

INTOSAI



INTERNATIONAL ORGANIZATION OF SUPREME AUDIT INSTITUTIONS
ORGANISATION INTERNATIONALE DES INSTITUTIONS
SUPÉRIEURES DE CONTRÔLE DES FINANCES PUBLIQUES
INTERNATIONALE ORGANISATION DER
OBERSTEN RECHNUNGSKONTROLLBEHÖRDEN
ORGANIZACIÓN INTERNACIONAL DE LAS
ENTIDADES FISCALIZADORAS SUPERIORES
المنظمة الدولية للأجهزة العليا للرقابة المالية العامة والمحاسبة

CIRCULAR 75

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English



Rechnungshof, Dampfschiffstrasse 2,
1031 Vienna · Vienne · Wien · Viena
Austria · Autriche · Österreich · Austria
Tel. +43 (1) 711 71-8474, -8969- Fax +43 (1) 718 09 69
E-mail: intosai@rechnungshof.gv.at · World Wide Web: <http://www.intosai.org>

CONTENTS

A. Minutes of the 64 th Meeting of the Governing Board of INTOSAI, 21 October 2013, Beijing, China.....	6
I The Highlights at a Glance	6
1 The following member SAIs attended the 64 th Governing Board meeting as Governing Board members:	7
2 The following representatives of the seven Regional Working Groups of INTOSAI reported on the respective communication activities at the regional level:.....	8
3 Representatives of the following member SAIs participated as rapporteurs of the Committees, Subcommittees, Working Groups, Task Forces and Project Groups:.....	8
4 The following observers attended the 64 th meeting of the Governing Board:	10
II Report on the 64 th Meeting of the INTOSAI Governing Board.....	10
1 Opening of the 64 th meeting of the Governing Board and report by the Chairman of INTOSAI (ITEM 1 and ITEM 2)	10
1.1 Report of the Chairman of the Governing Board (ITEM 3).....	10
1.2 Report of the Standing Supervisory Committee on Emerging Issues (ITEM 3a)	11
2 Report of the First Vice-Chairman of INTOSAI (ITEM 4)	11
3 Report of the Second Vice-Chairman of INTOSAI (ITEM 5).....	12
4 Report of the Secretary General of INTOSAI (ITEM 6)	13
4.1 United Nations General Assembly Resolution A/66/209 on the independence of SAIs	13
4.2 Auditor General Global Working Group (GWG).....	13
4.3 Cooperation between INTOSAI and international organisations and institutions	13
4.4 Implementation of the Strategic Plan 2011-2016 and Director of Strategic Planning 2013-2016	14
4.5 INTOSAI membership	15
4.6 Cooperation with the Regional Working Groups	15
4.7 INTOSAI finances.....	15
4.8 Nomination of external auditors of INTOSAI for submission to INCOSAI XXI in 2013	16
4.9 Activity report of the Director of Strategic Planning (DStP)	16
5 Report of the Finance and Administration Committee, FAC (ITEM 7)	17
5.1 Task Force INTOSAI Financial Foresight, TFFF (ITEM 7a)	19

5.2	Task Force Strategic Planning (ITEM 7b)	19
6	Report on the activities of the INTOSAI-Donor Cooperation (ITEM 8).....	20
6.1	INTOSAI-Donor Cooperation Secretariat.....	21
7	INTOSAI Director of Strategic Planning and Goal Liaisons (ITEM 9)	21
8	Report of the United Nations (ITEM 10)	21
9	INTOSAI communication (ITEM 11).....	22
9.1	AFROSAI communication (ITEM 11a)	23
9.2	ARABOSAI communication (ITEM 11b)	23
9.3	ASOSAI communication (ITEM 11c).....	24
9.4	CAROSAI communication (ITEM 11d)	24
9.5	EUROSAI communication (ITEM 11e).....	24
9.6	OLACEFS communication (ITEM 11f).....	25
9.7	PASAI communication (ITEM 11g)	25
10	Nomination of new members to be elected by INCOSAI XXI (ITEM 12 and ITEM 17)	26
11	INTOSAI Awards (ITEM 13).....	27
11.1	Jörg Kandutsch Award	27
11.2	Elmer B. Staats Award	27
12	INTOSAI Cooperation with Development Aid Organisations (TOP 14).....	28
13	INTOSAI tools (TOP 15).....	29
13.1	INTOSAI Online Collaboration Tool.....	29
13.2	INTOSAI Online Glossary	29
14	Report of the Professional Standards Committee (PSC) / Goal 1 (ITEM 18)	30
15	Report of the Capacity Building Committee (CBC) / Goal 2 (ITEM 19)	31
16	Report of the Knowledge Sharing Committee (KSC) / Goal 3 (ITEM 20)	32
17	Adoption of official INTOSAI documents, ISSAIs and INTOSAI GOVs (ITEM 16)	34
18	Other business (ITEM 21)	35
19	Closing of the 64 th INTOSAI Governing Board meeting (ITEM 22).....	35
B.	Annex.....	36
1	Agenda of the 64 th INTOSAI Governing Board meeting.....	36
C.	Minutes of the 65th Meeting of the Governing Board of INTOSAI, 26 October 2013, Beijing, China.....	40
III	The Highlights at a Glance.....	40

1	The following members of the INTOSAI Governing Board participated in the 65 th Governing Board meeting:.....	41
IV	Report on the 65 th Meeting of the INTOSAI Governing Board	41
1	Opening of the 65 th Governing Board Meeting and report of the Chair of INTOSAI.....	41
1.1	Report of the Chair of the Governing Board	41
2	Report of the First Vice-Chairman of the Governing Board.....	42
3	Report of the Secretary General of INTOSAI.....	42
4	Election of the Second Vice-Chair of the Governing Board.....	44
5	Election of the members of the Finance and Administration Committee	44
6	Election of the Director of Strategic Planning	45
7	Election of the Goal Liaisons (Goals 1-3).....	46
8	Other business	46
9	Closing of the meeting	46
D.	Annex	47
1	Agenda of the 65 th INTOSAI Governing Board meeting.....	47
2	INTOSAI Organisation Chart	48

THE SECRETARY GENERAL
DR. JOSEF MOSER
PRESIDENT OF THE COURT OF AUDIT



Vienna, March 2014

Dear Colleagues

2013 was a significant year for INTOSAI. We experienced a great INCOSAI XXI in Beijing, China, and celebrated the 60th anniversary of our organisation, which gave us the opportunity to look back at our 60-year-old history and at our experiences and successful achievements in the past, recalling our strengths and preparing for the challenges ahead.

INCOSAI XXI, which was shaped by great professionalism and competence in all matters – starting with a perfect organisation by the *National Audit Office* of the People’s Republic of China (CNAO) and continuing with valuable professional discussions on the congress themes *I National Audit and National Governance* and *II The Role of SAIs in Safeguarding Long-Term Sustainability of Finance Policies* and the participation of high-level observer organisations –, highlighted again the worldwide importance of external government audit and its key role for good governance at the global level.

INTOSAI’s congresses have always paved the way for future developments in the organisation and laid the ground for the positioning of INTOSAI in the interconnected global environment. In his greeting address conveyed by UN Under-Secretary-General Wu Hongbo, for instance, the Secretary-General of the United Nations, Ban Ki-moon, expressed the clear wish that INTOSAI and the United Nations jointly establish a strong foundation for lasting peace, sustainable development and the protection of universal human rights. Eventually, an intensified cooperation with the United Nations in the framework of the Post-2015 Development Agenda was also laid down in the Beijing Declaration.

With INCOSAI XXI, whose number of participants reached an all-time high of more than 600 delegates, INTOSAI proved that its motto *Mutual Experience Benefits All* is more topical than ever. It was a pleasure to meet so many committed colleagues from all over the world and to exchange mutually beneficial experiences.

INCOSAI XXI adopted many important documents that support and facilitate our work as auditors. In addition to the Beijing Declaration, which provides recommendations for the

audit work, the 2013 Congress in Beijing adopted ten new ISSAIs, an INTOSAI GOV, different guidelines and guidances. Furthermore, the anniversary publication *60 Years INTOSAI – 50 Years General Secretariat. Transparency, Accountability, Good Governance* was presented.

The present 75th Circular gives both an overview of the 64th INTOSAI Governing Board Meeting, which was held in Beijing, China, on 21 October 2013 and comprised the fundamental preparations for INCOSAI XXI, as well as of the 65th INTOSAI Governing Board Meeting immediately after INCOSAI on 26 October 2013. The detailed written reports submitted to the Governing Board can be found on the INTOSAI website at <http://www.intosai.org>.

In conclusion I once again would like to thank all participants of INCOSAI XXI, who contributed substantively to the success of this congress. Furthermore, I would like to extend my great appreciation to the SAI of China, to Auditor General Liu Jiayi and to all members of the CNAO and the volunteers behind the scenes for their tireless efforts.

Thanks to the committed participation of each of you, the 60-year-old history of INTOSAI has been an unstoppable success story. I would like to thank you most cordially for this!

With best regards

Josef Moser

**A. MINUTES OF THE
64TH MEETING OF THE GOVERNING BOARD OF INTOSAI,
21 OCTOBER 2013,
BEIJING, CHINA**

The 64th meeting of the INTOSAI Governing Board was held on 21 October 2013 in Beijing, China.

I THE HIGHLIGHTS AT A GLANCE

- Approval of the documents submitted for subsequent endorsement to INCOSAI XXI in Beijing, China, including the annual report, the audited financial report 2010-2012, and the 2014-2016 INTOSAI budget.
- Admittance of the SAI of Tajikistan as a full member and of the West African Economic and Monetary Union SAI (*Union économique et monétaire ouest-africaine* – UEMOA) as an associate member, raising the number of INTOSAI members to 192 and the number of associate members to five.
- Endorsement of the communication priority theme for 2014 *Implementation of the UN General Assembly Resolution A/66/209 on strengthening the independence of SAIs and the ISSAI framework in order to safeguard sustainable development of public finances.*
- Governing Board's endorsement of the proposals submitted by the Finance and Administration Committee (FAC) on the following issues:
 - Enhancing flexibility of INTOSAI with regard to securing sustainable finances and voluntary contributions;
 - Revisiting the current membership contributions and the admittance procedure for associate members;
 - Encouraging INTOSAI members to provide voluntary financial contributions;
 - Notifying the General Secretariat on on-going external funding;
 - Clarifying expectations with regard to the holding of INTOSAI meetings;
 - Preparing a high-level financing plan in connection with the new Strategic Plan of INTOSAI;
 - Evaluating the potential for initiating a certification process for auditors.
- Establishment of the position of a vice-chairman of the Standing Supervisory Committee on Emerging Issues and designation of the SAI of the United States to fill this role.

- Transfer of the chairmanship of the Financial Audit Subcommittee (FAS, Goal 1) from the SAI of Sweden to the SAI of the United Arab Emirates.
- Transfer of the chairmanship of the Capacity Building Committee (CBC, Goal 2) from the SAI of Morocco to the SAI of South Africa. The newly established position of the vice-chairman of the CBC is filled by the SAI of Sweden.
- Dissolution of Subcommittee 1: Promote increased capacity building activities among INTOSAI members (Goal 2); remittance of its tasks to the CBC Steering Committee.
- Adoption of the IDI Strategic Plan 2014–2018 and the revised IDI mandate.
- Adoption of the ISSAIs 12, 100, 200, 300, 400, 9500, 9510, 9520, 9530, 9540, the INTOSAI GOV 9250 and the INTOSAI guideline: Communicating and Promoting the Value and Benefits of Supreme Audit Institutions.
- Establishment of the INTOSAI Working Group on Audit of Extractive Industries chaired by the SAI of Uganda and the Task Force on Procurement Contract Audit chaired by the SAI of the Russian Federation.
- Dissolution of the INTOSAI Working Group on Accountability for and Audit of Disaster-related Aid.
- Merging of the INTOSAI Task Force on SAIs' Information Database into the Working Group on the Value and Benefits of SAIs under the chairmanship of the SAI of Mexico.
- Transfer of the chairmanship of the INTOSAI Working Group Environmental Audit from the SAI of Estonia to the SAI of Indonesia.

1 The following member SAIs attended the 64th Governing Board meeting as Governing Board members:

- South Africa (Chairman)
- China (First Vice-Chairman)
- Saudi-Arabia (Second Vice-Chairman)
- Austria (Secretary General)
- Bahamas
- Cote d'Ivoire
- Ecuador

- Hungary
- India
- Libya
- Mexico
- New Zealand
- Norway
- Pakistan
- Russian Federation
- United Kingdom
- United States of America
- Venezuela

2 The following representatives of the seven Regional Working Groups of INTOSAI reported on the respective communication activities at the regional level:

- Bahamas CAROSAI
- Chile OLACEFS
- Cameroon AFROSAI
- Korea ASOSAI
- New Zealand PASAI
- Tunisia ARABOSAI
- Spain EUROSAI

3 Representatives of the following member SAIs participated as rapporteurs of the Committees, Subcommittees, Working Groups, Task Forces and Project Groups:

Brazil	Performance Audit Subcommittee (PAS)
Canada	Accounting and Reporting Subcommittee
Denmark	Professional Standards Committee (PSC)
Egypt	Working Group on the Fight against Corruption and Money Laundering (WGFACML)
Estonia	Working Group on Environmental Auditing (WGEA)
European Court of Auditors (ECA)	Working Group on Accountability for and Audit of Disaster-related Aid (AADA)

France	Working Group on Programme Evaluation
India	Committee on Knowledge Sharing and Knowledge Services (KSC) Working Group on IT Audit (WGITA) INTOSAI Online Collaboration Tool (OCT)
Korea	INTOSAI Platform for Cooperation with the UN
Mexico	Working Group on Public Debt (WGPD) INTOSAI Online Glossary Task Force on SAI's Information Database
Morocco	Capacity Building Committee (CBC)
New Zealand	Project on Audit Quality Control
Norway	INTOSAI Development Initiative (IDI) FAC Task Force on INTOSAI Financial Foresight (TFFF)
Peru	Develop Advisory and Consultant Services Subcommittee
Poland	Internal Control Standards Subcommittee (ICS)
Russian Federation	Working Group on Key National Indicators (KNI)
Saudi Arabia	Finance and Administration Committee (FAC) INTOSAI-Donor Cooperation Steering Committee
Slovakia	Subcommittee on Promoting Best Practices and Quality Assurance through Voluntary Peer Reviews
South Africa	Working Group on Value and Benefits of SAIs (WGVBS)
Sweden	Financial Audit Subcommittee (FAS)
United Kingdom	Subcommittee on Promoting Increased Capacity Building Activities among INTOSAI Members

United States of America	Working Group on Financial Modernization and Regulatory Reform International Journal of Government Auditing Task Force Strategic Planning
Director of Strategic Planning	Strategic Planning

4 The following observers attended the 64th meeting of the Governing Board:

- UN DESA
- ECOSOC

II REPORT ON THE 64TH MEETING OF THE INTOSAI GOVERNING BOARD

1 Opening of the 64th meeting of the Governing Board and report by the Chairman of INTOSAI (ITEM 1 and ITEM 2)

Following the welcome address by the First Vice-Chairman of INTOSAI and head of the SAI of China, Liu Jiayi, the head of the SAI of South Africa and Chairman of the INTOSAI Governing Board, Terence Nombembe, took the floor. He thanked for the cordial welcome and opened the 64th meeting of the Governing Board.

The Governing Board took note of the agenda with approval.

1.1 Report of the Chairman of the Governing Board (ITEM 3)

In his report, Terence Nombembe took stock of all the positive experiences he had made as Chairman of the INTOSAI Governing Board in the previous three years.

In his speech, he highlighted the great importance of capacity building and emphasised the successful collaboration of INTOSAI with the Donor Cooperation. Referring to the UN Resolution A/66/209, Terence Nombembe also emphasised the essential importance of collaboration between all INTOSAI members. He concluded by thanking for the invaluable support by the Secretary General of INTOSAI and the General Secretariat staff in carrying out his function as Chairman of the INTOSAI Governing Board.

The **Governing Board took note** of the Chairman's report with approval.

1.2 Report of the Standing Supervisory Committee on Emerging Issues (ITEM 3a)

Chairman Terence Nombembe gave the floor to the future Chairman of the Standing Supervisory Committee on Emerging Issues, Liu Jiayi, who accentuated the need for this committee to ensure that, as an organisation, INTOSAI can respond to unexpected events quickly and adequately. He suggested the head of the SAI of the United States, Gene Dodaro, as Vice-Chairman.

The rapporteur presented the following motions to the Governing Board, which were endorsed or taken note of:

The **Governing Board**

- **took note** of the report by the Standing Supervisory Committee on Emerging Issues with approval;
- **endorsed** the election of the head of the SAI of the United States, Gene Dodaro, as its Vice-Chairman.

2 Report of the First Vice-Chairman of INTOSAI (ITEM 4)

At the beginning of his report, the head of the SAI of China, Liu Jiayi, thanked the Governing Board and all INTOSAI members for the successful cooperation in preparing INCOSAI XXI, and especially expressed his gratitude towards the organisers of the two previous congresses in South Africa and Mexico, who had supported the SAI of China by sharing their important experiences in preparing the congress.

The head of the SAI of China emphasised that the Chinese government and its Ministries fully supported INCOSAI XXI, which became apparent in providing the Great Hall of the People as venue for the opening ceremony and the attendance of the Premier of the People's Republic of China, Li Keqiang.

Liu Jiayi reported that the agenda of INCOSAI XXI had been distributed to everybody and then gave a brief overview of the congress agenda. Apart from the endorsement of many important documents prepared by the INTOSAI committees, subcommittees, working groups and task forces, also the celebrations in occasion of the 60th anniversary of INTOSAI and the 30th anniversary of the CNAO (*China National Audit Office*) as well as

the presentation of important INTOSAI awards would take place in the course of the congress.

He suggested revised rules of procedure for INCOSAI XXI and the head of the SAI of Brazil as Vice-Chairman of INCOSAI XXI.

He concluded by not only wishing all participants a productive and effective congress, which would have a sustainable impact on the INTOSAI community, but also recommended enjoying China's rich culture and immersing in the country's history.

The rapporteur presented the following motions to the Governing Board, which were endorsed or taken note of:

The Governing Board

- **took note** of the report on the preparatory work for INCOSAI XXI by the First Vice-Chairman with approval;
- **endorsed** the revised rules of procedure for INCOSAI XXI;
- **endorsed** the suggestion of the head of the SAI of Brazil as Vice-Chairman of INCOSAI XXI.

3 Report of the Second Vice-Chairman of INTOSAI (ITEM 5)

The Second Vice-Chairman of INTOSAI and head of the SAI of Saudi Arabia, Osama Faqeeh, started off his report by expressing his gratitude to the host of INCOSAI XXI, the SAI of China.

He referred to his report as Chairman of the Finance and Administration Committee (FAC), the reports of the two FAC Task Forces, INTOSAI Financial Foresight and Strategic Planning, and the report on the activities of INTOSAI-Donor Cooperation, which were discussed as separate items on the agenda. He thanked the members of these bodies for their commitment and hard work.

The **Governing Board took note** of the report by the Second Vice-Chairman with approval.

4 Report of the Secretary General of INTOSAI (ITEM 6)

The Secretary General of INTOSAI, Josef Moser, thanked Liu Jiayi for the meticulous preparation of the Governing Board meeting and the Congress and briefly presented the most important priorities of the General Secretariat's work since the 63rd Governing Board meeting in November 2012. The detailed written report by the Secretary General is available on the INTOSAI website under the link Events/Governing Board Meetings (<http://www.intosai.org/events/group01/64th-governing-board-meeting-reports/draft-agenda-reports.html>).

4.1 United Nations General Assembly Resolution A/66/209 on the independence of SAIs

The Secretary General reported on a meeting on the continued communication regarding the UN Resolution held at the beginning of October 2013 between him and the Secretary General of the United Nations, Ban Ki-Moon, who had suggested that accountability in particular was to be included as one of the main issues of the Post-2015 Development Agenda to ensure sustainable development. In that respect, a United Nations *High Level Panel Discussion* on sustainable development had taken place already in May 2013, at which the Under-Secretary-General, Wu Hongbo, had also called for strengthening the role of SAIs in implementing the sustainability goals.

4.2 Auditor General Global Working Group (GWG)

Mr Moser stated that, by decision of the Governing Board, there should be a report on the meeting of the *Auditor General Global Working Group* (GWG). The last meeting of the GWG had taken place in April 2013 in Tokyo, Japan. At that informal meeting of the heads of SAIs, the issues financial stability and sustainability, public debt and the role of SAIs; disaster-related audit; cyber security and the GWG's future had been discussed. It had also been agreed to continue the group's work under the name of *Global Audit Leadership Forum* (GALF).

4.3 Cooperation between INTOSAI and international organisations and institutions

The Secretary General reported that cooperation with the United Nations had been further strengthened, which was also reflected in the excellent collaboration between UN DESA and INTOSAI in organising the 22nd UN/INTOSAI Symposium in March 2013 in Vienna. In this context, also the joint publication of UN DESA and the General Secretariat of INTOSAI, *Compendium on Innovative Practices of Citizen Engagement for Public Accountability through Supreme Audit Institutions*, which focuses on the engagement of

citizens by SAIs, had to be mentioned explicitly. The publication was based on a survey on citizens' engagement, carried out in the run-up to the 21st UN/INTOSAI Symposium.

The next UN/INTOSAI Symposium would take place in March 2015 and, among other issues, focus on financial sustainability in the context of the Post-2015 Development Agenda.

As a further example of inter-organisational cooperation, the Secretary General referred to the INTOSAI Platform for Cooperation with the UN chaired by the SAI of Korea. The first outcome, developed in cooperation with the INTOSAI Working Group on the Fight against Corruption and Money Laundering was a collection of practice-oriented publications and documents on the fight against corruption and money laundering entitled *Collection of Important Literature on Strengthening Capacities of Supreme Audit Institutions on the Fight Against Corruption*.

INTOSAI also cooperated with the OECD, the Institute of Internal Auditors (IIA), the International Monetary Fund (IMF), the Inter-Parliamentary Union (IPU) and the German Society of International Cooperation (GIZ). With the latter, a joint compendium titled *Supreme Audit Institutions – Accountability for Development* had been developed.

The Secretary General also informed the Governing Board on two motions regarding the representation of INTOSAI in international and supranational bodies, reporting in keeping with the mandate given to the General Secretariat by the 55th Governing Board in 2006. This concerned James Dalkin of the SAI of the United States as representative of INTOSAI in IFAC's IAESB Consultative Advisory Group (CAG) on the one hand, and the SAI of France (as representative of the INTOSAI PSC Accounting and Reporting Subcommittee) in IFAC's IPSASB Governance Review Group on the other.

4.4 Implementation of the Strategic Plan 2011-2016 and Director of Strategic Planning 2013-2016

In respect of the Strategic Plan 2011-2016, Josef Moser thanked all members for the sustainable work done in this regard and emphasised that implementation of the Strategic Plan ran excellently. He then referred to the reports by the Goal Chairs under the respective agenda items. For more detailed information on the implementation of the Strategic Plan he would then give the floor to the Director of Strategic Planning.

The Secretary General also reported on the call for candidates conducted for the post of the Director of Strategic Planning for the 2013-2016 mandate.

4.5 INTOSAI membership

The Secretary General continued his report by communicating the application for full membership in INTOSAI by the SAI of the Republic of Tajikistan. The General Secretariat had reviewed and positively assessed the SAI's application and the legal basis enclosed. In relation to the application for full membership by the SAI of Palestine the requested legal basis had not yet been submitted to the INTOSAI General Secretariat.

The application for admittance as associate member of INTOSAI by the Court of Audit of the West African Economic and Monetary Union (*Union économique et monétaire ouest-africaine* – UEMOA) had also been reviewed and positively assessed by the General Secretariat of INTOSAI.

In the event of a positive assessment of both applications by the Governing Board, the number of INTOSAI full members would grow to 192 and the number of associate members to five.

4.6 Cooperation with the Regional Working Groups

The Secretary General thanked all seven Regional Working Groups for the excellent cooperation with INTOSAI and praised the intensive exchange of ideas between the regions and INTOSAI. He stressed the importance of good international cooperation for the further development of auditing.

4.7 INTOSAI finances

The audit of INTOSAI's financial statements 2010-2012 had been carried out by external auditors of the SAIs of Malaysia and Oman in compliance with the *International Public Sector Accounting Standards* (IPSAS) regulations, which were issued with an unqualified audit opinion. The Secretary General thanked both SAIs for their important, voluntary work.

Concerning the compliance of the 2013 budget, Mr Moser stated that both the revenues from membership dues as well as expenses for the chapters "General Secretariat" and "Training" had been within the budget.

The draft of the triennial budget 2014-2016 had been submitted to the members of the Finance and Administration Committee (FAC) for consideration. Consequently, the following sentence proposed by the FAC was included in the budget under item 1.1. – 8: "*Consistent with its responsibilities for financial planning and supervision, the Finance and Administration Committee is currently taking under review the traditional budgetary*

allocation of resources as defined in INTOSAI statutes. Over the course of this budget plan (2014-2016), the Finance and Administration Committee may – in cooperation and consensus with the General Secretariat as foreseen in the Strategic Plan - recommend to the Governing Board changes across and within those chapters that may necessitate changes to this budget. Any proposed changes will be provided to the Governing Board for approval as appropriate.”

The Secretary General stated that the priority theme of the triennial budget was the implementation of the goals and priorities of the Strategic Plan, the implementation of the UN Resolution A/66/209, the implementation of the ISSAIs as well as the improvement of communication in INTOSAI. This also encompassed investments in developing the INTOSAI website and respective software, the 23rd UN/INTOSAI Symposium, the 66th, 67th and 68th Governing Board meetings, activities with regard to INCOSAI XXII, participation in international INTOSAI working sessions and the preparation of the Executive Summaries of ISSAIs and INTOSAI GOVs.

4.8 Nomination of external auditors of INTOSAI for submission to INCOSAI XXI in 2013

As the six-year audit mandate of the SAI of Malaysia for auditing the financial statements of the General Secretariat of INTOSAI had expired, a second SAI apart from the SAI of Oman had to be elected as auditor. In line with the traditional system of rotation in INTOSAI, it was suggested to appoint a SAI from the African continent to perform this responsible task. The General Secretariat therefore proposed the SAI of Ghana to fill the role of external auditor of INTOSAI together with the SAI of Oman for the auditing period 2013-2015 for submission to INCOSAI XXI in 2013.

4.9 Activity report of the Director of Strategic Planning (DStP)

Monika González-Koss reported that in her role as DStP she had participated in all meetings of the Steering Committees of the strategic Goal Committees and in many meetings of INTOSAI and its Regional Working Groups to gain a comprehensive overview of the state of implementation of the strategic priorities as well as information and proposals on the strategic orientation of INTOSAI.

The DStP informed the Governing Board of her participation in the Task Force on Financial Foresight (TFFF), to which she had presented the draft document *Principles, Steps and Milestones for the next Strategic Plan of INTOSAI*. This document addresses the principles and activities, institutional management, possible content, development progress and future challenges of the Strategic Plan 2017-2022.

Monika González-Koss also presented the promising results of the regular evaluation of the Strategic Plan 2011-2016. About three years after it had entered into force, the rate of implementation was over 70% in all Goals.

After her report, the Secretary General took the floor again and expressed his gratitude to the DStP for her constant commitment in serving INTOSAI.

The Governing Board

- **took note** of the report by the Secretary General;
- **endorsed** the admittance of the SAI of Tajikistan as the 192nd full member of INTOSAI;
- **endorsed** the admittance of the SAI of the West African Economic and Monetary Unions as the 5th associate member of INTOSAI;
- **endorsed** James Dalkin from the SAI of the United States as representative of INTOSAI in the IAESB *Consultative Advisory Group (CAG)* of the *International Federation of Accountants (IFAC)* until September 2015;
- **endorsed** the SAI of France (as representative of the INTOSAI PSC Accounting and Reporting Subcommittee) as representative of INTOSAI in the *Governance Review Group* of the *International Federation of Accountants’(IFAC)* *International Public Sector Accounting Standards Board (IPSASB)*;
- **approved** the annual report and the audited financial statements 2012 of the General Secretariat and **endorsed** the annual reports and audited financial statements 2010-2012 of the General Secretariat for submission to INCOSAI XXI;
- **adopted** the 2014-2016 draft budget of INTOSAI for submission to INCOSAI XXI;
- **decided** to suggest the SAI of Ghana and the SAI of Oman as auditors for the auditing period 2013-2015 to the Congress.

5 Report of the Finance and Administration Committee, FAC (ITEM 7)

The Chair of the FAC and head of the SAI of Saudi Arabia, Osama Faqeeh, reported on the activities of the FAC since the 63rd Governing Board in 2012. In Mai 2013 the Committee

had gathered in Washington, D.C., for its 9th meeting and, among other issues, discussed the financial issues and developments of INTOSAI, possible improvements of the strategic planning process and mechanisms as well as the developments in the INTOSAI-Donor Cooperation.

Mr Faqeeh defined the following tasks as the greatest priorities for INTOSAI: monitoring the evaluation of the Strategic Plan 2011-2016; participating actively in the INTOSAI-Donor Cooperation; evaluating the INTOSAI finances to ensure compliance with the budget; supporting sustainable initiatives to ensure the financial future of INTOSAI; dealing with emerging issues of strategic importance for INTOSAI by the Standing Supervisory Committee on Emerging Issues.

The chairman asked the Governing Board to endorse the following nine proposals by the FAC with regard to the financial developments of INTOSAI:

- Take the necessary steps to permit external funding to be used for specific projects and not require such funding being applied according to the fixed percentages for the distribution of membership fees currently required by the INTOSAI Financial Rules.
- Given that in-kind contributions are the main source of INTOSAI resources, members are encouraged to provide more in-kind contributions to INTOSAI activities. Also members are encouraged to provide additional financial contributions that would not have to be applied according to the fixed percentages for the distribution of membership fees currently required by the INTOSAI Financial Rules.
- Encourage SAIs to give voluntarily above their currently assessed contributions levels until a revised structure is devised.
- Clarify the expectations for hosting meetings. Make it easier (e.g. no social events, no transport service etc.) for SAIs to participate and be willing to host INTOSAI events.
- The FAC will undertake a review of the current assessment structure and the current fixed budgetary allocations, and will advise the Governing Board of this review.
- Remind and encourage INTOSAI members to honour the existing rule of notifying the General Secretariat of external funding as established in the INTOSAI Handbook for Committees. This will ensure that INTOSAI has a complete picture of all external funding.

- Revisit the associate membership process to see if more eligible organisations and institutions can be encouraged to apply for associate membership (outreach to eligible organisations and institutions could be part of the external scanning process of next Strategic Plan).
- Prepare a high level financing plan in conjunction with the new Strategic Plan to illustrate the funding modalities required to meet the Plan's objectives and priorities.
- Review the potential for initiating a certification process for auditors.

The FAC members had used all possibilities for exchange as well as electronic media to finalise these proposals. In addition, all members had received the results via the usual INTOSAI channels and had also commented on them.

5.1 Task Force INTOSAI Financial Foresight, TFFF (ITEM 7a)

The head of the SAI of Norway and Chairman of the TFFF, Jørgen Kosmo, thanked all members of the Task Force for their work and their willingness for in-depth discussions. He stated that INTOSAI was a very special organisation regarding its financing and membership dues and that the available budget covered only a small part of the means needed. A large part was financed by the Donor Cooperation and voluntary contributions. Because of the intensified collaboration with other international organisations, such as the United Nations, it was necessary to advance INTOSAI's development. Accordingly, Jørgen Kosmo called on the financially stronger SAIs to give voluntarily above their currently assessed contributions to INTOSAI.

5.2 Task Force Strategic Planning (ITEM 7b)

As Chairman of the re-established Task Force Strategic Planning, the head of the SAI of the United States, Gene Dodaro, reported on the first steps and the further working plan on the development of the Strategic Plan 2017-2022.

Based on the experiences gained under the chairmanship of the last two Task Forces on Strategic Planning and the TFFF's considerations on the upcoming Strategic Plan of INTOSAI, the SAI of the United States tried to implement an open and inclusive approach to the planning process. The objective was to reflect the diversity of INTOSAI in the upcoming Strategic Plan as the organisation's great strength. At the same time, it was of great importance to remain flexible as an organisation in order to react effectively to new situations and strategic challenges.

Gene Dodaro announced a major internal and external scanning of the perception of the

changing role of INTOSAI among all members and key stakeholders. After the analysis of this survey, a draft Strategic Plan was to be developed and distributed for commenting in early 2015.

At the end of his speech, he once again emphasised the essential importance of mutual exchange of experiences for the benefit of all and called on the attendants to participate actively and attentively in the strategic planning process.

The Governing Board

- **took note** of the report by the Chairman of the Finance and Administration Committee (FAC) and the reports of the Chairmen of the Task Force INTOSAI Financial Foresight (TFFF) and the Task Force Strategic Planning with approval;
- **approved** the proposals submitted by the FAC.

6 Report on the activities of the INTOSAI-Donor Cooperation (ITEM 8)

In his capacity as Co-Chair of the INTOSAI-Donor Cooperation Steering Committee, Osama Faqeeh presented the results of the working programme of 2013. In October 2013, for instance, already 25 of 55 projects submitted in the framework of the Global Call for Proposals 2011 had been taken forward or funded. A further Call for Proposals had been issued at the 6th Meeting of the INTOSAI-Donor Cooperation in the framework of INCOSAI XXI. Mr Faqeeh also informed that already 283 projects had been registered in the *SAI Capacity Development Database*.

He also reported that a pilot version of the *Performance Measurement Framework* (SAI PMF) had been presented to INCOSAI XXI by the INTOSAI Working Group on Value and Benefits of SAIs. The final version of the PMF would be submitted for endorsement to INCOSAI XXII in 2016 after comprehensive tests and taking into consideration all deliberations.

Furthermore, the Co-Chair of the Steering Committee of the INTOSAI-Donor Cooperation mentioned the report made on SAIs involved in auditing extractive industries, which highlighted the important role of SAIs in this area as well as the need for capacity building.

6.1 INTOSAI-Donor Cooperation Secretariat

Einar Gørrissen, the head of the INTOSAI-Donor Cooperation Secretariat, encouraged the member SAIs to follow the Call for Proposals with regard to capacity building, which would be issued every two years.

The **Governing Board took note** of the activity report of the INTOSAI-Donor Cooperation with approval.

7 INTOSAI Director of Strategic Planning and Goal Liaisons (ITEM 9)

The Secretary General of INTOSAI explained to the Governing Board that the General Secretariat had carried out a search of candidates for this position among all INTOSAI members on 1 February 2013 pursuant to Article 3 of the Guidance on the duties and responsibilities of the Director of Strategic Planning (DStP). Altogether, fourteen SAIs had responded to this request and two persons had been nominated. The SAI of Pakistan had put up a candidate of its own and the then current Director of Strategic Planning (Monika González-Koss) had received seven nominations. The rest of the SAIs had refrained from nominating a candidate.

Furthermore, the Secretary General informed the Governing Board that the goal liaisons would be elected for a term of three years by the 65th Governing Board meeting immediately after INCOSAI XXI upon proposal of the respective Goal Committees 1-3 and from among the Governing Board members.

The position of Goal Liaison 4, who would also be elected at the 65th Governing Board meeting, was linked to the role as Chair of the Finance and Administration Committee and would be automatically carried out by the Second Vice-Chair of the Governing Board.

The **Governing Board took note** of the report on the position of the DStP with approval.

8 Report of the United Nations (ITEM 10)

In his presentation, Wu Hongbo, United Nations Under-Secretary-General, highlighted the joint projects of the United Nations and INTOSAI as well as the cooperation between the organisations, which would constantly intensify.

In addition to the jointly held 22nd UN/INTOSAI Symposium in Vienna in March 2013, he drew attention to the *High Level Panel Discussion* on sustainable development in New

York and the joint publications with INTOSAI that had already been mentioned by Mr Moser under ITEM 4.3.

Under-Secretary-General Wu Hongbo concluded his presentation by giving an outlook on the future of both organisations, whose cooperation served the common good. Not only the Millennium Development Goals would define ways of funding sustainable development, but also a transformative Post-2015 Development Agenda, which would take forward the common goal of fighting poverty. For this, the work of SAIs would be of substantive importance.

The **Governing Board took note** of the report of the United Nations.

9 INTOSAI communication (ITEM 11)

With regard to the communication priority themes of the General Secretariat since the 63rd Governing Board meeting, the Secretary General reported, among others, on the following activities:

- Preparation of the anniversary publication on the occasion of the 60th anniversary of INTOSAI and re-edition of the booklet on the Lima and Mexico Declarations including the resolution of the United Nations;
- Follow-up measures on the UN Resolution;
- Preparation and organisation of the 22nd UN/INTOSAI Symposium in Vienna and cooperation with the UN in the run-up to the publication of the Compendium on Innovative Practices of Citizen Engagement for Public Accountability through Supreme Audit Institutions;
- Joint preparation of a compilation of a collection of papers on accountability by the German Society for International Cooperation (GIZ);
- Completion of the ISSAI Executive Summaries in all working languages.

The Secretary General proposed the following priority theme for 2014: “Implementation of the Beijing Declaration, with particular regard to the UN General Assembly Resolution A/66/209 on strengthening SAI independence and the ISSAI framework on safeguarding the sustainable development of public finances”.

In conclusion, the Secretary General thanked the Regional Working Groups for the exemplary implementation of the priority themes of 2013 and submitted to the Governing Board the following motions for approval:

The Governing Board

- **took note** of the report of the Secretary General on INTOSAI communication;
- **approved** the priority theme for 2014: *Implementation of the Beijing Declaration, with particular regard to the UN General Assembly Resolution A/66/209 on strengthening SAI independence and the ISSAI framework on safeguarding the sustainable development of public finances.*

9.1 AFROSAI communication (ITEM 11a)

Alfred Enoh from the SAI of Cameroon and representative of the AFROSAI General Secretariat mentioned as priority goal of the AFROSAI communication activities the strengthening of cooperation between members as well as the regional integration in Africa. He reported on the establishment of an institutional and technical committee convened to coordinate and harmonise capacity building measures within the language groups of AFROSAI and to facilitate the cross-lingual exchange of knowledge and experiences in the region.

The communication activities of AFROSAI aimed at strengthening communication within AFROSAI through efficient communication structures and promoting contacts with the other Regional Working Groups of INTOSAI and external stakeholders. The AFROSAI General Secretariats of the different language groups had taken four central communication activities. These activities focused, among others, on harmonising the level of knowledge with regard to ISSAIs. Furthermore, emphasis was placed on capacity building, training concerning the implementation of ISSAIs and performance audits as well as the development of audit tools for quality assurance and of guidelines on certain auditing areas.

9.2 ARABOSAI communication (ITEM 11b)

The Secretary General of ARABOSAI and head of the SAI of Tunisia, Zgoulli Abdelkader, presented the focal points of ARABOSAI in 2013.

Apart from organising training activities on capacity building, special attention was paid to examining the feasibility of ISSAIs in the Arab region as well as on scientific research for

the benefit of auditing. He highlighted the regular meetings of the Governing Board as well as further meetings of ARABOSAI members to promote communication within ARABOSAI and with the working groups of INTOSAI.

9.3 ASOSAI communication (ITEM 11c)

The Secretary General of ASOSAI and head of the SAI of Korea, Yong Rak Sung, reported that seminars and workshops had been organised on the priority theme of fighting corruption and money laundering to strengthen the audit capacities of ASOSAI member SAIs. Furthermore, he informed that a research project had been launched on this topic, which would run until 2015. At the same time, ASOSAI had also promoted bilateral and trilateral cooperation.

As to the communication between ASOSAI and INTOSAI, Yong Rak Sung mentioned the participation of Asian SAIs in various working and project groups of INTOSAI as well as the cooperation with IDI. He also highlighted the inter-regional cooperation with EUROSAI, mentioning the 2nd ASOSAI-EUROSAI Joint Conference to be held in Russia in September 2014.

9.4 CAROSAI communication (ITEM 11d)

The head of the SAI of the Bahamas, Terrance Bastian, briefly reported on the CAROSAI communication activities, representing the Chair of CAROSAI and head of the SAI of Trinidad and Tobago.

In his report, he mentioned the 25th anniversary of CAROSAI, which was celebrated in March 2013 on the occasion of the IX CAROSAI Congress in Trinidad and Tobago. Furthermore, he emphasised the importance of capacity building in the CAROSAI region and highlighted the efforts made by CAROSAI to implement the UN Resolution A/66/209 on the independence of SAIs.

Terrance Bastian thanked the World Bank, which had supported CAROSAI with institutional funds, and IDI for the varied support in the field of capacity building.

9.5 EUROSAI communication (ITEM 11e)

The Secretary General of EUROSAI and head of the SAI of Spain, Ramón Álvarez de Miranda García, mentioned that special attention was being paid to constantly updating and developing the communication instruments and channels of EUROSAI in order to reach and to inform all EUROSAI members in the five official languages of the organisation, as well as to promote the exchange of knowledge and experiences.

Furthermore, the EUROSAI website, the publication of the EUROSAI magazine and a newsletter issued three times a year contributed to increasing the visibility of EUROSAI and showcasing its activities.

A further goal was to promote communication with INTOSAI, with special regard to IDI. EUROSAI also organised joint conferences with other Regional Working Groups of INTOSAI, namely OLACEFS, ARABOSAI and ASOSAI. The organisation also envisaged a regular cooperation with AFROSAI. Moreover, EUROSAI had launched various initiatives to implement the ISSAIs and INTOSAI GOVs. It was also preparing a translation of the ISSAIs and INTOSAI GOVs into Russian. As to the new EUROSAI website, special sections had been established on the ISSAIs and on the independence of SAIs.

In conclusion, the Secretary General of EUROSAI underscored the fundamental value of internal and external communication to strengthen cooperation both in the Regional Working Groups and in the Working Groups.

9.6 OLACEFS communication (ITEM 11f)

The head of the SAI of Chile and Secretary General of OLACEFS, Ramiro Mendoza Zuñiga, reported on the institutional modernisation process of OLACEFS, which, among others, concerned the following areas: broadening the opportunities for capacity building (internships, coordinated audits, seminars, peer reviews); increased application of information technology (websites, intranet, video conferences, e-learning); development of a professional audit certification and systematic exchange of knowledge.

At its 22nd General Assembly, OLACEFS had decided to introduce English as the third official language in addition to Spanish and Portuguese. Thanks to the support of the Inter-American Development Bank, the OLACEFS website had also been translated into English. Furthermore, the website ceased to make a distinction between internal and external visitors, which made all information on the OLACEFS freely available.

Concluding, the Secretary General made reference to the second professional seminar of OLACEFS, at which all citizens could receive information on the work of OLACEFS member SAIs and on cooperating international institutions.

9.7 PASAI communication (ITEM 11g)

Lyn Provost, head of the SAI of New Zealand und Secretary General of PASAI, referred in her report to the new Strategic Plan of PASAI, which primarily aimed at increasing the

effectiveness of audit results. Effectiveness did not only depend on the contents but also on their adequate dissemination to the various target groups.

As to the promotion of internal communication, the General Secretariat presented monthly reports to the PASAI Governing Board on topical activities. At the same time, the Secretariat sent quarterly bulletins containing information on topical and planned projects to all members and partner organisations and used the website of the organisation for the exchange of information. PASAI also made use of *Twinning* in order to share good practices and knowledge with less developed countries.

With regard to the promotion of external communication, which is one of the strategic priorities for 2014-2019, PASAI offered further education and training for Auditors General that concerned the approach to media, public institutions and citizens. Furthermore, PASAI promoted the establishment of strong partnerships with external stakeholders and citizen engagement. Regarding external communication, the organisation always focused on ensuring as much transparency and accountability as possible.

The Chair of the Governing Board thanked for the communication reports of the Regional Working Groups and underlined that social media in particular played an increasingly important role in communication. According to him, it was impressive to learn how the Regional Working Groups made use of the different media according to their capacities and external conditions.

The **Governing Board took note** of the reports of the seven Regional Working Groups of INTOSAI.

10 Nomination of new members to be elected by INCOSAI XXI (ITEM 12 and ITEM 17)

Secretary General, Mr Moser, elaborated that INCOSAI had to designate the new Governing Board members. In cooperation with the Regional Working Groups, the following nominations were to be presented for the six-year period of 2013-2019:

AFROSAI: SAI of Egypt and SAI of Gabon

ASOSAI: SAI of Japan and SAI of Pakistan for re-election

EUROSAI: SAI of Poland and SAI of the Russian Federation for re-election

Furthermore, the following SAIs responsible for the INTOSAI Development Initiative (IDI) and the International Journal of Government Auditing (IJGA) were presented:

IDI: SAI of Norway for re-election

IJGA: SAI of the United States of America for re-election

The Secretary General pointed to the fact that the SAIs of the United Arab Emirates as host of INCOSAI XXII in 2016 would be designated as member of the Governing Board for the period of 2013-2025.

The remaining members of the Governing Board consisted of the SAI of Austria, the Bahamas, China, Ecuador, Mexico, New Zealand, Saudi Arabia, South Africa and Venezuela.

In conclusion, the Secretary General expressed his appreciation for the commendable work of the outgoing SAIs of Côte d'Ivoire, Hungary, India, Libya and the United Kingdom.

The **Governing Board approved** the nominations for the Governing Board to be presented to INCOSAI XXI.

11 INTOSAI Awards (ITEM 13)

11.1 Jörg Kandutsch Award

In his introductory speech, Josef Moser, Secretary General of INTOSAI, presented the background of this award and announced that nine SAIs had received nominations. A jury had evaluated the nominations, taking into account their number, the achievements of the nominated SAIs within its region and for the INTOSAI community as a whole, as well as the laureates of the previous years and their regional affiliation.

The Chair of INTOSAI, Terence Nombembe, took the floor and informed the Governing Board that the Jörg Kandutsch Award 2013 for major accomplishments and contributions was to be conferred to the SAI of Austria.

11.2 Elmer B. Staats Award

The head of the SAI of the United States of America, Gene Dodaro, announced to the Governing Board that INCOSAI XXI would confer the Elmer B Staats Award 2013 to Yining Zhou of the *School of Commerce and Management of the Southern Cross*

University in Australia and to Gangying Zhou (retired auditor) of the audit office of the city of Huazhou in the Chinese province of Guangdong. Their joint article *Establishing Judgements about Materiality in Government Audits: Experiences about Chinese Local Government Auditors* (issued in the July 2011 print edition) had been elected as the best article of the International Journal of Government Auditing of the past three years.

The Governing Board

- **took note** of the reports on the Jörg Kandutsch Award and the Elmer B. Staats Award;
- **approved** the conferment of the Jörg Kandutsch Award 2013 to the SAI of Austria and the conferment of the Elmer B. Staats Award to Yining Zhou and Gangying Zhou;

12 INTOSAI Cooperation with Development Aid Organisations (TOP 14)

Einar Gørrissen of the SAI of Norway reported on behalf of the Chair of the Capacity Building Committee (CBC) and IDI on the cooperation between INTOSAI and development organisations, which had been intensified in the past years, and highlighted in this regard the Development Assistance Committee (DAC) of the OECD.

OECD-DAC had, among others, offered support in the different development stages of the *Performance Measurement Framework* (PMF) and was preparing a survey on citizen engagement and SAIs. With this survey, the OECD-DAC addressed in particular the SAIs of low to middle-income countries.

Furthermore, Einar Gørrissen mentioned the intense participation of IDI in the revision of the indicator PI-26 *Public Expenditure and Financial Accountability (PEFA) Framework*, which was devised to elaborate the performance of public financial administration systems. The most significant change encompassed the enlargement of the indicator by a unit of measurement to evaluate the independence of SAIs.

At the same time, IDI had also engaged in cooperation with the International Budget Partnership (IBP), the United Nations Development Programme (UNDP), the World Bank Institute (WBI), the U4 Anti-Corruption Think Thank and civil society organisations.

The Governing Board took note of the report on INTOSAI cooperation with development organisations.

13 INTOSAI tools (TOP 15)

13.1 INTOSAI Online Collaboration Tool

Jagbans Singh, Director General of International Relations of the SAI of India, reported on the *Online Collaboration Tool*, which is an important instrument to facilitate internal communication between INTOSAI members, and referred to the operating instructions available in all five INTOSAI languages on the log-in page of the Collaboration Tool. As many as 747 users from 149 countries had made use of the tool, and more than 80 workspaces had been established by the different INTOSAI bodies. A special internet connection (4 MBPS) had been set up to ensure permanent access to the INTOSAI Collaboration Tool. Considerations were also made on developing a new Collaboration Tool based on an expanded databank management system (RDBMS).

13.2 INTOSAI Online Glossary

Juan Manuel Portal Martínez, head of the SAI of Mexico, reported on the interactive INTOSAI glossary of government auditing, which is available online in all INTOSAI languages and shall also serve as a supporting tool for translation and interpreting in INTOSAI matters. Furthermore, not only INTOSAI members could make use of the glossary but also the public at large, namely international organisations, translators, interpreters as well as academic institutions. The operation of this electronic tool was further facilitated as username and password requirements were not required any more. Various bodies were working jointly on constantly updating and further developing the glossary.

The **Governing Board took note** of the reports on the *INTOSAI Online Collaboration Tool* and the *INTOSAI Online Glossary*.

All of the following reports and working programmes of the different Committees, Subcommittees, Working Groups, Projects and Task Forces of INTOSAI, which were submitted to the 64th Governing Board meeting in writing ,have been published by the General Secretariat on the INTOSAI website

(<http://www.intosai.org/events/group01/64th-governing-board-meeting-reports/draft-agenda-reports.html>). **This circular contains the most important comments and possible decisions by the Governing Board on these reports.**

14 Report of the Professional Standards Committee (PSC) / Goal 1 (ITEM 18)

Ms Bettina Jakobsen, the Chair of Goal Committee 1, introduced her presentation by underlining that INTOSAI had established itself as an internationally recognised standard setter and that SAIs worldwide made use of ISSAIs as accepted standards. She mentioned three main tasks on which the PSC had focussed in the period 2011-2013, namely the harmonisation of the existing ISSAIs, awareness raising with regard to ISSAIs and INTOSAI GOVs and the further development of new ISSAIs and INTOSAI GOVs.

Ms Jakobsen also referred to the future task of the PSC, i.e. the PSC mandate for the period 2014-2016, and perceived the revision and development of ISSAIs and INTOSAI GOVs as well as the implementation of ISSAIs in cooperation with IDI as central. Furthermore, the PSC would concentrate on the revision of guidelines for financial audits, performance audits and compliance audits in the forthcoming three years. Ms Jakobsen defined the evaluation and improvement of the standard setting process, which could also imply changes in the *Due Process*, as the core tasks of the PSC.

Afterwards, the chairs of the different projects groups and PSC subcommittees reported on their activities (ITEM 18a to ITEM 18g):

- ISSAI Harmonisation Project (SAI of Denmark)
This project group was dissolved by the PSC Steering Committee after ISSAIs 100, 200, 300 and 400 had been harmonised in 2013.
- Financial Audit Subcommittee – FAS (SAI of Sweden)
After having chaired the subcommittee for nine years, the SAI of Sweden withdrew from chairmanship, which was taken over by the SAI of the United Arab Emirates.
- Performance Audit Subcommittee – PAS (SAI of Brazil)
- Internal Control Subcommittee – ICS (SAI of Poland)
- Compliance Audit Subcommittee – CAS (PSC Chair on behalf of the SAI of Norway)
- Project on Audit Quality Control (PSC Chair on behalf of the SAI of Norway)
Central result of the project groups was the preparation of ISSAI 40 on quality control in SAIs, which was endorsed by INCOSAI XX in South Africa in 2010. The project group was dissolved by the PSC Steering Committee in 2013.
- Accounting and Reporting Subcommittee (PSC Chair on behalf of the SAI of Canada)

The Governing Board

- **took note** of the activity reports of the PSC and the progress reports of the PSC Subcommittee;
- **approved** the PSC mandate 2014-2016;
- **took note** of the transfer of chairmanship of the Financial Audit Subcommittee (FAS) from the SAI of Sweden to the SAI of the United Arab Emirates.

15 Report of the Capacity Building Committee (CBC) / Goal 2 (ITEM 19)

The Goal Chair and head of the SAI of Morocco, Driss Jettou, thanked the chairs of the CBC subcommittees and all 42 committee members for their dedicated work. He mentioned that the CBC had prepared a number of guidelines with translations in all five INTOSAI languages. Supported by the donor community, the CBC had also organised regional workshops. Mr Jettou then gave the floor to the following rapporteurs (ITEM 19a to ITEM 19e):

- Subcommittee 1: Promote Increased Capacity Building Activities among INTOSAI members and Regional Working Groups (SAI of the United Kingdom)
Mr Martin Sinclair, representative of the SAI of the United Kingdom and Chair of Subcommittee 1, proposed the dissolution of the subcommittee and the remittance of its tasks to the Capacity Building Committee (CBC).
- Subcommittee 2: Develop Advisory and Consultant Services (SAI of Peru)
- Subcommittee 3: Promote Best Practices and Quality Assurance through Voluntary Peer Reviews (SAI of Slovakia)
- INTOSAI Development Initiative – IDI (SAI of Norway)
The IDI mandate has not been changed since 1986. The revised mandate as well as the Strategic Plan 2014-2018 take into account the changed role of IDI, which was mainly focused on institutional capacity building of SAIs.
- INTOSAI Platform for Cooperation with the United Nations (SAI of Korea)

Concluding, Driss Jettou announced that the SAI of Morocco withdrew from chairmanship of the Capacity Building Committee. After comprehensive deliberations concerning its successor it was proposed that the SAI of South Africa and the SAI of Sweden assume the positions as chair and vice-chair respectively.

The Governing Board

- **took note** of the reports by the CBC and its subcommittees as well as of the INTOSAI Platform for Cooperation with the United Nations and the IDI;
- **approved** the transfer of chairmanship of the Capacity Building Committee (CBC) from the SAI of Morocco to the SAI of South Africa as of INCOSAI XXI;
- **endorsed** the creation of the position of a vice-chair of the Capacity Building Committee (CBC) as well as the filling of this position by the SAI of Sweden as vice-chair;
- **took note** of the dissolution of Subcommittee 1: Promote Increased Capacity Building Activities among INTOSAI Members and the remittance of its tasks to the CBC;
- **endorsed** the IDI Strategic Plan 2014-2016;
- **approved of** the revised IDI mandate;
- **took note** of the CBC guidelines.

16 Report of the Knowledge Sharing Committee (KSC) / Goal 3 (ITEM 20)

The Goal Chair and head of the SAI of India, Shashi Kant Sharma, reported on the last meeting of the KSC Steering Committee and on the official INTOSAI documents drafted by the different working groups of goal 3 – among them six ISSAIs, one INTOSAI GOV and a guideline – which would be presented to INCOSAI XXI for adoption.

He also reported on the creation of the new Working Group on Audit of Extractive Industries and the new Task Force on Procurement Contract Audit under the umbrella of the Knowledge Sharing Committee. Shashi Kant Sharma referred to the new work plan 2014-2016 of the KSC and to the committee website (www.intosaiksc.org), which would also register the results and documents of already dissolved working groups.

The following reports of the Knowledge Sharing Committee were then presented to the Governing Board (ITEM 20a to ITEM 20l):

- Working Group on Public Debt – WGPLD (SAI of Mexico)

- Working Group on IT Audit – WGITA (SAI of India)
The Working Group had prepared a manual on IT audit in cooperation with IDI. At the same time, it had also developed guidelines on the methodology of key performance indicators for the audit of IT programmes.
- Working Group on Environmental Auditing – WGEA (SAI of Estonia)
The WG on Environmental Auditing and the United Nations Environmental Programme (UNEP) had signed a MoU in Nairobi on 9 September 2013. The SAI of Indonesia had become the new chair of this WG as of INCOSAI XXI.
- Working Group on Programme Evaluation (SAI of France)
- Working Group on the Fight against Corruption and Money Laundering – WGFACML (SAI of Egypt)
- Working Group on Accountability for and Audit of Disaster-related Aid – AADA (European Court of Auditors)
This WG would be dissolved after the completion of ISSAIs 5500, 5510, 5520, 5530, 5540 as well as of INTOSAI GOV 9250.
- Working Group on Key National Indicators – KNI (SAI of the Russian Federation)
- Working Group on Value and Benefits of SAIs – WGVBS (SAI of South Africa)
This WG had completed ISSAI 12 as well as an official INTOSAI guideline on communicating and promoting the value and benefits of SAIs. This Working Group chaired by the SAI of Mexico would be merged with the Task Force on SAIs' Information Database.
- Working Group on Financial Modernization and Regulatory Reform (SAI of the United States of America)
- Task Force on SAIs' Information Database (SAI of Mexico)
The TF would be dissolved and its agenda would be integrated into the WG on Value and Benefits of SAIs.
- International Journal of Government Auditing (SAI of the United States of America)
- Task Force on Procurement Contract Audit (SAI of the Russian Federation)

The Governing Board

- **took note of** the report of the INTOSAI Knowledge Sharing Committee (KSC) as well as of the reports of all Working Groups, Task Forces and the International Journal of Government Auditing;
- **took note of** the manual developed jointly by the IDI and the Working Group on IT Audit as well as of the guidelines prepared by the Working Group;
- **took note of** the *Memorandum of Understanding* (MoU) between the INTOSAI Working Group on Environmental Auditing and the UNEP;
- **approved** the creation of the INTOSAI Working Group on Audit of Extractive Industries (chair: SAI of Uganda) and the Task Force on Procurement Contract Audit (chair: SAI of the Russian Federation);
- **decided** the dissolution of the INTOSAI Working Group Accountability for and Audit of Disaster-related Aid;
- **adopted** the inclusion of the INTOSAI Task Force on SAIs' Information Database in the INTOSAI Working Group on Value and Benefits of SAIs chaired by the SAI of Mexico;
- **endorsed** the continuation of the Working Group on Value and Benefits of SAIs in its current composition under the new chair of the SAI of Mexico.

17 Adoption of official INTOSAI documents, ISSAIs and INTOSAI GOVs (ITEM 16)

The **Governing Board endorsed** the following ISSAIs, INTOSAI GOVs as well as an official document for presentation to INCOSAI XXI:

- ISSAI 12: The Value and Benefits of Supreme Audit Institutions – Making a Difference to the Lives of Citizens
- ISSAI 100: Fundamental Principles of Public Sector Auditing
- ISSAI 200: Fundamental Principles of Financial Auditing
- ISSAI 300: Fundamental Principles of Performance Auditing
- ISSAI 400: Fundamental Principles of Compliance Auditing

- ISSAI 5500: Introduction to the 5500 Series of ISSAIs and INTOSAI GOV 9250
- ISSAI 5510: Audit of Disaster-Preparedness
- ISSAI 5520: Audit of Disaster-related Aid
- ISSAI 5530: Adapting Audit Procedures to Take Account of the Increased Risk of Fraud and Corruption in the Emergency Phase Following a Disaster
- ISSAI 5540: Use of Geospatial Information in Auditing Disaster Management and Disaster-related Aid
- INTOSAI GOV 9250: Integrated Financial Accountability Framework (IFAF)
- Official document: Communicating and Promoting the Value and Benefits of Supreme Audit Institutions – An INTOSAI Guideline

18 Other business (ITEM 21)

Josef Moser, Secretary General of INTOSAI, once again took the floor and extended cordial thanks to Terence Nombembe for his excellent chairmanship of INTOSAI. He also acknowledged the valuable work of Terence Nombembe as chair of the Working Group on Value and Benefits of SAIs, the great support with regard to the UN Resolution on SAI independence as well as the unique communication activities taken in almost all INTOSAI regions by the head of the SAI of South Africa and INTOSAI chair 2010-1013.

19 Closing of the 64th INTOSAI Governing Board meeting (ITEM 22)

In his concluding remarks, the Chair thanked all members of the Governing Board, the interpreters as well as all colleagues for the excellent cooperation in the past three years and declared the meeting closed.

B. ANNEX

1 Agenda of the 64th INTOSAI Governing Board meeting

Monday, 21 October 2013

AI	Item of the Agenda	Responsible Rapporteur	Comment
1	Welcome	First Vice-Chairman of the Board and host of the meeting / CHINA	
2	Opening	Chairman of the Board / SOUTH AFRICA	<ul style="list-style-type: none"> • Adoption of the agenda
3	Report by the Chairman	Chairman of the Board / SOUTH AFRICA	
3a	Report by the Standing Supervisory Committee on Emerging Issues	Chairman of the Board / SOUTH AFRICA	
4	Report by the First Vice-Chairman	First Vice-Chairman of the Board / CHINA	<ul style="list-style-type: none"> • Preparation for the XXI INCOSAI 2013 • Beijing Declaration • Revision of Rules of Procedure
5	Report by the Second Vice-Chairman	Second Vice-Chairman of the Board / SAUDI ARABIA	
6	Report by the Secretary General	Secretary General / AUSTRIA	<ul style="list-style-type: none"> • Report by the Secretary General • Report on the 2011 financial statements 2011 and adoption of the 2010 -2012 financial statements for submission to Congress • Report and adoption of the draft budget for 2014 – 2016 triennium for submission to Congress • Membership in INTOSAI • Financial and budgetary matters • Report and adoption of a proposal for the election of two auditors for submission to Congress • Follow-up report UN Resolution • Confirmation of the nomination of the SAI of the United Arab Emirates as host of the XXII INCOSAI in the year 2016 for submission to Congress • Activity report of the Director of Strategic Planning
7	Report by the Finance and Administration Committee / Goal 4	Chairman of the Finance and Administration Committee / SAUDI ARABIA	<ul style="list-style-type: none"> • Report on the activities of the Finance and Administration Committee
7a	Report by the F&A Task Force INTOSAI Financial	Chairman of the Finance and Administration Committee /	

AI	Item of the Agenda	Responsible Rapporteur	Comment
	Foresight	SAUDI ARABIA and Chairman of the F&A Task Force INTOSAI Financial Foresight / NORWAY	
7b	Report by the Task Force on Strategic Planning	Chairman of the Task Force on Strategic Planning / UNITED STATES OF AMERICA	
8	Report on the activities within the INTOSAI Donor Cooperation	Chairman of the Steering Committee of the INTOSAI Donor Cooperation / SAUDI ARABIA and INTOSAI Donor Secretariat / NORWAY	
9	Position of the Director of Strategic Planning and the goal liaisons	Secretary General / AUSTRIA	
10	United Nations	UN representative	
11	INTOSAI Communication	Secretary General / AUSTRIA	
11a	AFROSAI Communication	Secretary General AFROSAI / CAMEROON	
11b	ARABOSAI Communication	Secretary General ARABOSAI / TUNISIA	
11c	ASOSAI Communication	Secretary General ASOSAI / KOREA	
11d	CAROSAI Communication	Secretary General CAROSAI / ST . LUCIA	
11e	EUROSAI Communication	Secretary General EUROSAI / SPAIN	
11f	OLACEFS Communication	Secretary General OLACEFS / CHILE	
11g	PASAI Communication	Secretary General PASAI / NEW ZEALAND	
12	Nomination of new Governing Board members	Chairman of the Board / SOUTH AFRICA	<ul style="list-style-type: none"> • Report concerning the nomination of the Governing Board members to be elected by the XXI INCOSAI
13	INTOSAI Awards	Secretary General / AUSTRIA/ International Journal of Government Auditing / UNITED STATES OF AMERICA	<ul style="list-style-type: none"> • Jörg Kandutsch Award • Elmer B. Staats Award
14	INTOSAI Cooperation with Development Organisations	Chairman of the Capacity Building Committee / MOROCCO and INTOSAI Donor Secretariat / NORWAY	<ul style="list-style-type: none"> • Cooperation with OECD-DAC
15	INTOSAI Tools	INDIA / MEXICO	<ul style="list-style-type: none"> • Report on On-line Collaboration Tool • Report on On-line Glossary
16	Official INTOSAI documents ISSAIs	Chairman of the Board / SOUTH AFRICA	<ul style="list-style-type: none"> • Adoption of official INTOSAI documents ISSAIs for submission to Congress
17	Farewell to outgoing Board members	Chairman of the Board / SOUTH AFRICA	
18	Report on the Professional	Chairman of the Professional	<ul style="list-style-type: none"> • Report on the Professional Standards

AI	Item of the Agenda	Responsible Rapporteur	Comment
	Standards Committee / Goal 1	Standards Committee / Goal 1 / DENMARK	Committee which could include the reports on <ul style="list-style-type: none"> - Audit Quality Control, - Harmonization Project, - Financial Audit, - Performance Audit, - Compliance Audit, - Internal Control, - Accounting and Reporting Standards
18a	Audit Quality Control	NEW ZEALAND	
18b	Harmonization Project	DENMARK	
18c	Financial Audit	SWEDEN	
18d	Performance Audit	BRAZIL	
18e	Compliance Audit	NORWAY	
18f	Internal Control	POLAND	
18g	Accounting and Reporting Standards	CANADA	
19	Report on the Capacity Building Committee / Goal 2	Chairman of the Capacity Building Committee / Goal 2 / MOROCCO	<ul style="list-style-type: none"> • Report on the Capacity Building Committee which could include the reports on <ul style="list-style-type: none"> - Promote increased capacity building activities, - Develop advisory and consultant services, - Promote best practices and quality assurance through voluntary peer reviews, - IDI, - INTOSAI Platform for Cooperation with UN
19a	Promote increased capacity building activities	UNITED KINGDOM	
19b	Develop advisory and consultant services	PERU	
19c	Promote best practices and quality assurance through voluntary peer reviews	SLOVAKIA	
19d	INTOSAI Development Initiative (IDI)	IDI / NORWAY	
19e	INTOSAI Platform for Cooperation with UN	KOREA	
20	Report on the Knowledge Sharing Committee / Goal 3	Chairman of the Knowledge Sharing Committee / Goal 3 / INDIA	<ul style="list-style-type: none"> • The Report on Knowledge Sharing Committee could include the reports on <ul style="list-style-type: none"> - Public Debt, - Information Technology Audit, - Environmental Auditing, - Programme Evaluation, - Fight Against Corruption and

AI	Item of the Agenda	Responsible Rapporteur	Comment
			<p>Money Laundering,</p> <ul style="list-style-type: none"> – Accountability for and Audit of Disaster-related Aid, – Key National Indicators, – Value and Benefits of SAIs, – Financial Modernization on Regulatory Reform – SAI's Information Database, <p>– International Journal of Government Auditing</p>
20a	Public Debt	MEXICO	
20b	Information Technology Audit	INDIA	
20c	Environmental Auditing	ESTONIA	
20d	Programme Evaluation	FRANCE	
20e	Fight Against Corruption and Money Laundering	EGYPT	
20f	Accountability for and Audit of Disaster-related Aid	EUROPEAN COURT OF AUDITORS	
20g	Key National Indicators	RUSSIAN FEDERATION	
20h	Value and Benefits of SAIs	SOUTH AFRICA	
20i	Financial Modernization on Regulatory Reform	UNITED STATES OF AMERICA	
20j	SAI's Information Database	MEXICO	
20k	International Journal of Government Auditing	International Journal of Government Auditing / UNITED STATES OF AMERICA	
20l	New Task Force New Working Group	Chairman of the Knowledge Sharing Committee / Goal 3 / INDIA	<ul style="list-style-type: none"> • TF on Procurement Contract Audit • WG Audit Extractive Industries
21	Other business	Chairman of the Board / SOUTH AFRICA	
22	Closing address	Chairman of the Board / SOUTH AFRICA	

**C. MINUTES OF THE
65TH MEETING OF THE GOVERNING BOARD OF INTOSAI,
26 OCTOBER 2013,
BEIJING, CHINA**

The 65th Governing Board meeting of INTOSAI was held in Beijing, China, on 26 October 2013.

III THE HIGHLIGHTS AT A GLANCE

- Decision on rendering the INTOSAI Financial Rules more flexible. Accordingly, voluntary financial contributions that explicitly refer to Art 9 para 1 lit of the INTOSAI Statutes are not subject to the allocation and distribution pursuant to Rule II.2 of the INTOSAI Financial Rules.
- The SAI of Saudi Arabia was elected again as Second Vice-Chair of the Governing Board, also taking on the chairmanship of the Finance and Administration Committee (FAC).
- Based on the decision of INCOSAI XXI, the INTOSAI Governing Board is composed of the following 18 member SAIs: China (Chair), United Arab Emirates (First Vice-Chair), Saudi Arabia (Second Vice-Chair), Austria (Secretary General), Bahamas, Ecuador, Egypt, Gabon, Japan, Mexico, New Zealand, Norway, Pakistan, Poland, Russian Federation, South Africa, Venezuela, United States of America.
- The SAIs of China, Saudi Arabia, the United States of America, Norway, Ecuador and South Africa were designated as members of the Finance and Administration Committee (FAC). Consequently, the FAC is composed of the following member SAIs: Saudi Arabia (Chair), United States of America (Vice-Chair), China, Ecuador, Norway, Austria (INTOSAI Secretary General, ex-officio) and South Africa (previous Chair of the Governing Board, ex-officio).
- The following member SAIs were elected as goal liaisons: the SAI of Japan for Goal 1, the SAI of the United States of America for Goal 2 and the SAI of the Russian Federation for Goal 3.
- Monika González-Koss was re-elected as Director of Strategic Planning (DStP) until INCOSAI XXII in 2016.

1 The following members of the INTOSAI Governing Board participated in the 65th Governing Board meeting:

- China (Chair)
- United Arab Emirates (First Vice-Chair)
- Saudi-Arabia (Second Vice-Chair)
- Austria (Secretary General)
- Bahamas
- Ecuador
- Egypt
- Gabon
- Japan
- Mexico
- New Zealand
- Norway
- Pakistan
- Poland
- Russian Federation
- South Africa
- Venezuela
- United States of America

IV REPORT ON THE 65TH MEETING OF THE INTOSAI GOVERNING BOARD

1 Opening of the 65th Governing Board Meeting and report of the Chair of INTOSAI

Before the 65th meeting of the INTOSAI Governing Board was declared open by the SAI of China and new Chair of INTOSAI, Liu Jiayi, he cordially welcomed the new and existing members of the Governing Board and called upon all participants to continue the good cooperation and mutual support.

The Governing Board took note of the agenda.

1.1 Report of the Chair of the Governing Board

Mr Liu Jiayi reflected on the 60th anniversary of INTOSAI and pointed to the challenges that the organisation would face in the next years as well as to its growing commitments. He highlighted the importance of cooperation with stakeholders and the donor community in order to further promote capacity building and strengthen SAIs worldwide. The

INTOSAI community was a family for all SAIs and therefore had to act as frontrunner in government auditing and as a model organisation.

The **Governing Board took note** of the report by the Chairman with approval.

2 Report of the First Vice-Chairman of the Governing Board

The First Vice-Chairman of INTOSAI and head of the SAI of the United Arab Emirates, Harib Saeed Al Amimi, thanked all members of INTOSAI and announced that the preparations for the next INCOSAI in 2016 were in full swing. He informed that he would present a comprehensive progress report on the organisation of the XXII Congress to the Governing Board at the forthcoming Governing Board meeting in 2014.

The **Governing Board took note** of the report of the First Vice-Chairman with approval.

3 Report of the Secretary General of INTOSAI

INTOSAI Secretary General, Mr Moser, announced that the following decisions had to be taken after the Governing Board had approved the nine proposals by the Finance and Administration Committee (FAC) at its 64th meeting:

- Take the necessary steps to permit external funding to be used for specific projects and not require such funding being applied according to the fixed percentages for the distribution of membership fees currently required by the INTOSAI Financial Rules.
- Call upon member SAIs to provide more in-kind contributions to INTOSAI activities, as in-kind contributions are the main source of INTOSAI resources. Furthermore, encourage SAIs to give voluntarily above their currently assessed contributions defined in the INTOSAI Financial Rules.

Consequently, the Secretary General suggested, in consensus with the FAC, an amendment of the INTOSAI Financial Rules with regard to the insertion of a new Chapter II.A:

Chapter II.A: Grants and donations according to Article 9, para 1 lit b of the INTOSAI Statutes

Introduction: In addition to the existing provisions of Chapter II with regard to membership contributions from full and associate members, Article 9, para 1 lit b of the INTOSAI Statutes provides for the possibility of “grants and donations received from individuals or private or public institutions, for the purpose of INTOSAI generally, or for a purpose designated by the grantor or donor” (see footnote¹).

Rule II.A.1: Without prejudice to chapter II, grants and donations received from individuals or private or public institutions for the purpose of INTOSAI generally or for a purpose designated by the grantor or donor that explicitly refer to Article 9, para 1 lit b of the INTOSAI Statutes are not subject to the allocation and distribution pursuant to Chapter II.2 of the INTOSAI Financial Rules (see footnote¹).

Rule II.A.2: The General Secretariat of INTOSAI shall transfer all received funds with explicit reference to Article 9, para 1 lit b of the INTOSAI Statutes in full to a euro bank account established for this purpose

The General Secretariat of INTOSAI shall keep two separate accounting entities for

- a) grants and donations received from individuals or private or public institutions for the purpose of INTOSAI generally as well as for*
- b) grants and donations designated by the grantor or donor.*

Rule II.A.3: The General Secretariat of INTOSAI shall acknowledge the receipt of funds by letter.

Rule II.A.4: The use of funds that are designated for the purpose of INTOSAI generally as laid down in Article 9, para 1 lit b of the INTOSAI Statutes shall be determined by the Governing Board according to Article 5, para 1 lit a of the INTOSAI Statutes or by the grantor or donor.

¹The term individuals includes private individuals; private organizations include private non-profit organizations and civil society organizations; and public organizations include individual member supreme audit institutions, public sector funded entities such as the United Nations, the World Bank and the International Monetary Fund.

In order to highlight the importance of increased in-kind contributions for the future development of INTOSAI it was decided to send a letter signed by the Chairs of the Governing Board and the FAC as well as by the Secretary General of INTOSAI to all INTOSAI members.

The head of the SAI of the United States of America, Gene Dodaro, highly welcomed the changes to render the INTOSAI Financial Rules more flexible. He stressed that this was a considerable and, above all, a necessary step to realise many future projects of INTOSAI. The head of the SAI of the Bahamas, Terrance Bastian, also conveyed his approval to this amendment.

The Governing Board

- **took note** of the report by the Secretary General with approval;
- **adopted** the motion to amend the Financial Rules by inserting a new Chapter IIA: *Grants and donations according to Article 9, para 1 lit b of the INTOSAI Statutes*;
- **took note** of the proposal to send a letter to all INTOSAI member SAIs with regard to voluntary in-kind contributions;

4 Election of the Second Vice-Chair of the Governing Board

The Chair of INTOSAI informed the participants that, according to the Statutes of INTOSAI and the Handbook for Governing Board Meetings of INTOSAI, the Second Vice-Chair of the Governing Board would be elected from among the members of the Governing Board for a period of three years, being eligible for re-election. This function also included the position of the chair of the Finance and Administration Committee (FAC).

The **Governing Board decided** unequivocally to re-elect the head of the SAI of Saudi Arabia as Second Vice-Chair of the Governing Board.

5 Election of the members of the Finance and Administration Committee

Liu Jiayi informed the Governing Board that, in addition to the already elected FAC Chair and the General Secretariat of INTOSAI as permanent ex-officio member, four further

members of the FAC had to be elected. He suggested to confirm the members with voting rights in their function. As a further ex-officio member, the outgoing chair of the Governing Board at the previous Congress, namely the SAI of South Africa, had to succeed the SAI of Mexico as the new ex-officio member.

The **Governing Board** unequivocally **elected** the United States, Norway, China and Ecuador as members with voting rights and the SAI of South Africa as ex-officio member of the Finance and Administration Committee (FAC).

6 Election of the Director of Strategic Planning

The Secretary General of INTOSAI, Josef Moser, informed the Governing Board that the FAC had decided the re-appointment of Monika González-Koss as Director of Strategic Planning at its 10th meeting and that he completely agreed with this decision.

The Secretary General presented to the Governing Board the following motions, which were approved:

The **Governing Board**

- formally **endorsed** Monika González-Koss as Director of Strategic Planning until INCOSAI XXII in 2016;
- **accepted** the proposal to continue the financing of travel costs in accordance with the decision taken by the Governing Board at its 62nd meeting until INCOSAI XXII in 2016.

7 Election of the Goal Liaisons (Goals 1-3)

The Chair of the Governing Board informed that the SAIs of Libya , the United States of America and the Russian Federation acted as goal liaisons for the Goals 1, 2 and 3 respectively. With INCOSAI XXI, the SAI of Libya ended its membership in the Governing Board. According to Article 7.3.3 of the Handbook for Governing Board Meetings of INTOSAI, the goal liaisons would be elected from among the members of the Governing Board immediately after INCOSAI upon proposal of the respective Goal Committees (Goals 1-3) for a period until the end of INCOSAI XXII in 2016.

The **Governing Board elected** the following SAIs as goal liaisons: SAI of Japan for Goal 1, SAI of the United States of America for Goal 2 and the SAI of the Russian Federation as Goal 3.

8 Other business

The representative of the SAI of Gabon, a new member of the Governing Board, took the floor and cordially thanked for the opportunity to represent the French-speaking region in the Governing Board. He assured to make his best possible contribution for the benefit of INTOSAI and also pointed out that he perceived good communication within the Governing Board as the necessary prerequisite for this. Concluding, he thanked the Chair for the excellent organisation of this congress, which would be a model for events within his Regional Working Group of AFROSAI.

9 Closing of the meeting

In his concluding remarks, Liu Jiayi also thanked all members of the Governing Board and asked the participants to harness the positive energy and act as a unit and not as 18 individuals.

The Chair declared the 65th meeting of the Governing Board of INTOSAI closed.

D. ANNEX

1 Agenda of the 65th INTOSAI Governing Board meeting

Saturday, 26 October 2013

AI	Item of the Agenda	Responsible Rapporteur	Comment
1	Opening address	Chairman of the Board / CHINA	
2	Report by the Chairman	Chairman of the Board / CHINA	• Welcome to the new Board members
3	Report by the First Vice-Chairman	First Vice-Chairman of the Board / host of INCOSAI XXII in the year 2016 / UNITED ARAB EMIRATES	
4	Report by the Secretary General	Secretary General / AUSTRIA	
5	Election of the second vice-chairman pursuant to article 5, para 3 of the Statutes	Chairman of the Board / CHINA	
6	Election of the members of the Finance and Administration Committee pursuant to article 7.3.3 of the Handbook for Governing Board Meetings of INTOSAI	Chairman of the Board / CHINA	
7	Election of the Director of Strategic Planning pursuant to article 3.4 of the Guidance for Duties and Responsibilities of the Director of Strategic Planning	Chairman of the Board / CHINA	
8	Election of the Goal Liaisons of goal 1 – 3 pursuant to article 7.3.3 of the Handbook for Governing Board Meetings of INTOSAI	Chairman of the Board / CHINA	
9	Other business	Chairman of the Board / CHINA	
10	Closing address	Chairman of the Board / CHINA	

2 INTOSAI Organisation Chart

SC = Subcommittee
 WG = Working Group
 TF = Task Force

Organisational Chart
 October 2013

