Annex

1. **The scope of the project and an explanation of its relevance to INTOSAI’s overall strategic, cross-cutting and more specific standard setting objectives.**

INTOSAI Strategic Plan 2017-2022 indicates the central role of INTOSAI and SAIs in promoting good governance and accountability.

Today public procurement is the key tool to ensure a reliable, efficient and transparent management of public resources, which influences all aspects of socio-economic development and helps achieve strategic national goals.

Regulations in this area are also relevant due to a significant volume of public procurement in all countries and confirmed by a number of internationally recognized documents determining and specifying principles of public procurement.

*For reference:* *Internationally recognized documents indicating the principles of public procurement or related to it:*

* *United Nations Commission on International Trade Law (UNCITRAL) Model Law;*
* *OECD Principles for Integrity in Public Procurement;*
* *Implementing the OECD Principles for Integrity in Public Procurement;*
* *OECD Convention on Bribery of Foreign Public Officials in International Business Transactions;*
* *United Nations Convention against Corruption (Chapter II on preventative measures, in particular Article 9 on public procurement and management of public finances);*
* *Legislative package of the Directives of the European Parliament and of the Council on Procurement;*
* *International Labour Organisation Labour Clauses (Public Contracts) Convention.*

While there are no INTOSAI pronouncements in the area of the public procurement audit so far. The developing Standard should fill this gap.

The following features of the public procurement and public procurement audit shall be taken into account while developing the future Standard:

1. Public procurement is implemented on a similar algorithm almost in every jurisdiction as a single goal-oriented management process which is characterized by the following stages: the substantiation of the procurement, the preparation of the procurement, the implementation of the procurement, the usage of procurement results, the completion of the use of the procurement.

2. The complex nature of public procurement process demands for their evaluation and control and requires comprehensive approach to formation of the audit engagements, which are implemented through a set of fundamental principles including not only the fundamental principles of public sector auditing but also specific features and principles inherent in public procurement.

3. Public procurement audit is a separate area of public audit, the specifics of which is defined by its core subject which is public procurement carried out in various forms.

It determines how the Standard fits in the new INTOSAI framework of professional pronouncements.

Regarding the relevance to the overall strategic goals and objectives of INTOSAI Strategic plan 2017 – 2022 the developing and adopting of the Standard addresses to the following:

* Goal 1: Professional Standards (advocating for, providing and maintaining International Standards of Supreme Audit Institutions and contributing to the development and adoption of appropriate and effective professional standards);
* Goal 3: Knowledge Sharing and Knowledge Services (in terms of developing the new Standard and maintaining of a high level of communication as well as following best practices); Strategic objective for Goal 3 (producing INTOSAI products, operating a community portal, conducting best practice studies and performing research on issues of mutual interest); Standard is a common part of the development and support of research in the area of public procurement. It shall make an important contribution to the new INTOSAI framework of professional pronouncements formation.
* Goal 4 (in terms of maximizing INTOSAI’s value).

The developing of the Standard also corresponds to the INTOSAI’s crosscutting priorities for achieving its 2017-2022 Goals.

1. **Suggestions on withdrawing unnecessary or outdated pronouncements under the same area of responsibility (if applicable).**

Given the fact that there are no currently available INTOSAI pronouncements on public procurement audit such proposals are not made.

1. **Impact upon scope and timelines on existing projects in approved SDP.**

The developing Standard has no impact on timeline and endorsement timetable on existing projects in approved SDP.

At the same time while developing the Standard the possible information exchange can be made with the INTOSAI Working Group on the fight against corruption and money laundering.

1. **Timelines and project team.**

Standard will be developed by INTOSAI’s Working Group on public procurement audit according to the following timeline:

|  |  |
| --- | --- |
| **Milestones** | **Time frames** |
| 1 Project proposal | August 2017 |
| 2 Exposure draft | June 2018 |
| 3 Endorsement version | December 2018 |
| 4 Final pronouncement | February 2019 |
| 5 Applicable standards ( ISSAI ) | December 2019 |

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