



ISSUES PAPER
Agenda item IV
DRAFT ISSAI 400
CAS meeting Batumi, Georgia 2011

Background

In the context of the INTOSAI harmonization project, new documents will be drafted:

- ISSAI 100: The essence of public sector auditing
- ISSAI 200: Principles of Financial Auditing
- ISSAI 300: Principles of Performance Auditing
- ISSAI 400: Principles of Compliance Auditing

The CAS project team (SAI of Norway, Slovakia and the European Court of Auditors) in the harmonization project has been working for about a year, and contributes to drafting ISSAI 100 and is responsible for drafting ISSAI 400.

These draft documents are to be discussed further at the meeting of the entire harmonization project group in Washington 29th November – 1st December 2011. The ISSAI 400 is crucial to the development of Compliance Audit. Therefore, the CAS project group hereby introduce to the committee the first draft of the document, to be elaborated further after the committee discussions.

Issues to be discussed by the committee

The CAS project team would like to invite the committee to a discussion on certain basic issues for the development of ISSAI 400:

- Level 3 as stand alone documents or cross references to ISSAI 100
- Revisiting the definition of Compliance audit
- The use of the concept fraud, compared to irregularities or suspected unlawful acts in the ISSAI 4000 series
- The use of "the SAI" in the standards, compared to SAI or "public sector audit institution"
- Pervasiveness

Motion



The committee is invited to adhere to the process and strategy of the CAS project team in the harmonization project.

Committee hearing

The committee members are further invited to comment on the draft ISSAI 400 in writing and also to reflect on the following issues:

1. What conditions must be met for a SAI to assert that it is complying with the ISSAIs?
2. How much of the 'old' text of ISSAI 100-400 should be preserved? (what are experiences with application current 3rd level standards – are they useful? Are they incorporated into written auditing procedures of SAIs etc)
3. Opinions on choices of terminology and development of definitions

Written comments are to be submitted to the CAS project group the latest on the 28th of October 2011.