

Drafting conventions for “*application material*” within the ISSAIs in the INTOSAI Framework of Professional Pronouncements

Introduction

1. The purpose of these drafting conventions is to ensure that all application material within the ISSAIs in the INTOSAI Framework of Professional Pronouncements (IFPP) maintain a high level of quality, are technically sound and consistent throughout the ISSAIs, at the same time as being easy to read, understand and apply. The drafting conventions are required to accomplish the objectives of the IFPP strategic development plan.
2. These drafting conventions will be included in the forthcoming Drafting conventions for ISSAIs in the INTOSAI Framework for Professional Pronouncements.
3. These drafting conventions have been developed by the Forum of INTOSAI Professional Pronouncements (FIPP) and are in effect from the 23rd of March 2018.

Responsibility

4. The responsible project group has to ensure that the application material fulfil the requirements of these drafting conventions.

Definition of application material in the IFPP

5. Application material is mandatory to consider when operationalizing the requirements in the ISSAIs. They explain the requirements, the rationale behind the requirement and assist the auditor to comply with these requirements.

Application material is included in the ISSAIs as the ISSAIs are comprised of:

- a) The basic set of concepts and principles that define public sector auditing and the different types of engagements supported by the ISSAIs.
- b) The fundamental principles which INTOSAI have defined as universally applicable professional standards. The auditing practices of all SAIs as well as any national standards for public sector auditing should be aligned to these.
- c) The organizational level requirements which the SAI and the engagement level requirements which the auditor must comply with if they state compliance with the ISSAIs (rather than national standards)
- d) *Application material that is relevant to ensure that the fundamental principles and requirements are understood and applied as relevant in the circumstances of the individual engagement.*

6. Names other than “application material” have been used within the existing ISSAIs for content which should be considered “application material”. For documents developed within INTOSAI, the intention over time is to rename this content as application material. These other names for application material include:
 - a) *Application and other explanatory material* – application material for financial audit included in the International Standards of Audit (ISA) and developed by the International Audit and Assurance Standard setting board (IAASB), part of the ISSAI 2200 – 2810
 - b) *Application guidance* – application material for requirements relating to organizational level and developed by INTOSAI, part of the ISSAI 130 – 199
 - c) *Explanations* – application material in ISSAIs 3000 and 4000.

Applicability

7. **These drafting conventions apply to all ISSAIs except for the Fundamental Audit Principles ISSAI 100-129, 200 – 699.**
8. The requirements in the ISSAIs may be further explained in the application material though that is not mandatory.
9. These drafting conventions apply by analogy to Competency Standards (COMP).

Structure

10. **The application material shall clearly refer to the requirements in the ISSAIs which they are clarifying. In most cases, the application paragraph shall be placed directly below the relevant requirement.**
11. **The application material shall be numbered.** The application material as such varies when it comes to structure. It could be one sentence or a few sentences grouped as one paragraph or multiple paragraphs. Each paragraph shall be separately numbered.
12. In most cases application material will be located within an ISSAI. However on limited occasions FIPP may approve application material to be issued in a stand-alone document. **If the application material is developed as a standalone document (not included in same document as the ISSAIs), when so the document shall begin with the following structure:**
 - (a) Contents page
 - (b) Introduction

Introductory material shall include short and clear information with reference to which ISSAIs the document refers to and the scope of the document.

This section should also include a statement that the application material does not in any way extend the auditor responsibilities or override the requirements nor the principles as stated in the ISSAIs or INTOSAI-P

(c) Objective

This section shall include a definition of application material and explain how the document aims to assist the auditor in the operationalization of the relevant requirements in the ISSAI or ISSAIs.

(d) Definitions

For greater understanding, the document (where applicable or necessary) may contain definitions of applicable terms or may refer to the existing definitions within the ISSAIs.

Content

13. The application material shall assist auditors and SAIs in the understanding and application of the requirements as relevant in the circumstances of the individual engagement or on an organizational level.

- a) The application material shall refer to, in all aspects be consistent with and avoid any statements that contradict the underlying prerequisites for the functioning of SAIs (ISSAI 10-99), fundamental audit principles (ISSAI 100 – 129, 200 – 699), SAI organizational requirements (ISSAI 130 – 199) and audit standards (2000 – 2899, 3000 – 3899, 4000-4899, 6000 – 6499).
- b) The application material must not extend the underlying principle or requirement of the auditor's and the SAI's responsibilities at institutional level as stated in the ISSAIs and professional pronouncements.

14. The application material shall assist in the implementation of the requirements in the ISSAIs, specified in the paragraph 7, by:

- a) clarifying the meaning of the principle or requirement
- b) clarifying the rationale behind the requirement, when relevant
- c) specifying what the requirement or principle is intended to cover
- d) clarifying as to whether or not the requirement is relevant in different circumstances
- e) explaining the requirements in practical terms under different circumstances

15. The application material could also include examples of procedures that may be appropriate under given circumstance. Such interpretation support can therefore also be important to avoid the requirements being misunderstood.

Understandability

16. **The application material shall use the same terminology as used in the IFPP.** Additional terms or concepts may be introduced to deal with matters that are not addressed in the IFPP; and if so, must be clearly defined.
17. **The application material shall use the term ‘the auditor’ and set out what guidance is given to the auditor.** Where it is relevant (e.g. where organisational issues are involved), reference may also be made to ‘the SAI’.

16. The overriding principles of being simple, clear and relevant shall be applied:

- (a) Simple writing does not use unnecessarily complicated words, phrases, technical jargon and sentence structure.
- (b) Clear writing places the most important information first, is designed for ease of use, and uses correct spelling, grammar and punctuation.
- (c) Relevant writing writes from the reader's point of view, uses the proper tone and style, makes it easy for readers to find what they are looking for, and writes in a way that expresses equality and respect for all individuals.

Formatting

18. **The auditor or when relevant the SAI shall consider the application material when operationalizing the requirement,** but as it is not a requirement the word “may” must be used.
19. **All application material shall follow the principles below:**
- a) The font type Ariel shall be used
 - b) The font size for body text shall be 11 and for headings 15
 - c) Formatting techniques shall be used to improve readability, such as numbering paragraphs and using bulleted lists.
 - d) All documents shall be language edited by an expert prior to finalisations
 - e) Translation shall be undertaken by a qualified professional with the necessary knowledge and competencies.