



INTOSAI DEVELOPMENT INITIATIVE (IDI):

BOARD MEETING MINUTES

29 November 2023

CASE: Board meetings | VENUE: Virtual | PRESENT:

Name	Position	Board Status
Mr. Karl Eirik Schjøtt-Pedersen	Auditor General, Office of the Auditor General, Norway	Chair of the Board
Ms. Tsakani Maluleke	Auditor General, Office of Auditor General of South Africa and Chair, INTOSAI CBC	Vice-Chair of the Board
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
Ms. Kristin Amundsen	Deputy Director General, Office of the Auditor General, Norway	Board Member
Ms. Åse-Kristin Berglihn Hemsén	Director General, Office of the Auditor General, Norway	Board Member
Ms. Nancy Gathungu	Auditor General, Office of the Auditor General, Kenya	Board Member
Mr. Tashi	Auditor General, Royal Audit Authority of Bhutan	Board Member
Mr. Hussam Alangari	President, General Court of Audit, Kingdom of Saudi Arabia	Board Member
Ms. Manal S. Alduhaymi	Head of International Relations Executive Office, General Court of Audit, Kingdom of Saudi Arabia	Accompanying Mr. Hussam Alangari
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
Mr. Herbert Baumgartner	Deputy Director, INTOSAI General Secretariat, Austrian Court of Audit	Accompanying Ms. Kraker
Mr Gareth Davies	Comptroller and Auditor General, National Audit Office, United Kingdom	Board Member
Mr Bruno Dantas	President, Tribunal de Contas da União, Brazil	Board Member
Ms. Elaine Ferreira Souza Dantas	Cabinet of President Dantas, Tribunal de Contas da União, Brazil	Accompanying Mr. Dantas
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 Schirrhofer	Senior Manager	IDI Secretariat
Mr. Martin Aldcroft	Senior Manager	IDI Secretariat
Mr. Shourjo Chatterjee	Senior Manager	IDI Secretariat
Ms. Camilla Fredriksen (for Agenda Item 6)	Senior Manager	IDI Secretariat

Apologies: none

WELCOME AND OPENING REMARKS

Mr. Schjøtt-Pedersen welcomed all participants. Mr Gareth Davies and Mr Bruno Dantas introduced themselves as new Board members.

APPROVAL OF THE AGENDA

Decision: The Board approved the agenda.

1. Confirmation of Register of Related Parties and Related Entities and Disclosure of Perceived and Actual Conflicts of Interest

The register has been updated to include details of Mr. Davies and Mr. Dantas, as well as minor changes under the heading "Note on INTOSAI Bodies". Board members confirmed there were no further changes to be made, and no conflicts of interest arising in relation to items on the agenda.

Decision: The Board approved the register. The Secretariat will publish the updated register.

2. Appointment of New IDI Board Members

Mr. Schjøtt-Pedersen summarised proposals made by the IDI Nominations and Remuneration Committee (NRC). This included a proposal to change the way Norwegian Board members are appointed. The intention is to broaden the diversity of skills and experience of Board members, and in future to enable the appointment of senior, external persons from outside the INTOSAI community, such as those having held senior positions in the UN or international organisations. The Board welcomed the proposal, noting that such candidates should add value to the work of IDI and be able to advance SAIs, and have the appropriate competence to act as IDI Board members. The Board also dealt with the appointment and reappointment of new Board members, and election of a new member of the NRC.

Decisions: The Board approved the following actions:

- Article 5 in the Statutes changed from "At least three members shall be from the Office of the Auditor General of Norway" to "The chairperson of the Norwegian Board of Auditors General will chair the IDI board. In addition, at least two members shall be selected from a list of persons nominated by the Norwegian Board of Auditors General"
- The IDI Board Rules of Procedure (Appendix, sections 5c, 5f) changed to reflect the above changes to the Statutes
- Mr. Tom-Christer Nilsen, Board of Auditors General, Norway, appointed as IDI Board member for a three-year term from 1st January 2024
- Ms. Merethe Nordling, OAG Norway, appointed as IDI Board member for a three-year term from 1st January 2024
- Ms. Tsakani Maluleke appointed for a second term as a member of the IDI Board from 29th November 2023
- Mr. Tashi appointed for a second term as a member of the IDI Board from 25th March 2024 until his term as Auditor General of Bhutan expires on 14th October 2025
- Ms. Nancy Gathungu elected to the NRC for a three-year term from 1st January 2024

Mr. Gørrissen briefed the Board on the following issues:

3. Tour d'horizon

- *IDI Organisational Review:* IDI has commissioned max.recall information systems GmbH to conduct an organisational review of IDI, focusing on IDI's organisational structures, to ensure it is

fit for purpose to implement the IDI Strategic Plan 2024-29. Review recommendations will be shared with the Board for discussion at the March Board meeting.

- *Risks arising from engaging with SAIs in different countries:* IDI continues to monitor world events and assess possible implications for working with SAIs in different countries, considering reputational risks, sanctions regimes and restrictions on the use of donor funds. IDI's approach continues to follow the principles approved by the Board, primarily to avoid taking a political position, and instead follow precedents set by UN agencies. Mr Gorrissen updated the Board on IDI's position with respect to several countries.
- *Global Summit for Professionalisation of SAI Auditors:* This event was hosted by the UK National Audit Office on 15th -16th November and included the launch of IDI's Centre for SAI Audit Professionals. It will provide long term, predictable and regular support for the professional development of SAI Auditors, delivered in partnership with INTOSAI and the global public finance communities. It will support Professional Development and Growth, Professional Certification, Future SAI Audit, Professional Audit Practice Resources, and Continuing Professional Development.
- *SAI Independence Rapid Advocacy Mechanism (SIRAM):* There continues to be a steady increase in threats reported through SIRAM. IDI has issued assessment reports for SAI Poland and SAI Montenegro, which have been followed by engagement from other INTOSAI stakeholders. The reported independence threat to SAI Croatia appears to have been withdrawn. A new SIRAM case has been launched in Sao Tome and Principe, in which there is significant development partner interest. We await a decision from the SAI leadership on whether to pursue the SIRAM process. We have also received signals of possible threats in several other countries, but these have not yet been turned into a formal SIRAM case. Regarding current and historical SIRAM cases, IDI staff visited Cyprus and will assess limitations of the SAI's legal framework. We provided an expert opinion on procedures performed by SAI Sierra Leone to the Tribunal established to judge the case against the Auditor General and her deputy, in coordination with AFROSAI-E. And we are pleased to report the Ghana Supreme Court unanimously ruled unconstitutional the President's decision to send the Auditor General on gardening leave.
- *IDI Funding:* The overall situation remains positive. IDI recently signed a large contract with SECO (Switzerland) and another contract with USAID. IDI is in discussions with GIZ and Austria, and will soon start discussions with Irish Aid and the EC. Discussions with Sida (Sweden) will continue in December. In addition, IDI is exploring funding from several other organisations, which are not included in the budget or financial forecast.

Mr. Alangari, as chair of the INTOSAI Finance, Policy and Administration Committee, informed the Board that the INTOSAI Governing Board had recently approved that €50,000 from INTOSAI's surplus funds would be granted to IDI in 2023, which could be used to boost IDI's reserves. Further, the INTOSAI journal will grant IDI \$50,000 from its surplus, to support joint communications and advocacy work through webinars from 2024.

Ms. Kraker, as INTOSAI Secretary General, confirmed this and passed on INTOSAI's appreciation for the work of IDI to support SAI independence and SAI auditor professionalisation.

Ms. Maluleke commended IDI on its successes in mobilising funding, and partnerships across INTOSAI, including with the CBC and AFROSAI-E.

Ms. Gathungu noted that strengthening SAI independence and capacity leading to more impactful SAI reports may be one of the contributing factors to the increased push-back on SAI independence. She called for IDI to strengthen the role of the Goodwill Ambassador for SAI Independence, and to undertake more proactive work to help build and protect SAI independence. Mr Gørrissen agreed and responded

that IDI planned to make more use of the Goodwill Ambassador, and to work proactively on SAI independence, especially through strengthening IDI and SAI coalitions with other stakeholders in the accountability ecosystem.

4. Operational Plan and Budget 2024

The Secretariat presented the IDI Operational Plan (OP) and Budget 2024, and Results System 2024-26. 2024 marks the first year of implementation of the new IDI Strategic Plan, in which the six IDI work streams will contribute to IDI's three new strategic priorities: sustainability, digitalisation and public trust in SAIs. As requested by the Board, the OP includes a set of Key Performance Indicators (KPIs), drawn from the extensive new IDI Results System. These include IDI output indicators and indicators of changes in SAI performance following IDI support. The 2024 budget shows that the OP is fully funded from existing funds, signed contracts and grants considered highly likely to be agreed. IDI expects to carry forward 8m NOK donor funding into 2025, and in addition expects to receive a further 20m NOK donor funding for 2025 in advance. The longer term financial forecast to 2029 is in line with IDI expectations: positive up to 2026 and funding gaps beyond 2026 as few grants are reasonably certain beyond this period.

Discussions of the OP and budget raised the following key points:

- IDI's funding levels continue to grow. Comparative figures for 2020-22 were dampened by the Covid-19 pandemic. The growth represents both a return to full IDI activities and costs, as well as continual growth facilitating increased activities and staff.
- The KPIs are much appreciated; it will be essential to limit changes to the indicator definitions, and ensure regular and timely monitoring of results.
- Board members would appreciate more narrative information explaining the income and expenditure plans in advance of the meeting, whilst noting the usefulness of information provided during the meeting.
- The Board asked the Secretariat to continue to monitor the balance between core funding, semi-earmarked funding and earmarked-funding, to ensure suitable flexibility to deliver the Strategic Plan. The trend towards donors providing more earmarked-funding, and challenges of securing core funding were noted, as well as the Board decision that IDI's bilateral support should only be funded through earmarked funding.
- The Board noted the relatively low level of reserves. Whilst this is a recurring issue caused by restrictions preventing most IDI funds from being transferred to reserves, the Board encouraged IDI to continue exploring solutions to raise the level of reserves.
- The significant levels of in-kind support provided, mainly from the SAI community, was noted. The Board emphasised the importance of continuing to incentivise and mobilise such support, and invited IDI to consider new ways to recognise and reward SAIs that provide significant support.
- The Board commended the Secretariat on a well-developed and presented OP and work stream plans, and encouraged efforts to further streamline the OP highlights document.

Decision: The Operational Plan and Budget 2024 were approved.

5. Extension of IDI Auditor

With the appointed term of IDI's external auditors ending, the Board weighed-up the efficiencies of reappointing the auditors against the risk of waning independence from over-familiarity. It was noted the current auditors had been appointed for a three-year term with the possibility of extension, but that IDI Board Rules of Procedure was silent on auditor rotation and appointment terms. The Board agreed

auditor rotation was crucial, but that this could be done through a rotation of key audit staff by the appointed auditor.

Decision: PWC will be reappointed as IDI's external auditors for a second and final three-year term, subject to their agreement to ensure rotation of key audit staff. The Secretariat will propose an amendment to the IDI Board Rules of Procedure relating to rotation and maximum terms of its external auditors.

6. Preview of SAI Global Stocktaking Report

Ms. Fredriksen presented interim findings from the 2023 SAI Global Stocktaking Report. The Global Survey was formally closed 1st November, and the analysis is in its early phases. SAI responses relate to the period 2020-23, so give a picture of SAI experience during the Covid-19 pandemic.

Initial findings were discussed relating to SAI independence, ISSAI implementation, audit quality management systems, publication of audit reports, governance of SAIs, and the perceived adequacy of SAI resources. It was noted that while the report largely takes a global and regional perspective, the underlying data is also of use for examining SAI performance and challenges across SAI models, in states classed as fragile, and in Small Island Developing States.

Board members expressed that the results further demonstrated the importance of proactive engagement on SAI independence, and further support to SAI and auditor professionalisation. Mr Gørrissen noted that the responses on SAI independence were consistent with IDI's experience of independence challenges reported through SIRAM.

Decision: The interim findings from the SAI Global Stocktaking Report were noted.

7. IDI Travel Policy

The IDI travel policy is revised to adjust the balance between IDI's climate impact, financial costs and well-being of travellers. The policy applies to IDI staff and Board members. Economy travel, being more environmentally sustainable, is emphasised as the preferred mode of travel. Exemptions from economy class are based on criteria including time duration of flights, frequent travel and health considerations. These are to be approved by the DG (for IDI staff) and the Chair of the Board (for other Board members and the DG).

Decision: The revised IDI travel policy was approved.

8. IDI Resourcing Strategy 2024-29

The Secretariat developed and presented an IDI Resourcing Strategy 2024-29 at the request of the Board. It shows IDI resourcing to be in a healthy position, but with some risks. These include economic downturns, reductions in development assistance, and reliance on six key donors. Five resourcing objectives are identified and prioritised. The key objective is to secure the resources to deliver the current IDI portfolio in-line with the new Strategic Plan. Prioritisation of the remaining objectives will determine where IDI invests its efforts in the next few years.

The Board made the following points:

- Continuing low levels of reserves is a concern; resolving this should be raised to medium priority. Higher reserves will put IDI on a sounder financial footing than relying on the receipt of donor funding in advance of need. Donations from individuals and the private sector (particularly private audit firms) was suggested as a route for expanding reserves. IDI was encouraged to present its work to suitable fora of private sector audit firms.

- IDI should continue to explore funding from major donors not currently funding IDI, including Japan, Korea, UK, Denmark and Finland.
- In-kind support should be further encouraged as a means of resourcing IDI, by ensuring that the opportunities and benefits of this is more widely known to SAIs. The Board suggested the Secretariat develop and disseminate examples of the different forms of in-kind support, including the benefits to both SAIs and their staff. It was also noted that IDI receiving in-kind support should also contribute to the professional development of SAI staff, and IDI should continually grow the pool of resource persons that provide in-kind support. The risks of over-reliance on specific SAIs and individuals for in-kind support was noted. The provision of in-kind support should also be better recognised, for example through certificates of appreciation and/or a regular award for the SAI(s) that provides the most support to IDI.

Decision: The IDI resourcing strategy was noted, with a suggestion from the Board to raise the objective of building IDI reserves from low to medium priority. IDI was asked to further develop its plans to increase mobilisation, reward and recognition of in-kind support.

9. IDI Quality Management System for Published IDI Products

The new Quality Management System (QMS) builds on and will replace the IDI Protocol for Ensuring the Quality of Global Public Goods. It expands the scope to cover all published IDI Products, and introduces a risk-based approach to quality, inspired by ISSAI 140. With this wider scope, a new Streamlined Quality Management process is introduced for products where risks to and impact of lower quality is less, and timely delivery calls for less bureaucratic processes. The QMS shifts from a review of individual products to an annual review of the operation of the QMS. Recognising the trade-off between rigorous quality management and agile delivery, the IDI management team proposes piloting the QMS during 2024, reviewing its effectiveness, and making necessary adjustments in early 2025. The pilot would begin 1st April, giving the Secretariat some time to prepare supporting guidance and quality criteria in specific areas.

The Board welcomed the shift to a risk-based approach, and shared the Secretariat's concern about whether the approach could be kept proportional to the risks of and from low quality products. The annual review of the QMS was welcomed, and the Board asked that the Policy be updated to provide for the results of this annual review to also be reported to the Board.

Decision: The IDI Quality Management System for Published Products was approved, subject to adding a requirement that the results of the annual review of the QMS be reported to the IDI Board.

10. Updated IDI Protocol and Invitation Policy for Observers

The IDI Protocol and Invitation Policy for Observers is updated to reflect the shift to more virtual Board meetings, and the engagement between IDI and other stakeholders within other fora, including the bi-annual IDI-core donor meetings. It clarifies that there are no permanent observers, and that Board consensus is required for the invitation of observers. Processes and timelines for invited observers are clarified.

Decision: The IDI Protocol and Invitation Policy for Observers was approved.

11. IDI Corporate and Development Risk Register

The respective registers are updated for consistency with the new IDI Strategic Plan, including risks and references relating to sustainability, digitalisation and public trust in SAIs. New corporate risks on climate events and digitalisation added. In the development risk register, 'control measures' have been re-termed 'strategic responses', recognising that these risks are beyond IDI's control and influence, but inform IDI's

strategy. New development risks on economic resourcing of SAIs, natural disasters, digitalisation, stakeholder engagement and audit impact added.

Decision: The changes to the Corporate and Development Risk Register were approved.

12. Post-meeting Self-Assessment of the Board

Board members expressed their appreciation for the timely, clear papers and presentations during the meeting, and noted their satisfaction with the conduct of the meeting. The Board requested that in future there should be more time between the NRC meeting and the Board meeting, whilst noting the late NRC meeting was due to unforeseen circumstances.

13. Any Other Business & Closing

The next IDI Board meeting will take place in Riyadh, Saudi Arabia during 19–20 March 2024. The following Board meeting is proposed for 27 November, virtually. The first 2025 meeting is proposed to be held in Bhutan 19–20 March 2025. The Chair thanked everyone and formally closed the meeting.

Mr. Schjøtt-Pedersen thanked the outgoing members Ms. Hemsén and Ms. Amundsen for their valuable services. Both outgoing members expressed their appreciation for serving as Board members.



Karl Eirik Schjøtt-Pedersen



Tsakani Maluleke




Åse Kristin Berglihn
Hemsén



Kristin Amundsen



Nancy Gathungu



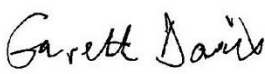
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Margit Kraker



Hussam Alangari



Gareth Davies



Bruno Dantas