

INTOSAI Development Initiative (IDI)
Notes to the Financial Statements of 2021
31 December 2021

1. Accounting Principles – Assessment and Classification – other conditions

The financial statements consist of Income Statement, Statement of Financial Position, Statement of Cash Flow 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 2021. The financial statements fully describe the foundation's assets, liabilities, financial position and results. All numbers are in Norwegian currency (NOK).

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 delivery of activities, amounts are transferred at the end of the year from Donor Liabilities to the Income Statement and accounted for as Grant from Donors. The 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 2021

Only grants used in 2021 are accounted for as revenues¹. All excess funds are accounted for as Donor Liabilities and will be spent on activities in future years 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 2021 received a grant amounting to NOK 27 900 000 from Office of the Auditor General of Norway, to cover the running expenses of the IDI Secretariat and some capacity development initiatives. The IDI will repay NOK 6 000 000 to the Office of the Auditor General of Norway as a result of COVID-19 and a significant reduction in expenses caused by stop in all significant travel activities in 2021.

The IDI agreed with Sida, Sweden, to forfeit SEK 3 500 000 or 23 % of the grant for 2021 due to the consequences of COVID-19.

The IDI receives a yearly grant from INTOSAI amounting to 5% of the INTOSAI incomes from the membership fees. In agreement with INTOSAI, grants from INTOSAI will be recognised as revenue, without being spent, resulting in a surplus and increasing IDI reserves.

Several donors provide grants to cover direct expenses and recover running costs related to the IDIs capacity development initiatives.

Grants not yet received from FCDO for 2021 are not included in funding received 2021 as the agreements stipulates that grant payments are settled in arrears. They are, however, accounted for as grants in 2021 as they pertain to 2021 costs and are included as a receivable in the total current assets. All of the NOK 1 682 392 expensed from FCDO below are included as a receivable.

¹ An exception are INTOSAI grants that were recognised as revenue without being spent to increase IDI reserves.

IDI Secretariat and Capacity Development Programmes						
Donor	Donor liability 01.01.2021	Funding received 2021	Accrued interest	Expenses 2021	Income to Reserves	Donor liability 31.12.2021
<i>Unrestricted Grants</i>						
INTOSAI	1 236 214	232 641	466	-	1 469 321	-
State Audit Bureau, Kuwait	164 500	-	62	-		164 562
General Bureau for Audit, Saudi Arabia	130 191	-	544	-		130 734
<i>Sub-total Unrestricted Grants</i>	1 530 905	232 641	1 071	-	1 469 321	295 297
<i>Restricted Grants</i>						
General Bureau for Audit, Saudi Arabia	1 312 752	4 241 938	-	1 363 914		4 190 776
OAG, Norway	14 937 894	21 900 000	10 962	24 901 392		11 947 464
SIDA, Sweden	1 036 369	11 557 955	3 754	12 130 706		467 372
IADB	-	-	-	-		-
BMZ (GIZ), Germany	768 268	2 329 847	964	1 772 190		1 326 889
Global Affairs, Canada	-	-	1 651	1 651		-
MFA, France	-	1 039 933	406	1 040 339		-
MFA Estonia for SDG's	317 985	-	120	-		318 105
MFA, Iceland	-	-	347	347		-
USAID, USA	-	2 641 710		2 624 848		16 862
FCDO, UK	-	1 262 711	1 501	1 264 212		-
Norwegian Embassy South Sudan	502 478	1 887 000	518	2 138 033		251 963
ADA, Austria	655 962	1 012 613	528	1 026 816		642 288
Norwegian Embassy Kenya	1 073 847	1 278 000	763	1 070 143		1 282 468
SECO, Switzerland	3 277 138	5 597 774	3 290	5 660 244		3 217 959
European Union	4 728 132	3 035 752	3 811	6 051 133		1 716 563
State Audit Bureau, Qatar	1 829 620	1 823 075	890	755 309		2 898 277
NORAD, Norway	8 251	2 033 000		-		2 041 251
MFA, Ireland	1 791 332	2 512 500	1 164	4 304 996		-
State Audit Office, Latvia	-	152 754		152 754		-
Undistributed Interest Debt	31 742	-31 742	12 511	-		12 510
<i>Sub-total Restricted Grants</i>	32 271 770	64 274 821	43 181	66 259 027		30 330 745
Total (Resource Basis)	33 802 675	64 507 462	44 253	66 259 027	1 469 321	30 626 042
<i>Adjustment for Grants paid in arrears</i>						
USAID, USA	-1 513 564	1 513 564	-	-	-	-
FCDO, UK	-2 590 220	2 590 220	-	1 682 392	-	-1 682 392
Total (Cash Received Basis)	29 698 891	68 611 246	44 253	67 941 419	1 469 321	28 943 650

5. Payroll and related costs

	2021	2020
Direct salaries	28 902 334	26 982 026
Pension	2 480 829	2 664 077
Employers national insurance contribution	4 494 665	3 977 792
Other payroll related costs	4 682 171	3 386 701
Total payroll and related costs	40 559 999	37 010 595

Full time equivalents	32,8	29,8
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Direct Salaries include, among others, housing expenses for foreign staff members amounting to NOK 1 890 627. Payroll and related costs concerning the Director General amounted to NOK 1 559 395 in 2021.

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 salary or any other fee.

As of 31.12.2021, the IDI had a complement of 43 members of staff, 34 Oslo based and 9 regional employees and also drew on Associate resources equivalent to 4,3 staff. The staff members are either employed directly by IDI or seconded by Supreme Audit Institutions.

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 140 925 inclusive of VAT, in the fiscal year 2021. They also paid NOK 50 000 for consultancy from their auditor.

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 activities.

	2021	2020
IDI Secretariat	60 629	299 133
Work Stream activities	376 104	3 746 201

7. Restricted assets

The balance on the tax deduction bank account in Nordea was NOK 1 641 889 at the end of the fiscal year.

8. Other Operating Expenses

Other Operating Expenses include, among others:

	2021	2020
Consultants	17 170 014	7 271 769
IT services	1 079 221	1 069 920
Housing and meeting room costs	1 547 484	1 547 504
Stationary and printing costs	140 858	306 160
Phone and internet costs	1 100 993	483 250

Consultancy costs increased mainly due to an increase in professional services related to new digital platforms and services (NOK 5,5 million) and regional employees (NOK 2,5 million).

9. Financial Transactions

Financial transactions consist of the following:

	2021	2020
Net interest	-1 272	-4 155
Net foreign currency exchange gain/(loss)	-325 931	126 421
Net financial transactions	-327 203	122 267

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 2021 for return to donors amounts to NOK 12 511.

10. Specification of capacity development costs

The table shows the direct delivery costs of the IDI capacity development initiatives distributed by regions. This table does not capture how IDI has allocated person days or associated costs to the different regions. The increase in costs in 2021 compared to 2020 should be seen in light of normalizing activities during the prolonged pandemic. For 2021 IDI services were delivered at the same level through virtual platforms.

The costs of the Global initiatives have for 2021 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.

	2021	2020
GLOBAL	9 038 975	2 895 307
AFROSAI-E	2 244 432	2 737 504
CREFIAF	1 934 984	1 256 631
ARABOSAI	248 084	61 561
ASOSAI (incl. ASEANSAI)	264 874	138 909
CAROSAI	249 409	13 984
EUROSAI	8 646	247 950
OLACEFS	78 360	1 552 160
PASAI	252 154	137 237
Total	14 319 919	9 041 243

11. Total Value IDI Projects – In kind support

Capacity development expenses transpiring from the IDI financial accounts do not give a full illustration of the total costs. IDI 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 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 2021. The IDI has benefitted from the pools of training specialists and subject matter experts who have been made available for IDI capacity development activities by the respective SAI.

12. Consequences of COVID-19

IDI's activities were significantly affected by COVID-19 also in 2021. All travel and physical meeting activities were halted until the end of 2021 with a significant reduction in expenses. As a consequence, IDI has continued its use of alternative ways of delivering the IDI services online.

IDI maintained full business continuity and delivered on its portfolio of initiatives and commitments in 2021. Support from donors continues to be strong and funding is expected to be at the same level in 2022 as in 2021.