



PSC
INTOSAI Professional Standards Committee

Subcommittee on Internal Control Standards

MINUTES

MEETING of the INTOSAI Subcommittee on Internal Control Standards

24-25 April 2012,
Warsaw, Poland



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Subcommittee on Internal Control Standards

Host:

Supreme Audit office of Poland (NIK), Chair of the Subcommittee

Participants:

Mr Helmut Berger, Court of Audit of Austria
Mr Rainer Pfeffer, Senior Auditor, Court of Audit of Austria
Mr Ignace Desomer, President, Court of Audit of Belgium
Mr Robert Devos, Director, Court of Audit of Belgium
Mr Ahmed Ataul Hakeem, Hon'ble Comptroller and Auditor General of Bangladesh
Mr Md. Nazmul Alam, Director, Office of the Comptroller and Auditor General of Bangladesh
Mr Benjamin Zymler, President, Brazilian Court of Audit
Ms Fernanda Schreiber, Advisor to the President, Brazilian Court of Audit
Mr Edison Almeida, External Control Auditor, Brazilian Court of Audit
Mr Joaquín Muga, Technical analyst, General Controller Office of Chile
Ms Adeline Baldacchino, Deputy Director, Court of Accounts of France
Ms Nana Gvaladze, Audit Supervisor, Chamber of Control of Georgia
Ms Erzsébet Turai, Auditor, State Audit Office of Hungary
Ms Audronė Vaitkevičiūtė, Head of Division, National Audit Office of Lithuania
Mr Patrick Lubach, Audit Manager, Court of Audit of the Netherlands
Mr Jeroen Kerseboom, Audit Manager, Court of Audit of the Netherlands
Mr Ahmed Al Sinawy, State Auditor, State Audit Institution of Oman
Mr Salem Al Shaibani, Audit Controller, State Audit Institution of Oman
Ms Svetlana Mureșan, External public auditor, Court of Accounts of Romania
Mr Vladimir Volkov, Deputy Head of Department, Accounts Chamber of the Russian Federation
Ms Shelmadene Petzer, Senior Technical Specialist, Office of the Auditor-General of South Africa
Ms Tea Enting-Beijering, Deputy Director, Institute of Internal Auditors
Mr Cornelis Klumper, Director of International Audit, Committee of Sponsoring Organizations of the Treadway Commission

REPRESENTATIVES OF THE HOST:

Mr Jacek Jezierski, President of NIK, Chair of the Subcommittee, Chair of the meeting
Mr Mariusz Sujka, Deputy Director of NIK Regional Branch in Gdańsk
Ms Aleksandra Kukuła, Head of the International Relations Unit
Ms Kamila Żyndul, Chief Expert, International Relations Unit
Ms Katarzyna Mazela, Senior Public Audit Expert, Department of Audit Methodology & Professional Development
Ms Anna Olesiewicz, Senior Public Audit Expert, Department of Audit Methodology & Professional Development
Ms Maria Sieklucka, Senior Public Audit Expert, Department of Science, Education & National Heritage
Ms Gabriela Beszlej, Expert, International Relations Unit



DAY 1

The chair of the Subcommittee, President of Supreme Audit Office of Poland (NIK) Mr Jacek Jezierski welcomed all the participants from: Austria, Belgium, Bangladesh, Brazil, Chile, France, Georgia, Hungary, Lithuania, Netherlands, Oman, Romania, Russia, South Africa and the representatives of two organisations that have been cooperating with the Subcommittee on Internal Control Standards (ICS): the Institute of Internal Auditors and COSO.

The chair of the Subcommittee briefed the participants on the decisions taken at the Tasks Coordinators meeting held in November 2011, and on the progress of the action plan tasks implementation, as well as the future plans.

Participants were informed by Mr Jezierski that additions to Annex 1 of INTOSAI GOV 9100 – envisaged as task 1 of the Subcommittee action plan – do not have to undergo the PSC Due Process, which had been confirmed by the PSC Secretariat. As for task 2, which concerns promotion of INTOSAI GOVs 9100-series, the Chair informed the participants on promotion activities taken at two levels: at the level of INTOSAI and at the international forum.

Mr Jezierski also discussed cooperation with COSO. For the first time COSO, represented by Mr Cornelis Klumper, was participating in the Subcommittee meeting. Mr Cornelis Klumper presented the Subcommittee's input in the works on the update of COSO 1992 Internal Control Integrated Framework: the Subcommittee invited members of the PSC Steering Committee to present their opinions on the update, analysed them and forwarded to COSO as an INTOSAI opinion.

Mr Jezierski also informed about the cooperation with the IIA, an observer to the Subcommittee, comprising its membership in the International Internal Audit Standards Board of The IIA (IIASB). Within the cooperation with the IIASB, the Subcommittee participated in the IIA's project on the revision of the internal auditing definition – the IIA's survey on the definition was distributed among INTOSAI PSC members to gather the opinion of INTOSAI on the proposed revision of the definition.

Examples of the audit activities (also called: good practices) as in the model from Annex 1 to the INTOSAI GOV 9100 were presented by Mr M. Sujka from NIK, Mr H. Berger and Mr R. Pfeffer from the SAI of Austria. A strong request was made to other participants to prepare proposals of their SAI's examples. All the participants agreed with Mr M. Sujka, who underlined that promoting INTOSAI standards by sharing good practices and experiences makes the concepts more understandable.

Experiences regarding promotion, monitoring and assessment of internal control implementation in the public sector were submitted by Mr Md. Nazmul Alam from the SAI of Bangladesh, Mr J. Muga from the SAI of Chile, Ms A. Baldacchino from the SAI of France and Mr V. Volkov from the SAI of Russia.



Ms T. Enting-Beijering - the representative of the Institute of Internal Auditors presented the concept of risk management based on ISO 31000. Mr I. Desomer - the President of the SAI of Belgium and Ms S. Mureşan from the SAI of Romania shared their SAI's experience in the field of risk management in the public sector.

Mr H. Berger from the SAI of Austria and Ms A. Olesiewicz from NIK offered the participants the survey of the study of risk management in the public sector (that also forms a part of task 3, which is promoting the INTOSAI GOVs developed by the Subcommittee) with the last version of the questionnaire, which was prepared earlier. However, they received farther comments from the participants, therefore additional time was given to send the final comments and suggestions to the survey and questionnaires via e-mail. Deadline for the final round of comments on the questionnaire was prolonged for two more weeks. Delivering the final version of the survey was therefore planned for the end of May 2012. It was decided by the participants that the questionnaire would be distributed by the ICS Secretariat to all the INTOSAI members.

DAY 2

A representative of the COSO - Mr C. Klumper, presented recent developments of the internal control framework. Afterwards all the participants discussed the impact of the updated COSO framework on INTOSAI and the framework's implementation in practice.

Introduction to the discussion on reporting on internal control was delivered by Ms M. Sieklucka from NIK. Ms A. Vaitkevičiūtė from the SAI of Lithuania and Ms S. Petzer from the SAI of South Africa shared their SAI's experiences in the field of reporting on internal control.

The survey of the internal control in the public sector, that also forms the part of task 3, has been presented by Ms A. Vaitkevičiūtė from the SAI of Lithuania and Ms M. Sieklucka. The procedure concerning the survey was the same as the risk management procedure and it was determined that the questionnaire would cover a wider range of information; such as practice and experience of managing in the public sector, not only in the supreme audit institutions.

Mr J. Kerseboom and Mr P. Lubach, representatives of the SAI of the Netherlands (coordinator of task 5, which is developing the e-platform as a tool for supporting ICS Subcommittee's work and a source of information on internal control) presented an update on the e-platform project and confirmed the intention of managing the accumulated content on the e-platform, and recalled that NIK agreed to host the e-platform for the time of chairing the Subcommittee, if the General Secretariat of INTOSAI will not take it as a permanent commitment. It was agreed that all the meeting documents were going to be published on the e-platform and on the ICS Subcommittee web site.



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Participants were engaged into a discussion on the Subcommittee's next term (years 2014-2017) action plan. The following Proposals for the Subcommittee's next action plan were discussed:

- Developing an INTOSAI GOV of risk management in the public sector
- Developing an INTOSAI GOV of internal control assessment and reporting in the public sector

Developing both of those INTOSAI GOVs will depend on the results of the surveys and questionnaires prepared (to be evaluated this year) - mentioned Mr Sujka.

- Study works on an INTOSAI GOV of good governance in the public sector
- Study works on an INTOSAI GOV of external assessment of internal audit in the public sector

After the last discussion Mr Jezierski summarized and closed the meeting.