

May 2, 2017

**Project Proposal**

State Audit Institution of the UAE

This form is used to stand as a record of the proposal from the project team.

**PART A: PROJECT IDENTITY**

Description	Information
Project number and title as per SDP	1.2 - A more principles-based and future-proof ISSAI 200
Working title(s) for the new pronouncement(s)	ISSAI 200 (Revised)
Project aim	<p>To revise ISSAI 200 to ensure the content is consistent with the defined purpose of the document (auditing principles).</p> <p>According to ISSAI 100, levels 3 and 4 of the INTOSAI framework address the conduct of individual audits and include generally-recognised professional principles that underpin the effective and independent auditing of public-sector entities. The Fundamental Auditing Principles at level 3 (ISSAIs 100-999) draw and elaborate on ISSAI 1 – The Lima Declaration and the ISSAIs on level 2 and provide an authoritative international frame of reference defining public-sector auditing. ISSAI 200 builds on and further develops the principles to be applied in the context of financial auditing. They should be applied in conjunction with the principles set out in ISSAI 100. The principles in no way override national laws, regulations or mandates or prevent SAIs from carrying out investigations, reviews or other engagements which are not specifically covered by the existing ISSAIs.</p> <p>This concept of audit principles will be preserved in the revised ISSAI 200.</p>
Project objectives	<p>To revise ISSAI 200 keeping in mind that:</p> <ul style="list-style-type: none"> <li>- It should fit well into the revised INTOSAI framework, which should be accessible and transparent for SAIs that seek compliance with the ISSAIs.</li> <li>- It should be consistent with ISSAI 100;</li> <li>- It should be in line with the corresponding performance and compliance audit principle documents (ISSAI 300 and ISSAI 400), in particular in terms of structure, level of detail and where applicable, basic concepts;</li> <li>- There should be no repetitions or duplications with ISSAIs 1200 – 1810 (future ISSAI 2000-2899 standards);</li> <li>- It should be in line with the objectives of the individual ISAs.</li> </ul>
Project duration	18 months (see Part B below)

Name of the lead WG <sup>1</sup>	FAAS						
<b>Key contacts</b>	<b>Name</b>	<b>Surname</b>	<b>Address</b>	<b>Email</b>	<b>Office Phone</b>	<b>Business Mobile Phone</b>	<b>Organization / Sponsoring SAI</b>
Project Group lead	Khalid	Hamid	UAE	<a href="mailto:k.hamid@saiuae.gov.ae">k.hamid@saiuae.gov.ae</a>	+971 2 699 4140	+971 2 699 4140	SAI of UAE
Contact person for the goal chair	Neil	Usher	Luxembourg	<a href="mailto:Neil.Usher@eca.europa.eu">Neil.Usher@eca.europa.eu</a>	+352 4398-45281	+352 4398-45281	European Court of Auditors (ECA)
FIPP liaison officer	Alexandra	Popovic	Nybrogatan 55, 114 90 Stockholm, Sweden	<a href="mailto:alexandra.popovic@riksrevisionen.se">alexandra.popovic@riksrevisionen.se</a>	+46-8-5171 4000	+46-8-5171 4000	Swedish National Audit Office
<b>Other anticipated project team members</b>	Please see the section C.7 below that identifies the anticipated project team members						

**PART B: PROJECT MILESTONES**

Stage		Due process milestones			
1.	Project proposal	Start Date	End Date	Expected Time in Total	Comments
		May 1, 2017	May 31, 2017	1 month	
		N.B. Allow three months between end date of stage 1 and start date of stage 2 for FIPP approval of the project proposal			
2.	Exposure draft	Start Date	End Date	Expected Time in Total	Comments
		September 1, 2017	May 31, 2018	9 months	
		N.B. Allow three months between end date above and start date below for FIPP approval of the exposure draft			
3.	Endorsement version	Start Date	End Date	Expected Time in Total	Comments
		February 1, 2019	March 31, 2019	2 months	
		N.B. Allow three months between end date of stage 3 and start date of stage 4 for FIPP approval of the project proposal			
4.	Final pronouncement, including translation into all official INTOSAI languages*	Start Date	End Date	Expected Time in Total	Comments
		July 1, 2019	September 30, 2019	3 months	
		*“Unless other mechanisms have been established, the working group is responsible for translation of the approved endorsement version into the five official languages.” (Due Process, page 9). Time must be allowed to obtain the required translations of the endorsement version(s).			

<sup>1</sup> For those “type A” projects where an existing working group/subcommittee is considered to have “natural ownership” of the project

**PART C: INITIAL ASSESSMENT AND PROJECT PROPOSAL**

N°	Initial assessment - Matters to be covered (Due Process, pages 6 and 7) <sup>2</sup>	
C.1.	<p>Explanation of the need for the project</p> <p>Explanation of the purpose of the project</p>	<p>The need for the project was identified in the 2017-2019 Strategic Development Plan (SDP) approved by INCOSAI in December 2016. This project has been classified among priority 1 projects.</p> <p>The main problem with the existing ISSAI 200 is that the level of details does not correspond to the purpose of the document, which is to be fundamental audit principles. It is also disproportionate as some areas are very detailed and some are just briefly elaborated.</p> <p>Another issue is the very close coherence with the underlying International Audit Standards (ISAs). This causes two problems:</p> <ul style="list-style-type: none"> <li>• The underlying ISAs are frequently revised which requires revisions of ISSAI 200. Our fundamental principles are not supposed to change over short period of time as ISSAI 200 is a document on which national standards can be built upon.</li> <li>• The close coherence could also cause problems for the SAI using ISSAI 200 as a basis for development of the own national standards without including all the ISAs in their own national standards. This might in some cases not be possible due to national laws regulations.</li> </ul> <p>The main challenge of this project is to strike the right balance as to the level of detail involved. SDP requires us “to reduce the details and make the principles more robust in light of present and future changes in the ISAs. The revised ISSAI 200 will have to provide enough detail to allow the SAIs to assess whether their own/national standards are in compliance with the ISSAIs.</p>

<sup>2</sup> Please give detailed explanations in the right-hand column or provide references to annexed supporting material

		We also need to avoid that the revised ISSAI 200 is too generic, thus allowing a “light approach” to auditing.
C.2.	Description of the categories of auditing or other engagements that will be covered by the new pronouncement(s)	Audit of historical financial information (financial statements)
C.3.	Description of different types of SAIs / audit engagements that must be accommodated in the new pronouncement	Principles of financial audit are applicable to all SAIs
C.4.	Challenges, if any foreseen, that would <b>have to be managed by SAIs</b> in implementing the new pronouncements	The project will aim to make the new ISSAI 200 more understandable and usable. We do not foresee any particular challenges. However, any potential problems with the implementation will be taken into account during the preparatory process and will be acted upon.
C.5.	Explanation of how consistency with ISSAI 100, other existing ISSAIs and other professional pronouncement(s) will be ensured	See project objectives above.
C.6.	Explanation of the extent to which it will be possible and desirable to build on pronouncements from other internationally recognized, regional or national standard-setters and, if so, the extent to which supplementary pronouncements are needed to provide clarity on new pronouncement	As explained above, ISA 200 will be built on objectives of the underlying ISAs. As it is at the top of the financial audit standards pyramid, it is supplemented by ISSAIs 1200 – 1810 (future ISSAI 2000-2899 standards). It will also be supplemented by the future financial audit guidance (GUID 2900-2999).
<b>N°</b>	<b>Project proposal - Matters to be covered (Due Process, page 7)<sup>2</sup></b>	
C.7.	Explanation of organisation of the project describing how project group members will be drawn from relevant sub committees/ working groups/ other interested parties	A FAAS project team will be formed to complete the project. The European Court of Auditors (ECA) will be leading the project with the support of the State Audit Bureau of Kuwait. The team will be composed of: - ECA – Geoffrey Simpson - ECA- Bogna Kuczynska - ECA – Paul Sime - Kuwait- Talal Tareq Al-Wuhaib

		<ul style="list-style-type: none"> <li>- Kuwait - Yagoub Yosef Al-sultan</li> </ul> <p>According to the SDP other INTOSAI Regions and any interested and relevant groups may be involved. The exposure process will also represent an effective mechanism to obtain feedback from interested stakeholders. The project team will actively seek feedback from the following interested parties;</p> <ul style="list-style-type: none"> <li>- Other standard-setting subcommittees</li> <li>- Any SAIs identified who are presently referring to the framework as indicated in ISSAI 100.9</li> <li>- Any regions or sub-regions actively engaged in financial audit ISSAI implementation.</li> </ul>
C.8.	<p>Explanation of the outcome of the project specifying how existing professional pronouncements may be affected.</p>	<p>In general, existing pronouncements should not be affected. The current version of the ISSAI 200 brings in elements from the other financial audit pronouncements, sometimes in an inconsistent manner (i.e. different levels of detail for different pronouncements). The project team will identify the references to ISSAI 200 in other pronouncements.</p>
C.9.	<p>Explain the quality processes that will be applied in the drafting process (see Due Process, page 7 and 8) along with the parties that the project group will consult and engage with.</p>	<p>The project team plans to apply the following quality processes:</p> <ul style="list-style-type: none"> <li>- Comparison with ISSAI 100 Fundamental Principles of Public Sector Auditing or other key INTOSAI pronouncements (in particular ISSAIs 300 and 400) in order to ensure alignment in terms of structure, level of detail and basic concepts and principles.</li> <li>- If the project team will consider necessary, it will consult with members of other subcommittees (CAS, PAS) where involvement of expertise in compliance and performance auditing is relevant for the draft.</li> <li>- Engagement of SAIs and auditors from different national settings. This may serve to ensure universal applicability and be achieved, for instance, through engagement of INTOSAI’s regional working groups</li> <li>- If required, requesting guidance from the relevant bodies of the PSC, CBC or KSC</li> <li>- The project team will adhere to the Due Process for INTOSAI’s framework of professional pronouncements.</li> </ul>

**PART D: AUTHORITIES**

May 2, 2017

Project Proposal

State Audit Institution of the UAE

PERSON	NAME	SURNAME	DATE	SIGNATURE
Project leader				
Responsible Goal Chair				