

PSC Subcommittee on Internal Control Standards – Progress Report
64th INTOSAI Governing Board Meeting, 21 October 2013, Beijing, China
XXI INCOSAI, 22-26 October 2013, Beijing, China

Members

28 SAIs: Austria, Bahamas, Bangladesh, Belgium, Bolivia, Brazil, Chile, Cook Islands, Costa Rica, Cuba, Egypt, El Salvador, France, Georgia, Hungary, Jamaica, Libya, Lithuania, the Netherlands, Oman, Poland (Chair), Romania, Russian Federation, South Africa, Spain, Tanzania, Ukraine, United States of America + one observer: the Institute of Internal Auditors (The IIA).

Chairmanship

At the XX INCOSAI in Johannesburg in November 2010, the chairmanship of the Subcommittee on Internal Control Standards was handed over by the SAI of Belgium to the SAI of Poland.

Meetings

In February 2011, representatives of the former and new chairs met in Warsaw, Poland, to provide for a smooth takeover of the chairmanship. In November 2011, a meeting was organised for task coordinators – SAIs that volunteered to coordinate the implementation of the Subcommittee’s tasks (Austria, Lithuania, the Netherlands and Poland), in which representatives of the SAIs of Belgium, Georgia, Romania and the United States also participated, as well as a representative of The IIA.

In April 2012 a meeting of the Subcommittee members took place in Warsaw, Poland, held by the new chair. The meeting gathered representatives of the SAIs of Austria, Belgium, Bangladesh, Brazil, Chile, France, Georgia, Hungary, Lithuania, the Netherlands, Oman, Romania, Russian Federation and South Africa, as well as representatives of COSO and The IIA.

Achievements 2011-2013

In 2012, the Subcommittee on Internal Control Standards elaborated and conducted two surveys: (1) on risk management in the public sector, and (2) on reporting on internal control in the public sector. All INTOSAI member SAIs were invited to respond to the surveys. Replies were received from 62 and 64 SAIs respectively. On the basis of the results of the surveys, research papers have been elaborated which indicate that there is a need for a revision of the guidelines on risk management (INTOSAI GOV 9130) and on reporting on internal control (INTOSAI GOV 9110).

With a view to establishing cooperation links with COSO, a representative of COSO was invited to participate in the Subcommittee meeting in April 2012, and he is informed

about all Subcommittee projects and activities. Also, the Subcommittee Chair encouraged members of the PSC Steering Committee and the Subcommittee to present comments on the draft changes to the COSO 1992 Internal Control – Integrated Framework. The comments were collected by the Chair between February and April 2012, comprised and sent to COSO as an INTOSAI input.

The Subcommittee also actively cooperates with The IIA. Representatives of The IIA participate in the works of the Subcommittee, while since November 2011 Subcommittee Chairman Jacek Jezierski (President of the SAI of Poland) has been representing INTOSAI to the International Internal Audit Standards Board of The IIA (IIASB), and he participates in all meetings of the Board and in its projects. In 2012, the Subcommittee Chair contributed to The IIA's survey on internal audit definition, by distributing it among PSC Members, analysing and comprising the replies, which were later forwarded to The IIA Global. Participation in this worldwide initiative was an excellent opportunity to promote INTOSAI GOVs among a big group of stakeholders. Besides, in 2012 and 2013 the Subcommittee Chairman and one of the Subcommittee representatives participated, as authors and reviewers, in the works on The IIA's document entitled *Leading Practices. IIA International Standards for the Professional Practices of Internal Auditing and INTOSAI International Standards for Supreme Audit Institutions – A Comparison*.

The e-platform of the Subcommittee on Internal Control Standards has been transferred from the servers of the SAI of Belgium (former Subcommittee Chair) to the servers of the SAI of Poland (present Chair). Works are in progress on extending the contents of the platform and on the concept of its development.

Work plan 2014-2016

In the next years, the Subcommittee will focus on the review of the INTOSAI GOVs on internal control (in accordance with the ISSAI maintenance frequency):

- 1) Draft revised INTOSAI GOV 9110 on internal control reporting, on the basis of the results of the survey conducted in 2012.
- 2) Draft revised guidelines on risk management (INTOSAI GOV 9130), on the basis of the results of the survey conducted in 2012.
- 3) Examine INTOSAI GOVs 9100, 9120, 9140 and 9150 and present a proposal on their revision in the following years.
- 4) Actively promote the INTOSAI GOVs on internal control (9100-9150).
- 5) Develop the Subcommittee e-platform.