Project proposal: Forum of SAIs with Jurisdictional functions – Association of French Speaking SAI
June 22nd, 2017

**PART A: PROJECT IDENTITY**

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| **Description** | **Information** |
| Project number and title as per SDP | To be confirmed following the revision of the SDP |
| Working title(s) forthe new pronouncement(s) | International Standard on jurisdictional activities ( to be confirmed)  |
| Project aim | To provide an internationally recognized standard to the jurisdictional activities of SAIs. This initiative could be considered as a part of the INTOSAI Strategic Plan 2017-2022, under Strategic Goal 1, Professional Standards, Strategic Objectives 1.2 “Ensure that the ISSAIs are sufficiently clear, relevant and appropriate to make them the preferred solution for INTOSAI’s members”. Indeed, the lack of standardization of jurisdictional activities, performed by a quarter of INTOSAI members, justifies this work on jurisdictional control so that INTOSAI members having those missions would be able to refer to a standard (and a presentation of good practices) on jurisdictional control |
| Project objectives | * Establish a common set of best practices in termes of jurisdictional activities
* Support of the wider understanding of jurisdictional SAIs, including for SAI PMF assessment
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| Project duration | * 2 and half year
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| Name of the lead WG | Working group on value and benefits of SAIs ( Forum of Jurisdictional SAIs)  |
| **Key Contact** | **Name** | **Surname** | **Address** | **Email** | **Office****Phone** | **Organization /****Sponsoring****SAI** |
| Project Group lead | Pannier | Dominique | 13 rue Cambon, 75001 Paris, FRANCE | dpannier@ccomptes.fr | +33 1 42 98 96 60 | SAI France |
| Contact person for the goal chair | Subramanian | K. S. | Office of the Comptroller and Auditor General of India9, Deen Dayal Upadhyay MargNew Delhi-110 124.INDIA | subramanianks@cag.gov.in | 00-91-11-23237822 |  |
| FIPP liaison officer |  |  |  |  |  |  |
| **Other anticipated project team members** | SAI Chile, SAI Ecuador, SAI France, SAI Greece, SAI Morocco, SAI Peru, SAI Portugal, SAI Senegal , SAI Togo, SAI Turkey |

**PART B: PROJECT MILESTONES**

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| **Stage** |  **Due process milestones** |
| 1. |  Project proposal | Start date | End Date | Expected time in Total | Comments |
| 01.01.2017 | 01.09.2017 | 9 months | Depending on FIPP agenda |
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| 2. | Exposure draft | Start date | End Date | Expected time in Total | Comments |
| 02.09.2017 | 01. 01. 2019 | 1 year and 4 months |  |
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| 3. | Exposure period | Start date | End Date | Expected time in Total | Comments |
| 02.01.2019 | 01.04.2019 | 90 days | As per due process |
| Endorsement version | Start date | End Date | Expected time in Total | Comments |
| 02.04.2019 | 01.08.2019 | 4 months |  |
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| 4. | Final pronouncement,including translationinto all official INTOSAIlanguages\* | Start date | End Date | Expected time in Total | Comments |
| 01.08.2019 | INCOSAI XXIII – Nov 2019 |  | Date of the INCOSAI XXIII TBC |
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**PART C: INITIAL ASSESSMENT AND PROJECT PROPOSAL**

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| N° | **Initial assessment - Matters to be covered (Due Process, pages 6 and 7)2** |
| C. 1 | Explanation of the need for the projectExplanation of the purpose of the project | Around the world, 26% of the SAI undertake control activities of public finances considered as “jurisdictional”. The SAIs built on the “Court of Account” model are not the only ones to have a legal mandate enabling it to exercise these activities. These characteristics have to be taken into account, especially in SAI PMF Assessment. To date, the specific principles and practices of the jurisdictional control of SAIs are not included in the INTOSAI’s Professional Pronouncements Framework. A strong request for standardization of jurisdictional activities rose, in particular within the INTOSAI Goal 2 considering that capacity-building programs require a thorough understanding of all SAI models and their activities. The members of the Forum of SAI with Jurisdictional functions ( FSAIJ) agreed unanimously of the necessity to create a working group, whose mission would be to help to integrate jurisdictional activities standardization within the INTOSAI Framework of Professional Pronouncements. The Association of French speaking SAIs (AISCCUF), associate member of INTOSAI, and made of a majority of SAIs with jurisdictional functions supports this initiative.  |
| C.2 | Description of the categories of auditing or other engagements that will be covered by the new pronouncement(s) | The purpose of the jurisdictional control activity performed by some SAIs is to judge the accounts submitted by the public accountants and, in some cases, the authorizing officers (managers) in their management activities. This jurisdictional control is not a substitute for compliance and performance audits but it supplements them. It is indeed the mission of the SAI with jurisdictional function to sanction non-compliance with public finance legislation. This judgment may be based on the existence, by law, of a specific liability status for public accountants, and if applicable of authorizing officer, separated from civil or criminal liability under common law. This specific liability regime results in the personal and pecuniary liability of a public accountant who would have disrespected the legal and regulatory obligations imposed on him/her in his/her activity as a payer of public expenditure or as a receiver of public revenues. Legal framework and scope of the jurisdictional control may differ from one SAI to another. Therefore, the goal of the standard will be to set the common set of rules that could be applied to all of them, regardless of their different legal framework. If the jurisdictional control can be conducted in some cases as a type of specific control, it can also be conducted together with other forms of audit (financial audit, compliance audit, performance audit). It never substitutes for these others forms of control but it could be complementary to them.  |
| C.3 |  Description of different types of SAIs / audit engagements that must be accommodated in the new pronouncement | The main specificity of SAIs with jurisdictional function is that they are entrusted with enforcing legislation and regulation. In addition, they create, over the years and the judgments that they give, a jurisprudence, which applies itself to the litigants. For the SAIs whose jurisdictional functions are shared with other missions or competences, the jurisdictional activity is far from marginal. Historically, it may have been the first competence recognized by Constitution or by law for these SAIs, which explains their designation, as “court” or “tribunal”. Some of them are organized according to a jurisdictional system, which includes a first instance level (according to geographical criteria most often), appeal judge and a Court of Cassation.  |
| C.4 | Challenges, if any foreseen, that would **have to be managed by****SAIs** in implementing the new pronouncements | In rare cases, legal framework of jurisdictional activities may need some adjustment.  |
| C.5 | Explanation of how consistency other existing ISSAIsand other professional pronouncement(s)will be ensured | At first, the current set of ISSAIs, and more specifically, those on compliance audit (ISSAI 4000) do not appear as an obstacle to the creation of a specific standard on jurisdictional control. No major risks of inconsistency was identified. The standard on compliance audit – ISSAI 4000- evidences loopholes with regard to the full range of jurisdictional activities. The drafting of the jurisdictional standard should acknowledge and complement the provision specific to jurisdictional SAI within the ISSAI 4000. The drafting of a jurisdictional ISSAI will allow to precise the existing standards or/and their wording.  |
| C.6 | Explanation of the extent to which it will be possible and desirable tobuild on pronouncements from other internationally recognized,regional or national standard-setters and, if so, the extent to whichsupplementary pronouncements are needed to provide clarity on newpronouncement | To our knowledge, there is no international standard on jurisdictional control activities of public finances. However, there is no regional supranational text requesting this type of control. For instance, as background: Within the framework of the Central African Economic and Monetary Community on public finances, directive 02/11-UEAC-190-CM-22 endorsed on December 19, 2011, regarding public accounting, commits the signing countries of the region to establish a Court of Account with:- a power of sanction for delays in account production ( article 28), - a power of hearing and a duty to contradiction ( article 29), - a power of inquiry on documents and on the spot, ( article 69 and 91)- a power of sanction for offense of obstacle. Directive 03/11-UEAC-190-CM-22 also endorsed on December 19th, 2011, regarding the code of transparency and good governance in public finances management, in its section IV “ Control”, restates the necessity of creating a Cour of Account with jurisdictional functions. |
| N | Project proposal - Matters to be covered (Due Process, page 7)2 |
| C.7 | Explanation of organisation of the project describing how project group members will be drawn from relevant sub committees/ working groups/ other interested parties | Initially, the Forum of jurisdictional SAIs was created under the auspices of the Working group of Value and Benefits of SAIs. As of now, this Forum gathers 33 SAIs with jurisdictional functions. Within this large group, 10 SAIs[[1]](#footnote-1) volunteered to work on this project. However, only three of them are members of WGVBs. With the agreement of the Goal 3 Chair and the WG chair, the remaining SAIs could be included in WGVBS and form a sub-group to work in this topic.  |
| C.8 | Explanation of the outcome of the project specifying how existing professional pronouncements may be affected. | This project should not affect any other pronouncements. If needed, this aspect could be elaborated further.  |
| C.9 | Explain the quality processes that will be applied in the drafting process (see Due Process, page 7 and 8) along with the parties that the project group will consult and engage with. | On this project, quality control will rest upon a constant dialogue with the FIPP, the members of the working group and, eventually, review by all the Jurisdictional SAIs of the Forum of jurisdictional SAIs.  |

**PART D: AUTHORITIES**

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| **PERSON** | **NAME** | **SURNAME** | **DATE** | **SIGNATURE** |
| Project leader |  |  |  |  |
| Responsible goal chair |  |  |  |  |

1. SAI Chile, SAI Ecuador, SAI France, SAI Greece, SAI Morocco, SAI Peru, SAI Portugal, SAI Senegal , SAI Togo, SAI Turkey [↑](#footnote-ref-1)