

Words from the Chair



Participating at the EUROSAI seminar on compliance in Lithuania in October was a wonderful experience. I recognized how far we have come in understanding the international standards, applying the same concepts, and describing our national practices in terms that make it possible to learn from each other. The challenges we face back home are very similar, turning inherited work patterns into practices that are in line with best international practices, and supported by the international standards. It was a pleasure to see how the whole organization of the SAI of Lithuania, from the auditor general, to each staff member worked together as a team, promoting a joyful arena for learning and sharing.

We have come far in updating ISSAI 4000, and we are in the final phase of putting all the pieces together. Shortly into the new year we will present for you a draft, and we look forward to getting feedback before we hand an exposure draft over to PSC, to be presented at the PSC SC meeting in Canada in June next year.

In January I will participate at a meeting in the task force for INTOSAI new strategic plan. At the top of the agenda is the question on how INTOSAI can remain its position as a recognized standard setter. We have come a long way, but we need to do some adjustment in organization and funding to make sure that we the competence, capacity and technical support are available.

As you will see from this newsletter, there are several important activities taking place, aiming at providing knowledge of the international standards, and supporting implementation around the world. I would like to thank the members of the committee, the IDI and the secretariat for the commitment and energy you invest, you make a difference!

In the CAS meeting this year I announced that the time has come to hand the chairmanship over to another SAI. I hope that you all will consider if your SAI can take this important and interesting challenge, and I look forward to hearing from you.

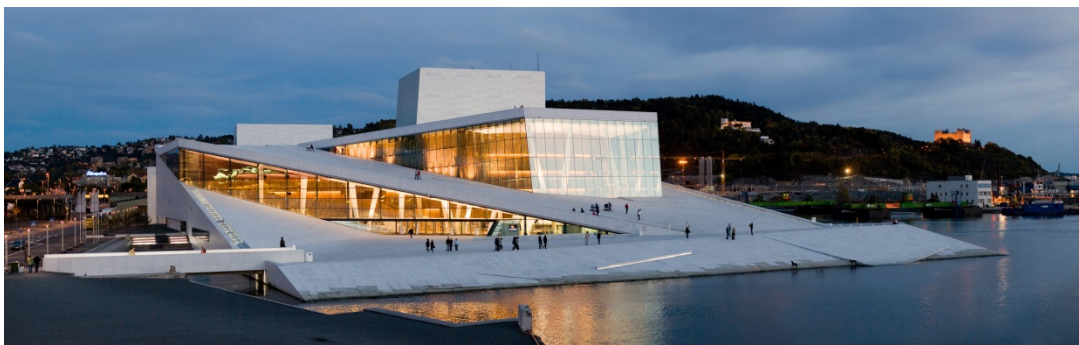
I wish you all a peaceful new year.

Best regards

Jens Gunvaldsen

12th CAS meeting in Oslo from the 17th to 19th of September

At the committee meeting in Brasília in September CAS agreed upon a maintenance strategy and a way forward in developing the level 4 ISSAIs on Compliance Audit into an authoritative standard based on the principles of level 3. The committee decided that the present ISSAI 4000, 4100 and 4200 is to be developed into one document, an ISSAI 4000 Compliance Audit Standard of INTOSAI. The committee also set as its aim to develop a first draft of such a document to be discussed at the CAS meeting in 2014 in Oslo, the capital of Norway.



Oslos new Opera hall

The maintenance process is a complex work process in the sense that it involves different, yet interrelated issues. The maintenance group nr. 1 has worked on the technical shaping of the document. The maintenance groups 2 and 3 have worked on crucial and substantial issues in need of further development within the Compliance Audit ISSAIs. Maintenance group 2 has been responsible for filling in the contents in the areas of compliance audit where financial audit terminology has been given a wider meaning for compliance purposes, mainly in the areas of assurance and how to give an opinion. Maintenance group nr. 3 has worked with exploring possibilities on the basis of the terminology and audit approached specific for public sector compliance auditing, which is authorities, propriety and how to identify the subject matter and the criteria of the audit. Finally, but not least, the Compliance Court group has worked with adapting its work to the new standard.

The work of the maintenance groups lead us to a constructive and interesting discussion at the committee meeting. The CAS secretariat is rather optimistic, and informed the CAS to have a new draft ready for hearing in the end of October 2014. After working with the draft, this deadline has been extended to early next year. As the CAS secretariat sees it, the requirements have to be clear and concise, and the explanations have to add value to every requirement.



The 12th CAS meeting in Oslo, Norway at the Opera roof in Oslo.

Implementation of ISSAI 4000 series

The 3i Programme of the IDI

The 3i Program of ISSAI implementation, launched by the IDI in order to assist developing SAIs in implementing the ISSAIs, has been introduced in 2012. Ingvild Gulbrandsen from the CAS secretariat has been assisting as an expert and mentor at the IDI-PASAI and ASOSAI iCAT Review Workshop on Fiji and Dhaka in November and December. All three audit streams were represented at the Workshop. The first part of the workshops was dedicated to the Level 2 iCAT and implementation of Level 2 in the SAIs. The second part of the workshop was dedicated to the implementation of Level 4 in the SAIs. In PASAI workshop representatives from Samoa, Fiji, Salomon Islands, Federated State of Micronesia, Kiribati and Papua New Guinea in Compliance Audit was represented. Ingvild Gulbrandsen was assisted by Violet Roebeck-Fasavalu from the SAI Samoa in giving feedback to the completed iCATs. In ASOSAI workshop representatives from Cambodia, Indonesia, Bangladesh, Mongolia, Myanmar, Pakistan, Maldives, Bhutan and Nepal in Compliance Audit was represented. The experiences from the workshops are that the SAIs takes the work with mapping their SAIs practice against the iCAT serious. At the same time the workshop is an opportunity to discuss the requirements in the ISSAIs across SAIs and audit streams. Experiences from both workshops showed that there is a need for exchange of ideas and experience.



IDI iCAT Workshop in PASAI, Fiji in November 2014. Representatives from all three audit streams from different countries, representative from FAS, PAS and CAS and the secretariat of PASAI.



The IDI iCAT Workshop in ASOSAI, Dhaka in December 2014. From left to the right: Mr. Sar Piseth (SAI Cambodia), Ms. Dwi Amalia (SAI Indonesia), Mr. Md. Abdul Baten Fakir (SAI Bangladesh), Mr. Naranbaatar Shagdar (SAI Mongolia), Ingvild Gulbrandsen (CAS secretariat), Mr. Aiman Ibrahim (SAI Maldives), Ms. Sonam Yangchen (SAI Bhutan), Ms. Nan Knin Aye Mon (SAI Myanmar) and Ms. Kunwar Rammaya (SAI Nepal).

EUROSAI Seminar on Compliance Audit Standards in Lithuania, October 2014

On October 28-29, the National Audit Office of Lithuania (NAOL) organized a EUROSAI Seminar “Compliance Audit: Use of Compliance Audit Guidelines (ISSAI 400 and 4000-4999) and Best Practice”. More than 60 participants from 22 EUROSAI SAIs – auditors, audit team leaders, and methodology specialists – have gathered together to share their expertise and experience in applying ISSAIs, to gain new knowledge, to learn from each other, and to work together with their colleagues.

“One of the objectives of public audit is to promote transparency and accountability in the governance. The application of ISSAIs in auditing the public sector has been a great help along this path. However, it is also important to recognize the fact that supreme audit institutions (SAIs) are facing a number of challenges in the application of ISSAIs. That is why we need to meet and share our experiences and best practices and to address the issues emerging in the ISSAI application process together,” said the Auditor General Giedrė Švedienė in her welcoming speech.

The Seminar started with a presentation of Mr Jens Gunvaldsen, Chair of INTOSAI Compliance Audit Subcommittee, responsible for the development of INTOSAI Guidelines for Compliance Audit. Mr Gunvaldsen presented update on the Subcommittee’s activity and its plans for the future in developing Compliance Audit standards. Mr Md. Shofiqul Islam, Programme Manager at IDI, shared information on the two recently developed tools: iCAT (ISSAI Compliance Assessment Tool), and the ISSAI Implementation Handbook for Compliance Audit.

Auditors and methodology specialists had three parallel workshop sessions, in which representatives from the SAIs of Estonia, Finland, Latvia, Lithuania and Turkey presented their experiences and practices in their SAIs in implementing ISSAIs. All together the participants discussed how to jointly address the challenges in applying Compliance Audit Guidelines. The plenary and the workshops were moderated by the young and enthusiastic NAOL staff thus providing them with an opportunity to acquire new and useful experiences.

Invited guests speakers from the Lithuanian company “Klaipėdos nafta” (Klaipėda Oil) shared their insights and practical examples of how to achieve more effective cooperation between the auditor and the audited entity.

The Seminar ended with the conclusions that were presented in the form of a newspaper to help the participants better deal with problems arising in compliance audits in their own countries, and to facilitate the development of the standards by the Compliance Audit Subcommittee.

More information about the Seminar is available on the Seminar website at

<http://www.vkontrole.lt/CAseminar2014/>.



Ms. Aurelija Brukštutė (SAI Lithuania), Tone Mjørud (SAI Norway), Jens Gunvaldsen (CAS Chair), Ingvild Gulbrandsen (CAS secretariat) and Glenn Roer (SAI Norway).

New ISSAI 4000

Updated timetable

The work on updating ISSAI 4000 is well underway, but the secretariat still needs some more time to finish the product. We are sorry that we were not able to provide you with a draft at the end of November, as planned.

By now we have gone through all the comments from the CAS meeting in Oslo, trying to incorporate new elements, clarifying key issues, and elaborate further the distinction between requirements and explanations. We have also considered moving some of the elements in the standards from the introductory parts (general requirements) to the section on the auditing process, hoping that the auditor more easily can follow the different steps in the execution of the audit. We have also got additional comments from court SAIs, and hopefully improved the parts of the documents relating to the courts.

Although we have made considerable progress, we have concluded that we still need some more time to solve some outstanding issues, e.g.

- A clearer and more elaborate description of attestation engagements and direct reporting engagements, and more precise requirements relating to the two types
- Further work on the structure, clarifying the different steps in the auditing process
- Working on the interconnection of key concepts, e.g. scoping versus identifying subject matter and defining criteria.
- Reporting requirement, clarifying differences and requirements for long form and short form reporting
- Oversee the requirements for courts, checking that we give a good overall picture

CAS work plan 2014–2016

Main planned committee activities in 2014–2015–2016

Month	Maintenance	Implementation
September 2014	12th CAS meeting in Oslo, Norway	
October 2014		28th–29th: EUROSAI Compliance Audit seminar in Vilnius, Lithuania
November 2014		IDI-PASAI iCAT Review Workshop on Fiji
December 2014		IDI-ASOSAI iCAT Review Workshop in Dhaka
	2nd CAS newsletter 2014	
January 2015 →	Work with the ISSAI 4000	
	Draft to the CAS members for comments	
	Adjusted draft to the PSC secretariat	
	Response from the PSC	
27 - 29 May 2015	PSC meeting in Ottawa, Canada	
June 2015	1st CAS newsletter 2015	
September 2015	13th CAS meeting	
September - November 2015	Exposure draft on ISSAI.org	
December 2015/February 2016	Incorporating comments from the exposure	
December 2015	2nd CAS newsletter 2015	
31 March 2016	Endorsement version to the PSC Secretariat	
2 - 3 May 2016	Endorsement version accepted by PSC-SC	
October - November 2016	Endorsement version to INTOSAI Governing Board at INCOSAI 2016 in Abu Dhabi	

Christmas and winter in Norway

Have a nice and peaceful Festive season. The CAS secretariat will soon take some days of for Christmas holidays. Greetings from a wintry Oslo, see you all in 2015.



The Oslo fjord in winter.