

1. Accounting Principles – Assessment and Classification – other conditions:

The financial statements consist of Revenues and Expenses Account, Balance Sheet, Cash Flow Statement and Notes, and are prepared in accordance with the Norwegian Foundation Act, the Norwegian Accounting Act and Norwegian generally accepted accounting principles as of 31 December 2017. The financial statements fully describe the foundation's assets, liabilities, financial position and results.

The financial statements are based on the basic principles of historical nominal balance, comparativeness, continuous business, congruence and due caution. Transactions are accounted for at nominal value. All costs are accounted for at the time of origin.

All Donor grants are accounted for as Donor Liabilities at the time of receipt. Upon conclusion of each programme activity the final amount is transferred from Donor Liabilities to the Income Statement and accounted for as Grant from Donors. Grant from the Office of the Auditor General (OAG), Norway is accounted for according to the same principles.

Current assets and liabilities include balances due within one year. All other values are classified as fixed assets. Current assets and liabilities are valued at the lower/higher of cost and net realisable value. Fixed assets are valued at cost, but written down to realisable value if the decline in value is expected to be permanent. Long-term debt is normally disclosed at the historical nominal value.

2. Foreign Currency - Exchange Rates Policy:

Revenues and expenses arising from a foreign currency transaction are converted into Norwegian kroner (NOK) using the exchange rate in effect at the date of the transaction. Current assets and liabilities arising from a foreign currency transaction and reflected in the balance sheet are converted into Norwegian kroner (NOK) using the exchange rate in effect at the date of the transaction, but are adjusted to reflect the net realisable value as of balance sheet date. Net exchange loss or gain arising from conversions or settlements of foreign currency items are debited or credited to the relevant financial expenses or income account.

3. Liquid Assets Policy:

Contributions from donors are deposited in the Nordea Bank as bank deposits. The IDI does not invest in securities or other financial instruments.

4. Grants in 2017 (NOK):

Only grants used in 2017 are accounted for as revenues. All excess funds are accounted for as Donor Liabilities and will be spent on program activities in the period 2018 and 2019 or be returned to the donors. Donor Grants contracted and which pertain to future years, but are not received, are not part of the financial statements.

The IDI has in 2017 received a grant amounting to NOK 25 000 000 from Office of Auditor General Norway, to cover the running expenses of the IDI Secretariat and some capacity development programmes.

Grants are provided by Austrian Development Agency, MFA Ireland and SECO, Switzerland to cover running expenses of the INTOSAI-Donor Secretariat, which was established in 2010.

The IDI receives a yearly grant from INTOSAI amounting to 5% of the INTOSAI incomes from the membership fees.

Several donors provide grants to cover direct expenses related to the IDIs capacity development programmes.

Grants not yet received from USAID for 2017, are included in the table as they pertain to 2017 costs and are included as a receivable in the total current assets.

IDI Secretariat and Capacity Development Programmes					
Donor	Donor liability 01.01.2017	Funding received 2017	Accrued interest	Expenses 2017	Donor liability 31.12.2017
Norad, Norway	792 169	-792 169	1 550	1 550	0
OAG, Norway	3 295 195	25 000 000	25 245	27 809 692	510 748
Sida, Sweden	1 270 181	10 562 070	14 101	11 832 251	14 101
IFAD	185 862	247 353	1 359	434 574	0
MFA, Finland	1 825 430	0	2 299	663 900	1 163 829
Global Affairs, Canada	11 975 443	8 030 755	24 562	10 221 746	9 809 014
MFA, Norway	1 280 644	-243 865	2 782	814 561	225 000
MFA, France	394 458	0	597	100 517	294 538
INTOSAI	551 926	150 190	699	0	702 815
DFID, United Kingdom	0	0	343	343	0
DFAT, Australia	1 056 901	0	2 139	1 059 040	0
GAB, Saudi Arabia	128 402	832 075	162	0	960 639
OAG, Zambia	0	356 773	1 080	357 853	0
State Audit Bureau, Kuwait	163 887	0	207	0	164 094
MFA, Hungary	3 384 938	0	4 896	908 748	2 481 086
Estonia	0	289 245	0	0	289 245
Norwegian Embassy South Sudan	0	1 000 000	0	1 000 000	0
USAID	0	533 426	2 210	533 426	2 210
Total	26 305 436	45 965 853	84 231	55 738 201	16 617 319

INTOSAI-Donor Secretariat					
Donor	Donor liability 01.01.2017	Funding received 2017	Accrued interest	Expenses 2017	Donor liability 31.12.2017
OAG, Norway	0	0	2 537	2 537	0
ADA, Austria	0	935 950	1 176	749 533	187 593
MFA, Ireland	325 713	2 439 075	3 661	2 279 583	488 866
SECO, Switzerland	0	1 666 800	3 060	1 335 781	334 079
Total	325 713	5 041 825	10 434	4 367 434	1 010 539

5. Payroll and related costs (NOK):

	2017	2016
Direct salaries	18 406 050	17 552 662
Pension	1 410 886	1 256 534
Employers national insurance contribution	2 812 495	2 673 396
Other payroll related costs	1 039 944	265 366
Total payroll and related costs	23 669 376	21 747 958

Direct Salaries include, among others, housing expenses for foreign staff members amounting to NOK 1 054 769. Payroll and related costs concerning the Director General amounted to NOK 1 440 059 in 2017.

The Director General does not have an early retirement pension agreement or agreement on separate remuneration in the case of discontinuance or change of the conditions of employment. The Director General is only included in the ordinary pension plan. Neither the Director General nor any Board member have loans in IDI. IDI has not guaranteed for loans to the Director General or any Board member.

Members of the IDI Board do not receive a salary or other fees.

As of 31.12.2017 the IDI had a complement of 27 members of staff, 22 at the secretariat in Oslo and 5 posted in the regions they come from. The staff members are either employed directly by the IDI or seconded by Supreme Audit Institutions (SAIs).

IDI employees with permanent residence in Norway are members of the Norwegian Public Service Pension Fund (Statens Pensjonskasse). The IDI pays a yearly fee for this membership, and has no future pension obligations.

The pension scheme for secondees to the IDI remains the responsibility of the seconding SAI or the secondees.

The IDI paid an audit fee amounting to NOK 33 000 exclusive of VAT, in the fiscal year 2017.

6. Travel and Accommodation Costs:

Travel and Accommodation Costs include all costs related to the transportation and accommodation of participants and staff attending the various IDI programme activities.

Travel and Accommodation costs amount to NOK 316 080 for the IDI Secretariat, NOK 23 527 594 for capacity development programme activities and NOK 389 647 for the INTOSAI-Donor Secretariat.

7. Restricted assets:

The balance on the tax deduction bank account in Nordea was NOK 1 130 428 at the end of the fiscal year.

8. Other Operating Expenses (NOK):

Other Operating Expenses include, among others:

	2017	2016
Consultants	6 510 049	2 798 825
IT services	826 012	818 189
Housing and meeting room costs	1 558 090	1 453 105
Stationary and printing costs	63 887	135 379
Phone and internet costs	722 882	438 945

9. Financial Transactions (NOK):

Financial transactions consist of the following:

	2017	2016
Net interest	-1 582	-2 127
Net foreign currency exchange loss/gain	1 187	4 890
Net financial transactions	-395	2 763

The interest received is earned on Basic Capital and Account for Tax Deductions.

Interest received on grants is to be paid back to the donors when agreed in contracts and is therefore accounted for as Donor Liabilities. Interest earned in 2017 for return to donors amounts to NOK 82 581.

10. The INTOSAI-Donor Secretariat (NOK):

The tables show revenues and costs for the INTOSAI-Donor Secretariat.

	2017	2016
Revenues		
Grant from ADA, Austria	-749 533	-929 882
Grant from MFA, Ireland	-2 279 583	-2 571 688
Grant from SECO, Switzerland	-1 335 782	-2 418 859
Grant from DFID, United Kingdom	0	-8 208
Grant from USAID	0	-537
Grant from MFA, France	0	-2 293
Grant from OAG, Norway	-2 537	-2 001 875
Total revenues	-4 367 434	-7 933 342
Operating expenses		
Payroll and related costs	2 284 300	5 125 517
Travel and accommodation costs	389 647	1 328 225
Other operating expenses	1 693 487	1 479 600
Total operating expenses	4 367 434	7 933 342

Expenditure Type and Project Code	Payroll and Related Costs	Travel and Accommodation Costs	Other Operating Expenses	Total
A. Admin. Staff Cost	621 061			621 061
B. Overheads and Other Indirect Costs	194 874	43 874	669 900	908 648
Total Admin	815 935	43 874	669 900	1 529 709
Program Costs				
Program Staff Costs	1 364 821	104 654	356 158	1 825 633
1. Strategic Reviews				
2. Funding Mechanisms	35 738	159 753	108 701	304 191
3. Research, Guidance and Training	21 697	18 383	204 887	244 967
4. Outreach and Communications	27 098		199 689	226 788
5. Data Collection and Management			154 152	154 152
6. SAI PMF (moved to Programmes)				
7. Governance and Program Management	19 011	62 983		81 994
8. Monitoring and Evaluation				-
Total Program	1 468 365	345 773	1 023 586	2 837 724
Total INTOSAI Donor-Secretariat	2 284 300	389 647	1 693 487	4 367 434

11. Specification of capacity development programme costs (NOK):

The table shows the costs of the IDI capacity development programmes distributed by regions.

The costs of the Global programmes have for 2017 been distributed to the INTOSAI regions (and the AFROSAI sub-regions of AFROSAI-E and CREFIAF) based on the participation of the SAIs of different regions. The remaining costs classified as “Global” are mainly related to development and maintenance of global public goods.

	2017	2016
GLOBAL	4 916 641	1 971 614
AFROSAI E	3 807 960	1 625 710
CREFIAF	3 996 210	6 445 202
ARABOSAI	3 259 766	2 085 483
ASOSAI	1 631 539	1 593 980
CAROSAI	760 118	151 258
EUROSAI	1 704 640	326 210
OLACEFS	1 807 847	1 348 671
PASAI	4 798 215	2 441 257
Total	26 682 935	17 989 385

12. Total Value IDI Projects – In kind support:

Programme expenses transpiring from the IDI financial accounts do not give a full illustration of the total costs. IDI programme activities have a cost structure with several sources of funding and corresponding cost absorption.

A substantial part of the IDI Secretariat costs, mainly labour and travelling costs, can be identified as direct traceable costs to specific programme activities. The IDI has often used Secretariat staff to provide in-house services instead of buying services externally.

Numerous SAIs have provided valuable support to IDI in 2017. The IDI has benefitted from the pools of training specialists and subject matter experts who have been made available for IDI capacity development programmes by the respective SAI. The Office of the Auditor General of Norway has contributed and paid for one staff member to the INTOSAI-Donor Secretariat and IDI Programmes from January to November 2017.