



## THE FOUNDATION INTOSAI DEVELOPMENT INITIATIVE (IDI): BOARD MEETING SUMMARY, 24 MARCH 2020

Case: File 013.2

VENUE: Virtual

### PRESENT:

Name	Position	Board Status
Ms. Lara Taylor-Pearce*	Auditor General, Sierra Leone	Vice-Chair of the Board
Ms. Åse-Kristin Hemsén	Director General, Office of the Auditor General of Norway	Board Member
Ms. Kristin Amundsen*	Deputy Director General, Office of the Auditor General of Norway	Board Member
Ms. Pamela Monroe-Ellis*	Auditor General, Jamaica and Secretary General CAROSAI	Board Member
Ms. Helena Lindberg*	Auditor General, Sweden	Board Member
Mr. Jan Van Schalkwyk*	Executive Director, Office of Auditor General of South Africa	Representing Board Member Mr. Kimi Makwetu
Mr. Cobus Botes*	Senior Manager, International Relations, CBC Secretariat	Accompanying Mr. Van Schalkwyk
Mr. Johanna Gårdmark*	Project Director, Swedish National Audit Office	Accompanying Board Member Ms. Lindberg
Ms. Eleonora Pais de Almeida*	Audit Director, Portuguese Court of Audit	Representing Board Member Mr. Caldeira
Ms. Monika González-Koss*	Director, INTOSAI General Secretariat and Head International Department, Austrian Court of Audit	Representing Board Member Dr. Kraker
Ms. Silke Steiner*	International Relations Expert, INTOSAI General Secretariat, Austrian Court of Audit	Accompanying Ms. González-Koss
Mr. Einar Gørrissen	Director General	IDI Secretariat
Ms. Archana Shirsat	Deputy Director General	IDI Secretariat
Mr. Ola Hoem	Deputy Director General	IDI Secretariat
Mr. Ole Schøyen*	Former Deputy Director General	IDI Secretariat
Mr. Martin Aldcroft*	Senior Manager	IDI Secretariat
Ms. Petra Schirnhöfer*	Manager	IDI Secretariat
Mr. Hans-Christian Berger* <sup>1</sup>	Partner pwc,	IDI Auditor

\* virtual participation

### Apologies<sup>2</sup>:

*Mr. Per-Kristian Foss, Auditor General, Norway, Chair of the Board*

*Ms. Marta Acosta Zuniga, Auditor General, Costa Rica, Board Member*

*Mr. Vítor Manuel da Silva Caldeira, President, Portuguese Court of Audit, Board Member*

*Dr. Margit Kraker, President of the Court of Audit, Austria and Secretary General, INTOSAI, Board Member*

*Mr. Kimi Makwetu, Auditor General of South Africa, Chair CBC, Board Member*

<sup>1</sup> Mr. Berger only participated for agenda item 6.

<sup>2</sup> Many Board members were absent and represented in the meeting. However, the quorum of at least 50 per cent of the Board members to take decisions was observed.

## OPENING REMARKS

In the absence of the Chair, the Vice-Chair welcomed all Board members. She reminded Board members of COVID-19 as the reason for having a virtual meeting, for reducing the duration of the meeting from two days to one day, for exceptionally excluding observers from this meeting and for postponing the Strategic Dialogue with the INTOSAI-Donor Cooperation to a later Board meeting. Based on written input from Mr. Makwetu, she suggested a forward-looking extraordinary Board meeting around mid-June 2020 to take stock of the situation in light of COVID-19.

The Vice-Chair thanked the IDI Secretariat for the continued timely submission of Board documents. She expressed her appreciation for Ms. Marta Acosta Zuniga's work as her term as Board member will come to an end and as she will not seek reappointment for a second term.

### 1. APPROVAL OF THE AGENDA

**Decision:** The reduced agenda was approved.

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

Ms. Lindberg declared a conflict of interest on parts of agenda item 3 and offered to leave the room during the approval of her reappointment for a second term (see also agenda item 3). Board members confirmed the correctness of the register of related parties and related entities. Ms. Monroe-Ellis asked the IDI Secretariat to include an additional new function in the register.

### 3. APPOINTMENT OF MEMBERS OF IDI BOARD

**Decision:** The Board agreed to appoint the following two persons for a second / first term based on nominations by the Board's Nomination and Remuneration Committee:

Ms. Helena Lindberg, Auditor General, Sweden; reappointed for a second term  
Dr. Agus Joko Pramono, Vice Chairman of the Audit Board of the Republic of Indonesia;  
appointed for a first 3-year term, replacing Ms. Marta Acosta Zuniga

### 4. TOUR D'HORIZON FROM THE IDI DIRECTOR GENERAL

The IDI Director General (DG) addressed five areas: 1.) IDI response to and risks associated with COVID-19, 2.) follow up of issues from the last Board meetings, 3.) resourcing, 4.) 2020 Global Survey and Stocktaking and 5.) audit impact.

1.) COVID-19: IDI reacted early to risks posed by COVID-19 and has sought to take a measured but responsible approach. Staff safety and protecting the physical health and well-being of IDI staff and partners was the first main priority. Ensuing measures included postponing events and physical meetings, allowing all staff to work from home and have flexible working hours as needed. IDI has weekly COVID-19 meeting chaired by the IDI DG and a dedicated COVID-19 focal point. In addition, IDI has worked on contingency plans, has moved and is moving to eLearning and online meetings and support where feasible. IDI continues to work as effectively as possible under current circumstances and has informed its Development Partners how it intends to manage risks following COVID-19. The DG recognised the likelihood of financial implications, but emphasised that currently predictions were difficult. DG pointed to ongoing continuous updates of plans and budget and the planned extraordinary Board meeting in June 2020 to follow up with the IDI Board. He also mentioned IDI's determination to use this challenge as an opportunity to try out and use alternative

delivery models and learn from each other and praised the efforts staff are putting in to meet the challenges and help each other.

2.) Follow up of issues from the last Board meetings: The IDI Secretariat addressed all follow-up issues from the last Board meeting.

3.) Resourcing: At the end of 2019, the funding situation was promising with 12 funding agreements signed during the year. However, while there were no signals to date, COVID-19 may have effects on pending applications, future and even ongoing agreements. The IDI Secretariat will proactively reach out to Development Partners and demonstrate IDI's value to mitigate this risk as far as possible. Effective SAIs will remain crucial in the aftermath of COVID 19, and to prevent similar situations going forward. The DG also pointed to the high levels of in-kind support from SAI peers, regions and partners to IDI in 2019, amounting to around 2500 person days (equivalent to 11 full time positions).

4.) 2020 Global Survey and Stocktaking: The DG informed on latest developments and the current status of work. Unfortunately, the IDI Secretariat had to terminate its contract with the consultancy firm hired and bring the work in-house. The work will be supported by OLACEFS' IT group and a handpicked team of individual consultants for data analysis and econometrics. A minor delay in the publication of the 2020 Global Survey and Stocktaking is to be expected.

5.) Audit impact: This is an important new area in the IDI Strategic Plan. The IDI Secretariat has started to plan and design this new component under the relevant SAIs work stream. A first planning meeting took place in March 2020 where the necessity of greater SAI impact and the need to mainstream SAI impact considerations across SAIs' work were emphasised. The DG expects great interest from SAIs and other stakeholders in this topic.

Board members agreed with the DG's reflections, and his suggested additional Board meeting in June 2020. Board members welcomed the IDI Secretariat's work on "audit impact" and encouraged Ms. Amundsen to share material from a recent UNDP seminar she mentioned on this matter.

## 5. IDI PERFORMANCE AND ACCOUNTABILITY REPORT 2019

The DG gave a high-level overview on IDI's Performance and Accountability Report (PAR) 2019 and some in-year changes to the Operational Plan. He emphasised that the PAR had to fulfil reporting needs of many different Development Partners and was thus comprehensive and detailed.

2019 was another record year for IDI's outreach: 166 SAIs, including from 120 developing countries, and almost 2,000 individual staff from SAIs participated in IDI's initiatives. The DG pointed to highlights under the four work streams, bilateral support and Global Foundations and informed on the steps taken to better integrate a gender perspective in 2019. The vast majority of IDI's initiatives is on target or on track.

As usual, the IDI Secretariat updated its budget twice in 2019. There was a minor budget underspend due to the postponement of some activities. 2019 was the first year where IDI budgeted and reported on full time equivalents (FTEs).

Board members expressed concern over the level of detail included in the PAR and the requirements put on IDI by donors, and offered support in the dialogue with donors if needed. The IDI Secretariat took note of the concern and explained that many donors rely on a comprehensive and detailed PAR that responds to their different needs and that demonstrates proper use of their funds rather than asking for individual reports.

Board members also raised questions about how overhead costs are accounted for in the budget report and there was a request to receive a briefing at a coming meeting.

**Decision:** The Board congratulated IDI on a high-quality PAR and approved it (incl. its annexe and budget report). The Board suggested to discuss a potential streamlining of future PARs.

## 6. IDI FINANCIAL STATEMENTS 2019

The financial statements were produced with the support of IDI's outsourced accountants of Amesto Account House. Mr. Hans-Christian Berger, IDI's auditor from PwC, presented the results of the audit of the 2019 financial statements and confirmed that there were no uncorrected misstatements, that an unqualified opinion would be issued with no emphasis of matter, and that there were no circumstances requiring a written management letter. PwC confirmed that internal controls and financial reporting were appropriate but emphasised that year-end processes and the reconciliation of donor funds could be done even more efficiently. COVID-19 was a subsequent event that did not impact 2019 financial statements but would impact IDI in 2020. PwC acknowledged IDI's note on subsequent events in the Notes to the Financial Statements<sup>3</sup>.

**Decision:** The Board approved the 2019 IDI Financial Statements and notes as well as the note on subsequent events in light of COVID-19.

## 7. APPOINTMENT OF IDI AUDITOR

The IDI Secretariat recommended appointing PwC as IDI's external auditor for the period 2020-2022 with an option for renewal for another three-year period.

**Decision:** The IDI Board approved the appointment of PwC with the option of renewal.

## 8. POTENTIAL NEW IDI INITIATIVES/FUNDING

The IDI Secretariat presented 3 potential new initiatives/funding possibilities:

**1. Support to SAI Madagascar:** Based on a discussion note sent to the Board in advance of the Board meeting, the IDI Secretariat presented the initiative and requested Board approval for this 5-year project led by IDI and financially supported by USAID as lead donor. The DG explained that terms and conditions of IDI's bilateral policy were largely met, that IDI would be a provider of last resort and that the project fell within the remit of IDI's Strategic Plan and results framework.

Board members agreed to the support. They emphasised the need to tackle areas that do not currently meet the sub-conditions of the bilateral policy – like the existence of a Code of Ethics – in the support to the SAI itself. The IDI Secretariat confirmed that this was planned. The DG explained again how SAI Madagascar was selected for support and how the IDI Secretariat concluded that no providers were willing to take the lead to support SAI Madagascar.

**Decision:** The Board approved this new initiative under IDI's bilateral support.

**2. Funding from SAI Saudi Arabia (GAB):** The DG explained the background of this initiative with the GAB approaching IDI with the idea of supporting SAIs in developing countries to develop strategic plans, in enhancing their strategic management capacity and in funding part of the implementation of SAIs' strategic plans. IDI and GAB agreed on a proposal that would meet IDI's criteria for receiving

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<sup>3</sup> See the Notes to the Financial Statements 2019, <https://www.idi.no/en/about-idi/finances>

support. The initiative would largely build on the existing IDI SPMR (SAI Strategy, Performance Measurement and Reporting) initiative.

The Board members agreed that this support would provide considerable value for participating SAIs and did not see major funding risks.

**Decision:** The Board approved the GAB funding in principle.

**3. New Round of Tier 2 Call for Proposals for challenged SAIs:** After an introduction by the DG on a potential new round suggested by the INTOSAI-Donor corporation - based on aspirations to scale-up needs-based support for SAIs, after the successful introduction of a first Tier 2 round - the IDI Board discussed different options for an involvement of the IDI Secretariat.

The IDI Board showed itself open to further explore the idea and IDI's potential involvement. At the same time Board members were conscious of challenges, including expectation management and the engagement of Development Partners, SAIs and Peers. Concerns were raised about being able to mobilise sufficient funds and peer SAIs/regions and whether funding commitments were needed in advance before engaging in a new round of tier 2.

**Decision:** The Board supports an exploratory phase and IDI's involvement in it to identify potential SAIs for a second round of Tier 2 and potential partners and peers before taking a final decision on IDI's role in a new round.

## 9. UPDATE OF THE IDI CORPORATE RISK REGISTER

The IDI Secretariat gave a quick update of the IDI Corporate Risk Register and pointed to first likely effects of COVID-19 on IDI's work and the necessity for a continuous assessment of the situation. The IDI Board agreed that such an assessment was needed and welcomed the extraordinary IDI Board meeting in June 2020 to further discuss this issue.

**Decision:** The IDI Board approved the updated IDI Corporate Risk Register and was looking forward to updates in June 2020 meeting.

## 10. PERSPECTIVES FROM THE CBC

This agenda item was a follow-up from the last Board meeting in November 2019 where the matter could not be sufficiently discussed. CBC had provided a note where it suggested two main issues for potential follow-up by IDI.

- Focussing more broadly on the PFM value-chain, beyond a focus on strong SAIs alone.
- Focussing even more on leadership development, in particular for SAI leaders.

The IDI Secretariat confirmed that it would continue to look into and advocate for possibilities to partner with accountancy bodies where possible, including through PESA-P. The IDI Secretariat only recently reached out to the Association of Chartered Certified Accountants (ACCA) and will follow up on this.

Like CBC, the IDI Secretariat welcomed more cooperation with citizens and CSOs. This is already covered to some extent in IDI initiatives such as SPMR, SAIs Engaging Stakeholders and in the upcoming component "Facilitating Audit Impact" in the relevant SAIs work stream. The IDI Secretariat underlined its ongoing engagement on leadership and promised to focus even more on this issue. This will be reflected in the Operational Plan for 2021.

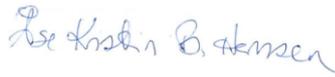
All Board members welcomed the note from CBC and appreciated the proposals therein. Members emphasised the need to continuously share good practices among relevant stakeholders.

## 11. CLOSING OF MEETING

The IDI Secretariat will confirm a suitable date for the virtual Board meeting in June 2020. The Vice-Chair formally closed the meeting.



Per-Kristian Foss



Åse Kristin Berglihn  
Hensen



Kristin Amundsen



Pamela Monroe Ellis



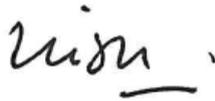
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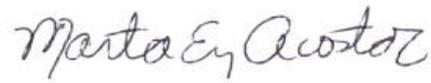
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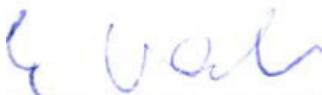
Helena Lindberg



Vitor Manuel Silva Caldeira



Marta Eugenia Acosta Zúñiga



Margit Kraker