



## The purpose and authority of INTOSAI's Professional Standards

The International Organization of Supreme Audit Institutions (INTOSAI) provides an institutionalised framework for Supreme Audit Institutions to promote development and transfer of knowledge, improve public sector auditing worldwide and enhance the professional capacities, standing and influence of its members in their respective countries. Supreme Audit Institutions are national authorities with responsibility within the constitutional system for the auditing of publicly funded activities. The exchange of knowledge among INTOSAI members and the resulting findings and insights is a guarantee that public sector auditing continuously improves.

INTOSAI issues two sets of professional standards: The International Standards of Supreme Audit Institutions (ISSAIs) and the INTOSAI Guidance for Good Governance (INTOSAI GOV).

The ISSAIs and INTOSAI GOVs convey the generally recognized principles and shared professional experiences of the international community of Supreme Audit Institutions. 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 International Standards of Supreme Audit Institutions (ISSAIs)

The ISSAIs aim to safeguard independent and effective auditing and support the members of INTOSAI in the development of their own professional approach on the basis of their specific mandate. The first complete set of ISSAIs was launched at the XXth Congress in Johannesburg, South Africa in 2010. In the South Africa Declaration INTOSAI has called upon its members to:

- Use the ISSAI framework as a common frame of reference for public sector auditing;
- Measure their own performance and auditing guidance against the ISSAIs;
- Implement the ISSAIs in accordance with their mandate and national legislation and regulations;

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 Supreme Audit Institutions and provide guidelines on auditing precepts. The full set of ISSAIs draw and elaborate on this historical document.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 Supreme Audit Institutions. These include principles and guidance on independence, transparency and accountability, ethics and quality control. 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. The principles draw and elaborate on the founding principles of ISSAI 1 The Lima Declaration and provide the authoritative international frame of reference that defines public sector auditing in its contemporary forms. The purpose is to advance and safeguard good auditing practices, support the continued development of effective Supreme Audit Institutions and provide a common professional foundation for international cooperation within INTOSAI and its regional organizations. The principles should be pursued on the basis of the individual Supreme Audit Institution's mandate and strategies and applied as relevant and appropriate for the specific audit assignment taking cognizance of the prerequisites of independence, transparency and accountability, ethics and quality control.

### ***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. The purpose of the guidelines is to provide a basis for the standards and manuals on public sector auditing which may be applied by the individual members of INTOSAI. Each guideline has a defined scope of application and may be adopted in full or adapted as necessary to reflect the individual circumstances of the jurisdiction. Such circumstances may include the legal mandate and further strategies and capacity of the Supreme Audit Institution as well as the specific purpose and character of the audit assignments. Some of the level 4 guidelines include specific requirements related to authority. 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 *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 Supreme Audit Institutions. These guidelines express the key lessons resulting from the sharing of knowledge and good practices among INTOSAI's experts.

### ***The INTOSAI Guidance for Good Governance (INTOSAI GOV)***

The INTOSAI GOVs form a separate group of pronouncements. They express INTOSAI's recommendations to governments and others with responsibility for the management of public funds and publicly funded activities. Their purpose is to advance 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. They may also serve to guide the Supreme Audit Institutions in their assessment of such measures. The INTOSAI GOVs are developed by specialized subcommittees and reflect the generally shared experiences of the experts within INTOSAI.

*INTOSAI Professional Standards Committee, 31 October 2011*