



PSC - INTOSAI standard setting

# Rigsrevisionen

Total report

Additional comments provided in Q14 and Q19

Number of answers: 155

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**14 If you have additional comments to the experience you have gained through your involvement in developing or approving ISSAIs/INTOSAI GOVs, please provide them here.**

**Answer**

The process is strongly conditioned by - a predominantly SAI to SAI dialogue and focus; - the INTOSAI context reflecting a wide variety of national and professional cultures;- a spirit of accommodating all points of view/practice sometimes at the expense of clear statements of requirements;- the non-existence of any standardised, INTOSAI wide, quality assurance/compliance assesment processes or reporting; and- the willingness of drafting group members to prioritise the common (INTOSAI) good over national/other motivationsability and the ability to reach acceptable, professionally

Solid process, very inclusive. Worthwhile participation that enabled easier implementation in own SAI

Active coordination and online platform communication between all related parties (between SAIs developing the ISSAIs, external parties, and other members of working group or SAIs commenting on the ISSAIs) are very important to ensure the quality of the ISSAIs developed

The standard development work could have benefitted from more coordination between INTOSAI Subcommittees in the development process, with a view to enhance the interrelatedness between the auditing standards of financial audit, performance audit and compliance audit.

Just a warning: some questions apply differently to different groups. For instance: I believe that for someone working for the HP having all audit types represented is essential, but this is not true for the ones that worked only in ISSAIs related to FA or PA, for example. Another important issue: as training on the ISSAIs has been not been a priority until 2 years, many members of the subcommittees are there to learn. My advise: use clusters could help.

A transparent, inclusive and target-oriented mechanism for developing and updating ISSAIs/INTOSAI GOVs is very necessary for producing high quality standards. More experts on Public Sector Auditing, Law and Public Administration should be invited to compose a specialized team or standard-setting body.

My experience and involvement in CAS and Harmonisation project and in developing ISSAIs is strongly used not only within our SAI to help implementation ISSAI into day to day auditing praxis but also for dissemination and promoting ISSAIs in national environment with other public auditing bodies.

I felt that important strategic questions raised in the meetings, by external stakeholders, were not adequately considered and addressed in the standard setting and regulation process.

Most of the committees have too few members who are really expert in the field. The culture of most Committees does not welcome challenge even where it is offered constructively. Most committees do not actively engage with stakeholders outside the INTOSAI community. This is a key gap in the due process around ISSAIs and means we lose an important opportunity to grow wider recognition and acceptance of the ISSAI framework.

-Main learning point was the exposure to different audit scenarios in different countries and to find a common meeting point.-Second point was the importance of getting all SAIs to follow a minimum common framework.

The linkage between the ISSAI 4000-series and the ISSAI 1000-2999 series should be more emphasised as SAI work is primarily concerned with compliance issues. Therefore FAS and CAS should move to a more advanced application process and notably elaborate further on the 4000-series.

It has been very useful to learn about the due process to develop an ISSAI and the chance to interact with other SAI to enrich the draft ISSAI. The PSC colleagues do provide a good assistance to our questions regarding the process.

I learned the pros of issuing a standards, the requirements, reviewing and ensuring all facts are of high standards, understandable, can be implemented and useful for all auditors

In my view the working group worked well in developing the draft ISSAI. This was helped by a strong Chair with a clear vision of what the working group should achieve, good organisation and support and encouragement to all on the group to make an effective contribution by drawing on their respective expertise and experience. While not all the group had the expertise to develop authoritative auditing standards collectively the group had the expertise to produce a relevant and balanced ISSAI.

It is helpful when the objective of the task is clear and the necessary time and resources are available to develop/up-date standards. In addition, hands-on experience in auditing - in more than one field for a number of the participants is very useful. This ensures commitment and high quality of the standards

Unbalance between ISSAI au financial audit (1000) and ISSAI 3000 and 4000, less professional.

Sometimes the quality process is compromised by the lack of time or lack of knowledge. There are inconsistencies between different documents. There is a mix of guidance and standards and other superfluous information in the ISSAI framework which is not easy to follow and detracts from the overall quality. The need for some developments is not always clear and there is no survey of what other guidance/standards may be required by SAIs. There is a delay in responding to changes in technical developments by other

I had a lot to learn from the experience of others

Well, thank you for giving us such an opportunity. I would like to seize this occasion to provide you with a feedback regarding the translation into Arabic. Sometimes the translation of the standards into Arabic makes it difficult to understand the specific meaning. This is one of the issues I would like to raise.

I would prefer that the PSC had had a stronger hand on the process in order to decide the purpose of the documents on the different levels. We ended up with audit principles, audit standards and audit guidelines, and it is hard to see the difference between the principles and the standards.

Provide clear expectations (what is a standard really supposed to do?) - I think many people don't need all that much standards. Don't make a standard out of everything. Focus not only on ISAs as model - there is also evaluation papers by the UN, etc. Be more self-assured - we are SUPREME audit institutions. We can "make the rules"

We need to strengthen the training system in INTOSAI. We should make better use of the INTOSAI Training specialist. There is a lack of joint action in this regard.

The members of the revising group should communicate frequently to improve the quality of the revision.

We want to develop a specific standard for detecting money laundering through auditing

Even though the ISSAIs are expected to be generic in order to be implemented by all types of SAI, I do think that maintenance projects have to be based on typology studies. This study should help all working groups develop guidelines with more specific requirements.

Gain further experiences and knowledge from the working group especially the way how the working group does to present the product to respective committees and INCOSAI.

Working in an international group is not always easy because of the following reasons: 1) one meeting each year doesn't seem to be enough to discuss all the necessary issues (this is amended within the CAS starting 2014 with telephone conferences); 2) some SAIs tend to become members of INTOSAI's working groups in order to get information, best practice and experience from other members and cannot really contribute to the development of ISSAIs as they sometimes don't even perform the specific type of audit (CAS has some members who don't perform compliance audit); 3) some SAIs send to the annual meeting people who don't bring much contribution because they either don't have enough expertise, either they don't speak English at an acceptable level, either cannot express an opinion because they previously need the confirmation from the top management who is not present at the meeting, either don't really want to contribute significantly. Therefore the chair of the working group, though is always encouraging all members to contribute, in fact it has to rely on the work performed by a few members. I suggest that it would be helpful if the number of members could increase especially for the 3 main groups (FAS, CAS and PAS). Also the members should be selected only from those SAIs who can prove that they perform the type of audit they will have to develop the specific standards for. In addition, SAIs should be invited to send to the meetings only English speaking experienced people, who have a management position and are

In my opinion, the persons who prepared ISSAIs and/or INTOSAI GOVs should present their studies to PSC and KSC at the milestone of preparation process or members of mentioned committee should attend the meeting of working group with the aim of reflecting their experience into the studies.

I would like to add some information to the questionnaire because it was composed by closed questions. I was appointed to the PAS not only because I am involved in writing methods, but also because I have extensive experience in the field and as audit manager. I was also involved in standard setting, because part of the orientation issued by the methodology department is considered mandatory. The question do not permit to mark more than one option. I am very concerned about the participation of external partners in the PA standard setting process. They could add more value to the work. I am afraid they are not the proper partners for the work. However, there are two main issues in approaching new external partners. Firstly, the evaluation community is not well structured as the FA community. For this reason it is difficult to identify a single strong external partner. Secondly, some PA auditors have a law or financial background and do not see themselves as part of the evaluation community. The PAS has many members. 23% of them do not participate or has limited participation (we have been keeping track of participation). Some of them are there to get experience in international bodies, learn about PA etc. There is a good group composed by experienced auditors who have very strong views about PA. Sometimes, the need to reach a compromise leads to unclear or insufficient requirements and guidance.

Continue to harmonize with IFAC

Because there are different groups that "author" the documents, there is sometimes inconsistency between the format, presentation, and terminology of the various ISSAIs. It would be helpful to have criteria that describe when new ISSAIs/GOVs are needed and a mechanism for carefully weighing the costs/benefits of developing new guidance.

I think questions 8 and 9 should be repeated as many times as working groups / subcommittees we are work with, since it is my impression that the response provided in those questions significantly vary depending on the Chair's leadership, members' involvement and type of work conducted. Besides, I suggest including additional fields to refer the involvement in ongoing projects. What I mean is the available options only refer to approved ISSAIs, while for instance, the WG on Public Debt is still conducting analysis to issue an ISSAI and an INTOSAI GOV in 2016. It is hard to say, but we have experienced a case with lack of leadership from a WG Chair, while in other cases the WG members are quite committed, but the Chair provides guidance and follows-up the ISSAIs development and updating according to the Due Process.

People working on INTOSAI GOVs were "volunteers", lacking to some degree a professional approach to international standards drafting and missing links and insight (in)to the ISSAIs standards drafting in other PSC Subcommittees

The standard-setting structure of INTOSAI has worked so far, but it has become obvious that this structure is not viable in the long run. A permanent structure in line with the discussions within the PSC SC is absolutely crucial to establish in the near future. As different kinds of performance indicators is an essential part of public sector entities' financial statements or are issued in relation to the financial statements, this is an area that needs more attention by the PSC. The ISAs are not sufficient in this respect.

Few SAIs from developing countries have the financial means to contribute to - let alone: participate in - the work of INTOSAI. As a result, standard-setting is driven mainly the SAIs from the US, Canada, Europe, and India. This is unhealthy and undemocratic. As very few developing country SAIs will ask the World Bank or other international donors for money to take part in INTOSAI work (their priorities are domestic) INTOSAI will itself have to request such aid directly. Working through IDI is not an alternative as it is slow, bureaucratic, and reactive - it will not take initiatives.

The most valuable experience I had was the opportunity to deal with diverse background and expertise, which makes it a revealing and challenging job experience.

**19 If you have additional comments to resources or the INTOSAI Due Process, please provide them here.**

**Answer**

- The high level of inclusion in the development process has a cost in terms of time and (possibly) efficiency in reaching an Exposure Draft. But may reduce the number of key issues to be addressed thereafter (untested). - Funding of participants expenses could help level up opportunities to participate but I am not sure that automatically impacts levels of commitment. That stems from having the right people and has to be skills/competence based - also an issue for quality of outputs. - Current INTOSAI structures are quite slow to mobilise and outputs/responses (i.e. standards/guidance) are often a long way after the issue emerged. - Due process and classification processes are applied as written but the questions surfaced by the passage of ISSAI 12 are a strong indication that they are not sufficiently clear, complete or robust to underpin decisions that command the support of all INTOSAI

I believe the need to engage appropriate expertise and assess the practical application of whatever is approved through, for example, a sufficiently capacitated technical committee is essential to the long term credibility of any standard setting process.

The classification of ISSAIs on level 1 and 2 are still a concern that needs to be addressed.

Although some of the due process requirements are not all being met, they were never ever met as much as they are now. As regards to feedback and monitoring, this is only truly possible after implementation has been achieved in a big group of SAIs. This is not the case yet. If we want to strengthen the due process, we need to invest in implementation, not only in a standard setting body.

The INTOSAI Due Process should be strictly followed and the authority of PSC Chair should be highly respected.

The INTOSAI Due Process regime requires considerable strengthening. It needs to be clarified as to intent and to be made more transparent as to operation. Currently the only way to achieve influence in the design of ISSAIs is to be a full participant in the drafting group. Too often very little is done to canvass the views of the wider membership. My impression is that too little weight is given to member comments on exposure drafts and important points of principle are dismissed without proper consideration or debate. The Due Process does not do enough to actively engage

Intosai is producing too many and un-coordinated guidelines. Less is better.

In my opinion the translation of the draft ISSAIs before the final approval by the INCOSAI might cause difficulty, particularly if inside the corresponding INTOSAI body developing the ISSAI there are not members fluent in all the official languages. I guess PSC could provide assistance to SAI with this part of the process providing assistance with the translations.

The committee needs detailed review and feedback from members' countries before issuing as an INTOSAI STANDARD.

The working group pursued the development of a level 1 ISSAI following the Johannesburg Accord and produced headline principles which were well drawn and relevant with supporting guidance. This ISSAI was not a standard and this was rightly challenged at a late stage by one SAI. This dominated the discussions at that point and was very resource intensive. This was more a process issue about ensuring that a clear hierarchy is maintained within the ISSAI framework. This suggests that INTOSAI needs to have much clearer upfront criteria for what constitutes an ISSAI at different levels rather than leave this to a working group. I found the approval process unclear during the later stages. This process is obviously influenced by the unclear structure of INTOSAI.



Resources are under pressure to fit in developments between normal duties. sometimes the members and the chair do not have the required skills or knowledge for the project. The process does not cater for a quality process for all developments to ensure consistency etc across all developments

I don't have any information and experience pertaining to the INTOSAI Due Process because this is my first task related to INTOSAI auditing standards.

I don't think it is assured that a document passing through due process actually is approved of by a majority of SAIs. Documents just go through because nobody bothers to strongly disagree - but perhaps few SAIs really want the document. Also it would be impolite to be against the work of others. That is also because expectations are unclear in advance. On the other hand, due process is rather a lot of work and takes a lot of time. Real value is sometimes more in short and quick papers that just exchange views. The application of standards should be more clear or need more details for practicing them.

Although I believe that the INTOSAI Due Process is clear, maybe it is not sufficient. Some of the questions in the questionnaire reveals criteria that are not being complied with. The process of environment screening and follow up of implementation issues (clarity of guidance, cost of implementation etc) should not be an initiative of individual INTOSAI's bodies, but be fully integrated into the organization's processes.

Do not duplicate efforts give me to sub committees and do not override by higher committees

INTOSAI should continue to seek opportunities for leveraging the work of other standard setting bodies when it sets its own standards.

From my personal experience in my Regional Working Group, the availability of external funds DOES NOT guarantee a higher level of commitment from a working group's member/representative. The additional funds should be oriented towards relevant projects or, at least, to those SAIs with real lack of resources but just as a mean to guarantee the participation of SAIs from different regions, INTOSAI languages and audit models. The Due Process should go beyond the procedures to develop, revise or withdraw an ISSAI. It should include or be accompanied by a mechanism to assess the real involvement or participation of the WG / Committee's members. Otherwise, INTOSAI reputation could be put in risk or the Due Process could be undervalued (during the Exposure period) if the work is conducted by few SAIs disregarding the value added by SAIs from different audit models. The appropriate selection (professional profile and experience) of the SAIs representatives should be an aspect to consider in a revised Due Process. Also in relation to the Due Process, I consider that a recommendation should be included so as to undertake the revision process of an ISSAI even much before the defined deadline for revision: this is the case when, i.e. the results from a survey conducted by the relevant WG among the INTOSAI members and stakeholders, prove that the document is difficult to implement or is not useful in terms of its original objective. The WGs' and Committees' role to ensure that its ISSAIs and INTOSAI GOVs are being used by the INTOSAI Community, and to guarantee the proper implementation by the member SAIs, is something I hadn't consider before. Normally the WGs I have worked with have focused their energy in the development and revision processes, ignoring whether the SAIs could effectively use / implement the standards or

Maybe an electronic platform could be created or used for exchange of information and experiences among SAI staff involved in standards drafting along the process

It is important that the future structure of INTOSAI's standard-setting allows for a more efficient and speedy decision making. To safeguard further development and maintenance, additional resources has to be added. In-kind contributions are essential but basic funding from INTOSAI's general budget and external sources is crucial for establishing a sustainable standard-setting structure.

The feedback received from external partners is/was extremely useful, both in improving the quality of the standards and in raising INTOSAI's profile externally. Unfortunately INTOSAI lacks a mechanism to ensure permanent dialogue with its external partners.