

## Sida Assessment of Internal Management and Control of IDI: Recommendations and IDI Response

EY Report Section	EY Recommendation	EY Suggested Priority & Timeline	IDI Proposed Action	Responsible
1.2.2	We recommend IDI to create an overview of all IDI policies where it states who is responsible and their planned revision schedule.	Desirable – within 12-24 months	IDI will create an overview of all IDI policies, responsibilities and revision schedule.	DDG Corporate Support
1.2.3	We recommend IDI to formalize which competencies the Board members are required to have, if any.	Desirable – within 12-24 months	IDI Board Rules of Procedure Appendix, Section 5d will be updated to reflect Board member requirements concerning educational background, professional qualifications, and duration of experience in relevant fields, where appropriate.	DDG Corporate Support
3.1.1	We recommend that IDI updates it's policies and procedures to ensure that no Sida funding is spent on business- or first-class travels	Desirable – within 12-24 months	<ul style="list-style-type: none"> <li>Short term: during year end allocation of spending to donor grants, identify business class travel and ensure no allocation to Sida</li> <li>Medium term: consider adopting Xledger fund accounting module, with such spending allocated to the relevant donor at time of spend</li> </ul>	DDG Corporate Support
3.1.3	We recommend that IDI reviews and controls whether all employees understand and have read the Remuneration policy.	Desirable – within 12-24 months	Remuneration policy to be updated (add reference to new position of Assistant Director General) and recirculated to all staff.	DDG Corporate Support
4.1 4.2	We recommend implementing routines that allow all risk registers to always be up to date and improve specificity and clarity in risk identification. Create routines for more consistent risk management throughout the year which are logged and documented. In case of subsequent events that is known to affect the foundation, there should be logs of routines that forces a	Recommended – within 12 months	<p>Current risk management systems (organisational &amp; work stream level) are geared around periodic updates to support planning &amp; reporting. IDI will explore enhancements that:</p> <ul style="list-style-type: none"> <li>Better link organisational &amp; work stream level risk management</li> <li>Facilitate updates to be made on an ongoing basis</li> <li>Provide an audit trail on changes to risk assessment &amp; response, including event that triggered the change</li> </ul>	DDG Corporate Support

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	smaller risk assessment to see if immediate responses are necessary.		IDI will look at the possibility of digitalising its risk management. <sup>1</sup>	
7.2	We recommend IDI to track procurement and have an updated list of these items as it allows for better internal control. It is also recommended to do spot tests to make sure that all employees follow and understand IDI Procurement Policy.	Recommended – within 12 months	<ul style="list-style-type: none"> <li>• IDI will implement a system to track its procurements.</li> <li>• IDI will introduce periodic spot checks to review ongoing compliance with its procurement policy. The specific solution is to be defined<sup>2</sup>.</li> </ul>	DDG Corporate Support
8.1.1	We recommend IDI to implement a channel that allows whistleblowing to be anonymous and incidents to be confidential. This also allows for feedback and correspondence with the complainant without being in breach of anonymity.	Recommended – within 12 months	IDI will develop or procure a channel that enables anonymous whistleblowing, including the ability for IDI to respond to the whistleblower without breaking anonymity.	DDG Corporate Support
8.3	Although there have been no significant incidents, we recommend establishing a log. If an incident does occur, the designated individual will know where and how to report it. This will help ensure a systematic approach to addressing any future issues and provide a clear reference for reporting.	Recommended – within 12 months	IDI will establish a log where staff can report any occurrences or suspicions of fraud or corruption.	DDG Corporate Support

<sup>1</sup> At this stage, this is not a commitment. IDI has identified its digitalisation priority as enhancing its finance, budgeting and donor contract management systems. The scope of this project is currently being defined. One option is a narrow focus on financial aspects. Another option is a much broader system which covers related aspects, specifically IDI's operational and risk management systems.

<sup>2</sup> This is part of IDI's digitalisation of its finance, budgeting and donor contract management systems. One option is to purchase the Xledger procurement module.

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8.4	We recommend that IDI implement a system to provide all staff members with ongoing training on anti-corruption, including maintaining a log to track who has received the training and who has not. We suggest the introduction of annual e-learning programs for all employees to ensure that everyone is fully updated on any changes. This will also serve as a valuable reminder of the content.	Recommended – within 12 months	IDI has started developing material for regular, short refresher courses on ethics, safeguarding and anti-corruption. IDI plans to deliver these through its Learning Management System, so it has an audit trail showing course completion by all staff.	DDG Corporate Support
9	We recommend that the organization establish procedures for recurring checks throughout the year, on the vendors, donors, partners to identify any change on the sanction status.	Recommended – within 12 months	This will be one of the requirements for IDI's new procurement system. <sup>3</sup>	DDG Corporate Support
9	We recommend the organization ensure that in case of any promotion within the organization these policies and routines are acknowledged by the employees prior to their starting date in the organization.	Recommended – within 12 months	IDI requirements on restrictive measures (i.e. following sanctions) is embedded within the IDI Procurement Policy (2023, section 101). IDI will maintain a register demonstrating all staff have been made aware of the procurement policy as part of their induction.	DDG Corporate Support
9	We recommend that the organization perform trainings at least annually to its employees, and more specific to teams involved with managing funds and procurement, regarding the routines and procedures in place for restrictive measures.	Recommended – within 12 months	IDI will develop regular, short refresher courses on implementing restrictive measures (i.e. following sanctions) related to managing funds and procurement. IDI will deliver these through its Learning Management System, so it has an audit trail showing course completion by all staff.	DDG Corporate Support

<sup>3</sup> IDI has discussed this requirement with one possible vendor. They confirmed that their procurement system has the facility to routinely run all suppliers registered in the procurement system through a sanctions scanner, to identify any organisations currently subject to sanctions.