



INTOSAI



Financial Audit

ISSAI

International Standards of Supreme Audit Institutions • INTOSAI Guidance for Good Governance

: *Financial Audit*

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NATIONAL AUDIT DEPARTMENT MALAYSIA

AGENDA



WHAT IS ISSAI ?



OVERVIEW OF ISSAI FRAMEWORK



NAD ROAD MAP



**CONSIDERATIONS OF AUDITING THE PUBLIC
SECTOR ENTITIES**

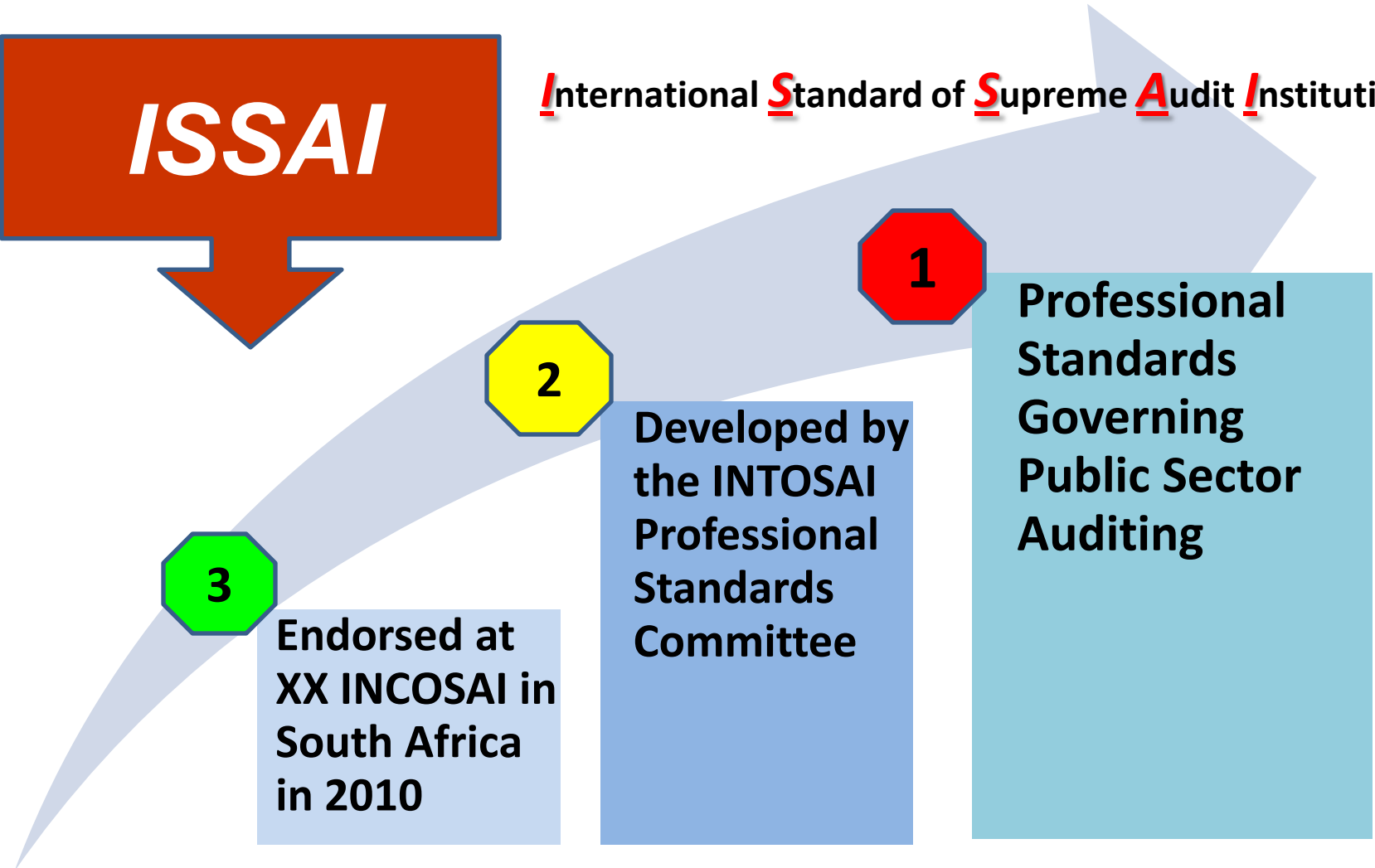


**GENERAL ISSUES IN AUDIT OF PUBLIC SECTOR
ENTITIES**

WHAT IS ISSAI ?



International Standard of Supreme Audit Institutions



WHAT IS INTOSAI ?

The International Organization of Supreme
Audit Institutions



NATIONAL AUDIT DEPARTMENT, MALAYSIA



197 Members

2010 XX INCOSAI RESOLUTION

INCOSAI = Congress Of INTOSAI / Governing Board



**ISSAI framework as a common frame of reference
for public sector auditing**

- *Measure performance and auditing guidance against the ISSAIs*
- *Implement the ISSAIs in accordance with mandate, national legislation and regulations*
- *Raise the awareness of the ISSAIs and INTOSAI GOVs globally, regionally and at the national level*
- *Share experiences, good practice and challenges in implementing the ISSAIs and INTOSAI GOVs*

OVERVIEW OF ISSAI FRAMEWORK



- **LEVEL 1** – Founding Principles



- **LEVEL 2** – Prerequisites for the Functioning of Supreme Audit Institutions



- **LEVEL 3** – Fundamental Auditing Principles



- **LEVEL 4** – Fundamental Auditing Guidelines

ISSAI

&

ISA



INTOSAI – International Organisation of
Supreme Audit Institutions

IFAC – International
Federation of Accountants

Professional Standards Committee
(PSC)

Financial Audit
Guidelines
Sub-committee

Compliance Audit
Sub-committee

Performance Audit
Sub-committee

International Auditing
and Assurance
Standards Board
(IAASB)

ISSAI

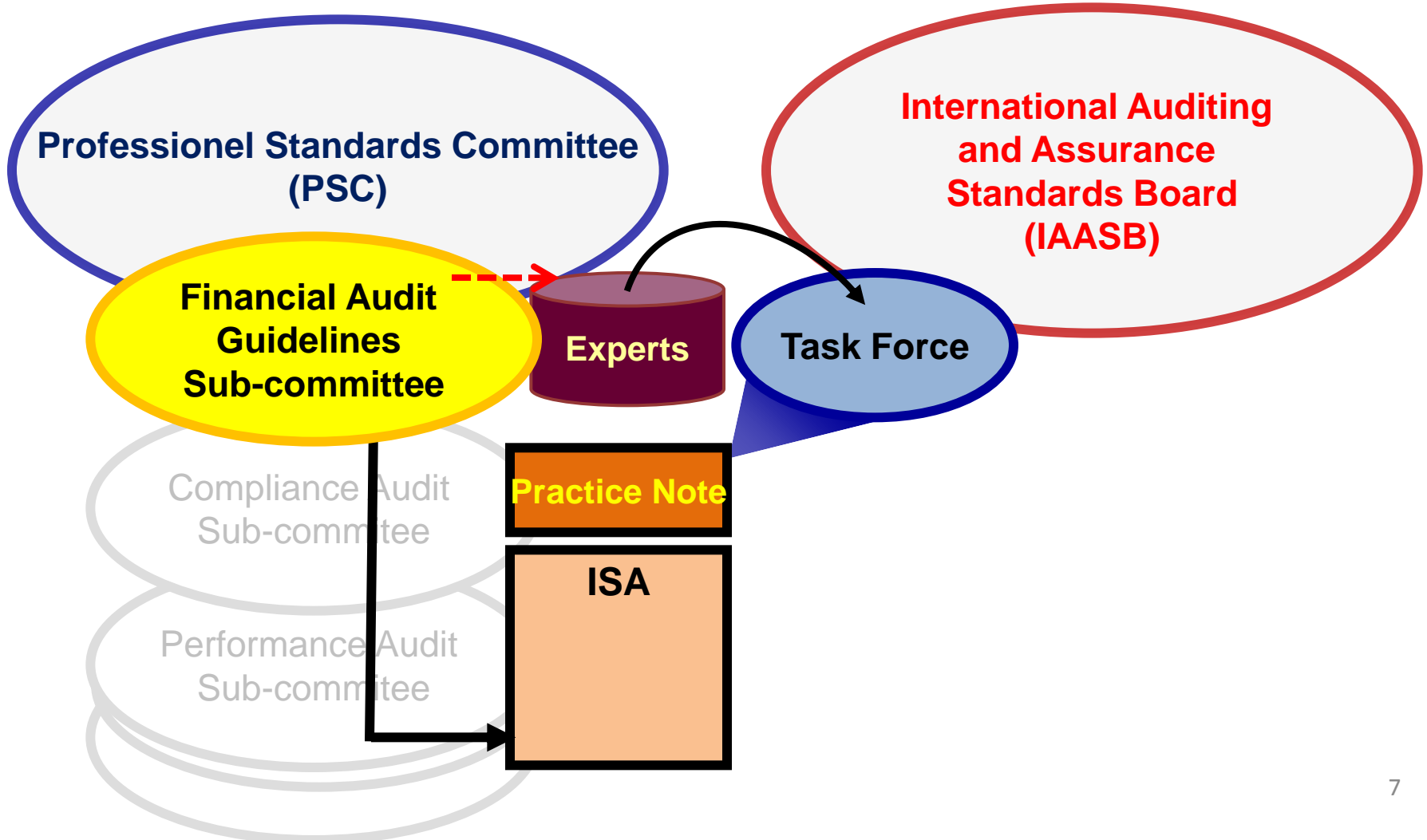
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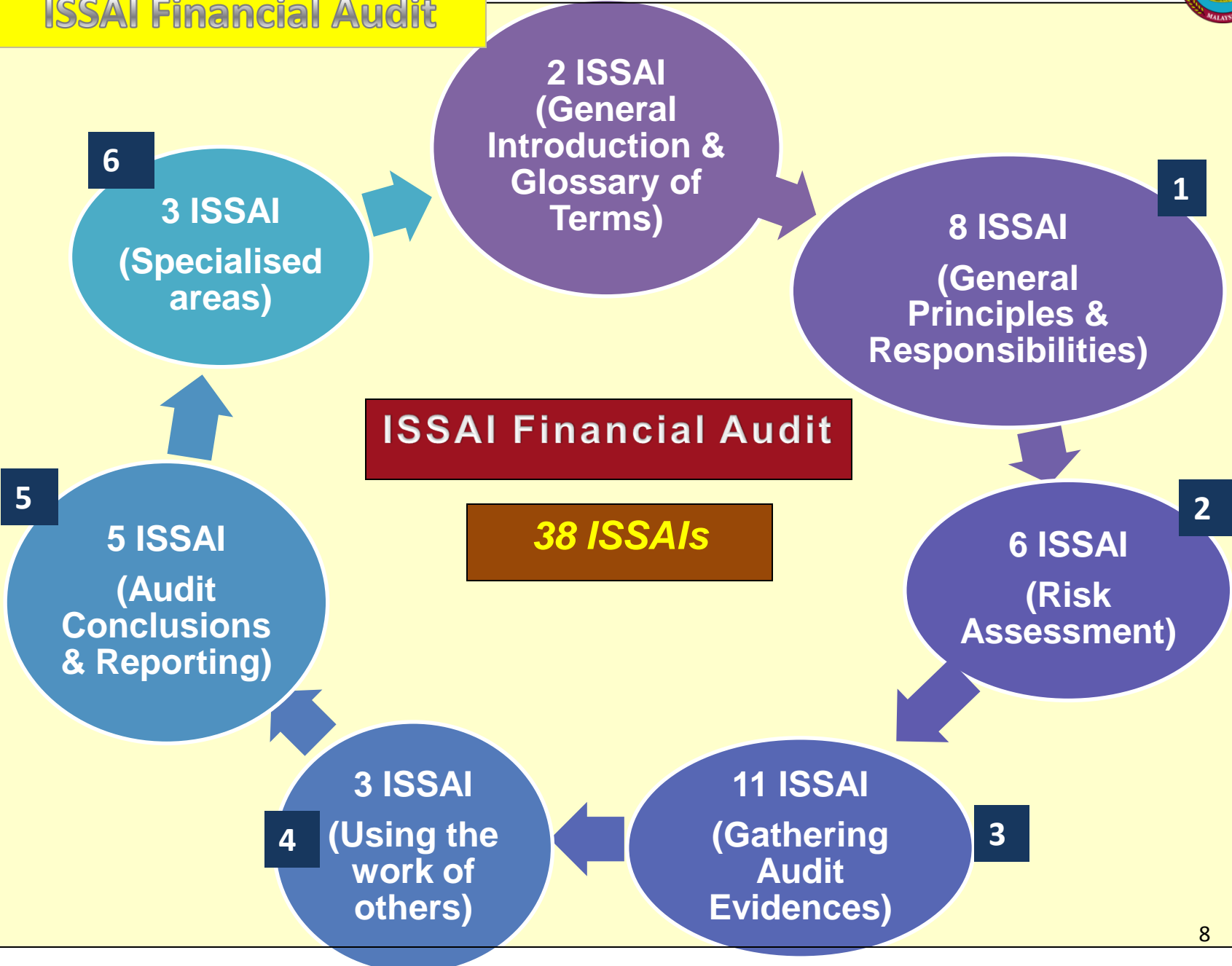


INTOSAI – International Organisation of
Supreme Audit Institutions

IFAC – International
Federation of Accountants



ISSAI Financial Audit





ISSAI FOR FINANCIAL AUDIT



No.	ISSAI	TOPIC
1.	1000	General Introduction to the INTOSAI Financial Audit Guidelines
2.	1003	Glossary of Terms to the INTOSAI Financial Audit Guidelines
3.	1200	Overall Objectives Of The Independent Auditor And The Conduct Of An Audit In Accordance With International Standards On Auditing.
4.	1210	Agreeing the Terms of Audit Engagements
5.	1220	Quality Control For An Audit Of Financial Statement
6.	1230	Audit Documentation
7.	1240	The Auditors responsibility to Consider Fraud in an Audit of Financial Statements
8.	1250	Considerations of Laws and Regulations in an Audit of Financial Statements
9.	1260	Communications with Those Charged with Governance
10.	1265	Communications Deficiencies in Internal Control to Those Charged with Governance and Management

NO.	ISSAI	TOPIC
11.	1300	Planning an Audit of Financial Statements
12.	1315	Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment
13.	1320	Materiality in Planning and Performing Audit
14.	1330	The Auditor's Response to Assessed Risks
15.	1402	Audit Considerations Relating to Entity Using Service Organisations
16.	1450	Evaluation of Misstatements Identified during the Audit

ISSAI FOR FINANCIAL AUDIT



NO.	ISSAI	TOPIC
17.	1500	Audit Evidence
18.	1501	Audit Evidence – Specific Considerations for Selected Items
19.	1505	External Confirmations
20.	1510	Initials Audit Engagements – Opening Balances
21.	1520	Analytical Procedures
22.	1530	Audit Sampling
23.	1540	Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures
24.	1550	Related Parties
25.	1560	Subsequent Events
26.	1570	Going Concern
27.	1580	Management Representations

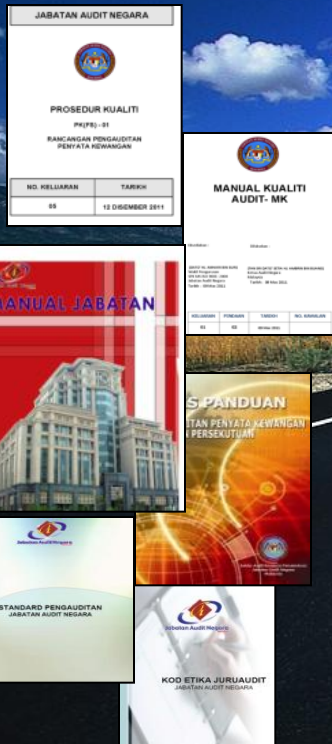
ISSAI FOR FINANCIAL AUDIT



NO.	ISSAI	TOPIC
28.	1600	Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditor)
29.	1610	Using the Work of Internal Auditors
30.	1620	Using the Work of an Expert
31.	1700	Forming an Opinion and Reporting on Financial Statements
32.	1705	Modifications to the Opinion the Independent Auditor’s report
33.	1706	Emphasis of Matter Paragraphs and Other Matter Paragraphs in the independent Auditor’s Report
34.	1710	Comparative Information – Corresponding Figures and Comparative Financial Statements
35.	1720	The Auditor’s Responsibility Relating to Other Information in Documents Containing Audited Financial Statements
36.	1800	Special Considerations – Auditors Financial Statements Prepared in Accordance with Special Purpose Frameworks
37.	1805	Special Considerations – audit of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement
38.	1810	Engagements to Report on Summary Financial Statements

NAD ROAD MAP

2012
We Were Here



**National
Audit Dept
Procedures**

2013
Transform to



**International
Standards
ISSAI**



Future

- **Completion of ISSAI Compliance Assessment Tools (iCATS)**
- **Compliance to ISSAI Subject to Mandates And Legislations**
- **Training**

CONSIDERATIONS OF AUDITING THE PUBLIC SECTOR ENTITIES



- @ INSTITUTIONAL LEVEL/ PRE-ENGAGEMENT**
- @ PLANNING**
- @ FIELDWORK**
- @ REPORTING**

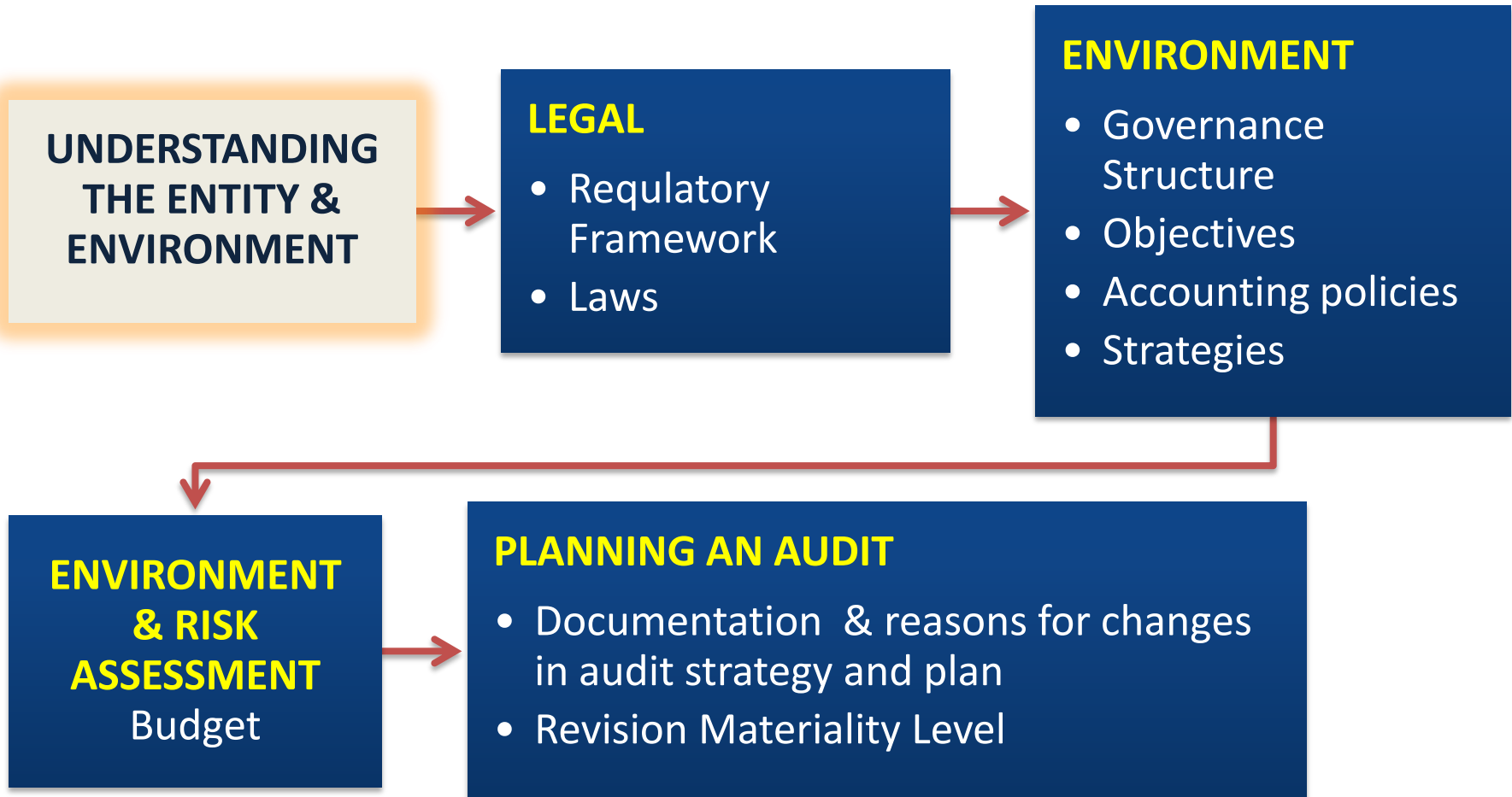
INSTITUTIONAL LEVEL/ PRE-ENGAGEMENT



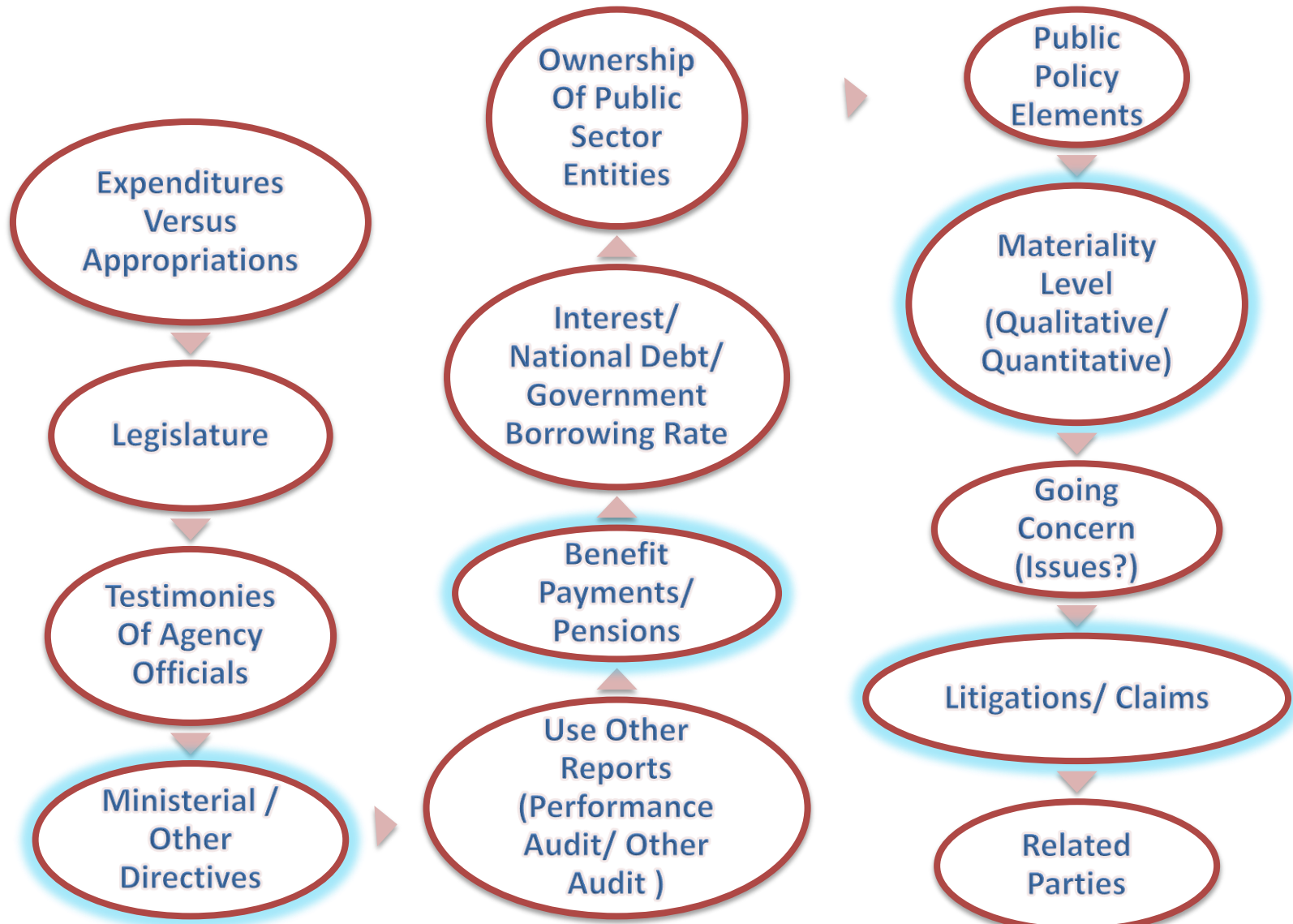
Responsibilities of management/ those charged with governance broader than those responsibilities in the private sector.



PLANNING



FIELDWORK



REPORTING



GENERAL ISSUES IN AUDITS OF PUBLIC SECTOR ENTITIES

SOME OF THE GENERAL ISSUES INCLUDE:

- ! Agreeing To The Terms Of Audit Engagement
- ! Identify Fraud & Errors
- ! Risk Assessment & Audit Procedures
- ! Materiality



