



COMMENTS BY AFROSAI-E SECRETARIAT ON EVALUATION AND RECOMMENDATIONS TO IMPROVE INTOSAI'S STANDARD SETTING -

General Comments –Evaluation and recommendations to improve INTOSAI's standard setting.

- Standards are the core of our business that requires an *independent* process involving internal and external users as well as users of our reports.
- This principle has been adapted by the INTOSAI community in 2010 Gov 9200
- International standards must be issued on the fundamental and principle to allow for customisation on regional and country level. Given the nature of the INTOSAI community it is not possible for all member SAIs to fully comply with ISSAIs as is. Provision for customisation is embedded in ISSAI 100.
- Direct cost implications in respect of standard setting should not be the ultimate consideration for creating an independent structure for public sector auditing standard setting. The cost benefit derived from professional standards should exceed the direct cost to a large extent.
- To establish appropriate professional standards will require a set of criteria based on INTOSAI principles and other practices/structures of international standard setting bodies.
- Criteria should also incorporate the involvement of regional organisations, and practitioners (SAIs), users, academic institutions, etc.
- An appropriate structure that complies with the criteria can be designed to operate independently from INTOSAI but with a feedback opportunity to INTOSAI.

Comments on scenarios

- In our opinion, scenario 3 is streamlining existing practices but will not be successful in creating an *independent public sector audit standards setting body*. It will still be part of the INTOSAI committee structure and will experience extreme difficulties to execute their mandate independently. We envisage Scenario 4 as more appropriate if the standard setter is empowered to execute their mandate independently with adequate provisions for coordinated inputs by INTOSAI working groups, including regions, member SAIs

(practitioners) and users. Feedback to INCOSAI should also be included in the mandate.

- Scenario 4, if appropriately structured, will also have the benefit of more responsive and effective standard setting process and could also result in a decrease of the number of committees and supporting structures in the INTOSAI community. In addition it could also reduce the pressure on resources from SAIs whilst at the same time *creates* opportunities for technical experts to be seconded to such a structure for agreed upon periods. Furthermore, scenario 4 should result in more capacity be available amongst working groups and committees to focus on the implementations, compliance and quality assurance of standards.

Comments on recommendations

- *Recommendation 1*
This forum could be established to aggregate and coordinate activities, experiences, etc amongst regions and other working groups, the IDI, etc. It could also provide consolidated inputs to the independent standards setting body (scenario 4)
- *Recommendation 3*
If scenario 4 is considered favourably and a forum is in operation, this Board will not be needed. This Board could also result in delays and duplication.
- *Recommendation 4*
In principle this is agreed, but should be included in the terms of reference and mandate of an independent standards setting body (Scenario 4).
- *Recommendation 5*
Should not be necessary if scenario 4 is implemented.
- *Recommendation 6*
In principle agreed, but more flexibility is needed to accommodate unforeseen challenges during such as a long term.