28th June 2017

**Note for the attention of the Goal Chairs Collaboration group**

Subject: **The effective date of new pronouncements**

### Introduction

1. The effective date is the date on which a new pronouncement becomes part of the INTOSAI Framework of Professional Standards (IFPP). This is of particular significance when the pronouncement concerned is, in the context of the revised framework, an International Standard of Supreme Audit Institutions (ISSAI – the red box in the diagram that appears as Figure 2 of the 2017-2019 SDP). This significance arises from the fact that an SAI that claims compliance with the ISSAIs in its audit opinions in accordance with paragraph 10 of ISSAI 100 must ensure that it fully complies with all relevant pronouncements. This includes any new or revised relevant pronouncements that have entered into effect.
2. The PSC Secretariat presented the revised INTOSAI Due Process at the PSC Steering Committee meeting in Brasilia on 8th June 2017. During that presentation, we stated that the effective date can be subsequent to the Governing Board decides to refer the endorsement version of the pronouncement to INCOSAI for final endorsement. Thus, in our interpretation of Due Process, the effective date can be before final endorsement by INCOSAI.
3. The representative of the INTOSAI General Secretariat present at the PSC-SC questioned this interpretation of Due Process and suggested that the matter is put to the Governing Board meeting in November 2017 for clarification.
4. Before making a submission to the Governing Board, the PSC Secretariat would like to share the issue with the GCC as Due Process is a matter of common interest. The Goal Chairs are invited to discuss this during their telephone conference on 4th July 2017.

### Due Process

1. After approval of the endorsement version by FIPP, it “*is displayed on* [*www.issai.org*](http://www.issai.org) *together with communications* ***on the effective date*** *[our emphasis] and the considerations of the working group regarding the comments received through the exposure period as well as the conclusions drawn by FIPP as basis for the approval*.”[[1]](#footnote-1) It can thus be seen that the working group includes the effective date in the package of materials destined for publication that accompanies the endorsement version sent to FIPP for approval.
2. Under stage 4 of Due Process, “*New pronouncements become part of INTOSAI’s framework of professional pronouncements on the date they take effect, and are subsequently referred as ISSAIs or other official INTOSAI pronouncements as defined by the classification principles*”.
3. Due process is explicit on the effective date, stating at the end of the same paragraph “*A pronouncement cannot take effect before the Governing Board has considered the endorsement version and decided to refer it to INCOSAI for endorsement*”.
4. Due Process has nothing to say about the effective date and final endorsement by INCOSAI. The only reference to the act of final endorsement is the following: “*INCOSAI endorses the final pronouncements in INTOSAI’s framework of professional pronouncements*”.

### INTOSAI Statutes

1. The INTOSAI Statutes do not explicitly refer to the process of endorsing professional pronouncements. The relevant sections are Article 4, paragraph 5, sub-paragraphs e) and f), which state respectively:

|  |  |
| --- | --- |
| Article 4: Congress  5) The tasks of Congress are:  … | |
| e) | to endorse Due Process for INTOSAI’s Framework of Professional Pronouncements – Procedures for developing, revising and withdrawing the International Standards of Supreme Audit Institutions (ISSAIs) and other pronouncements on www.issai.org; |
| f) | to deal with all matters brought before the Congress by the Governing Board; |

### Thus, the INTOSAI Statutes have no bearing on this matter. Conclusion

1. Due process seems to be quite clear: a pronouncement can have an effective date that is subsequent to the Governing Board’s decision to refer it to Congress for final endorsement, but before that final endorsement. The INTOSAI Statutes are silent on this matter.
2. The 2017-2019 strategic development plan is focused around 13 high priority projects needed to put the revised IFPP in place. It is probable that some of the pronouncements produced by these projects will not be completed in time for endorsement by the 2019 INCOSAI. Under our interpretation of Due Process, these could still be presented to the 2020 meeting of the Governing Board with an effective date shortly after that meeting. This would avoid having to wait until the 2022 INCOSAI to complete the migration from the old framework to the new one.

1. All quotations are from page 9 of the English version of Due Process. [↑](#footnote-ref-1)