



DRAFT- INTOSAI Financial Audit Subcommittee Work Plan 2011-2013

The FAS work plan for the period 2011-2013 builds on the main tasks identified by the PSC Steering Committee during 2010:

1. To maintain and continue to develop the ISSAIs on Financial Audit
2. To create awareness for the standards and guidelines and contribute with expert knowledge on the guidelines, relating to implementation efforts, and
3. To contribute to the consistency in the ISSAI framework

In addition to the tasks defined by the PSC, the subcommittee will:

4. Explore the advantages and possibilities of including other standards issued by the IAASB as part of the INTOSAI Financial Audit Guidelines, and
5. Summarize lessons learnt throughout the process, with the hope that the conclusions will contribute to further improvements of our own work as well as be a valuable resource to other INTOSAI bodies.
6. Monitor implementation of the guidelines among INTOSAI members.

The INTOSAI Financial Audit Subcommittee (FAS) has formulated the following strategy to achieve the goals approved by the INTOSAI Professional Standards Committee (PSC) Steering Committee.

Strategic objective

Maintain and further develop high quality guidelines that are globally accepted for the audit of financial statements in the public sector, and make those guidelines known, accepted and available to the INTOSAI community.

Strategy

To make use of the best resources from INTOSAI members, and to leverage the expertise and resources of the International Auditing and Assurance Standards Board (IAASB), an internationally respected auditing standards setting organization, for a strategic and cooperative partnership.

Actions to achieve the strategic objective

Detailed actions will be planned and reported in connection with FAS meetings. The list below provides an overview of the strategic direction of FAS 2011-2013.

1. Maintaining and developing the ISSAIs on Financial Audit

The development and maintenance of globally accepted high quality guidelines will be achieved by following the FAS and PSC due processes when:

- Incorporating public sector considerations into new and revised International Standards on Audit (ISAs) developed by the IAASB by:
 - Participating as members in IAASB task forces to write audit standards on current and future projects, and
 - Writing comment letters on exposure drafts of ISAs as and when appropriate.

- Providing guidance above and beyond what is provided in the ISA for public sector audits by:
 - Drafting Practice Notes (PNs) for all new or revised ISAs in order to provide special considerations for the public sector, and
 - Drafting additional guidance dealing with the specific requirements of the public sector which together with ISAs and PNs form the INTOSAI Financial Audit Guidelines.

- Contributing to the continued development of ISSAIs in other areas, with particular attention to the INTOSAI Compliance Audit Guidelines, to ensure their consistency with the ISSAIs on Financial Audit, and

- Working to make the ISSAIs available in the official INTOSAI languages by:
 - Translating the Practice Notes, and
 - Continuing efforts to make the translated ISAs available to the INTOSAI community.

2. Creating awareness for the standards and guidelines and contributing with expert knowledge

In order to live up to INTOSAI's motto, "Mutual experience benefits all", and to achieve the strategic objective of FAS, the Subcommittee must raise awareness of the ISSAIs by communicating its results in a manner which assures trust and confidence in the relevance and quality of the guidelines developed. This will be done by:

- Making the guidelines and information related to FAS' work available notably by:

- Publishing guidelines at different stages of development (exposure drafts, approved by the Governing Board, endorsed by INCOSAI etc.) on the ISSAI website (www.issai.org), with the assistance of the PSC,
 - Publishing all activities and documents, including awareness raising materials, on the FAS website (<http://psc.rigsrevisionen.dk/fas>),
 - Issuing quarterly performance reports, and
 - Writing brief updates as well as articles in the INTOSAI Journal.
 - Direct communication with SAIs primarily through appointed Key Persons and nominated Experts.
- Working together with appointed experts and other contacts around the INTOSAI community to raise awareness of the INTOSAI Financial Audit Guidelines on a regional or national level.

FAS will also contribute with expert knowledge on the guidelines, relating to implementation efforts by working together with IDI and any other relevant bodies to:

- Draft or provide input on training materials.
- Contribute to training events when possible.

The role of FAS in activities relating to implementation is primarily to assist with expertise. IDI and other relevant bodies have the responsibility for implementation efforts.

3. Contributing to the consistency in the ISSAI framework

As identified at the PSC Steering Committee meeting in 2009, there is a need to review the ISSAIs on level three of the ISSAI framework to make sure the framework is consistent. FAS will participate in this work related to financial audits as agreed with the PSC Steering Committee.

4. Incorporating new and relevant guidance into the Financial Audit Guidelines

In order to enhance the applicability for financial audits in the public sector, standards developed by the IAASB in other financial audit related areas will be evaluated and, if considered relevant, included in the ISSAI framework together with developed public sector guidance. Such areas may include;

- Guidance on Engagements to Review Financial Statements
- Guidance on Reviews of Interim Financial Information Performed by the Independent Auditor of the Entity
- Guidance on Assurance Reports on Controls at a Service Organization

- Guidance on Engagements to Perform Agreed-Upon Procedures Regarding Financial Information
- Guidance on Engagements to Compile Financial Information.

During the period 2011-2013 the subcommittee will:

- Consider the relevance of IAASB Standards, in addition to the ISAs, for public sector financial audits based on survey results, and
- Draft public sector guidance in such areas considered relevant.

The subcommittee's preliminary view is that there is a need for guidance related to some review engagements, such as interim financial statements.

5. Lessons learnt

In order to use the experiences of the subcommittee as a basis for further development, both of FAS and of other INTOSAI bodies, the subcommittee will:

- Carry out a review of lessons learnt by different actors relevant to FAS' work.
- Draw conclusions on lessons learnt and share them with relevant stakeholders.

6. Monitor implementation of the guidelines

SAIs in many countries will be planning to implement the ISSAIs during the period 2011-2013. FAS will carry out a survey among INTOSAI members at the beginning of the period and another one at the end of the period to monitor implementation of the guidelines among INTOSAI members. Throughout the period FAS will also keep track of any information received regarding implementation efforts and progress made by SAIs.

The aim is for the surveys to provide information regarding matters such as:

- The way that the ISSAIs are implemented (as guidance or as authoritative standards),
- Aspects of the ISSAIs that might be difficult to understand,
- The need for additional requirements or deletions, in the ISAs (as input to future INTOSAI experts in IAASB Task Forces),
- Areas in which the SAI may decide to provide additional guidance material to achieve consistent application.
- Aspects of the ISSAIs that may be difficult to translate for different reasons, for example because the meaning of the ISSAI may be unclear.

Such monitoring activities will provide the subcommittee with information which will facilitate future revisions to the ISSAIs as well as determine the need for awareness raising activities and implementation support to IDI.