



## CAPACITY BUILDING COMMITTEE (CBC) / GOAL 2

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### A. MOTIONS TO THE GOVERNING BOARD

Based on the presentation by the CBC Chair and the following documentation –

- 1) Report of the CBC on its activities (see section B, page 2)
- 2) Revised terms of reference of the CBC (for approval)
- 3) SAI PMF Communication Strategy (for information)
- 4) SAI PMF Progress Report 2017 (for information)
- 5) Report of SAI PMF Independent Advisory Group 2017 (for information)
- 6) CBC proposals for use of part of accumulated INTOSAI surplus (for approval)

the CBC request the Governing Board to –

- a) Take note of the CBC's progress report
- b) Approve the CBC's revised Terms of Reference
- c) Approve the CBC proposal for use of the surplus INTOSAI equity funds
- d) Take note of the SAI PMF Communication Strategy, SAI PMF Progress Report, and the report of the SAI PMF Independent Advisory Group.

The CBC, joined by the PSC and KSC, also requests the Governing Board to –

- e) Support the performance reporting dashboard (Annexure A) that will be the basis for future performance reports from the CBC , PSC and KSC.
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## B. PROGRESS REPORT OF THE CBC

### 1. INTRODUCTION

This is the first report to the Governing Board since the adoption of INTOSAI's Strategic Plan for 2017-22. The report deals with the progress made since the 69<sup>th</sup> Governing Board meeting in Abu Dhabi with regard to the strategic objectives, key initiatives and priorities of the CBC, as well as the committee's management of key risks. Detailed progress reports on each of the CBC work streams are provided in the progress-dashboard attached as Annexure A.

### 2. ANNUAL MEETING 2017

A successful annual CBC meeting was hosted by the World Bank in Washington, DC, from 18 – 20 September 2017. This was the second year that the annual meetings of the CBC and the INTOSAI-Donor Cooperation Steering Committee were held jointly in order to build on the synergies between the two committees, while at the same time achieving substantial cost-savings owing to the high level of corresponding membership.

The following include some of the highlights of the meeting:

- (a) The CBC reported on its first year as the governance lead for the **SAI Performance Measurement Framework (SAI PMF)**: The SAI PMF Independent Advisory Group was appointed and consists of six SAIs and three donor members and is chaired by the SAI of Brazil. The group provided its first and very helpful advisory report to the CBC. The SAI PMF unit within the IDI also provided a detailed progress report on SAI PMF implementation with the good news that all three outcome indicators for SAI PMF implementation have either been met, or are likely to be achieved by the end of the year.
- (b) The **Task Force on INTOSAI Auditor Professionalisation** reported on progress made since its appointment at XXII INCOSAI. The task force has split its work in four project areas, namely <sup>(i)</sup> the development of a framework for SAI professional development initiatives; <sup>(ii)</sup> refinement of the competency framework for public sector audit professionals at SAIs; <sup>(iii)</sup> a project area to be led by the SAI of Senegal to deal with the unique needs of SAIs with jurisdictional powers, and <sup>(iv)</sup> development of guidance on competency-based human resource practices within SAIs.
- (c) **Support to SAIs in Fragile Situations**: This new project group, chaired by the SAI of Sweden, held a very successful synergy session with fruitful participation by INTOSAI's donor partners. The session focused on various perspectives and approaches to providing support to SAIs in fragile situations. Outputs from this session will inform and help prioritize the key outputs to be developed within the scope of work of the project group.
- (d) The **Regional Forum for Capacity Development** continued to promote the Framework for Regional Professionalization adopted at XXII INCOSAI in support of INTOSAI's Crosscutting Priority 5. During the meeting the AFROSAI-E sub-region presented a fine example of how various stakeholders can effectively cooperate in the interest of strengthened professionalism. A strategic dialogue with the leadership of regional

organisations and key INTOSAI organs has also been initiated to explore appropriate and feasible ways in which to address the capacity development needs of SAIs.

- (e) The **CBC subcommittees on Cooperative Audits and Peer Reviews** continued to promote the use of ISSAI 5600 and 5800 after their endorsement at XXII INCOSAI and also undertook various actions to gather and make available information on experiences and lessons learned in the use of these ISSAIs. A global conference on Peer Reviews is being planned by the SAI of Slovakia for June next year that will be aimed at encouraging and equipping SAIs to carry out effective peer reviews.
- (f) An INTOSAI-wide roll-out of **IntoSAINT** will continue based on a global strategy developed to six INTOSAI regions over the next two years and that is aimed at enabling all SAIs to lead by example in managing their integrity risks and assessing the maturity of their integrity management systems.
- (g) The CBC continued to make available experiences and capacity building lessons learned through the **CBC website**, blog spot and document library. The Project group on the future of **CBC Guides and Occasional Papers** has started a process of revising the key CBC guides. (Please visit the CBC website at [www.intosaicbc.org](http://www.intosaicbc.org) for more information on all of the above developments.)

### 3. **CBC REVISED TERMS OF REFERENCE**

An extensive revision of the CBC terms of reference was carried out and was approved at the 2017 CBC Steering Committee meeting, a copy of which has been submitted to the 70<sup>th</sup> Governing Board for approval.

The main amendments included aligning the terms of reference with the INTOSAI Strategic Plan for 2017-22; updating the CBC work streams based on the CBC's more agile structure and operating method; confirming the membership and mandate of the steering committee; clarifying the committee's funding arrangements, and confirming the CBC's reporting and communication channels.

### 4. **COOPERATION WITH STRATEGIC GOALS 1 AND 2**

The CBC continued to collaborate closely and regularly with the PSC and KSC in line with the requirement of Crosscutting Priority 3: 'Ensuring effective development and coordination among standard-setting, capacity development, and knowledge sharing to support SAIs and improve their performance and effectiveness'. The committees had worked closely together on key initiatives to further the implementation of INTOSAI's strategic plan and ensure we operate efficiently and in an integrated manner.

One of our joint initiatives relates to the performance reporting dashboard that enables streamlined and user-friendly reporting to the Governing Board and ensures consistency in reporting while providing the Governing Board with an appropriate level of information.

Other areas of cooperation will be reported on by the PSC and KSC.

## ANNEXURE A

# Consolidated progress report on CBC work until September 2017

Key to progress indicator colours	
	Initiatives / projects on schedule
	Initiatives / projects behind schedule
	Delayed owing to reasons beyond WS control
	Serious difficulties being experienced
	Not yet scheduled to start
	Initiatives / projects completed

<i>CBC Strategic Objectives (p 24)</i>	<i>Key Strategies (p 25 of Strategic plan)</i>	<i>CBC Work Streams</i>	<i>Progress Indicator</i>	<i>Key future action items and key risks</i>
2.1 Identify capacity development challenges and opportunities in order to facilitate access to solutions including accessing the INTOSAI–Donor Cooperation.	3. Continue to promote peer reviews and cooperative audits as capacity development tools, and facilitate the exchange of best practices and access to relevant communities of practice.	Subcommittee on Cooperative Audits (Peru)	Availability to INTOSAI of expertise, knowledge and guidance materials on cooperative audits.	<p><i>Key next steps:</i></p> <ul style="list-style-type: none"> <li>Continued promotion of cooperative audits</li> <li>Good practice sharing, including lessons learned in following up cooperative audits</li> <li>Maintenance of Experts Data Base.</li> </ul> <p><i>Key risk:</i> Lack of interest to share lesson learned, or to update data base.</p> <p><i>Mitigating action:</i> Solicit information in all INTOSAI languages, also with help from regional organisations.</p>
	9. Support and promote medium to long term peer-to-peer cooperation between SAs in support of institutional capacity development.	Currently no work stream. Issue explored for the first time at 2017 CBC Annual Meeting – may result in a separate strategic initiative during 2018, or be integrated into existing work.		

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<p>2.2 Strengthen structured INTOSAI professional development as an anchor for professional capacity development and potential INTOSAI auditor professionalization.</p>	<p>1. Facilitate the development of standards and guidance related to auditor education, training and capacity development (“professional pronouncements for auditor competence”) and initiate processes and future structures for auditor professionalisation (e.g. a core competency framework).</p>	<p>Task Force on INTOSAI Auditor Professionalisation (TFIAP) (South Africa)</p>	<p>Availability to INTOSAI of position paper on standards for auditor competence and related enabling tools, recommending the process for drafting and finalizing these together with FIPP, by September 2019.</p>	<p><i>Key next steps:</i></p> <ul style="list-style-type: none"> <li>• Further development of a Framework for Professional Development Initiatives, and refinement of the INTOSAI Competency Framework</li> <li>• Proceed with detailed work on all four TFIAP projects, including establishment of a project group to for competencies of SAls with jurisdictional powers.</li> </ul> <p><i>Key risk:</i> Limited involvement of / consultation in INTOSAI community.</p> <p><i>Mitigating action:</i> e-Learning solutions considered as a tool to facilitate broader stakeholder involvement.</p> <p><i>Key risk:</i> Inadequate resourcing.</p> <p><i>Mitigating action:</i> Use of CBC allocation of INTOSAI funds to in-source critical expertise; also involve regional organisations and other SAls to undertake more project work.</p>
	<p>6. Advocate for and encourage the use of the IntoSAINT integrity tool to support SAls as models of integrity, transparency and accountability.</p>	<p>IntoSAINT project group (Mexico)</p>	<p>Implementation of Self-Assessments of Integrity (IntoSAINT) among all the INTOSAI member SAls as model institutions, and promote SAINT in public sector organisations. (However, slow implementation of IntoSAINT is being experienced in certain INTOSAI regions).</p>	<p><i>Key next steps:</i></p> <ul style="list-style-type: none"> <li>• Continue with INTOSAI-wide roll-out of IntoSAINT, and promotion of SAINT in the public sector.</li> </ul> <p><i>Key risk:</i> Lack of funds to launch train-the-trainer roll out in priority regions of INTOSAI. <i>Mitigating action:</i> Request portion of CBC-allocated funds from INTOSAI budget surplus; cooperate with regional secretariats.</p>

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2.3 Advocate for and support the development of capacity at both SAI and regional level, and maintain & enhance the usefulness and use of the SAI PMF.	4. Provide strategic direction for and oversee the implementation, maintenance, use and relevance of the SAI PMF.	Work Stream for SAI PMF (CBC and IDI)		<p><i>Key next steps:</i> • Continued promotion of SAI PMF, and monitoring of SAI PMF utilisation and relevance.</p> <p><i>Key risk:</i> Lack of recognition of SAI PMF tool, and lack of donor support for SAI PMF implementation. <i>Mitigating action:</i> Implementation of SAI PMF Communication Strategy, and targeted engagements at appropriate platforms.</p>
2.4 Share capacity development insights and ensure responsiveness to SAI needs through, for example, communities of practice.	2. Provide a regional community of practice – the Regional Forum for Capacity Development (RFCD) – to share and address issues relating to regional capacity development and regional professionalism at a cross-regional and strategic level	Work stream for the Regional Forum for Capacity Development (RFCD) (South Africa)	In support of INTOSAI’s ambition to leverage and facilitate cooperation and professionalism among INTOSAI’s regional organizations, a regional community of practice is established to address regional development issues across regions and at a strategic level.	<p><i>Key next step:</i> • Hold a strategic dialogue of the Forum with Secretaries-General of regional organisations and key INTOSAI organs day before 70<sup>th</sup> GB aimed at coordinating strategic support to regions.</p> <p><i>Key risk:</i> Overwhelming expectations of role of regional organisations in supporting capacity development.</p> <p><i>Mitigating action:</i> Strategically address balancing expectations with priorities and capacity of regions, and support capabilities of INTOSAI organs.</p>
	3. Continue to promote peer reviews and cooperative audits as capacity development tools, and facilitate the exchange of best practices and access to relevant communities of practice.	Subcommittee on peer review (SAI Slovakia)	Global peer review survey conducted 2017, assessment finalized of the INTOSAI Global Peer review project on SAI independence, and planning underway of 2018 Conference on Motivating and equipping SAIs to carry out peer reviews	<p><i>Key next steps:</i> • 2018 annual global peer review survey • Conference on motivating and equipping SAIs to carry out peer reviews (June 2018)</p> <p><i>Key risk:</i> Lack of appreciation for value of peer reviews. <i>Mitigating action:</i> Continuous promotion, including the June 2018 global conference.</p>

CBC Strategic Objectives (p 24)	Key Strategies (p 25 of Strategic plan)	CBC Work Streams	Progress Indicator	Key future action items and key risks
				<p><i>Key risk:</i> Resource limitations with regard to the June 2018 conference. <i>Mitigating action:</i> Support from normal allocation of INTOSAI funds to CBC.</p>
	<p>5. Share knowledge and experiences in the field of capacity development through, for example, the CBC website, the International Journal of Government Auditing, occasional papers, and international conferences.</p>	<p>Project Group on the future of the CBC Guides and Occasional Papers (United Kingdom)</p>	<p>First of five CBC guides being updated is slightly behind schedule; website statistics / stakeholder feedback indicates the revised guides are being used and of value to the SAI community.</p>	<p><i>Key next steps:</i> • Finalisation of revision of <i>Building capacity in SAIs</i>. • Commence revision of <i>Use and Impact of Audit Reports</i>.</p> <p><i>Key risk:</i> Lack of volunteers to update guides. <i>Mitigation:</i> Canvass SAIs involved in CBC, or outsource.</p>
		<p>CBC website and knowledge sharing (CBC Vice Chair)</p>	<p>Website continuously updated with: • News items on capacity development initiatives • Posts from CBC stakeholders/ partners • 8-10 blogs published p/year • Document library availability of relevant CBC guidance and reports.</p>	<p><i>Key next steps:</i> • Reconstruction of document library • Continue to solicit relevant and interesting contributions.</p> <p><i>Key risk:</i> Website not used / considered relevant. <i>Mitigating action:</i> Broaden subscription, combined with Newsletter, and continue to check for new opportunities for relevant news.</p>
	<p>7. Focus attention on SAIs in fragile situations with particular emphasis on the impact of the 2030 Agenda for Sustainable Development on their capacity development</p>	<p>Project group for SAIs in fragile situations (Sweden)</p>	<p>Availability to INTOSAI, donors and other partners and stakeholders, of expertise, knowledge and materials on working with SAIs in fragile situations</p>	<p><i>Key next steps:</i> Use outcomes and insights of successful synergy session with the IDC at annual CBC meeting to inform and prioritise what is to be developed in the work stream's scope.</p>

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	needs.			<p><i>Key risk:</i> Project group not able to meet high expectations of stakeholders.</p> <p><i>Mitigation:</i> Agree and communicate achievable goals, and engage inside and outside INTOSAI to meet the needs of SAIs in fragile situations.</p>
2.5 Engage strategically with the wider international development community in the interest of SAI capacity development.	8. Strategically engage with the international development community platforms in order to promote the capacity development needs of SAIs, while emphasizing SAI benefits and value.	Strategic communication with stakeholders (CBC Chair and Vice Chair)	Relevant platforms for appropriate engagements are accessed in order to promote SAI capacity development needs, and create appreciation and understanding for SAI benefits and value	<p><i>Key next steps:</i> Update of CBC risk-based stakeholder map, and pro-active identification of appropriate platforms.</p> <p><i>Key risk:</i> Lack of coordination among INTOSAI bodies interacting with development community, and availability of CBC leadership for physical engagements. <i>Mitigation:</i> Regular coordination with IDI, General Secretariat and other goal committees.</p>

[See next page for CBC contribution to INTOSAI Crosscutting Priorities]



## CBC contribution to INTOSAI's Crosscutting Priorities 2017-22

<i>INTOSAI Crosscutting Priority (Strategic plan 2017-22)</i>	<i>Progress Indicator</i>	<i>Progress, future action items and other comments</i>
1. Advocating for and supporting the independence of SAIs.		The CBC's main contribution is through the IntoSAINT roll-out and its link to ISSAIs 1, 10, 12 and 30 underlining SAIs as independent and model institutions through its integrity, therefore deserving of independence. The INTOSAI wide roll-out of IntoSAINT, however, has been hampered by lack of funds until now.
2. Contributing to the follow-up and review of the SDGs within the context of each nation's specific sustainable development efforts and SAIs' individual mandates.		<p>The CBC Chair participated in the SAI Leadership and Stakeholder meeting on the "Auditing preparedness for the implementation of the SDGs at UN in July this year where he presented on the relevance of the auditing of performance information to the monitoring of SDGs.</p> <p>The world's extreme poor are expected to, to an increasing extent, be found in fragile context. The CBC Project Group on Support to SAIs in Fragile Situations focuses on SAIs in fragile situations and how their capacity development can be supported. The ultimate aim is to support SAIs in fragile contexts so that they may contribute to decreased fragility in their country or region.</p>
3. Ensuring effective development and coordination among standards-setting, capacity development, and knowledge sharing to support SAIs and improve their performance and effectiveness.		<p>Since 2014 the Chairs of INTOSAI's Strategic Goals 1, 2 and 3 have collaborated more closely and more regularly in order to support one another to ensure effective coordination of interlinked activities and facilitate achievement of the goals and ambitions of the PSC, CBC and KSC in the interest of INTOSAI.</p> <p>Cooperation included aspects such as the governance of FIPP, maintenance of FIPP membership, preparation, revision and implementation of the strategic development plan for the IFPP, development of a quality assurance system for non-IFPP public goods, the work of the Task Force on INTOSAI Auditor Professionalisation, and many others.</p>

<p>4. Creating a strategic and agile INTOSAI that is alert to and capable of responding to emerging international opportunities and risks.</p>		<p>The CBC contributes to a strategic and agile INTOSAI by itself striving to act strategically in an agile fashion. This is reflected in how the committee is organized, meetings are planned and topics are raised and discussed. Furthermore, the CBC actively works to strategically improve cooperation with partners and stakeholders inside and outside INTOSAI.</p> <p>It is foreseen that in 2018 and beyond, once the revised MoU with IFAC has been concluded, there will be further opportunities to support INTOSAI responsiveness to emerging issues.</p>
<p>5. Building upon, leveraging, and facilitating cooperation and professionalism among the regional organizations of INTOSAI.</p>		<p>The established the <i>Regional Forum for Capacity Development</i> in support of the promotion and facilitation of professionalization principles and initiatives in collaboration with the regional organisations.</p> <p>The key next step is to hold a strategic dialogue of the Forum involving the Secretaries-General of regional organisations and key INTOSAI organs day before 70th GB aimed at coordinating strategic support to regions.</p>

Detailed dashboard reports are also available on CBC website at [www.intosaicbc.org](http://www.intosaicbc.org) under the tabs of the respective CBC work streams.

