

2023-2025

OPERATIONAL PLAN FOR
**GOAL 2: CAPACITY
DEVELOPMENT**



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01.

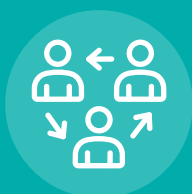
INTRODUCTION

This is the Operational Plan for INTOSAI's Goal 2 – *Capacity Development*.

While INTOSAI's Strategic Plan for 2023-28 outlines the organization's mission, vision, values, organizational priorities and strategic goals, the initiatives for achieving INTOSAI's four strategic goals are outlined in *Operational Plans* developed by INTOSAI's four goal committees. The plans are developed in consultation with relevant INTOSAI bodies (see next page), and can be updated each year to adapt to changing circumstances.

Although, SAIs are fully responsible for their own capacity development. INTOSAI remains committed to supporting SAI capacity development by means of strategic goal 2 and seeks to ensure that each of member SAI benefit from capacity-development initiatives, as relevant to their needs.

INTOSAI's Goal 2 for 2023-28 aims to support SAIs capacity development by means of the following three **strategic objectives**:



Promote, facilitate and implement INTOSAI-wide initiatives in support of SAI capacity development needs



Strategically partner, inside and outside INTOSAI, in support of SAI professionalism, auditor professionalization, and SAIs' ability to sustainably meet future challenges



Share capacity development insights and practices, and facilitate dialogue on capacity development challenges and opportunities

This Operational Plan was developed with contributions from all key stakeholders. However, there are five **main contributors** to INTOSAI's capacity development efforts, operating at a global, regional and SAI level. These bodies are autonomous, each having their own governance arrangements and reporting obligations, including reporting on their contributions to SAI capacity development.



The Capacity Building Committee

The Capacity Building Committee is INTOSAI's advocate and custodian for SAI capacity development. The CBC leads INTOSAI's efforts under goal 2, has a role in facilitating coordination and bringing different capacity development contributors together, and assists the Governing Board in implementing INTOSAI's goals and objectives. In addition to its advisory and monitoring role as regards capacity development, the CBC has also established a number of workstreams to support particular areas of capacity development. The CBC also facilitates knowledge-sharing about capacity development.



INTOSAI Regional Organisations

INTOSAI Regional Organisations and sub-regional organisations serve their members' needs through regional initiatives, including various capacity development support initiatives derived from the regions' own strategic capacity development goals and carried out by a variety of capacity building structures.



The INTOSAI Development Initiative

The INTOSAI Development Initiative is an INTOSAI body mandate to support SAIs in developing countries to sustainably enhance their performance and capacities and to meet existing and emerging capacity development needs. IDI is a part of INTOSAI and works together with INTOSAI goal committees, regional organisations, SAIs and other partners for independent, well-governed, professional and relevant SAIs.



Peer support SAIs

Peer support SAIs are INTOSAI members who support another SAI's capacity development through a structured medium to long-term partnership by means of various types of professional support and knowledge transfer, mostly dependent on external funding to cover the costs of the provider-SAI.



INTOSAI-Donor Cooperation

INTOSAI-Donor Cooperation is a strategic global partnership between INTOSAI and 23 development partners that share INTOSAI's goal of strengthening SAIs in developing countries, including by means of donors mobilizing additional funding for SAI strengthening and improving coordination of support to the SAI community. The IDC has increased its focus on the important role of SAIs in terms of governance, development and poverty reduction, improved coordination of support to the SAI community, and better and more effective support initiatives.

02.

GOAL 2 CHALLENGES AND OPPORTUNITIES

At the start of the 2023-28 strategic planning period there are a number of challenges and opportunities in the **capacity development landscape**.

- *SAI capacity development funding:* Despite increases in global development-spending, financial support for SAIs has stagnated in recent years, and fallen in real terms. Post Covid-19 conditions, the risk of declining development spending, and declines for governance related initiatives, with more spent on humanitarian aid and sector-specific issues, financial support to SAI capacity development may be expected to fall further in the next few years. There has also been a reduction in the number of countries with significant bilateral support programmes. Many SAIs are continuing to face challenges in mobilising financial support for capacity development, especially SAIs in low-income countries. While there is significant technical support provided from within the INTOSAI community, most of this – especially large support projects – ultimately requires donor financing.
- *The lack of capacity in certain of INTOSAI's regional and sub-regional organisations* remains a challenge. Even though they mostly operate with limited human and budgetary resources, the regional organisations are increasingly responsive to the needs of their members SAIs and have the potential to greatly contribute to SAI development. However, the 20% decrease in total budgets for three INTOSAI regions is a matter for concern, as is the challenge that some regional secretariats experience in funding their own activities. In addition, half of the regions report insufficient human and or financial resources as an obstacle to the successful implementation of their strategic plans.
- *Dwindling pool of peer-support SAIs:* Among the modes of capacity development support, the most frequently used is SAI peer-to-peer support. This is also the mode SAIs have long expressed a preference for over support from those outside INTOSAI. The 2020 Global Survey shows that 40% of SAIs indicate that they provided capacity development support to other SAIs during the period 2017-2019. Unfortunately, only 67 SAIs indicated an intention to continue providing support, down from 87 SAIs in 2017, continuing the trend of reducing providers of peer-to-peer support. Only 18 of the 67 SAIs willing to provide peer-to-peer support are self-funded, with the rest requiring external funding, and few SAIs are able or willing to lead support of a significant scale given their limited capacity to provide in-kind support to initiatives led by another body. Without external funding, it will not be possible for INTOSAI to meet SAIs' demand for peer-to-peer support.



- *The ongoing need for strengthening SAI professionalism:* There still a long way to go before the majority of SAs will find themselves at an acceptable level of professionalism as defined by the four fundamentals of SAI professionalism namely –

- o Adoption and implementation of **professional standards**
- o Having **competent people** to execute the mandate of the SAI in line with professional standards
- o Operating within an **ideal environment** – or at least one conducive to high performance, enabling effective delivery of the SAs mandate, and
- o Exposing the SAI to **performance measurement** (internal and especially external/ independent assessments in order to drive quality and ongoing improvement.

Below are a few examples of key aspects in which SAs need to improve if they wish to claim the status of a professional SAI. These areas are highlighted in the 2020 Global SAI Stocktaking Report published by the IDI in 2021, and were confirmed during an intensive INTOSAI-Regions Coordination Platform held in Oslo in June this year.

- (i) In the area of **audit standards** many SAs need to improve on their audit quality management. One-third of SAs operate without quality control reviews on engagements in financial, compliance audit and performance audit. More concerning, however, is the fact that 37% of SAs do not have a system in place for monitoring the quality of any of the audit streams. Effective quality control to assess the level of the SAI's actual implementation of standards is vital aspect of any SAs journey to full professionalism, and this applies to SAs at all levels of development. (Of the 18 countries that indicated that they are not able rate their compliance, the majority are high-income countries.)
- (ii) In the area of **competent people**, the professional development of auditors seems to be increasingly important for SAs, with 44% of SAs stating that they increased the professional development budget in 2020 (from 36% in 2017). However, in nearly half of SAs, the budgets for professional development have not changed, and in 12% the budget was reduced. Professionalisation should be based on a competency framework that clearly defines the necessary skills and competencies of SAI staff. Only 65% of SAs globally report that they have developed a competency framework across all audit streams, and only 56% reported that they have built their HR processes around their competency frameworks. At the IRCP in Oslo in June, competent people and in particular professional development, competence management and HR management featured as areas of high priority.
- (iii) In the area of **ideal working environment** the lack of independence is still negatively impacting on too many SAI in many operational areas. For the

CBC an area of special concern is the high number of SAIs still unable to manage their own human resources in areas such as recruitment, compensation, and learning and development budgets.

- (iv) In the area of **performance assessment and ongoing improvement** there are still many SAIs not assessing their performance by means of the SAI PMF or Peer Reviews (e.g. by 2021, 83 SAIs have undergone at least one SAI PMF assessment, whilst many others could still benefit from doing so). SAI PMF is a tool meant for SAIs, at all levels of development – developing and developed – and assists SAIs to understand its performance and demonstrate its success at adhering to the highest international standards, especially when a repeat assessment shows exactly the progress that has been made. This shortcoming, together with the lack of effective quality assurance processes, may impact negatively on SAIs' ability to be seen as credible institutions.
- *The strength and capacity of the INTOSAI Development Initiative (IDI)* is a model for successful SAI capacity development support. The IDI has grown markedly since its establishment and with strong donor support, stable funding levels and substantial in-kind SAI contributions currently, the role of IDI in supporting Goal 2 is significant and growing. Although an autonomous body, IDI derives from INTOSAI its mandate to support SAIs in developing countries to sustainably enhance their performance and capacity based on the needs and challenges SAIs experience. Focusing on areas where its unique position and experience gives it a comparative advantage over other providers of support, the IDI builds on the successes of INTOSAI and IDI's own long experience in capacity development through four main workstreams on SAI independence, governance, professionalism and relevance, and long term partnerships with SAIs in several challenging contexts.
- *The strength of certain regions and sub-regional organisations:* There are a number of very successful regional and sub-regional organisations that are continuing to grow from strength to strength. These organisations are responsive to the strategic development needs of their members SAIs, and are able to enter into long term partnerships to support of their development programmes. These organisations are examples of good internal governance and strategic management, and externally as a voice for good financial governance and healthy regional accountability ecosystems. Their intimate knowledge and understanding of local conditions, and their local coordinating expertise, make these regional organisations an indispensable partner in any global development initiative.
- *Developments in technology* over the last few years have opened new opportunities for capacity development. Improvements in virtual collaboration tools and digital meeting platforms now make it possible to conduct more regular and easily affordable capacity development activities across the globe. Digital learning platforms have made it possible for distance and blended learning to increasingly be used at global and regional level to scale up auditors' learning and development. Moreover, computer and mobile apps such as e-SAI PMF now enables the easier use of SAI performance assessment and development tools.
- Another area of opportunity is the *increased support from and cooperation with external partners* such as the Inter-Parliamentary Union (IPU) and the International Monetary Fund. Given the vital role that SAIs play to enable parliamentary oversight, closer cooperation with the IPU has the potential to improve SAI outputs and also strengthen parliamentary scrutiny and follow-up of audit recommendations. Moreover, INTOSAI's increasing cooperation with the IMF will strengthen the role of SAIs in the audit of IMF loans and improve engagement and dialogue between SAIs and the IMF.

03.

GOAL 2

OPERATIONAL

PLAN AND

RESULTS

FRAMEWORK

2023-25

In 2017, on request from the CBC and IDI, INTOSAI established a single platform for all INTOSAI organs and INTOSAI's regional organisations coordinate to align common efforts and explore synergies.

In the first week of June 2022, the INTOSAI-Regional Coordination Platform gathered in Oslo to discuss INTOSAI's response to capacity development challenges and opportunities faced by SAIs.

The coordination meeting was aimed at developing a deeper and common understanding of INTOSAI's goal 2 landscape. The CBC, IDI and regional organisations supported by the PSC, KSC, PFAC and the General Secretariat identified and discussed SAI capacity development needs and priorities to be addressed in 2023-25, and also deliberated on sustainable capacity development support mechanisms. The key outcome of the meeting was a mapping of current and future capacity development initiatives in the following **six broad focus areas** based on prior research and consultation between the CBC and IDI:



01.
Competent people



02.
High quality audits



03.
High impact audits



04.
SAI external environment



05.
SAI internal environment



06.
Global environment for effective SAI capacity development



The framework covers the first three years of INTOSAI's new strategic plan 2023-28



In addition to our own targets and objectives agreed to with our respective governing bodies, and arising from the mapping of these six focus areas, the CBC, IDI and INTOSAI's regional organisations aim to jointly achieve the outputs and outcomes reflected in the **2023- 25 Goal 2 Results Framework** set out on page 8.

The contributions that each of us make to the outcomes identified in the results framework, we will annually monitor and discuss at the INTOSAI-Regions' Coordination Platform to ensure success.

At present the outcome indicators in the framework are not linked to specific time-bound targets or milestones, as the first year of implementation (2023) will be used to establish a baseline for each.

The framework covers the first three years of INTOSAI's new strategic plan 2023-28. After the first three years, and based on insights gained from INTOSAI's next global survey, the IDI's Global SAI Stocktaking Report, and INTOSAI's mid-term assessment in 2025, this framework will be revised and possibly adjusted for the next three-year period (until 2028).

GOAL 2 RESULTS FRAMEWORK FOR 2023-25

These indicators will be tracked by the 3-yearly Global Survey

INPUTS	OUTPUTS	GOAL 2 OUTCOMES	INTOSAI OUTCOMES	GOAL 2 OUTCOME INDICATORS
<p>INTOSAI CBC (in-kind support & budget)</p> <p>IDI (in-kind support & budget)</p> <p>Regional Organisations (in-kind support & budget)</p> <p>Peer-providers (donor funds & in-kind support)</p> <p>INTOSAI-Donor Cooperation (funding & partnering)</p> <p>SAIs (budget & staff time - own capacity development efforts)</p> <p>Other INTOSAI bodies (cooperation with Goal 2)</p>	<p>3-yearly INTOSAI Global Survey and IDI SAI Global Stocktaking Report on global and regional challenges and trends to help guide the capacity development efforts</p> <p>3-yearly joint mapping of SAIs' needs, priorities, and initiatives, building on the INTOSAI Global Survey and SAI Global Stocktaking Report to inform Goal 2 strategies and plans (INTOSAI-Regions Coordination Forum)</p> <p>Goal 2 contributors publishing their plans and progress report on their respective websites for information and transparency purposes</p> <p>Goal 2 contributors using knowledge-sharing platforms and facilitate dialogues to provide insight and solutions to capacity development challenges</p> <p>Goal 2 contributors communicate by means of various channels and opportunities to advocate for/raise awareness about SAI capacity development needs, opportunities and challenges</p> <p>Goal 2 annual reports to INTOSAI GB to inform decision-making on SAI capacity development support</p>	<p>Strategic and Operational Plans of Goal 2 contributors that are needs/priority based</p> <p>Strategic plans, operational plans and/or work plans of Goal 2 contributors reflect ambitions to harmonise efforts and partner strategically to support their respective goals and objectives, as well as Goal 2 objectives and targets</p> <p>Annual reports from Goal 2 contributors reflect how they have facilitated and contributed to the strategic dialogue, within INTOSAI and with external stakeholders, on SAI and regional capacity development insights, challenges and opportunities</p>	<p>INTOSAI-wide initiatives in support of SAI capacity development needs</p> <p>Strategic partnerships inside and outside INTOSAI in support of SAI professionalism, auditor professionalization, and SAIs' ability to meet future challenges</p> <p>Shared capacity development insights and practices, and strategic dialogues on SAI and regional capacity development challenges and opportunities</p>	<p>01. % of SAIs with competency frameworks in place for their audit professionals</p> <p>02. % of SAIs that adhere to all four principles of ISSAI 150</p> <p>03. % of regional organisations able to annually increase, or at least maintain their budget levels in real terms</p> <p>04. % of SAIs with appropriate quality management systems in place (all audit disciplines)</p> <p>05. % of SAIs with a systematic audit follow-up system and/or procedures</p> <p>06. % of SAIs with an external stakeholder strategy that include all the main actors in their accountability ecosystem (e.g. executive/government leadership, parliament, the judiciary, anti-corruption agencies, media, civil society)</p> <p>07. % of SAIs publishing annual reports on their own performance and subject that to external audit</p> <p>08. % of SAIs that have (a) completed a SAI PMF assessment, and (b) % of SAIs that have completed a second (or repeat) SAI PMF assessment</p> <p>09. % of SAIs in complex and challenging contexts/ low income countries reporting that they have access to sufficient support from a peer SAI and/or an INTOSAI body to help implement their capacity development goals</p> <p>10. % increase (in real terms) of donor funding to INTOSAI bodies and SAIs</p>

The table below provides guidance/examples on how various contributors to Goal 2 can go about organising their activities to support of Goal 2 results:

Goal 2: Strategic Objectives	Initiatives	Action Items	Deliverables
Objective 1: Promote, facilitate and implement INTOSAI-wide initiatives in support of SAI capacity development needs.	1.1 Building on latest INTOSAI surveys, stocktake reports and other credible information, map and analyse SAI capacity development needs, priorities, opportunities and/or gaps.	(a) Goal 2 contributors (CBC, INTOSAI regional organisations and IDI) regularly monitor their environments and analyse key information sources (e.g. INTOSAI global surveys, global SAI stocktaking reports, INTOSAI's PARs, etc.) for needs, priorities and opportunities to support SAI capacity development. (b) Goal 2 contributors participate in Goal 2 mapping of global and regional SAI capacity development needs, priorities, opportunities and support initiatives.	(a - b) Completion of 3-yearly global and regional mapping of needs, priorities, opportunities and initiatives in support of INTOSAI's goal #2, including dialogues on effective coordination and synergies (e.g. during INTOSAI-Regions Coordination Platforms) ⁴ , followed by annual analyses and dialogues on progress and possible new priorities.
	1.2 Facilitate and/or implement solutions in response to capacity development needs, priorities, opportunities and/or gaps. [See www.intosaicbc.org for the <i>Catalogue of Goal 2 global and regional capacity development initiatives</i> that the CBC will use as a coordination-tool. The tool will remain dynamic and will be updated based on ongoing consultation with goal 2 contributors.]	(a) Goal 2 contributors inform/update their respective strategic and operational/work plans with the insights and perspectives gained from the joint of mapping the Goal 2 landscape to ensure plans with relevant capacity development solutions. (b) The CBC provides overall Goal 2 Operational Plan to INTOSAI's governing board before commencement of INTOSAI's 2023-28 strategic plan, and a mid-term update at the 2025 governing board.	(a) Up-to-date and relevant plans from Goal 2 contributors submitted to their respective governing bodies and made available on their respective websites. (b) Goal 2 Operational Plans submitted to 2022 and 2025 meetings of the INTOSAI Governing Board.

⁴ The IRCP usually takes place annually in late May or early June.

Goal 2: Strategic Objectives	Initiatives	Action Items	Progress indicator
	1.3 Monitor, evaluate and report implementation progress.	(a) Goal 2 contributors annually report to their relevant governance body on progress with implementation plans.	(a) Timely submission of annual progress reports to governance bodies.
Objective 2: Strategically partner, inside and outside INTOSAI, in support of SAI professionalism, auditor professionalization, and SAIs' ability to meet future challenges.	2.1 Identify areas where there is a need for/value to be gained from strategic partnerships.	(a) In connection with their planning process, each contributor to Goal 2 identifies the need to strategically partner with bodies inside and outside INTOSAI, generally or relating to specific capacity development initiatives.	(a) Strategic plans, operational plans and/or work plans reflect ambitions to partner strategically to support the goals and objectives of the organization. (b) Plans are published on contributors' respective websites for information and transparency purposes.
	2.2 Establish partnerships	(a) Contributors to Goal 2 approach potential partners to discuss and agree how they may support the goals and objectives of the organization generally or individual capacity development initiatives specifically.	(a) Terms of reference and or plans reflect established partnerships, through memorandums of understanding or less formally.
	2.3 Leverage the partnership in the interest of capacity development	(a) Contributors to Goal 2 engage with their partners to support the goals and objectives of the organization generally or individual capacity development initiatives specifically	(a) Regular reports from contributors to Goal 2, to their relevant governance body, reflect how the partnership has contributed to achieving the goals and objectives of the organization.
Objective 3: Share capacity development insights and practices, and facilitate dialogue on SAI and regional capacity development challenges and opportunities	3.1 Facilitate and contribute to a strategic dialogue, within INTOSAI and with external stakeholders, on SAI and regional capacity development insights, challenges and opportunities (at the same time promoting the value and benefits of SAIs).	(a) Leveraging on existing INTOSAI initiatives, contributors to Goal 2, will lead or contribute to a strategic dialogue on SAI and regional capacity development insights, challenges and opportunities. (b) Leveraging on existing external initiatives contributors to Goal 2, will contribute to a strategic dialogue on SAI and regional capacity development insights, challenges and opportunities.	(a - c) Regular reports from contributors to Goal 2, to their relevant governance body, reflect how the organization has facilitated and contributed to the strategic dialogue, within INTOSAI and with external stakeholders, on SAI and regional capacity development insights, challenges and opportunities (and how the value and benefits of SAIs were promoted).

Goal 2: Strategic Objectives	Initiatives	Action Items	Progress indicator
	3.2 Share information, knowledge and insights relating to SAI and regional capacity development, through the publication of guidance, best practices, good examples.	(c) When relevant, contributors to Goal 2 will facilitate, initiate or encourage new forums for strategic dialogue on SAI and regional capacity development insights, challenges and opportunities.	
		(a) Develop and make accessible global public goods (guidance, papers, information materials, training materials etc.) relating to SAI and regional capacity development.	Regular reports from contributors to Goal 2, to the appropriate governance body, reflect how the organization has shared information, knowledge and insights relating to SAI and regional capacity development, through the publication of guidance, best practices, good examples, using
		(b) Using relevant INTOSAI bodies' websites, newsletters etc., share updates about the publication of guidance, best practices, good examples etc. relating to SAI and regional capacity development.	(a) Guidance, papers, information materials, training materials etc. (b) Relevant INTOSAI bodies' websites, newsletters etc.
	3.3 Raising awareness about SAI and regional capacity development needs, opportunities and challenges	(a) Using social media and other platforms, share information about SAI capacity development needs, opportunities and challenges as widely as possible.	(a) Number of published/shared items on social media by INTOSAI global bodies and regions.
		(b) Write articles or blogs based on or sharing good examples, best practices, lessons learned and new developments, in the area of SAI and regional capacity development, for publication outside the INTOSAI community.	(b) Number of published/shared news items and blogs relating to SAI and regional capacity development on the following websites: <ul style="list-style-type: none"> • INTOSAI CBC • Regional organizations • IDI • INTOSAI-Donor Cooperation • INTOSAI Journal
		(c) Reach-out and leverage key regional and global stakeholders with an interest in, or influence over SAI capacity development needs, opportunities and challenges.	(c) Regular reports from contributors to Goal 2, to the appropriate governance body, reflect how the organization has reached out and leveraged key regional and global stakeholders with an interest in, or influence over, SAI capacity development needs, opportunities and challenges.

NOTES

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INTOSAI



CAPACITY BUILDING COMMITTEE