

## CAS newsletter December 2011

Dear CAS members:

We hereby proudly introduce to you all the historical first newsletter of the Compliance Audit Subcommittee. We are planning to issue newsletters every 3<sup>rd</sup> month and invite you all to contribute with information about compliance related activities in your region. In this letter you will find contribution from our CAS delegation in Euro Sai and the CAS harmonization team. We also send you a detailed CAS plan for comments, other practical information and the CAS song ready for singing.

### EUROSAI Goal Team 2 meeting in Bonn

















*Brief contribution of the CAS  
representation to EUROSAI Goal Team 2's  
work*

The VIII EUROSAI Congress organized in 2011 in Lisbon adopted the EUROSAI strategic plan for 2011-2017. Four Goal Teams have been set up to achieve the four strategic goals. The objective of the Goal Teams is to achieve the strategic goals within the validity period of EUROSAI's strategic plan.

The role of GOAL 2 "Professional Standards" is to promote and facilitate the implementation of the International Standards of Supreme Audit Institutions (ISSAI) and contribute to their further development. The EUROSAI Governing Board appointed Prof. Dr. Dieter Engels, president of Bundesrechnungshof as Chair of Goal Team 2.

The inaugural meeting of Goal Team 2 (hereinafter referred to as "GT 2") members was held on 20 and 21 October 2011 in Bonn, Germany. Members of GT 2

represent SAIs from 14 countries across Europe:

-  Germany (member and chair),
-  Austria (member, INTOSAI PAS),
-  Denmark (member, INTOSAI PSC and CAS),
-  Macedonia (member),
-  Georgia (member),
-  Hungary (member),
-  Latvia (member),
-  Lithuania (member),
-  Portugal (member, EUROSAI GT 4 Chair),
-  Romania (member, INTOSAI CAS),
-  Russian Federation (member),
-  Slovakia (member, INTOSAI CAS),
-  Sweden (member, INTOSAI FAS) and
-  Ukraine (member)
-  Azerbaijan (member)
-  Belgium (member)

Three of the participants (Austria, Sweden and Slovak Republic) are also members of the Harmonisation Project Group.



*Delegates at the EUROSAI Goal Team 2 meeting in Bonn*

The Bonn meeting agenda comprised a set of important issues, representing the starting points for the GT2's activity, leading to reach its particular goals, namely:

- the implementation strategies of strategic goal 2,
- the operational plan for GT 2 (concrete tasks to implement strategic goal 2),
- the terms of reference of GT 2.

The members agreed that what should be important for GT 2 is to find an appropriate definition and to set up tasks and working methods for the key activities of the implementation strategy, which are:

- 2.1. Raise awareness of the ISSAI and INTOSAI GOV,
- 2.2. Support EUROSAI members in implementing the ISSAI and INTOSAI GOV and
- 2.3. Contribute to the further development of the ISSAI and INTOSAI GOV.

For this reason, brainstorming was organised during the meeting in order to encourage ideas and proposals on how to deal with the identification of tasks and working methods for the above mentioned activities of the GT 2 implementation strategy.

### **View of the GT 2 from the INTOSAI CAS perspectives**

The main issue, which is now “on the table”, is how to interconnect efforts and outputs of GT 2 and **INTOSAI CAS** for the common strengthening benefit of all SAIs of the INTOSAI family. The question is open and may have several different answers.

What is important for both organizations' activity is that three **INTOSAI CAS** members are also members of GT 2. This means that appropriate and operative transmission of thoughts, ideas, information, suggestions etc. can be provided between these two organizations. The basic lines of the interconnection are quite clear – close cooperation, reciprocal support, avoiding unnecessary overlapping, but vice versa promoting added value and supplementing efforts and activities. **INTOSAI CAS** will do all its best, through its representatives to be helpful to GT 2's activity and is looking forward to the same approach from GT 2.

*12 December 2011*

*Cristina Breden and Mária Kysucká on behalf the INTOSAI CAS and EUROSAI GT 2 representations*

## Harmonization project meeting in Washington

The harmonization project had its second meeting in the GAO office in Washington from the 29<sup>th</sup> of November to the 1<sup>st</sup> of December. The focus of the meeting was to present and discuss early drafts for new documents at level 3 in the ISSAI framework:

|            |  |
|------------|--|
| ISSAI 100: | Fundamental principles of public sector auditing |
| ISSAI 200: | Fundamental principles for financial auditing    |
| ISSAI 300: | Fundamental principles for performance auditing  |
| ISSAI 400: | Fundamental principles for compliance auditing   |

A first draft of all the three documents were presented to the project, compared and discussed further. Well documented by one of the project group members, you can here see the CAS presentation. The draft ISSAI 400 and our presentation were well received.



*CAS presentation by Mona Paulsrud. Photo by Maria Kysucká*

Important issues discussed at the meeting were the authority of the ISSAIs and what it means to comply. The harmonisation group will work further on the documents and these issues in the months to come. Please forward us any viewpoints you may have on the matter.

### CAS work plan 2011–2012

We hereby send you the chair's suggested work plan (see attached document) for CAS in light of the approved minutes. Please indicate to us if you disagree on any specific issues before the 13<sup>th</sup> of January 2012. When approved the work plan will be published on the CAS website.

### CAS information

#### Methodological input note

We specifically would like to highlight the decision made in Batumi that each CAS member during January 2012 write us a short note on your practical experiences from implementing the ISSAI 4000 series, and add on a methodological reflection on specific maintenance issues. Each of you submitted to the following maintenance issues:

- Materiality: China, Georgia, Lithuania
- Pervasiveness: ECA
- Sampling: India, ECA
- Limited vs. reasonable assurance: Brazil



- Need for application material: Slovakia, Tunisia
- Opinion – positive vs negative report: Denmark, Namibia, Romania, Norway
- How to set up a monitoring system: Tunisia
- Unlawful acts/fraud/corruption: Mexico
- Prescription vs. liability: Romania

Please do not hesitate to ask us if there are any doubts related to this task.

### **CAS web page**

The CAS webpage has now been redesigned in light of the committee decisions, and we encourage all of you to take a look at it:

<http://psc.rigsrevisionen.dk/ca>

We specifically ask all of you to check if the contact information is updated. We would also like to expand the contents of the webpage by creating a page with links to all the different compliance audit reports worldwide. So when you submit your reports, we would be most thankful if you would provide us with the web address, and so we will put links to your reports on the CAS webpage.

### **Summing up:**

The CAS chair and secretariat is now leaving for Christmas holidays and would like to wish those CAS members who celebrate these holidays a very merry Christmas. We are looking forward to flourishing CAS development in cooperation with all of you in the year to come!



**CAS song with chords:**

*With special thanks for the contribution of the chords from Maria Kysucká*

The CAS song

Lyrics: Jens Gunvaldsen. Mel: We are the world, by Michael Jackson and Lionel Richie

We share a dream where the audit world complies

With standards made by PSC

With awareness rising, maintenance, level 3

Transparency and harmony

We can't go on

Seeing day by day

That public trust will disappear

We find evidence, report loud and clear

Say stop, don't do it, it ain't fair

[Chorus]

We are the CAS

We are the spirit

We will construct the bridge from FAS to PAS

So let's start singing

We're the broad perspective

We want the world to see

We strive to make a better world for you and me

|  |   |   |  |   |
|--|---|---|--|---|
| <b>G</b> 320003  | <b>C</b> 332010   | <b>D</b> X00232   | <b>Emi</b> 022000  | <b>Cmi</b> 335543   |
| <pre>        o    o   o                                     </pre> | <pre>      o   o   oo  </pre> | <pre> X        o o    o                                      </pre> | <pre>        oo   </pre> | <pre>             oo   o    o    oo                          </pre> |