



Case: File 013.2

VENUE: Hotel Bristol, Oslo

PRESENT:

Name	Position	Board Status
Mr. Per-Kristian Foss	Auditor General, Norway	Chair of the Board
Ms. Lara Taylor-Pearce	Auditor General, Sierra Leone	Vice-Chair of the Board
Ms. Kristin Amundsen ¹	Deputy Director General, Office of the Auditor General of Norway	Board Member
Ms. Åse-Kristin Hemsén	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. Marta Acosta Zuniga	Auditor General, Costa Rica	Board Member
Ms. Helena Lindberg	Auditor General, Sweden	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. Jan Van Schalkwyk	Executive Director, Office of Auditor General of South Africa	Representing Board Member Mr. Kimi Makwetú, Auditor General of South Africa, Chair CBC
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	Accompanying Board Member Mr. Caldeira
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	Deputy Director General	IDI Secretariat
Mr. Martin Aldcroft	Senior Manager	IDI Secretariat
Ms. Petra Schirnhöfer	Manager	IDI Secretariat

*Apologies:**Mr. Kimi Makwetú² (Member, Auditor General of South Africa, Chair CBC)*

¹ Ms. Amundsen virtually joined the Board meeting.

² Mr. Makwetú virtually joined for agenda item 9.

OPENING REMARKS

The Chair welcomed Board members and thanked the IDI Secretariat for the continued timely submission of Board documents.

1. APPROVAL OF THE AGENDA

Decision: The agenda was approved. Under AOB one information item on requirements for a new IDI bank account was added.

2. DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

No Board member declared a potential conflict of interest.

3. APPOINTMENT OF MEMBERS OF IDI BOARD

Decision: The Board agreed to appoint the following four Board members for a second term based on a unanimous nomination by the Board's Nomination and Remuneration Committee:

Dr. Margit Kraker
Mr. Kimi Makwetu
Ms. Pamela Monroe-Ellis
Ms. Lara Taylor-Pearce

4. TOUR D-HORIZON FROM THE IDI DIRECTOR GENERAL

The IDI Director General (DG) addressed three areas: 1. IDI's follow-up from last IDI Board meeting, 2. Implementation of IDI's Strategic Plan (SP), 3. Internal developments and challenges.

1. The DG started by informing the Board that agreed actions from the last Board meeting were followed up and implemented. OAG Norway was confirmed as continued host of IDI at INCOSAI 2019 in Moscow. As agreed with the Board, IDI successfully promoted some of its initiatives (in particular SAI Young Leaders) and facilitated a first INCOSAI gender event in Moscow. Following decisions on IDI's portfolio by the Board, IDI has increased funding and focus on the SAI independence work stream and work with Russian and Portuguese speaking SAIs.

2. Implementation and resourcing of the IDI SP is moving in the right direction. The funding outlook for the next two years is positive and should allow IDI to implement its approved SP. IDI managed to secure funds from new Development Partners (DP), such as the EU, DfID and SAI Qatar, in 2019 and is in dialogue with several other DP for additional / continued funding for 2020. IDI is mindful that the necessary growth comes with certain risks and the need for consolidation.

3. Internal developments and challenges: IDI will continue its work on processes and monitoring to ensure compliance with the General Data Protection Regulation (GDPR). IDI has completed the procurement of accounting and payroll services which should reduce overhead costs in the future. In 2020, IDI plans to implement a new system to improve resource planning and reporting and will finalise its transition to the new salary system.

The DG informed about an external fraud attempt (stopped and reported to the police) against IDI and a financial transaction by IDI for a hotel, which – unknowable to IDI – was to a blacklisted beneficial owner. IDI was however considered to not be culpable and to have acted in good faith. As a preventative measure to avoid similar situations, IDI has already further tightened internal controls

and introduced new procedures for self-declarations from hotel, and will also consider changing the bank.

Finally, the DG emphasised the need for IDI to stay flexible in its delivery schedule as country contexts can easily change.

5. IDI OPERATIONAL PLAN AND BUDGET

The DG gave a high-level overview on IDI's Operational Plan (OP) and budget for 2020. The OP 2020 takes Board input on IDI's portfolio as well as the views of other stakeholders into account. The OP 2020 is structured around IDI's four work streams, bilateral support and Global Foundations. He highlighted the work to scale up efforts on SAI independence and professionalisation through the launch of PESA towards the end of 2020. Under bilateral support, IDI will continue and evolve ongoing bilateral projects targeting the most challenged SAIs within the parameters of the results framework of the SP. Bilateral support is estimated to be almost fully covered by earmarked funding.

New funding will allow for a projected budget of 99,6 M NOK for 2020. It was however highlighted that the funding situation is continually evolving. Staffing is projected at 39 Full Time Equivalents for 2020 (42 positions by the end of 2020).

The Board thanked the IDI Secretariat for a high-quality and ambitious plan and budget and emphasised the following issues:

On SAI independence: Develop a clear strategy and draw from research in this field

On budget and funding:

- Find a good balance between necessary growth, consolidation and absorption of funds and between core and earmarked funding (with the aim to raise core funding)
- Build reserves to balance potential unexpected funding cuts or exchange rate fluctuations
- Monitor the balance between direct and indirect costs

Delivering the Strategic Plan:

- Be aware of the risk of crowding out other potential providers of support
- Balance global, regional and SAI level support
- Assure high-quality staff having necessary skills to implement the SP
- Look into flexible IDI staff engagement while respecting Norwegian labour laws
- Continue efforts to work with peers, to share experience, to reach out to all INTOSAI regions and include Russian and Portuguese speaking SAIs
- Deliver on high expectations by focussing on results and communication with stakeholders

Decision: The Board approved the OP (incl. its appendix and annexes) and budget. The next IDI budgets should contain comparative budget figures to facilitate the analysis of financial developments over time. The Board recommended that IDI should work towards a level of reserves that would cover 3 months of IDI's operational costs (staff and overheads, not delivery costs).

6. NEW IDI POLICIES

The IDI Secretariat presented the new Evaluation Policy and Guidance (EPG). The rolling evaluation plan was approved by the Board as part of IDI's OPs. IDI aims to have at least one evaluation for all work streams, bilateral support and global foundations over the SP period.

The Board fully supported the evaluation principle on independence. Regarding the participation of staff responsible for a matter under evaluation in the panel to award an evaluation contract, the Board agreed such staff may be involved in the discussions, but should not take part in the decision making. The Board also requested some clarification on the feasibility of conducting impact studies and the need for this to be agreed with participating organisations from the outset of initiatives. Finally, the Board requested clarity on the extent to which independent evaluators could amend the planned scope of an evaluation.

Decision: The Board approved the EPG subject to clarity on independence and minor rewording regarding the role of evaluators in determining the scope of evaluations and impact evaluations. In addition to publishing evaluation reports on IDI's website, the IDI Secretariat will forward all finalised evaluation reports to Board members.

7. BOARD GOVERNANCE

The IDI Secretariat submitted the following three documents to the Board: a) Update on IDI Board's Rules of Procedure; b) Observers at IDI Board meetings and c) Interpretation of rules related to conflicts of interest.

a) Update on IDI Board's Rules of Procedure

Decision: The IDI Board approved the suggested updates. Article 16 on observers will be updated based on the Board decision (see below). Articles 33 and 34 on conflict of interest will be updated following decisions in the next Board meeting.

b) Observers: The IDI Secretariat presented a discussion note on observer participation in Board meetings. Four options were presented, including their possible advantages and disadvantages.

Decision: The IDI Board agreed on the option of inviting observers to participate in the March Board meetings in an open session on specific agenda items but having closed sessions for remaining items of the meeting. Observers should have the option to join physically or virtually. In proposing the Board meeting agenda, the IDI Secretariat will suggest separating open and closed sessions, and seek input from the IDI Board. Observers will be invited to give input to the open sessions in the agenda. Observers will be invited to give feedback and advice under a specific agenda item but will not have voting rights. IDI will make a proposal on the invitation policy and update the respective article in the IDI Board's Rules of Procedures based on these decisions and develop a protocol for observers.

c) Interpretation of rules related to conflicts of interest

Based on a discussion note, prepared by the IDI Secretariat, the Board discussions aimed at:

- Ensuring a common and agreed understanding among Board members on what constitutes a perceived and an actual conflict of interest.
- Deciding on what conflicts of interests should be reported in Board meetings
- Revising articles 33 and 34 in the IDI Board's Rules of Procedures if and where necessary

Board members held lively discussions on possible scenarios of conflicts of interest. They did not see clear indications for conflicts of interests in the presented scenarios. They pointed to good practices and to the following issues:

- The IDI Board should be aware of potential conflicts of interest based on Board members' application and CVs. Both are examined by the Nomination and Remuneration Committee.

Signing a statement, at the time of the appointment as Board member, that when exercising their duties as a Board member, they will always act in the interest of IDI could be an option.

- Board members could share their concerns and views on potential individual conflicts of interest in advance of Board meetings on a case by case basis and seek advice from the IDI Secretariat on whether to declare a conflict of interest.

Decision: Based on the issues raised above, the Board asked the IDI Secretariat to:

- Propose revised definitions of perceived and actual conflicts of interest.
- Establish and maintain a transparent register of potential conflicts of interest (based on identifying organisations over which Board members exert significant control or influence) using information provided at the time of nomination as Board member.
- Ask Board members, at each Board meeting, to confirm whether there are any changes to their declared potential conflicts of interest.
- Develop guidance on declaring actual conflicts of interest on a case by case basis relative to the agenda of each the Board meeting. This should include guidance that in the event a Board member declares an actual conflict of interest, they will be permitted to participate in related discussions but will refrain from participating in any decision making.
- Revise respective articles accordingly in the IDI Board’s Rules of Procedure for the next Board meeting.

8. UPDATE OF THE IDI CORPORATE RISK REGISTER

The IDI Secretariat presented the six-monthly update of the corporate risk register for approval. There were no major material changes. However, two new risks were added, namely the development risk on SAI relevance and the operational risk on financial transactions.

Decision: The Board agreed to the changes made in the corporate risk register including the suggested definition of “sensitive information”. Sensitive information needs to be excluded when sharing the risk register on a case by case basis upon special request by interested partners. The Board asked to include IDI’s absorption capacity under risk 15 on “staffing”.

9. PERSPECTIVES FROM THE CBC

Mr. Makwetu virtually joined the Board meeting to share CBC’s perspectives on strategic capacity development issues and opportunities identified by the CBC during 2019. The CBC asked the IDI Board to take note of these given the IDI’s role as capacity development implementing body of INTOSAI.

Mr. Makwetu emphasised the strong cooperation between the CBC and the IDI and the need for continued cooperation with IDI and other stakeholders on SAI professionalism. He also emphasised the importance of support for the broader PFM value chain and expanded support for SAI leaders. He emphasised the need to offer support to SAIs on the SAI PMF also for those not participating in the SPMR.

10. UAE PROPOSAL - COOPERATION ON LEARNING ACADEMY

The IDI Secretariat presented the proposal from the SAI of UAE to establish a joint IDI-UAE learning academy for auditor professionalisation in Abu Dhabi and summarised its approach to professional education approved by the Board, shared its reflections on the proposal and emphasised the need to develop a professional education strategy.

Decision: Board members welcomed the ongoing cooperation with SAI UAE on financial audits. The Board shared IDI's reflections, emphasised the importance of developing a long-term strategy based on lessons learnt/results from the PESA pilot by November 2021 and agreed that this required broader discussions within INTOSAI before taking any decisions. The IDI Board will write a letter to SAI UAE.

11. FEEDBACK FROM 1ST DIALOGUE WITH IDI CORE FUNDING PARTNERS

The IDI Secretariat presented feedback from the 1st dialogue with IDI core funding partners. The Board emphasised the importance of SAI ownership and of fora providing for mutual exchange of information and feedback.

12. POST-MEETING SELF-ASSESSMENT OF THE BOARD

In addition to the annual performance reviews in the spring Board meetings, the Board agreed in March 2019 to introduce a short post-meeting self-assessment in each meeting with the purpose to assess and enhance the effectiveness of the Board.

The Board thanked the IDI Secretariat for good preparations and for the summary of Board documents in advance of the meeting. They noted the importance to have a focused agenda and to make sure that enough time was set aside for important agenda items.

13. ANY OTHER BUSINESS (AOB) & DATE OF NEXT MEETING

The IDI Secretariat informed that in light of its considerations to open a new bank account, Board members may need to update their identity information.

Next meetings:

- The Board agreed to have the next two-day Board Meeting on 24/25 March 2020. The annual Strategic Dialogue will take place in conjunction with the Board meeting.
- The INTOSAI General Secretariat offered to host the November 2020 Board meeting in Vienna on 12th November, after the INTOSAI Governing Board.

14. CLOSING

The Chair formally closed the meeting.



Per-Kristian Foss



Åse Kristin Berglihn
Hensen



Kristin Amundsen



Pamela Monroe Ellis



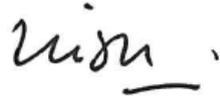
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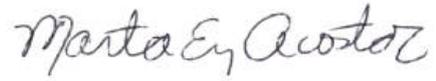
Lara Taylor-Pearce



Helena Lindberg



Vitor Manuel Silva Caldeira



Marta Eugenia Acosta Zúñiga



Margit Kraker