

Forum for
INTOSAI
Professional
Pronouncements

Note for the attention
of:

**Minister Raimundo CARREIRO, President of Federal Court
of Accounts (TCU), Brazil, and Chair of the INTOSAI
Professional Standards Committee**

Copy to:

Ms Danièle LAMARQUE, Member of the European Court of Auditors (ECA)
and Vice-Chair of the INTOSAI Professional Standards Committee

Mr Thembekile MAKWETU, Auditor General of South Africa and Chair of
the INTOSAI Capacity Building Committee

Mr Shashi Kant SHARMA, Comptroller and Auditor General of India and
Chair of the INTOSAI Knowledge Sharing Committee

Mr Rafael LOPES TORRES, Project Manager, INTOSAI PSC Secretariat, TCU,
Brazil

Mr Geoffrey SIMPSON, Director responsible for the INTOSAI PSC
Secretariat, ECA, European Union

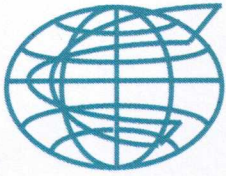
New Delhi, 25 August 2017

Dear President CARREIRO,

The current INTOSAI strategic development plan (SDP) covers INTOSAI's standard-setting activities for the period 2017–2019. The PSC Steering Committee, meeting in Brasilia on 8th–9th June 2017, considered the issues to be taken into account when revising this SDP and issued a number of recommendations to be taken into account by the Goal Chairs, their subcommittees and working groups and by the Forum for INTOSAI Professional Pronouncements (FIPP).

At its meeting in Ottawa on 18th–21st July 2017, FIPP undertook a detailed review of the implementation to date of the current SDP in full conformity with the recommendations issued by the PSC-SC. This included tele-conference exchanges with a number of key players in SDP implementation within the INTOSAI community.

I attach a copy of the resulting FIPP report. I would like to request the PSC-SC to take note of this report, as outlined in paragraphs 9–13. In addition, FIPP proposes a small number of adjustments to the current



**Forum for
INTOSAI
Professional
Pronouncements**

SDP which will require the approval of the PSC-SC and endorsement by the Governing Board at its 70th meeting in November 2017. These are summarised in paragraph 16 of the attached report.

I would be most grateful if you could inform me of the reaction of the PSC-SC and of the Governing Board to FIPP's proposals, as set out in paragraph 16 of the attached report, to adjust the current SDP. Please do not hesitate to contact me if I can provide any further information to facilitate this process.

I would like to take this opportunity to thank you and, through you, the other Goal Chairs for the excellent cooperation between our bodies.

Yours sincerely,

With high regards

Ms Ganga KAPARAVARAPU
FIPP Chair

Report on the implementation as at 21st July 2016 of the INTOSAI strategic development plan (SDP), 2017–2019

Introduction

1. This report is addressed to the PSC Steering Committee (PSC-SC) as the body responsible for the governance of FIPP. It sets out in a succinct manner the results of a review of the implementation of the 2017-2019 SDP carried out by FIPP at its 5th meeting held in Ottawa, Canada on 18th-21st July 2017 (see paragraphs 9–15 below). This review gives rise to a proposal to amend the SDP to make one technical correction and to add one further project (see paragraph 16 below). FIPP requests the PSC-SC to approve these amendments and to send them to the Governing Board meeting in November 2017 for endorsement. It further invites the PSC-SC to take note of the remainder of this report.

INTOSAI standards and standard setting – two significant changes endorsed by Congress in 2016

2. The XXII INCOSAI, held in Abu Dhabi in December 2016, introduced two significant changes for INTOSAI's standard setting. Firstly, it endorsed the proposal to restructure the INTOSAI framework of professional standards, originally adopted in 2007, as the INTOSAI framework of professional pronouncements (IFPP). The revised IFPP seeks, amongst others, to clarify what SAIs need to do to claim ISSAI compliance, placing ISSAI 100 – the fundamental principles of public sector auditing – at its centre. It also clarifies the scope of the framework with revised and clarified classification principles and criteria, introducing a clear distinction between the INTOSAI Principles (INTOSAI-P), the International Standards of Supreme Audit Institutions (ISSAI) with which SAIs must conform to claim ISSAI compliance, and Guidance (GUID).
3. Secondly, the INCOSAI endorsed a number of significant revisions to its due process, the procedures by which it issues professional standards and other pronouncements. Two key changes to due process are:
 - a. the creation, on a permanent basis, of the Forum for INTOSAI Professional Pronouncements (FIPP): this is a body of experts appointed to act in the interest of the full INTOSAI membership and promote public sector auditing of a high quality to the benefit of users of SAI audit reports and the general public. It assesses and approves professional pronouncements in accordance with due process. To do this, it follows and facilitates the development of individual draft pronouncements, ensures their technical quality and consistency as appropriate and approves their inclusion in the IFPP before they are presented to the INTOSAI Governing Board by the relevant committee for endorsement;
 - b. the introduction of the strategic development plan (SDP). This refers to a general strategy and working plan for the development of the INTOSAI framework of professional pronouncements (IFPP) in a clear, consistent and adequate manner. The SDP is drawn up according to a process

decided by the PSC-SC with the consent of the chairs of the CBC and KSC, after consulting with FIPP. Its content is approved by the PSC-SC on the basis of a recommendation from FIPP and is endorsed by the Governing Board. The SDP acts as “the single gateway” to the IFPP as only projects approved in the SDP can give rise to additions, revisions or the withdrawal of pronouncements in the IFPP.

The 2017 - 2019 SDP

4. The 2017-2019 SDP was endorsed by the Governing Board at its 68th meeting in December 2016. As endorsed, this first SDP is, until now, wholly concerned with the migration from the old INTOSAI framework of professional standards to the IFPP. It can be found at http://psc-intosai.org/en_us/site-psc/psc/strategic-development-plan/.
5. The SDP identifies activities under three priority levels for 2017–2019:
 - Priority 1 concerns implementing the revised IFPP after 2016. It covers the following tasks to be completed as soon as possible:
 - i. the relabelling and renumbering of existing pronouncements without further amendments;
 - ii. three projects to add references to UN Resolutions 66/209 and 68/228 to the preamble of an INTOSAI-P and to update the ISSAIs on financial auditing; and
 - iii. developing the ISSAI website after 2016 so that the process of implementing the IFPP can go ahead in a transparent manner.
 - Priority 2 consists of ten tentative projects to put in place by 2019 guidance to support ISSAI implementation.
 - Priority 3 consists of nine tentative projects to strengthen INTOSAI professional pronouncements beyond 2019. Whilst considered by FIPP as highly important, these projects are not however directly linked to the implementation of the revised IFPP. Thus, FIPP has proposed that resources should only be allocated to them once priority 1 and 2 projects are sufficiently advanced.
6. The first such document, the 2017–2019 SDP was drawn up by FIPP and approved by the PSC-SC in September/October 2016 in preparation for the INCOSAI and before the revised IFPP and due process had been endorsed. As a result, limited time could be devoted to consultations with interested parties as compared to the time required to be devoted for extensive consultation under the revised due process that was *subsequently* endorsed by the Governing Board. In the light of this, the PSC Chair, in consultation

with the other Goal Chairs, opened up a procedure to revise the SDP. This gave rise to a request from the KSC Chair for FIPP to consider adding six further projects¹ to the 2017–2019 SDP.

7. At its meeting of 8th–9th June 2017, the PSC-SC also adopted recommendations on the SDP revision, which are reproduced as [Annex 1](#).

Implementation as at 21st July 2017

8. FIPP carried out its review of the implementation of the 2017–2019 SDP in full conformity with the recommendations issued by the PSC-SC mentioned above. The following paragraphs set out the results of the review:

- progress on the priority 1 activity of relabelling and renumbering of existing pronouncements without further amendments is reported in paragraphs 9,10 and 11 below;
- progress on the implementation of the three priority 1 and ten tentative priority 2 projects is set out in paragraphs 12 and 13 below, with further details in [Annex 2](#);
- FIPP’s consideration of the three proposals for additional projects submitted by the KSC chair on behalf of project groups are outlined in paragraphs 14 and 15 below;
- FIPP’s proposals for changes to the SDP which will require PSC-SC approval and endorsement by the Governing Board are summarised in paragraph 16 below.

Relabelling and renumbering

9. In an exception to due process, duly agreed by the PSC-SC at its June 2017 meeting, the editorial exercise of renumbering and relabelling existing pronouncements without further amendments will be carried out not by the responsible working groups but, in a centralised manner, by the PSC Secretariat. This should ensure that the work is carried out efficiently and in a consistent manner. A list of former ISSAIs that are to be renumbered and relabelled appears in table 1 of the approved SDP.
10. The basic numbering principles for the IFPP were shown in Figure 2 of Annex 1 of the SDP. These were further refined during the fifth FIPP meeting and the numbering schema will be finalised by the end of September 2017. This will allow the PSC Secretariat to begin the renumbering and relabelling exercise.
11. In case of ISSAI 5300, which appeared both under Priority 1 and Priority 2, a clarification has been provided to the KSC goal chair that the ISSAI should be re worked into a GUID as a project under Priority 2. Hence, it is proposed to be withdrawn as a Priority 1 item.

¹ Six potential projects were submitted initially by the KSC Chair, of which three were subsequently withdrawn

Implementation of priority 1 and priority 2 projects of SDP

12. The table in Annex 2 gives an overview of the state of implementation of the three priority 1 and ten tentative priority 2 projects included in the approved SDP. FIPP reviewed all thirteen projects in the SDP during its fifth meeting. Of these, eight were discussed with the lead SAIs in tele-conferences during the FIPP meeting and a representative of the PSC Chair was present throughout the FIPP discussions. Out of thirteen projects, five project proposals were received by FIPP. Of these, three were approved subject to revisions being made to take on board FIPP's recommendations (which were largely of an editorial nature). Two more were referred back to the responsible goal chairs so that deeper initial assessments might be undertaken by the project teams. FIPP also examined one draft project proposal and indicated that it would be ready to approve the project when it is formally submitted.
13. In the remaining seven cases, FIPP is providing further information directly to lead goal chairs or identified project leaders on the scope and, in some cases, possible outputs of projects. This is either being done by FIPP "scoping papers" or by contacts with the FIPP project liaison officers. Through these actions, FIPP has fulfilled the PSC-SC's recommendation to "ensure that sufficient information on projects is provided in the SDP to ensure that they can be fully understood". In just one case, no progress at all has yet been possible as the original project group has been disbanded and the responsible goal chair is still trying to put together a new team.

Three proposals² for additional projects submitted by the KSC chair

14. On behalf of its working groups, the KSC Chair submitted to FIPP three proposals to add new projects to the SDP. These were carefully considered by FIPP and discussed in tele-conferences with the lead SAIs. Of these, **FIPP recommends that one potential project, dealing with SAIs with a jurisdictional mandate, should be added to the current SDP.** Should the inclusion of this project be supported by the PSC-SC and the Governing Board, FIPP will in particular look for the initial assessment to take into account where in the IFPP the eventual pronouncement should be placed and achieving clarity over any links between these SAIs' jurisdictional activities and their compliance audits. Whilst, technically, this project would fall under the heading "tentative projects to strengthen INTOSAI's Professional Pronouncements beyond 2019" and thus be within priority 3, FIPP considers that work might formally start on carrying out the initial assessment and drawing up a project proposal as soon the Governing Board endorses this change. This project would be led by SAI France.
15. FIPP considered that two further potential projects submitted by the KSC Chair – on the audits of key national indicators and public procurement - should not be added to the SDP. The detailed reasons for this were communicated to the originating SAI in the tele-conference held during FIPP's fifth meeting.

² Six potential projects were submitted initially by the KSC Chair, of which three were subsequently withdrawn



FIPP's proposals for changes to the SDP

16. In the light of the above, **FIPP proposes one technical amendment to the SDP to remove ISSAI 5300 from Priority 1 and retain the project only under Priority 2.** (See paragraph 11). **It further recommends that the project to draw up a pronouncement for SAIs with a jurisdictional mandate be added to the current SDP** (see paragraph 14). **It invites the PSC-SC to take note of this report, to agree these changes, to send them to the Governing Board for endorsement.**

Report on the implementation as at 21st July 2016 of the INTOSAI strategic development plan (SDP), 2017–2019

Annex 1 – PSC-SC recommendations on the SDP revision

The PSC Steering Committee, at its meeting of 8-9- June 2017, considered the issues to be taken into account when revising the current SDP, which is intended to be flexible to ensure it remains as relevant as possible.

The Committee stressed the importance of all INTOSAI bodies working towards a streamlined and high quality set of standards, while preserving **motivation** and active participation during the **transitional** period. **Inclusiveness** – one of the INTOSAI guiding principles – should be considered when the revision of the SDP is carried out together with the **criteria and key issues** mentioned below. These should be regarded by the goal chairs, their subcommittees and working groups when preparing, considering and evaluating proposals, as well as by the FIPP when examining them:

- The projects under priority 1 of the current SDP must remain a **fundamental priority**.
- All proposals should fit into the concepts and **categorisation** of the new framework
- All proposals should be accompanied by a detailed description of the **scope** of the proposed project and an explanation of its **relevance** to INTOSAI’s overall strategic, cross-cutting and more specific standard setting objectives. The project proposal template could be used as a reference.
- If possible and within the context of reducing the overall volume of pronouncements, proposals for new pronouncements should be accompanied by suggestions for withdrawing unnecessary or outdated pronouncements (Due Process, item 2.3) under the same area of responsibility.
- The **capacity** to handle the project should be considered. The proposed project should not jeopardise the completion of existing SDP projects under the same responsibility and should take into account the need to meet the endorsement timetable and all relevant preparation steps.

In addition, FIPP should ensure that sufficient information on projects is provided in the SDP to ensure that they can be fully understood.

**Report on the implementation as at 21st July 2016 of the
INTOSAI strategic development plan (SDP), 2017–2019**

Annex 2 – Progress on the implementation of the three priority 1 and ten tentative priority 2 projects

Project		Lead Cttee	Status	Action to be taken
N°	Short title			
1.1	Updating the preamble of INTOSAI-P 10 to include a reference to the UN resolutions on SAIs	PSC	Draft project proposal has been prepared. To be carried out by PSC Chair, INTOSAI General Secretariat and SAI Mexico. PSC Chair presented a draft project proposal to FIPP which was received positively	PSC Chair to consult project partners before formally submitting project proposal to FIPP for approval by written procedure
1.2	A more principles-based and future-proof ISSAI 200	PSC	FAAS submitted a project proposal which FIPP approved subject to the project group complying with FIPP recommendations. Discussed by tele-conference during the FIPP meeting	FAAS to submit revised proposal in September 2017 for FIPP approval by written procedure
1.3	Consolidate and improve INTOSAI practice notes to ISSAIs	PSC	FAAS submitted two project proposals which FIPP approved subject to the project group complying with FIPP recommendations, including combining the two proposals into one. Discussed by tele-conference during the FIPP meeting	FAAS to submit revised proposal in September 2017 for FIPP approval by written procedure
2.1	Provide guidance on financial auditing	PSC	FAAS submitted a project proposal which FIPP approved subject to the project group complying with FIPP recommendations. Discussed by tele-conference during the FIPP meeting	FAAS to submit revised proposal in September 2017 for FIPP approval by written procedure. The revised proposal should indicate that this is phase 1 of a potentially larger long-term project
2.2	Provide guidance on compliance auditing	PSC	CAS submitted a project proposal which FIPP considered. FIPP has recommended that a further initial assessment be carried out by CAS before submitting a revised project proposal. In addition, FIPP has indicated some areas that initial assessment might cover. Discussed by tele-conference during the FIPP meeting.	CAS to undertake a further initial assessment and submit a revised project proposal
2.3	Using ISSAIs in accordance with the SAI's mandate and carrying out combined audits	PSC	Project proposal has not yet been submitted. The PSC Chair has requested clarification from FIPP as to its understanding of the scope and possible outputs of the project	FIPP is preparing a scoping paper to facilitate the PSC Chair's task of putting together a team to undertake a robust initial assessment. The scoping paper should be available by end September 2017

Project		Lead Cttee	Status	Action to be taken
N°	Short title			
2.4	Consolidated and improved guidance on SAI organisational issues	PSC	Project proposal has not yet been submitted. The PSC Chair has requested clarification from FIPP as to its understanding of the scope and possible outputs of the project	The FIPP Liaison Officer will provide the PSC Chair with a paper to facilitate a wide discussion of the potential scope and possible outputs of the project and thus enable the launch of an initial assessment
2.5	Consolidated and improved guidance on understanding internal control in an audit	PSC	Project proposal has not yet been submitted. ICS Subcommittee has been identified to lead this project. Discussed by tele-conference during the FIPP meeting	FIPP will provide the ICSS with a scoping paper. ICSS anticipate that a project proposal will be ready for FIPP consideration in 2018
2.6	Consolidated and improved guidance on reliance on the work of internal auditors	PSC	Project proposal has not yet been submitted. FIPP has discussed and agreed upon potential scoping of the project to be suggested to the PSC. FIPP suggests reviewing contents of GOV 9150 in order to make it into a GUID, which provides the guidance that covers all three types of audit - financial, compliance and performance. FIPP also suggests to address the issues of consistency and duplication with other pronouncements including withdrawal of some of them ICS Subcommittee has been identified to lead this project (SAIs Netherlands and Belgium).	FIPP will provide PSC with a scoping paper. ICSS to carry out an initial assessment with a view to submitting a project proposal to FIPP in 2018
2.7	Consolidating and aligning guidance for audits of Privatisation with ISSAI 100	KSC	Project proposal has not yet been submitted. Outside the framework of the present SDP, SAI Egypt has already revised existing drafts. However, FIPP considers that, if the guidance subject matter is retained in the IFPP, significant overlaps with guidance on audits of economic regulations and procurement need to be eliminated. Furthermore, there is a need to more closely orientate any subject-specific guidance to standards and guidance on FA, PA and CA	Initial project group has since been disbanded. FIPP Liaison Officers will provide the KSC Chair with additional direction.
2.8	Consolidating and aligning guidance on IT audits with ISSAI 100	KSC	WGITA submitted a project proposal on review and update of ISSAI 5310- Information Systems Security Audit. FIPP considered a project proposal and has raised a number of points about the project scope and timelines, along with alignment of guidance to FA/PA/CA audit standards and guidance. Discussed by tele-conference during the FIPP meeting	The FIPP Liaison Officer will work with the project group on the scope of the project. Furthermore, FIPP recommends that KSC considers consultation with FA/PA/CA experts as an additional quality measure

Project		Lead Cttee	Status	Action to be taken
N°	Short title			
2.9	Consolidating and aligning the audit of public debt with ISSAI 100	KSC	Project proposal has not yet been submitted. SAI Philippines is leading. Discussed by tele-conference during the FIPP meeting.	The FIPP Liaison Officer will work with the project group on the scope of the project
2.10	Consolidating and aligning the audit of disaster-related aid with ISSAI 100	KSC	Project proposal has not yet been submitted. KSC Chair is trying to establish an initial project group to work with the FIPP Liaison Officer to establish whether this guidance should be retained in the IFPP and, if so, in what form. FIPP noted that a key issue covered in the existing guidance relates to fraud, which might best be covered elsewhere in the IFPP	Original project group has since been disbanded. KSC Chair will continue to try to establish an initial project group

Record Note on the Fifth meeting of the Forum for INTOSAI Professional Pronouncements

(Ottawa, July 18-21, 2017)

The FIPP conducted its fifth meeting in Ottawa, on 18-23 February, 2017. Fourteen out of fifteen members and four accompanying assistants, along with the PSC observer team from SAI Brazil attended the meeting. The meeting was hosted by the office of the Auditor General of Canada.

In his welcome address, the Auditor General, Mr. Michael Ferguson stated that robust standards are important for everything auditors do. He stated that OAG Canada is very supportive of INTOSAI's efforts for strengthening standard for better quality audit which adds value and impact to good governance.

In her opening remarks FIPP Chair, Ms. Ganga Kapavarapu, welcomed the FIPP members and technical assistants, and the observers from PSC to the fifth meeting, stating that this meeting is a significant milestone for FIPP as it moves from developing the framework, processes and procedures to the important work of migration of existing ISSAIs to IFPP by examining and approving the project proposals. She thanked the Auditor General for his pertinent observations on INTOSAI standard setting and stated that it is as always very useful to hear from the users of the standards.

Mr. Adriel Gionet from the host office informed the members of the administrative and security arrangements. Thereafter, the proceedings of the meeting were held as per the agenda.

1. AGENDA 1 – Discussion on matters arising out of 14th PSC-Steering Committee Meeting

i. Chair's Briefing

Recapping the work accomplished at 4th meeting of FIPP and leading up to the 5th meeting, the Chair stated that an important issue of clarity of the FIPP's role in the Due Process was discussed extensively in Luxembourg. It was concluded that the drafting of standards was a process owned by the project groups drawn from various sub committees and working groups by the goal chairs, while FIPP would have the responsibility of ensuring that a robust quality assurance mechanism was implemented. During the 4th meeting, dialogue with the goal chairs on revision of SDP was initiated and to ensure continuous dialogue with the project groups, FIPP appointed liaison officers from among its members to interact with the project groups/goal chairs.

FIPP members worked to finalise a number of internal working procedures during the 4th meeting. With the help of ECA, Teamwork was established as an online workspace for the FIPP. It has developed into a very useful tool for online collaboration and communication among FIPP members, though some technical issues relating to firewalls and access to the teamwork space need to be resolved. Better organisation of folders and documents needs to be done. However, overall Teamwork platform has

proved to be extremely useful in having all the documents in one place and to track comments and changes to documents. Chair informed that FIPP members also worked on the project proposal and project approval templates both during and after the meeting. The project proposal document, after extensive discussions, was agreed and adopted by FIPP and has since been circulated to all the goal chairs. She mentioned that project approval template for informing the project team leads has also been finalised and that Marita's detailed document on the approval process will be for the FIPP's internal process which we will have to discuss further and agree upon. Referring to FIPP documents, she stated that two important documents, namely, Drafting Conventions for GUIDS and FAQs on IFPP were finalised during the 4th meeting. Communication Policy of FIPP was also worked upon.

Chair then briefed about the agenda for the 5th meeting. She stated that focus of this meeting would be to take forward the SDP project proposals. She informed that till date 6 project proposals for SDP projects and one draft proposal from the PSC secretariat for relabeling and renumbering of pronouncements had been received. In addition, there were 4 SDP projects where either a draft had been provided or LO had given their views. Post PSC-SC meeting FIPP received 6 proposals for new projects mostly from the KSC.

FIPP chair informed that members that subcommittees of PSC- FAAS, PAS and CAS, working group on public debt and project lead on ISSAI 5310 (IT Audit) have confirmed their participation in the telephone conference that has been organised to be held on the 20 of July. Chair observed that in the next two days the members would need to look closely at each proposal to firm up FIPP's views that would be communicated during the teleconference. She requested the respective LOs to steer the discussion pertaining to their project during the teleconference.

Finally, expressing her expectations from the 5th meeting, Chair stated that FIPP should be in a position to accord approvals to the project proposals after due diligence. If approval cannot be given at this stage, FIPP should specify additional information required for the approvals. She emphasized the need to achieve migration of pronouncements to IFPP by 2019 and therefore the need to actively engage with the project teams. She stated that need for considering revision of SDP is appreciated and that with the guidance received from the PSC Steering Committee, will be completed as soon as possible.

Chair also drew members' attention to the documents received from the PSC steering committee which had been uploaded on the Teamwork, and hoped that everyone would have found time to go through them, as a discussion on these was also part of the agenda,

Finally, she expressed the need to start planning for the next SDP.

ii. Briefing on PSC Steering Committee Meeting

Four members of FIPP attended the meeting of PSC steering committee in June 2017. The members represented FIPP and expressed the views of FIPP on different agenda items of

the meeting on FIPP's report to PSC Steering Committee (PSC-SC), SDP and technical support function.

Neil Usher briefed the members on the presentation made on FIPP's report card to the PSC-SC. He stated that overall the presentation of the report went smoothly. Status of the SDP projects was presented by use of green, amber and red traffic lights. Discussion on SDP projects mainly revolved around projects 2.4, 2.5 and 2.6 and new project proposals from KSC. In summary, following key messages came out of the discussion:

- PSC-SC desired that more information is required on FIPP's expectations from projects like 2.4 before goal chairs take it forward and set up a project team
- TCU, Brazil is working to analyse the current SDP to make it more transparent
- Inclusion of additional projects require careful consideration keeping in view the priorities drawn up by FIPP and the time and resource requirements to take up the projects in current SDP cycle.

iii. PSC-SC Recommendations for Update of SDP

FIPP members took note of the recommendations of the PSC-SC on the SDP revision. FIPP members in particular noted the recommendation on the need for providing better clarity on expectations and scope of some of the SDP projects that FIPP should provide.

A common concern raised by FIPP members was that in many cases it has been seen that working groups are duplicating their efforts in producing guidance documents in the name of subject specific guidance. Example of IT audit guidance produced by both WGITA and WGPD was cited as one such instance. It was in this regard that FIPP has recommended cross-cutting project groups to work on GUIDS.

Neil Usher, in his feedback on PSC-SC meeting stated that it seems that while models A, B and C, which have been recommended by FIPP were well received, the organisation of project groups under Model B raised some concerns.

In this context PSC observers raised the concern that sub committees faced a huge demand on their limited resources as most of the project groups require participation from the sub committees. They sought clarity on the role and resource requirements from their sub committees (PAS, FAAS and CAS) when they are asked to join a working group for SDP projects.

FIPP members were of the opinion that it would be useful to refer to the process for developing pronouncements under the Due Process to address this issue. In their opinion, role of the sub committees would be in a consultative capacity rather than they necessarily being members of any project team. It was further clarified that under the standard setting structure of INTOSAI, the sub committees of PSC have the natural ownership of standards on compliance, financial and performance audits and that their role in a consultative capacity will be to review subject specific GUIDS to ensure that they address the requirements of the type of audit they deal with.

PSC observer stated that sub committees would be comfortable in being consulting members in the drafting process rather than being active members.

Further, it was the view of FIPP members that project groups must be created for specific tasks and should be dissolved as soon as the GUID is endorsed instead of continuing as permanent working groups.

Following recommendations came out of the discussion that:

- **Sub committees role could be as consulting members in the drafting process**
- **The consultative process should be elaborated in the project proposal template itself. A FIPP document on what constitutes consultative process could be considered**
- **In order to keep PSC and its subcommittees informed of the projects where subcommittees are likely to be involved, FIPP may give an advance information on the projects that are going to be approved and scope of the project**
- **Goal chairs set up project groups for specific GUIDS and these groups should be dissolved as soon as the GUID is endorsed**

iv. Briefing on Technical Support Function

A paper on Technical Support Function prepared by the PSC was referred to. Initiating the briefing, Stuart Barr stated that in the PSC-SC meeting FIPP members communicated the need to revisit the standard setting process within INTOSAI where the accountability of those preparing the standards and those approving the standards is clearly defined and process for broad consultation with external stakeholders is clearly laid down.

Discussion on the TSF was wide ranging in which issues of fundamental principle of inclusiveness, voluntary nature of working groups, desired state of standard setting and broad role of TSF were elaborated by the members.

PSC observer stated that given diverse views on the subject that were expressed during PSC-SC meeting, it has been agreed to put aside the issue of TSF and first look at the standard setting process itself. A discussion paper is being prepared for the Governing Board (GB).

Decision- it was decided that FIPP will provide comments when asked for.

2. AGENDA 2- Review of Project Proposals received

Project 1.2

FIPP Liaison Officer (LO) for this project, Alexandra Popovic presented the project proposal. Project 1.2 is to make ISSAI 200 principles based. Following issues were discussed:

- **Project group:** This is a model A project. LO informed that FAAS has proposed it as is FAAS project. It is led by FAAS and only FAAS members are part of the project group.

Question is should other SAs be invited and if yes, what should be the process of invitation. Members agreed that it should be left to the project leader to decide who will be part of this project, but project group must be clearly stated in the project proposal.

- **Scope of the project:** LO explained that the scope of the project is to make ISSAI 200 less detailed and principles based. Members raised concerns over possible exclusion of principles in trying to slim down the document. Hence, it will be a challenge on how to capture all **fundamental** principles and not all the ISAs which change every three years. Members recommended a careful scoping of the project so that no fundamental principle is left out. This needs to be appropriately emphasized in FIPP's feedback to the project group.
- **Consultative process:** members felt that consultation with the PAS and CAS should be mandatory. In general, members stated that consultative process should be built into the quality process, and adequately reflected in the project proposal template.
- **Role of the LO:** members were of the opinion that the differentiation between the project group and subcommittee should be clearly established, especially in the context that some FIPP members are also members of the subcommittee. It was once again emphasized that the even though LO, as a member of this subcommittee would be participating on other activities of the subcommittee but LO will not participate in the drafting activity. Another concern that was raised was that enough information on the project was not forthcoming for the LO to have a good view of the scope of the project. Members stated that this was not only true of project 1.2 but for other projects also. It was recommended that LOs should be associated closely at all stages of the project to have a well-rounded view of the project. Need for augmenting the project proposal template with supplementary documents like a report on initial assessment, results of consultation etc. was also expressed.
- The proposal was discussed with FAAS chair over a teleconference.

Decision: FIPP agreed for a **conditional approval** to the project proposal i.e. FIPP approved the SDP project proposal with further directions. The project group is expected to revise the proposal, the final approval of which will be by written procedure¹ by the FIPP members.

Project 1.3

LO for the project, Stuart Barr presented the project proposal. The project is regarding Application material. LO informed that there are two project proposals- first one pertains to editorial changes and removal of overlaps etc., while the second proposal

¹ Written procedure refers to approval of FIPP members through online communication over the Teamwork space of FIPP, instead of in a face to face meeting.

pertains to developing application guidance. LO stated that no explanation has been provided for splitting the proposals into two separate proposals.

Following issues were discussed:

- **Definition of application guidance:** the project proposal seeks to define application guidance. In this regard, members raised the point that IAAS-B already has a definition of application material which should guide the scope of this project. It was recommended that the project group should avoid coming up with a definition of their own of application material as this is already defined in the current SDP document. Ultimately, the purpose of application material is to help users implement the standards. In other standards similar guidance appears as 'explanatory guidance'. The objective of this project is to eliminate the need for additional application material for public sector.
- **Outputs from the project:** Members stated that project proposal needs to clearly identify the practice notes which will be application material in the standard, as well as those practice notes which are not application material but their text may end up as GUIDs at a future date.
- **Project proposal template:** It was the opinion of all the members that two separate proposals for the same project were not required. The same proposal could reflect the entire scope of the project work and the work could be done in phases. The proposals should state that this project will result in a new standard. An appropriate title was needed for the new standard.

Decision: FIPP agreed for a **conditional approval** to the project proposal i.e. FIPP approved the SDP project proposal with further directions. FAAS is expected to revise the proposal, the final approval of which will be by written procedure² by the FIPP members.

Project 2.1

Project proposal was presented by the LOs Neil Usher and Robert Cox. They informed the members that a new version of the proposal has been proposed which is also uploaded on the Teamwork. Project 2.1 is to develop a GUID on evaluating acceptability of financial accounting framework.

Neil Usher clarified that this project is the first phase of guidance to address the ISSAI-Evaluating Acceptability of Financial Accounting Framework. He clarified that further guidance on other financial audit ISSAIs may be needed in future. This can therefore be seen as an ongoing project. Following issues were discussed:

- **Scope of the project:** Members pointed out that ISSAI 1210 implies compliance to fair presentation, and not legislative compliance as is given in the proposal. These issues

² Written procedure refers to approval of FIPP members through online communication over the Teamwork space of FIPP, instead of in a face to face meeting.

should not be confused. Financial accounting frameworks could be fair presentation or compliance. This distinction should be reflected in the draft of the proposal.

- **Reporting Frameworks:** Members were of the opinion that different reporting frameworks relevant in public sector need to be recognized and taken on board. The proposal describe the different reporting frameworks in the public sector.
- **Implication for combined audits:** It was stated that this project has implications for combined audits – which was a subject of a different project. Relationship between financial and compliance auditing needs to be clearly understood and any elements of combined audit which arise during the course of work of this project should be communicated to the group working on guidance for combined audits.

Decision: FIPP agreed for a **conditional approval** to the project proposal i.e. FIPP approved the SDP project proposal with further directions. FAAS is expected to revise the proposal, the final approval of which will be by written procedure³ by the FIPP members.

Project 2.2

Project 2.2 pertains to developing a GUID on Compliance audit. Josephine Mukomba and Karen Beltelton are the LOs for the project. LOs expressed concern that information about the project justification was sketchy and direction of the proposal document was not clear. Following issues were discussed:

- **Scope of the Project:** Members were of the opinion that current scope of the project is limited to propriety / legal aspect. Complete guidance on compliance audit could be a long drawn process, hence scoping out the guidance is important. Members agreed that compliance audit is a complex subject as it also depends on the national legal environments in which the SAIs operate. They voiced a need for practical guidance that helps meet challenges of compliance audit and cautioned against repeating ISSAI 3100/3200 in the proposed GUID. It was recommended that the Project team needs to come up with a project that gets into the real substance of compliance audit, i.e. the issues for compliance audit rather than guidance on audit process itself. An initial assessment is needed to identify and prioritise pressing issues in compliance audit such as: Preconditions of performing a compliance audit; the process of performing compliance audit as an attestation audit; providing a comparison of criteria used for financial audit as against compliance audit etc.
- **Quality Assurance:** It was felt that the proposal in its current form was not elaborate and description given in box C-9 of the project proposal template (quality assurance) was inadequate. As different SAIs have different mandates for compliance audit

³ Written procedure refers to approval of FIPP members through online communication over the Teamwork space of FIPP, instead of in a face to face meeting.

depending on their national legal systems, members felt that the project team will benefit from a cross cutting expert group. Members were of the opinion that a project would benefit from a comparative analysis of international legal systems. This will help in avoiding pitfalls of guidance based solely on individual / national experiences of those drafting the GUID.

- **Duplication of audit objective:** Objective 2 of the proposal overlaps with project 2.3, i.e. GUID on Combined Audits. Members recommended that this objective may not be pursued under Project 2.2 to avoid duplication.
- **Reference to Exposure Draft for Canadian Standards on Compliance Audit:** It was recommended by the members that this exposure draft could be of useful reference to the project group for developing project proposal.

Decision: Not approved. By “Not Approved” it is implied that the FIPP considers that the SDP project proposal was not found adequately detailed in terms of its scope, setting up of project team and quality assurance processes to be carried out, and therefore needed to be reviewed by the project group. Project proposal needs to be redrafted and resubmitted to the FIPP. Project specific recommendations have been provided in the feedback of FIPP which will be communicated to the group by FIPP LO. CAS is advised to carry out an initial assessment before developing a revised proposal.

Project 1.1

Project 1.1 pertains to renumbering and relabeling of pronouncements following the endorsement of IFPP. Prior to the 5th meeting of FIPP PSC Secretariat had sent a draft project proposal. Members agreed that at the time when the SDP was being formulated, priority was to provide as much clarity as possible on the numbering of new pronouncements. No numbering was set aside for the Guids initially as these were existing documents. However, need for assigning precise numbering to the Guids was recognized. It was agreed that a subcommittee of FIPP members comprising of Kristoffer Blegvad, Shelmadene Petzer and Neil Usher will propose the schema for relabeling and precise re numbering of Guids and other pronouncements.

PSC observer informed that project 1.1 will be implemented by project group consisting of the General Secretariat, PSC, SAI Mexico and SAI Canada. The draft proposal has been circulated to all and PSC secretariat is awaiting their comments before finalizing the draft. The end date of the project is set for next year end. FIPP was requested to appoint an LO for the project

There was a general agreement on the draft proposal among the FIPP members. It was agreed that FIPP could provide approval by a written procedure to the formal draft once received.

Decision: (a) Approval by written procedure on receipt of formal proposal from PSC Secretariat (b) FIPP will allocate an LO to the project.

3. AGENDA 3 - Discussion on SDP projects proposals yet to be received

Project 2.3

This project pertains to guidance on combined audits. Neil Usher is the FIPP LO for the project. LO introduced the project and referred to the concept paper that he has developed delineating the objective, scope and proposed guidance on the subject. He stated that this GUID is likely to be very popular among SAIs as many of them do combined audits. FIPP members appreciated the concept paper for providing a lot of clarity on the subject. Following issues were discussed:

Scoping the project: It was stated by the members that though SAIs carry out Financial, Compliance and Performance audits there are very few pure audits of just one type. Most of the time SAIs combine financial and compliance, or financial and performance audits. If SAIs are not able to connect practice with what standards framework prescribe, acceptability of standards becomes low. Therefore there is a need for an initial assessment which involves mapping of existing scenarios and categorizing them under different mandates for audit engagements and reporting. Reference was made to a harmonisation exercise of INTOSAI which was conducted a few years back to map the mandates of different SAIs. Inputs were received from different INTOSAI regions. Though the report of this exercise is not a comprehensive document, the exercise itself could provide useful insights for planning the initial assessment.

Taking a slightly divergent view, few members were of the opinion that initial assessment is not so much about mapping of mandates as it is about asking the right questions to elicit information like how do SAIs interpret the standards when applying these to combined audits, what are the current practices for audit, and what are the reporting conventions for combined audits.

Members were of the opinion that this GUID should be practice driven, i.e. provide guidance to SAIs on how to apply standards to meet the mandates of their audits. Members also expressed a note of caution to make the definition of combined audit very clear so that it is not misunderstood as a new type of audit.

Timelines for project completion: Since an initial assessment is felt as a strong need involving mapping of mandates and audit practices, members were concerned that the current timelines may not be adequate. The initial assessment itself could take longer time. Hence it could be expected that project may go well beyond 2019.

PSC observers were in agreement with the proposal for providing more time for the project so that robust information is gathered before a GUID is developed.

Decisions: (a) This is a Model B project, and therefore it would be up to the Goal Chair to put together the project team. (b) PSC will be consulted for setting up the project

team for initial assessment. (c) Neil Usher requested comments on the concept paper by mid-August.

Project 2.4

This project pertains to SAI Organisational Guidance. Beryl Davis is the FIPP LO for the project. The LO informed that no project group has come forward yet to initiate project proposal. Resource constraints were expressed during the PSC-SC meeting.

Since it's a Model B project, the PSC was requested to set up the project team.

In their feedback, PSC observers stated that they would require more information from the FIPP on the expected outcomes of this project before they initiate any work.

Clarifying the rationale of placing this project in the SDP, Kristoffer Blegvad who was associated with the making of the SDP stated that at the time of identifying priority pronouncements to be included in SDP it was seen that there were many documents that could not be immediately assigned a placeholder in the IFPP nor could they be withdrawn as they contained some useful text. This project therefore entails a review of all the high level pronouncements that exist in the erstwhile ISSAI framework to determine what goes into principles, standards and Guides.

In order to provide clarity on expected outcomes from this project, it was agreed that FIPP will come up with a concept paper which could be widely circulated.

Decision: FIPP LO will provide the PSC chair with a scoping paper and expected outputs of the project to help in initial assessment.

Project 2.5

This project pertains to Internal Controls. Shelmadene Petzer is the FIPP LO for this project. She informed the members that Internal Control subcommittee (ICS) led by SAI Poland, is deciding the way forward for this GUID. A status note has been received from the project lead. From the deliberations held during PSC-SC meeting, it seems there is a feeling of unease in the ICS for changing the focus of guidance from external stakeholders to making it auditor focused.

Following issues were discussed.

Change of focus: members emphasized that all documents in the IFPP are now focused towards the auditors/SAI and not to external parties. It is important however for these parties to understand the role of an auditor in evaluating the internal controls. Hence FIPP does not recommend that we write guidance for auditees/governments but for the auditors and SAI.

Need and scope for guidance: Members expressed the view that given an already large body of guidance that exists on internal controls, what needs to be established is whether there is a need for further guidance for auditors concerning the Understanding and evaluating internal control in order to identify risks in the audit. If

such a need is identified the additional guidance should build on the principles in ISSAI 100 – 400. Further, overlaps between this project and project 2.6 - Guidance on reliance on the work of Internal Auditors, needs to be smoothed out.

Need for Consultation: LO informed the members that though ICS expressed that there is a need for guidance on internal controls but it was not clear what consultation process they had followed to establish the need. Members recommended that in assessing the need for further guidance and the content of such guidance other WGs or project groups need to be included together with an assessment of what is provided in current ISSAIs. This is also a requirement of the SDP. Thus, to begin with an exercise in initial assessment should be conducted.

Decision: (a) It was decided that FIPP shall come up with a concept paper on the kind of guidance that could be useful. (b) It was agreed that ICSS will be requested to conduct an initial assessment for establishing need for guidance and scope of such a guidance.

Project 2.6

This project pertains to Guidance on Reliance on the work of Internal Auditors. Marita Salgrave, FIPP LO for this project, provided a briefing on the project scope based on an initial concept paper proposed by her. She stated that rationale for the project is revision of INTOSAI GOVs on the subject so that guidance on the role of internal auditors is written in the context of an audit. There needs to be a clear linkage between the treatment of internal auditors in the ISSAIs and the supporting GUID.

Following issues were discussed:

Need of Guidance: Members were of the view that while sufficient guidance exists in the context of Financial Audit (e.g. ISSAI 1610), there is no similar guidance under Compliance and Performance Audits. It needs to be assessed whether the existing guidance can be extended to the latter types of audits. The theory and long descriptions of concepts should be replaced with practical guidance to SAIs, how to handle co-operation with IA.

Scope of Project: Members agreed that the project should aim at developing guidance that covers all three types of audit financial, compliance and performance. This project should also address issues of consistency and duplication with other pronouncements including withdrawal of certain pronouncements. For example, it was felt that INTOSAI GOV 9140 “Internal Audit Independence in the Public Sector” could possibly be considered for withdrawal since the establishment of the new IFPP involves the revision of pronouncements, among others, with regard to focusing exclusively on the needs of SAIs and auditors. However, members were of the view that IIA should be formally informed before proposing withdrawal of INTISAO Gov 9140 as this was developed in consultation with the IIA.

Decision: (a) It was agreed that FIPP will provide a scoping paper to the PSC to help in initial assessment (b) The project team will be requested to review contents of GOV 9150 in order to make it into a GUID, while GOV 9140 will be considered for withdrawal, with proper intimation to IIA.

Project 2.7 and Project 2.10

Project 2.7 pertains to guidance on audit of privatization, while Project 2.10 pertains to audit of disaster related aid. Kristoffer Blegvad and Lionel Varielle are FIPP LOs for these projects. Since both the projects come under Model C, a combined discussion was held on both projects. The LOs informed that KSC chair is in the midst of surveying members to find out members interested in joining the project team. The LOs have had a telephone conversation with the KSC chair.

Following issues were discussed:

Project 2.7: It was informed that there are several existing documents on the subject and SAI Egypt is tasked with the review/revision of these documents. Though SAI Egypt has produced first revised drafts, it seems that no consultation as required under due process was done. Thus, concerns remain on need for a specific guidance on privatization.

2. It is also seen that the working group did not confine itself subject matter. Guidance also includes audit of economic regulations and audit of procurement – FIPP is of the view that only matters related to privatisation need to be retained

3. FIPP members also raised concern on how will the guidance document address subject specific audit under financial, compliance or performance auditing

4. Overall, the priority is that there should be an added value if a GUID is brought out.

Decision: FIPP LOs will discuss the scoping of the project with KSC to put in place a revised direction for the project.

Project 2.10: LOs informed that the original working group has been disbanded. The KSC Chair is surveying members to ascertain interest and establish an initial group.

Project 2.8

Project 2.8 pertains to consolidating and aligning guidance on IT-audit with ISSAI 100. Einar Gorrissen is the FIPP LO for this project. As he was not present in the meeting, the discussion was on the project was steered by FIPP Chair. FIPP members were informed that the Working Group on IT Audit (WGITA) had sent project proposal on converting ISSAI 5310 (IT Security audit) into GUID. Cyber security issue was also covered in the proposal, but LO in his presentation had informed that there seemed

to be some difference of opinion within the group regarding inclusion of cyber security in the scope of the project.

Following issues were discussed:

-Scope of the project: Members were of the opinion that the project proposal was for too technical in nature. Questions were raised on the approach of the GUID which seemed to imply that audit would be certifying the organisation's IT security system. Inclusion of cyber security in the project scope was questioned by some members on grounds that cyber security may not necessarily be viewed as merely an IT issue, but as a wider governance issue. Overall, members felt that the scope of 5310 was complex and long which raised doubts over the timelines within which it could be completed.

-Priority to ISSAI 5300 : Members were of the opinion that even before ISSAI 5310 is taken up for GUID, the working group should first convert ISSAI 5300 into a GUID as it lays the foundation for all other GUIDS on IT Audit. Members questioned working group's approach in not prioritizing 5300. Members felt that a fundamental problem in approaching IT audit guidance is that there is no clear definition of IT Audit. In its absence, it is seen as a stand-alone or a different type of audit rather than as a support to financial, compliance or performance audit. Members were of the opinion that IT audit guidance should address the auditors on how to approach IT audit in the context of three main types of audit- financial, compliance and performance. This issue therefore needs to be addressed first by fixing 5300 and develop it as a basis for any future supplementary guidance on IT audit.

Members recommended a clean, slimmer version of IT audit GUID based on consolidation of various existing documents that could be relevant for a new consolidated guidance on IT audit (example- ISAAI 5450, other sources within or outside INTOSI community).

Decisions : (a) Project proposal for GUID on Information Systems Security Audit is **not approved** (b) Working Group is requested to set up a project group that could conduct an initial assessment for defining the scope of Guid on IT audit based on existing ISSAI 5300 as well as a review of all existing documents (c) The project proposal should include quality assurance process that involves consultation with financial, compliance and/or performance auditing expertise to ensure alignment with the ISSAIs.

Project 2.9

Project 2.9 pertains to consolidating and aligning the audit of public debt with ISSAI 100. Novy Pelankahu is FIPP LO for the project. The LO provided a status update of the project stating that the new chair of the working group on public debt , SAI Philippines have already approached the LO to seek guidance on how to move forward. In response, the LO had provided a concept paper to the SAI. LO informed the members that the working group has sought more time to develop a project proposal.

Following issues were discussed:

-Need for aligning existing ISSAIs and other documents: It was stated that at present there are several ISSAIs that have been developed by the working group on different aspects of public debt, but these documents do not speak to each other. The LO stated that in his paper he has highlighted the need for consolidating and merging of eight ISSAIs related to Public Debt Audit in order to reduce the repetition and redundancies in the existing documents. Need for alignment of the GUID with other existing ISSAIs/Guidance like internal controls audit and IT audit was also highlighted.

- Link with compliance, financial and performance audit: Members discussed that in general, framework for subject specific guidance (GUIDS in 5000 series) should be linked with the three types of audit. GUID on public debt audit should also follow the approach.

-GUID on Audit of Public Debt Management Office: Members were of the opinion that the working group should prioritise the GUID on Public Debt audit based on review and consolidation of existing materials, instead of developing new guidance.

Decision: (a) Working group will propose a new GUID under 2.9 which will be subject specific guidance on public debt audit (b) LO will liaise with the chair of the working group on public debt to define the scope of project 2.9 and develop a project proposal. (c) Guid on audit of public debt management office will be taken up later as a subject specific guidance.

AGENDA 4- Consideration of new projects not in SDP 2017-19

Following new projects were proposed by KSC for inclusion in the SDP:

- i. GUID on Key National Indicators
- ii. GUID for Jurisdictional SAIs Network of General Prosecutors
- iii. GUID on Public Procurement Audit

GUID on extractive industry, initially proposed by KSC was later on withdrawn.

Initiating the discussion on new projects, members were of the view that some overall criteria for reviewing the proposals could be

- Whether the proposal is accompanied with a documented needs assessment
- Whether the proposals are in overall compliance with ISSAI 100
- Do the goal chair/ working groups have the capacity to deal with these projects
- What are the resource requirements
- What are the timelines for the project, whether current SDP period or beyond.

(a) SAI Russia Proposal on Key National Indicators

This is a non-SDP project.

Two documents, namely, initial assessment document and a project proposal (not in the prescribed template), were received during the meeting from SAI Russia. Though very limited time was available due to late receipt of the documents, members considered the papers. Following issues were discussed:

Alignment with SDP Project 3.1 – Audit of Sustainable Development Goals

Members felt that though the revised project proposal does discuss the UN Sustainable Development Goals (SDG), the distinction between KNIs and the UN's SDG indicators did not come out clearly.

The INTOSAI Strategic Plan sets out "four broad categories where SAIs can expect to make valuable contributions to the national, regional, and global follow-up and review efforts of the SDGs". Members were of the view that it was not clear what type of audit was envisaged in the KNI project. Is it a compliance or a performance audit, or possibly a financial audit? It was pointed out that some SAIs do conduct audit of service performance of government entities which is a combination of qualitative and quantitative assessment of service parameters. However, it was felt that INTOSAI as a whole is not ready for this type of audit at this stage.

Members were of the opinion that this GUID could contribute to one or more of the four broad categories that have been set out by the INTOSAI for follow up and review of SDGs. But the project proposal needs to be clear on this.

Consultative process: Members agreed that the project proposal should be clear about the extent of engagement with the expert group on SDGs to date and the planned level of engagement during the project.

Category of pronouncement: Though the proposal talks of a standard, FIPP members were not in favour of the pronouncement being at the level of a standard. FIPP members were of the opinion that the audit of KNIs would fall either on the category of compliance or performance audit, possibly financial audit- for which standards already exist and therefore the need for a different standard on audit of KNIs is not seen. However, since some SAIs are conducting this type of audit, a subject specific GUID on the subject could be a possibility. Some of the members felt that it could be possible that those who drafted the proposal may not have been clear about the distinction between a standard and a Guid in the IFPP. It was agreed that a clear message should go out that if there is a need for a pronouncement on audit of KNIs it can be developed as a GUID rather than a standard.

Decision: The proposal of SAI Russia was **not approved** for inclusion in the SDP as a new project in SDP 2017-19. The Working Group is requested to work on justification for inclusion of the project / concept into the next SDP. FIPP's written comments on the proposal have been provided to the KSC/ Working Group.

(b) SAI Russia's proposal on Public Procurement Audit

This is a non-SDP Project.

Two documents, namely, initial assessment document and a project proposal (*not in the prescribed template*) were received during the meeting from SAI Russia. Though very limited time was available due to late receipt of the documents, the documents received by the project leader were discussed by the FIPP members, and following observations were made:

- This GUID has been proposed as a standard without adequate justification
- This GUID requires significant inputs from PAS/CAS/ FAAS
- If it's a GUID, what kind of audit is being proposed? Most likely to fall in the category of compliance / performance audit, possibly financial audit.
- How is this audit different that it cannot be addressed by any of the existing fundamental principles and standards for compliance, performance and financial audit?

Decision: The proposal received was **not approved** for inclusion in the SDP as members felt that there are a number of issues, as discussed above, which need to be resolved before a project proposal could be considered. FIPP's written comments on the proposal have been provided to the KSC.

(c) Pronouncement for Jurisdictional SAIs Network of General Prosecutors

This is a non SDP project. Lionel Varielle, FIPP member from SAI France presented the proposal in detail. He stated that currently there is no INTOSAI standard of guidance pertaining to the subject of jurisdictional SAIs. He provided background of the project stating that forum of jurisdictional SAIs was created in December 2016 to address the needs of these SAIs with a specific mandate. 33 SAIs are members of this Forum. Summarizing the unique mandate for jurisdictional SAIs, he explained that these SAIs bring out judgments instead of audit reports. Jurisdictional SAIs do compliance auditing mostly, but performance and financial audits can also be done. The judgments are addressed to individuals- either a public accountant or a public manager, and could result in a fine in cases of non-compliance. Jurisdictional SAIs are independent of the Parliament.

The Forum for jurisdictional SAIs expressed a need for a specific pronouncement addressed to their unique mandate and therefore a project proposal has been drawn up. SAI France will be leading this project.

The members expressed their overall support for the project. However, some specific issues were discussed as follows:

Placement of pronouncement: Placement of the pronouncement – whether standard or a GUID, was discussed in detail. One set of members felt that the project could be seen as subset of Project 2.3 as it is a specific type of engagement. Moreover, to include this project in SDP will not require much tweaking as it could be put under Project 2.3 in a general way.

Some other members felt that the subject matter is not necessarily suited for a GUID, but needs to be called put separately as a Standard.

It was suggested that in IFPP it could find a place under 4000/400 as supplementary Compliance Auditing Guidelines.

Justification: PSC observers stated that for a new project to be included in the SDP, it should be accompanied with a justification statement.

Timelines: Members felt that timelines for the project needed to be revisited if the proposal was included in the current SDP.

Decision: FIPP **approved** the proposal for inclusion in the current SDP. By approval of “non-SDP” project proposal it is implied that FIPP (1) suggests the project for inclusion in the current SDP on the condition that timelines are reviewed (2) links with compliance audit are clearly indicated and (3) it is accompanied with a justification statement. The project group is expected to supplement / revise the proposal, the final approval of which will be done by written procedure in FIPP

It was agreed to accept the proposal as a GUID, but it could be considered as standard in the long run.

Lionel Varielle was assigned as the FIPP LO for this project.

4. AGENDA 5 (a) - Review of FIPP Working Procedures (WP) and Project approval process/ approval template

Initiating the discussion on working procedures, members were of the opinion that the procedures are still evolving as FIPP moves forward with its work. It was agreed that detailed working procedures could be deferred to a future date, approximately six months from now, so that they can adequately reflect the work of FIPP.

Regarding project proposal template, members were of the opinion that the template should be accompanied with supporting documents like a needs assessment report, though this has not been explicitly stated when the project proposal was circulated. This will facilitate the LO in evaluating the project proposal. Though it was agreed that an illustrative list of documents to accompany the project proposal document needs to be prepared and circulated, no final decision was taken in the meeting regarding the kind of documents that were needed.

Regarding project approval document, members agreed that the LO would complete the approval document incorporating comments and feedback from all FIPP members.

The approval process was also discussed. Members agreed that project proposals would be approved on voting basis (show of hands), with approvals requiring 2/3 of the votes of all the members and the Chair. It was also agreed that approval of project proposals would require physical presence of all members, instead of approvals obtained through emails/online communication. The only exception would be for projects which have been conditional approvals in which case members will give written approval to the revised proposals through emails/ online communication on Teamwork space.

Members recommended that the approval document may provide space for recording dissenting opinion, if any, by the members not in favour of the project.

5. AGENDA 6 - Video Conference (VC)with Goal Chairs/ Project Group Leads

Due to technical limitations, a telephone conference instead of video conference was held. Eight working groups/ sub committees/SAIs (as project leads) participated in the teleconference. These were: FAAS chair, CAS Chair, WGPD chair, WGITA representative, SAI France, ICSS chair, SAI Russia and representative of PAS.

6. AGENDA 7- Revision / Update of SDP 2017-19

Based on the review of projects done by FIPP, a discussion on update of the current SDP was taken up. Members stated that broadly the update would involve adding new elements and taking out some elements if the need so arises. In the opinion of members, the SDP document has already been approved by the Governing Board hence everything in the document need not go for approval again.

Following procedure for seeking approval from the Governing Board was agreed:

- i. FIPP will propose a paper on the update of the SDP which will provide information on the additional proposals and updates received from the Goal Chairs and Working groups, pointing out addition of new elements which will need endorsement from the Governing Board.
- ii. The paper will be addressed to the PSC Chair so that they can also add their comments on the draft received from FIPP, for submission to the Governing Board
- iii. Neil Usher will draft the paper for update of SDP.
- iv. Paper will be submitted to the PSC by end August.

7. AGENDA 8- Preparatory work for next SDP

FIPP took note of the proposed timelines that have been circulated by PSC scheduling the work of drafting the next SDP, especially the two milestones where FIPP will have interventions, namely,

-June 2018: FIPP to provide inputs to the PSC for planning process of SDP

-Feb-Mar 2019: Based on comments received and opinion of Advisory Partners, FIPP proposes priorities for SDP.

Members agreed that preparatory work should be initiated at the earliest to meet June 2018 milestone. This will require taking stock of lessons learned from the 1st round of SDP, identifying important items of work and organizing work processes. FIPP members also stated that FIPP meeting schedules for the next year and beyond should also take into account these milestones.

8. AGENDA 9- Other matters

1. **PSC Discussion Paper on Interpreting the ISSAIs:** FIPP members were invited to provide their comments on the paper by end August 2017. PSC Secretariat will take the consolidated comments to the next PSC-SC meeting for discussion. Members were informed that the PSC discussion paper is available under Agenda Item 09 of fifth meeting in the Teamwork, and they could provide their comments in the same folder.
2. **Quality assuring Intosai public goods that are developed and published outside due process- joint paper by Intosai Goal Chairs and IDI:** The paper was introduced by Neil Usher on behalf of the PSC. He stated that the paper has been provided to FIPP for information. The intention behind this paper is to recognize a potential challenge that many documents could be developed outside the due process and outside IFPP and these also need to be quality assured in terms of some standards within the INTOSAI framework.

Responding on the paper, some FIPP members felt that documents outside the due process could also have implication for the IFPP pronouncements. In their opinion, if such documents have an impact on ISSAIs or other IFPP pronouncements then FIPP could also be potentially involved in the QA process. It was also stated that Goal Chairs will need to ensure consistency in the QA process involved across the working groups and sub committees and other Intosai bodies. Consistency with the IFPP should be part of the QA process.

9. AGENDA 10 - Approval of FIPP documents from 5th Meeting

FIPP's decisions on the project proposals reviewed during the fifth meeting are summarized in Annexure 1.

10. **AGENDA 11(a) – Budget:** Members discussed the budget provisions from the PSC budget for FIPP activities. It was clarified by the former chair of PSC (Kristoffer Blegvad) that the clause that there is a certain amount that could be set aside for a specific FIPP activity exists and FIPP could request for funds under this clause. However, there is no permanent fund for FIPP and its activities. Members took note of the information.

AGENDS 11(b) – FAQs: Chair informed that the FAQs finalised by FIPP have been communicated to the PSC secretariat, who have in turn put them up on ISSAI website. However, options for better visibility of FAQs are being explored. In this regard FIPP s in discussion with PSC Secretariat to develop FIPP's webpage on the PSC site. The FAQs are proposed to be uploaded there.

11. **AGENDA 12- FIPP vice Chair:** Chair drew members' attention to the 4th meeting where it was agreed that it would be up to the Chair to consider whether there should be a Vice Chair. Chair expressed her opinion in favour of a having a Vice Chair. Members authorized the Chair to nominate the Vice Chair on the basis of the process prescribed in the FIPP Working Procedures. This may be taken up in the next meeting.

12. Others : Document on Re numbering and Re labelling of Documents

A draft version of the document jointly produced by the team of Shelmadene Petzer, Neil Usher and Kristoffer Blegvad was briefly introduced by Kristoffer. It was agreed that proposal for re numbering of pronouncements would be submitted to the PSC by mid-September. Following timelines were agreed for completing the work:

- Comments from FIPP members by 25 Aug 2017 - based on the paper already in teamwork
- New version to FIPP by 31 Aug 2017
- Deadline for any final reactions and sign-off by FIPP by 8 Sept 2017
- Ready for the PSC Secretariat by 15 Sept 2017

13. AGENDA 13 - WAY FORWARD

At the close of the meeting, Chair summarised the deliberations and decisions taken during the meeting, which have been elaborated in the preceding paragraphs. Chair further discussed other matters that would be relevant for FIPP going forward.

Following items were discussed and agreed at the end of the meeting as way forward:

1. Members expressed need for a 6th meeting during 2017 to provide for review and approval of project proposals that have been given a conditional approval. Last week of November 2017 were identified as potential dates for a meeting for 3-4 days. A couple of members volunteered to host the meeting subject to confirmation from their SAIs
2. The 7th meeting in early 2018 has been tentatively planned in Mar-Apr 2018.

Meeting ended with thanks to all the members for their active participation and long hours of work during the meeting, to the technical assistants for their support, to the hosts for excellent meeting arrangements and to the OAG team for their undivided support throughout the meeting. Members thanked the Chair for her excellent steering of the meeting

Date : 05 February 2018

Minister Reimundo Carreiro, Presidente do Tribunal de Contas da União, INTOSAI PSC Chair

Mr Rajiv Meherishi, Comptroller & Auditor General of India, INTOSAI KSC Chair

Mr. Kimi Makwetu, Auditor General of South Africa, INTOSAI CBC Chair

Dear Goal Chairs

Subject : Regarding Planning of next Strategic Development Plan and other issues

Greetings from FIPP.

The current Strategic Development Plan (SDP) for the IFPP comes to an end in 2019, when the first set of pronouncements to be migrated into the IFPP will be submitted to the INCOSAI. In the sixth meeting of FIPP held in Guatemala City in the last week of November, FIPP members initiated a discussion on the planning process for the next SDP and also discussed other matters that impinge on FIPP's effective functioning.

Based on the collective lessons learned and experience gained by FIPP during the implementation of the current SDP and taking note of the views expressed by various stakeholders at the meetings of the steering committees of PSC, KSC and CBC and the Governing Board I would like to share the following views, concerns and areas where we seek your support.

1. The Sub committees and working groups under the PSC and KSC have been engaging with us the most so far on the revision of existing "erstwhile ISSSAls", and in formulating new pronouncements for the IFPP. The current SDP has focused on completing Priority 1 and Priority 2 projects by 2019. To this end, in 2017, FIPP through its liaison officers has been continuously working with the project groups drawn up from different working groups/subcommittees towards getting the project proposals to take off as per the due process. I have briefed you on the status of various project proposals in my letter dated 27 December 2017. A lot has been achieved but a lot more needs to be accomplished.

2. Going forward the projects under Priority 3 of the current SDP will move up the priority position in the next SDP. I would therefore appeal to you for guiding your respective working groups/sub committees to give due attention to the Priority 3 items in their upcoming annual/biennial working plans. In addition, their inputs for proposals to complete the migration of remaining pronouncements in the old framework through the next SDP are of great importance. They need to provide inputs for the same before identifying proposals for inclusion of new pronouncements in the next SDP. To this end, sensitization of the working groups/subcommittees on keeping this sequencing of project proposals in mind while drawing up their working plans and allocating adequate resources is necessary. Further FIPP would need timely and well-researched inputs from them for the next SDP. A strong message to your respective working groups/subcommittees is very crucial for us to begin the planning process for the next SDP.
3. As 2017 was the first year in which the due process came into play there have been certain doubts, confusion and perhaps even misgivings about FIPP's role as an INTOSAI's standard setting body to ensure single entry into the IFPP. As the prime movers in the creation of FIPP, we feel that you are the right persons to clarify FIPP's role and strengthen our hands. I would therefore be grateful if you as goal chairs explain to your subcommittees/working groups their specific roles vis a vis the requirements laid down under different stages in the due process. It is important to appreciate that FIPP acts as a quality assurance body and if needed proposes amendments to project proposals and exposure drafts as per the requirements of due process, and if warranted also turns down project proposals and draft pronouncements that do not comply with the quality requirements of the Due Process and the IFPP. In this regard one of the concerns that I would like to communicate to you on behalf of FIPP, is that there is a limited understanding of the due process among the working groups that are engaged in implementing the SDP projects. This has on some occasions led to protracted communication and concern regarding our collective ability to achieve the migration of the identified pronouncements into the IFPP by 2019. In this context I would like to draw special attention to instances where the initial assessments were either absent or wanting compelling FIPP to prepare scoping papers to assist them though the due process does not mention scoping papers anywhere. The year 2017 being the first year, in the interest of keeping the process moving FIPP has resorted to some 'out of text book' solutions that I hope will be appreciated.

On our part, FIPP has resolved to strengthen its communication with the INTOSAI community and therefore we have taken several steps in this direction. A ready reckoner called “Frequently Asked Questions” has been developed, which I have shared with you and we have also hosted it on the PSC website for wider dissemination. We intend to shortly circulate information brochures to all SAIs and the other INTOSAI bodies. We also propose to engage in person with the regional groups and bodies during their meetings.

4. Finally , I look up to you, as members of the governing body of FIPP, for providing us with some technical support as it is becoming more and more difficult to manage with the limited support (mostly administrative in nature) offered by the SAIs who volunteer to host our meetings. In order for FIPP to function as a body of experts to review and quality assure the content going into the IFPP it is absolutely necessary to have regular and full-time technical support. This work is currently being done by individual FIPP members working for limited working hours that the SAI has committed on their behalf. Some of FIPP members have technical assistants (TA) to support their work, but TAs work with the members in an individual capacity and not for FIPP as a whole. Further, TAs are assigned to the members only as part time support, and not on full time basis. It is becoming evident that FIPP’s work is of continuous nature which cannot be fully accomplished through limited hours that a FIPP member can devote, nor through periodic assistance that FIPP receives during its meetings. This is especially true since a number of SDP projects are underway and are likely to increase over time. FIPP members who can devote only a committed number of hours would gain from having a full-time technical support group processing the inputs from various project groups. A technical secretariat for FIPP needs to be set up and manned with full time staff to provide support to FIPP on twin functions of:

- Conducting continuous research in preparation of scoping papers for SDP projects, consultation papers for discussion, compilation of references received from project groups etc.
- Providing secretarial support to FIPP including preparing meeting agenda, meeting minutes, circulation of papers, record keeping and act as a keeper of rules and procedures to be followed by FIPP

FIPP’s work has expanded considerably and so have the expectations from the stakeholders. It is time to establish FIPP as a full- fledged INTOSAI standard setting body with appropriate support structure, so that it can discharge its role in an effective way. While there may not be an easy solution

to this, I request that a discussion on this may be included as one of the agenda items during the next PSC Steering Committee meeting so that some options may emerge.

I hope that matters included in this letter will find due consideration in your internal meetings and during the meeting of the PSC-Steering Committee. On my part and on behalf of FIPP I shall continue to engage with you as we progress with the work of planning the next SDP

With high regards,

Yours sincerely



Ganga Kapavarapu
Chair, FIPP

Record Note on the Sixth meeting of the Forum for INTOSAI Professional Pronouncements

(Guatemala, November 28-30, 2017)

The FIPP conducted its sixth meeting in Guatemala during 28-30 November, 2017. A pre meeting of FIPP was held on 27th November to initiate preliminary discussion on planning process for next SDP and key messages for the PSC Steering Committee from FIPP. Matters related to Teamwork reorganization were also discussed. Summary of pre meeting discussions is provided in Annex I.

Eleven out of fifteen members and three accompanying assistants, along with the PSC observer from SAI Brazil attended the sixth meeting. The meeting was hosted by the General Comptroller of Accounts office in Guatemala.

In his welcome address, the General Comptroller of Accounts, Mr. Carlos Mencos stated that the FIPP seeks to help consolidate INTOSAI, as a governing body of international standards for public sector auditing and to continue enriching its knowledge and transferring it to all the SAI's who strive permanently to be able to grow in integrity for the benefit of our societies.

In her opening remarks FIPP Chair, Ms. Ganga Kapavarapu, welcomed the FIPP members, technical assistants and the observers to the sixth meeting, stating that FIPP members work in the honest belief and faith that our efforts will be useful to the entire INTOSAI community to become more professional in conduct of their national mandates of making their respective governments more accountable and transparent. She thanked the General Comptroller of Accounts for hosting 6th meeting of FIPP and for their support.

1. AGENDA 1 – Recap of earlier meeting decisions, key developments, confirmation of 6th meeting agenda

Chair, Ms. K Ganga started the meeting with a recap of earlier meeting decisions and key developments since then. At the outset she thanked the outgoing member of FIPP, Ms. Shelmadene Petzer for her immense contribution as member FIPP. She welcomed the news of appointment of three new members to FIPP , namely Ms. Asa Kristine Hensen from SAI Norway, Mr. Alex Monge from SAI Costa Rica and Mr. Tashi Togbay from SAI Bhutan, and especially thanked Ms. Hensen for her presence in the 6th meeting at a short notice.

Chair stated that the last meeting in Ottawa was an important milestone on FIPP's work as for the first time FIPP took up issues which are at the core of FIPP's work, and that is to implement first steps of due process by way of reviewing project proposals. In all FIPP reviewed all thirteen projects under priority 1 and 2 of SDP during its fifth meeting and also had teleconference with project leads .

Chair drew attention to considerable work done after the 5th meeting namely:

- Approval by a written process to five proposals that were initially conditionally approved
- Progress report on SDP implementation submitted to the PSC steering committee
- LOs' close interaction with their respective groups as a result of which FIPP has received further 5 SDP project proposals and also received an exposure draft for INTOSAI P-10

Election of Vice Chair

It was agreed during the fifth meeting that FIPP shall have a Vice Chair, who will be elected. Members suggested that instead of having this as an agenda item on the last day, the election could be held on the first day itself, so that the Vice Chair can assist the Chair during the entire meeting. The proposal was agreed by all.

Alexandra Popovic, member FIPP proposed name of Kristoffer Blegvad from SAI Denmark as Vice Chair, which was seconded by Beryl Davis from SAI USA and agreed by all the members.

DECISION: Kristoffer Blegvad from SAI Denmark was elected as Vice Chair.

Next, the Chair listed out focus areas to be addressed during the 6th meeting.

- Review of existing SDP projects and decision on project proposals received
- Finalisation of FIPP paper on renumbering and relabeling
- Finalisation of FIPP paper on Drafting Conventions for Standards
- Firming up the communication to the goal chairs regarding planning for the next SDP
- Internal matters - Chair drew members' attention to draft communication policy of FIPP and stated that it needed to be firmed up, and a strategy for enhanced communication with our stakeholders should be agreed upon. Chair also asked the members to consider the issue of timing, periodicity and duration of FIPP meetings in 2018.

2. AGENDA 2 – Briefing on GB meeting outcomes and revised SDP

Rafael Torres from PSC secretariat made a presentation on outcome of the Governing Board meeting and update on status of the current SDP. He provided the following updates:

1. He stated that the INTOSAI Strategic Plan establishes that the Goal Chairs should monitor and report on the progress in achieving the strategic objectives. In order to streamline reporting to the GB, the Goal Chairs agreed on a common reporting dashboard report to provide the GB with an appropriate level of Information.
2. He informed that PFAC had decided to use part of the INTOSAI equity funds and have asked the INTOSAI committees to submit proposals for the use of these funds. PSC presented two proposals: translations and monitoring implementation of SDP.
3. Referring to the time taken in getting project approvals under the Due Process, he stated that this may be a challenge for FIPP in the initial phase.

However, he stated that once the pronouncements begin to take shape there will be more acceptability to the process.

4. He confirmed that GB had approved revision of the SDP 2017-2019 by incorporating the following changes:
 - a. Guid on Public Procurement Audit is added under SDP priority 2
 - b. Guid on SAIs with jurisdictional mandates is added under SDP priority 2
 - c. Guid on Audit of Key National Indicators is added under SDP priority 3
 - d. Projects 2.4 and 3.5 have been merged and now there is a single project 3.5 under SDP priority 3
 - e. ISSAI 5300 is retained under priority 2
5. Appointment of new FIPP members
GB endorsed the nomination of the following candidates to be members of FIPP:
 - Mrs. Ase Kristin Hemsén (SAI Norway)
 - Mr. Alex Monge Lemaitre (SAI Costa Rica)
 - Mr. Tashi Tobgay (SAI Bhutan)
6. To ensure quality of non IFPP products, PSC along with IDI have come up with a quality assurance framework for documents (public goods) being produced outside the IFPP. The framework is based on following principles
 - a. The quality assurance process is to be transparent but neither excessively costly nor bureaucratic
 - b. The documents developed outside IFPP must contain statement of quality assurance
 - c. The framework recognizes different levels of quality assurance for different public goods
7. Regarding Technical Support Function (TSF), he informed that the PSC Chair had prepared a paper outlining some possibilities for TSF but is still collecting and compiling the opinions.

3. AGENDA 3- (a) Decision on Exposure Draft for INTOSAI-P 10 (b) Presentation and discussion of FIPP's proposal on relabeling and renumbering

a. Exposure Draft for INTOSAI-P 10

Kristofer Blegvad, LO for this project, apprised the members of the changes made in the Exposure Draft to duly incorporate the UN resolution in the updated INTOSAI-P 10.

A discussion was held on the order of presentation in the revised exposure draft and placement of UN declarations. Some minor edits and outdated references were pointed out which the PSC observer agreed to update.

Since there is no template for providing approvals to the exposure drafts (unlike project approval template) , FIPP members agreed that a template for providing approvals to the exposure drafts is desirable.

Decision.

FIPP approves that the exposure draft fulfils the purpose of the project in line with the directions of the approved project proposal, is of high quality and relevant quality processes have been performed, that any overlaps and inconsistencies in INTOSAI’s framework of professional pronouncements in relation to the proposed text have been appropriately addressed and accompanying material can be submitted for public exposure.

b. FIPP’s proposal on relabeling and renumbering

Kristoffer Blegvad presented the paper. This paper was jointly worked upon with Shelmadene Petzer.

Recalling the initial work done in FIPP’s 3rd meeting Kristoffer stated that at that time , the initial relabeling and renumbering of existing ISSAIs was adopted mainly because there were three conflicting objectives to be reconciled , (i) the IFPP needed to be implemented swiftly on www.issaai.org after the INCOSAI 2016 (ii) INCOSAI’s decision that there was requirement of Due Process for withdrawing or revising existing pronouncements was to be followed , and decision of endorsement of new ISSAIs and INTOSAI Govs had to be respected , and (iii) it was to be ensured that GUIDS are of high quality and they support the underlying Standards and are aligned with ISSAI 100.

However, since little more than two years is left for the new SDP to come into existence a revised renumbering is required to create space and build in flexibility into the IFPP framework to accommodate and develop new/future pronouncements. He stated that the revised numbering system proposed in the paper provides for this flexibility.

Members discussed if the paper was ready to be shared. Though it was difficult to create a numbering structure that would be stable over time, members agreed that now FIPP is in a position to address the missing gaps and provide answers. FIPP members agreed with logical structure applied to the numbering system stating that the numbering exercise calls for some judgement calls which have been well taken.

It was agreed that the FIPP team working on the document should ensure that all SDP projects are covered.

Decision: After carrying out the changes as agreed, the paper will be shared with the Goal Chairs.

4. AGENDA 4- Discussion on scoping of project proposals on KNI and Public Procurement Audit

Project Proposal on Public Procurement Audit

Initiating the discussion, LO Neil Usher thanked members for their inputs on the scoping paper for this project. He underlined the importance to recognise and agree that this is subject matter for a GUID and not an ISSAI. He informed the members that in its current formulation the proposal is akin to development of a standard.

This led to a detailed discussion on the need to distinguish between a standard (ISSAI) and a guideline (GUID) with principles and rationale underlining both. Members expressed concern over introducing new standards without considering the requirements for its implementation and available resources with SAIs, since standards are to be mandatorily complied with by all SAIs. Thus the question members asked was whether public procurement could become a standard for all SAIs to follow compulsorily.

As regards project proposal on public procurement, members agreed that this can be only a GUID as it is a subject specific guidance. Members agreed that the document produced by the working group was a good document and it can be supported as a GUID.

It was also agreed that for better clarity and guidance to the working groups, as a standard practice FIPP LOs will provide an introductory para in scoping paper document, explaining what is a scoping paper.

Decision: FIPP **refers back** the project proposal to the project team lead (SAI Russia) with recommendation that this pronouncement is to be developed as a GUID. FIPP will provide a scoping paper to the project team lead. LO to include an introductory paragraph on *What is a scoping paper*.

Discussion on KNIs

Chair informed that Novy Pelenkahu, as LO to this project had circulated a scoping paper on the subject, but on the basis of discussion in Teamwork it emerged that members had differing opinion on the scoping paper hence a consensus had not yet been reached.

Members were of the view that FIPP will need more time to consolidate its views on this project. Moreover, this being a priority 3 project, it is advisable that some more time is devoted to the deliberations and scoping of the project.

As regards nature of the pronouncement, members were of the opinion that it is important that the explanation of SDGs and why should there be a difference between SDGs and KNI need to be explained in the right context.

From the project proposal it appears that it's a subject matter of performance audit. the pronouncement does not justify being a standard. Further, in the current SDP, audit of SDGs was already identified as one of the projects (3.1), and it was not clear to FIPP whether this has been considered in the scope of proposed pronouncement. FIPP members also felt that composition of the project group may need to be reviewed, perhaps by the Goal Chair, so that it is ensured that project team members come with a wide range of experience in developing this pronouncement. Members were of the opinion that this is a complex pronouncement

since different SAIs have different mandates for audit on this subject and it is important that the project team represents these varied mandates.

The option therefore is to scope this pronouncement as a general guidance for audit of any kind of indicators.

It was agreed that Robert Cox could take over as LO from Novy Pelenkahu because the latter is already handling the public debt project, and also because SAI New Zealand has existing standards as well as considerable experience in auditing national indicators. Robert Cox was requested to revise the scoping paper as per discussions in the meeting, and further deliberations will be based on the revised scoping paper.

Decision: FIPP **refers back** the project proposal to the project team lead (SAI Russia) with recommendation that this pronouncement is to be developed as a GUID. A revised scoping paper will be provided.

5. AGENDA 5. Defining ISSAIs – discussion- “What is a Standard.”

This discussion was initiated by Alexandra Popovic who is part of FIPP’s sub group which is working on this paper. She stated that the purpose of this document is to specify what a standard is. The group had worked on a long and short version of the document on “What is a standard”.

Chair proposed that FIPP considers the short version of the document to start with and if they feel that there is something that needs to be more elaborate they can add it from the long document. Definitions that are already in the classification principles must be incorporated in this version of the paper.

Alexandra explained that the purpose of the paper was to clarify the existing definition of standards (ISSAI) by:

- Clarifying the classification criteria for the three types of pronouncements
- Specifying the criteria for introducing or revising existing pronouncements

Members agreed that the criteria for considering new pronouncement for introducing new fundamental audit principles and audit standards will be:

- i. Whether the new fundamental audit principles and audit standards would result in high quality audits.
- ii. The alignment with ISSAI 100 – Fundamental principles for public sector audits, i.e. the standard must align with one of the three types of audit.
- iii. The implications on the whole INTOSAI community, including upon resources, for the members of INTOSAI.

Decision: FIPP adopted the paper as formal explanation of FIPP’s position on what kind of proposals can be accepted as standards as of now for inclusion in IFPP. The criteria for a pronouncement to be considered as ISSAI will be as explained at points (i) to (iii) above. More importantly the pronouncement should be principle based and not based on an audit of a

specific subject matter. Proposals for new principles and standard must set out how the proposal relates to the three audit types in ISSAI 100.

AGENDA 6 – a) Decision on revised Project Proposal 2.2 and b) Update from Liaison Officers

a) Decision on revised Project Proposal 2.2

Josephine Mukomba, LO for this project provided a brief update of the status of project proposal. In her view, the proposal to develop full guidance on compliance audit was too wide in scope. Instead the project group may be advised to prioritise thematic areas for guidance, and choose each thematic area to develop a GUID.

Members were of the view that the term propriety under compliance audit was one such area that is not clearly understood by many in the community. Hence a guidance on explaining propriety should be taken up as a priority, instead of “Planning” and “Reporting”.

Citing precedence for this approach, members referred to the guidance being developed on financial audit and the first GUID is being developed on Acceptance of Reporting Framework.

Members agreed that though the project proposal explains that the purpose of the GUID is to develop criteria for propriety audit, the topic of the proposal does not reflect the same. The working title must be adopted from the explanation given under column C1 of project proposal template.

Decision: FIPP approves the project proposal but requests a change in the working title of the proposal to reflect scope of the project.

b) Update from Liaison Officers

i. Project 1.2 : A more principles-based and future-proof ISSAI 200

Alexandra Popovic, LO for the project provided the update that project is on track and first draft Exposure Draft (ED) can be expected in January/February 2018. LO expected that the draft will be ready for discussion in the next FIPP meeting in March 2018. Overall, the LO expressed satisfaction with the progress of work and stated that it is progressing on expected lines.

LO then apprised the members of some concerns about delay in approvals that FAAS has expressed. Members were of the view that the time is required for carrying out due quality assurance. It was agreed that extended time was taken

for the project to be approved but partly the reason was that the project proposal was not on the expected lines.

Status: FIPP expects first outputs of the project in early 2018.

ii. Project 1.3 : Consolidate and Improve Practice Notes for Financial Audit

Stuart Barr, LO for the project, provided the update that the project was on track, and the first output would be expected in January 2018. LO flagged the issue of strengthening the internal communication processes of FIPP including the approval process.

Members were of the opinion that approval process through written communications on Teamwork could be considered to speed up the process of approval where proposals were already discussed during meetings and the FIPP's views were made known to the LO. It was also clarified that it is the responsibility of the LO to seek the views of the FIPP members thereafter on changes/revisions in the proposals, consider them and finally communicate the approval of FIPP to the project team.

Status: Project is on track and within specified timelines

iii. Project 2.3 : Using ISSAIs in accordance with the SAI's mandate and carrying out combined audit

Neil Usher, LO for the project provided update that scoping paper has been provided to the CAS. At present, there was no project leader to lead this work, but it is expected that leadership may come from CAS. Members were of the opinion that project leader could also come from outside CAS, for example from other subcommittees if no project leader is found.

Status : Project proposal is awaited

iv. Project 2.4: Consolidated and improved guidance for SAI organisational issues has been merged with project 3.5 of revised SDP, as a priority 3 project.

Status: No action required at present as project is merged with 3.5

v. Project 2.5 : Consolidated and improved guidance on understanding internal control in an audit

Marita Salgarve , supporting LO for this project informed that there was no update on the project, since assigned FIPP LO who had retired had not provided any papers on the project. Ase-Kristine was assigned as new LO during the meeting.

Marita informed that there does not seem to be a project proposal at this moment, draft proposal seems to be under preparation. In the revised SDP, project is postponed to 2022.

Internal Control Subcommittee (ICS) had informed the LO that they had contacted FAAS regarding ISA 315 which was being updated. But LO was not privy to the details of the discussion. It was informed by another member that IAASB was reviewing ISA 315 – evaluation of internal control.

Members discussed the implication of review of ISA 315 on the project 2.5 and agreed that 2.5 should be developed as a general guidance and not in particular reference to ISA 315.

As regards the approach to the project, members were of the view that different SAIs use the work of internal auditors in different ways but that the need for using work of IA is important. Since the project has been postponed to 20122, the group can take more time on researching the project.

Since there was not much written record of communication with ICS on this project, Chair requested the PSC observer to send to FIPP copies of communication that would have been received in PSC secretariat from ICS on this subject.

Decision : PSC secretariat is requested to send copies of communication received from ICS to FIPP.

vi. Project 2.6 - Consolidated and improved guidance on reliance on the work of internal auditors.

Marita Salgrave, LO for this project provided an update of her video conference (VC) with members of Internal Control Subcommittee (ICS).

She informed that the background to the VC was the scoping paper that was sent to the ICS.

She stated that not all members of ICS were present during the teleconference but members from SAI Poland and SAI Netherlands attended. The dialogue was reported to be positive and comprehensive, but with some clear messages that FIPP needs to note.

- It was reported that the ICS would still like to address the governments and executive in the pronouncement as they felt that leaving them out of this pronouncement would be unjust.

- The group felt that there was lack of clarity on the role of FIPP, and that they would like to know what will make FIPP happy. The response from LO to the group was that the changes proposed by FIPP is not about making FIPP “happy” but changes required to meet the Due Process requirements.

- The group reported that they would like to focus on financial audit requirements, and expressed hesitation on addressing compliance and performance audit requirements at this stage.

LO informed the members that she has followed up her conversation with a written response to the committee, and her written response is available on the Teamwork.

Status: Members took note of the developments and stated that they would await project proposal from the group.

vii. Project 2.7 and 2.10 : Guid on Privatisation and Guid on Disaster related Aid

Kristoffer Blegvad is the LO and Lionel Varielle is shadow LO. Rasmus Brunn, TA to LO presented the status report. LO informed that these two projects are Model C projects which implies that the role of the LO is an extended one in these cases, and includes facilitation of setting up the organisation of the project. He informed that pre groups have been set up. Since the issues of organisation are similar in both projects, there will be a single scoping paper for both the projects. However, LO doubted whether the project/s will be ready by 2019, as the review of existing pronouncements on these subjects will involve both withdrawal of certain ISSAIs and update of others.

Status : Project proposals are awaited

viii. Project 2.8: GUIDS on IT Audit and Information Systems Security audit

Einar Gorrissen, LO for the project provided the status update. Two project proposals for the GUIDS were received from the Goal Chair. LO informed that the working group is comfortable with working on both the GUIDS simultaneously hence they have given two proposals.

Members were of the view that the scope of the project on IT Audit should be clearly identified to include all streams of audit, namely, financial, compliance and performance. It was also suggested that a reference to the following GUID on IS Security and Cyber Security should be mentioned in 5300 , clarifying that being a specific subject matter within IT, a separate GUID is proposed. Members were of the view that the working group should indicate number of such subject specific Guids under IT audit that they propose to develop.

On quality control process, members advised that the working group may consult the sub committees at appropriate intervals, since it may not be possible for the subcommittee to participate as members in the drafting of Guids. Members were agreeable to the project proposal and advised LO to communicate the views of FIPP to this working group.

On 5310, members stated that although proposal was acceptable, a better clarity on the scope of the project could be had if the project group provides an outline of the proposed topics that they wish to cover under this Guid. This concern was arising out of the fact that the existing pronouncement was very detailed on the IS security methodology, and concern was that this kind of detail should not be repeated in the proposed Guid.

Decision : Project Proposals for GUID 5300 and GUID 5310 were **approved** subject to changes proposed to include reference to IS Security Guid in 5300. It was also decided that though the project team could work on both the projects in parallel, the exposure drafts of 5300 should precede 5310. Further clarification on project outline of 5310 from the project group.

ix. Project 2.9: Guidance on Public Debt

Novy Pelenkahu, LO for the project, sent a written update on the project progress as he was not able to attend the meeting. Members considered the project proposal sent by the KSC Chair and found it acceptable.

Decision: FIPP **approves** the project proposal

x. Project 2.12 (revised SDP): International Pronouncement on Jurisdictional Activities of SAIs

Lionel Varielle, LO for the project, sent a written report on progress of the project. Project proposal was sent by the KSC chair with remarks that the project group has recommended the project as a Standard and not a Guid as they feel that in the absence of an international standard on jurisdictional control activities, guidelines would not be based on a firm footing. FIPP Chair also received a letter from the project lead providing a brief of the group's meeting and recommendations that emerged from it. FIPP members considered all the documents and discussed the project proposal in detail.

Members were of the view that ISSAI 100 does not mention the audit by SAIs with jurisdictional mandate as a fundamental type of audit and therefore it needs to be considered whether it can be a standard. It needs to be assessed whether this type of audit can be handled under ISSAI 200, 300 and 400.

It was stated by the members that the proposed pronouncement needs to address what SAIs with jurisdictional mandate do beyond what is written in ISSAI 200/300/400. Members felt that the project proposal addressed this gap. At the same time, members expressed the view that Standards address audit procedures, and what is being addressed through the proposed pronouncement is not audit procedure but what auditors do beyond that. Thus, this could be addressed through a Guid rather than a Standard.

Participating in the discussion, PSC observer clarified the project has been approved as a Guid in the revised SDP. He also pointed out that there are other jurisdictional activities that are not audit like judgement on public accounts, hearing on complaints etc and it seemed that the proposed pronouncement is addressing all these activities. He stated that though it may be good to be cautious as not to pigeonhole jurisdictional activities under current standards, since the clarity of fundamental principles is not evident at present, Guid could be a good starting point.

Some members were of the view that FIPP needs to be cautious of what gets labelled as a Standard as it has implications for the entire INTOSAI community. However, quality of audit needs to be the same no matter what the audit mandates of SAIs are.

Members concluded that doing a Guid project in the first place is a good starting point. If in the process mandatory principles emerged that must be applied, a future project on Standards could be considered. Members also

requested the project team to provide a justification statement for the proposed pronouncement.

Decision: The proposal receives a **conditional approval** subject to it being developed as a Guid, and justification statement from the group. The project group is requested to send a revised project proposal.

Project 3.3 :Competency Pronouncements

Alexandra Popovic, LO for this project, provide an update on the project and stated that as of now two meetings of CBC have been held. There is a task force which is yet to decide whether to do a needs assessment based on a top down or a bottoms up approach. It is not clear who are the members of the core group which will carry out this task. IDI, some regions and some SAIs have been consulted. She concluded that it's an exploratory phase for the project.

Status: Project is yet to take off.

6. AGENDA 7- Strategies for communication for IFPP / FIPP and communication material (brochure/flyers/ ppt etc)

Discussion on the issue of FIPP communication was initiated by Marita Salgrave. She provided an overview of the current status of communication tools available with FIPP as well as a review of FIPP's draft communication policy. She stated that the risks associated with our limited communication is that FIPP's role has not been fully understood by many of our partners as a result of which the perceived role is exaggerated or misconstrued. There are also few instances of criticism of FIPP's role and responsibilities which reflect an unclear understanding of FIPP's role.

Members discussed various options of communication:

- General communication: through brochures, leaflets etc
- Communication with specific audience like PSC committee and subcommittee, CBC committee and subcommittee, working groups, FIPP members: through emails and website. Need for a technical support function was expressed to enable FIPP to manage communication with diverse groups, and possibility of seeking INTOSAI funds to hire a professional agency for developing the website was discussed. PSC observer stated that since INTOSAI funds are limited there could be challenge in getting the same but the matter could be taken up with the INTOSAI General Secretariat. He stated that the FIPP information on PSC website could be made more comprehensive to facilitate better communication.
- Internal communication: All members expressed the need for a better internal communication and access to Teamwork. Members agreed that the Teamwork needs to be organised in a more logical way so that it is easy to look for documents. Karen provided a ppt on a blueprint to reorganize the Teamwork.
-
- FIPP's communication policy: Members agreed that though there is a draft communication policy paper that has been prepared, there is a long way to go before a communication policy can be adopted. For this, FIPP needs to work further to identify stakeholder needs – what should be communicated, how and when. At present, the draft document could serve as an internal document to help with internal communication.

Decision: Members agreed that FIPP Chair will upload documents on website (FAQ, Drafting conventions, project approvals, project templates, meeting agenda and approved record minutes).

-Rafael Torres from PSC Secretariat was requested to take up “membership” info on INTOSAI Secretariat website and explore use of INTOSAI funds for hiring professional agency for website

-Members agreed that Information brochures templates presented during the meeting can be finalised and printed

7. AGENDA 8- Timelines and milestones for new SDP and FIPP calendar of meeting for 2018

- Dates for 7th meeting, 19-23 March, Paris –Tentative-
- 8th meeting tentatively scheduled for end July/Aug
- In light of deliverables for the next SDP, need for a tentative 9th meeting in late November was discussed.

8. AGENDA 9- Election of FIPP Vice Chair

This agenda item was shifted under agenda 1.

9. AGENDA 10

- a. Approval of project documents:** Four project proposals are approved as mentioned above, and project proposal on jurisdictional activities is approved conditionally.
- b. Approval of FIPP documents:** FIPP paper on What is a Standard will be finalised by Alexandra based on inputs received from members.
FIPP paper on relabeling and renumbering is finalised and approved by FIPP members for issue to PSC.

WAY FORWARD

At the close of the meeting, Chair summarized the deliberations and decisions taken during the meeting, which have been elaborated in the preceding paragraphs. Chair further discussed other matters that would be relevant for FIPP going forward.

Following items were discussed and agreed at the end of the meeting as way forward:

1. A document on planning process for next SDP to be initiated within FIPP –a sub-group of members will work on the initial flow chart that has emerge during the meeting and the document created by Beryl Davis and Edmond Shoko.
2. Work on drafting conventions for ISSAIs will be started, which will include defining explanation/application material.
3. On-boarding of new members will be done jointly by FIPP and PSC secretariat. Beryl Davis was nominated as FIPP’s onboarding officer to liaise with the newly elected members.
4. In view of new members joining FIPP and keeping in view the expertise and experience of FIPP members, an updated list of LOs and anchor persons for different projects would be drawn up, in consultation with individual members.
5. Re-organization of Teamwork will be led by ECA along with Neil Usher and Karen Their tasks will include defining protocols and responsibilities of the users.

6. FIPP documents will be uploaded on the website. FIPP communication material, i.e. information brochures will be finalised and disseminated among SAIs and INTOSAI bodies in cooperation with the KSC Chair.
7. The approval for project proposals that have already been disused and are awaiting minor change/update from project groups need not wait for the next FIPP meeting, and would be through electronic approval through teamwork space, The approval process will be initiated by Chair/Vice Chair. However, items of significant nature including approvals to project proposals that are received by FIPP for the first time will be taken on agenda for physical meetings.
8. The draft content for FIPP Chair's letter to Goal Chairs was agreed and the formal letter will be finalized by Chair.

Meeting ended with vote of thanks to the host SAI Guatemala. Members also thanked the Chair for steering the meeting towards reaching the meeting objectives.

SUMMARY OF DISCUSSIONS AT FIPP'S PRE MEETING
(GUATEMALA, 27 November 2018)

Chair welcomed the members to the pre meeting and stated that a pre meeting was necessitated to address the specific issues of SDP planning process that needed FIPP's urgent attention, and to consider pressing administrative matters like Teamwork reorganization but could not find adequate time on the regular meeting agenda due to limited number of meeting days and a packed agenda. She thanked the members for agreeing to attend the pre meeting a day ahead of the start of the main meeting.

1. Discussion on SDP Planning Process

The discussion was initiated by the Chair as a brainstorming session so that FIPP could come up with a suggested planning process for the next SDP. Members expressed the view that on hindsight it was felt that the efforts required to complete the current SDP were underestimated. There is a need to put in place a process for the next SDP before the next INCOSAI.

Taking forward the discussion, Kristoffer Blegvad stated that the IFPP framework needed to be fully understood by all involved parties, especially with regard to what remains or fits into the IFPP and other materials which will stay outside IFPP. The fundamental principles of IFPP are aligned with ISSAI 100 and therefore pronouncements that fit under these principles only can find place under the IFPP. He further stated that the INTOSAI community, especially those involved in development of pronouncements need to take cognizance of the resources required – both in terms of skilled personnel and time, to develop the pronouncements under the Due Process. As such, the planning process for the next SDP has to build on the success achieved, recognise the challenges faced under the current SDP, and need to involve all stakeholders at an early stage.

Members were of the view that there is a category of public goods outside IFPP, but the distinction between IFPP pronouncements and other public goods needs explanation and clarity. Need for good communication and dissemination of IFPP was imperative.

Members agreed that FIPP needed to engage with the Goal Chairs immediately so as not to delay the process any longer. It was also felt that the role of the sub committees and working groups is crucial and that a dialogue between the FIPP and the Goal Chairs is necessary to overcome some of the difficulties that were faced in the current SDP cycle.

Discussing the planning process vis-à-vis FIPP's role, members' views were that the FIPP's responsibilities need to be clearly defined and understood by all stakeholders. Under the Due Process FIPP is to provide inputs to the Goal Chairs for the planning process. It was felt that FIPP should aim for providing these inputs by June 2018. The

members expressed need for technical support function and stated that requirement of technical support is being keenly felt. The PSC's proposal for technical support

function has been under a review and has not moved forward, therefore some interim solutions would be required.

Thereafter, members divided themselves into sub groups to work on the initial roadmap for the planning process as well as to draft a letter to the Goal Chairs with key messages for the next cycle of SDP.

Decision

- I. Inputs for the SDP planning process: It was agreed that FIPP will attempt a procedure document with two main sections, namely,
 - a. Principles for SDP Planning: these will cover identification of emerging areas, identification of gaps where pronouncements are needed – through a consultative process, determination of types of pronouncements including need for new standards, if any.
 - b. Process for consultation: Involvement of SAIs, working groups and subcommittees, external stakeholders and advisors.
 - c. A sub-group of members will work further on the flow chart that was initially developed during the discussion. It was agreed that the sub-group would work post 6th meeting to expand the flow chart and carry out initial assessment of emerging areas. The sub group agreed to meet over teleconference meetings at periodic intervals. Beryl Davis was requested to coordinate the SDP work.
- II. Letter to the Goal Chairs: An initial draft was discussed. Members were of the view that letter should communicate clearly the purpose for which it is being written. One of the key messages to the Goal Chairs at this stage would be to ask for their support for FIPP in performing its responsibilities under the Due Process. Members also agreed that FIPP should discuss the issue of a technical support function for FIPP as distinct from administrative support functions, to enable FIPP to produce the expected outcomes for the next SDP. Members suggested that the letter should expand on the expected role of the sub committees and working groups requesting Goal Chairs to sensitize them on the role they are required to play for the SDP. It was agreed that FIPP chair will finalise the letter taking on board all inputs received.

2. Discussion on reorganization of Teamwork

Karen presented a ppt on the proposal for reorganization of Teamwork, in which she was helped by Neil Usher and team from the ECA. While the broad outlines for the reorganization were agreed to, it was decided that the reorganization of folders would be further reviewed. Protocols and users' responsibilities needed to be defined.

Protocol for approving project related documents through teamwork was discussed and it was agreed that decision for approval to a project document cannot be in electronic form if no discussions had taken place during the meetings. Such a

procedure will be initiated during the FIPP's face to face meetings. The ECA team along with Neil and Karen will continue to work on the Teamwork.

Minutes of the 7th FIPP meeting in Paris 19-23 March 2018

Agenda Item	Purpose/description	Record of conclusions and action points
Agenda 1 – Introduction to the meeting		
1a. Program for the week	Confirmation of 7 th meeting agenda	<p>Confirmed No further action</p> <p>Agenda of the meeting</p> <p>Absent: Ganga Kapavarapu (chair), Einar Gørrissen. Aase-Kristin Hemsén absent from 21 March onwards.</p> <p>In the absence of the chair, Kristoffer Blegvad (vice-chair) chaired the meeting with the support of Shefali Andaleeb (assistant to the chair).</p>
1b. Overall status	Recap of earlier meeting decisions, key developments	No further action
1c. Update from Goal Chairs		<p>PSC Observer presented an update on the outcomes of Goal Chairs’ meeting held in February 2018 and important decisions affecting FIPP. Specific inputs on Goal Chairs’ discussion/decisions regarding response to FIPP chair’s letter, namely, next SDP process, and technical support functions (TSF) were provided. Inputs were also received regarding suggested changes in criteria for selection of FIPP chair and members.</p> <p>It was agreed that FIPP will provide a paper on expected role and responsibilities of TSF to PSC. Presentation</p>
Agenda 2 – Matters submitted for approval by Goal Chairs cf. due process for the IFPP		
2a. – Approval of project proposals (stage 1)	<p>SDP 2.3</p> <p>(SDP 2.6 – refer to agenda item 6a.)</p> <p>SDP 2.11</p>	<p>Project 2.3: FIPP approves the project proposal with amendment in project proposal document - project group conducts further <i>needs assessment</i> to determine the scope of the project and reports the results to FIPP for consideration. At that point FIPP will give further guidance and direction</p> <p>Tashi will take over as project liaison after this meeting</p> <p>Approved by 13 votes for approval – no votes against, no abstentions. Approved project proposal</p> <p>Project 2.11: FIPP approves the project proposal. Some concerns remain about the timelines. Project liaison will communicate the approved project proposal document to the project group, and will bring to their notice FIPP’s concern that in view of tight timelines there may be a risk of missing the deadlines.</p> <p>Approved by 13 votes for approval – no votes against, no abstentions. Approved project proposal Letter to Russian SAJ</p>

	SDP 3.10	<p>Project 3.10: FIPP approves the project proposal. Some concerns about timelines remain. Project liaison will attend the project group meeting to be held next week and communicate the approved project document and will bring to their notice FIPP’s concern that in view of tight timelines there may be a risk of missing the deadlines.</p> <p>Approved by 13 votes for approval – no votes against, no abstentions. Approved project proposal</p>
Agenda 3 – Key FIPP matters concerning ongoing projects (current SDP)		
3a. FIPP’s approval process	Discuss and clarify FIPP’s approval process (Input to FIPP’s working procedures)	<p>Discussion on FIPP’s process for taking decisions on approval of project proposals under the due process for the IFPP (stage 1, 2 and 3). In order to streamline the approval process in FIPP, various options were discussed, including procedure for receiving proposals and time required for FIPP’s consideration at various stages, voting process, timeliness and protocol for communication with Goal Chairs.</p> <p>Some of the key principles on which FIPP’s approval process should be based were agreed as follows:</p> <ul style="list-style-type: none"> - There should be at least 1 physical FIPP meeting to consider a draft before approval - Approval can only take place when the draft has been received by FIPP chair from goal chair - Approval always through formal voting initiated by chair - Approval requires 2/3 of all FIPP members <p>FIPP also concluded that the following practices should be avoided as far as possible:</p> <ul style="list-style-type: none"> - ‘Conditional approvals’ where the project group is asked to incorporate changes in the drafts <i>after</i> they have been submitted to FIPP by the goal chairs (if minor adjustments are needed FIPP will instead incorporate these in the draft received and consider this approved on the condition that FIPP’s edits are accepted by the goal chair and project group) - Approval through written procedure between FIPP meetings (there may be a need to include a very limited possibility for making exceptions) <p>It was also clarified that the 2/3 majority is only required for the final decisions on approval at each stage of the due process. In case the chair deems that a vote is needed in order to solve any other matter the decision will be taken by simple majority.</p> <p>The above key principles and conclusions will provide the basis for finalizing FIPP’s working procedures on approval of draft project proposals and draft pronouncements.</p>
3b. Drafting conventions for ISSAIs	Decide in more detail on the split between GUIDs and ISSAIs (Also relevant for ISSAI 2000-project/SDP 1.3)	<p>The proposal was amended and approved. The chair will circulate drafting conventions to the Goal Chairs.</p> <p>Final version of drafting conventions</p>

Agenda 4 – Discussion on ISSAIs and GUIDs under development (approved projects)

4a. – Draft ISSAIs	SDP 1.2 – ISSAI 200	<p>FIPP discussed the initial draft received from the project group. Project liaison will communicate FIPP's views to the project group.</p> <p>It was agreed that a detailed discussion on technical aspects of revised ISSAI is needed, which could not be done due to short time between the receipt of draft and FIPP meeting.</p> <p>FIPP established a review team to ensure FIPP is able to provide feedback on any preliminary ISSAI drafts received before next FIPP meeting (see 8d.).</p> <p>Final FIPP response on draft ISSAI 200 dated 7th March 2018</p>
4b. – Draft GUIDs	SDP 2.8 – Cyber Security	<p>Outline of the proposed GUID was submitted by the project group, as required by FIPP in their comments to the KSC.</p> <p>The outline was discussed. Key issues were:</p> <ul style="list-style-type: none"> - A section should be added at the beginning of the Guidelines in order to establish link with ISSAI 100 so that the Guidance is clearly understood within the scope of audit (financial, performance and compliance) - Members agreed that while the guidelines must recognize the existing international standards on IS security, considering the different realities of the countries that make up INTOSAI, it would be a matter of concern if the Guid is strictly aligned with a specific IT security standard. - Project group will be advised to take note of the drafting conventions for GUID - Timelines for different stages of Due Process need to be obtained from the project group <p>Project liaison will communicate FIPP's views to the project group.</p>

Agenda 5 – FIPP proposal to the PSC Steering Committee on the SDP for IFPP 2020-2022

(potential revision to 6-year plan through 2026)

5a. Report from the subgroup on the SDP		<p>See decisions under 5(b), 5(c), 5(d) and 5(e)</p> <p>Three task forces (A, B, C) were established to prepare for the next FIPP meeting (see item 8d.)</p>
5b. Themes for the SDP	Basis for inviting suggestions for projects	<p>Based on the initial work done by a sub-group of FIPP who completed documents' scan to identify potential emerging areas for next SDP, a detailed discussion was held. Task Force B will finalize the proposed areas after the meeting. The proposed areas should be decided on by FIPP by end of April in order to be included in FIPP's written proposal to the PSC SteerCom.</p> <p>Draft input to consultation paper regarding areas</p>
5c. Criteria for FIPP's prioritization of suggested projects	How will FIPP deal with suggestions?	<p>The proposed criteria for prioritisation of projects will be elaborated as part of FIPP's proposal to the PSC SteerCom.</p> <p>Task Force C will work on the prioritisation proposal as well as elaborate on the work to be done by FIPP in the SDP development phase - steps 2 and 3 of the SDP planning process diagram.</p>

5d. First outline of the SDP	What elements should the SDP contain?	<p>Goal Chairs have the primary responsibility for drafting of the SDP.</p> <p>A draft outline has been developed by FIPP and will be communicated to the goal chairs as a possible starting point for their work</p>
5e. Proposal on the planning process	Continued work on the planning process	<p>A final version of the diagram was agreed and will be shared informally with the PSC Sec immediately after the meeting. A cover letter for the SDP planning (including criteria) will be elaborated by Neil in consultation with chair.</p> <p>The cover letter, SDP planning diagram, criteria and areas will be formally sent to the PSC Sec before the next PSC SteerCom meeting (end of April)</p> <p>SDP planning process diagram – approved</p>
5f. Input to the PSC SteerCom on the long term vision and goals for the IFPP		<p>The PSC SteerCom will provide this element to the SDP</p>

Agenda 6 – Other matters relating to the current SDP

6a. Project proposals under development	<p>SDP 2.7</p> <p>SDP 2.10</p> <p>Project 2.6 : (FIPP chair shifted the item from agenda 4 after consultation with PSC chair representative)</p>	<p>FIPP decided that project groups concerned will be requested to complete initial assessments with the aim of developing project proposals for GUIDs on:</p> <ul style="list-style-type: none"> - Privatisation - Public and private partnerships - Disaster management <p>FIPP encourages that all 3 GUIDs should have a focused scope. The initial assessment should clarify which ISSAIs/types of audits the GUID will support.</p> <p>Project proposal 2.6 was reviewed against criteria for approval at stage 1 of Due Process. The proposal is referred back for initial assessment. Project liaison will give feedback to the project group.</p> <p>Cover letter to ICS</p>
6b. Status on other SDP-projects	<p>Status on SDP 2.12</p> <p>Presentation on Jurisdictional activities of SAIs</p>	<p>The project is defined as a GUIDs project (as per amendment to the SDP endorsed by Governing Board). FIPP gave a conditional approval to the project proposal at the previous meeting. Final project proposal is still pending.</p> <p>Members discussed various possibilities to better accommodate for needs of SAIs with jurisdictional functions in the IFPP in the future.</p>

	<p>Brief status on projects not covered elsewhere</p>	<p>P-10 Exposure Draft out for public comments. Project is on schedule</p> <p>SDP 1.3 – ISSAI 2000. Project in Phase II. Exposure draft is expected end of 2018.</p> <p>Phase I of the project has resulted in a document with updated practice notes. This document will not be included in the IFPP on www.issai.org but it provides the starting point for development of application material in ISSAI 2000 (phase II) and potentially also for future GUIDs (SDP 2.1). In the interim the FAAS and PSC Chair will find a way to make the updated practice notes available to auditors in a way that clearly reflects that they are not ISSAIs.</p> <p>SDP 2.1 – Project is delayed by 6 months but project lead now in place - SAI Austria</p> <p>SDP 2.2 – Draft exposure draft is expected in end July</p> <p>SDP 2.5 – It was decided that the scoping paper already sent to the ICS continues to be the FIPP’s position.</p> <p>SDP 2.8 – Timelines for the project documentation are awaited. Project liaisons will get more information.</p> <p>SDP 2.9 – Project on track.</p>
<p>6c. Status on FIPP key tasks under priority 2 and 3 of the SDP</p>	<p>Discussion on the forward work towards 2019</p>	<p>The following key tasks are outstanding:</p> <p>Priority 1: - Ensure communication on implementation of IFPP (in collaboration with PSC Sec)</p> <p>Priority 2: - FIPP publications</p> <p>Priority 3: - Further elaborate drafting conventions - Explore refinements of differentiated compliance with ISSAIs</p>
<p>6d. Overall status on the SDP 2017-2019</p>		<p>FIPP has prepared a status map of SDP projects. This provides an overview of the INTOSAI-Ps, ISSAIs and GUIDs which will be part of the IFPP by INCOSAI 2019 and 2022. This will be relevant for FIPP members in connection with the development of the next SDP.</p> <p>Overall status on the results of SDP 2017-2019 - for information</p>
<p>Agenda 7 – FIPP Internal Matters</p>		
<p>7a. Updated teamwork</p>	<p>Organize the restructuring of teamwork</p>	<p>Teamwork reorganisation proposal agreed in principle. Karen, Neil and the FIPP chairmanship will continue the work to solve outstanding issues and implement the reorganization in cooperation with the PSC Sec/ECA.</p> <p>Voting procedure tested on Teamwork.</p>

7b. Finalization of working procedures	Decision on proposed changes to the draft working procedures Approval of working procedures	The draft presented by the FIPP chair consolidated the draft discussed at the 4 th FIPP meetings and the practices developed and the conclusions reached through the 5 th and 6 th meeting and through the dialogue between the FIPP chairmanship and the goal chairs. The draft provides the basis for finalizing the Working Procedures (version 1.0) based on the decisions under agenda item 3a. Editorial comments received during the meeting to be incorporated by chair/vice-chair in consultation with a sounding board of FIPP members Draft working procedures
7c. The need for supporting functions	FIPP is to specify the need and revert to Goal Chairs	A first list of issues was generated. Not discussed further.
7d. Governance of FIPP	FIPP inputs to revision of FIPP's Terms of Reference	PSC observer received inputs from individual members
Agenda 8 – Concluding all agenda items and planning the forward work		
8a. Any outstanding business	Agenda items 2 Agenda items 3 Agenda items 4 Agenda items 5 Agenda items 6 Agenda items 7	Agendawise decisions as reflected above
8b. FIPP's reporting to the PSC SteerCom		FIPP vice-chair and Neil will attend the PSC SteerCom meeting in May on behalf of FIPP.
8c. FIPP meetings in 2018-2019		8 th Meeting Tromso, Norway, 20-24 Aug 2018 9 th Meeting, Bali, Indonesia, 19-23 or 26-30 November 2018 A preliminary planning of future FIPP meetings was made based on the reporting from project liaisons. Preliminary meeting planning (updated version pending)
8d. Way forward decisions		Groups formed in regard to preparing the next meeting: Task force A – Review of interim draft ISSAI/GUID before the next FIPP meeting Task Force B – Finalise FIPP's inputs (paper on potential emerging areas for next SDP) for launch of the SDP planning process Task force C – Elaborate FIPP's tasks in the rest of the SDP-planning process

		<p>Individual members were invited to express their interest in the task forces and this resulted in the following preliminary composition of the task forces.</p> <p>Task force members and tasks</p> <p>Additional tasks agreed (see individual agenda items):</p> <ul style="list-style-type: none"> - FIPP's cover letter to the PSC SteerCom on SDP (Neil) - Finalizing FIPP's Working procedures (Chair) - Reorganization of Teamwork (Karen) <p>Need to find alternate project liaisons for SDP projects 2.7 and 2.10 was flagged.</p> <p>The chair will revert with a final list of project liaisons as well as members of task forces.</p>
8e. Any other business		<p>PSC Sec representative invited members' input on the issue of minimum hours required by FIPP members. In general, the feedback indicated that the commitment required from members is more than 200 hours.</p>

Status on the expected results of the SDP:

The INTOSAI-Ps, ISSAIs and GUIDs by INCOSAI 2019 and 2022

In 2016 INCOSAI decided that a new INTOSAI Framework of Professional Pronouncements (IFPP) should be implemented as soon as possible and be ready by the next INCOSAI in 2019. The Strategic Development Plan (SDP) for the IFPP for 2017-2019 defined how this overall goal should be achieved and provided for the initiatives needed to further improve and elaborate INTOSAI's professionals pronouncements beyond 2019. The SDP 2017-2019 includes a list of tentative projects organized under three priorities as well as a set of classification principles for the IFPP, which defines the four new categories of pronouncements: INTOSAI-Ps, ISSAIs, GUIDs and COMPs.

Before the individual projects are launched the tentative projects in the SDP needs to be further refined. In each case a project proposal is to be developed by the relevant working groups and approved by FIPP in line with the due process for the IFPP before the drafting work can start. This process is now so well advanced that it is possible to provide a first overview of the planned outcome of the SDP.

The table below therefore provide a list of all pronouncements, which are by March 2018 planned to be part of the IFPP by INCOSAI 2019.

The table is based on the outcome of the four FIPP meetings held after INCOSAI 2016. The information on the planned timeline for individual pronouncements reflects the project proposals developed by the individual working groups and approved by FIPP. FIPP has not attempted to make any forecasts as to whether all projects will be completed as planned and the table does therefore not take account of any possible risks to the planned timeline.

Based on the experience achieved over the last many years in INTOSAI as well as by other standard-setters the expected timeline for developing new pronouncements will normally be longer than 3 years. In general, any pronouncements, which are to be finalized before INCOSAI 2022 will therefore need to be based on the SDP 2017-2019. Project proposals based on the next SDP, which will take effect from INCOSAI 2019, will generally need a timeline aiming at finalization after 2022.

This means that any project proposals aiming at providing new or significantly improved INTOSAI-Ps, ISSAIs, GUIDs or COMPs by INTOSAI 2022 will need to be approved in due time *before INCOSAI 2019*. Such projects may be based on tentative projects under priority 3 of the SDP (which aims beyond 2019) as well as those of the tentative projects under priority 2 where a project proposal has not yet been approved by FIPP.

A list of all tentative projects, which have not resulted in project proposals by March 2018 is provided at the end of this document.

Planned outcome of the SDP 2017-2019		Current status by March 2018:			
Based on current status by March 2018:		SDP project	Stage 1 Project Proposal	Stage 2 Exposure Draft	Stage 3 Endorsement Version
The IFPP by INCOSAI 2019	Pronouncements finalized after 2019				
INTOSAI founding principles					
INTOSAI-P 1 - The Lima Declaration		(1)			
INTOSAI core principles					
INTOSAI-P 10 – Mexico Declaration on SAI Independence		1.1	Approved	Approved	
INTOSAI-P 12 – Value and Benefits of SAIs		(1)			
INTOSAI-P 20 – Principles of transparency and accountability		(1)			
Fundamental principles of public-sector auditing					
ISSAI 100 – Fundamental Principles of Public-Sector Auditing		(1)			
SAI organizational requirements (SAI level)					
ISSAI 130 – Code of Ethics		(1)			
ISSAI 140 - Quality Control for SAIs		(1)			
Financial audit principles					
ISSAI 200 – Financial Audit Principles		1.2	Approved	(Draft expected by 30.05.2018)	
Performance audit principles					
ISSAI 300 – Performance Audit Principles		(1)			
Compliance audit principles					
ISSAI 400 – Compliance Audit Principles		(1)			

Financial audit standards					
ISSAI 2000 – Application of financial audit standards		1.3	Approved	(Draft expected by 12/2018)	
<i>ISSAIs 2200-2815 = ISAs</i>		(1)			
Performance audit standards					
ISSAI 3000 - Performance audit standards		(1)			
Compliance audit standards					
ISSAI 4000 - Compliance audit standards		(1)			
SAI organisational guidance					
GUID 1900 - Peer review guidelines (Pre-IFPP document)					
Supplementary financial audit guidance					
GUID 2900/2010 – Acceptability of a public sector financial reporting framework		2.1	Approved	(Draft expected by 30.05.2018)	
Supplementary performance audit guidance					
GUID 3910 – Central Concepts for Performance Auditing (Pre-IFPP document)		(1)			
GUID 3920 – The Performance Auditing Process (Pre-IFPP document)		(1)			
Supplementary compliance audit guidance					
GUID 4900/4910 – Compliance audit guidelines (working title pending)		2.2	Approved	(Draft expected by 31.07.2018)	
Subject matter specific guidance					
<i>Applicable across different subject matters:</i>					
	(GUIDs 5000-5049 reserved) Using ISSAIs in accordance with the SAI's mandate and carrying out combined audits	2.3	Approved		

			(Minor adjustments)		
GUID 5050 jurisdictional activities of SAIs		2.12	Conditionally approved - Final approval pending		
GUID 5090 - Audit of International Institutions (Pre-IFPP document)		(1)			
GUID 5091 - Arrangements for audit of International Institutions (Pre-IFPP document)		(1)			
GUID 5100 IT Audit		2.8	Approved	(Draft expected by 31.07.2018)	
GUID 5110 Information systems security		2.8	Approved	(Draft expected by 31.07.2018)	
	GUID 5160 Internal Auditors	2.6	(Pending)		
<i>Specific subject matters:</i>					
GUID 5200 - Activities with an environmental perspective (Pre-IFPP document)		(1)			
GUID 5201 - Environmental audit and regularity auditing (Pre-IFPP document)		(1)			
GUID 5202 - Sustainable development - The role of Supreme Audit Institutions (Pre-IFPP document)		(1)			
GUID 5203 – Cooperation on audits of international environmental accords (Pre-IFPP document)		(1)			

GUID 5250 Public debt		2.9	Approved	(Draft expected by 10/07/2018)	
GUID 5259 – Public debt information systems (Pre-IFPP document)		(1)			
GUID 5260 Governance of public assets (Pre-IFPP document)		(1)			
GUID 5270 Guideline for the audit of corruption prevention (Pre-IFPP document)		(1)			
GUID 5280 Public procurement		2.11	Approved	(Draft expected by 05/2018)	
GUID 5290 Key National Indicators		3.10	Approved	(Draft expected by 01/01/2019)	
	(GUID 5320 – Privatisation) (GUID 53xx – Public private partnerships)	2.7	(Pending) (Pending)		
	(GUID 5330 – Disaster management)	2.10	(Pending)		
Other guidance					
GUID 9000 - Cooperative audits between SAIs (Pre-IFPP document)		(1)			
GUID 9010 – The importance of an independent standard-setting process (Pre-IFPP document)		(1)			
GUID 9020 - Evaluation of public policies (Pre-IFPP document)		(1)			
GUID 9030 - Good practices related to SAI independence (Pre-IFPP document)		(1)			
GUID 9040 – Good practices related to SAI transparency (Pre-IFPP document)		(1)			
Compency principles, standards and guidance (COMPs)					

(Currently no planned)				
(1) = The updated pronouncement is produced through the relabeling, renumbering and editorial changes carried out by the PSC Sec in line with the due process for minor editorial changes (see SDP priority 1).				

List of tentative projects in the SDP 2017-2019, which have not resulted in project proposals by March 2018

Number	Description in the SDP	Potential outcome after 2019 (INCOSAI 2022)
2.5	Consolidated and improved guidance on understanding internal control in an audit	GUID 5150 on internal control
3.1	Global INTOSAI messages on SDGs in the context of the IFPP and possible needs for guidance	Not determined Revision of GUID 5202 (old ISSAI 5130 from 2016)
3.2	Global INTOSAI messages about audit arrangements and independent standard setting in the context of the IFPP	Not determined Revision and reclassification of key messages from: GUID 9010 – The importance of an independent standard-setting process (Pre-IFPP document) GUID 5091 - Arrangements for audit of International Institutions (Pre-IFPP document)
3.3	Competency pronouncements. The project is intended to address the need for professional pronouncements for auditor competence, as identified in the newly revised IFPP	COMPs – principles, standards and guidance
3.4	Providing a clear set of INTOSAI Core Principles	Revisions and additions in the INTOSAI-Ps 10-99 Might include high-level messages on good governance

3.5	Consolidate and refining the organizational requirements for SAIs	Revisions and additions in: SAI organisational requirements ISSAI 130-199 SAI organisational guidance GUID 1900-1999
3.6	Cross-cutting issues in ISSAI 3000 and 4000 – requirements for direct reporting engagements and guidance on related technical issues	Revisions of ISSAI 3000 and 4000 and/or additional ISSAIs in the 3000-series and 4000-series. GUIDs in the 3900-series and 4900-series or GUIDs in the range of 5000-5050
3.7	Auditing of implementation of state budgets and consolidated state accounts	Additions to ISSAI 2000 GUIDs in the 2900-series
3.8	Obtaining an understanding of Economy, Efficiency and Effectiveness of an entity and applying relevant methods in the context of a performance audit	Revisions or additional ISSAIs in the 3000-series Revisions or additional GUIDs in the 3900-series
3.9	Obtaining an understanding of laws and regulations and other authorities regulating public entities in the context of a compliance audit	Revisions or additional ISSAIs in the 4000-series Revisions or additional GUIDs in the 4900-series NB – purpose of SDP 3.9 might be achieved through GUID 4900 resulting from SDP 2.2

05 May 2018

Minister Reimundo Carreiro, Presidente do Tribunal de Contas da União, INTOSAI PSC Chair

Mr Rajiv Mehrishi, Comptroller & Auditor General of India, INTOSAI KSC Chair

Mr. Kimi Makwetu, Auditor General of South Africa, INTOSAI CBC Chair

Dear Goal Chairs

Subject: Proposed process for developing the next Strategic Development Plan (SDP) for the INTOSAI Framework of Professional Pronouncements (IFPP) and criteria for prioritising projects

The XXII International Congress of Supreme Audit Institutions (INCOSAI), held in Abu Dhabi in December 2016, introduced two significant changes for INTOSAI's standard setting.

Firstly, it endorsed the proposal to restructure the INTOSAI framework of professional standards, originally adopted in 2007, as the INTOSAI Framework of Professional Pronouncements (IFPP). The revised IFPP seeks to clarify the requirements Supreme Audit Institutions (SAIs) must meet to claim compliance with the International Standards of Supreme Audit Institutions (ISSAI), placing ISSAI 100—the fundamental principles of public sector auditing—at its centre¹. It also explains the framework's scope with revised and refined classification principles and criteria as well as introducing a clear distinction between the INTOSAI Principles (INTOSAI-P), the standards (ISSAI) with which SAIs must conform to claim ISSAI compliance, and Guidance (GUID).

Secondly, the INCOSAI endorsed a number of substantial revisions to its due process, the procedures by which it issues professional standards and other pronouncements. Two key changes to due process are:

- the creation, on a permanent basis, of the Forum for INTOSAI Professional Pronouncements (FIPP) as a body of experts appointed to act in the interest of the full INTOSAI membership and promote public sector auditing of a high quality to the benefit of users of SAI audit reports, as well as the general public²;
- the introduction of the strategic development plan (SDP), which is "*a general strategy and working plan for the development of the framework towards a clear, consistent and adequate set of professional pronouncements*"³.

In the run-up to the 2016 Governing Board meeting and the INCOSAI that followed immediately after, in view of the limited time available, FIPP proposed and the PSC-SC (including the chairs of the CBC and KSC) approved a first SDP covering 2017 to 2019 with only limited consultation. This plan, which largely focuses on putting in place the revised IFPP, is presently being implemented. Work has now started to prepare the second SDP.

¹ Particularly, when an SAI is seeking to claim compliance under paragraph 10 of ISSAI 100 – by adopting "*the General Auditing Guidelines as their authoritative standards*".

² FIPP assesses and approves professional pronouncements in accordance with due process. To do this, it follows and facilitates the development of individual draft pronouncements, ensures their technical quality and consistency as appropriate and approves their inclusion in the IFPP before they are presented to the INTOSAI Governing Board by the relevant committee for endorsement

³ All quotations in this and the following section are taken from "Due process for INTOSAI's framework of professional pronouncements", 2016, English-language version, page 4. See <http://psc-intosai.org/en-us/site-psc/psc/due-process/>

The requirements of due process

As well as defining the SDP (as mentioned above, as “a general strategy and working plan for the development of the framework towards a clear, consistent and adequate set of professional pronouncements”), due process states that “Decisions on the organisation of the planning process and the content of the plan shall be taken by the PSC Steering Committee with the consent of the chairs of the CBC and the KSC and shall be based on proposals elaborated by FIPP”.

The SDP assembles “all initiatives to develop, revise, or withdraw professional pronouncements”. Furthermore, “Any INTOSAI member or other interested parties may provide suggestions in this regard for consideration and prioritisation in the planning process”. In effect, the SDP is the vehicle for launching projects to revise, withdraw or create new professional pronouncements in the IFPP. There is no requirement that these projects are completed within the time period of the SDP concerned.

The procedure for drawing up the SDP includes the following:

- “... public consultations to encourage input from interested parties as a minimum every three years”;
- “The PSC and the chairs of the CBC and KSC ascertain that all relevant needs are addressed by the strategic development plan in line with objectives 1, 2 and 3 of INTOSAI’s strategic plan”; and
- “The PSC consults with all affected parties before the plan is finalised⁴ and presented to the INTOSAI Governing Board for endorsement”.

In view of the above due process requirements, FIPP has developed three proposals for the organisation and content of the next SDP. These are outlined in the sections below covering:

- the steps and timetable for the proposed process;
- the technical organisation of the proposed process; and
- the shortlisting criteria that FIPP will use when examining suggestions.

Steps and timetable for the proposed process for drawing up the next SDP

FIPP’s proposal for the steps and timetable for drawing up the next SDP, which is in full accordance with the requirements of due process, is set out in detail in annex 1. This proposed timetable takes account of the date of the Governing Board meeting - September 2019 - at which the SDP must be endorsed. It is broken down into four phases – “scanning”, “gathering inputs”, “development” and “approval” – each with a number of steps.

Within the “scanning” phase, FIPP has already completed the work foreseen and the results of this are set out in the next section.

In the “gathering inputs” phase, FIPP proposes that inputs are sought from three distinct sources:

- the PSC secretariat would invite the INTOSAI community and stakeholders for inputs based on a consultation paper to be prepared by the goal chairs on the basis of FIPP inputs;
- PSC, CBC and KSC subcommittees and working groups would review needs within their areas of expertise and elaborate suggestions for the SDP; and
- FIPP would carry out a cross-cutting review of the consistency, clarity and adequacy of the IFPP.

Lessons have been learned from the experience of the implementation of the first SDP. For example, at its meeting on 8-9 June 2017, the PSC-SC requested that FIPP ensures that sufficient information on projects is provided in the SDP to ensure that they can be fully understood. As a result, FIPP drew up a number of

⁴ In the paper on FIPP governance, the PSC-SC **approves** the strategic development plan at this stage

scoping papers for individual projects. FIPP now proposes that the “development” phase for the next SDP includes a step by which it carries out an initial scoping of potential projects, covering the project’s scope and resource requirements.

Action 1 - FIPP invites the PSC-SC and the chairs of the CBC and KSC to endorse FIPP’s proposal for the steps and timetable for the proposed process for drawing up the next SDP as set out in annex 1.

The technical organisation for the proposed process for drawing up the next SDP

As mentioned above, FIPP has already carried out a comprehensive scanning exercise to identify nine focus areas around which the public consultation for the next SDP can be organised. This scanning exercise covered the following sources:

- the INTOSAI strategic plan, 2017 – 2022;
- the INTOSAI regions;
- the Global SAI Stocktaking report;
- the Global Audit Leadership Forum (GALF);
- the 2014 PSC Evaluation Report;
- the work carried out to develop the 2017 – 2019 SDP;
- INTOSAI’s Supervisory Committee on Emerging Issues (SCEI); and
- current development activities of the International Federation of Accountants (IFAC) and of the Institute of Internal Auditors (IIA).

The focus areas are set out in annex 2, along with some examples of issues that might be considered and some questions that are designed to guide contributors’ reflections. We stress that the aim of the focus areas is to better structure the consultation process, not to restrict it: in the consultation paper, the goal chairs should encourage potential contributors to put forward any suggestions that they might have, regardless of whether they “fit” into these focus areas.

The inputs gathered through this broad and inclusive process in the INTOSAI community, and among external stakeholders, will serve to inform the judgements that FIPP and the PSC Steering Committee will need to make for priorities in the development and approval phase. We are therefore encouraging general inputs from INTOSAI’s membership and stakeholders on the current challenges and needs of SAIs as well as more specific suggestions on future pronouncements. We also suggest encouraging contributors to provide an indicative ranking of the areas identified them as focus areas either from annex 2 or otherwise, in order of priority of needs.

The process of gathering input will also serve an important opportunity to increase awareness of the IFPP among SAIs. It will therefore be beneficial to introduce the concept of INTOSAI Principles, ISSAIs, GUIDS and COMPs, as well as the non-IFPP documents in the invitation letter. It may also be relevant to make detailed information on pronouncements in the pipeline, and planned content of the IFPP by 2019, publicly available through issai.org or other means. This would aid contributors in assessing the needs for further development of the pronouncements through new projects launched in 2019-2022.

To facilitate the process of analysing and shortlisting, the PSC secretariat has agreed to draft a template that contributors could use when providing input; the goal chairs have also offered to screen and organise the inputs obtained.

A separate communication may be sent to the subcommittees and working groups, in order to obtain their suggestions within their respective areas of expertise, on future projects to revise existing or new INTOSAI Principles, ISSAIs, GUIDs and COMPs.

Action 2 - FIPP invites the goal chairs to organise the public consultation for the next SDP around the focus areas identified by FIPP as set out in annex 2 and through a separate communication to subcommittees and working groups asking for their suggestions, within their area of expertise, for improvements in the IFPP.

The shortlisting criteria that FIPP will use when examining suggestions

Due process sets as an objective for the SDP that it leads to a set of professional pronouncements that are clear, consistent and adequate. Thus clarity, consistency and adequacy will be the three over-arching criteria that FIPP will use to examine suggestions for projects to be included in the SDP.

FIPP will work to develop an objective assessment system that it will finalise at its next meeting in August 2018, based on these three due process requirements.

Each suggestion will need to pass a “gateway” test – that it is consistent with ISSAI 100 and with the overall conception of the IFPP - if it is to be considered further.

Furthermore, FIPP will also consider the capacity across the INTOSAI community to deliver the projects. There is a need to examine the impact upon all INTOSAI subcommittees and working groups. However, experience of implementing the first SDP suggests that attention must be given to the resource capacities of FAAS, PAS and CAS, as well as FIPP itself. For FIPP, this includes an urgent need to obtain technical support.

Action 3 - FIPP invites the PSC-SC and the chairs of the CBC and KSC to take note of the orientations that FIPP is using to develop objective criteria for shortlisting potential projects for the next SDP.

Whilst FIPP will develop these criteria under its own responsibility, we would welcome any guidance that the PSC-SC and the chairs of the CBC and KSC might wish to offer.

Summary

In close collaboration with the representative of the PSC secretariat who sits as an active observer at its meetings, FIPP has been working on preparing the next SDP since its fifth meeting in July 2017 in Ottawa. It now invites the key actors to take the three actions set out in the following table:

Action #	Action	Responsible		
		PSC Steering Cttee	CBC & KSC chairs	Goal chairs
1	To endorse FIPP’s proposal for the steps and timetable for the proposed process for drawing up the next SDP as set out in annex 1.	X	X	

2	To organise the public consultation for the next SDP around the focus areas identified by FIPP as set out in annex 2.			X
3	To take note of the orientations that FIPP is using to develop objective criteria for shortlisting potential projects for the next SDP.	X	X	

FIPP assures its support to the goal chairs for the successful culmination of the SDP planning process.

With high regards

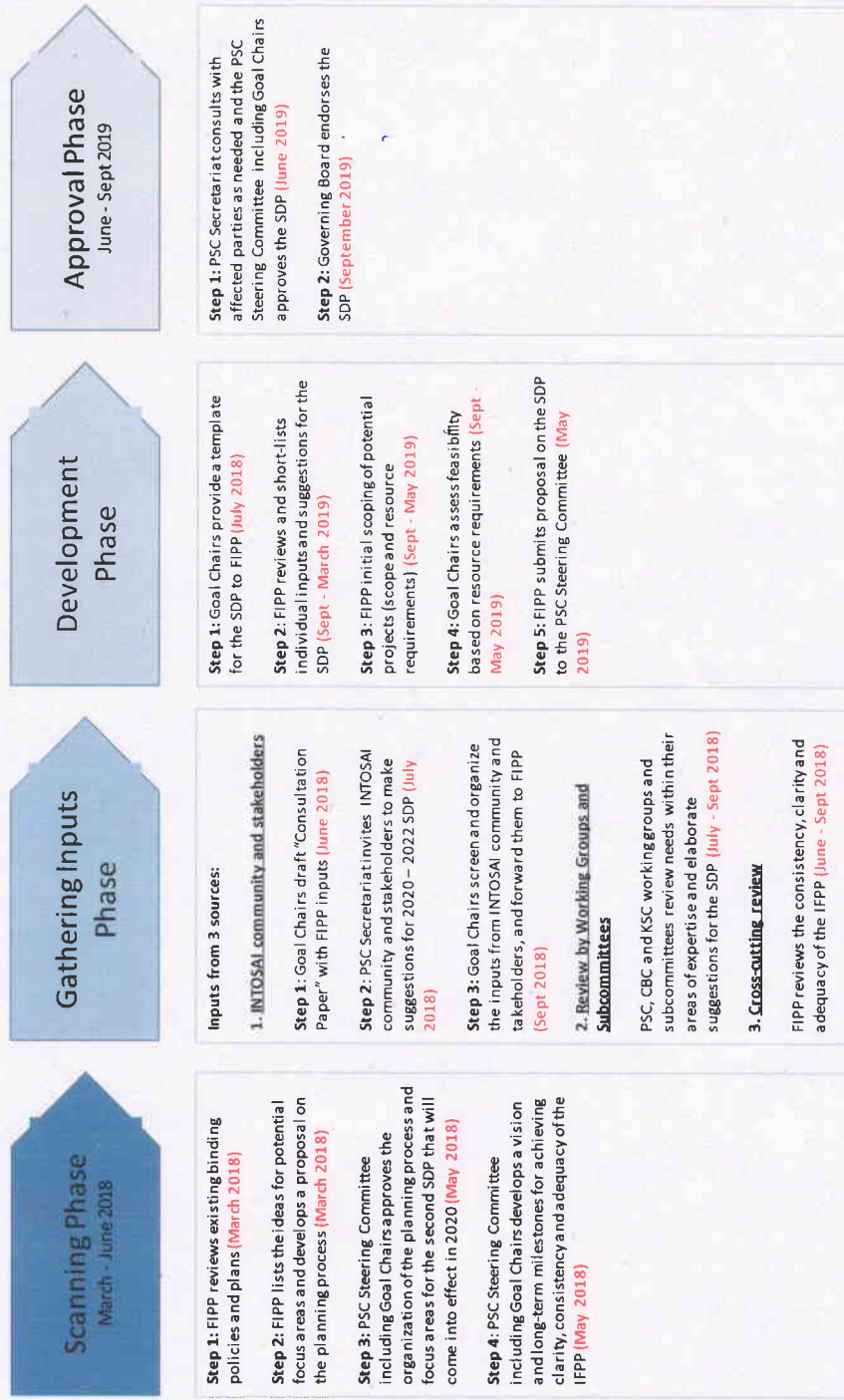


Ganga Kapavarapu

FIPP Chair

ANNEX 1

Process for developing the next Strategic Development Plan (SDP) for the INTOSAI Framework of Professional Pronouncements (IFPP)



Annex 2 - Focus areas where input is invited from INTOSAI members and stakeholders

Headline	Observation	Examples	Questions
1) Enhancing ISSAIs implementation by SAI's	SAI's are facing challenges in the implementation and application of ISSAIs. <i>There could be many different ways to enhance the implementation of the ISSAIs. For example:</i>	<ul style="list-style-type: none"> ➤ Encouraging SAIs to comply with, or use, standards consistent with the ISSAIs ➤ Linking capacity development to implementation ➤ Addressing resource issues, <i>i.e. affordable training</i> ➤ Considering how the pronouncements could be improved to better facilitate ISSAI implementation 	<p>We are therefore seeking input on the following questions:</p> <ul style="list-style-type: none"> ➤ What is the definition of what constitutes "implementation" and "consistency" within the ISSAIs? ➤ How do we achieve successful implementation of the ISSAIs in your SAI? ➤ How can INTOSAI's guidance be further developed in order to better facilitate the implementation of the ISSAIs?
2) Issues Specific to Public Sector Auditors/SAIs	INTOSAI pronouncements should address the specific efforts and issues of public sector auditors and SAIs. <i>Some examples of these efforts and issues could be:</i>	<ul style="list-style-type: none"> ➤ Evaluation of fraud risk, investigation of irregular or improper payments in government ➤ Performance audits – economics, efficiency, effectiveness in the government ➤ Compliance auditing in the public sector ➤ Contracting of public service audits ➤ Audits for "whole of government" (financial, national level audits, SDGs, etc.) ➤ Financial assurance and long term financial sustainability ➤ Audit/evaluation of auditee's ethics program, culture, organizational behaviour 	<p>We are therefore seeking input on the following questions:</p> <ul style="list-style-type: none"> ➤ Are there existing guidelines which can be revised or enhanced to better address these issues? ➤ Is there a need to produce new guidelines to respond to these issues?
3) General applicability of the IFPP for SAI's	Pronouncements should be generally applicable and sufficiently relevant across SAI models and regions. <i>The IFPP therefore need to accommodate the greater diversity amongst SAIs. For example:</i>	<ul style="list-style-type: none"> ➤ Small SAIs and small countries ➤ SAIs with, as well as without, jurisdictional functions ➤ Different levels of capacity ➤ Different mandates 	<p>We are therefore seeking input on the following questions:</p> <ul style="list-style-type: none"> ➤ Is there a need for new principles, standards, or guidance to help SAIs address such issues? <ul style="list-style-type: none"> ▪ If so, in what areas? ➤ Does the IFPP accommodate all SAI's regions, models, and mandates for SAIs?

Annex 2 - Focus areas where input is invited from INTOSAI members and stakeholders

Headline	Observation	Examples	Questions
<p>4) Auditor Competency (COMP5)</p>	<p>A planned set of new pronouncements (known as COMP5) will include principles, standards and/or guidance on the competency requirements for auditors.</p> <p><i>The new COMP5 may serve SAIs in a range of different ways. For example:</i></p>	<ul style="list-style-type: none"> ➤ Assisting individual SAIs in their efforts to develop better education and auditor training programs ➤ Assisting SAIs in strengthening stakeholder confidence in their professional competencies ➤ Highlighting key requirements to public-sector auditors which differ from other requirements (<i>such as requirements for civilian/government administration or private sector auditors</i>) ➤ Providing a basis for international collaboration on training and capacity building ➤ Providing a basis for certifying auditors 	<p>We are therefore seeking input on the following questions:</p> <ul style="list-style-type: none"> ➤ What would be the most important purpose(s) for developing INTOSAI principles, standards, or guidance on auditor competency requirements? ➤ What would be the most important aspects to consider for interpreting the competency requirements as a set of principles, standards, or guidance?
<p>5) Operationalizing SAI independence</p>	<p>SAI independence is an INTOSAI core principle, but many SAIs still lack financial and administrative independence.</p> <p><i>There may be different ways of operationalizing SAI independence. For example:</i></p>	<ul style="list-style-type: none"> ➤ Establishing relations/partnerships with stakeholders ➤ Strengthening professional scepticism through auditor education and ethics ➤ Protecting independence while demonstrating value and benefits ➤ Ensuring the organization's code of ethics is implemented 	<p>We are therefore seeking input on the following questions:</p> <ul style="list-style-type: none"> ➤ Is there a need for new principles, standards, or guidance to help SAIs address these issues? <ul style="list-style-type: none"> ▪ If so, in what areas?
<p>6) How to improve the Quality Control and Assurance in our SAIs</p>	<p>SAIs are facing challenges in the use of the existing ISSAIs in obtaining quality assurance in audits. The organizational requirements for an SAI's quality control system were defined in 2010 by ISSAI 40, and were included in the IFPP as ISSAI 140.</p> <p><i>There may be many aspects of improving quality control. For example:</i></p>	<ul style="list-style-type: none"> ➤ Developing robust QC systems and monitoring their effectiveness ➤ QC at both the engagement and the organization levels ➤ Internal and external QA assessments ➤ developing efficient 'incentive policies' to recognize high quality work throughout the SAI 	<p>We are therefore seeking input on the following questions:</p> <ul style="list-style-type: none"> ➤ Should ISSAI 40 be opened for revision or should we just have further guidance? ➤ If opened for revision, what aspects of ISSAI 40 need revision to make a future version of ISSAI 140 more relevant and user-friendly? ➤ Are there other important means to improve quality control and assurance?

Annex 2 - Focus areas where input is invited from INTOSAI members and stakeholders

Headline	Observation	Examples	Questions
<p>7) Audit Communications and Reporting of Audit Results</p>	<p>SAI communications should reflect the changing environment and audience. The SAI's conclusions should be communicated timely and in a manner that is easily read and used by the audience. This may call for new effective means to communicate and innovative approaches for achieving target audiences.</p> <p><i>There may be many ways to enhance the reporting by SAIs. For example:</i></p>	<ul style="list-style-type: none"> ➤ Monitoring audit findings/recommendations efficiently and innovatively ➤ Tools for obtaining feedback from stakeholders ➤ Communicating audit findings in a digital world ➤ Publishing work on targeted platforms (social media, audio clips, videos, etc.) ➤ Simplifying messages and adjusting messages to differing target audiences 	<p>We are therefore seeking input on the following questions:</p> <ul style="list-style-type: none"> ➤ How can SAIs effectively communicate relevant information to targeted audiences in a technological environment? ➤ What are some approaches to consider? <ul style="list-style-type: none"> ▪ What potential risks are there to certain approaches? ➤ How can audit communications and results maximize and demonstrate the values and benefits provided by SAIs to the public?
<p>8) Emerging Global Issues</p>	<p>SAIs are continuously under pressure to respond to emerging global trends that seem to take immediate centre stage, thereby diverting the attention and resource allocation of governments.</p> <p><i>Some examples of global issues may be:</i></p>	<ul style="list-style-type: none"> ➤ Migration and Humanitarian problems ➤ Climate and environment ➤ International response to disasters ➤ Sustainable Development Goals 	<p>We are therefore seeking input on the following question:</p> <ul style="list-style-type: none"> ➤ Do SAIs have a role in assessing and comparing how countries are performing in reference to global and national indicators? ➤ What are the emerging global issues in which INTOSAI guidance, or developed/ revised pronouncements, may be necessary?
<p>9) New Technologies and innovative approaches</p>	<p>Due to the constant changes within public management, SAIs face complex challenges which require a systematic, and participatory, innovation approach specified to their diverse needs; application of such approaches may call for new guidelines. A number of new technologies may also provide new challenges, as well as opportunities for SAIs; in some instances, this may call for new guidance for auditors. IAASB also has an on-going data analytics project.</p> <p><i>Some examples of new technologies and issues may be:</i></p>	<ul style="list-style-type: none"> ➤ Cyber security/data protection challenges ➤ Block chain accounting ➤ Big data – the digital revolution ➤ Cloud based mobile applications ➤ Strategies for data analytics programs ➤ Geographic information systems ➤ Innovation principles ➤ Artificial intelligence ➤ Use of data analytics in audits 	<p>We are therefore seeking input on the following question:</p> <ul style="list-style-type: none"> ➤ How do we audit around these technologies (<i>Identify, Protect, Detect, Respond and Recover and the core structure of audit around these systems</i>)? <ul style="list-style-type: none"> ▪ And who will audit around them? ➤ How do new technologies and innovations disrupt the current status quo in the world of audit? ➤ Do we need to produce or revise existing guidelines or an ISSAI to respond to these issues?

Renumbering and relabeling of pre-existing ISSAIs and INTOSAI GOVs into the IFPP

Purpose

1. The purpose of this document is to specify how individual pre-existing ISSAIs and INTOSAI GOVs will be relabelled and renumbered into the INTOSAI Guidance (GUID) category of the new INTOSAI Framework of Professional Pronouncements (IFPP). The GUID category of IFPP refers to :
 - a. **SAI Organisational Guidance** : GUID Series 1900-1999
 - b. **Supplementary Guidance**: GUID Series 2900-2999 -Financial Audit, 3900-3999 - Performance audit, 4900-4999-compliance audit, and 6500-6999- reserved for future development based on ISSAI 100.
 - c. **Subject Matter Specific Guidance** : GUID Series 5000-5999
 - d. **Other Guidance**: GUID 9000-9999

Background

2. The establishment of the IFPP was endorsed at INCOSAI in 2016 together with a revised due process for INTOSAI Professional Pronouncements. The due process gives the Forum for INTOSAI Professional Pronouncements (FIPP) responsibility for the numbering of pronouncements in the IFPP. FIPP's decisions in this regard are based on the classification principles of the IFPP and the Strategic Development Plan (SDP) for 2017-2019 as approved by the PSC Steering Committee with the consent of the KSC and CBC chairs and endorsed by the INTOSAI Governing Board at its meeting in Abu Dhabi in 2016.
3. The purpose of the new IFPP is to ensure that all INTOSAI Principles (INTOSAI-P), auditing standards (ISSAI) and guidance (GUID) are communicated through www.issai.org in a way that clearly conveys their official status and purpose. Each document is part of an overall collection of INTOSAI professional pronouncements that should be read and understood in context. INCOSAI's decision was that the IFPP should be fully implemented as soon as possible and at the latest by INCOSAI 2019.

Relabeling and renumbering decisions

4. At the current stage of transition there are a number of documents that appear as ISSAIs or INTOSAI GOVs on www.issai.org but that do not conform to the IFPP. This is a confusing situation for all users of INTOSAI's professional pronouncements, which needs to be solved as soon as is practically possible.
5. There are three different mechanisms to achieve this end:
 - a. **Relabeling:** Pre-existing pronouncements are relabelled and renumbered at the request of FIPP following the *process for revising pronouncements (editorial changes)* (cf. section 2.2. of the due process for the IFPP). This is possible in cases where the edits made in text are limited to the change in the numbering and the new labelling as a GUID as well as updates of any cross-references to other pronouncements. No change in the substance of the document will be undertaken at this stage.

Priority 1 of the SDP provides that this mechanism is used for a range of pre-existing pronouncements that are largely those recently endorsed by INCOSAI. The renumbering and relabeling of a range of pre-existing ISSAIs and INTOSAI GOVs is described in table 1 of the SDP. Decisions and clarifications by FIPP are therefore only needed in cases where the classification and numbering of a pronouncement is not already fully specified by the SDP. The editorial work needed to implement the renumbering and relabeling of the documents will be carried out by the PSC Secretariat at the SAI of Brazilia.

FIPPs decisions on the classification and numbering of these pronouncements based on the SDP are indicated below as 'To be relabelled ▶'.

- b. **Through a project to develop GUIDs based on the pre-existing text:** Pre-existing ISSAIs and INTOSAI GOVs may be amended or withdrawn through a project that is carried out on the basis of an approved project proposal in line with the *process for developing pronouncements* (cf. section 2.1 of the due process for the IFPP).

Priority 2 of the SDP provides that this mechanism is used in a range of cases where there is a clear and urgent need to consolidate the texts into fewer and more readable and relevant GUIDs, eliminate overlaps, duplications, and contradictions and ensure the content is well aligned with *ISSAI 100 - Fundamental Principles of Public-Sector Auditing* and with the scope and purpose of the IFPP.

The success and timeline of these projects will depend on the resources made available for this purpose by the PSC and KSC and their subcommittees and working groups. The due process for the IFPP provides that the pre-existing ISSAIs and INTOSAI GOVs will remain on www.issai.org and retain their current ISSAI or INTOSAI GOV numbers until they are replaced by the new GUIDs or withdrawn by 2019. In the interim, it will be for the PSC chair in collaboration with FIPP to communicate in a clear way on www.issai.org that the affected ISSAIs and INTOSAI GOVs are under revision.

In order to be able to decide on the numbering of the relabelled documents (cf. a above) FIPP has undertaken a provisional planning of the numbering of expected GUIDs based on the SDP priority 2. This numbering appears in the tables below and is for planning purposes only.

FIPP's decisions on the final numbering of the resulting revised GUIDs will be taken when the individual draft GUIDs have been developed as provided by the due process for the IFPP.

- c. Simple withdrawal: Should there be any cases where pre-existing ISSAIs or INTOSAI GOVs are for some reason not converted into a GUID through one of the two mechanisms by 2019 it will be necessary to withdraw these ISSAIs or INTOSAI GOVs.

It is foreseen in the SDP that such withdrawals may be initiated by FIPP. This will follow the *process for withdrawing pronouncements* (cf. section 2.3. of the due process for the IFPP), which among others provides all INTOSAI members the possibility of commenting on the withdrawal proposal through a 90-days exposure period. Any such withdrawn ISSAIs or INTOSAI GOVs may still be drawn upon as relevant for the purpose of developing any new pronouncements that may be decided upon in the future planning process.

6. It has been FIPP's overall approach that it should be possible – with the help and collaboration of all parties involved - to implement the INCOSAI 2016 decision and meet the deadline of INCOSAI 2019 through a combination of relabeling (cf. a above) and projects to develop improved GUIDs (cf. b above) rather than simply withdrawing the documents produced and endorsed in the past (cf. c above).
7. The table below covers all pre-existing documents that are relevant to the GUID category and reflects an interim plan of the renumbering and renumbering of the resulting GUIDs. Where there are a number of documents on a common topic that may ultimately either be combined and some withdrawn only one number has been allocated to the overall topic as the eventual number of documents will only become clear from the approved project proposal.

Statement to readers of the GUID

8. As a result of the relabelling (cf. a above) there will by INCOSAI 2019 still be a number of GUIDs which will not have been subject to the quality and approval processes established for the IFPP. These GUIDs will differ in form and content. They will not conform to the drafting conventions that maintain clear distinctions between standards and guidelines in the IFPP. They may also convey messages that are not consistent with the *ISSAI 100 – Fundamental Principles of Public Sector Auditing* and the guidance provided will not necessarily meet the purpose of supporting and promoting the use of ISSAIs.
9. This situation will need to be addressed in a future SDP and may take a number of years after 2019 to resolve. In the interim period this could pose a risk to the credibility and integrity of the IFPP as well as users of the guidance. Pre-existing ISSAIs and INTOSAI

GOVs that are simply relabelled and renumbered as GUIDs therefore also need to be marked in a way that ensures that readers are made aware of this risk.

10. These GUIDS are indicated with ‘**To be relabelled ▶**’ in the table below and are therefore to be marked in the following way:

- ▶ The official title is adapted as specified below in order to add the wording ‘(pre-IFPP document)’. The adapted title will appear on the front page of the document, in any overviews of content of the IFPP, links on issai.org etc.
- ▶ The following statement is inserted on the front-page of each GUID:

CAUTION - This document was developed before the creation of the INTOSAI Framework of Professional Pronouncements (IFPP). It has not yet been reviewed to ensure alignment with the International Standards of Supreme Audit Institutions (ISSAI) and the quality requirements of the IFPP. It is thus subject to change or withdrawal.

11. The use of this statement reflects that FIPP has applied the classification principles for the IFPP in a flexible and unrestrictive way in order to be able to include all pre-existing ISSAIs and INTOSAI GOVs. FIPP has used the category of *GUID 5000-5999 Subject matter specific guidance* whenever this was possible. The category of *9000-9999 Other Guidance*, is used only as a last resort for documents that cannot be included elsewhere in the IFPP.

GUID 1900-1999 SAI organisational guidance

Defined by the criteria for classification in IFPP as:

Guidance that supports the SAI in enhancing organisational performance in practice related to the organisational requirements (ISSAIs 130-199) and ISSAI implementation

	Name and number in IFPP	SDP ¹	Pre-existing pronouncement
To be relabelled ▶	GUID 1900 - Peer review guidelines (Pre-IFPP document)	Priority 1 (also a source for preliminary project 3.5)	Peer Review Guidelines (ISSAI 5600)

¹ All references in the tables are to the SDP including amendments endorsed by the Governing Board in 2017.

GUID 3900-3999 Supplementary performance audit guidance

Defined by the criteria for classification in IFPP as:

Guidance that supports the auditor in the performance audit process on how to apply the ISSAIs in practice.

	Name and number in IFPP	SDP	Pre-existing pronouncement
To be relabelled ▶	GUID 3910 – Central Concepts for Performance Auditing (Pre-IFPP document)	Priority 1	Guidelines on Central Concepts for Performance Auditing (ISSAI 3100)
To be relabelled ▶	GUID 3920 – The Performance Auditing Process (Pre-IFPP document)	Priority 1	Guidelines for the performance auditing process (ISSAI 3200)

GUID 5000-5999 Subject matter specific guidance

Defined by the criteria for classification in IFPP as:

Guidance that supports the auditor in understanding a specific subject matter and the application of the relevant ISSAIs

IFPP has organised the relevant pre-existing ISSAIs and INTOSAI GOVs into two series, GUIDs 5000-5199, and GUIDs 5200-5299. The sub-headings used for each of these series may not necessarily be retained, but are used to keep similar type GUIDs together and find an appropriate place for all content that has been produced to date.

	Name and number in IFPP	SDP	Pre-existing name and number
	<i>Applicable across different subject matters (GUID 5000-5199):</i>		
	GUID 5000-5049 reserved for guidance on different mandates/combined audits	Preliminary project 2.3	(None)
	GUID 5050-5059 reserved for guidance on jurisdictional activities of SAIs	Preliminary project 2.12	(None)
To be relabelled ▶	GUID 5090 - Audit of International Institutions (Pre-IFPP document)	Priority 1 (also a source for preliminary project 3.5)	Audit of International Institutions (ISSAI 5000)

To be relabelled ▶	GUID 5091 - Arrangements for audit of International Institutions (Pre-IFPP document)	Priority 1 (also a source for preliminary project 3.2)	Principles for External Audit Arrangements for International Institutions (INTOSAI GOV 9300)
	GUID 5100-5109 reserved for consolidated guidance on IT-audit	Preliminary project 2.8	<ul style="list-style-type: none"> Guidelines on IT Audit (ISSAI 5300) – endorsed in 2016 but will be revised by 2019. Information System Security Review Methodology (ISSAI 5310)
	<i>(Numbers 5110-5140 blocked by pre-existing ISSAIs – available from 2019)</i>		
	GUID 5150-5159 reserved for consolidated guidance on internal control	Preliminary project 2.5	<ul style="list-style-type: none"> Guidelines for Internal Control Standards for the Public Sector (INTOSAI GOV 9100) Guidance for reporting on the effectiveness of Internal Controls (INTOSAI GOV 9110) Internal Control-Providing a foundation for accountability in government (INTOSAI GOV 9120) Further information on entity risk management (INTOSAI GOV 9130)
	GUID 5160-5169 reserved for consolidated guidance on the use of work of internal auditors	Preliminary project 2.6	<ul style="list-style-type: none"> Internal audit independence in the public sector (INTOSAI GOV 9140) Coordination and cooperation between SAs and Internal Auditors in the public sector (INTOSAI GOV 9150)
<i>Specific subject matters (GUID 5200 – 5999):</i>			
To be relabelled ▶	GUID 5200 - Activities with an environmental perspective (Pre-IFPP document)	Priority 1	Guidance on conducting audits of activities with an environmental perspective (ISSAI 5110)
To be relabelled ▶	GUID 5201 - Environmental audit and regularity auditing (Pre-IFPP document)	Priority 1	Environmental audit and regularity auditing (ISSAI 5120)

To be relabelled ▶	GUID 5202 - Sustainable development - The role of Supreme Audit Institutions (Pre-IFPP document)	Preliminary project 3.1 (endorsed 2016)	Sustainable development- The role of Supreme Audit Institutions (ISSAI 5130)
To be relabelled ▶	GUID 5203 – Cooperation on audits of international environmental accords (Pre-IFPP document)	Priority 1	How SAIs may co-operate on the audit of international environmental accords (ISSAI 5140)
<i>(Numbers 5210-5240 blocked by pre-existing ISSAIs – available from 2019)</i>			
	GUID 5250-5258 Reserved for consolidated guidance on public debt	Preliminary project 2.9	<ul style="list-style-type: none"> • Debt indicators (ISSAI 5411) • Public debt – management and fiscal vulnerability – potential roles for SAIs (ISSAI 5420) • Guidance on definition and disclosure of public debt (ISSAI 5421) • An exercise of reference terms to carry out performance audit of public debt (ISSAI 5422) • Fiscal exposures – implications for debt management and the role for SAIs (ISSAI 5430) • Guidance for conducting a public debt audit (ISSAI 5440) • Guidance for planning and conducting an audit of internal controls of public debt (ISSAI 5410 –will also be considered in project 2.6)
To be relabelled ▶	GUID 5259 – Public debt information systems (Pre-IFPP document)	Priority 1 (also a source for preliminary project 2.8)	Guidance on auditing public debt information system (ISSAI 5450)
To be relabelled ▶	GUID 5260 Governance of public assets (Pre-IFPP document)	Priority 1	Enhancing good governance for public assets (INTOSAI GOV 9160)
To be relabelled ▶	GUID 5270 Guideline for the audit of corruption prevention (Pre-IFPP document)	Priority 1	Guideline for the audit of corruption prevention (ISSAI 5700)

GUID 5280-5289 Reserved for consolidated guidance on audits of public procurement	Preliminary project 2.11	Guidelines on best practice for the audit of public/private finance and concessions (ISSAI 5220)
GUID 5290-5299 Reserved for guidance on audit of Key National Indicators	Preliminary project 3.10	(None)
<i>(Numbers 5300-5310 blocked by pre-existing ISSAIs – available from 2019)</i>		
GUID 5320-5329 Reserved for consolidated guidance on privatisation and/or related subjects	Preliminary project 2.7	<ul style="list-style-type: none"> • Guidelines on best practice for the audit of privatisations (ISSAI 5210) • Guidelines on best practice for the audit of economic regulation (ISSAI 5230) • Guidelines on best practice for the audit of risk in Public/Private Partnerships (PPP) (ISSAI 5240)
GUID 5330-5239 Reserved for consolidated guidance on disaster-related aid and/or related subjects	Preliminary project 2.10	<ul style="list-style-type: none"> • Introduction to guidance for audit work on disaster-related aid (ISSAI 5500) • Audit of disaster preparedness (ISSAI 5510) • Audit of disaster related aid (ISSAI 5520) • Adapting audit procedures to take account of the increased risk of fraud and corruption in the emergency phase following a disaster (ISSAI 5530) • Use of geospatial information in auditing disaster management and disaster-related aid (ISSAI 5540) • Integrated Financial Accountability Framework (IFAF) – guidance on improving information on financial flows of humanitarian aid (INTOSAI GOV 9250)
(GUIDs 5340-5999 – available for further projects and future purposes)		

GUID 9000-9999 Other guidance

Defined by the criteria for classification in IFPP as:

Other guidance that supports the auditor.

This category will in a transitional period be used for pre-existing pronouncements which have no place elsewhere in the IFPP. It is anticipated that these pronouncements may be revised or withdrawn and that the topic will be incorporated into another document going forward.

	Name and number in IFPP	SDP	Pre-existing pronouncement
To be relabelled ▶	GUID 9000 - Cooperative audits between SAIs (Pre-IFPP document)	Priority 1 (Also a source for preliminary project 3.5)	Guide on cooperative audit between Supreme Audit Institutions (ISSAI 5800)
To be relabelled ▶	GUID 9010 – The importance of an independent standard-setting process (Pre-IFPP document)	Preliminary project 3.2	The importance of an Independent Standard-setting process (INTOSAI GOV 9200)
To be relabelled ▶	GUID 9020 - Evaluation of public policies (Pre-IFPP document)	Priority 1	Guidelines on the evaluation of public policies (INTOSAI GOV 9400)
To be relabelled ▶	GUID 9030 - Good practices related to SAI independence (Pre-IFPP document)	Preliminary project 3.5	Guidelines and good practices related to SAI independence (ISSAI 11)
To be relabelled ▶	GUID 9040 – Good practices related to SAI transparency (Pre-IFPP document)	Preliminary project 3.5	Principles of Transparency - Good Practices (ISSAI 21)

Clarification on ISSAI 2000-2999 Financial Auditing Standards

To avoid any possible confusion, FIPP has also clarified that the *International Standards on Auditing (ISA)* will continue to be numbered individually in the IFPP in line with the principles currently used on www.issai.org (cf. also ISSAI 100). It follows from INCOSAI's decision on the IFPP that the ISSAI-numbers 2000-2999 will be used instead of the 1000-1999 series. This means that the numbering in the range ISSAI 2200-2810 will follow the principle that ISA no. xxx is included as ISSAI 2xxx in the IFPP.

The INTOSAI 'Practice Notes' to the ISAs are currently under revision based on an approved project proposal (cf. b above) and will therefore not be included in the relabelling (cf. a above).

Clarification on editorial consequences in ISSAI 100

FIPP also wishes to emphasize that the editorial changes described under priority 1 of the SDP will include amendments in ISSAI 100 to reflect INCOSAI's decision on the IFPP. The amendments will be carried out under section 2.2. of the due process and concern references to the pre-existing ISSAI Framework and the terms 'levels' and 'general auditing guidelines' in this framework (cf. item 3-5 and 8-12 of ISSAI 100).

FIPP approval

It follows from the due process that FIPP will approve all editorial changes carried out.

Drafting conventions for “*application material*” within the ISSAIs in the INTOSAI Framework of Professional Pronouncements

Introduction

1. The purpose of these drafting conventions is to ensure that all application material within the ISSAIs in the INTOSAI Framework of Professional Pronouncements (IFPP) maintain a high level of quality, are technically sound and consistent throughout the ISSAIs, at the same time as being easy to read, understand and apply. The drafting conventions are required to accomplish the objectives of the IFPP strategic development plan.
2. These drafting conventions will be included in the forthcoming Drafting conventions for ISSAIs in the INTOSAI Framework for Professional Pronouncements.
3. These drafting conventions have been developed by the Forum of INTOSAI Professional Pronouncements (FIPP) and are in effect from the 23rd of March 2018.

Responsibility

4. The responsible project group has to ensure that the application material fulfil the requirements of these drafting conventions.

Definition of application material in the IFPP

5. Application material is mandatory to consider when operationalizing the requirements in the ISSAIs. They explain the requirements, the rationale behind the requirement and assist the auditor to comply with these requirements.

Application material is included in the ISSAIs as the ISSAIs are comprised of:

- a) The basic set of concepts and principles that define public sector auditing and the different types of engagements supported by the ISSAIs.
- b) The fundamental principles which INTOSAI have defined as universally applicable professional standards. The auditing practices of all SAIs as well as any national standards for public sector auditing should be aligned to these.
- c) The organizational level requirements which the SAI and the engagement level requirements which the auditor must comply with if they state compliance with the ISSAIs (rather than national standards)
- d) *Application material that is relevant to ensure that the fundamental principles and requirements are understood and applied as relevant in the circumstances of the individual engagement.*

6. Names other than “application material” have been used within the existing ISSAIs for content which should be considered “application material”. For documents developed within INTOSAI, the intention over time is to rename this content as application material. These other names for application material include:
 - a) *Application and other explanatory material* – application material for financial audit included in the International Standards of Audit (ISA) and developed by the International Audit and Assurance Standard setting board (IAASB), part of the ISSAI 2200 – 2810
 - b) *Application guidance* – application material for requirements relating to organizational level and developed by INTOSAI, part of the ISSAI 130 – 199
 - c) *Explanations* – application material in ISSAIs 3000 and 4000.

Applicability

7. **These drafting conventions apply to all ISSAIs except for the Fundamental Audit Principles ISSAI 100-129, 200 – 699.**
8. The requirements in the ISSAIs may be further explained in the application material though that is not mandatory.
9. These drafting conventions apply by analogy to Competency Standards (COMP).

Structure

10. **The application material shall clearly refer to the requirements in the ISSAIs which they are clarifying. In most cases, the application paragraph shall be placed directly below the relevant requirement.**
11. **The application material shall be numbered.** The application material as such varies when it comes to structure. It could be one sentence or a few sentences grouped as one paragraph or multiple paragraphs. Each paragraph shall be separately numbered.
12. In most cases application material will be located within an ISSAI. However on limited occasions FIPP may approve application material to be issued in a stand-alone document. **If the application material is developed as a standalone document (not included in same document as the ISSAIs), when so the document shall begin with the following structure:**
 - (a) Contents page
 - (b) Introduction

Introductory material shall include short and clear information with reference to which ISSAIs the document refers to and the scope of the document.

This section should also include a statement that the application material does not in any way extend the auditor responsibilities or override the requirements nor the principles as stated in the ISSAIs or INTOSAI-P

(c) Objective

This section shall include a definition of application material and explain how the document aims to assist the auditor in the operationalization of the relevant requirements in the ISSAI or ISSAIs.

(d) Definitions

For greater understanding, the document (where applicable or necessary) may contain definitions of applicable terms or may refer to the existing definitions within the ISSAIs.

Content

13. The application material shall assist auditors and SAIs in the understanding and application of the requirements as relevant in the circumstances of the individual engagement or on an organizational level.

- a) The application material shall refer to, in all aspects be consistent with and avoid any statements that contradict the underlying prerequisites for the functioning of SAIs (ISSAI 10-99), fundamental audit principles (ISSAI 100 – 129, 200 – 699), SAI organizational requirements (ISSAI 130 – 199) and audit standards (2000 – 2899, 3000 – 3899, 4000-4899, 6000 – 6499).
- b) The application material must not extend the underlying principle or requirement of the auditor's and the SAI's responsibilities at institutional level as stated in the ISSAIs and professional pronouncements.

14. The application material shall assist in the implementation of the requirements in the ISSAIs, specified in the paragraph 7, by:

- a) clarifying the meaning of the principle or requirement
- b) clarifying the rationale behind the requirement, when relevant
- c) specifying what the requirement or principle is intended to cover
- d) clarifying as to whether or not the requirement is relevant in different circumstances
- e) explaining the requirements in practical terms under different circumstances

15. The application material could also include examples of procedures that may be appropriate under given circumstance. Such interpretation support can therefore also be important to avoid the requirements being misunderstood.

Understandability

16. **The application material shall use the same terminology as used in the IFPP.** Additional terms or concepts may be introduced to deal with matters that are not addressed in the IFPP; and if so, must be clearly defined.
17. **The application material shall use the term ‘the auditor’ and set out what guidance is given to the auditor.** Where it is relevant (e.g. where organisational issues are involved), reference may also be made to ‘the SAI’.

16. The overriding principles of being simple, clear and relevant shall be applied:

- (a) Simple writing does not use unnecessarily complicated words, phrases, technical jargon and sentence structure.
- (b) Clear writing places the most important information first, is designed for ease of use, and uses correct spelling, grammar and punctuation.
- (c) Relevant writing writes from the reader's point of view, uses the proper tone and style, makes it easy for readers to find what they are looking for, and writes in a way that expresses equality and respect for all individuals.

Formatting

18. **The auditor or when relevant the SAI shall consider the application material when operationalizing the requirement,** but as it is not a requirement the word “may” must be used.
19. **All application material shall follow the principles below:**
 - a) The font type Ariel shall be used
 - b) The font size for body text shall be 11 and for headings 15
 - c) Formatting techniques shall be used to improve readability, such as numbering paragraphs and using bulleted lists.
 - d) All documents shall be language edited by an expert prior to finalisations
 - e) Translation shall be undertaken by a qualified professional with the necessary knowledge and competencies.