

Subcommittee on Internal Control Standards of INTOSAI

Terms of Reference

Origins

The Subcommittee on Internal Control Standards of INTOSAI (ICS) was established in 1983 as Committee, which makes it one of the oldest structures of INTOSAI. After the first INTOSAI Strategic Plan was adopted in 2004, the henceforth Subcommittee became part of the Professional Standards Committee. The Subcommittee was initially tasked with preparing guidance for public administration on good governance, and in the first place: internal control. The documents were part of the former framework of INTOSAI pronouncements labelled as INTOSAI GOVs (9100-series). The INTOSAI Framework of Professional Pronouncements (IFPP), adopted by the INTOSAI Congress in 2016, brought with it a focus on standards and guidance for auditors, the previous INTOSAI GOVs are not therefore included.

Objectives

Following the new approach adopted with the IFPP in 2016, the INTOSAI GOVs are to be updated and reformulated as practical guidance for auditors on amongst other things, the audit of internal controls, and cooperation with internal audit functions of auditees. However, the Subcommittee's intention is to also preserve the perspective of public sector administrations, in this way meeting the common goal of contributing to good governance that SAIs and auditees should share, and therefore to meet the expectations of both.

In particular the Subcommittee:

- considers the concepts and principles of internal control in the public sector;
- contributes to a common understanding of internal control concepts and terminology by SAIs;
- promotes the design, implementation, evaluation and audit of internal control in the public sector;
- develops methods and tools for the evaluation and audit of internal control systems;
- provides ways to facilitate cooperation between external audit and internal audit functions;
- creates a forum to share best practices of SAIs regarding internal control and internal audit.

Chairing

The Subcommittee has been chaired by the SAI of the USA (1983–1992), the SAI of Hungary (1992–2001) and the SAI of Belgium (2001–2010). In 2010 the SAI of Poland took over the Chair.

The Chair of the Subcommittee is responsible for maintaining the Secretariat, which provides administrative support to the Subcommittee.

Membership

Membership in the ICS is voluntary and active participation in the works of the Subcommittee, including participation in projects, is welcome and highly desired. The ICS encourages members who are technical experts in internal control, internal audit and risk management. SAIs interested in

joining the Subcommittee should contact the Secretariat. Members may withdraw from membership by notifying the Subcommittee Chair.

The observers of the Subcommittee are the Institute of Internal Auditors, the International Federation of Accountants and the Chartered Institute of Public Finance and Accountancy. The ICS also cooperates at working level with the Value Reporting Foundation.

The Subcommittee is open to cooperation with institutions active in the area of good governance, public interest, internal control, internal audit, risk management, etc., from both the private and public sectors.

Meetings

The ICS aims to hold at least one meeting per year. In the periods between meetings or in the years when meetings cannot be organised, the Subcommittee takes decisions via written procedure, and the ICS Chair consults the Members via electronic correspondence or online conferences. The Secretariat prepares minutes of each meeting, the draft of which it consults with all members. The final minutes are distributed to all members electronically, and posted on the PSC website (in the section dedicated to the Subcommittee).

Projects

Standard setting projects are implemented by the ICS in accordance with the INTOSAI Due Process. Usually project groups (project teams) are created to implement individual projects. Participation in project teams, which are intended to provide a wide representation of views, is voluntary.

Language

The working language of the Subcommittee is English, including meetings and any documents it produces.

Reporting

The ICS reports to the Professional Standards Committee, which includes any elements of particular relevance to the Subcommittee when reporting to the INTOSAI Governing Board and the INTOSAI Congress.

In addition, the Subcommittee Chair may be called upon to report directly to the Governing Board or the Congress specific results or products, including those relating to its standard setting activities.

Funding

All ICS activities are funded by in-kind contributions.