



The purpose of INTOSAI's Professional Standards

Introduction

The International Organization of Supreme Audit Institutions (INTOSAI) provides an institutionalised framework of professional standards to Supreme Audit Institutions (SAIs), which are national authorities with responsibility within the constitutional system for the auditing of publicly funded activities. The professional standards serve to improve public-sector auditing worldwide and enhance the professional capacities, standing and influence of SAIs.

INTOSAI currently provides two sets of professional standards: the International Standards of Supreme Audit Institutions (ISSAIs) and the INTOSAI Guidance for Good Governance (INTOSAI GOV). The latter form a group of pronouncements separate from the ISSAIs and are aimed at governments and others with responsibility for the management of public funds or publicly funded activities. They provide guidance on good governance, including the establishment of effective systems of internal control, reliable internal auditing and adequate standards of accounting and reporting in the public sector.

Together, the ISSAIs and INTOSAI GOVs convey the generally recognized principles and shared professional experiences of the international community of SAIs. All ISSAIs and INTOSAI GOVs are developed and maintained in accordance with the [Due Process for INTOSAI's Professional Standards](#) and issued after a decision of final endorsement by all Supreme Audit Institutions at INTOSAI's congress (INCOSAI).

The hierarchy of the ISSAIs

Professional auditing standards are essential for the credibility, quality and professionalism of public-sector auditing and the ISSAIs aim to promote independent and effective auditing by SAIs.

The ISSAIs form a hierarchy of official pronouncements with four levels.

Level 1 - Founding Principles (ISSAI 1)

Level 1 of the ISSAI framework contains the founding principles of INTOSAI. ISSAI 1 The Lima Declaration from 1977 calls for the establishment of effective SAIs and provides guidelines on auditing precepts. All ISSAIs draw and elaborate on this historical document.

Level 2 - Prerequisites for the Functioning of Supreme Audit Institutions (ISSAIs 10-99)

The Prerequisites for the Functioning of Supreme Audit Institutions contain INTOSAI's pronouncements on the necessary preconditions for the proper functioning and professional conduct of SAIs. These include principles and guidance on independence, transparency and accountability, ethics and quality control. SAIs should adopt auditing standards in accordance with the Fundamental Auditing Principles. The prerequisites may concern the institution's mandate and further legislation as well as the established procedures and daily practices of the organization and its staff. By issuing pronouncements on these generally accepted prerequisites, INTOSAI aims to advance sound principles for the effective functioning of public-sector auditing on an international level.

Level 3 - Fundamental Auditing Principles (ISSAIs 100-999)

The Fundamental Auditing Principles express the essence of public sector auditing. They contain the common pronouncements by INTOSAI's members of the generally recognized professional principles that underpin effective, independent auditing of public-sector entities.

ISSAI 100 – Fundamental Principles of Public-Sector Auditing – presents a definition of public-sector auditing and provides the essential concepts, elements and principles that apply to all public-sector audits, irrespective of their form or context and irrespective of the tasks and mandate of the individual SAI.

ISSAIs 200, 300 and 400 build on – and further develop – the principles to be applied in the context of financial, performance and compliance auditing, respectively, and should be applied in conjunction with the principles set out in ISSAI 100.

Level 4 - Auditing Guidelines (ISSAIs 1000-5999)

The Auditing Guidelines translate the fundamental auditing principles into more specific, detailed and operational guidelines that can be used on a daily basis in the conduct of auditing tasks. Each guideline has a defined scope of application and may be adopted in full or adapted as necessary to reflect national circumstances.

The *General auditing guidelines* (ISSAIs 1000-4999) contain the recommended requirements of financial, performance and compliance auditing and provide further guidance to the auditor. They are developed and continuously updated by specialized subcommittees and define the internationally recognized best current practice within their general scope of application. The requirements for financial auditing are defined by the International Standards on Auditing.

The *Guidelines on specific subjects* (ISSAIs 5000-5999) provide supplementary guidance on specific subject matters or other important issues which may require the special attention of SAIs. These guidelines express the key lessons resulting from the sharing of knowledge and good practices among INTOSAI's experts.

Using the ISSAIs as auditing standards

It is for each SAI to make strategic decisions in order to respond to the requirements in its mandate and other legislative requirements. Such decisions may include which auditing standards are applicable, which audits will be conducted and what their objectives should be.

The ISSAIs do not override national laws, regulations or mandates, nor do they prevent SAIs from carrying out investigations, reviews or other engagements that are not specifically covered by the existing ISSAIs.

Auditors may refer to the ISSAIs in one of two principal ways*

1. audit reports may state that the audit was conducted in accordance with a national standard based on or consistent with the Fundamental Auditing Principles (ISSAIs 100-999) of the International Standards of Supreme Audit Institutions;
2. audit reports may state that the audit was conducted in accordance with the International Standards of Supreme Audit Institutions.

In the first case, the SAI may have defined national standards based on the Fundamental Auditing Principles or adopted standards from other recognised standard-setting bodies.

In the latter case, the general auditing guidelines (ISSAIs 1000-4999) on financial, performance or compliance auditing are applied as auditing standards and all requirements relevant for the audit have been followed.

For more detailed guidance on the authority of the ISSAIs, please consult ISSAI 100 Fundamental Principles of Public-Sector Auditing.

INTOSAI Professional Standards Committee, April 2014

*In a transition period from 2013 to the end of 2016, SAIs may also refer to the INTOSAI Auditing Standards from 1992.