



Financial Audit and Accounting Subcommittee (FAAS)

Dear fellow members of the Steering Committee of the Professional Standards Committee,

The purpose of this message is to help clarify some of the points raised by the Forum for INTOSAI Professional Pronouncements (FIPP) regarding the inclusion of the International Standards on Auditing (ISAs) in the IFPP.

Since the strategic decision was reached to incorporate the International Standards on Auditing (ISAs) developed by the International Auditing and Assurance Standards Board (IAASB) into INTOSAI's auditing framework, the INTOSAI community has worked very hard to help ensure the technical integrity of this integration. INTOSAI continues to work very closely with the IAASB to ensure that the public sector perspective is understood during the ISA development process. The former Controller and Auditor General of New Zealand is presently an IAASB member. INTOSAI is also well represented on the Consultative Advisory Group (CAG) of the IAASB with a SAI representative from U.S GAO serving as the Chair and a SAI representative from Canada serving as a member. Both SAI representatives are members of FAAS and actively participate in FAAS activities. SAIs also participate in ISA development activities by commenting on documents exposed for comment by IAASB. Lastly, an IAASB representative attends FAAS annual meetings to explain current ISA developments and to receive feedback from FAAS members on these developments. The current arrangements can certainly always be improved upon but this is simply to provide comfort that SAIs presently have a very strong voice in the ISA development process.

The ongoing financial audit project to develop GUID 2900 and ISSAI 2000 aims to improve the quality of the existing financial audit guidance presently found in the Practice Notes. FAAS had observed in 2015 that the Practice Notes had not been updated for many years and had therefore not kept up with changes in the ISAs. The decision to present this guidance in a single document was reached in order to facilitate access to the information by SAI auditors and to facilitate the required future maintenance of this information. We recently concluded a very successful exposure process and received a high volume of high quality feedback from the INTOSAI community on both GUID 2900 and ISSAI 2000. A FAAS project team is currently in the process of analyzing this useful feedback and is working very closely with their FIPP Liaison for this project to ensure that all exposure comments are appropriately cleared.

IAASB is presently working to improve the presentation of the ISAs on their website in order to facilitate access to this information. Historically the ISAs were presented in a pdf document that was saved on a password protected website. Changes to how the IAASB presents the ISAs on their website are highly relevant to INTOSAI's decision on how the ISAs should be integrated into the IFPP from a logistical perspective. FAAS intends to make a recommendation to the PSC on this once IAASB has established their new solution. Some of the feedback we have received during the exposure process for GUID 2900 and ISSAI 2000 also supports the need to facilitate access to the ISAs in the IFPP.



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Lastly, we wish to clarify the FIPP observation that the ISAs are a “private sector standard”. The ISAs are a principles-based auditing standard that is designed to audit historical financial information prepared by entities participating in all sectors including the public sector. Presently the ISAs are the generally accepted international standard for auditing historical financial information. Public sector auditors throughout the world, including INTOSAI members, successfully apply the ISAs when auditing historical financial information produced by the governments they audit.

Due to the importance of the inclusion of the ISAs in the IFPP, FAAS certainly agrees with the need to closely monitor this key element of INTOSAI’s standard-setting strategy to ensure the continued appropriateness.

A handwritten signature in blue ink, appearing to read 'Harib Al-Amimi', is written over a large, empty blue oval shape.

Dr. Harib Al-Amimi
FAAS Chair

October 5, 2020