

## Record of decisions from the FIPP Meeting on 4-8 March 2019 (10th meeting)

Final version 02.05.2019

Mon  
09:00

Agenda Item	Purpose	Record
<b>Agenda 0 – Presentation all FIPP participants</b>		
Tashi Tobgay from the Royal Audit Authority of Bhutan welcomed all participants of the FIPP meeting on behalf of the Auditor General of Bhutan. The Chair of FIPP opened the 10 <sup>th</sup> meeting followed by a tour-de-table where all FIPP participants gave a short presentation of their professional and personal backgrounds.		
<b>Agenda 1 – Introduction to the meeting</b>		
1a. Program for the week	Confirmation of meeting agenda	The <a href="#">meeting agenda</a> was confirmed.
1b. Overall status	Recap of 9 <sup>th</sup> meeting Nov 2018 decisions, key developments	<p>The FIPP Chair presented the overall status of the work of FIPP. She summed up a few lessons learned in her new capacity as FIPP Chair:</p> <ul style="list-style-type: none"> <li>- It is important that FIPP discusses ongoing projects and is presented initial drafts before they are submitted for approval, which makes it possible for FIPP to give guidance and directions at an early stage of the projects. Working groups are thus encouraged to please bring issues forward to FIPP well in advance of submissions for approval.</li> <li>- FIPP needs to carefully consider the criteria for approval from the Due Process when doing appraisals and formulate precise appraisals, which will help guide the project group, but also make it easier for FIPP to examine afterwards whether the project groups have followed the directions from FIPP.</li> <li>- It is very important that FIPP carefully review the project proposals before approving them. This review by FIPP are both important since the project proposals give a guide in all stages of a project, and also to a large extent set the boundaries of the guidance and directions that FIPP can afterwards give to the project.</li> </ul>
1c. Update from Goal Chairs		<p>The observer from the PSC Chair (Rafael Torres) explained that the Goal Chairs will meet together next week with the FIPP Chair, and a key issue to discuss is the preparation of the next IFPP Strategic Development Plan (SDP).</p> <p>PSC is preparing the establishment of the Technical Support Function (TSF) and finalizing the recruitment material. The Subcommittees and FIPP will be consulted in the recruitment process. PSC suggests that some cost related to TSF (eg travel costs) should be financed by INTOSAI. PSC expects to launch the call for applications soon, and that the TSF will be able to start its work in the beginning of 2020.</p> <p>PSC is considering some revisions to the Due Process, – eg. a specification of the roles and responsibilities of WGs, FIPP and the Goal Chairs. The roles and responsibilities of FIPP/GC regarding the process</p>

		<p>of approval of proposals to FIPP will also need to be specified further. As of today the GC send all proposals they receive from the WG to FIPP without doing a consideration of the proposals beforehand, this because of the limited timeframe and deadlines.</p>
<p><b>Agenda 2 – Editorial changes</b></p>		
<p>Editorial changes as a result of SDP priority 1</p>	<p>Discuss and vote Criteria <a href="#">Annex 1 Section 2.2 - Working Procedures of the FIPP</a></p>	<p>The Chair gave a <a href="#">presentation</a> on the process of editorial changes to the pronouncements as part of the migration of the documents from the ISSAI Framework to the IFPP.</p> <p>The PSC Secr had prepared the updated versions of the pronouncements and according to the Due Process, FIPP should review and approve the editorial changes to the documents.</p> <p>FIPP discussed a range of general issues related to the editorial changes and decided that:</p> <ul style="list-style-type: none"> <li>- The use of principles in bold in ISSAI 300 and 400 will be continued, but will not be used in the ISSAI 200 under revision.</li> <li>- The existing headlines ‘application guidance’ in ISSAI 130 and ISSAI 140 and ‘explanation’ in ISSAI 3000 and ISSAI 4000, will not be changed to ‘Application material’ as part of the editorial changes as this need further consideration.</li> <li>- ISSAI 200 will be editorially changed to be aligned with the other ISSAIs until the revised ISSAI 200 takes effect. <i>The approval of editorial changes in ISSAI 200 will be on the agenda for next FIPP meeting.</i></li> <li>- The titles of future GUIDs, including those being drafted under the current IFPP SDP, should be “Guidance on the audit of ...”. The GUIDs affected by the editorial changes should not be aligned with this convention.</li> <li>- An explanatory box or diagram will be inserted on the second page of all IFPP pronouncements. The box will describe the IFPP and explain how the pronouncement fit into the categories.</li> <li>- The current box inserted by PSC regarding the history of the document is to be moved to the last page of the document.</li> <li>- References to old titles of pronouncements in “history sections” of the documents will be kept to the extent possible without causing confusion.</li> </ul> <p>FIPP reviewed and revised the following documents in session (<a href="#">see revised versions</a>):</p> <p>INTOSAI-P 1 INTOSAI-P 12 INTOSAI-P 20 ISSAI 100 ISSAI 300 ISSAI 400 ISSAI 130 – no revision by FIPP ISSAI 140 ISSAI 3000</p>

		<p>ISSAI 4000</p> <p>FIPP entrusted the Chair to ensure that the revisions of the above documents are consolidated, and that all the GUIDs subject to editorial changes are revised correctly. This will be based on the reviews carried out by FIPP members prior to the meeting and the general discussions and conclusions drawn in session at the meeting.</p> <p>The Chair will put the documents up for written approval on Teamwork in accordance with FIPP's Working Procedures, which will allow the FIPP members to submit comments before the actual vote is initiated.</p> <p>After the written approval, the Chair will send the documents to the PSC Chair for formatting, final layout and translation.</p>
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Tue  
09:00

**Agenda 3 – Project proposals submitted by the Goal Chairs for appraisal/approval - and vote**

SDP 2.7 GUID XXXX Guidance on Audit of Privatization	Criteria Approval of project proposals <a href="#">Annex 1 - Working Procedures of the FIPP</a>	<p>A draft project proposal sent for approval by the KSC Chair.</p> <p>On the basis of a presentation by the liaison officer Gerhard Ross and the appraisal carried out by FIPP at the 8<sup>th</sup> FIPP meeting in August 2018, FIPP decided that the project proposal was ready for a vote on approval with a few adjustments. The liaison officer was entrusted to adjust the project proposal in light of the comments from the FIPP members.</p> <p>FIPP voted on the conditional approval of the project proposal under Agenda 9.</p>
SDP 2.10 GUID Guidance on Audit of Disaster Management	Criteria Approval of project proposals <a href="#">Annex 1 - Working Procedures of the FIPP</a>	<p>A draft project proposal sent for approval by the KSC Chair.</p> <p>On the basis of a presentation by the liaison officer Deepak Anurag and the appraisal carried out by FIPP at the 8<sup>th</sup> FIPP meeting in August 2018, FIPP decided that the project proposal was ready for a vote on approval with a few adjustments. The project liaison was entrusted to adjust the project proposal in light of the comments from the FIPP members.</p> <p>FIPP voted on the conditional approval of the project proposal under Agenda 9.</p>

**Agenda 3B – Key issues in ongoing projects (cf. working procedures item 16)**

SDP 1.3 – ISSAI 2000 Application of Financial Audit Standards	<p>Decision on the purpose of the project. Should the expected outcome be:</p> <p>1) Application material in ISSAI 2000 as decided in the approved project proposal</p> <p>2) A GUID as now suggested by the</p>	<p>Liaison officer Stuart Barr provided members with a <a href="#">slide deck</a> that outlined his assessment that the SDP 1.3 Phase 2 document met the four criteria for FIPP review (slides 13 to 16 of the SDP 1.3 GUID 2900) He accordingly recommended FIPP approval of the document.</p> <p>FIPP discussed the future direction of the project on the following background:</p> <p>The framework as defined by INCOSAI 2007 provided that each ISSAI in the range 1200-1810 consisted of an ISA issued by IFAC and a practice note developed by INTOSAI. With the new IFPP defined at INCOSAI</p>
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	<p>project group under FAAS 3) No pronouncement</p> <p>Dependent on FIPP’s decision this item may be included under Agenda 4 including appraisal and potential vote.</p>	<p>2016, the subcategory of ‘practice notes’ has been abolished. Instead, the IFPP defines that ‘application material’ forms part of the ISSAIs.</p> <p>The ‘practice notes’ is therefore one among a number of cases, where parts of the pre—existing set of ISSAIs and INTOSAI GOVs needs to be consolidated and aligned with new definitions of the IFPP.</p> <p>The approved project proposal defines a staged process aimed at considering whether the pre-existing text of ‘practice notes’ provides any valuable content that could be preserved, improve the quality of existing information and define the expected outcome as <i>ISSAI 2000 - Application of Financial Audit Standards</i>. IFPP defines that the ISSAIs generally consists of <i>principles, requirements and application material</i>.</p> <p>The 1.3 project group had therefore made the material produced so far available for FIPP. This included the group’s analyses as well as an exposure draft, which the project group proposes might be included as a GUID, and which the PSC Chair had authorized FIPP to consider for approval if relevant.</p> <p>The Chair gave a short intro to the project and gave the floor to the liaison officer Stuart Barr who explained the project group’s considerations. The group’s assessment had been based on a distinction between mandatory requirements and non-mandatory guidance. The main concern behind the group’s ambition to develop a GUID had been to avoid that any <i>mandatory requirements</i> developed by INTOSAI was included in the ISSAIs in addition to the requirements already defined by IFAC/IAASB through the ISAs.</p> <p>Members discussed the possible ways forward in the spirit that the drafting was generally of good quality and it would be relevant to seek to utilize the text developed in either the GUID or the ISSAI category or both. In the light of the discussion, the FIPP concluded that it would be necessary to seek advice from the Goal Chairs in their upcoming meeting the following week.</p> <p>The FIPP will also inform the FAAS and project group regarding the issues, amongst others the drafting conventions, discussed at the FIPP meeting and the GC meeting.</p> <p>After discussing the issue with Goal Chairs and, possibly, getting advice from a community, the SDP 1.3 could be placed on the agenda for the 11<sup>th</sup> FIPP meeting in June 2019 for further discussion.</p>
<p><b>Agenda 4 – Exposure drafts submitted from Goal Chairs for appraisal. Potential vote Agenda 9.</b></p>		
<p>SDP 2.12 INTOSAI-P X Audit of Jurisdictional Activities of SAIs</p>	<p>Appraisal against criteria Criteria Approval of exposure drafts <a href="#">Annex 1 - Working Procedures of the FIPP</a></p>	<p>The liaison officer Lionel Vareille presented the status and the updates of the exposure draft from the working group prepared after the draft had been discussed by FIPP at the 9<sup>th</sup> FIPP meeting in Bali in November 2018.</p> <p>FIPP decided that the pronouncement will be numbered INTOSAI-P 50.</p>

		<p>FIPP carried out an appraisal against the criteria for approval. FIPP concluded that amendments in the draft would be necessary to include the INTOSAI-P number and solve a few other issues. The project liaison was entrusted with elaborating these limited changes into the draft during the meeting, before it was submitted for a vote.</p> <p>FIPP voted on the conditional approval of the exposure draft with these amendments under Agenda 9.</p>
<b>Agenda 5 – Exposure drafts submitted by the Goal Chair for FIPP’s approval and vote</b>		
SDP 1.2 ISSAI 200 – Principles of financial auditing	<p><b>Approval and vote</b> Approval against criteria using the appraisal document.</p> <p>Criteria Approval of exposure drafts <a href="#">Annex 1 - Working Procedures of the FIPP</a></p>	<p>The Chair presented the exposure draft of ISSAI 200 on behalf of the liaison office who was unable to attend the meeting. The exposure draft had been appraised by FIPP at the 8<sup>th</sup> FIPP-meeting in Tromsø. All FIPP members gave their comments on the amendments done in the exposure draft. Some adjustments were needed in the explanatory memorandum, and the title of the document would need to be changed to “ISSAI 200 – Financial Audit Principles” to be aligned with the Classification principles of the IFPP.</p> <p>FIPP appointed a group to go through the exposure draft during the 10<sup>th</sup> FIPP meeting to prepare the draft and exposure material for conditional approval. FIPP voted on the approval of the exposure draft under Agenda 9.</p>
SDP 2.2 GUID 4900 Compliance Audit Guidance	<p><b>Approval and vote</b> Approval against criteria using the appraisal document.</p> <p>Criteria Approval of exposure drafts <a href="#">Annex 1 - Working Procedures of the FIPP</a></p>	<p>The project liaison Josephine Mukomba presented the status and updates on the exposure draft the working group had prepared after the document had been appraised by the FIPP at the 9<sup>th</sup> FIPP meeting at Bali in November 2018: The draft had been improved, but some of the issues remained unsolved.</p> <p>FIPP members gave several additional comments and suggestions to the text.</p> <p>A group of FIPP members was entrusted to adjust the exposure draft in light of the comments from the FIPP members. FIPP would re-evaluate the document under item 9 and decide whether it would be ready for a vote on conditional approval.</p>
SDP 2.9 GUID XXXX Public Dept	<p><b>Approval and vote</b> Approval against criteria using the appraisal document.</p> <p>Criteria Approval of exposure drafts <a href="#">Annex 1 - Working Procedures of the FIPP</a></p>	<p>The liaison officer Beryl Davis presented the status and updates on the exposure draft the working group had prepared after the project had been appraised by the FIPP at the 9<sup>th</sup> FIPP meeting in Bali in November 2018: The draft had been improved, but a number of issues remained.</p> <p>The main observation by FIPP was that the document did not follow the drafting conventions for GUIDs and needed some rewriting. An explanatory memorandum did furthermore not accompany the exposure draft.</p> <p>The liaison officer was entrusted to implement the changes proposed by FIPP in the exposure draft and return it to the project group with the help of a team from the shadow LO. If the project group accepts the changes and implements the suggested improvements, FIPP would be ready to consider a written approval of the exposure draft before the next FIPP meeting.</p>



## Agenda 6 - Implementing IFPP

<p>6a - possible withdrawal IFPP project proposals</p>		<p>The Observer from the PSC Chair reflected on the issue of what to do with those documents from the old ISSAI Framework that are not subject to revision:</p> <p><i>INTOSAI GOVs on Internal control</i></p> <ul style="list-style-type: none"> <li>• Guidelines for Internal Control Standards for the Public Sector (INTOSAI GOV 9100)</li> <li>• Guidance for reporting on the effectiveness of Internal Controls (INTOSAI GOV 9110)</li> <li>• Internal Control - Providing a foundation for accountability in government (INTOSAI GOV 9120)</li> <li>• Further information on entity risk management (INTOSAI GOV 9130)</li> <li>• Integrated Financial Accountability Framework (IFAF) – guidance on improving information on financial flows of humanitarian aid (INTOSAI GOV 9250)</li> </ul> <p>FIPP had at a previous meeting concluded in line with the PSC’s proposal that pronouncements that was not subject to revision under a project proposal submitted to FIPP before 15 February 2019, was to be withdrawn. The SDP 2.5 <i>Consolidated and improved guidance on understanding internal control in an audit</i> provided that these pronouncements were consolidated and revised into the category of GUIDs. A project proposal had however not been produced in time for the deadline. The ICS had instead proposed that the SDP-initiative 2.5 is continued in the next SDP, in order to migrate the INTOSAI GOVs into IFPP.</p> <p>The PSC Observer suggested that FIPP may consider whether these INTOSAI GOVs could on this basis be treated in the same way as pronouncements, were there is an ongoing revision, based on an approved project proposal. In line with previous decisions made by FIPP these will be available on the issai-website in a way that reflect that they are no longer classified in the IFPP.</p> <p>FIPP concluded that the SDP 2.5 should be carried over into the next SDP so the content of the INTOSAI GOVs can be drawn upon as relevant in the IFPP. The SDP would however need to be finalized and approved before the issue could be fully settled.</p> <p>Depending on the solution reached on the status of the SDP 1.3 (see above) there might also be a need for a vehicle to withdraw the Practice Notes from the IFPP.</p> <p>The FIPP Chair in collaboration with the PSC Secretariat aim to present a suggested solution at the next FIPP meeting in June 2019.</p>
<p>6b - introduction to the IFPP</p>		<p>In the 9<sup>th</sup> meeting, FIPP had concluded that there was a need for an introduction to IFPP. This was in response to the need identified through the SDP process to provide more clarity to users of the ISSAIs over compliance with the ISSAIs.</p>

		<p>The vice-chair presented a draft of an introduction text to the IFPP that could be placed on the issai.org website and other relevant places to explain the IFPP. The text would not have the status of a pronouncement but would be an official introduction to the IFPP. In order to finalize the text it would be necessary to consider the technical possibilities on the issai-website.</p> <p>FIPP members welcomed the paper and stressed the general need for more explanation of the IFPP and key concepts relating to the application of and references to the ISSAIs. Many SAIs are requesting this.</p> <p>The FIPP Chair will coordinate with the PSC Secretariat to find the right place for the text on issai.org and present an updated version for approval at the next FIPP meeting.</p>
<b>Agenda 7– Brief status on other SDP-projects (not covered elsewhere)</b>		
SDP 2.3 SAI mandates and comb. audits		<p>The liaison officer Tashi Tobgay reported that no developments have taken place since the 9<sup>th</sup> FIPP meeting November 2018. The project group would like to extend the deadline to the next FIPP meeting in June.</p> <p>The PSC Observer explained that the project group has chosen to divide the issue in two: Performance audit in combination with compliance audit and financial audit in combination with compliance audit. The project group will not explore financial audit in combination with performance audit. The project group will send an updated project proposal and an outline of the GUID to the next FIPP meeting.</p>
SDP 2.6 GUID XXXX Internal Auditors		<p>The liaison officer Marita Salgrave reported that the LO had not been presented for any drafts for consideration since the 9<sup>th</sup> FIPP meeting November 2018, where FIPP gave a conditional approval to the project proposal.</p>
SDP 2.7 GUID XXXX Public-Private Partnerships (PPP)		<p>The liaison officer Karen Belteton gave a <a href="#">presentation</a> of the latest developments.</p> <p>The Chair asked the LO to communicate to the project group that the GUID should not include a long description of the subject matter, but rather focus on audit related aspects. The project group should also consider to expand the deadline of the project.</p> <p>The project group expects to present the project proposal and the draft outline for the next FIPP meeting.</p>
SDP 2.11 GUID XXXX Public procurement		<p>The former liaison officer Neil Usher reported the latest developments. The project group has decided to slow down the process and expects to present a draft exposure draft to the next FIPP meeting in June 2019. New liaison officer is Robert Cox.</p>
SDP 2.5 Consolidated and improved guidance on understanding internal control in an audit		<p>The PSC Observer reported that the Internal Control Subcommittee (ICS) has not prepared a project proposal as they have focused on SDP 2.6 Internal auditors. The ICS requests that the project will be included in the next SDP and that the documents relating to internal control are not withdrawn.</p>

Thur  
09:00

SDP 3.8 Obtaining an understanding of the 3E's	Rafael	The PSC Observer reported that Performance Audit Subcommittee (PAS) has decided not to present a project proposal regarding SDP 3.8. The project will not be included in the next SDP.
2.1 Financial audit GUID	Rafael	<p>The PSC Observer reported that FAAS will discuss the possible outcome of the project during their next meeting in March 2019.</p> <p>The development in project SDP 1.2 (see agenda 3B) means that FIPP may need to consider the drafts under development in the two projects SDP 2.1 and 1.2 together.</p>
<b>Agenda 8 – SDP 2020-2025.</b>		
8a – Feedback from the Goal Chairs and the Subcommittees	Consider updating the initiatives and projects based on feedback from Goal Chairs	<p>The PSC Observer <a href="#">presented the feedback</a> from the Goal Chairs and Subcommittees on the initiatives and projects for the SDP 2020-2025 developed and presented by FIPP after the 9<sup>th</sup> meeting.</p> <p>The PSC Observer also presented a draft text of the SDP document prepared by the PSC Sec.</p> <p>FIPP had a thorough discussion of all initiatives and projects based on the feedback from the Goal Chairs and subcommittees.</p> <p>The FIPP members gave input to the initiatives in regard to three areas:</p> <ul style="list-style-type: none"> <li>- The Purpose of the initiatives (strategic focus and link to INTOSAI's strategic goals and objectives)</li> <li>- The necessary steps required to implement the initiatives</li> <li>- The sequence of the initiatives (in which order should they be carried out)</li> </ul> <p>Based on the comments from the FIPP members, the FIPP chairmanship will prepare a proposal from FIPP on the SDP. The Chair will upload the proposal on Teamwork for comments and decision before it is forwarded to the PSC Steering Committee.</p> <p>The FIPP members also gave comments and input to the draft SDP document provided by the PSC secretariat on the basis of FIPP's discussions at previous meetings and other sources. FIPP also provided some <a href="#">key messages</a>, that FIPP would like to see reflected in the SDP document. The FIPP chair will update the document according to this discussion and submit it to PSC for their consideration.</p>
<b>Agenda 9 – Voting - pending matters - agenda 3.</b>		
ISSAI 200 – Financial Audit Principles	Exposure draft	<p>FIPP voted – on the conditional approval of the exposure draft of ISSAI 200. The exposure draft was unchanged, but the explanatory memorandum had been amended by a subgroup of FIPP members.</p> <p>14 votes for approval, none against</p> <p>The exposure draft was conditionally approved by FIPP on 7 March 2019.</p>

SDP 2.12 INTOSAI P-50 Audit of Jurisdictional Activities of SAIs	Exposure draft	<p>FIPP voted on the conditional approval of the exposure draft of INTOSAI-P 50. The exposure draft and explanatory memorandum had been updated to reflect FIPP's comments.</p> <p>14 for approval, none against</p> <p>The exposure draft was conditionally approved by FIPP on 7 March 2019.</p>
SDP 2.7 - Guidance on Audit of Privatization	Project proposal	<p>FIPP voted on the conditional approval of the project proposal of SDP 2.7 - Privatization. The project proposal had been updated to reflect FIPP's comments.</p> <p>14 for approval, none against</p> <p>The exposure draft was conditionally approved by FIPP on 7 March 2019.</p>
SDP 2.10 - Guidance on audit of Disaster management	Project proposal	<p>FIPP voted on the conditional approval of the project proposal of SDP 2.10. The project proposal had been updated to reflect FIPP's comments.</p> <p>14 for approval, none against</p> <p>The exposure draft was conditionally approved by FIPP on 7 March 2019.</p>
SDP 2.2 GUID 4900 Compliance Audit Guidance	Exposure draft	<p>The project liaison presented a new suggested structure for GUID 4900 in line with the drafting conventions for GUIDs based on the comments from FIPP and some suggestions for a redrafting of the examples provided in the GUID.</p> <p>Furthermore, the other comments from the FIPP members would be communicated to the project group by the project liaison in consultation with the FIPP Chair.</p> <p>FIPP did not vote on the approval of the exposure draft, but decided to vote on the approval through written procedure.</p>
<b>Agenda 10 – Planning the forward work</b>		
Planning future meetings		<p>Next FIPP meetings:</p> <p>Riga, Latvia – 25-28 June 2019</p> <p>Oslo, Norway – 2-6 December 2019</p>
<b>Agenda 11 – Issues for the Goal Chairs meeting</b>		
Agenda GC meeting	For information and feedback	The Chair presented a range of issues that she would take up at her meeting with the Goal Chairs after the 10 <sup>th</sup> FIPP meeting, and the FIPP members gave their input to the meeting.
<b>Agenda 12 – Any other business</b>		
Interpreting the ISSAIs - discussion paper	For discussion	The PSC observer presented the paper and announced that the PSC Chairmanship would welcome any comments in written

		Neil Usher gave some suggestions for how to improve the use of Teamwork by FIPP
<b>Agenda 13 – Concluding the meeting</b>		
Summary of activities		The FIPP Chair thanked the Royal Audit Authority of Bhutan and Tashi Tobgay especially for hosting the meeting.
<b>Meeting ends at 14:00 on Friday 8 March 2019</b>		

**FIPP members present**

Ase-Kristen Hemsén (Chair)  
 Beryl Davis (Mon-Thur)  
 Deepak Anurag  
 Einar Gørrissen (Wed.-Fri)  
 Gerhard Ross  
 Josephine Mukomba  
 Karen Belteton Mohr  
 Kristoffer Blegvad (Vice-Chair)  
 Lionel Vareille (Mon-Thur)  
 Marita Salgrave  
 Robert Cox  
 Stuart Barr (Mon-Thur)  
 Tashi Tobgay  
 Toma Donchev

**PSC Observer**

Rafael Lopes Torres

**Technical Assistants**

Edmond Shoko  
 Frederikke Lillehaug  
 Karma Jambayyang  
 Neil Usher  
 Rasmus Hyll Bruun  
 Shefali Andaleeb  
 Zita Zarina