Words from the Chair

Minus 12 degrees in Norway. The weather is cold, but the climate is changing. The permafrost in Siberia has started to melt down and soon the ice on the North Pole may become history. Brave political actions are wanted. Let us hope that our leaders have strength and courage to decide on tough actions. As auditors we are ready to do our part of the job. We have the methods and instruments to audit and report. Give us the opportunity to audit before it is too late...

Thanks to all of you for active participation in the numerous CAS activities that is going on. The CAS meeting in Lithuania was a great success. Thank you to SAI Lithuania for an excellent program and extraordinary hospitality.

A glorious milestone was reached when ISSAI 400 was adopted for exposure. The harmonization process has purified and clarified the position of public auditing and the essence of each audit type. ISSAI 400 gives us a solid platform for building awareness and implementing compliance audit worldwide.

High quality standards mean nothing unless they are used in practical auditing. We therefore warmly welcome IDIs ambitious program aiming at implementing the ISSAIs worldwide (3i Programme). This program is so important that we simply cannot afford to fail. The CAS secretariat will increase its effort to support IDI, and I appreciate highly the strong support I can hear from you all to contribute to its achievements. Coordinated action from all regions and all committees of INTOSAI is the key to success. We will soon try to meet with the leaders of PSC and subcommittees to develop common strategies.

PSC has given us the green light to start the formal process of developing and presenting ISSAI 4300 for adoption in INCOSAI 2016. This is recognition of the great work that has been done by the court members of our committee and the initiative from SAI Tunisia.

I am proud of the important work we do, and it is a pleasure to work with CAS.

I wish you all a happy new year.

Best regards

Jens
**Harmonization**

**CAS harmonization team update**

The CAS harmonization team - Slovakia, European Court of Auditors and Norway - had an intense workload after the CAS meeting in Vilnius, attending to the committee comments and finalizing the ISSAI 400 draft before the harmonization project group meeting in Mexico in October. We thank all committee members for your comments and input during the making of ISSAI 400, and we hope you all feel proud of the document as a collective CAS achievement.

At the harmonization project group meeting in Mexico from the 10th-12th of October, ISSAI 400 was discussed together with ISSAI 200. Our document was well received by the project group. There were discussions on details, language and coherence of the new level 3 ISSAIs. After the Mexico meeting there was a coherence check between ISSAI 400 and ISSAI 200.

Further on ISSAI 200 and 400 were approved by the PSC steering committee. As you have all noticed, the ISSAI 400 is now on formal exposure in INTOSAI:

http://www.issai.org/composite-192.htm

You can also find more readings on the issue of new fundamental auditing principles of INTOSAI in the INTOSAI journal:


The exposure period for the new fundamental auditing principles lasts until the 15th of February 2013. The comments on ISSAI 400 will be compiled by the PSC secretariat and considered by the CAS harmonization team. We are planning a final, written committee hearing on ISSAI 400 in March for all CAS committee members to comment on the choices and solutions made by the CAS harmonization team on the basis of comment received during exposure. The new fundamental auditing principles of INTOSAI, which includes ISSAI 400 as well as ISSAI 100, 200 and 300, will be finalized at the last meeting of the harmonization project in India in April and prepared to be endorsed at INCOSAI in China 2013.

At the end of a demanding Mexico experience, it is time for souvenirs.

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CAS: http://psc.rigsrevisionen.dk/ca
Implementation

The implementation of the ISSAI 4000-series is an ongoing activity within the INTOSAI community, where many CAS members are actively engaged. The IDI has just completed the first e-course within the 3i Programme, with several CAS members participating. Mona of the CAS secretariat was engaged as an expert during the e-course, and there have been several management training seminars going on regionally on ISSAI implementation. We would like to remind you that the CAS official presentation is now available for use if you engage in any implementation activity on behalf of CAS:

http://psc.rigsrevisionen.dk/composite-329.htm

CAS member Cristina Breden from The Romanian Court of Accounts has sent us the following report from the ongoing implementation activities related to the EUROSAI Goal Team 2 “Professional Standards”:

Reporting on the 2nd Meeting of the EUROSAI Goal Team 2

“Professional Standards”

The 2nd meeting of the EUROSAI Goal Team 2 “Professional Standards” was organized by SAI Germany in Potsdam on the 8th and 9th November 2012. The list of participants include representatives of the following SAIs: Austria (also member of PAS ), Azerbaijan, Belgium (also member of ICS ), Denmark (Chair of PSC), Estonia, F.Y.R. of Macedonia, Germany, Hungary, Latvia, Lithuania, Portugal, Romania (also member of CAS), Russian Federation, Sweden (also member of FAS), Ukraine and a representative of IDI.

1. Germany made a presentation which included an overview on the implementation status of GT 2 Operational Plan.

2. Representatives of the Chair of INTOSAI PSC from the SAI of Denmark informed the members on the following aspects (annex 2 and annex 3):

   • Denmark will resign as PSC chair by the end of 2016.
   • PSC is focused to:
     o Implement the ISSAI in cooperation with IDI;
     o Elaborate guidance (together with Sub-committees and project groups);
     o Assure quality of the ISSAI;
     o Revise the level 4 ISSAI (after 2013).
   • The revision of ISSAI will be performed: level 2 every 9-15 years, level 3 every 9 years.
   • Documents on performance audit can be found on the website of the Performance Audit Subcommittee PAS (http://www.psc-intosai.org/composite-239.htm).
   • Jonas Hällström (Financial Audit Subcommittee FAS) has been appointed as member of IAASB1
   • The Project on Audit Quality Control has developed guidance material (gap analysis tool) for the implementation of ISSAI 40 “Quality Control for SAIs”;
   • ISSAI 30 might be revised after 2013 and will then be more detailed.

1 International Auditing and Assurance Standards Board

CAS: http://psc.rigsrevisionen.dk/ca
3. The representative of the INTOSAI Compliance Audit Sub-committee from the SAI of Romania made a presentation of the CAS’ activity and its achievements (see annex 4):

- ISSAI 400 (fundamental principles for compliance audit) - exposed on 15 November.
- New ISSAI 4300 (Additional guidance for Court model SAIs) will be endorsed in 2016.

4. The representative of the INTOSAI Financial Audit Sub-committee from the SAI of Sweden informed on:

- Sweden will resign after 18 years as FAS Chair after the INCOSAI 2013.
- Further ISSAI to be revised: 1610 (Using the work of internal auditors) will be exposed in 2013, 1720 (The auditor’s responsibilities relating to other information in documents containing audited financial statements) will be revised after the INCOSAI 2013.
- FAS and CAS organized two implementation seminars for the SAIs of Bulgaria and Indonesia might serve as example for GT 2 seminar/workshop.
- IAASB
  - new ISA on disclosure which might lead to a new ISSAI;
  - audit quality framework from auditees’ perspective might be interesting for SAIs.
- ISSAI 200 exposure draft:
  - is based on the same premises as guidance on level 4;
  - explains principles of level 4 (e.g. for stakeholders);
  - provides a solid basis for principles to be used when developing national standards.

5. The representative of the INTOSAI Internal Control Sub-committee from the SAI of Belgium informed on the:

- Survey on risk management in the public sector which will be evaluated by spring 2013.
- Cooperation agreement signed in March 2011 with ECIIA, GT 2 being responsible for implementing the cooperation.
- Cooperation will start with implementation of INTOSAI GOV 9150.
- GT 2 Task group (SAIS of Belgium and Germany) proposed an action plan to ECIIA.
- First activity: develop an implementation document (to be confirmed after ECIIA management board meeting); could be accomplished by 2014.
- Further steps (joint publications/training event) should be discussed afterwards (when Memorandum of Understanding will be revised in 2014).

6. The representative of SAI Lithuania made a presentation on the activity carried out by SAIs of the Baltic & Nordic countries & Poland which include:

- Experts meeting on challenges and opportunities in implementing ISSAI.
- Presentations available on the website of the Estonian SAI.
7. Representatives of EUROSAI GT4 from the SAI of Portugal made a presentation on the activity carried out by the Task Force Audit & Ethics:

- The goals of the Task Force are to:

1. Contribute to raise public confidence in SAIs by supporting the implementation of ISSAI 30 (Code of Ethics).
2. Promote ethical conduct in public organizations through the SAIs’ activities.
   - Two seminars are planned (Sept. 2013 and Jan. 2014).
   - Comparative study on formal commitments, mandate, management practices, training etc.

8. Cooperation between EUROSAI and ASOSAI:

- Memorandum of understanding was signed in September 2011.
- ASOSAI wishes to share information on training, knowledge sharing programs, experts and to invite each other’s experts to training events.
- GT 2 is willing to share any information ASOSAI might ask for and to invite ASOSAI experts to training events.

9. Results of survey on ISSAI implementation:

- Results presented by Chair.
- Members ask for further details:
  - Which SAIs are interested in support on financial and/or performance audit?
  - Which ISSAIs do SAIs plan to implement in the future?

10. Goal Team 2’s Operational plan:

- Translation of ISSAI into Russian
- Discussion forum on EUROSAI website
- Organization of seminar/workshop on ISSAI application
- Cooperation/further development of ISSAI and INTOSAI GOV

11. IDI’s ISSAI implementation programme (see annex 11):

- Presentation of ISSAI Implementation Initiative (3i Programme).
- Cooperation agreement between EUROSAI and IDI:

GT 2 suggests amending the annex as follows: “Programme material available for EUROSAI members” and advises the Governing Board to sign the cooperation agreement.

12. GT 2 seminar on ISSAI implementation:

- The results of brainstorming:
  - workshop on iCAT on performance audit: to explain the tool, contribute with case studies;
o workshop based on FAS/CAS implementation seminars in Bulgaria and Indonesia.
o two possible target groups (fundamental experts ↔ auditors) with different focus on ISSAI implementation.

• A task group will draft a seminar concept (Germany, Austria, Denmark, Sweden, and Romania, with support from IDI).

Cristina Breden  
Audit Director on behalf of The Romanian Court of Accounts,  
Member of the INTOSAI Compliance Audit Sub-Committee and of the EUROSAI Goal Team 2  
Professional Standards

More details on the contents of the meeting and the documents discussed are shared by Cristina and can be found on the closed webpage for CAS-members.

**CAS expert training seminar**

In the implementation of the ISSAI 4000 series there is a need for CAS members to support regional activity as experts. The Chair launched the suggestion of a CAS expert training seminar in Oslo in January 2013 in order for those CAS members interested to develop better skills to act as CAS experts. Unfortunately, too few CAS members were able to come and enjoy the Norwegian winter on such a short notice. Still, the interest and need for such a seminar is evident. A possible solution is to arrange a CAS expert training seminar in connection with the CAS meeting of 2013. We kindly ask those CAS members interested in participating in a possible CAS expert training seminar in connection with the next CAS meeting next year to communicate their interest to the CAS secretariat.

**ISSAI 4300**

The ISSAI 4300 draft discussed at the CAS meeting in Vilnius has been considered by the PSC, and CAS has been asked to present an initial assessment and a project proposal on ISSAI 4300 for the PSC steering committee meeting in 2013. Members of the CAS project group on Court of Accounts issues - Tunisia, Romania, Brazil and Portugal will meet in Oslo by the end of January 2012 to discuss the further development of the initial assessment and project proposal.

**CAS activities 2013**

In light of the CAS strategy decided upon at the CAS meeting in Vilnius, the Chair has set up a work plan for the next year, indicating the major activities of the committee. The work plan will be followed by more detailed milestone plans for the major committee activities, and these will be published on the protected web page for CAS members.
# CAS WORK PLAN 2012–2013

## CAS milestones 2012–2016

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>INCOSAI: ISSAI 400</td>
<td>2012</td>
<td>CAS meeting, Vilnius, Lithuania</td>
</tr>
<tr>
<td>PSC steering committee: Project proposal ISSAI 4300</td>
<td>2012</td>
<td>Harmonization project group meeting, Mexico</td>
</tr>
<tr>
<td>PSC steering committee: Endorsement version ISSAI 4300</td>
<td>2013</td>
<td>The 2nd meeting of the EUROSAI Goal Team 2 &quot;Professional Standards&quot;, Potsdam, Germany</td>
</tr>
<tr>
<td>CAS newsletter</td>
<td>2012</td>
<td>CAS subgroup of court of accounts issues</td>
</tr>
<tr>
<td>ISSAI 4300 meeting, Oslo</td>
<td>2013</td>
<td>CAS harmonization team</td>
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<tr>
<td>End of exposure of ISSAI 400</td>
<td>2013</td>
<td>PSC</td>
</tr>
<tr>
<td>CAS newsletter</td>
<td>March 2013</td>
<td>CAS secretariat</td>
</tr>
<tr>
<td>Written committee hearing on final ISSAI 400</td>
<td>2013</td>
<td>CAS harmonization team</td>
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<tr>
<td>Harmonization project group meeting, India</td>
<td>2013</td>
<td>All committee members</td>
</tr>
<tr>
<td>PSC steering committee meeting</td>
<td>2013</td>
<td>PSC</td>
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<tr>
<td>CAS meeting, Brazil, Brasilia</td>
<td>September 2013</td>
<td>Chair</td>
</tr>
</tbody>
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## TIMELINE

**ACTIVITY**

<table>
<thead>
<tr>
<th>Timeline</th>
<th>Activity</th>
<th>Responsible--</th>
</tr>
</thead>
<tbody>
<tr>
<td>19th-20th September 2012</td>
<td>CAS-meeting, Vilnius, Lithuania</td>
<td>Chair Host SAI of Lithuania</td>
</tr>
<tr>
<td>10th-12th October 2012</td>
<td>Harmonization project group meeting, Mexico</td>
<td>CAS harmonization team PSC</td>
</tr>
<tr>
<td>8th - 9th November 2012</td>
<td>The 2nd meeting of the EUROSAI Goal Team 2 &quot;Professional Standards&quot;, Potsdam, Germany</td>
<td>CAS EUROSAI Goal Team 2 Representatives</td>
</tr>
<tr>
<td>December 2012</td>
<td>CAS newsletter</td>
<td>CAS secretariat Input from CAS members</td>
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<tr>
<td>31st January-1st of February 2013</td>
<td>ISSAI 4300 meeting, Oslo End of exposure of ISSAI 400</td>
<td>CAS subgroup of court of accounts issues PSC</td>
</tr>
<tr>
<td>15th February</td>
<td>CAS newsletter</td>
<td>CAS secretariat Input from CAS members</td>
</tr>
<tr>
<td>12th -21st March 2013</td>
<td>Written committee hearing on final ISSAI 400</td>
<td>CAS harmonization team All committee members</td>
</tr>
<tr>
<td>8th-11th April 2013</td>
<td>Harmonization project group meeting, India</td>
<td>CAS harmonization team PSC</td>
</tr>
<tr>
<td>17th-19th June 2013</td>
<td>PSC steering committee meeting</td>
<td>PSC Chair</td>
</tr>
<tr>
<td>September 2013</td>
<td>CAS meeting, Brazil, Brasilia</td>
<td>Chair Host SAI of Brazil</td>
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CAS: http://psc.rigsrevisionen.dk/ca
**CAS meeting 2013**

We are happy to announce that the XIth CAS meeting will be hosted in Brasilia by the Brazilian Court of Audit. Further details on the meeting will be forwarded in 2013.

**Administrative issues**

We hope you by now have been able to log into the new protected web page for CAS members, which is to become an important committee working tool onwards. The webpage contains the maintenance papers where you as CAS members contributed this year, as a point of departure for further maintenance discussions in 2013. Further, the protected web page is planned used for sharing of information from CAS members participating in various regional activities.

We would also like to remind you all to keep the secretariat:

frederikke.lillehaug@riksrevisjonen.no

updated on the contact information of the member SAI, for the purpose to make it as easy as possible to reach the right recipients with CAS information. Current contact information is to be found on the web:

http://psc.rigsrevisionen.dk/composite-174.htm

Here in Norway we are soon leaving for Christmas holidays, and we would like to wish those CAS members living in parts of the world where Christmas is celebrated the best of holidays, and thank all CAS members for their devoted participation in committee activities in 2012. We wish everyone a most happy 2013 and look forward to further CAS achievements during next year!