

THE IDI BOARD'S ANNUAL REPORT 2014

1. Introduction

The mission of the INTOSAI Development Initiative (IDI) is to support Supreme Audit Institutions (SAIs) in developing countries, in their efforts to sustainably enhance performance, independence and professionalism. The IDI provides this support by facilitating and coordinating effective SAI capacity development programmes; developing and disseminating Global Public Goods; strengthening regional bodies, networks and communities; and mobilizing scaled up and more effective support to SAIs.

The IDI is, according to the INTOSAI Strategic Plan 2011-2016, one of INTOSAI's principal bodies. The Office of the Auditor General of Norway (OAGN) has hosted the IDI since 2001. The IDI is organized as a foundation according to Norwegian laws. The organisation comprises the IDI Board, the IDI Secretariat and the IDI Advisory Committee.

The IDI's performance reporting on the IDI's core tasks – to support capacity development of developing countries' SAIs and carry out the Secretariat functions of the INTOSAI–Donor Cooperation - is covered in detail in the IDI 2014 Performance and Accountability Report, while the IDI Board's Annual Report 2014 mainly deals with the organisation and how the IDI meets Norwegian requirements regarding foundations, accounting and financial statements, working environments and social responsibilities.

2. The IDI's Organization

2.1 The IDI Board

The IDI Board Members in 2014 were:

Mr. Per-Kristian Foss, Auditor General of Norway, Chairman

Mr. Per Anders Engeseth, Director General, Office of the Auditor General of Norway,
Deputy Chairman

Ms. Berit Mørk, Director General, Office of the Auditor General of Norway

Ms. Tora Struve Jarlsby, Deputy Director General, Office of the Auditor General of Norway

Mr. Michael Ferguson, Auditor General, Office of the Auditor General of Canada

Mr. Arno Visser, Vice President of the Board of the Netherlands Court of Audit,
The Netherlands .

Mr. Amyas Morse, Comptroller and Auditor General, National Audit Office, United Kingdom

Mr. Jan Landahl, Auditor General, the Swedish National Audit Office

Ms. Mildred Chiri, Comptroller and Auditor General, Office of the Comptroller and Auditor
General of Zimbabwe.

Dr. Josef Moser, Secretary General of INTOSAI and President of the Court of Audit of
Austria, and Mr. Mr Thembekile Kimi Makwetu, Auditor General of South Africa and

Chairman of INTOSAI Capacity Building Committee, acted as observers to the IDI Board in 2014.

The IDI Board had two meetings in 2014. The first meeting, on 4-5 March, in Oslo, dealt with the Annual Report and Financial Statements for 2013, the Operational Plan and Budget for 2014 and other issues of strategic importance for the IDI. The second meeting, which was held as a telephone conference on 3 November, approved the IDI Budget and Operational Plan for 2015 and the revised IDI Budget for 2014. In addition it dealt with other issues of strategic importance to the IDI.

The IDI Board's Working Committee, made up of the four Norwegian Board Members, had seven meetings in 2014 (on 6 and 18 February, 18 March, 21 May, 12 September, 17 October and 12 December). The Working Committee's main activities include overseeing implementation of the operational plan, monitoring expenditure against the approved budgets and approval of major projects. The Working Committee can make decisions within the framework drawn up by the IDI Board.

2.2 The IDI Secretariat

The IDI Secretariat shares premises with the OAGN in Oslo. The Secretariat implements the IDI's strategic and operational plans, executes capacity development programmes, liaises with other organisations, prepares meetings of the IDI Board and its Working Committee and follows up on their decisions. The Secretariat operates in four official working languages (Arabic, English, French and Spanish).

2.3 The INTOSAI-Donor Secretariat

Following the establishment of the INTOSAI-Donor Cooperation in 2009, the IDI was selected as Secretariat for the Steering Committee in 2010. The INTOSAI-Donor Secretariat provides support to the Steering Committee and implements annual work programmes for the Cooperation. The INTOSAI-Donor Secretariat reports to the INTOSAI-Donor Steering Committee and forms an integrated part of the IDI Secretariat.

2.4 The IDI Advisory Committee

The IDI Advisory Committee meets once every three years, on the eve of each INTOSAI Congress, to review plans and make suggestions and recommendations. The Committee members are Heads of SAs that represent INTOSAI, the regions, the International Journal of Government Auditing, donor countries and members of the IDI Board. The Committee last met in 2013 in Beijing, China. Representatives of donor organizations were also invited as observers.

3. Economy and Administration

3.1 Economy

The running of the IDI Secretariat has been covered by a grant from the Norwegian Government through the Norwegian Agency for Development Cooperation (Norad). This is a long-term commitment based on the Norwegian Parliament's approval in 1998 of the establishment of the IDI in Norway. A substantial part of the IDI Secretariat costs, mainly

labour and travelling costs, can be identified as direct traceable costs to specific capacity development programmes, but also covers internal administration costs. The funding for the IDI Secretariat will from 1 January 2015 be provided through a separate budget allocation from the Norwegian Parliament to the Office of the Auditor General of Norway earmarked for the IDI.

In 2014, funding for the IDI capacity development programmes was received from development partners in Finland, Norway, Sweden, the United Kingdom, the United States of America, from the World Bank, the International Fund for Agricultural Development and INTOSAI, as well as a donation from the SAI of Saudi Arabia. The financial support from donors is a pre-condition for successful IDI operations and the IDI has benefitted from a stable group of core donors who have provided the necessary financial means. During 2014, a substantial number of SAIs provided valuable support to IDI operations in the form of in-kind contributions. The Federal Court of Accounts of Brazil provides in-kind support to the IDI capacity development programmes equivalent to half a person year.

Financial support for the INTOSAI-Donor Secretariat is provided separately by Austria, Ireland, Norway, Switzerland, the United Kingdom and the World Bank. The OAGN and the Federal Court of Accountants of Brazil provide in-kind support to the INTOSAI-Donor Secretariat through the provision of staff on secondment equivalent of one and a half person years.

The financial statements for 2014 are based on the Board's assumption that the operations will continue. The Board considers that sufficient financial support from donors will be obtained to maintain the IDI's activities through 2015 and 2016. There are however some uncertainties related to renewal of expired or expiring contracts regarding capacity development programmes, and it has become a trend that donors increasingly earmark their support to specific programmatic themes, geographic regions or countries of certain categories, while previously support was mostly given to finance implementation of the IDI's strategic plan. IDI has however during 2014 renewed the funding contract with Sweden (SIDA) regarding support to the implementation of the IDI Strategic Plan, and seems to be in a better situation with regards to attracting sufficient funding than in the last years. The Board will however continue to closely monitor the financial positions of the IDI, and necessary actions will be taken to balance expenses with revenue.

In 2014, IDI received a grant for the running of IDI of 21 000 000 NOK from NORAD. By 31 December 2014, 3 034 066 NOK of the fund was unspent. IDI has submitted an application to Norad and requested their approval for carrying forward the unspent amount to 2015. In the application, IDI has specified that the unspent funds will be used to support SAIs in fragile states and SAIs in countries which have been affected by the EBOLA epidemic. IDI will transfer the unspent funds to Norad if the application is not approved.

The funding from Norad represented IDI's core funding from the Government of Norway. From 2015 this annual core funding has shifted to direct funding from the Norwegian Parliament administered through the OAGN. It is expected that this will contribute to an improved liquidity position for the IDI at the beginning of each year owing to early disbursement of the first instalment for the respective years as compared to the previous disbursement in the month of April.

The result of NOK 9 936 is allocated to the IDI's unrestricted equity.

It is the IDI Board's understanding that the IDI Financial Statements for 2014 fully describe the IDI's financial position as of 31 December 2014.

3.2 Working Environment and Human Resources

The IDI's working environment is regarded as satisfactory. The IDI is co-located with the OAGN. The IDI continued to work with routines to ensure good conditions regarding safety, security, health and quality of the environment at the workplace.

No personal injuries or accidents were reported in 2014. The IDI increasingly considers environmental issues when planning and executing all activities, and a number of environmental initiatives have been implemented in 2014.

The activities of the IDI do not pollute the environment.

The IDI is engaged in providing capacity development services, and only conducts very limited research and development work.

As of 31 December 2014 the IDI had used a total of 26 person years with 26 persons on the staff.

Of these, 23 persons were located at the Secretariat in Oslo. 16 persons were directly employed by the IDI, one was on secondment from OAGN and six were seconded from developing country SAIs. Three persons were employed in the INTOSAI regions. In addition, the Federal Court of Accounts of Brazil provides in total one person year to the INTOSAI-Donor Secretariat and IDI capacity development programmes. The staff of the INTOSAI-Donor Secretariat comprised 5 person years with 1 manager employed by the IDI

The IDI has addressed the increased need for human resources by hiring staff on secondment from SAIs in developing countries. These staff members typically have background and experience from a SAI and the region it operates in, and they have enhanced the IDI's capability to deliver capacity development programmes in their respective regions

Work with the goal of organizing and managing the IDI in ways that secure economical, efficient and effective operations while promoting a motivational working environment continued in 2014.

The IDI is aware of the purposes to be promoted through the Norwegian legislation on discrimination and accessibility, and makes efforts to ensure that discrimination is avoided in the IDI's operations.

Absence due to illness in 2014 amounted to 143,5 working days, or 2,9 % of the total number of person years. This represents an increase of 0,9% from 2,0 % in 2013. The IDI works continuously to provide a working environment which promotes employees' health and well-being.

The IDI Board consisted in 2014 of six men and three women, and the IDI's Management Group was in 2014 composed of three men and one women. As of 31 December 2014 the total IDI staff (including regional staff) of 26 persons consisted of 17 women (65%) and 9 men (35%). The IDI Board and Management are conscious of the IDI's social responsibility to

promote gender balance. The IDI Board regards the IDI's gender balance situation as satisfactory.

A new Director General was recruited by 1 January 2014. In addition, an entirely new IDI management group consisting of three middle managers, Head of Capacity Development Programmes, Head of Administration and Head of the INTOSAI-Donor Secretariat was recruited in 2014.

Oslo, 12 March 2015

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