

To: The Steering Committee of the Professional Standards Committee (PSC-SC)  
From: FIPP

## Report by the Forum for INTOSAI Professional Pronouncements (FIPP)

### **Motion**

The PSC SC is requested to take note of the report including the overview of FIPP activities 2023/2024 and the status of the projects in the IFPP Strategic Development Plans for 2017-2019 and 2020-2022.

## Reflections from the FIPP chair

INTOSAI's work focuses on the development, dissemination, and maintenance of professional pronouncements (principles, standards and guidance) for the public sector audit profession as well as fostering SAI's capacity development and knowledge sharing. Timely release of professional pronouncements of high quality that covers the needs of the SAIs is essential to continue to strengthen INTOSAI's reputation as a professional standard-setting organisation.

FIPP was established in 2016 to act as a gatekeeper for the ISSAI framework (now the IFPP). This includes follow and facilitate the development of all pronouncements, ensure their technical quality and approve their inclusion in the INTOSAI Framework of Professional Pronouncements (IFPP). Since then, FIPP has developed into an important part of the standard setting "production cycle". This involves ensuring quality of the IFPP by approving new pronouncements and setting the level of requirements for the INTOSAI community in collaboration with the various project groups developing draft pronouncements.

FIPP has now been in place for 8 years. Due process, classification principles, FIPP terms of reference and drafting conventions are important documents in our day-to-day work. Developing standards should be done in a way that ensures global recognition for the standards and for INTOSAI as a standard-setting organization. FIPP has previously conducted an internal self-evaluation of strengths, weaknesses, opportunities and threats (SWOT). However, it is now time to have an external evaluation of the entire standard-setting organization. I look forward to this important work in order to strengthen and further develop the standard setting part of our organization. We can also draw inspiration from other standard setters around the world. I believe there is potential to improve both the efficiency in developing the pronouncements and the quality of the IFPP. This requires a professional and streamlined organization, a strong governance function and SAIs being willing to appoint competent people to participate in this important work.

Collectively, the membership in FIPP should reflect the necessary skills, the different types of public-sector auditing and the diversity of the INTOSAI membership. FIPP members are appointed for a three-year period which can be prolonged, for one or two periods, up to nine years in total. INTOSAI as an organisation is complex and it takes time to get a good understanding and overview of its many committees and roles, procedures and processes. In order for FIPP to fulfill this role it is essential to have available members with solid INTOSAI standard setting knowledge and experience as well as dedicated time assigned to the multifaceted work in the forum.

In 2024 three of the longest standing members of FIPP will retire and in 2025 there will no longer be any original members of FIPP left. This poses a challenge to knowledge retention. In spite of mitigating measures such as a short introduction to the FIPP role for new members, preparative topics on subjects such as the content of the IFPP and the SDP at the FIPP meetings as well as the FIPP web page with extensive information of the SDP projects, due process, working procedures and other important INTOSAI information the balance between rotation and continuity will always be a challenge.

Developing new standards and guidelines requires people who can drive projects, research the issues, facilitate deliberation and balancing views, and find solutions. In addition, there is a need for a secretarial function responsible for documentation, communication and information.

FIPP operates in close cooperation with the Goal chairs. The development of the new SDP (2024-2028) is the result of an inclusive process with periodical meetings between all the Goal chairs, the General Secretariat and FIPP. This has proven to be an effective way of working that in my opinion should be used also for future processes. I believe this has improved the quality of the current strategic development plan, compared to previous SDPs.

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In the years leading up to this plan, information from several sources including the Component 1 report and the IDI global stocktaking report highlights the implementation challenges when adopting the ISSAIs. The SDP endorsed by Governing Board last year therefore focuses on the quality of the framework in general and on the ISSAIs especially. It is my hope that the next SDP will help the INTOSAI community gain a better understanding of the ISSAIs and that the initiatives will lead to a smoother implementation in the individual SAIs.

In the process of developing the current SDP, professionalized support was highlighted as a prerequisite for the SDP. The discussions reported to the PSC SC June 2023 focused on two different needs for support:

- a. The need for support in the individual project.
- b. The need for more secretarial support to ensure standard setting of high quality.

The conclusions from the discussions were that for a) FIPP could improve the relevant templates to clarify what is expected from the project/working group. One example is to update the template for approval of project proposals to ensure the project group would understand what is to be expected from them in developing a new pronouncement including the documentation that needs to be developed. The different initiatives and the related projects will require different kinds of support and qualifications to ensure timely deliveries and progress.

For b) this would be part of a long-term ambition where INTOSAI work as a professional standard setter and is considered so by both internal as well as external stakeholders. This requires a robust, separate secretariat that is not dependent on the SAI hosting the PSC or FIPP but has a robust set-up with a technical support, continuous digital systems, routines and documentation in place and that is easily available when the position as Chair of any of the relevant stakeholders is transferred to another SAI.

The FIPP are now working extensively regarding the update and procedures of improvement of templates and how to give each project individual support through ample guidance.

Moving forward with the initiatives in the SDP, FIPP needs to work closely with the project groups to reach the ambitious goals that have been set for this SDP and to ensure efficiency in our processes.

I look forward to exploring how we together in the INTOSAI community can be more effective and even better in see new solutions where we together can find better and more agile working procedures. FIPP are prepared for this important work, and I look forward to an interesting new year in FIPP.

## Report by the Forum for INTOSAI Professional Pronouncements (FIPP)

The purpose of this report is to inform the PSC SC<sup>1</sup> about: main results of FIPP's activities; status and challenges in projects; and progress of the elaboration of SDP 2023-2025. As the report is presented to the PSC SC prior to the yearly Governing Board meeting, the report covers the period October 2023 - September 2024.

### Overview of content

1. Status of projects from the IFPP Strategic Development Plan (SDP) 2023-2028
2. Status of projects from the IFPP Strategic Development Plan (SDP) 2017-2019 and 2020-2022
  - 1.a Pronouncements endorsed by the INTOSAI Governing Board in 2023
  - 1 b Pronouncements to be endorsed by the INTOSAI Governing Board in 2024
  - 1.c On-going pronouncement projects from SDP 2017-2019
  - 1.d Status of projects from the IFPP Strategic Development Plan (SDP) 2020-2022
3. FIPP meetings

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### 1. Status of projects from the IFPP Strategic Development Plan (SDP) 2023-2028

The SDP 2023-2028 was finally endorsed by the Governing Board in November 2023. The SDP includes five initiatives. Together with the Goal Chairs and the General Secretariat, FIPP have developed scoping papers to give a deeper understanding of what the initiatives aim to achieve. FIPP have had initial discussions internally to prepare for these initiatives. The project groups related to the initiatives are now in the making. FIPP will invite project leads to discuss the project plans in due time.

### 2. Status of projects from the IFPP Strategic Development Plan 2017-2019 and 2020-2022

2023.

#### a) Pronouncements endorsed by the INTOSAI Governing Board in 2023

- ISSAI 140 is now available in all the official INTOSAI languages and will take effect from January 2025.

#### b) Pronouncements to be endorsed by the INTOSAI Governing Board in 2024

- GUID 5101 has been out on exposure and FIPP plan to approve the endorsement version in 2024. Estimated to be finally endorsed by the Governing Board in October 2024.

#### c) On-going pronouncement projects from SDP 2017-2019

- SDP 2.3 Using ISSAIs in accordance with the SAI's mandate and carrying out combined audits. Pending within the PSC

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<sup>1</sup> The PSC SC is the governance body for FIPP. The responsibilities of PSC SC regarding FIPP are defined in paragraph 2 of the [PSC SC Terms of Reference](#).

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- SDP 2.5 Consolidated and improved guidance on understanding internal control in an audit. Pending within the PSC
- SDP 2.6 Consolidated and improved guidance on reliance on the work of internal auditors. A guidance outside the IFPP have been developed
- SDP 2.7 Guidelines for audits of Public-Private partnerships – and updated Exposure Draft will be presented to FIPP for discussion/approval in late 2024-early 2025.
- SDP 2.8 Consolidating and aligning guidance on IT-audit with ISSAI 100 - the Endorsement version will be appraised by FIPP in 2024 and at the earliest presented for the Governing Board to be finally approved in October 2024

#### d) Status of projects from the IFPP Strategic Development Plan 2020-2022

The ISSAI 140 Quality Management for SAIs was finally endorsed at the Governing Board 2023 with effective date from January 2025.

### 3. FIPP meetings

FIPP has carried out 5 sessions of web-meetings in the first half of 2024 and is planning web-meetings in September and October 2024, and one in-person meeting in November/December 2024.

FIPP has in addition invited observers from all three goal chairs (CBC, KSC and PSC) to each meeting in 2023/2024. All FIPP meetings are documented at the FIPP webpage: <https://www.intosaifipp.org/fipp-meetings/>

FIPP aims to coordinate the future in-person meetings in the best possible way, adjoining other INTO-SAI meetings where potential participants attend, in order to be eco conscious as well as prudent with government funding for SAIs participating.

Second half of 2023

FIPP web-meetings – 3 Sessions September 2023

Last meeting in 2023 - FIPP in-person meeting Vienna, Austria 22-23 November 2023 - a combined FIPP meeting and an SDP Joint Seminar for FIPP/GCC/ INTOSAI General Secretariat.

2024

FIPP web-meeting – January 2024

FIPP web-meeting – February 2024

FIPP web-meeting – May 2024

FIPP web-meetings –June 2024

FIPP web-meeting September 2024

Planned meetings

FIPP web-meeting – October 2024

FIPP in-person meeting in Sofia, Bulgaria, 25-29 November 2024

On behalf of FIPP

Åse Kristin Hemsén  
FIPP chair

## Annex 1 On-going pronouncement projects from SDP 2017-2019

No.	Title	Status	Endorsement
#2.3	GUID 5000 Using ISSAIs in accordance with the SAI's mandate and carrying out combined audits	<b>Project Proposal</b> conditionally approved at the 12th FIPP meeting December 2019 – An outline of the GUID and the project proposal will be further discussed by FIPP depending on decisions by the PSC. The project is awaiting clarification by the PSC. The project group is on hold.	Not planned
#2.5	GUID 5150 Consolidated and improved guidance on understanding internal control in an audit	A <b>Project proposal</b> is being developed by the project group and has been initially appraised by FIPP February 2020. The project is awaiting clarification by the PSC and the subcommittees CAS, FAAS and PAS.	Not planned
#2.6	GUID 5160 Consolidated and improved guidance on reliance on the work of internal auditors	An <b>updated project proposal</b> was approved by FIPP in the FIPP web-meetings in September 2020.  A guidance on the subject-matter has been published outside the IFPP. The project has been in dialogue with FIPP regarding the placement of the paper where the conclusion was that in the present form the guidance gives good support on the subject outside the framework. The guidance will be reviewed in accordance with all other GUIDs and guidance with the criteria decided after the result of the G-initiative.	
#2.7	GUID 5340 Guidelines on audit of Public-Private Partnerships (PPP)	An <b>updated Exposure Draft with Explanatory Memorandum</b> was discussed at the FIPP April 2022 meeting. The conclusion was that the project should be reviewed by the KSC. A new project lead/group composition has been formed in 2023. The project has developed an updated Exposure Draft, which currently is on an alignment round with the relevant Sub-committees PAS and CAS, before FIPP will make an appraisal in late 2024/early 2025.	Governing Board November 2025
#2.8	GUID 5101 Consolidating and aligning guidance on IT-audit with ISSAI 100	<b>Endorsement version</b> has been prepared by the project group but based on the exposure comments, FIPP concluded that the GUID was not ready for approval at the 11th FIPP meeting, June 2019. At the 12th FIPP meeting, December 2019, FIPP reviewed the amended endorsement version with a gap analysis and FIPP carried out a new appraisal against the criteria. FIPP concluded that GUID 5101 should not be forwarded to the INTOSAI Governing Board due to the feedback received in the exposure phase.  The updated Endorsement version is planned to be appraised by FIPP prior to the Governing Board 2024 for final endorsement.	Governing Board 2024

## Annex 2 Status of projects from the IFPP Strategic Development Plan 2020-2022

<p><b>Component 1</b> Reviewing and refining the conceptual framework</p>	<p>The conclusion made by the PSC Secr on the Component 1 analysis have been presented as a report to the PSC SC 2022, and the report have been distributed for information to the INCOSAI 2022.</p>	<p>Completed - the analysis of the report is one of three components for the next SDP to build upon</p>
<p><b>Component 2</b></p>	<p>The Governing Board approved two projects to be included in the SDP 2020-2022 under Component 2 at the 2020 November meeting after recommendations from FIPP according to due process.</p> <ul style="list-style-type: none"> <li>• Guidance for implementing INTOSAI P-50 Principles of SAIs of jurisdictional activities (KSC)</li> </ul> <p>The project group have been simultaneously working on a project proposal and an exposure draft. The two drafts have been discussed at a number of FIPP meetings in 2021/2022.</p> <p>At the FIPP December 2022 meeting the project group, the KSC and FIPP agreed and concluded that the document Guidance for implementing INTOSAI P-50 Principles of SAIs of jurisdictional activities is already approved by the Forum for Jurisdictional activities and is considered very useful guidance.</p> <p>Due to the proposed content of one of the initiatives in the next Strategic Development Plan 2023-2025 on guidance/GUIDs - the 'G' initiative, and also considering that the Forum already has approved the document, at this stage the document will be a Guidance outside the IFPP rather than a GUID. When the new SDP is adopted, the project group will consider if there is a need for further discussions regarding an addition to the jurisdictional activities in the IFPP.</p> <ul style="list-style-type: none"> <li>• ISSAI 140 Quality management for SAIs (PSC)</li> </ul> <p>The project proposal was approved by FIPP in June 2022. The Exposure Draft, along with the explanatory memorandum, was approved by FIPP February/March 2023 and placed on INTOSAI exposure according to due process. The Endorsement version will be approved by FIPP in September 2023, and will be distributed for a final approval by the Governing Board November 2023</p>	<p>Finalized – endorsed by Governing Board 2023</p>



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<b>Component 3</b>	Framework for Competency management	Finalized - Endorsed by Governing Board 2022
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# Achieving the ambitions of the SDP without ‘changing the way SAIs do their audits’

The ‘T’ and ‘I’ initiatives of the Strategic Development Plan for IFPP 2024-2028 (SDP) aim to improve the clarity of the ISSAIs. The ‘T’ initiative on terminology provides input to the ‘I’ Initiative on revision of the ISSAIs as well as other initiatives. The SDP sets the following ambitions for the two initiatives:

## The ambitions as stated in the SDP (extract)

### The ‘T’ initiative - Developing clear and consistent terminology for the IFPP

To define the terminology that will be used in all future professional pronouncements and when updating the current ones. Future revisions and updates of the terminology will be carried out when relevant. The terminology developed will be based on the concepts defined in ISSAI 100 Fundamental principles of public sector auditing, and the additional concepts defined in other key pronouncements. The resulting terminology will include the professional language for different types of audit and steps in the audit process as well as the concepts used to define the authority of the ISSAIs and what it means to comply with them

### The ‘I’ initiative - Ensuring the clarity of the ISSAIs

To achieve a clear and understandable set of ISSAIs that can support SAIs in delivering high-quality audits regardless of the approach the SAI is using when applying the ISSAIs

According to the supplementary scoping paper, the ambition of the SDP is to not change the way that the audits are carried out in accordance with the present ISSAIs. This to limit the consequences of the changes that can result from the ‘I’ initiative. This reflects that it has been part of the PSC Steering Committee’s promises in connection with ‘the Component 1’ analysis and the subsequent development and approval of the SDP that the revision of the ISSAIs in 2024-2028 **will not change the way SAIs do their audits**.

FIPP is committed to work as a safeguard that this pledge will be respected when the projects are carried through and project proposals and exposure drafts are assessed and approved by FIPP. With this paper FIPP wishes to explain to the PSC Steering Committee how FIPP will handle the issues arising from the pledge ‘not to change the way SAIs do their audits’ in an operational way.

The aim for the I initiative is to ensure quality in audit work, focusing on clarity. This will affect *the text* of the standards. Any changes in the text of an auditing standard may potentially at some level of details affect the obligations of auditors following the standards. There will therefore be a balance to strike so INTOSAI can achieve the ambitions of the SDP without ‘changing the way SAIs do their audits’.

## FIPP’s analysis

The IFPP include INTOSAI Ps, ISSAIs and GUIDs. ISSAI 100 and the principles for Financial Auditing (ISSAI 200), Performance Auditing (ISSAI 300) and Compliance Auditing (ISSAI 400) that flow from ISSAI 100 can be used to establish authoritative standards in three ways:

- as a basis on which SAIs can develop standards;
- as a basis for the adoption of consistent national standards;
- as a basis for adoption of the ISSAIs

Component 1 identified many inconsistencies in the IFPP between the principles in the ISSAIs (ISSAI 100-400) and the requirements (ISSAI 2000-4000), both horizontally and vertically. Horizontal inconsistencies occur when principles in ISSAI 100 is missing in the related ISSAI 200-400 or the other way around or when there are inconsistencies between ISSAI 200-400 without any obvious reason. Vertical inconsistencies occur when principles is not reflected in the requirements or the other way around. Both vertical and horizontal inconsistencies will need to be considered and solved through the revision of the ISSAIs.

Below we have listed different types of changes that may be relevant to achieve the ambitions of the SDP and how they may impact on the obligations of SAIs and auditors using the ISSAIs. FIPP will use the analysis in its dialogue with the two project teams when FIPP considers changes in the current text.

Type of change in the ISSAIs	Possibility for impact on SAIs
<b>Moving a principle from ISSAI 100 to ISSAI 200-400</b>	Unlikely to impact the audit work. Might however affect those who uses the ISSAI 100-400 to develop their own standards if they have not been aware that ISSAI 100 applies to all engagements.
<b>Developing a requirement in 2000-4999 based on a principle</b>	Might affect those who only uses the ISSAIs in 2000-4999 and do not consider the principles in ISSAI 100-400.
<b>Moving a principle that exists for all three audit types in ISSAI 200, ISSAI 300 and ISSAI 400 to ISSAI 100</b>	Unlikely/little impact on the audit work
<b>Developing a principle in ISSAI 100/200/300/400 based on existing requirements in ISSAs 2000s, ISSAI 3000 and/or ISSAI 4000</b>	May affect SAIs that use national standards that are based on/consistent with the principles of the ISSAIs
<b>Copying a principle or requirement from one audit type to one or two of the others</b>	May affect the SAIs – especially SAIs using the ISSAIs to carry out audits of a single type rather than combining two or all audit types into one audit process.
<b>Replacing one technical term with another term to achieve a better professional language</b>	Unlikely/little impact on the audit work. But may have effect if the meaning of principles/requirements change.
<b>Changing language into better English</b>	Unlikely to impact on the audit work

### How FIPP will handle the issues

As a general approach FIPP will in its guidance to the project groups and approvals of drafts seek to ensure:

1. That the ambitions of the T-initiatives and I-initiatives as stated in the SDP are successfully met
2. That the results of the 'T'- and 'I'-initiatives are closely based on the existing ISSAI-texts and are achieved through the type of changes illustrated in the table above with due consideration to the possible impact on SAIs
3. That all resulting edits in the texts of the ISSAIs are limited to those that serve the purpose of reaching the ambitions of the SDP. Any potential revisions based on other motivations (improve audit quality in other ways, provide more flexibility, respond to new developments etc.) will have to be postponed to a future project under a new SDP.
4. When the resulting texts are exposed to the INTOSAI community for 90-days as provided by INTOSAI's due process all SAIs will be asked whether the proposed changes to the ISSAIs will affect the way they currently carry out their audits in any unacceptable way. This will ensure that FIPP is made aware of any issues that may not have been probably addressed.