Draft Minutes

INTOSAI Capacity Building Committee Meeting of the Steering Committee (chaired by CBC Vice Chair Mr Magnus Lindell)

CBC Steering Committee participants:

Chair/South Africa          Mr Kimi Makwetu
Vice Chair/Sweden           Mr Magnus Lindell
ARABOSAI/Kuwait            Ms Azeeza Al Rushoud
                            Mr Mohammed Al Dousari
                            Ms Nadeah Al Enezi
                            Ms Noha Al Qallaf
ASOSAI/Japan               Mr Akira Imamura
ASEANSAI/Philippines       Ms Luz Tolentino
CREFIAF/Senegal            Mr Alhassane Thierno Baro
CREFIAF/Cameroon           Mr Freddy Yves Ndjemba
CAROSAI/Cayman             Ms Sue Winspear
EUROSAI/Hungary            Mr Peter Danko
EUROSAI/Spain              Ms Alicia Garcia Del Castillo Perez de Madrid
OLACEFS/Brazil             Mr João Augusto R Nardes
                            Mr Victor Lahiri Hart
                            Mr Antonio Quintino Rosa
PASAI/Fiji                 Mr Atunaisa Nadakuitavuki
PASAI/New Zealand          Mr Greg Schollum
IntoSAINT/the Netherlands   Ms Andrea Connell
Subcommittee on Peer Review/Slovakia Mr Igor Šulaj
                            Mr Imrich Gál
Subcommittee on Cooperative Audits/Peru Ms Mariella Zapata
Taskforce on INTOSAI Auditor Certification/South Africa Mr Jan van Schalkwyk
Goal 2 Liaison/USA         Mr Gene Dodaro
                            Mr James-Christian Blockwood
1 Approval of the agenda

The CBC Vice Chair, Mr Magnus Lindell, opened the Steering Committee meeting welcoming everyone, emphasizing the importance of fulfilling this formal role of CBC, allowing a way forward for the work streams. The draft agenda for the meeting was approved.

2 Approval of draft minutes from meeting in Stockholm, 2015

The draft minutes of the Steering Committee meeting in Stockholm in 2015 were approved.

3 INTOSAI Strategic Plan – presentation and endorsement of CBC objectives and initiatives

The CBC Chair, Mr Kimi Makwetu, presented the CBC objectives and initiatives which have been fed into the new INTOSAI Strategic Plan, produced by the INTOSAI Task Force for Strategic Planning, for endorsement in Abu Dhabi. Special thanks were given to Mr Gene Dodaro (GAO) for leading this process.

Strategic objectives proposed for 2017-2022:

- Identify capacity development challenges and opportunities to facilitate access to solutions including accessing the INTOSAI–Donor Cooperation.
- Strengthen structured INTOSAI professional development as an anchor for professional capacity development and potential INTOSAI auditor professionalization.
- Advocate for and support the development of capacity at both the SAI and regional level and maintain and enhance the usefulness and use of SAI PMF.
- Share capacity development insights and ensure responsiveness to SAI needs through, for example, communities of practice.
- Engage strategically with the wider international development community in the interest of SAI capacity development.

The key strategies and initiatives of the CBC subcommittees and work streams were presented, these are found in the CBC Steering Committee resolutions.

*The Steering Committee endorsed:*

- The proposed CBC objectives and strategies reflected in the INTOSAI Strategic Plan.
4 Reports from the CBC work streams

The CBC work plan will be structured strategically around the objectives and initiatives as described above, to which the below proposed initiatives of the work streams will be added.

Subcommittee on Cooperative Audits (Peru)

Ms Mariella Zapata presented the report of the Subcommittee on Cooperative Audits. Ms Zapata thanked everyone for suggestions and comments taking the work forward.

Similar interests exist between the CBC’s subcommittee on Cooperative Audits and the KSC’s Working Group on Extractive Industries in this area, and should be considered. It was clarified that the CBC’s subcommittee works on method/good advice/guidance, while as the KSC working group works on the subject matter. It was concluded a good idea to keep this discussion alive.

The Steering Committee supported:

- Identification and sharing of expertise needed in respect of future cooperative audits
- Development of a tool to guide/inform follow-up audits
- Development of standard procedures for conducting cooperative audits, following endorsement of ISSAI 5800
- Development of an online course on ISSAI 5800 in consultation with INTOSAI regional organizations, and training of SAI members
- Development of an online catalogue with information on cooperative audits conducted within INTOSAI
- Awareness raising about cooperative audits.

The Steering Committee approved:

- The revised Guideline on Internships and Technical Visits and supports its dissemination among the INTOSAI members.

The Steering Committee supported:

- The conduct of an evaluation of the extent of utilization of the INTOSAI of the Experts Database, and review the future of this tool for experts’ knowledge sharing, including assessing the feasibility of transferring the Experts Database to SAI Mexico.
Subcommittee on Peer Reviews (Slovakia)

Mr Imrich Gál presented the report of the Subcommittee on Peer Reviews. The main goal of the subcommittee has been to put forward the ISSAI 5600 for endorsement by INCOSAI and receive its approval by the CBC Steering Committee before then.

During 2017, a global survey on peer review as an assessment tool will be carried out.

Special thanks were conveyed to SAI Slovakia for managing the complex process of revising ISSAI 5600 and bringing it to a close. The CBC Vice Chair also emphasized the value of peer review as a method, which can be combined with a variety of assessment tools available in the INTOSAI family, not least the SAI PMF.

The Steering Committee approved:

- ISSAI 5600 and the supporting PRAQ for endorsement by INCOSAI

The Steering Committee supported:

- The continued development and sharing of peer review documentation and experience
- The survey, study and conference on peer review as a method to apply INTOSAI assessment tools

The Steering Committee encouraged:

- The continued promotion of peer review as a method to support SAI assessments and capacity development.

The Steering Committee will also follow, with interest, the assessment of the global peer review on independence project.

IntoSAINT (Netherlands)

Ms Andrea Connell, supported by Mr Erwin Ramirez from SAI Mexico, presented the report of IntoSAINT.

Recommendations to Steering Committee, to endorse and support:

- SAI Mexico as new chair of IntoSAINT work stream;
- IntoSAINT as the preferred capacity development- and assessment tool in support of improved SAI institutional integrity;
- The securing of dedicated funds to allow for the sustainable roll-out of IntoSAINT in all regions, including the implementation phase after the initial workshop;
- SAI-PMF and ISSAI 30 as strategic and sustainable channels for strengthening the integrity of SAIs via IntoSAINT, allowing them to lead by example in the public sector;
• The continued development of the tool and its application, with updates being conducted in the slipstream of SAI PMF updates and the IDI global survey.
• The development of a mechanism to monitor the roll-out, use and results of the tool in the regions;
• The sharing of experiences and good practice through existing INTOSAI channels and media;
• The proposed new IntoSAINT work stream objectives (below).

IntoSAINT proposed new work stream objectives:
• Broad recognition of IntoSAINT as a capacity building and assessment tool for SAIs worldwide application of IntoSAINT to strengthen integrity in SAIs and the public sector;
• Mainstream IntoSAINT in SAI and regional organizations’ strategies and operations;
• Demonstrate added value by developing a monitoring system and actively promoting experiences and best practices via existing INTOSAI communications channels;
• Ensure synergies between IntoSAINT roll-out and regional activities to support ISSAI 12 and to implement SAI-PMF, ISSAI 30 and the IDI Fraud and Corruption programme.
• Continue lobbying for SAIs to dedicate own budget as well as for donor support to fund the roll-out of IntoSAINT

Special thanks were conveyed to Fiji and AFROSAI-E for their work with the above.

The CBC Chair thanked SAI Netherlands for their impressive work with bringing IntoSAINT to the INTOSAI Community and spreading it widely among the membership. SAI Netherlands was also thanked for their service in the steering committee.

SAI Mexico was welcomed as the new lead for the IntoSAINT work stream and, as such, a new member of the CBC Steering Committee.

The Steering Committee approved:
• SAI Mexico as new chair of the IntoSAINT work stream.
• The recommendations and objectives as presented above.

Task Group on INTOSAI Auditor Certification (South Africa)
Mr Jan van Schalkwyk presented the report of the Task Group on INTOSAI Auditor Certification. This work was initiated by the Finance and Administration Committee, and the CBC has been asked to lead the task group.

Support was sought by the CBC Steering Committee for the two strategic
documents of the group:

- **The enabling mechanisms** required to facilitate and structure professional development at SAI level (position paper)

- **The Competency Framework** (work carried out in close cooperation with the IDI, several INTOSAI regions, sub-regions and with the other Goal Chairs).

The Steering Committee endorsed the proposal to:

• In consultation with the PSC and the FIPP, give structure to and guide this process of developing professional pronouncements on public sector auditor competence

• Cooperate with relevant INTOSAI organs to forge appropriate relationships, based on confirmed criteria, with the broader international accounting and auditing community on work relating to education, training and capacity development.

The Steering Committee supported the recommendations in the position paper to the INTOSAI community:

• Encourage all heads of SAIs to fully utilise the SAI PMF as a mechanism to either confirm the extent to which a SAI is developing towards appropriate organisational capability or is actively maintaining this capability, with a view to creating an appropriate and fertile environment for professional development initiatives at SAI and INTOSAI regional level.

• Support the process of further development of professional pronouncements on auditor competence.

• Task the INTOSAI CBC and the INTOSAI IDI, in consultation with the INTOSAI PSC and the FIPP, to give structure to and guide this process of developing professional pronouncements on public sector auditor competence.

• Support the concept of INTOSAI organs partnering with the broader international accounting and auditing community on work relating to education, training and capacity development.

• Mandate the appropriate INTOSAI organs to forge suitable relationships with broader international accounting and auditing organisations to enable partnerships on education, training and capacity-development initiatives going forward.

• Support the adoption of the Framework for Regional Professionalism and encourage its implementation by the INTOSAI regional organisations.

• Encourage the utilisation of the IDI Regional Framework for Strategic Management as a tool to plan the possible service offerings of INTOSAI regional organisation.
• Support further work on the establishment of competency-based professional development programmes, following the development of the INTOSAI core competency framework, with emphasis on regional testing of the appropriateness of this framework.

*The Steering Committee agreed to propose the following to INCOSAI:*

Take note of and support the INTOSAI Competency framework as a basis for further discussion and refinement of concepts related to professional development to the point where INTOSAI will see a set of professional pronouncements on auditor competence in the next three to six years, and where the development of specific professional development options based on this core competency framework, including auditor certification, can become a reality.

The CBC Vice Chair extended his gratitude to all involved having contributed thus far and for continuing to do so in the years to come. Global profession, local solution!

**Regional Forum for Capacity Development (South Africa)**

Mr Cobus Botes presented the report of the Regional Forum.

The Regional Forum for Capacity Development is a direct result of the mandate given to the CBC by INCOSAI in 2013, driven by the needs expressed by the regions themselves. The substantial results so quickly achieved after the first meeting of the regional forum in Stockholm last year, have been encouraging.

*The Steering Committee endorsed the initiatives to:*

• In cooperation with regional organizations plan and implement regular engagements of the Regional Forum for Capacity Development
• Create a page on the CBC website for the Regional Forum for Capacity Development.

**SAI PMF (South Africa/IDI)**

Mr Cobus Botes presented the proposed SAI PMF Strategy for 2017-2019. The SAI PMF Implementation Strategy will incorporated in the INTOSAI Strategic Plan 2017-22.

The SAI Performance Measurement Framework has been developed by the Working Group on the Value and Benefit of SAIs, with great support by the INTOSAI-Donor Cooperation. Approval of the framework is expected at INCOSAI in Abu Dhabi, and the CBC has been proposed to take on the strategic governance lead of the SAI PMF. In anticipation of INCOSAI’s decision, the SAI PMF has been included as a work stream already, seeking the Steering Committee’s support.
The Steering Committee endorsed:

- The CBC taking on the role as INTOSAI strategic lead for SAI PMF.
- The SAI PMF Strategy for 2017-2022 (which will form the basis for a new work stream in the post-2016 CBC Work Plan).

The Steering Committee supported:

- The role of a SAI PMF Unit within the IDI being the operational lead on SAI PMF support, coordination, and facilitation.
- The promotion of the SAI PMF.

SAIs in Fragile Situations (Sweden)

During the CBC Annual Meeting in Lima, Peru in 2014, CREFIAS introduced the issue of how the CBC can support SAIs in fragile situations. The issue was raised again in Stockholm, 2015. As a result, a small task group consisting of the SAIs of the Netherlands, Sierra Leone, the UK, Sweden and the IDI, have assessed the needs and potential for the CBC to make a difference. A Terms of reference has been drafted, which allows the CBC to focus on this important topic post 2016.

PASAI requested a definition of fragile states which includes different perspectives, as small SAIs in PASAI do not fit into the World Bank definition. The Vice Chair concluded that the progress will be reported to the next CBC Annual Meeting. PASAI was asked, and agreed, to be a working partner to this new work stream.

The Steering Committee approved:

- The creation of a CBC work stream in support of SAIs in fragile situations.
- The terms of reference for the new work stream, will form the basis of the CBC work plan.

The Steering Committee accepted:

- The Swedish NAO’s offer to lead the work stream and encouraged SAIs with current or previous experiences with fragile situations to contribute to the work. PASAI will support the work stream.

CBC Guidance (UK)

SAI UK leads the CBC Guides and Occasional papers work stream. Although Mr David Goldsworthy was not present, a very informative report had been prepared. Following the CBC Annual Meeting last year, a small group (SAI UK, SAI Netherlands and SAI Sweden) have considered the relevance of the CBC Guides and concluded that, in general, they are still relevant and should be retained. The group has also proposed that the guide series is updated, and has proposed a plan for such updating.

The Steering Committee took note of:

The Steering Committee decided:

- To retain the Guide series and update relevant Guides on a rolling basis;
- To appoint a three-person group to oversee the Guide series David Goldsworthy SAI UK, Ina Hopman SAI Netherlands and Johanna Gårdmark SAI Sweden);
- To establish an editorial board to encourage the production of blogs, occasional papers and other resources for inclusion on the CBC website. (David Goldsworthy SAI UK, Peter Opiyo SAI Kenya, Tiofiluisi Tuieti PASAI, Camilla Lindståhl and Johanna Gårdmark SAI Sweden).

CBC Website (Sweden)

Ms Camilla Lindståhl gave a brief presentation of the progress of the website including statistics. All members were encouraged to contribute to the document library or submitting articles and texts or add to the new blog spot.

The Steering Committee noted, with appreciation:

- The development of the CBC website.

The Steering Committee supported:

- The website’s continuous update and the availability of articles, blogs, guides and papers for the benefit and inspiration of CBC members and stakeholders.
- The promotion of messages of CBC work streams and other issues relevant to SAI capacity development.

The Steering Committee encouraged:

- Continuous contributions by the CBC membership.

5 Approval of CBC Work Plan (2017-2019)

The CBC work plan intends to illustrate how the various work streams support the CBC’s objectives and initiatives, as expressed in the INTOSAI Strategic Plan. In the CBC strategies, however, we have two more initiatives, not covered by the work streams:

The CBC will engage strategically with the international development community to promote the capacity development needs of SAIs.

The issue of engagement with the international development community is reflected in the CBC Annual Meeting, for example by inviting donors and other external stakeholders. The engagement with the international development community is also one very important aspect of the CBC leadership’s advocacy role in international fora, which will also be reflected in the work plan.
Support and promote medium to long term peer-to-peer cooperation between SAIs in support of institutional capacity development.

The support of peer-to-peer cooperation is something facilitated by all work streams, but it is recognized that there is a need for more attention on the medium- and long-term peer-to-peer cooperation as well. The dialogue about what specific activities this should include for the CBC should continue.

Furthermore, the INTOSAI Strategic Plan includes an obligation for Goal Chairs to include indicators in their reporting. The CBC Secretariat and the work streams will consolidate their inputs into indicators to support the work plan. The finalized CBC Work Plan will be sent to INCOSAI.

The Steering Committee:

- Appreciates the work done by the CBC work streams until now.
- Welcomes new initiatives by the CBC work streams, and
- Mandates the CBC leadership to finalize the CBC work plan for INCOSAI based on today’s resolutions.
- Mandates the CBC leadership to finalize indicators to support the work plan.

6 Venue and proposed dates for next meeting

As the meeting in Cape Town was the first CBC-IDSC contiguous meeting, an evaluation of the success should take place before deciding on the next host and venue.

The Steering Committee:

- Mandates the CBC leadership to engage with the INTOSAI-Donor leadership to secure an appropriate host and venue for 2017, and
- Mandates the CBC leadership to engage with the CBC membership if such a meeting is not feasible.

7 Update on arrangements for XXII INCOSAI

Mr Cobus Botes gave an update on the status of CBC preparations of the INCOSAI arrangements and gave clarification, upon request, on who is the main committee; 70-80 members (i.e. the entire CBC) according to a full list. The whole main committee is always invited to the CBC Annual Meeting.

The Steering Committee welcomed the opportunity to engage on CBC related matters at the Congress as follows:

- CBC main committee meeting on 5 December.
- CBC joint booth with IDI and the INTOSAI-Donor Cooperation on 7-9 December.
- Seminar on 9 December.
8 Any other business

The CBC Chair thanked everybody for their contributions during the three days, for engaging and participating in and in between meetings, and for all preparations made for the upcoming Congress. A brief recap of the CBC path from Beijing 2013 to Abu Dhabi 2016 was given. Kimi Makwetu confirmed the clear direction for the next 3-6 years and further thanked all work stream members, regions, and IFAC for participating. Special thanks were conveyed to the CBC secretariat and the cooperation with the Vice Chair. This all proves what transparency and coordination can lead to.

We can make a difference for the lives of our citizens.