



INTOSAI

Goal Chairs
Collaboration
PSC – CBC – KSC

Creating a more strategic and agile INTOSAI: Introducing flexibility in endorsing pronouncements

1. The decisions made during the XXII INCOSAI held in Abu Dhabi in December 2016 brought many changes to the standard setting process in INTOSAI as part of the overarching goal of strengthening the standard process in the organization. On the occasion, members adopted a revised due process for INTOSAI's Framework of Professional Pronouncements – Procedures for developing, revising and withdrawing the International Standards of Supreme Audit Institutions (ISSAIs) and other pronouncements (from here on referred to as due process). The Forum for INTOSAI Professional Pronouncements (FIPP), created as a temporary group in 2015, became a permanent body of the organisation and a Strategic Development Plan for the INTOSAI Framework of Professional Pronouncements (SDP) was approved.

2. Due Process defines the procedures through which INTOSAI issues professional standards and other pronouncements, ensuring that they are subject to a suitable and adequate consultative process and level of scrutiny, and also that they follow a quality control process to ensure consistency. The revised document introduced improved mechanisms to ensure transparency, accountability and quality in INTOSAI standard setting.

3. The FIPP, formed by technical experts, has now the general responsibilities for the content and quality for all INTOSAI pronouncements. It will function as a single entry point into the ISSAI Framework and thereby a more uniform approval process for the ISSAIs and any other pronouncements included in the ISSAI Framework. To do so, the FIPP engages actively in the standard development process by closely following the development of draft proposals and ensuring their technical quality and consistency. It also defines the appropriate level of requirements for public sector auditing and approves their inclusion in the IFPP.

4. The SDP is a new planning instrument for the development of the content of the framework. It is a practical and flexible working tool intended to ensure continuous overall planning and coordination of the standard-setting work undertaken of INTOSAI working groups. The plan provides the general strategy and overall working plan for the development of INTOSAI principles, standards and guidance. It lays out a common path for all contributing working groups towards the overall goal of a high quality set of standards for public sector auditing.

5. These changes are expected to bring substantive improvements to the INTOSAI standard setting process and will in result in a new and revised framework that is clearer, more coherent and reliable, and comprises pronouncements of a the necessary high quality.

6. Due Process states that:

“New pronouncements become part of INTOSAI's framework of professional pronouncements on the date they take effect, (...) A pronouncement cannot take effect before the Governing Board has considered the endorsement version and decided to refer it to INCOSAI for endorsement.” (item 2.1, Stage 4)



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7. Due Process, by establishing that a pronouncement can become a part of the INTOSAI Framework of Professional Standards after the Governing Board has referred it to the Congress, ensures more flexibility and allows for a greater responsiveness of the whole standard-setting process.

8. It is important to notice that the INTOSAI statutes do not explicitly refer to the process of endorsing professional pronouncements. The relevant sections are Article 4, paragraph 5, subparagraphs e) and f), which state respectively:

Article 4: Congress

The tasks of Congress are

e) *to endorse Due Process for INTOSAI's Framework of Professional Pronouncements – Procedures for developing, revising and withdrawing the International Standards of Supreme Audit Institutions (ISSAIs) and other pronouncements on www.issai.org;*

f) *to deal with all matters brought before the Congress by the Governing Board;*

Hence, the INTOSAI Statutes do not act as a constraint in respect of this matter.

9. Thus, keeping in line with INTOSAI's goal of making INTOSAI more strategic and agile that is alert to and capable of responding to emerging international opportunities and risks (crosscutting priority 4, as part of the INTOSAI Strategic Plan 2017-2022), considering the considerable efforts put in place to strengthen and improve due process, and the risk of affecting the whole process of approval of standards with unnecessary delays, the **Goal Chairs would like support from this Governing Board to clarify the interpretation that new (and revised) pronouncements are able to take effect after the Governing Board has referred them to the final endorsement by INCOSAI.**

10. This decision would:

- ENABLE INTOSAI to have the flexibility to have the IFPP updated according to a yearly cycle, rather than just every three according to the Congress schedule;
- NOT take away from Congress the power over the final endorsement of pronouncements as mandated in the due process. Current INTOSAI Statutes do not mention the Congress's responsibilities on this matter, but all new and revised pronouncements would still be taken to Congress for final endorsement by the whole SAI community; and
- ENSURE transparency of the process by accompanying those pronouncements pending INCOSAI endorsement by a standard phrase, such as "NB: This document was approved by the INTOSAI governing board on [date], which referred it to the [no] INCOSAI on [date] for endorsement.";
- NOT compromise the quality of the pronouncements since, with a more rigorous approval process set in place after 2016 and stronger control points being inserted in the process, the risk of INCOSAI not endorsing a pronouncement referred by the governing board is extremely low; but
- In the event that INCOSAI does not endorse a pronouncement, that pronouncement will be immediately withdrawn from the framework and reintroduced into the process for further revision as appropriate.