



**On Approval of the General Standards of State Audit and Financial Control and Annulment of Decree of the President of the Republic of Kazakhstan No. 788 of April 7, 2009 “On Approval of the Standards of State Financial Control”**

*Unofficial translation*

Decree of the President of the Republic of Kazakhstan dated January 11, 2016 No. 167.

*Unofficial translation*

1. Pursuant to sub-paragraph 1) of paragraph 2 of Article 8 of the Law of the Republic of Kazakhstan of November 12, 2015 “On State Audit and Financial Control” **I HEREBY RESOLVE AS FOLLOWS:**

That the attached General Standards of State Audit and Financial Control shall be approved.

2. That Decree of the President of the Republic of Kazakhstan № 788 dated April 7, 2009 “On Approval of the Standards of the State Financial Control” (Collected Acts of the President and the Government of the Republic of Kazakhstan, 2009, № 19, article 165) shall be deemed to have lost force.

3. That this Decree shall be put into effect upon expiry of ten calendar days after the day of its first official publication.

*President of the Republic of Kazakhstan*

*N. NAZARBAYEV*

APPROVED BY

Decree of the President

of the Republic of

Kazakhstan President

№ 167 of January 11, 2016

**GENERAL STANDARDS**

**of state audit and financial control**

**1. General provisions**

1. These General Standards of State Audit and Financial Control (hereinafter - General Standards) are developed in conformity with sub-paragraph 1) of paragraph 2 of Article 8 of the Law of the Republic of Kazakhstan dated November 12, 2015 “On State Audit and Financial Control” (hereinafter - the Law on State Audit), with due regard for the principles of international standards of state audit and financial control.

2. The General Standards shall contain the fundamental requirements for the activities of the state audit and financial control bodies in order to ensure the effectiveness, consistency and objectivity of state audit and financial control.

3. The General Standards shall include the following standards:

1) “Independence”;

- 2) “Ethics”;
- 3) “Objectivity”;
- 4) “Professional Competence”;
- 5) “Professional Judgement”;
- 6) “Accountability”;
- 7) “Reliability”;
- 8) “Transparency”;
- 9) “Visibility”;
- 10) “Confidentiality”;
- 11) “Mutual Recognition of State Audit Results”;
- 12) “Governance”;
- 13) “Quality Control”.

4. The General Standards shall be mandatory for state audit and financial control bodies, natural and legal persons involved in state audit and financial control.

5. The objects of state audit and financial control shall include state agencies, state institutions, quasi-public sector entities, as well as recipients of budgetary funds (hereinafter referred to as objects of state audit and financial control).

## **2. “Independence” Standard**

6. The objective of the “Independence” Standard shall be to ensure the impartiality, objectivity, reliability of assessments and recommendations of state audit and financial control bodies and public auditors and to prevent any interference with their independence in carrying out their activities.

7. State audit and financial control bodies and state auditors in all matters related to the implementation of state audit and financial control shall be independent from the objects of state audit and financial control, protected from external influences, orders and interventions.

8. The state audit and financial control bodies and state auditors shall be functionally, organisationally and financially independent from the objects of state audit and financial control.

9. The state audit and financial control bodies and state auditors shall prohibit any actions limiting their independence and objectivity.

10. The state audit and financial control bodies shall carry out state audit and financial control in conformity with their approved lists of the objects of state audit and financial control for the relevant year.

11. It shall be prohibited to interfere with the activities of the state audit and financial control bodies on the choice of the subject matter, object of state audit and financial control, applicable procedures, nature and scope of audit evidence, scale of state audit, methods of forming the list of objects of state audit and financial control, drawing up and distribution of documents adopted based on the results of state audit (hereinafter - documents), mechanisms

for implementing the results of state audit as well as any actions that may affect the independence and objectivity of state auditors for political, ideological, religious and other reasons.

12. The judgments, findings, conclusions and recommendations of the state audit and financial control bodies and the state auditors shall be impartial, objective, reliable, authentic, competent and trustworthy and be binding on third parties.

13. In carrying out their duties and functions, state auditors shall maintain independence from the objects of state audit and financial control and any external influences undermining their independence.

14. State audit and financial control bodies shall be provided with necessary and sufficient labor, financial and material and technical resources, which they shall manage independently in accordance with the procedure established by the legislation. State control and supervision over the financial activities of the Supreme Audit Chamber of the Republic of Kazakhstan shall be carried out by state bodies with the consent or on the instruction of the President of the Republic of Kazakhstan.

**Footnote. Paragraph 14 – as amended by the Decree of the President of the Republic of Kazakhstan dated 26.11.2022 № 5.**

15. The objects of state audit and financial control shall ensure free, timely access to all documents and information, including state and other information systems, necessary for the performance of state audit and financial control by the state audit and financial control bodies.

16. Cooperation of the state audit and financial control bodies with the state administration bodies, local representative and executive bodies, organizations and their associations, as well as bodies of other states and their international associations shall be prohibited.

### **3. “Ethics” Standard**

17. The objective of the “Ethics” Standard shall be to ensure compliance with ethical requirements and principles of professional conduct by state auditors.

18. Ethical standards shall include ethical requirements for civil servants stipulated by the legislation of the Republic of Kazakhstan on public service, as well as special requirements stipulated by the legislation of the Republic of Kazakhstan on state audit and financial control

19. State auditors' conduct and approach in conducting state audits and financial control shall exclude any action that may lead to the suspicion and accusation of non-compliance with ethical requirements and principles of professional conduct.

20. The independence of the state audit and financial control bodies and state auditors shall not impede the maintenance of friendly relations with the object of the state audit and financial control.

21. In case of conflict situations state auditors shall act in compliance with the rules of professional ethics of state auditors.

22. State auditors shall adhere to generally accepted moral and ethical standards and prevent anti-social behaviour outside office hours.

23. State auditors shall be independent of the opinion of the object of state audit and financial control, influence of public opinion, their activities shall not give rise to justified criticism by the society, avoid persecution for criticism, and use constructive criticism to eliminate shortcomings and improve their professional activity.

#### **4. “Objectivity” Standard**

24. The objective of the Objectivity Standard shall be to ensure that state auditors conduct public audits and financial control in an impartial manner and do not compromise on their quality.

25. In carrying out state audits and financial control, state auditors shall be objective. Audit reports shall be based solely on the data and documents (materials and information), collected directly from the object of state audit and financial control, as well as obtained from other reliable sources in compliance with the legislation of the Republic of Kazakhstan and pursuant to the standards of state audit and financial control.

26. State audit and financial control shall be prohibited where there is a conflict of interest

27. The auditors of the state audit and financial control system shall be prohibited to carry out state audit and financial control:

1) being close relatives, proprietors or proxies of the head, chief of staff, chief accountant or other person exercising their powers, founder, participant or shareholder of the object of state audit and financial control;

2) who worked in the object of state audit and financial control or who have been close relatives, proprietors or proxies of the head, chief of staff, chief accountant or other person who exercised their powers, founder, participant or shareholder of the object of state audit and financial control in the period under review;

3) who are from among the founders, participants or shareholders, officials of the object of state audit and financial control who have personal property interests therein.

**Footnote. Paragraph 27 as amended with the Decree of the President of the RK dated 18.01.2021 № 495 (shall be enforced after the day of its first official publication).**

28. In order to preserve the independence and objectivity of state auditors carrying out state audits and financial control, the objects of state audit and financial control on which the state audit is carried out by this state auditor shall be changed.

29. In the presence of the grounds specified in paragraph 27 of these General Standards, the state auditor shall be subject to transfer to another object of state audit and financial control.

## **5. “Professional Competence” Standard**

30. The objective of the “Professional Competence” Standard shall be to maintain an appropriate professional level of state auditors for the effective implementation of state audit and financial control.

31. State auditors shall have relevant education, professional skills, knowledge and experience to effectively carry out public audit and financial control.

32. In order to obtain a comprehensive and objective characteristic of professional, business qualities and potentialities of state auditors, their certification shall be carried out in the order determined by the legislation of the Republic of Kazakhstan on state audit and financial control.

33. State audit and financial control shall be carried out by the state auditors, whose level of professional knowledge, skills and experience in the aggregate correspond to nature, scale and complexity of state audit and financial control.

34. State auditors shall demonstrate due diligence in all phases of state audit and financial control, from drawing up the list of the objects of state audit and financial control, the preliminary examination of the object of state audit and financial control to monitoring the recommendations given in the audit report and the instructions sent for binding instructions.

35. The professional knowledge and skills of state auditors shall be improved through continuous professional training and self-education, as well as through periodic training, retraining and qualification improvement of state auditors. The state audit and financial control authorities shall create the necessary conditions for training, professional development and re-training.

## **6. “Professional Judgement” Standard**

36. The objective of the “Professional Judgment” Standard shall be to ensure quality at all stages of state audit and financial control.

37. Professional judgement shall be applied in the performance of state audit and financial control and other activities of state audit and financial control bodies.

38. State auditors shall exercise professional judgement on matters that may be significant in nature.

39. State auditors shall reckon with the key aspects of the importance of the work to be performed, including quantitative and qualitative factors such as the objective, scope, subject matter and criteria of state audit and financial control.

40. The state auditors shall perform state audits and financial control in a manner that reduces the risk to an acceptable level by providing reasonable assurance as to the adequacy, acceptability and reliability of the audit evidence, based on professional judgement.

41. State auditors shall apply professional judgement in determining the existence of risks of fraud, including determining whether the identified misstatements and non-compliance with statutory and regulatory requirements were due to fraud or error.

42. Professional judgement shall be interlinked with competence, which enables the exercise of sound judgement. Professional judgement and competence shall jointly imply the use of a set of knowledge, skills and experience of all persons involved in state audit and financial control.

43. Professional judgement shall be used in determining the nature, type, manner of collection and quality assurance of collected audit evidence that serves as the basis for the findings, conclusions and recommendations of state audit and financial control bodies.

## **7. “Accountability” Standard**

44. The objective of the “Accountability” Standard shall be to ensure that information, documentation and reports on the activities of state audit and financial control bodies are available to users (hereinafter referred to as information), including the public.

45. The state audit and financial control bodies shall carry out public audit and financial control, other activities in accordance with the assigned functions and objectives, including the requirements of state audit and financial control standards, respecting the principle of accountability through the provision of information.

46. The state audit and financial control bodies shall submit exhaustive, reliable information to the President of the Republic of Kazakhstan, the Parliament of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan, heads of state bodies, maslikhats and akims of regions, cities of republican status, the capital, regions (cities of regional status) on implementation of their powers and achievement of expected results in concordance with the legislation of the Republic of Kazakhstan on state audit and financial control.

47. The state audit and financial control bodies and state auditors shall initiate and conduct demand-driven state audit and financial control, concentrating their efforts on risk areas, and ensure the timeliness and quality of documents.

48. The state audit and financial control bodies shall provide information to users and the public, observing confidentiality of audit evidence and other information in conformity with the requirements of the legislation of the Republic of Kazakhstan on state secrets, including the requirements of the standards of state audit and financial control.

49. When engaging organizations and persons in performance of state audit and financial control, the bodies of state audit and financial control shall ensure compliance with the principle of accountability.

50. The state audit and financial control bodies shall use effective methods to manage accountability, including reporting on the use of budgetary funds, public and quasi-public

sector assets, tied grants, public and publicly guaranteed loans and loans guaranteed by the state, peer reviews by supreme audit institutions, other types of independent evaluation of their performance, as well as support for feedback from users of information.

## **8. “Reliability” Standard**

51. The objective of the “Reliability” Standard shall be to ensure that all users of state audit and financial control documents are provided with the correct information contained therein.

52. State auditors shall use reliable information that is based on audit evidence.

53. In doing so, state auditors shall determine the reliability of the information provided by the objects of state audit and financial control.

54. The state audit and financial control bodies shall ensure the reliability of the information included in the documents they adopt based on the results of the state audit.

## **9. “Transparency” Standard**

55. The objective of the “Transparency” Standard shall be to ensure that state audit and financial control is exercised in an open manner, ensuring transparency and credibility with document users, including the public, by providing true, clear and relevant information on the status, mandate, strategy, operations and their effectiveness, as well as financial management.

56. The list and content of disclosed information and documents, including the submission of documentation on external requests, shall be determined in compliance with the requirements of the legislation of the Republic of Kazakhstan on state secrets, including the requirements of the standards of state audit and financial control.

57. The state audit and financial control bodies, when ensuring the transparency of their activities, must comply with confidentiality requirements, clearly defining further procedures for granting access to information and data constituting state secrets, official, commercial or other legally protected secrets.

58. The state audit and financial control bodies and state auditors shall ensure openness and comprehensibility of audit procedures performed at all stages of state audit and financial control and the methodology used.

59. Information on the involvement of organisations and individuals (specialists and experts) in state audit and financial control shall be included in the audit documentation and relevant documents of state audit and financial control bodies.

60. The bodies of state audit and financial control shall inform the public on a mandatory basis on the access to information and results of state audit and financial control.

61. The state audit and financial control bodies shall use effective ways to provide access to documents for users.

62. The state audit and financial control bodies and public auditors shall ensure the accuracy of the information disclosed.

#### **10. “Visibility” Standard**

63. The objective of the “Visibility” Standard shall be to ensure the implementation of the democratic framework for economic governance, to improve the effectiveness of state audit and financial control and to protect society against corruption and other wrongdoing.

64. The bodies of state audit and financial control shall carry out their activity openly by obligatory publication of the results of state audit with observance of requirements of the legislation of the Republic of Kazakhstan on state secrets.

65. For the public, the “Visibility” Standard shall be implemented by placing documents and other information on the activities of state audit and financial control bodies in the mass media, on the Internet resources of state audit and financial control bodies, holding press conferences, briefings and other public events.

66. The “Visibility” Standard shall be implemented ensuring compliance with the requirements specified in Section 9 of these General Standards.

#### **11. “Confidentiality” Standard**

67. The objective of the “Confidentiality” Standard shall be to ensure the integrity and non-disclosure of information relating to state secrets, official, commercial or other legally protected secrets obtained in the course of state audit and financial control.

68. In cases prescribed by the legislation, the bodies of state audit and financial control, state auditors shall ensure safety of information, obtained in the course of performing state audit and financial control, and restricted access thereto.

69. The information requested by the state audit and financial control bodies and the state auditors shall be used only for the purposes of state audit and financial control.

70. State auditors may not gain direct or indirect personal benefit from the information obtained in the course of performing state audit and financial control.

71. State auditors shall have no right to disclose information relating to any aspects of the state audit and financial control.

72. After receipt of the documents, the heads of the state audit and financial control bodies and/or their authorised officials may provide information concerning the results of the state audit.

#### **12. “Mutual Recognition of State Audit Results” Standard**

73. The objective of the “Mutual Recognition of State Audit Results” Standard shall be the recognition by state audit and financial control bodies of the results of government audits

carried out by other government audit and financial control bodies, subject to compliance with government audit and financial control standards.

74. Mutual recognition of the results of state audit shall be carried out in conformity with the legislation of the Republic of Kazakhstan on the state audit and financial control.

### **13. “Governance” Standard**

75. The objective of the “Governance” Standard shall be to establish a sound state audit and financial control team, to ensure that its work is organised and monitored to achieve the objectives of state audit and financial control, including supervision by superior officers of state audit and financial control bodies of the conduct of public audit and financial control by state auditors in an objective and fully executed manner.

76. State auditors shall carry out appropriate management of their activities to ensure the quality, economy, efficiency and effectiveness of state audit and financial control.

77. The responsibilities between the officials responsible for state audit and its implementation shall be clearly determined.

78. State auditors shall ensure their continuing professional development in order to maintain their knowledge and skills at a level required for the management of the state audit and financial control unit.

79. All stages of state audit and financial control shall be managed, and quality control shall be ensured.

80. The activities of the audit team or individual public auditors at each stage of public audit and financial control shall be systematically monitored and supervised by higher-ranking officials.

81. Supervision shall be carried out at all stages of state audit and financial control, preparation of audit reports on its results, as well as in the process of implementation of the results of state audit.

82. The degree of supervision shall be determined depending on the complexity of state audit and financial control, level of qualification and professionalism of the group of state audit and financial control or individual state auditors of the state audit and financial control authority.

83. The heads of state audit and financial control bodies shall independently determine the forms and methods of observation.

84. The content, methods of implementation of state audit and financial control, completeness of coverage of program issues, as well as actions of state auditors on implementation of the program of state audit shall be subject to mandatory supervision.

85. Supervision shall include coaching, reporting on the most frequent problems encountered, monitoring the work done, settling disputes in cases of divergent opinions within the public audit and financial control unit, and amending the public audit plan and programme.

#### **14. “Quality Control” Standard**

86. The objective of the “Quality Control” Standard shall be to ensure that the activities of state audit and financial control bodies and the actions of state auditors comply with state audit and financial control standards.

87. The heads of state audit and financial control bodies shall ensure the organisation of quality control by carrying out continuous checks of documents for compliance with the standards of state audit and financial control.

88. The need to recheck the results of state audit in case of non-compliance with the standards of state audit and financial control with an on-site visit to the of state audit and financial control shall be determined by the head of the state audit and financial control body.

89. Timing and duration of quality control shall be determined with due regard for the provision of its efficiency and effectiveness.

90. Any stages of auditing, expert and analytical activities of state audit and financial control bodies, any activities of state auditors, including materials (opinions) issued based on the results of state audit, carried out by state auditors of internal state audit and financial control bodies, engaged as specialists by law enforcement agencies and the court shall be subject to quality control.

91. Quality control shall be carried out by state auditors who have not been involved in the state audit and financial control.

92. The implementation of quality control and the monitoring process shall be entrusted to persons with relevant qualifications, professional skills, sufficient and appropriate experience and competences within the state audit and financial control body.