

## 4<sup>th</sup> Meeting of the EUROSAI Goal Team 2 “Professional Standards”

(Riga, 9-10 October 2014)

- Minutes -

- Annexes:**
1. List of participants
  2. Operational Plan 2011-2017

<b>Item</b>	<b>Discussion Results</b>	<b>Actions to take</b>
<b>1. Agenda</b>	<ul style="list-style-type: none"> <li>▪ Adopted</li> </ul>	
<b>2. Progress of activities</b>	<ul style="list-style-type: none"> <li>▪ Presentation of overview on implementation status of GT 2 Operational Plan</li> </ul>	
<b>3. Report from EUROSAI conferences</b>	<ul style="list-style-type: none"> <li>▪ EUROSAI Congress in The Hague:               <ul style="list-style-type: none"> <li>– Theme “Innovation” presented in new form (workshops and seminars) giving a more active role to the EUROSAI members</li> <li>– Conclusions and recommendations on “Culture and Leadership”, “Delivering the Message” and “Open Data”</li> <li>– Mandate to the EUROSAI Governing Board to perform an independent evaluation of EUROSAI’s governance and modus operandi</li> <li>– Objectives of the Dutch EUROSAI Presidency (i.a.):                   <ul style="list-style-type: none"> <li>➤ Transform EUROSAI into a more professional network organisation</li> <li>➤ Benchmark on the internal organisation of EUROSAI-members</li> <li>➤ Encourage collaborative audits</li> <li>➤ Expand the Young EUROSAI network: two more meetings planned for 2015 and 2017</li> </ul> </li> </ul> </li> <li>▪ EUROSAI-ASOSAI-Conference in Moscow:               <ul style="list-style-type: none"> <li>– Presentations on experience with ISSAI</li> <li>– IDI overview on ISSAI implementation around the world</li> <li>– Message: ISSAI do not have to be implemented literally but may be used to adapt national standards</li> </ul> </li> </ul>	<p>Ask IDI to provide presentation ✓</p>
<b>4. Cooperation/Liaison</b>	<p><u>1. INTOSAI PSC:</u></p> <ul style="list-style-type: none"> <li>▪ New Goal Liaison: Japan</li> <li>▪ Improvement of standard setting in close cooperation with the INTOSAI Task Force Strategic Planning (TFSP)</li> </ul>	
4.1 INTOSAI PSC and its sub-committees		

<b>Item</b>	<b>Discussion Results</b>	<b>Actions to take</b>
	<ul style="list-style-type: none"> <li>▪ 6 Recommendations:               <ol style="list-style-type: none"> <li>1. Establishment of a committee for professional matters</li> <li>2. Create a common forum for the ISSAI Framework</li> <li>3. Separate advisory group</li> <li>4. Strengthen the Due Process</li> <li>5. Common supporting functions</li> <li>6. Long-term development goals for standard setting</li> </ol> <ul style="list-style-type: none"> <li>➔ 2, 3 and 4 within PSC mandate</li> <li>➔ 1, 5 and 6 as input for TFSP/to be discussed by INTOSAI community</li> </ul> </li> <li>▪ Long-term development goals for INTOSAI's standard setting:               <ul style="list-style-type: none"> <li>– Standard-setting is a core task for INTOSAI and underpinned by robust structures</li> <li>– ISSAIs are the preferred solution for SAIs and provide the basis for schemes of education and accreditation that defines public-sector auditing as a profession</li> <li>– ISSAIs are widely recognized and ensure high quality audits that add value to the public sector</li> </ul> </li> <li>▪ Several comments from EUROSAI/GT2 have been included; final report will be sent to TFSP and INTOSAI Governing board and published on PSC website</li> <li>▪ ISSAI to be reviewed and probably revised:               <ul style="list-style-type: none"> <li>– ISSAI 30 (INTOSAI Code of Ethics)</li> <li>– ISSAI 5000 – 5010 (Audit of international Institutions)</li> <li>– ISSAI 5110 – 5140 (Environmental audit)</li> <li>– ISSAI 5210 – 5240 (Privatisation)</li> <li>– ISSAI 5310 (IT Audit)</li> <li>– ISSAI 5600 (Peer Review Guide)</li> </ul> </li> </ul>	<p>Remind EUROSAI members to comment on exposure drafts (Chair)</p>
	<p><u>2. Financial Audit Sub-committee</u></p> <ul style="list-style-type: none"> <li>▪ Germany new FAS member, acts as Liaison with GT2</li> <li>▪ FAS work plan:               <ul style="list-style-type: none"> <li>– ISSAI maintenance/involvement in IFAC task groups</li> </ul> </li> </ul>	<p>Ask ISSAI facilitators for Financial Audit ISSAI to</p>



<b>Item</b>	<b>Discussion Results</b>	<b>Actions to take</b>
	<p><u>4. Performance Audit Sub-committee</u></p> <ul style="list-style-type: none"> <li>▪ Adaptation of level 4 – why? <ul style="list-style-type: none"> <li>– Current level 4 (3000) is an „implementation guide“ to former level three</li> <li>– New concepts in level three (e.g. assurance, elements of the audit, subject matter information, audit risk, etc.)</li> </ul> </li> <li>▪ New structure: <ul style="list-style-type: none"> <li>– ISSAI 3000 –standard</li> <li>– ISSAI 3100 – guidance part one</li> <li>– ISSAI 3200 – guidance part two</li> </ul> </li> <li>▪ Time frame: <ul style="list-style-type: none"> <li>– Presented to PSC in early 2015</li> <li>– Endorsed before INCOSAI 2016</li> </ul> </li> </ul> <p>➔ Input from ISSAI facilitators on their experience with the current Performance Audit ISSAI would be most welcome</p> <p><u>3. Internal Control Sub-committee</u></p> <ul style="list-style-type: none"> <li>▪ Research papers on “risk management” and “reporting on internal control” as basis for revision of <ul style="list-style-type: none"> <li>– INTOSAI GOV 9110 on reporting on the effectiveness of internal controls</li> <li>– INTOSAI GOV 9130 on entity risk management</li> </ul> </li> <li>▪ Review of INTOSAI GOV 9100, 9120, 9140 and 9150, presentation of a proposal on their revision in the following years</li> </ul>	
4.2 Cooperation with ECIAA <sup>1</sup>	<p><u>1. Progress report of SAI Belgium</u></p> <ul style="list-style-type: none"> <li>▪ Editorial committee consists of SAIs of Belgium, Germany and Poland, and IIA chapters of Spain and UK&amp;Ireland</li> <li>▪ Joint paper on coordination and cooperation between SAIs and Internal Auditors in the public sector <ul style="list-style-type: none"> <li>– Based on survey on national SAI – internal audit relations to compile relevant information and documents that regulate, describe or analyse coordination</li> </ul> </li> </ul>	

<sup>1</sup> European Confederation of Institutes of Internal Auditors

<b>Item</b>	<b>Discussion Results</b>	<b>Actions to take</b>
	<p>and cooperation;</p> <ul style="list-style-type: none"> <li>- Presented at the EUROSAI Congress 2014</li> <li>- Overall conclusions: <ul style="list-style-type: none"> <li>➤ Status of internal audit versus SAI remains somewhat unsolved and contentious : co-auditor and part of audited entity</li> <li>➤ Relations SAI – internal auditors in public sector from international/comparative perspective remain in part “terra incognita” &gt; need to elaborate on what exists and what jurisdictions can learn from each other</li> </ul> </li> <li>▪ New cooperation agreement signed on 18 June 2014</li> <li>▪ Proposed outline of activities 2014-2017: <ul style="list-style-type: none"> <li>- Shift cooperation philosophy from surveying/mapping focus towards stronger networking and bottom-up approach</li> <li>- Joint paper considered to be sufficient to pursue its ends for time being</li> <li>- Proposed activities A. (priority 1) and B. (priority 2, subject to further examination)</li> <li>- Concrete activities will be agreed upon by Cooperation committee (former Editorial committee) and included in GT2 Operational Plan under key activity 2.3.2</li> </ul> </li> </ul> <p><u>2. Report of ECIIA representatives</u></p> <ul style="list-style-type: none"> <li>▪ Certifications for Internal Auditors <ul style="list-style-type: none"> <li>- Certified Government Auditing Professional (CGAP): designed especially for auditors working in the public sector at all levels</li> <li>- Certified EUROPEAN Public Sector Auditor (CEPSA): designed especially for: <ul style="list-style-type: none"> <li>- EU-governed professional credential for public sector auditors in EU</li> <li>- Internal auditors in public entities and auditors at SAIs</li> <li>- Also recommendable for financial auditors</li> </ul> </li> </ul> </li> <li>▪ Cooperation between SAIs and Internal Audit/UK experience <ul style="list-style-type: none"> <li>- Regular consultation: quarterly meetings between respective directors + ‘ad</li> </ul> </li> </ul>	

<b>Item</b>	<b>Discussion Results</b>	<b>Actions to take</b>
	<p>hoc' meetings between audit staff and where significant issues arose</p> <ul style="list-style-type: none"> <li>- Communication: regular and open – in HMRC nearly all IA reports were copied to the NAO; all NAO reports were copied to IA.</li> <li>- Planning: sharing of draft plans – NAO Directors attended IA planning meetings – content and timings</li> <li>- Sharing: working papers / testing strategies/ process maps</li> <li>- Joint training</li> <li>- Joint working, eg on key projects, help with IT work, etc</li> <li>- Follow up of recommendations</li> </ul>	
4.3 Cooperation with IDI	<p><u>1. IDI Progress report</u></p> <ul style="list-style-type: none"> <li>▪ 3i Programme results: <ul style="list-style-type: none"> <li>- Updated iCATs on Financial, Performance &amp; Compliance Audit</li> <li>- ISSAI Implementation Handbooks for Financial, Performance &amp; Compliance Audit</li> <li>- 209 IDI-PSC certified ISSAI facilitators, 18 in EUROSAI region (7 FA, 4 PA, 7 CA)</li> </ul> </li> <li>▪ Challenges of ISSAI implementation (EUROSAI answers on IDI Global Survey): <ul style="list-style-type: none"> <li>- Mandate of the SAI 16%</li> <li>- Capacity of the SAI 48%</li> <li>- Working processes and methods of the SAI 39%</li> <li>- Competencies of the auditors 32%</li> <li>- Relevance the ISSAIs for our audits 31%</li> <li>- Time and resources required to comprehend the volume of text 65%</li> </ul> </li> </ul> <p><u>2. Experiences of ISSAI facilitators</u></p> <ul style="list-style-type: none"> <li>▪ ISSAI facilitators offer assistance to staff of their respective SAIs but may also assist other SAIs as well</li> <li>▪ Certification of ISSAI facilitators adds credibility to the respective SAIs and its auditors</li> <li>▪ Benefits for the SAO Macedonia: <ul style="list-style-type: none"> <li>- Raising awareness of the ISSAI;</li> </ul> </li> </ul>	<p>Ask IDI for results of Global Survey (Chair) ✓</p>

<b>Item</b>	<b>Discussion Results</b>	<b>Actions to take</b>
	<ul style="list-style-type: none"> <li>- Insurance that audit work is in line with the ISSAI's;</li> <li>- Improvement of audit activities and practice;</li> <li>- High quality of audit reports;</li> <li>- Continuous learning</li> <li>▪ Inputs of 3i Programme for SAO Georgia: <ul style="list-style-type: none"> <li>- Performance Audit Learning Module based on the experience from 3i program</li> <li>- Trainings held by ISSAI Facilitator for the audit staff</li> <li>- Spotting auditors with PA skills</li> <li>- Regular on-the-job trainings and face-to-face facilitation</li> <li>- Regular PA Trainings for new staff</li> </ul> </li> </ul>	
5. GT 2 seminars on ISSAI implementation	<ul style="list-style-type: none"> <li>▪ Seminar on “Improving performance audit in SAIs by using the performance audit guidelines (ISSAI 300, 300 and 3100)” on 4-5 December 2013 in Bonn (Germany) <ul style="list-style-type: none"> <li>- 60 participants from 29 EUROSAI member SAIs</li> <li>- Presentation of relevant ISSAI, implementation tools and strategic considerations</li> <li>- Case studies on using the performance audit ISSAI</li> </ul> </li> <li>▪ Seminar on “Use of the Compliance Audit Guidelines (ISSAI 400 and 4000-4999) and Best Practice” on 28-29 October 2014 in Vilnius (Lithuania) <ul style="list-style-type: none"> <li>- 54 participants from 21 EUROSAI members SAIs</li> <li>- Presentation of relevant ISSAI, implementation tools and challenges in applying Compliance Audit Guidelines</li> <li>- Workshops on <ol style="list-style-type: none"> <li>1. Standalone compliance audit vs. combined compliance and financial/performance audit (for auditors)</li> <li>2. Identifying audit scope, subject matter and criteria (for auditors)</li> <li>3. Exchange of experience on Compliance Audit (for methodology staff)</li> </ol> </li> </ul> </li> </ul>	<p>Evaluate seminar (Lithuania)</p> <p>Give feedback to CAS on seminar outcomes (Lithuania)</p>

<b>Item</b>	<b>Discussion Results</b>	<b>Actions to take</b>
<b>6. GT2 Operational Plan 2015-2017</b>	<ul style="list-style-type: none"> <li>▪ <b>Strategy 2.1:</b> <ul style="list-style-type: none"> <li>– Promote the latest versions of Russian ISSAI translations on EUROSAI website</li> <li>– Collect ISSAI translations into other national languages (according to GT2 survey) and share them with the EUROSAI community</li> </ul> </li> <li>▪ <b>Strategy 2.2:</b> <ul style="list-style-type: none"> <li>– Continue to collect SAIs’ positions regarding ISSAI implementation status / implementation approach (e.g. IDI Global Survey)</li> <li>– Possible seminar themes: <ul style="list-style-type: none"> <li>*Seminar on ISSAI 40 on Quality Control? → Monitoring committee on Quality control (HU)</li> <li>*Seminar on Financial Audit ISSAI?</li> <li>*Seminar/conference on feedback to ISSAI reviews?</li> <li>*Seminar on cooperation with Internal Auditors (implementation of INTOSAI GOV 9150) → late 2016 or early 2017/cf. activity 2.3.2</li> </ul> </li> </ul> </li> <li>▪ <b>Strategy 2.3:</b> <ul style="list-style-type: none"> <li>– Implement cooperation agreement with ECIA according to proposed activities of Editorial Committee &gt; Cooperation Committee</li> <li>– Invite other SAIs to join the Cooperation committee</li> </ul> </li> </ul>	<p>see above</p> <p>Inform Chair if you would like to organise a seminar (all) Check with GT3 if other ISSAI-related seminars are planned (Chair) ✓</p> <p>Agree on activities (CC) Invite EUROSAI members via GS (Chair) ✓</p>
<b>7. AOB</b>		
<b>8. Date and venue of next meeting</b>	t.b.c.	Inform chair if you would like to host the next meeting (all)