

PROJECT PROPOSAL	
This form is used to stand as a record of the proposal from the project team.	
PART A: PROJECT IDENTIFICATION	
Description	Information
Project number and title as per SDP	Project 2.7 Consolidating and aligning guidance for audits of Privatization with ISSAI 100
Working title(s) for the new pronouncement	GUID on the Audit of Public-Private Partnership (PPP)
Project goal/aim	Provide guidelines to be used by Supreme Audit Institutions that would facilitate audit of PPP and produce quality audit reports beneficial to good governance and efficient procurement of government infrastructure/facilities and services for the public through the PPP modality
Project objectives	To develop a new GUID applying the fundamental auditing principles in ISSAI 100, 300 and 400 in the conduct of Performance and Compliance Audits of PPP projects of the government
Project duration	January 2019 – May 2021
Name of the lead	Working Group on Public Private Partnership (WGP)

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Key contacts	Name	Surname	Address	Email	Office Phone	Business Mobile	Organization/ Sponsoring SAI
Project Group Lead	Carlos Xavier	Varela Núñez	SAI Ecuador	xvarela@contraloria.gob.ec cmateus@contraloria.gob.ec	+593 2 3987340		SAI Ecuador
Contact persons for the goal chair	Praveen	Tiwari	SAI India	tiwaripk@cag.gov.in ir@cag.gov.in	00-91-11-23237822		Sai India
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Other anticipated project team members (list of names and organizations)							
Key Contacts	Name	Surname	Address	Email	Office Phone	Business Mobile Phone	Organization/ Sponsoring SAI
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PART B. PROJECT MILESTONES

Stage		Due Process Milestones			
1.	Prepare Project Proposal	Start Date	End Date	Expected Time in Total	Comments
		January 2019	May 2019	90 Days	
		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.	Prepare first Draft of PPP GUID for Exposure (Second draft to FIPP June 2020)	Start Date	End Date	Expected Time in Total	Comments
		September 2019	February 2020	180 Days	
		N.B. Allow three months between end date above and start date below for FIPP approval of the project proposal			

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	Exposure of Draft PPP GUID	Start Date	End Date	Expected Time in Total	Comments
		July 2020	October 2020	90 Days	
3.	Prepare Endorsement Version of the Proposed GUID	Start Date	End Date	Expected Time in Total	Comments
		October 2020	December 2020	90 Days	
		N.B. Allow three months between end date of stage 3 and start date of stage 4 for FIPP approval of the Proposed GUID			
4.	FIPP Approval/ Final pronouncement, including translation into all official INTOSAI languages*	Start Date	End Date	Expected Time in Total	Comments
		March 2021	May 2021	90 Days	

PART C: INITIAL ASSESSMENT AND PROJECT PROPOSAL

	Initial assessment – Matters to be covered (Due Process, pages 6 and 7)	
C.1	Explanation of the need for the project	<p>The need of Project 2.7 is based on the following conditions/circumstances:</p> <ol style="list-style-type: none"> 1. PPPs are a significant feature of governance and development today, and the Supreme Audit Institutions (SAIs) are an important link in ensuring accountability and transparency in the choice and the implementation of procurement through PPP;

		<ol style="list-style-type: none">2. The former ISSAIs on PPP are not yet harmonized with the Fundamental Principles of Public-Sector Auditing (ISSAI 100) which was endorsed in 2013;3. Guidelines, to assist auditors in the audit of PPP projects to enable them to form a conclusion. It may be relevant that the GUID covers different audit objectives, for example:<ul style="list-style-type: none">- Guidance is needed for auditors in assessing the appropriateness of the choice of government agencies in using PPP as a mode of procuring public infrastructure/ facilities/ services instead of the regular modes of procurement.- Assessment is needed as to whether PPP arrangements (a) are truly for public interest; (b) enable fair and balanced sharing of risks and rewards; and (c) promote accountability while encouraging private sector involvement, investment, and innovation;4. Public procurement through PPP arrangement undergoes a standard life cycle (stages of project development, approval, procurement, construction, operation and maintenance, to handover) which requires the SAIs in different countries to determine which stage under their PPP legal framework is most critical to audit and what particular audit types (compliance, performance) to undertake;5. Guidance is needed for the auditor to decide whether to conduct a: (i) post-facto audit of the PPP procurement process/system to identify lessons learned for future process improvement; (ii) ex-ante audit of the
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		contractual provisions of the PPP agreement to avert arrangements that are disadvantageous or prejudicial to the government and the people/public; (iii) post-facto audit of actual implementation to determine compliance with contractual provisions; or (iv) combination of any of the above;
C.2	Description of the categories of auditing or other engagements that will be covered by the new pronouncement(s)	<ul style="list-style-type: none"> • The new pronouncement will be categorized as GUID in Subject Specific Matter Guidance. • The new pronouncement (GUID) will cover the conduct of performance and compliance audits of PPPs, aligned with ISSAI 100, ISSAI 300 and ISSAI 400.
C.3	Description of different types of SAIs/audit engagements that must be accommodated in the new pronouncement	General Principles on audit of PPP are applicable to all SAIs independently of their type of engagement. We consider this GUID to be applicable to the audit types Compliance Audit and Performance Audit. The process of developing the GUID shall ensure that the basic issues inherent in the audit of Public Private Partnerships are appropriately linked to the different types of audit conducted by SAIs.
C.4	Challenges, if any foreseen, that would have to be managed by SAIs in implementing the new pronouncements	<p>(a) Absence of mandate of some SAIs to audit projects procured and implemented through Public Private Partnership (PPP); and</p> <p>(b) Lack of technical capability of SAIs to audit PPP.</p>
C.5	Explanation of how consistency with ISSAI 100, other existing ISSAIs and other professional pronouncement(s) will be ensured	<ul style="list-style-type: none"> • The new pronouncement will be aligned/harmonized with ISSAI 100. • Reference and analysis of related ISSAIs and other professional pronouncements would be included/covered in the project methodology and be considered in the GUID to ensure consistency and uniformity and thus,

		avoid overlap and inconsistency with other professional pronouncements and ISSAIs.
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.	Not relevant.
	Project proposal – Matters to be covered	
C.7.	Explanation of organization of the project describing how project group members will be drawn from relevant sub- committees/working groups/other interested parties	<p>Composition of the project task team/sub-team shall be drawn from the SAIs which signified interest; participated in the teleconferences and preliminary assessment work on the ISSAIs on privatization (particularly on PPP); and submitted comments on the initial documents for Project 2.7.</p> <p>Likewise, sub-teams/groups may be created based on the above which could be assigned, either by type of audit (i.e. Compliance and Performance Audit) or by stages of PPP life cycle (Planning/Project Development, Procurement, Construction, Operation and Maintenance stages).</p> <p>Another sub-team may be constituted from the different sub-teams to review and consolidate the outputs of each sub-team to ensure consistency, completeness, and cohesiveness, or a peer review strategy may be employed by the sub-teams.</p> <p>The coordination and cooperation with other related INTOSAI Committees will be guaranteed, including the Professional Standards Committee, and Capacity Building Committee and with other related Working Groups.</p>

C.8.	Explanation of the outcome of the project specifying how existing professional pronouncements may be affected.	The output of the project – the new GUID on PPP – will replace the former ISSAI 5240 when it is published.
C.9.	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>The project shall ensure the observance of the Due Process for the INTOSAI’s Framework of Professional Pronouncements or procedures for developing and revising ISSAIs and other pronouncements.</p> <p>In addition to the requirements of the Due Process, the following quality processes will be applied:</p> <ol style="list-style-type: none"> 1) A first draft will be submitted to FIPP before finalizing the exposure draft. 2) After the first draft has been submitted to FIPP the WG will: <ul style="list-style-type: none"> • Consult with PAS and CAS and request their comments to the draft. • Consult with relevant external consultative bodies, eg the OECD, the World Bank. • Prepare a disposition table with the results of the consultations and report to FIPP on key questions raised by PAS and CAS or other stakeholders. <p>The FIPP Liaison Officer shall be consulted on a regular basis to ensure that the Project is moving on the right track.</p>

PART D: AUTHORITIES

PERSON	NAME	SURNAME	DATE	SIGNATURE
Project Leader	Carlos Xavier	Varela Núñez	June 4 th , 2019	

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Responsible Goal Chair	Praveen	Tiwari		
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