**Feedback from FIPP to the review group on Privatization and Disaster related aid**

Dear all members of the review group on Privatization and Disaster related aid.

As you know, the review group’s reports with recommendations on the projects 2.7 (Privatization) and 2.10 (Disaster related aid) of the Strategic Development Plan of the IFPP were on the agenda of the FIPP meeting 19-23 March 2018.

In this e-mail I would like to give you FIPP’s overall conclusions regarding the review group’s reports and recommendations, and a summary of the more detailed points made by FIPP members at the meeting. FIPP has also reported these conclusions to the KSC Chair who has the overall responsibility for moving the projects forward.

**FIPP’s Overall conclusion**

First of all, we were encouraged to convey very warm thanks to you on behalf of FIPP for the two very well elaborated reports.

The recommendations in the reports from the review group included suggestions on a total of 7 potential GUIDs. The recommendations also reflected a number of underlying considerations and assessments on priorities. This was very helpful for FIPP-members in making up a clear view on the matter.

At the meeting, Kristoffer Blegvad (FIPP’s project liaison) encouraged each individual FIPP member to express a view on the 7 potential GUIDs. Based on the discussion we were able to conclude that there are 3 of the 7 suggestions, which FIPP believes should be pursued:

1. A GUID on privatization (drawing on the pre-existing ISSAI 5210) – cf. SDP 2.7
2. A GUID on public-private partnerships (drawing on the pre-existing ISSAI 5240) – cf. SDP 2.7
3. A GUID on disaster-management (Drawing on and consolidating the pre-existing ISSAIs 5500, 5510 and 5520) – cf. SDP 2.10.

The next section includes a more thorough summary of the points made by FIPP members in relation to the scope of these three projects.

**Summary of points made by FIPP members**

FIPP members underlined that each of the 3 GUIDs needs to have a clear scope: Each GUID should aim at supporting a well-defined task of auditing that can be carried out on the basis of the ISSAIs. This also means that each GUID needs to be very clear on the relevant type or types of audit (financial/compliance and/or performance) and what kind of conclusion the audit aims to express (what kind of subject matter and criteria?). At least some of the members are skeptical about allowing the GUIDs to stretch into financial auditing. So the general expectation in FIPP after this first in-debt discussion is probably that these GUIDs will mainly focus on direct engagements (cf. ISSAI 100) which may include either performance or compliance audits or perhaps the two combined. However, this is to be further clarified in the project proposal for each individual GUID.

Regarding the GUID on disaster-management, members were very supportive of the overall recommendation to present a coherent GUID on audits focusing on preparedness (management before the disaster) as well as audits of aid (management after the disaster). There is clearly a high interest in the project. Members also underlined that the best way to improve quality is to focus very strictly on the main subject and avoid stretching into ‘side-issues’ which may either be covered elsewhere in the GUIDs or supported by other means.

Regarding the risk of fraud, members expressed that this may well be part of the circumstances of a disaster, which would be relevant to reflect in the GUID on audit of disaster management. However, the GUID should on this regard (as in all other aspects) aim to support the principles and requirements stated in the ISSAIs in relation to the risk of fraud. The relevance of the risks and the way they are treated in the GUID will depend on types of audit/scope of the GUID in terms of different audit engagements. It was mentioned as a suggestion that it might be a possibly to annex the text on risk-factors from the pre-existing ISSAI 5530. However, that is probably a suggestion that can best be picked-up on (if relevant) after the GUID has been developed.

Regarding GIS, members expressed that there could be value in ensuring knowledge sharing on the many new opportunities for auditors which new technologies provide. It was argued however that there would be more value in just sharing the current text on GIS through other means (a website or general toolbox aimed at such knowledge-sharing) rather than taking it through the time and resource demanding process of transferring it into a GUID. We are planning to take a broader view on the entire area of new technologies and innovative audit methodology in the context of the next Strategic Development Plan for the IFPP.

Regarding the integrated accounting framework, members expressed that they understand the original intention of trying to promote better and more coherent accounting practices in these complex environments. However, a GUID is not the relevant means to pursue this end. A GUID on disaster-management should be focused on assisting auditors aiming to apply the ISSAIs while carrying out audits of the specific subject matters of disaster-management. The underlying issue here is how INTOSAI can best make efficient efforts of advocacy on this and other issues which INTOSAI members deems important. However, this is an issue to be addressed by the goal chairs or other INTOSAI bodies rather than FIPP.

Regarding the SDP 2.7, members were very much in line with the recommendations from the review team by giving priority to the two GUIDs on privatization and public-private partnerships rather than a GUID on economic regulations. Members expressed that it would be a challenging tasks to develop an updated GUID on economic regulation. There was also some doubts over the relevance and whether there is a clear case for focusing on this specific area of regulation rather than other areas.

**The way forward**

The next step in the process is to develop the three project proposals (see the due process, stage 1, <http://www.issai.org/data/files/1C/65/0D/A6/0529851068C19585BA5818A8/due-process-2016-english.pdf>) and establish three solid project groups who are able to take on the work of developing the 3 draft GUIDs.

We expect that we will soon learn from the KSC Chair how this work will be organized. Since you have already contributed significantly, we hope that many of you will also be willing and able to take part in this continued journey.

Thanks again on behalf of FIPP for the well-written reports and special thanks from the project liaison team – Kristoffer, Lionel and Rasmus – for the constructive cooperation during the review process.

Best regards

Rasmus