PSC REPORT ON THE IMPLEMENTATION OF THE SDP
(as of October 15th 2018)

The “Due Process for INTOSAI Professional Pronouncements”, endorsed at INCOSAI 2016, introduced a new instrument in the standard setting process – the Strategic Development Plan (SDP). This refers to a general strategy and a working plan for the development of the INTOSAI framework of professional pronouncements.

The SDP 2017-2019 was approved by the INTOSAI Governing Board in 2016 and includes a list of projects to be developed as a matter of priority. The Plan was revised in 2017, when the Governing Board approved the proposal to exclude one project, and to add three additional ones.

Currently, the plan suggests a total of twenty projects, divided into three categories, defined below. Not all of proposed projects have yet been initiated.

**Priority 1** are those projects and activities related to the implementation of the new framework for professional pronouncements. All three proposed projects, as well as the actions to migrate existing documents to the new framework have been initiated. The status of each project is:

**Relabelling and renumbering of pronouncements**

A number of pronouncements needed to be editorially updated to fit into the new framework. The basic numbering principles are shown in table 1 and in Figure 2 of annex 1 of the SDP. The new numbering scheme was provided by FIPP in December 2017, in order to allow the PSC Secretariat to begin the migration work (to be done in a centralized manner, as approved in the PSC-SC meeting in 2017). This work is in progress and it is expected to be concluded by INCOSAI 2019.

**Project 1.1 - update the preamble of INTOSAI P-10 (former ISSAI 10)**

The endorsement version of the new document has been approved by FIPP and is being presented for the approval of the members of the Governing Board. Upon approval, the revised document will take effect and become part of the framework.

**Project 1.2 – revision of ISSAI 200**

This project is being developed by a project group under the responsibility of the Financial Audit and Accounting Subcommittee (FAAS). A first version of the exposure draft was submitted to FIPP, via the PSC Chair. FIPP recommended some changes to the text, which are currently being discussed within the project group, and a new version of the exposure draft will be presented before the next FIPP meeting.

**Project 1.3 -- consolidation and improvement of INTOSAI practice notes**

Phase 1 of the project, which consisted of editorial improvements, was finalized. The project group, under the responsibility of FAAS, is now working on phase 2 of the project, the exposure draft consisting of consolidation and technical improvements in the practice notes.
**Priority 2** consists of projects to develop guidance by 2019 to support ISSAI implementation. All proposed projects under this priority have been initiated (project 2.4 was excluded in the 2017 revision). The status of each project is:

**Project 2.1 – guidance on financial audit**
The project proposal, under the responsibility of FAAS, was approved by FIPP. The project leader was chosen and is forming the project group to develop the pronouncement.

**Project 2.2 – guidance on compliance audit**
The project proposal, under the responsibility of CAS, was approved by FIPP. The project group is currently working on the exposure draft.

**Project 2.3 – using ISSAIs in accordance with the SAI’s mandate and carrying out combined audits**
The project proposal, under the responsibility of CAS, was approved by FIPP. The project group is currently working on a needs assessment, that will serve as an input to the exposure draft.

**Project 2.5 - consolidation and improvement of guidance on understanding internal control in an audit**
The responsible subcommittee (ICS) is doing preliminary studies before preparing the project proposal.

**Project 2.6 - consolidation and improvement of guidance on reliance of the work of internal auditors**
The project proposal was discussed in FIPP, which recommended some changes to improve the document. The project group, under the responsibility of the ICS, is preparing a revised project proposal to a new submission to FIPP.

**Project 2.7 – consolidation and alignment of guidance for audits of privatization with ISSAI 100**
KSC Chair formed a study group that did a preliminary work and concluded about the need of developing two GUIDs. Project proposals were sent by the KSC Chair to FIPP, which recommended some changes in documents. A project group is being established and revised project proposals are being prepared.

**Project 2.8 - consolidation and alignment of guidance on IT audit with ISSAI 100**
The project group, under the responsibility of WGITA, send to FIPP, via KSC Chair, the first versions of two exposure drafts. FIPP recommended changes in the documents. The project group is working on new versions of the exposure drafts.

**Project 2.9 - consolidation and alignment of guidance on public debt audit with ISSAI 100**
The project proposal, under the responsibility of WGPD, was approved by FIPP. The project group is currently working on the exposure draft.
Project 2.10 - consolidation and alignment of guidance on audit of disaster related aid with ISSAI 100

KSC Chair formed a study group to carry out some preliminary work and concluded about the need for developing a GUID. A project proposal was sent by the KSC Chair to FIPP, which recommended some changes to improve the document. A project group is being established and a revised project proposal is being prepared.

Project 2.11 – guidance on public procurement audit

The project group, under the responsibility of WGPPA, sent to FIPP, via KSC Chair, the first version of the exposure draft. FIPP recommended that the group should promote some changes into the document. The project group is working on a new version of the exposure draft.

Project 2.12 – International pronouncement on Jurisdictional Activities of SAIs

The initial outcome of the project when included in the SDP would be a GUID. The project group, under the Forum of Jurisdictional SAIs, argued that the resulting document would be an ISSAI, rather than a GUID. FIPP, in its August 2018 meeting, agreed that the resulting pronouncement should not be a GUID, but the project group should be clearer about the principles it is going to address in the document, in order to determine if the pronouncement would be an ISSAI or an INTOSAI-P. The project group is working on a revised project proposal.

Priority 3 projects are envisaged to strengthen INTOSAI professional pronouncements beyond 2019. From the 10 proposed projects, only one has been initiated. According to a decision taken by the PSC-SC, if these project proposals are not submitted to the FIPP by their first meeting of 2019, they will no longer be accepted and they should be considered for the next SDP alongside with other proposals.

Project 3.10 – guidance on audit of Key National Indicators

The project group, under the responsibility of WGKNI, sent to FIPP, via KSC Chair, the first version of the exposure draft. FIPP recommended that the group should promote some changes to the document. The project group is working on a new version of the exposure draft.