ISSAI 2000

Application of the financial audit standards

INTOSAI Standards are issued by the International Organisation of Supreme Audit Institutions, INTOSAI, as part of the INTOSAI Framework of Professional Pronouncements. For more information visit www.issai.org

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1) ISSAI 2000 approved in 2020
2) Revised with effect for audits of financial statements for periods beginning on or after December 15, 2022

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INTRODUCTION

1) The International Standards of Supreme Audit Institutions (ISSAIs) for financial audit include the International Standards on Auditing (ISAs) developed by the International Auditing and Assurance Standards Board (IAASB). A formal agreement between the INTOSAI Professional Standards Committee (PSC) and the International Federation of Accountants (IFAC) and its independent standard-setting body the IAASB allows INTOSAI to incorporate the ISAs into the INTOSAI Framework of Professional Pronouncements (IFPP).

2) INTOSAI has concluded that the ISAs are relevant and applicable to the public sector therefore, with the exception of the ISSAIs for financial audit referring to the INTOSAI Code of Ethics rather than the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, the ISAs are incorporated into the IFPP without modification.

3) The ISAs include specific ethics and quality management requirements that must be met to achieve compliance with the ISAs. INTOSAI develops and maintains ISSAI 130 - Code of Ethics and ISSAI 140 - Quality Control for SAIs and expects Supreme Audit Institutions (SAIs) applying the ISSAIs to comply with the ethics and quality control requirements found in these ISSAIs. The requirements found in ISSAI 130 and 140 may not be the same as those found in the ethics and quality management standards that are referred to in the ISAs. The purpose of this ISSAI is therefore to clarify the ethics and quality control requirements that must be met to achieve compliance with the ISSAIs for financial audit.

4) This ISSAI does not impact the requirements that must be met to achieve compliance with the ISAs. SAIs who intend to refer to their financial audit as having been performed in accordance with the ISAs must comply with all the relevant requirements found in the ISAs including those requirements related to ethics in the IESBA Code of Ethics for Professional Accountants (IESBA Code) and quality management in the International Standards on Quality Management (ISQMs). The ISQMs consist of ISQM 1 (previously ISQC 1), Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements and ISQM 2, Engagement Quality Reviews.

2

AUTHORITY OF ISSAI 2000

5) The ISSAIs 2000-2899 provide the financial audit standards applicable for audits of financial statements or other forms of presentation of financial information carried out in accordance with the ISSAIs. ISSAI 2000 incorporates the International Standards on Auditing (ISAs) into the financial audit standards as stipulated by ISSAI 100 - Fundamental Principles of Public Sector Auditing. ISSAI 2000 therefore outlines the special considerations in applying the requirements of the ISAs in the context of audits in accordance with the ISSAIs. A reference to ISSAI 2xxx is equal to a reference to ISA xxx (where xxx is the number of the ISA), subject only to the modifications and further application material provided by ISSAI 2000. The authority of the ISSAIs is addressed in ISSAI 100.

3

ETHICS

6) **When performing a financial audit in accordance with the ISSAIs, SAIs should comply with the organizational requirements of the ISSAIs, including ISSAI 130 - Code of Ethics**.

7) ISSAI 130 is the relevant code of ethics for audits conducted in accordance with the ISSAIs. SAIs referring to the ISSAIs for financial audit in their audit reports should replace references to the IESBA Code with ISSAI 130 when reading and applying the financial audit standards.

4

QUALITY CONTROL

8) **When performing a financial audit in accordance with the ISSAIs, SAIs should comply with the organizational requirements of the ISSAIs, including ISSAI 140 - Quality Control for SAIs.**

9) ISSAI 140 is the relevant standard for a SAI's system of quality management for audits conducted in accordance with the ISSAIs.

10) The ISAs are premised on the basis that the firm is subject to the ISQMs or to requirements that are at least as demanding. ISSAI 140 intends to serve the same purpose as the ISQM 1 in relation to each SAI's mandate and circumstances. Although the general purpose of ISSAI 140 is consistent with ISQM 1, the requirements of ISSAI 140 are not identical to the requirements of the ISQMs.