



14th Meeting of the INTOSAI Compliance Audit Subcommittee **20 - 21 February 2017 New Delhi, India**

Minutes

Agenda Item 1: Opening Remarks by Mr. V. Kurian, Chair, Meeting

The 14th meeting of the INTOSAI Compliance Audit Subcommittee (CAS) was held in New Delhi, India and hosted by the Office of the Comptroller and Auditor General of India. The meeting commenced with opening remarks by Mr. V. Kurian, Chair, CAS Meeting.

Agenda Item 2: Address by Dr. Prasenjit Mukherjee, Deputy Comptroller and Auditor General, SAI India

Dr. Prasenjit Mukherjee, Deputy Comptroller and Auditor General, SAI India, welcomed the participants of 14th meeting of the CAS – Azerbaijan, Brazil, China, the European Court of Auditors, France, India, Norway, Saudi Arabia, South Africa, AFROSAI-E and IDI.

Recalling the valuable contributions of the earlier Chair, SAI Norway, in guiding the activities of the CAS successfully for the past several years, Dr. Mukherjee looked forward to active cooperation from all the members as in the past, so that the CAS can achieve its goal of improving the quality of compliance audit in the INTOSAI community.

He referred to the just concluded INTOSAI Congress at Abu Dhabi, which has laid down the roadmap for the activities of INTOSAI for the period up to 2022 and has endorsed many changes in the existing standards and guidelines, while approving a new framework for INTOSAI professional pronouncements.

He expressed confidence that the CAS secretariat, which has the responsibility for overall planning and execution, would draw from the large pool of resources to develop best practices to guide compliance audits in the INTOSAI community.



Agenda Item 3: Approval of minutes of the 13th meeting of CAS held in Beijing, China

Minutes of the 13th meeting of CAS held in Beijing, China were considered and adopted.

Agenda Item 4: Presentation on “Implementing ISSAI 4000” by Mrs. Raj Esther Thomas, Regularity Audit Manager, AFROSAI-E

The presentation is attached.

Agenda Item 5: Presentation on “A report on Governance” by Mr. Peter Welch, Audit Director, European Court of Auditors

The presentation is attached.

Agenda Item 6: Presentation by Mr. Rafael Lopes Torres, Federal Auditor, PSC Project Manager via Video Conference in Luxembourg

The presentation is attached.

Agenda Item 7: Presentation on “Performance Reporting” by Mr. Fhumulani Rabonda, Senior Technical Manager, SAI-South Africa

The presentation is attached.

Agenda Item 8: Presentation on “Activities of IDI” by Ms. Gulbrandsen Ingvild, Senior Adviser, SAI-Norway

The presentation is attached.

Agenda Item 9: Presentation on “Activities of IDI” by Mr. Shofiquul Islam, Programme Manager, IDI

The presentation is attached.

Agenda Item 10: Work Plan of CAS 2017-19

Mr. V. Kurian, Chair, CAS Meeting made presentation on proposals for Work Plan of CAS 2017-19. The presentation is attached.



He briefed the members about the background of Work Plan of the CAS for 2017-2019. INTOSAI in its XXII Congress held in United Arab Emirates in December 2016 has approved the new Strategic Plan of INTOSAI for the period 2017-2022. The Congress has also adopted new framework for professional pronouncements and other INTOSAI professional pronouncements endorsed to date, and approved the new version of ISSAI 4000. Also, the Forum for INTOSAI Professional Pronouncements (FIPP) developed a Strategic Development Plan for the INTOSAI Framework of Professional Pronouncements.

In the light of these decisions, a new Work Plan of the CAS for 2017-2019 was prepared. Keeping in view the requirements of the INTOSAI Strategic Plan 2017-2022, projects proposed in the Strategic Development Plan of the FIPP 2017-2019, the suggestions received from the CAS members, and after discussion on various proposals, the following two projects were decided to be included in the Work Plan of the CAS for the period 2017-2019:

1. Prepare Supplementary Compliance Audit Guidance under the classification GUID 4900-4999 to help SAIs implement the new ISSAI 4000.
2. Associating with other Committees as subject matter experts in following projects of relevance to the CAS scheduled to be carried out as part of Priority 2 of the SDP of the FIPP:
 - i. Consolidated and improved guidance on understanding internal control in compliance audit;
 - ii. Consolidated and improved guidance on reliance on the work of internal auditors;
 - iii. Consolidating and aligning guidance for audits of privatisation with ISAAI 100;
 - iv. IT Audit in relation to Compliance Audit;
 - v. Consolidating and aligning the audit of Public Debt with ISSAI 100
 - vi. Consolidating and aligning the audit of disaster related aid with ISSAI 100.

The CAS members suggested following aspects to be included in Project I:

- Guidance for examining and reporting on the regularity and propriety aspects in compliance audits.
- Guidance on carrying out compliance audit along with financial attest audit.



- Guidance on risk assessment in compliance audit
- Guidance on sampling in compliance audit.

The Subcommittee decided to entrust the nodal functions of these projects as follows:

- a) Project 1 – SAI Norway is the nodal SAI for developing Supplementary Compliance Audit Guidance. It will be responsible for collecting material from different SAIs, INTOSAI Regional Groups and IDI. SAI Brazil, European Court of Auditors, SAI France, SAI India and SAI South Africa will support SAI Norway in developing this guidance. While SAI India and SAI France will provide support on the portions relating to the propriety issues in the compliance audit, SAI South Africa will be the lead SAI to provide support relating to guidance on risk assessment and sampling in Compliance Audit.
- b) Project 2 – Association as subject matter experts. It was decided that in respect of subject matter where a member SAI of the CAS is also a member of the concerned Working group on the subject, if any, such member SAI will be recommended as subject matter expert. Where there are no such members SAI of the CAS in Working group on the subject, the Chair was authorised to nominate SAI/SAIs as subject matter experts upon receipt of requests from the concerned Subcommittee/Group/PSC/FIPP for nomination of subject matter experts.
- c) The editorial changes required as a result of the adoption of new ISSAI 4000 in other professional pronouncements will be identified by AFROSAI (E) subject to AFROSAI (E) obtaining necessary internal approvals.
- d) The following tentative timelines were adopted for the project activities:
 - i. Submission of project proposals to the Professional Standard Committee - May 2017
 - ii. Circulation of preliminary draft of the Guidelines - Before the next meeting of the CAS, which is likely to be held between September to November 2018 or February 2018.

Agenda Item 11: Presentation on “Reporting on proprietary issues in Compliance Audits” by Mr. C M Singh, Principal Director, SAI-India

The presentation is attached.



Agenda Item 12: Proposals for venue of next meeting

The Chair informed that the European Court of Auditors has volunteered to host 15th meeting of the CAS in 2018 in Luxembourg. The Subcommittee acknowledged the offer and approved the same. Probable months for next CAS meeting are September, October, November 2018 or February 2018, subject to convenience of the host SAI.

Agenda Item 13: New Membership

The Chair informed the members that a request from the Accounts Chamber of the Russian Federation for membership to the CAS had been received and the membership has been agreed to. The Subcommittee appreciated the request for membership and approved the same.

The Subcommittee also discussed the procedure for granting new membership and agreed that the CAS should adopt a policy of promoting new membership to the Subcommittee in view of the benefits such membership will provide to the functioning of the Subcommittee. The CAS also authorised the Chair to take decision on requests for membership and communicate the same in the next meeting of the Subcommittee.

Regarding the members who have not been participating in the meetings, it was decided to seek confirmation from such members on whether the SAI concerned was interested in continuing with the membership. Based on the response of such member, a final decision may be taken in the next Subcommittee meeting.

Agenda Item 14 Concluding Session

The Meeting concluded with the Chair thanking the participants for their cooperation in making the 14th CAS meeting successful and productive.