



THE FOUNDATION INTOSAI DEVELOPMENT INITIATIVE (IDI): BOARD MEETING ON 28-29 MARCH 2017 – DRAFT MINUTES

Case: File 013.25

VENUE: IDI Secretariat, Oslo.

PRESENT:

The IDI Board:

Mr. Per-Kristian Foss, Auditor General, Norway, Chair of the Board
Ms. Francine Giskes, Vice President, Netherlands Court of Audit, Board Member
Ms. Berit Mørk, Director General, Office of the Auditor General of Norway, Board Member
Ms. Tora Struve Jarlsby, Director General, Office of the Auditor General of Norway, Board Member
Ms. Pamela Monroe-Ellis, Auditor General, Jamaica, Board Member
Ms. Lara Taylor-Pearce, Auditor General, Sierra Leone, Board Member
Dr. Margit Kraker, Auditor General, Austria and Secretary General, INTOSAI, Board Member
Mr. Kimi Makwetu, Auditor General, South Africa and Chair INTOSAI Capacity Building Committee, Board Member
Mr. Kevin Summersgill, Head of International Relations and Technical Cooperation, National Audit Office, United Kingdom (for Mr. Amyas Morse, Comptroller and Auditor General, United Kingdom)
Mr. Magnus Lindell, Deputy Auditor General, Swedish National Audit Office (for Late Ms. Margareta Åberg, Auditor General, Sweden)

Observers:

Ms. Marta Acosta Zuniga, Auditor General, Costa Rica, incoming Board Member
Mr. Tom Myhre, Partner, KPMG Norway - IDI's External Auditor (Agenda Items 7b and 8)

In Attendance:

Ms. Monika González-Koss, Director, INTOSAI General Secretariat
Ms. Andrea Connell, Head of International Affairs, Netherlands Court of Audit
Ms. Johanna Gårdmark, Project Director, Swedish National Audit Office and CBC Secretariat
Mr. Jan Van Schalkwyk, Executive Director, Office of Auditor General of South Africa
Mr. Cobus Botes, Senior Manager, International Relations, Office of Auditor General of South Africa
Mr. Einar Gørissen, Director General, IDI Secretariat
Ms. Archana Shirsat, Deputy Director General and Head of Capacity Development, IDI Secretariat
Mr. Ola Hoem, Deputy Director General and Head of Administration, IDI Secretariat
Mr. Martin Aldcroft, Deputy Director General and Head of INTOSAI-Donor Secretariat, IDI Secretariat
Mr. Shourjo Chatterjee, Strategy & Knowledge Manager, IDI Secretariat
Md. Shofiqul Islam, Manager Capacity Development, IDI Secretariat (Agenda Item 6)
Ms. Maria Lucia Lima, Manager Capacity Development, IDI Secretariat (Agenda Item 6)
Mr. Henry McGregor, Manager Capacity Development, IDI Secretariat (Agenda Item 6)
Mr. Jostein F. Tellnes, Manager Capacity Development, IDI Secretariat (Agenda Items 13 and 16)

The discussions were taken up as per the following agenda items.

1. WELCOME AND OPENING REMARKS

Mr. Foss welcomed the participants. He accorded a special welcome to Dr. Margit Kraker and Mr. Kimi Makwetu who have joined as IDI Board members upon the endorsement at INCOSAI 2016. Prior to this they were observers to the IDI Board; Mr. Marta Acosta Zuniga, incoming Board member; and

Mr. Kevin Summersgill, the new representative of Mr. Amyas Morse. He had a special mention for Ms. Lara Taylor-Pearce and Ms. Pamela Monroe Ellis who had previously attended as observers and this time attended as members. Mr. Foss thanked Ms. Francine Giskes, outgoing Board member for her insightful interventions during her short tenure as a member and the excellent support provided by the Netherlands Court of Audit to the IDI's operations in Norway since inception.

Mr. Foss condoled the untimely demise of Ms. Margareta Åberg.

2. DISCLOSURE OF ANY POTENTIAL CONFLICTS OF INTEREST

The Board members did not express any conflicts of interest.

3. TOUR D'HORIZON FROM THE IDI DIRECTOR GENERAL

Mr. Gørrissen presented the following issues:

- a. **Follow up from the last Board meeting:** Appointment formalities regarding the four new Board members have been completed and they have been registered as Board members. The tendering process for the appointment of the external auditor of the IDI has been completed. The external review of the IDI remuneration system has been initiated and will be reported in the IDI Board meeting in November 2017. The IDI Complaints Framework and Draft Bilateral Policy have been updated. The decision of the IDI Board regarding payment of carbon tax on IDI air travel has also been implemented through the IDI's travel agent.
- b. **Update on IDI Organisational Review:** The organisational structure has been developed in consultation with individual board members and IDI staff. An internal team with broad staff representation is working to put the new structure in place.

Key changes include the splitting up of the capacity development portfolio into two departments, each headed by a Deputy Director General. The responsibilities have been split both in terms of the programmes as well as the regions. The Capacity Development Programme Department 1 will be headed by Ms. Archana Shirsat and will include the responsibility for the 3i, Auditing SDGs, SAI Young Leaders and eLearning programmes. The regions under this department will be ASOSAI, EUROSAL, OLACEFS and PASAI. Mr. Ola Hoem will be heading the Capacity Development Programme Department 2 which will cover the programmes- SAI Stakeholder Relations, SAI Independence, Strategic Planning, Monitoring and Reporting, SAI Fighting Corruption, SAI PMF and Bilateral Cooperation. The regions under this department will be AFROSAL-E, CREFIAF, ARABOSAI and CAROSAI.

With the SAI PMF unit being under the Capacity Development Department, the INTOSAI-Donor Secretariat has reduced in size and responsibility. This was therefore merged with the Administration department in consultation with the INTOSAI-Donor Steering Committee Leadership to avoid any perceptions regarding conflict of interest. The combined department will be headed by a new Deputy Director General. Mr. Ole Husebø Schøyen has been recruited through an international recruitment process involving 22 applicants. The recruitment panel included a representative from Irish Aid on behalf of the INTOSAI-Donor

Steering Committee. Mr. Schøyen will take charge on 6 June 2017 after completing his pending assignments at the International division of OAG Norway.

The Strategic Support Unit has been formalised with two staff members supporting management team in leading Strategy, Governance and Performance Improvement; and Communication and Stakeholder Management respectively. This unit formalises the roles of the current staff who support and report to the Director General.

Discussions have also taken place regarding balancing the size of the IDI portfolio and level of staffing. There will be major staff turnover during 2017 and several recruitments are in progress. With the current round of recruitments, the IDI will have 25 staff members. Proposal for six additional staff that was discussed separately under agenda item 12 will bring the final IDI staff strength to 31 by the end of 2017.

- c. **IDI's position and role in post 2016 INTOSAI:** The revised INTOSAI statutes and new INTOSAI Strategic Plan were approved at INCOSAI 2016. The IDI had been a part of the respective task forces. The IDI statutes now recognise the IDI as an INTOSAI organ being a separate legal entity. In terms of transparency of governance, the statutes also clarify that the INCOSAI will approve the host of the IDI on a renewable six-year term. The INTOSAI Strategic Plan has positioned the IDI as working across the goal areas.
- d. **Resourcing and funding of the IDI:** The financial situation has improved substantially over the last year. A major funding gap for the three-year period 2016-2018 has been removed and there is a small surplus with the current level of staffing. This has been managed through increased revenues as well as significant savings. Discussions are currently underway with various development partners for new grants. ASOSAI has agreed to cover substantial expenses on the eLearning programme components for that region. Meeting is also scheduled with the Ministry of Foreign Affairs, Finland for exploring funding beyond 2017. However, USAID has curtailed their agreed funding from USD 2 million to USD 1 million owing to general cuts from the US Congress. Despite the stability of Norwegian and Swedish funding, uncertainty of funding makes it difficult for long term planning including adequate staffing.
- e. **Protocol for IDI Global Public Goods:** The protocol will set out the different steps for both developing and maintaining the IDI global public goods including the guidance material for the IDI programmes. This is a follow up on the issue of ensuring quality of the IDI programmes that was raised in the previous Board meeting. The draft protocol would be put forward for discussion and decision at the next Board meeting in November 2017 after incorporating the comments from the relevant stakeholders including IDI staff.

Decision:

The Board members noted the issues raised.

4. APPOINTMENT TO THE IDI BOARD

Mr. Gørrissen summed up the procedure followed by the IDI Board's Nomination Committee in identifying a new member to replace Ms. Francine Giskes upon expiry of her term on 19 March 2017. The Nomination Committee's recommendation for appointing Ms. Marta Acosta Zuniga, Auditor General, Costa Rica in terms of ensuring adequate representation to different INTOSAI regions,

languages and SAI models was approved by the other Board members. Ms. Zuniga had accepted the invitation.

Decision:

The Board members approved Ms. Zuniga's appointment.

5. APPROVAL OF THE AGENDA

Mr. Foss suggested two issues for discussion under Agenda Item 17 Any Other Business. These were the dates for the next meeting in November 2017 and the proposal for IDI bilateral support for SAI South Sudan.

Decision:

The Board members approved the agenda.

6. PRESENTATION OF IDI CAPACITY DEVELOPMENT PROGRAMMES

a. Auditing Lending and Borrowing Frameworks

Mr. McGregor presented the programme details, progress and outcomes. He also showed videos with testimonials from the beneficiary SAIs of Philippines and Kenya. Ms. Taylor-Pearce recommended the need for the programme being disseminated further through another round. Mr. Makwetu appreciated the results from the programme in the context of follow up and implementation of the Mexico Accords, XIX INCOSAI 2007 where Management, Accountability and Audit of Public Debt was one of the two themes.

b. IDI Cooperative Audit Model

Ms. Lima and Mr. Islam presented the IDI Cooperative Audit Model. They discussed important components of the model including SAI commitment and quality assurance. They also presented examples of the audits where this model has been used especially in the context of conducting ISSAI based audits. Mr. Lindell and Ms. Monroe-Ellis discussed the relevance and importance of ISSAI 5800-Guide on Cooperative Audit between Supreme Audit Institutions. Mr. Foss explained the Norway-Russia joint audit on environmental issues in the Arctic. Mr. Gørrissen clarified to Ms. Giskes that the participation of SAIs in the IDI programmes involving cooperative audits are based on their needs as ascertained through the triennial global surveys and other discussions. Ms. Lima clarified to Dr. Kraker that the Auditing SDGs programme has substantial interest from more than 100 SAIs. Mr. Makwetu asked if the IDI could play a role in the intra-regional cooperative audit being planned between OLACEFS and AFROSAI. Mr. Gørrissen said that IDI could explore this.

c. 3i Phase-II SAI Level Support

Ms. Lima and Mr. Islam presented on SAI Level support pilot being conducted in SAI Bhutan. They explained the rationale for selecting SAI Bhutan, the programme strategy during 2016-2018 and the outcomes. Mr. Gørrissen explained to Mr. Summersgill about the reaction of stakeholders to this pilot including the support received from the king and the government. He also explained to Ms. Giskes that the pilot has been planned as a follow up of the evaluation of the 3i Programme where

the importance of SAI level support was emphasised. SAI Bhutan was selected for the pilot owing to the strong leadership and commitment, their experience from the 3i Phase-I, completed SAI PMF assessment, SAI Strategic Plan, based on SAI Bhutan's request and availability of funding.

d. SAI PMF

Mr. Aldcroft presented the framework and the fundamental principles for using it and conducting the assessment. He discussed the key SAI PMF functions pursuant to the approval of the framework at INCOSAI 2016 and the setting up of a separate SAI PMF unit in the IDI. He clarified to Mr. Makwetu that observations on SAI Leadership and Culture have not been usually encountered since the SAIs undertaking the assessment are usually backed by strong leadership. He also clarified to Ms. Taylor-Pearce that IDI approached SAI Sierra Leone for SAI PMF assessments since the framework had to be piloted prior to its approval. Going forward, IDI will only play a facilitator role in supporting SAI owned, led and driven assessments.

Decision:

The Board members noted and appreciated the presentations and related discussions.

7. IDI ANNUAL REPORTS

a. IDI 2016 Performance and Accountability Report

Mr. Gørrissen presented the report that provides an overview of the progress achieved by the IDI in 2016. The report provides the high level results and the detailed information per programme is presented in the appendix. The report is prepared on the same lines as in the previous couple of years. IDI continued with the old programmes and also launched the entire portfolio of new programmes during 2016. The prioritisation of participating SAIs was ascertained during the year and the interest shown by developed countries in participating in the IDI programmes is noteworthy. In terms of the results, 2016 has been a mixed year as in terms of outreach the IDI could support 96 developing country SAIs as against the target of 120 SAIs. This was mainly on account of substantially lower SAI PMF trainings delivered in 2016 as compared to previous years. This came about as the main priority pertaining to SAI PMF was to finalize the SAI PMF framework for approval at INTOSAI Congress 2016 rather than conducting trainings.

This was also one of the reasons for falling short in terms of the target of participants in the IDI programmes. As compared to the target of 736, the IDI had 551 participants. Besides the reduced number of participants in SAI PMF trainings, during the year the Donor Training Programme was not delivered. The third reason was that the eLearning certification programme was shifted from 2016 to 2017. The IDI exceeded the targets for organisational capacity development support to SAI teams in respect of cooperative audits, ISSAI implementation support and SAI PMF quality assurance.

The calculation of capacity development days has been discontinued from this year's report owing to them being complex and time consuming. Mr. Gørrissen mentioned that an error had been discovered in calculation of the figure in the report for 2015. The same has been clarified in the current report. IDI exceeded the targets in terms of development of organisational capacity of SAIs.

IDI fell short in terms of the gender targets for the participants for the programmes. Against the target of 40%, the achievement was only 34%. The difficulty in meeting the targets stem from both

the management workshops as well as programmes with audit components where it is difficult to emphasise on female participants. Mr. Gørrissen clarified to Mr. Foss that the issue of gender representation in the IDI programmes raised by a SAI in ARABOSAI seems to have been resolved. Mr. Foss advised considering gender issues as part of the Auditing SDGs programme and other programmes wherever feasible. Mr. Makwetu suggested cooperation with agencies like GIZ which are involved in programmes dealing with women's empowerment in Africa. Mr. Gørrissen also mentioned that gender indicators would be considered developed for incorporation in the next IDI Strategic Plan.

Mr. Lindell and Ms. Giskes complimented the IDI for maintaining the good standard of reporting over the last few years. Mr. Lindell advised supplementing the chapter on Lessons Learned with challenges, obstacles and failures encountered during the year.

b. IDI Board's Annual Report 2016

The statutory report has been prepared in accordance with the Norwegian legislation and presents information on how the IDI meets the regulations pertaining to foundations, accounts, work environment and social responsibility. During the year, IDI also shifted its premises but remains collocated with OAG Norway. A notable development was that absence due to sickness has come down to 2,3% from 7,3% in 2015. Mr. Myhre confirmed that the report is in compliance with the Norwegian legislation.

Decision:

The Board approved the IDI 2016 Performance and Accountability Report and the IDI Board's Annual Report 2016. The chapter on Lessons Learned in the Performance and Accountability Report may be supplemented with challenges, obstacles and failures encountered during the year.

8. IDI FINANCIAL STATEMENTS 2016

Mr. Gørrissen presented the statutory financial statements prepared in accordance with the Norwegian legislation. Funding received from donors is only registered as "revenue" once used. Funding received and not utilized recorded as donor liability. Volume of spending was lower than in 2015, but is expected to increase again in 2017. Donor liability of more than 26,6 million NOK is mainly funding already paid for next years. The donor liability to Norad, Norway (792 000 NOK) has been returned in early 2017 as agreed. Total Revenues during 2016 including brought forward advances amount to NOK 74.77 million. After deducting advance receipts of 11,97 million for 2017-2018 from Canada, the revenues available for use in 2016 is NOK 62,79 million. NOK 62,79 million includes unspent amount of 8,12 million of earmarked grants from France, Hungary, Norway, Australia and International Fund for Agricultural Development and basket grant from Finland to be used anytime during 2016-2018. Balance Amount NOK 54,66 million includes unspent refunded amount of NOK 0,79 million to NORAD, and unspent proposed carry forwards of NOK 3,29 million (OAGN)+NOK 1,27 million (Sweden) and NOK 0,32 (Irish Aid). It also includes carried forward cash reserve of NOK 0,84 million. Balance Amount of NOK 48,14 is equal to the expenditure that is recognised as revenues in the financial statements as per the Norwegian regulations. The balance revenues are treated as donor liability.

Mr. Makwetu observed that this year the operational cost had gone down while the fixed costs on salaries remained at the same level. This is also the trend in the other years when the operational costs vary but the fixed costs remain at the same level. Ms. Mørk observed in the context of the Performance and Accountability Report whether the in-kind contribution received for all IDI programmes can be quantified. Mr. Gørrissen clarified that given the complexities involved and the need for resources, the calculation of in-kind support has been restricted to the ARABOSAI region this year.

Mr. Lindell, Ms. Mørk and Ms. Giskes mentioned about the need for presenting the approved budget alongside the financial statements for the Board to receive adequate feedback on the implementation of the approved budget. Mr. Hoem clarified that the principles and details employed in the IDI budgeting cannot be strictly related to the statutory requirements of the financial statements. But a separate document is being prepared for showing the actuals against the budget (discussed under Agenda Item 12). Mr. Myhre clarified that the budget is an internal document that is not required for statutory approval of the external auditor and cannot be incorporated in the Financial Statements that have to be audited as per statutory requirements.

Decision:

The Board approved the IDI Financial Statements 2016.

9. UPDATE OF THE CORPORATE RISK REGISTER

Mr. Chatterjee presented the update in regards to the change in colour coding from amber to red for risk 7 on staffing level, diversity and skill set owing to the increased pressure on the limited IDI staff complement and the end of secondment of several staff members. Secondment of staff members from different regions and SAIs brings in benefits and different skills and perspectives to the IDI's operations and therefore despite the periodic attrition, this model works well for the IDI. IDI has initiated and progressed on several recruitments to be completed during the year. The risk will again be reviewed before the November 2017 meeting after the recruitments are completed. The alert code of risk 5 on In-kind support has changed from amber to green. Despite the increased programme portfolio there has been no problem in getting suitable resource persons for the programmes. The in-kind support from SAIs in terms of hosting has also increased substantially in 2016 thereby contributing to the savings. Actions taken on staff safety were also discussed. The Crises Management Plan has been tested and safety and medical training provided to IDI staff. The risk coding regarding financial situation has been retained despite the curtailment of US AID funding. This risk will be monitored closely.

Decision:

The Board approved the updated IDI Corporate Risk Register.

10. IDI COMPLAINTS FRAMEWORK

Mr. Gørrissen presented the updated draft of the IDI Complaints Framework that was presented at the previous meeting. The framework is required as per the IDI Board Rules of Procedures and is

based on the Norwegian Working Environment Act and draws on the complaints framework of the National Audit Office, UK. The framework has been updated with the setting up of an internal ad-hoc committee to deal with possible complaints against the Board chair, dealing with anonymous complaints, whistle blower protection and external complaints.

Decision:

The Board approved the framework.

11. APPOINTMENT OF IDI EXTERNAL AUDITOR

Mr. Hoem presented the issues related to the appointment of the new external auditor of the IDI. As per the updated IDI statutes, the appointment is now the responsibility of the IDI Board instead of the previous system of appointment by the Board of Norwegian Auditor Generals. KPMG has been the IDI auditor since its move to Norway in 2001. As per the IDI Procurement Policy, a limited tender for the provision of external audit services was carried out. The Secretariat invited all the renowned international audit firms based in Norway to tender. Based on the scoring of the different criteria, including annual fee, experience of those proposed for the assignment and price for additional advisory services, PwC came out with the highest score. Based on the assessment it was thus recommended to appoint PwC as the external auditor of the IDI for the period 2017-19.

PwC is however also appointed by the Norwegian Parliament as the auditor of the OAGN. OAGN is the biggest donor of the IDI as the funding from the Norwegian Parliament is administered by them. Also, the Auditor General of Norway is the Chair of the IDI Board besides two other Board members also being drawn from OAGN. Therefore, IDI discussed the issue of any potential conflict of interest with the relevant department in OAGN. Upon their advice, the matter was further referred to PwC. PwC has since confirmed that there are no legal issues that prohibit them from being the auditor of both. PwC has no difficulty in taking up the assignment.

The issue was discussed and the Board concluded that there is no potential conflict of interest.

Decision:

The Board approved the appointment of PwC as the IDI's external auditor for the period 2017-19.

12. UPDATE ON IDI OPERATIONAL PLAN AND BUDGET FOR 2016-2018

Mr. Gørissen highlighted that the funding gap for 2016-2018 has been eliminated at the current staffing levels. In November 2015 IDI had a deficit in excess of NOK 20 million, and now there is a surplus of NOK 3 million. As per the IDI Budget approved in November 2016, the funding gap for IDI admin. and capacity development programmes was NOK 782 000 for 2017 and NOK 3,2 million for 2018. After considering the savings from 2016 for use in 2017, IDI will have a projected surplus of NOK 2,03 million for 2017 and NOK 2,57 million for 2018. For the INTOSAI –Donor Secretariat, there will be a minor surplus for 2017 and a deficit of NOK 1,7 million for 2018 which may be met from renewed SECO funding.

In order to meet the IDI's targets, it is estimated that the IDI needs to recruit six new staff members. Their salary for the rest of 2017 will be met from the surplus, and their salaries for 2018 after using

the surplus will now result in a deficit of NOK 3.57 million for 2018 without considering any additional funding.

In regards to comparison of budget with actuals for 2016, the budget for 2016 was revised in July 2016. As compared to the budgeted receipts, the actual receipts are higher by NOK 16,5 million. Most of this is advance receipts except NOK 1,81 million received from MFA Finland which has returned as a donor with a one-year contract.

Expenses for 2016 have been lower than the budget resulting in savings of NOK 8,8 million. But except NOK 4,56 million from OAGN and SIDA Sweden and NOK 325 000 from Irish Aid for the INTOSAI-Donor Secretariat which were meant for use during 2016, the rest of the amounts are for use over 2016-2018. Savings are mainly in the IDI Capacity Development Programmes owing to major increase in in-kind contributions, resource persons bearing their own costs and availability of cheaper accommodation. All of this has been made possible due to the efforts of all IDI staff in reducing expenditure for overcoming the funding gap for 2017 and 2018.

Some of the targets for programmes for 2017 have been scaled up. These include SAI PMF which is now established as a function in the programme department, Auditing SDGs programme owing to major demand in the SAI community and SAI Engaging with stakeholders' programme. There are some reductions in the level of activities for the SAI Young leaders programme and 3i Phase-I and Phase-II in 2017. These will be taken up in 2018. The reduction in activities for 3i are being more than compensated through the cooperative audit components of the other programmes including auditing SDGs.

The position for the INTOSAI-Donor Secretariat is not much different from the budget approved in November 2016 except that the small deficit for 2017 will be met from the comparable surplus for 2016.

Mr. Gørrissen clarified to Mr. Lindell that even though increasingly donor funding is earmarked for specific programmes, efforts are being made to broad base them to the extent possible. Funding available for ISSAI implementation can be utilised for the ISSAI based cooperative audits under different sectors. Ms. Giskes emphasised on the need to relate the demand for programmes from SAs to the available staffing so that the IDI is not strained for additional staff. Dr. Kraker mentioned about supporting SAs from developed countries in conducting SAI PMF assessments and whether IDI should charge for the same. Mr. Aldcroft replied that in the context of the added value and spin off benefits, charging may act as a deterrent for now, but can be explored later.

Decision:

The Board members noted the issues.

13. IDI BILATERAL POLICY

Mr. Tellnes presented the updates to the draft IDI Bilateral Policy. The policy has been revised based on the feedback of the Board in November 2016 and inputs from several stakeholders. The draft policy had been circulated to all the INTOSAI regions and several development partners for comments and input. Generally positive feedback has been received, such as from the WB, SIDA and Norad.

The following main amendments have been done to the policy compared to the November 2016 version:

- The option of IDI participating in tenders is removed. The IDI has thus far not tendered for donor contracts, and it was highlighted by one of the development partners that if the IDI were to tender, it could create a situation of a perceived conflict of interest related to the hosting of the INTOSAI-Donor Secretariat.
- The possible roles that IDI can take when providing bilateral support are outlined, to clarify that IDI would primarily seek short to medium term roles with limited engagement and through bilateral support try to mobilize other INTOSAI providers.

To address the issues raised by the Board in November 2016, a discussion note was also presented with the following questions:

- Do the IDI conditions for bilateral support as stated in the draft policy meet the concerns regarding clarification of IDI being a provider of last resort?
- What should be the main roles IDI would seek in new bilateral support (e.g. broker, lifeline support and specialized capacity provider)?
- Should the question of an appropriate volume of IDI bilateral support be handled as a part of the new IDI strategic plan (or as a request for IDI support for tier 2 would be made), should the current target in the Operational Plan be followed, or should a revised target be set now?
- Does the Board feel it is pertinent to take forward a discussion on compensation of IDI resource persons?
- Should the IDI at this stage seek to enhance the competencies and resourcing dedicated to bilateral support, or should this be done gradually as/if the portfolio expands?

Mr. Tellnes clarified to Ms. Connell that the bilateral support would rely on peer to peer support and will draw on resource persons from the SAIs and regions. Mixed teams would be formed depending on the expertise needed. Ms. Taylor-Pearce emphasised that support should not be offered to SAIs, but instead be based on the SAIs' request. It is also important to consider the role of the SAI leadership in this context. Ms. Monroe-Ellis also supported the issue of SAI leadership. Ms. Giskes emphasised the need to consider the country context. Mr. Lindell mentioned that the new draft strikes a good balance between the IDI's capability and what is required in terms of delivering bilateral support. Mr. Lindell suggested the policy should not use the concept "weak SAI" in the conditions, especially as the reason for limited performance of the SAI may to a large degree be related to the external environment. He mentioned about clarifying the possibility of refusing support against clause 4.1 of the policy and the need to incorporate the need for basic integrity and vision in clause 4.4. He mentioned about the need to guard against possible problems in applying the leadership criteria. Regarding the possible roles to be played by the IDI he mentioned about the primacy of Lifeline support, Specialised Capacity Development and that of a broker. Continuity of support is important and the need for possible remuneration of resource persons should be considered. Dr. Kraker supported the strategies and roles that were discussed. She also mentioned that the support should not be driven by political consideration, but instead should be based on the SAIs' needs. Regarding staffing in IDI, Mr. Gørissen clarified to Ms. Giskes that presently there is only one IDI manager responsible for bilaterals. This may be reviewed later depending on the size of the portfolio.

Decision:

The Board approved the IDI Bilateral Policy, under the condition that the concept “weak SAI” be appropriately modified.

14. ROLES AND RESPONSIBILITIES ON SAI PMF

Mr. Aldcroft presented the document prepared by the CBC for approval of the Board. The SAI PMF function will be rolled out by three partners- The SAI PMF Unit in the IDI, the CBC and the IDI Board which to an extent is similar to the pre 2017 arrangement of the parallel responsibilities resting with the INTOSAI-Donor Secretariat, INTOSAI-Donor Steering Committee and the IDI Board. With the CBC Chair and Vice Chair also being IDI Board members, it will be easier to coordinate and cooperate. Ms. Giskes emphasised on the need for adequate checks and balances while delivering the SAI PMF function.

Decision:

The Board approved the document detailing the roles and responsibilities regarding SAI PMF.

15. POST 2018 IDI STRATEGIC PLAN AND STRATEGIC DIRECTION OF IDI

The objective of this session was to capture each Board member’s vision of the IDI in 2025. Mr. Gørrissen briefed the Board on the history of the IDI, key components of IDI strategic plan 2014-2018 and key developments related to stakeholder expectations, IDI position and role in INTOSAI. Ms. Monroe-Ellis facilitated the session for ascertaining the Board members’ vision of the IDI in 2025. All the members participated in the discussions, which centred around four questions:

- a. Who are we?
- b. What should we do ?
- c. Who do we serve?
- d. What value do we create ?

The Board members emphasised the importance of the IDI being true to its strengths. An organisation aimed at developing and implementing policies that will make a positive impact on the role of SAIs. Members emphasized the need to differentiate between ‘good to have and need to have’ and importance of focusing on needs of SAIs. Discussions took place on whether auditing SDGs was the first need for SAIs of fragile countries. Chair of CBC emphasized that SDGs are a universal challenge with different focus areas in different countries and environments. Fighting corruption and diversion of resources could be some of the key challenges to look at. IDI’s ability to respond to change and consider global dynamics could be reflected in its mission statement. It is important to bring out that supporting SAIs has a positive impact on the development goals. Reflecting the position of the developed countries vis-à-vis the IDI’s operations is also important. There can be a threat to such SAIs getting complacent or losing their independence. However, it is important to demonstrate that the IDI is primarily for the SAIs of developing countries.

Board members reflected on the level of work needed to be done to understand SAIs and their needs. the IDI was well placed to know the SAIs and their needs. While the IDI Global survey, discussion with INTOSAI regions and partnership with INTOSAI bodies helped the IDI in

understanding needs, the IDI is not a repository of all knowledge regarding SAI needs. The needs based approach also needs to be supplemented with proper targeting and discussion on what IDI should not do. Members agreed that it is important to coordinate activities with others in INTOSAI and other providers of support. The IDI should continue to work together with other INTOSAI bodies and form partnerships with other organisations e.g. the International Budgetary partnership. It is important to consider the INTOSAI Strategic Plan and also recognise that the regions are also evolving and developing. Members discussed the need to align IDI strategy with INTOSAI strategy.

IDI could focus not only on audit skills but other types of skills like leadership skills. There was a need to move from 'harmless training' to 'crucial support that challenges SAIs'. The IDI needs to be described as an international team and it is crucial to define niche competencies necessary for providing required capacity development support. The issue of timing and duration of IDI strategic plan was also discussed. The need to have a strategy for building critical mass, supporting SAIs in engaging with stakeholders was emphasized by Board members.

The Board members had a number of suggestions regarding the value that the IDI could create. They recommended that IDI facilitate stronger, independent SAIs, play a coordination role in support for SAIs and continue to measure performance (IDI and SAI outcomes). INTOSAI Secretary General made a proposal for linking IDI mission to SDG 16 by facilitating SAIs in becoming effective, accountable and inclusive institutions.

Mr. Gørrissen summed up the discussion by mentioning that a plan to develop the strategic plan will be drafted. He requested the IDI Board's involvement throughout the strategic planning process.

Decision:

The Board noted the update.

16. ANY OTHER BUSINESS

a. Next IDI Board Meeting

The Austrian Court of Audit has generously agreed to host the next IDI Board meeting at Vienna on 8 November 2017 in continuation of the INTOSAI Governing Board meeting on 6-7 November 2017.

b. Bilateral Support to SAI South Sudan

SAI South Sudan had a cooperation with OAGN after the establishment of South Sudan until the outbreak of the civil war when the cooperation was put on hold. The SAI South Sudan requested OAGN to consider reopening the cooperation, however OAGN was not in a position to do so due to the situation in South Sudan and their principles for providing bilateral support. OAGN did however initiate a dialogue with IDI regarding possible bilateral support to the SAI. The dialogue resulted in a request from the SAI to IDI to establish a bilateral support programme. IDI responded to the request and invited other developing partners including AFROSAI-E to Nairobi to discuss the scope of a possible support programme funded by the Norwegian Embassy in Juba. As one of the principles in the IDI bilateral policy is not to crowd out other INTOSAI providers of support, a dialogue was also initiated with AFROSAI-E, the SAI and the Norwegian Embassy regarding AFROSAI-E's willingness and capacity to replace IDI in its intended role as the programme manager for the support to the SAI. The discussions among the four parties resulted in a joint agreement of IDI being the signing partner for the grant, while AFROSAI-E will be included in both the management and the implementation of the

support. The proposed support programme will be for a period of 3 years ending in May 2020 if the funding application is approved by the Norwegian Embassy. NOK 3 million is being applied for.

Decision:

The Board members agreed to the venue and date for the next meeting.

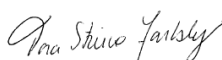
The Board approved the IDI's bilateral support programme for SAI South Sudan

17. CLOSING

Mr. Foss thanked all the members for their participation.



Per-Kristian Foss



Tora S. Jarlsby



Berit Mørk



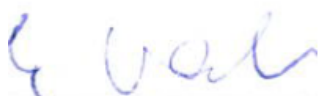
Pamela Monroe Ellis



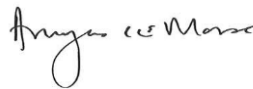
Lara Taylor-Pearce



Francine Giskes



Margit Kraker



Amyas Morse



Kimi Makwetu