

Feedback from The Netherlands Court of Audit on the Strategic development plan for the INTOSAI Framework of Professional Pronouncements in 2023-2025

1. Do you believe the initiatives will improve clarity and understandability of the IFPP?

We believe the different and interlinked initiatives could definitely support the goal of having a clear, consistent and relevant set of professional pronouncements.

Concerning the A-, T, and I-initiatives we have some remarks:

- The A-initiative (accessibility through a digital platform) could increase the accessibility. However, one must bear in mind that not all SAIs (employees) have the digital facilities to (fully) benefit from such a development. Therefore (maintenance of) accessibility of the document-based framework should not be overlooked.
- The T-initiative (enhancing the consistency of terminology) should be supported. However, this should not result in 'equalizing' definitions of key FA and PA concepts in pronouncements as a goal in itself. These types of audits developed from different origins and, therefore, their use of audit concepts sometimes slightly differs. These differences have been carefully laid down in separate FA and PA documents that were developed in the last decades. This requires close involvement of PAS in developing a consistent terminology and, if necessary, pushing back if this tends to harm the specific position of PA within the broader framework of pronouncements. The T initiative seems to be a necessary condition for developing the P, I and G initiatives. Especially for P and I, respectively updating the principles and ensuring clarity for ISSAIs, the activities related to initiative T are highly relevant.
- This consistency in use of terms might also be reflected on when we take a look at the structure of the IFPP (the framework) itself, for instance the distinguishment between principles and standards: the group INTOSAI-P contains the principles, and the group ISSAI also contains principles (the fundamental principles of public sector auditing, and in the groups of 200 to 699: Principles of FA, PA, CA, and 'other engagements'). This can be confusing.
- The I-initiative is closely linked to the T-initiative and aims to identify text that could be used across the full set of ISSAIs and the three different types of audit. While we support unnecessary differences and repetitions between the ISSAIs for FA, PA and CA, we, like mentioned above (second bullet), believe that one should be careful not to overharmonize. In many cases differences are intentional and reflect differences related to the specific features of an audit-type.

2. Do you believe the suggested initiatives are relevant to help your organisation in implementing the IFPP?

Yes, with the side note that the initiatives are formulated at a rather high level of abstraction.

The question rises 'What do we think is missing? Clear **lines of command in the development and maintenance** of pronouncements. For instance: the role of FIPP: is it desirable for developers of pronouncements to have to deal with FIPP comments that can be delivered by any member anytime in the developing stage? Who is responsible for maintenance of the pronouncements and to provide explanations to the pronouncements?

3. Does your SAI have suggestions on how to make the pronouncements available for your auditors so that we support a more active use of the pronouncements in their daily work?

We believe however that the pronouncements should first be made available to the SAI. It is up to the SAI itself to choose or design its best way to implement the pronouncements within the organisation.

At the moment the IFPP is available by the means of its website.

We also would like to emphasize that, both as a matter of principle and for practical reasons, the Financial Auditing Standards should be directly and completely available on www.issai.org. Reference to the IAASB website as only option to access these crucial standards is, in our opinion, inadequate and inconsistent with the unique position of SAIs as independent public sector auditors and INTOSAI as their umbrella organization. We know from previous discussions about this issue that this has to do with the ownership of these standards. We hope this issue can be resolved so all standards can be made available on the IFPP site.

4. Do you have suggestions for new initiatives that you believe are important to support your SAI in implementing the ISSAIs and enhance audit quality?

Not at this stage

5. Are there new topics/areas that are currently not covered by the IFPP that need to be included in the future?

The suggested improvements focus on helping SAIs to fulfil their mandate and deliver high quality audits. We believe that the IFPP could include more guidance on how SAIs can generate impact – value and benefits – from their audit work. UN Resolutions and INTOSAI Principles 1 and 12 articulate that impact in mission-related words like ‘making a difference to the lives of citizens’ and ‘promoting and fostering the efficiency, accountability, effectiveness and transparency of public administration.’ Principle 7 in ISSAI 12 calls upon SAIs to be a credible source of independent and objective insight and guidance to support beneficial change in the public sector. In order to support SAIs in meeting this expectation. IFPP guidance would be helpful, for example in the form of principles for and good practices of effective communication. This guidance could include references to relevant authoritative frameworks for good governance, risk management and internal control, and public sector accounting.

Furthermore the NCA would like to take this opportunity to suggest the following topics for GUIDs:

- Auditing of non-financial information, including performance information and sustainability information
- IT or digital auditing. This topic is quickly evolving and is in need of regular updating.