Minutes from the Goal Chairs / FIPP SDP Joint Seminar

6-7 September 2022

The Forum for INTOSAI Professional Pronouncements (FIPP) / the three Goal Chairs - Capacity Building Committee (CBC), Knowledge Sharing Committee (KSC) and Professional Standards Committee (PSC)

The meeting material for the joint seminar was distributed prior to the meeting.

According to the SDP process plan approved by the PSC SC in June 2022 the agenda for this meeting was to discuss and identify important areas for further development addressed by the INTOSAI community to be proposed as the main initiatives for the next SDP. The output from the discussions will be used in the further development of the draft that FIPP are responsible to deliver to the PSC SC in June 2023.

Tuesday 6 September at 9:00h

Opening of the Seminar

Welcome by Assistant Auditor General, Ms. Nanna Henning, Rigsrevisionen

Opening message from the PSC Chair, Minister Antonio Anastasia, TCU

FIPP Chair gave an introduction to the content of the discussions on the agenda and informed that the overall goal for a possible output of the meetings is to agree on the basis for a draft SDP.

The agenda for the meeting was organised around selected discussion points, and the FIPP Chair facilitated discussions throughout the SDP seminar.

Discussion point 1: Our vision and our capacity - Initial discussion on the vision and INTOSAI's capacity – a first round table discussion

The FIPP chair presented the vision for the next SDP discussed in June 2022. Participants discussed the draft vision and some adjustments were made based on the inputs. Important considerations were the needs of the users of the INTOSAI's framework of professional pronouncements (IFPP) and that it is important to have an eye on the future. The SDP should be a link to the INTOSAIs vision in the INTOSAI Strategic Plan, where the SDP vision should focus on the content rather than the framework itself.

FIPP members had provided input on key areas for improvement and key strengths in advance.
The current constraints for a professional standard setting were discussed. FIPP highlighted the following based on their experience:

1. In several subject matter specific GUID-projects the subcommittees have operated independently from each other without considering technical issues in the context of the whole IFPP. This have caused delays and unnecessary challenges for these crosscutting projects. Moving forward the cooperation between the subcommittees need to be strengthened to enable development of new ISSAIs for the engagement level. The subcommittees and the PSC secretariat have taken the first step and developed a paper on how to work together on crosscutting issues in order to address this risk.

2. The fact that INTOSAI standard setting rely too exclusively on in-kind contributions is a challenge for this type of specialist work. The dependency on in-kind contributions means that there are

significant inequalities between INTOSAI members with regard to their ability to participate in INTOSAI's standard setting and hence to influence the standards. In addition a wide participation of different SAIs are important to achieve and maintain quality in the drafting and ensure clarity and consistency in IFPP.

3. There is no formal process where approved projects are given to a project lead and where experienced drafters are shared between the projects in accordance with the priority of the project.

4. The composition of working groups are often driven by one or a few SAIs, and the participants tend to reflect how things are working in their own organisations, which is not what is needed to achieve quality globally.

5. There is a need for more technical drafting competence to support the project groups. Experts in a subject matter or audit type is not necessarily so experienced in draft a standard. We need competence in the IFPPs structure, language, terminology and so forth. A solution could be a core drafting team that sends things around to ensure input and buy-in, supported by the TSF or another future support function. It should be ensured that native English speakers are involved in quality assurance of the language, which also will facilitate correct translations to all the official languages.

6. Inadequate contribution by SAIs during review/ exposure of INTOSAI pronouncements

The Component 1 report has shown that there is a significant amount of duplication and that similar issues are dealt with in different ways in the standards. This is caused by the fact that ISSAIs were written by different people at different points in time. There is an issue of clarity and consistency that requires a process for several of the INTOSAI bodies. The improvement of the clarity and consistency of the framework will therefore be a process that needs to be addressed. However due to the fact that there are many different INTOSAI bodies that need to be involved, this is an evolvement that will take time and will have to be addressed as a long term task. A first priority for this work would be developing a glossary of terms for the ISSAIs, to achieve a basis for improving consistency and look at whether duplications are purely form or content.

The issue of whether combined audits should be addressed in the framework is frequently raised. SAIs have different mandates, therefore different practices, also when it comes to how they combine audit types. In the Component 1 report, most SAIs report that it is not a problem for them to decide what standards to apply in these cases. However, it was argued that this should be dealt with, but maybe not as a standard. Participants pointed to different needs and ways to address the reality of combined audit. This included developing better terminology for describing characteristics of combined audits, ensuring common/consistent terminology across audit types so the ISSAIs can be applied together or using digitisation to enable the content of the IFPP to be presented in the way that suits the individual user (either pure audit type or combined audit).

Participants discussed the needs for producing guidance on non-audit work and concluded that this has a low priority at this point in time. As resources are limited, FIPP suggest the focus should be on SAIs core tasks, which is audit. Other participants argued that also non-audit work needs to be considered in the SDP as many SAIs also include such work as part of their mandate.

The draft vision was elaborated on screen and included in the outline for the SDP, which had been elaborated by FIPP and the goal chairs prior to the meeting.

Discussion point 2: A future after PDF-documents?
- Presentation by the PSC Sec of the proposed new way of presenting pronouncements on www.issai.org

- Discussion on pros and cons and possible consequences relevant for the SDP

The PSC secretariat gave a presentation about what a digital solution for the framework could possibly look like, with a logical hierarchy of referencing and enabling the content to be more accessible. It was underlined that this would be a collaborative effort, and involve people across the community. There is no platform ready or decided.

Participants welcomed the initiative, and recognised that this would represent an improvement in the accessibility of the framework. Today people expect to be able to access information in a structured way on their laptops, phones, tablets etc. It was however stressed that, before trying to digitize the framework, it is necessary to review the framework with clarity and consistency in mind, and achieve an agreement on concepts and terminology.

The conclusion was to move forward with the idea of digitizing. There was however many outstanding questions that would have to be solved as part of the work carried out in the basis of the SDP. This extensive work has to be done in different stages so the relevant decisions can be taken one by one on an informed basis. It also became clear in the discussion that the clarity and consistency matters in the content need to be addressed first. Digitisation would therefore have to be achieved though projects that also involved revising the text of the pronouncements. It is important that, while this development work is being done, the framework in PDF will be kept as it is today. It was commented that it is possible to present in more detail how this digital solution will be made.

Discussion point 3: How can we achieve clarity in the use of concepts in IFPP?
- Elaborating a statement for the SDP: Is clarity/consistency important? Why?
- How can we go about it in practice?
- What are the reasonable steps we can take on a three-year timeline?

As highlighted in the Component 1 report, there is a lack of clarity and consistency in the use of concepts in IFPP. The same terms can mean different things in different documents or the same concepts can be described differently across the framework. This is caused by the fact that the ISSAIs were developed by different teams independently at different points in time.

The participants discussed the importance of clarity and consistency. It was however underlined that it is a huge task to go through the whole framework to review and compare, removing duplications and still ensuring that important nuances are not lost. It was emphasised that arriving at the current framework was the result of a substantial effort of numerous people over a long period of time hence the amount of work involved in making the concepts in the IFPP clearer and more consistent should not be underestimated.

Related to this, participants also agreed that it is important to use clear and precise language in the framework. This not only aids clarity in English language versions, but also facilitates translation of the documents into all official languages. Important nuances might get lost in translation, so it is important to ensure that these are clearly and meaningfully reflected in all languages.

The FIPP concluded that all participants agreed that clarity and consistency is important and that this issue needs to be addressed. Before taking this forward, the first step is to agree on the concepts and develop a consistent glossary for the framework.

Discussion point 4 The category of INTOSAI-Ps
- Stocktaking of the existing INTOSAI-Ps, outstanding issues and any proposed new projects

- Elaborating a clear statement on the purpose of the INTOSAI-Ps
- The name of the category – can we solve the issue of multiple usage of the word 'principles' in IFPP?
- How can we achieve clarity on the status of the Lima Declaration (can the Lima Declaration be revised?)
- Considering the inputs obtained relating to INTOSAI-Ps: What are the reasonable steps we can take to strengthen the INTOSAI-Ps?

FIPP Chair presented the status of the INTOSAI-Ps. At the moment, an initiative to update INTOSAI P12 - The value and benefits of Supreme Audit Institutions is put on hold awaiting the next SDP. The INTOSAI-Ps also contains overlaps, as well as addressing the same principles in slightly different ways. One example of this is *independence* that also is an important initiative in INTOSAI's strategic plan.

Participants recognised that as elsewhere in the IFPP, an important issue to focus on further is the clarity and consistency in the terminology. This means in principle that the hierarchy amongst the pronouncements as well as the use of principles both in INTOSAI Ps and ISSAIs should be clarified.

The INTOSAI Ps today consist of both the Lima and Mexico declaration that is in a way considered as the fundamental documents ("Magna Carta of INTOSAI") as well as more recently developed documents that elaborate further on issues covered in Lima and Mexico. Several alternatives for the INTOSAI Ps were discussed. One option presented was to preserve the "Magna Carta"-documents in their current form outside the IFPP for then to redevelop a set of INTOSAI Institutional principles inspired by Lima and Mexico where the other INTOSAI Ps could be used as building blocks. A possible gateway in this development project would be to analyse the contents of INTOSAI-P 12 and consider other important principles not covered there that could be brought in. This way, the important principles for the foundation and running a SAI could be presented in one place. Such a development project could also constitute for a kind of "pilot project" in starting the digitizing of the framework.

The participants also stressed the importance to keep in mind that the Lima Declaration and the Mexico Declaration are well known documents with stakeholders and widely referred to. They also address legislators and external partners as much as the SAIs. Much of the current framework is used as a basis for SAI-PMF, a possible project should therefore be seen in relation to the planned update of SAI-PMF.

Participants agreed that the issues regarding the INTOSAI Ps need to be addressed, but it is necessary to discuss the issue further with the CBC and the INTOSAI Secretariat to have everyone on board before a final decision on a way forward can be made.

The PSC Secretariat took notes on an initiative in the INTOSAI-P category on screen and it was agreed that these notes will provide the basis for elaborating the proposed SDP in the forward process.

Discussion point 5 The category of ISSAIs
- Stocktaking of the existing ISSAIs, outstanding issues and any proposed new projects
- Elaborating a clear statement on the purpose of the ISSAIs
- Ensuring clarity on the function of each element in the ISSAIs:
- The auditing principles
- The requirements
- The application material

Considering the inputs obtained relating to ISSAIs and the challenges of ISSAI implementation: *What are the reasonable steps we can take to strengthen the ISSAIs?*

FIPP Chair presented the status of the ISSAIs.

Participants agreed that also on the format of the ISSAIs, there is a big task ahead on clarity and consistency of the documents. Such a possible update needs to be seen in relation to the initiative on the INTOSAI-Ps, as it seems that it is not sufficiently clear for users of the IFPP how the categories in the framework work together, and their authorities.

Participants also agreed that going through the concepts and languages to achieve clarity and consistency would be a complex process. Factors that needs to be considered in this process is for FIPP to be involved as guidance participants through their Liaison Officers, to have experienced drafters and project leads on board as well as clear roles and responsibilities between the different INTOSAI bodies. FIPP's responsibility is to consider the differences between SAIs and their context when taking decisions on behalf of the INTOSAI community.

A key factor for success is strengthening a technical support function. The function could ideally develop into an integrative force to strengthen all the bodies involved (FIPP, sub-committees etc.)

Based on the discussion, FIPP chair concluded that the output and first step of working with the ISSAIs would be to develop a guide for developing ISSAIs, including the necessary setup, a drafting convention etc. Based on this guide, the project on clarity and consistency in the framework is ready to run. This work should include wider participation from the whole INTOSAI community that use the standards.

The PSC Secretariat took notes on an SDP initiative in the ISSAI category on screen and it was agreed that these will provide the basis for elaborating the proposed SDP in the forward process.

Wednesday 7 September at 9:00h

Discussion point 6

The categories of GUIDs – exploring strategic options

Strengths and weaknesses in the GUIDs and the way FIPP and working groups have worked together on GUIDs.

Stocktaking of outstanding issues:
- Pre-IFPP GUIDs - Unfinished projects
- Proposed new projects
- Guidance developed outside the IFPP

Considering pros and cons and possibilities:
- • Can we improve the drafting quality in the drafts received by FIPP?
- • Would it help to define a less demanding process/less demanding approval?
- • Would it help to let more guidance be developed outside the IFPP and due process and/or ISSAI-website?
- • Would it help to ensure that less guidance is developed outside the IFPP and due process and/or ISSAI-website?
- • Would it help to define the category of unofficial/unapproved guidance (e.g. 'Working Group Papers' – 'WGP xxx') in order to ensure their (lack of) status is clear to readers?

Other suggestions?

The status and issues on the GUIDs were discussed.

There is a need to make the written drafting convention more clear, and FIPP should be more strict when considering whether there is a need for a GUID. It was agreed that the bar should be raised for subject matter specific GUIDs to be included in the future IFPP. These should be strictly needs-based. The focus should be on helping our communities achieve ISSAI compliance; therefore, GUIDs on ISSAI implementation should be prioritised.

Participants agreed to consider a new category for guidance outside the framework. Such a category could include the pre-IFPP documents and/or other guidance working groups want to produce. There already exists a lot of guidance materials that are of a good quality and are widely used outside the framework, like material from IDI and AFROSAI-E. One easily reached and technical approach could be to link this kind of useful material on the ISSAI website (and new digital platform), while making clear who is the author, for what purpose it was produced and the quality control procedures followed. The presentation could be supplemented by the opportunity for users to comment and provide suggestions, thereby creating a dynamic discussion.

The improvement of the drafting quality was also discussed. How teams could be better equipped and the necessaty to have a stronger support function to sit with the project groups are important issues to be solved. A support function could also be involved in the work of developing criteria for the GUIDs. Sufficient time to develop the capacity and competence of such a support function has to be planned for at such a development project.

The process of developing GUIDs should be considered in a longer perspective and could start with the development of working papers and other material. This content would then be publicised as guidance outside the IFPP for then to be be explored and debated in the community. Over time, if relevant and useful the content could evolve to be developed further into a GUID.

FIPP chair concluded that the next step is to look at the capacity and the constraints in the different working groups and sub-committees and other INTOSAI bodies, and to communicate to the INTOSAI community the aim of our achievement. As a starting point it is necessary to focus on developing a set and agreed upon structure around these documents (GUIDs and guidance), categorising them (linked to audit type, subject matter, 9000 series), and developing appropriate criteria including deciding which category might remain in the IFPP. The focus although should not be on developing new material. One possible first start for a project could be to look at the criteria for the subject matter specific GUIDs. FIPP will take the lead in developing such criteria, closely cooperating with other INTOSAI bodies and people outside FIPP.

 The KSC representative suggested that during the Component 1 Exercise, it has been their considered stand that the IFPP framework should contain an ideal mix of principle-based standards and application guidance. Further, to ensure that no SAI is left behind, many SAIs may require authoritative and detailed guidance not only on *what* to achieve but also on *how* to achieve them. As such all categories of GUIDs i.e. Organizational Guidance (GUIDs 1900s), GUIDs on audit types (GUID 2900s, GUID 3900s and GUID 4900s), GUIDs on crosscutting matters (GUIDs 5000s and 5100s), GUIDs on specific subjects (GUIDs 5200s and 5300s), Other GUIDs (GUIDs 9000s) and guidance developed outside the IFPP due process are beneficial for INTOSAI Community.

Further the participants discussed whether the current due process may not be the best suited for developing GUIDs. As such, a separate lighter approach involving more agile approval process may be considered for the GUIDs.

The participants concluded that the current due process may not be best suited for developing GUIDs as much as it is suitable for the INTOSAI Ps and the ISSAIs. A lighter, more agile approval process for the

GUIDs should be considered.

Notes on the key elements in a future strategy for GUIDs were taken on screen and it was agreed that these will provide the basis for elaborating the proposed SDP in the forward process.

Discussion point 7

The individual categories of GUIDs – next steps

Which strategic options or next steps could be relevant for which category of GUIDs:
• Organizational Guidance (GUIDs 1900s)
• GUIDs on audit types (GUID 2900s, GUID 3900s and GUID 4900s)
• GUIDs on crosscutting matters (GUIDs 5000s and 5100s)
• GUIDs on specific subjects (GUIDs 5200s and 5300s)
• Other GUIDs (GUIDs 9000s)
• Guidance currently outside the IFPP

Initial discussion on new projects on GUIDs proposed by WG's (also to be discussed virtually later in September/October)

Considering all inputs: ***What are the reasonable steps we can take related to GUIDs?***

Covered by discussion point 6 see above.

Discussion point 8

Possible additions to the pronouncements and IFPP

Some issues raised are:

- Audit work that falls outside the three audit types.

- Non-audit work: Jurisdictional functions and other SAI functions that fall outside the ISSAI 100 - definitions of 'auditing' – do we need to find a place in the IFPP? ISSAIs/GUIDs or a new separate category?

- Should we have GUIDs related to INTOSAI-Ps?

- The work on fraud and corruption initiated under the current SDP - how do we proceed?

ANY OTHER SPECIFC ISSUES/PROPOSALS OBTAINED THROUGH THE INPUTS NOT ALREADY COVERED

Audits outside the three audit types were related to combined audits. See above.

"Non-audit work" SAIs perform is very different due to different SAIs mandates. Therefore, the variation in these types of task is be substantial and developing something that is generic and yet helpful for the auditors is challenging. FIPP considers that addressing this topic is a low priority.

GUIDs related to INTOSAI-P were not discussed but linked to discussion point 6.

The work on fraud and corruption was not discussed separately but was covered by the general points in discussion point 6.

Concluding the seminar
- What have we accomplished on each of the discussion points?
- How can we proceed in order to solve the issues identified under each theme and ensure we deliver a

proposed SDP?

Conclusions as described in the different discussion points above.

Participants at the SDP FIPP/GCC meeting 6-7 September 2022

FIPP members present
Åse-Kristin Hemsen (Chair)
Kristoffer Blegvad (Vice-Chair)
Alexandra Popovic
Beryl Davis
Aicha Benbelhassen
Chandra Bhandari
Gerhard Ross
Jane Meade
Karen Belteton Mohr
Lissa Lamarche
Mahmood Mahmood (from 10h on 7 Sept)
Toma Donchev

FIPP members absent at the meeting
Prachi Pandey
Marita Salgrave
Einar Gørrisen
Josephine Mukomba

Rigsrevisionen (SAI of Denmark)
Nanna Herning, 09.00-10.00

PSC representatives
Alan Findlay
Geoffrey Simpson
Raisa Ojala
Radek Majer
Antonio Anastasia, 09.00-10.00
Claudio Gomes, 09.00-10.00

PFAC representatives
Mike Hix

KSC representatives
Kesawan Srinivasan
Atanu Das

CBC representatives
Johanna Gårdmark

TSF representatives
Adrian Gogolan

FIPP Technical Assistants
Miroslav Rosenov Ivanov
Lise M. Styrk Hansen
Pawan Pumar Konda