

SUMMARY of workshops organized on the review of THE INTOSAI framework of professional pronouncements (component 1)

Introduction

The INTOSAI Professional Standards Committee (PSC) undertook the analysis of the INTOSAI Framework of Professional Pronouncements (IFPP) to better define, scope and plan its future development.

The aim of the project was to look at the clarity of concepts and drafting and presentation of the framework. The review neither questions the formal requirements nor makes proposals for factual changes to the substance of those requirements and therefore the way audits are done.

The project has been divided into the following phases: 1. Desk review 2. Online discussions on specific issues 3. Survey to identify the needs of the INTOSAI community 4. Analysis of the survey and workshops to discuss the preliminary findings.

In the phase 4, the main preliminary findings were transformed into discussion themes. The PSC Secretariat then organized 14 online workshops with over 200 participants from 55 countries. This summary outlines the discussions.

The workshops were:

Regional organizations: AFROSAI-CAROSAI, OLACEFS, EUROSAI, ARABOSAI, PASAI-ASOSAI

PSC Subcommittees: Subcommittee chairs, FAAS, ICS, CAS, PAS

Other: ISLO, IDI and General Secretariat, GCC, External Partners.

The input from the workshop must be seen in conjunction with the results from the survey, the desk research and the other consultations. The workshop is only one part of the Component 1 analysis.

1 - Setting the bar at the adequate level for requirements

The discussions were based on the following discussion points:

The IFPP sets the general basic requirements for government auditing – high level of compliance (in theory) shows that the bar is at common practice level.

SAls have different maturity levels. Most SAls state compliance with the standards, although not with all aspects set out by the IFPP. It is important to consider the needs and smaller capacity in terms of resources of SAls in working in challenging contexts.

Some main points that came up in the workshops:

1. INTOSAI should aim for a **principles-based framework** that adds value to SAls' work. We should deliver a strategy to increase an understanding of the value and usefulness of the IFPP.
It is not clear to the users of the IFPP what it means to be ISSAI compliant. This should be defined. It is also unclear if the audits or the SAI should be ISSAI compliant.
2. **It has not been defined whether the bar is too high, too low, or at acceptable level.** The relatively high number of SAls applying the ISSAIs suggests that the current level of requirements

is acceptable. Requirements of public audit standards should not be lower than those applicable to the private sector.

Although we should avoid calibrating the requirements too high, most SAIs consider that the framework should encourage SAIs to undertake high quality audits resulting in high quality output. In any case, raising the bar should be a steady process accompanied by capacity building activities to avoid creating more gaps.

3. Regarding **SAIs different maturity levels** it is crucial to build the capacity of SAIs in challenging conditions to be able to implement the standards. Some SAIs suggested that it would be useful to introduce the option to implement the standards in incremental steps. It was mentioned that the GUIDS are very important in operationalizing the set INTOSAI Auditing Standards to enhance the level of compliance.
4. There is a need to define the **scope of the framework and its objectives**. Currently, there is no clear distinction between standards and guidance. INTOSAI needs to ensure that definitions and application material are understandable. It was suggested to establish logical pathways for carrying out the different types of audits, individually or within one audit engagement.
5. Regarding **monitoring**, SAIs need to know where they are in relation to the standards and compare with others for example by comparing with SAIs in the same region. Peer reviews could give a neutral point of view of where you are. INTOSAI needs tools to measure and follow progress towards ISSAI implementation
6. **Capacity building** is essential to the use of the standards. We should consider a platform for sharing experience, knowledge, and challenges among SAIs within INTOSAI community on the practical application of the Auditing Standards. Many SAIs have challenges and could benefit from peer assistance to find practical solutions. Collaboration of INTOSAI Capacity building with the standard setting should be strengthened.

2 - Improving user experience when accessing and applying the standards

The discussions were based on the following discussion points:

In practice, most audits combine different audit objectives in a single audit engagement. The current presentation hampers the understanding of which requirements to apply, because they are presented in separate documents. This is complicated further through unnecessary repetition and by presenting the same requirements/concepts with different wording, and because of the difficulty in searching within documents.

These challenges can be addressed by a flexible approach to presenting the material. Auditors and SAIs are now more familiar with technological solutions than before the COVID pandemic. Technological advancements allow digitalisation and web-based solutions to increase flexibility, searchability and user-friendly access and application.

A solution could be by presenting the framework to allow auditors to identify with greater confidence which requirements to apply for the engagement concerned. While looking for a new presentation of the material, we still need to safeguard the integrity of the IFPP and respect the specificities of the individual audit types. This solution should also still allow downloading material from the platform.

Some main points that came up in the workshops:

1. While most SAIs indeed **combine different audit objectives** in a single audit engagement, some still conduct pure FA, CA and PA, so should be able to access standards separately. Most SAIs do not have problems with the combinations (so there seems to be no need for a specific ISSAI to combine audits), but rather with the ambiguity of how requirements are phrased. However, some useful guidance addressing these issues already exists – such as AFROSAI-E

guidance on the combination of FA and CA in one audit task. Some of the questions raised in the discussion were linked to lack of clarity for preparing a single report when combining audit objectives or whether it was truly necessary to issue separate opinions on the financial and compliance element of the issues covered.

2. Regarding the **quality of the material**, translations are a challenge, especially to Arabic. The text should be easy and quick to understand for each audit type, and should have clear requirements. However, they should not be defined separately for each audit process.
3. Regarding the **quantity of the material**, the problem is that there is too much material with too much repetition and auditors are not able to find all relevant requirements. You can find the information you need, but it takes a lot of time as the documents are in PDF.
4. Presenting the audit standards in **“Wikipedia” format** could be useful as well as videos explaining the standards and their importance. A mobile app should be considered. The referencing system should be significantly improved to improve access to material. Good practice was found in UN, ECA, IFAC and IAASB websites. We should implement a tool to cross-check within the IFPP and include an efficient search engine.
5. **Auditors should not be required to look at 2 or 3 different places to find information on one issue.** In this context, SAIs referred to material repeated between ISSAIs of the hundred and thousand series. Digitalization should help to tackle the overlaps.
6. Even though downloading the **PDF documents** is not the most user-friendly way to present the framework, an offline solution is still needed for SAIs with challenges in accessing the internet. Hyperlinks should be considered for interconnectivity between the documents. It is also important to ensure access to older versions to know which standards were in place at a particular time.

3 - Providing relevant and up-to-date guidance

The discussions were based on the following discussion points:

Currently there is no clear vision for the scope and overall purpose of the IFPP: the framework came into being after most of the documents that compose it. In practice, there is no definition of a GUID, and it appears that if some material was not deemed fit to be labeled as an INTOSAI-P or ISSAI, it was simply labeled as a GUID.

The development period for GUIDs (following due process) is lengthy and the process is complex. Some documents are clearly outdated, while others cannot be adopted in time to react to current developments. This is because audit practice around many subject-matter topics can evolve quickly and the collective built body of knowledge (experience) regarding them grows even faster. To facilitate the process of providing useful timely guidance, it could be placed outside the IFPP to allow for a streamlined approval process that would still guarantee the necessary level of quality.

Finally, it is unclear if “mandatory” guidance is actually guidance or a rather requirement.

Some main points that came up in the workshops:

1. There is a clear demand for a **strategy and overall purpose of the IFPP**, including definition of its scope - what should be in it. We need to define what is a standard, what is guidance, and between the different types of guidance – GUIDs, manuals, handbooks. We need to find a balance between relevance and abundance of documents.
2. A clear message from the workshops is that **GUIDs should not be mandatory**. Their position in the hierarchy of IFPP must be clarified. They are seen as material supporting the standards, but not standing at the same level. This notably applies to subject matter guidance, which can be seen as standalone material.
3. Another issue is the **development process for the GUIDs**. There should be some process in place to ensure quality but it might be a different from the due process necessary for the

INTOSAI-Ps and the ISSAIs. This is because the GUIDs are expected to be delivered or updated in time. In any case, drafting conventions for GUIDs is need.

4. Regarding the **access to the GUIDs**, a digital solution for finding them easier is recommended. Sometimes it is hard to know which GUID to consult for a specific topic and under subject matter topics a lot of guidance is already available. A collaborative tool would help knowledge sharing.