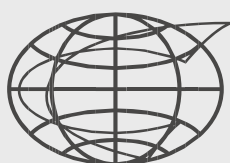


Guidance on authorities and criteria to be considered while examining the regularity and propriety aspects in Compliance Audit

EXPLANATORY MEMORANDUM ON THE EXPOSURE DRAFT GUID 4900



INTOSAI



IFPP

REQUEST FOR COMMENTS

This Exposure Draft, GUID 4900 Guidance on authorities and criteria to be considered while examining the regularity and propriety aspects in Compliance Audit, was developed by the INTOSAI Compliance Audit Sub-committee (CAS).

Respondents are asked to submit their comments electronically by **August 27, 2020** to the email address **ingvild.gulbrandsen@riksrevisjonen.no**. Please submit comments to specific paragraphs of the GUID 4900 using the file circulated at the same time as the exposure draft. General comments may be submitted using PDF or Word documents. All comments will be considered a matter of public record and may be posted on issai.org.

The CAS will consider all comments received when preparing the final version of the text for submission to the Forum for INTOSAI Professional Pronouncements (FIPP) for approval.

The Forum for INTOSAI Professional Pronouncements has approved this exposure draft on April 2020 (cf. section 2.1 of the due process for the IFPP). The final pronouncement is expected to take effect from november 2022.

Respondents are encouraged to consider the effective date in their comments to the exposure draft.

Introduction

This memorandum provides background to the proposed GUID 4900 Guidance on authorities and criteria.

Background

- 1) In terms of ISSAI 4000, the main objective of compliance auditing is to provide the intended user(s) with information on whether the audited public entities follow laws, legislative acts, parliamentary decisions, policies, established codes and agreed upon terms. These form the relevant authorities governing the subject matter/entity that is going to be audited. The authorities are the sources of audit criteria.
- 2) Since the adaptation of ISSAI 4000, a need was identified to develop guidance on the identification and assessment on propriety criteria in a compliance audit. This Guidance (GUID) on compliance audit explains the authorities to be considered while examining regularity (legal aspects followed by requirements) and propriety (public employees acting in accordance with values and principles generally accepted) criteria in compliance audit.

Questions to consider

As part of the general invitation to comment, we would like to take the opportunity to ask respondents to reflect on the following questions, in addition to any general and detailed comments you may have on the document:

- 1) Whether the proposed GUID 4900 make the difference clearer between regularity and propriety criteria, and if it clarifies the two concepts?
- 2) Whether there are any key concepts that should be added, to further elaborate on or could be deleted from, the proposed document? If yes, please explain which and give explanations and preferably text for the understanding.
- 3) If there are shortcomings in the text, it would be preferable to have suggestions for additional text.
- 4) If there are examples that can clarify the similarities/differences between regularity and/or propriety criteria, please submit them.