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**INTERNATIONAL ORGANIZATION OF  
SUPREME AUDIT INSTITUTIONS (INTOSAI)  
*MUTUAL EXPERIENCE BENEFITS ALL***

# **STRATEGIC PLAN 2011-2016 – Goal 1**

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# STRATEGIC PRIORITIES 2011-2016

## 1. Independence of SAIs

Consistent with the Declarations of Lima and Mexico, INTOSAI is to ensure an appropriate constitutional or legal framework which calls for a comprehensive audit mandate, unlimited access to information and allows for the unrestricted publication of SAI reports. INTOSAI supports SAIs institutional capacity building to provide organizational and financial independence because only fully independent and professional SAIs can ensure accountability, transparency, good governance and the sound utilization of public funds as well as efficient efforts against corruption.

Furthermore, the Lima and Mexico Declarations should be included in a UN document and thus incorporated in international laws as these texts formally protect the independence of SAIs in functional, organizational and staffing terms, which is necessary for effective governmental audit.

## 2. Implementation of ISSAI framework

Impressive arrays of standards, guidelines and best practices have been developed under the auspices of the Professional Standards Committee and the Knowledge Sharing Committee since the inception of the first INTOSAI Strategic Plan. By adopting a considerable quantity of ISSAIs at the 2010 INTOSAI Congress, INTOSAI will have an updated and comprehensive set of international standards, guidelines and best practices for public sector auditing that is of considerable value for its members. A key strategic priority for the forthcoming period will thus assist the SAIs in implementing the ISSAI framework in the best possible manner.

The implementation of the ISSAI framework will be a demanding task that requires attention on the global, regional and country levels. INTOSAI will provide a clear strategy for the implementation of the ISSAI framework and through the conduct of a wide range of activities aimed at facilitating successful implementation.

## 3. Capacity building of SAIs

While recognizing the considerable progress that has been made in capacity building efforts throughout INTOSAI, there is a need for continued progress in this area. The introduction of the ISSAI framework, with its demands of adoption and progressive implementation, highlights the need for sustained capacity building efforts

In October 2009, INTOSAI signed an MoU with the Donor Community to foster capacity building of SAIs in developing countries. Fifteen organizations, including international donor institutions and country development agencies, have signed the agreement. A steering committee has been formed and met in Morocco in February 2010. The initiative aims at increasing financial support provided by the donor society for capacity building efforts, and to improve the quality of their support through more strategic and harmonized channels. The major focus for this support will be at the country and regional levels and is intended to complement existing capacity building arrangements. INTOSAI will, during the forthcoming strategic planning period, endeavor to successfully implement cooperation with the donor society aimed at sustained and increased level of capacity building of SAIs in developing countries. In addition, efforts will focus on moving away from providing capacity building support on a case-by-case basis to a more strategic and coordinated approach to building the capacity of SAIs in developing countries. Under the MOU,

INTOSAI is committed as a community to foster the development of individual country-led strategic plans and development action plans that are comprehensive, realistic, and prioritized.

#### **4. Demonstrate the value and benefit of SAIs**

Supreme Audit Institutions serve as important pillars of their national democratic systems and play a pivotal role in enhancing public sector performance, emphasizing the importance of the principles of good governance, transparency and accountability. Taking into account the increased interest from external and internal stakeholders and the widening range of audit services provided by SAIs, INTOSAI recognizes the need to increasingly demonstrate the values and benefits that SAIs provide. This helps to promote public trust in the SAIs.

INTOSAI will pay special attention to the fact that Supreme Audit Institutions regularly should evaluate their value and benefits, both in terms of how they conduct and report on their own operations and how they add value to and improve public financial management in the environment within which they function.

#### **5. Fight against Corruption**

Corruption is a pervasive, global problem, which threatens public finance, legal order and social prosperity, endangers social security and impedes the reduction of poverty. INTOSAI must lead by example in the fight against corruption and is fulfilling its responsibility to ensure transparency and prevention through several activities and measures.

Government audit as exercised by SAIs creates transparency, makes risk visible and builds robust and effective internal controls to contribute specifically to the prevention of corruption in line with the spirit of the United Nations Convention Against Corruption. To fight and prevent corruption, close cooperation of INTOSAI, including its Regional Working Groups and SAIs, with international organizations and civil societies in an anti-corruption network and other similar activities, is required.

#### **6. INTOSAI Communication**

The Communication Policy adopted by INCOSAI XIX in 2007 focuses on the benefits of free flow of information, ideas, experience and knowledge between INTOSAI members, and encourages free communication among themselves. The Policy also focuses on the benefits of establishing a clear and coordinated approach for communicating externally to ensure consistency and overall appropriateness.

To achieve these positions INTOSAI has established five Communication Objectives as further defined under Goal 3 and developed a Strategy to Encourage Effective INTOSAI Communication. According to the INTOSAI Communication Policy the Communications Strategy is managed by the Secretary General as primary INTOSAI spokesperson. In accordance with this the General Secretariat subscribes to the proactive implementation of the goals and principles set out in this communication policy in a spirit of partnership, both internally and externally. Nevertheless, all INTOSAI members and all bodies and groups must contribute their share to implementing the Strategic Plan within the scope of their respective mandates.

Based on the INTOSAI Communication Policy and the INTOSAI Communication Strategy established in the adopted INTOSAI Communication Guidelines, INTOSAI will foster active and effective communication. It will facilitate timely, accurate and transparent internal and external communication to improve government auditing worldwide.

STRATEGIC GOAL 1: PROFESSIONAL STANDARDS

# STRATEGIC GOAL 1

## PROFESSIONAL STANDARDS

### Proposed Goal 2011 – 2016

**PROMOTE STRONG, INDEPENDENT, AND MULTIDISCIPLINARY SAIs AND ENCOURAGE GOOD GOVERNANCE, BY:**

- (1) PROVIDING AND MAINTAINING INTERNATIONAL STANDARDS FOR SUPREME AUDIT INSTITUTIONS (ISSAIs) AND**
- (2) CONTRIBUTING TO THE DEVELOPMENT AND ADOPTION OF APPROPRIATE AND EFFECTIVE PROFESSIONAL STANDARDS.**

STRATEGIC GOAL 1: PROFESSIONAL STANDARDS

### Proposed Strategies 2011 – 2016

The Professional Standards Committee (PSC) seeks to ensure that INTOSAI can provide an up-to-date framework of professional international standards that is relevant to the tasks and needs of all its members and other interested parties.

PSC has developed this framework of professional international audit standards and implementation guidelines relevant to INTOSAI members. In addition, INTOSAI has and continues to offer guidance in areas central to public sector financial management and accountability—INTOSAI Guidance for Good Governance (INTOSAI GOVs).

Independence of SAIs is crucial to ensure their ability to carry out their work in a free and impartial manner thus contributing to good governance, transparency and accountability. INTOSAI has adopted International Standards for Supreme Audit Institutions (ISSAIs) related to SAI independence in the form of the Lima Declaration and the Mexico Declaration on SAI independence. The PSC will have a special focus on raising awareness of the ISSAIs both internally within INTOSAI and externally.

The development of ISSAIs and INTOSAI Guidance for Good Governance (INTOSAI GOVs) are the result of the joint effort of the members of the INTOSAI subcommittees, projects and expert-teams under the PSC and working groups and task forces under Goal 3, the Knowledge Sharing Committee. Building on these products and other publications, while recognizing the established structure and achievements under INTOSAI's existing programs and activities, the Strategic Plan proposes the following strategies to support Goal 1:

INDEPENDENCE ° INTEGRITY ° PROFESSIONALISM ° CREDIBILITY ° INCLUSIVENESS ° COOPERATION ° INNOVATION

## 1. Raise the awareness of ISSAIs and INTOSAI GOVs

Following the development of a comprehensive set of ISSAIs and INTOSAI GOVs and the focus on their maintenance, the PSC will work increasingly on raising the awareness of the ISSAIs and INTOSAI GOVs in the INTOSAI family and among other interested parties.

Awareness Raising of the ISSAIs and INTOSAI GOVs should be conducted in close cooperation and coordination with the Governing Board, the General Secretariat, the Goal chairs, other INTOSAI bodies and the INTOSAI Development Initiative (IDI). The role of the PSC will be to generally raise the awareness of ISSAIs and INTOSAI GOVs and contribute with expert knowledge on the guidelines. The role of the IDI will be to take forward the implementation of the ISSAIs and INTOSAI GOVs.

## 2. Move from a development phase to a maintenance phase

By 2010, the PSC has delivered to the INCOSAI a comprehensive set of ISSAIs and INTOSAI GOVs. In 2011 - 2016, the focus of the PSC's work with ISSAIs and INTOSAI GOVs will shift from a development phase to a maintenance phase. This means PSC's work in cooperation with the other Goals will focus on how to best provide and maintain the comprehensive set of ISSAIs and INTOSAI GOVs developed so far, and on developing new ISSAIs and INTOSAI GOVs as and when needed. Moving from developing the ISSAIs and INTOSAI GOVs to maintaining them means that the tasks of the PSC change after 2010.

In 2011 – 2016 the PSC will focus in cooperation with the other Goals on:

- a. Monitoring and evaluating existing ISSAIs and INTOSAI GOVs
- b. Updating existing ISSAIs and INTOSAI GOVs
- c. Harmonizing and improving consistency in the ISSAIs and INTOSAI GOVs
- d. Developing new ISSAIs and INTOSAI GOVs in order to ensure a relevant and up to date framework of standards and guidelines
- e. Cooperating with IFAC and other standard-setting bodies
- f. Maintaining the ISSAI site

## 3. Provide and maintain the ISSAIs

- a. Prerequisites for the functioning of SAIs
- b. Fundamental Auditing Principles
- c. Implementation Guidelines for Financial Audit  
The INTOSAI Financial Audit Guidelines provide high quality guidelines that are globally accepted for the audit of financial statements in the public sector, by:
  - Leveraging the expertise and resources of the International Auditing and Assurance Standards Board (IAASB) for a strategic and cooperative partnership.
  - Providing additional guidance for auditors in the public sector, above and beyond what is provided in the International Standards on Audit (ISAs).
- d. Implementation Guidelines for Performance Audit
  - i. Provide guidance on how to establish a sustainable performance audit function.
  - ii. Communicate the essence of performance audit standards contained in the ISSAI 3000.
- e. Implementation Guidelines for Compliance Audit

#### 4. Provide and maintain the INTOSAI GOVs

- a. Internal Control Standards
- b. Accounting and Reporting Standards

#### 5. Enhance partnerships with other international standard-setters

### STRATEGIC GOAL 1: PROFESSIONAL STANDARDS

## Expected Benefits

- Provides greater focus and attention on professional standards
- Promotes the adoption and application of professional standards consistent with the requirements and authorities of SAIs and national sovereignty
- Promotes improvements in terms of quality and uniformity of public sector auditing through the cost effective adoption and application of professional standards in accordance with the INTOSAI core principles and values and based on international best practice consistent with the requirements and authorities of SAIs and national sovereignty
- Raises the profile and status of INTOSAI's audit standard-setting process (and participation with other standard-setting organizations) within the broader accountability community
- The use of globally accepted standards promotes quality, credibility and confidence in public sector audits and increases the professionalism among the auditors. (New text proposed by the Chair of Goal 1)
- Capitalizes on INTOSAI's accomplishments to date