

Draft Strategic Development Plan (SDP) 2023 – 2025

Thank you for the opportunity to provide comments on the draft SDP 2023 – 2025. The general consensus among Performance Audit Subcommittee (PAS) members is that albeit one of the more ambitious plans, the initiatives if achieved will improve clarity and understanding of the framework.

Before providing comments on the specifics of the draft SDP, PAS would like to propose an addition to the SDP. The PAS work plan includes a priority relating to undertaking scheduled maintenance of ISSAI 3000, Guid 3910 and Guid 3920. While the format and timing of this work is yet to be agreed with members, we would like the planned work to be included in the SDP.

General Comments

It is important that all work originating from the SDP is classed as a project and is clearly set out in a project plan, be it analysing the framework and making recommendations or updating a standard. Projects with clear proposals and clearly defined objectives will better inform PAS members as to what is required of them and the contributions we can make.

Given the remit of PAS it is assumed that we will have control over any part of the process that concerns or impacts ISSAI 300 and 3000. We are cognisant of the need for context where text is being recombined or omissions of sentences and terminology.

The reference to the status of INTOSAI as a 'professional standard setting organisation' (page 1) - INTOSAI has a wider remit in terms of capacity building, knowledge sharing etc... this wider remit could be included in order to demonstrate all aspects of the organisation.

Figure 1 (page 2) Various stages of SAIs applying the ISSAIs – As SAIs operate in very different circumstances and the capacities of SAIs differ, it would be helpful to explain what the target of 'SAIs auditing in accordance with the ISSAIs' (centre circle) looks like.

In relation to the sentence after the figure referring to SAIs applying the 'full set' of ISSAIs – the reference to 'full set' could be removed so as not to discourage those trying to apply the ISSAIs.

The prerequisites of professional support and evaluations

Professional support

In terms of establishing 'a more professionalised INTOSAI support function to assist in..... drafting', we would be interested to know how this would be resourced, funded, who would be responsible for recruiting for it and managing it, etc... INTOSAI as a voluntary organisation is driven by the voluntary efforts of its members which is reflective of the PAS subcommittee's ethos. Should a support function requiring monetary funding be established, the implications on independence of INTOSAI must be well thought out and considered.

Evaluation of INTOSAI standard setting organisation

Prior to considering an evaluation, INTOSAI key documents should be reviewed with a view to ensuring clarity and addressing discrepancies – an audit preparedness exercise if you will. However, the evaluation of INTOSAI standard setting organisation is considered a prerequisite to the initiatives. In terms of the evaluation, a number of key questions arise that must be considered and answered before proceeding – Who would carry out such an evaluation, what would be the expected outcomes and what if recommendations from it are at odds with INTOSAI as a voluntary organisation representing a diverse community?

New initiatives proposed

To help SAs with the implementation of the ISSAs and to support audit quality, the implementation of ISQM and of a risk based quality management system that integrates with the digitalisation of audit activities were noted. In terms of ways to help make the pronouncements available to auditors, producing them in Portuguese should be considered.

Comments on the initiatives

Before speaking to the individual initiatives, it is important that we are all cognisant of the risk of unintentional material changes that may not be surfaced through due process and that this is considered and mitigated against wherever possible. This is a concern in any process that is fragmented in nature

A initiative – improving accessibility

Not all SAs will have the digital facilities to benefit from digitising the framework. Therefore, the maintenance and accessibility of the document based framework should be kept in view.

T initiative – developing clear and consistent terminology

This initiative should not result in equalising definitions of key financial audit, compliance audit and performance audit concepts as a goal in itself. Previous work conducted on the harmonisation project and the resources already available can be used as a starting point for this initiative.

P initiative – updating the content and presentation of the INTOSAI principles

Clarification is needed on the connection between the INTOSAI-P documents and the ISSAs and if the Ps (in particular the declarations of Lima and Mexico) should remain in the framework. These documents are used by SAs to promote their independence and may require ‘special status’ outside of the framework and as such will not be subject to revisions/updates in line with the requirements of the framework.

This initiative suggests the Ps will be subject to revision however it would seem logical to decide the positioning of the Ps within or outside of the framework prior to commencing this initiative.

The I initiative – ensuring clarity of the ISSAs

There is a reference to the ISSAs being the ‘authoritative’ standard on public sector auditing (page 5) – the framework is principles based and with the inclusion of the 100 series the word ‘authoritative’ should be removed. Over-harmonisation is not a goal in itself and differences can be intentional and reflect different specific features of an audit type.