

Professional Standards Committee – Terms of reference

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[Pick the date]

Professional Standards Committee – Terms of Reference

1. Introduction

The Professional Standards Committee (PSC) was established as a result of the first INTOSAI Strategic Plan approval by the XVIII INCOSAI, in Budapest, in 2004. This Strategic Plan, adopted for the period 2005-2010, was based on four main strategic goals. The first one was “Accountability and Professional Standards” and its achievement was assigned to the Professional Standards Committee (PSC).

In November of 2010, in Johannesburg, the XX INCOSAI endorsed 35 ISSAIs and two INTOSAI GOVs that had been approved by the INTOSAI Governing Board. Subsequently, the XX INCOSAI called upon INTOSAI members and other stakeholders to use the ISSAI framework as a common frame of reference for public sector auditing and to implement the ISSAIs in accordance with their mandate and legislation.

In the following years, the PSC focused its efforts on the ISSAI Framework Harmonization Project, which resulted in a new set of auditing principles, the current ISSAIs 100, 200, 300 and 400. The XXI INCOSAI, held in Beijing in 2013, endorsed “ISSAI 100 - Fundamental Principles of Public-Sector Auditing”, “ISSAI 200 – Fundamental Principles of Financial Auditing”, “ISSAI 300 - Fundamental Principles of Performance Auditing”, and “ISSAI 400 - Fundamental Principles of Compliance Auditing”. This was a landmark for the INTOSAI standard-setting function. The Fundamental Principles became the reference from which new improvements in the ISSAI framework may take place.

Aiming at strengthening INTOSAI as an international standard-setting organization, a new structure for the standard-setting function was approved by the XXII INCOSAI (Abu Dhabi, 2016). The Forum for INTOSAI’s Professional Pronouncements (FIPP) was created to analyze and approve new pronouncements, ensuring a single entry into the ISSAI framework. At the same time, roles were reassigned, new documents regulating these roles were approved and a careful review of the ISSAI framework was launched.

As part of this process, the ISSAI Framework is to be revised, with the purpose of enhancing the clarity and credibility of INTOSAI’s professional pronouncements, with a view to making them an authoritative framework for public sector auditing.

In the context of these changes, the PSC has been discussing its new responsibilities and challenges. These Terms of Reference mirror these changes, describing PSC tasks, structure, main outcomes and products, as well as other aspects essential for the fulfilment of its mission.

Throughout this document, the term “PSC Chair” should be taken to mean the PSC goal leadership Chair and Vice-Chair team unless explicitly stated or contextually obvious to be otherwise.

2. Purpose

The Strategic Plan of INTOSAI 2017-2022 establishes that the Strategic Goal 1 – Professional Standards is to “Promote strong, independent, and multidisciplinary SAIs and encourage good governance, by: 1) Providing and maintaining International Standards of Supreme Audit Institutions (ISSAI); and 2) Contributing to the development and adoption of appropriate and effective professional standards”.

According to the Strategic Plan, the Professional Standards Committee (PSC) leads INTOSAI’s “efforts to provide relevant, professional and clear standards that add credibility to the work of the individual auditor and the resulting audit reports”.

3. Mandate

The PSC mandate, approved by Governing Board in December 2016, is closely aligned with the current INTOSAI Strategic Plan. The following main objectives will be pursued by the PSC in the period 2017-2019 (the full text of the “PSC Mandate 2017-2019” can be consulted separately):

1. Provide for a strong organizational structure to support the standard-setting process.
2. Offer strategic guidance and overall coordination of the standard-setting process.
3. Consolidate the Standards Framework.
4. Support capacity development initiatives for the Implementation of INTOSAI Standards.
5. Monitor the implementation and adoption of the standards.

4. Structure and composition

The PSC makes up the INTOSAI structure for the standard-setting function together with the Forum for INTOSAI’s Professional Pronouncements (FIPP)

4.1. The organization of the PSC

- the PSC Steering Committee
- the PSC Chair

- the PSC Vice-Chair
- the Compliance Audit Subcommittee (CAS)
- the Financial Audit and Accounting Subcommittee (FAAS)
- the Performance Audit Subcommittee (PAS)
- the Internal Control Subcommittee (ICS)
- ad hoc project or study groups that might be created

4.2. Composition of the PSC Steering Committee

Members: PSC Chair and Vice-Chair; CAS, FAAS, PAS and ICS Chairs, Chairs of ad hoc groups, CBC Chair, KSC Chair and one representative of AFROSAI, AFROSAI-E, AFROSAI-F, ARABOSAI, ASOSAI, CAROSAI, EUROSAI, OLACEFS and PASAI.

Following the merger of the Financial Audit Subcommittee and the Accounting and Reporting Subcommittee, the former chair of the Accounting and Reporting Subcommittee will remain a member of the PSC-SC during the transitional period.

Observers: the INTOSAI Chairman, the First Vice-Chairman of INTOSAI, the INTOSAI Secretary-General, the Chair of FIPP, the Chair of Policy, Finance and Administration Committee (PFAC), the Director-General of IDI, the President of the INTOSAI Journal and the PSC advisory partners (see item 8 below).

Other observers may be admitted to the PSC Steering Committee for defined periods. A reasoned request should be made to the PSC Chair, who will forward the application along with a recommendation to the PSC SC for decision.

The current PSC advisory partners are the International Federation of Accountants (IFAC), the Institute of Internal Auditors (IIA) and the World Bank.

5. Roles and responsibilities¹

5.1. PSC

¹ A list of the responsibilities of the PSC Steering Committee, the PSC Chair and the Subcommittees, according to the “Handbook for INTOSAI Committees (2014)”, the “Due Process for INTOSAI’s framework of professional pronouncements” and the paper “Governance of the Forum for INTOSAI Professional Pronouncements (FIPP)” can be found in **Annex 2**.

The PSC is responsible for achieving the objectives defined under goal 1 of the Strategic Plan and ensuring the effective operation of INTOSAI's standard-setting activities in line with the Strategic Plan and the Due Process for INTOSAI Professional Standards.

During the period 2017-2019, special attention will be given by the PSC to the following specific key issues:

1. Govern the FIPP and maintain its membership;
2. Establish, update and monitor the implementation of the Strategic Development Plan (SDP)² for the development of INTOSAI's Framework of Professional Pronouncements (IFPP); and
3. Drive the implementation of the new IFPP by INCOSAI 2019

5.2 PSC Steering Committee (PSC-SC)³

The PSC Steering Committee coordinates the work of the PSC and ensures that the PSC supports the objectives and goals of INTOSAI.

Furthermore, the PSC-SC is responsible for the governance of FIPP and for assuring that FIPP works in the public interest on behalf of INTOSAI membership and does not become too self-sufficiently independent and technocratic. In this regard the PSC-SC:

- gives guidance and input to FIPP's work;
- approves changes to FIPP's Terms of Reference;
- approves the SDP;
- decides about any issues in relation to the application and the procedures of the due process;
- establishes any supplementary procedures needed to make the due process work well in practice;
- decides about the use of the budget for standard-setting activities (INTOSAI funds or voluntary contributions);
- leads INTOSAI's collaboration with other international standard-setters.

5.3. PSC Chair

² The SDP is a general strategy and working plan for the development of the INTOSAI Framework of Professional Pronouncements). It is prepared by the FIPP, based on inputs received from the CBC, KSC, PSC and their subcommittees and working groups, and assembles all initiatives to develop, revise or withdraw professional pronouncements.

³ Annex 4 establishes detailed mechanisms by which the PSC-SC should govern the work done by FIPP.

The PSC Chair is responsible for representing the PSC in all INTOSAI bodies and meetings. The Chair is also responsible for the objectives of INTOSAI's Strategic Plan for Goal 1 towards the INTOSAI Governing Board. Consequently, it takes the necessary initiatives to ensure the effectiveness of INTOSAI's standard-setting efforts, coordinating these efforts and guaranteeing their alignment with the Strategic Plan.

The PSC Chair is responsible for facilitating the availability of information about the INTOSAI standard-setting function. It is also responsible for facilitating internal and external communication. For these purposes, the Chair maintains websites for both the PSC and its Subcommittees and the ISSAI framework.

5.4 Joint responsibilities with the CBC and KSC Chairs

The PSC Chair shares responsibilities with the Chairs of CBC and KSC, since the collaboration between them can ensure that the activities of standard-setting, capacity development and knowledge-sharing support each other within INTOSAI. Some of the responsibilities shared by the Goal Chairs derive from the executive function in relation to the FIPP. This executive function includes responsibility for coordination, organization and timeliness of individual projects to develop standards and other pronouncements, as shown in the workflow in Annex 1. It also comprises responsibility for FIPP's membership personnel matters, which is guided by the FIPP's Terms of Reference and the "Forum for INTOSAI Professional Pronouncements (FIPP) Rotation Policy".

The PSC Chair is the leading part in the collaboration between the Goal Chairs on any matters relating to FIPP.

5.5 Subcommittees and project groups

The Subcommittees are standing PSC bodies responsible for the development of new standards and the revision of existing ones, as stated in the SDP, in accordance with the Due Process. The Subcommittees also provide technical expertise in the main types of audit (financial, performance and compliance) to other INTOSAI working groups charged with undertaking SDP projects.

The PSC Steering Committee may decide to establish an ad hoc project group to develop a project in the approved SDP. The group will function during a defined period or until an agreed outcome has been reached.

The ad hoc project group has the same responsibilities as the subcommittee. The Chairs of both have also the same responsibilities. Their roles and responsibilities are informed in their respective terms of reference.

Considering the Subcommittees' and Project Groups' objectives, their members are expected to have an active participation in meetings, in the development of projects. They are also expected to take part in the internal approval of Subcommittees' terms of reference, work plans, drafts of pronouncements and other documents and products.

6. Membership

The PSC is composed of all the members of each subcommittee and ad hoc project group. SAIs that do not participate in the work of the PSC subcommittees can attend the full meetings of the PSC during congresses as observers.

An SAI interested in becoming a PSC subcommittee member should contact the Chair of the Subcommittee of interest and request membership. Every SAI admitted, as a Subcommittee member should commit to fulfil the responsibilities listed in Annex 2. The new SAI member should nominate a representative in the Subcommittee and seek personal continuity in this representation.

The PSC Chair informs INTOSAI's General Secretariat about the membership of the PSC and updates this information whenever necessary, while the Subcommittee Chairs inform the PSC Chair about the Subcommittee's membership and its changes.

The complete list of PSC members and Subcommittees members will be posted on the PSC website.

The PSC and the Subcommittees should seek a balanced representation of the INTOSAI membership, concerning language, SAI model and INTOSAI Regions.

7. INTOSAI stakeholders

The PSC seeks to work closely with the other Goal Chairs. The close cooperation between them contributes to the successful development of the ISSAI framework, as well as to the good functioning of the FIPP. The best coordination with the FIPP is also pursued in order to achieve the best possible results in the standard-setting activities.

The PSC seeks to integrate in its work feedback from the Regional Organizations and the IDI about ISSAI implementation issues. The PSC Chair encourages the active participation of the Regional Organizations in the PSC Steering Committee's debates and decisions.

The PSC cooperates closely and constructively with the INTOSAI Secretary-General, the Policy, Finance and Administration Committee (PFAC), the Supervisory Committee on Emerging Issues (SCEI) and other INTOSAI bodies. This cooperation reflects the PSC willingness to collaborate with all INTOSAI bodies and initiatives and contributes to the achievement of Goal 1 strategic objectives.

8. External stakeholders

Aiming at exchanging experience with external stakeholders and receiving systematized feedback and inputs to the standard setting work, the PSC counts on the support of advisory partners and consultative bodies.

Advisory partners are external stakeholders that provide comments to the Strategic Development Plan, participate in the PSC Steering Committee meetings as permanent observers and have other functions agreed between them and the PSC Chair, which may be set out in a memorandum of understanding. Currently (June of 2017), the PSC advisory partners are the World Bank, the IIA and the IFAC.

Consultative bodies are external stakeholders that participate in a “virtual community” that provide comments and suggestions to the Strategic Development Plan, individual projects and exposure drafts of pronouncements when requested by the PSC, by ad hoc groups undertaking SDP projects or , by the FIPP Chair.

9. Products and outcomes

9.1. Projects

The PSC Chair refers to the FIPP individual project proposals for the development of standards and other pronouncements for approval together with any remarks the chair may wish to provide. The proposals should include a reference to the alignment with the INTOSAI strategic objectives and the demands of the INTOSAI community, among other points required by the Due Process.

The PSC Chair also presents to the Governing Board the SDP for professional pronouncements for endorsement.

9.2. Drafts of Standards and other pronouncements

The PSC Chair presents to the Governing Board the drafts of standards and other pronouncements produced by its Subcommittees and ad hoc project groups and approved as endorsement versions by the FIPP. The Chair provides assurance to the Governing Board that the Due Process was observed during

the development of these pronouncements. The responsible Subcommittee can make an oral presentation of the draft to the Governing Board as deemed necessary.

9.3. Work plan

The PSC develops triannual work plans based on the INTOSAI Strategic Plan and the PSC Mandate. The work plan's period should coincide with the period between INTOSAI Congresses. A reduced version of the PSC work plan is available at www.psc-intosai.org and can be found in Annex 3 of these Terms of Reference.

Each subcommittee and project group develops its own triennial work plan.

9.4. Annual reports

Annually, the PSC Chair reports to the INTOSAI Governing Board, focusing on the implementation of the strategic objectives for Goal 1 and the committee's contribution to the cross-cutting priorities, as set out in the INTOSAI Strategic Plan 2017-2022.. The report encompasses the activities developed by the Steering Committee, the Chair and Vice-Chair, the Subcommittees and the project groups.

Every three years, the PSC Chair will also report to the Congress on the Committee's activities since the previous INCOSAI.

10. Strategic objective review

The PSC Chair will lead the assessment of progress toward the strategic objectives on Goal 1, working in close collaboration with the PSC subcommittees, the other Goal Chairs and the General Secretariat.

The PSC Chair and relevant contributors (other INTOSAI bodies, regional organizations, and external stakeholders) will review the results achieved under each objective based on agreed-upon benchmarks, such as measured performance toward established targets and the completion of major tasks or deliverables. Attention will also be given to progress made in advancing INTOSAI's cross-cutting priorities.

Once each objective has been assessed, the PSC Chair will prioritize the action items and steps needed to continue progress, improve performance or to manage risks.

The review and the prioritization of action items shall be included in the annual reports mentioned in the item 9.5 above.

11. Meetings

The PSC (Full Committee) meets every three years at the occasion of the INCOSAI. The PSC Steering Committee meets every year. In connection with the Steering Committee meetings, the PSC Chair and the Subcommittees' Chairs may also hold annual meetings.

The decisions made by the PSC Steering Committee, during meetings or through extraordinary hearings, will be by consensus as far as possible. When consensus is not reached, the subjects of discussion will be decided by a simple majority of votes. The PSC Steering Committee's observers do not vote.

A simple majority of votes will decide any issue taken to the decision of the full Committee.

The PSC Chair, in coordination with the SAI that hosted the meeting, is responsible for the respective minutes.

The PSC Chair may convene extraordinary meetings.

Between the meetings, the PSC bodies will stay in contact. The PSC Chair and Vice-Chair will work to inform the PSC members of important issues through e-mail and the PSC website.

12. Language

The working language of the PSC is English.

13. Coverage of costs

All costs resulting from the participation of one SAI in the PSC, including those on account of participation in meetings, are borne by the SAI. The direct meeting expenses alone are met by the SAI that hosts the meeting.

The contributions from the INTOSAI income (item 6 of the INTOSAI Statutes), as well as any voluntary contributions received by the PSC will be used according to the destination approved by the PSC Steering Committee.

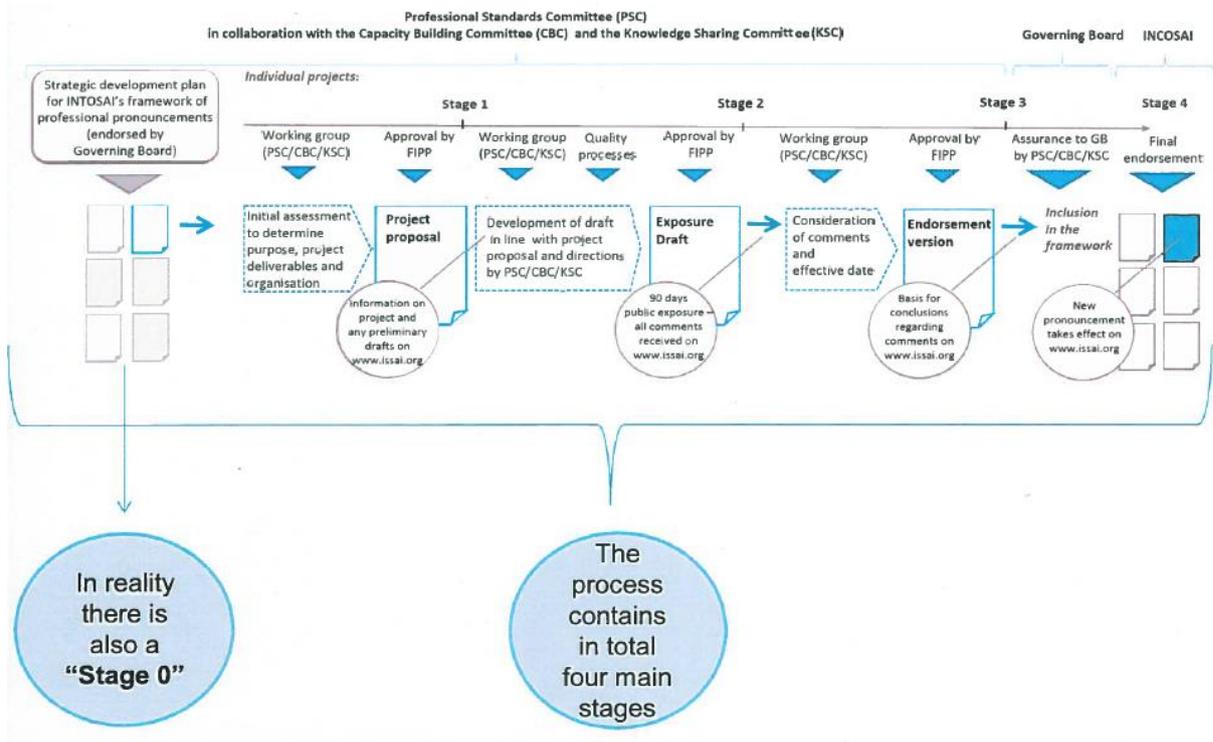
INTOSAI



Professional
Standards Committee

ANNEX 1

DUE PROCESS FLOW DIAGRAM



ANNEX 2

ROLES AND RESPONSIBILITIES

(As detailed in the paper “Governance of the Forum for INTOSAI Professional Pronouncements (FIPP), presented by the PSC Chair to the Governing Board in 2016, the “Handbook for INTOSAI Committees (2014)” and the “Due Process for INTOSAI’s framework of professional pronouncements”, approved by Governing Board in 2016.”

PSC Steering Committee (with regard to standard-setting):

- Strategic development plan (SDP) for INTOSAI’s framework of pronouncements: Decision on the organization of the planning process and approval, based on proposals developed by FIPP, put forward by subcommittees and working groups, or proposals from other parties.
- Any issues in relation to the application and the procedures of the Due Process.
- The establishment of any supplementary procedures needed to make the due process work well in practice.
- Approval of the budget for INTOSAI standard-setting activities (INTOSAI funds or voluntary contributions).
- Supporting functions for INTOSAI standard-setting activities.
- INTOSAI’s collaboration with other international standard-setters.
- Raising awareness on FIPP and promoting the ISSAIs in the INTOSAI community and among external stakeholders.
- Approval of changes in the PSC’s terms of reference before they are presented to the Governing Board.

PSC Steering Committee (with regard to the governance of the FIPP):

- Driving the long-term development of FIPP.
- Providing input and guidance to the work of FIPP.
- Ensuring that FIPP contributes to reliable and effective standard setting in accordance with the key strategies defined for goal 1 in INTOSAI’s Strategic Plan.
- Encouraging relevant candidates for FIPP to come forward through the nomination process organized by the goal chairs.
- Approving the changes in FIPP’s terms of reference before they are presented to the Governing Board.
- Providing a linkage of FIPP to INTOSAI’s regions, the PSC’s subcommittees, the CBC and the KSC as well as other INTOSAI bodies.

PSC Chair (general responsibilities towards other INTOSAI bodies):

- Representing the PSC in the Governing Board meetings.
- Being responsible for the objectives of INTOSAI's strategic plan for goal 1 towards the INTOSAI Governing Board and INCOSAI.
- Informing INTOSAI's General Secretariat about the membership of the PSC and updating this information whenever necessary.
- Reporting on an annual basis to the INTOSAI Governing Board on the results and outcomes, issues for follow-up and expected outcomes, as well as providing an overview of new, revised and/or withdrawn pronouncements.
- Reporting on a triennial basis to the INCOSAI on the Committee's activities since the previous INCOSAI.

PSC Chair (with regard to standard-setting):

- Representing the PSC in the meetings of the goal chairs.
- Consulting the other goal chairs as relevant, prior to and in between the Steering Committee meetings, on any matters that may have implications for goals 2 and 3.
- Ensuring an effective division of tasks between the three steering committees for goals 1, 2 and 3 in order to minimize overlaps between their agendas, in conjunction with other goal chairs.
- Taking initiatives as needed to ensure the overall effectiveness of INTOSAI's standard-setting efforts.
- Preparing the budget for INTOSAI standard-setting activities (INTOSAI funds or voluntary contributions), as provided for by the principles for financial contributions to INTOSAI standard-setting function.
- Drawing on the subcommittee chairs as relevant in order to coordinate the development and implementation of INTOSAI professional pronouncements.
- Approving changes in the Subcommittees' terms of reference before they are presented to the Governing Board.
- Ensuring the coordination, organization and timeliness of individual projects, led by the PSC Subcommittees or ad hoc project groups acting under the responsibility of the PSC, to develop standards and other pronouncements.
- Ensuring, for all projects, the alignment with INTOSAI's strategic goals and the application of the revised due process.

- Keeping a consolidated record of the status and progress of all planned and ongoing projects to develop, maintain, revise or withdraw professional pronouncements, in conjunction with the other goal chairs.
- Ascertaining that the subcommittees perform their designated tasks in line with the due process, and in compliance with any further directions established through the individual project proposals.
- Referring the drafts produced by the subcommittees to FIPP for approval together with any remarks considered necessary.
- Referring the final pronouncements prepared by the subcommittees to the INTOSAI Governing Board, assuring the Board, on a project-by-project basis, that due process has been followed in all aspects.
- Ensuring maintenance of the pronouncements when the subcommittee that originally developed the guidance no longer exists or wishes to be relieved of the maintenance responsibility.
- Assuring that only minor editorial and conforming changes are made through the procedure established for that purpose.
- Overseeing that all pronouncements are publicly exposed for comments
- Designating INTOSAI representatives to other international standard-setting bodies.

PSC Chair (with regard to the governance of the FIPP):

- Opening calls for nomination and handling the process of selection, appointment and rotation of FIPP members to be presented to the Governing Board for final endorsement, in conjunction with other goal chairs.
- Selecting the Chair of the FIPP, to be presented to Governing Board, in conjunction with other goal chairs.
- Handling any other FIPP personnel matters, in conjunction with the other goal chairs.
- Being the leading part in the collaboration on any matters relating to FIPP.
- Taking initiatives as needed to ensure the effective operation of FIPP in line with FIPP's terms of reference, and establish the appropriate mechanisms in that regard, in conjunction with the Chairs of CBC and KSC.
- Representing the PSC as observer in FIPP's meetings.

Subcommittees and Project Groups:

- Providing technical expertise in the main types of audits defined by the INTOSAI to PSC and other INTOSAI bodies' projects.
- Preparing initial assessments for new pronouncements.

- Developing project proposals for the development of new pronouncements based on a thorough initial assessment.
- Participating in projects included in the SDP that are led by other INTOSAI groups.
- Applying the appropriate quality processes to the development of the pronouncements, according to the pertinent provisions of the Due Process.
- Proposing the inclusion of new projects in the strategic development plan.
- Preparing drafts of new pronouncements for submission to the FIPP.
- Seeking guidance from FIPP during the initiation and development of a project, whenever necessary.
- Seeking guidance from the PSC Chair or the PSC Steering Committee for alignment of a project to the INTOSAI's strategic goals and priorities or whenever necessary.
- Deciding to publish preliminary drafts on the ISSAI website for information or in order to encourage input to the work.
- Exposing the drafts of pronouncements approved by FIPP to INTOSAI members and other stakeholders.
- Notifying all INTOSAI members and other relevant stakeholders of the exposure periods.
- Collecting and analyzing the comments received during the exposure period, exercising judgement to accommodate all relevant considerations.
- Forwarding the comments and the Subcommittee's considerations to FIPP.
- Considering, in conjunction with FIPP, if the changes in the draft require re-exposure.
- Arrange that the endorsement versions be translated into the INTOSAI official languages.
- Supplementing the report made by the Committee Chair to the Governing Board with an oral presentation about endorsement versions of pronouncements, whenever necessary.
- Preparing executive summaries about new pronouncements for publication on the INTOSAI website.
- Deciding on maintenance frequency for each professional pronouncement produced by the subcommittee.
- Following-up and maintaining the pronouncements.
- Proposing editorial changes to professional pronouncements.
- Developing a version of a revised pronouncement, explaining the reasons for the proposed changes and forwarding the final document for approval by FIPP.
- Proposing and justifying withdrawals of professional pronouncements.

Subcommittees' Chairs (with regard to their capacity as integral part of the PSC):

- Participating in the PSC Steering Committee meetings.
- Presenting annual reports to the PSC Steering Committee.

- Preparing or updating the subcommittee's Terms of Reference for submission to the PSC Chair and to the Governing Board.
- Keeping contact with the PSC Chair.
- Keeping contact with the FIPP Chair.
- Informing the PSC Chair and the INTOSAI General Secretariat about the membership of the PSC Subcommittee and updating this information whenever necessary.
- Informing the SAI Members that comprise the Subcommittee on its webpage.
- Presenting the Subcommittee's part of the PSC report to the Governing Board.

Subcommittees' Chairs (with regard to the subcommittees):]

- Coordinating all activities of the subcommittee.
- Chairing the subcommittee meetings.
- Circulating drafts of subcommittee's documents among members for internal approval.
- Managing the subcommittee's webpage in the PSC website.

Subcommittees' members:

- Participating in the approval of subcommittee's terms of reference, work plans, progress reports and other subcommittee's documents.
- Participating in the development of projects.
- Participating in the writing of new documents and revision of existing ones.
- Participating in the full Committee and subcommittee meetings.

ANNEX 3

WORK PLAN 2017-2019

1. What we take over (and guarantee to duly continue)

1.1 Lead standard-setting:

- Coordinate, guide and support the work of the subcommittees and monitor the work plans' implementation
- Oversee standard-setting

1.2 Promote the visibility of the INTOSAI standards:

- Maintain PSC and ISSAI websites
- Contribute to INTOSAI Journal

1.3 Maintain close relations and cooperation with other INTOSAI bodies

1.4 Maintain close relations and cooperation with external stakeholders:

2. PSC after INCOSAI 2016 (and how we prepare for the changes)

2.1 PSC Structure

- Propose and implement a new composition for the PSC SC
- Invite the sub-committees to assess whether their current structures, sizes and compositions remain appropriate in the light of the revised ISSAI framework and align their terms of reference to the new process of standard-setting.
- Propose and implement an independent advisory function.
- Assess needs for and investigate the possibilities of establishing a permanent technical support function, in cooperation with other INTOSAI bodies.

2.2 PSC role of overseeing standard-setting (new «due process»)

- Take “*overall responsibility for ensuring the effective operation of INTOSAI’s standard-setting activities in line with this due process*” and decide upon and put in place the necessary systems and procedures for doing this.
- Approve the strategic development plan and keep consolidated record of all planned and ongoing projects concerning INTOSAI pronouncements.
- Provide assurance to the GB that the due process has been followed in the PSC subcommittees’ projects
- Refer pronouncements of its subcommittees to the FIPP for approval
- Governance of the FIPP.

2.3 Monitor the implementation of INTOSAI’s strategic plan.

3. Drive into the future

3.1 Consolidate the ISSAIs framework and the existing standards

- Work to improve quality of INTOSAI standards
- Work to improve consistency among INTOSAI standards
- Work towards internal and external credibility of the standards

3.2 Support the development of education/competence standards

- Cooperate with CBC on standards
- Cooperate to the development of a basis for competency framework and certification program

3.3 Support the implementation of INTOSAI standards

- Outreach – promote INTOSAI standards in the INTOSAI Regions and national SAIs
- Implement feedback-circle into standard setting process
- Cooperate with IDI, CBC and INTOSAI regions in the implementation processes
- Develop a roadmap for ISSAI implementation in cooperation with IDI, CBC and KSC

ANNEX 4

GOVERNANCE OF FIPP

Section I

In order to ensure transparency and accountability in the standard-setting process, the PSC-SC should verify:

- that FIPP established working procedures and followed them during its activities in due process, especially regarding decision making procedures (FIPP ToR)
- that FIPP publishes:
 - a) its terms of reference, working procedures and other administrative documents that may interest the public involved in standard setting;
 - b) its reports and decisions involving the analysis of individual pronouncements, in each of the phases established in due process;
 - c) minutes of their meetings;
 - d) answers to questions on the status and interpretation of the pronouncements;
 - e) common INTOSAI positions on standards-related issues, for instance, on technical matters that are considered by other standard-setting bodies

Section II

The PSC-SC shall assure that the following measures are taken by FIPP during the various stages of due process:

1. Regarding the Strategic Development Plan (SDP), that:
 - 1.1 FIPP's proposal for the planning process was forwarded to the PSC-SC at least-30 days before the deadline for approval;
 - 1.2 the planning process proposal contemplates public consultations with internal and external stakeholders (the interested parties shall have at least 90 days to provide suggestions on the SDP);
 - 1.3 the suggestions received from interested parties were properly analysed and, if the suggestion is not included in the SDP, if the analysis was communicated to the interested parties concerned;
 - 1.4 the SDP proposal explains the basis for deciding the projects to be included in the plan;

1.5 the SDP proposal was sent to PSC-SC at least 60 days before the deadline for approval.

2. Regarding the project proposal phase, that:

2.1 a FIPP member was assigned to act as liaison to the project group responsible for developing the specific project;

2.2 the project proposal presented by the project group was analysed and, in the case of non-approval, if the proper reasoning was presented and the adjustments to be made were specified;

2.3 the project proposal's approval considered the following aspects:

that the project addresses the issues identified in the initial assessment;

that the project proposal provides directions sufficient to define the scope of applicability of the proposed pronouncement and does not lead to overlaps and inconsistencies with other professional pronouncements in the framework;

the organisation and timeline of the project;

the working title and proposed numbering according to the classification principles;

3. Regarding the exposure draft phase:

3.1 that the approval considered the following aspects:

the exposure draft fulfils the purpose of the project in line with the directions of the approved project proposal.

the exposure draft is of high quality and relevant quality processes have been performed.

any overlaps and inconsistencies in INTOSAI's framework of professional pronouncements in relation to the proposed text have been appropriately addressed.

the exposure draft and accompanying material can be submitted for public exposure;

the exposure draft was classified in accordance with the classification principles.

3.2 in the case of non-approval, if the proper reasoning was presented and the adjustments to be made were specified.

4. Regarding the endorsement version phase:

4.1 that the approval considered the following aspects:

the changes made to the exposure draft are not so extensive as to require re-exposure of the pronouncement;

the comments provided in the exposure process are appropriately reflected in the endorsement version of the document;

the document can be forwarded to the INTOSAI Governing Board;

4.2 in the case of non-approval, that the proper reasoning was presented and the adjustments to be made were specified;

5. Regarding revising pronouncements (editorial changes), that the approval considered the following aspects:

the changes are of a minor or conforming nature so that the due process described in section 2.2 can be applied and that public exposure is therefore not required;

-the revised pronouncement can be published on www.issai.org and replace the previously endorsed version;

6. Regarding the withdrawal of pronouncements:

6.1 that FIPP approved that the proposal to withdraw a pronouncement from the framework can be submitted for public exposure;

6.2 that FIPP approved:

that the pronouncement can be withdrawn from the framework on www.issai.org.

that the decision to withdraw the pronouncement can be presented to the INTOSAI Governing Board.

6.3 in the case of non-approval, that the proper reasoning was presented

Section III

The FIPP Chairperson shall report to the PSC-SC annually, at least 30 days prior to the annual PSC-SC meeting. The PSC-SC prescribes the content of this report, which should usually include the following elements:

- any specific problems in the implementation of any project that might have an impact upon the quality or timeliness of the project's outputs;
- any proposal to update or amend the strategic development plan, along with explanations;
- any proposal to amend the classification principles to define exemptions from specific requirements of the due process for other categories of pronouncements;
- any proposal to change FIPP's terms of reference;
- any significant change in working procedures;
- any general personnel matters that need to be brought to the attention of the PSC-SC (for example, where a lack of expertise limits FIPP's ability to carry out its functions properly);
- any issues in the application and procedures of due process;
- the need for the establishment of any supplementary due process procedures needed to make the due process work well in practice
- the main results of FIPP's activities that took place in the period since the last report was made to the PSC-SC;
- relevant achievements towards the implementation of Goal 1 strategic objectives;
- an account, by financial year, of the use made of any INTOSAI funds made available and of any balances held of such funds.