



INTOSAI
PSC

Professional
Standards
Committee

16th PSC STEERING COMMITTEE MEETING

5-6 June, 2019

Warsaw, Poland

Meeting documents included

Meeting Agenda

PSC Dashboard Strategic Objectives

Status of SDP Projects

Drafting Convention on GUIDs

Drafting Conventions for application material

FAAS Explanatory Memorandum – SDP project 1.3

Additional Material: Classification practice notes (by FAAS)

Take away on application material (by FIPP)

INTOSAI GOVs

Interpreting the ISSAIs - discussion paper

Feedback loop - discussion paper

INTOSAI Technical Support Function

Draft Call for candidates

Translating the ISSAIs - discussion paper

Proposal for the use of PSC funds

PSC Dashboard Crosscutting Priorities

Approval of the SDP

SDP Proposal

SDP - FIPP's inputs

Not included

SDP 2017-2019

Revised SDP 2017-2019

INTOSAI Statutes

INTOSAI Strategic Plan 2017-2022

Due Process

PSC Terms of Reference

FIPP Terms of Reference

FIPP Working Procedures

SDP 2017-2019

INTOSAI Handbook for Committees

Performance and Accountability Report 2017-2018



16TH PSC STEERING COMMITTEE MEETING FINAL AGENDA

4th June 2019 - Tuesday

19:00 – 21:00	Welcome reception- Sobieski Hotel – Plac Artura Zawisky I 02-025
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5th June 2019 - Wednesday

	Topic	Description	Supporting Documents
	8:30-9:00	Registration	
1	9:00-9:30 Opening	Welcome by the host, the Auditor-General of SAI Poland Initial remarks by the PSC Chair Presentation and approval of agenda	Meeting Agenda (for approval)

2	<p style="text-align: center;">9:30 – 10:00</p> <p style="text-align: center;">Midterm review - Goal 1 of the INTOSAI Strategic Plan</p>	<p>Objectives: To give context and discuss with participants what has done towards the implementation of the strategic objectives for Goal 1 in the period 2017-2019, the progress made, and how the PSC is addressing the identified risks.</p> <p>Initial inputs by: PSC Chair PSC Chair presents the PSC report on the implementation of Goal 1</p> <p>Points for general discussion (for all participants):</p> <ul style="list-style-type: none"> - Any new or additional issues to be taken into account or risks that you see going forward to the second part of the implementation on the Strategic Plan? <p>Expected outcomes: Participants to gain an understanding of the implementation of strategic objectives for Goal 1 in the period 2017-2019. Possible additional issues or risks to take into consideration for the next three years of the implementation of the strategic plan.</p>	<p>PSC Dashboard</p>
3	<p style="text-align: center;">10:00 – 11:00</p> <p style="text-align: center;">Implementation of the 2017-2019 Strategic Development Plan (SDP)</p>	<p>Objectives: Overview of SDP implementation, focusing on progress of individual projects currently under development. General reflection on the achievements of SDP 2017-2019 (what was planned vs. what will be delivered by INCOSAI 2019), and how to communicate those results to the INTOSAI community.</p> <p>Initial inputs by: Chairs of PSC, FIPP, PSC Subcommittees and KSC. PSC Chair – presents the status of SDP implementation, including individual projects and the result of the migration into the IFPP. FIPP Chair – assess on the achievements of SDP 2017- 2019. PSC Subcommittees – briefly comment on their participation in the projects. KSC Chair – implementation of SDP projects under KSC.</p> <p>Points for general discussion (for all participants):</p> <ul style="list-style-type: none"> - How did we do in addressing the objectives of the SDP 2017- 2019? 	<p>SDP 2017 – 2019 (approved by GB in 2016)</p> <p>Revised SDP 2017 – 2019 (approved by GB in 2017)</p> <p>Report of the status of on-going SDP Projects</p>

		<ul style="list-style-type: none"> - How do we communicate to the INCOSAI 2019 on the progress made and results achieved? <p>Expected outcomes:</p> <p>Collated results of the 2017-2019 SDP.</p> <p>Message from the Professional Standards Committee on the results of the 2017-2019 to INCOSAI 2019.</p>	
	11:00-11:30	Coffee Break and Group photo	
4	11:30 – 12:30 Strategic Issues regarding the IFPP	<p>Objectives:</p> <p>Discuss the approach and content of standards – what do users want, and why?</p> <p>Discuss the relationship of ISSAIs with the ISAs, including the previous practice notes (link with SDP project 1.3)</p> <p>Discuss application material and guidance: what they should contain and where and how they can be best provided.</p> <p>Discuss drafting conventions: what they are, approach and content and who should produce and approve them.</p> <p>Discuss the future of INTOSAI GOVs that are not been considered in any of the current SDP projects (INTOSAI GOVs 9100, 9110, 9120, 9130 and 9250)</p> <p>Initial inputs by: Chairs of FIPP, FAAS, PSC and ICS</p> <p>PSC presents on approach and content of standards</p> <p>FAAS Chair presents its line of thinking on project 1.3</p> <p>FIPP Chair presents on drafting conventions and application material</p> <p>PSC Chair presents situation of INTOSAI GOVs 9100, 9110, 9120, 9130 and 9250</p> <p>ICS Chair presents its perspective on the INTOSAI GOVs related to Internal Controls (GOVs 9100, 9110, 9120 and 9130)</p> <p>Points for general discussion (for all participants):</p> <ul style="list-style-type: none"> - What is the purpose of standards - establishing a minimum, providing a guide or reflecting actual practice? - Do users actually want a model audit manual? - What is the most adequate classification for the previous practice notes? 	<p>Drafting Convention on GUIDs</p> <p>Drafting Convention on Application Material</p> <p>FAAS Explanatory Memorandum of project 1.3</p> <p>Additional material about the classification of the practice notes as GUIDs (by FAAS)</p> <p>FIPP’s considerations about application material</p> <p>Document by the PSC Secretariat on the INTOSAI GOVs</p>

		<ul style="list-style-type: none"> - Are the definitions of guidance and application material (and the distinction between them) clear? - Do the current drafting conventions express well these concepts? - Who should prepare the drafting conventions and how? - What is the most adequate place for the INTOSAI GOVs not related to any of the current SDP projects (INTOSAI GOVs 9100, 9110, 9120, 9130 and 9250) <p>Expected outcomes:</p> <p>Clarity on the meaning and purpose of standards.</p> <p>Proposal for placing of previous practice notes (next steps for project 1.3).</p> <p>Clarity on meaning and purpose of application material and guidance, and how best to provide it.</p> <p>Understanding about the content of the drafting conventions, and who and how they should be prepared.</p> <p>Proposal on what to do with the INTOSAI GOVs not related to any of the current SDP projects.</p>	
	12:30-13:45	Lunch	
4	13:45 – 14:45 Strategic Issues regarding the IFPP (cont.)	Same as above	

<p style="text-align: center;">5</p>	<p style="text-align: center;">14:45-15:45</p> <p style="text-align: center;">Interpretation of pronouncements and Feedback loop</p>	<p>Objectives:</p> <p>Ensure an understanding and reach agreement on the paper on interpretation of pronouncements.</p> <p>To discuss the challenges in establishing an effective feedback loop in the standard setting process, which is one of the objectives for Goal 1 of the INTOSAI Strategic Plan.</p> <p>Initial inputs by: PSC Chair, IDI and External Observers.</p> <p>PSC Chair presents the papers</p> <p>External stakeholders present their view on the issues, including challenges they face in gathering implementation data.</p> <p>IDI to present on their experience with need for interpretation and on opportunities for feeding information back into the standard setting process.</p> <p>Points for general discussion (for all participants):</p> <ul style="list-style-type: none"> - Do you think the proposal presented is the most appropriate one? - Is there any relevant improvement to the proposal? - What are the important elements to be considered when introducing a feedback loop? - What is the relevant data that needs to be collected? Which data is already available? How to access the data that may be useful but is not available? - Which opportunities do you see to feed information from feedback into the standard setting process? <p>Expected outcome:</p> <p>Approval of proposal on interpretation of pronouncements, or agreement on the way forward.</p> <p>Agreement on the way forward in regards to the feedback look, and how to secure the engagement of those responsible.</p>	<p>Supporting documents:</p> <p>Paper on interpretation of pronouncements (for approval)</p> <p>Discussion paper on the feedback loop</p>
	<p style="text-align: center;">15:45 – 16:05</p>	<p style="text-align: center;">Coffee Break</p>	

6	16:05 – 17:15 Implementation of the Technical Support Function (TSF)	<p>Objective: Ensure an understanding and reach agreement on the proposal on the implementation of a technical support function and the draft call for TSF members.</p> <p>Initial input by: PSC Chair PSC Chair to present the proposal and the draft call for TSF members</p> <p>Points for general discussion (for all participants):</p> <ul style="list-style-type: none"> - Is the proposal and the calendar for implementing the TSF appropriate and adequate? - Are the criteria for the selection of the TSF members relevant and adequate? <p>Expected outcome: Participants updated on progress towards the implementation of the technical support function and draft call for TSF members.</p>	<p>Document on the implementation of a Technical Support Function</p> <p>Draft call for TSF members</p>
7	17:15-18:00 Translation of pronouncements	<p>Objectives: Ensure an understanding and reach agreement on the paper on the translation of pronouncements.</p> <p>Initial inputs by: PSC Chair and External Observers. PSC Chair to present the paper External stakeholders present their view on the solution proposed</p> <p>Points for general discussion (for all participants):</p> <ul style="list-style-type: none"> - Do you think the proposal presented is adequate? - Is there any relevant improvement to the proposal? <p>Expected outcome: Approval of proposal on translation of pronouncements, or agreement on the way forward.</p>	<p>Paper on interpretation of pronouncements (for approval)</p>
	19:30-21:30	Official Dinner - Hotel Bellotto, ul. Senatorska 13/15	

6th June 2019 - Thursday

	Topic	Description	Support material
8	9:00-11:00 Roles and Responsibilities in INTOSAI standard setting process	<p>Objectives: Identify and clarify roles and responsibilities of the different actors involved in INTOSAI standard setting processes (strategic level, management level and operational level/due process).</p> <p>Input by: PSC Chair PSC Chair – present on issues identified main conclusions of working session with FIPP, goal chairs and subcommittees.</p> <p>Expected outcome: Clarification of roles and responsibilities of actors in the standard setting process. Recommendations for improvement.</p>	INTOSAI Statutes INTOSAI Strategic Plan 2017-2022 Due Process PSC ToR FIPP ToR FIPP working procedures SDP 2017-2019 Handbook for Committees
	11:00 – 11:20	Coffee break	

9	11:20 – 11:45 Miscellaneous	<p>Objectives: Discuss and approve the use of PSC funds. Inform participants about the plans for INCOSAI 2019. Inform participants about the date and venue for PSC-SC meeting in 2020.</p> <p>Initial inputs by: PSC Chair and INTOSAI Vice-Chair PSC Chair to present the proposal to use the PSC funds and venue/date for PSC-SC meeting 2020 INTOSAI Vice-Chair to present about INCOSAI 2019</p> <p>Expected outcome: Approved proposal for the use of funds.</p>	Proposal for the use of PSC funds (for approval)
10	11:45 – 12:45 INTOSAI Strategic Plan (2017-2022) and priorities for the PSC in 2020-2022	<p>Objectives: To inform participants about the follow up of the implementation of the INTOSAI Strategic Plan. To identify PSC priorities for 2020 to 2022 to be included in the work plan.</p> <p>Initial inputs by: SG, PFAC, SCEI and PSC Chair SG and PFAC – to talk about performance and accountability report and to give some news about the process for elaborating the new SP) SCEI – report produced by SCEI and implications for the PSC PSC Chair – presents PSC Dashboard for crosscutting priorities</p> <p>Points for general discussion (for all participants):</p> <ul style="list-style-type: none"> - Scope for the PSC to contribute additionally to the achievement of INTOSAI crosscutting priorities? - What should be the priorities for the PSC in the period 2020-2022 to support the achievement of Goal 1? <p>Expected outcome: Agreement on the elements to be included in the PSC work plan for 2020-2022.</p>	Performance and Accountability Report 2018 PSC Dashboard (crosscutting priorities)
	12:45-14:00	Lunch	

11	<p>14:00 – 16:30 New SDP</p>	<p>Objectives: Discuss and approve the next SDP (to be submitted to the 2019 INTOSAI GB meeting for final approval).</p> <p>Initial inputs by: PSC Chair, FIPP Chair. PSC Chair explains the process for developing the new SDP and the proposal of the SDP that is being presented. FIPP Chair presents the process for the selection the proposed initiatives and the approach chosen for this plan.</p> <p>Points for general discussion (for all participants):</p> <ul style="list-style-type: none"> - Do you agree with the overall proposed approach and objective, to have a period of reflection and proposal of improvements and project identification and scoping? - Do you agree with the change in the duration of the plan to better align it with INTOSAI strategic planning process? - Are the specific objectives and the proposed work plan likely to lead towards the achievement of the general strategy defined? - Are the initiatives proposed relevant? Is there a need for sequencing or prioritisation? - How do we deal with issues that were considered important by SAIs in the consultation but were not included in the SDP? - How well does the plan address challenges and opportunities we addressed during this meeting? What changes should be proposed? - How do we get the buy-in from the INTOSAI community to make sure they are engaged and provide sufficient and adequate resources to implement the plan? <p>Expected outcomes: Approval of the proposed next SDP 2020-2022, or agreement on how to proceed.</p>	<p>SDP proposal</p> <p>FIPP's inputs on the SDP</p>
12	<p>16:30 – 17:00 Closing session</p>	<p>PSC Chair to sum up the main conclusions of the meeting and propose a vote of thanks.</p>	



INTOSAI
PSC

Professional Standards Committee

PSC Progress Report 2019

Strategic Objectives Review (as at May 17th, 2019)

Key to progress indicator colours

	Initiatives / projects on schedule
	Initiatives / projects behind schedule
	Serious difficulties being experienced
	Not yet scheduled to start
	Initiatives / projects completed

Strategic objective (as per SP 2017-22)	Strategies & initiatives (as per SP 2017-22)	Progress indicator	Action items and other comment
<p>1.1 Provide strong organizational framework to support INTOSAI's standard setting including a permanent standard setting board (the FIPP), a technical support function and independent advisory function.</p>		<p>Long-term development goals defined</p>	<p><i>Progress to date:</i></p> <p>Establishment of vision for standard-setting and criteria for projects for the next SDP by the PSC-SC</p> <p>Preparation of the general strategy to be included in the SDP 2020-2025 (to be approved by the PSC-SC and Governing Board in 2019)</p> <p><i>Key next steps:</i></p> <p>Approve the SDP 2020-2025, continue to develop and monitor the SDP 2017-2019 projects and initiate the implementation of the SDP 2020-2025 initiatives</p> <p>After the approval of the SDP, evaluate other measures to be taken to implement the strategy (other than the SDP initiatives)</p>
<p>1.1 Provide strong organizational framework to support INTOSAI's standard setting including a permanent standard setting board (the FIPP), a technical support function and independent advisory function.</p>	<p>1. Develop and maintain the FIPP encompassing INTOSAI's expertise in standard setting function as a standard setting board for INTOSAI's Framework of Professional Pronouncements and represent the broad views of INTOSAI's members on standards-setting issues.</p>	<p>FIPP fully operational and performing</p>	<p><i>Progress to date:</i></p> <p>Continued maintenance of FIPP membership</p> <p>New FIPP Chair selected</p> <p>Overall assessment of the current process for selecting FIPP members, by the PSC, CBC, KSC and FIPP Chairs</p> <p><i>Key Risks:</i></p> <p>A relevant number of FIPP members cannot attend the physical meetings, affecting FIPP's work and the decisions taken at the meetings <u>Mitigating actions:</u></p> <p>1) PSC-SC recommended FIPP to schedule its meetings as much in advance as possible; 2) in the selection process, make sure that the candidate and the supporting SAI are fully aware of the commitment of taking part at the meetings; 3) assess the possibility of INTOSAI financing (at least partly) the participation of the members from smaller SAIs at the meetings (where the absence is caused by the financial state of the employing SAI)</p>

Strategic objective (as per SP 2017-22)	Strategies & initiatives (as per SP 2017-22)	Progress indicator	Action items and other comment
<p>1.1 Provide strong organizational framework to support INTOSAI's standard setting including a permanent standard setting board (the FIPP), a technical support function and independent advisory function.</p>	<p>2. Strengthen standard setting governance structure to enhance the trust of INTOSAI members, donors, and other stakeholders in INTOSAI's standards-setting function.</p>	<p>Governance structure improved</p>	<p><i>Progress to date:</i></p> <p>Strengthen <u>the</u> PSC-SC's role in the governance of FIPP, as discussed at the PSC-SC meeting in 2018</p> <p>Recommendations issued by the PSC-SC in 2018 to FIPP in order to guide future work and to improve aspects of the whole standard setting process (most of them already implemented).</p> <p>Increase the engagement between FIPP Chair , the Goal Chairs and Subcommittee Chairs to identify and discuss relevant issues to improve the standard setting process</p> <p><i>Next steps:</i></p> <p>Follow up of the recommendations issued by the PSC-SC</p> <p>Discuss with the relevant actors the need to better define roles and responsibilities in the standard setting process</p> <p><i>Key Risks:</i></p> <p>Lack of clarity about the roles and responsibilities of the different actors in the process lead to tensions/disputes that undermine the efficiency and quality of the standard setting process <u>Mitigating actions:</u> 1) Improve the communication among different actors; 2) assess the need to develop additional regulations to clarify roles and responsibilities</p>
Strategic objective (as per SP 2017-22)	Strategies & initiatives (as per SP 2017-22)	Progress indicator	Action items and other comment

<p>1.1 Provide strong organizational framework to support INTOSAI's standard setting including a permanent standard setting board (the FIPP), a technical support function and independent advisory function.</p>	<p>3. Establish adequate technical support function to ensure efficient operation and high quality in drafting of standards and to promote the wide recognition, acceptance and use.</p>	<p>INTOSAI provided with adequate technical support services</p>	<p><i>Progress to date:</i> Proposal for the implementation of a Proof of Concept for the TSF approved by the PSC-SC and Governing Board in 2018 Definition of the job profiles and additional operational elements regarding the TSF (to be presented to the PSC-SC in 2019) <i>Next steps:</i> Selection of TSF members TSF to start work in the first quarter of 2020 <i>Key Risks:</i> 1) Not getting enough suitable candidates applying for the TSF. <u>Mitigation action:</u> adequate communication to SAIs about the relevance and importance of this function in order to encourage SAIs to second suitable staff. 2) Lack of clarity of the different concrete activities to be performed by the TSF staff. <u>Mitigation action:</u> In addition to the approved TSF papers, after the selection of the staff the PSC will ensure adequate communication among the involved actors, including a first in-person meeting to frame how the TSF will work and define in detail which activities will be performed</p>
<p>Strategic objective (as per SP 2017-22)</p>	<p>Strategies & initiatives (as per SP 2017-22)</p>	<p>Progress indicator</p>	<p>Action items and other comment</p>

<p>1.1 Provide strong organizational framework to support INTOSAI’s standard setting including a permanent standard setting board (the FIPP), a technical support function and independent advisory function.</p>	<p>4. Establish and maintain an advisory group, including the current observer in the PSC as well as representatives of users, international audit organizations, and other relevant partners.</p>	<p>New advisory function implemented</p>	<p><i>Progress to date:</i></p> <p>MoUs with IIA and IFAC signed.</p> <p>Additional external institutions agreed to participate in the Advisory Body (GIFT, GIZ, OECD, CIPFA and ICGFM)</p> <p>Advisory Group consulted and involved in the development of the next SDP</p> <p>Invitation to the advisory group organizations to contribute in the exposure draft phases of the current SDP projects</p> <p><i>Next steps:</i></p> <p>Continue to involve Advisory Group institutions in the development of SDP projects and other standard setting developments, as relevant</p> <p>Discuss within the PSC other ways of engaging with the advisory group organizations</p> <p><i>Key Risks:</i></p> <p>Advisory Group institutions are not used to their potential in the standard setting process in INTOSAI, leading to the loss of their involvement. <u>Mitigating action:</u> Involve Advisory Group institutions in the development of SDP projects and other standard setting developments, as relevant and study another ways of engaging external stakeholders</p>
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Strategic objective (as per SP 2017-22)	Strategies & initiatives (as per SP 2017-22)	Progress indicator	Action items and other comment
<p>1.1 Provide strong organizational framework to support INTOSAI's standard setting including a permanent standard setting board (the FIPP), a technical support function and independent advisory function.</p>	<p>6. Further develop the ISSAI website to ensure continue and steady growth in the number of visitors and that it is as accurate and useful as possible.</p>	<p>ISSAI website improved</p>	<p><i>Progress to date:</i></p> <p>Promote the website in the INTOSAI community</p> <p>Development of videos (posted at the ISSAI and PSC websites) to better inform the community about the IFPP, the migration process to the IFPP and the new Due Process for Professional Pronouncements.</p> <p>Discussion with users on changes needed on the issai.org website.</p> <p><i>Next steps:</i></p> <p>Prepare new version of the ISSAI website to reflect the new IFPP and to implement some of recommended changes for improvement.</p> <p><i>Key Risk:</i></p> <p>ISSAI website is more focused on users that are already involved in INTOSAI work and not on the needs of general SAI auditors. <u>Mitigation action:</u> further develop the website making useful information for the everyday work of auditors more accessible.</p>
<p>1.2 Ensure that the ISSAIs are sufficiently clear, relevant and appropriate to make them the preferred solution for INTOSAI's members. The ISSAIs should be widely recognized by all stakeholders as the authoritative framework for public sector auditing.</p>	<p>2. Strengthen standard setting governance structure to enhance the trust of INTOSAI members, donors, and other stakeholders in INTOSAI's standards-setting function.</p>	<p>ISSAIs availability increased</p>	<p><i>Progress to date:</i></p> <p>Include in the ISSAI.org webpage links to (non-official) translations</p> <p>Proposal establishing a new arrangement for translation of pronouncements (to the INTOSAI official languages) presented to the PSC-SC in 2019</p> <p><i>Next steps:</i></p> <p>Implement the new arrangement for translations (if the proposal is approved by the PSC-SC)</p> <p>Make a new round of consultations to find translations for other national languages and include the links in the ISSAI website</p> <p><i>Key risks:</i></p> <p>Good translations of the ISSAIs are not available in many languages. <u>Mitigating actions:</u> 1) guarantee that good translations for the ISSAIs are available in the 5 official INTOSAI languages; 2) encourage and make available the translation of the pronouncements into other languages.</p>

Strategic objective (as per SP 2017-22)	Strategies & initiatives (as per SP 2017-22)	Progress Indicator	Action items and other comment
<p>1.2 Ensure that the ISSAIs are sufficiently clear, relevant and appropriate to make them the preferred solution for INTOSAI's members. The ISSAIs should be widely recognized by all stakeholders as the authoritative framework for public sector auditing.</p>	<p>5. Monitor INTOSAI's standard-setting activities to ensure that the overall due process for professional pronouncement is followed and facilitate further development and improvement if necessary.</p>	<p>Due process monitored SDP 2020-2025 approved</p>	<p><i>Progress to date:</i></p> <p>Implementation of the SDP 2017-2019 monitored</p> <p>Process for development of SDP 2020-2025 approved by the PSC-SC in 2018</p> <p>90 day consultation period with SAI, INTOSAI bodies and external stakeholders finalized</p> <p>Process for developing the new SDP followed, with extensive consultation with the Goal Chairs and PSC Subcommittees' Chairs during the development of the plan</p> <p>SDP proposal presented to PSC-SC in 2019 (for approval)</p> <p><i>Next steps:</i></p> <p>Take the SDP 2020-2025 proposal to INTOSAI Governing Board for approval</p> <p><i>Key Risks:</i></p> <p>Excessively long development periods for new and revised standards. <u>Mitigating actions:</u> monitor the development of individual projects to identify when they risk not meeting -the agreed timetable, and identify which action can be taken;</p> <p>Deadlock in the development process of a pronouncement due to differences in opinion of project group and the FIPP. <u>Mitigating action:</u> 1) foster communication between project groups and FIPP; 2) examine options for dispute resolution.</p> <p>Pronouncements of low quality are approved. <u>Mitigating action:</u> Make sure due process is followed by all parties involved.</p> <p>Limited knowledge about the content, scope, purpose and importance of the ISSAI in the SAI community. <u>Mitigating actions:</u> conduct awareness raising and capacity building activities in regions/SAs;</p>

Strategic objective (as per SP 2017-22)	Strategies & initiatives (as per SP 2017-22)	Progress indicator	Action items and other comment
1.3 Promote the ISSAIs as a source for the development of auditor education and certification programs as well as education and training standards.	2. (...) Ensure sufficient coordination between the development of new guidance and any related INTOSAI initiative to support ISSAI implementation and sound professional practices.	Support to CBC provided	<p><i>Key risks:</i></p> <p>SAIs and INTOSAI bodies do not use the ISSAIs as basis for auditor education and certification programmes. <u>Mitigating action:</u> PSC (in consultation with the goal chairs) to design and implement a communication strategy to disseminate information about the ISSAIs</p>
Strategic objective (as per SP 2017-22)	Strategies & initiatives (as per SP 2017-22)	Progress indicator	Action items and other comment
1.3 Promote the ISSAIs as a source for the development of auditor education and certification programs as well as education and training standards.	8. Collaborate closely to develop a competency framework and certification program established under goal 2.	Support to CBC provided	<p><i>Progress to date:</i></p> <p>Participation by the PSC Chair and the PAS on the task force on INTOSAI auditor professionalization</p> <p><i>Next steps:</i></p> <p>Continue support to the task force on INTOSAI auditor professionalization</p>

Strategic objective (as per SP 2017-22)	Strategies & initiatives (as per SP 2017-22)	Progress indicator	Action items and other comment
<p>1.4 Work towards and ensure the continued development and maintenance of the INTOSAI Framework of Professional Pronouncements (IFPP)</p>	<p>5. Monitor INTOSAI's standard-setting activities to ensure that the overall due process for professional pronouncement is followed and facilitate further development and improvement if necessary.</p>	<p>Projects under the responsibility of the PSC in the 2017-2019 SDP completed</p>	<p><i>Progress to date: see status report of SDP projects</i></p> <p><i>Next steps: see status report of SDP projects</i></p> <p><i>Key Risks:</i> SDP is not fully implemented. <u>Mitigating action:</u> Monitor the development of individual projects to make sure they are following the agreed timetable.</p>
Strategic objective (as per SP 2017-22)	Strategies & initiatives (as per SP 2017-22)	Progress indicator	Action items and other comment

<p>1.4 Work towards and ensure the continued development and maintenance of the INTOSAI Framework of Professional Pronouncements (IFPP)</p>	<p>9. Collaborate closely on initiatives taken under goal 3 to promote knowledge sharing and develop expertise that can be leverage in the development of INTOSAI's professional pronouncements.</p>	<p>Support to the KSC provided</p>	<p><i>Progress to date:</i></p> <p>Discussion with the PSC Subcommittees to explore the best and most efficient way for them to participate in projects under the responsibility of the KSC (when required)</p> <p><i>Next steps:</i></p> <p>Relevant PSC Subcommittees continue to participate in the development of projects under the responsibility of the KSC</p> <p><i>Key Risks:</i></p> <p>PSC Subcommittees do not have enough resources to fully engage on all SDP projects that foresee their participation. <u>Mitigating action:</u> Instead of being full members of project groups, in some cases, PSC subcommittees can have a consultative or advisory role.</p>
<p>Strategic objective (as per SP 2017-22)</p>	<p>Strategies & initiatives (as per SP 2017-22)</p>	<p>Progress indicator</p>	<p>Action items and other comment</p>
<p>1.5 Monitor the implementation and adoption of standards and feed any problems or issues back into the standard-setting process to ensure that the standards are as useful and relevant as possible.</p>	<p>10. Collaborate closely with IDI, other INTOSAI bodies, other international standard setter and partners who share the overall goal of promoting strong, independent and multidisciplinary SAIs and encourage good governance.</p>	<p>Collaboration with INTOSAI bodies and other partners broadened</p>	<p><i>Progress to date:</i></p> <p>PSC Subcommittees work in the 3i Programme according to the ToR signed</p> <p><i>Next steps:</i></p> <p>Continue support to IDI's programmes.</p> <p><i>Key Risks:</i></p> <p>Lack of coordinated initiatives between the PSC, the IDI, the CBC and Regional Organizations aiming at supporting and monitoring the implementation of ISSAIs. <u>Mitigating action:</u> design and propose coordinated initiatives.</p>
<p>Strategic objective (as per SP 2017-22)</p>	<p>Strategies & initiatives (as per SP 2017-22)</p>	<p>Progress indicator</p>	<p>Action items and other comment</p>

<p>1.5 Monitor the implementation and adoption of standards and feed any problems or issues back into the standard-setting process to ensure that the standards are as useful and relevant as possible.</p>	<p>7. Implement a monitoring system to obtain feedback from SAIs on their implementation of the ISSAIs and their practical experience using the ISSAIs in audits or as basis for national standards and to feed this information back into the standard-setting process.</p>	<p>Standard setting process takes into consideration feedback received from ISSAI implementation</p>	<p><i>Progress to date:</i></p> <p>Preliminary discussion with IDI on how their programs and field experience can create an understanding of the use of INTOSAI standards by the SAI community</p> <p>Consultation process for new SDP included some questions on the use of standards by the community, the benefits expected, and gaps in the framework perceived by SAIs.</p> <p>Participation on discussion during the Regional Forum lead by IDI on ISSAI compliance</p>
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			<p><i>Next steps:</i></p> <p>Continue exploring with IDI ways in which their programs can support the PSC in collecting the information needed on ISSAI implementation</p> <p>Explore other possible sources of information on ISSAI implementation</p> <p>Continue discussions between the PSC, subcommittees, IDI and others about ISSAI compliance</p> <p><i>Key risks:</i></p> <p>Lack of common understanding of what ISSAI compliance means in practice.</p> <p><u>-Mitigating actions:</u> discuss and enhance this concept to seek a clear understanding.</p> <p>SAIs do not offer feedback regarding ISSAI implementation. <u>Mitigating action:</u> Encourage the application of diagnostic tools such as iCAT and SAI PMF and the sharing of the results</p> <p>Lack of systematic monitoring process regarding ISSAI implementation - current data is not reliable. <u>Mitigating action:</u> Design and implement process</p> <p>The standard setting process does not take into consideration feedback from the SAIs about the implementation of ISSAIs. <u>Mitigating action:</u> create a feedback loop.</p> <p>SAIs do not have the necessary capacity to implement the ISSAIs. <u>Mitigating action:</u> support the development of capacity in SAIs (trainings, external support, monitoring).</p> <p>Lack of knowledge by SAIs about their needs and demands that might be addressed by ISSAIs. <u>Mitigating action:</u> encourage SAIs to apply diagnostic tools such as SAI PMF.</p>
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STATUS OF THE PROJECTS OF CURRENT SDP PROJECTS (As of May 17 - 2019)

Projects finalised

Project 1.1 (Updating the preamble of INTOSAI-P 10 to include a reference to the UNs resolutions on SAIs) – approved by INTOSAI Governing Board in 2018

Projects under development

	Project	Responsible group	Current Stage of the Project	
PSC	1.2 A more principles-based and future-proof ISSAI 200	Financial Audit and Accounting Subcommittee	Exposure draft concluded (exposure period until June 25)	
	1.3 Consolidate and improve INTOSAI practice notes to ISSAIs	Financial Audit and Accounting Subcommittee	Exposure drafting being prepared	
	2.1 Provide Guidance on Financial Auditing	Financial Audit and Accounting Subcommittee	Project group suggested to discontinue the project	
	2.2 Provide Guidance on Compliance Auditing	Compliance Audit Subcommittee	Exposure draft submitted to FIPP for approval	
	2.3 Using ISSAIs in accordance with the SAI's mandate and carrying out combined audits.	Compliance Audit Subcommittee	Project proposal under revision	
	2.6 Consolidated and improved guidance on reliance on the work of internal auditors.	Internal Control Subcommittee	Exposure draft being prepared	
	2.7 Consolidating and aligning guidance for audits of Privatisation with ISSAI 100	GUID on privatisation	Project group under the KSC	Project proposal approved. Exposure draft to be initiated.
		GUID on public private partnership (PPP)	Project group under the KSC	Project proposal being prepared
	2.8 Consolidating and	GUID in audit of information systems	Working Group on IT Audit	Endorsement version being prepared



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KSC	aligning guidance on IT audit with ISSAI 100	GUID in audit of security of information systems	Working Group on IT Audit	Endorsement version being prepared
	2.9 Consolidating and aligning the audit of public debt with ISSAI 100.		Working Group on Public Debt	Exposure draft approved (exposure period until August 13)
	2.10 Consolidating and aligning the audit of disaster related aid with ISSAI 100.		Project group under the KSC	Project proposal approved. Exposure draft to be initiated.
	2.11 Public Procurement audit		Working Group on Public Procurement Audit	Exposure draft being prepared
	2.12 International Pronouncement on Jurisdictional Activities of SAIs		Forum of Jurisdictional SAIs (under the Working Group of Value and Benefits of SAIs)	Exposure draft concluded (exposure period until June 17)
	3.10 Audit of Key National Indicators - Expressed need for guidance to undertake mandate of SAIs to audit and give assurance on performance indicators.		Working Group on Key National Indicators	Endorsement version being prepared

Projects not initiated

- 2.5 Consolidated and improved guidance on understanding internal control in an audit
- 3.1 Global INTOSAI messages on SDGs in the context of the INTOSAI framework of professional pronouncements and possible needs for guidance.
- 3.2. Global INTOSAI messages about audit arrangements and independent standard setting in the context of the INTOSAI framework of professional pronouncements.
- 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
- 3.4. Providing a clear set of INTOSAI Core Principles
- 3.5. Consolidate and refining the organizational requirements for SAIs
- 3.6 Cross-cutting issues in ISSAI 3000 and 4000 – requirements for direct reporting engagements and guidance on related technical issues



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3.7 Auditing of implementation of state budgets and consolidated state accounts

3.8 Obtaining an understanding of Economy, Efficiency and Effectiveness of an entity and applying relevant methods in the context of a performance audit

3.9 Obtaining an understanding of laws and regulations and other authorities regulating public entities in the context of a compliance audit

Drafting conventions for guidance documents in the INTOSAI Framework of Professional Pronouncements

Introduction

1. The purpose of these drafting conventions is to ensure that all guidance documents (GUIDs) in the INTOSAI Framework of Professional Pronouncements (IFPP) maintain a high level of quality and are technically sound, 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 have been developed by the Forum of INTOSAI Professional Pronouncements (FIPP).

Responsibility

3. The responsible project group has to ensure that the GUIDs fulfil the requirements of these drafting conventions and follow the due process as defined in the *Due process for the INTOSAI's Framework of Professional Pronouncements*.

Definition of a GUID

4. Guidance pronouncements (or GUIDs) are non-mandatory guidance that supports:
 - The supreme audit institution (SAI) to:
 - Enhance organisational performance in practice related to the organisational requirements and the implementation of International Standards of Supreme Audit Institutions (ISSAIs).
 - Implement mechanisms and programmes for competency development in line with the ISSAIs.
 - The auditor to:
 - Apply the ISSAIs in practice in the financial, performance or compliance audit processes.
 - Apply the ISSAIs in practice in other engagements.
 - Understand a specific subject matter and the application of the relevant ISSAIs. The GUIDs translate the fundamental auditing principles into more specific, detailed and operational guidelines.

Applicability

5. **These drafting conventions apply to all GUIDs in the IFPP:**
 - (a) SAI organisational guidance (1900-1999).
 - (b) Supplementary financial audit guidance GUID 2900-2999. These guidelines contain supplementary guidance on the conduct of a financial audit.

- (c) Supplementary performance audit guidance GUID 3900-3999. These guidelines contain supplementary guidance on the conduct of a performance audit.
- (d) Supplementary compliance audit guidance GUID 4900-4999. These guidelines contain supplementary guidance on the conduct of a compliance audit.
- (e) Supplementary competency guidance COMP 7500-7999.
- (f) Supplementary guidance on any future subject based on the ISSAI 100 GUID 6500-6999.
- (g) Subject matter specific guidance GUID 5000-5999. These guidelines provide supplementary guidance on specific subject matters or other important issues that may be relevant to SAIs.
- (h) Any other guidance.

Structure

6. The GUID shall begin with the following sections:

- (a) Introduction
Introductory material shall include short and clear information with reference to the objective and scope of the GUID.
- (b) Objective
This section shall include a description of how the GUID aims to assist either the auditor or the SAI in conducting an audit or to provide guidance on issues related to the organisational level. The GUID shall also specify which part of the audit process it is supporting, as defined in the ISSAI 100.
- (c) Definitions
For greater understanding, the GUID (where applicable or necessary) may contain a glossary to further explain applicable terms, or the GUID may refer to the existing definitions in the ISSAI 100.
- (d) Scope

Content

7. The GUID shall support the general requirements and application material that are defined by the IFPP.

- (a) The GUID shall refer to, and in all aspects be consistent with, the relevant ISSAIs and other relevant international professional pronouncements.
- (b) The GUID shall avoid any statements that contradict the prerequisites for the functioning of SAIs (ISSAI 10-99), fundamental audit principles (ISSAI 100-999) or audit standards (ISSAI 1000-4899).
- (c) The GUID must not extend the requirements of the auditor's and the SAI's responsibilities at institutional level as stated in the ISSAIs and professional pronouncements.
- (d) The GUID shall where relevant refer to the requirements in the ISSAIs to which they are supplementary.

8. The GUID shall assist the auditor in applying the fundamental auditing principles in ISSAI 100 by adding optional practical processes and procedures.

9. **The GUID shall be clear on how it should be used and for what purpose it has been developed:**

- (a) The GUID shall in the section *Scope of this GUID* clearly identify:
- The type of audit (or combination thereof) or organisational issues to which it applies and refer to the relevant ISSAI/ISSAIs.
 - Where relevant, which subject matter it addresses.
- (b) The following sentence should be included at the end the section *Scope of this GUID*:
- For SAI organisational guidance GUID (1900-1999)
This guideline provides supplementary guidance in relation to requirements at the institutional SAI level (ISSAI xx-xx) and does not contain any further requirements for the SAI.
 - For supplementary audit guidance GUID (1900-4999)
This guideline provides supplementary audit guidance in relation to [the financial/performance/compliance auditing standards (ISSAI xxx-xxx or ISSAI xxxx-xxxx) and does not contain any further requirements for the conducting of the audit.
 - For subject matter specific guidance GUID (5000-5999)
This guideline provides further guidance on how (the subject matter) could be addressed by using financial/performance/compliance auditing and does not contain any further requirements for the conducting of the audit.

Understandability

10. The GUIDs 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 in the GUID.
11. The GUIDs shall use the term ‘the auditor’ and define 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’.
12. The responsible working group/subcommittee ensures that the language used is of a high quality and that the GUID is written in a professional manner. Language should be simple and clear so as not to cause translation problems.

Formatting

13. **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.

14. **All GUIDs shall follow the principles below:**

- (a) The GUID cannot provide requirements and the words 'should', 'shall' or 'must', or any other term that denotes something mandatory, shall not be used.
- (b) The font type Arial shall be used.
- (c) The font size for body text shall be 11 and for headings 15.
- (d) The document shall have a contents page.
- (e) Formatting techniques shall be used to improve readability, such as numbering paragraphs, inserting headings and using bulleted lists.
- (f) All documents shall be language edited by an expert prior to finalisation.
- (g) Translations shall be undertaken by a qualified professional with the necessary knowledge and competencies.

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.

Explanatory Memorandum

REQUEST FOR COMMENTS

This Exposure Draft, GUID 2900 - Financial Audit ISSAI Guidance, was developed by the INTOSAI Financial Audit and Accounting Sub-committee (FAAS).

Respondents are asked to submit their comments electronically by **xx, 2019** to the email address for the responsible project leader, Gregg.Ruthman@oag-bvg.gc.ca. Please submit comments to specific paragraphs of the GUID using the file circulated at the same time as the exposure draft. General comments may be submitted using PDF or Word documents. All comments will be considered a matter of public record and may be posted on the FAAS website.

The FAAS will consider all comments received when preparing the final version of the text for submission to the Forum for INTOSAI Professional Pronouncements (FIPP) for approval.

Introduction

1. This memorandum provides background to, and an explanation of proposed new GUID 2900 – Financial Audit ISSAI Guidance. The FIPP approved the exposure of this new GUID on **[XXXX 2018]**.

Background

2. The content of proposed GUID 2900 is not new. This content is currently presented in the Practice Notes to ISSAIs 2200 to 2810.
3. FAAS analysed the content of the Practice Notes to ISSAIs 2200 to 2810 to address quality issues that were identified during the performance of the scheduled maintenance activities in 2016. As a result of this analysis, FAAS is proposing some technical revisions to this information. Each proposed revision is explained in the exposure draft. FAAS performed a rigorous technical analysis and has proposed a low volume of technical revisions therefore we believe this provides comfort over the technical integrity of the present content of the Practice Notes to ISSAI 2200 to 2810 that will become the content of GUID 2900.
4. FAAS evaluated the content of the Practice Notes to ISSAIs 2200 to 2810 against the definitions of the potentially relevant IFPP content classifications. This was necessary to identify the appropriate classification for this information in the IFPP. FAAS has concluded that this content is appropriately classified as a GUID based on the nature of the content of the Practice Notes to ISSAIs 2200 to 2810. This conclusion is based on the identified objective of the content which helps an auditor apply the ISSAIs in practice and does not extend the requirements of the auditor in the financial audit ISSAI standards.

Please provide your comments on the proposed revisions to the existing content of the financial audit Practice Notes that will now be presented in GUID 2900.

GUID 2900 – Financial Audit ISSAI Guidance – IFPP Classification

The purpose of this document is to explain FAAS' decision to classify the financial audit Practice Note content as guidance (GUID) in the INTOSAI Framework of Professional Pronouncements (IFPP).

Appendix A provides an overall summary of the evaluation of the Practice Note content against the definitions of "application material" and "guidance" found in the drafting conventions for these IFPP pronouncement classifications. The following provides the rationale for the conclusion that was ultimately reached.

The IFPP (which FAAS acknowledges is a new auditing framework in the early stages of utilization) does not clearly distinguish between guidance that belongs in an ISSAI versus guidance that belongs in a GUID – when you compare the definitions of each, they are very similar.

The International Standards on Auditing (ISAs) included in the INTOSAI framework as the financial audit ISSAIs include extensive application guidance authored by the International Auditing and Assurance Standards Board (IAASB) that is relevant to public sector auditors. FAAS considers this guidance to be sufficient in many cases.

The content of the Practice Notes was reviewed and classified by FAAS as guidance by a decision taken at FAAS' March 2018 meeting after consideration of the newly established IFPP framework definitions and based on FAAS member knowledge and experience developing and using the Practice Notes. Subsequent content development that has occurred since this decision was reached has not impacted this decision.

FAAS does not hold the view that it needs to introduce additional requirements of a public sector auditor beyond those found in the financial audit ISSAIs. This is, in part, to allow an auditor to assert ISSAI compliance in accordance with ISSAI 100.10 when all relevant financial audit ISSAI requirements have been met. FAAS' extensive review of the ISAs when developing the initial content of the Practice Notes and when developing subsequent revisions has not identified this need.

As guidance, which is not mandatory by definition, its placement in the IFPP is not significant and its segregation from the text of the financial audit ISSAI standards has the following benefits:

- The guidance developed by FAAS is linked to the financial audit ISSAI standards, other IFPP pronouncements, and other external pronouncements therefore ongoing monitoring of these other pronouncements is required to identify any changes that have occurred that have potentially impacted the guidance developed and maintained by FAAS. The proposed presentation will facilitate this ongoing monitoring and updating process which will allow FAAS to maintain a high quality level for this information
- The proposed presentation allows auditors applying the IFPP to easily identify incremental financial audit public sector guidance

Appendix A

IFPP Classification Determination - Overall Summary

“Application Material” Classification

IFPP Application Material includes:	Does the definition apply to the financial audit Practice Notes?	Explanation
The basic set of concepts and principles that define public sector auditing and the different types of engagements supported by the ISSAIs.	No	The content of the financial audit Practice Notes does not achieve this objective.
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.	No	The content of the financial audit Practice Notes does not achieve this objective.
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).	No	The content of the financial audit Practice Notes does not achieve this objective.
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.	No	The financial audit ISSAI application material is presented in the text of the International Standards on Auditing (ISAs) as explained in paragraph 6(a) of the application material drafting convention. FAAS is comfortable with this classification.

Appendix A

IFPP Classification Determination - Overall Summary

“GUID” Classification

IFPP Guidance pronouncements (or GUIDs) are non-mandatory guidance that supports Supreme Audit Institutions (SAIs) to:	Does the definition apply to the financial audit Practice Notes?	Explanation
Enhance organisational performance in practice related to the organisational requirements and the implementation of International Standards of Supreme Audit Institutions.	No	The content of the financial audit Practice Notes does not achieve this objective.
Implement mechanisms and programmes for competency development in line with the ISSAIs.	No	The content of the financial audit Practice Notes does not achieve this objective.

IFPP Guidance pronouncements (or GUIDs) are non-mandatory guidance that supports the auditor to:	Does the definition apply to the financial audit Practice Notes?	Explanation
Apply the ISSAIs in practice in the financial, performance or compliance audit processes.	Yes	The content of the financial audit Practice Notes achieves this objective. The language used in the initial version of the Practice Notes was carefully chosen to not impose requirements on the auditor in addition to those requirements already included in the ISSAI financial audit standards (the ISAs). The purpose of the document was to provide guidance to help a public sector auditor apply the ISSAI financial audit standards (ISAs). For this reason, this content is most appropriately classified as non-mandatory guidance.
Apply the ISSAIs in practice in other engagements.	No	The content of the financial audit Practice Notes does not achieve this objective.
Understand a specific subject matter and the application of the relevant ISSAIs. The GUIDs translate the fundamental auditing principles into more specific, detailed and operational guidelines.	No	The content of the financial audit Practice Notes does not achieve this objective.

Take-away from the general discussions on ‘application material’

The IFPP defines that 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.***

Application material (cf. d) is further defined in FIPP’s drafting conventions for application material within the ISSAIs, which at this stage reads as follows:

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.

The drafting conventions also state the intention to change the current headings ‘explanation’ in ISSAI 3000 Performance Audit Standards and ISSAI 4000 Compliance Audit Standards to ‘application material’.

The IFPP defines that the GUIDs do not include ‘application material’.

For financial auditing the situation is that:

- ISSAI 100 defines that for financial audits the requirements of the ISSAIs and the ISAs developed by IFAC are the same (cf. para 11) .
- ISSAI 200 provides the financial audit principles
- Each ISA (the full text) is incorporated into the IFPP following the principle that ISA xxx = ISSAI 2xxx. The full set of ISAs is thus identical to ISSAIs 2200-2815
- It follows from ISSAI 100 para 10-11 that the pre-existing ‘practice notes’ belonged in the category of ISSAIs.

It is FIPP’s general view that the ISAs developed by the IAASB with limited input from INTOSAI impose sufficient requirements as well as sufficient additional considerations in the form of ‘Application and other explanatory material’, which auditors must reflect in the audit documentation.

It is therefore FIPP’s position that for financial auditing:

- 1) It is only relevant to include *application material* developed by INTOSAI in the IFPP in cases where the requirements defined by the ISAs are not fully applicable or relevant in the public sector circumstances under which INTOSAI's members operate.
- 2) 'Application material' developed by INTOSAI for financial audit should not add to the ISAs in a way that will require auditors to reflect their considerations in the audit documentation
- 3) The GUIDs do not include 'application material' and the pre-existing 'practice notes' can therefore not *as a category* be referred to the GUIDs, but may as reflected in the SDP be used together with other sources as a basis for development of GUIDs in conformity with the IFPP

The financial audit guidance GUIDs 2900-2999 are mainly aimed at providing practical guidance that can support the implementation of the ISSAIs in practice.

The next step will be that the FIPP chair consults with the Goal Chairs and seeks to clarify:

- Whether there is a need to seek the approval or endorsement from other INTOSAI bodies regarding this position taken by FIPP and how that can best be obtained
- Whether there is a need to work more closely with the PSC's subcommittees and/or KSC's working groups or other parties in order to further improve the drafting conventions and in relation to the intention to replace the headlines 'explanation' with 'application material' in ISSAIs 3000 and ISSAIs 4000
- How the project resulting from SDP 1.3 (ISSAI 2000 – Application of Financial audit standards) can best proceed in light of the above and considering also the SDP project on financial audit guides.



**INTOSAI
PSC**

Professional
Standards
Committee

INTOSAI GOVs AND THE IFPP – A PROPOSAL FOR THE PSC-SC ABOUT HOW TO HANDLE THE INTOSAI GOVs THAT ARE NOT LINKED TO ANY ON GOING SDP PROJECT

At the INCOSAI 2016, INTOSAI approved a new framework for its professional pronouncements, the IFPP – INTOSAI Framework of Professional Pronouncements. The previous ISSAI Framework was composed by four levels of documents and the INTOSAI GOVs. The current framework comprises three group of pronouncements – the principles (INTOSAI-P), the standards (ISSAI) and the guidance (GUID). In the new framework, the INTOSAI GOVs are not retained as a separate category, but merged into the GUIDs category, according to the different initiatives contained at the Strategic Development Plan (SDP) 2017-2019.

In the ISSAI framework, there were eleven INTOSAI GOVs:

- 9100 – Guidelines for Internal Control Standards for the Public Sector
- 9110 – Guidance for Reporting on the Effectiveness of Internal Controls: SAI Experiences in Implementing and Evaluating Internal Controls
- 9120 – Internal Control: Providing a Foundation for Accountability in Government
- 9130 – Guidelines for Internal Control Standards for the Public Sector – Further Information on Entity Risk Management
- 9140 - Internal Audit Independence in the Public Sector
- 9150 - Coordination and Cooperation between SAIs and Internal Auditors in the Public Sector
- 9160 - Enhancing Good Governance for Public Assets
- 9200 - The Importance of an Independent Standard-setting Process
- 9250 - The Integrated Financial Accountability Framework (IFAF)
- 9300 - Principles for External Audit Arrangements for International Institutions
- 9400 - Guidelines on the evaluation of public policies

According to the SDP 2017-2019, complemented by the IFPP's document "Renumbering and relabeling of pre-existing ISSAIs and INTOSAI GOVs into the IFPP" (<http://www.psc-intosai.org/standard-setting/strategic-development-plan-sdp/sdp-2017-2019.htm>), the previous INTOSAI GOVs would be integrated to the new IFPP in two different ways:

- I - directly relabeled and renumbered as GUIDs; and
- II – input/reviewed by one of the current SDP projects.

Therefore, the first group would be automatically carried on to the new framework as GUIDs, going through minor editorial changes. For the second group, the new proposed pronouncement would include the relevant aspects of the previous INTOSAI GOV and lead to its withdrawal from the framework.

I – Directly relabeled and renumbered (carried on as an IFPP document with minor editorial changes)

This is the case of the following documents:

INTOSAI GOV 9160 – relabeled as GUID 5260

INTOSAI GOV 9200 – relabeled as GUID 9010

INTOSAI GOV 9300 – relabeled as GUID 9020

INTOSAI GOV 9400 – relabeled as GUID 9030

II – Input/reviewed by one of the current SDP projects

INTOSAI GOVs 9100, 9110, 9120 and 9130 – they are all related to Internal Controls and would be considered in SDP project 2.5 (“Consolidated and improved guidance on understanding internal control in an audit”)

INTOSAI GOVs 9140 and 9150 – related to internal audit and would be considered in SDP project 2.6 (“Consolidated and improved guidance on reliance on the work on internal auditors”)

INTOSAI GOV 9250 – it would be considered in SDP project 2.10 (“Consolidating and aligning the audit of disaster related aid with ISSAI 100”).

By September, for INCOSAI 2019, the full relabeling and renumbering exercise will be concluded and the ISSAI website will be reformulated to reflect the new framework. The previous INTOSAI GOVs listed in the first group will be included as GUIDs.

The project 2.6 is under development. It is not going to be finalized by INCOSAI 2019, so the new ISSAI website will include the previous INTOSAI GOVs 9140 and 9150, without their labels and numbers, as provisional documents, until the project is concluded in 2022 (expected).

The project 2.10 is also under development, but in the approved project proposal, the working group highlighted that “the content of INTOSAI GOV 9250, which aims at promoting a better and more coherent accounting practices in such complex environments, does not fit into a GUID on the audit of disaster management.”. Therefore, the content of this INTOSAI GOV will not be included as input for that project.

Regarding project 2.5, the Internal Controls Subcommittee has informed that it is not going to submit a project proposal during this year, which means that there is no ongoing work related to the INTOSAI GOVs 9100, 9110, 9120 and 9130.

Therefore, there is a need to make a decision on what to do with the INTOSAI GOVs 9100, 9110, 9120, 9130 and 9250 after the migration to the IFPP is concluded and the new framework is implemented.

There are three possible options to deal with this situation.

The first one is, considering that the IFPP no longer contains INTOSAI GOVs as a separate category, to withdraw those INTOSAI GOVs from the framework of professional pronouncements. The content of those documents could be preserved and published as non-IFPP documents.

A second alternative is to keep the valuable content of these documents in the framework, relabeling and renumbering them to include these documents as GUIDs in the 9XXX series, in the same way it is being done with the INTOSAI GOVs 9200, 9300 and 9400, as mentioned before. As the proposal for the new SDP includes a broad revision of the content of the framework, these documents would be included in this revision.

Another option that would also result in keeping these documents in the framework, would be to include a project on internal controls in the next SDP and proceed in the same way it will be done with the INTOSAI GOVs related to internal audit and several other pronouncements, that are being reviewed as part of current SDP projects.

We believe that the second option above would be the most adequate, as it is the same approach taken by the current SDP regarding INTOSAI GOVs that are not being used as inputs in any SDP project. This way we will keep the content available to auditors, SAIs and external stakeholders, the same way it is available now, before the migration is concluded. The broad revision of the content of the framework that is being proposed for the next SDP would include these documents.

Regarding the first alternative, it would involve a considerable amount of effort, as the withdrawn of pronouncements requires a series of procedures (as established in Due Process). Also, there is a risk that in the broad assessment of the content of framework (that is being proposed for the next SDP) the conclusion is that some of the content of these INTOSAI GOVs should be part of the framework.

About the third possibility, it is not quite aligned with the general approach of the proposal for the next SDP, which is to make a broad revision of the content of the framework. It would also require that the project group responsible for the development of the new pronouncements works with a strict timeline, in order to eliminate the provisional section of the ISSAI website as soon as possible (see paragraph above about project 2.6). Finally, it would be a solution that would only be applicable to the documents related to internal controls, but not the INTOSAI GOV 9250.

Therefore, considering the aspects mentioned above, we propose that the PSC-SC approves:

- a) that the INTOSAI GOVs 9100, 9110, 9120, 9130 and 9250 should be relabeled and renumbered to fit into the GUIDs category (9XXX series);
- b) to mandate FIPP to propose the new numbers and titles for these documents, in order to allow the PSC Secretariat to include these documents in the reformulated ISSAI website.

Interpreting the ISSAIs

A discussion paper
April 2019



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INTERPRETING THE INTERNATIONAL STANDARDS OF SUPREME AUDIT INSTITUTIONS (ISSAIs) – A DISCUSSION PAPER FROM THE PSC SECRETARIAT

Background

The Professional Standards Committee – Steering Committee (PSC-SC) agreed at its meeting in May 2018 to change the FIPP’s Terms of Reference to remove its responsibility and obligations for interpreting ISSAIs¹. This means that there is currently no authoritative body responsible for interpreting standards within the INTOSAI organisational structure².

This paper seeks to explore the issue and make recommendations on the way forward. It will then serve as a basis for discussion by the PSC at its 2019 Steering Committee meeting. The analysis covers interpretation of the standards within the Framework of INTOSAI Professional Pronouncements (IFPP): the “red box” in the standard diagram.

Why the need for interpretation

The need for interpretation can arise in respect of:

- uncertainty about whether the requirement of a standard applies to a given scenario, particularly developments which were not foreseen when the standard was produced;
- how a particular requirement of a standard should be applied, notably when there may be an apparent choice of different courses of action; and
- actual or potential misunderstandings due to a lack of clarity in the way the standard is drafted.

The ISSAIs are - or are in the process of becoming - principles-based. This means they set out what should be achieved (or taken account of), rather than detailed instructions about how to do so. This simpler and more abstract approach should reduce the risk of misunderstanding, and thereby requests for interpretation.

The need for interpretation inevitably reflects a lack of clarity. The issues they raise should therefore feed into updating or improving the content and/or wording of the standards, and be taken into account when defining projects for inclusion in the IFPP Strategic Development Plan.

In parallel, there may be the need to provide ad hoc clarity on a particular issue. This should be done at a sufficient level of authority, and made available alongside the standard concerned, until it is updated. Other communication initiatives may be needed to bring interpretations to the attention of the INTOSAI community, for example by inclusion on the PSC website, particularly if they concern a material issue.

¹ Thereby amending the FIPP terms of reference in paragraph 4.1, where FIPP was allocated the responsibility for “providing answers to questions on the status and interpretation of the ISSAIs ...”

² The meeting resolved that, “... for the next PSC-SC meeting, the PSC chair will prepare a proposal for best addressing questions on the interpretation of the ISSAIs”.

Scope of recent requests for interpretation

Data on the exact number of requests for interpretation or clarification made to INTOSAI bodies over recent years is not easily available. Not all INTOSAI bodies systematically register such queries, and users of standards seeking an immediate answer are more likely to consult their immediate surroundings rather than contacting the responsible INTOSAI working body.

The PSC secretariat asked its subcommittees (and IDI) for data on the nature and number of requests for interpretation they had received over the previous three years. Apart from some requests for clarification and general advice³ made to the PAS on the ISSAI 3000 series, there were no instances of requests for interpretation of standards. The IDI frequently receives requests about standards. However, these mostly relate to issues about becoming ISSAI-compliant, rather than on interpretation of their meaning or application.

A real need to interpret standards?

The IFPP contains the authoritative pronouncements of the INTOSAI Community, and as such comprises INTOSAI's official material on audit-related matters.

The key question that needs addressing is whether INTOSAI should be seeking to provide interpretations of the ISSAIs at all.

Although the IFPP does not specify how to audit in detail, it does establish broad principles to serve as a basis for INTOSAI members to develop and apply audit practices and policies consistent with the underlying requirements of the framework. To this end, the IFPP contains two practical means to aid interpretation:

- 1) **ISSAI 100** "Fundamental Principles of Public Sector Auditing" is the heart of the framework and defines different ways for SAIs to choose to implement the ISSAIs, by either: applying national or other auditing standards that are fully consistent with ISSAI 100; by developing individual auditing standards based on the ISSAIs; or by applying the ISSAIs directly in their audits.
- 2) **GUIDS** are designed to support the implementation of the ISSAIs through specific, detailed and operational guidelines. GUIDS have the additional benefit of only being able to enter the framework through Due Process, thereby ensuring their quality.

Implementation of a principles-based framework, such as the "red box" section of the IFPP, requires auditors to use informed professional judgment - based around their skills, experience and knowledge of what the standards are aiming to achieve - to apply them to the particular circumstances of the audit. The nature of the audit process means that this judgement is unlikely to be challenged by auditees or other stakeholders.

In addition, all draft pronouncements in the IFPP have to undergo a rigorous due process, with all pronouncements in the framework being subject to a comprehensive consultative process, and level of scrutiny, prior to their approval. This may have involved interacting with outside sources that practitioners may wish to consult, such as:

³ For instance on the relationship between performance and compliance audit. This is clearly clarification, i.e. making something easier to understand, as opposed to interpretation, which is an explanation or opinion on what something means.

- statutes, regulations, legal decisions in relation to audit matters;
- Interpretations (of various levels of authority) issued by professional or regulatory bodies;
- widely-recognised general practice;
- literature on audit.

How other standard setting bodies deal with interpretation

The Institute of Internal Auditors (IIA)

In response to a fairly regular level of queries on the interpretation of their principles-based standards⁴, the IIA introduced the concept of "Implementation Guides" several years ago. They now attach them to each of their standards.

Implementation Guides focus on the IIA's approach and methodologies set out in the respective standards, but do not go into detail on processes or procedures. They include practices relating to international, country, or industry-specific issues; specific types of engagements; and legal or regulatory issues⁵. Practitioners asking questions on interpretation are referred to the Implementation Guides.

Comparison with INTOSAI

To some extent, the current arrangements of INTOSAI mirror those of the IIA.

INTOSAI's Guidance pronouncements (GUIDs) support auditors in applying the ISSAIs in practice to the three audit types, to other engagements and in understanding specific subject matter situations. This would seem to encompass largely the areas covered by the IIA's Implementation and *Practice Guides* (although, unlike the IIA standards, currently not all INTOSAI standards are accompanied by a GUID).

IFAC

The International Auditing and Assurance Standards Board (IAASB) sets international auditing and assurance standards. In 2009, it finalised a programme to enhance the clarity of its International Standards on Auditing (ISAs). Known as the Clarity Project, this programme involved the application of a drafting convention to all ISAs⁶, either as part of a substantive revision or through a limited redrafting to update the text for the new convention or clarity more generally.

Among the improvements arising from this project was a new structure for the ISAs, in which information is now presented in separate sections:

- **Introduction** (purpose, scope, and subject matter of the ISA and responsibilities of the auditors);
- **Objective** (objective of the auditor in the audit area);
- **Definitions** (definitions of applicable terms);
- **Requirements** (Each objective is supported by clearly stated requirements); and
- **Application and Other Explanatory Material** (to explain what a requirement means or to give examples of procedures).

⁴ International Standards for the Professional Practice of Internal Auditing

⁵ The IIA also produces *Supplemental Guidance* (Practice Guides) which do provide detailed processes and procedures for internal audit practitioners.

⁶ As well as to International Standard on Quality Control 1 (ISQC 1).

Finally, an interesting practice by the IAASB is to issue a *Basis for Conclusions* for each ISA. These documents provide background information, main comments received on the exposure drafts, and the IAASB's conclusions regarding these comments when finalising the standard. This information may help practitioners understand more about the significance of, and reasoning behind, the content.

Comparison with INTOSAI

INTOSAI also has drafting conventions for use when preparing its auditing guidelines⁷. However, they date from 2013 and need updating to take into account the new IFPP.

Principles involved in interpreting standards

A number of principles need to be followed when interpreting INTOSAI standards:

- consistency with ISSAI 100, and across the IFPP;
- provided by experienced practitioners in the subject matter concerned, and based on best practice;
- likely to be widely acceptable to the INTOSAI community; and
- easily and transparently available to the INTOSAI community.

Standards or GUIDs are normally prepared by, and remain under the responsibility of, the INTOSAI working group dealing with the subject matter. As working groups comprise experienced practitioners with knowledge of best practice, they are able to play a key role in interpretation. It is also likely that they would be aware of what would - and crucially what would not - be widely acceptable to the INTOSAI community. Furthermore, they can help feed the issues raised back into the standard setting process

The PSC or other Goal Chair, as the governance body of the subcommittees, would aim to ensure overall consistency. However, this may entail more meetings of the subcommittees to allow time for dealing with interpretation issues.

The best place to make interpretations readily available is to publish them on the ISSAI web site, managed by the PSC Chair.

Conclusions

The number of requests for interpretation of ISSAIs in recent years made to the PSC has been negligible. The IDI has received a higher volume of requests, but aimed more towards assessing an SAI's compliance with the standards in the framework.

The new IFPP is still under development, and thus it is not possible to estimate likely future needs for interpretation. The new framework nevertheless can rely on a number of procedures in due process, which ensure that all draft pronouncements undergo public and specialised stakeholder scrutiny for clarity.

The clarity of new pronouncements is underpinned by the Strategic Development Plan which sets out a common path for working groups to contribute towards a high quality set of

⁷ Drafting conventions for Auditing Guidelines and key terms for public sector auditing, PSC Steering Committee, August 2013 adopted by adopted at INCOSAI in November 2013.

standards for public sector auditing accompanied by clear and consistent INTOSAI guidance (GUIDs) to support their implementation. The SDP is also a mechanism to enable requests by users for clarification on specific issues, to be included as specific projects, if so merited.

By way of comparison, the IIA and the ISSAB do not provide direct interpretation of standards. Instead, they have built into their standard-setting processes devices to allow practitioners to understand the reasoning behind, and practical implementation of their standards.

Recommendations

In the light of these considerations, it is our proposal that INTOSAI does not presently (re)create a specific structure for interpreting its auditing standards.

Nevertheless, the PSC will continue to monitor the situation (notably the nature and volume of requests) and assess whether specific arrangements, following the principles set out in page 4, are required. In that case, the PSC Chair will submit a concrete proposal in that regard to the PSC-SC.

In addition, the PSC will continue to explore flexible and dynamic alternative ways to make available to auditors information on the implementation of INTOSAI standards, and encourage SAIs to identify issues that would need further clarification through a feedback mechanism into the standard setting process. Continued engagement with the IDI on the development of handbooks on the different types of audit may go some way to meeting this need.

The PSC Chair thus asks the Steering Committee to support the recommendation NOT to create a specific structure for interpreting INTOSAI auditing standards at this time.



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Feedback loop –

How do we know our standards are fit-for-purpose?

The IFPP is an internationally recognized set of professional principles, standards and guidance that promote excellence in the application of audit methodology. The IFPP aims to inspire high quality audits of relevance to the public and other key stakeholders. The goal is to contribute effectively to government accountability and promote transparency in public administration.

The implementation and maintenance of the ISSAIs and INTOSAI products is an INTOSAI wide task that requires attention on the global, regional, and SAI levels. INTOSAI fully appreciates that even the most carefully prepared standards are only of value if they are useful for, and used by, SAIs. In this context, how do we know our standards are, and will continue to be, fit-for-purpose?

During the development and revision of pronouncement, INTOSAI's due process establishes that rigorous quality processes are in place and that the wider community is encouraged to engage in the standard setting process by providing comments on exposure drafts. Nevertheless, the practical experience of implementing the standards brings with it valuable information that can contribute to the regular improvement of the framework, as well as picking up changes in the environment that can impact the pronouncements and how they are used. Pronouncements can (and should, in some cases) change over time, reflecting new needs and requirements.

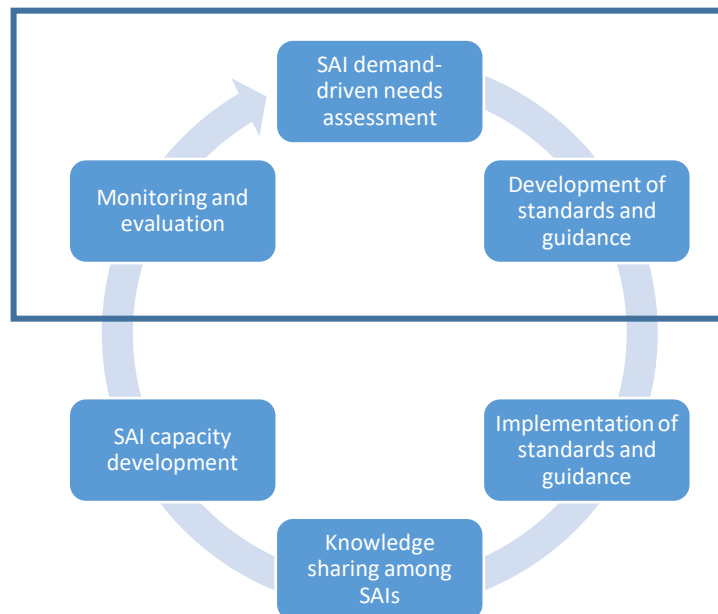
The PSC's strategic objective 1.5 in the current INTOSAI strategic plan is to:

“monitor the implementation and adoption of standards and feed any problems or issues back into the standard-setting process to ensure the standards are as useful and relevant as possible”.

To achieve the strategic goal, the PSC is expected to:

Implement a monitoring system to obtain feedback from SAIs on their implementation of the ISSAIs and their practical experience using the ISSAIs in audits or as a basis for national standards and to feed this information back into the standards-setting process.

INTOSAI's value chain illustrate the concept of the feedback loop:



The cycle shows the need for INTOSAI standards and guidance to take account of SAI needs, which in turn require feedback based on monitoring and evaluation of their use in practice. Accordingly, the development, maintenance and implementation of the ISSAIs require the active engagement of all INTOSAI Goal Committees, working bodies, regional organizations, IDI, SAIs, and others to provide any input that might be useful in this respect.

What kind of data do we need?




INPUTS to the standard setting process and the **ACTIVITIES/PROCESSES** of the different structures involved in the standard setting process. We should be aware of the amount of resources being employed in the process, timeliness, etc. This is important, for example, in order to ascertain INTOSAI’s standard setting “work capacity” and therefore be in a position to plan and prioritize realistically to maximize delivery.


OUTPUTS of the standard setting process. To help us establish the quality of the products we deliver, as well as their fitness for purpose it is important we obtain feedback on their use in practice. It would also be useful to receive suggestions for new or revised pronouncements to help improve the relevance and quality of the framework.

OUTCOME of INTOSAI standard setting, like level of adoption/implementation of the standards by SAIs. Besides also providing feedback into the standard setting process, assessing the outcome of our products will allow INTOSAI to evaluate regularly the cost of its standard setting activities compared with the benefits they bring.

IMPACT of the products: are we fulfilling our stated purposes, e.g. in terms of better functioning of SAIs and improvements in the quality of their work and reports

Many potential sources of feedback.

<p>SAIs</p> 	<p>The end users - auditors in the SAIs - apply the pronouncements and are therefore in a good position to evaluate their content, relevance and impact . When using the IFPP, SAIs, Regional Organisations and other bodies add to and tailor the framework to suit their unique mandates, needs and purposes. Some barriers for implementation may not be particular to one SAI, but reflect the state of the framework. Through the feedback loop these can be further analyzed.</p>
<p>Regional Organisations</p> 	<p>Regional Organisations play an important role in linking individual SAIs and the wider INTOSAI community, and strengthening implementation of standards in the public sector auditing globally and locally. Many regions provide extensive support in capacity building either directly or through donor programmes, including ISSAI implementation. They can also monitor capacity development progress through regionally tailored assessment tools. The close proximity and similar conditions place Regional Organisations in a privileged position to exchange knowledge on challenges and opportunities for implementation of standards.</p>
<p>INTOSAI Bodies</p> 	<p>The different INTOSAI bodies have different roles in the standard setting process. They can be in a position to provide valuable information.</p> <p>The Capacity Building Committee (CBC) facilitates initiatives in support of building and enhancing SAI capacities and capabilities, including ISSAI implementation. The CBC is also provides strategic direction for and oversees the implementation, maintenance, use and relevance of the Performance Measurement Framework - SAI PMF. Feedback from these activities could be valuable to improve the IFPP.</p> <p>The Knowledge Sharing Committee (KSC) through their exchange of experiences in specific thematic areas show how INTOSAI standards are applied in practice when conducting audits in the different fields.</p> <p>The Professional Standards Committee (PSC) through its subcommittees follows developments in the three audit streams and can also support ISSAI implementation in their field of expertise. Since drafting teams are many times drawn from the PSC subcommittees, their experience already feeds in the process, but can be enhanced through a more systematic approach.</p>
	<p>The INTOSAI Development Initiative works directly supporting SAIs and regions in the implementation of standards. IDI also supports SAIs in carrying out SAI-PMF assessments, a possible source of information for the standard setting process.</p> <p>IDI-led surveys - such as the Global stocktaking report - can be an important tool to provide information on the dissemination and use of INTOSAI standards.</p> <p>Due to its mission and activities, IDI could be a key source of information to feed back in INTOSAI standard setting process.</p>

<p>External Stakeholders</p>  A blue line-art icon of a globe showing the continents.	<p>Some external stakeholders are also critical since we can benefit from other bodies' experience and knowledge to achieve better results. The input is especially important so that INTOSAI does not "reinvent the wheel", but benefit from the input and experience of these bodies and the changes they make to their frameworks.</p> <p>Development organisations that provide support to SAIs can also have information of challenges and opportunities for implementation of standards.</p>
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How can you help?



First, it is important to recognize your potential role as a source of information to improve INTOSAI standard setting process.

The collection of information should not be burdensome or add unnecessary steps to the process, rather, it should take advantage of on-going activities and opportunities that already exist in our activities in the community. **How can you contribute?**

The INTOSAI Technical Support Function – the next steps

May 2019



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The INTOSAI Technical Support Function – the next steps
A DISCUSSION PAPER FROM THE PSC SECRETARIAT

Technical Support Function – next steps

INTRODUCTION

One of the strategic objectives for Goal 1 (Professional Standards) in the INTOSAI Strategic Plan 2017-2022 is to,

“... provide a strong organisational framework to support INTOSAI’s standard setting, including ... a technical-support function ...”.

The main benefit of establishing a Technical Support Function (TSF) is to help make the standard setting process more efficient and effective, and enable better planning and use of resources. By making dedicated staff available to work on standard setting activities, the TSF will reduce reliance on voluntary contributions from SAIs, and allow these resources to focus where they can best add value.

After extensive discussions in 2017, the PSC Chair presented a proposal for launching a TSF proof-of-concept to the PSC Steering Committee in 2018. The PSC-SC welcomed and approved the proposal, and made some recommendations for further consideration¹.

The basic model would be that the TSF would consist of between three to five staff seconded by their parent (employer) SAI, and located at a host SAI. The TSF would be funded primarily by the parent and host SAIs, with additional support by INTOSAI and any SAI that may wish to contribute voluntarily. The TSF would be managed by the PSC Chair, and the PSC-SC would be responsible for its broader governance. The original proposal to the PSC-SC also contained a shortlist of activities to be carried out by the TSF

We submitted the adjusted proposal to the INTOSAI Governing Board, accompanied by details on the role and responsibilities of the host SAI and proposed job profiles for the TSF staff.

Given the time likely to be needed to identify a host SAI, make the necessary preparations and for secondees to make the necessary travel and accommodation arrangements, the proposal included the possibility for the TSF exercise to start “virtually” (phase 1). The TSF staff would initially work remotely from their home institution, rather than at a single physical location.

¹ Notably that, i)the PSC Chair will be responsible for the direct management of the TSF; ii) Although the job descriptions will be defined later, the proposal will mention that strong skills in communication are important and iii) The parent and host SAIs should have no power in defining the activities to be performed by the TSF. We have reflected these requirements in this document.

The Governing Board approved the proposal for launching a proof-of-concept exercise by setting up a Technical Support Function and mandated the PSC Chair to adopt the necessary measures to implement it, in consultation with the other Goal Chairs, the Chair of FIPP, INTOSAI, the Secretary General and the INTOSAI Chair².

For the reasons outlined above, we therefore propose to start with the virtual model first and move to a physical host at a later date if and when circumstances allow (phase 2).

TSF ACTIVITIES

The TSF is a support resource open to all the INTOSAI community involved in standard setting. Nevertheless, the limited resources available means that we need to be realistic about what the TSF can achieve, and focus on issues and projects where it can have the most impact.

In the approved project proposal for the TSF, we shortlisted the possible tasks on which the TSF could work. We then reduced the initial list of 17 potential activities to nine, representing those with the highest priority.

However to bring more clarity and flexibility into the support the TSF can provide, the PSC Chair has decided to define its activities more simply, based around broad principles.

The TSF will provide ad hoc technical support for INTOSAI working groups³, committees or FIPP in order to help in:

- the definition of projects for inclusion in the SDP, including technical research work;
- undertaking approved SDP projects, including technical preparation and drafting support;
- analysing and processing the results of the exposure process.

Furthermore, the TSF will assist the PSC Chair in its role of oversight over the due process, and it will help to manage and maintain the IFPP more generally.

These principles will guarantee the continuity and timeliness of projects and facilitate project management. A more detailed list of activities to be undertaken by the TSF will be developed in the early stages of the TSF when a *Terms of Reference* will be developed.

² Minutes of the INTOSAI Governing Board meeting in Moscow, November 2018

³ For the sake of simplicity, we use the term "working group" throughout this document to mean any INTOSAI working group, subcommittee, task force or project group that carries out work in accordance with due process. This includes any preliminary or ad hoc working groups established for the purpose of specific tasks as well as any existing working groups (subcommittees) that form part of the general structure of the PSC, CBC or KSC. (Due process for the INTOSAI Framework of Professional Pronouncements, Section 1.1)

MANAGEMENT AND WORK STRUCTURE

The PSC Steering Committee will be responsible for the broader governance of the TSF, which includes issuing strategic guidance, developing strategy, establishing goals / priorities / initiatives, and monitoring its functioning.

On a day-to-day level, the PSC Chair will be responsible for the management of the TSF and will (in conjunction with the TSF manager) establish its priorities and select the tasks on which the TSF staff will work.

To facilitate the running of the TSF, we propose that those INTOSAI bodies wishing to use the TSF services should submit to the PSC Chair / TSF manager a short description of the task, the help required, and an estimate of the number of hours of TSF help required. This will help the PSC Chair / TSF manager manage resources effectively.

STAFF

Staff selection

The PSC-SC approved a TSF comprising between three and five full time staff. Initially, we will start with three people, and then assess ongoing staffing needs after the first period of operation when demand for the TSF's support can be better gauged. The selection of the staff will be based on an open call for expressions of interest made to all SAIs.

Concerning the professional profiles of the candidates, the PSC-SC proposal requested that collectively the TSF should have,

“... knowledge of and experience in the three audit streams, a good understanding of the IFPP and of due process and strong skills in communication and teamwork. Being fluent in English is another requirement and it would probably be helpful that at least one of the staff members had an excellent command of written English, particularly if the TSF is to provide language revisions to drafts.”

Except for the requirement for fluency in English from every member, it would not seem necessary that all members have all the other requisites. Nevertheless, we need to ensure that collectively we have candidates with experience in the three audit streams, even although individually their experience may be limited to just one audit stream.

Other aspects which we consider as advantages are: a strong understanding of the importance of standards in the audit profession and practical experience in standard setting for auditing (within INTOSAI or similar bodies).

It is essential that candidates obtain the authorisation of their employer to participate in the selection process.

The responsible body for the selection of candidates is the PSC Chair, who will consult the CBC, KSC and FIPP Chairs before finalising the selection of staff. We propose a simple evaluation grid (see annex 1) to make the evaluations in the most transparent way.

Given the nature of the secondment model, it is inherent that only those SAIs with sufficient resources are likely initially to be able to participate. We will ensure that if the TSF moves to a fully-funded model we will strive to ensure that the diversity of INTOSAI is properly represented.

Staff working conditions

The parent SAI will be responsible for paying the salary of its seconded employee.

As the TSF will start by teleworking, the staff will need to have the means to communicate frequently with the other TSF staff, with the PSC Secretariat and other INTOSAI bodies by e-mail, telephone, skype or any other technological means to make their work effective. The parent SAI should give the seconded employee the necessary infrastructure to perform his / her tasks adequately and under the same conditions as conventional employees.

In addition, staff will report to the PSC Secretariat and will work solely for the interest of the INTOSAI community as a whole, and accordingly will not take instruction from any other body, including their own SAI.

We propose that the parent SAI sign a memorandum of understanding with the PSC to this effect, and in order to formalise its commitment.

Once the TSF starts to be operational, the PSC Chair will organise an initial physical meeting with the TSF staff, and representatives of the PSC, CBC and KSC Chairs as well as the FIPP chair. The PSC Chair will decide on the need for further physical meetings.

COSTS

According to the approved TSF proposal,

“it would be wholly appropriate for INTOSAI to demonstrate its commitment to the TSF by making a meaningful financial contribution, within the limits of its budgetary resources, to the annual costs of the proof-of-concept exercise. As the TSF will support the standard-setting activities of the PSC, the CBC and the KSC, they should consider this question. The fourth goal chair – the Policy, Finance and Administration Committee (PFAC) – should also be invited to consider giving budgetary priority to this exercise.”

Phase 1: the virtual TSF

TSF staff will be seconded and thus the secondees' current employer will pay all salaries and salary-related-costs.

Taking into consideration that the secondees will be working full-time for the interest of INTOSAI, their travel costs should be funded from INTOSAI resources. This will include primarily the costs related to the TSF physical meetings. The costs of the first physical administrative meeting of the secondees will be met from the PSC resources and is likely to be in the region of €6 000 – €9 000⁴.

The PSC Chair will decide, based on the need and availability of funds, about the presence of the TSF staff in other work meetings related to standard-setting, such as FIPP and project groups' meetings, and will decide on the conditions for reimbursing such expenditure.

⁴ Assuming the costs will not be met by the secondees' employer. This estimate is based on travel and accommodation costs per secondee of between €2 000 - €3 000. Actual costs will differ depending on the location of the meeting, the home base of the secondees, and the duration of the meeting.

Phase 2: a TSF with a fixed base

The proposal approved by the PSC-SC in 2018 also outlined that it would be desirable if some SAIs consider making voluntary contributions to establishing a TSF function. In this case, the PSC will arrange for appropriate mechanisms to hold and disburse all such monies received.

The PSC-SC will determine the need and use for such financing at a later moment as part of a review whether to move the TSF to a permanent location.

TIMELINE

The Governing Board has previously approved a five year proof-of-concept exercise to set up the TSF including an intermediate evaluation by the PSC chair after three years of operation and a final evaluation after five years.

Taking into account the considerations outlined in this document, we propose to decide after the intermediate evaluation whether to move the TSF to a permanent seat. The timescale for the next five years will follow the pattern outlined in the table below.

Timeline - TSF

Activity	Deadline
Launch call for interest and select staff	Jun-Sep 2019
Communication about the implementation of the TSF at INCOSAI	September 2019
First physical meeting TSF	Late 2019
TSF starts work	Q1 2020
Interim evaluation and decision on whether to move to a permanent physical location	Q4 2022
Final evaluation	Q4 2025

CONCLUSION

The PSC-SC is requested to take note of this document.

Annex 1

Example evaluation grid TSF candidates

	Candidate 1		Candidate 2	
	Interviewer 1	Interviewer 2	Interviewer 1	Interviewer 2		
Candidate has SAI authorisation (Y/N)						
Proficiency in English (Y/N)						
Good working knowledge other INTOSAI languages (Y/N)						
	1-5*	1-5*	1-5*	1-5*		
Practical experience in standard setting for auditing (within INTOSAI or similar bodies)						
Practical experience in one or more types of audit (financial, compliance and performance)						
A strong understanding of the operation of standard setting frameworks in the auditing profession;						
A clear desire to work towards the improvement of standards applied by the auditing profession						
Experience in international relations						
Strong communication / strategic skills						
Total						

*

1. Unable to determine or not applicable to this candidate
2. Below Average—does not meet requirements
3. Competent—acceptable proficiency
4. Excellent-exceeds requirements
5. Outstanding



INTOSAI
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Professional
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Committee

Job profile – Technical Support Function officers and manager

What are we looking for?

The PSC is looking to staff its newly established Technical Support Function (TSF), whose aim will be to support INTOSAI's standard setting activities. We are recruiting two Technical Support Function officers and one manager who will be responsible for managing the TSF team.

The TSF will function initially as a distance-based support service. Thus, you will work under the direct authority of the PSC but continue to be based at your current place of employment under the same terms and conditions as at present. The TSF move to a physical host at a later date if and when circumstances allow. Your initial commitment to the PSC will be for [one year renewable]

The TSF may be asked to contribute to the following tasks:

Proposals for new / revised / or withdrawing pronouncements

- Conduct research and technical analyses to support the approval of project proposals or exposure drafts;
- Organise comments on the exposure phase for draft pronouncements, including making an initial evaluation whether comments were analysed appropriately by the working group to support the approval of the endorsement version;
- Manage the process on the ISSAI website; and
- Provide language and consistency revision to drafts produced in English.

Communication and dissemination of information

- Manage communications and communication tools, such as websites, newsletters and community fora.

The INTOSAI's Strategic Development Plan (SDP)

- Provide technical support on the formulation of proposals for the SDP, and
- Provide technical support in processes relating to the approval and revision of the SDP.

Plus any other tasks as required, including attendance and presentations at stakeholder meetings

Qualities we will look for in all candidates

Commitment to public service

Candidates will demonstrate a high level of commitment to the public interest and will in no way be inappropriately motivated by regional interests, national interests or special interests of any kind, whether related to specific professional or commercial concerns. We will expect successful recruits

to remain consistently focused on maintaining or improving the integrity of public audit and the standards held by INTOSAI.

Level of contribution and work quality

Candidates will consistently provide high quality work both in terms of diligent research, technical aptitude and the ability to place such information in the context of the professional environment or other factors such as economic, political or commercial conditions.

Communication and Teamwork

As the TSF will be comprised of staff coming from different countries and organisations and working in a different environment, they should have the necessary teamwork skills and flexibility to overcome cultural differences and be able to deliver the work properly.

In any international organisation, good cooperation and communication skills are imperative. Whilst the Technical Support Function will be directly managed by the PSC Secretariat, the TSF staff will be involved in activities related to a diversity of INTOSAI bodies, such as FIPP, subcommittees and working groups. Thus, it is important that the candidates possess the communication skills to engage effectively with different actors at different levels in their organisation.

Knowledge of rules and procedures in INTOSAI

It is important that the candidates are familiar with the INTOSAI Due Process for professional pronouncements. Knowledge of other rules and procedures that govern the work of INTOSAI and its committees is also a plus.

Professional experience

The PSC is interested in receiving nominations from both practitioners and non-practitioners (including professional auditors / finance professionals) currently working in Supreme Audit Institutions which are (full, affiliate or associate) members of INTOSAI.

Staff will be recruited on a secondment model whereby their current employer undertakes to continue to pay their salary for the period(s) of their recruitment. It is thus essential that candidates obtain prior authorisation from their SAI before applying.

Candidates will ideally possess the following attributes:

- Practical experience in standard setting for auditing (within INTOSAI or similar bodies);
- Practical experience in one or more types of audit (financial, compliance and performance);
- A strong understanding of the operation of standard setting frameworks in the auditing profession;
- A clear desire to work towards the improvement of standards applied by the auditing profession;

- Experience in international relations;
- Strong communication/strategic skills.

For operational reasons proficiency in English (both written and oral) is essential, and a good working knowledge of the other INTOSAI languages would be a plus.

TSF manager

For candidates wishing to apply for the position of TSF manager *in addition* to the above, you should be able to manage our team and provide them with effective guidance. You will be responsible for supervising, managing and motivating team members on a daily basis.

You should have a proven track record as a team leader or supervisor and have excellent leadership, organisational and time-management skills.

As a team leader, you will be the contact point for all team members, so your communication skills should be excellent especially when dealing with others e.g. giving feedback, updating others on the status of your work, outlining goals and expectations. You should also be able to act proactively to ensure smooth team operations and effective collaboration, and show confidence in extremely challenging circumstances e.g. situations where key milestones are threatened.

Responsibilities

You will ensure that any work allocated to the TSF is carried out to a high quality and within the agreed deadlines. In doing so, you will

- Create an inspiring team environment with an open communication culture;
- Set clear team goals;
- Delegate tasks and hold people to account for delivery;
- Oversee day-to-day operations;
- Monitor team performance and report to the PSC secretariat;
- Motivate team members;
- Listen to team members' feedback and resolve any issues or conflicts.

Equal opportunities

We accept applications without discrimination on any grounds.

Application procedure

Appointments made to the TSF will take effect from [DATE] and will be for an initial period of [xxx] years.

To apply, candidates must submit the following documents to the Professional Standards Committee Secretariat at [email address] no later than [DATE] (incomplete or late applications will not be accepted):

1. Nomination form (template attached), duly signed by the candidate and the head of the SAI;
2. Motivation letter explaining the main reasons why the candidate wants to be a TSF officer / manager how his/her background and professional experience can better contribute to the work of the TSF (no more than 400 words);
3. Curriculum vitae.

Based on the analysis of the documentation, at least [x] candidates will be interviewed by representatives of the PSC. The responsible body for the final selection of candidates is the PSC Chair, who will consult the CBC, KSC and FIPP Chairs before making the final selection.

If you have any questions in relation to this job profile or the attached documents, please contact the PSC secretariat at [email address].

NOMINATION FORM

INTOSAI Technical Support Function (TSF)

Surname:	First name:	
Mr <input type="checkbox"/> Ms <input type="checkbox"/>	Position:	
SAI/organisation:		
Which position are you applying for? TSF officer <input type="checkbox"/> TSF manager <input type="checkbox"/>		
Educational background:		
Experience in:		Summary description of practical experience:
Financial audit	<input type="checkbox"/>	
Performance audit	<input type="checkbox"/>	
Compliance audit	<input type="checkbox"/>	
Other specialist streams of audit (IT, environmental, service performance, etc.)	<input type="checkbox"/>	
Development of audit methodology	<input type="checkbox"/>	
Management responsibilities for audits	<input type="checkbox"/>	
Standard setting on national or international level	<input type="checkbox"/>	
International cooperation	<input type="checkbox"/>	
Other relevant experience	<input type="checkbox"/>	
For TSF manager applicants – relevant leadership / management experience	<input type="checkbox"/>	
Nominated by (SAI, INTOSAI Working Group, etc):		
Signed by: (employer)	Date:	
Please return the form to [email] no later than [DATE].		

Translating the ISSAIs

A discussion paper
April 2019



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TRANSLATING THE INTERNATIONAL STANDARDS OF SUPREME AUDIT INSTITUTIONS (ISSAIs) – A DISCUSSION PAPER FROM THE PSC SECRETARIAT

Introduction

INTOSAI’s pronouncements are used by many SAIs in their day-to-day work. The quality of the pronouncements therefore reflects directly on the credibility and the image of INTOSAI as a whole. For pronouncements to be accessible and useful they need to be clearly drafted, unambiguous and readily understandable by the practitioner. Although English is the original drafting language for the vast majority of pronouncements, having them available in the five official INTOSAI languages is of major importance, and a requirement under Due Process¹.

At the meeting of the PSC-Steering Committee in 2018, delegates noted that not all pronouncements had been translated into the five official INTOSAI languages, and of those which were, the quality of translations was sometimes called into question². It was also felt that external translators did not always have audit-relevant expertise and therefore knowledge of the correct professional vocabulary, and were, in addition, expensive.

Delegates considered that the current practice whereby project groups are responsible for finding ad hoc volunteers to translate the pronouncements they are responsible for does not produce particularly good results, partly because of the resulting inconsistency in translation across the framework.

In this light, the PSC Secretariat was charged with preparing a proposal for the next PSC-SC meeting addressing the theory and practice of translating pronouncements, identifying alternative ways to organise the process and making recommendations for the future.

Policy and practice on translation

There is currently no specific policy within INTOSAI giving details about the translation of pronouncements, or other documents. The INTOSAI Communication Policy states simply that,

“[e]fforts should be made to enable translation of all products of the INTOSAI entities, approved by the INCOSAI, into all the five official³ languages of INTOSAI.”⁴,

and that,

¹ “Unless other mechanisms have been established, the working group is responsible for translation of the approved endorsement version into the five official INTOSAI languages” Due Process for INTOSAI’s framework of professional pronouncements, stage 3, page 9.

² Draft minutes of the 15th PSC Steering Committee Meeting, 30-31 May 2018.

³ In 2015 the Governing Board decided to introduce Russian as an additional (non-official) language of INTOSAI.

⁴ INTOSAI Communication Policy –A Framework, November 2006, paragraph 2.6.

“[c]ommunication in the five official languages should be based on the INTOSAI terminology (translators should use the INTOSAI glossaries).”⁵

Until now, the only available guidance on translation of pronouncements was contained in the recently withdrawn ISSAI 1000 (General Introduction to the INTOSAI Financial Audit Guidelines). Paragraphs 87-91 gave some indication on the translation of the INTOSAI Financial Audit Guidelines, and its appendix 4 offered additional advice on the translation of Practice Notes to INTOSAI Financial Audit Guidelines. These provisions applied only to financial audit⁶, but it could be supposed they apply equally to pronouncements on other audit types.

In parallel, there are initiatives underway to ensure greater clarity in drafting conventions for ISSAIs. FIPP is currently elaborating drafting conventions for ISSAIs stemming from priority 3 from the 2017 – 2019 SDP in order to provide clearer instructions to drafters of ISSAIs and INTOSAI-Ps. The plan is to provide the basis for improving consistency in format and presentation in the full set of pronouncements. This initiative may be part of the 2020-2025 SDP.

Current practice is that unless another approach has been agreed, the working group⁷ responsible for drafting the pronouncement is also responsible for organising the translation of the approved endorsement version into the five official INTOSAI languages⁸. Current translation options include: translations being made by the members of the working group itself, for a fee by commercial professional translators, ex gratia by professional translators working for a SAI or other relevant organisation, or by auditors of an SAI which works in the target language. There are no figures available on the extent to which these options are used in practice⁹.

In addition, there are currently no formal arrangements for ‘revising’ (the formal term for checking) translations to ensure their quality. This would normally be done as an independent review of the translation accuracy, and correct use of terminology.

⁵ INTOSAI Communication Guideline, November 2010, paragraph 4.2.1 “Strategy of internal communication”.

⁶ For further details see Appendix 1

⁷ For the sake of simplicity and line with the Due process for the INTOSAI Framework of Professional Pronouncements (Section 1.1), we use the term "working group" throughout this document to mean any INTOSAI working group, subcommittee, task force or project group that carries out work in accordance with the due process. This includes any preliminary or ad hoc working groups established for the purpose of specific tasks as well as any existing working groups (subcommittees) that form part of the general structure of the PSC, CBC or KSC.

⁸ Due Process for INTOSAI’s Framework of Professional Pronouncements, page 9.

⁹ The Financial Audit and Accounting Subcommittee (FAAS) is in a slightly special situation. FAAS is presently responsible for maintaining the financial audit ISSAIs which consist of the unmodified International Standards on Auditing (ISAs) developed by the International Auditing and Assurance Standards Board (IAASB). INTOSAI publishes the ISAs only in English but the ISAs are available in other languages. These ISA translations, which only IFAC authorised bodies are allowed to perform, are available in the IFAC translations database. INTOSAI could obtain and publish these translated ISAs, but there may be logistical challenges. It is not feasible for INTOSAI to attempt to translate the ISAs due to the prohibitively high cost due to the high volume of information. The best outcome is to continue to publish the ISAs only in English in the IFPP and direct users to the IFAC translations database for official translations in other languages. The discussion paper thus excludes INTOSAI’s use of the ISAs in the IFPP.

Finding a way forward – examination in detail of the translation options open to INTOSAI

Working Group – either by the members of the working group directly, or via ad hoc arrangements. While members of a working group will have the necessary subject matter knowledge, they may not have the specific language expertise or capacity to translate the document into each of the INTOSAI working languages. Having each working group translating independently can lead to translation inconsistencies across the framework.

Commercial professional translation – by professional private sector service providers. The cost of professional translations can be significant, particularly when specialised translators are required. Cost is also dependent on several other factors: the size of the document and the number of words to translate, the source and target languages, the timeframe for delivery, the technical level of the text and the format of the source file. Translations can be either direct (source language to target language), or indirect via a relay language. To reduce risks of mistranslation, direct translation is always to be preferred.

With the help of ECA’s translation directorate, we obtained figures for translation work (either based on work we have outsourced from ECA, or based on rates charged by commercial companies in the case of Arabic). Overall, for a single pronouncement of around 6 000 words, it would cost in excess of €7 000 to properly translate (and revise) into all INTOSAI languages using commercial translators¹⁰.

However, experience shows that commercial translations do not always have the required high quality. This is partly due to the lack of familiarity with public audit vocabulary and language¹¹. Even after revision, they can still require considerable input from the authors and other translators to render the text acceptable for publication. This, coupled with the cost of such translations, is likely to render this option an impractical long-term solution for INTOSAI.

Translation by SAIs – either using translation or auditor capacity. Although free of charge for INTOSAI, such translations depend on the goodwill and capacity of the organisation offering the service. That said, the SAIs involved may have a strong incentive to contribute to this task and ensuring quality, as their staff are likely to be the ones who will make the greatest use of the resulting translations.

There are a number of SAIs worldwide which have language departments to translate documents using INTOSAI language combinations. When they have spare capacity they may be willing to translate INTOSAI pronouncements, particularly if deadlines are flexible. A major advantage is that SAI translators already have considerable knowledge of translating in the field of public audit and are familiar with the relevant terminology.

¹⁰ Annex II explains the calculations in more detail.

¹¹ To provide the necessary professionalism of translations, subcommittees, working groups or task forces ideally should always try to use the same pool of professional translators to guarantee the necessary experience and specialist knowledge.

Alternatively, there may be experienced auditors in those SAIs working in one of the INTOSAI official languages, who know the subject matter (and have a good command of English) and who may be willing and have the time to undertake translation of a document.

How to harness SAI translation capacity

In practice, SAI translation could be organised by groups of SAIs who predominantly work in the target language. For example, translations into German could potentially be undertaken by the SAIs of Germany, Austria, Switzerland, Lichtenstein, Luxembourg and Belgium, as well as the ECA's language service.

One of these SAIs could act as the language coordinator. They would take the responsibility to allocate requested translations to the SAIs best placed to provide them (depending on content, knowledge and personnel availability), and different SAIs to revise the resulting translations. A major benefit of this approach would be to enable an exchange of ideas between auditors and translators, in order to align terminology and promote consistent translations.

To organise this new structure, INTOSAI could launch a call for interest to SAIs who wish to contribute to a language group. The interested SAIs could then nominate a coordinator from among their number. It would then be for the Goal Chair¹² to take contact with the coordinator of the appropriate language group(s) when translation is required for new or updated pronouncements.

The SDP is INTOSAI's central planning instrument for standard setting. This means that we can predict fairly accurately the number of pronouncements we will have for translation in any given period of time. This should make the planning easier for SAIs that would like to volunteer to do translations.

This idea is already being used for the German translations of the International Journal of Government Auditing, whereby the SAIs of Austria, Germany and Switzerland carry out the translations into German under the coordination of the SAI of Austria.

As concerns the correct terminology, all translators, both commercial as well as "in-house" should consult the INTOSAI Online Glossary (available in all INTOSAI languages), and the INTOSAI website.

Machine translation - Computer-based translation technology has become increasingly popular, reliable and accurate in recent years. Applications, such as Google Translate, use A.I. techniques and machine learning to compare substantial quantities of language content between pairs of languages, in order to establish translation patterns, and the probabilities on which to base the algorithms used.

The accuracy of machine translation is thus dependent on the amount of language content compared. The greater the volume of content, the more accurate it becomes, and users additionally have the possibility to improve the translations they receive, thereby feeding back into the process. Machine translations are usually more successful in 'popular' language combinations (notably those to and from English), where more content is available, and for

¹² Or potentially the Technical Support Function once its mandate has been approved.

languages with similar word order and structure. Overall, the quality of machine translation is likely to continue improving exponentially.

As such, machine translation will increasingly offer a cheap, quick and dependable alternative to human translators. The working group would finalise the pronouncement in its working language only (most commonly English). After endorsement by the Governing Board / INCOSAI, the pronouncement would be publicly available on the ISSAI website, with instant machine translation on demand (rather than static, as is currently the case). This would have the advantages of allowing the pronouncement to be available instantly in many languages¹³, be free of charge for the user / INTOSAI, and for the translations to improve each time they are accessed, particularly if users feed back into the process.

Translations into INTOSAI non-official languages

There is often an interest in, and practical benefit to, practitioners working in languages other than the INTOSAI official languages. To obtain and use INTOSAI pronouncements in their own languages they therefore translate them themselves. In this case, the SAIs concerned could also make the translated document available for inclusion on the ISSAI website (until such time that machine translation becomes a reality, as explained in the section above).

The PSC notes the successful policy adopted by the IFAC on this type of translation,¹⁴ and proposes that a similar policy be considered by INTOSAI. It should include at least the following elements:

- translations can be made of any pronouncement already in the IFPP;
- the pronouncement must be translated in their entirety; and
- translations will be provided for information only, and neither the PSC nor INTOSAI give any guarantee about their quality. In all cases, the original text shall remain authoritative.

Conclusions

The need for timely, accurate and consistent translation of INTOSAI's professional pronouncements is clear. The rules and policies governing the translation of INTOSAI pronouncements require updating and improvement, and to take into account the work currently being undertaken on drafting conventions. Any such guidance should also define procedures for quality review.

This paper sets out a number of options for translating and revising pronouncements, namely:

- working groups are currently responsible for translating pronouncements under their control. This can result in translation gaps and inconsistencies;
- outsourcing to professional translators, although this can be expensive and the quality is not guaranteed given the specific vocabulary;

¹³ *Google Translate* currently supports over 100 languages.

¹⁴ Policy for Translating Publications of the International Federation of Accountants, March 2018

- using SAI capacity, either through language departments or audit staff with a good knowledge of English; and
- machine translation, which while not yet at the required standard is getting increasingly proficient through the use of AI and machine learning.

Given time and financial constraints, the most effective way forward may be to make use of existing INTOSAI resources by calling for volunteers to establish pools of SAIs working in each INTOSAI language group. This may include SAIs with formal translation functions and sufficient capacity, as well as those who have audit practitioners willing and able to contribute. A coordinator would be nominated for each language. They would receive translation requests for new or improved pronouncements, and have the responsibility to match needs with resources for both translation and revision.

At the same time, INTOSAI should continue to monitor the improvement in machine translation. In the future, this could allow the translations to be provided on demand, and would have the advantage that they can be provided instantly, and need not be limited to the five current working languages.

In the meantime, ad hoc translations into non-official INTOSAI languages are to be encouraged. If provided to the PSC secretariat they can be made available to the INTOSAI community via the ISSAI website, accompanied by suitable caveats.

Recommendations

The PSC Chair requests the PSC-SC to:

- mandate the PSC Chair to undertake the necessary procedures to establish pools of SAIs working in each INTOSAI language group;
- mandate the PSC to monitor future developments in machine translation, attempt on a trial basis, the translation of a new pronouncement into the INTOSAI working languages, and to report back to the PSC-SC in due course.
- Continue to post ad hoc translations of pronouncements into non-official INTOSAI languages on the ISSAI website, accompanied by suitable caveats.

Annex I

ISSAI 1000 - General Introduction to the INTOSAI Financial Audit Guidelines

Translation of the INTOSAI Financial Audit Guidelines

[...]

87. FAS has established procedures for translation of the INTOSAI guidance included in the INTOSAI Financial Audit Guidelines into the official INTOSAI languages. The procedures follow the directions given by the INTOSAI Professional Standards Steering Committee as formulated during the meeting in Washington, DC in June, 2006.

88. All guidance issued by INTOSAI as part of the INTOSAI Financial Audit Guidelines is exposed for comments in English. Comments are accepted in all official languages of INTOSAI.

89. Translation into the official INTOSAI languages is done before INCOSAI endorsement of the ISSAI. Quality assurance of translations is undertaken by members of FAS, experts engaged in the development of the INTOSAI Financial Audit Guidelines or other INTOSAI bodies.

90. However, the ISAs, issued by the IAASB and adopted as part of the INTOSAI Financial Audit Guidelines, are issued in English and are not translated by INTOSAI. The ISAs are subject to copyright by the International Federation of Accountants (IFAC). IFAC has compiled a database of translations of IFAC publications by third parties. It includes the languages, publication titles, names of translating organizations and, where available, lists of translated key terms. IFAC has not reviewed the quality of the translated publications or key terms. To serve the public interest and promote adherence to high-quality professional standards, as well as to further the international convergence of such standards, IFAC makes this database of translations publicly available on its website.

91. Any additional translation of the INTOSAI Financial Audit Guidelines by SAIs should comply with the translation recommendations set out in Appendix 4 and if ISAs are subject to that translation process, with the December 2008 Policy for Translating and Reproducing Standards Issued by the International Federation of Accountants.

[...]

ISSAI 1000 - Appendix 4

Appendix 4–Translation Recommendations

1. The recommendations are based on the experiences of FAS and IFAC and offer advice on translation of Practice Notes. Translations of ISAs are subject to IFAC's written permission in accordance with December 2008 Policy for Translating and Reproducing Standards Issued by the International Federation of Accountants.

2. A Supreme Audit Institution should not refer to the INTOSAI Financial Audit Guidelines in their audit reports unless they have ensured there is a quality translation of the complete guidelines to their working language(s).

3. To assure the highest quality translation possible, it is recommended that the organization translating the INTOSAI Financial Audit Guidelines:

- Designs and implements a translation process that will enable a faithful translation, with no omission or addition (other than translation footnotes), of the publication. A faithful translation respects the intent, tone and the organization of the publication.
- Uses IFAC's list of key words to the extent possible to translate the key words (glossary), and maintains the translated list of key words. In translating the key words, it is important that the translating organization seeks to understand the intent of the original drafters of the publication so that misunderstandings do not arise because of literal translation of the English text.
- Ensures that the key words are used as consistently as possible in the translation of the publication and, where applicable, in the translation of new and revised publications. Translation footnotes may be used to refer to the prevalent usages in a country when the key word retained differs from that usage.

In addition,

- The complete text of all the Financial Audit Guidelines should be translated.
- It is recommended for translation purposes to use the guidelines in the English version, which is the language in which they were developed.

Where possible, the translating body (normally the Supreme Audit Institution) is advised to:

- Engage the services of a professional translator to act as principal translator. The principal translator, in consultation with the translating body, should design and implement a translation process that will enable a faithful translation as explained above.
- Identify a translation of the ISAs to be adopted as part of the INTOSAI Financial Audit Guidelines in the selected language and consider using the translated ISA and its list of key words. Because the translated ISAs are subject to copyright restrictions, this will normally include liaising with IFAC to obtain permission to access and use the translation.
- Establish a translation review group consisting of native speakers of the relevant language who have an excellent knowledge of English and experience in the use of the specific standards and guidance published by INTOSAI and/or IFAC. The translation review group reviews the principal translator's translation of the key words and takes responsibility for its quality.
- Liaise with others that may have an interest in translating or have translated the INTOSAI Financial Audit Guidelines or the ISAs into the same language to reach agreement on the translation of the list of key terms and, ultimately, to work towards one translation of the INTOSAI Financial Audit Guidelines into that language.
- Ensure processes are in place to maintain the translation going forward.

4. In the event of any dispute as to the meaning of a translated word or phrase of the guidelines, the English version of the guidelines should prevail.

Annex II – Estimation of translation costs

Figure 1 shows the rate per word assuming that English is in all cases the original language:

Source language	Target language	Average cost per word € (EUR) ^{15,16,17}
English	French	0.13
English	German	0.13
English	Arabic	0.15
English	Spanish	0.11

The situation regarding proofreading is slightly more complicated (our translators recommend that this type of document is always revised). Many translation firms will not give estimates for proofreading until they have seen the actual translation. This is largely to avoid that someone does a free machine translation then expects a proof-reader to correct it at a discount price.

The information we obtained is that prices can start from €0.03 (ex VAT) per word (although most proof-readers seem not to choose this method) to €50 per hour (ex VAT). In both cases, the proofreading companies will only confirm quotes after seeing the translation. A conservative estimate of around €1 000 per translation (which would equate to about 20 hours revision work) is not unreasonable for a technical text on which the INTOSAI reputation is based.

Many existing ISSAIs have an average word count for of around 6 000¹⁸. Based on the data above, Figure 2 shows that the cost of translating into all the INTOSAI languages would amount to approximately € 7 120.

Figure 2 Cost of translation into the INTOSAI official languages

Source language	Target language	Cost of translation €	Cost of revision €	Total cost €
English	French	780	1 000	1 780
English	German	780	1 000	1 780
English	Arabic	900	1 000	1 900
English	Spanish	660	1 000	1 660
				7 120

¹⁵ Excluding VAT

¹⁶ Costs are normally quoted per 100 words

¹⁷ The costs are based on a translation of a technical document (legal / financial) without editing or revision by another translator. The prices quoted are averages based on European translation firms and assume the source document is in good quality English.

¹⁸ Based on ISSAIs 100, 300, 400, 1210, 1220 & 1510. Practice notes are about half this length.



Budget 2019-2020

Total	€
Received funds	53.711,16
Expected expenditures	41.000,00
Balance	12.711,16

Received funds 2017-2018

Date	€	Description
27/04/17	9.694,78	Voluntary contributions for development and maintenance of ISSAIs
17/08/17	17.715,06	INTOSAI income - 1st half year 2017
01/05/18	2.983,03	INTOSAI income - 2nd half year 2017
26/07/18	20.358,29	INTOSAI income - 1st half year 2018
13/05/19	2.955,75	INTOSAI income - 2nd half year 2018
TOTAL	53.706,91	






Expected Expenditures 2019-2020

Title	€ (estimated)	Detailed description
Translating and formatting standards and guidance	16.000,00	Relabeling and Renumbering (migration to IFPP) Translators in the other four languages to implement the approved changes to all documents (concluded by September 2019): Graphic designer for formatting all documents using new design (concluded by September 2019)
Renew ISSAI.org website	10.000,00	Web designer to create new site, implement new features and content (to be started after September 2019)
Publicity materials for booth at INCOSAI	5.000,00	Visual and Informational material on new framework and new SDP for dissemination during the Congress (concluded by September 2019). License renewal for animation app to create videos for the booth (yearly subscription): 200 Euros
Initial travel costs TSF	10.000,00	Travel costs for selected staff to attend first meeting of the TSF (end of 2019 or beginning of 2020)
Total	41.000,00	

PSC Progress Report (2019/1)

Crosscutting Priorities mid-year review (as at May 17, 2019)

Key to progress indicator colours

	Initiatives / projects on schedule
	Initiatives / projects behind schedule
	Serious difficulties being experienced
	Not yet scheduled to start
	Initiatives / projects completed

Crosscutting Priority (as per SP 2017-22)	Progress indicator	Action items and other comment
<p>Crosscutting Priority 1: Advocating for and supporting the independence of SAIs.</p>	<p>SDP 2017-2019 implemented SDP 2020-2025 prepared</p>	<p><i>Ongoing activities:</i></p> <p>Implement the SDP 2017-2019 aiming at providing and maintaining professional standards for the SAIs (SP 2017-2022)</p> <p>Approve the process for developing the next SDP with ample consultation to SAIs, INTOSAI bodies and external stakeholders</p> <p>90 day consultation period with SAI, INTOSAI bodies and external stakeholders finalized</p> <p>Process for developing the new SDP followed, with extensive consultation to the Goal Chairs and PSC Subcommittees’ Chairs during the development of the plan</p> <p>SDP proposal presented to PSC-SC in 2019 (for approval)</p> <p><i>Key risks:</i></p> <p>The SDP does not reflect priority needs of the SAI community. <u>Mitigating action:</u> Guarantee an adequate and transparent process of analyzing inputs received to select the projects to be included in the SDP 2020-2025</p> <p>SDP is not fully implemented. <u>Mitigating action:</u> monitor the development of individual projects to identify when they risk not meeting the agreed timetable, and identify which corrective actions can be taken.</p>
Crosscutting Priority (as per SP 2017-22)	Progress indicator	Action items and other comment
<p>Crosscutting Priority 2: Contributing to the follow-up and review of the SDGs within the context of each nation’s specific sustainable development efforts and SAIs’ individual mandates.</p>	<p>Support to the indicated SDG activities timely provided</p>	<p><i>Ongoing activities:</i></p> <p>Support to the preparation of the Reporting framework (assessment matrix) for Approach 3 (ICS)</p> <p>Contribution to the preparation of the IDI document on preparedness for implementation of SDGs titled: “Are nations prepared for Implementation of Agenda 2030?” (PAS)</p> <p>Participation in the INTOSAI SDGs expert group (PAS)</p> <p>Contribution to IDI in the development of SDGs Audit Model (PAS)</p> <p><i>Key Risks:</i></p> <p>PSC subcommittees are not able to effectively integrate SDGs-related projects into their work plans. <u>Mitigating action:</u> clearly communicate objectives and the expected contribution to subcommittee members and other INTOSAI bodies involved.</p>

Crosscutting Priority (as per SP 2017-22)	Progress indicator	Action items and other comment
<p><u>Crosscutting Priority 3:</u> Ensuring effective development and coordination among standards-setting, capacity development, and knowledge sharing to support SAIs and improve their performance and effectiveness.</p>	<p>Collaboration and coordination improved</p>	<p><i>On-going activities</i></p> <p>Joint work to maintain the governance of FIPP, including the maintenance and active participation of membership</p> <p>Coordinated efforts during the preparation, revision and implementation of the SDP</p> <p>Participation in the Goal Chairs Collaboration initiative, including a presentation of a joint statement on different themes to the GB</p> <p>Joint leadership in the conduction of the process to prepare the next SDP</p> <p>FAAS developed a new website to facilitate the sharing of financial audit and financial accounting related information with the INTOSAI community.</p> <p><i>Key Risks:</i></p> <p>Difficulties in harmonizing different priorities and work plans. <u>Mitigating action:</u> good coordination and ample dialogue during the preparation of the SDP.</p> <p>Difficulties in guaranteeing effective participation of working groups and Subcommittees in joint projects (as indicated in the SDP). <u>Mitigation actions:</u> assure adequate communication between the goal chair and their subcommittees and working groups; encourage good communication and planning within subcommittees and working groups.</p> <p>Joint actions do not address ISSAI implementation as a means to enhance SAI performance and effectiveness. <u>Mitigating action:</u> include implementation issues in the Goal Chair Collaboration agenda.</p>

Crosscutting Priority (as per SP 2017-22)	Progress indicator	Action items and other comment
<p><u>Crosscutting Priority 4:</u> Creating a strategic and agile INTOSAI that is alert to and capable of responding to emerging international opportunities and risks.</p>	<p>Collaboration with external organizations improved</p>	<p><i>On-going activities:</i></p> <p>Strengthening the partnership with IFAC, IIA and World Bank (PSC Advisory partners)</p> <p>New Advisory Group established – with the incorporation of other organizations to broaden the participation of external institutions in INTOSAI standard-setting activities (GIZ, OECD, CIPFA, GIFT and ICGFM)</p> <p>Following up the work of standard setting organizations through the participation of INTOSAI representatives in their boards and councils</p> <p>Participating in the SCEI deliberations</p> <p>GB agreement with the understanding that the effective date of pronouncements are after GB has referred them to the Congress for final endorsement.</p> <p>Participating in the Advisory Group for the IIA project of reviewing the Three Lines of Defense Model (ICS)</p> <p><i>Key Risks:</i></p> <p>Excessively long development periods for new and revised standards. <u>Mitigating actions:</u> Monitor the development of individual projects to make sure they are following the agreed timetable; New advisory function does not bring the intended improvements to the standard setting process. <u>Mitigating action:</u> formalize commitments and actively communicate with partners to ensure high level of engagement.</p>
Crosscutting Priority (as per SP 2017-22)	Progress indicator	Action items and other comment
<p><u>Crosscutting Priority 5:</u> Building upon, leveraging, and facilitating cooperation and professionalism among the regional organizations of INTOSAI.</p>	<p>SDP implemented</p> <p>Support in standard setting activities provided</p>	<p><i>On-going activities:</i></p> <p>Implementing the SDP, to provide high quality professional pronouncements for the SAIs</p> <p>Participation of PSC subcommittees in the 3i Program, following the MoU signed with IDI</p> <p>Closer engagement with the regions with the participation in the Coordination Platform meeting.</p> <p><i>Key risks:</i></p> <p>Regional Organizations and PSC have different priorities regarding professional standards. <u>Mitigating action:</u> PSC to engage more closely to the regions to better understand their needs on ISSAI implementation and to consider the feasibility of including ISSAI implementation in the PSC work plan.</p>



INTOSAI
PSC

Professional
Standards
Committee

Approval of the Strategic Development Plan

The PSC Chair presents to the PSC-SC the proposal for the Strategic Development Plan (SDP) for the INTOSAI Framework of Professional Pronouncements (IFPP) - period 2020-2022. As defined by the Due Process for INTOSAI's framework of professional pronouncements, the SDP is a general strategy and a working plan for the development of the framework towards a clear, consistent and adequate set of professional pronouncements. Also according to Due Process, the content of the SDP should be approved by the PSC-SC.

The organization of the planning process and respective deadlines were approved by PSC-SC in 2018. The sources of inputs for the SDP were the individual SAIs and external stakeholders, the INTOSAI working bodies and a review of the IFPP made by FIPP. With all these inputs and the guidance provided by the PSC, CBC and KSC Chairs, FIPP prepared a document that was the basis for the proposal that the PSC Chair, with the support of the CBC and KSC Chairs, is now submitting to the PSC-SC, in line with Due Process.

On the occasion of the PSC-SC meeting in 2018, it was also decided that the SDP would have six years of duration (2020-2025). However, the results of the broad consultation within INTOSAI and with external stakeholders, the review made by FIPP and the assessment from the Goal Chairs, indicated that the best approach for the next SDP would be to have a plan dedicated to a broader rethinking of the INTOSAI Framework of Professional Pronouncements in order to better define, scope and plan the future development of the framework. Therefore, we are proposing that the next SDP covers the period 2020-2022. This way, it will be also possible to fully align the following SDP to the next INTOSAI Strategic Plan, that will cover the period 2023-2028. The next three years will also be dedicated to the conclusion of the projects of the SDP 2017-2019.

After the PSC-SC approval, the SDP will be presented to the INTOSAI Governing Board for endorsement and will be launched at INCOSAI 2019.



INTOSAI

International Organisation of Supreme Audit Institutions

STRATEGIC DEVELOPMENT PLAN 2020-2022

For the INTOSAI Framework of
Professional Pronouncements

(01) Introduction



INTOSAI's VISION

Promote good governance by enabling SAIs to help their respective governments improve performance, enhance transparency, ensure accountability, maintain credibility, fight corruption, promote public trust, and foster the efficient and effective receipt and use of public resources for the value and benefits of their citizens.



A supreme audit institution (SAI) makes an indispensable contribution to the accountability and transparency of governance and public administration, thereby adding value to citizens and society. Their work benefits from a framework for professional audit practice based on universally accepted standards.

Recognizing this, INTOSAI established standard setting as a key element of its mission and strategic purpose. It was one of the main goals of its very first strategic plan (2005-2010) and – more than a decade later – there is a strong recognition of the need to continue to develop and build on the successes achieved.

Standard setting should be responsive, coherent, consistent, flexible, goal-driven (rather than structure-driven) and agile. Therefore a dedicated Strategic Development Plan (SDP) was established in 2016 and approved by INCOSAI, aiming to make the standard setting process more integrated and strategically focused. It comprised a general strategy, complemented by a work plan for individual activities.

The SDP guides the development of the framework, provides overall coordination of the work and helps plan for the effective use of INTOSAI resources. In doing so, it supports the achievement of the different INTOSAI goals that relate to professional standards, and their use.



INTOSAI's value chain is articulated around a strong interrelation between its main goals (professional standards, capacity building and knowledge sharing) and how they interlink. For example, the development of standards is guided by users' needs, and serve as basis for knowledge sharing and capacity development further along the cycle, as illustrated in the picture:



Also in 2016, INTOSAI adopted a new INTOSAI Framework of Professional Pronouncement (IFPP) covering the standards for public sector auditing. The new structure aimed to further the use and applicability of the ISSAIs as authoritative standards for public sector auditing, and provide guidelines to support SAIs and auditors in the implementation of those standards.

The first SDP, which covered 2017 to 2019, had a clear focus on migrating the existing ISSAI framework to the new IFPP. The migration process, and further observations and consultations carried out in preparation for this second SDP, showed to a large extent the need for improvement (including at a cross-cutting level) in the existing categories of pronouncements, rather than of the need for new documents on top of the existing ones.

As a consequence, this second Strategic Development Plan, which covers the period of 2020 to 2022, focuses on strengthening the holistic approach to how professional standards, capacity development and the sharing of knowledge should interconnect and interact to address the risks and challenges that INTOSAI and individual SAIs faces. Based on the inputs from a wide consultation and a technical review of the current documents, the

Evolution of INTOSAI's Goals on Professional Standards:

2005 – 2010

Goal 1 - Accountability and Professional Standards
Promote strong, independent, and multidisciplinary SAIs by (1) encouraging SAIs to lead by example and (2) contributing to the development and adoption of appropriate and effective professional standards.

2011 - 2016

Strategic Goal 1 – Professional Standards
Promote strong, independent, and multidisciplinary SAIs and encourage good governance, by: 1) providing and maintaining international standards of supreme audit institutions (ISSAI) and; 2) contributing to the development and adoption of appropriate and effective professional standards.

2017-2022

Strategic Goal 1 – Professional Standards
Promoting strong, independent, and multidisciplinary SAIs, and encouraging good governance, by: 1) advocating for, providing and maintaining the ISSAIs; and 2) contributing to the development and adoption of appropriate and effective professional standards.

present plan proposes a critical analysis of the IFPP in order to better define, scope and plan its future development.

Results of this reflection period will serve as input into the next cycle of INTOSAI strategic planning to be directed by the next Strategic Development Plan, both to take effect in 2023 after adoption by the XXIV INCOSAI in 2022.



INTOSAI's vision and motivation for the IFPP

The IFPP should inspire and support SAIs in producing high quality audits of relevance to the public and other key stakeholders, which contribute effectively to government accountability and promote transparency in public administration.

The IFPP fosters credibility and relevance of public audit, and the strengthening of its output and outcomes, by setting internationally recognized professional principles and standards that promote excellence in the application of methodology, and support the effective functioning of SAIs in the public interest. Ultimately, they strengthen public sector audit and the relevance of SAIs.

The following three objectives support the achievement of this strategic vision:

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

(02) Assessment of current situation



In 2016, the adoption of the new INTOSAI Framework of Professional Pronouncements differentiated between three categories of pronouncements and provided for future competency pronouncements. The old ISSAI framework was divided into INTOSAI Principles (INTOSAI-P), INTOSAI Standards (ISSAIs) and Guidance (GUID). The INTOSAI-P are founding and core principles which can be used as a reference when establishing SAI mandates and clarifying the role of SAIs in society. They also provide high-level prerequisites for the professional and credible functioning of SAIs. The ISSAIs are the authoritative international standards on public sector auditing. They represent the minimum level for SAIs to claim adherence to the standards. GUIDS provide guidance to support both SAIs and auditors in supporting the implementation of standards in practice, and addressing specific subject matter. The ISSAI 100 - Fundamental Principles of Public Sector Auditing was established at the centre of the framework, and all other pronouncements are intended be consistent with it.

Since then, INTOSAI standard setting activities have focused mostly on promoting the effective implementation of the new IFPP by either revising documents or relabelling and renaming them according to the new categories. This process has highlighted a number of challenges in establishing and applying the new framework, which were supported by information obtained from user SAIs, the INTOSAI community and external stakeholders during the consultation exercise.

1. Some documents in the framework are outdated.

Some pronouncements, especially early INTOSAI documents, contain text that has, for most practical purposes, long been surpassed by more recent content elsewhere in the IFPP, as well as developments more generally.

Also, as part of the migration process, a number of pre-existing ISSAIs and INTOSAI GOVs have been relabelled and renumbered into the IFPP as part of the migration process *without* revising and aligning them with the new purpose and format of INTOSAI Guidance.

2. No evidence that pronouncements are fulfilling their intended purpose.

For example, the Global SAI stocktaking report 2017 and stakeholders input show an increased risk of SAI independence being undermined. The IFPP covers SAI independence in many of its pronouncements, but there is no evidence of how SAIs use the documents and implement the requirements in practice, and how far they are effective and meet needs. Evidence could show that the IFPP needs to strengthen its provisions in this respect, and how to do so.

3. Duplication and lack of consistency across the framework as a whole (format, use of terms etc).

There is a significant number of overlaps, duplications (and even conflicting messages) across the framework . For example, current INTOSAI-Ps include outdated terminology and sometimes do not reflect the concepts in the ISSAIs (such as the three types of auditing defined by ISSAI 100). Inconsistencies and duplications were also found across ISSAIs 100–499, which can be considered the heart of the framework and therefore of fundamental importance.

4. Lack of clarity on key concepts

The need for clarification on what ISSAI compliance means in practice, including possible independent assessment of an SAI's audit practice, was identified. In spite of the common basis established by ISSAI 100, there are variations in the way different INTOSAI bodies understand different concepts across the framework.

5. Lack of overall adherence to ISSAI 100

One of the main strategies of the IFPP was to put ISSAI 100 at the centre of the framework. An overall assessment to bring existing documents to conform with ISSAI 100 was not carried out as part of the migration process. Furthermore, there may be scope to improve the clarity of ISSAI 100.

6. The best format/solution to provide guidance for auditing in rapidly changing and emerging issues

During the consultation, SAIs have showed great interest in having additional support to audit areas such as the United Nations' Sustainable Development Goals, and to address challenges like fraud and corruption. The current framework contains a number of subject matter guidance documents supporting audit in areas like information technology and disaster-related aid. But given the long development process to prepare and approve pronouncements that enter the IFPP, and the fast changing nature of many of these issues, there is a challenge to keep those documents relevant, useful and up-to-date.

7. Lack of valid and reliable data on SAIs auditing practices in relation to the ISSAIs

There is a need to gather valid data on the use of pronouncements, either through existing sources or by developing new approaches where needed. Implementation data feeding back into the standard setting process can improve the quality of the IFPP, identify challenges that need to be addressed and the continued usefulness of individual documents, as well as help detect barriers to implementation.

8. Unclear distinction between categories in the IFPP

Some of the on-going projects in the 2017-2019 SDP have shown the need to further clarify and build on the definitions of the three categories of the IFPP.

Users' perspectives

The key to making the framework as relevant as possible is to take further look into the uses, and motivation for those uses, when implementing the standards. This can provide support to defining a strategy to address these issues.

The consultation and previous INTOSAI surveys show that SAIs mainly use INTOSAI standards as a basis for establishing their own standards and as support for developing their methodology. As a dynamic process, this should mean that changes in INTOSAI standards will result

in changes to SAI internal documents. The legitimacy of the standards as internationally recognized (and tested) principles and practices are the most common motivation for applying the standards, according to SAIs. As such, they provide a benchmark for quality control and assurance, and by representing a certain level of harmonisation (and thus consistency) they provide greater legitimacy for users. INTOSAI standards are also the source of guidance for issues not covered sufficiently by internal material.

To best serve SAIs, they need to be up-to-date and establish an appropriate minimum level to be applied by all SAIs. In this sense, they can also be used as tool for advocacy. So, as well as maintaining their aspirational aspect, it is just as important to guarantee their legitimacy as authoritative, representative and comprehensive documents.

Possible issues arising from the implementation of standards were more difficult to identify. The use by SAIs of assessment tools like iCAT and SAI-PMF does not seem to provoke a reflection on the usefulness of the framework, or its gaps and other opportunities for improvement.

Overall, there seems to be little awareness that by implementing the standards, SAIs have an important role to play in the standard setting process through the provision of feedback. One reason might be that most SAIs use INTOSAI standards as basis of their own standards, therefore actual or perceived gaps or any need for adaptation (or calibration) are covered in their national standards. Another possibility is that with very little data on ISSAI implementation in practice, SAI experience is seen as a collection of individual narratives, rather than reflecting overall trends.

(03) What is to be achieved by 2022

Given the challenges already identified, and the need for further research and reflection in order to move forward and realize INTOSAI's vision for the IFPP, this Strategic Development Plan proposes a comprehensive review of the existing framework in its entirety. During this period, on-going projects (from the previous SDP) will not be interrupted. However, the results of these projects, as well as any newly endorsed pronouncements, may need to be updated to accommodate the outcome of the review (along with the existing documents in the IFPP). Scheduled maintenance dates of existing documents will need to be suspended to await the outcome of the review.

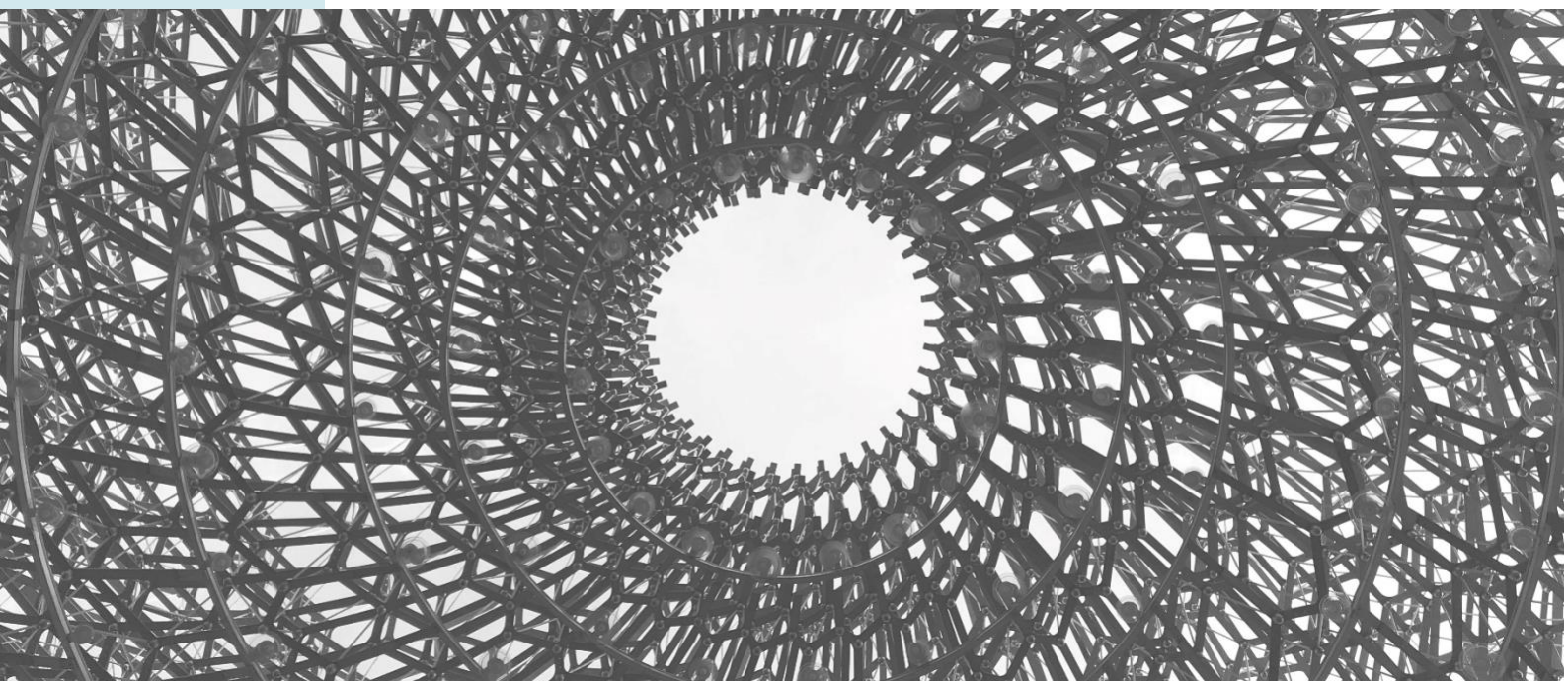
The main output of the 2020-2022 Strategic Development Plan will be a proposal for a revised IFPP, and list of projects, prioritised as necessary, to implement the changes in the coming years.

The proposal will reflect the long-term objectives of the IFPP, and lead to framework that is consistent in its concept, coherent in its structure and clearer in its content. The project list will be the result of a thorough preparation based on sound evidence of existing practices and the challenges SAIs face, so ensuring that each project has a clear scope and objective and addresses relevant needs.

Initiatives will be carried out in two phases:

1st phase – refining the conceptual framework: defining and agreeing why we have standards and the material that supports them, and the principles behind the approach, structure and content.

2nd phase – identifying specific projects and initiatives needed to achieve the conceptual framework, and sequencing and prioritising them.





Competency pronouncements (COMPs)

In parallel, the development of the Competency pronouncements (COMPs) will be launched, with individual projects following the steps in due process.

These objectives and strategies are closely aligned with the goals and crosscutting priorities of the current INTOSAI strategic plan. This three-year plan also aims at aligning the standard setting planning process with the overall INTOSAI strategic planning, so that results and future needs of standard setting can feed into the latter, and future INTOSAI strategic aims can be reflected in standard setting priorities.

Implementing the Plan

The implementation of this Plan will require the establishment of temporary arrangements drawing on resources across INTOSAI. This will recognise that INTOSAI bodies are the centres of excellence in specific matters, but are also responsible for contributing to crosscutting initiatives in the interest of INTOSAI.

Goal chairs will be responsible for the overall coordination for the implementation of the two phases of this plan, and will count on the close cooperation and support of other INTOSAI working bodies, including the recently established technical support function. FIPP in its important role of quality control will use its expertise to promote clarity and consistency.

(04) How will we get there?

Summary of proposed initiatives

The following initiatives will be carried out in order to achieve the specific objectives of the two phases. These initiatives are largely interrelated. Some sequencing may therefore be necessary.

1st Phase: Refining the conceptual framework.

In order to deliver a revised conceptual framework and a proposal for a uniform structure and format for INTOSAI pronouncements, including directions presenting and preparing them, the following initiatives have been identified as needing to be addressed.

1.1 Format of the INTOSAI Principles - Improved classification principles and development of drafting conventions

The objective of this initiative is to:

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

The current INTOSAI-P's include terminology that needs updating, concepts that need aligning (for example the three types of auditing defined by ISSAI 100). In addition there are overlaps and redundancies that need to be addressed.

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

1.2 Format of the ISSAIs - Principles, requirements and application material / drafting conventions

The objective of this initiative is:

To define a structure and format of the ISSAIs which will support SAIs in performing high quality audits, as well as providing INTOSAI with a clear and coherent set of standards.

The IFPP (and particularly ISSAI 100 at its centre) provide the key definitions for the purpose and authority of the ISSAIs, the concepts of the three types of public sector auditing and the distinction between ISSAIs providing auditing principles, organizational requirements and auditing standards. There is a need to further develop, and improve consistency and clarity in format and presentation of the full set of ISSAIs. The audit standards need to set sufficient requirements to assure audit quality, but also to provide these requirements in a way that gives flexibility and safeguards the sound professional judgement of individual auditors. The standards need to accommodate different audit tasks under different circumstances. This will involve identifying and assessing a range of solutions, as well as making a comparison with standards from other sources as well as the challenges these other standard-setters face.



1.3 Format of the COMPs - Standards and guidance: classification principles and drafting conventions

The objective of this initiative is:

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

The purpose of the COMPs will be to describe and define the competencies relevant for public sector auditing. This will include the general and specific competencies, which are relevant for the three general types of auditing defined by ISSAI 100. By defining these competencies as part of the IFPP, INTOSAI will create a much stronger common basis for its future activities of professionalization and competency development.

The first important step will be to define a format for the COMPs in line with the general conventions of the IFPP.

1.4 Key concepts - Comparing and refining concepts used across the framework

The objective of this initiative is:

To develop a list of concise definitions of the concepts laid down by ISSAI 100 and used throughout the framework.

This initiative will include identifying and comparing the different concepts used across the current framework, and elaborate a common understanding of them in order to develop a comprehensive list of definitions.

The ambition will be to provide a list of definitions that are:

- easy to understand and translate;
- fit for the purpose of current and future ISSAIs;
- universally applicable across INTOSAI and its member SAIs; and
- complete in their coverage of public-sector auditing.

1.5 Gathering evidence - To ensure that the ISSAIs are complete and universally applicable, and to identify challenges in their implementation and compliance

The objective of this initiative is:

To gather evidence on the various different engagements undertaken by SAIs throughout the INTOSAI community in order to assess the relevance and suitability of the current framework, identify practical challenges SAIs face in applying it and use the insight to update and refine the basis for the framework.

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

- how well the concepts and distinctions made by the ISSAIs cover the range of SAI audit tasks;
- to what extent and how the ISSAIs are currently used by SAIs within their audit processes; and
- whether there are specific challenges in implementing the ISSAIs and achieving compliance with the ISSAIs that need addressing.

1.6 Conceptual framework for an improved IFPP

The objective of this initiative is:

To prepare a revised conceptual framework for an improved IFPP that can enable INTOSAI to set clear, relevant and consistent standards.

Once the revised conceptual framework has been agreed, it will be necessary to define the planning of the updates to individual announcements. Dependent on the progress achieved in 2020–2022, this may be within the midterm review of this SDP, or as part of the 2023-2025 SDP.

What will be defined by the conceptual framework?

Dependent on the insights gained in the process the conceptual framework may cover:

- the key concepts used to describe, classify and compare different individual audit engagements;
- the key concepts relevant for defining the audit process, and the considerations, judgements and procedures involved in an audit;
- the key concepts relevant for addressing SAI organizational requirements;
- supplementary terminology covering different attributes and circumstances in relation to these key concepts;
- how the key concepts are interlinked and used, and what function they serve for the auditor in an audit process;
- how the text of the pronouncement convey the conditions under which individual pronouncements, as well as individual principles or requirements, are relevant and applicable to the individual case;
- how the text within the different categories and subcategories of ISSAIs defined by the IFPP are structured into separate pronouncements; and
- how the different elements of the text of the ISSAIs – principles, requirements and application material – are used in the different categories and subcategories of ISSAIs defined by the IFPP.

2nd phase - identifying specific projects.

To provide the next planning cycle with a robust set of proposals for initiatives, this second phase will scope and prioritize projects to deliver the improvements identified by the first phase. This is an initial list based on issues identified in the consultation period. These proposals may need to be updated and adjusted based on the outcome of the 1st phase.

2.1 Status of the Lima Declaration - Consider if the Lima Declaration remains fit for purpose as the basis for key principles in the framework

The objective of this initiative is to:

Assess how INTOSAI-P 1 The Lima Declaration from 1977 continues to be used by SAIs today, and if a revision is necessary to update the content, notably to best support SAIs in advocating for sufficient independence.

The Lima Declaration should be reassessed in light of the developments that have taken place since 1977 in public financial management, the public audit profession, and the content of the IFPP.

The intended outcome of this initiative will be a proposal to INTOSAI on how to treat the Lima Declaration as an historic document, and how an updated iteration of its content should be included in the IFPP

2.2 Scoping: organizational requirements - Project including revision of ISSAI 140

The objective of the initiative is:

To define the scope of a project aimed at providing clear, consistent and adequate standards for the organisation of quality control within SAIs taking into account different organisational models, and ensuring consistent use of terminology. Furthermore, the project should take account of revised ISQC 1 and new ISQC 2, once they are approved.

2.3 Scoping GUIDs - completing the migration to IFPP: projects to revise/withdraw Pre-IFPP documents

The objective of this initiative is to:

To define the scope and planning of a project to complete the consolidation of auditing guidance by revising or withdrawing pre-IFPP documents

A number of pre-existing ISSAIs and INTOSAI GOVs have been relabelled and renumbered into the IFPP without revising and aligning them with the new purpose and format of INTOSAI Guidance. The initiative will aim at assessing how the current documents are used and the future need for guidance.

2.4 Key topics

Several inputs to the new SDP pointed out a need for the IFPP to address fraud, corruption and other irregularities, as well as audits on UN goals. This initiative will seek to:

- Provide an assessment on how the existing ISSAIs and GUIDs are used by SAIs in audits related to the UN Sustainable Development Goals and determine whether there are unaddressed needs for guidance in relation to such global goals defined by UN.
- Provide an assessment on how the IFPP can provide improved support to SAIs to address fraud, corruption and other irregularities in connection with audits carried out in line with the ISSAIs.

3. Competency Pronouncements

The purpose of the COMPs will be to describe and define the competencies relevant for public sector auditing, and further explore dimensions of the professionalisation / capacity development processes that may need to be addressed through professional pronouncements.

This will include the general and specific competencies that are relevant for the three general types of auditing defined by ISSAI 100 as well as the processes required to credibly develop these. By defining these competencies as part of INTOSAI Professional Pronouncements INTOSAI will create a much stronger common basis for its future activities of professionalization and competency development.

The overall aim of this group of initiatives will be to launch of the first projects to develop INTOSAI professional pronouncements on the relevant competencies of auditors undertaking financial, performance and compliance audit work based on the ISSAIs.

The key initiatives to be carried out in the development of the COMPs are:

- Determining the appropriate foundation for competency development in the existing standards
- Converting the competency framework into pronouncements (standards and guidance), using as reference the document “Developing Pathways for the Professional Development of Auditors in a Supreme Audit Institution” produced by the Task Force on Auditor Professionalisation.
- Exploring further requirements, if any for work on the COMPs section.

Strategic Development plan 2020–2025

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1. Introduction to SDP 2020–2025

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

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

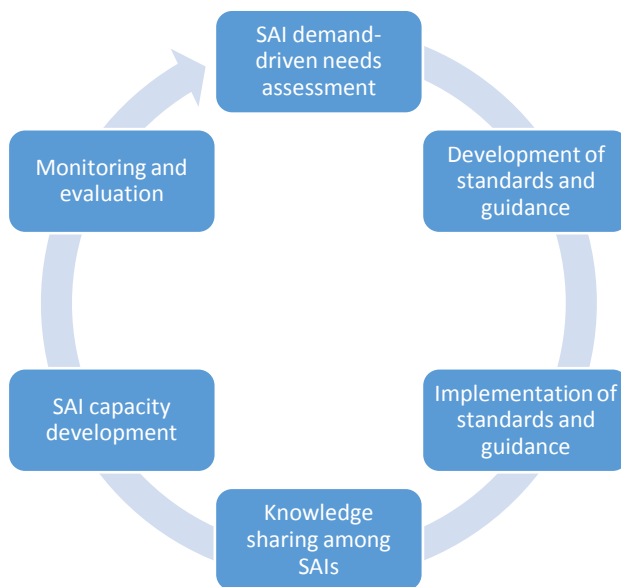
INTOSAI has identified five crosscutting priorities that provide the underpinning of how INTOSAI will focus its work to achieve its goals in the coming years.

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

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

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

These interconnections are summarized in the following diagram:



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

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

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

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

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

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

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

Looking into the framework - assessing needs and understanding users

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

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

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

INTOSAI Principles (INTOSAI-P)

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

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

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

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

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

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

International Standards of Supreme Audit Institutions (ISSAI)

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

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

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

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

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

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

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

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

Auditing Guidance (GUID)

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

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

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

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

Competency standards (COMP)

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

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

There are no ongoing projects within this group of pronouncements.

Other key topics

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

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

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

Roles and Responsibilities

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

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

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

Goal Chairs

PSC-SC

FIPP

Working bodies

TSF

SCEI

IDI

Regions

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

1. INTOSAI Principles (INTOSAI-P)

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

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

2. International Standards of Supreme Audit Institutions (ISSAI)

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

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

3. INTOSAI Guidance (GUID)

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

4. INTOSAI Competency Pronouncements (COMPs)

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

5. Key topics

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

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

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

3. Tentative initiatives foreseen in 2022–2025

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

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

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

4. The detailed list of initiatives

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

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

This plan consist of initiatives to improve the quality of each of the classes of pronouncements, as well as initiatives to address more specific needs for new pronouncements. Prerequisites for improved quality are among others a set of clear and understandable key concepts as well as drafting conventions¹. The experience from the last SDP from 2016 is that there is a need to involve past and future drafters of ISSAIs in FIPP's work to develop drafting conventions. This involvement is important in order to draw on all available expertise as well as ensuring that the common understanding reached through the process is disseminated and carried over into future project groups when the drafting starts.

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

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

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

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

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

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

1. INTOSAI Principles (INTOSAI-P)

Strategic focus:

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

Relation to INTOSAI Strategic Plan 2017–2022:

This strategic focus will contribute to:

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

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

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

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

A successful outcome will depend on the progress achieved towards:

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

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

New initiatives in support of this strategic focus:

1.A. Status of the Lima Declaration

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

The objective of this initiative is to:

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

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

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

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

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

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

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

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

1.B. Format of the INTOSAI Principles

Improved classification principles and development of drafting conventions

The objective of this initiative is to:

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

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

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

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

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

Overview with of the current set of INTOSAI Principles

Founding principles

INTOSAI-P 1 The Lima Declaration – endorsed in 1977

Core principles

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

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

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

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

2. International Standards of Supreme Audit Institutions (ISSAI)

Strategic focus:

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

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

Relation to INTOSAI Strategic Plan 2017–2022:

This strategic focus will contribute to:

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

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

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

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

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

A successful outcome will depend on the progress achieved towards:

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

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

New initiatives in support of this strategic focus:

2.A. Format of the ISSAIs

Principles, requirements and application material
– drafting conventions

The objective of this initiative is:

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

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

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

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

2. B. Key concepts

Comparing and refining concepts in ISSAI 100/other ISSAIs

The objective of this initiative is:

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

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

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

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

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

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

2. C. Gathering evidence

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

The objective of this initiative is:

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

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

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

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

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

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

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

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

The purpose of the initiative is:

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

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

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

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

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

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

The objective of this initiative is:

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

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

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

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

What will be defined by the conceptual framework?

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

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

3. INTOSAI Guidance (GUID)

Strategic focus:

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

Relation to INTOSAI Strategic Plan 2017–2022:

This strategic focus will contribute to:

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

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

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

A successful outcome will depend on the progress achieved towards:

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

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

New initiatives in support of this strategic focus:

3.A. Completing the migration to IFPP

Establishing a process to address Pre-IFPP documents

The purpose of the initiative is:

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

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

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

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

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

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

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

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

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

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

3.B. Scoping – Pre-IFPP documents

Projects to revise/withdraw Pre-IFPP documents

The purpose of this initiative is to:

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

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

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

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

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

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

4. INTOSAI Competency Pronouncements (COMPs)

Strategic focus:

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

Relation to INTOSAI Strategic Plan 2017–2022:

This strategic focus will contribute to:

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

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

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

A successful outcome will depend on the progress achieved towards:

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

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

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

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

New initiatives in support of this strategic focus:

4.A. Format of the COMPs

Standards and guidance - classification principles and drafting conventions

The purpose of this initiative is:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4.B. Scoping - COMPs

Projects on competency standards/guidance

The purpose of this initiative is:

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

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

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

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

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

5. Key topics

Strategic focus:

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

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

Relation to INTOSAI Strategic Plan 2017–2022

This focus will contribute to:

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

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

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

A successful outcome will depend on the progress achieved towards:

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

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

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

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

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

Initiatives to be taken in support of this strategic focus:

5.A. SDGs and future UN goals

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

The objective of this initiative is to:

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

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

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

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

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

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

5.B. Fraud and other irregularities

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

The objective of this initiative is to:

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

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

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

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

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

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

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

5.C Scoping

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

The objective of this initiative is:

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

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

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

5. Overview of projects launched in 2016–2019

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

Projects launched in 2016–2019

INTOSAI-P 10 – Mexico Declaration on SAI Independence (limited revision) – COMPLETED
INTOSAI-P 50 – Principles on the jurisdictional function of SAIs (new) – SDP 2.12 added in 2017

ISSAI 200 – Financial Audit Principles (revision) – cf. SDP 1.2.
ISSAI 2000s – Application of Financial Audit Standards (consolidation) - cf. SDP 1.3

GUID 2900s – Financial Audit Guidance (new) – cf. SDP 2.1
GUID 4900 – Compliance Audit Guidance (new) – cf. SDP 2.2
GUID 5000 – Applying ISSAIs in combined audits (new) – cf. SDP 2.3
GUID 5100/5001 – Auditing of Information Systems/Security (consolidation) - cf. SDP 2.8
GUID 5150 – Assessing the Internal control (NB! Project approval is pending) – cf. SDP 2.5
GUID 5160 – Use of work of internal auditors (consolidation) – cf. SDP 2.6
GUID 5260 – Guidance on audits of public debt (consolidation) – cf. SDP 2.9
GUID 5280 – Guidance on audits of public procurement (consolidation) – cf. SDP 2.11
GUID 5290 – Guidance on audits of key national indicators (new) – cf. SDP 3.10 added in 2017
GUID 5xxx – Guidance on audits of privatizations (consolidation) – cf. SDP 2.7
GUID 5xxx – Guidance on audits of public-private partnerships (consolidation) – cf. SDP 2.7
GUID 5xxx – Guidance on audits of disaster management (consolidation) – cf. SDP 2.10

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

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