INTOSAI

Financial Audit and Accounting Subcommittee of INTOSAI (FAAS)
Terms of Reference

History

The INTOSAI Financial Audit Guidelines Subcommittee was originally formed in 2002 as a working group under the INTOSAI Auditing Standards Committee. The Financial Audit Guidelines Subcommittee became the Financial Audit Subcommittee (FAS) under the Professional Standards Committee (PSC) following the approval of the INTOSAI Strategic Plan and the reorganization of INTOSAI Committees into the three goal areas at INCOSAI XVIII in 2004. FAS merged with the Accounting and Reporting Subcommittee in 2016 and became the Financial Audit and Accounting Subcommittee (FAAS).

Objectives

FAAS is primarily focused on the achievement of INTOSAI's Strategic Goal 1 to develop high-quality and widely recognized international professional standards for public-sector auditing by:

- Developing high quality and globally accepted guidelines and/or standards for the audit of historical financial information in the public sector.

- Contributing to the development of high-quality international auditing standards and guidance by the International Auditing and Assurance Standards Board (IAASB) by analyzing developments and communicating with IAASB as required to help identify public sector considerations. The International Standards on Auditing (ISAs) developed by IAASB are incorporated without modification into the International Standards of Supreme Audit Institutions Framework (ISSAIs) therefore it is essential that public sector auditor needs be understood during their development.

FAAS also supports the achievement of INTOSAI's Strategic Goal 2 related to capacity development by helping to ensure the technical integrity of capacity building products related to financial auditing and accounting.

FAAS also supports to achievement of INTOSAI's Strategic Goal 3 related to knowledge sharing by monitoring public sector accounting developments on behalf of INTOSAI and sharing information with the INTOSAI community as required.

FAAS Chair and Secretariat

The FAAS Chair is established on a volunteer basis and the chairmanship is for a maximum duration of 9 years.

The FAAS Chair is responsible for maintaining the FAAS Secretariat. The FAAS Secretariat provides administrative support to FAAS.

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Membership Composition

FAAS Members:

The FAAS membership is composed of technical experts on auditing standards and public sector accounting standards from environments that reflect the membership of INTOSAI.

A maximum of 15 members compose the FAAS membership.

A FAAS member may be a:

- Supreme audit institution (SAI);
- Public sector auditing body that is not a SAI but is a member of INTOSAI

FAAS Chair reserves the right to discontinue a membership based upon:

- Performance of a member
- Maximum size limit of the membership
- Ensuring appropriate representation of the broader INTOSAI community

FAAS Observers:

An organization that does not meet the above criteria for membership but that is interested in public sector financial auditing or accounting may observe a FAAS annual meeting.

A maximum of 5 observers may observe a FAAS annual meeting (in addition to the permanent observers listed below).

Due to the technical implications of the inclusion of the ISAs in the ISSAI framework, the IAASB is a permanent FAAS observer.

To facilitate FAAS' monitoring of International Public Sector Accounting Standards developments, the International Public Sector Accounting Standards Board (IPSASB) is a permanent FAAS observer.

INTOSAI Development Initiative is a permanent FAAS observer to facilitate their monitoring of ISA developments to help ensure the technical integrity of their financial audit products they develop.

Observers:

- Do not participate in FAAS projects
- Are not allocated a vote
- May participate in FAAS meetings at the discretion of the FAAS Chair

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Operating Procedures

Active participation by all FAAS members is required to allow FAAS to meet its objectives. Members should be able to actively participate in at least one project per year if required. Members should therefore have adequate support from their office to meet this requirement.

ISSAIs are developed in accordance with the Due Process for INTOSAI's Professional Pronouncements.

FAAS working groups are formed to facilitate the completion of FAAS projects. Each working group is responsible for establishing a working group leader who is responsible for organizing the activities of the working group.

Cooperation with the IAASB is defined in a Memorandum of Understanding (MOU) between INTOSAI and IFAC.

Meetings

The FAAS membership meets annually.

FAAS working groups meet as required to complete their projects.

FAAS members are expected to attend each annual meeting.

FAAS members may be accompanied by a second representative at the FAAS annual meeting but this representative should be actively involved in an ongoing FAAS project.

Failure to attend two consecutive FAAS annual meetings will initiate a membership review process by the FAAS Chair.

Greater than half the FAAS membership must be present at the annual meeting to form a quorum. Each FAAS member is allocated one vote.

Communication and Working Language

The working language of FAAS is English therefore all FAAS communications are in English only.

All information is developed by FAAS in English and is translated to INTOSAI's other official languages once the final English version receives the final required approval.

FAAS reports to the Professional Standards Committee Steering Committee (PSC SC) as described in the Due Process for INTOSAI's Professional Pronouncements and the PSC SC Terms of Reference.

Funding

All FAAS activities are funded by in-kind contributions.