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Dear Betinna

Thank you once more for the constructive discussion we had by phone on 12 June. I trust you have had an opportunity for a well-deserved and extended summer break.

I am writing to you in response to your request for initial comments on the PSC's Draft report *Evaluation and recommendations to improve INTOSAI's standard* prior to the September FAC meeting.

In addition to assuring you of my strong support for your efforts aimed at improving INTOSAI's standard setting processes, I have the following comments on the recommendations contained in par. 1.3 of the draft document:

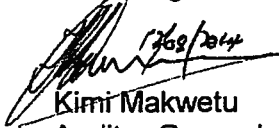
- *Recommendation 1: Permanent committee for professional matters* – I agree with the principle, provided that the permanent structure allows for adequate coverage and resourcing of all matters relating to professionalism, e.g. standard-setting, capacity-building, and so forth. There may be a need to be clearer regarding transitional arrangements and the interrelationship with current or future committees such as the PSC, CBC and KSC, and how it will impact on the benefits derived from these structures, such as ownership, sharing, etc. that may fall away with a permanent structure. Attention will also have to be given to appropriate governance arrangements and/or segregation of functions where necessary.
- *Recommendation 2: Common forum for the Framework of Professional Standards* – The establishment of a group of experts drawn from the PSC, CBC, KSC and INTOSAI's regions is supported.
- *Recommendation 3: Separate advisory board* – I agree with the proposal for the establishment of a separate advisory board which, in addition to the current external observers in the PSC, should include representation of auditors and users of audit reports. Input and feedback from regional and global users will certainly strengthen the due process.
- *Recommendation 4: Strengthening the due process for INTOSAI Professional Standards* – There is a definite need to create a single channel for all work to be tested against certain criteria. This also implies that there should be a clear split between standards and guidance which, in turn, implies that one may have to find a new and unique home for all guidance in INTOSAI. There is also a need for a mechanism to deal with disputes/ interpretations of standards.

- *Recommendation 5: Common supporting functions* – I support the proposal for a solution for secretarial support that can be drawn upon by all bodies, and further agree that its scope and future growth should be determined by proven demand.
- *Recommendation 6: Long-term development goals* – I agree that there is a need to identify a set of long-term development goals for INTOSAI's standard setting, and that ISSAIs should provide the basis for education and certification schemes that define public sector auditing as a profession.

In conclusion, the workshop in Oslo in the 2<sup>nd</sup> week of August will be an important opportunity for our teams to ensure alignment, where appropriate, between the PSC draft proposals and the CBC White Paper on structured INTOSAI professional development. During this workshop, it will also be important for our teams to consider implementation feasibilities and which aspects should be prioritised for implementation.

I look forward to seeing you in Lima in September.

Warm regards

A handwritten signature in black ink, appearing to read 'Kimi Makwetu', with the date '17/08/2014' written above it.

Kimi Makwetu  
Auditor-General of South Africa  
Chair of the INTOSAI CBC

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