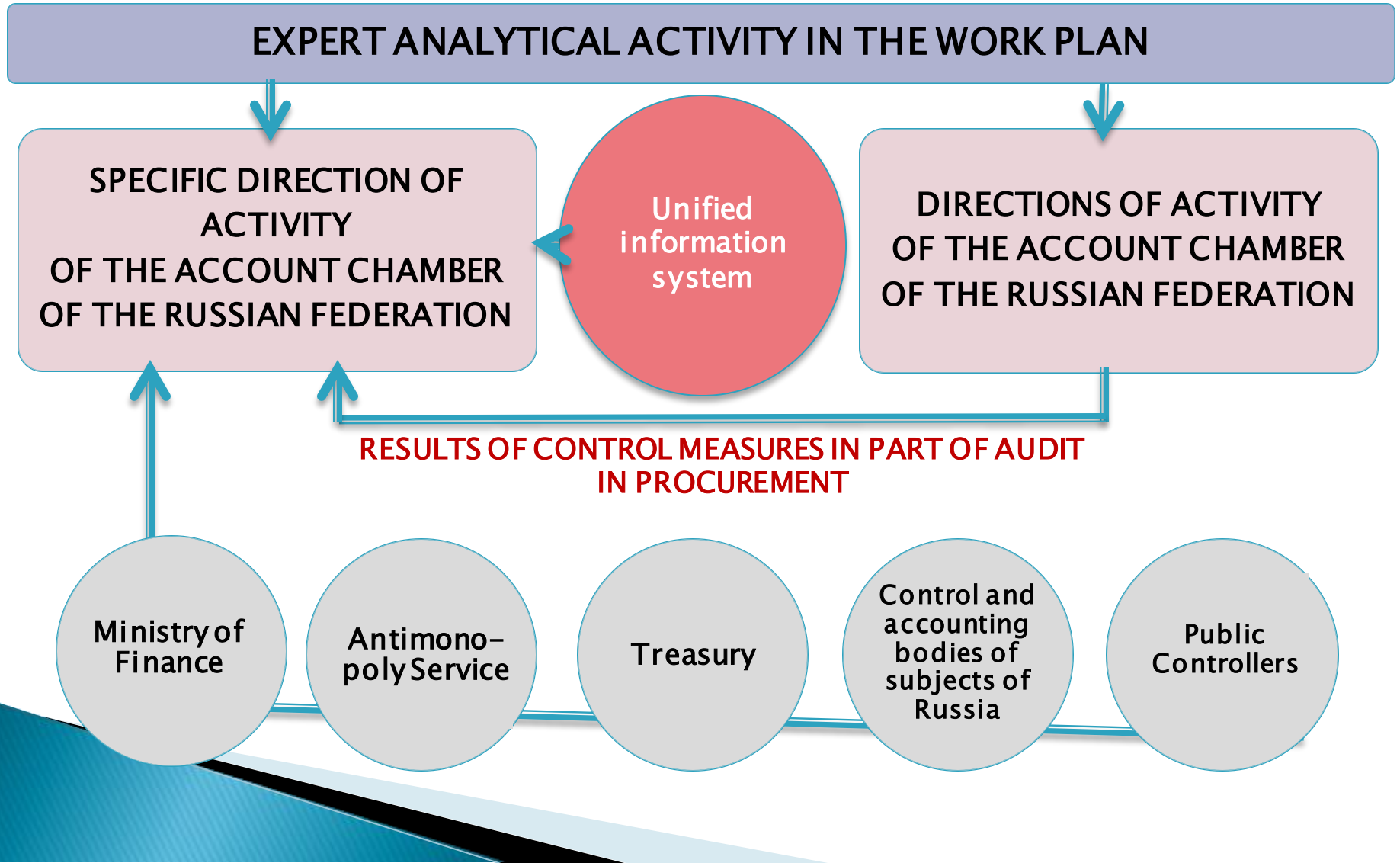
DIRECTION OF ACTIVITY
OF THE ACCOUNT CHAMBER OF THE RUSSIAN FEDERATION

THEMATIC CONTROL ACTIVITY
(audit in procurement)

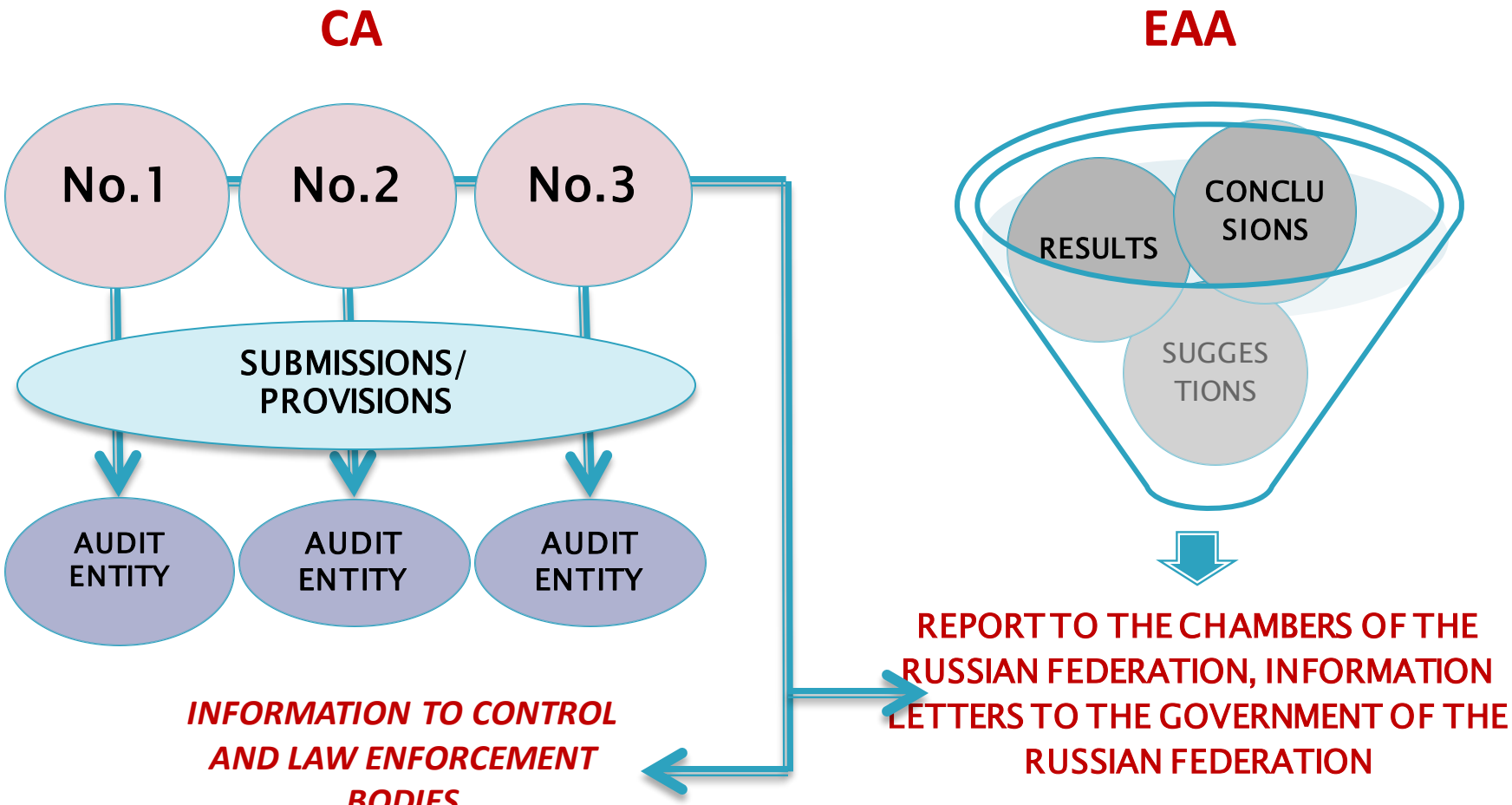
INTEGRATED
CONTROL ACTIVITY*

* THE ISSUE OF AUDIT IN PROCUREMENT IS INCLUDED IN THE CONTROL ACTIVITY PROGRAM ALONG WITH OTHER ISSUES

PRACTICE OF CARRYING OUT EXPERT ANALYTICAL ACTIVITY



FOLLOW-UP TO CONTROL AND EXPERT ANALYTICAL ACTIVITIES



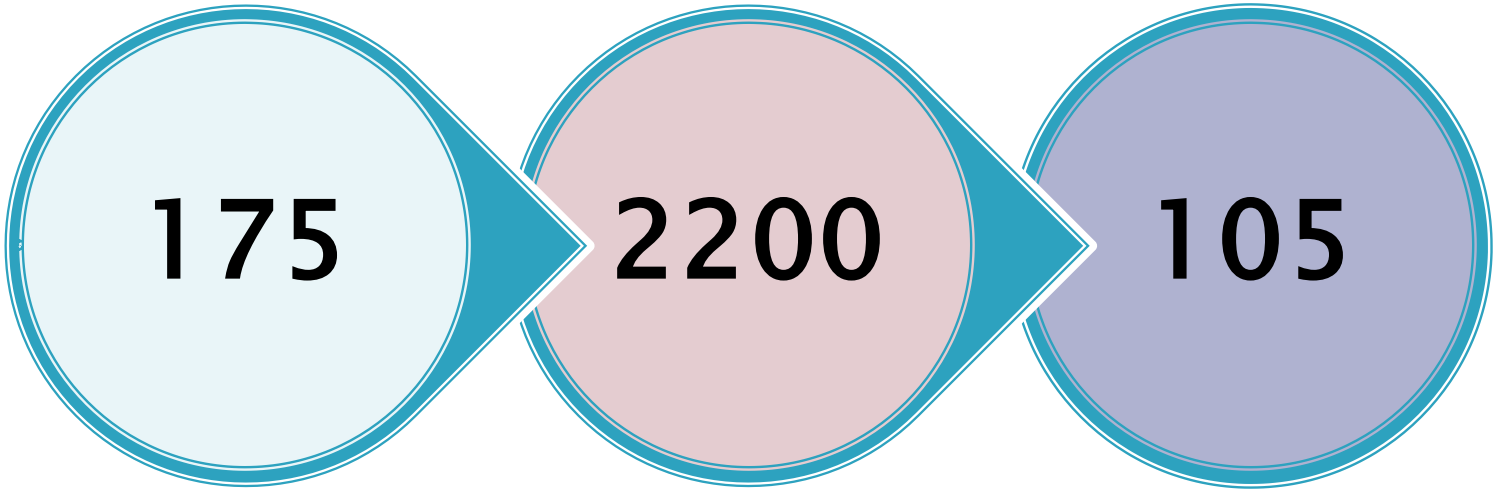
CLASSIFICATION OF VIOLATIONS IN PROCUREMENT

Classifier of violations detected during external state audit (control)

4. Violations at realization of the state (municipal) procurement and procurement by certain types of legal entities

- *Civil and Budget Codes, Federal Laws*
- *55 ELEMENTS OF VIOLATIONS*
- *8 ELEMENTS OF FINANCIAL VIOLATIONS*

AUDIT FINDINGS FOR 2017 (44-FZ)



- *control measures*
- *violations*
- *billion rubles*

MAIN VIOLATIONS IN PROCUREMENT

- Violations in justification of the initial price of the contract
- Violations in conducting procurement procedures
- Violations of conditions for the execution of contracts
- Illegal contract changes
- Violations in acceptance and payment of contracts
- Non-application of penalties to counterparties

RESERVES FOR IMPROVING EFFICIENCY OF PROCUREMENT

- Procurement planning is an integral part of the budget process
- Effective rationing arrangements
- Initial price of the contract is “not above the market”
- Enhancing competition
- Contract management system
- Internal control

INTOSAI WORKING GROUP ON AUDIT IN STATE PROCUREMENT

The group includes SAI of 18 states

Russia
(leadership of the group)

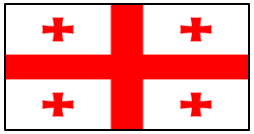
Azerbaijan

Kazakhstan

Slovenia

Zambia

Portugal



Georgia

Latvia

Belarus

China

Armenia

Kyrgyzstan

South Africa

Kuwait

Serbia

Thailand

Pakistan

Philippines