

# Strategic Development plan 2020–2025

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## 1. Introduction to SDP 2020–2025

INTOSAI's vision is to promote good governance by enabling SAIs to help their respective governments improve performance, enhance transparency, ensure accountability, maintain credibility, fight corruption, promote public trust, and foster the efficient and effective receipt and use of public resources for the benefit of their citizens. INTOSAI Strategic Plan 2017–2022 focuses on four goals:

1. Professional Standards
2. Capacity Development
3. Knowledge Sharing and Knowledge Services
4. Maximize the Value of INTOSAI as an International Organization

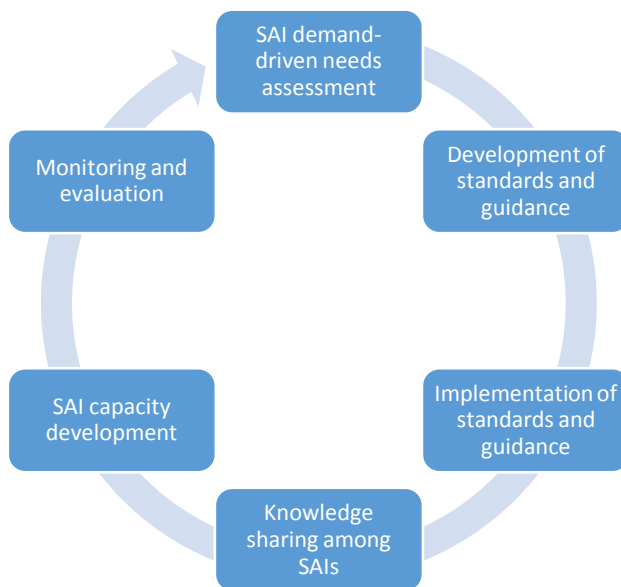
INTOSAI has identified five crosscutting priorities that provide the underpinning of how INTOSAI will focus its work to achieve its goals in the coming years.

1. Advocating for and supporting the independence of SAIs.
2. Contributing to the follow-up and review of the SDGs within the context of each nation's specific sustainable development efforts and SAIs' individual mandates.
3. Ensuring effective development and coordination between standards-setting, capacity development and knowledge sharing to support SAIs, and improve their performance and effectiveness.
4. Creating a strategic and agile INTOSAI that is alert to and capable of responding to emerging international opportunities and risks.
5. Building upon, leveraging, and facilitating cooperation and professionalism among the regional organizations of INTOSAI.

A supreme audit institution (SAI) is an indispensable part of a regulatory system in every nation for ensuring accountability and transparency of governance and public administration thus adding value to citizens and society. This requires a framework for professional audit practice based on universally accepted standards. Fundamental principles for SAIs to be effective require that an SAI must be independent, have strong leadership, the necessary ability to develop management systems, high competence, and a critical mass of professional staff as well as have access to knowledge of best practice to conduct audits and produce high quality audit reports.

The INTOSAI strategic plan recognizes the deep and interrelated connections between INTOSAI's three goal objectives - professional standards, capacity development and the sharing of knowledge. These connections are the objective of crosscutting priority 3, which seeks the effective development and coordination between standard setting, capacity development and knowledge sharing to support SAIs and improve their performance and effectiveness.

These interconnections are summarized in the following diagram:



The INTOSAI strategic plan states that the INTOSAI aspires to be internationally recognized as a standard setter for public sector auditing. It also states that INTOSAI standards should be relevant, professional and clear. They should adapt to problems and issues as they arise and they should add credibility to the work of public auditors and the output they produce. The 2016 Congress approved further innovations to INTOSAI’s standard setting process: a new due process, and the creation of the Forum for INTOSAI Professional Pronouncements (FIPP) as a permanent INTOSAI body responsible for assuring the quality of individual pronouncements and the consistency of the framework.

At the same time, the Congress approved a new and improved framework - INTOSAI’s framework of professional pronouncements (the IFPP) - with the main objective to strengthen the trust in public sector auditing and to state more clearly the requirements for audit in a public sector environment. The IFPP fosters credibility in public audit, its output and outcomes, by setting internationally recognized professional principles and standards that promote excellence in the application of methodology, and inspire the effective functioning of SAIs in the public interest. The IFPP should inspire and support SAIs in producing high quality audits of relevance to the public and other key stakeholders, which contribute effectively to government accountability and promote transparency in public administration.

The first SDP, which covered 2017 to 2019, had a clear focus on migrating the ISSAI framework to the new IFPP. At the conclusion of first SDP period, the overall picture is that the ISSAI framework is considered successfully migrated into the new IFPP, although there are some projects that will be carried over to the new strategic plan 2020–2025.

This SDP envisages strengthening the holistic approach on how professional standards, capacity development and the sharing of knowledge should interact to address the risks and challenges that INTOSAI and individual SAIs faces. The majority of the initiatives included in this SDP are planned to be finalized by 2022. Several of these initiatives are expected to lead to projects on development,

review or withdrawal of pronouncements. In 2022, there will be a possibility to add these projects as well as new initiatives identified through the mid-term review according to due process.

The following three principles will help achieve the strategic vision to fulfil the purpose of the IFPP:

- 1) ensure that the development of pronouncements derives from an identified need, is evidence based and adequately resourced with the right skills and knowledge;
- 2) ensure that the pronouncements developed will be effective in achieving the objectives set for them and are clearly applicable;
- 3) balance the varying requirements of the different users and stakeholders, bearing in mind that standards should seek to promote an acceptable minimum level in the professional practice of all SAIs.

### Looking into the framework - assessing needs and understanding users

In further developing the IFPP, the SDP must balance the need for high-quality pronouncements including a comprehensive set of requirements and the risk that SAIs find it too challenging to implement the fundamental principles of public sector auditing in their audit practice.

FIPP has carried out a review based on an analysis of the inputs from the stakeholders to the new SDP, of the different groups of pronouncements, focusing on strengths, weaknesses, opportunities and threats, as well as an analysis of the challenges that INTOSAI is facing as a standard setter. The review provides a basis for prioritizing the projects in the new SDP. However, not all inputs or challenges can be addressed through improvements in the IFPP and proposed as projects in the SDP at this moment. These should be acknowledge either through initiatives that potentially can end up as a project in future SDPs or as part of the working plan for CBC, KSC or IDI.

The strategic focus as well as the initiatives proposed for each of the groups of pronouncements are described below.

### INTOSAI Principles (INTOSAI-P)

To define a format for the next generation of INTOSAI Principles, which will enable INTOSAI to clearly convey the need and prerequisites for effective independent public sector auditing by SAIs to all relevant parties at the national and international level

The INTOSAI Principles are a separate category of pronouncements covering founding and core principles. The founding principles can be used as reference to establish SAIs mandates, while the core principles clarifies SAIs role in society as well as provide high level prerequisites for the professional and credible functioning of SAIs. The INTOSAI-P contains of high-level aspirational principles on matters that may go beyond the control of the individual SAI and serve an important function in safeguarding and advocating for the key preconditions that enable SAIs to perform their functions. It is due to this, of utmost importance that the INTOSAI-Ps are a clear and consistent set of principles to be widely used in SAIs across the world.

The Lima Declaration has served the INTOSAI community for over 40 years and is a cornerstone in its call for, and defense of, independent government auditing. Both the Global SAI stocktaking report 2017 and input from stakeholders to the new SDP highlighted the challenge to SAI independence, regarding both financial independence as well as in the right to publish audit reports. Although different INTOSAI bodies have already taken action to address this risk, there should also be an initiative in the SDP on whether a new or improved Lima Declaration could facilitate the efforts of SAIs to achieve greater SAI

independence. The initiative will also include identifying how the Lima Declaration is used today. The conclusions from this initiative will form the basis for a decision on a potential future SDP-project on a new or updated Lima Declaration.

The FIPP recognizes that some other INTOSAI-Ps also cover independence; In addition, there is a significant number of overlaps, duplications (and even conflicting messages) between the INTOSAI-Ps 10, 12 and 20. It may therefore as a supplementary exercise to the initiative above be relevant to explore whether clarity and consistency across these pronouncements could be improved.

There are no ongoing projects from SDP 2017–2019 within this group of pronouncements.

### International Standards of Supreme Audit Institutions (ISSAI)

To define a conceptual framework and format for the next generation of ISSAIs, which will enable the ISSAIs to become the preferred solution for INTOSAI's members and widely recognized by all stakeholders

To clarify the authority and format of the organizational requirements and prepare a project to provide improved standards for SAI's system of quality control

The ISSAIs are the authoritative international standards on public sector auditing. ISSAIs represent mandatory auditing standards for the SAIs to claim adherence to the standards. This category covers both fundamental principles of public sector auditing, organizational requirements and principles and standards for each of the three audit types.

The distinction between auditing principles and auditing standards (requirements and application material) within the ISSAIs is designed to cater to the different needs, mandates and circumstances of SAIs across the world. By splitting audit principles and audit standards for financial, performance and compliance audits the IFPP acknowledges that, as set out in ISSAI 100, SAIs may adopt their own standards providing these are consistent with the principles set out in ISSAIs 100 to 400. This differentiation within the category of ISSAIs are such that ISSAI implementation can take place in different ways and at different pace across the INTOSAI community.

Stakeholders have, in their inputs, raised the need for clarification on what ISSAI compliance means and the need for independent assessment of an SAI's audit practice, as well as have given inputs concerning the ISSAIs and the interrelation between the different subcategories of ISSAIs. Based on these inputs FIPP has identified a need to further develop the conceptual framework for the IFPP in general and for the ISSAIs especially.

FIPP's review also identified a need to clarify the organizational requirements for SAIs that conduct their audits in accordance with the ISSAIs. Work in the areas of SAI independence and audit quality should in particular enhance the clarity, consistency and adequacy of ISSAIs on SAI organizational requirements.

FIPP identifies that there is a need to solve issues of inconsistencies and duplications in ISSAIs 100–499 as well as between the ISSAIs on financial, performance and compliance audit elaborated by INTOSAI. The initiative will require a strong set of drafting conventions and a clear conceptual framework that can provide the basis for the next generation of ISSAIs to succeed.

There are two on-going projects within this group of pronouncements that are transferred from the old SDP: the update of ISSAI 200 and developing an ISSAI 2000.

### Auditing Guidance (GUID)

To complete the migration to the IFPP in order to provide guidance that better supports SAIs and auditors in implementing and applying the ISSAIs in line with the national mandates and individual circumstances of the audits

The IFPP established the GUIDs as a new category of pronouncements that provide guidance to support the implementation and practical use of the ISSAIs. GUIDs are also subject matter specific guidance and more general guidance covering more general topics relevant for SAIs.

As GUIDs are non-mandatory, the main objective of these documents is to help the SAIs improve their audit practice. However, a pronouncement covering a specific subject matter must be linked to ISSAI 100. In some cases, the effect on the audit practice of implementing a new GUID must be discussed before a new GUID is introduced.

Through their review of the GUIDs, FIPP will prioritize new SDP projects within this category of pronouncements that support ISSAI implementation. Through the input phase, SAIs and/or other stakeholders suggested both subject matter related GUIDs as well as general audit related GUIDs to support ISSAI implementation.

### Competency standards (COMP)

To enable the launch of the first projects to develop INTOSAI professional pronouncements on the relevant competencies of auditors undertaking financial, performance and compliance audit work based on the ISSAIs

The purpose of the COMPs will be to describe and define the competencies relevant for public sector auditing. This will include the general and specific competencies that are relevant for the three general types of auditing defined by ISSAI 100 Fundamental Principles of Public Sector Auditing. By defining these competencies as part of INTOSAI's Professional Pronouncements INTOSAI will create a much stronger common basis for its future activities of professionalization and competency development.

There are no ongoing projects within this group of pronouncements.

### Other key topics

To examine if and how the ISSAIs and GUIDs can support the various audit engagements undertaken by SAIs in relation to the SDGs and similar future UN Goals, taking into consideration the ongoing work in other INTOSAI bodies

To examine how the IFPP will provide improved support to SAIs in relation to the challenges of fraud, corruption and other irregularities in the public sector, taking into consideration the ongoing work in other INTOSAI bodies

Other initiatives, including other engagements, can be identified and potentially launched as projects at a later stage in the planning period.

## Roles and Responsibilities

The roles and responsibilities of the different INTOSAI bodies is reflected in the organizational chart. Several initiatives require a research and scoping phase before a project can be launched. The majority of these initiatives does require competence that goes beyond the existing organizational structure of INTOSAI. Therefore, there is a need to enhance the flexibility in the use of INTOSAI resources. INTOSAI bodies are the centres of excellence in specific matters, but are also responsible for contributing to crosscutting initiatives in the interest of INTOSAI.

The goal chairs together with the FIPP chair will play a vital role in coordinating the different initiatives, taking into consideration the resources available in the existing INTOSAI bodies as well as the interrelation between the different initiatives.

Based on the inputs from the consultation and the review carried out by FIPP, the present plan reflects as much as possible the priorities to support the SAI's in producing high quality audits that support accountability and transparency regarding the use of public funds. It should be seen truly as an INTOSAI plan, that all bodies should contribute the best way possible to implement.

Goal Chairs

PSC-SC

FIPP

Working bodies

TSF

SCEI

IDI

Regions

## 2. Summary of all initiatives in the SDP 2020-2025:

### 1. INTOSAI Principles (INTOSAI-P)

Within this group of pronouncements, there are two related initiatives (1.A and 1.B). The objective of initiative 1.A is to assess the use of the INTOSAI-P 1 The Lima Declaration and consider potentially updating the document to provide SAIs with the best tool to advocate for effective independent auditing by SAIs. The potential outcome could be either an updated Lima Declaration or a new pronouncement to address the SAIs needs when it comes to independence.

Initiative 1.B will prepare a review and harmonization of all INTOSAI-P Principles including terminology and concepts that clearly complement the ISSAIs. The potential outcome will be a more relevant set of principles providing INTOSAI members with a more effective set of pronouncements supporting a clarification of SAIs role in society as well as high level prerequisites for professional functioning of SAIs and principles supporting SAIs in implementing the ISSAIs.

### 2. International Standards of Supreme Audit Institutions (ISSAI)

For the ISSAIs there are several sub-initiatives that are interlinked. To provide INTOSAI with a clear, consistent and adequate set of ISSAIs, there is a need for a conceptual framework for the next generation of ISSAIs. The prerequisite for this work is to provide INTOSAI with a clear format for the ISSAIs, assessing key concepts and gathering evidence on implementation challenges and clarity on the issue on compliance with the ISSAIs. The outcome of this initiative is the conceptual framework as well as a long-term plan for future revisions of the ISSAIs.

On a shorter timeline, there is a need for updating ISSAI 140 – Quality Control for SAIs. Before the project on ISSAI 140 is launched, it will however be necessary to settle any general issues in relation to the organizational requirements. The initiative will therefore further define the format and status of the organizational requirements within the ISSAIs as well as the scope and purpose of a project to revise ISSAI 140.

### 3. INTOSAI Guidance (GUID)

The purpose of this initiative is to complete the migration, revisal and/or withdrawal of all guidance material to the new framework (IFPP). The outcome of this initiative is a consolidated set of pre-IFPP documents in the category of GUIDs 5000-5999.

### 4. INTOSAI Competency Pronouncements (COMPs)

COMPs are a new group of pronouncements in the IFPP-framework. The purpose of the COMPs will be to describe and define the competencies relevant for public-sector auditing. The outcome of the initiative is to provide INTOSAI with a set of pronouncements on competency standards/guidance, including classification principles and drafting conventions.

### 5. Key topics

Several inputs to the new SDP pointed out a need for the IFPP to address fraud, corruption and other irregularities, as well as audits on UN goals. The SDP therefore include initiatives to assess further if pronouncements in the IFPP is the most efficient way to address these needs. The outcome of the initiatives can potentially be relevant projects and pronouncements on UN development goals and fraud, corruption and other irregularities or decision on other means to address these needs.

The initiatives are partly interrelated, effecting when the projects potentially can be launched. This is illustrated in the figure below.

<i>Indicative timetable:</i>	2020	2021	2022	->2025
<b>INTOSAI-P</b>	<b>Status of the Lima Declaration</b> Consider if revision of the Lima Declaration can support the effort to improve SAI independence		<b>Format of the INTOSAI Principles</b> Improved classification principles and development of drafting conventions	
<b>ISSAI</b>	<b>Format of the ISSAIs</b> Principles, requirements and application material – drafting conventions  <b>Key concepts</b> Comparing and refining concepts in ISSAI 100/other ISSAIs	<b>Gathering evidence</b> To ensure that the ISSAIs are universally applicable and address challenges in implementation of the ISSAIs and regarding clarity on compliance with the ISSAIs	<b>Scoping – organizational requirements</b> Project including revision of ISSAI 140  <b>Conceptual framework for the next generation of ISSAIs</b> Finalization	
<b>GUID</b>	<b>Completing the migration to IFPP</b> Establishing a process to address Pre-IFPP documents		<b>Scoping – Pre-IFPP documents</b> Projects to revise/withdraw Pre-IFPP documents	
<b>COMP</b>	<b>Format of the COMPs</b> Standards and guidance - classification principles and drafting conventions		<b>Scoping - COMPs</b> Projects on competency standards/guidance	Launch of first project to develop COMPs
<b>Key topics</b>	<i>May result in cross-cutting revisions within the IFPP:</i>		<b>SDGs and future UN goals</b> Assessing if ISSAIs and GUIDs should be further developed to support audits on UN goals  <b>Fraud and other irregularities</b> Assessing the need for improved support for SAIs in INTOSAI Professional Pronouncements	<b>Scoping</b> Any resulting projects to improve INTOSAI-Ps/ISSAIs/GUIDs

### 3. Tentative initiatives foreseen in 2022–2025

The planning outlined above reflects that INOSAI has had to prioritise between a range of different needs and suggestions identified in the planning process.

The following additional initiatives will be relevant in order to address the outstanding key needs identified in the planning process. Dependent on the progress achieved, the input obtained through the midterm review of the SDP and the update of INTOSAI’s Strategic Plan by 2022 these initiatives may be taken in 2022–2025

<b>INTOSAI-P</b>	Scoping and launch of projects on the next generation of INTOSAI Principles
<b>ISSAI</b>	Scoping and launch of projects on the next generation of ISSAIs
<b>GUID</b>	Assessing the future needs for GUIDs on specific subject matters Dissolving the category of GUIDs 9000–9999 Other Guidance
<b>COMP</b>	Scoping and launch of further projects on COMPs as needed
<b>Key topics</b>	Addressing the need for new ways to generate content on the three audit types of public-sector auditing Assessment on the potential needs to address emerging technologies, Big Data and new audit technics

## 4. The detailed list of initiatives

This strategic development plan (SDP) defines the general strategy and work plan for developing INTOSAI's principles, standards and guidance into a clear, consistent and adequate set of professional pronouncements. The due process for the INTOSAI Framework of Professional Pronouncements (IFPP) is established on the basis of article 4 (5e) of INTOSAI's Statutes and provides that the SDP shall *assemble all initiatives to develop, revise or withdraw professional pronouncements*. The Forum for INTOSAI Professional Pronouncements (FIPP) follows and guides the development of all professional pronouncements and approves their inclusion in the IFPP.

This SDP establish INTOSAI's general work plan for the development of professional pronouncements after INCOSAI 2019. The professional pronouncements are the official INTOSAI principles, standards and guidance that have been endorsed by INCOSAI. The overall INTOSAI Strategic Plan has guided the development of the SDP which aims at supporting the goals and priorities reflected in the current INTOSAI Strategic Plan.

This plan consist of initiatives to improve the quality of each of the classes of pronouncements, as well as initiatives to address more specific needs for new pronouncements. Prerequisites for improved quality are among others a set of clear and understandable key concepts as well as drafting conventions<sup>1</sup>. The experience from the last SDP from 2016 is that there is a need to involve past and future drafters of ISSAIs in FIPP's work to develop drafting conventions. This involvement is important in order to draw on all available expertise as well as ensuring that the common understanding reached through the process is disseminated and carried over into future project groups when the drafting starts.

This SDP reflects inputs from the full INTOSAI community and lay down all initiatives that will be relevant for preparing and launching new projects aimed at providing content for the IFPP in the years 2020–2025. In the years 2020–2022, there will be limited capacity for launching new projects. Instead, the priority in these years will be given to ensuring a thorough preparation of the new projects foreseen in the last half of the planning period 2020–2025.

The SDP will be subject to a midterm review for providing an updated SDP by 2022. Any working groups or other parties in INTOSAI who identifies a need to develop principles, standards or guidance that is not included in this SDP will have the opportunity to submit a suggestion to this effect through the midterm review.

After the approval of the SDP by the INCOSAI, there will be a call for members/drafters to each of the initiatives. The timing and organization of the projects will be considered by the Goal Chairs Group (GCG), which is composed of the chairs and vicechairs of the Professional Standards Committee (PSC), Capacity Building Committee (CBC), Knowledge Sharing Committee (KSC) and FIPP. The GCG will take into consideration available resources and the establishment of the Technical Support Function foreseen under goal 1 of INTOSAI's Strategic Plan.

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<sup>1</sup> A drafting convention is a set of technical principles regarding authority, content, structure, scoping and language that is applicable to all documents within a category of documents in the IFPP

The scoping of a potential projects follow the gathering evidence process. Several INTOSAI bodies have already gathered evidence that might be relevant for the proposed initiatives. Existing data should be used where available to ensure that scarce resources are spent wisely and in the most efficient manner. The GCG will decide on the timing and coordinate the call for members of the task forces. Work plans will be drafted in close dialogue with the GCs and the FIPP. When a potential project proposal is completed, due process according to INTOSAI takes effect.

To support the goals of developing INTOSAI's principles, standards and guidance into a clear, consistent and adequate set of professional pronouncements, there is developed a strategic focus for each of the groups of pronouncements. As the overall INTOSAI Strategic Plan has guided the development of this SDP, the relation to this plan is also included in the SDP.

## 1. INTOSAI Principles (INTOSAI-P)

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### *Strategic focus:*

***To define a format for the next generation of INTOSAI Principles, which will enable INTOSAI to clearly convey the need and prerequisites for effective independent public-sector auditing by SAIs to all relevant parties at the national and international level***

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### *Relation to INTOSAI Strategic Plan 2017–2022:*

This strategic focus will contribute to:

Crosscutting Priority 1 - Advocating for and supporting the independence of SAIs

Crosscutting Priority 4 - Creating a strategic and agile INTOSAI that is alert to and capable of responding to emerging international opportunities and risks

Strategic objective 1.4 - Work toward and ensure the continued development and maintenance of the INTOSAI Framework of Professional Pronouncements.

Strategic objective 2.5 - Engage strategically with the wider international development community in the interest of SAI capacity development.

A successful outcome will depend on the progress achieved towards:

Crosscutting Priority 3 Ensuring effective development and coordination among standards-setting, capacity development, and knowledge sharing to support SAIs and improve their performance and effectiveness

Strategic objective 1.1 Provide a strong organizational framework to support INTOSAI's standard setting including a permanent standard-setting board (the Forum for INTOSAI Professional Pronouncements), a technical-support function, and an independent advisory function.

*New initiatives in support of this strategic focus:*

*1.A. Status of the Lima Declaration*

Consider if revision of the Lima Declaration can support the effort to improve SAI independence

The objective of this initiative is to:

**Asses how INTOSAI-P 1 The Lima Declaration from 1977 is used by SAIs today and consider if a revised Lima Declaration can support SAIs advocating for enhanced independence.**

SAI independence is under pressure across the INTOSAI community. There is an increased number of SAIs reporting on independence issues. The performance and impact of SAIs are hampered by constraints to operational and financial independence.

The Lima (together with the Mexico) Declarations are the basis for UN Assembly resolutions, calling for effective and independent SAIs. These UN resolutions put a new emphasis on the Lima Declaration and means that the content of this historic document has gained renewed relevance.

The Lima Declaration of Guidelines on Auditing Precepts (INTOSAI-P 1) was adopted in 1977, and is thus by far the most historic document in the IFPP. The historical importance of the document, the fact that it has stood the test of time and remains relevant, combined with its focus on prerequisites for a credible and effective SAI entails that it naturally fits in at the top level of the IFPP.

The text has, however, for most practical purposes long been surpassed by more recent and valid content elsewhere in the IFPP. This can lead to misunderstandings and reduce the document's importance. At the same time, the potential risk of changing such a historically important document must also be considered, including reduced importance of the document if it no longer keeps its historical content.

In order to enable INTOSAI and its members to use the Lima Declaration and the UN resolutions actively to strengthen their independence and in general communications or dialogue with stakeholders, it will be pertinent to consider if the declaration is relevant and representative for INTOSAI members. Updating the Lima Declaration in light of the developments that have taken place since 1977, may potentially assist SAIs in more effectively using the pronouncement as an important tool in strengthening their independence and framework conditions.

The first step is therefore to explore these options through a process that will allow INTOSAI to decide how best to address the above considerations and risks. This will involve research and gathering of evidence on how the Lima Declaration is generally used and perceived within the INTOSAI community.

The intended outcome of this initiative will be an INTOSAI decision that clarifies the status of the Lima Declaration and defines to what extent it may be updated in the future. The outcome of this process will potentially also provide input to the more general efforts of defining an improved format for the INTOSAI Principles (covered under 1.B. Format of the INTOSAI Principles).

### 1.B. Format of the INTOSAI Principles

#### Improved classification principles and development of drafting conventions

The objective of this initiative is to:

**Define a structure and format of the INTOSAI Principles (INTOSAI P), which will enable INTOSAI to convey its key messages on independence, value and benefits, legal framework and functions of a SAI in a clear, consistent and convincing way**

The previous SDP from 2016 defined under *Priority 3. Strengthening INTOSAI professional pronouncements beyond 2019* a need to elaborate drafting conventions for the INTOSAI Ps. The INTOSAI P are high-level pronouncements that describe a set of general prerequisites in terms of mandate and legal framework, organizational and financial independence, competencies and other aspects that must be in place in order for a SAI to fulfill its auditing functions in the way foreseen by the ISSAIs. The pronouncement of INTOSAI Principles on these matters can potentially serve as very important international safeguards on the role and function of SAIs. In order for the INTOSAI-P's to provide these safeguards for SAIs the full set of INTOSAI-Ps must be as clear, consistent and convincing as possible.

The INTOSAI Principles also provide important support for the implementation of the ISSAIs and the efforts of individual SAIs striving to improve their capacities and performance. The current INTOSAI-P's include terminology that might be outdated and which do not reflect the concepts of the ISSAIs, for example the three types of auditing defined by ISSAI 100. In addition there are also several overlaps and redundancies that should be considered.

This initiative is aimed at developing a format for future INTOSAI Principles that can make them more relevant for INTOSAI members by providing a more effective international protection for SAIs in a way that clearly complement the ISSAIs. It is the ambition of this initiative to ensure broad engagement and involvement within INTOSAI so the resulting drafting conventions will define the strongest possible format for the next generation of INTOSAI Ps.

Future projects covering updates of the INTOSAI-P's can be launched in future SDPs.

#### **Overview with of the current set of INTOSAI Principles**

##### *Founding principles*

INTOSAI-P 1 The Lima Declaration – endorsed in 1977

##### *Core principles*

INTOSAI-P 10 Mexico Declaration on SAI independence – originally endorsed 2007 revised in 2016–2019 to include reference to UN resolutions.

INTOSAI- P 12 Value and Benefits of SAIs – endorsed in 2013

INTOSAI-P 20 Principles of transparency and accountability – endorsed 2010

(INTOSAI-P 50 Principles for the jurisdictional function of SAIs - under development in 2016–2019)

## 2. International Standards of Supreme Audit Institutions (ISSAI)

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### ***Strategic focus:***

***To define a conceptual framework and format for the next generation of ISSAIs, which will enable the ISSAIs to become the preferred solution for INTOSAI's members and widely recognized by all stakeholders***

***To clarify the authority and format of the organizational requirements and prepare a project to provide improved standards for SAI's system of quality control***

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### ***Relation to INTOSAI Strategic Plan 2017–2022:***

This strategic focus will contribute to:

Strategic objective 1.2 - Ensure that the ISSAIs are sufficiently clear, relevant and appropriate to make them the preferred solution for INTOSAI's members. The ISSAIs should be widely recognized by all stakeholders as the authoritative framework for public sector auditing.

Strategic objective 1.3 - Promote the ISSAIs as a source for the development of auditor education and certification programs, as well as education and training standards.

Strategic objective 1.4 - Work toward and ensure the continued development and maintenance of the INTOSAI Framework of Professional Pronouncements.

Strategic objective 1.5 - Monitor the implementation and adoption of standards and feed any problems or issues back into the standard-setting process to ensure the standards are as useful and relevant as possible.

Strategic objective 3.2 - Enable wide exchange of knowledge and experience among INTOSAI members.

A successful outcome will depend on the progress achieved towards:

Crosscutting Priority 3 Ensuring effective development and coordination between standards-setting, capacity development, and knowledge sharing to support SAIs and improve their performance and effectiveness

Strategic objective 1.1 Provide a strong organizational framework to support INTOSAI's standard setting including a permanent standard-setting board (the Forum for INTOSAI Professional Pronouncements), a technical-support function, and an independent advisory function.

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*New initiatives in support of this strategic focus:*

*2.A. Format of the ISSAIs*

Principles, requirements and application material  
– drafting conventions

The objective of this initiative is:

**To define a structure and format of the ISSAIs, which will enable SAIs to perform high quality audits as well as providing INTOSAI with a clear and coherent set of standards.**

INTOSAI is a diverse community of SAIs and each SAI needs to meet the individual needs of the users they serve within a specific legal system and national context. Standard-setting within INTOSAI is a common effort of safeguarding independent public-sector auditing as well as underpinning a common profession, enhancing quality and provide uniformity of government auditing. The audit standards need to set sufficient requirements to safeguard audit quality, but also to provide these requirements in a way that gives flexibility and safeguard a sound professional judgement of individual auditors in order to make the standards useful and valuable for different audit tasks under very different circumstances. This initiative supports the ambition of the INTOSAI Strategic Plan to make the ISSAIs the preferred solution for SAIs.

The IFPP and ISSAI 100 provide the key definitions for the purpose and authority of the ISSAIs, the concepts of three types of public-sector auditing and the distinction between ISSAIs providing auditing principles, organizational requirements and auditing standards. There is a need to further develop and to improve consistency and clarity in format and presentation in the full set of ISSAIs. The IFPP defines that the ISSAIs include three different elements - principles, requirements and application material. These elements are also well established in the current generation of ISSAIs, but have been named and used differently depending on the different preferences of individual working groups. This calls for development of drafting conventions for the future ISSAIs.

The development of the drafting conventions will include an important process of developing a good “INTOSAI toolbox” of different solutions in the text that can allow the ISSAIs to be the preferred solution across the INTOSAI community. This will involve drafting work to test different solutions based on examples in the text of the ISSAIs as well as comparison with various standards from other sources and inputs on the experiences of other standard-setters facing similar challenges.

## *2. B. Key concepts*

### Comparing and refining concepts in ISSAI 100/other ISSAIs

The objective of this initiative is:

**To develop a list of concise definitions of the concepts laid down by ISSAI 100 and used in the current ISSAIs**

ISSAI 100 defines a set of key concepts for public-sector auditing which can be drawn upon and used when developing the ISSAIs as well as by any national standards developed or adopted by SAIs for the purpose of undertaking their specific audit tasks. In spite of a common basis in ISSAI 100, there are variations in the way different INTOSAI bodies interpret different concepts in the individual ISSAIs.

This initiative will include identifying and comparing the different concepts already used and elaborate a common understanding of the crosscutting concepts in order to develop a comprehensive list of definitions based on the current generation of ISSAIs. This initiative requires expertise in financial, performance and compliance auditing and other relevant areas within the committees and subcommittees of the PSC, CBC and KSC. The ambition will be to provide a list of definitions that:

- is easy to understand and translate
- is fit for the purpose of current and future ISSAIs
- can be universally applied across INTOSAI for the various audits undertaken by SAIs
- covers all concepts relevant for public-sector auditing

The outcome of this initiative will provide the basis for the initiative 'gathering evidence'.

A further list of definitions may be elaborated in parallel with the gathering of evidence for providing the conceptual framework.

## *2. C. Gathering evidence*

To ensure that the ISSAIs are universally applicable and address challenges in implementation of the ISSAIs and regarding clarity on compliance with the ISSAIs

The objective of this initiative is:

**To gather evidence on the various different engagements undertaken by SAIs throughout the INTOSAI community in order to apply and refine the concepts of the ISSAIs, identify current challenges and prepare for the elaboration of a conceptual framework for the ISSAIs**

The ISSAIs reflect that each SAI work within a specific national legal system and has a specific mandate and legal and institutional framework. SAIs also differ widely with regard to models of organization, professional traditions, composition of competencies and capacity as well as with regard to the objectives and circumstances of the individual audits.

The current generation of ISSAIs developed by INTOSAI have generally been in effect for 3-6 years. The only exception is ISSAI 140, which took effect in 2010. Before the next generation of ISSAIs are developed, it will be relevant to draw on the experiences gained so far on the implementation and use of the ISSAIs across INTOSAI. This includes gather evidence on how well the current generation of ISSAIs are being absorbed and identify any challenges that should be addressed, when the ISSAIs are improved in the future.

There is a need to gather valid and reliable evidence on SAI's auditing practices in relation to the ISSAIs either through existing sources or by developing new methods where needed. This gathering of evidence may draw upon various surveys already completed as well as the general mechanism established by the IDI Global Survey and Stocktaking Reports.

Among others, it will be relevant to seek evidence on:

- how well the concepts and distinctions made by the ISSAIs describe the global population of SAI audit tasks
- to what extent the ISSAIs are currently used by SAIs for the purpose of carrying out their different audit tasks
- whether there are specific challenges in implementing the ISSAIs and achieving compliance with the ISSAIs that could be addressed in the next generation of ISSAIs

This initiative will devote special attention to the ISSAIs 130-139 organizational requirements. These ISSAIs concern the internal organization of SAIs and may affect the role of the SAI leadership in relation to audits. It will therefore be important to gain a clear understanding of the various differences within the INTOSAI community, which the next generation of ISSAIs will need to accommodate for in order to be useful and supportive for all SAIs. It will also be important to obtain evidence on the impact of the current principles and requirements in ISSAIs 130 and 140 and on any existing barriers to their implementation. The status and authority of ISSAIs 130-139 has not been clearly defined and need to be clarified before new projects can be launched within this category of ISSAIs.

#### *2.D. Scoping – organizational requirements* Project including revision of ISSAI 140

The purpose of the initiative is:

**To define the scope of a project aimed at providing clear, consistent and adequate standards for SAI's quality control which is based on risk assessments and takes into account different SAIs' models and organizations.**

Establishing a sound system of quality control is a crucial step in enabling a SAI to implement and apply auditing standards. ISSAI 140 concern the overall system of quality control of a SAI which covers any financial, performance and compliance audits as well as any other audit work undertaken by the SAI. The current ISSAI 140 took effect in 2010 and was the very first pronouncement developed by INTOSAI on the issue of quality control. It predates the ISSAI 100 Fundamental Auditing Principles on which the rest of the ISSAIs of the IFPP are based and has been included in the IFPP in the category organizational requirements (ISSAIs 130-199) without being revised. The content of the current ISSAI 140 does not maintain a clear distinction between the principles, requirements and application material of a standard and the supporting practical guidance that will be provided through the GUIDs.

Differing terminology is currently used in INTOSAI pronouncements; while ISSAI 140 generally follows ISQC-1 (issued by IFAC/IAASB), where ‘monitoring’ forms an integral part of the quality control, other INTOSAI pronouncements (ISSAI 3000, 3100, 4000) and IDI SAI PMF refer to ‘monitoring’ as a separate concept and use the term ‘quality assurance’. The ISQC 1 is undergoing revisions by the IAASB/IFAC and is complemented with a pronouncement on Engagement Quality Control Review. The ISSAI 140 needs to be updated to solve these issues.

In connection with the scoping, it will also be important to ensure that any general issues in relation to the organizational requirements are well settled. It will have to be clearly defined how the category of organizational requirements (ISSAIs 130-199) relate to and differs from the wider category of INTOSAI-Ps as well as the supporting category of SAI organizational guidance (GUID 1900-1999).

The scoping of the project will to a large extent need to draw on the outcome of the initiatives on the gathering of evidence as well as the initiatives on the key definitions and the format of the ISSAIs. The scoping is foreseen to be initiated in parallel with finalization of the conceptual framework for the ISSAIs and the related initiative on the format of the INTOSAI-Ps. The launch of the resulting project may therefore have to await that these initiatives are successfully completed.

## *2. E. Conceptual framework for the next generation of ISSAIs* Finalization

The objective of this initiative is:

**To finalize a conceptual framework for a next generation of ISSAIs that can enable INTOSAI to set clear and consistent standards for the various audits undertaken by SAI**

The efforts to achieve a clear, consistent and universally applicable set of ISSAIs has already been ongoing within INTOSAI for many years. Over the years, the community of SAIs has invested considerably resources in establishing and developing the current set of ISSAIs. INTOSAI’s surveys show that ISSAIs are also well in process of implementation and are increasingly used.

It is therefore an ambitious goal to provide a next and improved generation of ISSAIs that can become even more widely used and provide for a better and more credible protection of independent public-sector auditing. This will require a combined effort of all available expertise as well as strong technical support. Relevant expertise in financial, performance and compliance auditing and in the various audit engagements undertaken by SAIs in different regions of the world will be involved. The PSC Chairs together with FIPP will prepare for the initiative, make available the necessary technical and secretarial support for the project team and coordinate the work. It is crucial that the subcommittees are deeply involved in this initiative regardless of the composition of the project team.

When the conceptual framework has been finalized, it will be relevant to consider the longer term planning of future revisions in the category of ISSAIs. Dependent on the progress achieved in 2019–2022 this may become part of the midterm review of this SDP or part of the next SDP planning process in 2022-2025.

***What will be defined by the conceptual framework?***

Dependent on the insights gained in the process the conceptual framework may include conventions on:

- The key concepts used to describe, classify and compare different individual audit engagements
- The key concepts relevant for defining an audit process and describes the various considerations, judgements and procedures involved in an audit
- The key concepts relevant for defining organizational requirements to SAIs within the ISSAIs
- Supplementary terminology aimed at describing different attributes and circumstances in relation to these key concepts
- How the key concepts are interlinked and used in the text and what function they serve for the auditor in an audit process
- How the text of the ISSAIs convey the conditions under which individual pronouncements as well as individual principles or requirements are relevant and applicable to the individual case
- How the text within the different categories and subcategories of ISSAIs defined by the IFPP are structured into separate pronouncements
- How the different elements of the text of the ISSAIs – principles, requirements and application material – are used in the different categories and subcategories of ISSAIs defined by the IFPP

### 3. INTOSAI Guidance (GUID)

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#### ***Strategic focus:***

***To complete the migration to the IFPP in order to provide guidance that better supports SAIs and auditors in implementing and applying the ISSAIs in line with the national mandates and individual circumstances of the audits***

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#### ***Relation to INTOSAI Strategic Plan 2017–2022:***

This strategic focus will contribute to:

Strategic objective 1.2 - Ensure that the ISSAIs are sufficiently clear, relevant and appropriate to make them the preferred solution for INTOSAI's members. The ISSAIs should be widely recognized by all stakeholders as the authoritative framework for public sector auditing.

Strategic objective 1.4 - Work toward and ensure the continued development and maintenance of the INTOSAI Framework of Professional Pronouncements.

Strategic objective 3.2 - Enable wide exchange of knowledge and experience among INTOSAI members.

A successful outcome will depend on the progress achieved towards:

Strategic objective 1.1 - Provide a strong organizational framework to support INTOSAI's standard setting including a permanent standard-setting board (the Forum for INTOSAI Professional Pronouncements), a technical-support function, and an independent advisory function.

Strategic objective 3.1 - Develop and maintain expertise in the various fields of public-sector auditing and help to provide content to the INTOSAI Framework of Professional Pronouncements.

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***New initiatives in support of this strategic focus:***

***3.A. Completing the migration to IFPP***

**Establishing a process to address Pre-IFPP documents**

The purpose of the initiative is:

**To make the content of GUIDs more relevant and accessible to auditors in the field through establishing a good and efficient process for simplified and streamlined pre-IFPP documents.**

The previous SDP as endorsed in 2016 aimed at achieving a rapid migration from the previous INTOSAI framework of ISSAIs and INTOSAI GOVs to the revised INTOSAI Framework of Professional pronouncements (IFPP). It was foreseen that this would require a wide collaboration between FIPP and the many different relevant groups within the PSC, CBC and KSC, which have provided content for the framework in the past.

In 2017–2019 INTOSAI has launched a number of projects aimed at consolidating pre-existing texts into the new formats of the IFPP in line with the drafting conventions and directions provided by FIPP. Some of these projects are well advanced while others are likely to continue for a number of years before the resulting new pronouncements are ready. In the meantime, the withdrawals of the pre-existing ISSAIs and INTOSAI GOVs which are foreseen to be replaced by the new GUIDs produced will be pending on the ISSAI-website.

A number of pre-existing ISSAIs and INTOSAI GOVs have been relabeled and renumbered into the IFPP *without* revising and aligning them with the new purpose and format of INTOSAI Guidance. These pronouncements are now part of the GUIDs but are marked as ‘pre-IFPP documents’ with the following statement:

**Pre-IFPP Document** - This document was developed before the creation of the INTOSAI Framework of Professional Pronouncements (IFPP) in 2016. It may therefore differ in form and purpose from more recent INTOSAI Auditing Guidance.

These remaining issues will need to be addressed as soon as it is practically. New projects should not be launched before most of the current population of ongoing projects have been completed.

It is the ambition of this initiative to find improved practical ways of organizing this work. Depending on the available resources, some relevant means might be to:

- ensure a better direct communication and stronger mutual involvement between FIPP and the subcommittee/working group/project group carrying out the drafting work
- organizing cross-cutting drafting teams rather than establishing separate project groups for each GUID or each working group/subcommittee of KSC/PSC

- provide improved technical support in the drafting of GUIDs in order to ensure compliance with drafting conventions and make it possible for expertise with moderate language skills in English to engage in the process
- seek to define improved ways of assessing to what extent pre-existing pronouncements are used by auditors and target the development of auditing guidance more directly at identified needs
- provide improved technical support to facilitate sufficient quality processes and handle the work required to ensure engagement and involvement with all relevant parties within INTOSAI

The initiative will be fully based on the INTOSAI due process for the IFPP and is not foreseen to lead to changes in the formal processes established by INCOSAI through this document. The efforts will be driven by the PSC, CBC, KSC and FIPP as well as the chairs of the relevant working groups and subcommittees.

### 3.B. Scoping – Pre-IFPP documents

#### Projects to revise/withdraw Pre-IFPP documents

The purpose of this initiative is to:

**To define the scope and planning of a project or a series of projects aimed at completing the consolidation of the auditing guidance in the GUIDs 5000–5999 by revising or withdrawing pre-IFPP documents**

The future ambition for the series of GUIDs 5000–5999 is to provide a *consistent set* of guidance pronouncements supporting ISSAI implementation. The limited scope and purpose of GUIDs imply that any *general propositions* about the role of SAIs and related subjects should *not be included* in the GUIDs. Such propositions will in the future have to be brought forward for decision by INTOSAI in a more transparent way for example through a revision of the relevant principle of an INTOSAI-P or through a general congress resolution outside the IFPP.

The new category of INTOSAI Guidance (GUID) introduced by INCOSAI in 2016 serves an important purpose in INTOSAI's efforts of supporting its members in implementing the ISSAIs. The ISSAIs define concepts and principles and set requirements to SAIs and auditors and explain how the requirements are applied under various relevant circumstances. The GUIDs aim at giving simple practical advice that may be helpful for auditors seeking a good and simple explanation on how the financial, compliance and performance audits defined by the ISSAIs could be carried out in practice. This includes guidance on various specific subject matters that could potentially be subject to an audit in line with the ISSAIs and will in the future also include some practical guidance on each of the three types of auditing defined by the ISSAIs.

The subject matter specific guidance is included in the series of GUIDs 5000–5999. This series serves among others as an important bridge for SAIs and auditors that define their various audit

engagements in terms of the subject matter rather than in terms of the three new general types of auditing - financial, performance and compliance auditing.

The initiative will aim at assessing how the current documents are used and the future need for guidance. When the current population of projects is close to completion, priority will be given to projects aimed at consolidating pre-IFPP documents in the category of GUIDs 5000–5999.

#### 4. INTOSAI Competency Pronouncements (COMPs)

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##### ***Strategic focus:***

***To enable the launch of the first projects to develop INTOSAI professional pronouncements on the relevant competencies of auditors undertaking financial, performance and compliance audit work based on the ISSAIs***

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##### ***Relation to INTOSAI Strategic Plan 2017–2022:***

This strategic focus will contribute to:

Strategic objective 1.3 - Promote the ISSAIs as a source for the development of auditor education and certification programs, as well as education and training standards.

Strategic objective 1.4 - Work toward and ensure the continued development and maintenance of the INTOSAI Framework of Professional Pronouncements.

Strategic objective 2.2 - Strengthen structured INTOSAI professional development as an anchor for professional capacity development and potential INTOSAI auditor professionalization

A successful outcome will depend on the progress achieved towards:

Crosscutting Priority 3 - Ensuring effective development and coordination among standards-setting, capacity development, and knowledge sharing to support SAIs and improve their performance and effectiveness

Crosscutting Priority 5 - Building upon, leveraging, and facilitating cooperation and professionalism among the regional organizations of INTOSAI

Strategic objective 1.1 - Provide a strong organizational framework to support INTOSAI's standard setting including a permanent standard-setting board (the Forum for INTOSAI Professional Pronouncements), a technical-support function, and an independent advisory function.

Strategic objective 2.4 - Share capacity development insights and ensure responsiveness to SAI needs through, for example, communities of practice.

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***New initiatives in support of this strategic focus:***

*4.A. Format of the COMPs*

**Standards and guidance - classification principles and drafting conventions**

The purpose of this initiative is:

**To develop a format and a set of drafting conventions that will enable INTOSAI to formulate the very first set of standards and guidance on the competencies relevant for public-sector auditing**

The decision of INTOSAI in 2016 on the revised INTOSAI Framework for Professional Pronouncements (IFPP) provided for a future category of Competence Pronouncements (COMPs). The revision of the pre-existing framework of ISSAIs and INTOSAI GOVs aimed at improving the general distinction between standards (ISSAIs) and other categories of pronouncements. The revised IFPP and the accompanying SDP from 2016 ensured that:

- any pronouncements which SAIs and auditors need to consider in order to assert compliance with the ISSAIs are part of the ISSAIs
- any pronouncements which SAIs and auditors do not need to consider in order to assert compliance with the ISSAIs is excluded from the ISSAI category

Following this decision, documents previously labelled as ISSAIs are relabelled into the two new categories of INTOSAI-Ps and GUIDs. By 2019, it will become more transparent for users of SAI audit reports as well as for SAIs and auditors which pronouncements a SAI or auditor must consider and comply with as relevant in order to state that their audits comply with the ISSAIs.

The ISSAIs include certain safeguards to ensure that the competencies of the audit team matches the individual audit task. The ISSAI organizational requirements (ISSAIs 130-199) address the SAI's general system of quality control including procedures aimed at ensuring the relevant competencies. In addition, the ISSAIs defines principles and sets requirements to quality management at the engagement level including the skills and competencies of the audit team. Because the ISSAIs are mandatory for SAIs applying the ISSAIs in their audit work, the principles and requirements on competencies within this category of pronouncements will need to stay at a generic level.

The purpose of the COMPs will be to describe and define the competencies relevant for public-sector auditing. This will include the general and specific competencies, which are relevant for the three general types of auditing defined by ISSAI 100 Fundamental Principles of Public Sector Auditing. By

defining these competencies as part of INTOSAI Professional Pronouncements, INTOSAI will create a much stronger common basis for its future activities of professionalization and competency development.

The first important step will be to define a format for the COMPs in line with the general conventions of the IFPP. The general distinction between INTOSAI Standards and INTOSAI Guidance will also apply to future COMPs within the IFPP. It has also been foreseen that COMPs in the category of INTOSAI Standards might include pronouncements that contain only *competency principles* (comparable to ISSAIs 100, 200, 300 or 400) as well as competency standards that include requirements and application material (comparable to ISSAIs 3000 and 4000).

***The IFPP - different subcategories of COMPs compared with the ISSAIs and GUIDs***

	INTOSAI Standards			INTOSAI Guidance
	Principles	Requirements	Application material	
<b><i>Competency pronouncements (COMP)</i></b>				
<i>Competency principles</i>	✓			
<i>Competency standards</i>	(✓)	✓	✓	
<i>Competency guidance</i>				✓
<b><i>International standards of Supreme Audit Institutions (ISSAI)</i></b>				
<i>Purpose and authority</i>	Defines public-sector auditing universally and provide the basis for any auditing standards used by SAIs (ISSAIs as well as any national standards)	Defines requirements that should be complied with if the SAI/auditor chooses to assert that the audit was conducted in accordance with the ISSAIs	Describe how requirements are applied in different circumstances and must be considered by auditors when conducting audits in accordance with the ISSAIs	
<b><i>Guidance (GUIDs)</i></b>				
<i>Purpose</i>				Provides practical guidance aimed at supporting SAIs in implementing the ISSAIs and supporting auditors in carrying out audits in accordance with the ISSAIs.

The format of the COMPs will draw upon the formats defined for the ISSAIs and GUIDs but will need to be adapted for the specific purpose of competency pronouncements. As part of this process, it will

be relevant to define the parties, which are expected to comply with the future COMPs and whether and how it may be relevant for these parties to make assertions about their compliance with the COMPs.

Solving these issues and defining a strong format for the COMPs will require a common process involving the relevant expertise within INTOSAI on competency development and auditor certification as well as FIPP members. It should be completed in parallel with the initiative on the format of the ISSAIs and will be informed by the outcome of this initiative. The progress made with regard to the format of the ISSAIs may influence the progress achievable with regard to format of the COMPs. The parallel timing is feasible, if sufficient technical support is available for both initiatives.

The outcome of the initiative will be a set of drafting conventions. These will define the purpose and format of the different categories of COMPs and provide the basis for the scoping and planning of future projects on COMPs.

#### 4.B. Scoping - COMPs

##### Projects on competency standards/guidance

The purpose of this initiative is:

#### **To define the scope and planning of a project or a series of projects aimed at developing the first Competency Pronouncements**

By 2019, INTOSAI will have established a *Competency framework for public sector audit professionals at Supreme audit institutions*, accompanied by an important document on *Developing Pathways For The Professional Development of Auditors in a Supreme Audit Institution (SAI)*. These products will be available from 2019 and will live up to the new quality requirements for *INTOSAI public goods*. With these achievements, INTOSAI will have a very strong basis to develop a strong set of Competency Pronouncements, which draws on, and support the INTOSAI-Ps and the ISSAIs within the IFPP.

The sequencing of initiatives within the SDP 2020–2025 has among other been determined by the ambition to enable this work to take-off as soon as practically possible. If sufficient progress is achieved by the related initiatives, it may be a feasible ambition to launch the first project aimed at providing COMPs already before 2022.

The process of scoping will involve some elements of long term planning for the category COMPs. It will be relevant to consider how the potential content may best be structured and divided into a series of COMPs. It will also be relevant to obtain insights in the current situation with regard to competencies and competency development in public sector auditing and ensure that the key needs to be addressed by COMPs are clearly identified. This will also involve a strategic consideration as to how INTOSAI can best drive a convergence and improvement of current practices through the COMPs. Dependent on the pre-existing situation there may be a necessary first phase of describing and driving good practice through competency guidance and establishing consensus on a basic competency principles before it is relevant and feasible to set requirements through competency

standards. Part of the scoping will aim at setting the right level of ambition for the first initial project in the category of COMPs.

## 5. Key topics

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### ***Strategic focus:***

***To ensure that the ISSAIs and GUIDs will support the various audit engagements undertaken by SAIs in relation to the SDGs and similar future UN Goals***

***To ensure that the IFPP will provide improved support to SAIs in relation to the challenges of fraud, corruption and other irregularities in the public-sector***

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### ***Relation to INTOSAI Strategic Plan 2017–2022***

This focus will contribute to:

Crosscutting Priority 2 - Contributing to the follow-up and review of the SDGs within the context of each nation's specific sustainable development efforts and SAIs' individual mandates

Strategic objective 1.4 - Work toward and ensure the continued development and maintenance of the INTOSAI Framework of Professional Pronouncements.

Strategic objective 1.5 - Monitor the implementation and adoption of standards and feed any problems or issues back into the standard-setting process to ensure the standards are as useful and relevant as possible.

A successful outcome will depend on the progress achieved towards:

Crosscutting Priority 3 - Ensuring effective development and coordination among standards-setting, capacity development, and knowledge sharing to support SAIs and improve their performance and effectiveness

Crosscutting Priority 4 - Creating a strategic and agile INTOSAI that is alert to and capable of responding to emerging international opportunities and risks

Strategic objective 1.1 - Provide a strong organizational framework to support INTOSAI's standard setting including a permanent standard-setting board (the Forum for INTOSAI Professional Pronouncements), a technical-support function, and an independent advisory function.

Strategic objective 3.1 - Develop and maintain expertise in the various fields of public-sector auditing and help to provide content to the INTOSAI Framework of Professional Pronouncements.

Strategic objective 3.2 - Enable wide exchange of knowledge and experience among INTOSAI members.

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*Initiatives to be taken in support of this strategic focus:*

*5.A. SDGs and future UN goals*

Assessing if ISSAIs and GUIDs should be further developed to support audits on UN goals

The objective of this initiative is to:

**Provide an assessment on how the existing ISSAIs and GUIDs are used by SAIs in audits related to the UN Sustainable Development Goals and determine whether there are unaddressed needs for guidance in relation to such global goals defined by UN.**

The SDGs as defined by the UN in the Agenda 2030 are not just the responsibility of each government; instead, all institutions, organizations and other entities within the public and private sector have responsibilities in fulfilling the goals of SDGs and Agenda 2030. This includes the SAIs as well. The INTOSAI strategic plan 2017–2022 and numerous INTOSAI initiatives therefore devote a lot of focus on the SDGs.

The need for an initiative to address SDGs has been identified by a number of SAIs and external stakeholders in the call for input to the SDP 2020–2025. Before any such projects are started, it will be important to establish whether the development of guidance is the best means of meeting the identified needs or if other initiatives and activities within INTOSAI can address the needs more efficient and successful than producing a pronouncement. A pronouncement would not be ready before 2025 at the earliest. The aim of this initiative is to address current and future UN Goals generically and in ways that may have relevance beyond 2030.

The assessment will base itself on the more general evidence gathered under focus area 2 on how well the current generation of ISSAIs covers and supports all audits undertaken by SAIs and whether there are any challenges in applying the current set of ISSAIs to certain specific audits. This might be relevant in order to ensure that a future generation of ISSAIs take account of the increasing importance of such global goals defined by the UN and support the relevant audit engagements in line with all other audits undertaken by SAIs. It may also be relevant in order to identify whether there are any specific challenges that need to be addressed through INTOSAI Guidance.

Before a project is launched, the material on the SDGs already available within INTOSAI will need to be sufficiently elaborated and provide well founded insight and advice to auditors in order to provide the basis for any official INTOSAI professional pronouncement.

The initiative will require technical support in order to be able to complete the research needed, involve, and engage with the various relevant parties in INTOSAI. The timing and feasibility of this initiative will therefore be dependent on the general progress achieved under goal 1 of INTOSAI's strategic plan.

#### *5.B. Fraud and other irregularities*

##### Assessing the need for improved support for SAIs in INTOSAI Professional Pronouncements

The objective of this initiative is to:

**Provide an assessment on how the IFPP can provide improved support to SAIs to address fraud, corruption and other irregularities in connection with audits carried out in line with the ISSAIs.**

SAIs play an important role in detecting fraud and corruption and strengthen the accountability, transparency and integrity of government and public sector entities. Effective audit of fraud and corruption can help achieve the fundamental expectation of SAIs making a difference to the lives of citizens.

In 2016, INTOSAI endorsed GUID 5270 (previously ISSAI 5700), Guideline for the audit of corruption prevention. In addition, there are a few other pronouncements in the category of GUIDs that touch upon the issue of fraud. It is the ambition of this initiative to prepare for the development of a more comprehensive pronouncement on the aspects of fraud, corruption and other irregularities that are relevant for public-sector auditing.

Before this project is launched, the following preparations must be carried out:

- gather evidence on the challenges faced by SAIs in relation to fraud, corruption and other irregularities across the INTOSAI community
- develop a terminology for distinguishing between the various types of irregularities that may be addressed in the pronouncement
- consider the relation with ISSAI 100 in order to determine which type of audits and steps in the audit process the pronouncement should cover.

This research may in parts draw upon or be integrated into the more general efforts of gathering evidence on the use of ISSAIs planned under focus area 2. It will be relevant to gain insights in how SAIs apply the ISSAIs in the various audit tasks related to prevention and detection of fraud, corruption and other irregularities. It may also be relevant to assess more generally, whether the role and function of SAIs in relation to prevention and detection of irregularities are sufficiently reflected in the IFPP. If there is a need to state what the role of SAIs may be, this could be achieved by introducing the statements in a relevant place of the INTOSAI-Ps.

It will be part of the assessment to determine to what extent INTOSAI has accumulated sufficient common knowledge and experience on the various aspects of fraud, corruption and other irregularities to be able to develop well founded auditing guidance. Some of the relevant sources within INTOSAI that may possess expertise or be able to provide relevant materials are IDI, FAAS, CAS, PAS, SAIs involved in fight against corruption, international organizations, Working Group on the Fight Against Corruption and Money Laundering and working group of SAIs with jurisdictional functions. The purpose of this initiative is therefore also to gain an overview of any preexisting materials and determine in which areas INTOSAI has sufficient material to be able to develop a GUID.

### 5.C Scoping

Any resulting projects to improve INTOSAI-Ps/ISSAIs/GUIDs

The objective of this initiative is:

**To define the scope and planning of any relevant projects aimed at developing pronouncements on UN development goals and fraud, corruption and other irregularities**

Dependent on the outcome on the initiatives on the two key topics 5A and 5B the next step will be to define the scope for each resulting projects. The timing of these projects will need to take account of the various other projects, which may result from the other focus areas. The projects will be focused on providing new auditing guidance but could potentially also be accompanied by some limited additions in other categories of pronouncements. It is foreseen that the initiative will result in the launch of a project to provide improved auditing guidance in relation to fraud, corruption and other irregularities

It will be part of the scoping to determine which types of audits and engagements the guidance will cover and which steps in the audit process will be relevant.

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## 5. Overview of projects launched in 2016–2019

The SDP 2017–2019 resulted in a number of projects organised under the three priorities. Most of these projects are likely to be completed by 2019 or 2020 but there are also some that may need a longer timeline before the resulting pronouncements are ready.

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### Projects launched in 2016–2019

INTOSAI-P 10 – Mexico Declaration on SAI Independence (limited revision) – COMPLETED

INTOSAI-P 50 – Principles on the jurisdictional function of SAIs (new) – SDP 2.12 added in 2017

ISSAI 200 – Financial Audit Principles (revision) – cf. SDP 1.2.

ISSAI 2000s – Application of Financial Audit Standards (consolidation) - cf. SDP 1.3

GUID 2900s – Financial Audit Guidance (new) – cf. SDP 2.1

GUID 4900 – Compliance Audit Guidance (new) – cf. SDP 2.2

GUID 5000 – Applying ISSAIs in combined audits (new) – cf. SDP 2.3

GUID 5100/5001 – Auditing of Information Systems/Security (consolidation) - cf. SDP 2.8

GUID 5150 – Assessing the Internal control (NB! Project approval is pending) – cf. SDP 2.5

GUID 5160 – Use of work of internal auditors (consolidation) – cf. SDP 2.6

GUID 5260 – Guidance on audits of public debt (consolidation) – cf. SDP 2.9

GUID 5280 – Guidance on audits of public procurement (consolidation) – cf. SDP 2.11

GUID 5290 – Guidance on audits of key national indicators (new) – cf. SDP 3.10 added in 2017

GUID 5xxx – Guidance on audits of privatizations (consolidation) – cf. SDP 2.7

GUID 5xxx – Guidance on audits of public-private partnerships (consolidation) – cf. SDP 2.7

GUID 5xxx – Guidance on audits of disaster management (consolidation) – cf. SDP 2.10

*With the exception of INTOSAI-P 10, all projects were still under completion when this SDP 2020–2025 was developed. Project proposals resulting from the tentative project SDP 2.5 of the SDP 2017–2019 may be approved by FIPP in 2020–2022.*

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In the years 2020–2022, there will be limited capacity for launching new projects. Instead, the priority in these years will be given to ensuring a thorough preparation of the new projects foreseen in the last half of the planning period 2020–2025.