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*Audit Function of Regional Accounting Chambers*

**SUMMARY**

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## **„Audit Function of Regional Accounting Chambers”**

The subject of the dissertation is the audit function of regional accounting chambers. Accounting chambers were established only two years after reactivation of local government in Poland. During that time, the local government had been deprived of a proper audit service, but at the same time of support in carrying out the tasks entrusted to it correctly and in accordance with the law. One of the functions of regional accounting chambers is to audit the entities indicated in the Regional Accounting Chambers Act of 07.10.1992<sup>1</sup>. The considerations of the dissertation are based on the example of local government units and are limited only to them. This was influenced by the creation of regional accounting chambers specifically for local-government units, as well as by the limited scope of the study.

To facilitate the deliberations, it was first necessary to determine the term “audit”. The adopted definition of the term made it possible to examine the function performed by accounting chambers. The term audit is inextricably linked with the state. It is accepted that the basic meaning of audit derives from organisational theory, so it was necessary to refer to this scientific discipline. The scientific beginning of reflections on audit in organisations comes with the development of industry worldwide. But first it was necessary to consider the factors that ensure stability of regional accounting chambers’ operation and independent performance of the tasks entrusted to this body - from the point of view of the audit function. To this end, it was advisable to address the question of the constitutional status of accounting chambers and the relative financial independence of the chambers. The National Council of Regional Accounting Chambers has an important influence on the audit function, despite the fact that it is not a superior body over regional accounting chambers. Nevertheless, it is a forum for the exchange of experience between chamber managers and a place where problem audits are planned. However, the practice of the accounting chambers has shown that the Council should become more involved in the audit activities of the chambers.

The paper examines the audit procedure in detail. Consideration was given to the powers of inspectors and the duties of the inspected entity, i.e. local government units – to which the considerations of the thesis are limited - within the framework of the audit

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<sup>1</sup> Ustawa z 07.10.1992 r. o regionalnych izbach obrachunkowych (tj. Dz. U. z 2019 r., poz. 2137).

carried out. The inspectors are obliged to carry out their tasks in accordance with legal regulations and internal guidelines of the accounting chamber. The inspector's findings should be based on financial and asset management records, as well as information gathered in the course of the audit. It was also necessary to determine actions taken immediately after an audit by the accounting chambers, which seem to have a significant impact on the further financial management by the local government unit. Completion of audit activities by inspectors of a given accounting chamber and signing of the audit report by relevant persons provides the basis for preparing a post-inspection statement draft, which, once signed by relevant persons, becomes a post-inspection statement.

An analysis of legal regulations and the practice of operation of accounting chambers facilitated formulation of *de lege ferenda* conclusions addressed to the legislator and accounting chambers themselves. The study shows significant delays in audit-related activities by accounting chambers, which is detrimental to local government units. In connection with the discussion of the audit function, it was also necessary to indicate other functions entrusted to regional accounting chambers. There is no doubt that the consultative and advisory or information and training activities of accounting chambers are closely related to their audit function.

It should be noted, however, that the audit activity of regional accounting chambers is limited by provisions on the basis of which local-government units' financial management is audited. These are the audit criteria, which the legislator rightly differentiates in relation to own and commissioned tasks of local-government units. Undoubtedly, the purpose of such a procedure being established by the legislator was to protect the autonomy of the units. From the point of view of modern times, however, the types of criteria used need to be revisited and the types of criteria adopted in the early 1990s changed. This state of affairs is mainly influenced by the audit practice of accounting chambers, the jurisprudence of administrative courts and international organisations which serve as the forum for practical analysis of the content of individual audit criteria.

The considerations of the dissertation are enriched with examples of solutions in force in other countries. In particular, attention was given to the regulations of the Canton of Zurich in Switzerland and the Land of Tyrol in Austria.

The conclusions formulated in the paper were also evaluated from the point of view of the audited entity. This is due to the fact that a questionnaire prepared especially for the purpose of the dissertation was carried out, with the main topic being the audit function of regional accounting chambers, and the respondents to the questionnaire were local-government units - the responses were provided by their employees on a voluntary basis. The survey was anonymous. The survey was conducted in 2018, as completing it later due to the long response times would have prevented the dissertation from being completed on time. In general, the responses to the questionnaire confirmed the findings adopted in the dissertation.

**Keywords:** regional accounting chambers, local-government units, audit, autonomy