

7 February, 2018

Mr. Gerben Everts
Chair of The Monitoring Group
MG2017consultation@iosco.org

RE: Monitoring Group Consultation Paper – Strengthening the Governance and Oversight of the International Audit-Related Standard-Setting Boards in the Public Interest

Dear Mr. Gerben Everts,

Introduction

I am responding on behalf of the International Organization of Supreme Audit Institutions (INTOSAI) to your call for comments on your consultation paper on “Strengthening the governance and oversight of the international audit-related standard-setting boards in the public-interest”.

INTOSAI is an autonomous, independent, professional and non-political organisation. Its purpose is to provide support to Supreme Audit Institutions (SAIs), to act as a recognised global public voice of SAIs within the international community, to set standards for public sector auditing and to promote good national governance. In setting our standards we rely considerably on those set by IFAC, notably in respect of financial audit. INTOSAI is represented on the Consultative Advisory Group of the International Auditing and Assurance Standards Board (IAASB) and an IAASB representative observes the annual meetings of the Financial Audit and Accounting Subcommittee of INTOSAI, the group responsible for the development of INTOSAI’s financial auditing standards. These interactions provide the opportunity for INTOSAI representatives to help IAASB understand the public sector financial auditor perspective and we have observed that the input we provide is appropriately considered during the development of the International Standards on Auditing.

General Remarks

Although we do not have the detailed knowledge or insight to comment on the individual issues you raise or the options for reform that you present, we would like underline that a successful standard-setting due process should aim to produce high-quality standards that give relevant, reliable, neutral, consistent, and comparable outcomes that meet the needs of users. To achieve this goal, the standard-setting process must be rigorous, transparent, objective, and participatory.

As INTOSAI, we consider our standard setting to be the cornerstone for the credibility and the relevance of what we do. In our view, standards (for accounting, auditing, ethics, education, etc.) can only be seen as credible and relevant, when these standards are first technically sound and fully reflect the issues at hand, and second faithfully address the needs of the users of the information, notably stakeholders


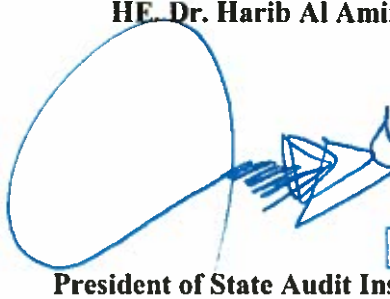
including ultimately the public at large. It thus follows that the core principles that underpin standard-setting, as outlined in your consultation paper (independent, credible, cost-effective, relevant, transparent and accountable) resonate well within the INTOSAI community.

The consultation paper focuses on “professionals working for the betterment of their profession”, and considering this, we recommend a further strengthening of the processes of safeguarding the public interest. Being explicit about specific critical process steps in protecting, expressing and testing public interest should remain a chief consideration. Equally, it may be prudent to ensure that the body charged with protecting public interest and therefore “speaking” on their behalf, is appropriately representative of all possible stakeholder groups including different public industry sectors, can deal with issues of independence coming from the profession and is able to balance the views of developed and developing communities.

You may be aware that INTOSAI has recently established a Forum for Professional Pronouncements, as a first step in creating a more enduring standard setting capacity. This was closely followed by the preparations for a new INTOSAI Framework for Professional Pronouncements – a streamlined and more relevant framework that will guide us in further developing auditing standards for the public sector. These developments were, amongst others, influenced by discussions and benchmarking with IFAC and its independent standard-setting boards.

Yours Sincerely,

HE. Dr. Harib Al Amimi



State Audit Institution

President of State Audit Institution

Chairman of INTOSAI