

**The PAS Terms of Reference (ToR) was revised in 2018. Following a hearing among PAS members, the draft ToR was formally approved at the 71st INTOSAI Governing Board meeting 15-16 November 2018. The next revision of the ToR should take place in 2024.**

## **Terms of Reference for the Performance Audit Subcommittee:**

### **Mandate**

The Professional Standards Committee (PSC) created the Performance Audit Subcommittee (PAS) in September 2005. The INTOSAI Governing Board approved the establishment of the Subcommittee at their 54th meeting 10-11 November 2005. The approval included the following mandate:

- Disseminate the INTOSAI Implementation Guidelines for Performance Auditing
- Develop standards and guidelines for performance auditing on the basis of the current INTOSAI Implementation Guidelines for Performance Auditing
- Monitor the development and reforms of the public sector and continuously assess the consequences for performance auditing
- Monitor the development of relevant theories, methods, evaluations, etc. at universities and research centres, and continuously assess the relevance for performance audit
- Identify needs among Supreme Audit Institutions (SAIs) for additional guidance

The overall strategies of the PAS are reported in a triennial work plan, which corresponds with the INCOSAI cycles and is approved by consensus at the first PAS meeting after the INCOSAI. The Terms of Reference of the INTOSAI Professional Standards Committee (PSC) covers in detail the work of its subcommittees (including the PAS) in annex 2, which has been copied and included as annex 1 in this document.

### **Language**

The working language of the subcommittee is English. Meetings are in English only, and communication and documents are developed and circulated in English.

### **Membership**

The Performance Audit Subcommittee currently has 27 members (October 2018): Norway (Chair), Australia, Austria, Brazil, Canada, Denmark, European Court of Auditors (ECA), France, Georgia, Germany, Guyana, Hungary, India, Iran, Kiribati, Netherlands, Peru, Qatar, Romania, Russia, Saudi Arabia, Slovenia, South Africa, Sweden, Tunisia, United Kingdom, United States of America. Observers are AFROSAI-E, the INTOSAI Development Initiative (IDI), the Institute of Internal Auditors (IIA) and the Office of the Comptroller and Auditor General of Ireland (temporary observer status).

### **Appointment of new members**

Originally, members of the PAS were appointed by the INTOSAI regional working groups (one SAI from each region) and supplemented by other SAIs with special interest and expertise in performance audit. Currently, members may be appointed on request to the Chair. The Chair presupposes that members commit to taking an active role in the work of the subcommittee, and are willing to contribute to tasks in line with the PAS work plan. Since the PAS has many members, regional distribution will influence the Chair's assessment of new membership applications.

### **The Role of the Subcommittee Chair**

The Chair is responsible for coordinating all matters related to the Subcommittee, ensuring quality and transparency in its work, and for facilitating internal and external communication. The Chair attends the annual PSC Steering Committee meeting on behalf of the PAS. In case of any new documents produced, the Chair brings those before the Governing Board and INCOSAI for approval, in line with Due Process.

### **The role of the Subcommittee members**

Members of the PAS are expected to take active part in activities and discussions on the development of performance audit standards and implementation in INTOSAI. The Chair expects active members to give feedback in hearings, participate in projects and writing or revision of standards and guidelines, and attend annual meetings.

### **Reporting**

The Chair reports on PAS activities to the PSC on request and before Governing Board meetings.

PAS members participating in projects and other activities on behalf of the PAS need to report regularly and keep the PAS Chair/Secretariat updated on developments. To be able to coordinate and report on PAS involvement in all INTOSAI projects, the PAS Chair must be kept informed about project status, degree of involvement of PAS members, deadlines, progress and drafts.

### **Voting**

If there is a need to vote over an issue, subcommittee members are entitled to one vote each. Membership is defined by SAI, which means that SAI X = 1 member = 1 vote. All issues will be decided by a simple majority rule. Observers do not have voting rights.

## **Meetings**

PAS` annual meetings are hosted by different SAIs each year. The Chair welcomes initiatives by members to offer to host meetings. Alternatively, the Chair will approach member SAIs directly to request their willingness to host. Ideally, meetings should be distributed geographically to reflect the global nature of PAS.

## **Funding and arrangements in relation to annual meetings**

For annual meetings, members cover their own travel and accommodation expenses and are responsible for making their own travel arrangements (booking hotels, flights and transport). Hosts cover all expenses related to the event itself, including venue, meals (lunches during meeting days, dinner on day 1 of the meeting, coffee breaks). In addition, hosts may cover a welcome drinks reception and a social programme if desired, but such events are at the discretion of the host. Hosts are normally not expected to arrange and cover costs for travelling to and from the airport. Exceptions may be in special cases, such as for security reasons, or if desired by the host. A meeting venue should however be conveniently located to avoid unnecessary travel costs.

## **Communication between meetings**

Besides annual meetings, the subcommittee communicates via email correspondence, the PAS website, video or phone conferences and suitable forms of electronic communication.

## **Terms of Reference document updates and revision**

The PAS Secretariat should update this document regularly and revise it every 6 years. The next revision should be in 2024.

## **Annex 1 (from PSC Terms of Reference Annex 2, on the work of subcommittees and project groups):**

### **Subcommittees and Project Groups**

- Providing technical expertise in the main types of audits defined by the INTOSAI to PSC and other INTOSAI bodies` projects.
- Preparing initial assessments for new pronouncements.
- Developing project proposals for the development of new pronouncements based on a thorough initial assessment.
- Participating in projects included in the Strategic Development Plan for the INTOSAI Framework of Professional Pronouncements (SDP for the IFPP) that are led by other INTOSAI groups.
- Applying the appropriate quality processes to the development of the pronouncements, according to the pertinent provisions of the Due Process.

- Proposing the inclusion of new projects in the strategic development plan.
- Preparing drafts of new pronouncements for submission to the FIPP.
- Seeking guidance from FIPP during the initiation and development of a project, whenever necessary.
- Seeking guidance from the PSC Chair or the PSC Steering Committee for alignment of a project to the INTOSAI's strategic goals and priorities or whenever necessary.
- Deciding to publish preliminary drafts on the ISSAI website for information or in order to encourage input to the work.
- Exposing the drafts of pronouncements approved by FIPP to INTOSAI members and other stakeholders.
- Notifying all INTOSAI members and other relevant stakeholders of the exposure periods.
- Collecting and analysing the comments received during the exposure period, exercising judgement to accommodate all relevant considerations.
- Forwarding the comments and the Subcommittee's considerations to the FIPP.
- Considering, in conjunction with FIPP, if the changes in the draft require re-exposure.
- Arrange that the endorsement versions be translated into the INTOSAI official languages.
- Supplementing the report made by the Committee Chair to the Governing Board with an oral presentation about endorsement versions of pronouncements, whenever necessary.
- Preparing executive summaries about new pronouncements for publication on the INTOSAI website.
- Deciding on maintenance frequency for each professional pronouncement produced by the subcommittee.
- Following-up and maintaining the pronouncements.
- Proposing editorial changes to professional pronouncements.
- Developing a version of a revised pronouncement, explaining the reasons for the proposed changes and forwarding the final document for approval by FIPP.
- Proposing and justifying withdrawals of professional pronouncements.

#### **Subcommittee's Chairs (with regard to their capacity as integral part of the PSC)**

- Participating in the PSC Steering Committee meetings.
- Presenting annual reports to the PSC Steering Committee.
- Preparing and updating the subcommittee's Terms of Reference for submission to the PSC Chair and the Governing Board.
- Keeping contact with the PSC Chair.
- Keeping contact with the FIPP Chair.
- Informing the PSC Chair and the INTOSAI General Secretariat about the membership of the PSC subcommittee and updating this information whenever necessary.
- Informing the SAI Members that comprise the Subcommittee on its webpage.
- Presenting the Subcommittee's part of the PSC report to the Governing Board.

**Subcommittee`s Chairs (with regard to the subcommittees)**

- Coordinating all activities of the subcommittee.
- Chairing the subcommittee meeting.
- Circulating drafts of subcommittee`s documents among members for internal approval.
- Managing the subcommittee`s webpage in the PSC website.

**Subcommittee`s members**

- Participating in the approval of subcommittee`s terms of reference, work plans, progress reports and other subcommittee`s documents.
- Participating in the development of projects.
- Participating in the writing of new documents and revision of existing ones.
- Participating in the full Committee and subcommittee meetings.