

**Annex 2 - Results of Scanning Exercise: Potential Areas of Interest  
For INTOSAI Member and Stakeholder Consideration**

<b>Headline</b>	<b>Observation</b>	<b>Examples</b>	<b>Considerations</b>
<b>1) Enhancing ISSAIs implementation by SAIs</b>	<p>SAI's are facing challenges in the implementation and application of ISSAIs.</p> <p><i>There could be many different ways to enhance the implementation of the ISSAIs. For example:</i></p>	<ul style="list-style-type: none"> <li>➤ Encouraging SAIs to comply with, or use, standards consistent with the ISSAIs</li> <li>➤ Linking capacity development to implementation</li> <li>➤ Addressing resource issues, <i>i.e. affordable training</i></li> <li>➤ Considering how the pronouncements could be improved to better facilitate ISSAI implementation</li> </ul>	<p>We therefore suggest consideration of the following for this 'interest area':</p> <ul style="list-style-type: none"> <li>➤ What is the definition of what constitutes "implementation" and "consistency" within the ISSAIs?</li> <li>➤ How do we achieve successful implementation of the ISSAIs in your SAI?</li> <li>➤ How can INTOSAI's guidance be further developed in order to better facilitate the implementation of the ISSAIs?</li> </ul>
<b>2) Issues Specific to Public Sector Auditors/SAIs</b>	<p>INTOSAI pronouncements should address the specific efforts and issues of public sector auditors and SAIs.</p> <p><i>Some examples of these efforts and issues could be:</i></p>	<ul style="list-style-type: none"> <li>➤ Evaluation of fraud risk, investigation of irregular or improper payments in government</li> <li>➤ Contracting of public service audits</li> <li>➤ Audits for "whole of government" (financial, national level audits, SDGs, etc.)</li> <li>➤ Financial assurance and long term financial sustainability</li> <li>➤ Audit/evaluation of auditee's ethics program, culture, organizational behaviour</li> </ul>	<p>We therefore suggest consideration of the following for this 'interest area':</p> <ul style="list-style-type: none"> <li>➤ Are there existing guidelines which can be revised or enhanced to better address these issues?</li> <li>➤ Is there a need to produce new guidelines to respond to these issues?</li> </ul>
<b>3) General applicability of the IFPP for SAI's</b>	<p>Pronouncements should be generally applicable and sufficiently relevant across SAI models and regions.</p> <p><i>The IFPP therefore need to accommodate the greater diversity amongst SAIs. For example:</i></p>	<ul style="list-style-type: none"> <li>➤ Small SAIs and small countries</li> <li>➤ SAIs with, as well as without, jurisdictional functions</li> <li>➤ Different levels of capacity</li> <li>➤ Different mandates</li> </ul>	<p>We therefore suggest consideration of the following for this 'interest area':</p> <ul style="list-style-type: none"> <li>➤ Is there a need for new principles, standards, or guidance to help SAIs address such issues? <ul style="list-style-type: none"> <li>▪ If so, in what areas?</li> </ul> </li> <li>➤ Does the IFPP accommodate all SAI regions, models, and mandates for SAIs?</li> </ul>

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<b>4) Operationalizing SAI independence</b>	SAI independence is an INTOSAI core principle, but many SAIs still lack financial and administrative independence.  <i>There may be different ways of operationalizing SAI independence. For example:</i>	<ul style="list-style-type: none"> <li>➤ Establishing relations/partnerships with stakeholders</li> <li>➤ Strengthening professional scepticism through auditor education and ethics</li> <li>➤ Protecting independence while demonstrating value and benefits</li> <li>➤ Ensuring the organization’s code of ethics is implemented</li> </ul>	<p>We therefore suggest consideration of the following for this ‘interest area’:</p> <ul style="list-style-type: none"> <li>➤ Is there a need for new principles, standards, or guidance to help SAIs address these issues? <ul style="list-style-type: none"> <li>▪ If so, in what areas?</li> </ul> </li> </ul>
<b>5) How to improve the Quality Control and Assurance in our SAIs</b>	SAIs are facing challenges in the use of the existing ISSAIs in obtaining quality assurance in audits. The organizational requirements for an SAI’s quality control system were defined in 2010 by ISSAI 40, and were included in the IFPP as ISSAI 140.  <i>There may be many aspects of improving quality control. For example:</i>	<ul style="list-style-type: none"> <li>➤ Developing robust QC systems and monitoring their effectiveness</li> <li>➤ QC at both the engagement and the organization levels</li> <li>➤ Internal and external QA assessments</li> <li>➤ developing efficient ‘incentive policies’ to recognize high quality work throughout the SAI</li> </ul>	<p>We therefore suggest consideration of the following for this ‘interest area’:</p> <ul style="list-style-type: none"> <li>➤ Should ISSAI 40 be opened for revision or should we just have further guidance?</li> <li>➤ If opened for revision, what aspects of ISSAI 40 need revision to make a future version of ISSAI 140 more relevant and user-friendly?</li> <li>➤ Are there other important means to improve quality control and assurance?</li> </ul>
<b>6) Audit Communications and Reporting of Audit Results</b>	SAI communications should reflect the changing environment and audience. The SAI’s conclusions should be communicated timely and in a manner that is easily read and used by the audience. This may call for new effective means to communicate and innovative approaches for achieving target audiences.  <i>There may be many ways to enhance the reporting by SAIs. For example:</i>	<ul style="list-style-type: none"> <li>➤ Monitoring audit findings/recommendations efficiently and innovatively</li> <li>➤ Tools for obtaining feedback from stakeholders</li> <li>➤ Communicating audit findings in a digital world</li> <li>➤ Publishing work on targeted platforms (social media, audio clips, videos, etc.)</li> <li>➤ Simplifying messages and adjusting messages to differing target audiences</li> </ul>	<p>We therefore suggest consideration of the following for this ‘interest area’:</p> <ul style="list-style-type: none"> <li>➤ How can SAIs effectively communicate relevant information to targeted audiences in a technological environment?</li> <li>➤ What are some approaches to consider? <ul style="list-style-type: none"> <li>▪ What potential risks are there to certain approaches?</li> </ul> </li> <li>➤ How can audit communications and results maximize and demonstrate the values and benefits provided by SAIs to the public?</li> </ul>

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<p><b>7) New Technologies and innovative approaches</b></p>	<p>Due to the constant changes within public management, SAIs face complex challenges which require a systematic, and participatory, innovation approach specified to their diverse needs; application of such approaches may call for new guidelines. A number of new technologies may also provide new challenges, as well as opportunities for SAIs; in some instances, this may call for new guidance for auditors. IAASB also has an on-going data analytics project.</p> <p align="center"><i>Some examples of new technologies and issues may be:</i></p>	<ul style="list-style-type: none"> <li>➤ Cyber security/data protection challenges</li> <li>➤ Block chain accounting</li> <li>➤ Big data – the digital revolution</li> <li>➤ Cloud based mobile applications</li> <li>➤ Strategies for data analytics programs</li> <li>➤ Geographic information systems</li> <li>➤ Innovation principles</li> <li>➤ Artificial intelligence</li> <li>➤ Use of data analytics in audits</li> </ul>	<p>We therefore suggest consideration of the following for this ‘interest area’:</p> <ul style="list-style-type: none"> <li>➤ How do we audit around these technologies (<i>Identify, Protect, Detect, Respond and Recover and the core structure of audit around these systems</i>)? <ul style="list-style-type: none"> <li>▪ And who will audit around them?</li> </ul> </li> <li>➤ Which new technologies and/or innovations currently (or could potentially) disrupt aspects of the audit world?</li> <li>➤ In addition, what new technologies or innovations could benefit the audit world (<i>increase efficiency and/or effectiveness</i>)?</li> <li>➤ Do we need to produce (or revise existing) guidelines or an ISSAI, to respond to any of these specific issues?</li> </ul>