

INTOSAI Development Initiative (IDI)
Notes to Financial Statements
December 31, 2015

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 2015. 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 2015 (NOK)

Only grants used in 2015 are accounted for as revenues. All excess funds are accounted for as Donor Liabilities. Donor Grants contracted and which pertain to future years, but are not received, are not part of the financial statements.

The IDI has in 2015 received a grant amounting to NOK 21 500 000 from Office of Auditor General Norway, to cover the running expenses of the IDI Secretariat, INTOSAI-Donor Secretariat and for some of the capacity development programmes.

Grants are provided by OAG Norway, Austrian Development Agency, MFA Ireland, Seco Switzerland, DFAT Australia, USAID, MFA France and DFID Great Britain 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.

All amounts are in NOK:

Donor	Donor liability 01.01.2015	Funding received 2015	Accrued interest	Expenses 2015	Donor liability 31.12.2015
Norad, Norway	3 034 066	0	101 808	1 913 719	1 222 155
OAG, Norway	0	20 810 481	0	20 810 481	0
Sida, Sweden	0	10 229 446	0	10 229 446	0
IFAD	1 621 029	0	8 898	558 543	1 071 384
MFA, Finland	2 703 541	1 977 800	14 446	4 695 787	0
DFATD, Canada	0	9 310 987	0	3 105 000	6 205 987
MFA, Norway	1 881 583	3 005 162	27 787	2 721 385	2 193 147
World Bank	158 550	0	39 324	197 874	0
INTOSAI	246 160	155 290	1 316	0	402 766
DFID, United Kingdom	325 292	1 565 061	14 767	1 905 120	0
GAB, Saudi Arabia	86 848	40 743	464	0	128 055
OAG, Zambia	0	566 489	0	566 489	0
State Audit Bureau, Kuwait	162 578	0	867	0	163 445
US AID	0	3 390 788	2 122	3 390 836	2 074
Total	10 219 647	51 052 247	211 799	50 094 680	11 389 014

INTOSAI-Donor Secretariat					
Donor	Donor liability 01.01.2015	Funding received 2015	Accrued interest	Expenses 2015	Donor liability 31.12.2015
OAG, Norway	0	689 519	0	689 519	0
Austrian Development Agency	0	931 300	4 344	935 644	0
MFA, Ireland	1 892 594	2 327 800	13 686	3 571 181	662 899
World Bank	0	0	6 319	6 319	0
Seco, Switzerland	0	2 291 974	9 923	1 638 998	662 899
DFID, Great Britain	774 293	2 244 004	8 298	3 026 595	0
Norad, Norway	0	0	10 717	10 717	0
DFAT, Australia	0	776 750	0	134 192	642 558
USAID	0	197 310	0	197 310	0
MFA, France	843 100	0	4 518	847 618	0
Total	3 509 987	9 458 657	57 805	11 058 093	1 968 356

IDI has received advances for 2016 in 2015 amounting to NOK 11 116 725 from SIDA, Sweden and advances for 2016-2018 amounting to NOK 3 860 091 from MFA Hungary. Those contributions are not included in the table.

Grants from DFID Great Britain for 2015, received in January 2016 and grants from USAID for 2015, received in January 2016 are included in the table and in the total current assets.

5. Payroll and related costs (in NOK):

	2015	2014
Direct salaries	17 763 504	15 131 146
Pension	1 271 208	1 275 398
Employers national insurance contribution	2 745 311	2 284 656
Other payroll related costs	704 521	458 387
Total payroll and related costs	22 484 544	19 149 587

Direct Salaries include, among others, housing expenses for foreign staff members amounting to NOK 1 402 614.

Payroll and related costs concerning the Director General amounted to NOK 1 367 106 in 2015.

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.

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

As of 31.12.2015 the IDI had a complement of 29 members of staff, 25 at the secretariat in Oslo and 4 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 38 875 exclusive of VAT, in the fiscal year 2015.

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 190 599 for the IDI Secretariat, NOK 2 253 612 for the INTOSAI-Donor Secretariat and NOK 25 252 881 for capacity development programme activities.

7. Fixed assets

In 2015 value of new IT equipment is posted as expenses.

8. Other Operating Expenses:

Other Operating Expenses include, among others (in NOK):

	2015	2014
Consultants	5 416 996	4 633 867
IT services	640 122	882 936
Housing and meeting room costs	1 738 471	1 416 456
Stationary and printing costs	65 883	91 693
Phone and internet costs	536 334	397 309

9. Financial Transactions:

Financial transactions consist of the following (in NOK):

	2015	2014
Net interest	80 882	-9 522
Net foreign currency exchange loss/gain	26 406	7 314
Net financial transactions	107 288	-2 208

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 2015 for return to donors amounts to NOK 201 883

10. The INTOSAI-Donor Secretariat (NOK)

The table shows revenues and costs for the INTOSAI-Donor Secretariat.

	2015	2014
Revenues		
Grant from World Bank	6 319	1 181 394
Grant from Austrian Development Agency	935 644	814 556
Grant from MFA, Ireland	3 571 181	670 950
Grant from Seco, Switzerland	1 638 998	1 858 895
Grant from DFID, Great Britain	3 026 595	784 846
Grant from Norad, Norway	10 717	2 010 084
Grant from USAID	197 310	0
Grant from MFA, France	847 618	0
Grant from OAG, Norway	689 519	0
Grant from DFAT, Australia	134 192	0
Total revenues	11 058 092	7 320 725
Operating expenses		
Payroll and related costs	5 490 637	4 380 927
Travel and accomodation costs	2 253 612	1 126 898
Other operating expenses	3 313 843	1 812 900
Total operating expenses	11 058 092	7 320 725

Expenditure Type and Project Code	Payroll and related costs	Travel and accomodation Costs	Other Operating Expenses	Total
Administration				0
Staff costs	4 782 224		0	5 651 898
Overheads and other indirect costs		84 835	869 674	84 835
Administration total	4 782 224	84 835	869 674	5 736 733
Program				
Theme 1: Intosai-Donor Cooperation Management	111 225	218 648	588	330 461
Theme 2: Funding Mechanism&Project Identification	17 936	0	0	17 936
Theme 3: SAI Performance Measurement Framework	523 199	1 828 639	1 088 124	3 439 962
Theme 4: Knowledge Centre on Support to SAIs	50 310	112 519	206 427	369 256
Theme 5: Strengthening the Supply of Support to SAIs	1 633	8 970	0	10 603
Theme 6: SAI Research Agenda	0	0	0	0
Theme 7: Monitoring and Evaluation	4 109	0	1 149 032	1 153 141
Program total	708 412	2 168 776	2 444 171	5 321 359
TOTAL	5 490 636	2 253 611	3 313 845	11 058 092

11. Specification of capacity development programme costs

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

The costs of the Global programmes have for 2015 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.

	2015	2014
GLOBAL	2 483 372	1 435 398
AFROSAI E	2 998 521	2 682 115
CREFI AF	4 078 687	2 455 415
ARABOSAI	7 465 634	1 884 290
ASOSAI	3 200 778	4 558 225
CAROSAI	769 886	2 494 308
EUROSAI	1 311 424	796 808
OLACEFS	3 598 724	2 227 239
PASAI	2 778 307	2 575 109
Total	28 685 332	21 108 907

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 2015. 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. The Brazilian Court of accounts has contributed with half a man-year to the IDI, this has been divided between INTOSAI-Donor secretariat and IDI programme activities.