



## About the handbook

### Background

In its *ISSAI*<sup>1</sup> Implementation Initiative (*3i programme*<sup>2</sup>), in 2014, the INTOSAI Development Initiative (IDI) developed the first Performance Audit ISSAI Implementation Handbook. It was based on the standards in place at that time. These standards then provided the basis of the audit methodology described in the first performance audit handbook.

The *INTOSAI* framework has also changed since the first IDI Performance Audit ISSAI Implementation Handbook was published. The INTOSAI Framework of Professional Pronouncements (IFPP) is currently organised into principles, standards, and guidance. More information can be found at [www.issai.org](http://www.issai.org).

In 2016, INTOSAI approved the new Performance Audit Standard – ISSAI 3000. As the authoritative standard for performance audit, the new ISSAI 3000 contains major changes from earlier ones. It is organised in requirements and explanations and has a different structure, comparing to the previous version. The INTOSAI Performance Audit Subcommittee (PAS) has also developed guidance documents for performance audits: GUID 3910 (Central Concepts for Performance Auditing) and GUID 3920 (The Performance Auditing Process).

Subsequently, in its support for implementing the PA ISSAI in Supreme Audit Institutions, the IDI initiated the revision of the PA ISSAI Implementation Handbook to reflect the changes in the ISSAI. This handbook is the result of that process, as it incorporates the current ISSAI 3000-based audit methodology that is applicable to performance audits carried out by Supreme Audit Institutions (SAIs). Moreover, the IDI also received feedback that SAIs needed a handbook that the performance auditor could use in conducting ISSAI compliant audits.

### What is the purpose of the handbook?

The handbook contains explanations of the ISSAI performance audit process and audit working-paper templates that are designed to facilitate the application of ISSAIs in practice. It is not a manual or a prescriptive performance audit methodology. The handbook intends to provide guidance and to present one of the possible ways in which you can implement Performance Audit ISSAIs. SAIs may need to design and develop additional guidance and working-paper templates to meet any other requirements imposed by their laws, regulations and practices.

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<sup>1</sup> International Standards of Supreme Audit Institutions.

<sup>2</sup> The International Organisation of Supreme Audit Institutions' (INTOSAI's) Strategic Plan and the ISSAI Rollout Model (approved by INTOSAI's Governing Board in October 2011) mandated IDI to 'support ISSAI Implementation'. In keeping with this mandate, IDI launched a comprehensive capacity development audit programme called the ISSAI Implementation Initiative – 3i.

The handbook may be used and adapted by all public sector performance auditors. The methodology suggested in the handbook extensively covers the audit work to be performed and documented at an audit engagement level.

The handbook may also be used by organisations supporting SAIs in developing audit methodology for performance audit.

### **How was the handbook developed?**

This handbook was developed as per the requirements of IDI's Protocol for Quality Assurance of its Global Public Goods V2.0.

It has been written by an IDI/PAS team which included PAS members from the U.S. Government Accountability Office (GAO) and United Kingdom National Audit Office (UK NAO), PAS Chair from Office of the Auditor General of Norway and INTOSAI Development Initiative team. More than 40 SAIs and key stakeholders have reviewed and provided feedback during the public exposure or provided examples to illustrate some of the concepts in the handbook.

While the PAS was heavily involved in this version 1 published in June 2021, any subsequent reviews or changes to this version will not be subject to the PAS review. The maintenance of this handbook will be the sole responsibility of IDI, who will place mechanisms for regular review and updates to the handbook in consultation with key stakeholders.

The IDI acknowledges and appreciates the strong partnership and valuable contribution of the PAS Chair from the Office of the Auditor General of Norway and PAS members from the U.S. GAO and UK NAO in the development of this handbook.

### **Contents of the handbook**

This handbook is developed from the ***auditor's perspective***. It is meant for auditors who want to use ISSAIs when conducting performance audits. It includes ISSAI-based audit methodology intended to address the requirements of ISSAI 3000 – the international standard for performance auditing – which applies to performance audits conducted by Supreme Audit Institutions (SAIs) in a public-sector environment. It also includes information related to SAIs, to the extent, it is relevant for the auditor work.

The handbook promotes global best practice. It is not an interpretation guide to performance audit ISSAIs. It provides practical advice on how SAI auditors can comply with ISSAI requirements and add value through high-quality performance audits. In using this handbook, SAIs will need to adapt the methodology described to suit their local needs.

There are eight chapters in this handbook, covering:

- what performance auditing is;
- key principles of a quality performance audit;
- how to select a performance audit topic;
- how to design a performance audit;

- how to conduct a performance audit;
- how to develop findings, conclusions, and recommendations;
- how to write a performance audit report; and
- how to follow-up on a performance audit.

As audits are iterative processes, care was taken to maintain the linkage between different audit stages when writing each chapter and developing associated working-paper templates, guidance and examples. Cross-referencing related templates also ensures that users understand the need to maintain such linkages in an actual performance audit.

The readers of this handbook may also like to refer to other IDI global products, which complement this handbook. These include the SAI's Performance Measurement Framework 2016<sup>3</sup>, the ISSAI implementation needs assessment tool (iCAT)<sup>4</sup> and IDI's SDGs Audit Model (ISAM) 2020<sup>5</sup>.

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<sup>3</sup> <https://www.idi.no/elibrary/well-governed-sais/sai-pmf>

<sup>4</sup> <https://www.idi.no/work-streams/professional-sais/gpgs/issai-icats>

<sup>5</sup> <https://www.idi.no/work-streams/relevant-sais/auditing-sdgs>