

INTOSAI

*Due Process for  
INTOSAI's  
Framework of  
Professional  
Standards*

*- Procedures for developing, revising and withdrawing the International Standards of Supreme Audit Institutions (ISSAIs) and other pronouncements in the framework*

**DRAFT**

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## Introduction

This due process defines the procedures through which INTOSAI issues pronouncements that are included in INTOSAI's Framework of Professional Standards (IFPS). The due process must be followed when developing, revising and withdrawing the International Standards of Supreme Audit Institutions (ISSAIs) and any other professional pronouncements that form part of the IFPS. The IFPS was defined by the document "the International Standards of Supreme Audit Institutions – INTOSAI's Framework of Professional Standards" that was endorsed by INCOSAI in 2007. The due process applies to the ISSAIs as well as all INTOSAI GOVs (Guidance for Good Governance) included in the IFPS since 2007, and it defines how INTOSAI will decide on the content of the IFPS in the future. The due process does not apply to any other INTOSAI documents. This due process replaces the previous version from 2010. It will take effect upon approval of the XXII INCOSAI in Abu Dhabi in 2016.

The purpose of the due process is to maintain the integrity and rigour of the ISSAIs and all other pronouncements in the IFPS. In this way, the due process serves the following purposes:

- Supports the continued professionalization of the work within INTOSAI on ISSAIs and other professional pronouncements.
- Ensures that all pronouncements are subjected to a suitable and adequate consultative process and level of scrutiny leading to their approval.
- Clarifies the different roles, duties and responsibilities in INTOSAI's standard-setting process.
- Ensures transparency in the work performed on all pronouncements in the IFPS; transparency is achieved via [www.issai.org](http://www.issai.org) where all pronouncements are officially communicated. Exposure draft pronouncements are also displayed on [www.issai.org](http://www.issai.org) together with consideration of comments received. Transparency is also achieved by making working procedures and meeting material available to the public.
- Ensures accountability; when developing professional pronouncements, the bodies involved are accountable to INTOSAI and its members. The chairs responsible for the goals of the INTOSAI strategic plan are committed to ensuring that work is progressing as planned. Prior to final endorsement of the ISSAIs and other pronouncements, they are subject to a review process and approval by a common forum that is responsible for all pronouncements in the IFPS.

## 1. The due process

The following identifies the various steps involved in developing the pronouncements in the IFPS. The due process provides:

- The basic definitions and the general roles and responsibilities in the due process as described in section 1.1.
- A process for developing pronouncements that applies to all changes of substance in the IFPS and is described in section 2.1.
- A supplementary process for revising pronouncements that applies to minor editorial and conforming changes and is described in section 2.2.
- A supplementary process for withdrawing pronouncements that is described in section 2.3.

All bodies and committees referred to in this document perform the roles and responsibilities assigned to them in the due process, in accordance with INTOSAI's Statutes and their respective terms of reference.

The appendix provides a diagram that illustrates the main mechanisms of the due process in providing the necessary transparency, accountability and quality in INTOSAI's standard setting.

## 50 **1.1. Basic definitions and the general roles and responsibilities in the due process**

In this document, the Professional Standards Committee (PSC) refers to the committee established by INTOSAI to be responsible for achieving the objectives defined under goal 1 (Professional Standards) of INTOSAI's Strategic Plan. The PSC has the overall responsibility for ensuring the effective operation of INTOSAI's standard-setting activities in line with this due process. Any questions and issues in relation to the application of this due process are resolved by the PSC in consultation with the INTOSAI Governing Board. The PSC may decide on any further procedures on practical matters in relation to the due process and the publication of draft documents and final pronouncements of the IFPS on [www.issai.org](http://www.issai.org).

In this document, the Capacity Building Committee (CBC) refers to the committee established by INTOSAI to be responsible for achieving the objectives defined under goal 2 (Capacity Building) of INTOSAI's Strategic Plan. The Knowledge Sharing Committee (KSC) refers to the committee established by INTOSAI to be responsible for achieving the objectives defined under goal 3 (Knowledge Sharing) of INTOSAI's Strategic Plan. The CBC and KSC provide professional expertise and content for the IFPS to the extent required to achieve the objectives and priorities under goal 1, 2 and 3 of INTOSAI's Strategic Plan.

References to the PSC, CBC or KSC concern the full committee structure including any steering committees, subcommittees and other working groups established by the respective committees. The decision making by each committee is subject to their respective terms of reference and internal procedures and each committee decides how it will communicate and interact with other INTOSAI bodies. Reference to the chairs of the PSC, CBC and KSC concerns the individual INTOSAI members appointed by the Governing Board to be responsible for goal 1, 2 and 3, including any vice-chairs appointed by the Governing Board.

The term 'common forum' refers to the single INTOSAI body that is designated for the purpose of assessing and approving pronouncements for the IFPS as specified by this due process. The common forum is established jointly by the PSC, CBC and KSC. The common forum follows and guides the development of individual draft pronouncements, ensures their technical quality and consistency as appropriate, and approves their inclusion in the IFPS before they are presented to the INTOSAI Governing Board by the relevant committee. The chairs of the PSC, CBC and KSC ensure the effective governance and operation of the common forum in line with the forum's terms of reference and establish the appropriate mechanisms in that regard. The PSC's terms of reference may define further mechanisms to enable the PSC to follow and develop the functioning of the common forum and to ensure that the forum contributes to reliable and effective standard setting in accordance with the objectives defined for goal 1 in INTOSAI's Strategic Plan.

The term 'strategic development plan for the IFPS' refers to a general strategy and working plan for the development of the IFPS towards a clear, consistent and adequate set of professional pronouncements. Decisions on the content of the plan shall be taken by the PSC in conjunction with the chairs of the CBC and KSC and shall be based on proposals elaborated by the common forum. The PSC and the chairs of the CBC and KSC ascertain that all relevant needs are addressed by the strategic development plan in line with the objectives of goal 1, 2 and 3. The PSC consults with all affected parties before the plan is finalised and presented to the INTOSAI Governing Board for endorsement.

95 The term 'classification principles' refers to the principles established in 2007 by the document "*the International Standards of Supreme Audit Institutions – INTOSAI's Framework of Professional Standards*". The classification principles define the scope of the IFPS and the different categories of pronouncements included therein whether in the form of ISSAIs, other standards, guidance, principles or other relevant formats. If the common forum identifies a need to amend the classification principles, the forum shall develop a proposal to this effect for consideration in conjunction with the decisions on the IFPS strategic development plan.

100 Reference made to the term 'working group' covers 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. Working groups under the PSC, CBC or KSC are subject to the strategic directions of the PSC, CBC or KSC, respectively, with regard  
105 to any work they carry out in accordance with the due process. The common forum assigns one of its members as liaison to the working group, preferably before project start, in order to facilitate ongoing mutual consultation with the working group throughout the life of the project.

110 If an existing working group within the PSC, CBC or KSC wishes to develop pronouncements for the IFPS, the common forum may dedicate an interval of document numbers in the IFPS to the working group, in compliance with the classification principles. A working group that has developed pronouncements that form part of the IFPS, is required to maintain them by carrying out regular reviews and take initiative to initiate the process for developing, revising or withdrawing pronouncements as needed. Working groups may seek guidance from the common forum on any aspects of their work through all the stages of the due process.

115 The chairs of the PSC, CBC and KSC keep a consolidated record that reflects the status and progress of all planned and ongoing projects to develop, maintain, revise or withdraw pronouncements in the IFPS. The chairs ascertain that the working groups perform their designated tasks in line with the due process and in compliance with any further directions established through the individual project proposals and the common  
120 forum's decisions on approval at the three stages defined in section 2.1, 2.2 and 2.3. At all three stages, the chair of the PSC, CBC or KSC (as relevant) refers the drafts produced by the working group to the common forum for approval together with any remarks the chair may wish to provide. The chairs of the PSC, CBC and KSC also oversee that all pronouncements are publicly exposed for comments and refer the final  
125 pronouncements to the INTOSAI Governing Board with the assurance that the due process has been followed in all aspects.

130 The INTOSAI Governing Board oversees that the due process is followed for all pronouncements in the IFPS. The Committees report on an annual basis to the INTOSAI Governing Board providing an overview of new, revised and/or withdrawn pronouncements. Differences on matters of principles in relation to the application of the due process that are not resolved by the PSC shall be referred to the Governing Board for discussion and, ultimately, decision. The Governing Board can also decide to remit a matter back to the relevant committee, in particular in cases where the due process has not been followed. Any change to the due process will be decided on by the Governing Board in consultation with the PSC and the chairs of the CBC and the KSC.

135 INCOSAI endorses all pronouncements in the IFPS.

## 2. The individual projects

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The implementation of the strategic development plan for the IFPS is carried out through individual projects to develop, revise or withdrawn pronouncements. The strategic development plan for the IFPS may provide for the relevant initiatives by the PSC, CBC, KSC and the common forum to initiate the different projects needed to improve the IFPS. In other cases, initiatives to develop, revise or withdraw pronouncements will follow from the results of reviews carried out by individual working groups with responsibility for maintaining different parts of the IFPS. The individual projects may concern documents in the IFPS that have been produced in the past by a specific working group. Some projects may also involve cross-cutting issues that will affect the work of a number of existing working groups within the PSC, CBC and/or KSC. The organisation of each project will therefore depend on its purpose and scope and shall be clarified before the project is launched.

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Projects shall be organised and carried through in a close collaboration between all parties involved and with broad involvement of INTOSAI's members and stakeholders including auditors and users of SAI audit reports. This level of collaboration and involvement is facilitated by the processes for developing, revising (editorial changes) and withdrawing pronouncements in the IFPS. Each of the following sections describes the overall requirements to all projects and the process of approval by the common forum. It will be for the PSC, CBC and KSC, respectively, and each separate working group to define any further procedures deemed necessary in the individual case.

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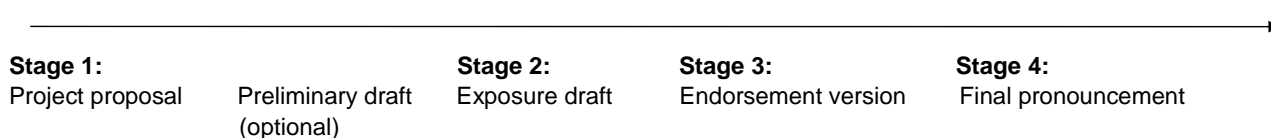
### 2.1. The process for developing pronouncements

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There are four main stages in developing and issuing a pronouncement: The project proposal, the exposure draft, the endorsement version and the final endorsement. These stages are illustrated by figure 1.

**Figure 1: The stages in developing pronouncements for the IFPS**

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#### Stage 1: The project proposal

Each project proposal shall be based on a thorough initial assessment. The purpose of the initial assessment is to:

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- Assess the need for the project and define its purpose and organisation.
- Determine the categories of auditing or other engagements that will be covered by the resulting pronouncements.
- Consider the differences among SAIs that must be accommodated.
- Ensure consistency with existing ISSAIs and other pronouncements in the IFPS
- Determined the extent to which it will be possible and desirable to build on pronouncements from other internationally recognized, regional or national standard setters and if so, the extent to which supplementary pronouncements are needed in the IFPS in order to meet the needs and concerns of the INTOSAI community.

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185 The resulting project proposal shall provide directions on the organisation and outcome of the project. The project proposal shall specify a timeline and include preliminary document numbers (for example ISSAI numbers) and working titles for any envisaged new pronouncements. The classification and numbering of the envisaged new pronouncements shall be based on the classification principles. The project proposal shall also specify how existing pronouncements in the IFPS may be affected. The project proposal defines the quality process that shall be applied in the drafting process and the parties that the working group shall consult and engage with at stage 2.

190 Dependent on the scope and purpose the project proposal may refer the project to an existing working group (subcommittee) within the PSC, CBC or KSC or establish a special working group (project group) to carry the project through. The common forum shall consult with the chairs of the PSC, CBC and KSC on any matters in this regard that have not previously been appropriately determined through the strategic development plan for the IFPS. The PSC may - in conjunction with the chairs of the CBC and KSC –  
195 decide to provide directions on the organisation of the project in order to ensure the appropriate involvement of all relevant parties in the work. Each committee – the PSC, CBC or KSC – is responsible for the allocation of resources and the timeliness of projects referred to their respective working groups and for ensuring a result in line with the goals of INTOSAI’s Strategic Plan.

200 When the working group has completed the initial assessment and developed the project proposal, it is referred by the chair of the PSC, CBC or KSC to the common forum for approval.

#### 205 **Approval of project proposal**

The common forum approves:

- That the project addresses the issues identified in the initial assessment and shall be launched.
- That the project proposal provides directions sufficient to define the scope of applicability of the proposed pronouncement and does not lead to overlaps and inconsistencies and in the IFPS.
- 210 • The organisation and timeline of the project.
- The working title and proposed numbering according to the classification principles.

#### **Stage 2: The exposure draft**

215 Draft pronouncements are developed in accordance with the approved project proposal. The working group applies appropriate quality processes as required by the approved project proposal and seeks guidance from the PSC, CBC and KSC in order to ensure alignment with INTOSAI’s strategic goals and priorities. Depending on the scope and purpose of the project, the quality processes may include:

- 220 - Consultations with users of the ISSAIs and users of the resulting SAI audit reports. This may be achieved through an established advisory group or in other ways.
- Comparison with ISSAI 100 Fundamental Principles of Public Sector Auditing or other key INTOSAI pronouncements in order to ensure alignment with the basic concepts and principles.
- Involvement of expertise in the different types of audits and engagements that is relevant for the draft. This may be achieved through INTOSAI, consultations with external experts or through other means.
- 225 - Involvement of technical expertise on specific subject matters. This may be achieved through existing specialised working groups in INTOSAI, consultancy by external experts or other means.

- Engagement of SAIs and auditors from different national settings. This may serve to ensure universal applicability and be achieved, for instance, through engagement of INTOSAI's regional working groups.
- 230 - Specific measures to ensure guidance and directions from the relevant bodies of the PSC, CBC or KSC.

Relevant information on the direction and progress of the project (for example the approved project proposal) shall be published on [www.issai.org](http://www.issai.org). The working group may also decide to publish preliminary drafts on [www.issai.org](http://www.issai.org) for information or in order to encourage input to the work. The finalized exposure drafts are approved by the common forum before they are exposed for public comment on [www.issai.org](http://www.issai.org).

Exposure drafts or accompanying material must specify the date on which the new pronouncement will take effect. If the new pronouncement replaces existing pronouncements or leads to conforming amendments in existing pronouncements, this shall be specified by the exposure draft or accompanying material.

240 The common forum ensures that all exposure drafts are classified in accordance with the classification principles.

#### **Approval of exposure drafts**

The common forum approves:

- That the exposure draft fulfils the purpose of the project in line with the directions of the approved project proposal and is of high quality.
- That any overlaps and inconsistencies in the IFPS in relation to the proposed text have been appropriately addressed.
- 250 • That the exposure draft can be submitted for public exposure.

Exposure drafts are posted on [www.issai.org](http://www.issai.org). On the basis of the membership list provided by the INTOSAI General Secretariat, the working group notifies all INTOSAI members and other relevant stakeholders of the exposure periods. This notification may be supplemented by an announcement in the INTOSAI Journal. INTOSAI also encourages and welcomes comments from other interested stakeholders, including national governments, multilateral organisations and other professional bodies and organisations. The comment period is normally 90 days. Comments are accepted in the five official INTOSAI languages.

#### **Stage 3: The endorsement version**

Comments are collected by the working group and posted on [www.issai.org](http://www.issai.org) no later than 30 days after the exposure period has expired. The comments remain posted on the website until the Governing Board has referred the endorsement version to the INCOSAI for final endorsement. Comments on exposure drafts are analysed by the working group, which exercises judgment to accommodate all relevant considerations before the document is finalised. The considerations of the working group regarding comments received shall be forwarded to the common forum in a form that is suitable for display on [www.issai.org](http://www.issai.org). The working group considers whether the changes made to the exposure draft are so extensive that re-exposure of the pronouncement will be required.



### **Approval of endorsement version**

The common forum approves:

- That the comments provided in the exposure process are appropriately reflected in the endorsement version of the document.
- That the document can be forwarded to the INTOSAI Governing Board.

270 The approved endorsement version is displayed on [www.issai.org](http://www.issai.org) together with communications on the effective date and the considerations of the working group regarding the comments received through the exposure period as well as the conclusions drawn by the common forum as basis for the approval.

275 Unless other mechanisms have been established, the working group is responsible for translation of the approved endorsement version into the five official INTOSAI languages.

### **Stage 4: The final pronouncement**

280 Endorsement versions are presented to the Governing Board in a report by the responsible committee. The chair of the working group may supplement the report made by the committee with an oral presentation to the Governing Board. The chairs of the PSC, CBC and KSC assure the Governing Board, on a project-by-project basis, that due process has been followed in all aspects. Upon this assurance, the Governing Board refers the endorsement version to the INCOSAI for final endorsement.

285 New pronouncement becomes part of the IFPS on the date they take effect and are subsequently referred to as ISSAIs or other official INTOSAI pronouncements as defined by the IFPS. At the same time, the new pronouncements are posted on [www.issai.org](http://www.issai.org) and replace any existing pronouncements, as specified in the exposure draft. A pronouncement cannot take effect before the Governing Board has considered the endorsement version and decided to refer it to INCOSAI for endorsement.

290 INCOSAI endorses the final pronouncements in the IFPS.

295 The working groups work out executive summaries for publication on the INTOSAI website. The executive summaries are submitted to the INTOSAI General Secretariat in as many of the official INTOSAI languages as possible.

300 The working groups decide on an appropriate frequency at which the regular review shall be carried out in order to ensure appropriate maintenance of the pronouncements. The maintenance frequency shall be communicated on [www.issai.org](http://www.issai.org). The purpose of the regular review is to determine whether it will be necessary to initiate

- the process for developing pronouncements as described in section 2.1.
- the process for revising pronouncements (editorial changes) as described in section 2.2.
- the process for withdrawing pronouncements as described in section 2.3.

305 If the working group that originally developed the pronouncements no longer exists or wishes to be relieved of its maintenance responsibility, the chairs of the PSC, CBC and KSC will be responsible for ensuring maintenance of the pronouncements, possibly through the common forum.

## 2.2. The process for revising pronouncements (editorial changes)

310 If the implementation of minor editorial and conforming changes does not lead to substantial changes that will require endorsement by the members of INTOSAI, the revision can be carried through as described in this section.

Minor editorial and conforming changes include the following:

- 315
- Conforming changes in pronouncements at lower levels of the IFPS when a pronouncement at a higher level has been amended.
  - Changes in pronouncements that include the full text of a standard developed by another internationally recognized regional or national standard-setting body when this standard has been changed.
  - 320 • Cross references made to other pronouncements in the IFPS when these have been amended or withdrawn.
  - Other minor changes to ensure consistency of terms used in all language versions.

Any revisions of substance beyond such minor editorial and conforming changes require adherence to the due process for developing pronouncements, as described in section 2.1 of this document.

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Minor editorial and conforming changes can be proposed by the working group responsible for maintaining the document. Minor editorial changes can also be carried through at the request of the common forum or as part of a wider project in accordance with an approved project proposal as described in section 2.1 or as a consequence of changes following the withdrawal of a pronouncement as described in section 2.3.

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The relevant working group develops a version of the revised pronouncement that highlights the proposed changes and the final document for approval by the common forum.

### 335 **Approval of revised pronouncements**

The common forum approves:

- That the due process for revising pronouncements can be applied because the changes proposed are considered to be minor or conforming, and that public exposure is therefore not required.
- 340 • That the revised pronouncement can be published on [www.issai.org](http://www.issai.org) and replace the previously endorsed version.

When a revised pronouncement is available in all five official INTOSAI languages, it will replace the existing pronouncement in the IFPS on [www.issai.org](http://www.issai.org).

The chairs of the PSC, CBC and KSC assure that only minor editorial and conforming changes are made through this procedure. Each year, the chairs of the PSC, CBC and KSC inform the Governing Board of any revised versions of pronouncements issued in the course of the year.

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## 2.3. The process for withdrawing pronouncements in the IFPS

350 Pronouncements that have been replaced by an endorsement version with the same document number, are considered withdrawn without further decision. in accordance with this due process (cf. section 2.1)

If a pronouncement incorporates the full text of a standard developed by another standard-setting body, it is withdrawn immediately when the original standard-setting body decides to withdraw the relevant standard.

355 In all other cases, the following three-stage process shall be followed.

### Stage 1: Proposal on withdrawal

360 The proposal to withdraw a pronouncement in the IFPS may be part of a project proposal as defined in section 2.1. or it may be a separate proposal that only concerns the withdrawal of pronouncements. The working group explains the reasons for the proposed withdrawal in a proposal that is submitted to the common forum for approval. The proposal must also specify when the withdrawal is to take effect.

#### Approval of withdrawal proposal

365 The common forum approves:

- That the proposal to withdraw a pronouncement from the IFPS can be submitted for public exposure.

### Stage 2: The exposure

370 Withdrawal proposals are exposed for public comment following the procedure described in the process for developing pronouncements in section 2.2

The working group presents the comments obtained during the exposure period with its analysis to the common forum for consideration.

#### Approval of withdrawal of pronouncements

375 The common forum approves:

- That the pronouncement can be withdrawn from the IFPS on [www.issai.org](http://www.issai.org).
- That the decision to withdraw the pronouncement can be presented to the INTOSAI Governing Board.

### Stage 3: Final endorsement

380 The chairs of the PSC, CBC and KSC inform the Governing Board of withdrawals. The chair of the working group may also provide an oral presentation to facilitate the considerations of the Governing Board.

The chairs of the PSC, CBC and KSC assure the Governing Board that the due process has been followed in all aspects.

385 Upon this assurance, the Governing Board confirms the decision to withdraw the pronouncement. The Governing Board may decide whether to refer the proposed withdrawal to the INCOSAI for final endorsement.

## Appendix

### Main mechanisms to ensure accountability, transparency and quality in INTOSAI standard setting

