

Progress Report to PSC Steering Committee
INTOSAI PSC Subcommittee on Internal Control Standards
22-24 June 2011, Wellington

Takeover of the Subcommittee Chairmanship

In the first half of 2011, the Subcommittee's activities focused on a smooth takeover of the chairmanship by the SAI of Poland (new Chair since the 20th INTOSAI Congress) from the SAI of Belgium (former Chair). In February 2011, a bilateral meeting was held in Warsaw between the former and the new Chairs, during which the rules and organisation of the Subcommittee Chairmanship were discussed. The meeting was also concerned with the scope and expected results of the Subcommittee's planned activities.

Action Plan for 2010-2013

As a result of the meeting with the SAI of Belgium, the new Subcommittee Chair elaborated a draft Action Plan (March 2011), defining the ways and schedule of the implementation of individual tasks of the Plan. The draft was sent to Subcommittee Member SAIs and the Institute of Internal Auditors (IIA) for comment. By mid-May, Subcommittee Members sent their comments which were later analysed, and used to amend the Plan accordingly. As a result, the final version of the Action Plan was developed. Moreover, coordinators for the implementation of individual tasks of the Action Plan were appointed, on a voluntary basis.

Tasks to be implemented

For the years 2010-2013, the following tasks were set:

- Work out examples of internal control measures, for all internal control objectives (effectiveness, efficiency, ethical standards, compliance with laws and regulations, etc.) and all control components (control environment, risk assessment, control activities, information and communication, monitoring).
- Actively promote the integration of the INTOSAI GOV internal control and risk management conceptualization into the ISSAIs, notably on financial audit, performance audit, compliance audit.

- Integrate the Guidelines and the Further Information on risk management. It is preferable to have one single document with risk management as the main concept and internal control regarded as a part of it.
- Prepare a paper concerning reporting on internal control (for example as “in control statements”). A survey could be conducted on that subject in order to establish the extent to which internal control reporting exists, under what forms and what the underlying frames of reference are.
- Monitor and analyze the use of the e-platform both in terms of its utility value and content of the information (trends, topics for future work plans, targeted requests for further information, etc.).

Achievements with regard to the implementation of the Action Plan for 2010-2013

Within activities aimed to develop the Subcommittee e-platform, a report elaborated by the OECD entitled *Internal Control and Internal Audit: Ensuring Public Sector Integrity and Accountability* can be accessed by all Subcommittee Members, as well as the methodology applied in the survey on which the report was based.

Via the e-platform, Subcommittee Members can also access a survey analysis released by the IFAC Professional Accountants in Business (PAIB) Committee entitled *Global Survey on Risk Management and Internal Control – Results, Analysis, and Proposed Next Steps*, which can be potentially used in the works for the implementation of Task 3.

Other activities in the international arena

In April 2011, the Chair of the Subcommittee participated in a seminar organised by the OECD in Paris. The seminar was dedicated to the challenges faced by Internal Audit in contributing to mitigation of fraud and corruption risks in the public sector. Participation in the seminar was an opportunity to promote INTOSAI and the Internal Control Standards Subcommittee’s achievements to date.

Other activities at the national level

The SAI of Poland, as a new member of the Subcommittee on Internal Control Standards and simultaneously the Subcommittee’s Chair, has prepared a translation of INTOSAI GOVs into the Polish language. As a good practice, it is planned to disseminate and promote the application of INTOSAI GOVs among public sector managers in Poland.