
**15th Meeting of the INTOSAI Compliance Audit Subcommittee
9-10 October 2018 Luxembourg**

Minutes

Agenda Item 1: Welcome address by Mr. Mariusz Pomienski, Director of Chamber 5, European Court of Auditors, (Host SAI)

The 15th meeting of the INTOSAI Compliance Audit Subcommittee (CAS) was held in Luxembourg and hosted by the European Court of Auditors (ECA). The meeting commenced with welcome address by Mr. Mariusz Pomienski, Director of Chamber 5, European Court of Auditors. Mr. Mariusz Pomienski, welcomed the participants of 15th meeting of the CAS from Azerbaijan, Brazil, China, European Court of Auditors, France, Georgia, Hungary, India, Norway, Portugal, Qatar, Romania, Saudi Arabia, Slovak Republic, South Africa, Tunisia, AFROSAI-E, IDI and FIPP representative.

Agenda Item 2: Opening remarks and report on activities of CAS since last meeting held in New Delhi from 20-21 February 2017 by Mr. V. Kurian, Chair of CAS Secretariat & Additional Deputy Comptroller and Auditor General, SAI India

Mr. V. Kurian, Chair of CAS Secretariat welcomed the participants of 15th meeting of the CAS and thanked European Court of Auditors for hosting the 15th CAS meeting. Chair, CAS Secretariat informed the members about the activities of CAS since the last meeting held in New Delhi in 2017. Chair, CAS Secretariat gave a brief introduction of the agenda items of the 15th CAS meeting. Chair welcomed State Audit Bureau of Qatar who became member of CAS in August 2018 and also thanked to all the members of the CAS for their unstinted cooperation in meeting the objectives of CAS.

Agenda Item 3: Approval of minutes of the 15th meeting of CAS held in New Delhi, India during 20-21 February 2017

Minutes of the 14th meeting of CAS held in New Delhi, India were considered and adopted.

Agenda Item 4: Presentation by Ms. Ingvild Gulbrandsen, Project Leader, SAI Norway on Project 2.2 of Strategic Development Plan (SDP) of INTOSAI Framework for Professional Pronouncement (IFPP) on ‘Provide Guidance on Compliance Audit’

Ms. Ingvild Gulbrandsen, Project Leader, SAI Norway made a detailed presentation on the progress of Project 2.2 of Strategic Development Plan (SDP) of INTOSAI Framework for

Professional Pronouncement (IFPP) on ‘Provide Guidance on Compliance Audit’ The presentation is attached.

Detailed deliberations were held on the exposure draft on ‘Guidance on authorities to be considered while examining regularity and propriety aspects in compliance audit’. CAS members offered valuable comments and suggestions for the development of exposure draft. During the meeting members decided that there is a need to define the propriety criteria in the present exposure draft and the present exposure draft needs to be revised. Therefore CAS would adopt the following further procedure:

- The exposure draft already circulated requires further changes and the changes will be made by the project team after getting examples from CAS members for the propriety audit practices being followed in their respective SAIs (whether in the form of compliance audit, performance audit or a regularity audit).
- Portion related to mandate of SAIs to carry out propriety audit has to be included in introductory part of the exposure drafts.
- The revised exposure draft would be submitted to FIPP by 12 November 2018 for consideration in their next meeting to be held in November 2018.
- Project team would send a proposal whether the present milestones for exposure period endorsement version and final pronouncement will require changes and what would be the new timeline

Agenda Item 5: Presentation by European Court of Auditors on ‘Annual audit report of the EU budget for 2017’

Mr. Paul Sime, Auditor, European Court of Auditors made a detailed presentation on ‘Annual audit report of the EU budget for 2017’

The presentation is attached.

Agenda Item 6: Presentation and discussion on progress in CAS Project 2.3 of Strategic Development Plan (SDP) of INTOSAI Framework for Professional Pronouncement (IFPP) on ‘Using ISSAIs in accordance with the SAI’s mandate and carrying out combined audits’

Ms. Cristina Breden, Project Leader, SAI Romania made detailed presentation on CAS Project 2.3 of Strategic Development Plan (SDP) of INTOSAI Framework for Professional Pronouncement (IFPP) on ‘Using ISSAIs in accordance with the SAI’s mandate and carrying out combined audits’. The presentation is attached.

Detailed discussions were also held on results on the needs assessment survey. Following decisions were made during the CAS meeting:

- Members will expedite the responses to the needs assessment survey in their respective SAIs.
- Project team will finalise the results of the needs assessment survey. Project team will decide whether there is a need to send a revised project proposal to FIPP or only a report on the results of needs assessment survey.
- Project team will send the report on needs assessment survey with or without the revised project proposal to CAS Secretariat by 5th November 2018 to enable CAS Secretariat to submit to PSC for consideration to FIPP.
- While forwarding the results of needs assessment survey, CAS Secretariat will request FIPP to give guidance whether institutional arrangements (if any) required for coordination with Performance Audit Subcommittee and Financial Audit and Accounts Subcommittee in development of exposure/endorsement drafts.

Agenda Item 7: Projects to be considered for new Strategic Development Plan (SDP) of INTOSAI Framework for Professional Pronouncement (IFPP) 2020-2025.

Mr. V. Kurian, Chair of CAS Secretariat made a detailed presentation on the proposal for projects to be considered for new SDP of IFPP 2020-2025. Chair also briefed about the communications received from Professional Standards Committee (PSC) and Forum for INTOSAI Professional Pronouncements (FIPP) regarding criteria for selection of projects and potential areas of interest.

The presentation is attached.

It was decided that CAS will suggest following topics to PSC for considering in the next SDP:

- Guidance to assess the materiality on qualitative criteria in auditing
- Guidance for data analytics in auditing
- Guidance on assessment of risk of fraud
- Guidance on inconsistency between ISSAI 100, ISSAI 200, ISSAI 300, ISSAI 400 on fundamental principles of audit and ISSAI 4000 on compliance audit standards
- Revision of ISSAI 30/ISSAI 40 on code of ethics

Further, regarding institutional arrangements within CAS for review and comments on proposals for projects pertaining to compliance audit submitted by other working

groups for the review of CAS. It was decided CAS Secretariat would circulate the proposals to members for comments and consolidate the responses received from members.

Day 2: 10th October 2018

Agenda Item 8 (a): Presentation of Country papers by SAI Romania on ‘Compliance audit of public procurement’

Ms. Cristina Breden, SAI Romania made a presentation on ‘Compliance audit of public procurement’

The presentation is attached.

Agenda Item 8 (b): Presentation of country paper by SAI India on ‘Principles adopted in development of a risk analysis framework for compliance audit in SAI India’

Mr. V. Kurian, Chair of CAS Secretariat made a presentation on ‘Principles adopted in development of a risk analysis framework for compliance audit in SAI India’.

The presentation is attached.

Agenda Item 8 (c): Presentation of country paper by SAI Qatar on ‘Audit of contracting arrangements of public services’

Member from State Audit Bureau of Qatar made a detailed presentation on ‘Audit of contracting arrangements of public services’

The presentation is attached.

Agenda Item 9: Amendment of Terms of Reference (ToR) of CAS

Mr. Sachin Kumar, Administrative Officer, CAS Secretariat made presentation on proposed modifications for the ToR of CAS. CAS members agreed to proposed modification and also suggest following further modifications:

- Editorial changes regarding change in the name of the Chair of CAS, due process for the INTOSAI Framework of Professional Pronouncements, etc.
- Increase in the membership from the limit of ‘approximately 15 members’ in the present ToR to ‘approximately 20 members’.
- Include the other means of communication for participation in CAS meetings. These participation will be considered for the quorum of the meeting.

- Adopt the provision of disqualification of membership of CAS; CAS Chair reserves the right to discontinue membership based upon:
 - (a) Non-participation
 - (b) Maximum limit of the size of membership
 - (C) Ensuring appropriate representation of the broader INTOSAI community

The presentation and modified ToR are attached.

Agenda Item 10: Presentation by INTOSAI Development Initiative (IDI) on the activities of IDI with regard to compliance audit

Mr. Shofiqul Islam, Manager, IDI made presentation on IDI-CAS collaboration for supporting ISSAIs implementation.

The presentation is attached.

Agenda Item 11: Presentation by SAI Portugal on the progress of the works of the Forum of Jurisdictional SAIs-Project 2.12 of SDP of IFPP

Ms. Conceição Ventura, Chief Auditor, SAI Portugal made presentation on ‘Fundamental principles of jurisdictional activities of SAIs: The road towards an INTOSAI Pronouncement’

The presentation is attached.

The development of the draft pronouncement was welcomed.

Agenda item 12 : Venue of the next meeting, New Membership and any other item

The Chair informed that SAI Portugal, SAI France and SAI Romania had kindly volunteered to host the next meeting in 2019. However, SAI Russia and SAI South Africa had shown interest in hosting the meeting in 2020.

The Subcommittee acknowledged the offers and approved that the next meeting of CAS will be hosted by SAI Portugal in 2019, SAI Portugal will inform the convenient dates for hosting the next CAS meeting. SAI France and SAI Romania were selected as hosts of subsequent meetings in 2020 and 2021 respectively.

The Chair once again welcomed the State Audit Bureau of Qatar as a new member of CAS.

It was also decided that member SAIs will provide the compliance audit guidelines of their respective SAIs which will be made available on CAS website for ready reference for development CAS projects.

Agenda Item 13: Concluding Session

The meeting concluded with the Chair thanking European Court of Auditors for hosting the meeting and also the participants for their cooperation in making the 15th CAS meeting successful and productive.