

# PAS Newsletter, 4<sup>th</sup> Edition



Dear members of the Performance Audit Subcommittee, INTOSAI partners and external partners,

As most of you are aware, the 13<sup>th</sup> annual meeting of the Performance Audit Subcommittee (PAS), scheduled for 31 March and 1 April 2020 in Tbilisi, Georgia, was cancelled due to the escalation of the corona virus crisis and subsequent quarantine measures. This unexpected turn of events noticeably affected the subcommittee's immediate plans, and the current situation calls for increased communication through other channels in the months ahead. Although it by no means replaces the actual meeting, we are pleased to provide you with an update on the committee's activities and plans in this newsletter, where you can read about the launch of the new PAS Website, receive the latest information about meetings and events, and get an update on PAS involvement in INTOSAI processes and projects.

Following a decision made at the 2019 PAS meeting in South Africa, the PAS has been actively involved in the update of the ISSAI Implementation Handbook for Performance Audit during the last year. The publication is an INTOSAI Development Initiative (IDI) global public good. You can read more about the team and its work in this newsletter.

One of the main achievements since we published the last newsletter (July 2019) is the new PAS Website, which we believe will provide us with new opportunities for sharing material and keeping members and partners up to date on PAS activities. We had originally planned for a discussion about the website, including plans for developing more content, at the now cancelled 2020 PAS meeting. Our intention is to keep working on improving the site and add new technical content. A knowledge-sharing component is one of the features we are considering. The site is on: [www.intosaipas.org](http://www.intosaipas.org)

In this newsletter, you can also read about two ongoing projects from the Strategic Development Plan for the INTOSAI Framework of Professional Pronouncements (SDP for the IFPP) 2017-2019. The project requiring the most PAS resources at the moment is 2.6 "Guidance on reliance on the work of internal audit". The PAS team involved - representing four member SAIs and the Secretariat - is taking active part in the drafting of components featuring use of, and/or reliance on, the work of internal auditors for the conduct of performance audit. PAS is currently conducting a brief survey among PAS members to explore the use of internal audit in performance audits. More on developments later in the newsletter.

The PAS Chair and Secretariat would like to thank members, observers and other partners for the collaboration and all your contributions to the PAS in the past year. The Chair is dependent on the continued support and commitment of PAS members in order to have the legitimacy to act on behalf of the committee as a whole. In practical terms, this means communicating ideas and plans and taking active part in hearings involving PAS, whether it be related to development of technical content or more political decisions within INTOSAI. The Secretariat is responsible for informing and asking your advice and feedback. This year, we will need to rely more than usual on working remotely, but hope to see you again in person very soon and we wish you and your loved ones all the best, and good health.

PAS Secretariat

*Photos are from the 2019 PAS meeting in Johannesburg, hosted by the Auditor General of South Africa:*



## Decision-making

Because of the cancellation of the 13<sup>th</sup> PAS meeting in Georgia, the PAS Work Plan 2020-2022 is due for approval by written procedure within the next few months. We received information that some SAIs did not operate as normal in March and April and we therefore delayed the approval process to ensure feedback from a majority of member SAIs.

The Secretariat will continuously keep you updated on developments with regard to the work plan and other urgent PAS matters.

## PAS membership updates

This year, we welcomed the Office of the Comptroller and Auditor General of Ireland, the Chamber of Accounts of Azerbaijan, and the State Audit Office of the Kingdom of Thailand as new members of PAS.

As of March 2020, the PAS Chair will no longer appoint new members to the committee. Due to a large number of existing members - active and inactive - we have reached our maximum capacity. The committee relies on active membership, and we therefore urge inactive members to give up their seats by notification to the PAS Secretariat.

## PAS contact information

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### PAS Website:

[www.intosaiipas.org](http://www.intosaiipas.org)



IDI/PAS PA Handbook Development team, London 18-20 November 2019.

Left to right: Ms Maria Lucia Lima, Ms Archana Shirsat (both IDI), Ms Alissa Cxyz (US GAO), Ms Jade Quarrell (IDI), Mr Andy Fisher (UK NAO), Mr Morten Nordberg (PAS Chair), Ms Hege Larsen (PAS Secretariat) and Mrs Cathy Bernick (US GAO).

A warm thank you also to Mr Jeremy Weingard (UK NAO, not present when the photo was taken) for all the help in the drafting process.

## UPDATE: ISSAI PERFORMANCE AUDIT HANDBOOK REVISION

FOLLOWING THE DECISION MADE AT THE 2019 PAS MEETING IN SOUTH AFRICA, THE PAS IS CONTRIBUTING WITH SUBSTANTIAL RESOURCES TO THE REVISION OF THE INTOSAI DEVELOPMENT INITIATIVE'S (IDI) PERFORMANCE AUDIT HANDBOOK. WE WOULD ESPECIALLY LIKE TO THANK THE UNITED STATES GOVERNMENT ACCOUNTABILITY OFFICE (GAO) AND THE UNITED KINGDOM NATIONAL AUDIT OFFICE (NAO) FOR CONSIDERABLE CONTRIBUTIONS THROUGHOUT.

THE PURPOSE OF THE PROJECT IS TO CONTRIBUTE TO ISSAI IMPLEMENTATION THROUGH AN EXTENSIVE UPDATE OF THE IDI'S HANDBOOK ON PERFORMANCE AUDIT. THIS INCLUDES PROVIDING DETAILED GUIDANCE AT AN INDIVIDUAL AUDIT LEVEL ON HOW TO CONDUCT ISSAI COMPLIANT PERFORMANCE AUDITS.

VERSION ZERO WILL BE OUT FOR PUBLIC EXPOSURE SHORTLY AND THE HANDBOOK SHOULD BE FINALISED BY THE END OF 2020.

FOR MORE INFORMATION ABOUT THIS PROJECT AND PAS' INVOLVEMENT, PLEASE CONSULT:

[WWW.INTOSAIPAS.ORG/IDI-PA-HANDBOOK/](http://WWW.INTOSAIPAS.ORG/IDI-PA-HANDBOOK/)

*Photo, left:* The PAS drafting team met with the IDI team in London 18-20 November 2019 for our second workshop. On this occasion, we reviewed extensive first drafts and discussed the technical content. The US GAO and IDI met for a third workshop in Washington DC 4-6 February 2020 to assemble a complete first draft, occasionally joined by the rest of the PAS team via teleconference during the three days.

## INTOSAI Framework for Professional Pronouncements (IFPP): ongoing projects requiring PAS support

The PAS is currently involved in two projects from the Strategic Development Plan for the IFPP (SDP for the IFPP) 2017-2019:

**Project 2.3: *Using ISSAIs in accordance with the SAI's mandate and carrying out combined audits.*** Project description: "The need for guidance on the strategic decisions an SAI needs to take on the basis of its mandate before it applies the ISSAIs (cf. ISSAI 100). The mandate defines the different types of audits and engagements an SAI may carry out and ISSAIs need to be implemented accordingly. This may involve combined audits (cf. ISSAI 100/23)". PAS member Mr Lars Florin (SAI Sweden) has followed the project throughout. **Status:** from the perspective of safeguarding the 3000 series, PAS has requested a discussion with the chairs of CAS and FAAS concerning the current project plan. If you have questions related to the PAS' approach, please contact PAS Secretariat.

**Project 2.6: *Guidance on reliance on the work of internal audit.*** Project description: "The role of internal auditors needs to be stated in the context of an audit. There needs to be a clear linkage between the treatment of internal auditors in the ISSAIs and the supporting GUIDs". **Status:** ongoing, PAS is involved in the drafting phase.

The GUID should cover two perspectives: the one-way relationship where the SAI uses the work of internal auditors, and the two-way relationship consisting of mutual collaboration and communication between SAIs and internal audit units. This GUID will cover all three audit streams, but should be a practical document and will therefore be drafted according to the audit process instead of including different chapters on the different audit types.

We are sorry for the missed opportunity to discuss these projects at the PAS meeting this year. If you have any questions about PAS' involvement and the status of SDP for the IFPP 2017-2019 projects, please contact PAS Secretariat.

For more information about the SDP for the IFPP 2017-2019, see: [List-of-projects-approved-SDP-2017-19.pdf](#)



Upcoming GUID: reliance on the work of internal auditors

The Internal Control Standards Subcommittee (ICS) is the owner of project 2.6, and their goal is to develop a GUID on reliance on the work of internal audit for all audit types. The sub team from PAS is Mr Adrian Gogolan (SAI Romania), Ms Doris Boehler (SAI Austria), Mr Ammar Sakini (SAI Qatar), Mr Wilfred Aquilina (European Court of Auditors) and PAS Secretariat (coordinator).

PAS is carrying out a review among PAS members and observers to better understand the extent to which SAIs rely on and use the work of internal auditors for the conduct of performance audit. You can find all the information about the survey [here](#).

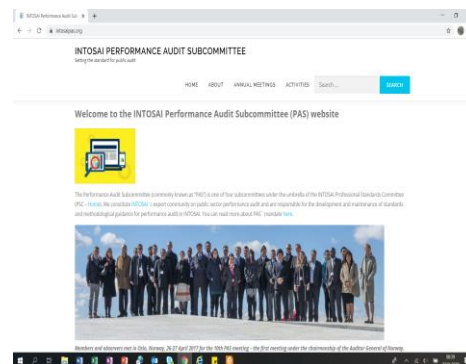
## New PAS Website

In mid-March, the new official PAS Website was launched on [www.intosaipas.org](http://www.intosaipas.org)

For all matters concerning the committee's activities, the site replaces the PAS' pages on psc-intosai.org (the Professional Standards Committee's (PSC) website). The PSC will continue to post general information about PAS and the other three subcommittees on their site, but PAS members, observers, partners and others seeking updated information about PAS activities, contact information, projects and archived material, should consult the official site.

We will continue to develop our site, and use it for improved communication with members. We will also consider the need for new features and content, but it is equally important that the site remains easy to administer and update.

The Secretariat welcomes feedback to the site at any time, including ideas for improvements and/or additional content.



The new official PAS site contains updated information about PAS activities such as participation in projects, development of guidance material on implementation of performance audit methodology, and information about members, the standard setting process and meetings.

See: [www.intosaipas.org](http://www.intosaipas.org)



**In addition to the 2019 PAS meeting in South Africa, the PAS Secretariat participated in the following meetings and events in the last year:**

- 20-21 May 2019: Meeting of the Working Group on Evaluation of Public Policies and Programmes (WGEPPP). Vilnius, Lithuania.
- 4-6 June 2019: Professional Standards Committee (PSC) steering committee meeting, Warsaw, Poland.  
Additional: half-day meeting with PSC and subcommittees.
- 18-20 June 2019: First IDI PA Handbook workshop, Oslo, Norway.
- 22-23 July 2019: SAI Leadership and Stakeholders meeting: “Supreme Audit Institutions making a difference: Auditing the implementation of the Sustainable Development Goals”. New York, USA.
- 18-20 November 2019: Second IDI Performance Audit Handbook workshop, London, England.
- 2-3 December 2019: Joint seminar on INTOSAI standard setting. Oslo, Norway. Meeting with Goal Chairs, subcommittees/working groups and FIPP. Additional: half-day meeting with PSC subcommittees FAAS, CAS, ICS, PAS and PSC Secretariat.
- 3-4 March 2020: Annual meeting of the Internal Control Standards Subcommittee (ICS), Bucharest, Romania.  
PAS participates in an ICS project to develop guidance on reliance on the work of internal audit.

In addition, US GAO and IDI met for a third workshop on the Performance Audit Handbook in Washington DC 4-6 February 2020, with UK NAO and the PAS Secretariat occasionally participating via videoconference.

**PAS’ role in standard setting and the development of implementation guidance:**

Apart from meetings and projects mentioned above, the PAS Secretariat was actively involved in the development of the Strategic Development Plan (SDP) for the IFPP 2020-2022 throughout. The process started in 2018, and PAS gave input in several rounds. The PAS did not support or suggest any new projects including performance audit for the SDP. The Strategic Development Plan was approved at the 2019 INCOSAI in Moscow, Russia (September).

Further, in the 2019 PAS meeting, the committee decided to be more restrictive when it comes to reviewing performance audit methodology in documents where we have little or no real influence on the content, such as SDP projects covering all audit types where the committee is not involved in the drafting phase. In the future, the PAS should mainly offer its participation as co-drafters in INTOSAI projects that include guidance on performance audit. This decision is essential for the committee to be able to influence the representation and interpretation of the 3000 series.

In 2019, the PAS initiated contact and took active part in the development of the theme papers leading up to the finalization of the Moscow declaration. PAS members may remember this discussion from the PAS meeting, and a PAS hearing in early 2019. For more details about the process and outcome, you may contact PAS Secretariat.

The committee has also in the last year followed developments on auditing the implementation of the Sustainable Development Goals (SDGs) and confirmed that there is no particular need to development performance audit methodology to accommodate such audits beyond ISSAI 3000 and the corresponding GUIDs 3910 and 3920. The PAS remains willing to review guidance material on auditing SDGs already being developed by other INTOSAI bodies. This is especially important because most audits of SDGs are likely to be performance audits. With regard to current subject matter contributions, the PAS’ main role will be to give advice on designing audits of implementation of SDGs in compliance with the 3000 series. The committee should therefore continue to monitor practice on auditing SDGs and, if necessary, clearly identify requirements for auditing implementation of SDGs in compliance with ISSAI 3000.