

Revision of the Strategic Development Plan for the INTOSAI Framework of Professional Pronouncements 2017 – 2019

Introduction

The current Strategic Development Plan (SDP), adopted at the meeting of the Governing Board in December 2016, provides the general strategy and overall working plan for the development of INTOSAI pronouncements for the period 2017-2019. This important instrument was envisaged as a practical and flexible working tool to ensure continuous overall planning and coordination of any drafting work undertaken by working groups and/or subcommittees in INTOSAI.

According to the revised due process for INTOSAI's Professional Pronouncements (also adopted in December 2016), FIPP takes the initiative to propose amendments and updates to the plan as needed before it is finalised by the PSC Steering Committee and presented to the Governing Board for endorsement.

Considering the very tight timetable circumstances under which the current SDP was initially prepared, the PSC, CBC and KSC Chairs agreed on the need for a revision of the SDP in 2017. To do so, the Goals Chairs invited their subcommittees and working groups to carefully analyse the current SDP and suggest amendments they deemed necessary. In addition, the PSC-SC set out the issues which ought to be taken into account during the revision to ensure the SDP is as flexible and as relevant as possible¹. These inputs were forwarded to FIPP to consider when drafting their recommendations for the revision.

Based on the report by FIPP on the results of a review of the implementation of the 2017-2019 SDP conducted at its 5th meeting held in July 2017², and of a further communication by FIPP on

¹ PSC-SC recommendations on the SDP revision, 9 June 2017.

² Report on the Implementation as at 21st July 2017 of the INTOSAI strategic development plan (SDP) 2017 – 2019.

additional considerations for the revision of the SDP³, the PSC Chair submitted a proposal for a revision of the SDP 2017-2019⁴ which was approved by PSC-SC members.

Changes to the current SDP

Against this background, and having carefully considered the elements contained in the above communications, the PSC-SC now proposes the following amendments to the current SDP to be endorsed by INTOSAI Governing Board. The amendments are listed below **Box 1** and are reflected in red in the tables relating to Priorities 1, 2 & 3 in **Annex I**.

Box1: Proposed amendments to the SDP

- i. A technical amendment whereby the project on ISSAI 5300 (Guidelines on IT audit), which appeared in both Priorities 1 and 2, will be retained in Priority 2 only;
- ii. The inclusion of projects on the following
 - a) Public procurement audit (Priority 2)
 - b) SAIs with jurisdictional mandates (Priority 2)
 - c) Audit of Key National Indicators (Priority 3)
(N.B. the names and reasoning behind these projects as well as the working group(s) who will work on them are only defined provisionally at this stage. PSC-SC will complete the details based on information from FIPP.
- ii. The merger of projects 2.4 and 3.5 under Priority 3.

Conclusion

The Governing Board is invited to:

1. take note of this report and the proposals and to amend the SDP;
2. approve the revised SDP as outlined in Annex I of this document.

³Message sent by the FIPP Chair to the PSC Secretariat, 26 September 2017.

⁴ Letter from the PSC Chair to the members of the PSC-SC, 4 October 2017.

Annex I: Updated tables of Priorities 1,2 & 3

Priority 1 - Relabelling and renumbering (Table 1)

INTOSAI-P
ISSAI 1 The Lima Declaration is renumbered as INTOSAI-P 1 with no further amendments
ISSAI 10 The Mexico Declaration on SAI Independence is relabelled as INTOSAI-P 10
ISSAI 12 The Value and Benefits of Supreme Audit Institutions – Making a difference to the lives of citizens is relabelled as INTOSAI-P 12
ISSAI 20 Principles of transparency is relabelled as INTOSAI-P 20
ISSAIs
ISSAI 30 Code of Ethics is renumbered as ISSAI 130
ISSAI 40 Quality Control for SAIs is renumbered as ISSAI 140
ISSAI 300 Fundamental Principles of Performance Auditing is changed to ISSAI 300 Performance Audit Principles
ISSAI 400 Fundamental Principles of Compliance Auditing is changed to ISSAI 400 Compliance Audit Principles
GUIDs
ISSAI 3100 is moved to the GUID 3900 series
ISSAI 3200 is moved to the GUID 3900 series
ISSAI 5000 Audit of International Institutions is moved to the GUID 5000 series
ISSAI 5110 Guidance on Conducting Audits of Activities with an Environmental Perspective is moved to the GUID 5000 series
ISSAI 5120 Environmental Audit and Regularity Auditing is moved to the GUID 5000 series
ISSAI 5140 How SAIs May Co-operate on the Audit of International Environmental Accords is moved to the GUID 5000 series
ISSAI 5450 Guidance on Auditing Public Debt Management Information Systems is moved to the GUID 5000 series
ISSAI 5600 Peer Review Guidelines is moved to the GUID 1900 series
ISSAI 5700 Guideline for the Audit of Corruption Prevention is moved to the GUID 5000 series
ISSAI 5800 Guide for Cooperative Audit of Corruption Programs between Supreme Audit Institutions is moved to the GUID 1900 or 9000 series
INTOSAI GOV 9160 Enhancing Good Governance for Public Assets is moved to the GUID 5000 series
INTOSAI GOV 9300 Principles for External Audit Arrangements for International Institutions is moved to the GUID 5000 or 9000 series
INTOSAI GOV 9400 guidance on evaluation of public policies is moved to the GUID 9000 series

Priority 1 - Inclusion of references to UN resolutions and updating ISSAIs for financial auditing (Table 2)

N°	Project name (preliminary)	Existing material reviewed	Preliminary working group may be drawn from	Category
1.1	Updating the preamble of INTOSAI-P 10 to include a reference to the UNs resolutions (No further revision is foreseen)	ISSAI 10 in light of: The UN resolutions (will be implemented together with the change to INTOSAI P10)	<u>PSC/FIPP</u> : (The PSC working group on ISSAI 10 has been dissolved); INTOSAI General Secretariat	INTOSAI Principles
1.2	A more principles-based and future-proof ISSAI 200	ISSAI 200 in order to reduce the details and make the principles more robust in light of present and future changes in the ISA5A first review of ISSAI200 has already been made by the FAAS Secretariat	<u>PSC</u> : ISSAI 100/200 ad hoc group (dissolved); Financial Audit and Accounting Subcommittee INTOSAI Regions (any interested/relevant groups as needed)	ISSAI 200 Financial Audit Principles
1.3	Consolidate and improve INTOSAI practice notes to ISSAI5	All practice notes in ISSAIs 1200-1815 In order to retain the notes that can be classified as part of the ISSAIs (Application material) A new format may be considered	Financial Audit and Accounting Subcommittee	ISSAI

Priority 2- Tentative projects on guidance to support the use of the ISSAIs (Table 3)

N°	Project name (preliminary)	Reasons for the project (FIPP's considerations)	Existing material reviewed or included as sources	Preliminary working group may be drawn from	Category
2.1	Provide guidance on financial auditing	At the moment there is only limited practical guidance. (The practice notes to the ISA's provide application guidance on the individual ISA-requirements)	Practice notes (see project under Priority 1) Relevant materials in INTOSAI Regions and IDI Handbooks. The new 3100 and 3200 on performance audits may be relevant for comparison.	PSC: Financial Audit and Ac-counting Subcommittee IDI and INTOSAI Regions	Supplementary financial audit guidance GUID 2900-2999
2.2	Provide guidance on compliance auditing	At the moment there is only limited practical guidance. (The ISSAI 4100 and 4200 has been withdrawn)	Material developed by CAS Guidance developed by INTOSAI Regions and IDI. The new 3100 and 3200 on performance audits may be relevant for comparison.	PSC: Compliance Audit Subcommittee. IDI and INTOSAI Regions	Supplementary compliance audit GUID 4900-4999
2.3	Using ISSAIs in accordance with the SAT's mandate and carrying out combined audits.	The need for guidance on the strategic decisions an SAI needs to take on the basis of its mandate before it applies the ISSAIs (cf. ISSAI 100). The mandate defines the different types of audits and	No pre-existing guidance in the frame-work. PSC mapping of mandates from 2012. SAT database	PSC, KSC, CBC and IDI	To be determined (GUIDs)

		<p>engagements an SAI may carry out and ISSAIs need to be implemented accordingly.</p> <p>This may involve combined audits (cf ISSAI 100/23).</p>	<p>Experience from SAT PMF and IDI</p>		
2.5	<p>Consolidated and improved guidance on understanding internal control in an audit</p>	<p>There are several ISSAIs and other documents covering the same issues. There needs to be clear guidance on this subject.</p>	<p>INTOSAI GOV's</p> <p>9100-9130 on Internal control (revision already foreseen)</p> <p>Related ISSAIs in the 5000-series also dealing with internal control:</p> <p>ISSAI 1315. COSO</p> <p>Framework including the Entity Risk Management Framework</p> <p>+/+ ISSAI 5410 – IC on Public Debt</p> <p>+/+ ISSAI 5300 (endorsed in 2016 changed to GUID) and 5310 - IC on IT Audit, ISSAI 5450,</p> <p>IDI handbook on IT audit, the IT-audit of public debt.</p>	<p><u>PSC</u>:</p> <p>Internal Control Subcommittee;</p> <p>ISSAI 100 ad hoc group (dissolved);</p> <p>Financial Audit and Accounting Subcommittee;</p> <p>Compliance Audit Subcommittee;</p> <p><u>KSC</u>:</p> <p>Would be desirable to co-opt members from:</p> <p>Working Group on Public Debt;</p> <p>Working Group on IT Audit</p>	<p>Subject specific guidance</p> <p>GUID 5000-5999</p>
2.6	<p>Consolidated and improved guidance on reliance on the work of internal auditors.</p>	<p>The role of internal auditors needs to be stated in the context of an audit. There needs to be a clear linkage between the treatment of internal auditors in the ISSAIs</p>	<p>INTOSAI GOVs on Internal Auditors 9140-9150 and related ISSAIs for</p>	<p><u>PSC</u>:</p> <p>Internal Control Subcommittee;</p> <p>Financial Audit and Accounting Subcommittee;</p>	<p>Subject specific guidance</p> <p>GUID 5000-5999</p>

		and the supporting GUID	example ISSAI 1610.	Compliance Audit Subcommittee.	
2.7	Consolidating and aligning guidance for audits of Privatization with ISSAI 100	<p>The format and content needs to be better aligned with the ISSAI 100. Key messages need to be extracted and updated.</p> <p>Statements about 'best practice' need to be well founded.</p>	<p>ISSAI 5210</p> <p>ISSAI 5220</p> <p>ISSAI 5230</p> <p>ISSAI 5240</p>	<p><u>KSC</u>:</p> <p>Working Group on the Audit of Privatisation.</p> <p><u>PSC</u>:</p> <p>ISSAI 100 ad hoc group (dissolved);</p> <p>Would be desirable to co-opt members from:</p> <p>Performance Audit Subcommittee ;</p> <p>Financial Audit and Accounting Subcommittee ;</p> <p>Compliance Audit Subcommittee.</p>	<p>Subject</p> <p>specific audits</p> <p>GUID 5000-5999</p>
2.8	Consolidating and aligning guidance on IT audit with ISSAI 100	<p>There is a need to clarify how IT audit is linked with or supports the three main types of audit.</p> <p>This may result in new GUIDs as well as changes in existing material.</p>	<p>ISSAI 5300 (endorsed in 2016 changed to GUID)</p> <p>ISSAI 5310 (to be reviewed)</p>	<p><u>KSC</u>:</p> <p>Working Group on IT Audit</p> <p><u>PSC</u>:</p> <p>ISSAI 100 ad hoc group (dissolved);</p> <p>Would be desirable to co-opt members from:</p> <p>Compliance Audit Subcommittee;</p> <p>Performance Audit Subcommittee;</p> <p>Financial Audit and Accounting Subcommittee;</p>	<p>Subject</p> <p>specific audits</p> <p>GUID 5000-5999</p>
2.9	Consolidating and aligning the audit of public debt with ISSAI 100.	There is a lot of repetition and numerous redundancies in the existing documents.	<p>ISSAI 5410, 5420, 5421, 5422, 5430, 5440</p>	<p><u>KSC</u>:</p> <p>Working Group on Public Debt</p> <p><u>PSC</u>:</p>	<p>Subject</p> <p>specific audits</p> <p>GUID 5000-5999</p>

		These should be cleared and merged and furthermore be aligned with ISSAI 100		ISSAI 100 ad hoc group (dissolved); Would be desirable to co-opt members from: Compliance Audit subcommittee; Performance Audit Subcommittee; Financial Audit and Accounting Subcommittee;	
2.10	Consolidating and aligning the audit of disaster related aid with ISSAI 100.	There is a need to extract key messages, consolidate and make the material operational in the context of financial, compliance or performance audits after the ISSAIs.	ISSAI 5500, 5510, 5520, 5530, 5540 INTOSAI GOV 9250	<u>KSC</u> : Working Group on Accountability for and the Audit of Disaster-related Aid (dissolved) <u>PSC</u> : ISSAI 100 ad hoc group (dissolved); Would be desirable to co-opt members from: Compliance Audit Subcommittee; Performance Audit Subcommittee ; Financial Audit and Accounting Subcommittee	Subject specific audits GUID 5000-5999
2.11	Public Procurement audit	Consolidating and aligning existing guidance on the audit of public procurement.	ISSAI 5220, Practical guidance for procurement audit developed by the INTOSAI Task Force on Public procurement audit	<u>WGPPA, CAS, PAS and FAAS</u> <u>Possibly liaise with project group 2.7 to avoid overlaps</u>	GUID
2.12	International Pronouncement on Jurisdictional Activities of SAIs	To provide an internationally recognized pronouncement on		Working group on value and benefits of SAIs (Forum of Jurisdictional SAIs); CAS	GUID

		the jurisdictional activities of SAIs.			
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Priority 3 - Strengthening INTOSAI Professional Pronouncements beyond 2019 (Table 4)

N°	Considerations (preliminary)	Material to be reviewed or included as sources	Preliminary group may be drawn from	Category
3.1	Global INTOSAI messages on SDGs in the context of the INTOSAI framework of professional pronouncements and possible needs for guidance.	<p>Outcome of Theme 1 of INCOSAI in Abu Dhabi ISSAI 5130 (WGEA) FIPP's dialogue with the UN over technical standard setting issues; Material from GALF meeting of 2016; IDI guidance on preparedness; Various material produced by the KSC; In light of INTOSAI-Ps and ISSAI 100.</p> <p>UN Development Strategy 'Transforming our World: The 2030 agenda for sustainable development'</p>	<p>General INTOSAI Think Tank on SDGs led by SAI UAE; <u>PSC</u>: Ad hoc group ISSAI 100; Performance Audit Subcommittee; Compliance Audit Subcommittee; Financial Audit and Accounting Subcommittee; <u>KSC</u>: Working Group on Environmental Auditing; Working Group on the Fight Against Corruption and Money Laundering; Working Group on Key National Indicators; Working Group on Audit of Extractive Industries; Working Group on Financial Modernization and Regulatory Reform; <u>CBC</u>:</p>	To be determined
3.2	Global INTOSAI messages about audit arrangements and independent standard setting in the context of	Theme 2 of INCOSAI; INTOSAI GOV 9200; INTOSAI GOV 9300 (endorsed 2016 changed to	<u>PSC</u> : Ad hoc group INTOSAI GOV 9200; Ad hoc group INTOSAI-P 10;	To be determined (May result in two

	the INTOSAI framework of professional pronouncements.	GUID); In light of INTOSAI-P 10; INTOSAI-P12 and ISSAI 100.	Ad hoc group ISSAI 100. KSC: Ad hoc group INTOSAI-P 12; Ad hoc group INTOSAI GOV 9300.	separate projects)
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	ISSAI 40, ISSAI 30, IDI documents, AFROSAI-E Manuals. CBC's position paper on competency framework and submission to INCOSAI IFAC IAESB materials	<u>PSC</u> : Performance Audit Subcommittee ; Financial Audit and Accounting Subcommittee ; Compliance Audit Subcommittee. <u>CBC</u> : Task Group for INTOSAI Auditor Certification <u>KSC</u> :	COMPs
3.4	Providing a clear set of INTOSAI Core Principles	Consider eliminating duplication and streamlining the content of ISSAI 10,12 and 20 and identify any possible gaps	<u>PSC</u> : Performance Audit Subcommittee ; Financial Audit and Accounting Subcommittee ; Compliance Audit Subcommittee. <u>KSC</u> : <u>CBC</u> :	INTOSAI P
3.5	Consolidate and refining the organizational requirements for SAIs	First, analyse the need to provide improved guidance on organizational issues such as independence, adoption of standards and quality control. Based on this, consider the elimination of duplication and identify gaps: ISSAI 11 and ISSAI 21 Paper on setting up PA function (Annex of "old" 3100); ISSAIs 130 and 140 and the accompanying tools on	Ad hoc groups on ISSAI 11, 21, 40 and 100 (dissolved); Performance Audit Subcommittee (ISSAI 3100). Financial Audit and Accounting Subcommittee ; Compliance Audit Subcommittee <u>KSC</u> : Ad hoc group on ISSAI 5000 (dissolved);	ISSAI 130-199 SAI organisational requirements ISSAI 130-199 SAI organisational guidance GUID 1900-1999

		<p>quality control(ISSAI 140 to be reviewed by 2019);</p> <p>SAI PMF;</p> <p>ISSAIs 5000, 5140, 5600, and ISSAI 5800 (endorsed in 2016 and changed to GUID)</p> <p>In light of principles on organizational issues in ISSAI 100</p> <p>Consider also ISSAI 100 and the INTOSAI-Ps</p>	<p>The Working Group on Environmental Auditing (ISSAI 5140).</p> <p><u>CBC and IDI:</u></p> <p>Governance and operational lead on SAIPMF Subcommittee on Peer Review (ISSAI 5600);</p> <p>Subcommittee on Cooperative Audits (ISSAI 5800).</p>	
3.6	Cross-cutting issues in ISSAI 3000 and 4000 – requirements for direct reporting engagements and guidance on related technical issues	<p>Consider common areas and alignment in ISSAI 3000</p> <p>ISSAI 4000</p> <p>Consider guidance on technical issues such as assurance and audit risk in the context of performance audit and other direct reporting engagements .</p>	<p><u>PSC:</u></p> <p>Performance Audit Subcommittee ;</p> <p>Compliance Audit Subcommittee.</p> <p>ISSAI 100-ad hoc group</p> <p><u>CBC:</u></p> <p><u>KSC:</u></p>	GUID/ ISSAI
3.7	Auditing of implementation of state budgets and consolidated state accounts	<p>Material from FAAS, CAS</p> <p>Experience obtained by the INTOSAI Regions and external parties (such as the World Bank)</p> <p>Other sources</p>	<p><u>PSC:</u></p> <p>Performance Audit Subcommittee ;</p> <p>Financial Audit and Accounting Subcommittee,</p> <p>Compliance Audit Subcommittee.</p> <p><u>CBC:</u></p> <p><u>KSC:</u></p> <p><u>INTOSAI Regions:</u></p>	GUID/ ISSAI
3.8	Obtaining an understanding of Economy, Efficiency and Effectiveness of an entity and applying relevant methods in the context of a performance audit	<p>Material from PAS and other sources</p>	<p><u>PSC:</u></p> <p>Performance Audit Subcommittee ;</p> <p>Financial Audit and Accounting Subcommittee.</p> <p>Compliance Audit Subcommittee.</p> <p><u>KSC:</u></p> <p><u>CBC:</u></p>	GUID/ ISSAI

3.9	Obtaining an understanding of laws and regulations and other authorities regulating public entities in the context of a compliance audit	Material from CAS and other sources	<u>PSC:</u> Performance Audit Subcommittee ; Financial Audit and Accounting Subcommittee. Compliance Audit Subcommittee. <u>KSC:</u> <u>CBC:</u>	GUID/ ISSAI
3.10	Audit of Key National Indicators - Expressed need for guidance to undertake mandate of SAIs to audit and give assurance on performance indicators.	Existing material reviewed National level guidance of some SAIs.	<u>WGKNI, CAS, PAS and FAAS. Expert group led by SAI UAE on SDGs.</u>	GUID