

FAAS Digital Meeting - Minutes

Date: 18 May 2026

Location: Digital

Attendees

SAI/Organisation	Name
Afrosai-E	Nikeziwe Khanyile, Nonhlanhla Ndaba
Austria	Claudia Frantschitz
Azerbaijan	Jahandar Gadirov, Orkhan Abbasov
Belgium	Michèle Willems, Yves Verdood, Gert De Landtsheer, Sébastien Loos
Brazil	Ana Carolina Amorim Ubarana
Cameroon	Alfred Wambang
ECA	Leonidas Tsonakas, Paul Sime, Grigorios Tsaramanidis
France	Vincent Feller
Germany	Karsten Asbahr, Maik Esser-Müllenbach, Timm Klare
IPSASB	Maik Esser-Müllenbach, Timm Klare
IAASB	Jasper van den Hout
IDI	Karma Tenzin, Jade Quarell
India	Pushpalata, Alok Sinha
Ireland	Andy Harkness, Paul Southern
Kuwait	Eman Ibrahim AlHuwaydi
Latvia	Dzintra Tripane
Netherlands	Paul Neelissen
Norway	Andreas Dehlie
PSC Secretariat	Alan Findlay, Ornella Menetto
PSC Vice-Chair	Jefferson Lima de Souza
Romania	Alina Tomoială, Roxana Teodorescu
Saudi Arabia	Alhanouf S Aldhalan
South Africa	Ebette Sekgetho, Nhlanhla Ngaka
Sweden	Ulrika Meyer (FAAS Vice-Chair), Eleonora Cereceda Nassirova (FAAS Secretariat), Linnéa Klefbom (intern)
UK	James Osborne (FAAS Chair), Steve McClenaghan (FAAS Secretariat)
USA	Michael F Bingham, Roger J Bradley

Not attended at meeting: SAI Canada and SAI Namibia.

1. Welcome and Opening Remarks

James Osborne (FAAS Chair) opened the meeting, welcomed participants and highlighted the addition of three new formal FAAS observers (SAI Belgium, Brazil and Romania). Each new observer was invited to introduce themselves. James Osborne closed the introductions by welcoming the new observers and passed the floor to the Secretariat to proceed with the agenda.

2. Administrative Announcements and Approval of today's agenda and previous Minutes

Eleonora Cereceda Nassirova (FAAS Secretariat) outlined the agenda sequence (introductions; follow-up from previous meeting; sector updates; short break; operational plan; project updates; Stockholm meeting information).

Eleonora confirmed that no comments had been received on the circulated minutes from the previous digital meeting or on the agenda, and invited any final comments during the call. No interventions were raised, and the minutes and agenda were therefore considered approved.

Action: Secretariat to upload the approved minutes and agenda to the PSC website and to update the FAAS contact list based on received corrections and circulate an updated version after the meeting.

3. Update on GUID 2900 Amendments and Engagement with FIPP

James Osborne provided an update on FAAS engagement with FIPP in relation to previously submitted GUID 2900 updates (including ISSAI 2220 and ISSAI 2600). He explained that, during translation and finalisation, FIPP raised a challenge regarding whether a newly added paragraph in the 2600 updates constitutes new material requiring a different due process route (beyond streamlined minor/conforming amendments).

James outlined options communicated by FIPP for progressing the paragraph: removing it; fully exposing it; or providing a written justification explaining why the paragraph is needed. He indicated FAAS is pursuing the written justification option, while continuing wider discussions with PSC and FIPP on how to distinguish changes to standards versus changes to guidance and how due process should be applied in practice for future updates (e.g., fraud and going concern-related updates).

Michael F. Bingham (SAI USA) asked whether the issue should be treated primarily as a due process question (linked to the Due Process Working Group) or as part of broader discussions about developing guidance (e.g., within the SDP "G initiative"), noting the importance of maintaining the ability to provide meaningful guidance without unnecessary barriers.

James responded that the topic spans both: near-term resolution with FIPP is needed to avoid delays, while longer-term clarity may be supported through due process working group discussions. He emphasised FAAS's role largely concerns guidance, and therefore agility is important to keep guidance up to date as standards evolve.

Alan Findlay (PSC Secretariat) added that, in his view, the underlying due process framework is relatively clear (exposure for substantial new material; streamlined approach for minor/editorial changes). He noted PSC is engaging with FIPP to understand why similar amendments previously proceeded as editorial without exposure, and committed to report back on these discussions in future.

Action:

- FAAS/PSC to continue engagement with FIPP to clarify interpretation and application of due process for GUID updates and report back to FAAS.
- FAAS to proceed with written justification for the challenged paragraph in the GUID 2900 (ISSAI 2600) update, as discussed.

Open questions / follow-up:

- Clarification needed from FIPP on the justification for the changed interpretation of 'editorial/minor' versus 'new' guidance text in the streamlined process.
- Longer-term: establish shared understanding of how due process should apply to guidance updates when underlying standards change.

4. Strategic Development Plan (SDP): Coordination with Subcommittees

Ulrika Meyer (FAAS Vice-Chair) provided an update on SDP coordination, noting gaps where subcommittees have not always been involved early in proposals with potential implications for financial audit. She referenced a recent example where an SDP proposal (I-initiative) on restructuring ISSAIs had implications for financial audit, and noted that FAAS leadership had shared reflections in a letter circulated in the meeting papers.

Ulrika explained that it has been agreed each subcommittee should appoint representatives to each of the five SDP initiatives to follow the work and report back on relevant developments. She noted FAAS already had participation in three initiatives (T, I, and P), but additional coverage was needed for the A and G initiatives. Volunteers were requested, and it was also acknowledged in the meeting that representation for the A initiative was already available from a FAAS member – ECA.

Action: FAAS members/observers to inform Secretariat if they are already involved in SDP A- or G-initiatives, or volunteer to represent FAAS in those initiatives.

Open questions / follow-up: Confirm and record FAAS representation for remaining SDP initiatives (A and G) and establish reporting arrangements.

5. INTOSAI Working Group on Due Process

Eleonora Cereceda Nassirova provided an update on the INTOSAI Due Process Working Group, established by the INTOSAI Governing Board as a permanent platform to review the due process framework. She outlined the group's composition (including INTOSAI leadership, PSC leadership, General Secretariat, Goal Chairs/Vice Chairs, FIPP leadership, PSC subcommittees and IDI).

Eleonora noted that FAAS is represented by James Osborne, Ulrika Meyer, Steve McClenaghan and Eleonora herself. The first meeting took place on 19 March and focused on agreeing the terms of reference and establishing a high-level work plan. The group is awaiting next steps and upcoming meetings where substantive due process work will begin.

Action: FAAS representatives to engage in Due Process Working Group discussions and contribute on issues relevant to FAAS guidance work as the group moves into its substantive phase.

6. Sector Update: IPSASB (presented by Maik Esser-Müllenbach)

Maik Esser-Müllenbach (SAI Germany) provided an IPSASB update covering: the proposed strategy and work programme to 2028; sustainability-related work (including climate-related disclosures Phase 2 and materiality education material); financial reporting projects (presentation of financial statements consultation); alignment work (strengthening linkages between IPSAS and statistical frameworks); and maintenance and implementation support activities.

Maik described IPSASB's increasing focus on "inspiring adoption and implementation", including mechanisms such as the IPSASB Application Group (for implementation queries), post-implementation reviews (potentially including IPSAS 18 and IPSAS 35), the Sustainability Implementation Forum, and a newly established financial reporting implementation forum intended to bring practical issues into IPSASB processes.

James asked about the scale of uptake and whether the direction of travel is positive; Maik noted that the financial reporting implementation forum was newly established and stressed IPSASB's intent to keep stakeholder representation balanced across regions and stakeholder types.

Nhlanhla Ngaka (SAI South Africa) raised a reflection/question on whether FAAS should more formally coordinate inputs to IPSASB consultations, similar to how engagement occurs on auditing standards, and asked whether there is a principle reason FAAS does not do so routinely.

James responded that FAAS's role differs across domains: FAAS produces guidance for adoption of auditing standards, while engagement with IPSASB consultations may be more appropriate on a case-by-case basis (where FAAS has a strong view or material public-sector interest).

Steve McClenaghan (FAAS Secretariat) added that FAAS has previously coordinated an IPSASB response (e.g., IPSAS 33) through a time-limited project team, but that FAAS does not currently coordinate responses across all IPSASB consultations. Nikeziwe Khanyile also recalled that IPSAS 33 engagement and suggested FAAS could potentially strengthen wider stakeholder engagement in future.

Action: Members/observers to notify Secretariat/Chair if they identify IPSASB consultations where FAAS should coordinate a response, so FAAS can consider case-by-case engagement.

Open questions / follow-up: Whether FAAS should establish a more systematic approach to coordinating responses to IPSASB consultations (beyond case-by-case), and if so, what criteria should trigger coordination.

7. Sector Update: PSC (presented by Alan Findlay)

Alan Findlay (PSC Secretariat) provided a PSC update, including the consolidated PSC work plan (adopted in principle previously and detailed version adopted at the PSC steering committee meeting in Beijing). He described the work plan as ambitious and structured around themes such as artificial intelligence, sustainability reporting, and implementation of standards.

Alan emphasised the need to focus not only on developing and revising standards but also on understanding and supporting implementation (including learning from CBC work on implementation challenges). He also outlined PSC objectives linked to the INTOSAI strategic plan, and highlighted planned work on ethics/AI (updating ISSAI 130), professional qualifications (supporting PESA), supporting FIPP capacity, developing standard-setter training, improving accessibility and digital presentation of standards, and strengthening regional coordination and engagement.

Alan also provided an overview of SDP initiatives (T, I, G, P, and AI) and noted progress and timing, including that some initiatives are running behind initial plans. He also outlined the Due Process Working Group's status and upcoming focus areas.

8. Sector Update: IAASB (presented by Jasper van den Hout)

Jasper van den Hout (IAASB) provided a high-level update on IAASB projects, including:

- Audit Evidence and Risk Response project (integrated changes across ISA 330, ISA 500 and ISA 520), approaching exposure draft approval (noting correction that the planned approval was June 2026 rather than December 2026 as shown on a slide).
- Technology Quality Management initiative, where IAASB is developing guidance (rather than new standards) to address responsibilities related to foundational GenAI models, firm-developed applications/configurations, and engagement-level use; guidance is expected later in 2026 and Q1 2027.

- ISA 500-series project (scope including ISA 501 inventory and ISA 505 external confirmations), focusing on modernisation, technology considerations and strengthening professional scepticism.
- ISRE 2410 (review of interim financial information) exposure draft issued with comments due 3 September 2026.
- Post-implementation review of ISA 540: survey consultation with comments due 17 June 2026; two-phase approach (initial targeted outreach followed by broader public survey).
- ISA for LCE maintenance project: considering proportionate incorporation of fraud and going concern changes; outreach ongoing to test proportionality; exposure draft expected for approval in June 2026.
- Strategy and work plan development for 2028–2031: survey closed (comments due last Friday), consultation paper planned next, and Board deliberations scheduled later in 2026.

Action: James Osborne commented that Jasper’s update provided useful context for agenda planning for the September in-person meeting, highlighting opportunities for FAAS members/observers to engage with consultations (especially audit evidence/risk response) and to follow IAASB guidance on foundational GenAI models.

9. FAAS Operational Plan 2026–2028 and Project Updates

Steve McClenaghan led the operational plan discussion and provided project updates, noting that the plan is aligned with PSC priorities and is flexible to incorporate new issues within FAAS remit as they arise.

9.1 ISA for LCE – FAAS guidance proposal

Steve summarised the paper circulated in advance on FAAS’s planned guidance regarding the ISA for LCE. He noted he is leading the work with assistance from Paul Southern (SAI Ireland), and that colleagues from Afrosai-E and ECA had expressed interest in joining. He highlighted key guidance areas: ensuring the ISA for LCE is acceptable within national regulatory/legal contexts; providing public-sector illustrative case studies against the standard’s qualitative criteria; and addressing how the standard and related guidance might be referenced and placed within the IFPP (given it lacks an ISA number).

Nikeziwe Khanyile (Afrosai-E) shared that Afrosai-e has received several requests from member SAIs about LCE guidance, and that Afrosai-e plans a research/survey to member SAIs to better understand how “less complex entity” should be interpreted in public-sector contexts; draft research questions are being prepared and could be shared for contribution by September.

Karma Tenzin (IDI) asked, from a process perspective, whether developing FAAS guidance is intended to facilitate adoption of ISA for LCE into the IFPP and how due process will apply. Steve responded that, as understood, both the standard (as adopted) and any FAAS

guidance will need due process; however, the standard itself could potentially proceed through due process first (as an existing IAASB-issued standard), with FAAS guidance following later. Steve also noted a need to avoid duplicating existing IAASB guidance and that FAAS guidance may in places signpost existing IAASB materials.

James Osborne added that FIPP has added ISA for LCE to its own work programme for due process consideration, and that FAAS is not proposing adaptations to the standard text itself, but rather guidance on public-sector appropriateness and adoption considerations.

Action:

- Members/observers to send Steve McClenaghan examples or scenarios where public-sector LCE guidance would be particularly useful (case study ideas).
- Afrosai-e to progress planned LCE research/survey and share draft questions/findings with FAAS ahead of September meeting where possible.

Open questions / follow-up:

- How ISA for LCE will be referenced/numbered and positioned within the IFPP (structural placement question).
- Criteria for public-sector applicability (qualitative interpretation) to be refined through examples and member input.

9.2 Sustainability and ISSAI 5000

Steve McClenaghan provided a status update on sustainability/ISSAI 5000 work following discussions in Pretoria. He noted that SAI Germany agreed to continue leading on sustainability within FAAS, and that FAAS is engaging PSC to convene relevant INTOSAI stakeholders to clarify roles and avoid duplication across committees and groups.

Alan Findlay noted IDI's strong work programme on sustainability and the value of bringing IDI into coordination discussions. SAI Germany thanked SAI India, Kuwait and ECA for joining the sustainability group and noted the group is waiting for PSC guidance on role and timing. Karma Tenzin stated IDI's willingness to contribute and to bring other stakeholders, noting ISSAI 5000 is relevant across different audit types and assurance approaches in public-sector contexts.

Action: PSC/FAAS to convene or facilitate a coordination discussion across relevant INTOSAI bodies/partners to clarify roles and approach for sustainability/ISSAI 5000-related guidance work.

Open questions / follow-up: Clarification of FAAS's specific role and scope in sustainability/ISSAI 5000 work vis-à-vis other INTOSAI groups (to avoid duplication).

9.3 AI and Emerging Technologies project

Eleonora Cereceda Nassirova updated on the AI and emerging technologies within financial audit project. She welcomed new members (SAI Belgium and SAI India) and noted the

project team has been in contact with five of seven regional organisations to identify leading SAIs in this area; ASOSAI and CAROSAI remained outstanding, and Eleonora requested contacts if participants had them. She noted participation in IAASB roundtables in 2025 and explained next steps: convening the project team, allocating interview responsibilities, and aiming to finalise work ahead of the September in-person meeting.

Action:

- Members/observers to share relevant ASOSAI/CAROSAI contacts with the Secretariat to support outreach for the AI project.
- Project team to convene and allocate interview responsibilities to progress data gathering.

Open questions / follow-up: Outstanding: secure contacts/inputs from ASOSAI and CAROSAI to complete regional outreach.

9.4 ISSAI 2240/2570 (Fraud and Going Concern) – guidance updates

Steve McClenaghan advised that the project team has completed proposed text for ISSAI 2240 and 2570 guidance updates and will move these to FIPP for submission. He noted FIPP may raise questions; if so, the project team will be re-engaged to respond. Steve expressed hope that progress would be significant by September, potentially approaching translation.

9.5 Other operational plan items

Eleonora noted additional operational plan activities relating to IAASB standard updates (five project groups focusing on amendments to current GUID 2900 based on IAASB changes, ISA 330, 500, 520, 501, 505).

Steve noted FAAS involvement in the IFPP competition technical group (Ana Carolina, SAI Brazil) and ongoing monitoring of SDP initiatives.

Steve also summarised FAAS's role in reviewing IDI's financial audit competency framework draft (with Eleonora, Steve and SAI Romania contributing). Jade Quarrell (IDI) clarified the competency framework structure: building on the INTOSAI professional level framework, IDI is developing two lower levels (foundation and intermediate) and sought feedback on level appropriateness to support SAIs developing their own frameworks.

Finally, Steve encouraged members to support SAI South Africa in the project on ISRE 2410 exposure draft feedback efforts if they wished to contribute.

Action:

- FAAS reviewers to provide feedback to IDI on the competency framework draft (levels and appropriateness) within the requested timeline.
- Interested members/observers to contact SAI South Africa to support ISRE 2410 exposure draft feedback work, if able.

10. Upcoming In-Person Meeting in Stockholm (September 2026)

Ulrika Meyer provided practical information on the September in-person meeting in Stockholm. She noted that the registration link and accommodation details had been circulated, and a rate had been secured at Scandic Grand Central Hotel (meeting venue). She requested registrations to be completed by 3 July to support planning. The meeting will be held over two full days at the hotel, with a social activity planned for the first evening. The draft agenda is expected end of August/early September.

Eleonora Cereceda Nassirova added that some participants experienced technical issues completing the registration form, and she is working to resolve this and will share a corrected registration form if needed.

Action:

- Participants to register for the Stockholm meeting by 3 July (as requested) and contact Secretariat if they experience booking/registration issues.
- Secretariat to resolve registration form issues and re-circulate a corrected registration link/form if needed.

11. Any Other Business and Closing

Steve McClenaghan invited any final questions; none were raised at that point, and he closed the meeting with thanks and a reminder that participants may contact the Secretariat/Chair/Vice-Chair between meetings.

Following the formal close, Michèle Willems (Belgium) raised a clarification regarding SAI Belgium's allocation across multiple projects in the operational plan. She noted that Belgium appeared listed under three projects (AI, ISA 330 and ISA 500-related work) and indicated to start with the AI project and potentially joining one other project later, depending on timing and workload.

Eleonora took notes and indicated SAI Belgium in parentheses for the additional projects, and that a decision on which additional project to prioritise could be revisited closer to September when timelines are more concrete.

Action: Secretariat to adjust operational plan participation listings for SAI Belgium to reflect capacity (start with AI; review future participation in ISA 330/ISA 500-related projects later).