

INTOSAI



INTERNATIONAL ORGANIZATION OF SUPREME AUDIT INSTITUTIONS
ORGANISATION INTERNATIONALE DES INSTITUTIONS SUPERIEURES DE
CONTROLE DES FINANCES PUBLIQUES
INTERNATIONALE ORGANISATION DER OBERSTEN
RECHNUNGSKONTROLLBEHÖRDEN
ORGANIZACIÓN INTERNACIONAL DE ENTIDADES FISCALIZADORAS
SUPERIORES

المنظمة الدولية للأجهزة العليا للرقابة المالية العامة والمحاسبة



CIRCULAR 79

English

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DR. HARIB AL-AMIMI

Chairman

January 2018



Dear Colleagues,

It gives me great pleasure to hand over to you the minutes of the 70th Governing Board meeting held in in November 2017 in Graz, Austria.

The 70th Governing Board meeting provided an important opportunity to follow-up on the INTOSAI Strategic Plan, and also gave the direction of travel over the course of the coming year.

You will find that the layout of the minutes has changed this year. We have included action points that summarize the main items we will take forward towards our next meeting.

Therefore this volume has changed so that the first part includes the “Key Action Points” that can be drawn from the meeting. For each action point we have identified the responsible parties and set a deadline for when we expect things to happen. The minutes have also changed so that they are more detailed reflection of the proceedings at the meeting.

I hope this new format makes sense and that it will help us to ensure that we get the most value out of the Governing Board meetings in the future.

I am looking forward to working with all of you in 2018 and to continue our work for INTOSAI.

Kind regards

Harib Al Amimi

DR. MARGIT KRAKER

The Secretary General

January 2018



Dear Colleagues

The period since the 69th Governing Board meeting of INTOSAI was vitally shaped by the decisions taken by the audit community in the framework of INCOSAI XXII in December 2016. The adoption of the new INTOSAI Strategic Plan 2017-2022, now comprising five cross-cutting priorities, which provide the foundation for putting INTOSAI's strategic goals into practice and address, among others, SAI independence, standard setting and the audit of the implementation of the Sustainable Development Goals, illustrate the international community's expectations towards INTOSAI to be an active player on the global stage.

In order to ensure and facilitate INTOSAI's progress in implementing its new Strategic Plan and in meeting its objective to be a voice for Supreme Audit Institutions around the world, the organization has resolved to strengthen cooperation among its bodies. In putting this resolution into practice, INTOSAI's goal chairs joined forces and developed a common dashboard for reporting on the activities and progress of the goal committees.

A commitment for enhanced cooperation has also been made by the Regional Organizations of INTOSAI, which, in the framework of the Regional Forum for Capacity Development, agreed on the creation of the INTOSAI Regions Cooperation Platform to provide for a single point of coordination of regional capacity-building efforts. This will enable INTOSAI to work in a more streamlined manner and to establish clear lines of communication.

Vivid discussions had also been held within the breakaway sessions, which had taken place for the third time in a row and provided all Governing Board members with the opportunity to voice their opinions on the topical matters of SDG audits and INTOSAI's standard setting mechanism. The vibrant exchange of viewpoints proved that the organization continues to be a lively and open-minded community, which encourages the optimization of its working methods and which continuously strives to harness its diversity and create, in line with its motto, mutual benefits for all – be it INTOSAI's member SAIs, its external stakeholders or the public at large.

The present 79th Circular gives an overview of the 70th Governing Board meeting of INTOSAI, which was held in Graz, Austria, from 6 to 7 November 2017. The detailed reports submitted to the Governing Board are available on the INTOSAI website at www.intosai.org¹.

With best regards

Margit Kraker

¹[http:// www.intosai.org/events.html](http://www.intosai.org/events.html) – "Governing Board Meetings"
username: members, password: intmemb1953

A.
MINUTES OF THE
70TH MEETING OF THE GOVERNING BOARD OF INTOSAI,
6 AND 7 NOVEMBER 2017,
GRAZ, AUSTRIA

The 70th meeting of the Governing Board of INTOSAI was held in Graz, Austria, from 6 to 7 November 2017 and was attended by 33 SAIs.

The follow-up on INTOSAI’s Strategic Plan 2017–2022 adopted in 2016 in Abu Dhabi, United Arab Emirates (UAE), the contribution of SAIs to the implementation of the United Nations Sustainable Development Goals (SDGs) and the development of INTOSAI’s standard setting process were some of the core themes discussed at this meeting.

I KEY ACTION POINTS

Key Action Points after the 70th Governing Board meeting to be taken in 2018:

Agenda Item Reference	Brief Description	Action Required	Responsibility	Timeframe
3	Late submission of documentation for the meeting despite the instructions	All submissions/motions to be strictly presented 3 weeks prior to the meeting will NOT be considered by the GB in future (established in Handbook for Governing Board meetings)	GS and all GB members	Invitation letter to GB meeting 2018
4	XXIII INCOSAI Themes should be linked more closely with the strategic planning outcomes, for example, Theme 2 should consider work conducted on the SDGs	More detail provided on the sub-themes and their relationship to current INTOSAI strategic considerations	Congress Theme Chairs (China and Russia), GS	January 2018

Agenda Item Reference	Brief Description	Action Required	Responsibility	Timeframe
5	SDG website from the Secretary General and the KSC/IDI portal sources of potential storage and review of SDG work.	Require streamlining and coherence in collection of material and reports relating to the SDGs	INTOSAI Chair, Secretary General and Chair of the KSC	September 2018
5	Handbooks for Congress, GB and Committees	Update of Handbooks through GB members and other relevant SAI representatives	INTOSAI Chair to request volunteers from the GB members and others participating in the 70th GB	March 2018 (form the groups) September 2018 (first drafts)
5	INTOSAI Surplus	A surplus has built up over many years. This is now to be considered	GS to prepare formal and content-wise criteria to be considered by 71st GB meeting	2018
5	Inclusion of interactive module within the website to facilitate dialogue between meetings	To create space on the INTOSAI website and promote the dialogue between the GB members	Secretary General also to consider KSC / IDI portal	2018
6	Information regarding SAI with jurisdictional mandate to be considered.	To reconfirm with PSC re: prioritization of project	PSC	September 2018
6	Formal communication of final approved SDP	PSC and GC to confirm finalized SDP	Communication of SDPs to INTOSAI membership (to be determined)	Spring 2018
10	SCEI concerns from the regions	Chair of SCEI to respond to the Regions concerns of inclusion within the committee	Chair of INTOSAI	March 2018
10	INTOSAI performance and accountability report	The SP plan 2017 – 2022 foresees a performance and accountability report	PFAC in co-operation with GS	August/September 2018

Agenda Item Reference	Brief Description	Action Required	Responsibility	Timeframe
13g	Identification of Small Island Developing States Group	Secretary General to consider the proposal and submit a paper for the GB	GS	2018
14	IDI Global survey and implication for SAI Independence	Further research and conclusion of the report from IDI then GB to research implications and mechanisms to approach for example the UN	GS in cooperation with other INTOSAI stakeholders	Spring 2018
14	Commentary for regions to be coordinated prior to reporting to the GB	Regional Secretariats and GS to coordinate reports for comparability purposes prior to GB meetings	GS	June 2018
SDGs break-away	Awareness brochure to be created, advocacy of cooperative audits on SDGs, and linkage to Theme 2 for INCOSAI XXIII. Look to explore relations with the UN e.g. side event at High Level Political Forum (HLPF) in 2018 and in HLPF itself 2019.	Key role players to continue with their work and utilize the communication channels between KSC and GS	INTOSAI Chair to coordinate with relevant role players	June 2018
Standard Setting	Discussion to be finalized through written responses	PSC to provide a summary report to the GB	PSC to communicate with other GB members.	Spring 2018

II THE HIGHLIGHTS AT A GLANCE

- Adoption of the following main themes for INCOSAI XXIII in Moscow to be held in the fourth week of September 2019:

Theme I: “Information technologies for the development of the public administration” under the chairmanship of the SAI of China, and

Theme II: “The role of the Supreme Audit Institutions in the achievement of the national priorities and goals” under the chairmanship of the SAI of the Russian Federation;

- Admittance of the SAI of Guam as Affiliate Member;
- Transition of the INTOSAI membership from the Inspection Générale to the Cour de Comptes of Togo;
- Approval of the SAI of Brazil as candidate of the INTOSAI Governing Board for hosting INCOSAI XXIV in 2022;
- Creation of a Task Force within the Governing Board for the Revision of three INTOSAI Handbooks (Handbooks for Committees, Governing Board Meetings and Congresses);
- Approval of the revised Strategic Development Plan for the INTOSAI Framework of Professional Pronouncements (IFPP) 2017–2019;
- Approval of the appointment of three new FIPP members from the SAIs of Bhutan, Costa Rica and Norway;
- Approval of the interpretation that new (and revised) pronouncements are able to take effect after the Governing Board has referred them to the final endorsement by INCOSAI;
- Approval of the performance reporting dashboard as basis for future performance reports from the CBC, PSC and KSC;
- Change of the name of the Working Group on Programme evaluation to Working Group on Evaluation of Public Policies and Programs;
- Creation of the INTOSAI Regions Cooperation Platform as a single point of conduct and coordination of capacity-building efforts;
- Approval of the proposal on quality assurance of INTOSAI Public Goods that are developed and published outside of the Due Process of the IFPP.

1 The following members of the INTOSAI Governing Board participated at the 70th Governing Board meeting

- United Arab Emirates (Chair)
- Russian Federation (First Vice-Chair)
- Saudi Arabia (Second Vice-Chair)
- Austria (Secretary General)
- Argentina
- Bahamas
- Brazil
- China
- Egypt
- Gabon
- India
- Japan
- Norway | IDI
- Pakistan
- Peru
- Poland
- Portugal
- Samoa
- South Africa
- United States of America | International Journal of Government Auditing

2 The following representatives of the seven INTOSAI Regional Organizations reported on their regional activities

Cameroon	AFROSAI
Chile	OLACEFS
Jamaica	CAROSAI
Korea	ASOSAI
Samoa	PASAI
Spain	EUROSAI
Tunisia	ARABOSAI

3 Representatives of the following member SAIs participated as rapporteurs of the committees, subcommittees, working groups, task forces and project groups

Brazil	PSC	<ul style="list-style-type: none"> Professional Standards Committee
China	WGBD	<ul style="list-style-type: none"> Working Group on Big Data
Egypt	WGFACML	<ul style="list-style-type: none"> Working Group on the Fight against Corruption and Money Laundering
European Court of Auditors		<ul style="list-style-type: none"> Vice-Chair Professional Standards Committee
India	CAS KSC WGITA	<ul style="list-style-type: none"> Compliance Audit Subcommittee Committee on Knowledge Sharing and Knowledge Services Working Group on IT Audit KSC-IDI Community Portal
Indonesia	WGEA	<ul style="list-style-type: none"> Working Group on Environmental Auditing
Norway	IDI PAS	<ul style="list-style-type: none"> INTOSAI Development Initiative INTOSAI-Donor Secretariat KSC-IDI Community Portal Performance Audit Subcommittee
Peru		<ul style="list-style-type: none"> Subcommittee on Cooperative Audits
Philippines	WGPD	<ul style="list-style-type: none"> Working Group on Public Debt
Poland	ICS	<ul style="list-style-type: none"> Internal Control Standards Subcommittee
Russian Federation	KNI WGPPA	<ul style="list-style-type: none"> Working Group on Key National Indicators Working Group on Public Procurement Audit
Saudi Arabia	PFAC	<ul style="list-style-type: none"> Policy, Finance and Administration Committee INTOSAI-Donor Cooperation Steering Committee
Slovakia		<ul style="list-style-type: none"> Subcommittee on Peer Reviews
South Africa	CBC TGIAC SAI PMF RFCD	<ul style="list-style-type: none"> Capacity Building Committee Task Force INTOSAI Auditor Professionalization Project Group SAI PMF Regional Forum for Capacity Development
Sweden	CBC	<ul style="list-style-type: none"> Vice-Chair of the Capacity Building Committee Project Group SAIs in Fragile Situations
Uganda	WGEI	<ul style="list-style-type: none"> Working Group on Audit of Extractive Industries

United Arab Emirates	FAAS SCEI	<ul style="list-style-type: none"> • Financial Audit and Accounting Subcommittee • Supervisory Committee on Emerging Issues
United States of America	WG FMRR IJGA	<ul style="list-style-type: none"> • Working Group on Financial Modernization and Regulatory Reform • International Journal of Government Auditing • Vice-Chair of the Policy, Finance and Administration Committee and the INTOSAI-Donor Cooperation

III REPORT ON THE 70TH MEETING OF THE INTOSAI GOVERNING BOARD

1 Welcome and Opening of the 70th meeting of the Governing Board (ITEM 1 and ITEM 2)

The Chair of INTOSAI, Mr Harib Saeed Al Amimi, extended a warm welcome to the participants of the 70th Governing Board meeting and gave the floor to the Secretary General of INTOSAI, Ms Margit Kraker.

Ms Kraker cordially welcomed the members of the Governing Board in the historic premises of the Old University of Graz and expressed her hope that the meeting would yield fruitful debates and discussions for the benefit of SAIs and in the interest of citizens. In this regard, she gave special mention to the strategic and professional orientation of INTOSAI, the progress in implementing the INTOSAI Strategic Plan 2017–2022 and the contribution of SAIs regarding the UN Sustainable Development Goals (SDGs).

Mr Al Amimi thanked the Secretary General for the excellent organization and venue and also expressed his appreciation for the motivating environment in which the meeting was taking place. He then proceeded with going through the different sections of the agenda and subsequently asked the Governing Board members to vote on the agenda.

The **Governing Board adopted** the agenda.

2 Report of the Chair of INTOSAI (ITEM 3)

In his report, Mr Al Amimi highlighted that the experiences he had made as the Chairman of INTOSAI had both been interesting and educational, but also shaped by challenges. With regard to the latter, he expressed his hopes that the Governing Board meeting would provide guidance and strategic leadership. He emphasized that the challenges faced by INTOSAI needed to be fully recognized as they were fundamental to the functioning of INTOSAI. In order to do so, the Governing Board would have to identify the key players and to find the necessary resources to assume responsibility.

Mr Al Amimi outlined that his report covered the work carried out in 2017 as a result of INCOSAI XXII, which had been framed by the 68th and the 69th Governing Board meetings. He explained that the discussions led in this period showed that a limited number of SAIs assumed a disproportionate amount of responsibility within the organization. He mentioned more specifically that the inclusion of the goal chairs in the Policy, Finance and Administration Committee (PFAC) had led to numerous tasks stretching their capacity, which was also reflected in the time needed to put into place the accountability reporting and the calendar of events that was to allow for timely reporting to the Governing Board meeting. Such a timely reporting was to ensure that views from the Governing Board could be obtained prior to the in-person discussions. In this regard, Mr Al Amimi expressed his disappointment over the late submission of the reports to the Governing Board, which prevented the Governing Board members from having enough time to provide for meaningful

comments. He stressed that all reports should be sent well in advance to empower the Governing Board with the necessary information to carry out their responsibilities in an effective manner. Late reporting would make the Governing Board less productive. Consequently, it was his objective to address this situation by not allowing documents to be submitted late in the future.

Mr Al Amimi also emphasized the fundamental progress made by the goal chairs, the General Secretariat, IDI and the Chair. However, the volume of work needed to be disseminated among other Governing Board members as well. This was especially important against the backdrop that the core duty of the Governing Board was to manage the affairs of INTOSAI by providing strategic leadership, stewardship and continuity between the congresses. In order to fulfil this role, the Governing Board needed to be more proactive and in touch with what was happening on the ground. In this regard, the INTOSAI Chair highlighted the importance of not only approving but also challenging the initiatives brought forward by the members. He recalled such crucial documents as the updated INTOSAI Statutes and the INTOSAI Strategic Plan 2017–2022, which had been included in the congress documentation before their approval by the Governing Board.

The INTOSAI Chair also underlined the fact that the previous Governing Board meetings had introduced mechanisms that opened up room for more debates in the form of breakaway sessions. He also explained that the agenda had been streamlined to focus more on the implementation of the Strategic Plan. The overall goal of his chairmanship was to take INTOSAI forward, to give INTOSAI a united global voice and to live up to the recognition given by and the expectations from the global community. In this sense, it had to be ensured that the Governing Board meetings were meaningful and provided the necessary guidance and assistance for the INTOSAI community.

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

3 Report of the First Vice-Chair of INTOSAI (ITEM 4)

Ms Tatyana A. Golikova, the Chairwoman of the Accounts Chamber of the Russian Federation and First Vice-Chair of INTOSAI, gave an in-depth presentation on the preparations and the decision-making proceedings regarding INCOSAI XXIII in 2019.

Ms Golikova explained that the theme proposals for the Congress, which took special account of current and future tendencies in public governance, had been sent to the INTOSAI General Secretariat, which had forwarded them to all member SAIs in June 2017. The idea behind the theme suggestions was to facilitate the improvement of professional documentation systems, to build the capacities of national SAIs and to increase their role in the public administration system.

The First Vice-Chair outlined that 48 SAIs had responded to the theme proposals by sending comments and suggestions, which had been taken into account by the Accounts Chamber. As the overwhelming majority of the SAIs had supported the theme proposals, Ms Golikova presented the final wording of the **Congress themes** as follows:

Theme I: “Information technologies for the development of the public administration”

Theme II: “The role of Supreme Audit Institutions in the achievement of national priorities and goals”

As regards Theme I, Ms Golikova highlighted the importance of information technologies for the effective performance of public administration. Consequently, it was vital to have an exchange of information and experience regarding the use of such technologies within SAIs.

As to Theme II, Ms Golikova explained that the expectations of the global community towards SAIs with regard to the implementation of the SDGs called for an increased strategic role of SAIs. This also included a proactive approach of SAIs, which should not only be focused on identifying material misstatements but also include audits on governments’ strategic development tools.

Furthermore, the First Vice-Chair laid down the procedure that had been undertaken for selecting the theme chairs, explaining that the INTOSAI General Secretariat had conducted a survey on the SAIs’ wishes for participating in the development of the theme papers. Based on considerations regarding a balanced representation of membership in the Regional Organizations and the organizational structure of the volunteering SAIs, the Accounts Chamber of the Russian Federation proposed the following SAIs as **theme chairs**:

Theme I: SAI of China

Theme II: “SAI of the Russian Federation

Ms Golikova proceeded with her report by providing information on the development, adoption and implementation of the organizational concept and the action plan on the Congress preparation for 2017–2019. She also informed about the Steering Committee established at the Accounts Chamber, which was headed by the Deputy Chief of Staff and which coordinated the work of the functional in-house task forces assigned with responsibilities related to coordination, organization, financial support, information management and external communications.

The First Vice-Chair also informed the Governing Board members that the congress would be held in the Central Exhibition Hall “Manezh” in the centre of Moscow in the third week of September 2019. The signature style of the Congress had also been developed and approved, with a logo featuring various geometrical mechanisms representing the institutions of different continents connected to each other via streaming lines as a symbol of cooperation and coordination. The Congress website would be developed and put into operation by end-2017.

Ms Golikova ended her presentation by expressing her optimistic outlook towards the upcoming congress and asked the Governing Board to vote on the presented motions.

Mr Al Amimi thanked the First Vice-Chair for the detailed report and confirmed that the SAI community would stand by her and support her. He then opened the floor for questions and comments.

The head of the SAI of Portugal, Mr Vítor Manuel da Silva Caldeira, asked for clarification regarding the motion on the themes, since the theme proposal had initially been circulated with the corresponding subthemes, which had not yet been discussed.

Mr Al Amimi commented that according to the information provided to the Governing Board it was intended to discuss the working mechanisms on the subthemes later on.

The head of the SAI of South Africa, Mr Kimi Makwetu, brought to attention the fact that the forthcoming congress would coincide with the implementation of the Strategic Plan. He voiced the concern that with numerous themes pursued, INTOSAI could run the risk of failing to get the maximum value out of the Strategic Plan if the congress themes and INTOSAI's objectives outlined in the plan lacked consistency.

Mr Al Amimi thanked Mr Makwetu for the relevant point and asked the Secretary General to give her opinion on that matter.

Ms Kraker stated that a survey had been conducted on the congress themes, which had resulted in the presentation of the final theme proposals by the SAI of the Russian Federation. She also emphasized that INTOSAI would deal with the implementation of the Strategic Plan in order to find a connection between the various issues.

The head of the SAI of Pakistan, Mr Javaid Jehangir, pointed out that the relevance of SAIs in times of changing socioeconomic dynamics and the increasing importance of social media presented the biggest challenge for INTOSAI. In supporting the concerns of Mr Makewtu, he explained that this challenge required new approaches, which should be linked to the subthemes of the Congress.

Mr Gene Dodaro, the head of the SAI of the United States, suggested to have the working groups on the subthemes focus on the issues outlined in the Strategic Plan, such as capacity development, standards, guidance and tools.

Mr Jorge Bermúdez Soto, the head of the SAI of Chile, proposed to rethink the procedure regarding the selection of the congress themes and to re-examine the fact that the themes for the upcoming congress are approved two years beforehand, which gives rise to the risk that the themes fail to be topical and relevant. He therefore suggested to have a more timely discussion on the themes about one year before the congress to re-evaluate their relevance to the organization.

Mr Makwetu added that the criterion of relevance could be included in the newly revised Handbook for Congresses for future hosts in order to ensure that the congress themes undergo an extra examination with regard to their relevance against the Strategic Plan. He

also highlighted that he was pleased with the theme proposals put forward by the SAI of the Russian Federation.

Ms Kraker underlined that a survey on the themes had been conducted in the run-up to the Governing Board meeting and that both themes continued to be relevant. She specified that Theme I, with digitalization at its core, had been part of the 24th UN/INTOSAI Symposium. Theme II was also congruent with INTOSAI's general aims with regard to the implementation of the SDGs. She thanked Mr Dodaro for suggesting to link the subthemes with the objectives outlined in the Strategic Plan and expressed her appreciation for the work done by the SAI of the Russian Federation.

Mr Jehangir commented that INTOSAI had to be more strategically aligned as the basic principles governing the work of the organization and the individual SAIs revolved around strengthening accountability and governance and ensuring transparency. He added that whatever themes would be selected, they all should be contributing at a strategic level to the principles pursued by the SAIs in their respective systems.

Mr Al Amimi declared that it was accepted that the theme subchairs would do their best to link the congress subthemes to the Strategic Plan and asked the Governing Board to vote on the motions presented by the Russian Federation.

The **Governing Board**

- **took note** of the report of the First Vice-Chairwoman;
- **adopted** the following Congress themes:

Theme I: “Information technologies for the development of the public administration”

Theme II: “The role of the Supreme Audit Institutions in the achievement of the national priorities and goals”;

- **appointed** the SAI of China as chair of Theme I and the SAI of the Russian Federation as chair of Theme II with the recommendation that the theme subgroups link the subthemes to the Strategic Plan 2017–2022.

4 Report of the Secretary General of INTOSAI (ITEM 5)

In her report, Ms Kraker outlined the activities of the General Secretariat performed since the previous Governing Board meeting and highlighted the priority areas. She recalled the adoption of the Abu Dhabi Declaration at INCOSAI XXII, which had prompted the General Secretariat to take all necessary follow-up measures, and informed the Governing Board that Mr Al Amimi and she had agreed on steps to strengthen the Governing Board and its work. During an in-person meeting in Vienna in April 2017, they had discussed ways and means to implement and translate those steps into practice.

She then recalled the 24th UN/INTOSAI Symposium, which had taken place in summer 2017 and had revolved around digitalization, open data and data mining and their implications for SAIs' audit work. With regard to the cooperation with the UN, Ms Kraker underlined that the activities of SAIs in reviewing and monitoring the implementation of the SDGs presented an opportunity to strengthen the ties between INTOSAI and the United Nations (UN) by identifying key objectives and ensuring the provision of high-quality information related to the SDGs. The symposia would offer a platform to ensure ongoing reporting on the activities of SAIs in this regard.

Ms Kraker also explained that the key objectives with regard to reviewing and monitoring the implementation of the SDGs had been discussed and presented in the framework of the 16th session of the UN Committee of Experts on Public Administration (CEPA), which had taken place in New York in April 2017. The key objectives presented by the General Secretariat had fed into the ECOSOC Resolution of July 2017. The General Secretariat had also participated at the "Supreme Audit Institution Leadership and Stakeholder Meeting" in New York in July 2017, where it had presented the approach to reviewing the preparedness of governments regarding the implementation of the SDGs. As this topic was of great importance, the General Secretariat had introduced a new section on its website where reports on the SDGs conducted by SAIs could be made available.

Furthermore, the Secretary General informed the Governing Board on the fourth Global Audit Leadership Forum (GALF), which had been organized by the SAI of Denmark in Copenhagen in May 2017 and which had focused on the strategic work in SAIs and the evaluation of the audit work.

Ms Kraker then proceeded with outlining the activities of the General Secretariat geared towards cooperation with the various Regional Organizations of INTOSAI and mentioned the participation of the General Secretariat in the EUROSAI Congress in Turkey in May 2017, where it had held a workshop on performance audits, and its written report to the PASAI Congress in Tuvalu in August 2017. The General Secretariat had also held presentations at the General Assemblies of OLACEFS and AFROSAI in Paraguay and Namibia respectively, in October 2017. Directly prior to the Governing Board meeting, the Regional Forum for Capacity Development had held its meeting in Graz, which had also been attended by the General Secretariat.

The Secretary General also informed the Governing Board on the transition of INTOSAI membership from the Inspection Générale to the Cour des Comptes of Togo. Moreover, the SAI of Guam had applied to be admitted as affiliate member, which had been the first application for this membership category. The General Secretariat had reviewed the application and found that all required criteria had been met. With the admission of Guam as an affiliate member, INTOSAI would have 194 full members, five associate members and one affiliate member.

After expressing her gratitude to the SAI of the Russian Federation for its willingness to welcome the INTOSAI community in Moscow for the XXII Congress, Ms Kraker informed that according to the traditional system of rotation, INCOSAI XXIV would have to be held in one of OLACEFS member SAIs. In line with this tradition, the SAI of Brazil had gratifyingly

volunteered to be the host of the Congress and had therefore been nominated by OLACEFS as the next congress host.

Ms Kraker then announced that in the follow-up to the adoption of the updated INTOSAI Statutes at INCOSAI XXII, the INTOSAI Handbooks for Committees, Governing Board Meetings and Congresses had to be adjusted and updated. A task force was to be set up for this purpose, which would also include representatives from all regions. All stakeholders, such as the INTOSAI Chair and the goal chairs, would be involved in this process and the revised handbooks would be presented at the forthcoming Governing Board meeting in Moscow.

As regards the financial statements for 2016, the Secretary General explained that since the Strategic Plan 2017–2022 had been in force for only less than one year, the need had arisen to postpone the summarizing evaluation report on the Strategic Plan, which had been envisaged for agenda item 10 of this Governing Board meeting, to the first half of 2018. This would also have implications for the INTOSAI financial statements, which would be prepared as a strategic activity and accountability report and which would be submitted to the Governing Board in 2018 in a complemented version.

Ms Kraker then highlighted the key provisional findings regarding INTOSAI's finances, which revealed that revenue had amounted to EUR 325,980, exceeding the budgeted amount by EUR 5,523. Expenditure had accounted for EUR 197,498, being lower than the budgeted amount by EUR 92,925. This had resulted in a surplus of EUR 128,482 for the financial year 2016.

With regard to the financial year of 2017, INTOSAI's revenue (as of 25 October 2017) had accounted for EUR 315,971, as against a budgeted revenue of EUR 331,583 for 2017 as a whole. INTOSAI had therefore reached some 95% of the budgeted revenue by the cut-off date. INTOSAI's expenditure (as of 25 October 2017) had accounted for EUR 282,436, as against a budgeted expenditure of EUR 398,981 for 2017 as a whole. INTOSAI had therefore incurred some 71% of the budgeted expenditure by the cut-off date. Based on the assumption that the revenue for the financial year 2017 reaches EUR 330,000 and the expenditure remains below EUR 377,000, the result was projected to improve by at least EUR 20,000 compared to the budgeted result. Ms Kraker also informed the Governing Board that the General Secretariat had not received any voluntary contributions in 2017.

Owing to annual surpluses, considerable INTOSAI equity/funds (reserves) of slightly more than a million EUR had been accumulated. At the 14th meeting of the Policy, Finance and Administration Committee (PFAC), which had been held in Washington D.C., United States of America, on 22 September 2017, the members had discussed the use of INTOSAI reserves. The PFAC had then resolved to make an amount of EUR 300,000 to EUR 400,000 available for INTOSAI projects for the benefit of all member SAIs. In the wake of this decision, the three goal chairs had come up with proposals in late October 2017, which were being evaluated by the PFAC and would then be submitted to the Governing Board for approval.

The Secretary General concluded her report by announcing that the General Secretariat planned to relaunch the INTOSAI website to adapt it to the requirements of modern and dynamic communication. The Secretary General then presented the motions to the Governing Board.

Mr Al Amimi thanked Ms Kraker for her report and opened the floor for discussion.

Mr Subramanian Sangaran Krishnan, the representative of the SAI of India, enquired about the period of time it would take the PFAC to make a decision regarding the allocation of surplus funds, as the goal chairs had submitted detailed proposals regarding various strategic initiatives, which could then be completed before INCOSAI XXIII. He voiced the concern that a delayed decision would affect the implementation of the Strategic Plan.

Mr Al Amimi responded that the evaluation of the proposals would take thorough work, but that this work would also be done in a timely manner. He then asked the Secretary General to comment on this issue.

Ms Kraker reiterated that the different goal chairs had submitted various proposals, which would be subject to the review and evaluation by the PFAC. She also informed that the further developments could not be anticipated, but also acknowledged the need for timely decision-making.

Minister Bruno Dantas, the representative of the SAI of Brazil, thanked the Secretary General and the Chair of INTOSAI for the leadership of the Governing Board. He highlighted the importance of intelligent planning and commended INTOSAI for its excellent work and shared efforts and expressed his hope for a continued successful cooperation and enhanced productivity. Mr Dantas then confirmed the SAI of Brazil's candidacy to host INCOSAI XXIV and underlined that it would do its best to be a proficient organizer and gracious host. He also gave an overlook of the Tribunal de Conta's (TCU) activities in its long history of 124 years and underlined its international commitment, recalling its role as chair of the Organization of SAIs of Portuguese Speaking Countries since 1995, chair of the organization of Mercosur SAIs from 1998 to 2012, chair of OLACEFS from 2013 to 2015 and its efforts as head of the OLACEFS Capacity Building Committee since 2016. He concluded his comment by stating that the SAI of Brazil was looking forward to continuing the enormous progress made by its predecessors, the SAIs of Mexico, South Africa, China and the incumbent chair, the UAE, and expressed his thanks to the colleagues of OLACEFS for supporting the TCU's candidacy.

On behalf of the whole INTOSAI community, Mr Al Amimi thanked the SAI of Brazil for its generous offer to host the Congress in 2022.

Mr Fuimaono Camillo Afele, the head of the SAI of Samoa, thanked the INTOSAI General Secretariat for the positive assessment of the SAI of Guam's application as affiliate member and acknowledged the support by the GAO.

Mr Caldeira also thanked the Secretary General for the work done over the past year and for the positive prospects for the future. For the benefit of having more constructive and empowering meetings, he suggested to include in the new INTOSAI website an intranet-kind of feature that would enable the Governing Board members to exchange views and opinions and to be consulted and to contribute to the community outside of the Governing Board meeting.

Mr Al Amimi thanked Mr Caldeira for the good suggestion.

The Secretary General also thanked Mr Caldeira for the input and confirmed that one purpose of the new website was allow for a more interactive and improved communications between the members and different bodies. With this in mind, the General Secretariat would review Mr Caldeira’s suggestion and then submit a proposal.

On behalf of AFROSAI, Mr Francois Bekemen Moukoko, the representative of the SAI of Cameroon, commended and thanked the Secretary General for the examination of transition of membership to the Cour des Comptes of Togo.

The Governing Board then voted on the motions presented by the Secretary General.

The **Governing Board**

- **took note** of the report of the Secretary General;
- **admitted** the SAI the SAI of Guam as affiliate member of INTOSAI in accordance with Article 2, para 5 and 6 of the INTOSAI Statutes;
- **took note** of the transition of the INTOSAI membership from the Inspection Générale to the Cour de Comptes of Togo;
- **adopted** the submitted proposal to present the SAI of Brazil to INCOSAI XXIII as candidate of the INTOSAI Governing Board for hosting INCOSAI XXIV in 2022;
- **approved** the planned relaunch of the INTOSAI website in 2018;
- **approved** the creation of a Task Force within the Governing Board for the Revision of the INTOSAI Handbooks.

All of the following reports and working programmes of the different committees, subcommittees, working groups, project groups and task forces of INTOSAI, which were submitted to the 70th Governing Board meeting in writing, have been published by the General Secretariat on the INTOSAI website (<http://www.intosai.org/events.html> – “Governing Board Meetings”)² and provided to the heads of delegation at the Governing Board meeting. This circular contains the most important comments and decisions by the Governing Board on those reports.

5 Report on the Professional Standards Committee (ITEM 6)

In his introductory remarks, Mr Dantas highlighted that the primary challenge of the PSC, which collaborated closely with the ECA in its capacity as PSC Vice-Chair, was to consolidate the implementation of the new standard-setting structures and procedures to reinforce INTOSAI’s standards and their benefit for SAIs. This included also the Strategic Development Plan (SDP). He also stressed that the development and approval of new pronouncements had been strengthened by the adoption of the revised Due Process.

² username: members, password: intmemb1953

Mr Dantas also underscored that the provisions of the new Strategic Plan of INTOSAI called for a systematic performance review. He pointed to the PSC's Progress Report and the revised PSC Terms of Reference, which reflected the new roles and responsibilities of the committees. Further PSC documents comprised the proposal for the use of INTOSAI's surplus equity funds and the discussion paper summarizing important issues related to INTOSAI's standard setting, which were to form the basis for the envisaged breakaway session within the Governing Board meeting.

Mr Rafael Lopes Torres continued the report by explaining that the Governing Board and the goal chairs had agreed on the use of reporting dashboards to ensure consistency of information and to provide the Governing Board members with an appropriate level of information.

He then proceeded with the progress achieved regarding the PSC's five strategic objectives, which were outlined in detail in the PSC Progress Report:

Strategic objective 1, namely the provision of a strong strategic framework to support INTOSAI's standard setting, included a permanent standard-setting board in the form of the Forum for INTOSAI Professional Pronouncements (FIPP), a technical support function and an independent advisory function. He elaborated further that the FIPP was a technical body created to ensure consistency and to improve the quality of individual pronouncements as well as of the whole framework itself. Its governance body was the PSC Steering Committee, with the PSC Terms of Reference setting up a series of mechanisms governing the work of the FIPP. The INTOSAI Strategic Plan also called for stepping up the cooperation with external stakeholders to give further input for INTOSAI's standard setting process. At the time being, INTOSAI was cooperating with the World Bank, the IIA and the IFAC in this regard.

Mr Torres further informed the Governing Board members that efforts regarding a technical support function had been put on hold after they had been discussed at the PSC Steering Committee meeting and were subject to further guidance by the Governing Board.

Strategic objective 2 concerned sufficiently clear, relevant and appropriate ISSAIs, which would make them the preferred solution for INTOSAI's members and render them widely recognized by all stakeholders as the authoritative framework for public-sector auditing. The key activities in this regard involved monitoring the process, developing the SDP as the planning instrument of this process and eventually the translation of the pronouncements.

Strategic objective 3 aimed at promoting ISSAIs as a source for development of auditor education and certification programmes. In this regard, PSC had assumed a supporting role, in particular within the activities led by the CBC and IDI.

Strategic objective 4 comprised the elaboration and maintenance of the INTOSAI Framework of Professional Pronouncements. With regard to the relabeling and renumbering of pronouncements, the PSC was waiting for the FIPP to provide the structure for the numbering system.

Strategic priority 5 concerned the monitoring of the implementation of standards, while feeding related problems back into the standard-setting process. In this regard, Mr Torres

thanked the IDI for its continuing support via the 3i initiative and informed that the Memorandum of Understanding with IDI had been renewed.

Ms Daniele Lamarque, the representative of the ECA and Vice-chair of the PSC, continued the report and outlined the activities undertaken by the PSC regarding INTOSAI's five Crosscutting Priorities outlined in the Strategic Plan:

With regard to Crosscutting Priority 1, the PSC has committed itself to completing the migration from the old INTOSAI framework to the revised INTOSAI framework by 2019, thereby providing and maintaining professional standards and contributing to SAI independence.

As regards Crosscutting Priority 2, the PSC is providing a technical review of the work performed by INTOSAI in relation to its approaches to reviewing the implementation of the SDGs. This concerns specifically approach 2, assessing SDG preparedness, and approach 3, undertaking performance audits.

When referring to Crosscutting Priority 3, Ms Lamarque emphasized the excellent cooperation between INTOSAI's goal chairs and committees, in particular as regards the governance of the FIPP.

As to Crosscutting Priority 4, the PSC was closely collaborating with IFAC, IAA and the World Bank, and, within INTOSAI, also with the Supervisory Committee on Emerging Issues (SCEI), while seeking to renew or revive existing MoUs and to find new partners to add value to the standard-setting consultation procedure.

With regard to Crosscutting Priority 5, the PSC was cooperating with IDI, promoting the ISSAI implementation initiative and fostering regional cooperation.

Mr Al Amimi expressed his thanks for the thorough review and opened the floor for discussion.

Mr Caldeira thanked the colleagues of the PSC and underlined the relevance of having a clear vision for future endeavours. He then asked for clarification regarding the relabeling of standards and the procedure for new pronouncements. In this regard, he stressed the need to develop guiding principles and pronouncements that also take into account SAIs with a jurisdictional mandate and to engage in an exchange with the Forum of Jurisdictional SAIs.

Mr Torres then clarified that the PSC would present some points, of which the Governing Board would need to take note or on which a decision was necessary.

Ms Lamarque drew the Governing Board's attention to the report of the FIPP on the implementation of the Strategic Development Plan, which had been adopted in July 2017 and which provided the background for the FIPP while drawing on the rules imposed by the Due Process. She also informed that 13 project proposals had been brought forward. After revision by the FIPP, three project proposals had been approved, two more had been referred back to the goal chairs for further assessment and one draft project had been formally submitted for approval.

As regards the relabeling and renumbering of existing pronouncements, the FIPP was also working to conclude the numbering structure, which would likely be completed in the forthcoming weeks. She then proceeded with presenting the pronouncements that were about to be revised.

Mr Torres then informed about the revision of the SDP and the inclusion of the following projects in the SDP:

- Public procurement audit
- SAIs with jurisdictional mandates
- Audit of key national indicators

Mr Victor Hart then informed the Governing Board that clarification was needed concerning the date of entering into effect of new pronouncements. He suggested to rely on the formulation provided in the Due Process, which offered a clear interpretation, namely that once the Governing Board considered an endorsement version and referred it to INCOSAI, it would be taken up in the IFPP. This would be in line with INTOSAI's Crosscutting Priority 4, which called for a strategic and agile INTOSAI, as the proposed interpretation allowed for a yearly cycle as opposed to a 3-year cycle. Mr Hart also informed that the PSC had reviewed the INTOSAI Statutes and had found no constraints. He also highlighted that this interpretation would not undermine the authority of the Congress to endorse the pronouncements or to decide differently, as it would still be possible for the Congress to revoke the pronouncements.

He then concluded his summary by presenting the FIPP selection procedure and the three recommended new members of the FIPP:

- Ms Aase Kristin Hemsén (SAI Norway)
- Mr Alex Monge Lemaitre (SAI of Costa Rica)
- Mr Tashi Togbay (SAI Bhutan)

After the conclusion of the presentations, Mr Al Amimi opened the floor for discussion.

Mr Per-Kristian Foss, the head of the SAI of Norway, thanked for the well-presented report by the PSC. He also confirmed his support for a well-resourced and well-equipped FIPP, which was vital for a professional standard-setting organization. He also underlined that the recruitment of the staff for the technical support function (TSF) must be based on professional qualifications, and voiced his concern that the TSF would have to rely on others to cover all functions regarding all audit types. Taking into account the scope and the complexity of the Strategic Development Plan, the mandate of the TSF, and the role of the subcommittees and working groups must be clearly defined. The TSF should have an overall responsibility for coordinating the efforts in carrying the FIPP mandate and it should provide technical support for subcommittees and working groups. Furthermore, it should be hosted by a SAI that has the capacity and professional profile to manage such a responsibility.

Mr Makwetu welcomed the report presented by the PSC and highlighted the fact that INTOSAI's standard-setting process had come a long way since the Congress in Abu Dhabi and that the PSC was faced with changed circumstances and a new leadership. He therefore asked the PSC chairs to give an account whether the resources for attaining the goals and meeting the responsibilities were sufficient. In particular, he enquired about the level of stability regarding the personnel, as the PSC currently relied on the work of people coming from 12 different SAIs.

Mr Torres thanked Mr Foss for the input and pointed to the upcoming breakaway session on the revision of the IFPP, which would provide for further clarification. As to Mr Makwetu's request, he answered that the most complex issue was the technical support function, and in particular having to define its responsibilities and its funding. In this regard, the PSC had already presented a discussion paper and would also have a discussion on that during the breakaway session. With regard to the FIPP he pointed out that it was a relatively new body and that he was convinced that despite the many changes that came with it, the FIPP was on the right way.

Mr Jehangir commended the PSC for the revision of the Strategic Development Plan. He also warned from including operational issues, such as procurement audit, into the plan as these were too topical to be included into a strategic document.

Mr Al Amimi then asked the Governing Board to vote on the motions presented by the PSC.

The **Governing Board**

- **took note** of the Progress Report from the PSC and its subcommittees;
- **took note** of the PSC Report on the Implementation of the SDP 2017–2019;
- **took note** of the progress report on the implementation of the SDP 2017–2019 submitted by the FIPP;
- **approved** the revised Strategic Development Plan for the INTOSAI Framework of Professional Pronouncements (IFPP) 2017–2019, as approved by the PSC Steering Committee;
- **took note** of the proposed calendar for the formulation of the SDP 2020–2022, as approved by the PSC Steering Committee;
- **approved** the revised PSC Terms of Reference, as approved by the PSC Steering Committee;
- **took note** of the discussion paper on INTOSAI's standard-setting processes;
- **approved** the interpretation that new (and revised) pronouncements are able to take effect after the Governing Board has referred them to the final endorsement by INCOSAI;

- **approved** the appointment of the three new FIPP members as nominated by the three goal chairs.

6 Report on the Capacity Building Committee (ITEM 7)

Mr Makwetu, in his capacity as the Chair of the Capacity Building Committee (CBC), presented the Progress Report of the CBC, which focused on the strategic objectives, key initiatives and priorities of the CBC. He also referred for further details to the Progress Dashboard, which had been submitted in writing.

At the beginning of his report, Mr Makwetu drew attention to the CBC annual meeting, which had been held in Washington in September 2017 alongside the meeting of the INTOSAI Donor-Cooperation Steering Committee. Thanks to the fact that those meetings had been joined, the participants could build on the synergies between the INTOSAI-Donor Cooperation and the CBC and save costs at the same time. Mr Makwetu then proceeded with presenting the key highlights of the CBC projects and workstreams:

In 2016, the CBC had been tasked with providing governance for the SAI Performance Measurement Framework (SAI PFM), whose operational unit was led by the IDI and which had also been endowed with an additional advisory unit. In this regard, all three outcome indicators for the SAI implementation had either been met or were likely to be achieved by the end of 2017.

The Task Force on INTOSAI Auditor Professionalization had also experienced progress, which had been reported on the CBC website.

Mr Makwetu informed in greater detail that one of the key focal areas of the CBC annual meeting had been the support provided to SAIs in fragile situations. The corresponding project group was chaired by the CBC Vice-Chair, the SAI of Sweden. The CBC Chair highlighted the fruitful participation of the donor partners and informed that the outputs from the meeting would contribute to prioritizing the key outputs of the project group.

The Regional Forum for Capacity Development, which had been established as one of the key outputs at INCOSAI XXII, had continued to promote the framework developed by the CBC for regional professionalization. Mr Makwetu underlined the highly productive strategic dialogue between the INTOSAI leadership of the Regional Organizations and the key INTOSAI bodies, which had taken place immediately before the Governing Board meeting in Graz. The meeting in Graz had aimed at exploring ways in which to address the various development needs of the regions, at clarifying expectations, eliminating duplications and discussing the ways to implement INTOSAI's strategic objectives. Eventually, the participants had agreed on a number of detailed actions, which also involved the expansion of the IDI-Regions annual workshop into an INTOSAI Regions coordinating platform as a single point of contact to streamline coordination and communication, align efforts, eliminate multiple requests for information and to promote effective consultation. The coordinating platform would be an annual engagement and include all INTOSAI organs and all its Regional Organizations.

As regards the CBC subcommittees on Cooperative Audits and Peer Reviews, Mr Makwetw informed that the use of ISSAI 500 and ISSAI 600 had been promoted via various actions regarding the exchange of experiences and lessons learned in the wake of INCOSAI XXII. Furthermore, the SAI of Slovakia in its capacity as chair of the Subcommittee on Peer Reviews would hold a global conference on peer reviews in mid-2018 to encourage and equip SAIs to carry out effective peer reviews.

The CBC Chair then announced that the INTOSAI-wide role-out of IntoSAINT would continue based on the global strategy and was aimed at reaching six INTOSAI regions over the next two years. The goal of IntoSAINT was to enable all SAIs to lead by example in managing their integrity risks and assessing the majority of integrity management systems.

Mr Makwetw also informed that the Project Group on CBC Guides and Occasional Papers had started the process of revising the key CBC guides and invited the Governing Board members to visit the CBC website for all relevant information.

Furthermore, an extensive revision of the CBC Terms of Reference had been carried out and approved at the 2017 CBC Steering Committee meeting, which would also be submitted to the Governing Board for approval. The main amendments concerned the alignment of the Terms of Reference with the Strategic Plan 2017–2022, the update of the CBC workstreams based on the CBC's more agile structure and operational method, the confirmation of the membership and mandate of the Steering Committee, and the clarification of the arrangements and reporting channels.

As regards the interaction between the goal chairs, Mr Makwetw confirmed the close and regular cooperation with the PSC and KSC Chair based on Crosscutting Priority 3. This cooperation was to ensure an efficient and integrated way of working, which also included the performance reporting dashboard, which enabled a streamlined and user-friendly reporting to the Governing Board, while ensuring consistency and an appropriate level of information.

The CBC Chair concluded his report by presenting the motions to the Governing Board.

Mr Al Amimi thanked Mr Makwetw for the informative and concise report and opened the floor for discussion.

Mr Caldeira welcomed the report of the CBC and the efforts to provide a clear view for the future. In the context of capacity development from a regional perspective he underlined the need for sharing of experiences and lessons-learned with regard to self-assessment efforts such as the SAI PMF.

The Governing Board voted on the motions presented by the CBC.

The Governing Board

- took note of the CBC's Progress Report;
- approved the CBC's revised Terms of Reference;

- took note of the SAI PMF Communication Strategy, SAI PMF Progress Report, and the report of the SAI PMF Independent Advisory Group;
- supported the performance reporting dashboard (Annexure A) that will be the basis for future performance reports from the CBC, PSC and KSC;
- supported the creation of the INTOSAI-Regions Cooperation Platform as a single point of conduct and coordination of capacity-building efforts.

7 Report on the Knowledge Sharing Committee (ITEM 8)

Mr Nand Kishore, the Deputy Auditor General of the SAI of India, presented the Progress Report submitted by the Knowledge Sharing Committee (KSC) and outlined the activities made by the KSC since the 69th Governing Board.

As regards the KSC-IDI Community Portal, the KSC planned to create a common platform to merge the KSC website, including all eleven KSC working groups, and the Community Portal in the first quarter of 2018 to provide for an auditor-centric, interactive and multilingual information-sharing opportunity.

Mr Kishore also informed the Governing Board that the KSC Steering Committee had approved the research projects “Citizen Participation in Public Audit” and “Auditing Emergency Preparedness” chaired by the SAI of Guatemala and the SAI of Indonesia respectively. The outcomes of the research projects were to be presented at INCOSAI XXIII.

As regards the proposals for new pronouncements for inclusion in the Strategic Development Plan (SDP), Mr Kishore explained that after extensive deliberations the number of forwarded proposals had been brought down to three, with all three proposals having been included in the revised SDP.

Mr Kishore also informed about the revised Terms of Reference, which had been aligned to the revised Due Process and the INTOSAI Strategic Plan 2017. Furthermore, the KSC Risk Register, which was to manage the strategic risks, had been forwarded to the SCEI.

As regards the goal chair collaboration, Mr Kishore drew attention to the absence of a quality assurance mechanism for documents produced outside the IFPP. He announced that a paper in this regard had been developed jointly by the goal chairs.

Mr Subramanian continued the report by presenting the progress on the strategic objectives and the Crosscutting Priorities as outlined in the Strategic Plan 2017–2022. As to the strategic objectives, he highlighted that three of them were related to the KSC. The first of such concerned the developing and maintaining of expertise. This concerned in particular the development of new products, namely the three proposals for new pronouncements included in the SDP, as well as 16 guidance materials and research papers, which would be produced by six working groups each by INCOSAI XXIII.

He then outlined the four project groups undertaken by the KSC's current and disbanded working groups, which were responsible for assessing a possible revision of ISSAI products: "Privatisation", "Disaster-related Aid", "IT Audit related ISSAIs" and "Public Debt related ISSAIs".

The second strategic objective concerned the KSC's core activity of enabling the exchange of knowledge and experience among INTOSAI's members. In this regard, he mentioned the revamping of the KSC-IDI Community Portal and the various activities of the KSC working groups to share knowledge through country papers, newsletters, trainings and databases. He also highlighted the interaction between the various working groups and the collaboration with various international organizations, such as the envisaged cooperation agreements between the Working Group on Key National Indicators and the OECD.

The third strategic objective revolved around the cooperation with the CBC, IDI and other INTOSAI entities and the inclusion of lessons learned from the peer reviews and the SAI PMF. In this regard, Mr Subramanian highlighted the close cooperation with IDI through the KSC-IDI Community Portal and the KSC-IDI cooperative audit on SDG preparedness. He also mentioned the various forms of cooperation between the KSC working groups and the IDI. In this regard, it was envisaged to document the lessons learned in a compendium of audit findings.

The KSC cooperation also included the collaboration with the regions, the outcome of which was to be presented in a compendium on lessons learned on the SAI PMF and peer reviews, to be taken up in 2019 jointly with the CBC, its workstreams and the IDI. Close cooperation was also maintained with the International Journal of Government Auditing, which also participated in the KSC Steering Committee meetings. Mr Subramanian also informed that the KSC working groups provided regular news updates and items for the Journal.

Mr Subramanian then continued with outlining the KSC activities connected to INTOSAI's Crosscutting Priorities:

Crosscutting Priority 1, which related to SAI independence, was covered in the Library on Independence in the KSC-IDI Community Portal, featuring documents and links with regard to SAI independence.

Auditing SDG implementation, the core aim of Crosscutting Priority 2, was addressed through the KSC-IDI Cooperative Programme on Auditing the SDGs, the library and Community of Practice featured in the Community Portal, e-learning programmes and MOOCs jointly elaborated with the IDI and the Audit Guideline Plan by the Working Group on Environmental Audit.

Mr Subramanian also highlighted the effective cooperation and coordination between the three goal chairs via the exchange of information in written form, in the respective steering committee meetings, in the framework of the IFPP and in the CBC Task Force on INTOSAI Auditor Professionalization, as well as the documentation of such cooperation via the shared Reporting Dashboards.

As regards the cooperation with the SCEI to meet the objectives of Crosscutting Priority 4, namely creating a strategic and alert INTOSAI, the SCEI had accepted the KSC proposal to establish a Community of Practice and to use the KSC-IDI Community Portal as a platform to share the outcome of the SCEI meetings with the INTOSAI community.

Crosscutting Priority 5, which focused on regional cooperation, was addressed through the ongoing cooperation of the KSC's working groups and projects.

Among other KSC developments, Mr Subramanian highlighted the new Terms of Reference of the Working Group on Big Data and the Working Group on Public Procurement Audit and informed that the SAI of Philippines had taken on the chairmanship of the Working Group on Public Debt. He also drew attention to the diffuse distinction of priority 2 and priority 3 projects in the Strategic Development Plan of the IFPP.

In concluding his presentation, he illustrated the newly developed paper on the quality assurance mechanism for public goods produced outside the Due Process, which would be overseen by the goal chairs and the IDI. Mr Subramanian then presented the motions submitted by the KSC to the Governing Board.

Mr Al Amimi thanked Mr Subramanian for the comprehensive report and opened the floor for discussion.

Mr Osvaldo Cristian Rudloff Pulgar, representative of the SAI of Chile, informed the KSC that OLACEFS had only recently revised its knowledge management system to include the SDGs and that it would be available if the KSC was interested in it. He also proposed to the KSC to include the OLACEFS Declaration of Asunción of 2017, in which different aspects of financial and budgetary independence had been highlighted, in the Library of Independence. Furthermore OLACEFS had also elaborated one of the MOOCs related to SDG implementation, which was available in Spanish, Portuguese and English and featured materials considered important by the IDI. Mr Pulgar therefore asked to consider this work to avoid duplication of efforts.

Mr Subramanian voiced his appreciation for the input of OLACEFS and welcomed the proposals regarding the knowledge management system and the Declaration of Asunción. He also informed that the IDI and the KSC would be having further discussions on the development of MOOCs and invited OLACEFS to joint that meeting.

Mr Torres commented that the PSC was aware of the lack of knowledge regarding the SDP and confirmed the consistent efforts to provide more information to the whole community about this issue.

Mr Caldeira welcomed the work and the positive developments of the KSC. He also commented on the proposed quality assurance mechanism and emphasized the importance of focusing on the core tasks of INTOSAI, namely auditing, and to consider the costs of such systems. He also asked for more specifications regarding regional quality assurance.

Ms Mona Salah El Din Tawheed, the representative of the SAI of Egypt, expressed her gratitude for the organization of the Governing Board meeting and conveyed greeting from

Mr Hesham Baradi, the head of the SAI of Egypt and head of the Working Group on the Fight of Corruption and Money Laundering (WGFCML). She also invited the INTOSAI community to the 12th meeting of the WGFCML, which would be held in Sharm el Sheik.

Mr Makwetu pointed to the motion on the use of INTOSAI funds by the KSC and asked whether this matter was a PFAC issue.

Mr Subramanian clarified that the INTOSAI funds allocated to the KSC were not connected to the use of INTOSAI surplus funds.

Mr Al Amimi then asked the Governing Board to vote on the motions presented by the KSC.

The **Governing Board**

- **took note** of the report of the INTOSAI Committee on Knowledge Sharing and Knowledge Services (KSC);
- **approved** the revised Terms of Reference of the KSC;
- **approved** the Terms of Reference of the newly formed Working Group on Public Procurement Audit;
- **approved** the Terms of Reference of the newly formed Working Group on Big Data;
- **took note** of SAI Philippines assuming the chairmanship of the Working Group on Public Debt;
- **took note** of change of the name of the Working Group on Programme evaluation to Working Group on Evaluation of Public Policies and Programs;
- **took note** of the availability of the translated versions of ISSAI 5110, 5120 and 5140, which were endorsed in XXII INCOSAI, in Arabic, German and Spanish;
- **took note** of utilization of INTOSAI budget allocation for KSC Chair for the year 2017 towards revamping of KSC-IDI Community Portal and its maintenance;
- **took note** of the effective cooperation among the goal chairs;
- **approved** the proposal on quality assurance of INTOSAI Public Goods that are developed and published outside of Due Process of IFPP.

8 Report of the Policy, Finance and Administration Committee, PFAC (ITEM 9)

Mr Mohammed Mutlak Alnofaie, the representative of the SAI of Saudi Arabia, introduced his report by conveying cordial greetings by Mr Hussam Alangari, who was unfortunately unable to attend the meeting due to urgent commitments.

Mr Alnofaie highlighted that the PFAC, as well as the three goal chairs, whose excellent cooperation had again been showcased at the last PFAC meeting in Washington D.C. in

September 2017, were focussing on the implementation of the Strategic Plan 2017–2022, especially through tracking performance against the stated objectives. He commended the common reporting dashboards developed by the goal chairs and proceeded with laying out the main areas of activity of the PFAC. These concerned the reviewing of the reporting dashboards, engaging in deliberations with the INTOSAI General Secretariat on trends and high-level issues, tracking the implementation of the SDGs via information provided by the IDI and the General Secretariat, reviewing information on INTOSAI's financial resources and reporting on the progress made by the INTOSAI-Donor Cooperation.

With regard to achieving the Governing Board strategic goals and Crosscutting Priorities of the Strategic Plan, Mr Alnofaie stressed the importance of developing and refining corresponding performance indicators. He also explained that the evaluation report on the Strategic Plan, as well as the INTOSAI financial statements, which would be prepared by the General Secretariat as a strategic activity and accountability report, would be submitted to the Governing Board in 2018 as the Strategic Plan had only been in force since December 2016.

Mr Alnofaie then informed the Governing Board that the General Secretariat had identified a budget surplus of 300,000 to 400,000 Euros that could be distributed to the goal chairs for projects designed to attain the strategic goals. In this regard, the PFAC had obtained proposals for 8 projects. In thanking the goal chairs for their efforts in preparing these proposals under a short reporting time-frame, he announced that the PFAC would consider the proposals and make recommendations to the Governing Board on distributing the available funds for these projects upon the completion and approval of the revised financial statements and the revised INTOSAI Financial Regulations and Rules.

He then concluded his report by giving a brief outlook on his report on the new INTOSAI-Donor Cooperation strategies, which focused on coordination, harmonization and scaled-up support also regarding SAIs in fragile circumstances under the Tier II Global Call for Proposals.

Mr Al Amimi thanked Mr Alnofaie for the report on the PFAC and opened the floor for discussion.

Mr Makwetu enquired whether the goal chairs, after having submitted their proposals for the use of INTOSAI surplus funds, would have to wait another year to be able to access the funding.

The General Secretariat answered that, as soon as the financial statements had been audited and the proposals had been evaluated by the PFAC, a circular decision would be taken by the Governing Board within the first half year of 2018 to make the funding available by mid-2018.

Mr Subramanian drew attention to the fact that mid-2018 was another nine months away. Considering that making INTOSAI an agile organization was one of the Crosscutting Priorities of the Strategic Plan 2017–2022, the organization should second-guess if agility was in fact such an important goal.

Mr Makwetw supported the reasoning of Mr Subramanian and underlined that the submitted proposals were in line with the Strategic Plan and that the funds were available. He therefore reiterated his request of what the Governing Board was waiting for.

Mr Al Amimi recalled that the implementation of the Strategic Plan was a challenging matter and required proper review by the PFAC. He also invited Mr Dodaro to comment on this issue.

Mr Dodaro said that the funding proposals had been submitted by the Goal Chairs in late October and that the PFAC leadership would make recommendations to PFAC members and seek their approval of these recommendations prior to the Secretariat's completion of the revised financial statements.

Ms Mari Kobayashi from the SAI of Japan argued that there was no clear provision in the INTOSAI Financial Regulations and Rules regarding the provision of INTOSAI surplus funds. She therefore stressed the importance of having clear rules, based on which decisions can be made in an agile and priority-oriented manner.

Mr Al Amimi replied that the INTOSAI General Secretariat would take this observation on board and reiterated that the updated INTOSAI Statutes called for a corresponding amendment of the INTOSAI Regulations and Rules, based on which the INTOSAI financial statements would need to be drawn up.

Mr Makwetw pointed out that the projects performed by the INTOSAI Goal Committees required the respective SAIs to commit of domestic budgets. Many of those projects commanded substantial resources that had to be absorbed out of national funds. Due to these circumstances due to limited funds, SAIs found themselves in an increasingly difficult situation. It was therefore even harder to understand why available funds could not be accessed.

Mr Al Amimi voiced his agreement with Mr Makwetw's statement and confirmed that it was crucial for the INTOSAI community to use the financial resources in a proper and timely way. He therefore underlined that the INTOSAI chair would engage in deliberations with the General Secretariat to overcome the identified obstacles and to present the matter to the Governing Board for decision in an appropriate time.

8.1 Report on the activities within the INTOSAI Donor-Cooperation (ITEM 9a)

On behalf of Mr Alangari, the Co-Chair of the INTOSAI-Donor Steering Committee, Mr Alnofaie presented the report on the activities within the INTOSAI-Donor Cooperation. In introducing his report, he recalled the Steering Committee meeting organized in Washington, D.C., in September 2017, which had been held in conjunction with the CBC annual meeting and thus had generated many benefits for all participants. He then gave an overview of the key areas of action and emphasized the progress made with regard to the SAI PMF, with the CBC having taken on the governance lead and IDI the operational lead.

Mr Alnofaie then moved on to expand on the Global Call for Proposals, which had been redesigned to include two tiers: Tier 1, in being a rolling and inclusive approach, was open to

all SAIs and INTOSAI bodies to submit needs-based concepts for the benefit of developing country SAIs. Tier 2 was to provide targeted support for SAIs in fragile situations. To this end, ten countries had been selected for scaled-up support. In order to organize the measures in this regard, a project group for each SAI would be set up to ensure that the steps taken follow the key principles of the Memoranda of Understanding.

As regards awareness-raising on the INTOSAI-Donor Cooperation, Mr Alnofaie informed that a specific communications package had been finalized in Arabic, French and Spanish and was available on the website of the cooperation. Furthermore, it was envisaged to add a platform for more effective communication and reporting to the website.

Mr Alnofaie concluded his report by thanking the World Bank, the Irish Aid and the SAI of the United States for their efforts within the leadership team and expressed his gratitude for all Cooperation member SAIs and the INTOSAI-Donor Cooperation Secretariat for their continued support and hard work.

Mr Al Amimi thanked Mr Alnofaie for the report on the INTOSAI-Donor Cooperation and opened the floor for comments.

The Governing Board voted on the reports provided by Mr Alnofaie on the PFAC and the INTOSAI-Donor Cooperation.

The **Governing Board**

- **took note** of the report on the Policy, Finance and Administration Committee;
- **took note** of the report on the INTOSAI Donor Cooperation.

9 Report on the present situation and development of the implementation of the Strategic Plan (ITEM 10)

On behalf of Mr Alangari, the Chair of the PFAC, Mr Alnofaie introduced the PFAC-related report by expressing his appreciation for the work done by the INTOSAI Chair and the INTOSAI General Secretariat. He also commended the INTOSAI goal chairs for the productive collaboration in particular with regard to the elaboration of the reporting dashboards. Mr Alnofaie also emphasized that the implementation of the Strategic Plan was a shared responsibility of the INTOSAI leadership and the goal chairs. He further explained that the PFAC and the General Secretariat had been tasked with reviewing the results presented by the goal chairs and with determining or prioritizing possible further actions. The deliverables of the INTOSAI leadership in this regard also included an annual performance and accountability report and the setting up of a timeline for key activities.

Mr Alnofaie then informed that it was envisaged to prepare a timeline for the period leading up to INCOSAI XXIII. In this regard, he highlighted the envisaged review of the reporting dashboards by April 2018, the identification of prioritized action items in June and July 2018 and eventually the preparation of a mid-term and prioritization report on the implementation of the Strategic Plan for INCOSAI XXIII.

In concluding his report, Mr Alnofaie again conveyed his thanks to the INTOSAI Chair, the General Secretariat and the goal chairs.

The Secretary General of INTOSAI thanked the Mr Alnofaie for presenting the timeline regarding the evaluation of the Strategic Plan implementation. She also thanked the goal chairs for having developed a joint dashboard for performance reporting, which greatly facilitated the assessment of the state of implementation of the Strategic Plan. As regards the 46 initiatives and projects presented by the goal chairs, the Secretary General reported that 34 were on schedule, four were not yet scheduled to start, seven were behind schedule and one project experienced serious difficulties. Ms Kraker also pointed out that the goal chairs had also formulated remedy actions for projects that were lagging behind and that the General Secretariat would prepare the timeline leading up to the forthcoming Congress and would make it available on the INTOSAI homepage.

Mr Al Amimi thanked Ms Kraker for her report and asked Mr Khalid Hamid to deliver the report on the Supervisory Committee on Emerging Issues (SCEI).

Mr Hamid, the representative of the UAE in its capacity as chair of the SCEI, introduced the SCEI report by drawing attention to the fact that the SCEI consisted of members who had already taken on chairmanships of other INTOSAI bodies. As such it would be difficult to expect a significant amount of resources to be invested in it. The key issue was therefore to look into how INTOSAI could take on the challenge of using its resources in the most efficient way to successfully implement the Strategic Plan. To this end, he announced that the SCEI had identified three different risks:

As to the first risk, Mr Hamid recalled the recent meeting of the Regional Forum for Capacity Development in Graz, where he had emphasized the need for a clear distinction between the different levels of INTOSAI: the regional, the SAI and the global level. He also explained that the ultimate goal was to service the SAIs, which implied that the global level was working through the regional level to the SAI level. However, the challenging aspect of this was the duplication of structures that could be found on the regional and the global level. As many people were working both within the Regions as well as at the global INTOSAI level, the question arose as to how INTOSAI could enhance the communication, the information flow, the processes and the strategies to improve regional engagement with the global INTOSAI level. He also informed the Governing Board that a mechanism had been put into place to ensure that these considerations would be discussed once a year between the global and the regional level.

The second risk concerned the capacity to deliver on professionalization goals as part of the wider standard-setting process. In this regard, Mr Hamid pointed to the efforts to improve the INTOSAI Framework of Professional Pronouncements (IFPP) and to expand INTOSAI's standard-setting structure by including an advisory function and a technical support function to the Forum for INTOSAI Professional Pronouncements (FIPP). He stressed that becoming a professional standard-setter was a different paradigm and that the changes implied by this endeavour should be addressed. This concerned also the arising tension between inclusiveness and being a professional standard-setting organization.

As regards the third risk, Mr Hamid addressed the availability of formal systems for responding to the specific Crosscutting Priorities pertaining to the SDGs and to SAI independence. He specified that INTOSAI would need to have a global voice to attain the best possible outcome when it comes to communicating with the outside world. INTOSAI should consider whether it was possible to deliver a common key message not based on audit results.

In summarizing the three identified risks, Mr Hamid concluded that underpinning those risks was the key challenge of managing and directing INTOSAI's in-kind contributions in order to ensure that the efforts undertaken by the INTOSAI members are directed back to the objectives laid out in the Strategic Plan. The considerable in-kind contributions that were crucial to the organization furthermore posed the risk that if certain highly active members dropped out, INTOSAI would not be able to deliver on its objectives.

In concluding his report, Mr Hamid gave an outlook on the measures that were to address the identified risks. Those measures included in particular the elaboration of position papers on the technical support function to the FIPP and the issue of independence.

Mr Al Amimi thanked Mr Hamid for the report on the SCEI and opened the floor for comments.

On behalf of OLACEFS, Mr Pulgar stated that the outcome document of the SCEI had been drafted based on email discussions with the SCEI members. Unfortunately, the OLACEFS General Secretariat had not been included in the mailing list. Consequently, the opinion of OLACEFS was not reflected in the paper presented by Mr Hamid. As there had been no opportunity to discuss the final conclusions, Mr Pulgar explained that certain points remained unclear and should be subject to further discussions. He specified that the risks mentioned by Mr Hamid had already been addressed via clear structures created for the FIPP. He also argued that certain products, albeit being in-kind contributions, would not necessarily be accepted if they failed to meet the quality standards. Finally, he also questioned whether the written document implied a modification of the working model and a minimization of the supervisory committee. If this being the case, INTOSAI would need further clarifications.

The Secretary General of EUROSAI and head of the SAI of Spain, Mr Ramon Alvarez de Miranda Garcia, announced that EUROSAI would follow the argumentative line of OLACEFS. He explained that the former tasks of the SCEI had been to look at emerging risks faced by INTOSAI from an outside perspective. He had not been aware that the working model of the committee had been changed to allow for a focus on the internal risks of INTOSAI. Furthermore he asked for clarification regarding the identification of those risks and also informed that EUROSAI had not been given the opportunity to participate in that process, in particular as regards the risks related to the Regions. He asked his colleague Karen Ortiz Finnemore to go into the details of EUROSAI's concerns.

Ms Finnemore drew attention to the fact that the SCEI's Terms of Reference had been amended. Compared to the past years, in which the Committee had focused on emerging issues for which INTOSAI should provide a response, the SCEI now focused on internal

aspects. Given the fact that similar risks had already been dealt with by the PFAC and the goal chairs she wondered if another internal risk analysis did not equal a duplication of efforts.

Ms Finnemore then voiced her concern about the fact that in-kind contributions, which had formerly been regarded as INTOSAI's great strength, were now perceived to be a risk. Instead of second-guessing INTOSAI's system of in-kind contributions, which was a substantial factor for cooperation among the members, she recommended to rather put the focus on the needs of the SAIs providing the in-kind contributions.

In concluding her comment, she emphasized EUROSAI's willingness to contribute to the SCEI and expressed her hope that EUROSAI would be included in the future communications.

In his reply, Mr Hamid explained that the members of the SCEI had never met in person before and that the SCEI meetings were held via teleconferences. He also outlined that he had tried to reach out to the regions at the IDI-KSC-CBC meeting in Oslo and had also asked the Governing Board members to contact the regional representatives. He emphasized that eventually the response rate had been very low, which pointed to the problem of having big structures inside the organization. However, he also asserted that he would ensure in the future that the Regional Secretariats would have the opportunity to participate in the bimonthly teleconferences of the SCEI.

As regards the risks concerning INTOSAI's in-kind contributions, Mr Hamid highlighted that he had not meant to say that those contributions were a problem. In his report he had intended to point to the fact that one's strength is also one's weakness. In this regard, INTOSAI should assess mechanisms to enhance the management of its in-kind contributions.

As to the identification of the external risks faced by INTOSAI, Mr Hamid pointed out that the organization currently had no consistent and coherent system of risk assessment. He concluded his comments by underlining that the criticism voiced by Mr Pulgar and Ms Finnemore would be taken seriously and that their concerns had been heard.

Mr Al Amimi thanked for the discussion and asked the Governing Board to take note of the reports presented by the PFAC Chairman, the Secretary General and the SCEI.

The Governing Board

- **took note** of the reports by the PFAC Chairman, the Secretary General and the Chairman of the SCEI presented under this agenda item.

Mr Al Amimi then informed the Governing Board that the discussions were ahead of schedule. In order to optimize the timing, he suggested to prepone agenda item 13 and to then move ahead with the first item of the breakaway session.

Mr Al Amimi then asked Mr Dodaro to take the floor.

10 Report by the International Journal of Government Auditing (Item 13)

The head of the SAI of the United States of America, Mr Dodaro, informed the Governing Board that the International Journal of Government Auditing (Journal) remained in a sound financial position and continued to maintain adequate financial reserves.

He highlighted the envisaged transformation of the Journal toward a more dynamic online presence with improved imagery, audio and video. Mr Dodaro also underlined the activities of the Journal on social media, such as Facebook, Instagram and Twitter. Furthermore, the Journal had increased its live coverage at key INTOSAI meetings, including also INTOSAI's Regional Organizations.

In concluding his report, Mr Dodaro thanked the SAIs of Austria, Canada, Tunisia and Venezuela for their continued in-kind support through the coordination of the Journal translations into the five official INTOSAI languages. He also expressed his appreciation to all member SAIs for sharing news, editorials and articles.

Mr Al Amimi thanked Mr Dodaro for the update on the Journal's activities and opened the floor for comments.

The Governing Board voted on the motions presented by the Journal.

The **Governing Board**

– **took note** of the report of the INTOSAI Journal of Government Auditing.

Breakaway sessions

Concluding the presentations of the first day and introducing the second day of the meeting, the Governing Board engaged in the breakaway discussions related to the UN Sustainable Development Goals (SDGs) and the INTOSAI Framework of Professional Pronouncements (IFPP).

The discussion on the SDGs, which was chaired by the SAI of the UAE, was intended to facilitate the sharing of information on current projects, initiatives and ideas regarding the evaluation, monitoring and accountability process, the different frameworks and the cooperation with the UN. As explained by Mr Hamid, the aim of the discussion was to assess whether INTOSAI could offer a shared message on the regional and the global level in this regard by collating and aggregating the efforts of the various INTOSAI bodies done in the framework of the four INTOSAI approaches adopted at INCOSAI XXII.

The discussion on the IFPP, which was chaired by the SAI of Brazil in its capacity as PSC Chair and based on the discussion paper presented beforehand, aimed at generating a better understanding regarding the current state of implementation of INTOSAI's professional pronouncements. It also strived to provide a clear picture of the needs of the individual SAIs in this regard. To guide the discussions, the SAI of Brazil posed the following three questions:

- The discussion paper shows evidence that the INTOSAI community considers the pronouncements to be relevant, but the effective level of implementation of the pronouncements seems to be low. What are the main reasons for that?
- Is INTOSAI giving enough priority to ISSAI implementation on its activities? If not, what else can be done? What could be the roles of PSC and other INTOSAI committees in this regard?
- Is the current set-up likely to provide standards for SAI auditors with appropriate level of quality or should INTOSAI promote deeper change the way it produces its standards, for example, moving closer to other standard setting organisations as the IFAC and IIA?

The results of the breakaway discussions are provided in the Annex of this Circular.

11 AFROSAI Report (ITEM 11a)

Mr Francois Bekemen Moukoko, the representative of the SAI of Cameroon, presented the report on AFROSAI's activities with regard to the implementation of the INTOSAI Strategic Plan. In his report he emphasized the various activities aimed at promoting the cooperation with the other Regional Organizations of INTOSAI through cooperation agreements, coordinated audits, joint learning and training platforms and the sharing of experiences and lessons learned.

Mr Moukoko proceeded with his report by specifying the regional cooperation activities:

AFROSAI had concluded a cooperation accord with ASOSAI, in the wake of which they developed a joint work programme. With EUROSAI, they were elaborating joint initiatives with regard to environmental auditing, infrastructure and sustainable development. Mr Moukoko then presented several cooperation agreements with African organizations and initiatives such as AFROPAC, CABRI and ATAF to improve the relations between SAIs and the oversight bodies for public funds. He also stressed AFROSAI's efforts to fight illicit financial flows and informed the Governing Board that AFROSAI had modified its strategic plan to take up pertinent issues such as the SDGs and the regional Agenda 2063 adopted by African countries.

Mr Moukoko then proceeded with his report by highlighting some expectations by the AFROSAI community towards INTOSAI. In this regard he explained that the AFROSAI SAIs were making increased efforts to implement and comply with the ISSAIs and were also subjecting themselves to PMF evaluations. Mr Moukoko informed that support would be needed in those areas. Furthermore, AFROSAI also hoped for the provision of more support for SAIs in fragile situations. In this regard, efforts were also made to facilitate collaboration with the INTOSAI Donor-Cooperation. In expressing his optimistic view for enhanced regional collaboration, Mr Moukoko then concluded his report.

12 ARABOSAI Report (ITEM 11b)

Mr Nejib Gtari, the Premier Président of the SAI of Tunisia, presented the report on the strategic developments of ARABOSAI. He highlighted that ARABOSAI was in the process of drafting the ARABOSAI Strategic Plan 2018-2022, which would be based on the INTOSAI Strategic Plan. To this end, they had invited an expert from IDI to Algeria in July 2017 to help with the strategic planning process and to ensure that the plan was in compliance with INTOSAI's strategies and policies.

Mr Gtari then presented the five priorities that had been defined during the strategic planning process:

- Developing ARABOSAI SAIs' capacities to audit sustainable development goals;
- Consolidating the exchange and communication between SAIs and related parties;
- Providing support to members in strategic management and in implementing the performance measurement framework and reporting;
- Supporting SAIs with regard to the implementation of standards;
- Developing ARABOSAI's capacity and promoting internal governance.

The mechanisms set out to promote the attainment of the priorities included trainings, workshops, peer reviews, joint audits, online presence and e-learning programmes.

Mr Gtari then proceeded to the needs that had been identified by ARABOSAI and that had to be responded to. Those needs included improved communication with internal and external donors, enhanced communication between ARABOSAI, AFROSAI and INTOSAI, more technical support from IDI with regard to workshops, seminars and professional capacity building in general and more joint audits. With regard to the latter, Mr Gtari informed that a conference was held in Pretoria jointly with AFROSAI-E to intensify regional cooperation and to review and revise the MoU concluded with AFROSAI-E.

Mr Gtari ended his report by highlighting the importance of capacity building of auditors, enhanced exchange with the other Regional Organizations and strengthened communication policies.

In commenting on the ARABOSAI report, Mr Alnofaie added that the ARABOSAI Governing Board had agreed to follow up on the proposal made by the SAI of Saudi Arabia and to adjust the ARABOSAI statutes to the updated INTOSAI Statutes.

13 ASOSAI Report (ITEM 11c)

The representative of the SAI of the Republic of Korea, Mr Ryu Jin-hee presented ASOSAI's activities with regard to the implementation of the Strategic Plan 2016-2021, the organization's knowledge sharing and capacity building activities and the cooperation with the other Regional Organizations.

As regards the ASOSAI Strategic Plan, the representative informed the Governing Board that SDG-related regional activities had been included in the plan under Strategic Goal 2: “Enhance Knowledge Sharing among Member SAIs”. As to the implementation of the ASOSAI Strategic Plan, the organization aimed at enhancing the effectiveness of communication among the member SAIs and to promote the mutual exchange of opinions through the website and through events such as the ASOSAI Symposium and the ASOSAI General Assembly.

With regard to knowledge sharing and capacity development, ASOSAI outlined the following corresponding events: the ASOSAI Seminar entitled “Improvement and Innovation of Audit Process- including Audit on Preparedness for Implementation of SDGs” to be held in Kuwait in December 2017 and the research projects on the topics of “Developing Risk-based Audit Plans” and “Audit on Public Private Partnership Arrangements”, chaired by the SAIs of Malaysia and Pakistan respectively. The outcomes of the research projects were to be presented at the ASOSAI General Assembly in 2018.

With regard to the cooperation with the other INTOSAI Regional Organizations, ASOSAI highlighted the Memorandum of Understanding (MoU) for inter-regional cooperation between ASOSAI and EUROSAI, which had resulted in the organization of two Joint Conferences. Furthermore, a MoU had been concluded with AFROSAI at INCOSAI XXII to enhance cooperation and the exchange of experiences. The concrete cooperation activities would be based on mutual discussions on the needs with regard to strengthening capacity and professionalism. Moreover, ASOSAI had also attended the 15th EUROSAI WGEA meeting and the 7th AFROSAI WGEA meeting to promote sustainable development and share experiences in this field.

The ASOSAI representative concluded the report by expressing the hope for continued support and cooperation in the future.

14 CAROSAI Report (ITEM 11d)

The head of the SAI of Jamaica, Ms Pamela Monroe Ellis, introduced her report by outlining the thematic priorities defined in the CAROSAI Strategic Plan:

- I. High Quality Audit Creating Regional Impact
- II. Strategic Performance Measurement and Reporting for Effectiveness
- III. Effective Stakeholder Engagement

As regards the implementation of CAROSAI’s Strategic Plan, Ms Ellis highlighted the establishment of the eLearning Management System with the help of IDI to support CAROSAI’s capacity building efforts.

As to the attainment of the thematic priorities outlined above, Ms Ellis provided details on the corresponding activities. Regarding the conduct of high-quality audits, she mentioned the cooperative parallel procurement audit with the participation of 13 CAROSAI member SAIs,

in which the IDI/CAROSAI eLearning platform was used. Furthermore, three CAROSAI member SAIs were participating in the IDI-led cooperative audits on SAIs Fighting Corruption and Auditing Preparedness for the Implementation of the SDGs.

With regard to strategic performance measurement, Ms Monroe underlined the fact that five SAIs within the region had completed a SAI PMF assessment, striving to strengthen internal performance management and to develop accountability frameworks.

Regarding priority III related to stakeholder engagement, Ms Ellis mentioned the IDI Stakeholder Engagement workshop in Jamaica in August 2017, in which nine SAIs had participated. Moreover, CAROSAI was also planning to develop a stakeholder engagement plan for the region.

Ms Monroe concluded her report by presenting the plans for the future. She explained that CAROSAI intended to conduct at least one collaborate audit each year. It was also planned to introduce a quality assurance mechanism via IDI training. CAROSAI was furthermore intending to engage in the SAI PMF, with ten member SAIs willing to participate in 2018.

Ms Ellis finished her presentation by expressing her appreciation for the continued support of the IDI, IDB and the World Bank, which substantially contributed to realizing the objectives outlined in the CAROSAI Strategic Plan.

15 EUROSAI Report (ITEM 11e)

Mr Ramon Alvarez de Miranda Garcia, the head of the SAI of Spain, reported on the actions undertaken by EUROSAI since the previous Governing Board meeting. He explained that the most marked development in this regard was the transition from the first EUROSAI Strategic Plan to the second EUROSAI Strategic Plan 2017–2023, which had brought about structural and governmental changes to the organization.

During the implementation of the first EUROSAI Strategic Plan, which had encompassed four goals, namely capacity building, professional standards, knowledge sharing and governance and communication, EUROSAI had made considerable progress in enhancing its cooperation with INTOSAI, in particular with the Goal Committees, and with the other Regional Organizations, as well as regarding the professionalization of auditors.

Compared to the first EUROSAI Strategic Plan, the second EUROSAI Strategic Plan had only two goals:

- Strategic Goal 1: Supporting effective, innovative and relevant audits by promoting and brokering professional co-operation
- Strategic Goal 2: Helping SAIs deal with new opportunities and challenges by supporting and facilitating their institutional capacity development

As to the contribution of EUROSAI to the strategic objectives of INTOSAI, Mr Garcia explained that the EUROSAI strategy had been aligned with the goals of INTOSAI and that the

undertakings related to each strategic goal would feed into the global agenda and would also take consideration of INTOSAI's Crosscutting Priorities.

Mr Garcia then gave an overview of the expectations of EUROSAI towards INTOSAI and highlighted the wish for greater cooperation with INTOSAI's bodies and enhanced channels of communication. He also stated the EUROSAI would like to continue the close cooperation between the IDI and the IDC. He concluded his presentation by reiterating EUROSAI's commitment to INTOSAI's work and congratulated all stakeholders for the constructive and productive work.

16 OLACEFS Report (ITEM 11f)

Mr Pulgar, the representative of the SAI of Chile, presented the OLACEFS report on behalf of Mr Jorge Bermúdez Soto. He thanked all member SAIs for the support given to OLACEFS and drew attention to the new OLACEFS Strategic Plan 2017–2022, which had been closely aligned with the INTOSAI Strategic Plan. In order to illustrate the action taken by the organization with regard to the implementation of the Strategic Plan, which also featured the 2030 Agenda and the SDGs in a prominent manner, and its capacity building activities, Mr Pulgar presented a video on OLACEFS.

Mr Oscar Santiago Lamberto, the head of the SAI of Argentine, congratulated the General Secretariat of OLACEFS on the accomplished work and highlighted some activities of his SAI. These concerned namely the inclusion of informative videos explaining the goals of government audit on social networks and the deployment of drones for environmental audits. He also invited the audit community to the forthcoming OLACEFS General Assembly in October 2018.

17 PASAI Report (ITEM 11g)

On behalf of the Secretary General of PASAI the head of the SAI of Samoa, Mr Afele presented an overview of the work of PASAI in implementing its Strategic Plan 2014-2024 and showcased how the activities in this regard also contributed to the implementation of the INTOSAI Strategic Plan.

The activities pointed out by Mr Afele revolved around the organization of trainings and workshops, performance assessments such as the SAI PMF, peer reviews, as well as regional and international meetings designed to promote SAI professionalization and capacity building. He then elaborated the details of the key mechanisms for implementing the strategic plan, which involved SAI focused initiatives, such as technical and legal support to SAIs and advocacy of SAI independence, activities focused on the regions, such as cooperative audits and PMF assessments, and Secretariat focused activities, such as the upgrade of the PASAI website and the funding strategy and collaboration with development partners.

He also outlined the challenges and opportunities for improvement, which had been identified in the implementation process. These included, among others, improved coordination and timing of programmes, better targeted programmes for SAI needs, the

managing of overlapping activities among more strategic priorities and the funding, reporting and financing.

Mr Afele also illustrated the key support requested from PASAI from INTOSAI, which concerned in particular the establishment of a Small Island Developing States Group within INTOSAI and the consideration of a special funding scheme for Small Island States. He also pinpointed the need for support for regional programmes and for an enhanced cooperation with international and multilateral institutions.

In coming to the end of the PASAI report, Mr Afele also acknowledged the work of the INTOSAI bodies concerned with standard setting and highlighted the importance of advocating the use of INTOSAI standards to ensure high-quality audits.

Mr Afele concluded his report by expressing his gratitude towards the PASAI Congress and Governing Board for their guidance and governance, to former PASAI Secretary General Ms Lyn Provost for her leadership, to the PASAI Secretariat and the PASAI member SAIs and donors, as well as to the INTOSAI leadership and the IDI.

Mr Al Amimi thanked Mr Afele for the report and assured him that the standard-setting process was in good hands with the SAI of Brazil and the European Court of Auditors. He also expressed his hope that the whole INTOSAI community would work toward the improvement and application of the standards.

Mr Al Amimi then asked the Governing Board to take note of the reports of the INTOSAI Regional Organizations.

The Governing Board

– **took note** of the reports of the INTOSAI Regional Organizations.

18 Report by the INTOSAI Development Initiative (ITEM 12)

Mr Einar Gørrissen, the Director General of IDI, presented the report on the INTOSAI Development Initiative (IDI) and focused largely on the results of the 2017 INTOSAI Global Stocktaking Report. Mr Gørrissen explained that the Stocktaking Report had been elaborated based on the INTOSAI Global Survey, which had seen a response rate of 171 SAIs, the SAI PMFs, with 25 SAIs having provided data on their results, and external data such as the Open Budget Index.

Mr Gørrissen then proceeded with expanding on the key findings of the report, some of which might be relevant for further discussions of the Governing Board.

A particular worrisome picture had been revealed regarding SAI independence. Mr Gørrissen informed that only 44% of the SAIs met the benchmark. It was in particular the financial independence that appeared to be deteriorating, with only 46% of SAIs being in a position where the Parliament approved the funding instead of an institution that was audited by the SAI.

The report findings also revealed an increasing interference by the executive in the SAI budget process. Comparative data showed a worrying trend with 75% of SAIs being affected in 2017 compared to 41% in 2014. Mr Gørrissen also reported that most SAIs felt that they lacked the necessary budget to carry out their mandate.

Another negative trend concerned the increasing number of cases where heads of SAIs had been removed from their positions for unclear reasons and in many cases without proper justification.

As regards the SAIs' right to publish reports in the public domain, the trend was also going down from 70% of SAIs having had this right in 2014 to 50% in 2017. The number of SAIs that did not publish any reports equalled 10%, while 31% of SAIs faced restrictions in this regard. Mr Gørrissen highlighted that a positive note to this was that many SAIs had managed to get the audit reports into the public domain despite those restrictions.

Mr Gørrissen then proceeded with outlining the highly positive trend observed with regard to the notion of SAIs leading by example: an increasing number of SAIs were subjecting themselves to SAI PMFs and peer reviews, and it was very likely that this trend would continue in the future. However, very few SAIs were publishing their PMF results, albeit an increasing number was releasing at least extracts of the results.

Another challenge faced by SAIs concerned the communication with stakeholders with regard to their relevance and value for society: 49% of SAIs did not have any publication on audit reports other than publishing the reports on their websites.

As regards the strategic planning, more than 90% of SAIs had strategic plans in place. However, many SAIs were struggling with operationalizing and implementing their respective plans. As a response to that, INTOSAI had developed a strategy performance measurement and reporting programme to support SAIs in taking the step of monitoring and reporting on the implementation of their strategic plans.

As regards the use of ISSAIs, Mr Gørrissen reported a growing awareness. He, however, explained that the issue of quality assurance had to be addressed to ensure that SAIs had good systems in place. With regard to the provision of support concerning capacity development, he also informed that such support was not always aligned with the individual strategic plans of the SAIs.

Positive developments had been experienced in terms of donor cooperation groups in different countries. Mr Gørrissen highlighted in this regard that coordination was crucial and SAIs themselves had to take the lead to ensure that the support provided was coordinated.

He then elaborated on the fact that the support provided for SAIs in terms of capacity development often failed to attain the expected results. This issue had to be addressed and proper ownership by the SAIs for following-up on their commitment was crucial in this regard.

Mr Gørrissen then underlined a finding, which concerned the constrained support of legislatures for SAIs, with 48% of national parliaments not holding any public hearings to

review and scrutinize audit reports. In 57% of the countries, neither the SAI nor the parliament reported publicly on follow-up measures by the executive to implement the recommendations of the SAIs.

Mr Gørrissen concluded his report by stressing that the presented findings should be considered by the Governing Board for future action.

Mr Al Amimi thanked Mr Gørrissen for the detailed report and opened the floor for discussion.

Mr Jacek Jezierski from the SAI of Poland stated that the findings presented by the IDI posed a big challenge for INTOSAI and the Governing Board. The fact that 44% of the SAIs did not meet the fundamental standards of independence and 50% of the SAIs were not included in the activities of the parliaments presented a problematic picture. Taking into account that INTOSAI would celebrate the 40th anniversary of the Lima Declaration in 2017, INTOSAI would have a very fitting occasion to summarize the conditions of the member SAIs and to reflect on possible future actions, since the numbers presented were not something to be proud of and needed to be addressed.

Mr Soto congratulated the IDI on the quality of the report and on the work carried out. He also stated that the results presented by IDI were alarming, in particular with regard to the absence of budgetary autonomy, which was also a problem faced by the SAI of Chile and by many OLACEFS member SAIs. Mr Soto also referred to the XXVII OLACEFS General Assembly, whose outcome document was the Declaration of Asunción. This document had been signed by all OLACEFS member SAIs and underlined the importance of being autonomous in budgetary matters. Mr Soto furthermore informed the Governing Board that the Declaration of Asunción had been presented to the parliament to ensure the implementation of budgetary autonomy. Mr Soto then elaborated on the steps that could be taken by INTOSAI, such as pointing to the need for legal changes and taking into account the different financial frameworks, and also highlighted the importance of strong SAI leadership. In concluding his comment, he stressed that the risks revealed should be tackled by INTOSAI.

Mr Foss suggested to the Governing Board to consider presenting the INTOSAI Global Stocktaking Report and the tendency revealed by it to the United Nations. He also recalled in this regard the expectations by the UN towards INTOSAI with regard to auditing and monitoring the implementation of the SDGs. With this in mind, INTOSAI should report back to the UN that its member SAIs face limited independence, restricted budgets and restricted rights regarding the publication of their audit reports. This rather negative diagnosis for SAIs, in particular regarding the audits carried out on SDG implementation, could provoke a debate at least in some UN organs.

Mr Bastian underlined that independence was a very important issue and was also featured in several UN General Assembly Resolutions, which he had also presented to his government to increase the independence of the SAI. He also informed the Governing Board that the SAI of the Bahamas was currently being audited by independent auditors. The results obtained from that audit could lead to making the SAI more financially independent. Mr Bastian also announced that he would keep the INTOSAI Governing Board informed on those developments.

Ms Kraker thanked the IDI for the report and for raising the vital issue of SAI independence. She also thanked Mr Foss for his suggestion to approach the UN with this concern. As regards the identification of threats and risks, she proposed to have in mind the breakaway sessions at future Governing Board meetings or the upcoming UN/INTOSAI symposium in 2020, where independence can be one of the discussed themes.

Mr Dodaro said he supported the suggestion by Mr Foss to report the IDI findings to the UN, especially challenges related to SAI independence, and commended IDI for its excellent work. Mr Dodaro supported bringing these issues to the attention of the United Nations and working with the Governing Board to seek strategic solutions to address challenges identified by IDI. Mr Dodaro also said that SAI independence has been a focus of discussion with the donor community in the past and expressed support for discussions and dialogue on strategies to address IDI's findings.

Mr Makwetu supported the suggestion presented by Mr Foss regarding the presentation of the IDI report to the UN. He also asked the General Secretariat, which had been the main driver of including SAI independence in the UN General Assembly resolutions, to provide some information to the Governing Board with regard to any current UN/INTOSAI initiatives geared towards SAIs.

Ms Kraker explained that the General Secretariat would like to seize the opportunity presented by the current discussion and approach the UN to present the deteriorating situation. She also confirmed the General Secretariat's willingness to take action if the Governing Board gave her the authority to do so.

Mr Al Amimi thanked the Governing Board members for their comments and asked them to take note of the report presented by the IDI.

The **Governing Board**

– **took note** of the report of the INTOSAI Development Initiative (IDI).

Mr Makwetu commented on the discussions regarding the reports presented by all INTOSAI Regional Organizations. He explained that those reports contained the closest information the Governing Board could get on all 194 members of INTOSAI. However, considerations should be made in the upcoming inaugural regional meeting regarding the best ways to deliver the key issues in a manner that would improve the information flow to the Governing Board. He made this suggestion against the background that a large number of successes and challenges had been reported and tended to get lost due to an overflow of information.

Mr Dodaro suggested that the Governing Board provide Ms Kraker and the General Secretariat the authority to present IDI's findings to the UN and expressed his willingness to support such an effort.

Mr Al Amimi asked the IDI to comment on that issue.

Mr Foss affirmed his support of the proposal made by Mr Dodaro to give the General Secretariat the authority to approach the UN.

Mr Al Amimi stated that he wholeheartedly agreed with Mr Dodaro's suggestion. However, he also pointed to the fact that the report had to be reviewed in detail before presenting it to the UN to ensure that no harm would be done to the member SAIs by interfering in political issues. As this matter was very sensitive he called for a thorough evaluation and also drew attention to the fact that the General Secretariat already had the authority to talk to the UN.

Mr Gørriksen clarified that the final report had not yet been published. The presented results had been the preliminary findings. He announced that the report would be finalized hopefully in November and would then be sent to the Secretary General.

Mr Al Amimi responded that upon finalization of the report the Governing Board should go through the specific details and come to a conclusion on the best way of presenting it to the UN and asked Mr Dodaro for his opinion.

Mr Dodaro said that he fully supported the due process of the Governing Board on this matter and suggested the possibility of a per capsulam decision by the Governing Board if that facilitated timely reporting of IDI's findings to the United Nations.

Mr Al Amimi agreed with Mr Dodaro and proposed to wait until the finalized report and then agree on the way forward within the succeeding three months.

Ms Finnemore commented on the proposal made by Mr Makwetu regarding the consideration of strategies for streamlining the information provided to the Governing Board. She suggested to find ways that enable the different Regional Organizations to align their reports and present them in a comparable manner.

19 Other business and closing address (ITEMS 14 and 15)

Mr Esteban Yupanqui from the SAI of Peru thanked the General Secretariat for the hospitality and recalled that the Declaration of Lima had been adopted in October 1977. On this occasion it was a pleasure for him to announce that the SAI would commemorate that event in the form of a conference and presented a video. He then warmly invited all participants of the Governing Board meeting to attend the conference.

Mr Victor Lobanov from the SAI of the Russian Federation informed the Governing Board members on behalf of Ms Golikova that the forthcoming Governing Board meeting would take place in Moscow, Russian Federation, in mid-November and cordially invited the Governing Board to the meeting in the Russian capital.

Ms Kraker cordially thanked the Governing Board members for following up on the General Secretariat's invitation to Graz. She announced that following up on the proposal of the Russian Federation and in alignment with the goal chairs the General Secretariat would develop a timeline and strive to implement the decisions taken. She also thanked all Governing Board members for their commitment and highlighted the driving forces of INTOSAI: diversity, cooperation and the active engagement of all members. The Governing Board would strive to take constructive action and to professionalize INTOSAI's activities on

all levels. She concluded her comment by thanking the team of the General Secretariat and Ms Monika González-Koss.

Mr Al Amimi thanked all Governing Board members for their participation, their support and their constructive input. He underlined the highly successful discussions and the positive outlook regarding INTOSAI's ambitions to become a professional standard-setter. He wished all participants a good journey back home and thanked Ms Kraker for the warm hospitality and excellent work, as well as for the arrangement of the meeting. He also thanked the interpreters for their hard work.

The Chair, Mr Al Amimi, declared the 70th Governing Board meeting closed.

ANNEX A

SUMMARY OF THE RESULTS OF THE BREAKAWAY SESSIONS

SESSION 1: SUSTAINABLE DEVELOPMENT GOALS (SUMMARY OF THE DISCUSSION AS PROVIDED BY THE SAI OF THE UAE)

Mr Hamid presented a concise summary on the discussions regarding the role of SAIs in reviewing and monitoring the implementation of the SDGs.

He outlined that the overriding sentiment of the discussion was that the SDGs presented a good opportunity to cooperate with the UN. With regard to the four approaches developed by INTOSAI regarding SDG audits, the fourth approach focused on SAIs and their role as model organizations. In this regard he highlighted the occasion presented by the UN High-Level Political Forum and its side events in 2018.

With regard to information sharing, he drew the attention to two potent vehicles: the INTOSAI website run by the General Secretariat and the IDI-KSC Community Portal. The INTOSAI community should find the best way to harness those portals to optimize its information-sharing processes.

Mr Hamid then explained that based on the discussions it would be sensible to craft a SAI awareness-raising document, which could also be provided to INTOSAI's stakeholders.

The cooperative audit concept embraced by the Regions could be advocated on a global INTOSAI level in order to provide for an analysis of the audits being currently conducted on the SDGs.

In concluding his summary, he confirmed the intention of the INTOSAI Chair to pass the available information on SDGs on to the SAI of Russia to ensure that the subthemes under Theme II provide a link to the activities that are currently being performed and that continuity is ensured.

SESSION 2: DEVELOPMENT OF IFPP (SUMMARY OF THE COMMENTS AS PROVIDED BY THE PSC CHAIR)

SAI of Argentina	<p>INTOSAI standards are extremely useful for SAIs. SAI Argentina decided to adopt them, adapted its own standards to ISSAIs and the impact in the quality of the audits were very positive.</p>
SAI of Sweden	<p>FIPP’s work must be channelled strategically as the forum has limited resources. So there is a need to prioritize projects. There is a need to think very carefully before introducing new projects in the SDP.</p> <p>Not everything is meant for IFPP, a lot of useful documents can be out of the framework. In this context, it is important to consider the document prepared by the goal chairs about quality control mechanisms for non-IFPP documents.</p> <p>INTOSAI should now take the next step in enabling FIPP, which would be to establish a technical support function with 100% dedicated people to enhance the work capacity of FIPP.</p>
SAI of South Africa	<p>Standards should be fit for purpose. Do we really know the stakeholders’ different views?</p> <p>It is important to demonstrate the value of our products. There is a need to acknowledge the achievements INTOSAI had in the last 20 years in the development of standards. INTOSAI has made huge steps forwards in terms of different elements of professionalism. INTOSAI has recorded successes in all 4 areas of professionalism - standards, people to apply the standards, a conducive work environment and related measurement tools.</p> <p>The implementation of standards is a long and hard journey – this is a reality in INTOSAI but was also recognized by the IFAC representatives in recent INTOSAI meetings.</p> <p>The Regional Organizations may have strong views about standard setting and are important actors to be consulted.</p> <p>A technical support function is an essential next step in the process. There was an experience in the past in FAS, where Sweden trained a pool of experts to participate in the detailed crafting of the documents. This experience could be seen as something similar to what is being called a technical support function now. INTOSAI could take learnings from that experience.</p> <p>There is a large number of people in INTOSAI that worked on the first round of ISSAI implementation and a whole lot of people that have been involved in standard setting at either IFAC level or the processes at a local professional institute/independent auditor regulator. So, we</p>

	<p>actually do have the expertise in standard-setting, as long as we are prepared to be a bit creative in how we utilize this expertise.</p>
SAI of Japan	<p>INTOSAI needs to be clear about our level of ambition it has in standard setting. ISSAIs cannot override local laws. Private sector standards are different in nature, and it is expected that they have direct application - INTOSAI therefore does not need the same level of standards. There is no need for an outside TSF. ISSAI implementation should be a priority and INTOSAI should spend resources on that.</p>
SAI of Russia	<p>There is a need to improve the transparency of the development of the SDP - SAIs must promptly be provided with documents etc so that they can be commented on. SDP should be more flexible and based on the needs of the INTOSAI community.</p> <p>TSF may jeopardize independence of INTOSAI if outsiders are involved. It is not clear how it would be financed. It would be preferable to rather expand the FIPP to more INTOSAI members.</p>
IDI	<p>SAIs see a value in standards. The advances made in the last years should be recognized. To implement them is a long journey – there is a need to give time to SAIs. It is not only a matter of developing the ISSAIs, you need leadership commitment to implement them. The best and maybe the only way to assess ISSAI implementation is through SAI-PMF.</p> <p>There is no common understanding about what it means to implement the ISSAIs. It is not just about stating that the SAI is adopting the ISSAIs, but to assess if true changes are happening.</p> <p>FIPP needs to be independent and it needs the support of the INTOSAI leadership to ensure that. The establishment of a TSF is very important to improve the work of FIPP.</p>
SAI of Portugal	<p>Applying the standards represent a culture change – that must be a priority. Standard setting needs to be independent. The people who carry out the audits are the professionals who must implement the standards. There is a need to assess implementation (through SAI-PMF?) in order to advance the standard-setting process. We can improve the standard-setting process, but we need to know that we’re serving a specific constituency.</p>
ECA	<p>We must remember that standards can be applied in different ways: we need implementation practice notes on implementation. The organizational element is very important - top leadership, monitoring and quality control mechanisms</p>

SAI of India	<p>Need to consider the value chain: standard setting, raising awareness; implementation; monitoring ...awareness is fundamental among senior management. We do not have the monetary position that IFAC finds itself in. Another difference is that enforcement is not possible being a voluntary organisation. The creation of a help-desk must be considered to help auditors in the application of standards.</p> <p>A mechanism for collecting feedback from the users should be considered, maybe through the ISSAI website. SAI PMF is important for compliance checking.</p>
SAI of Tunisia	<p>Translation to national languages is crucial; handbooks are very important for users; the exchange of staff would help in the implementation process.</p>
SAI of the United States	<p>It is important for INTOSAI to maintain its status as the leading standard setting body for public sector auditing.</p> <p>INTOSAI has an established process and forum for standard setting (i.e., the Forum for INTOSAI Professional Pronouncements) that we should continue to support.</p> <p>It is also important for the INTOSAI community to ensure that it is transparent about the standards used by SAIs in conducting their work.</p> <p>This is consistent with the aim of the INTOSAI 3i (ISSAI Implementation Initiative) program adopted at the 2010 INCOSAI, and which was supported by the donor community.</p> <p>At the same time, we need to be judicious in our development and revision of standards in the context of available resources and in accordance with the INTOSAI Strategic Plan.</p>
General Secretariat	<p>We should be proud of what has been achieved; we should not over-challenge any group - all three committees are to be supported and be professionalized.</p> <p>An increased INTOSAI budget is not feasible - we must use in-kind contributions.</p> <p>We need to make sure that the standards are implemented</p>
SAI of Norway	<p>Fully supports the establishment of the FIPP and the development of the IFPP, and also hopes the establishment of a Technical Support Function for standard setting in INTOSAI will be used to facilitate the work and operations of the FIPP.</p> <p>Concerning the road ahead, professionalization of the INTOSAI should be the main focus. The implication of that view for recruitment to a technical support function will be that it must be based solely on professional qualifications.</p>

Not only should the role of a technical support function be more clearly defined at this point, but the role and tasks of subcommittees and other working groups in the changing structure should also be clarified.

Professional qualifications should be the basis for recruitment to a technical support function, however the funding and the location of such a function are also important.

ANNEX B
AGENDA OF THE 70TH INTOSAI GOVERNING BOARD MEETING

Monday – 6 November 2017	
	Time
Morning	9:00 — 12:30
Lunch break	12:30 — 13:30
Afternoon	13:30 — 17:30

AI	Item of the Agenda	Responsible Rapporteur	Comment
1	Welcome	Secretary General AUSTRIA	
2	Opening	Chairman of the Board UAE	<ul style="list-style-type: none"> • Adoption of the agenda
3	Report by the Chairman	Chairman of the Board UAE	
4	Report by the First Vice-Chairwoman	First Vice-Chairwoman of the Board RUSSIAN FEDERATION	<ul style="list-style-type: none"> • Discussion and adoption of themes for INCOSAI XXIII, 2019 • Identification of chairpersons for the main congress themes of INCOSAI XXIII, 2019 • Preparations for the forthcoming INCOSAI XXIII, 2019
5	Report by the Secretary General	Secretary General AUSTRIA	<ul style="list-style-type: none"> • Report by the Secretary General • Report on the 2016 financial statements and adoption of the 2016 financial statements for submission to Congress • Membership in INTOSAI • Handbooks, Financial Rules • Financial and budgetary matters • Considerations on the second next Congress
6	Report on the Professional Standards Committee (PSC) / Goal 1	Chairman and Vice-Chair of the PSC / Goal 1 BRAZIL ECA	<ul style="list-style-type: none"> • Report on the PSC and on key strategies to achieve Goal 1 and Strategic Objectives including <ul style="list-style-type: none"> – Financial Audit and Accounting – Performance Audit – Compliance Audit – Internal Control – FIPP – Strategic Development Plan and Revision of the IFPP

AI	Item of the Agenda	Responsible Rapporteur	Comment
7	Report on the Capacity Building Committee (CBC) / Goal 2	Chairman and Vice-Chairman of the CBC / Goal 2 SOUTH AFRICA SWEDEN	<ul style="list-style-type: none"> Report on the CBC and on key strategies to achieve Goal 2 and Strategic Objectives including its activities since December 2016, including a report on the annual meeting 2017 and the proposed CBC joint work plan
8	Report on the Committee on Knowledge Sharing and Knowledge Services (KSC) / Goal 3	Chairman of the KSC / Goal 3 INDIA	<ul style="list-style-type: none"> Report on the KSC and on key strategies to achieve Goal 3 and Strategic Objectives including <ul style="list-style-type: none"> Public Debt Information Technology Audit Environmental Auditing Programme Evaluation Fight Against Corruption and Money Laundering Key National Indicators Value and Benefits of SAIs Financial Modernization and Regulatory Reform Audit Extractive Industries Public Procurement Audit and Big Data
9	Report by the Policy, Finance and Administration Committee (PFAC) / Goal 4	Chairman of the PFAC SAUDI ARABIA	<ul style="list-style-type: none"> Report on the activities of the Finance and Administration Committee and on key strategies to achieve Goal 4 and Strategic Objectives
9a	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	
10	Present situation and development of the implementation of the Strategic Plan	Chairman of the Board and of Supervisory Committee on Emerging Issues (SCEI) UAE Chairman of the PFAC SAUDI ARABIA and Secretary General AUSTRIA	<ul style="list-style-type: none"> Summary Report on Cross Cutting Priorities, Emerging Issues, ERM, SDGs Summary Report on Strategic Goals and preparation of the evaluation report on the Strategic Plan (coordination, measures, time frame)

Tuesday – 7 November 2017	
	Time
Morning	9:00 – 13:00

Breakaway Session		09:00 – 10:30
Group 1: Discussion on SDGs (Chair: UAE)		
Group 2: Development of IFPP (Chair: BRAZIL, SOUTH AFRICA, INDIA)		

AI	Item of the Agenda	Responsible Rapporteur	Comment
11a	AFROSAI Report	Secretary General AFROSAI CAMEROON	<ul style="list-style-type: none"> According to INTOSAI Crosscutting Priority 5
11b	ARABOSAI Report	Secretary General ARABOSAI TUNISIA	<ul style="list-style-type: none"> According to INTOSAI Crosscutting Priority 5
11c	ASOSAI Report	Secretary General ASOSAI KOREA	<ul style="list-style-type: none"> According to INTOSAI Crosscutting Priority 5
11d	CAROSAI Report	Secretary General CAROSAI JAMAICA	<ul style="list-style-type: none"> According to INTOSAI Crosscutting Priority 5
11e	EUROSAI Report	Secretary General EUROSAI SPAIN	<ul style="list-style-type: none"> According to INTOSAI Crosscutting Priority 5
11f	OLACEFS Report	Secretary General OLACEFS CHILE	<ul style="list-style-type: none"> According to INTOSAI Crosscutting Priority 5
11g	PASAI Report	Secretary General PASAI NEW ZEALAND	<ul style="list-style-type: none"> According to INTOSAI Crosscutting Priority 5
12	Report by INTOSAI Development Initiative (IDI)	IDI NORWAY	
13	Report by International Journal of Government Auditing	International Journal of Government Auditing UNITED STATES OF AMERICA	
14	Other business	Chairman of the Board UAE	<ul style="list-style-type: none"> Items of general interest to all GB members / INTOSAI
15	Closing address	Chairman of the Board UAE	