



Draft minutes

13th PSC Steering Committee Meeting 26 – 27 May 2016, Copenhagen, Denmark

1. Welcome

The chair of the PSC, Nanna Henning, opened the meeting and extended a warm welcome to the participants and representatives of the PSC's external partners. A special thanks went to Ganga Kapavaru who attended for the first time in her capacity as chair of the Forum for INTOSAI Professional Pronouncements (FIPP)

2. News from the chair

Review of ISSAIs

Nanna Henning referred to the list of ISSAIs/INTOSAI GOVs that are currently being developed, revised or withdrawn (a summary had been circulated to the members prior to the meeting) and noted that ISSAI 1000 might be added to the list of withdrawals, if the proposal by the Financial Audit Subcommittee presented under item 17 was approved by the steering committee.

INTOSAI Statutes

The revision of INTOSAI's statutes is work in progress, and the PSC has been and still is involved in the effort to ensure that the statutes reflect accurately the modus operandi of the organisation. Nanna Schnipper summarised the need for adjustments of the statutes as seen from the perspective of the PSC. Adjustments requested included the acknowledgement of INTOSAI as a standard-setting organisation in the section on the purpose of INTOSAI, mention of the INTOSAI due process, mention of the roles and responsibilities assigned to the Congress and the Governing Board in relation to standard setting and mention of the Forum for INTOSAI Professional Pronouncements, FIPP, (formerly known as the common forum). In addition to these adjustments, the PSC has advocated a clarification of the roles and linkages between the Governing Board, the Finance and Administration Committee, the Goal Chairs and the Secretary General/General Secretariat.

INTOSAI Strategic Plan 2017 to 2022

The work on INTOSAI's third strategic plan, covering the period 2017 to 2022, was started in 2014 under leadership of the GAO. The PSC and many other INTOSAI bodies have been heavily involved in developing the new plan that is now accessible for final commenting on INTOSAI's website. Nanna Schnipper summarised the PSC's input to the plan, which included the following: ensuring that INTOSAI defines itself as a standard-setting organisation in its mission statement, emphasizing the cross-cutting priorities and value circle that bind together the goal chairs of the Knowledge Sharing Committee, the Capacity Building Committee and the PSC, defining the objectives for the work of the PSC in the next six years and, finally, including reference to the common forum, now known as FIPP.

Nanna Schnipper ended her presentation by encouraging the members of the steering committee to provide their comments to the strategic plan by 31 July. A final version of the plan will be elaborated by the strategic task force for presentation and endorsement at INCOSAI in Abu Dhabi.

Monika Gonzalez informed the members of the steering committee that INTOSAI's new strategic plan would include two new features: risk management and performance evaluation. This piece of information was followed up with a question from the goal liaison, Nobuo Azuma, concerning the elaboration of performance indicators.

Bill Keller responded that the goal chairs would be asked to develop performance indicators for inclusion in the INTOSAI strategic plan over the next four to five months. He encouraged the goal chairs to keep the indicators simple and measurable.

Kimi Makwetu drew attention to the work done by the Work Group on Key National Indicators and asked whether there might be any lessons learnt by this group that could serve as inspiration for the goal chairs. Bill Keller said that this possibility would be looked into, but that the work of the group was focused more on measuring progress in society and therefore might not be useful for the goal chairs.

INCOSAI

The two themes chosen for INCOSAI in Abu Dhabi are the UN Sustainable Development Goals and professionalization. SAI New Zealand is chair of the theme on professionalisation and SAI Denmark has been awarded the role of rapporteur for this theme. On the same theme, the PSC has been asked to provide a plenary presentation under the heading *Standard Setting within INTOSAI – the Journey so far*.

Plans for the PSC main committee meeting in Abu Dhabi are still at a preliminary stage, but will include an update on progress made against the recommendations of the paper on the evaluation of INTOSAI's standard setting, including the establishment of FIPP and the plans to revise the ISSAI Framework, a debate on standard setting and a look ahead with the incoming PSC chair and vice chair of the PSC.

Use of voluntary contributions

It was decided in 2014 that the PSC Steering Committee should be responsible for the budget for any available funding allocated for INTOSAI standard setting. Such funds have been made available through voluntary financial contributions from the SAI of Saudi Arabia and the SAI of Norway, designated for the development and maintenance of the ISSAIs. The PSC has spent one third of the funds in connection with the first meeting of FIPP in New York in December 2015, and is proposing that the remaining 14,000 Euro be spent in connection with FIPP's efforts to improve INTOSAI's framework of professional pronouncements in 2016 and 2017. SAI Saudi Arabia and SAI Norway have both received and accepted the PSC's chair proposal for the use of the remaining funds.

The PSC Steering Committee approved the budget proposal presented by the PSC Chair. The available funds will be used by the Forum for INTOSAI Professional Pronouncements (FIPP) in 2016 and 2017 to finalize its proposal on an improved framework for pronouncements and to elaborate and implement the strategic development plan, which will be needed in order to organize the revision of existing ISSAIs and INTOSAI GOVs into the new framework. Costs covered may include editorial or translation tasks, communication or other measures to encourage engagement from INTOSAI's membership and stakeholders as well as expenses in connection with the organisation of meetings. It should be noted that the SAIs that are involved in the work through membership of FIPP have already agreed to cover travel and accommodation costs incurred in connection with FIPP meetings, and therefore such costs cannot be covered by the available funds.

Transfer of chairmanship to the TCU with the ECA as vice chair

The PSC secretariat and chair have been in close contact with the incoming chairmanship since November 2015 and have discussed issues of both a practical and strategic nature. Both parties are confident that the transition in December 2016 will go smoothly.

Goal Liaison

Under this heading, Nanna Henning informed the delegates that it had been decided – in connection with the development of the INTOSAI strategic plan for 2017 to 2022 – that the services of goal liaisons would not be required in the future set-up of INTOSAI. She went on to extend a special thanks to Nobuo Azuma for having so diligently performed the role of goal liaison for the PSC on behalf of the SAI of Japan, for the past almost three years.

3. World Bank presentation

Before giving the floor to Jennifer Thomson, the chair thanked the World Bank for having supported the PSC in its standard-setting activities from the very beginning back in 2005.

Jennifer Thomson's presentation was focused on the importance of effective public-sector auditing and standards as a means to achieving increased credibility for the individual SAI as well as for the respective governments. To put the World Bank's interest in and support for standard setting into perspective, Jennifer Thomson started her presentation by sharing some statistics with the delegates: In 2012 the World Bank received 4,000 audit reports on general programmes, programme specific statements, entity statements and special opinions. Both the quality of audit reports and audit opinions vary considerably. This can be explained by limited or no knowledge of the ISSAIs or the concept of public-sector auditing, and this means that there is still a need for communication and promotion of the ISSAIs.

Jennifer Thomson's presentation is available on www.psc-intosai.org

4. IFAC presentation

James Gunn thanked the organisers of the first meeting of FIPP in New York in December 2015 for the opportunity to contribute and present IFAC's standard-setting processes in more detail. He then proceeded with his presentation on the role of a standard setter and elaborated on the fact that it is not only the responsibility of the standard setter to develop standards; the role also encompasses research, exploration, considering viewpoints of stakeholders, communication and guidance on how the standards should be used. He emphasised, though, that ensuring adoption and implementation of the standards is not the responsibility of the standard setter.

In reply to a subsequent question from Dagomar Lima regarding IFAC's approach to post-implementation, James Gunn said that post-implementation is generally carried out three to five years after the effective date of a standard. In the intermediary period, the members of the standard-setting board will ask themselves and the stakeholders – in a survey – whether the goal they hoped to achieve with the issue or revision of the standard has been achieved.

Nanna Henning thanked James Gunn for sharing his thoughts on the role and responsibilities of standard setters and for highlighting some of the difficult issues that all standard setters are struggling with.

James Gunn's presentation is available on www.psc-intosai.org

5. Goal chairs collaboration

Under this agenda item, Kimi Makwetu summarised the benefits derived from the close collaboration between the goal chairs of the Knowledge Sharing Committee, Capacity Building Committee and the PSC. He was especially pleased with the momentum of establishing FIPP and its achievements so far

in producing a proposal for a revised ISSAI Framework. Kimi Makwetu went on to express great appreciation of the input provided by the incoming chair and vice chair concerning both FIPP and the revision of the due process, and he thanked the goal chairs of the Knowledge Sharing Committee and the PSC for their commitment to the collaboration. He concluded by stating that the need for close collaboration among the goal chairs was not expected to diminish over the next years, and that he was looking forward to the collaboration with the incoming chair and vice chair.

Rafael Lopes Torres congratulated the goal chairs with the success of the close collaboration and confirmed SAI Brazil's commitment to continue to working closely with the two other goal chairs.

6. Status on improving INTOSAI's standard-setting processes 2013 to 2016

The purpose of this agenda item was to bring all the delegates up to speed on developments in INTOSAI's standard-setting activities.

Kristoffer Blegvad started by reminding the steering committee members that the task of improving INTOSAI's standard-setting processes was in fact given to the PSC in INTOSAI's very first strategic plan that covered the period 2005 to 2010. In this plan, it was stated that INTOSAI - under Goal 1 - was to provide an up-to-date framework of professional standards that would be relevant to the needs of its members. And it was for that exact purpose that the Professional Standards Committee was established.

Kristoffer Blegvad went on to summarise the development that INTOSAI's standard setting had undergone in the past 12 years. He highlighted the milestones achieved over the past almost twelve years, starting with the introduction of the ISSAI Framework of Professional Standards in 2007, the adoption of the first comprehensive set of guidelines in the ISSAI Framework in 2010 along with the South Africa Declaration, the first Due Process for INTOSAI Professional Standards and the ISSAI Roll-out Plan. Another key decision made at INCOSAI in 2010, was the agreement to seek to provide the much needed consistency of the ISSAI Framework and common language of high-quality, public-sector auditing by revising and developing the Fundamental Auditing Principles on level 3 in the framework.

By 2013, INTOSAI's standard setting had reached a crossroads; increased pressure from both stakeholders and users transformed INTOSAI's ambition of providing a framework of professional standards into an ambition of becoming a professional standard setter. The need for clarity, consistency, quality assurance and prioritization of work across the three goals was becoming increasingly evident. In respect to the quality of the ISSAIs and INTOSAI GOVs, the issue was not the quality of the products produced by the individual working groups or subcommittees, but the lack of coherence between the work done by the individual standard-development teams.

In order to address these challenges and strengthen INTOSAI's standard setting, it was decided to establish a forum of technical experts: Forum for INTOSAI Professional Pronouncements (FIPP). This forum of 15 people has been put together with a view to ensuring that its membership reflects the different audit types, different types of public-audit organisations and the regions of INTOSAI in a balanced manner. FIPP will act as the guardian of the framework with responsibility for assessing and approving professional pronouncements and developing the framework. The governance of FIPP will rest with the PSC Steering Committee, but the importance of the close collaboration between the goal chairs, as referred to by Kimi Makwetu under item 5, should not be underestimated. The goal chairs will, for instance, be responsible for organising the annual open calls for nominations for FIPP and for ensuring effective division of tasks between themselves to minimise overlap. The governance of FIPP has

been agreed upon by the chairs of the Knowledge Sharing Committee, the Capacity Building Committee and the PSC and is defined in a governance paper that was distributed to the members of the steering committee after the meeting.

Linda le Roux asked how it could be ensured that FIPP would receive feedback from stakeholders and users on the usefulness of the standards, and Monika Gonzalez expressed concern about the order of approval of INTOSAI's professional pronouncements. Kristoffer Blegvad informed Linda le Roux that the need for establishing better monitoring and feed-back mechanisms had been discussed for many years in the PSC, but developing standards had been the number-one priority and consumed all resources. It was, however, a well-recognized need that should be addressed in the near future. In response to the comment made by Monika Gonzalez, Kristoffer Blegvad referred to the presentation of the revised due process document (under item 7) from which it appears that the Governing Board and INCOSAI are still to approve all ISSAIs.

7. Revised due process for INTOSAI's framework of professional standards

Nanna Henning introduced this item by thanking the members of the steering committee for their support during the process of revising the due process document. She continued to say that ensuring that the needs of the many different parties in INTOSAI that will be affected by the due process were appropriately reflected in the document, had been a protracted and difficult task, but she believed that the right balance had now been struck.

Kristoffer Blegvad took the steering committee members through the consultation process from version 1.0 of the due process to the present version 3.0. Following the approval of the first revised version of the document by the PSC Steering Committee last year, the document was presented to and discussed with the Knowledge Sharing Committee and the Capacity Building Committee and last, it was circulated to all members of INTOSAI and to the Finance and Administration for commenting. This consultation resulted in the version that was forwarded to the members of the steering committee prior to the meeting.

The three main changes emerging from the consultation in the INTOSAI community were as follows: the introduction of a strategic development plan that will give FIPP as well as the PSC Steering Committee opportunity to consider the viability of project proposals and prioritise tasks, Governing Board endorsement of appointments to FIPP, and – in the section on the “Classification principles” – reference to the possibility of introducing a lighter due process for pronouncements that fall outside the category of standards.

Since version 3.0 of the revised document, which was included in the meeting package, the incoming PSC chair has provided important input to the document, which has resulted in clarifications regarding the governance of FIPP (section 1.1, paragraph five), decisions on the strategic development plan (section 1.1. paragraph seven) and directions on the organisation of projects (section 2.1, Stage 1, paragraph 3). Kristoffer Blegvad emphasised that the members of the steering committee would be asked to approve the revised due process document with these changes.

The presentation of the amendments made to the document after the consultation period was followed by a discussion on various aspects and consequences relating to the due process. This touched upon a variety of issues, ranging from an invitation to re-consider the name of FIPP, expression of concern regarding the potential difficulties of translating the term “pronouncements” into the other INTOSAI

languages, prioritisation of tasks in the strategic development plan, to specification of the roles and responsibilities of the working groups and subcommittees in the new set-up with FIPP.

Sylvia Caldas informed the committee members that the incoming chair in connection with a planned updating of the PSC Terms of Reference will address and resolve some of the issues raised during the discussion.

Nanna Henning closed this item by asking the committee members to approve the revised version of the Due Process for INTOSAI's Framework of Professional Pronouncements – including the adjustments proposed by the incoming chair after the consultation period - in accordance with the PSC Terms of Reference.

The members approved that the revised due process document can be forwarded to the Governing Board for approval and subsequent endorsement at INCOSAI.

8. FIPP Terms of Reference (ToR)

In connection with the call for nomination of candidates for FIPP in the spring of 2015, a preliminary draft ToR was prepared by the three goal chairs to assist the SAIs in their deliberations to participate in the forum.

Nanna Schnipper provided a brief update of the process that the ToR had been through since then, starting with the adjustments proposed by the Finance and Administration Committee in May 2015 and ending with FIPP's review of the ToR in February 2016, and the decision that the current version of the document should be presented to the Governing Board in 2016 and be re-visited by FIPP when the forum has become more established. Relevant adjustments suggested by the delegates at the meeting will be incorporated in due time.

9. Rotation system for FIPP

As a supplement to the FIPP ToR, the goal chairs have prepared a "FIPP Rotation Policy" paper that, on a more detailed level, describes how members of FIPP will be appointed and rotated. This paper was presented to the committee members for information by Nanna Schnipper.

Members of FIPP will be appointed for three-year terms with the opportunity to be re-appointed twice, meaning that they may serve for nine years in total. Ideally, maximum one third of the members will rotate every year, which will ensure a reasonable balance between continuity and the need to bring energy and fresh ideas to FIPP.

10. Presentation of FIPP's proposal for revising the ISSAI Framework

Before giving the floor to the chair of FIPP, Ganga Kaparavapu, Nanna Henning provided a brief summary of the background for establishing FIPP, and informed the committee members that the purpose of this agenda item would be two-fold: a discussion of the proposed outline of the future ISSAI framework and a discussion of the practical implementation of the proposed changes in INTOSAI.

Ganga Kaparavapu started by thanking the goal chairs for having brought the forum together. She also thanked the many people that had supported FIPP since its first meeting in New York last year, and expressed her appreciation of the valuable input provided by the committee members during the consultation period. She then summed up the task given to FIPP for 2016: consider and propose how the ISSAI Framework can be further developed by providing a clearer distinction between standards and

other documents in the ISSAI Framework, and by providing clearer directions on the format and quality requirements for each category of documents.

Neil Usher continued the presentation with a brief summary of the weaknesses of the current ISSAI Framework followed by a presentation of the key reasons for changing it: ISSAI 100 should have a prominent, central position, greater clarity on what is compulsory and what is guidance, more clarity about the addressees of the pronouncements, identify and fill possible gaps. He then presented a diagram of the proposed revised framework which has been named INTOSAI Framework for Professional Pronouncements (IFPP), highlighting the following features of FIPP's proposal: it provides clear distinction between compulsory requirements and guidance, it clarifies the overarching and central role of ISSAI 100, it provides an opportunity for alignment of the pronouncements on guidance level with the fundamental principles (cf. section 3 of the paper provided by FIPP). Neil Usher emphasised that the proposal should be viewed as a work-in-progress, which in its final version would include also a set of classification principles with a numbering system as well as drafting conventions (cf. section 4 of the paper). Neil Usher concluded his part of FIPP's presentation with an outline of the work that needs to be done in connection with the migration process, including review and update of certain sections on level 4 in the current framework and determining the future of INTOSAI GOVs. A final plan for the migration process will be developed by FIPP in the next months (cf. section 5 of the paper).

Ganga Kapavarapu then informed the committee members of the next steps of the process, which will include elaboration of the strategic development plan referred to in the due process document, a third meeting of FIPP in 2016, a consultation on FIPP's proposal in the INTOSAI community, consultations with the three goal chairs and finally presentation of a further refined proposal to the Governing Board in Abu Dhabi.

FIPP's proposal for a revised framework was generally well received by the committee members, who expressed their appreciation of the progress made so far and of the decision to give ISSAI 100 a prominent and central position in the framework. Jennifer Thomson welcomed the proposal, which she considered a step in the right direction. She suggested that the proposed division of ISSAIs into ISSAI-A and ISSAI-C should perhaps be reconsidered. Users might, quite naturally, be looking for the missing ISSAI-B. In relation to the comment concerning the central role of ISSAI 100, Ingvild Gulbrandsen mentioned the importance of addressing any shortcomings identified in the level 3 documents in connection with the revision of documents on level 4. As an example, she mentioned sections 23 and 32 in ISSAI 100, which had been the cause of considerable discussion in the working group. The subsequent discussion of the proposal was focused on the migration process; the need to communicate with all relevant working groups and subcommittees in due time on their plans for the coming and next years, and the currently unresolved future position of the INTOSAI GOVs. Several committee members expressed their support of keeping a place for the INTOSAI GOVs in the framework. In respect to the latter, Pawel Banas reiterated the urgent need for clarification and guidelines on how the Subcommittee on Internal Control Standards should work in the transition period, since the work of revising several INTOSAI GOVs was started already last year and is now well advanced.

A comment made by Alexandra Popovic that a more conceptual discussion of the INTOSAI GOVs was yet to be had in FIPP, was supplemented by Nanna Henning, who said that the committee members would be asked to approve the principles underlying the proposed revised framework as a basis for the continued work - not the revised framework per se. There would therefore be ample time for further consideration of specific issues.

Nanna Henning thanked the committee members for their comments and said the discussion had demonstrated very clearly the difficulty of the task given to FIPP. She continued to say that the immediate next step would be to inform the working groups and subcommittees of the implications of the proposed revision and advise them not to make too specific plans for developing new ISSAIs at this stage of the process. The PSC will aim for a decision on the principles for revising the framework at INCOSAI in Abu Dhabi on the basis of a revised and more lucid version of the proposal that was presented to the committee members, with more emphasis on the diagrams of the current and proposed ISSAI Framework. The goal chairs had consulted on these next steps and a proposal in that regard had been provided to the members of the committee for consideration prior to the meeting.

The PSC Steering Committee approved that FIPP's proposal - with due consideration to the above comments - can serve as a basis for the continued work to revise the framework of ISSAIs and INTOSAI GOVs and provided the following directions:

1. In collaboration with the PSC chair, FIPP will invite comments by INTOSAI members and stakeholders on the outline of the new framework. The steering committee – including the chairs of the CBC and KSC - will approve the final proposal through a written procedure prior to the Governing Board meeting so a principal decision on the outline of the new framework can be presented for endorsement in connection with INCOSAI in 2016.

2. FIPP will continue the efforts described in sections 4 and 5 with the aim of developing these sections into a proposal for a strategic development plan for the framework. The plan should include a revised set of classification principles and should as far as possible reflect all individual projects in the years 2017 to 2019. The elaboration of the plan should be advanced as far as it is achievable by INCOSAI 2016 in order to provide the best possible starting point for all subcommittees and working groups from 2017. During 2017-2019 the plan may be updated and further elaborated as needed in light of the experience gained and progress achieved. The ambition is that the transition to a new framework is completed and all necessary revisions are carried through by INCOSAI 2019.

3. The chairs of the PSC, CBC and KSC will inform their respective subcommittees and working groups and encourage input on envisaged projects for the purpose of the strategic development plan for the framework. The PSC Steering Committee will consider future projects to develop, revise or withdraw pronouncements in connection with the strategic development plan and will therefore not need to approve work plans of the individual PSC subcommittees. FIPP is encouraged to provide drafting guidelines for each category of pronouncements as early as possible in 2017 and to draw on assistance from subcommittees and working groups in order to review existing documents and assess the need for revisions.

4. www.issai.org will for each ISSAI or INTOSAI GOV provide information on the planned new category (for example INTOSAI-P, ISSAI-A or GUID) and document number. The information will be posted when the strategic development plan for the framework of pronouncements has been agreed upon by the PSC Steering Committee and will remain on the website until the changes to the documents have been implemented, as provided for by the due process.

11. Business of subcommittees

Internal Control Standards Subcommittee

Five INTOSAI GOVs are due for updating: INTOSAI GOVs 9100, 9110, 9130, 9140 and 9150.

Pawel Banas informed the committee members that the subcommittee's general approach to updating the INTOSAI GOVs is guided by the ambition to enhance the positive influence of public institutions and make the INTOSAI GOVs more useful, shorter and more to the point.

What should be expected from the INTOSAI GOVs has been discussed intensely with the stakeholders as well as with other SAs, and adding information on best practice relating to public administration is one of the ideas that emerged from these discussions.

The SAs of The Netherlands and Belgium have for the past year worked on INTOSAI GOVs 9140 and 9150 and have concluded – on the basis of the survey conducted among the INTOSAI community and with the support of the subcommittee – that these two documents should be merged into one. The subcommittee is also considering various other ideas that might enhance the usefulness of the INTOSAI GOVs: lists of benefits of internal audit, lists of available guidance for audit committees, addressing the challenges facing small entities in terms of having an internal audit function, how to tackle conflicts of interest.

The subcommittee will temporarily postpone the works on the revision of INTOSAI GOVs 9140 and 9150, as well as the works related to reviews and revisions of other INTOSAI GOVs under the subcommittee's responsibility, due to the works on the new framework of INTOSAI framework of professional standards, where the new position of INTOSAI GOV and the resulting new role of subcommittee will be defined.

Financial Audit Subcommittee

Daniel Boutin presented a proposal by the Financial Audit Subcommittee and the Accounting and Reporting Subcommittee to merge the two groups with the objective of facilitating effective communication on issues of common interest such as:

- Effectively analysing the appropriateness of accounting frameworks (ISA pre-condition)
- Effectively monitoring significant developments in audit reporting and analysing the implications for accountants and auditors
- Effectively monitoring significant developments in financial reporting and analysing the implications for accountants and auditors

The memberships of both subcommittees have confirmed their approval of the proposed merger. If the merger is approved by the PSC Steering Committee, the new subcommittee will be named Financial Audit and Accounting Subcommittee (FAAS). SAI UAE will chair FAAS and maintain the secretariat.

The representatives of the current members of both subcommittees (Canada, UAE, USA, New Zealand, Sweden and France) will also initially join FAAS, but the chair of FAAS will consider reviewing and revising the FAAS membership after the merger is complete to ensure that the total number of members is appropriate to allow the new merged subcommittee to operate effectively.

Roadmap for sustainable and effective ISSAI implementation

Daniel Boutin and Neil Usher reported on progress made in respect to the roadmap project that was presented at last years' meeting in Ottawa. On that occasion, the members of the steering committee approved that a consultation exercise could be conducted in relation to the development of the roadmap and that the Financial Audit Subcommittee should present the outcome of the consultation exercise to the PSC chairmanship, which would subsequently decide who should chair the project.

Since last year, the Financial Audit Subcommittee has clarified that it is not the intention to provide content for the ISSAI Framework. The discussion at the meeting clarified that the paper now presented should not be seen as a project proposal in the due process sense of the word, but that it should serve as the basis for the before-mentioned consultation exercise with other parties, as decided in 2015.

FAS will now consult with the other subcommittees and the IDI in order to develop a paper that can be presented by the PSC Chair to the other goal chairs. When the purpose of the roadmap initiative has been sufficiently clarified, it will be for the goal chairs to consider whether the initiative is best treated as a standard-setting issue (goal 1), a capacity-building issue (goal 2) or a knowledge-sharing issue (goal 3).

The PSC Steering Committee approved the proposal to merge the Financial Audit Subcommittee and the Accounting and Reporting Subcommittee.

12. Presentation by the IDI

Archana Shirsat provided an update on the status of the 3i-programme phase I: auditors from 139 SAIs have attended the programme since it was launched in 2012. 254 participants from English-speaking regions and OLACEFS have become certified ISSAI facilitators and certified mentors in the period 2012-2015, and 178 participants from ARABOSAI and CREFIAF are expected to complete the programme in 2016. Phase II of the programme has been developed on the basis of an evaluation of phase I, but will be directed at the SAI level rather than at the individual auditor.

The IDI presentation is available on www.psc-intosai.org

13. Presentation by The IIA

Gerry Cox started by giving the delegates a brief update on the activities of The IIA and then proceeded to present The IIA's efforts to revise its International Professional Practices Framework. His presentation was followed by a couple of questions from the committee members concerning The IIA's future engagement in INTOSAI activities (may be expanded) and whether The IIA' also issues standards on public-sector internal audit (only supplemental guidance). Jacek Jezierski took the opportunity to thank The IIA for its assistance and valuable input in connection with the revision of ISSAI 30.

Gerry Cox's presentation is available on www.psc-intosai.org.

14. Presentation by INTOSAI's General Secretariat

Monika Gonzalez presented an update on the activities of the INTOSAI General Secretariat which included the following highlights: a summary of INTOSAI's close collaboration with the UN on the SDGs, an update on the organisation of the XXII INCOSAI, which this year does not include the preparation of country papers, and the activities pursued by the Knowledge Sharing Committee and the IDI to develop a comprehensive programme on auditing the implementation of the SDGs. She also took the committee members through some of the proposed changes to the INTOSAI statutes – among these a proposal to allocate a portion of the INTOSAI budget to the four strategic goals – and ended her presentation with an update on the peer-review project on independence initiated by the Austrian Court of Audit, in its capacity as General Secretariat of INTOSAI, and the Austrian Development Agency.

Monika Gonzalez's report is available on www.psc-intosai.org

15. Progress in development of a competency framework

Jan van Schalkwyk delivered an update on progress made in developing a competency framework for public-sector auditors as a first step towards an INTOSAI certification programme for auditors. The task group responsible for this activity was established in 2014 and is under leadership of the Capacity Building Committee in collaboration with the IDI and other relevant bodies in INTOSAI.

16. Presentation of endorsement version of revised ISSAI 30

Jacek Jezierski started his presentation with a summary of the revision process that was started in 2013, when the maintenance review schedule prescribed that a review of ISSAI 30 was due. An initial assessment and project proposal was elaborated by the review team and presented for approval at the PSC Steering Committee meeting in Bahrain in 2014. Key areas in need of revision identified during the review were a shift from the perspective of the individual auditor to the perspective of the SAI, the importance of ethical culture and principles, review of the fundamental principles and core values, ethics management and control, consistency with other ISSAIs, language and clarity of the document.

Jacek Jezierski went on to appreciate the involvement of the members of the ISSAI 30 Revision Team, with special thanks addressed to the representative of the International Ethics Standards Board for Accountants who greatly contributed to the works related to the update of ISSAI 30. He continued to present the structure of the revised document and statistics on comments received during the exposure period: 296 comments submitted by 32 SAIs/organisations – 23 SAIs fully supported the document and had not comments.

A couple of SAIs, among them the SAI of Sweden, had during the consultation expressed concern that “confidentiality” was included as a value in the revised Code of Ethics, since it could be unclear how this relates to transparency, which is a core value for SAIs. This comment was supported by several other delegates. Several committee members raised clarifying questions regarding interpretation of specific paragraphs and whether the project group had considered developing implementation guidance. Jacek Jezierski concluded his presentation by thanking the committee members for their comments. He emphasised that the project group had had very detailed deliberations on every part of the document and many considerations along the way. He agreed that the fifth core value should be named confidentiality and transparency, and accepted the chair’s proposal to ask the steering committee members to approve the document with this adjustment.

The PSC Steering Committee approved that the comments provided in the exposure process were appropriately reflected in the endorsement version of the document, and that the endorsement version of ISSAI 30 could be forwarded to the INTOSAI Governing Board with the assurance that the due process had been followed.

17. Revised/new Practice Notes, proposal to withdraw ISSAI 1000, revised ISSAI 200

Practice Notes

Daniel Boutin presented a number of revised/new Practice Notes for approval by the steering committee. They were all approved without any further comments.

Withdrawal of ISSAI 1000

Next, Daniel Boutin informed the committee of FAS’s plans to withdraw ISSAI 1000, since most of the content is already included in other documents or no longer relevant. A few sections of the document will, however, be retained and included in other ISSAI documents.

Revision of ISSAI 200

This item was put on the agenda by the secretariat of the FAS Chair with the acceptance of the PSC Chair. However, the meeting clarified that the item was not sufficiently prepared to be tabled and it was therefore withdrawn from the agenda by the PSC Chair.

The PSC Steering Committee approved the new/revised Practice Notes (a list of which can be found on www.psc-intosai.org).

The PSC Steering Committee approved the proposal to withdraw ISSAI 1000. A project proposal, elaborated by FAAS, to withdraw the document will be posted on issai.org for commenting by the INTOSAI community in the near future.

18. Presentation of endorsement versions of revised ISSAI 3000, 3100, 3200 and appendix to ISSAI 3100

Dagomar Lima presented the three revised performance audit documents: ISSAI 3000, 3100 and 3200 and the appendix to ISSAI 3100. ISSAI 3000 is the authoritative standard and ISSAIs 3100 and 3200 contain supplementary guidance. During the exposure period, the Performance Audit Subcommittee had received more than 1,000 comments to the three documents. The three documents are now fully aligned with ISSAI 100 and ISSAI 300.

Neil Usher said that the way in which the new ISSAIs on performance audit was structured was an example of the clarity that FIPP was seeking to achieve with the revised ISSAI Framework. The PSC committee members expressed their appreciation of the work done by the subcommittee and congratulated the subcommittee chair on having developed three excellent documents.

The PSC Steering Committee approved that the comments provided in the exposure process were appropriately reflected in the endorsement versions of ISSAI 3000, 3100 and 3200, and that the documents could be forwarded to the INTOSAI Governing Board with the assurance that the due process had been followed.

19. Presentation of endorsement version of revised ISSAI 4000

Ingvild Gulbrandsen presented the revised version of ISSAI 4000. The Compliance Audit Subcommittee had early on in the revision process decided to merge the current three ISSAIs on compliance audit into just one, which should address also the aspects of the work performed by court of accounts. 26 SAIs had provided comments to the document during the exposure period, requesting more detailed explanations of, for instance, the distinction between limited and reasonable assurance, and attestation and direct engagements.

Alexandra Popovic expressed support of the new ISSAI 4000, but mentioned also that there was still a need to address propriety and materiality more extensively. Beryl Davis congratulated the group on a job well done. Linda le Roux had a couple of very specific comments concerning requirements in relation to direct reporting, and others had comments of a more editorial nature. The chair suggested that Ingvild Gulbrandsen and representatives from CAS (Linda le Roux, Dagomar Lima and Juan Javier Perez-Saavedra) should resolve these during a break and return with a final version of ISSAI 4000 for approval by the steering committee members. After the break, Ingvild Gulbrandsen went through the minor corrections made to the document, which were all accepted by the committee members. and Linda le Roux should resolve these during a break and return with a final version of ISSAI 4000 for

approval by the steering committee members. After the break, Ingvild Gulbrandsen went through the minor corrections made to the document, which were all accepted by the committee members.

The PSC Steering Committee approved that the comments provided in the exposure process were appropriately reflected in the endorsement version of ISSAI 4000, and that the document could be forwarded to the INTOSAI Governing Board with the assurance that the due process had been followed.

20. PSC draft mandate for 2017 to 2019 and draft work plan

Rafael Torres introduced this agenda item by reading aloud a message from Aroldo Cedraz, President of the Brazilian Court of Audit.

The message in full can be found on www.psc-intosai.org

He then presented the draft proposal for the PSC's mandate for the next mandate period, which had been elaborated on the basis of the objectives defined for Goal 1 in the current version of the draft INTOSAI strategic plan 2017-2022. Issues to be addressed by the PSC fall under the following five headings: 1. Provide for a strong organizational structure to support the standard-setting process. 2. Offer strategic guidance and overall coordination of the standard-setting process. 3. Consolidate the Standards Framework. 4. Support capacity development initiatives for the Implementation of INTOSAI Standards. 5. Monitor the implementation and adoption of the standards.

Rafael Torres emphasised that an updated version of the mandate would be prepared for approval at the PSC Steering Committee meeting in 2017 that would take into consideration comments provided by the committee members during the meeting or after, any decisions of relevance made at INCOSAI and the final version of the INTOSAI Strategic Plan.

Neil Usher presented the draft work plan for the incoming chair and vice chair, highlighting that the revised due process and the establishment of FIPP would have a major impact on the PSC Terms of Reference, which he hoped would be available in an updated version for approval by the Governing Board in 2017. He also touched upon the establishment of a separate advisory group and the more long-term considerations concerning a permanent support function that would primarily provide technical support, and secondly administrative support.

Rafael Torres finished the presentation from the incoming chair and vice chair with a peek into the future, which in addition to the activities aiming to support consolidation of the ISSAI Framework, support the development of education/competence standards and support the implementation of INTOSAI's standards will also include plans for the development of a glossary of terms (building on the work of the SAI of Mexico, but centred around the terminology of the level 3 ISSAIs) and additional guidance on translation of INTOSAI pronouncements.

Questions from the committee members concerned mainly the incoming chair's plans to involve the regions (suggestion to mention the collaboration with the regions explicitly in the mandate text), the composition of the separate advisory board and the establishment of a support function (planned to be primarily providing technical support to the standard-setting process).

Rafael Torres ended the presentations by the incoming chair and vice chair with an invitation to the committee members to contact the TCU and the ECA with any comments or input they might have to the mandate, work plan or other subjects of mutual interest.

21. Miscellaneous

Under this agenda item, Rafael Torres informed the committee members that the TCU as incoming chair would host next year's steering committee meeting. The exact dates had not been fixed yet, but the meeting would be scheduled for May, taking into consideration the dates set for the GALF meeting (17 to 19 May 2017) and the EUROSAT Congress (22 to 25 May 2017).

Nanna Henning closed the meeting and thanked the committee members for their active engagement and valid input.

29 June 2016