

## **SUMMARY OF THE MAIN DISCUSSIONS AND AGREEMENTS (SoA)**

### **52<sup>nd</sup> EUROSAI GOVERNING BOARD MEETING**

#### **12 November 2020 (online meeting)**

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The 52<sup>nd</sup> meeting of the EUROSAI Governing Board (GB) was virtually held on the 12<sup>th</sup> of November 2020. The meeting was chaired by Mr. Seyit Ahmet Bař, President of the Turkish Court of Accounts (TCA) and President of EUROSAI, with the attendance of observers and guests<sup>1</sup>.

The meeting was preceded by reflections to honor the 30<sup>th</sup> Anniversary of EUROSAI, whose foundation took place in Madrid precisely that same day, back in 1990. The President of EUROSAI presented a video of the “Memorial Plantation Area” created in Ankara, an initiative of the SAI of Turkey to honor this anniversary. Ms. María José de la Fuente y de la Calle, the President of the SAI of Spain and Secretary General of EUROSAI, reflected on how 30 enthusiastic SAIs had gathered in 1990 in Madrid for the Constitutive Conference of EUROSAI and its first Congress, in a special moment for transformation in Europe, accompanying her words with pictures of that time. Other participants also joined in the congratulations on the EUROSAI anniversary. Additionally, the President of the SAI of Portugal, Mr. José Tavares, and the Auditor General of the SAI of Lithuania, Mr. Mindaugas Macijauskas, were congratulated on their recent appointment as such and warmly welcomed as observer and guest, respectively, of the GB.

Since the 51<sup>st</sup> GB meeting was exclusively devoted to the decisions needed to keep EUROSAI operational and, thus, no reporting related to the implementation of the ESP 2017-2023 had been therein performed, the reporting period for this 52<sup>nd</sup> GB meeting covered from June 2019 to November 2020.

#### **Items 1 and 2. Agenda of the 52<sup>nd</sup> GB meeting and minutes of the 51<sup>st</sup> GB meeting**

*The agenda of the 52<sup>nd</sup> GB meeting and the minutes of the 51<sup>st</sup> GB meeting were approved.*

The President of EUROSAI recalled that the general format of this meeting was decided to be in written format, so the traditional oral reports and presentations were replaced by written reports, except in cases where the GB had to make a decision, that a short oral report was allowed.

#### **Item 3. EUROSAI Activity Report 2019-2020**

The Secretary General briefly presented the EUROSAI Activity Report 2019-2020 and submitted for approval a proposal, included as an annex in the report, concerning the update of the EUROSAI website, a project currently stopped that would need to be faced by EUROSAI considering the reasons and recommendations explained in the report.

*The GB took note of the EUROSAI Activity Report 2019- 2020 and entrusted the Secretariat with the task of leading the work headed to update the EUROSAI website, in close coordination with other key players and the new holder of the communication portfolio.*

#### **Item 4. Overall implementation of the Strategic Goals and update of the OP**

The President informed that this year, as agreed at the 51<sup>st</sup> GB meeting, the submission of the mid-term review report (to be performed on a 4-year basis) was postponed until the upcoming XI Congress and only progress reports were delivered. He explained that the Coordination Team (CT) had prepared the

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<sup>1</sup> Observers and guests participated in the open session of the GB (items 1-11); only the GB members participated in the discussions of items 12-14.

consolidated progress report of the SGs and submitted for approval the updated overall Operational Plan.

*The GB took note of the consolidated progress report of the EUROSAI Strategic Goals and approved the updated overall Operational Plan.*

#### **4.1. Implementation of SG1 (Professional cooperation)**

*The GB took note of the progress report on the implementation of the SG1 provided by the SAIs of Czech Republic and Germany, co-leaders of the SG1.*

#### **4.2. Implementation of SG2 (Institutional capacity development)**

On behalf of SG2, a representative of the SAI of Poland presented the progress report on the implementation of the SG2 and submitted a proposal regarding the selection of a EUROSAI representative for the Task Force of INTOSAI Auditor Professionalization (TFAP). The Secretary General suggested to provide clear guidelines to the selected candidate on how to exercise that liaison function.

*The GB took note of the progress report on the implementation of the SG2 provided by the SAIs of Poland and Sweden, co-leaders of the SG2.*

*The GB supported the proposal of the SG2 regarding the invitation of the TFIAP to appoint a regional representative and, as a result, a representative from the SAI of Romania was chosen to join the INTOSAI Auditor Professionalization (TFIAP) in the period 2020 to 2022.*

### **Item 5. Overall implementation of the Governance Portfolios**

The SAI of Finland, as leader of the Portfolio on Emerging issues and Forward Thinking (EI&FT), raised the issue on the continuity of the portfolios lacking a holder. A discussion among the GB members ensued on the possibility of having co-leaders for governance portfolios and it was agreed that it would require the modification by the Congress of EUROSAI's strategic plan.

With regards to the new Communication Framework, the President briefly explained that, following the decision of the GB at its 51<sup>st</sup> meeting, the document had been drafted by the EUROSAI Secretariat, with the input from other GB members, and using as basis the excellent draft prepared by the SAI of Latvia. The document had been circulated to the GB members prior to the meeting and no comments were received (equaling assent with the draft), with the only exception of SAI Latvia, who indicated that they were not able to support the draft conceptually. The Secretary General thanked the SAIs that had contributed to its preparation, and mainly to the SAI of Latvia, for the excellent initial draft of this document.

The Secretary General also informed the GB that the EUROSAI brand book had been finalized, in Spanish, and that the English version would be distributed as soon as it was available.

The Secretary General, as leader of the Portfolio on relations with other INTOSAI Regional Organizations, presented the content of SAI Ukraine's offer to host the VI EUROSAI-ARABOSAI Joint Conference, on the topic of "The role of SAIs in preventing climate change". The proposal was to hold an in-person meeting, either in September 2021 in Kiev or in 2022 due to the Covid-19 situation.

The issue was discussed by the GB members, who suggested to postpone it until 2022 and supported a new wording of the theme of the conference ("SAIs' auditing the effectiveness of the climate change policy"), which was accepted by the SAI of Ukraine.

*The GB took note of the consolidated progress report of the EUROSAI Governance Portfolios and of the individual progress reports submitted by the GB members related to their portfolios.*

*The GB took note of the discussions on the continuity of the portfolios lacking a leader (either currently or at the time of the end of the tenure of their current holders), noting that any proposal concerning having co-leaders for governance portfolios would require the modification by the Congress of EUROSAI's*

*strategic plan and should therefore be submitted to the next XI Congress.*

*The GB endorsed the draft of the EUROSAI Communication Framework, to be submitted to the XI Congress for approval, and took note of the EUROSAI brand book.*

*The GB agreed that the SAI of Ukraine would host the VI EUROSAI -ARABOSAI Joint Conference, in 2022, supporting the theme of “SAI’s auditing the effectiveness of climate change policy” as central topic of the same.*

#### **Item 6. Update from the Coordination Team**

*The GB took note of the report of the Coordination Team related to the financial request approved by the Coordination Team during the financial year 2020 (the SAI of Estonia was the beneficiary of this grant, which amounted to 9,636 euros) and the status of both the “Quality and Transparency Protocol for EUROSAI Products and Documents” and the closure procedure for EUROSAI Project Groups.*

#### **Item 7. Activity of EUROSAI Working Groups and Task Forces: ITWG, WGEA, Working Group on the Audit of Funds Allocated to Disasters and Catastrophes, TFAE and TFMA.**

*The GB took note of the 2019-2020 Activity Reports of the WGs and TFs.*

*The GB transitorily approved the ITWG Work Plan 2021-2024 which will be submitted to the XI Congress for endorsement, for the GB not to take any decisions that extend beyond the XI Congress.*

#### **Item 8. 2019 EUROSAI financial information**

The Secretary General briefly referred to the financial report, the auditors’ report (which showed an unqualified opinion of the 2019 financial statements) and the auditor’s management letter, drawing attention to the auditors’ recommendation related to the cumulative surplus at the end of 2019. A discussion on how member SAIs could be best supported to continue their work together in the challenging times due to the COVID-19 took place among the GB members.

*The GB took note of the 2019 EUROSAI Financial Report, the auditors’ report and their management letter.*

*The GB supported the auditors’ recommendation to use the cumulative surplus to support members facing IT challenges derived from the COVID-19 pandemic and agreed that this should be studied further and approached from a methodological and capacity building and knowledge sharing perspective.*

#### **Item 9. Information on INTOSAI**

*The GB took note of the report on INTOSAI submitted by the INTOSAI Secretariat.*

#### **Item 10. Information on cooperation with IDI**

*The GB took note of the report on cooperation with IDI submitted by IDI.*

#### **Item 11. Information on key issues related to INTOSAI Governing Board**

*The GB took note of the report on key issues discussed by the INTOSAI GB at its 74<sup>th</sup> meeting submitted by the EUROSAI representatives in the INTOSAI GB.*

#### **Item 12. XI EUROSAI Congress (2021) next GB meeting**

In the closed session of the e-meeting, the SAI of Czech Republic make a short presentation to update the progress concerning the organization of the XI EUROSAI Congress in Prague and submitted a proposal on the format for organizing the congress taking into account the previous discussions among the GB members and the news concerning the COVID-19, which was critical at this time not only in the Czech Republic but also in Europe.

*The GB approved the proposal of the upcoming EUROSAI Presidency (the SAI of Czech Republic) to hold an administrative virtual XI Congress on 14-15 April 2021 and an in-person follow-up conference -for plenary sessions, workshops, and marketplace and social program-, in Prague and when the pandemic situation allows.*

### **Item 13. Application for EUROSAI membership**

The President of EUROSAI introduced the item on the application for EUROSAI membership that the Kosovo\*<sup>2</sup> National Audit Office (KNAO) had submitted on 24 February 2020, following its admission in INTOSAI with effects as from the 1<sup>st</sup> of January 2020.

The Secretary General explained that the admission of new EUROSAI members is subject to the approval of the GB by a majority of votes and that the GB is entrusted with verifying the fulfilment of the Statutes (article 11 of the EUROSAI Statutes). In order to support the GB in the exercise of these responsibilities, membership applications are analyzed by the Secretariat and the result of this analysis is reflected in a report, which is of a non-binding nature.

The Secretary General pointed out that, in line with article 3 of the EUROSAI Statutes, the requirements for the admission of a member in EUROSAI could be broken down as follows: 1) the applicant must be a SAI; 2) it must be a SAI of a European State or of the SAI of the European Communities; 3) it must be a member of INTOSAI; 4) it must accept EUROSAI Statutes; and 5) the admission has to be approved by the EUROSAI GB. The report of the Secretariat reflected that there was lack of consensus about the fulfilment of requirements 1 and 2 (the concept of SAI is intrinsically connected to that of State), and therefore the Secretary General invited the GB to discuss and analyze this issue, and consider which way to proceed. In her view, there were 3 possible ways forward for the GB:

- A. Postpone the decision on the admission of KNAO until Belgrade and Pristina reach an agreement on the status of Kosovo\*.
- B. Postpone the decision on the admission of KNAO until the issue of the dispute of the status of KNAO in INTOSAI raised by SAI Serbia is definitely clarified.
- C. Discuss and put to vote the decision on the admission of KNAO.

A discussion ensued, in which all members expressed their preferred way forward and views on the admission request. Six GB members supported option C (voting on the admission request) and two members were in favor of option A. Thus, a voting on the admission took place, as a result of which the application was approved by the majority of the GB members (6 members were in favor of the KNAO admission of KNAO as a full member of EUROSAI, while two members voted against it).

The Secretary General noted that some amendments were needed in the EUROSAI regulations in connection to KNAO's admission as EUROSAI member and that the effectiveness of the admission of KNAO as member of EUROSAI depended on such amendments (given that Kosovo\* has no applicable United Nation's (UN) index that can be used as a reference for its membership contribution in line with article 16 of the Statutes, *as Kosovo\* is not a member of the UN*).

The SAI of the Czech Republic requested the Presidency to inform EUROSAI members about the decision taken by the GB and about the fact that the membership in EUROSAI will not give Kosovo\* the same legitimacy as United Nations memberships, nor will it equal a recognition of Kosovo\* as a State, and he fully supported using the asterisk when mentioning Kosovo\* in official EUROSAI documents, so that it is in line with the European Union policy.

*The GB approved the admission of the Kosovo\* National Audit Office (KNAO) as a EUROSAI member, by a majority of votes. This admission of KNAO was linked to the prior amendment of the Statutes by the*

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<sup>2</sup> \* This designation is without prejudice to positions on status and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

*upcoming XI Congress, given that modifications are needed in the EUROSAI regulations (mainly in the Statutes and Financial Rules) to include the criteria for assigning KNAO to a contribution group and calculate its annual contribution to the EUROSAI budget (article 16 of the Statutes determines that members' contributions are fixed according to the classifications used by the UN Organisation, but no such UN reference is currently available in this case).*

*Moreover, for safeguarding neutrality with regard to the status of the territory of Kosovo\*, it was decided that EUROSAI documents, papers and products should include the following footnote whenever the term Kosovo\* is used: “\* This designation is without prejudice to positions on status and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence”.*

#### **Item 14. AOB and closing of the meeting**

The President of EUROSAI conveyed its condolences for the death of the South Africa’s Auditor General, Mr. Kimi Makwetu, and informed that, following the suggestion of the Secretary General of EUROSAI, would write a letter of condolence to his family and to the SAI of South Africa on behalf of the whole EUROSAI community.

No other issues or remarks were raised and the 52<sup>nd</sup> GB meeting was closed by the Chair.