



INTOSAI DEVELOPMENT INITIATIVE (IDI):

BOARD MEETING MINUTES

31 MARCH 2022

Name	Position	Board Status
Mr. Karl Eirik Schjøtt-Pedersen	Auditor General, Office of the Auditor General, Norway	Chair of the Board
Ms. Lara Taylor-Pearce	Auditor General, Audit Service Sierra Leone	Vice-Chair of the Board
Ms. Åse-Kristin Berglihn Hemsén	Director General, Office of the Auditor General, Norway	Board Member
Ms. Kristin Amundsen	Deputy Director General, Office of the Auditor General, Norway	Board Member
Ms. Pamela Monroe-Ellis	Auditor General, Auditor General's Department, Jamaica and Secretary General CAROSAI	Board Member
Ms. Helena Lindberg	Auditor General, Swedish National Audit Office	Board Member
Ms. Johanna Gårdmark	Project Director, Swedish National Audit Office	Accompanying Ms. Lindberg
Ms. Margit Kraker*	Secretary General of INTOSAI, President Austrian Court of Audit	Board Member
Ms. Silke Steiner	Head of INTOSAI General Secretariat, Austrian Court of Audit	Accompanying Ms. Kraker
Ms. Tsakani Maluleke	Auditor General, South Africa and Chair, INTOSAI CBC	Board Member
Mr. Jan Van Schalkwyk	Executive Director, Office of Auditor General of South Africa	Accompanying Ms. Maluleke
Mr. Cobus Botes	Senior Manager, International Relations, CBC Secretariat	Accompanying Ms. Maluleke
Mr. Agus Joko Pramono	Vice Chairman, Audit Board of Indonesia	Board Member
Mr. Ami Rahmawati	Head of Subdivision of INTOSAI, ASOSAI	Accompanying Mr. Pramono
Mr. Bernardus Dwita Pradana	Director General of Audit Planning, Evaluation and Development, Audit Board of Indonesia	Accompanying Mr. Pramono
Mr. Tashi	Auditor General, Royal Audit Authority of Bhutan and ASEANSI, Audit Board of Indonesia	Board Member
Mr. Einar Gørrissen	Director General	IDI Secretariat
Ms. Archana Shirsat	Deputy Director General	IDI Secretariat
Mr. Ola Hoem	Deputy Director General	IDI Secretariat
Mr. Brynjar Wiersholm	Deputy Director General	IDI Secretariat
Ms. Petra Schirnhöfer	Senior Manager	IDI Secretariat
Mr. Martin Aldcroft	Senior Manager	IDI Secretariat
Mr. Shourjo Chatterjee	Manager	IDI Secretariat
Mr. Hans-Christian Berger**	Partner, PwC Norway	Auditor
Mr. Sondre Lillestrand**	Manager, PwC Norway	Auditor

*Participated in agenda items 1-6, ** Participated in agenda Items 4 and 5

WELCOME AND OPENING REMARKS

The new Chair introduced himself and welcomed all Board members to the meeting. A round of introductions of all Board members followed. The Chair emphasised his intention to focus on discussions around strategic issues.

APPROVAL OF THE AGENDA

The Chair suggested discussing the date for the next Board meeting under 'Any Other Business'.

Decision: The Board members approved the agenda.

1. CONFIRMATION OF REGISTER OF RELATED PARTIES AND RELATED ENTITIES AND DISCLOSURE OF PERCEIVED AND ACTUAL CONFLICTS OF INTEREST

Board members confirmed the correctness of the register of related parties and related entities. They did not report any conflict of interest with any items on the agenda.

2. TOUR D'HORIZON FROM THE IDI DIRECTOR GENERAL

The IDI Director General (DG) presented on the following issues:

Internal developments: Having partly closed during COVID-19, IDI reopened its offices for staff some time ago but will keep flexible working arrangements. Resuming travel will affect the IDI budget. A revised budget will be submitted to the Board in June 2022. The DG pointed to a generally strong funding situation. The possibility of using the INTOSAI funding as reserves is most welcome.

HR reforms: The IDI Secretariat is currently undertaking a number of reforms to its HR practices. A recent independent assessment of gender and diversity dimensions in IDI's HR practices yielded positive results. Recommendations will be addressed.

SAI independence and new IDI initiatives: The IDI DG pointed to ongoing SIRA cases, also emphasizing the continued support in the case of SAI Sierra Leone. Ms. Taylor-Pearce complemented by giving an update on the worrying situation in SAI Sierra Leone. The IDI also referred to two new IDI initiatives to start in 2022: the Equal Futures Audit initiative and the Green Audit Experiment and initiative.

Other updates included IDI's efforts and challenges to bring out staff at risk from SAI Afghanistan; IDI's enhanced cooperation with the IMF at global and country level (e.g. SAI Sierra Leone, Madagascar) and the Global SAI Accountability Initiative (GSAI) where nine SAIs submitted applications. Four beneficiary SAIs are shortly expected to be recommended for approval by the INTOSAI-Donor Steering Committee. IDI plays a planning and coordinating role in GSAI. Any future role beyond that would have to be approved by the IDI Board.

Following the IDI DG's intervention, Ms. Kraker – in her capacity as SG of INTOSAI – gave an update on latest developments related to the INTOSAI chair. The INTOSAI GS will manage all administrative matters and contacts between INTOSAI member SAIs until the next INCOSAI in November 2022.

The Board appreciated the IDI DG's updates and welcomed the IDI Secretariat's strong engagement on SAI Independence, its efforts for staff of SAI Afghanistan and plans on the Green Audit Experiment and initiative. Following a question from a Board member, the IDI Secretariat confirmed that travel volumes will increase but not to pre-COVID levels.

3. IDI PERFORMANCE AND ACCOUNTABILITY REPORT (PAR) 2021

The IDI Secretariat presented the 2021 PAR. Results were presented against the June 2021 update of the Operational Plan. Outreach figures for 2021 were strong again with SAI staff participating in 17 long-term capacity development initiatives. 145 SAIs and almost 3000 SAI staff participated in total. 74% of targets were reached or exceeded and 17% were close or on track.

IDI's Budget Report showed increased expenditure compared to 2020, but an overall underspend compared to budget across work streams due to COVID-19. Carry forwards were at similar levels to 2020. Donor support remains strong with stable funding levels. Despite COVID-19, IDI continued to receive high levels of in-kind support equating to an estimated 13% of IDI's budget.

Board members commended the IDI Secretariat on its performance. The IDI Secretariat answered questions related to the budget report on funding from Irish Aid and SAI Qatar (referring to note 4 to the financial statements), on bilateral budgets, on deviations and carry forwards. Generally, the Board commended the IDI Secretariat on realistic budget plans. The IDI Secretariat also explained the rationale for cooperating more with bodies representing parliaments, such as the Inter-Parliamentary Union, and agreed to leverage existing knowledge and material. The IDI Secretariat will look again into targets and goal setting with the new Strategic Plan.

Decision: The Board approved the IDI 2021 Performance and Accountability Report.

4. IDI FINANCIAL STATEMENTS 2021

The IDI Secretariat presented the Annual Financial Statements and Notes for 2021 with two modifications. The grant from MFA Ireland was not shown and was made visible in the Income Statement's list of revenue from Donors. Note 5 was modified to reflect new requirements related to reporting of Auditors costs. The annual audit, done by PwC, concluded with an unmodified opinion. As last year, COVID-19 had a significant impact on the financial statements, but IDI was able to maintain full business continuity. The audit further stated that there was no requirement for issuing a management letter as there was no instance of misstatement or additional need for monitoring risk items. Internal controls and financial reporting had been effective.

Decision: The IDI Board approved IDI Financial Statements 2021.

5. IDI INTERNAL CONTROL SYSTEM

IDI introduced a new IDI Internal Control System approved by the Board in November 2021. As part of the annual audit, the auditors verified the implementation of the internal control framework in IDI. No audit comments on any of the components of the maturity matrix were made.

6. UPDATE ON IDI AUDIT AND EVALUATIONS MONITORING DATABASE

The IDI Secretariat presented the updated IDI audit and evaluation monitoring database, including the status of recommendations from the different audits, evaluations and reviews.

Board members appreciated IDI's transparency in following up recommendations. They asked for more background on recommendations, timelines, more background on their status, on how IDI will address them, lessons learnt and when to consider recommendations as being addressed.

Decision: The IDI Secretariat agreed to provide a background note together with the update of the database for the March 2023 meeting.

7. UPDATE OF THE IDI CORPORATE RISK REGISTER

The IDI Secretariat presented material changes compared to the last Board meeting.

Board members agreed with the updates made but felt that developmental risks, where IDI has less control, should be separated from corporate risks where IDI has more control. Both parts would continue to be discussed and approved by the Board. There was also a request to keep reflecting risks that are no longer considered risks undermining the IDI Strategic Plan.

Based on certain individual risks in the corporate risk register (such as SAI independence, legislature support to SAs, audit impact, stakeholder engagement etc) Board members discussed on how IDI could add even more value. Discussions were also linked to IDI's strategic planning and are reflected in more detail in the annex to these minutes.

Decision: The IDI Board approved the updated IDI Corporate Risk Register. The Board agreed to separate developmental risks from IDI corporate risks in the future. The IDI Secretariat will look for a solution to reflect risks that do no longer need monitoring through the corporate risk register.

8. UPDATE ON MID-TERM EVALUATION OF IDI'S STRATEGIC PLAN 2019-2023

The IDI Secretariat presented the initial inception report, which includes the focus and scope of the evaluation as well as the suggested strategic evaluation questions.

Board members welcomed the inception report. They would like to see a focussed evaluation report with clear recommendations while also respecting evaluators' independence. Foreseen detailed interviews with four SAs during the evaluation should be balanced against other developing SAs.

The IDI Secretariat agreed on the points raised and will convey these messages to evaluators.

9. IDI PORTFOLIO AND FORESIGHT REVIEW

Each year the IDI Secretariat prepares a portfolio and foresight review and discusses with the Board. This gives the Board the opportunity to provide IDI with strategic directions in support of developing the next operational plan and the next IDI strategic plan. Discussions were centred around the four key areas of 1. changes of portfolio against IDI's Strategic Plan, 2. expenditure and funding flexibilities, 3. integration of gender and inclusiveness and 4. partnerships and foresight.

The Board agreed on the need for higher levels of core funding compared to earmarked funding,

IDI's gender engagement (which continuously needs to expand to include other diversity aspects) and on diversifying partnerships without losing sights of SAs' needs and interests. For more details on strategic discussions on the portfolio, refer to the annex to these minutes.

10. IDI STRATEGIC PLANNING

The IDI Secretariat presented two documents on IDI's strategic planning process for discussion: 1.) stakeholder analysis and 2.) plan for strategic plan consultations.

The IDI Secretariat recommended to bring in futuring and to have broad stakeholder consultations at different points of the strategic plan consultations.

Board members suggested to focus on a smaller number of strategic, representative stakeholders that are relevant for IDI and SAs. For more details on strategic discussions, refer to the annex to these minutes.

Decision: The IDI Board approved the plan for strategic plan consultations. Detailed decisions on stakeholder engagement will be taken during the strategic planning process.

11. IDI'S ENGAGEMENT WITH SAIS IN COUNTRIES UNDER SANCTION/ OTHER CONCERNS

The IDI Secretariat summarised its latest assessment on risks of association with certain SAIs. Recent cases included SAI Myanmar and Afghanistan but also others. The IDI Secretariat had been in close contact with the IDI Board and INTOSAI GS more generally. It is important to carefully balance the delivery of IDI's mandate with risks of association faced and what this means for IDI's operations and reputation. The IDI Secretariat suggested the following five principles for Board approval:

1. Look to and follow precedents set by the UN
2. Explore and address new challenges in collaboration with INTOSAI entities, to create a common approach where possible
3. Stay alert to major global shifts including coups (military, political and other), wars and changes to sanction regimes
4. Act promptly, decisively and publicly in response to emerging risks of association
5. Seek prompt Board approval for public statements and IDI positions on emerging risks of association

The INTOSAI GS summarised steps taken or still to be taken at INTOSAI level that are in line with the INTOSAI statutes. The INTOSAI GS also thanked IDI for the fruitful cooperation.

Decision: The IDI Board approved the 5 principles.

12. POST-MEETING SELF-ASSESSMENT OF THE BOARD

The Chair thanked the IDI Secretariat for a well-prepared meeting. Board members thanked the Chair for a well-facilitated meeting that allowed for strategic discussions. They suggested a focused agenda and less power point presentations, thus allowing for more interaction.

13. ANY OTHER BUSINESS

The Chair suggested a virtual Board meeting on 27 June 2022. The Chair formally closed the meeting.



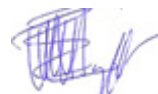
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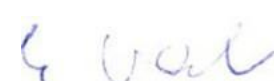
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Margit Kraker



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ANNEX: BOARD INPUTS FOR THE IDI STRATEGIC PLAN 2024 –29

The IDI Board provided a wealth of inputs to IDI's strategic direction and future IDI strategic plan during its meeting on 31 March 2022. These points were raised during discussions on the IDI Risk Register, Portfolio and Foresight review, and Strategic Plan agenda items, as summarised below. IDI will duly consider Board members' inputs and seek to address them in IDI's future operational plans and in its new strategic plan. However, IDI may not always be in a position to fully address all points raised.

Developing and Monitoring the IDI Strategic Plan

It is crucial that the IDI strategy responds to SAI needs, especially the broad findings from the Global Stocktaking Report (GSR) 2020. But while planning a comprehensive response to these challenges, IDI needs to remain mindful of the absorption capacity of SAIs. IDI should therefore plan for how to work with those SAIs that may not be able to absorb significant support and should retain its emphasis on effective coordination with others.

To develop the new strategic plan, a focus on futuring was welcomed given the rapid pace of change in the external environment for SAIs and IDI. But regarding foresight work to identify emerging trends, less is more. IDI should remain focused on SAI core business and the INTOSAI community, and streamline its trends analysis, whilst not neglecting fundamental drivers of change such as demographics (including age structures, changing work force and growing care burdens), urbanisation and increasing digitalisation.

The increased focus on stakeholder engagement was also welcomed as part of developing the IDI strategic plan, but with the growth and diversification of IDI partners, prioritisation of stakeholder engagement will be essential. IDI needs to focus on its most strategic stakeholders, and ensure engagement is representative and inclusive of its most relevant partners, not just the most vocal. Given limited IDI staff and resources, and the number of possible stakeholders, the focus needs to remain on influential global partners, from within and outside INTOSAI, following the 'Change

Agents' model in IDI's stakeholder mapping.

Board members indicated a desire to enhance IDI's strategic planning process through the active participation of core partners such as the CBC secretariat and INTOSAI regional secretariats. The forthcoming INTOSAI Regions Coordination Platform (IRCP) presents a key opportunity for such engagement.

Board members recognised that IDI's strategy and the development risks in the IDI risk register are two sides of the same coin. Monitoring development risks, while different from corporate risks, is essential to keeping strategic plan implementation on track. The Portfolio review also aids monitoring and fine tuning of strategic plan implementation. In this respect, the balance of expenditure between IDI strategic priorities remains in line with Board's desired strategic direction. It remains important to keep the balance between global and regional work, and bilateral work, under review, especially regarding IDI's future role in the Global SAI Accountability Initiative (GSAI). The Board will continue to track the proportion of IDI income received as earmarked funding and asks IDI to try to retain sufficient flexibility to implement its strategic plan¹.

¹ For future analysis, IDI could consider analysing the split of earmarked funding between bilateral and other purposes, since bilateral spending will almost always be earmarked or semi-earmarked.

Partnerships

Partnerships remain essential for IDI. They should focus on organisations that have shared objectives and support IDI's mandate, as well as ensuring responsiveness to the needs of SAIs. While partnering, IDI must retain leadership of its own strategy rather than being driven by others.

INTOSAI bodies, such as the goal committees and INTOSAI regions, remain core partners. IDI should continue to expand and diversify partnerships into broader accountability areas, without losing sight of its core partners or spreading itself too thin. Board members emphasised the need for a greater focus on global bodies that have strong influence, especially politically at the country level. The IMF was noted as a relatively new partner for IDI and potential game changer, whilst the importance of continuing relationships with the World Bank and UN agencies was also emphasised. The latter could include agencies IDI has had less engagement with, such as the UN Office of Internal Oversight Services². Partnerships with global accounting and financial professional bodies were also mentioned.

Responding to SAI Needs

Discussions highlighted the following areas of SAI development, including independence, audit quality, stakeholder relations and impact. Participants noted that whilst important, these cannot be taken in isolation as the interaction between these areas is often the key to sustainable change.

SAI independence: this has been on the global agenda for a long time, and much has been achieved at the global level such as the Lima and Mexico Declarations, and two UN resolutions. These declarations and resolutions rely on voluntary implementation by sovereign countries. Legal frameworks in most countries, whilst not perfect, are a reasonable basis for SAI independence. But country level implementation, as evidenced by the GSR 2020 and experience of IDI Board members, remains the key challenge. Some Board members suggested the IDI strategic planning process would be a good time to take a step back and rethink future approaches to SAI independence, given ongoing country independence constraints. The new IDC Goodwill Ambassador for SAI Independence, as well as the SAI Independence Rapid Advocacy Mechanism (SIRAM), were mentioned as key initiatives where IDI was reimagining approaches to supporting SAI independence.

Board members suggested possible further awareness raising work to promote principles from the Lima and Mexico declarations and emphasised the important role of UN agencies in supporting SAI independence. Participants wondered whether the UN role on SAI independence could be enhanced, possibly through greater advocacy and political pressure, or a monitoring mechanism attached to existing or future UN resolutions.

Participants also noted that the GSR assesses global performance against the 8 Mexico principles. While some are beyond direct SAI control, others are not. A worrying trend was that while SAIs report having high discretion to execute their mandate, few SAIs reported having effective systems for audit follow-up, which is within the direct control of SAIs. This could be a future focus area (see further below). At a broader level, IDI could focus on specific independence principles where SAIs face the significant challenges, but there were specific opportunities to address these.

² The UN OIOS supports the UN Secretary General through the provision of internal audit, investigation, inspection and evaluation services.

SAI Governance and strategic planning: participants expressed that IDI could do more to illustrate the importance of good governance and strategic planning, e.g., by developing case studies that show both the benefits, but also the risks of not having these in place. When SAIs come under scrutiny, the fact they have sound internal governance arrangements is essential to survive scrutiny processes with SAI integrity intact.

SAIs leading by example: Board members wondered if IDI could do more to incentivise SAIs to lead by example, and to act as role model organisations within the public sector.

Audit impact: There is increasing recognition of the importance of audit impact within the community, and awareness that planning for impact means doing things differently all the way through the audit process. Audit impact is not an audit process but a desired result from everything an SAI does. IDI's Facilitating Audit Impact initiative is key in exploring audit impact, but lessons from this will need to be rolled out across IDI initiatives and beyond the SAIs that participate in this particular initiative.

Professionalism and ISSAI implementation: Board members noted that professionalism was a core foundation for many of the following topics, especially high-quality audit reports and recommendations that contribute to audit impact. Many SAIs in Small Island Developing States (SIDS) lack the staff numbers and competency, as well as mandates, to effectively implement the ISSAIs. The new Strategic Development Plan for IFPP may be an opportunity to consider ISSAI scalability and implementation challenges in these contexts. IDI's perspective could add value and contribute to appropriately tailored approaches.

Formulating and tracking audit recommendations: Participants noted the importance of formulating audit recommendations that are actionable, relevant and inspiring, and that many SAIs may need support in this area. Such recommendations are integral to systems for tracking audit recommendations and systems for audit follow-up. They are also crucial for strengthening broader accountability systems, such as through better legislature oversight, and mechanisms to ensure administrative and legal accountability for the use of public funds. As such, they form part of the core basis for SAI engagement with stakeholders such as Legislatures, Anti-Corruption Agencies, Investigative and Prosecuting Authorities.

Stronger legislature-SAI relations: The Board noted the importance of the relationship between SAIs, Legislatures and their committees. This is two-fold: legislature support for issues such as SAI independence and adequate resourcing, as well legislature review of audit reports and oversight of implementation of audit recommendations. Both are also key to audit impact, especially in countries with a legislature (rather than judicial) SAI model. Board members suggested IDI support SAIs in strengthening these relationships at the country level, and that IDI engage with global and regional legislature fora, such as the Inter-Parliamentary Union (IPU), the Global Organization of Parliamentarians Against Corruption (GOPAC) and the new International Parliamentarians' Congress (IPC).

SAIs, accountability and corruption: to strengthen audit impact, participants noted the need for SAIs to work closely with anti-corruption, law enforcement and prosecution bodies at the country level, whilst IDI should consider doing likewise at the global and regional level, e.g. partnering with GOPAC and other global bodies. Members raised the possibility of engaging with the UN's International Anti-Corruption Day (9 December) and suggested thinking about whether there could be a similar international day for auditors or SAIs?

Cross-Cutting Issues

Supporting SAIs in challenging circumstances / fragile states: Board members reflected that GSAI is a positive step to provide further strategic support to those SAIs most at risk of being left behind.

However, IDI should keep the extent and nature of its role in line with its strategy and added value. It was reiterated that IDI's commitment to GSAI is to take on a strategic role similar to PAP-APP phase 1, rather than taking on responsibility for additional long-term bilateral partnerships. Further, IDI should remain mindful of the risk that IDI bilateral engagements could quickly evolve into potential sources of reputational risk, should these countries experience the sort of transition witnessed in Afghanistan and Myanmar.

Role of SAIs in crisis situations: this has been a high priority and is likely to continue as current trends suggest crisis are likely to occur with increased frequency and severity in future. The IDI strategy will need to help SAIs build resilience to crisis, as well as be sufficiently agile to respond to crisis.

Gender equality and inclusiveness: Board members expressed strong support for this agenda and agreed that this should remain a priority. Gender equality is already firmly anchored in the current strategic plan and diversity and inclusiveness should be continuously strengthened. Participants supported an expansion to the broader concepts of diversity and inclusiveness in the new IDI Strategic Plan. This can also be linked to the new (draft) INTOSAI strategic plan where promotion of equality and inclusiveness will be one of the organisational priorities.

Board members agreed on the crucial role of continued awareness raising on gender and inclusiveness issues for SAIs, as well as promoting the work SAIs do through their audits to contribute to gender equality. Different SAI readiness and contexts need to be taken into account. IDI has to make efforts to explain and help auditors think about why gender and inclusiveness matter for all SAIs. Thinking about adequate performance measures on gender and inclusiveness, for IDI and for SAIs, are crucial as well as building on existing work of SAIs and INTOSAI regions themselves (such as the AFROSAI-E HR guide or OLACEF's work for example).