

REVISED ISSAI 200 – EXPOSURE DRAFT CONSULTATION

GENERAL COMMENTS

<p>Argentina (translation from Spanish)</p>	<p>General comments</p> <p>The ISSAI 200 adapts the fundamental principles of the ISSAI 100 (which establishes the basic principles that apply to all public sector audit work) to the specific context of auditing financial statements.</p> <p>The ISSAI 100, for its part, states in paragraph 9 that an SAI may declare that the standards it has developed or adopted are based on or are consistent with the Fundamental Auditing Principles only if the standards fully comply with all relevant principles. In this case, audit reports may include a reference to the fact that the standards used are based on or consistent with the relevant ISSAI(s) for the audit work carried out. That is why the ISSAI 200 must cover all the minimum aspects expected as principles of an SAI.</p> <p>The ISSAI 200 provides the fundamental principles for an audit of financial statements. It sets the minimum standard requirements applied by the SAIs for implementation by the SAIs themselves or by others.</p> <p>It describes the points to be taken into account in carrying out the audit, setting objectives for the financial audit, pre-conditions, reporting framework, elements and principles of the financial audit.</p> <p>Furthermore, there is no mention of the drafting of reports, the use of precise language to avoid ambiguities, as expressed in the national audit rules, Decision 185/16.</p> <p>In the control work carried out by the National Auditor, and specifically the audit of the Investment Account, as a financial audit that has been carried out up until now, one would have to take into account:</p>	<p>Within the context of the revised framework (and indeed the current one) the revised ISSAI 200 is not intended to be a standalone document, but one which is read and used in conjunction with ISSAI 100. Focusing on the essential allows it to be clear, principles based and to-the-point. Furthermore, ISSAI 200 should be considered in the context of the framework as a whole, with detail provided in the lower level standards.</p>
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- The SAIs may combine financial audits with elements of compliance or performance audit, in which case the corresponding principles apply to the types of audit as appropriate.

- For the purposes of such work, though without making a direct reference, the draft and ISSAI 200 explains that, in some cases, the auditor is required to perform audits on budget implementation that may include the examination of the regularity of budget transactions and the comparison between the budget and implementation. Such cases often include specific or independent financial reporting frameworks. For this type of audit task, the above condition established in the ISSAI for financial audit may not be applicable, but the principles it sets out can be used for guidance.

Thus, the most recent version, although it is more restricted, closing the idea of separating principles from guidelines, must contain all the ideas that enable a local standard to comply with the ISSAI if it includes the principles in its text. Thus, definitions such as that in paragraph 49 of the previous version on audit risk, or paragraph 53 on professional scepticism, should be present, by way of example.

Lastly, it is important to stress that the previous version incorporated as an initial point for each subheading a paragraph defining the conduct expected of the auditor, and in subsequent points further details, amplification or explanations were given. As methodology, this seemed reasonable as initial reference was made to what could be considered the 'principle'. This methodology was omitted from the version sent for consideration.

It should also be taken into account that:

- The principles of these standards do not override national laws, regulations or mandates.
- The financial audit provides reasonable assurance to the addressees in the form of an audit opinion or report, that the financial statements are presented truthfully and/or all material aspects are submitted in accordance with the applicable financial reporting and regulatory framework.

Chile	<p>In general, we suggest referring all the subjects (planning, materiality, identification, and risk assessment, etc.) to their respective ISSAI. For instance: Materiality (for further information, go to ISSAI 1320).</p>	<p>The project team recognise the clarity that this would bring, but the drafting rules for the framework do not allow reference to be made to the lower level standards.</p>
CIPFA	<p>We generally agree with the proposals, However, we have some concerns that the proposed changes to the attributes of financial reporting frameworks do not conform to the high level paradigm which has been helpfully used in the rest of the document. On the whole we suggest that it would be better to address this in less detail or less formally and not designate attributes. Additionally, it is not clear how any cash basis reporting frameworks would be considered acceptable.</p>	<p>The project team is proposing changes to these attributes.</p>
Denmark	<p>We have no comments in relation to the questions asked in the accompanying letter but would like to raise two other matters, which we find to be more important:</p> <p><u>1. The treatment of the key role of a SAI in a constitutional system and different types of financial information</u></p> <p>[see comments to relevant paragraphs 3,4 and 14]</p> <p><u>2. The effective date</u></p> <p>It appears that INTOSAI plans that the new ISSAI 200 will take effect immediately after it has been finalized and endorsed. This does not allow INTOSAI’s members any time to implement the new ISSAI 200 before it takes effect.</p> <p>In our case, the ISSAIs are implemented through the Danish Standards for Public-Sector Auditing. These standards are based on ISSAI 100 and fully consistent with the current ISSAIs 200, 300 and 400. These ISSAI-based standards do not only define the requirements to Rigsrevisionen’s financial audits. They also provide for a number of <i>additional</i> requirements - compliance and performance audit obligations as well as reporting requirements –that apply to any private auditing firms carrying out audits of public-sector entities in accordance with the ISAs.</p>	<p>2. As the revised standard entails no change in substance – meaning that financial audits will be conducted and reported in exactly the same way – it can be considered to take effect immediately.</p>

	<p>When the final ISSAI 200 is ready, we will need to determine what effect the amendments will have on these national auditing standards as well as on our internal methodology. This involves translating ISSAI 200 into Danish and/or comparing and cross-reading with the Danish and English language versions of the ISAs as well as a process of deciding on any relevant amendments. The resulting updates in the Danish Standards for Public-Sector Auditing needs to be available to auditors in due time <i>before</i> they take effect.</p> <p>We therefore kindly encourage that INTOSAI aims to follow good practice among other standard-setters and set a more appropriate effective date. For us the earliest possible deadline for any necessary implementation would be the audits financial statements for 2021. We therefore propose that the following is inserted on the front-page or at another appropriate place before the new ISSAI 200 is to INCOSAI:</p> <p style="text-align: center;"><i>Effective for audits of financial statements for periods beginning on or after 15 December 15 2020</i></p>	
Latvia	<p>Knowing that application of ISA 701 is mandatory for the audit of general purpose financial statements of listed entities, we also suggest consider to include a paragraph in the standard on the need to consider reporting on Key Audit Matters (ISA 701) for auditees other than listed entities, given that the public sector is a significant participant of any economy and is responsible for maintaining and providing important functions that affect citizens.</p>	<p>This issue was considered by the project team, and it was decided that it did not constitute a key principle. In any case the revision to ISSAI 200 does not remove the obligation to apply ISSA 701, or change its requirements.</p>
Peru	<p>A review of the exposure draft of the “ISSAI 200 - Financial Audit Principles” shows that while the simplification and agility of the standard are necessary, they should not lose sight of the harmony with the ISSAIs that regulate Financial Audit, in particular:</p> <ul style="list-style-type: none"> ▪ ISSAI 1230 - Audit Documentation ▪ ISSAI 1220 - Quality Control for an Audit of Financial Statements ▪ ISSAI 1240 - The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements 	<p>The project team recognise the clarity that this would bring, but the drafting rules for the framework do not allow reference to be made to the lower level standards.</p>

	<ul style="list-style-type: none"> ▪ ISSAI 1500 - Audit Evidence ▪ ISSAI 1800 - Special Considerations - Audits of Special Purpose Financial Statements <p>We have not been able to identify paragraphs that that emphasize the aforementioned ISSAIs.</p>	
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REPLIES TO QUESTIONS

1. *Whether the proposed revised ISSAI 200 meets the purpose of providing a more robust and principle-based standard for financial audit than the current ISSAI 200?*

Australia	<p>We support the overall objective of the project to reduce the level of detail in the revised ISSAI 200 and remove duplication with ISSAI 100 for matters not specific to financial auditing (such as quality control, documentation) from the proposed standards. However, we recommend that the project team consider whether certain principles would benefit from this increased detail and consider including some principles (such as related parties) that are not included in the proposed standard. Please refer to question 2 for our detailed recommendations on how the revised ISSAI 200 can be improved.</p>	<p>The project team does not consider ‘related parties’ to be a key principle. Furthermore, this issue was not raised by any other respondent.</p>
Austria	<p>Yes, we agree the proposed revised draft version of ISSAI 200 is more principle based.</p>	<p>The project team welcomes this positive endorsement.</p>
CIPFA	<p>CIPFA agrees that the proposed revised ISSAI 200 is more focussed than the extant ISSAI 200 and the level of detail corresponds to the purpose of the document which is to set out fundamental principles for financial audit, without duplicating matters already dealt with in ISSAI 100.</p>	<p>The project team welcomes this positive endorsement.</p>

	The result is more clearly principle based, and because it does not directly echo detailed material in ISAs, should be more maintainable in itself, and raise fewer issues for SAIs where they are developing their own national standards.	
Fiji	The revised document has achieved its objective in having a more streamlined and principle based document. The content is concise and the structure and layout is coherent with the financial audit process.	The project team welcomes this positive endorsement.
Laos	The state audit organization has applied ISSAIs as the reference for establishing our own Financial Audit guideline in 2017.	The project team welcomes the use of ISSAIs as reference for developing national financial audit guidelines.
Lithuania	Yes.	The project team welcomes this positive endorsement.
Malta	<p>The revised ISSAI 200 provides the principles for an audit of financial statements prepared in accordance with a financial reporting framework and an overview of the nature, elements and principles of auditing financial statements by Supreme Audit Institutions (SAIs). It gives priority to substance over form, as it is principle-based and can be applied directly without reference to specific scenarios or case studies. This enables the ISSAI 200 to be more robust, thus ensuring that the objectives are aligned and coherent with the ISSAIs 2200 and 2810.</p> <p>NAO Malta satisfactorily noted that the revised ISSAI 200 is relatively easy to follow, written in a flowing manner, straight to the point and comprehensive of all important audit issues in relation to principles.</p>	The project team welcomes this positive endorsement.
Mexico	Yes.	The project team welcomes this positive endorsement.
Netherlands	We think you did a great job in revising ISSAI 200. By shortening the text it is easier to read and easier to focus on the principles. Generally speaking the financial audit will never be much principles based, given that the ISAs and ISSAI 1000-2999 are very profound.	The project team welcomes this positive endorsement.
Portugal	Yes. However, the proposed definition of a fair presentation-based framework should be more aligned and coherent with ISSAI 100. In this regard, please see our comments and suggestions on paragraphs 12 and 24 on the ED ISSAI 200 attached.	The project team welcomes this positive endorsement, and recognises that conforming amendments will need to be made to ISSAI 100 as necessary.

<p>Sweden</p>	<p>We do not consider the proposed ISSAI 200 a robust enough standard.</p> <p>As is pointed out in the project proposal (May 2, 2017), ISSAI 200 has two main purposes:</p> <ul style="list-style-type: none"> • Constitute fundamental audit principles • Provide a template from which SAIs can develop and assess whether their own/national standards follow the ISSAIs. <p>Fundamental audit principles</p> <p>The proposed revised ISSAI 200 is a good summary of the objectives in the ISAs that are relevant to financial audit and is in that way “robust” and principle-based” by the first purpose of the ISSAI.</p> <p>Template for developing and assessing national standards</p> <p>Financial audit is a reasonable assurance engagement based on historical financial information. This is a process based on a documented best practice with reliable standards accepted worldwide.</p> <ul style="list-style-type: none"> • The proposed changes to the ISSAI 200 are, as stated above, a summary of the relevant ISAs. However, the lack of more detailed instructions and guidance on how to interpret the paragraphs in the ISSAI makes it difficult to assess if a SAIs own standards follow the ISSAIs. This means that INTOSAI will be exposed to the risk of having to vouch for poorly executed audits. • In ISA the term “shall” is used throughout. ISSAI 200 uses “should” instead. This indicates a more conditional mindset towards complying with the requirements in the standard. If ISSAI 200 is to set the minimum requirements that is needed in order to be ISSAI-compliant, the use of the word “should” should be reconsidered. • The proposed ISSAI 200 does not mention explicitly that the different stages of the audit need to be documented, only that they should be done (except misstatements, p. 56). 	<p>Within the context of the revised framework (and indeed the current one) the revised ISSAI 200 is not intended to be a standalone document, but one which is read and used in conjunction with ISSAI 100. Focusing on the essential allows it to be clear, principles based and to-the-point. Furthermore, ISSAI 200 should be considered in the context of the framework as a whole, with detail provided in the lower level standards.</p>
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	<ul style="list-style-type: none"> The ISSAI 200 should be considered as a standalone standard. If too much guidance in interpreting the ISSAI must be gathered from the standards on level 4, this part of the purpose is lost. <p>Due to these circumstances we do not consider the proposed ISSAI 200 a robust enough standard to fit the second purpose. A potential result is also that the previous criticism from IMF and the World Bank regarding lack of robust and reliable standards resurrects.</p>	
US	We believe that the proposed revised ISSAI 200 provides a more robust and principle-based standard for financial audit than the current ISSAI 200.	The project team welcomes this positive endorsement.

2. Whether there are any key principles that should be added to, further elaborated on or could be deleted from, the proposed document? If yes, please explain why.

<p>Australia</p>	<p>We believe that it would be useful to the intended users of the revised ISSAI 200 if the following principles could be further elaborated on, deleted or added to the revised ISSAI 200:</p> <p>Understanding of the audit entity</p> <p>The understanding of the audited entity principle lists the five components of the entity’s system of internal control but it does not define or lists the attributes or characteristic that are contained within each of the five components. We believe that it would be helpful if the revised ISSAI 200 elaborated on the five components or provided a reference to ISSAI 1315 Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity (ISSAI 1315).</p> <p>Risk identification and assessment</p> <p>The proposed ISSAI 200 requires the auditor to identify and assess the risk of material misstatement at the assertion level but it does not provide a definition nor does it list the relevant assertions. It would be helpful if the revised ISSAI 200 defined the concept of financial statement assertions and provided a reference to ISSAI 1315 where the relevant assertions about classes of transactions, account balances, and related disclosures are further explained and listed.</p> <p>Responses to assessed risks</p> <p>Paragraph 43 in the proposed ISSAI 200 states “If controls are likely to be effective, the auditor should consider testing them. If controls are found to be operating effectively, this can reduce the amount of substantive</p>	<p>Within the context of the revised framework (and indeed the current one) the revised ISSAI 200 is not intended to be a standalone document, but one which is read and used in conjunction with ISSAI 100. Focusing on the essential allows it to be clear, principles based and to-the-point. Furthermore, ISSAI 200 should be considered in the context of the framework as a whole.</p> <p>Taking this into consideration, the project team does not consider it necessary to add significantly more detail, but has adapted the text to take into account certain of these comments (see, in particular, paragraphs 5 and 43).</p>
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	<p>testing needed to address the identified risk.” It may be beneficial to further clarify that:</p> <ul style="list-style-type: none"> • The auditor cannot rely on an expectation that control risk is low unless the design, implementation and operating effectiveness of the control has been tested; and • In some circumstances control testing may be required because substantive evidence alone cannot provide sufficient appropriate audit evidence. <p>Audit evidence</p> <p>We believe that it would be helpful if the principle of “Audit evidence” described the different means available to the auditor when selecting items for testing. These include: selecting all items; selecting specific items and audit sampling.</p> <p>Other key principles that we recommend you consider adding</p> <p>We believe that the revised ISSAI 200 may benefit from including the following principles:</p> <ul style="list-style-type: none"> • Related parties; • Sampling; and • Auditing Accounting Estimates and Related Disclosures. 	
Austria	We agree, that all essential, relevant principles regarding the financial audit are addressed in a proper and comprehensive enough way.	The project team welcomes this positive endorsement.

CIPFA	CIPFA has no suggestions to make in respect of additional key principles.	The project team welcomes this positive endorsement.
Fiji	<p>Suggestion for the document to include (where applicable), a footnote stating the relevant detailed level ISSAI for the key principles listed throughout ISSAI 200. Considering, FAAS has derived these key principles from objectives in the individual ISAs.</p> <p>For example for the principle of Materiality paragraph 33 (pg.8), the footnote can be the detailed ISSAI: ISSAI 1320: Materiality in Planning and Performing an Audit. This would enable users to easily navigate through to the specific ISSAIs.</p>	<p>Within the context of the revised framework (and indeed the current one) the revised ISSAI 200 is not intended to be a standalone document, but one which is read and used in conjunction with ISSAI 100. Focusing on the essential allows it to be clear, principles based and to-the-point. Furthermore, ISSAI 200 should be considered in the context of the framework as a whole.</p> <p>In terms of the suggestion to reference lower level standards, the project team recognise the clarity that this would bring, but the drafting rules for the framework do not allow such references to be made.</p>
Laos	No, There are not.	The project team welcomes this positive endorsement.
Lithuania	Although par.3 states, that ISSAI 200 should be read together with ISSAI 100, and explanatory letter explains why it was made more robust, but financial audit can have recommendations and follow-up, but nor previous version, nor this, does not even mentions follow-up process. It can be as stated in ISSAI 100, but it would make clearer in overall framework that follow-up process may also apply in financial audit.	The project team has added reference to 'reporting and follow up' in paragraph 28, which shows that this principle applies equally to financial audit.
Malta	This exposure draft is a very good example of concise and direct focus on the general principles and issues that are unique to financial audit, or for which there is a specific financial audit perspective. One may consider including a brief reference to quality management, professional judgment and professional scepticism, and ethics as applied to financial audit as, in our opinion, they are deemed fundamental to the conduct of this type of audit.	<p>The project team welcomes this positive endorsement.</p> <p>In terms of the issues raised, the project team considers them to have been sufficiently covered by the reference in paragraph 28, as it was difficult to identify a specific financial audit perspective that needed highlighting.</p>

Mexico	No.	The project team welcomes this positive endorsement.
Netherlands	<p>We think you can add four paragraphs with key principles:</p> <ol style="list-style-type: none"> 1. A paragraph about the fundamental principles when making use of work from others, in which you explain that even if you get help from others when doing the audit (for example when you are the auditor of the group, when the auditor asks experts or when the auditor makes use of the work from internal auditors), the auditor or the SAI is still fully responsible to make sure there is sufficient audit evidence. However, the amount and type of testing that the auditor should do to make sure he can use the work from others depends on the quality and organizational position of the other. 2. When doing an audit in private companies it is common that the auditor asks for a letter of representation. Maybe you can add to the text of ISSAI 200 whether this letter of representation is also fundamental for an audit at public entities. (In The Netherlands the tasks and responsibilities of the minister are mentioned in the law. When you ask a letter of representation you basically ask the minister to sign that he/she is aware of the law, this seems a little redundant/bureaucratic) 3. A paragraph about the fundamental principles on communication with the auditee and those charged with governance in financial audit. 4. A paragraph about the fundamental principles that the auditor must not only look at the current year when performing the audit, but also must look at subsequent events before giving the opinion. 	<p>Within the context of the revised framework (and indeed the current one) the revised ISSAI 200 is not intended to be a standalone document, but one which is read and used in conjunction with ISSAI 100.</p> <p>Focusing on the essential allows it to be clear, principles based and to-the-point. Furthermore, ISSAI 200 should be considered in the context of the framework as a whole. Taking this into account, the project team considers that the principles related to communication and subsequent events are sufficiently addressed by paragraphs 28 and 68-69.</p>

Portugal	No other key principles should be added.	The project team welcomes this positive endorsement.
Sweden	Apart from the absence of professional skepticism and professional judgement, which is covered in the answer to question 6, we do not miss any key principles. However, we believe that most of them need to be further elaborated in the document e.g. assertions, response to assessed risks.	Professional scepticism and judgment are general principles covered in ISSAI 100 and referred to in revised ISSAI 200 paragraph 28.
US	We do not believe that there are any key principles that should be added to or further elaborated on or that could be deleted from the proposed document. We do have some suggestions for small additions, deletions, and clarifications, which are noted in our responses to other questions and our subsequent technical observations.	The project team welcomes this positive endorsement.

- 3. *The proposed revised ISSAI 200 aims to improve the wording used in the ISSAI 100, rather than taking over the current sub-optimal formulation (e.g., authority, subject matter and subject matter information, definition and objective of financial audit). This could be used to trigger an improvement in the overall quality of the framework.***

3 (a)(i) Do you agree with the proposed revised definition of financial audit in ED ISSAI 200? If no, please explain why.

Australia	We respectfully disagree with the proposed definition of the financial audit in the revised ISSAI 200. The proposed definition does not have the terms 'sufficient appropriate audit evidence' and 'free from material misstatement' which are important concepts related to the reasonable, rather than absolute, level of assurance associated with financial auditing. We believe that the current definition of financial audit in ISSAI 100 is more closely aligned with	The project team has addressed these concerns by modifying the text based on the CIPFA proposal below.
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	<p>the purpose of the financial audit and would be more helpful to SAs in developing their own standards.</p>	
Austria	<p>Yes, we agree with the proposed definition. Apparently, the word “accurate” is intended to include the notion “free from material misstatement”, from our understanding “accurate” could be read much more restrictive (e.g. free from errors). As long as the meaning of accurate is elaborated in the guidelines (ISSAI 2000-2899) we are fine.</p>	<p>The project team welcomes this positive endorsement.</p> <p>The project team has addressed concerns raised by the replies to this section by modifying the text based on the CIPFA proposal below.</p>
CIPFA	<p>CIPFA is concerned that the first sentence of the proposed definition includes an implicit reference to fair presentation frameworks and this has the effect of making the definition less clear. We note that ISSAI 1200 and ISA 200 first describe the determination that financial information is in accordance with the framework, and subsequently describe the differing requirements for fair presentation frameworks and compliance frameworks.</p> <p>In our view, this staged approach would be more understandable than the ED ISSAI 200 proposal, and is also more in keeping with the high level drafting approach.</p> <p>Additionally, CIPFA is concerned with the placement of the terms ‘complete’ and ‘accurate’ in connection with the financial information. We fully agree with INTOSAI that it is important for issues around completeness and accuracy to be addressed by the auditor, and it may be helpful to set this out in ISSAI 200. However, as discussed in our response to Question 4, the use of ‘complete’ and ‘accurate’ in respect of financial information is not straightforward. In particular, we would note that cash basis financial reporting is always, in some respects, substantially incomplete, and that the auditor’s work must therefore have regard to this context.</p> <p>For the above reasons, we suggest that INTOSAI should consider redrafting the definition so that it is more high level, and more appropriately addresses</p>	<p>The project team welcomes this proposal and has modified the text accordingly.</p>

	<p>the auditor’s work around completeness and accuracy. Possible wording would be as follows:</p> <p>Financial audit involves determining, through the collection of audit evidence, whether an entity’s financial information is presented in its financial statements in accordance with the financial reporting and regulatory framework applicable. In the case of fair presentation frameworks, the auditor assesses whether the information is fairly presented. In the case of compliance frameworks the auditor assesses the extent to which compliance is achieved. These assessments include consideration of whether the information is complete and accurate having regard to the requirements of the relevant framework.</p>	
Fiji	Yes we agree with the proposed definition as it covers all the important points to consider when defining what constitutes a financial audit.	The project team welcomes this positive endorsement.
Laos	Yes, we do agree.	The project team welcomes this positive endorsement.
Lithuania	Yes, agree.	The project team welcomes this positive endorsement.
Malta	<p>We agree in part with the proposed revised definition of financial audit in ED ISSAI 200. In our opinion, the definition may be reworded as follows:</p> <p><i>Financial audit involves determining, through the collection of sufficient and appropriate audit evidence, whether an entity’s financial information as presented in its financial statements is complete, accurate, and fairly presented in accordance with the applicable financial reporting framework. In the case of compliance frameworks the auditor assesses the extent to which compliance is achieved.</i></p>	The project team has addressed these concerns by modifying the text based on the CIPFA proposal above.
Mexico	No, we do not agree with the terms “complete” and “accurate”. See the explanation below the next question.	The project team has addressed these concerns by modifying the text based on the CIPFA proposal above.

Netherlands	<p>[Common reply to 3 a(i) and (ii)]</p> <p>We agree with the new definition, however we would use the term “true and fair view”. The definition will be in that case: “Financial audit involves determining, through the collection of audit evidence, whether an entity’s financial information as presented in its financial statements give a true and fair view and is presented in accordance with the financial reporting and regulatory framework applicable. In the case of compliance frameworks the auditor assesses the extent to which compliance is achieved.”</p>	The project team has addressed these concerns by modifying the text based on the CIPFA proposal above.
Portugal	<p>No. Some clarification is needed in paragraph 8 regarding the distinction of fair presentation and compliance frameworks, making clear that materiality is applicable in both cases (“... as to whether the financial statements are fairly and/or in all material respects presented in accordance with the applicable financial reporting and regulatory framework”).</p> <p>In addition, we consider redundant the use of terms “complete” and “accurate” in the definition of financial audit. Both terms correspond to some of the attributes of an acceptable financial reporting framework (among others described in ISSAI 210: Appendix 2, paragraph 3) which result in information provided in financial statements that is useful to the intended users¹. Moreover, they are 2 of the 6 assertions that should be used by the auditor in considering the different types of potential misstatements that may occur in financial statements (see ISSAI 1315:A129). The proposed definition (ED ISSAI 200:7) already states that “financial audit involves determining... whether an entity’s financial information as presented in its financial statements is ... fairly presented in accordance with the financial reporting and regulatory framework applicable... or... the extent to which compliance is achieved”. Therefore, a fair presentation or the compliance with financial reporting frameworks already assumes both attributes, complete and accurate.</p>	The project team has addressed these concerns by modifying the text based on the CIPFA proposal above.

Sweden	<p>No, the current definition of financial audit better correlates with the statement in the auditor’s report, which is the sole purpose of a financial audit. We do not think there is any reason to change one of these without changing the other. We also believe that the phrase “In the case of compliance frameworks the auditor assesses the extent to which compliance is achieved.” is misleading. The auditor does not assess the extent of compliance, the auditor has the same responsibilities as for a fair presentation framework but expresses the opinion in another way.</p>	<p>The project team has addressed these concerns by modifying the text based on the CIPFA proposal above.</p>
US	<p>We strongly disagree with the proposed revised definition and objectives of financial audit in ED ISSAI 200 for the following reasons:</p> <ol style="list-style-type: none"> 1. The definition is inconsistent with the definition and objectives of financial audit elsewhere in the ISSAIs (e.g., ISSAI 100 and ISSAI 1200) and other recognized standards, such as the International Standards on Auditing (ISA) issued by the International Auditing and Assurance Standards Board (IAASB) and the Statements on Auditing Standards issued by the American Institute of Certified Public Accountants (AICPA). We believe that these inconsistencies could result in confusion or difficulties for Supreme Audit Institutions (SAI) that have to blend the ISSAI requirements with other standards. 2. We believe that the definition implies a degree of specificity and assurance that is not intended in a financial audit. As written, the definition implies that auditors will determine whether the financial statement information is accurate and complete. Instead and as noted in paragraph 8 of ED ISSAI 200, financial audits involve providing reasonable assurance that information is presented fairly, in all material respects. 3. The definition limits financial audits to audits of financial statements. The current definition of financial audit in ISSAI 100, paragraph 22, permits financial audits of topics broader than financial statements. Similarly, the 2018 revision of Government Auditing Standards defines financial audit in paragraph 1.17 as follows: "Financial audits provide independent assessments of whether entities' reported financial information (e.g., financial condition, 	<p>The project team has addressed these concerns by modifying the text based on the CIPFA proposal above.</p>

	<p>results, and use of resources) is presented fairly, in all material respects, in accordance with recognized criteria." Further, paragraph 1.17b of Government Auditing Standards describes additional types of financial audits other than financial statement audits, including audits of a single financial statement or specified elements, accounts, or line items of a financial statement.</p> <p>SAls may be expected or asked by the legislature to opine on specific elements or line items of a ministry's or department's financial statement, especially when that element or the programs that constitute the majority of the line item are discovered to have significant challenges or weaknesses. We believe that the proposed definition in ED ISSAI 200 would inadvertently exclude those types of financial audits.</p> <p>We suggest that INTOSAI consider retaining the definition of financial audit in ISSAI 100, paragraph 22, or minimizing the changes from that definition for the reasons stated above.</p>	
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3(a)(ii) Do you agree with the addition of the terms “complete” and “accurate” into the definition?

Australia	<p>We respectfully disagree with the addition of the terms “complete” and “accurate” into the definition of the financial audit. The addition of only these terms implies that other assertions¹, which the management implicitly or explicitly makes about the financial report, are less important to the financial report.</p>	<p>The project team has addressed these concerns by modifying the text based on the CIPFA proposal in the previous section.</p>
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¹ Such as: occurrence/existence; rights and obligations; classification; and presentation.

Austria	<p>Like under point 3 (a) (i) we are not sure whether “accurate” encompasses all meanings of reliability. For example, reliability also asks for a professional judgement of the source of data. Is it compromised or biased? We don’t feel that “accurate” would have this meaning as well. If “accurate” is kept, we would encourage FAS to clarify if the notion of the reliability of a data source is also covered.</p> <p>Furthermore we are skeptical if the new terms are in line with ISA (International Standards on Auditing) and if they are robust enough to accommodate present and future changes of the ISA.</p>	The project team has addressed these concerns by modifying the text based on the CIPFA proposal in the previous section.
CIPFA	<p>Additionally, CIPFA is concerned with the placement of the terms ‘complete’ and ‘accurate’ in connection with the financial information. We fully agree with INTOSAI that it is important for issues around completeness and accuracy to be addressed by the auditor, and it may be helpful to set this out in ISSAI 200. However, as discussed in our response to Question 4, the use of ‘complete’ and ‘accurate’ in respect of financial information is not straightforward. In particular, we would note that cash basis financial reporting is always, in some respects, substantially incomplete, and that the auditor’s work must therefore have regard to this context.</p>	The project team has addressed these concerns by modifying the text based on the CIPFA proposal in the previous section.
Fiji	Yes we agree with addition of the terms.	The project team welcomes this positive endorsement. However, we have modified to take account of the concerns raised by other respondents.
Laos	Yes, we do agree.	The project team welcomes this positive endorsement.
Lithuania	Yes, agree.	The project team welcomes this positive endorsement. However, we have modified to take account of the concerns raised by other respondents.

Malta	We agree that both terms should be included in the definition, so long as these are used within the context of reasonable assurance and materiality perspective. Auditors can obtain reasonable assurance that such financial statements are free from material misstatements, given that most testing performed is only on a sample basis	The project team welcomes this positive endorsement. However, we have modified to take account of the concerns raised by other respondents.
Mexico	No, we do not agree with the inclusion of such terms in the definition of financial audit since the objective of this type of audits is conclude if the financial information is presented in a reasonable manner in all the important aspects, and not totally.	The project team has addressed these concerns by modifying the text based on the CIPFA proposal in the previous section.
Portugal	No. Please see answer to 3(a)(i).	The project team has addressed these concerns by modifying the text based on the CIPFA proposal in the previous section.
US	We do not agree with the addition of the terms complete and accurate to the definition of financial audit, as explained in our response to question 3(a)(i) above.	The project team has addressed these concerns by modifying the text based on the CIPFA proposal in the previous section.

3(b) Do you agree with the proposed revised definition for financial audit subject matter and subject matter information? If no, please explain why.

Australia	We respectfully disagree with the proposed definition of the subject matter because we do not consider that the accounting data of an entity is the same as the financial position, performance, cash flows of an entity. The key distinction between the subject matter and the subject matter information in an assurance engagement is that the subject matter information has been measured by the measurer/evaluator in accordance with the criteria. In the case of financial audits, the measurer is normally the preparer of the financial statements and the criteria is the applicable financial reporting	The project team has examined this issue carefully, but does not see a difference of positions between the reply and the revised ISSAI 200. For the same reasons invoked by this response the draft revised ISSAI 200 make the distinction between the accounting data and the financial statements.
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	<p>framework. The act of capturing and recording complete and accurate accounting data is itself part of the measurement process for the financial statements because it ultimately affects how each transaction and balance is measured. We believe the most suitable definition of the subject matter of a financial audit is the existing definition in ISSAI 100.</p>	
Austria	<p>We agree with the revised definitions of subject and subject matter information.</p>	<p>The project team welcomes this positive endorsement.</p>
CIPFA	<p>CIPFA is content with the proposed revised definition.</p>	<p>The project team welcomes this positive endorsement.</p>
Fiji	<p>Yes we agree with the proposed revised definitions as it is clearer and not ambiguous.</p>	<p>The project team welcomes this positive endorsement.</p>
Laos	<p>Yes, we agree.</p>	<p>The project team welcomes this positive endorsement.</p>
Lithuania	<p>Yes, agree.</p>	<p>The project team welcomes this positive endorsement.</p>
Malta	<p>We agree with the new proposed definition of matter and subject matter information.</p>	<p>The project team welcomes this positive endorsement.</p>
Mexico	<p>Yes.</p>	<p>The project team welcomes this positive endorsement.</p>
Netherlands	<p>The subject matter is the object that you audit. The subject matter should be free from material misstatement. The auditor audits on the level of assertions. The auditor should identify and assess the risk of material misstatement in the financial statements as a whole, and at assertion level, in order to determine the most appropriate audit procedures to address those risks. So our suggestion is that the subject matter are the assertions. Those assertions are made towards individual items from the financial statements. Therefore we</p>	<p>In the project team's view, the revision to the definition proposed by the Algemene Rekenkamer is not in line with the ISSAI 100 or supported by the other replies received to this consultation.</p>

	would suggest the following definition: “Financial audit: The subject matter of a financial audit are the assertions made to items which are recognised, measured and presented in financial statements. The subject matter information is the financial statements.”	
Portugal	<p>Yes. However some detailed examples may be useful to emphasize that, particularly in the public sector, the purpose, form, content and accounting basis of a complete set of financial statements could be different according to its requirements (eg. rules-based / principles-based accounting framework; Accrual basis / Cash basis accounting; General purpose / Special purpose financial statements; fair presentation / compliance frameworks). Those examples should be aligned with ISSAI 100, 1200 and with IPSAS 1 and 24.</p> <p>Please see our comments and new paragraph 24 in the ED ISSAI 200 attached.</p>	The way the IFPP is conceived means that examples are better provided in guidance documents, either as GUIDS or outside the framework.
Sweden	No, the proposed new definition is too narrow to cover all information that may be included in the financial statements, since an annual report may consist of more than just accounting data. For example, the annual report may include other information and reporting of uncertainties according to the applicable financial reporting framework. Such information is not accounting data and is therefore not covered in the current definition.	The project team agrees, and has amended the text to accommodate these concerns.
US	<p>We believe that the revised definitions of subject matter and subject matter information are largely acceptable. However, given that financial audits can be performed on financial information that is presented in forms other than financial statements, as noted in our response to question</p> <p>3(a)(i), we would suggest that INTOSAI consider adding a modification as follows:</p> <p>23. The subject matter of a financial audit is the accounting data of an entity, which are normally/usually presented in the form of financia/ statements (known as the subject matter information).</p>	The project team agrees, and has amended the text by inserting the word ‘normally’ in paragraph 23 as suggested.

	We would also suggest a similar modification to the first line of paragraph 21 of ED ISSAI 200.	
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**4. Do you agree with the proposed attributes and particularly replacing “reliable” by “accurate” in the attributes for an acceptable financial reporting framework?
If no, please explain why.**

Australia	<p>ISA 210 Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Australian Auditing Standards states that reliability:</p> <p>(i) where applicable, reflects the economic substance of events and transactions and not merely their legal form; and</p> <p>(ii) results in reasonably consistent evaluation, measurement, presentation and disclosure, when used in similar circumstances.</p> <p>With respect to the above, we recommend that you consider not replacing “reliable” with “accurate” because the term “reliability” is a broader concept to “accuracy” and does not fully capture the important precondition that financial reporting frameworks support the reasonably consistent evaluation, measurement, presentation and disclosure of similar transactions.</p>	<p>The project team’s thinking was to replace the rather vague expression ‘reliable’ with the more meaningful component attributes of completeness, accuracy and fairly presented. These attributes of course do not apply equally to each element of the subject matter information, and are always subject to the concept of materiality.</p> <p>This formulation was intended to be as inclusive as possible, to maximise understanding by all auditors and SAIs, notably because the common usage of the term reliable has a different meaning.</p>
Austria	See our comments on questions 3 (a).	<p>The project team’s thinking was to replace the rather vague expression ‘reliable’ with the more meaningful component attributes of completeness, accuracy and fairly presented. These attributes of course do not apply equally to each element of the subject matter information, and are always subject to the concept of materiality.</p>

<p>CIPFA</p>	<p>CIPFA is concerned that the approach taken in the proposed ED is not wholly beneficial.</p> <p>It removes inappropriate detail, but in so doing removes discussion which is necessary for the reader to avoid misinterpretation. We agree that ISSAI 200 should not replicate all of the detail in ISSAI 1210. However, by abstracting five attributes, it might be seen as trying to generalise frameworks such as the IASB, IPSASB and other conceptual frameworks. We suggest that this is very difficult, having regard to the extensive discussions of similar issues by the main international standard setters in developing ‘qualitative characteristics’ for their new or revised conceptual frameworks.</p> <p>Furthermore, the proposal moves away from the terminology used by IASB and IPSASB, who arguably did not frame their qualitative characteristics using terms such as ‘accurate’ or ‘objective’ precisely because they do not consider them to be adequate.</p> <p>In particular, the use of ‘reliable’ in the older IASB framework, and ‘faithful representation’ in the IPSASB conceptual framework and the revised IASB conceptual framework may both reflect a view that a straightforward discussion of ‘accuracy’ is not adequate for reporting on transactions which are complex or subject to estimation uncertainty.</p> <p>For this reason, we suggest that either ISSAI 200 should say less about the ingredients of acceptable reporting frameworks, or should it discuss them in a less formal way and avoid specifying ‘attributes’. For example by suggesting that an acceptable framework for general purpose financial reporting which achieves fair presentation would normally be expected to address considerations around the completeness and relevance of the information presented, its accuracy and reliability, its objectivity and neutrality, and its understandability.</p> <p>Additionally, we suggest that ISSAI 200 should be written in such a way that it does not rule out the use of cash basis reporting frameworks. By its nature, cash basis reporting is substantially incomplete (even when it follows</p>	<p>The project team’s thinking was to replace the rather vague expression ‘reliable’ with the more meaningful component attributes of completeness, accuracy and fairly presented. These attributes of course do not apply equally to each element of the subject matter information, and are always subject to the concept of materiality.</p> <p>This formulation was intended to be as inclusive as possible, to maximise understanding by all auditors and SAIs, notably because the common usage of the term reliable has a different meaning.</p>
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	IPSASB's Cash Basis IPSAS). It will not satisfactorily address 'completeness' except insofar as the reporting is as complete as the user should expect it to be. Similar issues will exist for compliance frameworks. For this reason CIPFA suggests that ISSAI 200 either needs to provide some indication as to how these might be deemed acceptable, or set the scene for these matters being addressed in ISSAI 1210.	
Fiji	Yes, we agree with replacing reliability with the term "accurate", as it is a more specific term and leaves no room for doubt or argument.	The project team welcomes this positive endorsement.
Laos	Yes, we agree.	The project team welcomes this positive endorsement.
Lithuania	Yes, agree.	The project team welcomes this positive endorsement.
Malta	This depends how the term 'accurate' is used and referred to. When something is accurate, it is considered as being flawless. If this definition is applied to accuracy in terms of financial statements, this can create misunderstanding in the sense that, for something to be accurate, it is generally understood that it is certified as being free from any kind of error. Therefore, it is suggested that, when using the term accurate, the concept of materiality should also be taken into consideration. This will help the users understand the perspective of accuracy and reliability of the financial statements presented. Otherwise the term 'reliable' is preferred to 'accurate'.	<p>The project team's thinking was to replace the rather vague expression 'reliable' with the more meaningful component attributes of completeness, accuracy and fairly presented. These attributes of course do not apply equally to each element of the subject matter information, and are always subject to the concept of materiality.</p> <p>This formulation was intended to be as inclusive as possible, to maximise understanding by all auditors and SAIs, notably because the common usage of the term reliable has a different meaning.</p>
Mexico	No, we do not agree with the inclusion of the term "accurate" in the definition of financial audit since the objective of this type of audits is to conclude if the financial information is presented in a reasonable manner in all the important aspects, and not totally.	The project team's thinking was to replace the rather vague expression 'reliable' with the more meaningful component attributes of completeness, accuracy and fairly presented. These attributes of course do not apply equally to each element of the subject matter information, and are always subject to the concept of materiality.

		This formulation was intended to be as inclusive as possible, to maximise understanding by all auditors and SAs, notably because the common usage of the term reliable has a different meaning.
Netherlands	<p>We don't agree with the replacement because accurate is part of reliable.</p> <p>Generally speaking information should meet the criteria of Relevance and Reliable in order to be useful. Relevance means Understandable, Precise (the amount and level of information depends on the users) and Timely.</p> <p>Reliable means Complete, Existent, Accurate (no typo's or miscalculations), Objective and Verifiable.</p>	<p>The project team's thinking was to replace the rather vague expression 'reliable' with the more meaningful component attributes of completeness, accuracy and fairly presented. These attributes of course do not apply equally to each element of the subject matter information, and are always subject to the concept of materiality.</p> <p>This formulation was intended to be as inclusive as possible, to maximise understanding by all auditors and SAs, notably because the common usage of the term reliable has a different meaning.</p>
Portugal	No objection, but we think the explanation of the attributes of an acceptable financial reporting framework shouldn't be removed from the revised ISSAI 200.	The project team welcomes this positive endorsement.
Sweden	We do not have a strong opinion on the suggested change. However, we prefer the use of "reliable" before "accurate". We believe that it will provide more consistency among the ISSAIs if the same term is used on level 3 and 4.	<p>The project team's thinking was to replace the rather vague expression 'reliable' with the more meaningful component attributes of completeness, accuracy and fairly presented. These attributes of course do not apply equally to each element of the subject matter information, and are always subject to the concept of materiality.</p> <p>This formulation was intended to be as inclusive as possible, to maximise understanding by all auditors and SAs, notably because the common usage of the term reliable has a different meaning.</p>
US	<p>We do not agree with replacing "reliable" with "accurate" or with changing "neutrality objectivity" to "objective" in the attributes for an acceptable financial reporting framework.</p> <p>For both proposed changes, changing terminology from what is used in ISSAI 1210/ISA 210 could make it more difficult for inexperienced auditors and</p>	The project team's thinking was to replace the rather vague expression 'reliable' with the more meaningful component attributes of completeness, accuracy and fairly presented. These attributes of course do not apply equally to each element of the subject matter information, and are always subject to the concept of materiality.

	<p>developing public sector audit organizations to implement ISSAI 200 and the level 4 audit guidelines.</p> <p>In addition, we do not believe that "accurate" is clearer and less ambiguous than "reliable" if the intended definition is unchanged from the definition of "reliable" in ISSAI 1210/ISA 210, appendix 2, paragraph 3(c), and the existing ISSAI 200, paragraph 24. For example, part (i) of the definition states that "Where applicable, reflects the economic substance of events and transactions and not merely their legal form." The term accurate could be used to describe the purely legal form of a type of transaction without reflecting the economic substance of the event.</p> <p>Should INTOSAI determine to keep these changes in the ISSAIs, we encourage INTOSAI to consider providing definitions or cross-references to the definitions of the attributes of acceptable financial reporting frameworks.</p>	<p>This formulation was intended to be as inclusive as possible, to maximise understanding by all auditors and SAIs, notably because the common usage of the term reliable has a different meaning.</p>
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5. The proposed revised ISSAI 200 takes into account the particularities of the public sector and does not use the term performance materiality in order to avoid confusion with the use of materiality in performance audit. Do you agree with this proposal?

Australia	<p>It is not our experience that the term 'performance materiality' leads to confusion about the scope and application of materiality to financial audits. We believe that concept of performance materiality is sufficiently central to financial auditing that it would be helpful if this term is either retained or replaced by another appropriate term. Given that the term 'performance materiality' is used in a number of International Auditing Standards, an explanation that any new term is equivalent to term 'performance materiality' may also be helpful.</p>	<p>While the project team continues to consider that in the wider SAI community there is a risk of confusion with the concept of materiality in performance audit, we have now added a reference to 'performance materiality' in paragraph 35.</p>
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Austria	We do agree that confusion between performance in the sense of a financial audit and a performance audit should be avoided.	The project team welcomes this positive endorsement.
CIPFA	CIPFA agrees with this proposal	The project team welcomes this positive endorsement.
Fiji	We disagree with this proposal as ISSAI 200 is the standard for financial audit, hence we suggest that terms relating to financial audit are retained in this standard. Public sector auditors are expected to know that ISSAI 200 is specifically for financial audit and should not confuse it with performance audit.	While the project team continues to consider that in the wider SAI community there is a risk of confusion with the concept of materiality in performance audit, we have now added a reference to 'performance materiality' in paragraph 35.
Laos	Yes, we agree.	The project team welcomes this positive endorsement.
Lithuania	Yes, agree.	The project team welcomes this positive endorsement.
Malta	<p>Performance materiality caters for the risk that there is a number of small, immaterial errors or omissions whether these have been identified by the auditor or otherwise. Individually, these should not be a problem as it is presumed that each error or omission does not have any effect on the financial statements. However, auditors should be concerned about the number of small errors or omissions that, when aggregated, cause the financial statements to be materially misstated.</p> <p>We are of the opinion that the term 'performance materiality' can be used accordingly, given that it is properly defined in the revised ISSAI 200.</p>	While the project team continues to consider that in the wider SAI community there is a risk of confusion with the concept of materiality in performance audit, we have now added a reference to 'performance materiality' in paragraph 35.
Mexico	Yes.	The project team welcomes this positive endorsement.
Netherlands	We think that in the revised ISSAI 200 paragraph 34 and 35 is clearly written that the auditor should lower its original calculated materiality	The project team welcomes this positive endorsement.

	when doing his job. For us, it doesn't make any difference whether the term performance materiality is included or not.	
Portugal	No. The meaning of performance materiality is widely known in the audit sector and its definition is clearly stated in ISSAI 1320:9.	While the project team continues to consider that in the wider SAI community there is a risk of confusion with the concept of materiality in performance audit, we have now added a reference to 'performance materiality' in paragraph 35.
Sweden	<p>No, in our opinion the risk of misunderstanding the term "performance materiality" in an ISSAI providing the fundamental principles of financial auditing is not existing. This is a widely used and known term within financial audit.</p> <p>If the term "lower materiality" is to be used in ISSAI 200, we believe it is important to elaborate on what the term is supposed to include, and the relation to the term "performance materiality", which is the common definition used in ISSAI 1320 and ISA 320.</p>	While the project team continues to consider that in the wider SAI community there is a risk of confusion with the concept of materiality in performance audit, we have now added a reference to 'performance materiality' in paragraph 35.
US	We believe that the ED ISSAI 200 provides an appropriate discussion of materiality for the fundamental auditing principles. Thus, we do not object to the removal of "performance materiality" as the underlying concept is still presented and discussed.	The project team welcomes this positive endorsement.

6. We consider that there are no significant differences when applying the general principles of professional skepticism and professional judgement (as presented in ISSAI 100) in the context of financial audit as compared to compliance or performance audit. Therefore, in order to streamline the document, the proposed revised ISSAI 200 does not further detail these principles. Do you agree with this position?

Australia	We concur that there the concepts of professional judgement and professional skepticism are not particular to financial auditing. However, we consider that the explanations of these concepts in paragraphs 56-57 of the extant ISSAI 200 are valuable in understanding the principles of professional scepticism, which would be suitable to retain in the ISSAI framework. We believe it would be helpful to incorporate these paragraphs into ISSAI 100 and if there is not an opportunity to do so then we suggest the project team considers retaining these paragraphs into the proposed revised ISSAI 200.	As these are general principles of audit, the project team agrees they are better placed in ISSAI 100. This should be taken into account when the latter is revised.
Austria	We do agree with this position. As a general remark we would find it extremely helpful if there would be a compiled document with ISSAI 200 and the guidelines (ISSAI 2000-2899).	The project team welcomes this positive endorsement.
CIPFA	CIPFA agrees with this position	The project team welcomes this positive endorsement.
Fiji	We disagree with this position as ISSAI 200 essentially provides the key principles for an audit of financial statements, and also establishes the minimum requirements for public auditing standards. Our view is that the principles of professional skepticism and professional judgment should still be further detailed in ISSAI 200.	The project team concurs with the vast majority of responses that there is no need to provide further detail on these issues in ISSAI 200.
Laos	Yes, we agree.	The project team welcomes this positive endorsement.

Lithuania	Yes, agree.	The project team welcomes this positive endorsement.
Malta	Although we feel that there is a notable difference between the terms 'professional scepticism and 'professional judgement', we can accept the above position proposed by the revised ISSAI 200.	The project team welcomes this positive endorsement.
Mexico	Yes.	The project team welcomes this positive endorsement.
Netherlands	Yes, as long as you make a reference to ISSAI 100 in ISSAI 200.	The project team welcomes this positive endorsement.
Portugal	Yes.	The project team welcomes this positive endorsement.
Sweden	No, we do not think that the definition in ISSAI 100 is sufficiently specific to cover these principles from a financial audit point of view. Either the definition in ISSAI 100 needs to be more specific or ISSAI 200 should address how to adopt this in financial audit.	As these are general principles of audit, the project team agrees they are better placed in ISSAI 100. This should be taken into account when the latter is revised.
US	We agree that there are no significant differences when applying the general principles of professional skepticism and professional judgment to financial audits, compliance audits, and performance audits. Therefore, we do not object to the removal of additional discussion of these principles from ED ISSAI 200.	The project team welcomes this positive endorsement.

7. Whether the proposed revision to ISSAI 200, along with ISSAI 100 provide a sufficient basis from which SAIs can develop their own standards, as a basis for the adoption of consistent national standards and/or as a basis for adoption of the INTOSAI standards for financial audit (ISSAI 2000 – 2899)?

Australia	ISSAI 100 and the proposed revised ISSAI 200 work together to outline key principles to inform SAIs on the adoption of financial auditing standards, either	The overall content of the responses received provide no substantive reason to doubt that ISSAI 200 could serve as a basis for developing
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	<p>in developing their own or in adopting national or international standards. For those who are using it to adopt national standards or to develop their own standards we think the proposed ISSAI 200 may not currently have enough detail to allow those users to fully understand and apply those principles. In our view the proposed ISSAI 200 would benefit from inclusion and elaboration of some key principles as outlined in in our response to question 2 above. In light of the project aims of reducing duplication between ISSAI 200 and other parts of the ISSAI framework, it may be beneficial to include footnotes or an appendix in the proposed standard with references to the detailed definitions and/or elaborative information contained in the relevant level 4 auditing guidelines.</p>	<p>national standards, notably as it does not involve any change in current practice. The conception of the framework is that the details are given in the lower level standards and guidance.</p>
Austria	<p>Yes, we do think the basis provided by revised ISSAI 200 is sufficient for developing own guidelines or implementing the ISSAI.</p>	<p>The project team welcomes this positive endorsement.</p>
CIPFA	<p>CIPFA can see no reason why the proposed revisions would not provide a sufficient basis for SAIs to develop their own standards, or as a basis for the adoption of INTOSAI standards for financial audit.</p>	<p>The project team welcomes this positive endorsement.</p>
Fiji	<p>The proposed revision along with ISSAI 100 provides a sufficient basis from which SAIs can develop their own standards, as a basis for the adoption of consistent national standards and/or as a basis for adoption of the INTOSAI standards for financial audit (ISSAI 2000 – 2899). The content of ED ISSAI 200 is concise, and the structure and layout is coherent with the financial audit process.</p>	<p>The project team welcomes this positive endorsement.</p>
Laos	<p>The state audit organization has applied ISSAIs as the reference for creating our own Standard of State Audit including some regulations under law to serve the State Audit’s work consistent national standards. Then, whether the proposed revision to ISSAI 100, the State Audit Organization of Lao PDR can develop our own standards and other regulations.</p>	<p>The project team welcomes the development of national standards based on the ISSAIs.</p>

Lithuania	Yes.	The project team welcomes this positive endorsement.
Malta	We are of the opinion that the revised ISSAI 200, together with the proposed amendments in this document, provides sufficient basis from which SAIs can develop their own financial auditing standards.	The project team welcomes this positive endorsement.
Mexico	Yes.	The project team welcomes this positive endorsement.
Netherlands	In the Netherlands the rules applicable to auditors when checking financial information are already very strict. Dutch auditors should follow the regulations/prescriptions from the national audit organisation or from an international organisation like INTOSAI. So for us we don't need to develop our own standards, we just follow the ISSAIs or the national prescriptions which both are almost a 100% translation from the ISA's.	The project team welcomes this positive endorsement.
Portugal	Yes, except to the proposed definition of a fair presentation-based framework, that should be more aligned and coherent with ISSAI 100. In this regard, please see our comments and suggestions on paragraphs 12 and new 24 on the ED ISSAI 200 attached.	The project team welcomes this overall positive endorsement, and refers to the response given to the specific issues raised.
Sweden	No, see our answer to question 1.	The overall content of the responses received provide no substantive reason to doubt that ISSAI 200 could serve as a basis for developing national standards, notably as it does not involve any change in current practice. The conception of the framework is that the details are given in the lower level standards and guidance.
US	If ED ISSAI 200 is appropriately adjusted to address our comments, we believe that the revised ISSAI 200, in conjunction with ISSAI 100, would provide a sufficient foundation from which SAIs can develop their own standards, adopt consistent national standards, or adopt INTOSAI standards for financial audit.	The project team welcomes this overall positive endorsement, and refers to the response given to the specific issues raised.

