

## Minutes of the FAAS Subcommittee Meeting

Date: 20 January 2026, 12:00-15:00 (GMT)

Location: Digital

### Attendees:

Austria	Romania	Cameroon	FIPP
Azerbaijan	Canada	Belgium	IDI
ECA	Brazil	France	IPSASB
Germany	India	Kuwait	IPSASB
Namibia	Ireland	Norway	IAASB
United States of America	Saudi Arabia	Netherlands	
South Africa	Afrosai-e	Sweden	
United Kingdom	Latvia		

---

### 1. Welcome and Opening Remarks

The meeting was opened by the Secretariat, with Eleonora Cereceda Nassirova outlining the agenda, structure, and logistics for the session.

The Chair, James Osborne, welcomed members and observers, noting strong representation at the meeting and including new joiners. The Chair extended a welcome to our new FAAS liaison officer from FIPP, Kristen Kociolek of the GAO. The Chair also welcomed representatives from SAI Romania and SAI Belgium who had expressed an interest in participating as a FAAS Observer.

The Chair noted that we had within the papers for the meeting our project plan for the period to 2028 and that extensive work had been undertaken to ensure that this aligned with that of our parent committee, the PSC. Volunteers were encouraged to participate in the projects.

---

### 2. Administrative Announcements and Approval of Previous Minutes

Seven documents were circulated prior to the meeting, including the September 2025 minutes and the current agenda. No comments were received on the minutes or agenda and the documents were approved without amendment.

#### **Action:**

- Secretariat to upload approved minutes and agenda to the PSC website.

---

### 3. Review of Action Points from Previous Meeting

The Secretariat provided an overview of updates from the September meeting, including alignment with PSC work plans and follow-up of previous thematic discussions.

---

### 4. Membership Update

The Chair provided an update to the FAAS about the membership position which had become vacant in early 2025. The Chair noted that consideration had been given with regard to skills, capacity and commitment to the work of FAAS. There was also consideration around ensuring regional diversity and participation in line with the overarching principles of INTOSAI. After considering the submissions made by interested SAI's the Chair confirmed that SAI Saudi Arabia had been selected to take this vacant membership position. Abdullah Alfawaz spoke in response to thank the Chair & Vice Chair for their decision. Abdullah K Alfawaz expressed appreciation and commitment to active participation.

The Chair thanked those SAI's who had expressed their interest. All had been contacted to inform them of the outcome prior to the meeting. The Chair was especially grateful to those applicants who were existing FAAS observers, noting specifically that their contributions to FAAS continued to be very much appreciated.

---

### 5. Updates from Standard-Setting Bodies

#### 5.1 IPSASB

Ross Smith provided an update on IPSASB activities, including the appointment of a new Chair, progress on sustainability standards, and ongoing consultations on the future work program. Ross leads a small team of about 10 staff Based in Toronto, that support the board and the board itself is made-up of 18 individuals from all around the world. Ian Cruthers has stepped down as chair after 10 years and the role is now held by Thomas Muller-Marquess Berger.

The IPSASB continues to focus on both the development of robust public sector financial reporting standards and, importantly, their practical adoption and implementation across jurisdictions. As highlighted by Ross, the Board has a strategic emphasis on ensuring its standards are not developed in isolation but are supported through strong collaboration with other organisations, including development agencies and the global accounting profession. This reflects a deliberate shift from pure standard-setting towards embedding

those standards in real-world public financial management systems, with supporting networks and partnerships playing a critical role in driving uptake and consistency.

A key development is the approval of the first sustainability standard, IPSAS SRS 1 on climate-related disclosures, which has been adapted specifically for public sector needs. It introduces flexibility not present in private sector standards, including a “gap-agnostic” approach allowing adoption even where accrual IPSAS are not fully implemented, and extended transition relief (e.g. for Scope 3 emissions). Alongside this, IPSASB is strengthening its maintenance and implementation processes through mechanisms such as the Application Group for technical queries and the introduction of post-implementation reviews. The work programme also reflects increasing alignment efforts with statistical frameworks (e.g. IMF and Eurostat initiatives) and new areas such as natural resources accounting, illustrating a broadening scope beyond traditional financial reporting.

## 5.2 IAASB

Jasper van den Hout provided updates on IAASB projects, including work on audit evidence, AI, and quality management. It was noted that no new standards are expected to be issued in 2026.

Jasper highlighted that recent approvals have included primarily conforming amendments—such as updates to standards relating to the use of experts—to maintain alignment with the IESBA Code of Ethics. Alongside this, the Board is undertaking structured post-implementation reviews (PIRs), including for ISA 540 (auditing accounting estimates), with the aim of assessing real-world benefits, identifying ongoing practical challenges, and distinguishing these from initial implementation issues. This approach ensures that revisions are evidence-based and targeted, rather than reactive to early adoption difficulties.

Looking forward, the IAASB is heavily engaged in shaping its 2028–2031 strategy, using stakeholder surveys, consultations and joint engagement with the ethics board to identify priorities such as emerging risks, coordination opportunities and future project areas. Notably, the Board has deliberately decided not to issue new standards in 2026, instead allowing time for implementation of recently issued standards (including fraud, going concern and LCE-related work) and responding to feedback that stakeholders require a period of stability. This reflects a conscious effort to balance innovation with absorptive capacity across jurisdictions, particularly given the scale of recent revisions.

A significant focus area is the impact of technology and artificial intelligence on audit quality and methodology. IAASB roundtables with global stakeholders have identified rapid movement from experimental use of AI tools to more integrated audit workflows, with firms anticipating increased reliance on AI across audit processes. While current standards are considered conceptually robust, stakeholders highlighted challenges in operationalising them for evolving AI tools, particularly with respect to governance, monitoring changes over

time, use of third-party systems, and ensuring appropriate supervision and review. In response, the IAASB intends to develop non-authoritative guidance, providing timely support that can evolve more quickly than formal standards. This reflects recognition that technology is advancing faster than traditional standard-setting cycles can accommodate, requiring more agile forms of guidance.

### 5.3 PSC

Alan Findlay provided an update on PSC activities, including consolidated work planning, strategic priorities, and opportunities for participation in initiatives such as the FIPP.

Alan noted the introduction of a consolidated work plan covering all PSC subcommittees, which has been prepared and is intended for approval by the PSC Steering Committee. This represented a significant structural change, aimed at improving coherence, reducing duplication, and ensuring that work across subcommittees aligns with INTOSAI's broader strategic objectives. The plan is explicitly linked to cross-cutting themes identified by INTOSAI leadership, including artificial intelligence, sustainability reporting, and implementation challenges faced by SAIs.

PSC is also strengthening its external engagement and institutional partnerships, including updated memoranda of understanding with IFAC and the INTOSAI Development Initiative (IDI). These agreements are intended to move beyond high-level cooperation statements and include concrete actions, such as sharing resources, aligning standard development efforts, and supporting capacity-building initiatives. At the same time, PSC is working to operationalise these partnerships within its work programme, ensuring that engagement with global standard setters and development organisations translates into tangible benefits for INTOSAI members.

A central theme of the PSC discussion is the challenge of implementation across a highly diverse global membership, particularly for smaller SAIs with limited resources. While PSC maintains that standards should be principles-based and therefore scalable, it recognises the practical constraints faced by these institutions and is seeking to better understand and address these challenges. This is being taken forward through collaboration with other INTOSAI committees (e.g. Capacity Building Committee and Knowledge Sharing Committee), as well as through internal initiatives such as the Strategic Development Plan projects on clarity, guidance and accessibility of standards. Overall, PSC's direction signals a move towards a more joined-up, implementation-focused and responsive standard-setting environment, capable of addressing emerging global issues while supporting consistent application across the INTOSAI community.

Comments were also added by Jefferson Lima de Souza on the subject of the proposed technical competition that is being run by the PSC. Jefferson noted the online platform and promotional website were being prepared. They were also gathering together participants from SAI's to support the preparation of questions and the eventual validation of answers.

---

## 6. Operational Plan 2026–2028

Steve McClenaghan of the FAAS Secretariat presented the revised operational plan, reflecting priorities discussed in Pretoria and alignment with PSC strategies. Steve took the FAAS through the project workplan document that had been shared in the papers for the meeting.

It was noted that this list did not limit the range of activities that FAAS could engage in between now and 2028. Instead, it set out those areas of existing interest and responsibility against the wider PSC workplan framework which ensured alignment with both the PSC, and the wider INTOSAI family. It was expected that, should a new issue of interest to FAAS arise that fell within the remit of the subcommittee, it could be added to the work plan.

Questions were raised with regards to the ISSA 5000 standard, the position paper that was included in the papers for the meeting, and whether FAAS would be looking to work with others across INSTOSAI on this project as indicated in the paper. This was confirmed and it was noted that FAAS was looking to the PSC to support wider engagement on this project.

### **Action:**

*- Members and observers to consider participation in project groups.*

---

## 7. Project Updates

### 7.1 Fraud and Going Concern (ISSAI 2240 and 2570)

Draft updates to guidance on ISSAI 2550 and 2570 were presented to members in the supporting papers. Members were invited to provide final comments within one week.

Steve McClenaghan of the FAAS Secretariat raised a proposed amendment to the guidance prepared by the project team. It was noted that with regards to ISSAI 2570, the supporting application guidance in ISA 570 might be useful to include. Specifically, paragraph A20 had specific references to the implementation of the standard in the public sector context. Three other paragraphs, A29, A36 and A53 also contained useful guidance.

Michael Bingham of SAI USA, a member of the project team, accepted the relevant of these sections. However, Michael also stated that the quoting of other guidance within GUID 2900 was in effect duplicating guidance already available to the users of the standards. It was also felt that directly quoting application guidance would present a further challenge in ensuring GUID 2900 remains up to date in the future.

It was noted that the substance of the guidance was already captured within the updated ISSAI 2570 guidance the project team had prepared.

## 7.2 Sustainability

A position paper on sustainability and ISSAI 5000 had been shared in the supporting documents. The paper noted that ongoing coordination required across committees would be needed. Noting that this had partially been discussed already in this meeting, Steve McClenaghan outlined that the papers were prepared to summarise the position reached by FAAS at the conference in Pretoria. The papers had been shared with FIPP and PSC.

## 7.3 IDI Competency Framework for Financial Audit

Steve McClenaghan outlined that IDI had asked FAAS to provide critical review and challenge on their upcoming Competency Framework for Financial Audit. The IDI Framework is intended to define the core skills, knowledge and behaviours required for SAI auditors to effectively apply INTOSAI standards, with a particular focus on emerging areas such as sustainability reporting, technology and practical implementation challenges. It supports the broader PSC objective of strengthening implementation by ensuring that SAIs not only have access to standards but also the capability to apply them consistently across different contexts. In this context, FAAS has been asked to contribute to the review and challenge of the framework to ensure that the competencies identified are fully aligned with ISSAI financial audit requirements.

---

## 8. AOB & Closing Remarks

The Vice Chair, Ulrike Meyer brought the meeting to a close. The Vice Chair noted with thanks the contributions made by FAAS colleagues during the meeting and also the progress being made by FAAS on progressing changes to GUID 2900. The Vice Chair also confirmed the FAAS that the FIPP had confirmed that they had approved the proposed changes in GUID 2900 for ISSAI 2600 and 2220, along with the necessary confirming amendments for ISSAI 140. These would now move to translation supported by the PSC.

The Vice Chair confirmed the date of the next digital meeting, 18 May 2026.

The Vice Chair also confirmed that they would be hosting the next FAAS in person meeting in Stockholm in September 2026. Further information would follow shortly.

The meeting was closed with thanks to all participants for their contributions.