

[Agenda for the June 2022 web-meetings of the
Forum for INTOSAI Professional Pronouncements \(FIPP\)](#)

<p>Due to the pandemic Covid-19 situation, the FIPP Chairmanship has decided to conduct shorter, more frequent web-based FIPP meetings in order to be agile regarding the FIPP's assigned tasks.</p> <p>The agenda is an overview of all agenda-items planned to be discussed during all sessions. Some items will be discussed in several sessions.</p>		
<p>Meeting days Tuesday 7 June 2022 - 13:00–17:00 CEST Thursday 9 June 2022 - 13:00–17:00 CEST Tuesday 14 June 2022- 13:00–17:00 CEST</p>		
Agenda Items	Purpose	Output
<p>Process for developing the Strategic development plan for IFPP</p>		
SDP 2023-2025	<p>According to due process FIPP is responsible for the development of a proposal for the planning process. When a draft plan is developed, FIPP present the draft SDP to PSC-SC for their approval before forwarding the plan to the INCOSAI for endorsement.</p>	<p>The SDP planning process was initially discussed at the FIPP October and December 2021 meetings and concluded by at the February 2022 meeting. The draft plan will be circulated to the PSC-SC for approval in their June meeting in 2022 (28 June 2022).</p> <p>At the June meeting there will be a joint discussion session with representatives from CBC, KSC and PSC as well as FIPP members regarding the vision and the further work with the SDP.</p> <p>Further there will be a joint discussion with the above mentioned representatives on the summaries of inputs from the GCCs based on the initial feedback from their subcommittees/working groups for FIPPs further consideration. The output/conclusion of this will be used as a basis for the SDP joint seminar discussions in September.</p>
<p>Project Proposal / Exposure Draft / Endorsement version submitted from Goal Chair for discussion / appraisal</p>		
<p>Updated project proposal SDP 2.6 GUID 5160 Guidance on using the work of internal auditors</p>	<p>To discuss/appraise/approve according to FIPP Working Procedures and drafting conventions</p>	<p>For FIPP to give feedback to the project group accordance to decisions made with the PSC Secr in the FIPP April meeting. See Annex 1</p>

ISSAI 140 (Revised)	To discuss/appraise/approve according to FIPP Working Procedures and drafting conventions	For FIPP to discuss/appraise/approve/vote. See Annex 2
Information from the PSC Secr		
Component 1	Information from the PSC Secr. For discussions in FIPP	The PSC Secr will present the results of the component 1 workshops.
Information from FIPP Chair		
The Classification Principles	For FIPP discussion	Paper from the FIPP Vice Chair for discussion
AoB	FIPP Chair	FIPP in-person meeting 5 – 9 September Copenhagen, Denmark
Concluding the meeting		
Summary of activities	FIPP Chair	
Summary of key decisions in the minutes	FIPP Chair	

Approved November 2018
Update of December 2021

Project Proposal (updated)

Subcommittee ICS

PART A: PROJECT IDENTITY

Description	Information						
Project number and title as per SDP	2.6 Consolidated and Improved Guidance on Reliance on the Work of Internal Auditors						
Working title(s) for the new pronouncement(s)	Guidance on cooperation with internal auditors						
Project aim	To develop guidance to help Supreme Audit Institutions (SAI) cooperate efficiently with the internal auditors of audited entities.						
Project objectives	To support SAIs' cooperation with internal audit function, based on understanding of the function and awareness of both benefits and risks so as to create favourable environment to make cooperation advantageous to the two parties, and allow SAIs to efficiently use the work of internal auditors with a view to achieving higher effectiveness of auditing.						
Project duration	2 years (in line with the updated schedule; see Part B)						
Name of the lead WG ¹	Subcommittee on Internal Control Standards (ICS)						
Key contacts	Name	Surname	Address	Email	Office Phone	Business Mobile Phone	Organization / Sponsoring SAI
Project Group lead	Paweł	Banaś	Poland	Pawel.Banas@nik.gov.pl	+48 22 444 5081	+48 728 412 441	SAI of Poland
Contact person for the goal chair							
FIPP liaison officer	Marita	Salgrāve	Latvia	Marita.Salgrave@lrvk.gov.lv	+371 67017596	+371 29408537	SAI of Latvia
Other anticipated project team members							

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

PART B: PROJECT MILESTONES

[Updated in December 2021]

Stage		Due process milestones			
1.	Project proposal (updated version)	Start Date	End Date	Expected Time in Total	Comments
		11 October 2021	15 December 2021	2 months	
		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
		15 March 2022	1 October 2022	6.5 months	
		N.B. Allow three months between end date above and start date below for FIPP approval of the exposure draft			
	Exposure period	Start Date	End Date	Time in Total (not negotiable)	Comments
		1 January 2023	31 March 2023	3 months	
3.	Endorsement version	Start Date	End Date	Expected Time in Total	Comments
		1 April 2023	1 June 2023	2 months	
		N.B. Allow three months between end date of stage 3 and start date of stage 4 for FIPP approval			
4.	Final pronouncement, including translation into all official INTOSAI languages*	Start Date	End Date	Expected Time in Total	Comments
		1 September 2023	1 November 2023	2 months	Approval by INTOSAI Governing Board
		*“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).			

<p>PART C: INITIAL ASSESSMENT AND PROJECT PROPOSALN°</p>	<p>Initial assessment - Matters to be covered (Due Process, pages 6 and 7)²</p>	
<p>C.1.</p>	<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 Strategic Development Plan 2017–2019 (SDP) approved by the INTOSAI Governing Board in December 2016.</p> <p>The aim of the project is to clarify how SAIs can cooperate with internal audit functions (IAF) of auditees. Cooperation is understood as working together, including coordination, exchange of information, advice, mutual usage of work, etc. The rationale of cooperation is to raise overall audit efficiency and quality. As a product we propose a guidance document in the GUID 5000-5999 range of the IFPP (‘Subject specific guidance’) – the number assigned by FIPP to the pronouncement is GUID 5160. The GUID will follow the <i>Drafting conventions for guidance documents in the INTOSAI Framework of Professional Pronouncements</i>.</p> <p>When using the GUID, SAIs will be supported in judging whether or not sufficient independence, objectivity, expertise and quality assurance is in place for the level and degree to which they want to cooperate with internal auditors. At this point relevant parts of INTOSAI GOVs 9140 and 9150 will be integrated into the new guidance, as well as the latest insights on assessment of internal audit maturity, the Three Lines concept, and communication with those charged with governance for both internal and external audit.</p> <p>The GUID, following the recommendations of the <i>Drafting conventions</i>, will begin with an introduction, objective and scope, while the content of the GUID will be divided into three main parts:</p> <ol style="list-style-type: none"> 1. how to <u>understand</u> cooperation between external and internal auditors, comprising the basic definitions, the INTOSAI approach stemming from the Lima Declaration and the revised IIA’s Three Lines Model;

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

		<p>2. how to consider existing <u>modes of cooperation</u> in individual cases – the pronouncement presents the modes of cooperation available (e.g. reliance, usage, direct assistance, etc.), and their benefits and risks so that an external auditor can choose the best mode of cooperation;</p> <p>3. ways to <u>review</u> the internal audit function with regard to the SAI-IAF cooperation's goals, requirements and quality assurance. Different review approaches will be suggested, depending on the planned scale of cooperation, varying from minimal to maximal expectations.</p> <p>Additional area of interest will be looking for a format for the GUID that could be a response to the issues revealed by the Component 1 discussion. The GUID will be developed in parallel as a web document and a pdf file, so that the rules of content management can be applied, with an option to transform it into a traditional IFPP pronouncement available when needed – a pdf printout option. During the development of the web document, mechanisms will be applied to better control references and quotations, as well as to facilitate translation into other languages.</p>
C.2.	Description of the categories of auditing or other engagements that will be covered by the new pronouncement(s)	<p>The project is intended to focus on what is common in cooperation with internal auditors regarding every audit type, conducted separately as well as in an integrated or combined approach to auditing.</p> <p>The document may also be used in other engagements of SAIs, such as peer reviews, audit-based analyses and advice for governments and public sector entities, etc.</p>
C.3.	Description of different types of SAIs / audit engagements that must be accommodated in the new pronouncement	The GUID aims to be applicable for different types of SAIs / audit engagements, without inclining towards any specific types thereof.
C.4.	Challenges, if any foreseen, that would have to be managed by SAIs in implementing the new pronouncements	<p>One of the challenges we can foresee is that SAIs may have to convince the management and the internal audit functions of the audited entities about the risks and benefits of the intended cooperation between SAIs and IAfFs. Ways to mitigate additional effort related to the cooperation's preparatory stage should also be taken into account.</p> <p>Another challenge could be accommodating the new pronouncement to the national public sector auditing frameworks, which in the past were based on INTOSAI GOVs.</p>

C.5.	Explanation of how consistency with ISSAI 100, other existing ISSAIs and other professional pronouncement(s) will be ensured	<p>Effort will be made to ensure the consistency between GUID 5160 and ISSAI 100, other ISSAIs and other relevant IFPP pronouncements. On the other hand, attention will be paid to avoiding problems of overlapping and contradictions between IFPP projects and pronouncements. In order to remain in alignment, also with ongoing SDP projects, we will coordinate and, if necessary, seek to reach clear agreements on scopes of pronouncements with other subcommittees/working groups, in particular FAAS, PAS and CAS. The project leader will be also in contact with the Goal Chair, the FIPP Liaison Officer and the other SDP projects leaders. The project team will follow any new relevant issues relating to existing ISSAIs or to the development of ISSAIs by other INTOSAI structures.</p> <p>The project team will also observe developments of ISAs by IFAC/IAASB. One of the important pronouncements to stay aligned with is updated ISA 315, which contains the requirements for the auditor's risk assessment, based upon the auditor's understanding of the business and internal control of the entity to be audited.</p>
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	The ICS has been performing research to identify existing relevant guidance developed by other organisations on this topic. In the opinion of the ICS, the GUID should be in harmony with pronouncements of other internationally recognised organisations, simultaneously emphasising the issues of key importance to INTOSAI. To this end, the ICS has been cooperating with the Institute of Internal Auditors (The IIA), the International Federation of Accountants (IFAC), the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Value Reporting Foundation.

N°	Project proposal – Matters to be covered (Due Process, page 7) ²	
C.7.	Explanation of organisation of the project describing how project group members will be drawn from relevant subcommittees/ working groups/ other interested parties	The proposed GUID will be shared with competent INTOSAI bodies (i.e. the PSC Chair, PSC Subcommittees and the FIPP) at subsequent stages of drafting, which is in line with the practices foreseen for a consultation project in the PSC document: <i>Working together effectively within the PSC to achieve success in cross-cutting SDP projects</i> (August 2021).

C.8.	Explanation of the outcome of the project specifying how existing professional pronouncements may be affected.	Other pronouncements are not foreseen to be affected. The ICS will consider the provisions of other pronouncements that deal with issues related to internal audit functions, such as ISSAI 2610. If issues that might affect other professional pronouncements are identified, the respective parties involved will be informed.
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 team will apply the following quality processes:</p> <ul style="list-style-type: none"> – The project team will include auditors that are highly experienced at evaluating internal audit. – The project team will consider existing guidance on the topic and will identify the specific needs of Supreme Audit Institutions in their relation with internal audit functions. – The project team will adhere to the Due Process for the INTOSAI Framework of Professional Pronouncements. – Consultations with the PSC Chair and the FIPP at subsequent stages of the development of the GUID.

PART D: AUTHORITIES

PERSON	NAME	SURNAME	DATE	SIGNATURE
Project leader	Mr. Pawel	Banaś		
Responsible Goal Chair				



PREZES
NAJWYŻSZEJ IZBY KONTROLI
MARIAN BANAS

KST-KSM.0711.021.2021

Warszawa, 2 December 2021

**Forum for INTOSAI Professional
Pronouncements**

Dear Members of the Forum for INTOSAI Professional Pronouncements,

Attached to this cover letter you will find an updated project proposal for the pronouncement of a GUID type dedicated to cooperation between Supreme Audit Institutions and internal auditors of auditees, with a kind request to take note of the changes introduced to the proposal and the resulting consequences for the pronouncement.

In accordance with the Strategic Development Plan (SDP) for 2017–2019, which was approved by the INTOSAI Governing Board and Congress in 2016, the Subcommittee on Internal Control Standards (ICS) was tasked with developing project 2.6. “Consolidated and Improved Guidance on Reliance on the Work of Internal Auditors”. To this end, the ICS developed a project proposal in close cooperation with the FIPP Liaison Officer appointed for the project, with the Professional Standards Committee (PSC) and its individual structures – the Financial Audit and Accounting Subcommittee (FAAS), the Performance Audit Subcommittee (PAS) and the Compliance Audit Subcommittee (CAS), and through an extensive and in-depth consultation process. The project proposal for 2.6. was approved by the FIPP in November 2018.

In accordance with that project proposal, the planned guidance was to be divided into sections presenting how public auditors can use the work of internal auditors when conducting three main audit types: financial, performance and compliance. This was in line with the new INTOSAI Framework of Professional Pronouncements (IFPP) whose idea was to strictly differentiate between the above three audit types, and to comprise separate standards and guidance for each of these types. The other assumption behind the project was to encourage close collaboration among all the INTOSAI structures (subcommittees, working groups, task forces) with a view to ensuring expert knowledge and avoiding overlaps.

The team of writers that volunteered to develop the GUID comprised the experts of all the Subcommittees of the PSC: FAAS, PAS, CAS and naturally ICS – indicated at the main author of the guidance in the SDP 2017–2019. However, the actual involvement of representatives of these subcommittees – except for ICS that considered themselves the main authors of the pronouncement – varied greatly. Some believed that the ICS is the main expert in the issues related to internal auditing and its potential usage by external auditors, while others considered themselves the exclusive experts in the area of their audit type, including how internal auditors' work should be approached in their respective field of expertise. Simultaneously, during the development of the guidance it turned out that many attributes of internal auditing have to be looked at irrespectively of the audit type, such as, e.g. internal auditors' independence or reliability of their work. Consequently, it turned out that if these particular attributes were described for each audit type separately, the pronouncement would become repetitive.

The works to date also allowed for some interesting discussions with the partners of the Subcommittee, especially with the Institute of Internal Auditors (The IIA). The ICS have also won a new partner – the Value

Reporting Foundation whose integrated reporting concept displays some potential to be used in developing the guidance and in the other pending project of the ICS (2.5. "Consolidated and improved guidance on understanding internal control in an audit").

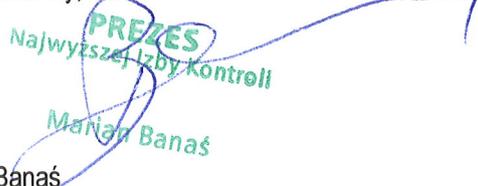
Having the above in consideration, at the meeting in October 2021 and through written correspondence, the ICS agreed that the guidance to be developed within the project 2.6. should be a practical document presenting the aspects of cooperation with internal audit functions at the level that is common to all audit types. Hence the decision was taken to make the pronouncement a tool to support SAIs' cooperation with internal audit function, based on understanding of the function and awareness of both its benefits and risks. In this way, favourable environment can be created to make cooperation advantageous to the two parties, and allow SAIs to efficiently use the work of internal auditors – when considered reliable – with a view to achieving higher effectiveness of auditing. The pronouncement will therefore depict the way how internal audit function is understood, what potential modes of cooperation between external and internal auditors are available, and how a SAI should choose the best mode in the given audit engagement. The pronouncement will also emphasise the benefits and risks of each cooperation mode, and indicate the ways in which SAIs can review the reliability of internal audit work. The proposed outline of the pronouncement has been presented in the annex to this letter.

Another reason for updating the project proposal is the novelty formula of the guidance that the ICS has foreseen for the pronouncement, namely a website document governed by the rules of web-content management, yet easily transformed into a traditional INTOSAI brochure format (a pdf document). The ICS strongly believes that it can be a solution for the future format of INTOSAI documents, permitting effective and fast dissemination and introduction of necessary updates or amendments due to reviews and/or revisions.

The attached project proposal is therefore an update that has resulted from the works to date and the experience gathered so far. At the same time, we strongly believe that project proposals should be updated in principle. This issue have been debated on at the working level with representatives of various INTOSAI bodies, including the FIPP, and we agree that project proposals, apart from a role in the pronouncement development process, should also be a place to discuss various concepts and solutions. This updated project proposal has been discussed with the Members of the ICS, the PSC Chair and the Chairs of the PSC Subcommittees, and we hope that it is now ready to be discussed in the forum of the FIPP.

With this letter, as the Chair of the Subcommittee on Internal Control Standards, I would like to address the FIPP Members with a kind request to thoroughly consider the modifications to the attached updated project proposal at their upcoming meeting in February 2022 and approve the update. The representatives of the ICS Chair and the team of authors are available to answer any questions and to provide more details if such a need arises on the part of the FIPP Members.

Yours sincerely,



PREZES
Najwyższej Izby Kontroli
Marian Banaś

Marian Banaś

President of the Supreme Audit Office of Poland (NIK)
Chair of the INTOSAI Subcommittee on Internal Control Standards

Annexes:

1. Updated project proposal for 2.6.
2. Outline of the Guidance on Cooperation with Internal Auditors.

Guidance on Cooperation with Internal Auditors

Outline

1. INTRODUCTION

1.1. Structure of the Guidance

2. UNDERSTANDING INTERNAL AUDIT

2.1. Definition

2.2. International Support

2.3. Three Lines Model – Roles and Accountability

2.4. Relation to Internal Control and Good Governance

2.5. Assurance, Advice and Insight

2.6. Audit Universe – Neighbouring Functions

2.7. Public Sector Perspective – Focus on Public Interest – Legal Obligations

2.8. How it Differs from External Audit

3. COOPERATION

3.1. Benefits and Risks

3.2. Cooperation Modes

PREPARATORY STAGES: PLANNING – TRAINING – METHODOLOGY

SHARING KNOWLEDGE: AD HOC COMMUNICATION - AUDIT REPORTS ANALYSIS - GRANTING ACCESS TO AUDIT DOCUMENTATION - REGULAR MEETINGS

AUDITS: AD HOC SINGLE AUDITS - SEGREGATED AUDITS - ALIGNED AUDITS - DIRECT ASSISTANCE -SOLE RESPONSIBILITY

3.3. Find Your Mode

PRECONDITIONS: LEGAL ENVIRONMENT - MUTUAL APPROACH

EXTERNAL AUDITOR'S PREPARATIONS: STAGES OF REVIEW - BENEFITTING FROM DATA COLLECTED

STRATEGIES OF REVIEWING: BENEFITS VS. COSTS OF THE REVIEW - LOOKING FOR RELIANCE - FULL REVIEW

4. REVIEW OF INTERNAL AUDIT

4. 1. Environment and Input

PROFESSIONAL RELATIONSHIPS - ORGANISATIONAL POSITION

HUMAN RESOURCES - INTELLECTUAL CAPITAL

FINANCE

CONDITIONS AND TOOLS

4.2. Governance and Management

MISSION - BUSINESS MODEL

OBJECTIVITY AND INDEPENDENCE – RESPONSIBILITIES – LIMITATIONS – STATUS

MEMBERSHIP IN PROFESSIONAL BODIES - OTHER ACTIVITIES

RISKS – STRATEGIES – PERFORMANCE – OUTLOOK -QUALITY ASSURANCE

4.3. Outputs – Outcomes

May 12, 2022

Project Proposal

European Court of Auditors

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	<p>SDP 2017-2019: Project 2.4 Consolidated and improved guidance on SAI organisational issues. SDP 2020-2022: No project number - Define the scope of a project aimed at providing clear, consistent and adequate standards for the organisation of quality control within SAIs taking into account different organisational models, and ensuring consistent use of terminology.</p> <p>x.x – Revision of ISSAI 140</p>						
Working title(s) for the new pronouncement(s)	ISSAI 140 (Revised)						
Project aim	Revise the content of ISSAI 140 to bring it in line with ISQM1/ISQM2 (which replace and expand on ISQC1 respectively) and update the presentation of ISSAI 140 in line with the rest of the framework						
Project objectives	<p>To update and revise ISSAI 140, containing basic principles and key requirements, keeping in mind that:</p> <ul style="list-style-type: none"> - it should fit well into the revised INTOSAI framework, which should be clear, useful and accessible for SAIs that seek compliance with the ISSAIs; - its presentation should be consistent with similar level standards (notably endorsement version of ISSAI 150); - its content should be consistent with ISSAI 100; - it should adapt the content of the IAASB quality management standards ISQM1 and ISQM2 for SAIs; - it should be applicable to different SAI organisational models. 						
Project duration	20.5 months (see Part B below)						
Name of the lead WG ¹	Due to the nature of ISSAI 140 this is a joint project involving all sub-committees						
Key contacts	Name	Surname	Address	Email	Office Phone	Business Mobile Phone	Organization / Sponsoring SAI
Project Group lead	Bogna	Kuczynska	Luxembourg	bogna.kuczynska@eca.europa.eu	+352 4398-473680	+352 691555368	European Court of Auditors (ECA)

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

Contact person for the goal chair	idem				+		
FIPP liaison officer FIPP shadow liaison officers	Jane Prachi Einar	Meade Pandey Gørrissen	Australia India Norway	jane.meade@anao.gov.au prachip@cag.gov.in einar.gorrissen@idi.no			SAI Australia SAI India IDI
Other anticipated project team members	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
		March 16, 2022	May 20, 2022	2 months	
		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
		June 15, 2022	August 31, 2022	2.5 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
		March 1, 2023	May 31, 2023	3 months	
		N.B. Allow three months between end date of stage 3 and start date of stage 4 for FIPP approval of the endorsement version			
4.	Final pronouncement, including translation into all official INTOSAI languages*	Start Date	End Date	Expected Time in Total	Comments
		September 1, 2023	November 30, 2023	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).			

The IAASB quality management standards become effective as of December 15, 2022. It is therefore urgent for INTOSAI to update its quality management pronouncement, as well as associated content in other pronouncements (conforming amendments). The project team recognise their responsibility for making this happen as soon as possible and will be doing their utmost for the drafting process to be efficient. Likewise, the project team would appreciate FIPP to streamline its own processes as far as possible.

PART C: INITIAL ASSESSMENT AND PROJECT PROPOSAL

N°	Initial assessment - Matters to be covered (Due Process, pages 6 and 7) ²	
C.1.	<p>Explanation of the need for the project</p> <p>Explanation of the purpose of the project</p>	<p>ISSAI 140 – ‘Quality control for SAIs’ – which ‘adapts’ the key principles of ISQC1 for SAIs, was included in INTOSAI’s framework of standards in 2010 (then named ISSAI 40).</p> <p>The need for an updating project was first identified in the 2017-2019 Strategic Development Plan (SDP) approved by INCOSAI in December 2016 as part of Project 2.4 Consolidated and improved guidance on SAI organisational issues. The 2020-2022 SDP (approved by the Governing Board in September 2019) reiterated the need to provide clear, consistent and adequate standards for the organisation of the quality management system within SAIs taking into account different organisational models, and ensuring consistent use of terminology.</p> <p>In the meantime, in December 2020, the IAASB issued a new suite of quality management standards (ISQM 1 and ISQM 2) replacing the extant ISQC 1, and revised its ISA 220 standard (quality management of an audit of financial statements). The new standards are effective as of December 15, 2022 (the revised ISA 220 being effective for audits of financial statements for periods beginning on or after December 15, 2022). The changes emphasise that the auditor’s objective is about managing quality control and associated procedures in a risk-based and dynamic way in order to achieve the required level of quality, rather than implementing a static set of quality control procedures.</p> <p>These changes and revisions imply that a revision of the associated content of the IFPP, notably ISSAI 140, is needed and with some urgency.</p> <p>We will also consider:</p>

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

		<ul style="list-style-type: none"> o how best to reflect the content of the new ISQM 2 (which gives more detail about one particular aspect of quality management – Engagement Quality Control Review); o the relationship between ISA 220/ISSAI 2220 (which has been updated in line with the new standards) and the specific engagement-level material for compliance audit and performance audit, and how the latter needs to be updated; and o the conforming amendments that will be needed elsewhere in the framework. <p>The deliverables of this project will be:</p> <ul style="list-style-type: none"> - a revised ISSAI 140; - a proposal for conforming amendments to other INTOSAI pronouncements; and - identification of possible supporting material, such as guidance (which would then be developed as part of another project).
C.2.	Description of the categories of auditing or other engagements that will be covered by the new pronouncement(s)	Principles of quality management are applicable to all SAIs.
C.3.	Description of different types of SAIs / audit engagements that must be accommodated in the new pronouncement	Principles of quality management are applicable and relevant to all SAIs.
C.4.	Challenges, if any foreseen, that would have to be managed by SAIs in implementing the new pronouncements	The project will aim to make the new ISSAI 140 more understandable, relevant and usable. There may be a need for extensive guidance on implementation as an aid for SAIs. There is no such guidance supporting the extant ISSAI 140 currently in the framework. The project team will assess the demand and potential for a dedicated application support material in the form of a GUID to be undertaken as a distinct project . This assessment, and any new project, would take as its starting point the IDI guidance on quality management which is in preparation (we are being told that IDI are expecting to have a first draft available towards

		the end of 2022). The assessment might conclude that the IDI guidance is sufficient and there is no need to duplicate the material in a dedicated GUID.
C.5.	Explanation of how consistency with ISSAI 100, other existing ISSAIs and other professional pronouncement(s) will be ensured	This is in the project scope – 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 in C1, IAASB has issued a suite of new quality management standards and the key objective of this project is to revise ISSAI 140 with principles and requirements aligned with these standards. SAIs may need extensive application guidance on how to implement the updated ISSAI 140 which could be addressed as explained in C4.
N°	Project proposal - Matters to be covered (Due Process, page 7)²	
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	<p>A project team has been formed to undertake the project. The European Court of Auditors (ECA) is leading the project with the support of the UK NAO, and involving representatives of each of the PSC subcommittees.</p> <p>The team is composed of: Lead : Bogna Kuczynska, ECA</p> <p>From PAS: Andy Fisher, NAO, UK Jean-Christophe Potton, SAI France</p> <p>From FAAS: Nicole Lauzon, OAG Canada Andy Harkness, SAI Ireland Ila Singh, SAI India Gurveen Sidhu, SAI India Preet Abraham, SAI India</p> <p>From CAS: Ingvild Gulbrandsen, SAI Norway Eniko Czinder, SAI Hungary Katalin Palyi, SAI Hungary</p>

		<p>Chanda Pandit, SAI India</p> <p>From ICS:</p> <p>Bart Van De Wiele, SAI Belgium Martin Abbink, SAI the Netherlands Madeeha N. Alsaybani, SAI Oman Faiza AL-Falahi, SAI Oman Cristina Vasilache, SAI Romania Cristian Neagu, SAI Romania Jim Dalkin, SAI USA Michael Bingham, SAI USA Mine Çakir, SAI Turkey Ferhat Aksoy, SAI Turkey Guadalupe Fernández Espinosa, SAI Spain Pablo Rubio Rodríguez, SAI Spain Manuel Sueiras Pascual, SAI Spain.</p> <p>In addition to this wide team, the exposure process will also represent an effective mechanism to obtain feedback from interested stakeholders.</p>
<p>C.8.</p>	<p>Explanation of the outcome of the project specifying how existing professional pronouncements may be affected.</p>	<p>As explained in C1, conforming amendments of varying extent will be necessary to a number of existing pronouncements, eg P 50, ISSAI 100, 200, 300, 400, 2000, 3000, 4000, GUID 3910, 3920. This list is not exhaustive. We aim to identify these amendments as we progress with the work and produce a proposal accordingly.</p>
<p>C.9.</p>	<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 at stage 2 of exposure draft.</p>	<p>The project team will adhere to the Due Process for INTOSAI’s framework of professional pronouncements.</p> <p>The project team is composed of 25 participants coming from 16 SAIs representing all four sub-committees which allows for a wide range of expertise and different national settings to be represented.</p> <p>The project team intends to work as follows: a core drafting team composed of four sub-committee members and the project lead will be tasked with producing a first draft of any deliverable. This first draft will be reviewed by the remaining participants prior to submission to FIPP.</p>

		<p>The project team also plans to mirror, in so far as practical, the ISSAI 150 (exposure draft) in order to ensure alignment in terms of structure, level of detail and basic concepts and principles (suggested by FIPP at the February meeting). If required, guidance will be requested from the relevant bodies of the PSC, CBC or KSC in order to ensure alignment with INTOSAI's strategic goals and priorities.</p>
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PART D: AUTHORITIES

PERSON	NAME	SURNAME	DATE	SIGNATURE
Project leader	Bogna	Kuczynska	12/05/2022	/.../
Responsible Goal Chair				