



ISSAI 100

Fundamental Principles of Public Sector Auditing for Supreme Audit Institutions

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Purpose of the harmonisation project

- Overall objective: revise the text of ISSAIs 100-400 and develop the ISSAIs into a more coherent set of standards
- 4 goals:
 - A. Revise the ISSAI 100-999 Fundamental Auditing Principles on level 3
 - B. Make limited editorial changes in ISSAIs 10-99 on level 2 and improve consistency between the level 1 & 2
 - C. Ensure alignment with the ISSAI 1000-4999 Implementation Guidelines
 - D. Consider alignment between the ISSAI 5000-5999 Specific Guidelines and ISSAI 100-4999



Where are we?

- Goal A is in the process of finalisation
 - Draft ISSAI 100 was discussed in Washington (2011) and Copenhagen (2012)
 - Takes into account written comments from PSC SC
 - ISSAI 100 & 300 adopted for exposure by PSC SC from September 2012 to February 2013
 - Final drafts of ISSAI 200 & 400 still to be approved by FAS and CAS
- Goals B, C and D...

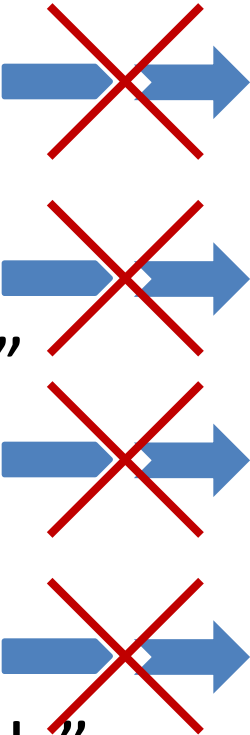


Structure of level 3

Old standards



New Fundamental Principles

- ISSAI 100
“Basic principles”
 - ISSAI 200
“General standards”
 - ISSAI 300
“Field standards”
 - ISSAI 400
“Reporting standards”
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- ISSAI 100
“...Public Sector Auditing”
 - ISSAI 200
“...Financial Audit”
 - ISSAI 300
“... Performance Auditing”
 - ISSAI 400
“... Compliance Audit”



ISSAI 100 - Structure

- Structure agreed upon by project group in Copenhagen in May 2012
- ISSAIs 200-400 should aim at following a similar structure
- Introduction
- Purpose and authority of the ISSAIs
- Framework for public sector auditing
 - Mandate
 - Accountability, transparency, governance and performance
 - Organisational requirements relating to quality control and ethics
 - Objective
 - Confidence and assurance in public sector auditing
 - Types of public sector auditing
- Elements of public sector auditing
 - The practitioner / auditor
 - Responsible party
 - Intended users
 - Underlying subject matter and subject matter information
 - Suitable criteria
- Principles to be applied in conducting an audit
 - General principles
 - Principles related to the audit process
 - Activities related to planning the audit
 - Activities related to performing the audit
 - Activities related to evaluating audit evidence, concluding and reporting
- Making reference to the ISSAIs



ISSAI 100 – Highlights(1)

- ***Introduction***
 - the principles contained in ISSAIs 200-400 should be applied ***in conjunction*** with those presented in ISSAI 100
- ***Purpose and authority of the ISSAIs***
 - difference between levels 1 and 2 which apply to the SAIs as institutions and 3 and 4 which apply to the auditor
- ***Framework for public sector auditing***
 - recognition of the differences in the perception of what auditing is, which depends on mandate, strategic decisions or organisation
 - reminder of the most important organisational requirements for the SAIs: ethics and quality control
 - objective of auditing and public sector auditing



ISSAI 100 – Highlights(2)

- ***Confidence and assurance in public sector auditing***
 - a sub-group consisting of PAS, FAS and CAS representatives was formed to write this section
 - recognises that assurance or confidence can be presented in different forms, not exclusively in an opinion
- ***The elements and the principles to be applied***
 - common issues for the three audit types:
 - elements relating to a public sector audit situation
 - principles when conducting an audit divided into two groups:
 - general principles; and
 - principles applicable to the phases of the audit process
- ***Making reference to the ISSAIs***
 - text agreed by the “authority” sub-group and which should be repeated in ISSAIs 200-400 – two ways to use the principles:
 - either to form the basis on which standards are developed or adopted
 - or to form the basis for the adoption of the general auditing guidelines at level 4 as the authoritative standards



ISSAI 100 – What is not in?

Examples of issues/principles not covered or reduced drastically:

- Sampling which has its own principle in the Lima declaration has not been brought forward to ISSAI 100
- Reporting from ex-ISSAI 400 has only to a small extent been taken into account in ISSAI 100 – up to FAS/PAS/CAS to incorporate important elements in 200/300/400