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INTOSAI

General Introduction to the INTOSAI Financial Audit Guidelines

Endorsement version

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ISSAI 1000

General Introduction to the INTOSAI Financial Audit Guidelines

1. The INTOSAI Financial Audit Guidelines provide guidance for conducting financial audits of public sector entities.

2. The INTOSAI Financial Audit Guidelines represent the fourth level (Auditing Guidelines) of the International Standards of Supreme Audit Institutions (ISSAI) Framework, where the Founding Principles constitute the first level, the Principles and Guidelines for SAIs constitute the second level and the Fundamental Auditing Principles (the INTOSAI Auditing Standards) constitute the third level.[1]

3. The INTOSAI Financial Audit Guidelines include the International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB). INTOSAI contributes to the development of those standards by participating in the IAASB Task Forces responsible for developing new standards or revising existing standards.

4. Practice Notes (PN), which are included in the INTOSAI Financial Audit Guidelines, provide relevant guidance on applying each ISA in financial audits of public sector entities in addition to that provided in the corresponding ISA.

5. In applying the INTOSAI Financial Audit Guidelines in financial audits of public sector entities, Supreme Audit Institutions recognize that the ISAs and the PNs together form the guidance. If referring in the auditor's report to the fact that the audit was conducted in accordance with the ISSAIs, public sector auditors comply with all the ISSAIs relevant to the audit, as explained in the section on authority (paragraphs 28-43).

6. By comparison with the objectives of an audit of financial statements in accordance with the ISAs (i.e. to express an opinion whether the financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework), the objectives of a financial audit of public sector entities may include additional audit and reporting responsibilities. For example, public sector auditors may be required to report on: a public sector entity's compliance or non-compliance with authorities, including budget and accountability; the effectiveness of internal control over financial reporting; or on the economy, efficiency and effectiveness of programs, projects and activities.

7. The audit mandate for a Supreme Audit Institution, or the obligations for public sector entities arising from legislation, regulation, ministerial directives, government policy requirements, or resolutions of the legislature, may also result in additional audit and reporting responsibilities for public sector auditors.

[1] An illustration of the link between the INTOSAI Fundamental Auditing Principles (ISSAI 100-400) and the INTOSAI Financial Audit Guidelines (ISSAI 1000-2999) is available in appendix 1.

8. The INTOSAI Financial Audit Guidelines do not contain detailed guidance on audit and reporting responsibilities relating to compliance with authorities. Such guidance is contained in the Compliance Audit Guidelines[2]. ISSAI 4200 provides guidance for compliance audits performed together with an audit of financial statements. They build upon INTOSAI's Fundamental Auditing Principles and have been designed to assist public sector auditors having responsibilities related to compliance with authorities. ISSAI 4200 supplements, and should be read together with the Financial Audit Guidelines (ISSAI 1000-2999), when having such broader responsibilities.

9. The Financial Audit Guidelines, when applied together with the Compliance Audit Guidelines, are intended to provide public sector auditors with a comprehensive set of guidance for audits of financial statements in the public sector, when compliance with authorities is included in the objective.

Background

10. The original INTOSAI Auditing Standards[3] were issued by the INTOSAI Auditing Standards Committee in June 1992 and the INTOSAI Code of Ethics was approved at the XVIth INTOSAI Congress (INCOSAI)[4] held in Montevideo in 1998. The INTOSAI Auditing Standards were subsequently restructured, and the current INTOSAI Code of Ethics and Auditing Standards were approved by the XVIIth INCOSAI in Seoul in 2001. Both are based on the Lima Declaration of Guidelines on Auditing Precepts. The INCOSAI in Montevideo initially gave the INTOSAI Auditing Standards Committee the task to develop implementation guidelines for auditing standards. This mandate for the Committee was reiterated during subsequent Congresses in Seoul (2001) and Budapest (2004). The Committee presented the INTOSAI Guidelines for Performance Audit for the approval of the Congress in 2001 and then moved on to address guidelines for financial audit.

11. In response to the expressed need by INTOSAI members, the INTOSAI Auditing Standards Committee agreed to develop financial audit guidelines based on the ISAs developed by the IAASB. The Committee also agreed to develop guidance on the additional audit and reporting responsibilities of public sector auditors. Development of the INTOSAI Financial Audit Guidelines was given to the INTOSAI Financial Audit Guidelines Working Group.

12. In September 2005, INTOSAI was reorganized in accordance with the new INTOSAI Strategic Plan and the INTOSAI Auditing Standards Committee was replaced by the INTOSAI Professional Standards Committee (PSC). The responsibilities of the INTOSAI Financial Audit Guidelines Working Group were taken over by the INTOSAI Financial Audit Guidelines Subcommittee (FAS) created in the new committee structure. The Financial Audit Guidelines Subcommittee reports to the PSC.

13. Provision has been made in the ISSAI framework for the inclusion of a Code on Quality Control (ISSAI 40) in the second level of the ISSAI structure to be applied by Supreme Audit Institutions for all types of audit activities.

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[2] ISSAI 4000, “General Introduction to Guidelines on Compliance Audit” and ISSAI 4200, “Compliance Audit Guidelines Related to Audit of Financial Statements”.
[3] ISSAI 100-400 presented as INTOSAI Fundamental Principles
[4] INCOSAI is the INTOSAI Congress which is held every three years.

The Purpose of the INTOSAI Financial Audit Guidelines

14. The main purpose of the INTOSAI Financial Audit Guidelines is to provide INTOSAI members with a comprehensive set of guidelines for the audit of financial statements of public sector entities. The INTOSAI Financial Audit Guidelines include PNs developed by INTOSAI in addition to the ISAs developed by the IAASB. They together form a guideline in the INTOSAI standards framework.

15. The INTOSAI Fundamental Principles provide the overriding principles for the performance of and reporting on audits carried out by Supreme Audit Institutions. However, by utilizing the detail of the ISAs insofar as it is relevant to financial audits conducted by Supreme Audit Institutions, and by developing PNs that deal with special considerations for financial audits of public sector entities, INTOSAI provides a comprehensive set of Financial Audit Guidelines that can be drawn upon by all Supreme Audit Institutions in all institutional settings and audit environments.

16. The PNs provide a clear statement on applicability of the ISA to audits of public sector entities as well as supplementary guidance to public sector auditors on the ISAs. The PNs are addressed to public sector auditors which include, when relevant, other auditors doing financial audits of public sector entities. Where applicable, they also deal with general guidance on additional audit and reporting responsibilities of public sector auditors. There is a separate PN for each ISA. PNs are issued on an ongoing basis as and when the IAASB issues new or revises existing ISAs. The INTOSAI Financial Audit Guidelines apply to audits of financial statements as defined by ISSAI 1200[5] and address additional public sector audit considerations. The audit and reporting responsibilities of Supreme Audit Institutions related to financial audits may include additional aspects of regularity audits (as clarified in paragraph 19). In the public sector, audits of financial statements will often be combined with audits of compliance with authorities. ISSAI 4200[6] addresses such additional auditing and reporting responsibilities. Audits of compliance with authorities include the assessment of whether the activities, financial transactions and information that are reflected or contained in the accounts or financial statements are in accordance with applicable resolutions of the legislature, including budgetary laws or decisions for such, provisions for funds, contracts, grant agreements etc.

17. The INTOSAI Financial Audit Guidelines apply to audits at all levels of government. Depending on the audit mandate or law governing the Supreme Audit Institution, the INTOSAI Financial Audit Guidelines may apply to audits of private sector entities when they are involved in the management of public services or public monies, for example through partnership arrangements or as recipients of public grants or subsidies.

Scope of the INTOSAI Financial Audit Guidelines

18. The objective of the INTOSAI Financial Audit Guidelines is to provide guidance for audits of financial statements in the public sector, including

[5] ISSAI 1200 “Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards of Auditing.”
[6] ISSAI 4200 “Compliance Audit Guidelines related to the Audit of Financial Statements.”

general guidance on additional auditing and reporting objectives related to the public sector audit of financial statements.

19. The INTOSAI Fundamental Principles do not define an audit of financial statements. According to ISSAI 100[7] the full scope of government auditing includes regularity and performance audit. Regularity audit embraces:

(a) Attestation of financial accountability of accountable entities, involving examination and evaluation of financial records and expression of opinions on financial statements;

(b) Attestation of financial accountability of the government administration as a whole;

(c) Audit of financial systems and transactions including an evaluation of compliance with applicable statutes and regulations;

(d) Audit of internal control and internal audit functions;

(e) Audit of the probity and propriety of administrative decisions taken within the audited entity; and

(f) Reporting of any other matters arising from or relating to the audit that the Supreme Audit Institutions considers should be disclosed.

20. The scope of a regularity audit performed in accordance with the ISSAI 100 is thus wider than the scope of an audit of financial statements conducted in accordance with the ISAs.

21. Furthermore, the definition of financial audit within each Supreme Audit Institutions depends on regulations, mandate and organizational structure. The mandate of a Supreme Audit Institution may specify auditing and reporting responsibilities different from, or in addition to the audit of financial statements. Such responsibilities may either be included in, or may be in addition to, the audit of financial statements. The audit of such information will require public sector auditors to perform work that is in addition to what is required solely for auditing and reporting on the financial statements in accordance with the ISAs.

22. Due to INTOSAI's involvement in the development of the ISAs, the ISAs include application material relevant to financial audits of public sector entities, often provided under a separate heading. The PNs provide additional guidance to be considered if relevant to the mandate of the Supreme Audit Institutions.

23. Although the Financial Audit Guidelines may provide guidance on audit and reporting responsibilities in addition to those in the ISAs, it is not their intent to provide guidance on the full scope of a regularity audit performed in accordance with the INTOSAI Fundamental Principles, or all the different or additional audit or reporting responsibilities of the mandates of Supreme Audit Institutions. For responsibilities other than audit of financial statements public sector auditors may need to apply other relevant INTOSAI guidelines. ISSAI 4200 [8] provide guidance on audit responsibilities related to compliance audit as part of the audit of financial statements.

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[6] ISSAI 100- "INTOSAI Auditing Standards- Basic Principles", paragraphs 38 and 39.

[8] ISSAI 4200, "Compliance Audit Guidelines Related to Audit of Financial Statements."

Structure and Content of the INTOSAI Financial Audit Guidelines

24. The INTOSAI Financial Audit Guidelines contain initially 38 ISSAIs. 36 of those include an ISA and in addition a Practice Note to support the adoption and use of the ISA in the public sector. The ISA and the PN together constitute one guideline on the subject matter at hand. The remaining ISSAIs, not based on or including an ISA, are ISSAI 1000, General Introduction to the INTOSAI Financial Audit Guidelines and ISSAI 1003, the Glossary,[9] which includes the IAASB Glossary and provides additional public sector terms and explanations.

25. The INTOSAI Financial Audit Guidelines are presented in the INTOSAI classification system as ISSAIs, starting with ISSAI 1000 to ISSAI 2999. The three last positions in the ISSAI number indicate the corresponding number of the ISA (for example, ISSAI 1800 includes ISA 800 and the Practice Note for ISA 800). Appendix 2 outlines the ISSAIs related to financial audit.

26. The ISAs have a structure, in which information is presented in separate sections:

(a) **Introduction**
Introductory material may include information regarding the purpose, the scope, and subject matter of the ISA, in addition to the responsibilities of the auditors and others in the context in which the ISA is set.

(b) **Objective**
Each ISA contains a clear statement of the objective of the auditor in the audit area addressed by that ISA.

(c) **Definitions**
For greater understanding of the ISAs, applicable terms have been defined in each ISA.

(d) **Requirements**
The objective(s) is supported by clearly stated requirements. Requirements are always expressed by the phrase "the auditor shall". In applying the INTOSAI Financial Audit Guidelines as guidance the word "shall" means "may". When reference to the ISAs is made in the Auditor's Report, the authority of the ISAs shall be followed.

(e) **Application and Other Explanatory Material**
The application and other explanatory material explains more precisely what a requirement means or is intended to cover, or includes examples of procedures that may be appropriate under given circumstances. The application and other explanatory material may include subheadings for "specific considerations for public sector entities". Such paragraphs have been included as agreed with the IAASB to support the application in financial audits of public sector entities. Some ISAs also contain "considerations specific to audits of smaller entities". In audits of public sector entities and entities that receive government awards, these considerations are usually not applicable, even if the public sector entity has few employees, simple operations, or a relatively small budget. In those situations, the public sector entity may still have complicated transactions, such as transfers from other government entities, as well as a need to comply with laws, regulations, policies and systems determined by a higher level of

[9] ISSAI 1003, "Glossary of Terms to the INTOSAI Financial Audit Guidelines."

government and a need for accountability for use of taxpayer monies. Therefore public sector auditors carefully consider the relevance of such considerations. The Practice Notes may include additional guidance in this area when considered important to add guidance relevant for audits of smaller public sector entities.

27. The Practice Notes to the ISAs are presented in separate sections:

(a) **Background**
Background material may include information regarding the ISA such as an introduction to the ISA, and the content of the Practice Note.

(b) **Applicability of the ISA in the Public Sector Auditing**
Each Practice Note contains a clear statement of applicability of the ISA for audits of public sector entities. Matters regarding the public sector auditor's statutory responsibilities and the public sector auditor's extended mandate (legality/regularity, compliance, and performance issues) may influence the applicability. In some PNs, when considered essential for the scope of the PN such references are included.

(c) **Additional Guidance on Public Sector Issues**
To assist public sector auditors in applying the ISA in audits of public sector entities, this section provides additional public sector specific guidance on a general level. It may be structured following the headings of the ISA. When relevant the paragraphs in this section have references to the related paragraphs of the ISA. The guidance may also contain examples more relevant to audits of public sector entities than provided for in the ISA. When relevant, additional applicable terms may also be defined in this section. The section is structured with subsections for each area. Examples of matters that are considered in this section include:

i. Matters related to specific legislation applicable in the public sector

ii. Matters related to overarching public sector concerns, for example stewardship, accountability and transparency

iii. Matters related to different models of Supreme Audit Institutions (Auditor General and Court of Accounts models), and Supreme Audit Institutions that contract out work to external audit firms

iv. Matters related to accounting principles and practices particular to public sector entities

v. Matters related to particular government entities (ministries, agencies, quasi-governmental), and sectors (finance, defense, justice, health, environment, etc), if any.

vi. Other matters related directly to the application of the ISA in financial audits of public sector entities

Applying the INTOSAI Financial Audit Guidelines

Applying the INTOSAI Financial Audit Guidelines

28. Reference to the use of standards can be made in one of four ways depending on the standards applied and the SAI's mandate:

(a) In accordance with the ISSAIs (1000-2999); which means full compliance with all relevant ISAs and the additional guidance set out in the INTOSAI Practice Notes to the ISAs.

(b) In accordance with the ISAs; which means full compliance with all relevant ISAs.

(c) In accordance with the INTOSAI Fundamental Auditing Principles[10], but not full compliance with the ISAs which are presently included as part of the INTOSAI Financial Audit Guidelines (ISSAIs 1000-2999).

(d) In accordance with other national and relevant Auditing Standards.

29. Public sector auditors who state in their auditor's report on a set of financial statements that the audit has been conducted in accordance with the ISAs are also encouraged to apply the additional public sector guidance in ISSAIs 1000-2999. Where public sector auditors have additional audit and reporting responsibilities, references to applicable standards will also be necessary.

Applying the INTOSAI Financial Audit Guidelines to Support INTOSAI Fundamental Principles

30. The INTOSAI Financial Audit Guidelines are developed to support the application of the INTOSAI Fundamental Principles[11] as well as the ISAs (as standards or as guidance together with the Practice Notes). INTOSAI Fundamental Principles are written to provide general standards for all audit activities carried out by a Supreme Audit Institutions. Applying the INTOSAI Financial Audit Guidelines as guidance will not diminish the use of INTOSAI Fundamental Principles as the authoritative auditing standards. In this circumstance reference is made to the INTOSAI Fundamental Principles as the authoritative standards applied.

Applying the INTOSAI Financial Audit Guidelines to Support other Standards

31. The INTOSAI Financial Audit Guidelines may also, if relevant, be used by Supreme Audit Institutions to support the use of other national standards for financial audits. This is appropriate only when the national audit standards are consistent with the INTOSAI Financial Audit Guidelines.

Authority

Authority – INTOSAI Fundamental Principles and Financial Audit Guidelines

32. INTOSAI Fundamental Principles[12] contain the fundamental auditing principles for audit work conducted by the Supreme Audit Institution. While it is the responsibility of each Supreme Audit Institution to judge the extent to which the standards are compatible with its mandate, viewed in the particular constitutional, legal and other circumstances of the audit organization, one of the principles outlined in the INTOSAI Code of Ethics[13] is the public sector auditor's obligation to apply generally accepted auditing standards.

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[10] ISSAI 100 "INTOSAI Auditing Standards- Basic Principles", ISSAI 200 "INTOSAI Auditing Standards – General Standards", ISSAI 300 "INTOSAI Auditing Standards- Field Standards". ISSAI 400 "INTOSAI Auditing Standards- reporting Standards".

[11] Ibid.

[12] ISSAI 100- "INTOSAI Auditing Standards- Basic Principles", ISSAI 200- "INTOSAI Auditing Standards- General Standards", ISSAI 300- "INTOSAI Auditing Standards- General Standards", and ISSAI 400- INTOSAI Auditing Standards- Reporting Standards".

[13] ISSAI 30- "INTOSAI Code of Ethics"

33. The INTOSAI Fundamental Principles will remain the framework of audit standards for INTOSAI members, and the authority of those standards is in no way diminished by the publication of the INTOSAI Financial Audit Guidelines including the ISAs and the PNs. INTOSAI recognizes that this framework together with the guidance provided by the INTOSAI Financial Audit Guidelines will provide INTOSAI members with relevant concepts and guidance for conducting financial audits.

34. The Preface of the INTOSAI Fundamental Principles states that, although the word “standards” is used throughout the documents, it is understood that this word is to be used synonymously with the authority for compliance within the domain of each Supreme Audit Institution. The foreword to the INTOSAI Fundamental Principles states that, while INTOSAI Auditing Standards do not have mandatory application, they reflect a “best practice” consensus among Supreme Audit Institutions and therefore each institution must judge the extent to which the standards are compatible with its mandate.

35. The INTOSAI Financial Audit Guidelines are to be considered with reference to the INTOSAI Fundamental Principles. As a result the INTOSAI Financial Audit Guidelines PNs do not stipulate requirements for application, and do not use the terms “shall” or “should”. The ISAs include such terms, and differentiate between requirements and application and other explanatory material. However, these should similarly not be regarded as mandatory for Supreme Audit Institution.

36. Auditors of public sector entities may use the INTOSAI Financial Audit Guidelines as comprehensive guidance for conducting financial audits. When the guidelines are used as standards, auditors of public sector entities respect the authority of the ISAs. Paragraphs 37-43 deal with the authority of the ISAs.

Authority – International Standards on Auditing

37. The objective of the IAASB is to serve the public interest by setting, independently and under its own authority, high-quality auditing, assurance, quality control and related services standards, and by facilitating the convergence of national and international standards, thereby enhancing the quality and uniformity of practice throughout the world and strengthening public confidence in the global auditing profession.

38. The IAASB develops ISAs, International Standards on Review Engagements (ISREs), International Standards on Assurance Engagements (ISAEs) and International Standards on Related Services (ISRSs). These Standards are collectively referred to as the IAASB's Engagement Standards. The IAASB also develops International Standards on Quality Control (ISQCs). The Engagement Standards and the ISQCs are collectively referred to as the International Standards. The INTOSAI Financial Audit Guidelines include the ISAs. They do not override the local laws or regulations that govern the audit of historical financial statements or assurance engagements of other information in a particular country required to be followed in accordance with that country’s national standards. In the event that local laws or regulations differ from, or conflict with, IAASB Standards on a particular subject, an engagement conducted in accordance with local laws or regulations will not automatically comply with IAASB Standards. A professional accountant should not represent compliance with IAASB Standards unless he/she has complied fully with all of those standards relevant to the engagement.

39. According to the Preface to the International Standards on Quality Control, Auditing, Review, Other Assurance and Related Services, the ISAs are written in the context of an audit of financial statements by an independent auditor (unless otherwise stated in the ISAs, this means financial statements comprising historical financial information). The objective of an audit of financial statements is to enable the auditor to express an opinion whether the financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework. The ISAs, taken together, provide the standards for the auditor's work in fulfilling this objective.

40. As the ISAs issued by the IAASB are increasingly recognized by the international community as the international standards for audits of financial statements, they provide a strong basis for guidance on how to implement the INTOSAI Fundamental Principles.

41. Since 2003 INTOSAI has had a Memorandum of Understanding with the IAASB. Under the terms of the Memorandum of Understanding INTOSAI nominates experts drawn from the wider INTOSAI membership to participate in IAASB Task Forces responsible for developing new or revising existing ISAs. Experts on IAASB Task Forces promote the inclusion of public sector considerations in the ISAs, thereby enhancing the application of the ISAs in financial audits of public sector entities. The nature of the International Standards requires the professional accountant to exercise professional judgment in applying them.

42. The scope, effective date and any specific limitation of the applicability of a specific ISA is made clear in the ISA. Unless otherwise stated in the ISA, the professional accountant is permitted to apply an ISA before the effective date specified therein.

43. If public sector auditors state in their auditors' report on the financial statements that the audit has been conducted in accordance with the ISAs, they have to respect the authority attached to ISAs as set out in ISA 200 (Appendix 3).

General Issues in Audits of Public Sector Entities

44. This section deals with some general issues of public sector concern. It is not intended to cover all public sector issues that may be relevant to consider when conducting financial audits in a specific public sector environment. However, these issues have been regarded as having general importance for public sector auditors in applying the ISSAIs on financial audit.

45. Concepts outlined in paragraphs 46-88 relate to issues relevant to public sector auditors that are further explained in the individual PNs. However, the body of guidelines should be considered when applying the guidelines.

Different Auditing Systems within the Public Sector

46. Different external audit models exist around the world. The three most common systems are:

   (a) Auditor General model
   (b) Court of Accounts (or Audit) model
   (c) Board or Collegiate model.

47. However, every country may have a unique model and there are a great number of national variations in the way a Supreme Audit Institution

operates, which may influence the way the ISSAIs may be adopted and implemented. The ISSAIs are developed to provide guidance for public sector auditors regardless of the system within which they operate. The Auditor General systems normally have a strong focus on financial audit and operate under such conditions that adopting the ISSAIs may be more relevant. The Board or Collegiate model is similar to the Auditor General model, except for the internal structure of the audit institution. A key difference in a Court of Accounts system is that in such a system government officials are normally held personally liable if unauthorized or illegal payments are made. However, similar sanctions may also apply for some Auditor General models. The Supreme Audit Institutions may in such environments impose penalties or corrections on audited officials. The main focus of the audit work is often to verify the legality of transactions rather than providing an opinion on the true and fair view of the financial statements. A Board or Collegiate model may also have such judicial functions. INTOSAI Fundamental Principles[14] states that because of the approach and structure of some Supreme Audit Institutions, not all INTOSAI auditing standards apply to all aspects of their work, for example, the judicial nature of the reviews conducted by Courts of Account make aspects of their work fundamentally different from the financial and performance audits conducted by Supreme Audit Institutions which are organized under a hierarchy system led by an Auditor-General or a Comptroller General. INTOSAI standards do not cover these jurisdictional powers in detail.

48. Specific guidance for Supreme Audit Institutions with a judicial role, such as a Court of Accounts model, has, when deemed necessary, been included in ISSAIs 1000-2999. The strong focus on compliance issues within such a system may introduce a need to adopt the INTOSAI Compliance Audit Guidelines[15] as well as the INTOSAI Financial Audit Guidelines.

Terminology Used in the Guidelines

49. As part of the cooperation between INTOSAI and the IAASB “sector neutral” terminology is included in the ISAs when possible so that they can be readily understood and applied in both the public and private sectors. This has been done through including appropriate text in the standards themselves or in the related glossary. Additional definitions, introduced in the Practice Notes may also be found in the glossary to the INTOSAI Financial Audit Guidelines[16].

50. One example of a fundamental concept in the ISAs is that there are significant public interest issues related to the audits of “listed entities” (entities quoted on a recognized stock exchange). The ISAs set out several requirements related specifically to listed entities. Listed entities, as such, may not be common in the public sector. However, public sector entities that are significant due to size, complexity, or public interest aspects may have a wide range of stakeholders and may be comparable to listed entities. The Practice Notes deal with such concepts which may need to be interpreted in a different way in the public sector.

51. The use of typical private sector specific terms such as “firm” and “company” have been to some extent replaced with sector neutral terms in

[14] ISSAI 100 “INTOSAI Auditing Standards – Basic Principles”, paragraph 13
[15] ISSAI 4000, ISSAI 4001 and ISSAI 4002
[16] ISSAI 1003 “Glossary of Terms to the INTOSAI Financial Audit Guidelines”

the ISAs to reflect the broader use. In some ISSAIs, such as ISSAI 1315[17], references are made to terms used in the ISA such as business, marketing and sales personnel when describing the internal controls structure and components as well as the risk assessment process. Corresponding terms in the public sector are mandate, program objectives and program managers and other program staff.

Professional Judgment and Skepticism

52. The terms "professional judgment" and "professional skepticism"[18] are frequently used in the ISAs when formulating requirements relating to the auditor's decisions about the appropriate course of action and to express the attitude that includes a questioning mind. These concepts are not introduced in the INTOSAI Fundamental Principles. The INTOSAI Fundamental Principles[19] address the concept of due care and state: "Auditors need to be alert for situations, control weaknesses, inadequacies in record keeping, errors and unusual transactions or results which could be indicative of fraud, improper or unlawful expenditure, unauthorized operations, waste, inefficiency or lack of probity." The concept of professional skepticism enhances and broadens the concept of due care and is fundamental for planning and performance of the audit. These concepts are basic for most professional standards and are now introduced in the INTOSAI Financial Audit Guidelines.

Engagement Acceptance and Continuance

53. The ISAs require that in certain situations the auditor disclaims an opinion or withdraws (or resigns)[20] from the engagement, where withdrawal is possible under applicable law or regulation. Withdrawal may be required, for example, when:

- the auditor and management cannot agree on the terms of the engagement;
- ethical requirements cannot be met;
- significant difficulties are encountered, such as the inability to access documents or perform required procedures;
- the auditor risks being associated with misleading information, and
- scope limitations prohibit them from obtaining sufficient, appropriate audit evidence on which to base their audit opinion

54. The responsibilities of a Supreme Audit Institutions, or applicable law or regulation, will normally not allow for withdrawal, and the Practice Notes provide guidance on other possible actions for such situations.

Objective of an Audit of Financial Statements

55. The ISAs are written in the context of an auditor conducting an audit of financial statements in accordance with the ISAs whereas such audits may

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[17] ISSAI 1315 – "Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment,"
[18] See ISSAI 1003 – "Glossary of Terms to the INTOSAI Financial Audit Guidelines", for complete definitions
[19] ISSAI 200 – "INTOSAI Auditing Standards- General Standards", paragraph. 2.41
[20] In the ISAs only the term "withdrawal" is used.

only be a part of the public sector audit task. ISA 200[21] describes the framework within which ISAs are to be applied. The ISAs do not specifically deal with separate engagements for reporting on performance audits, compliance with laws and regulations, or matters such as inadequate systems of control. ISA 200 explains the overall objective of the auditor in conducting an audit of financial statements as being:

(a) To obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, thereby enabling the auditor to express an opinion on whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework; and

(b) To report on the financial statements, and communicate as required by the ISAs, in accordance with the auditor's findings.

56. The purpose of an audit is to enhance the degree of confidence of intended users in the financial statements. This is achieved by the expression of an opinion by the auditor on whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework. In the case of most general purpose frameworks, that opinion is on whether the financial statements are presented fairly, in all material respects, or give a true and fair view in accordance with the framework. Laws or regulations for public sector audit organizations may prescribe the use of other wordings for expressing the opinion. An audit conducted in accordance with ISAs and relevant ethical requirements enables the auditor to express an opinion whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework.

57. The Lima Declaration[22] states "Audit is not an end in itself but an indispensable part of a regulatory system whose aim is to reveal deviations from accepted standards and violations of the principles of legality, efficiency, effectiveness and economy of financial management early enough to make it possible to take corrective action in individual cases, to make those accountable accept responsibility, to obtain compensation, or to take steps to prevent – or at least render more difficult – such breaches." This is a much broader task than providing an opinion on financial statements. These broader overall audit objectives may be addressed in other parts of INTOSAI's Framework for Professional Standards. The INTOSAI Financial Audit Guidelines are relevant to financial audits of public sector entities. The often broader responsibilities may result in a need to apply other ISSAIs for additional responsibilities.

58. The INTOSAI Fundamental Principles stipulate[23] (ISSAI 100) that for some elements of the Supreme Audit Institution's mandate, particularly in regard to the audit of financial statements, the Supreme Audit Institution's audit objectives may be similar to the objectives of audits in the private sector. ISSAI 300[24] states that the auditor should design audit steps and procedures to provide reasonable assurance of detecting errors, irregularities, and illegal acts that could have a direct and material effect on the financial statement amounts or the results of regularity audits. Regularity requirements in the public sector are rarely less important in public accountability than expressing an opinion on the financial statements within broad materiality

[21] ISA 200 – "Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance With International Standards on Auditing"
[22] ISSAI 1 – "The Lima Declaration"
[23] ISSAI 100 – "INTOSAI Auditing Standards – Basic Principles"
[24] ISSAI 300 – "INTOSAI Auditing Standards – General Standards"

allowances. The objective of ISAs are to enable the auditor to express an opinion whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework. A Supreme Audit Institution's objective of auditing is thus wider than the objectives of an audit according to the ISAs. Furthermore, the user of a financial statement audit report in the public sector looks at more extensive accountabilities than those implied by ISA 200 ('the economic decisions of users'). The INTOSAI Financial Audit Guidelines together with other INTOSAI standards and guidelines will together serve the wider objective of public sector auditing.

Agreeing the Terms of Audit Engagements

59. The ISAs generally deal with tasks that are undertaken through agreement with clients. Supreme Audit Institutions normally undertake assignments intended to provide reports on accountabilities to legislative or governing bodies. These assignments are usually mandated by legislation and the Supreme Audit Institution is required to carry out the assigned functions. In some public sector environments there may in addition to mandated responsibilities be contractual measures for audit tasks.

60. ISA 210[25] deals with the terms of an engagement and provides requirements on the auditors in relation to acceptance of an assignment. These requirements illustrate the reliance of the ISAs on a client relationship rather than the legislated powers of the Supreme Audit Institutions. Nevertheless the need for a cooperative relationship with the audited entity is common to both.

61. In addition to the requirements and guidance set out in the ISAs, there may be further considerations for public sector auditors in undertaking audit engagements. For example, the capabilities and competence required in an audit may be broader and include the need to understand applicable reporting arrangements, such as requirements for reporting to the legislature, governing body, or the public. Public sector auditors may sometimes need to adapt their approach in order to promote compliance with the requirements of the ISAs. They may do this, for example, by performing procedures such as those related to client acceptance and continuance to obtain valuable information for assessing risk and carrying out reporting responsibilities.

62. Supreme Audit Institutions are normally required to carry out an audit as stated in their mandate. They do not normally have the option to reject an assignment. ISA 210 includes requirements on the auditor not to accept an engagement if certain circumstances are not met, unless required to do so by law or regulation. In such cases, when the requirement is not applicable, the Practice Note will provide additional guidance on suitable actions for public sector auditors.

63. ISA 210 requires the auditor to obtain the agreement of management and, where appropriate, those charged with governance that they acknowledge and understand their responsibility. If law or regulation prescribes in sufficient detail the terms of the engagement, it may not be necessary to record them in an audit engagement letter or other suitable form of written agreement. An exception may be for the agreement by management and, where appropriate, those charged with governance, that they acknowledge and understand the responsibilities set out in the ISA. Such engagements often exist in the public

[25] ISA 210 – "Agreeing The Terms of Audit Engagements"

sector and written agreements on the terms of engagements are not often used. The INTOSAI Financial Audit Guidelines support introducing such agreements in public sector auditing for reasons set out in the Practice Note.

Quality Assurance Processes

64. The INTOSAI Fundamental Principles do not contain a separate standard on quality control for audit work, but some guidance is contained in the general standards. These do not clearly state the individual auditor's responsibilities for quality control, but instead focus on the Supreme Audit Institution's responsibility to establish quality assurance arrangements[26]. ISA 220[27] requires the auditor to implement quality control procedures on individual audits. The provisions of ISA 220 are applicable to the work of Supreme Audit Institutions. This ISA is premised on the basis that the firm (or the public sector equivalent) is subject to quality control procedures according to ISQC 1[28] or national requirements that are at least as demanding.

65. In private sector audit firms, engagement partners generally have individual responsibility for audit engagements and also have the authority to bind the audit firm. For Supreme Audit Institutions, an Auditor General, a Board or a Court of Accounts has overall responsibility, although the day-to-day operational responsibility may be delegated to others. For example, all those with engagement partner responsibility in a Supreme Audit Institution with an Auditor General System would, because of the hierarchical structure ultimately report to the Auditor General. In the public sector, it is important to select engagement quality control reviewers who are independent of the audited entity and can provide an objective evaluation even though they are part of the same strategic leadership as the person with engagement partner responsibility.

66. Furthermore, ISQC 1[29] requires engagement partner rotation for listed entities after a predefined period. In the public sector, this requirement may be applied to significant public interest entities. However, legislation establishing the appointments and terms of office of the Auditor General may make rotation impractical. Supreme Audit Institutions may establish policies and procedures to promote compliance with the spirit of this requirement (e.g., by rotating key personnel with operational responsibility for the audit engagement, requiring engagement quality control reviews, or carrying out regular peer reviews).

Working Papers and Audit Documentation

67. The INTOSAI Fundamental Principles[30] state that the auditor should ensure that working papers contain evidence adequately supporting all conclusions, recommendations and opinions. Furthermore paragraph 5.5 requires that auditors should adequately document the audit evidence in working papers, including the basis and extent of the planning, work performed and the

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[26] ISSAI 200 ,"INTOSAI Auditing Standards - General Standards", paragraph 1.27

[27] ISA 220, "Quality Control for an Audit of Financial Statements."

[28] ISQC 1, "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance related Service Engagements."

[29] ISQC 1 – "International Standard on Quality Control 1- Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Service Engagements". This standard establishes requirements on audit firms related to quality controls, and is not included in the INTOSAI Financial Audit Guidelines.

[30] ISSAI 300 – "INTOSAI Auditing Standards- Field Standards", paragraph 2.3 (d)

findings of the audit. ISA 230[31] requires the auditor to assemble the audit documentation in an audit file and complete the administrative process of assembling the final audit file on a timely basis after the date of the auditor's report. It also requires the auditor not to delete or discard audit documentation of any nature before the end of its retention period. ISQC 1[32] (or national requirements that are at least as demanding) requires audit organizations to establish policies and procedures for the timely completion of the assembly of audit files. In the public sector such requirements for documentation and retention may be governed by legislative requirements related to confidentiality on the one hand, and access by third parties on the other hand. ISQC 1 establishes requirements on audit firms (and public sector equivalents) related to quality controls.. The Practice Note to ISA 230 provides additional guidance related to documentation.

Communication

68. ISA 260[33] defines those charged with governance as "the person(s) or organization(s) with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity." In the public sector, identifying those charged with governance may be a challenge. The audited entity may be part of a larger or broader structure with governance bodies at several organizational levels. In some cases, there may also be separate reporting requirements related to aspects of financial and compliance audits involving separate governance bodies. The Practice Notes to the ISAs dealing with communication provide appropriate guidance to meet the needs and expectations of the legislature or appropriate regulators.

69. ISA 260 sets out requirements for annual communication of compliance with ethical requirements regarding auditor's independence. In addition to the considerations described in the ISSAI, matters set out in the INTOSAI Code of Ethics, such as political neutrality, may also be important for public sector auditors.

70. Public sector auditors may also have broader communication responsibilities than those envisioned by ISA 260. As stated in relevant Practice Notes, public sector auditors may have such responsibilities to communicate with the legislature, appropriate regulators, or relevant funding agencies.

Identifying Fraud and Error

71. The INTOSAI Fundamental Principles[34] states that the Supreme Audit Institution should ensure that the techniques employed are sufficient to reasonably detect all quantitatively material errors and irregularities. ISA 240[35] requires, as a basic principle, that the auditor shall, when planning the audit, assess the risk that fraud or error may cause the financial statements to contain material misstatements. It also requires the auditor to inquire of management as to any fraud which has been discovered. Public sector auditors may have formally mandated responsibility to detect fraud, and in addition, the use of public monies tends to impose a higher profile on fraud

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[31] ISA 230 – "Audit Documentation"

[32] ISQC 1 – "International Standard on Quality Control 1- Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Service Engagements".

[33] ISA 260 – "Communication With Those Charged With Governance"

[34] ISSAI 300 – "INTOSAI Auditing Standards- Field Standards" paragraph 5.3.

[35] ISA 240 – "The Auditor´s Responsibilities Relating to Fraud in an Audit of Financial Statements"

issues. As a result auditors may need to be responsive to public expectations regarding detection of fraud.

72. Another area that may include significant differences compared to private sector audits is related to public sector auditor's responsibilities, in some public sector environments, for actions to be taken when offences are discovered. The Practice Note to ISA 240 makes reference to the possible extended reporting responsibilities within the public sector, to address concerns about public accountability.

73. Many Supreme Audit Institutions are responsible for contributing to the prevention and detection of fraud in line with the INTOSAI Fundamental Principles. ISA 240 expands on the audit risk standards and deals with their application in relation to the risk of material misstatement due to fraud. In the public sector, auditors' responsibilities may result from legislation, regulation, or directives related to the audited entity or may be covered separately by the audit mandate. As a result, those responsibilities may not be limited to the risk of material misstatement of the financial statements due to fraud. The auditor's responsibilities related to fraud may be broader than in the private sector and may include aspects of compliance, public accountability, and sound public sector financial management.

74. Areas where public sector auditors are alert to fraud risks are included in the related Practice Note and include areas such as procurement, grants, privatizations, intentional misrepresentation of results or information, and misuse of authority or power.

The Auditor's Consideration of Laws and Regulations

75. ISSAI 300[36] states that the regularity audit is an essential aspect of government auditing. One important objective of this type of audit is to make sure, by all means possible, that the State budget and accounts are complete and valid. This will provide Parliament and other users of the audit report with assurance about the size and development of the financial obligations of the State. To achieve this objective, public sector auditors may examine the accounts and financial statements of the administration with a view to assuring that all operations have been correctly undertaken, completed, paid and accounted for. The INTOSAI Fundamental Principles focus on the importance of reviewing compliance with laws and regulations when auditing in the public sector because decision makers need to know if the laws and regulations are being followed, whether they are having the desired results, and, if not, what revisions are necessary[37]. In addition to the audit of financial statements, many public sector engagements include additional audit responsibilities with respect to the consideration of laws and regulations which have no material effect on the financial statements. ISSAI 4200[38] addresses auditor responsibilities related to an audit of compliance in relation to an audit of financial statements.

76. ISA 250[39] states that the auditor is not responsible for preventing non-compliance with law and regulations. Public sector auditors may have, as stated above, additional responsibilities related to compliance with law and

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[36] ISSAI 300- "INTOSAI Auditing Standards- Field Standards" paragraph 4.1
[37] ISSAI 300 – "INTOSAI Auditing Standards- Field Standards" paragraph 4.2
[38] ISSAI 4200 – Compliance Audit Related to the Audit of Financial Statements
[39] ISA 250 – " Consideration of Laws and Regulations in an Audit of Financial Statements

regulations. In addition, public expectations may be considered when planning and performing audit procedures.

Risk Assessment and Audit Procedures

77. The audit risk standards[40] are fundamental in risk-based audit approach. These standards normally refer to business risk, which ISA 315 defines as a "risk resulting from significant conditions, events, circumstances, actions or inactions that could adversely affect an entity's ability to achieve its objectives and execute its strategies, or from the setting of inappropriate objectives and strategies."Business risk is broader than the risk of material misstatement on financial statements.

78. The business risk general concept applies in the context of identifying and assessing risk in public sector audit work. In the public sector, business risk relates to the risk that government activities, including relevant programs, program strategies, and objectives, will not be completed or achieved. In addition, risks related to issues such as the political climate, public interest, and program sensitivity or potential non-compliance with legislation or proper authority are relevant in the public sector context.

79. In addition to the requirements and guidance set out in the risk ISAs, there may be further considerations for public sector auditors in assessing risk and designing audit procedures. To gain an understanding of the entity, public sector auditors consider their broader mandate as well as any relevant legislation, regulations, directives, or other requirements that affect the entity's operations. Management objectives, including public accountability concerns, are also considered. Risk assessment information may also be obtained from performance auditors or other relevant sources, such as testimonies from government officials or legislative reports or minutes.

80. Public sector auditors may have reporting responsibilities, such as those related to effectiveness of internal control or compliance with laws and regulations, which private sector auditors do not have. Consequently, public sector auditors' reviews of internal controls may be broader and more detailed than in the private sector. Reporting requirements may also be broader in that public sector auditors may be required to communicate all identified internal control deficiencies or compliance deviations (not only those that are material) to the legislature or other governing body. Guidance on risk assessment issues is provided for in the relevant Practice Notes.

Materiality in Audits of Public Sector Entities

81. The risk of material misstatements is defined in ISA 200[41] as: "The risk that the financial statements are materially misstated prior to audit". In a financial statement audit, a misstatement is material, individually or when aggregated with other misstatements, when it could reasonably be expected to influence the economic decisions users take based on the financial statements. Materiality has both quantitative and qualitative aspects. In the public sector, materiality may not be limited to economic decisions of users. Legislators and regulators are often the primary users of public sector financial

[40] ISA 315 – "Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment", ISA 330- "The Auditor's Responses to Assessed Risks" and ISA 500- "Audit Evidence"

[41] ISA 200 – "Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance With International Standards on Auditing"

statements. They may use the financial statements to make not only economic decisions but also decisions about whether to continue certain government programs or grant funding. The qualitative aspects of materiality generally play a greater role in the public sector than in the private sector.

82. The ISAs dealing with materiality set out procedures for determining levels of materiality. In the public sector, materiality levels may be determined at a lower level than those prescribed by the ISAs due to considerations such as the sensitive nature of certain transactions or programs, the public interest, the need for effective legislative oversight and regulation, and the nature of the misstatement or deviation (e.g., if it is related to fraud or corruption).

83. The broader mandate in the public sector may require audits of certain aspects related to compliance and internal control. While misstatements of small monetary amounts may be deemed trivial, even small deviations related to compliance or internal control are, by their nature, generally not seen as trivial. Even if a transaction—regardless of size—is correctly recorded in the financial statements, the transaction represents an instance of non-compliance or a control deviation if it is illegal or fraudulent or if the control was not followed.

84. Many public sector auditors have a responsibility to report all (not only non-trivial) identified misstatements or compliance and control deviations to management or those charged with governance. Such misstatements or deviations may also have implications in a broader context. Based on their mandates, some Supreme Audit Institutions may also order that any instances of non-compliance be corrected.

Auditor''s Reports in the Public Sector

85. Greater consistency in the form of audit reports promotes credibility, as the report can be readily identified as being prepared based on professional standards. It also helps readers to more easily identify any modifications of the Auditor's opinion and audit findings such as internal control deficiencies and instances of non- compliance with authorities. ISA 700, 705, 706, 800, 805, and 810 discuss the form of the auditor's report required for audits performed in accordance with the ISAs. In the private sector, the audit report is generally a one-way communication addressed to the appropriate parties, such as the shareholders or the board of directors. It identifies the audit work performed and the standards on which the work was based. The responsibilities of the auditor and management are set out and the auditor's opinion is clearly stated. In certain circumstances, the report may also include additional paragraphs that further elaborate on important matters.

86. The same structure is normally relevant to public sector audit reports even though they tend to be longer and include a wider range of matters. In the public sector laws, the audit mandate or common practice may lead the public sector auditor to report findings, conclusions, recommendations and management responses. Such reporting is supplementary to the auditor's report on the financial statements in accordance with ISSAI 1700[42].

Translation of the INTOSAI Financial Audit Guidelines

87. FAS has established procedures for translation of the INTOSAI guidance included in the INTOSAI Financial Audit Guidelines into the official

[42] ISSAI 1700 – "Forming an Opinion and Reporting on Financial Statements"

INTOSAI languages[43]. The procedures follow the directions given by the INTOSAI Professional Standards Steering Committee as formulated during the meeting in Washington, DC in June, 2006.

88. All guidance issued by INTOSAI as part of the INTOSAI Financial Audit Guidelines is exposed for comments in English. Comments are accepted in all official languages of INTOSAI.

89. Translation into the official INTOSAI languages is done before INCOSAI endorsement of the ISSAI. Quality assurance of translations is undertaken by members of FAS, experts engaged in the development of the INTOSAI Financial Audit Guidelines or other INTOSAI bodies.

90. However, the ISAs, issued by the IAASB and adopted as part of the INTOSAI Financial Audit Guidelines, are issued in English and are not translated by INTOSAI. The ISAs are subject to copyright by the International Federation of Accountants (IFAC). IFAC has compiled a database of translations of IFAC publications by third parties. It includes the languages, publication titles, names of translating organizations and, where available, lists of translated key terms. IFAC has not reviewed the quality of the translated publications or key terms. To serve the public interest and promote adherence to high-quality professional standards, as well as to further the international convergence of such standards, IFAC makes this database of translations publicly available on its website[44].

91. Any additional translation of the INTOSAI Financial Audit Guidelines by SAIs should comply with the translation recommendations set out in Appendix 4 and if ISAs are subject to that translation process, with the December 2008 *Policy for Translating and Reproducing Standards Issued by the International Federation of Accountants*[45].

[43] The official INTOSAI languages are: Arabic, English, French, German and Spanish.
[44] http://www.ifac.org/Translations/database.php
[45] http://www.ifac.org/Downloads/TranslationOfStandards.pdf

Appendix 1 – Link between the INTOSAI Fundamental Auditing Principles (ISSAI 100-400) and the INTOSAI Financial Audit Guidelines (ISSAI 1000-2999)

1. This appendix is provided to reflect the interrelation between the INTOSAI Fundamental Auditing Principles and the International Standards of Auditing as included in the INTOSAI Financial Audit Guidelines together with a Practice Note. The link is presented with the starting point in the INTOSAI Fundamental Auditing principles. To each relevant topic or paragraph, in the Fundamental Principles, where further guidance could be found in an ISSAI included in the Financial Audit Guidelines, the related ISA is presented with number and title and a short description of the context.

2. This list is not intended to be a complete list of all the paragraphs of the INTOSAI Fundamental Principles and the related ISSAIs. It is provided to present an overview of how the financial audit guidelines and the ISAs fit into the INTOSAI structure.

ISSAI 100 − Basic Principles in Government Auditing

The Fundamental Auditing Principles	***Related guidance in ISSAI 1000-2999***	
General	ISSAI 1000	Introduction to the INTOSAI Financial Audit Guidelines
General	ISSAI 1200	Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing
§ 8 – 11	ISSAI 1320	Materiality in Planning and Performing an Audit
§ 16	ISSAI 1500	Audit Evidence
	ISSAI 1501	Audit Evidence- Specific Considerations for Selected Items
§ 31	ISSAI 1315	Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment
	ISSAI 1450	Evaluation of Misstatement Identified during the Audit

ISSAI 200 – General Standards in Government Auditing and Standards with Ethical Significance

General Standards	*Related guidance in ISSAI 1000-2999*	
General	ISSAI 1000	Introduction to the INTOSAI Financial Audit Guidelines
General	ISSAI 1220	Quality Control for an Audit of Financial Information
§ 1.2.(d), 1.15	ISSAI 1300	Planning an Audit of Financial Statements

Standards with Ethical Significance	*Related guidance in ISSAI 1000-2999*	
General	ISSAI 1200	Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing
General	ISSAI 1210	Agreeing the Terms of Audit Engagements
§ 2.34 – Audit Opinion	ISSAI 1700	Forming an Opinion and Reporting on Financial Statements
§ 2.35 – 43	ISSAI 1220	Quality Control for an Audit of Financial Statements
§ 2.2.37 – Methodologies	ISSAI 1520	Analytical Procedures
	ISSAI 1530	Audit Sampling
	ISSAI 1315	Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment
	ISSAI 1450	Evaluation of Misstatements Identified during the Audit
§ 2.41 Fraud	ISSAI 1240	The Auditor's Responsibility Relating to Fraud in an Audit of Financial Statements.
§ 2.2.43 – 45	ISSAI 1600	Special Considerations- Audits of Group Financial Statements (Including the Work of Component Auditors)
	ISSAI 1610	Using the Work of Internal Auditors
	ISSAI 1620	Using the Work of an Auditor's Expert
§ 2.46 – Confidentiality	ISSAI 1230	Audit Documentation

ISSAI 300 − Field Standards in Government Auditing

Auditing Standards	*Related guidance in ISSAI 1000-2999*	
§§ 1.1 – 1.4.	ISSAI 1300	Planning an Audit of Financial Statements
	ISSAI 1315	Identifying and Assessing the Risks of Material Misstatements through Understanding the Entity and Its Environment
	ISSAI 1320	Materiality in Planning and Performing an Audit
	ISSAI 1330	The Auditor's Responses to Assessed Risks
§§ 2.1 – 2.5	ISSAI 1220	Quality Control for Audits of Financial Statements
§§ 3.1 – 3.4 Study and evaluation of internal control	ISSAI 1315	Identifying and Assessing the Risks of Material Misstatements through Understanding the Entity and Its Environment
	ISSAI 1330	The Auditor's Responses to Assessed Risks

Auditing Standards	*Related guidance in ISSAI 1000-2999*	
§§ 4.1 – 4.7 Compliance with applicable laws and regulations	ISSAI 1250	Considerations of Laws and Regulations in an Audit of Financial Statements
	ISSAI 1240	The Auditor's Responsibility Relating to Fraud in an Audit of Financial Statements
§ 5.2 – Computer-based Systems	ISSAI 1315	Identifying and Assessing the Risks of Material Misstatements through Understanding the Entity and Its Environment
	ISSAI 1330	The Auditor's Responses to Assessed Risks
§ 5.3 – Materiality	ISSAI 1320	Materiality in Planning and Performing an Audit
§§ 5.1 – 5.7 Audit evidence	ISSAI 1500	Audit Evidence
	ISSAI 1501	Audit Evidence-Specific Considerations for Selected Items
	ISSAI 1230	Audit Documentation
§ 5.3 – Techniques to Collect Audit Evidence	ISSAI 1505	External Confirmations
	ISSAI 1510	Initial Audit Engagements – Opening Balances
	ISSAI 1520	Analytical Procedures
	ISSAI 1530	Audit Sampling
	ISSAI 1540	Auditing Accounting Estimates, Including Fair Value Accounting Estimates and Related Disclosures
	ISSAI 1550	Related Parties
	ISSAI 1560	Subsequent Events
	ISSAI 1570	Going Concern
	ISSAI 1580	Written Representations
§§ 6.1 – 6.4 Analysis of financial statements	ISSAI 1520	Analytical Procedures

ISSAI 400 − Reporting Standards in Government Auditing

	Related guidance in ISSAI 1000-2999	
General – Reporting	ISSAI 1700	Forming an Opinion and Reporting on Financial Statements
	ISSAI 1705	Modifications to the Opinion in the Independent Auditor's Report
	ISSAI 1706	Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report
	ISSAI 1260	Communication with Those Charged with Governance

	ISSAI 1265	Communicating Deficiencies in Internal Control to Those Charged with Governance and Management
	ISSAI 1800	Special Considerations-Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks
	ISSAI 1805	Special Considerations-Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement
	ISSAI 1810	Engagements to Report on Summary Financial Statements
§ 4.3 – Objectives	ISSAI 1200	Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing
§ 4.17 – Internal Control	ISSAI 1315	Identifying and Assessing the Risks of Material Misstatements through Understanding the Entity and its Environment
§ 4.17 – Fraud	ISSAI 1240	The Auditor's Responsibility Relating to Fraud in an Audit of Financial Statements

Appendix 2 – ISSAIs, effective for audits of financial statements for periods beginning on or after December 15, 2009

ISSAI No.	Note	Description
ISSAI 1000	*[46]	General Introduction to the INTOSAI Financial Audit Guidelines
ISSAI 1003	***[47]	Glossary of Terms to the INTOSAI Financial Audit Guidelines
ISSAI 1200	**[48]	Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards of Auditing
ISSAI 1210	**	Agreeing the Terms of Audit Engagements
ISSAI 1220	**	Quality Control for an Audit of Financial Statements
ISSAI 1230	**	Audit Documentation
ISSAI 1240	**	The Auditor’s Responsibility Relating to Fraud in an Audit of Financial Statements
ISSAI 1250	**	Considerations of Laws and Regulations in an Audit of Financial Statements
ISSAI 1260	**	Communication with Those Charged with Governance
ISSAI 1265	**	Communicating Deficiencies in Internal Control to Those Charged with Governance and Management
ISSAI 1300	**	Planning an Audit of Financial Statements
ISSAI 1315	**	Identifying and Assessing the Risks of Material Misstatements through Understanding the Entity and Its Environment
ISSAI 1320	**	Materiality in Planning and Performing an Audit
ISSAI 1330	**	The Auditor’s Responses to Assessed Risks
ISSAI 1402	**	Audit Considerations Relating to an Entity Using a Service Organization
ISSAI 1450	**	Evaluation of Misstatements Identified during the Audit
ISSAI 1500	**	Audit Evidence
ISSAI 1501	**	Audit Evidence – Additional Considerations for Specific Items
ISSAI 1505	**	External Confirmations
ISSAI 1510	**	Initial Audit Engagements – Opening Balances
ISSAI 1520	**	Analytical Procedures
ISSAI 1530	**	Audit Sampling

[46] * These ISSAIs consist of INTOSAI developed guidance
[47] *** ISSAI 1003 will include a glossary issued by the IAASB and additional explanations relevant for audits of public sector entities.
[48] ** These ISSAIs consist of the relevant International Standard on Auditing and a Practice Note issued by INTOSAI.

ISSAI 1540	**	Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures
ISSAI 1550	**	Related Parties
ISSAI 1560	**	Subsequent Events
ISSAI 1570	**	Going Concern
ISSAI 1580	**	Written Representations
ISSAI 1600	**	Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)
ISSAI 1610	**	Using the Work of Internal Auditors
ISSAI 1620	**	Using the Work of an Auditor's Expert
ISSAI 1700	**	Forming an Opinion and Reporting on Financial Statements
ISSAI 1705	**	Modifications to the Opinion in the Independent Auditor's Report
ISSAI 1706	**	Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's report
ISSAI 1710	**	Comparative Information – Corresponding Figures and Comparative Financial Statements
ISSAI 1720	**	The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements
ISSAI 1800	**	Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks
ISSAI 1805	**	Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement
ISSAI 1810	**	Engagements to Report on Summary Financial Statements

Appendix 3 – The Authority Attached to the ISAs

Excerpt from ISA 200 (effective for periods beginning on or after December 15, 2009)

2. ISAs are written in the context of an audit of financial statements by an auditor. They are to be adapted as necessary in the circumstances when applied to audits of other historical financial information. ISAs do not address the responsibilities of the auditor that may exist in legislation, regulation or otherwise in connection with, for example, the offering of securities to the public. Such responsibilities may differ from those established in the ISAs. Accordingly, while the auditor may find aspects of the ISAs helpful in such circumstances, it is the responsibility of the auditor to ensure compliance with all relevant legal, regulatory or professional obligations.

An Audit of Financial Statements

3. The purpose of an audit is to enhance the degree of confidence of intended users in the financial statements. This is achieved by the expression of an opinion by the auditor on whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework. In the case of most general purpose frameworks, that opinion is on whether the financial statements are presented fairly, in all material respects, or give a true and fair view in accordance with the framework. An audit conducted in accordance with ISAs and relevant ethical requirements enables the auditor to form that opinion. (Ref: Para. A1)

4. The financial statements subject to audit are those of the entity, prepared by management of the entity with oversight from those charged with governance. ISAs do not impose responsibilities on management or those charged with governance and do not override laws and regulations that govern their responsibilities. However, an audit in accordance with ISAs is conducted on the premise that management and, where appropriate, those charged with governance have acknowledged certain responsibilities that are fundamental to the conduct of the audit. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities. (Ref: Para. A2-A11)

5. As the basis for the auditor's opinion, ISAs require the auditor to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Reasonable assurance is a high level of assurance. It is obtained when the auditor has obtained sufficient appropriate audit evidence to reduce audit risk (that is, the risk that the auditor expresses an inappropriate opinion when the financial statements are materially misstated) to an acceptably low level. However, reasonable assurance is not an absolute level of assurance, because there are inherent limitations of an audit which result in most of the audit evidence on which the auditor draws conclusions and bases the auditor's opinion being persuasive rather than conclusive. (Ref: Para. A28-A52)

6. The concept of materiality is applied by the auditor both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements[49]. In general, misstatements, including omissions, are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence

[49] ISA 320, "Materiality in Planning and Performing an Audit" and ISA 450, "Evaluation of Misstatements Identified during the Audit."

the economic decisions of users taken on the basis of the financial statements. Judgments about materiality are made in the light of surrounding circumstances, and are affected by the auditor's perception of the financial information needs of users of the financial statements, and by the size or nature of a misstatement, or a combination of both. The auditor's opinion deals with the financial statements as a whole and therefore the auditor is not responsible for the detection of misstatements that are not material to the financial statements as a whole.

7. The ISAs contain objectives, requirements and application and other explanatory material that are designed to support the auditor in obtaining reasonable assurance. The ISAs require that the auditor exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit and, among other things:
   - Identify and assess risks of material misstatement, whether due to fraud or error, based on an understanding of the entity and its environment, including the entity's internal control.
   - Obtain sufficient appropriate audit evidence about whether material misstatements exist, through designing and implementing appropriate responses to the assessed risks.
   - Form an opinion on the financial statements based on conclusions drawn from the audit evidence obtained.

8. The form of opinion expressed by the auditor will depend upon the applicable financial reporting framework and any applicable law or regulation. (Ref: Para. A12-A13)

9. The auditor may also have certain other communication and reporting responsibilities to users, management, those charged with governance, or parties outside the entity, in relation to matters arising from the audit. These may be established by the ISAs or by applicable law or regulation.[50]

Effective Date

10. 10. This ISA is effective for audits of financial statements for periods beginning on or after December 15, 2009.

Overall Objectives of the Auditor

11. In conducting an audit of financial statements, the overall objectives of the auditor are:
    (a) To obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, thereby enabling the auditor to express an opinion on whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework; and
    (b) To report on the financial statements, and communicate as required by the ISAs, in accordance with the auditor's findings.

12. In all cases when reasonable assurance cannot be obtained and a qualified opinion in the auditor's report is insufficient in the circumstances for purposes of reporting to the intended users of the financial statements, the ISAs require that the auditor disclaim an opinion or withdraw (or resign)[51] from the engagement, where withdrawal is possible under applicable law or regulation.

Definitions

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[50] See, for example, ISA 260, "Communication with Those Charged with Governance;" and paragraph 43of ISA 240, "The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements."

[51] In the ISAs, only the term "withdrawal" is used.

13. For purposes of the ISAs, the following terms have the meanings attributed below:
    (a) Applicable financial reporting framework – The financial reporting framework adopted by management and, where appropriate, those charged with governance in the preparation of the financial statements that is acceptable in view of the nature of the entity and the objective of the financial statements, or that is required by law or regulation.

        The term "fair presentation framework" is used to refer to a financial reporting framework that requires compliance with the requirements of the framework and:
        (i) Acknowledges explicitly or implicitly that, to achieve fair presentation of the financial statements, it may be necessary for management to provide disclosures beyond those specifically required by the framework; or
        (ii) Acknowledges explicitly that it may be necessary for management to depart from a requirement of the framework to achieve fair presentation of the financial statements. Such departures are expected to be necessary only in extremely rare circumstances.

        The term "compliance framework" is used to refer to a financial reporting framework that requires compliance with the requirements of the framework, but does not contain the acknowledgements in (i) or (ii) above.

    (b) Audit evidence – Information used by the auditor in arriving at the conclusions on which the auditor's opinion is based. Audit evidence includes both information contained in the accounting records underlying the financial statements and other information. For purposes of the ISAs:
        (i) Sufficiency of audit evidence is the measure of the quantity of audit evidence. The quantity of the audit evidence needed is affected by the auditor's assessment of the risks of material misstatement and also by the quality of such audit evidence.
        (ii) Appropriateness of audit evidence is the measure of the quality of audit evidence; that is, its relevance and its reliability in providing support for the conclusions on which the auditor's opinion is based.

    (c) Audit risk – The risk that the auditor expresses an inappropriate audit opinion when the financial statements are materially misstated. Audit risk is a function of the risks of material misstatement and detection risk.

    (d) Auditor – "Auditor" is used to refer to the person or persons conducting the audit, usually the engagement partner or other members of the engagement team, or, as applicable, the firm. Where an ISA expressly intends that a requirement or responsibility be fulfilled by the engagement partner, the term "engagement partner" rather than "auditor" is used. "Engagement partner" and "firm" are to be read as referring to their public sector equivalents where relevant.

    (e) Detection risk – The risk that the procedures performed by the auditor to reduce audit risk to an acceptably low level will not detect a misstatement that exists and that could be material, either individually or when aggregated with other misstatements.

    (f) Financial statements – A structured representation of historical financial information, including related notes, intended to communicate an entity's economic resources or obligations at a point in time or the changes therein for a period of time in accordance with a financial reporting framework. The related notes ordinarily comprise a summary of significant accounting policies and other explanatory information. The term "financial statements" ordinarily refers to a complete set of financial statements as determined by the requirements of the applicable financial reporting framework, but can also refer to a single financial statement.

(g) Historical financial information – Information expressed in financial terms in relation to a particular entity, derived primarily from that entity's accounting system, about economic events occurring in past time periods or about economic conditions or circumstances at points in time in the past.

(h) Management – The person(s) with executive responsibility for the conduct of the entity's operations. For some entities in some jurisdictions, management includes some or all of those charged with governance, for example, executive members of a governance board, or an owner-manager.

(i) Misstatement – A difference between the amount, classification, presentation, or disclosure of a reported financial statement item and the amount, classification, presentation, or disclosure that is required for the item to be in accordance with the applicable financial reporting framework. Misstatements can arise from error or fraud. Where the auditor expresses an opinion on whether the financial statements are presented fairly, in all material respects, or give a true and fair view, misstatements also include those adjustments of amounts, classifications, presentation, or disclosures that, in the auditor's judgment, are necessary for the financial statements to be presented fairly, in all material respects, or to give a true and fair view.

(j) Premise, relating to the responsibilities of management and, where appropriate, those charged with governance, on which an audit is conducted – That management and, where appropriate, those charged with governance have acknowledged and understand that they have the following responsibilities that are fundamental to the conduct of an audit in accordance with ISAs. That is, responsibility:
(i) For the preparation of the financial statements in accordance with the applicable financial reporting framework, including where relevant their fair presentation;
(ii) For such internal control as management and, where appropriate, those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
(iii) To provide the auditor with:
a. Access to all information of which management and, where appropriate, those charged with governance are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
b. Additional information that the auditor may request from management and, where appropriate, those charged with governance for the purpose of the audit; and
c. Unrestricted access to persons within the entity from whom the auditor determines it necessary to obtain audit evidence.

In the case of a fair presentation framework, (i) above may be restated as "for the preparation and fair presentation of the financial statements in accordance with the financial reporting framework," or "for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework." The "premise, relating to the responsibilities of management and, where appropriate, those charged with governance, on which an audit is conducted" may also be referred to as the "premise."

(k) Professional judgment – The application of relevant training, knowledge and experience, within the context provided by auditing, accounting and ethical standards, in making informed decisions about the courses of action that are appropriate in the circumstances of the audit engagement.

(l) Professional skepticism – An attitude that includes a questioning mind, being alert to conditions which may indicate possible misstatement due to error or fraud, and a critical assessment of audit evidence.

(m) Reasonable assurance – In the context of an audit of financial statements, a high, but not absolute, level of assurance.

(n) Risk of material misstatement – The risk that the financial statements are materially misstated prior to audit. This consists of two components, described as follows at the assertion level:
(i) Inherent risk – The susceptibility of an assertion about a class of transaction, account balance or disclosure to a misstatement that could be material, either individually or when aggregated with other misstatements, before consideration of any related controls.
(ii) Control risk – The risk that a misstatement that could occur in an assertion about a class of transaction, account balance or disclosure and that could be material, either individually or when aggregated with other misstatements, will not be prevented, or detected and corrected, on a timely basis by the entity's internal control.

(o) Those charged with governance – The person(s) or organization(s) (for example, a corporate trustee) with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. This includes overseeing the financial reporting process. For some entities in some jurisdictions, those charged with governance may include management personnel, for example, executive members of a governance board of a private or public sector entity, or an owner-manager.

Requirements

Ethical Requirements Relating to an Audit of Financial Statements

14. The auditor shall comply with relevant ethical requirements, including those pertaining to independence, relating to financial statement audit engagements. (Ref: Para. A14-A17)

Professional Skepticism

15. The auditor shall plan and perform an audit with professional skepticism recognizing that circumstances may exist that cause the financial statements to be materially misstated. (Ref: Para. A18-A22)

Professional Judgment

16. The auditor shall exercise professional judgment in planning and performing an audit of financial statements. (Ref: Para. A23-A27)

Sufficient Appropriate Audit Evidence and Audit Risk

17. To obtain reasonable assurance, the auditor shall obtain sufficient appropriate audit evidence to reduce audit risk to an acceptably low level and thereby enable the auditor to draw reasonable conclusions on which to base the auditor's opinion. (Ref: Para. A28-A52)

Conduct of an Audit in Accordance with ISAs

Complying with ISAs Relevant to the Audit

18. The auditor shall comply with all ISAs relevant to the audit. An ISA is relevant to the audit when the ISA is in effect and the circumstances addressed by the ISA exist. (Ref: Para. A53-A57)

19. The auditor shall have an understanding of the entire text of an ISA, including its application and other explanatory material, to understand its objectives and to apply its requirements properly. (Ref: Para. A58-A66)

20. The auditor shall not represent compliance with ISAs in the auditor's report unless the auditor has complied with the requirements of this ISA and all other ISAs relevant to the audit.

Objectives Stated in Individual ISAs

21. To achieve the overall objectives of the auditor, the auditor shall use the objectives stated in relevant ISAs in planning and performing the audit, having regard to the interrelationships among the ISAs, to: (Ref: Para. A67-A69)
    (a) Determine whether any audit procedures in addition to those required by the ISAs are necessary in pursuance of the objectives stated in the ISAs; and (Ref: Para. A70)
    (b) Evaluate whether sufficient appropriate audit evidence has been obtained. (Ref: Para. A71)

Complying with Relevant Requirements

22. Subject to paragraph 23, the auditor shall comply with each requirement of an ISA unless, in the circumstances of the audit:
    (a) The entire ISA is not relevant; or
    (b) The requirement is not relevant because it is conditional and the condition does not exist. (Ref: Para. A72-A73)

23. In exceptional circumstances, the auditor may judge it necessary to depart from a relevant requirement in an ISA. In such circumstances, the auditor shall perform alternative audit procedures to achieve the aim of that requirement. The need for the auditor to depart from a relevant requirement is expected to arise only where the requirement is for a specific procedure to be performed and, in the specific circumstances of the audit, that procedure would be ineffective in achieving the aim of the requirement. (Ref: Para. A74)

Failure to Achieve an Objective

24. If an objective in a relevant ISA cannot be achieved, the auditor shall evaluate whether this prevents the auditor from achieving the overall objectives of the auditor and thereby requires the auditor, in accordance with the ISAs, to modify the auditor's opinion or withdraw from the engagement (where withdrawal is possible under applicable law or regulation). Failure to achieve an objective represents a significant matter requiring documentation in accordance with ISA 230.[52] (Ref: Para. A75-A76)

[52] ISA 230, "Audit Documentation," paragraph 8(c).

Appendix 4 – Translation Recommendations

1. The recommendations are based on the experiences of FAS and IFAC and offer advice on translation of Practice Notes. Translations of ISAs are subject to IFAC's written permission in accordance with December 2008 Policy for Translating and Reproducing Standards Issued by the International Federation of Accountants[53].

2. A Supreme Audit Institution should not refer to the INTOSAI Financial Audit Guidelines in their audit reports unless they have ensured there is a quality translation of the complete guidelines to their working language(s).

3. To assure the highest quality translation possible, it is recommended that the organization translating the INTOSAI Financial Audit Guidelines:

   - Designs and implements a translation process that will enable a faithful translation, with no omission or addition (other than translation footnotes), of the publication. A faithful translation respects the intent, tone and the organization of the publication.
   - Uses IFAC's list of key words to the extent possible to translate the key words (glossary), and maintains the translated list of key words. In translating the key words, it is important that the translating organization seeks to understand the intent of the original drafters of the publication so that misunderstandings do not arise because of literal translation of the English text.
   - Ensures that the key words are used as consistently as possible in the translation of the publication and, where applicable, in the translation of new and revised publications. Translation footnotes may be used to refer to the prevalent usages in a country when the key word retained differs from that usage.

   In addition,

   - The complete text of all the Financial Audit Guidelines should be translated.
   - It is recommended for translation purposes to use the guidelines in the English version, which is the language in which they were developed.

Where possible, the translating body (normally the Supreme Audit Institution)) is advised to:

- Engage the services of a professional translator[54] to act as principal translator. The principal translator, in consultation with the translating body, should design and implement a translation process that will enable a faithful translation as explained above.
- Identify a translation of the ISAs to be adopted as part of the INTOSAI Financial Audit Guidelines in the selected language and consider using the translated ISA and its list of key words. Because the translated ISAs are

[53] http://www.ifac.org/Translations/database.php

[54] When engaging the professional translator it is recommended to consider the professional competence of the translator in the context of the specific assignment, i.e. the translator's professional qualifications, professional knowledge, translation skills in the specific language combination and ability to translate pronouncements in the field of auditing.

subject to copyright restrictions, this will normally include liaising with IFAC to obtain permission to access and use the translation.

- Establish a translation review group consisting of native speakers of the relevant language who have an excellent knowledge of English and experience in the use of the specific standards and guidance published by INTOSAI and/or IFAC. The translation review group reviews the principal translator's translation of the key words and takes responsibility for its quality.
- Liaise with others that may have an interest in translating or have translated the INTOSAI Financial Audit Guidelines or the ISAs into the same language to reach agreement on the translation of the list of key terms and, ultimately, to work towards one translation of the INTOSAI Financial Audit Guidelines into that language.[55]
- Ensure processes are in place to maintain the translation going forward.

4. In the event of any dispute as to the meaning of a translated word or phrase of the guidelines, the English version of the guidelines should prevail.

[55] Substantial parts of the translation recommendations are copied directly from December 2008 *Policy for Translating and Reproducing Standards Issued by the International Federation of Accountants*.

Appendix 5 – List of Abbreviations

FAS – the INTOSAI Subcommittee on Financial Audit Guidelines

IAASB – International Auditing and Assurance Standards Board

IFAC – International Federation of Accountants

INCOSAI – INTOSAI Congress

INTOSAI – International Organization of Supreme Audit Institutions

ISA – International Standard on Auditing

ISAEs – International Standards on Assurance Engagements

ISQC – International Standard on Quality Control

ISREs – International Standards on Review Engagements

ISRSs – International Standards on Related Services

ISSAI – International Standards of Supreme Audit Institutions

PN – Practice Note

PSC – INTOSAI Professional Standards Committee