



Public Sector Audit Training: Financial and Compliance Audit of Government Accounts



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Introduction:

Public sector audit training in financial and compliance audit of government accounts is a 5-day course for audit institution staff, ministry internal audit units and government inspection teams, ending with a Compliance Audit Plan and Findings Report for a case ministry. Weak audit of final accounts and budget execution allows unauthorised spending, payroll irregularities and procurement breaches to pass unreported to the legislature. Nominees already take part in audit fieldwork, and the course is taught through case studies built on ministry ledgers, payment files and appropriation records. CoreConcept Training Center delivers this public sector audit course.

Course Objectives:

- Explain the public sector audit mandate and the fundamental principles of ISSAI 100 that govern financial and compliance engagements
- Interpret government final accounts prepared on cash, modified cash or accrual bases and identify the balances that carry audit risk
- Plan the financial audit of a government entity with public sector materiality, risk assessment and an overall audit strategy
- Test revenue, payroll, procurement and expenditure transactions against laws, regulations and appropriations using ISSAI 400 criteria
- Evaluate audit evidence, samples and fraud indicators to grade irregularities and write findings with recommendations and management responses
- Produce a Compliance Audit Plan and Findings Report for a ministry, ready for reporting to the legislature and recommendation follow-up

Target Audience:

- Audit institution staff who carry out financial and compliance fieldwork on ministries and public agencies
 - Ministry internal audit staff responsible for testing payments, payroll and procurement files
 - Government inspection and financial control officers who examine budget execution and spending authority
 - Audit team members who draft findings sheets and prepare clearance meetings with audited entities
 - Finance unit staff who prepare final accounts and answer external audit requests
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Course Outline:

Day 1: Public Sector Audit Mandate, Principles and Government Accounts

- ISSAI 100 Fundamental Principles for Public Sector Auditing
- Financial, Compliance and Performance Audit Engagement Types Compared
- Audit Institution Mandate, Independence and Access to Records
- Cash, Modified Cash and Accrual Government Accounting Bases
- Current-State Profile of a Ministry's Final Accounts

Day 2: Financial and Compliance Audit Principles and Budget Execution Controls

- ISSAI 200 Financial Audit Principles and Audit Opinion Types
- ISSAI 400 Authorities, Criteria and Subject Matter Mapping
- Regularity and Propriety Tests Applied to Public Spending
- Appropriation Control, Commitments and Budget Execution Reports
- Internal Control Walkthrough Over Treasury Payments and Receipts

Day 3: Audit Planning and Testing Government Transaction Cycles

- Public Sector Materiality by Value, Nature and Context
- Audit Risk Assessment and Overall Audit Strategy Memorandum
- Revenue Cycle Tests for Fees, Grants and Collections
- Payroll Audit Tests for Ghost Employees and Allowances
- Procurement and Expenditure Vouching Against Contracts and Invoices

Day 4: Evidence, Sampling, Irregularities and Audit Findings

- Sufficient Appropriate Evidence and Professional Scepticism Documentation
- Statistical and Non-Statistical Sampling for Compliance Testing
- Fraud Indicators and Irregularity Escalation Protocol for Auditors
- Findings Sheet With Condition, Criteria, Cause and Effect
- Management Responses, Recommendations and Audit Clearance Meetings

Day 5: Case Study Building a Ministry Compliance Audit Plan and Findings Report

- Case Ministry Authorities Inventory and Criteria Matrix Build
 - Case Payroll and Procurement Samples Tested Against Criteria
 - Case Findings Graded by Materiality and Irregularity Type
 - Legislature Report Structure and Recommendation Follow-Up Tracker
 - Compliance Audit Plan and Findings Report Completion
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Skills You Will Gain:

- Audit Criteria Identification
- Public Sector Materiality Setting
- Budget Execution Testing
- Payroll Irregularity Detection
- Procurement File Vouching
- Compliance Sampling
- Findings Sheet Drafting
- Legislative Audit Reporting

Why Attend This Course:

- Deliver a Compliance Audit Plan and Findings Report for a case ministry to the audit director and the head of the audit team
- Judge whether a payment, appointment or contract breaches its legal authority or appropriation and how severe the irregularity is
- Avoid qualified opinions issued on weak evidence, findings rejected at clearance meetings and recommendations that are never followed up
- Pass on criteria matrices, sampling sheets and findings templates to colleagues in audit and inspection units

Conclusion:

Back at work, the participant hands the Compliance Audit Plan and Findings Report to the audit director and the team leader for the next ministry engagement. They use it to agree which laws, regulations and appropriations form the criteria, which payroll, procurement and revenue samples to test and which findings merit reporting to the legislature. After the first engagement under the plan, the team should review whether the samples were sufficient, how many findings management accepted and which recommendations reached the follow-up tracker.

Frequently Asked Questions FAQ:

What should participants know before the public sector financial and compliance audit course?

Participants should already take part in audit or inspection fieldwork and read basic government ledgers and payment vouchers. Bringing anonymised final accounts, a budget execution report or an audit findings sheet helps them apply the case work to their own entity.

How does public sector financial and compliance audit differ from a performance audit course?

It tests whether government accounts are fairly presented and whether transactions follow laws, regulations and appropriations. A performance audit course examines economy, efficiency and effectiveness of programmes, which this course touches only briefly when comparing engagement types.

What are audit criteria in public sector financial and compliance audit?

Audit criteria are the benchmarks drawn from the authorities that govern the entity, such as laws, regulations, appropriation acts, contracts and financial rules. Auditors compare transactions and balances with these criteria to conclude whether the subject matter complies in all material respects.

What do participants take back from the public sector financial and compliance audit course?

Participants take back a Compliance Audit Plan and Findings Report for a case ministry, with a criteria matrix, a materiality worksheet, sampling sheets, a findings sheet template and a recommendation follow-up tracker they can adapt to their next engagement.
