

**Annex 2** - Mark-up version showing the amendments made to the 2016-version of the classification principles (for reference in connection with endorsement of this SDP update)

## Classification principles for INTOSAI Professional Pronouncements

The due process for INTOSAI's framework of professional pronouncements provides that the classification and numbering of pronouncements shall be based on a set of classification principles. The classification principles are provided by this document.

The classification principles define the scope of the framework of professional pronouncements and the different categories of pronouncements included therein, as well as the criteria to classify and number the various pronouncements in the framework. Definition and classification criteria for these pronouncements are described below:

### 1. Definitions

#### A. INTOSAI Professional Pronouncements

INTOSAI Professional Pronouncements are the formal and authoritative announcements or declarations of the INTOSAI Community. They rest upon the common professional expertise of INTOSAI's members and provide INTOSAI's official statements on audit-related matters. All professional pronouncements must therefore be developed and approved through a due process before they are presented to INCOSAI for endorsement.

The INTOSAI Professional Pronouncements consist of INTOSAI Principles (INTOSAI-P), International Standards of Supreme Audit Institutions (ISSAI), ~~Competency Pronouncements (COMP)~~, and INTOSAI Guidance (GUID).

#### B. INTOSAI Principles (INTOSAI-P)

The INTOSAI Principles consist of Founding Principles and Core Principles. The founding principles have historical significance and specify the role and functions which SAIs should aspire to. These principles may be informative to Governments and Parliaments, as well as SAIs and the wider public and maybe used as reference in establishing national mandates for SAIs. The core principles support the founding principles for an SAI, clarifying the SAI's role in society as well as high level prerequisites for its proper functioning and professional conduct.

#### C. International Standards of Supreme Audit Institutions (ISSAI)

The ISSAIs are the authoritative international standards on public sector auditing. The ISSAIs are comprised of:

- The basic set of concepts and principles that define public sector auditing and the different types of engagements supported by the ISSAIs.
- The fundamental principles which INTOSAI have defined as universally applicable professional standards. The auditing practices of all SAIs as well as any national standards for public sector auditing should be aligned to these.
- The organizational level requirements which the SAI and the engagement level requirements which the auditor must comply with if they state compliance with the ISSAIs (rather than national standards)

- Application material that is relevant to ensure that the fundamental principles and requirements are understood and applied as relevant in the circumstances of the individual engagement.

The purpose of the ISSAIs is to:

- ensure the quality of the audits conducted.
- strengthen the credibility of the audit reports for users
- enhance transparency of the audit process
- specify the auditor’s responsibility in relation to the other parties involved.
- define the different types of audit engagements and the related set of concepts that provides a common language for public sector auditing.

ISSAI 100 ‘The Fundamental Principles of Public Sector Auditing’ operationalizes the INTOSAI principles into standards at both the organizational level and at the engagement level. ISSAI 100 defines the authority of the ISSAIs and defines how an auditor can claim ISSAI compliance in an audit report.

**D. INTOSAI Guidance (GUID)**

Guidance pronouncements (GUIDs) provide guidance that supports the SAI in:

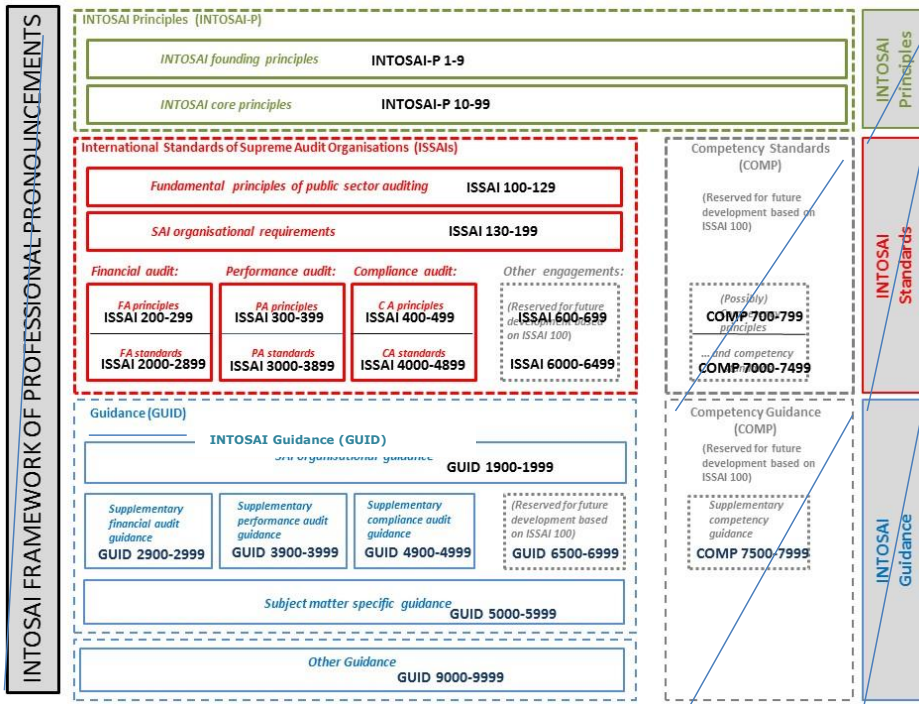
- Enhancing organizational performance in practice related to the organizational requirements and ISSAI implementation.
- Implementing mechanisms and programmes for competency development in line with the ISSAIs.

Guidance pronouncements (GUIDs) provide guidance that supports the auditor in:

- How to apply the ISSAIs in practice in the financial, performance or compliance audit processes.
- How to apply the ISSAIs in practice in other engagements.
- Understanding a specific subject matter and the application of the relevant ISSAIs.

**~~E. Competency Pronouncements (COMP) – Future pronouncements~~**

**Figure 2-** The INTOSAI Framework of Professional Pronouncements [new figure is inserted]



*\*) The numbers 600-6999 are reserved for future development relating to other engagements based on ISSAI 100. Until the relevant pronouncements have been developed the three boxes representing these numbers may not appear on issai.org or other representations of the IFPP.*

## 2. ~~The classification c~~Criteria for classification of INTOSAI Professional Pronouncements

The Forum for INTOSAI Professional Pronouncements (FIPP) will use the following criteria to classify and number INTOSAI pronouncements in connection with FIPP's decisions on approval of project proposals, exposure drafts and endorsement versions.

<b>CATEGORY NUMBER</b>	<b>CATEGORY</b>	<b>CLASSIFICATION CRITERIA</b>
INTOSAI P1-9	INTOSAI founding principles	Founding historical principles specifying the role and functions that SAIs should aspire to. These principles may be informative to Governments and Parliaments, as well as SAIs and the wider public and maybe used as reference in establishing national mandates for SAIs.
INTOSAI P10-99	INTOSAI core principles	Core principles that support the founding principles for an SAI, clarifying issues in relation to the SAI's role in society as well as high level aspirations for the proper functioning and professional conduct of an SAI.
ISSAI 100-129	Fundamental principles of public sector auditing	Defines basic set of concepts and principles that defines public sector auditing and the different types of engagements supported by the ISSAIs.
ISSAI 130-199	SAI organizational requirements (SAI level)	Requirements for organizational functions of an SAI that are designed to enhance the performance of quality audits.
ISSAI 200-299	Financial audit principles	These define the elements and principles of financial auditing, with reference to the fundamental principles of public sector auditing.
ISSAI 300-399	Performance audit principles	These define the elements and principles of performance auditing, with reference to the fundamental principles of public sector auditing.
ISSAI 400-499	Compliance audit principles	These define the elements and principles of compliance auditing, with reference to the fundamental principles of public sector auditing.
ISSAI 2000-2899	Financial audit standards	Standards for financial auditing, in conformity with the financial audit principles.
ISSAI 3000-3899	Performance audit standards	Standards for performance auditing, in conformity with the performance audit principles.
ISSAI 4000-4899	Compliance audit standards	Standards for compliance auditing, in conformity with the compliance audit principles.
GUID 1900-1999	SAI organisational guidance	Guidance that supports the SAI in enhancing organisational performance in practice related to the organizational requirements and ISSAI implementation.

GUID 2900-2999	Supplementary financial audit guidance	Guidance that supports the auditor in the financial audit process on how to apply the ISSAIs in practice.
GUID 3900-3999	Supplementary performance audit guidance	Guidance that supports the auditor in the performance audit process on how to apply the ISSAIs in practice.
GUID 4900-4999	Supplementary compliance audit guidance	Guidance that supports the auditor in the compliance audit process on how to apply the ISSAIs in practice.
GUID 5000-5999	Subject matter specific guidance	Guidance that supports the auditor in understanding a specific subject matter and the application of the relevant ISSAIs.
GUID 9000-9999	Other guidance	Other guidance that supports the auditor.
Reserved for future development based on ISSAI 100		
ISSAI 600-699	Principles for other engagements	These define the elements and principles of other engagements, with reference to the fundamental principles of public sector auditing.
ISSAI 6000-6499	Standards for other engagements	Standards for other engagements in conformity with the fundamental principles of public sector auditing. This may include other INTOSAI audit types or standards developed by other recognized standard setters and adopted by INTOSAI.
<del>COMP 7000-7499</del>	<del>Competency standards</del>	<del>Standards that set out the competencies and professional skills, knowledge, ethics, values and attitudes required by the public sector auditor to undertake audits in line with the ISSAIs.</del>
GUID 6500-6999	Supplementary guidance on other engagements	Guidance that supports the auditor in other engagements on how to apply the ISSAIs in practice.
<del>7000-8999</del> GUID 7500-7999	<del>Supplementary competency guidance</del>	<del>Available for any future needs. Guidance to an SAI in implementing mechanisms and programs for competency development in line with ISSAIs.</del>