

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	2.1 - Guidance on Financial Auditing 2.3 - Combined Audits (Financial/Compliance)						
Working title(s) for the new pronouncement(s)	Guidance - Evaluating the Acceptability of a Public Sector Accounting Framework						
Project aim	To develop guidance to help public sector financial auditors evaluate the acceptability of an accounting framework (ISSAI precondition)						
Project objectives	<p>- To develop guidance on evaluating the acceptability of the audited entity's accounting framework (ISSAI 200.11(a),13(a), 1210.4,6(a),8(a),A2-A10, 1700.A10-A15) (including guidance on evaluating a compliance accounting framework)</p> <p>The work performed will improve the quality of the ISSAI 1210 Practice Note and will contribute to the achievement of SDP 2.1 and 2.3. The information developed is expected to contribute to the achievement of SDP 2.1 since effectively evaluating the acceptability of an accounting framework (financial audit ISSAI pre-condition) and identifying and helping to resolve the identified weaknesses that are preventing this pre-condition from being met are critical steps in a successful financial audit ISSAI implementation strategy. For audits of financial statements prepared in accordance with compliance frameworks, the criteria against which the auditor evaluates the subject matter (financial statements) are typically the laws and regulations controlling the preparation of the financial statements. This is therefore an important intersection of the financial and compliance audit objectives and understanding this intersection is very useful when developing efficient and effective audit processes and methodologies for the execution of a combined financial/compliance audit. Although this is not the main objective of this project, the project team will keep this in mind so that information that is useful for the completion of SDP 2.3 is identified, preserved, and eventually shared with the responsible project team.</p>						
Project duration	18 months (see Part B below)						
Name of the lead WG ¹	FAAS						
Key contacts	Name	Surname	Address	Email	Office Phone	Business	Organization /

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

May 2, 2017

Project Proposal State Audit Institution of the UAE

						Mobile Phone	Sponsoring SAI
Project Group lead	Khalid	Hamid	UAE	k.hamid@saiuae.gov.ae	+971 2 699 4140	+971 2 699 4140	SAI of UAE
Contact person for the goal chair	Rafael	Lopes Torres	Brazil	RAFAELLT@TCU.gov.br	+55 61 33167251	+55 61 33167251	Tribunal De Contas Da Uniao
FIPP liaison officer	Neil	Usher	Luxembourg	Neil.Usher@eca.europa.eu	+352 4398-45281	+352 4398-45281	European Court of Auditors (ECA)
Other 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 30, 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 30, 2019	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
		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).			

May 2, 2017

Project Proposal State Audit Institution of the UAE
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>The need for this project was identified as a result of the technical review of the ISSAI 1210 practice note performed by a FAS project team in 2016.</p> <p>The work performed will help address priorities 2.1 and 2.3 in the 2017-2019 Strategic Development Plan (SDP) approved by INCOSAI in December 2016. This project has been classified among priority 2 projects.</p>
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	FAAS will carefully consider the needs of all environments, including developing environments, when developing the guidance.
C. 4.	Challenges, if any foreseen, that would have to be managed by SAIs in implementing the new pronouncements	The information developed will help a public sector auditor effectively meet an existing ISSAI requirement. The main challenge will be to identify all relevant public sector considerations.
C. 5.	Explanation of how consistency with ISSAI 100, other existing ISSAIs and other professional pronouncement(s) will be ensured	The practice note for ISSAI 1210 is presently in alignment with ISSAI 100. FAAS will ensure that any revisions to ISSAI 1210 and any other guidance developed maintains this alignment.
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	Prior to initiating its development activities, FAAS will perform research to identify existing relevant guidance that may have been developed by other organizations on this topic.

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

May 2, 2017

Project Proposal State Audit Institution of the UAE

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	A FAAS project team will be formed to complete the project.
C.8	Explanation of the outcome of the project specifying how existing professional pronouncements may be affected.	The application guidance in the practice note for ISSAI 1210 may be revised as a result of this project. A new guidance document will be developed.
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.	The project team plans to apply the following quality processes: - The project team will include financial auditors that are highly-experienced at evaluating accounting frameworks (principles-based and compliance-based). - The project team will consider existing guidance on this topic and will identify the specific needs of public sector auditors when evaluating the acceptability of a government accounting framework. - The project team will adhere to the Due Process for INTOSAI's framework of professional pronouncements.

PART D: AUTHORITIES

PERSON	NAME	SURNAME	DATE	SIGNATURE
Project leader				
Responsible Goal Chair				