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## Minutes INTOSAI Financial Audit Guidelines Subcommittee Meeting in London, 8-9 April, 2008

### Participants:

Mr Stuart Barr	Canada
Mr Alfred Enoh	Cameroon
Mr Jesús Lazaro Cuenca	European Court of Auditors
Ms Alta Prinsloo	IFAC
Ms Kathleen Kerrigan	IFAC
Mr Fernando Cervantes-Flores	Mexico
Ms Ridley Van Wyk	Namibia
Ms Liezl Vanschalkwyk	Namibia
Ms Kelly Ånerud	Norway
Mr David Hughes	UK
Mr Andrew Baigent	UK
Ms Gail Valieres	USA
Mr Gert Jönsson	Sweden (Chair)
Mr Jonas Hällström	Sweden
Ms Johanna Gårdmark	Sweden
Ms Camilla Brodén	Sweden

### 1. Opening of the meeting by the Chair Mr Gert Jönsson

The chair welcomed everyone, especially new FAS member Mexico, represented by Mr Fernando Cervantes-Flores, and new FAS delegates Mr David Hughes from the UK (replacing Mandy Measures) and Ms Kathleen Kerrigan representing the technical staff of IAASB.

### 2. Approval of the agenda

The agenda was approved after minor changes.

### 3. Approval of draft minutes from the FAS meeting in Stockholm (Mr Gert Jönsson)

Mr Jesús Lazaro, ECA, addressed the issue of translation costs and said that the European Court of Auditors is willing to take on the task of translation of Practice Notes into Spanish, German and French. This generous offer was greatly appreciated by the Chair and members.

Ms Alta Prinsloo wondered about the status of the INTOSAI Project on Audit Quality (§11). Mr David Hughes of the UK NAO informed FAS that the separate INTOSAI project on audit quality had not quite started yet, while as the IAASB standard itself, ISQC1, is clearly in use.

**Conclusion:** The FAS secretariat will together with the ECA look into the possibility to have the Practice Notes translated by ECA.

The minutes were approved.

4. **Update on activities since the previous meeting and plans for the future (Mr Jonas Hällström)**

The FAS presentation at the INTOSAI congress in Mexico focused on the due process to show that the work has been carried out according to best practice. The nine Practice Notes were approved by the Governing Board and endorsed by the Congress without discussion. In time for the next congress in South Africa, the FAS Secretariat will look into alternative ways of making the documents available to delegates. The Secretariat has initiated discussions with the Office of the Auditor General of South Africa. The General Secretariat in Vienna will also need to be consulted.

Following the input from the self assessment meeting of experts the previous day, and the discussions in the subcommittee, the Secretariat will draft a new plan for all remaining Practice Notes. The new plan will take into consideration the IAASB's revised time plan and the preference for working in Special Expert Teams rather than Practice Note Task Forces.

The Secretariat was also asked to carefully consider the need for each proposed physical meeting and if telephone conferences would be an option.

**Conclusion:** The FAS Secretariat will look into alternative solutions considering transportation of documents to INCOSAI 2010.

Regarding drafting of Practice Notes, the Secretariat will draft a new plan taking into consideration all the input from the meeting.

The Secretariat will draft an agenda for the Seoul meeting as soon as possible to determine if a physical meeting is needed in October.

5. **IAASB update (Ms Alta Prinsloo and Ms Kathleen Kerrigan)**

After the Clarity project has been finalized there will be a need for a consistency review of all ISAs, which will probably show a need for some conforming changes.

A lot of work has been put into the 2009-2011 strategy of the IAASB. There will be a quiet period in 2009 and 2010 during which no new auditing standards will become effective, to allow for translations and adaptation and to get processes in place.

The IFAC Board has decided to officially approve one translation per language to ensure the quality of translations. The IAASB will have translations available which can be used by INTOSAI.

**Conclusion:** The IFAC Board has started a new translation process which may be beneficial for the work of FAS.

FAS was encouraged to consider how projects outside the scope of auditing may affect their work plan and the needs of its constituents.

6. **Report from RP meeting in Stockholm January, 2008 (Mr Jonas Hällström)**

Reference Panel experts from Azerbaijan, Bangladesh, Costa Rica, Estonia, Indonesia, Kazakhstan, Malaysia, Pakistan, Philippines, Saudi Arabia, the Slovak Republic, South Africa and Uganda took part in an introductory meeting in Stockholm in January. The participants gave a very good impression and were well qualified for future tasks.

The question was raised by Ms Liezl Van Schalkwyk regarding the implementation of standards in different SAIs, should reference be made to ISAs or ISSAIs, and what is required before a reference can be made to these standards, i.e. "an audit conducted in accordance with...?"

It was concluded that FAS has to address this issue very clearly. A distinction needs to be made between using the ISSAIs as guidance to support the INTOSAI Standards and if the SAI decides to adopt the ISAs as standards, using the Practice Note part of ISSAI as guidance. The ISAs are written as standards and the auditor should comply with all ISAs relevant to the audit. The distinction is very important and is stated in the drafted ISSAI 1000. This may need to be further clarified in ISSAI 1000 or 1002.

**Conclusion:** The Secretariat will make sure FAS is clear on the distinction between the use of ISAs and ISSAIs.

#### 7. **Due Process (Ms Johanna Gårdmark)**

The principles that are followed by FAS to ensure the quality of the guidelines have been documented in a Due Process paper. In a very active discussion, the subcommittee made a range of suggestions, including:

- the criteria defined should be replaced by basic principles,
- the paper should focus on how FAS lives up to the principles through the different steps of its central processes,
- stakeholders and how we communicate with them should be included,
- references should be made to supporting documents through links.

Terms of Reference for the subcommittee itself is still lacking and could be developed together with this document.

**Conclusion:** Ms Johanna Gårdmark and Ms Alta Prinsloo redrafted the document during the course of the meeting. Following further discussions, the Secretariat was asked to make the final revisions before sending it for e-mail approval by FAS members.

#### 8. **Approval of PN 320 (Mr Jonas Hällström)**

PN 320 was discussed, but the finalization and approval was agreed to take place after the approval of the redrafted ISA, at the October meeting in Seoul. Minor changes to the document were discussed at this stage.

**Conclusion:** PN 320 will be reviewed by the SET with special attention to the differences between the Financial- and Compliance Audit Guidelines. A new version of PN 320 will be presented for approval at the next FAS meeting in Seoul.

#### 9. **Approval of PN 550 (introduction by Mr John Thorpe, UKNAO)**

PN 550 was presented in a first draft and was not considered for approval. FAS agreed that the expert and back-office experts have done an excellent job. It was suggested that the expert contact the Court of Accounts Expert Group to ensure that the Court of Accounts perspective is taken into consideration.

**Conclusion:** A new version of PN 550 will be presented for approval at the next FAS meeting in Seoul.

#### 10. **Discussions on Draft PN 402 (Mr Jonas Hällström, Ms Kelly Ånerud)**

The expert and back-office experts have succeeded in getting public sector considerations into the ISA and also to draw attention to the broader public sector perspective.

Comments on the Practice Note for ISA 402 may be sent to the FAS Secretariat for consideration by the expert.

Comments on ISA 402, which is currently on exposure, should also be forwarded to the FAS Secretariat which will consider if a joint FAS comment letter should be sent to the IAASB.

**Conclusion:** PN 402 was not approved for exposure as it was up for early discussions only. Comments should be sent to the FAS Secretariat.

A comment letter on ISA 402, currently on exposure, will be sent to the IAASB from FAS if necessary.

#### 11. **Presentation of discussion paper on suggestions for a new FAS organization after 2010 (Mr Gert Jönsson )**

Three major questions were raised in the discussion paper

- a. *How should a future secretariat be organized?*
- b. *How should INTOSAI organization deal with decision making procedures?*
- c. *Are the resources reasonably calculated?*

Some of the issues raised were:

- a. The discussion paper is built on the assumption that we shall reach our objectives for 2010. If we do not, many issues need to be reconsidered.

The paper leads to primarily one conclusion. FAS asked the Secretariat to draft an issues paper which clearly reflects the pros and cons of a number of organizational alternatives considered.

The organization beyond 2010 is an issue for FAS, but also for CAS, the PSC and possibly PAS. The paper needs to be written on a more general level. INTOSAI is working on a strategic plan for 2011-2016, and standard setting needs to be part of that strategic plan. Long term goals are needed for INTOSAI as an organization, but in the meantime the PSC and its subcommittees need to decide how standards related issues should be managed.

- b. FAS agreed that the FAS Secretariat can only consider matters concerning FAS in the paper, even though CAS and PAS will be affected as well. CAS and PAS are the responsibility of PSC.

The ambition should be to propose a solution for a permanent structure for professional standards before the PSC meeting in October. As CAS is at the same stage of development as FAS, the two subcommittees should coordinate their efforts.

There was agreement that the future organization needs to have a more efficient decision making process. Alternatives were discussed and the issue will be raised in the redrafted paper.

- c. The opinions of FAS were that the resources seem reasonable as regards the continued development and updating of the financial audit guidelines. However, the resources needed will be affected by issues such as:
  - the mandate of the team – i.e. only financial audit, or including compliance and performance audit?
  - the team's role in training and implementation and possible cooperation with other actors such as IDI, regional groups, other INTOSAI actors or external training institutes such as the ACCA etc.

- where the organization is located, depending on whether the host institution can offer the team to use their resources.

It was suggested that FAS Secretariat lists certain criteria for a successful host for the future organization, including issues such as funding, INTOSAI connections and the professional environment as such.

**Conclusion:** The paper will be rewritten in the form of an issues paper and redistributed to FAS for their consideration and approval by e-mail.

The issues paper will be discussed with CAS and the PSC with the intention that it should be included on the agenda for the PSC meeting in October.

Following the PSC meeting, the FAS Secretariat will contact IDI and possibly INTOSAI's regional groups and external training institutes to consider alternatives relating to training and implementation issues.

12. **ISSAI 1001 (bridge between ISA and ISSAI 100-400), Discussions on structure and level of information based on draft document (Mr Jonas Hällström)**

The very first draft of ISSAI 1001 was presented. This was one of the first projects of FAS and was initially called the Bridging document. The comments from FAS indicated that the Secretariat was on the right way. Some concerns were raised concerning the size and usefulness of the document as well as its position within the guidelines. The proposed link between the ISA objectives and the related INTOSAI paragraphs was not considered necessary and will be excluded.

**Conclusion:** ISSAI 1001 will be a separate guideline and changes will be made according to suggestions by FAS. ISA titles will be updated and the document will be presented to FAS again before finalization.

13. **Draft ISSAI 1003 (Glossary) presented and discussed (Mr Jonas Hällström)**

This document is based on the Key Word list used for translations. The same words have been used for the glossary and the definitions. Everything exists in all five INTOSAI languages including definitions. FAS suggested some additional terms.

The document is going to be updated regularly. It should also be made clear in the glossary where the terms come from. The document should as much as possible be aligned with the glossary from the IFAC's Handbook of International Standards on Auditing, Assurance and Ethics Pronouncements. A definition section could state that this document has the same level as an ISA.

There are currently ten different INTOSAI glossaries, there should be just one glossary for all standards and guidelines. FAS needs to raise this issue with the PSC.

**Conclusion:** FAS members were asked to identify terms and send them to the FAS Secretariat. The Secretariat will ensure that the source of the term is included.

14. **Approval of Communication policy (Ms Johanna Gårdmark)**

FAS suggested changes to the Communication Policy, including:

- Put further emphasis on interactive communication.
- When members of FAS speak or write an article on FAS in an international context they do not need permission from the FAS

Director, but it is very important that the FAS Secretariat is informed about all such events in advance. This will be clarified in the document.

- INTOSAI regional groups should be included as communication channels.
- An introductory process for new members could be included (and developed.)

**Conclusion:** The communication policy and plan will be revised and sent to FAS for approval.

#### 15. **Funding Issues (Ms Johanna Gårdmark)**

The Swedish National Audit Office does not have the financial resources to support the FAS activities at the current level. The funding gap is now of 616' USD. A great relief would be if ECA can help with the translations as offered. The following status was presented:

##### **The World Bank**

- USD 100 000 was received for 2008 and the World Bank has submitted a proposal for further USD 100 000 grant for 2009
- Meetings were held during INCOSAI and in Washington in December.
- FAS will be evaluated in 2008 in accordance with standard World Bank procedure. Unfortunately the cost sharing between FAS and the bank will lead to less funds for development work than originally planned as the timing and cost of the evaluation were not known prior to the start of this financial year.

##### **Inter-American Development Bank (IADB)**

- Meetings were held during INCOSAI and in Washington in December
- The IADB are unable to support FAS due to restrictions in their regulations – i.e. they can only support regional organizations.

##### **Islamic Development Bank (IDB)**

- FAS was assisted by a Saudi Arabian expert on the reference panel in finding the appropriate contacts.
- A letter was sent to the IDB president in February 2008, but we have not yet received a reply.

##### **European Commission**

- FAS was assisted by Manfred Kraff from the European Court of Auditors to find the appropriate contact at the Commission.
- Letters to different Commission representatives were sent in October-December but no reply has been received.

##### **International Monetary Fund (IMF)**

- A meeting was held in Washington, DC in December.
- No funding is to be expected, but the IMF may be in a position to encourage SAIs to use the guidelines.

**Conclusion:** The FAS secretariat will continue its efforts to secure external funding.

#### 16. **World Bank evaluation of FAS working procedures (Mr Jonas Hällström)**

In accordance with standard World Bank procedure, the FAS working procedures will be subject to an external evaluation in 2008.

Issues and questions to be addressed during the evaluation include:

- The efficacy and relevance of the World Bank's involvement
- Whether developing countries have the opportunity to participate and exercise effective voice in the various aspects of the FAS' activities.
- The extent to which the FAS has a clear work program and comprehensive due process for the issuance of pronouncements.
- Effective feedback from monitoring and evaluation.
- Whether the governance and management of the program is transparent in providing information about the program, clear with respect to roles and responsibilities, and ensures that the specified roles and responsibilities are accepted and applied, and accountable to the PSC's internal chain of command and control as well as to donors and other stakeholders.
- Whether the program is delivering its activities cost-effectively.

**Conclusion:** The Terms of Reference for the World Bank's evaluation of FAS work will be sent to the subcommittee as soon as it is finalized.

**17. FAS' self-assessment of procedures (Mr Jonas Hällström)**

Mr Jonas Hällström reported from the discussions of a group of experienced members of the Reference Panel during a self-assessment review that was held the same week as the subcommittee meeting. There is a separate report from the meeting (appendix 1).

FAS considered the outcome of the review meeting and discussed how to draft the remaining 26 Practice Notes and review an additional nine (due to the clarity project) in the most efficient and cost-effective manner.

**Conclusion:** It was suggested that the Practice Notes be drafted through SETs only. It will be added to the Communication Plan that we shall invite regional chairs and secretariats to comment on exposure drafts.

**18. Discussions together with CAS chair and other CAS members on Draft Compliance Audit Guidelines and joint issues (Mr Gert Jönsson and Mr Jens Gunvaldsen)**

Detailed notes for this agenda item are available separately (appendix 2).

**19. Coming meetings (Ms Camilla Brodén)**

The next meeting will be hosted by the Board of Audit and Inspection of the Republic of Korea, in Seoul on 16-17 October.

In the spring of 2009 the European Court of Auditors has offered to host the FAS meeting, but the dates are not set yet.

There will be more telephone meetings needed in the future to keep up the pace of the approval process of the Practice Notes.

**20. Any Other Business (Mr Gert Jönsson)**

*Membership criteria:*

It can be accepted to be absent once or twice, but if a FAS member consistently does not turn up to meetings and otherwise does not contribute, we need to consider and discuss the membership.

**21. Conclusions of the meeting (Mr Gert Jönsson)**

Mr Gert Jönsson summarized the conclusions from each agenda point and thanked the members for their active participation during the meeting.

## Appendix 1: FAS Review Meeting 7 April 2008, London.

The purpose of the FAS review meeting was to review and evaluate the working procedures for the Financial Audit Guidelines Subcommittee related to the drafting of Practice Notes. FAS' Work Plan establishes the need for a review of work processes as one part of continuously ensuring efficient and effective work by FAS. The overall question of the meeting was "Is it possible to make our processes more efficient without undermining the due process?"

Four experts together with representatives from the IAASB and the FAS secretariat participated. Additional experts and back-office experts will be asked to provide their comments in a questionnaire. It will be sent out before the end of April.

### Overall comments

The processes have been useful and there is no need for major changes.

The remaining Practice Notes will be developed during a relatively short period of time and there is a need for more frequent FAS telephone meetings to speed up the approval process in order to be able to follow the time table.

The monitoring activities from the secretariat, for example first and second report, could be made in a less formal way. For example, it was suggested that an exception report by telephone with the PNTF Chair and the FAS Project Director, or reporting to the FAS Secretariat using a simple check list could serve the same purpose.

FAS should be able to make more use of the Reference Panel. FAS needs a Terms of Reference on the expectations of the Reference Panel, for example to include the responsibility to comment on the Exposure Drafts (ED).

FAS needs to inform the INTOSAI community more before the exposure period in order to receive more comments. Suggestions:

- Put it in the ED that INTOSAI members are allowed to provide comments in any of the five official languages.
- Make a list of all the people who has ever answered on an ED and remind them of the ED period.
- Send invitations to comment to regional groups and committee Chairs.
- Use the PSC survey to get information about SAIs using ISA-based methods and send a special invitation to comment to them.
- Put a timetable (subject to change) for comment periods on the website. The timetable could be by quarter.

Fatal flaw check by the technical staff of the IAASB should be done before exposure and translation.

FAS needs to agree on rules for how many members need to participate in a meeting in order to approve a draft for exposure, for translation or for approval by the INTOSAI Governing Board. This is of great importance due to the increased number of telephone meetings expected.

The need for amendments of already approved practice notes due to the clarity project was also discussed. In this context, the IAASB explained that they would be able to help assist with this work in 2009.

One issue raised was whether it would be possible to ask some SAIs to contribute to the costs (travel and hotel expenses) for their delegates?

## Special Experts Team

The overall view of the participants was that Special Experts Teams (SETs) are preferred before Practice Notes Task Forces (PNTFs). SETs are more effective and time efficient but unfortunately also more expensive than PNTFs.

SETs have been performed with four experts and two back-office experts. It would be more efficient to use four experts, as before, but no back-office experts. Involving a larger group of commentators instead of 2 to 3 back-office experts would also increase the credibility of the Practice Note. It was also suggested that the number of experts may be reduced to three.

From the Reference Panel of experts and back-office experts consisting of approximately 120 experts, the Secretariat has identified 45 currently active experts or previously active experts and back-office experts. Those experts could be used as a form of back-office when the expert groups need input regarding identified issues. The period for comments could be limited to two weeks. The procedure could be optional depending on the complexity of the ISA.

The overall time for a SET development could probably be shortened to seven months.

## Practice Notes Task Force

The overall time for a PNTF would be 9 months, which makes it less preferable than a SET. PNTFs have been performed with two experts and two back-office experts. It would be more effective to use four experts and no back-office experts. The 45 active experts in the Reference Panel could be used as back-office (see SET).

The responsibilities within the PNTF should be clearly assigned. There is no need for experts' reports if a Chair is appointed with the responsibility to report to the Secretariat. The Chair needs to be experienced in working with FAS. It was concluded that it was preferred that the Chair participated, by telephone or physically, in FAS discussions on approval for exposure and final approval.

However, the meeting concluded that the use of Special Expert Teams was to be preferred before the use of PNTFs.

## IAASB Task Force

The back-office members need to remain as support to the INTOSAI expert in the IAASB Task Forces. In order to simplify the communication with the back-office experts and not to discuss all changes and developments of an ISA, it was suggested that the expert should consult the back-office experts at specific and predetermined milestones.

## Appendix 2: Summary of discussion between FAS and CAS

The Chair and Secretariat of the INTOSAI Compliance Audit Subcommittee (CAS) were invited to the Financial Audit Guidelines Subcommittee (FAS) meeting in London on 9 April to present the progress made on the Compliance Audit Guidelines and to discuss other issues of mutual interest.

CAS was represented by the Chair, Mr Jens Gunvaldsen, Director General and, from the CAS Secretariat, Ms Erna Lea, Deputy Director General, both from the Office of the Auditor General of Norway. Ms Kelly Ånerud, Deputy Director General of Norway and member of both the CAS Secretariat and of FAS assisted in the presentation.

### The Compliance Audit Guidelines

The CAS Chair informed FAS of the current status of the drafting of ISSAIs 4000, 4100, 4200 and 4300 and of the conclusions from the CAS meeting in Tunis the previous week. The CAS Chair thanked FAS for the creation of the Compliance Audit Reference Group, which has been of great value in the development of the drafts. He also thanked FAS members for their constructive comments on the drafts and hoped CAS could continue to rely on contributions from both FAS and its individual members.

FAS members were very pleased with the significant improvements made to ISSAI 4100 since the draft presented at the INTOSAI Congress. There was a general consensus that CAS is heading in the right direction, but that a lot of work still remains – not least to ensure that the 4000-series of ISSAIs are coordinated amongst themselves.

Several FAS members underlined the importance of each ISSAI being a stand-alone document that can be read and used separately as it is likely that each SAI will only use one or two of them, and no one is likely to use all.

There was some discussion on the structure and format of the documents and CAS was encouraged to ensure that all general introductory texts were moved to ISSAI 4000 and that the other ISSAIs strictly applied to their respective professional use, i.e. ISSAI 4100 should only focus on compliance audit related to the audit of financial statements, ISSAI 4200 on audits performed separately from the audit of financial statements and ISSAI 4300 on compliance audit in a court environment – if CAS decides to develop this guideline as well. CAS may also want to consider ways of highlighting key texts to make a clearer distinction between guidelines and examples.

While FAS found the great bulk of the texts appropriate and relevant, the group encouraged CAS to consider all texts together to ensure that the documents are consistent in both terminology used and guidance provided, and that there are no gaps or unnecessary overlaps when presented to the INTOSAI Congress in 2010.

### Due Process

There were substantial discussions regarding the due process followed so far and the one needed until 2010 to ensure high quality guidelines with the support of the INTOSAI community.

The FAS Chair shared some of FAS' experiences regarding its work to ensure a well functioning due process and promised to share the revised due process document when approved by the FAS members. Essentially the ambition is that when FAS presents its drafts for approval by the INTOSAI Governing Board or endorsement by Congress they should be able to rely on there being a due process that has been followed and has ensured the

accountability, transparency and credibility of the work and products of the subcommittee. If the Governing Board and the Congress trust that the due process has worked as intended, there should be no concern for the relevance or quality of the guidelines presented for approval or endorsement.

The issue was raised that perhaps the other PSC subcommittees would also benefit from FAS' experiences regarding due process.

FAS was deeply concerned that the suggestion to present ISSAI 4100 for approval by the Governing Board in the fall of 2008 was premature. Considering the substantial comments received on the first draft and the quite significant changes subsequently made to the document, there was strong support for the need to re-expose ISSAI 4100 before it is approved. It is likely that not re-exposing the document before approval would undermine its credibility due to premature approval.

The IAASB representatives present underlined that if ISSAI 4100 were an IAASB document, it would without any doubt need to be re-exposed due to the vast number of comments received and the resulting changes to the document.

In addition, due to the close links between the documents there was also strong support in the group to not re-expose (or approve) ISSAI 4100 until CAS were further along with the drafting process with the other ISSAIs. Even if ISSAI 4100 is approved in 2008, FAS expected the document to be changed as CAS considered the consistency and overlap issues between all its ISSAIs. FAS were furthermore concerned that some texts that are currently included in ISSAI 4100 should be moved to ISSAI 4000 as they are of a more general nature.

FAS would welcome the opportunity to re-read the draft documents to consider the issues of consistency in terminology and guidance provided as well as the risk for gaps and/or overlap in relation to the financial audit guidelines.

## Conclusion

The conclusion was that approving ISSAI 4100 in 2008 would create an illusion of accomplishment for CAS but would not only lead to substantially more work for those drafting the documents but also undermine the due process and the credibility of the document. There was also agreement that asking the Governing Board for approval in 2008 and re-exposing the document in 2009 would be unnecessary work for all involved.

CAS was recommended by FAS to strive to present the Governing Board with a complete set of guidelines for approval in 2009 instead of 2008 to avoid the risk of not being able to follow a due process.

It was agreed that that the FAS Secretariat would provide the CAS Secretariat with a summary of relevant matters from this meeting, including for example an update on the Clarity project, the status of the PNs and the due process document developed by FAS. The material may be helpful to CAS in its discussions with the PSC. It was further agreed that the FAS Chair and Secretariat would contact the PSC Secretariat directly in regard to the issue of due process generally.

## Cooperation between CAS and FAS

Both FAS and CAS chairs were very pleased with the success of the cooperation so far and agreed that it should continue.

The FAS Secretariat raised the need to align the CAS and FAS guidelines during the development period to make sure that there are no contradictions, significant gaps between the guidelines or overlaps that will lead to unnecessary repetitions. This need further supports the argument

that the CAS guidelines, especially ISSAI 4100, should not to be subject to approval in 2008.

In addition to the discussions on FAS contributions to the development of CAS guidelines, the FAS Chair raised the issue of standard setting in INTOSAI after 2010.

The FAS Secretariat will write an issues paper relating to INTOSAI financial audit guidelines beyond 2010 and offered CAS to contribute with its issues to the paper or for CAS to use the FAS issues paper as a basis for considering its challenges after 2010. If possible CAS and FAS can present a joint paper to the PSC in October.

The FAS Secretariat will also consider different documents drafted by FAS which CAS may benefit from in addition to the due process paper. Such documents may include draft ISSAI 1003 – Glossary and the FAS Communications Policy and Plan.