

INTOSAI



INTERNATIONAL ORGANIZATION OF SUPREME AUDIT INSTITUTIONS
ORGANISATION INTERNATIONALE DES INSTITUTIONS
SUPÉRIEURES DE CONTRÔLE DES FINANCES PUBLIQUES
INTERNATIONALE ORGANISATION DER
OBERSTEN RECHNUNGSKONTROLLBEHÖRDEN
ORGANIZACIÓN INTERNACIONAL DE LAS
ENTIDADES FISCALIZADORAS SUPERIORES

المنظمة الدولية للأجهزة العليا للرقابة المالية العامة والمحاسبة

67th Meeting of the Governing Board of INTOSAI

67^e Réunion du Comité directeur de l'INTOSAI

67. Tagung des Präsidiums der INTOSAI

67^a Reunión del Comité Directivo de la INTOSAI

الاجتماع 67 للمجلس التنفيذي للإنتوساي

**Report
on the Capacity Building Committee / Goal 2
(CBC)**

ITEM / POINT / TOP / PUNTO / البند

19 EN



**XXII-INCOSAI
2016 | U.A.E.**

Rechnungshof, Dampfschiffstrasse 2,
1031 Vienna · Vienne · Wien · Viena
Austria · Autriche · Österreich · Austria
Tel. +43 (1) 711 71-8073, -8474 · Fax +43 (1) 718 09 69
E-mail: intosai@rechnungshof.gv.at · World Wide Web: <http://www.intosai.org>

Report of the INTOSAI Capacity Building Committee

1. Introduction

The period since the last Governing Board meeting was the second year of the Capacity Building Committee's (CBC) operations under the current leadership, and it is a privilege to report on the committee's activities over the past 12 months.

At the 2014 CBC meeting in Lima we decided not to embark on numerous new initiatives, but instead opted for a cautious approach by pursuing a limited number of new initiatives that would give the CBC more strategic impact, while ensuring that the work of the existing CBC work streams continued successfully (see paragraph 3 below for detail on the outcomes).

The last 12 months was also a period during which INTOSAI started to chart its course for the next six years. The CBC leadership therefore continued to explore the possibility of adding maximum value as a strategic enabler of the INTOSAI capacity development journey and to determine what our contribution to a well-governed INTOSAI should be, how we could support the internal unity of INTOSAI and contribute to an INTOSAI that is professional at all levels (see paragraph 4 below for more detail on the proposed CBC strategic objectives for 2017-22.)

2. Collaboration

A core value of the CBC is to support unity within INTOSAI and to create and/or utilise opportunities for collaboration in the interest of strengthened capacity development. Coordination is also aimed at avoiding overlaps with other INTOSAI goals and bodies.

Collaboration with the Professional Standards Committee (PSC) and Knowledge Sharing Committee (KSC) has been a highlight of the past year, with regular contact at leadership and secretariat level as we worked together to establish the Common Forum for INTOSAI's Professional Standards, teaming up to explore the best options for auditor certification and striving towards coherence between the future objectives and strategies of the three goal committees.

The CBC's relationship with the INTOSAI Development Initiative (IDI) continued to be a key success factor. The CBC continued to participate in the IDI board processes in order to offer insight into capacity development priorities from a strategic goal perspective. The CBC and IDI cooperated closely within the Task Group on INTOSAI Auditor Certification and continued to engage with development community organisations. An agreement was reached with the IDI to further strengthen cooperation in the interest of SAI capacity development.

A key area of future collaboration relates to the INTOSAI-Donor Cooperation (IDC) and its Secretariat, including alignment of the strategic roles of the CBC and IDC strengthened linkages in which regions can be involved and from which they can benefit.

Engagement with stakeholders external to INTOSAI has also reaped benefits. Initial contact with the International Federation of Accountants provided insight into how education, training and capacity development are dealt with in the broader profession. Further engagements are planned with IFAC, as well as similar bodies such as the Institute of Internal Auditors.

3. Annual CBC meeting 2015

The annual meeting of the CBC took place in Stockholm, Sweden, from 8 to 10 September this year. The first morning was taken up by parallel sessions of the various CBC work streams to provide them with an opportunity to conclude their work for the year. This was followed by a meeting of the Regional Forum for Capacity Development, a platform dedicated to engagement with INTOSAI regions with the aim of strengthening and synergising regional capacity building efforts.

The plenary meeting on the second and third day focused on INTOSAI and the CBC strategy based on an update from chair of the Finance and Administration Committee (FAC) on INTOSAI's strategic planning process and clarification by the CBC chair of the committee's evolving value proposition. This was followed by two theme sessions in anticipation of INCOSAI 2016, the first dealing with regional professionalism and the second with SAI capacity and relevance from a post-2015 development agenda perspective.

On the afternoon of the last day, the CBC Steering Committee dealt with reports from the work streams and various other matters requiring endorsement. The following were the key outcomes of the annual meeting:

- Agreement on the CBC role within the INTOSAI value chain and the proposed strategic objectives for 2017-22 (see paragraph 4 below).
- Endorsement of continued cooperation with the PSC and KSC goal chairs.
- Commissioning the CBC Secretariat to develop a framework document on regional professionalism for discussion and refinement at INTOSAI regional level and finalisation at the 2016 CBC meeting.
- Endorsement of the establishment of the Regional Forum for Capacity Development, and urging regions to actively participate and be visible in the build-up to and during INCOSAI 2016
- Confirmation that from a post-2015 development agenda perspective, there are various contributions that SAIs can make towards the sustainable development goals (SDGs) of Agenda 2030, but that the fundamental auditing role remains the primary value-adding contribution by SAIs, thus the need for all SAIs to develop full capacity to audit independently and in accordance with global standards.
- Recognition of the strategic importance of IntoSAINT for SAIs and their leaders in terms of strengthening public trust and leading by example, as required by ISSAI 12, and supported by the IntoSAINT project group's proposal to clarify links between IntoSAINT and other INTOSAI initiatives, programmes and standards.

The CBC wishes to encourage all SAIs to lead by example by undertaking to conduct an IntoSAINT self-assessment workshop.

- Support for continuation of the work of the Task Group on INTOSAI Audit Certification (under the auspices of the FAC), urging INTOSAI regions to assist the task team in developing a core competency framework for the development of public sector auditors.
- Support for the creation of a project team to propose a plan in 2016 for the management of CBC guides and occasional papers in preparation for the CBC's engagement with the Common Forum on the issue of capacity development standards.
- Approved ISSAI 5600 (peer reviews) and ISSAI 5800 (cooperative audits) for exposure and/or continued development in accordance with the PSC due process in preparation for their endorsement at INCOSAI 2016.
- Underlining the importance of possible synergies between peer reviews and the SAI Performance Management Framework.
- Recommendation that the INTOSAI-Donor Secretariat continue to administer the SAI capacity development database and that ways be found to improve the accuracy, timeliness and completeness of the data input by INTOSAI bodies, SAIs and development partners, in coordination with the CBC and the IDC.

During the next 12 months CBC work will be carried out by the following work streams:

- Subcommittee on Peer Reviews (SAI Slovakia)
- Subcommittee on Cooperative Audits (SAI Peru)
- Project Group – IntoSAINT (SAI Netherlands)
- Project Group – CBC guides (SAI UK).

Furthermore, the CBC chair will continue to lead the Task Group on INTOSAI Auditor Certification under the auspices of the FAC.

In addition to building the CBC website as a user-friendly and informative platform for capacity building, it will be expanded to include the Regional Forum for Capacity Development as an ongoing platform for regional capacity development knowledge exchange.

4. CBC strategy for 2017-22

The CBC has continued to explore how to add maximum value as a strategic enabler of the INTOSAI capacity development journey. Following a meeting of the Task Force on Strategic Planning in March this year, our existing value proposition and the current priorities of the CBC were reviewed in depth and we arrived at the following long-term objectives:

- *Identify capacity development challenges and opportunities in order to facilitate access to solutions*

We believe the CBC should place strategic emphasis on objective capacity building needs assessments and determine what responding strategic guidance should be produced and by whom. The creation of the Common Forum for INTOSAI Professional Standards is a key development in this regard and the CBC will collaborate with the Common Forum to ensure that future INTOSAI standards are strengthened in relation to standards for professional development and training of the individual auditor, as well as standards and/or guidance for institutional and organisational capacity development.

- *Strengthen structured INTOSAI professional development as an anchor for professional capacity development and possible INTOSAI certification*

This objective relates to supporting the translation of capacity development needs into appropriate and practical standards, in consultation with other goal chairs, the Common Forum for professional standards and, of course, the regions.

- *Support the development of capacity at the SAI and regional level*

The CBC is keen to see the newly created Regional Forum for Capacity Development become an effective and established platform for CBC-regional dialogue on capacity development issues, together with other key role players such as the IDI.

We are excited about the possibility of creating and testing a framework for the development of professional regions in which the key global attributes of regional professionalism will be defined based on the principle of “global professional, local solution”.

- *Use communities of practice as a way of sharing capacity development insight and ensuring SAI responsiveness*

The CBC will cooperate with the KSC, the IDI and others to leverage on communities of practice to share developmental knowledge and ensure SAI responsiveness. We propose using communities of practice to promote coordinated audit, to validate ISSAI methodology for capacity development ISSAIs such as ISSAIs 5600 and 5800, and to generate lessons learnt and enhance materials. In fact, we regard the CBC as a community of practice for capacity development and will continue to use the CBC website, CBC meetings and projects as mechanisms to strengthen and grow this community.

- *Engage strategically with the wider international development community in the interest of SAI capacity development*

The CBC will continue to focus development community engagements on strategic platforms in order to promote the capacity development needs of SAIs, while emphasising SAI value and benefits. We will do so in cooperation with the INTOSAI-Donor Secretariat and the General Secretariat as appropriate.

5. Matters for Governing Board endorsement

The following matters are presented to the Governing Board for endorsement in terms of chapter IV.1 of the Handbook for INTOSAI Committees:

- 5.1 Change in membership – the SAIs of Iran, Kuwait and Uganda as new members of the CBC; the SAI of Canada has resigned as member
- 5.2 ISSAI 5600 peer reviews for exposure and continued development of the ISSAI in accordance with the PSC due process
- 5.3 ISSAI 5800 cooperative audits for completion of the PSC due process for adoption at INCOSAI 2016.
- 5.4 Establishment of the project groups: *IntoSAINT* and *CBC guides*.

6. Conclusion

The CBC leadership and Secretariat are encouraged by what has been achieved and wish to thank our colleagues in the various work streams for their efforts and commitment.

The next meeting of the CBC will be take place in Cape Town, South Africa in the second semester of 2016.

END
