

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 2022/2023 and the status of the projects in the IFPP Strategic Development Plans for 2017-2019 and 2020-2022.

Report by the Forum for INTOSAI Professional Pronouncements (FIPP)

The purpose of this report is to inform the PSC SC¹ 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 2022 - September 2023.

Overview of content

1. Status of projects from the IFPP Strategic Development Plan (SDP) 2017-2019 and 2020-2022
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1. Status of projects from the IFPP Strategic Development Plan 2017-2019 and 2020-2022

The Governing board endorsed one pronouncement from the SDP 2017-2019 and three pronouncements from the SDP 2020-2022 at INCOSAI in November 2022. There are 5 pronouncements still in the former SDPs (2017-2019).

a) Pronouncements endorsed by the INTOSAI Governing Board in 2022

- GUID 5280 Guidance for Public Procurement Audit
- ISSAI 150 International Standard for Supreme Audit Institutions (ISSAI) 150: Auditor Competence
- GUID 1950 Guidance on the development of competency frameworks for auditors
- GUID 1951 Guidance on the development of pathways for professional development of auditors²

¹ 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](#).

² In connection with the appraisal of the Component 3 pronouncements, FIPP had identified a need for an update of ISSAI 100 to correspond to the new ISSAI 150 and to facilitate the inclusion of a new fundamental principle of auditor competency management in the IFPP.

- Hence a revision of ISSAI 100 was developed by FIPP in close collaboration with the PSC and the CBC.

b) Pronouncements to be endorsed by the INTOSAI Governing Board in 2023

- ISSAI 140 Quality management for SAIs³

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.
- SDP 2.5 Consolidated and improved guidance on understanding internal control in an audit
- SDP 2.6 Consolidated and improved guidance on reliance on the work of internal auditors.
- SDP 2.7 Guidelines for audits of Public-Private partnerships
- SDP 2.8 Consolidating and aligning guidance on IT-audit with ISSAI 100

The next SDP includes a sunset clause for projects included in SDP (2017-2019). Projects from the SDP 2017-2019 without an approved exposure draft by 1. January 2025 will be ended by the responsible Goal Chair.

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

The SDP (2020-2022) included three components.

- Component 1 - The Component 1 report was distributed for the INTOSAI 2022 and the result of the report has been a main contributor to the development of the new SDP
- Component 2 -
 - GUID to INTOSAI P-50 - the GUID has at its current stage been redeveloped as a Guidance and will be reconsidered regarding form and placement after the 'G'-initiative in the SDP has been completed⁴
 - ISSAI 140 (update) - see 1.b) Pronouncements to be endorsed by the INTOSAI Governing Board in 2023
- Component 3 - Competency framework - ISSAI 150 and related GUIDs - see 1. a) Pronouncements endorsed by the INTOSAI Governing Board in 2022

This means that all projects in the SDP 2020-2022 are completed in 2023.

2. FIPP meetings

FIPP has carried out two in-person meetings where the last also was full-time hybrid, as well as 4 sessions of web-meetings.

Three of the four meetings had one or more sessions where the new SDP was discussed in an extended group of FIPP, the three Goal Chairs as well as observers from the INTOSAI General Secretariat.

³ The condition is that FIPP approved the endorsed version in September. In connection with the update of the ISSAI 140 Quality management for SAIs the ISSAI 100 has also been updated to correspond to the new content of the ISSAI 140 according to due process.

⁴The project group has discussed the form and content with the FIPP in many of the FIPP meetings throughout 2022/2023. For more information of the conclusion of the current decision of Guidance see summary with minutes at the FIPP web page: <https://www.intosaifipp.org/2020-2022/#9-guidance-for-implementing-intosai-p-50-principles-of-sais-of-jurisdictional-activities->

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At meetings where the SDP-projects were discussed, participants from the project in question were also invited.

FIPP has in addition invited observers from all three goal chairs (CBC, KSC and PSC) to each meeting in 2021/2022. All FIPP meetings are documented at the FIPP web-page: <https://www.intosaifipp.org/fipp-meetings/>

FIPP aims to coordinate the future in-person meetings in the best possible way adjoining other INTOSAI meetings where potential participants attend in order to be eco conscious as well as prudent with government funding for SAs participating. Hence the next FIPP in-person meeting is placed back-to-back with the INTOSAI Governing Board in Vienna, November 2023. In the future FIPP will continue to look for opportunities to organize its meetings as an extension to meetings arranged by other relevant INTOSAI bodies.

2022

FIPP web-meetings – 3 sessions December 2022 - Two of the meeting-sessions; 1 and 8 December were Joint FIPP/GCC SDP-meetings

2023

FIPP web-meetings – 2 Sessions February and March 2023

FIPP in-person meeting Manama – The Kingdom of Bahrain May 2023 with a 2 ½ days SDP Joint Seminar for FIPP/GCC/ INTOSAI General Secretariat 8-10 May

FIPP web-meetings – 2 Sessions June 2023 - both meeting sessions 13 and 15 June were SDP Joint FIPP/GCC SDP-meetings

FIPP web-meetings – 3 Sessions September 2023

Last meeting in 2023 - FIPP in-person meeting Vienna, Austria 22-23 November 2023 planned partly as a SDP Joint Seminar for FIPP/GCC/ INTOSAI General Secretariat

3. Process for developing the next IFPP Strategic Development Plan

The PSC SC approved the process plan for the next SDP in June 2022. See FIPP web page dedicated to the SDP-process here: <https://www.intosaifipp.org/information-on-the-development-and-process-of-the-new-strategic-plan-2023-2025/>.

During 2022-2023 the Goal Chairs and FIPP have jointly developed the Draft for the next SDP hereunder a vision for the plan and priorities in form of five initiatives to be the main focus for the next SDP term (2023-2025 and beyond). All Subcommittees and Working Groups were also invited to give its initial input to the next Strategic Plan in May 2022.

All meetings/documents are recorded on the FIPP web page.

The draft was officially sent on an exposure to INTOSAI and other stakeholders according to INTOSAI due process January-April 2023. All feedback received is recorded on the FIPP web page.

The draft was aligned after the feedback received in the exposure. The updated draft with a cover letter was distributed for the June 2023 PSC PC meeting. The purpose of the cover letter was for the

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PSC SC to conclude on important strategic matters. This enabled FIPP to finalize the draft SDP for the PSC SC approval. The PSC SC also had the opportunity to give directions on any other amendments needed in the text. and The PSC SC concluded that all relevant parties was consulted during the development of the plan so it is ready for submission to the INTOSAI Governing Board. The cover letter, draft and minutes from the PSC SC with all conclusions are to be found here: [22nd PSC Steering Committee Meeting 2023 \[psc-intosai.org\]](https://psc-intosai.org)

FIPP has amended the draft SDP in accordance with PSC SC's comments and conclusions at the meeting in June 2023. We therefore expect the SDP is now ready for approval so it can be submitted timely to the INTOSAI Governing Board.

4. Other issues raised in connection to the next IFPP Strategic Development Plan

In connection to the development of the new SDP we have also received comments and reflections that reach beyond or outside the SDP. These are issues that although not directly related to the initiatives described in the SDP have great impact on the success of the achievement of the plan with its initiatives and projects.

The cover letter to the SDP introduced these issues to the Steering Committee for further discussions in the PSC SC in June 2023:

- **The lack of a supporting function that meets the needs identified**

Developing new standards and guidelines requires people who can drive projects, research the issues, facilitate deliberation and balancing views, and find solutions.

For INTOSAI standard setting organization to operate in line with what other standard setters do, there is a need for a secretarial function responsible for documentation, communication and information. This responsibility now rest temporarily with the FIPP chair as long as he or she holds the position. The quality of documentation, communication and information depends on the level of resources the relevant SAI is willing to invest in FIPP, in addition to the working hours the SAI has accepted FIPP chair invest in the role.

In the draft SDP, professionalized support was highlighted as a prerequisite for the SDP. The updated draft now focuses on resources needed to ensure progress. This however does not mean that this issue is solved.

In the SDP Joint Seminar in May 2023 the discussion focused on two different needs for support:

- a. The need for support in the individual projects.
- 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 groups. One example is to update the template for project proposals to ensure that the project groups 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 associated projects will require different kinds of support and qualifications to ensure timely deliveries and progress.

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For b) this would be a part of a long-term ambition where INTOSAI works 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 and permanently available when the position as Chair is transferred to another SAI.

- **The foreseen evaluation of INTOSAI's standard-setting organization**

Standards are a cornerstone for quality. Developing standards should be done in a way that ensures global recognition for the standards and for INTOSAI as a standard-setting organization. Since the first SDP was developed in 2016, fundamental changes have been introduced to this organization. In the same way SAIs need to be regularly evaluated, INTOSAI's standard setting organization should also be the subject of such an evaluation on a recurring basis.

In the draft SDP that was distributed to the INTOSAI community, evaluation was included as part of the prerequisites for the plan. The rationale behind this was that potentially changing the requirements of the IFPP requires trust in the organization that does it. This includes living up to the expectations from INTOSAI as well as users of the framework and other stakeholders that the IFPP has been developed/amended according to principles of legitimacy, transparency and representativity.

As a result of the discussions in the SDP Joint Seminar in May 2023, the text on the evaluation of the standard setting function has been removed from the SDP as a prerequisite. This, however, does not mean that it is irrelevant to evaluate the standard setting function. On the contrary, evaluations are important to improve our processes and learn from experience as well as to provide stakeholders with an external and independent view of the organization that in this case refers to the standard setting organization of INTOSAI. As such, evaluations are important tools to enhance the recognition of INTOSAI as a professional standard setter as well as providing new suggestions for improvements. In the SDP Joint Seminar in May 2023 there were voices advocating for evaluation both in the near future and after the initiatives in the SDP are finalized. There were also different views on internal versus external reviews.

FIPP recommends that further steps should be taken to carry out an external evaluation.

- **Monitoring the effects of the SDP**

The suggestion brought forward during the call for comments on the draft SDP for monitoring and evaluation of the implementation / use of the outcome of the SDP initiatives is a separate issue and is still relevant for the SDP.

We suggest to include in the SDP that the accessibility, implementation and use of the ISSAIs will be monitored through the INTOSAI Global Survey. Evaluation of the SDP-process and resulting SDP may also be part of the future preparations for developing the next SDP.

5. Other main tasks achieved by FIPP 2022-2023

FIPP's working procedures

According to FIPP's terms of reference FIPP decides on its own working procedures. The FIPP working procedures have been updated in 2023 according to plan. The update includes

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a removal of overlaps to the INTOSAI Due Process, the PSC Terms of Reference and the PSC SC Terms of Reference. A revised description of meetings, roles and responsibilities and hereunder an updated description of the FIPP Liaison Officer role have been developed. See Annex 3 FIPP Working Procedures.

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	Project Proposal conditionally approved at the 12 th 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 Project proposal 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 updated project proposal was approved by FIPP in the FIPP web-meetings in September 2020. The project have distributed a new revised project proposal to FIPP in the first half of 2022 that have been discussed in FIPP and with the PSC Secr as well as with the project group. The conclusion after the discussions was that the project will start work on a draft to be further discussed in FIPP regarding relevance, anchor to the ISSAI 100 and level (according to the classification principles).	
#2.7	GUID 5340 Guidelines on audit of Public-Private Partnerships (PPP)	An updated Exposure Draft with Explanatory Memorandum was discussed at the FIPP April 2022 meeting. The conclusion was that the project should be reviewed by the KSC. FIPP recommended to update the GUIDs project proposal to address the risks given regarding the quality assurance routines, timing and composition of the working group as to capacity and resources with the support of the Goal Chair (KSC). Pending within the KSC.	Not planned
#2.8	GUID 5101 Consolidating and aligning guidance on IT-audit with ISSAI 100	Endorsement version 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 11 th FIPP meeting, June 2019. At the 12 th 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 the GUID 5101 should not be forwarded to the INTOSAI Governing Board due to the feedback received in the exposure phase. The project distributed a new updated Exposure Draft for the FIPP that was discussed in April 2022. FIPP then provided a list of key issues to be considered.	Not planned

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

<p>Component 1 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>Component 2</p>	<p>The Governing Board approved the 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"> • Guidance for implementing INTOSAI P-50 Principles of SAIs of jurisdictional activities (KSC) <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 on the jurisdictional activities in the IFPP.</p> <ul style="list-style-type: none"> • ISSAI 140 Quality management for SAIs (PSC) <p>The project proposal was approved by FIPP June 2022. The Exposure Draft with explanatory memorandum was approved by FIPP February/March 2023 and placed on</p>	

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	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.	
Component 3	Framework for competency management	Finalized - Endorsed by Governing Board 2022

Annex 3 FIPP Working Procedures updated 2023

[FIPP Working Procedures updated 2023](#)