

**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 Accounting Act and generally accepted accounting principles for small companies as of 31 December 2022. 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 a 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. 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 2022**

Only grants used in 2022 are accounted for as revenues<sup>1</sup>. 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 2022 received a grant amounting to NOK 28 600 000 from Office of the Auditor General of Norway, to cover the running expenses of the IDI Secretariat and some capacity development initiatives.

The IDI 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 IDI's capacity development initiatives.

Grants not yet received from USAID and Norwegian Embassy South Sudan for 2022 are not included in funding received 2022 as the agreements stipulates that grant payments are settled in arrears. They are, however, accounted for as grants in 2022 as they pertain to 2022 costs and are included as a receivable in the total current assets. All of the NOK 2 605 991 expensed from USAID below, and the 198 547 expensed from Norwegian Embassy South Sudan below, are included as a receivable.

---

<sup>1</sup> An exception are INTOSAI grants that are recognised as revenue without being spent to increase IDI reserves.

IDI Secretariat and Capacity Development Programmes						
Donor	Donor liability 01.01.2022	Funding received 2022	Accrued interest	Expenses 2022	Income to Reserves	Donor liability 31.12.2022
<b>Unrestricted Grants</b>						
INTOSAI	-	178 645	191	-	178 836	-
State Audit Bureau, Kuwait	164 562	-	21	164 584	-	-
General Bureau for Auditi, Saudi Arabia	130 734	-	739	131 473	-	-
<b>Sub-total Unrestricted Grants</b>	<b>295 297</b>	<b>178 645</b>	<b>951</b>	<b>296 057</b>	<b>178 836</b>	-
<b>Restricted Grants</b>						
General Bureau for Auditi, Saudi Arabia	4 190 776	1 899 530	-	5 281 041	-	809 265
OAG, Norway	11 947 464	28 600 000	4 787	33 048 238	-	7 504 013
SIDA, Sweden	467 372	14 368 942	1 636	14 837 950	-	-
IADB	-	94 001	-	94 001	-	-
BMZ (GIZ), Germany	1 326 889	1 106 239	403	2 265 886	-	167 645
Global Affairs, Canada	-	-	-	-	-	-
MFA, France	-	792 880	135	793 015	-	-
MFA Estonia for SDG's	318 105	-	41	318 146	-	-
MFA, Iceland	-	-	-	-	-	-
USAID, USA	16 862	4 794 772	343	4 811 977	-	-
FCDO, UK	-	728 683	164	728 847	-	-
Norwegian Embassy South Sudan	251 963	4 300 000	310	4 552 273	-	-
ADA, Austria	642 288	997 357	217	1 639 861	-	-
Norwegian Embassy Kenya	1 282 468	2 500 000	306	3 098 417	-	684 357
SECO, Switzerland	3 217 959	5 711 532	1 153	7 507 194	-	1 423 450
European Union	1 716 563	8 166 739	1 009	8 899 841	-	984 470
State Audit Bureau, Qatar	2 898 277	1 947 124	475	4 845 875	-	-
NORAD, Norway	2 041 251	1 444 691	-	2 152 396	-	1 333 546
MFA, Ireland	-	2 556 000	559	2 556 559	-	-
State Audit Office, Latvia	-	148 425	22	148 447	-	-
Undistributed Interest Debt	12 510	-	94 753	-	-	107 263
<b>Sub-total Restricted Grants</b>	<b>30 330 745</b>	<b>80 156 917</b>	<b>106 312</b>	<b>97 579 964</b>	-	<b>13 014 008</b>
<b>Total (Resource Basis)</b>	<b>30 626 042</b>	<b>80 335 562</b>	<b>107 263</b>	<b>97 876 021</b>	<b>178 836</b>	<b>13 014 010</b>
<i>Adjustment for Grants paid in arrears</i>						
FCDO, UK	-1 682 392	1 682 392	-	-	-	-
USAID, USA	-	-	-	2 605 991	-	-2 605 991
Norwegian Embassy South Sudan	-	-	-	198 547	-	-198 547
<b>Total (Cash Received Basis)</b>	<b>28 943 650</b>	<b>82 017 954</b>	<b>107 263</b>	<b>100 680 558</b>	<b>178 836</b>	<b>10 209 473</b>

## 5. Payroll and related costs

	2022	2021
Direct salaries	33 647 201	28 902 334
Pension	2 151 014	2 480 829
Employers national insurance contributio	5 156 124	4 494 665
Other payroll related costs	5 524 792	4 682 171
<b>Total payroll and related costs</b>	<b>46 479 132</b>	<b>40 559 999</b>

Direct Salaries include, among others, housing expenses for foreign staff members amounting to NOK 1 527 836. Payroll and related costs concerning the Director General amounted to NOK 1 701 046 in 2022.

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 31.12.2022, the IDI had a complement of 49 members of staff, 40 Oslo based and 9 regional employees and also drew on unpaid Associate resources equivalent to 1,1 staff. The staff members are either employed directly by IDI or seconded by Supreme Audit Institutions.

Number of full-time equivalents during 2022 was 35,6.

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 40 019 inclusive of VAT, in the fiscal year 2022.

## 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.

	2022	2021
IDI Secretariat	604 879	60 629
Work Stream activities	20 052 683	376 104

## 7. Other Operating Expenses

Other Operating Expenses include, among others:

	2022	2021
Consultants	19 887 484	17 170 014
IT services	1 277 015	1 079 221
Housing and meeting room costs	1 547 484	1 547 484
Stationary and printing costs	105 823	140 858
Phone and internet costs	1 219 897	1 100 993

## 8. Financial Transactions

Financial transactions consist of the following:

	2022	2021
Net interest	-142	-1 272
Net foreign currency exchange gain/(loss)	-412 072	-325 931
<b>Net financial transactions</b>	<b>-412 214</b>	<b>-327 203</b>

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 2022 amounts to NOK 107 263.

## 9. Restricted assets

The balance on the tax deduction bank account in Nordea was NOK 2 044 603 at the end of the fiscal year.

## 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 2022 compared to 2021 should be seen in light of a resumption of physical activities after the pandemic.

The costs of the Global initiatives have for 2022 been distributed to the INTOSAI regions (and the AFROSAI sub-regions of AFROSAI-E and CREFIAF) where costs can be directly attributed to regions. The remaining costs classified as "Global" include global activities with SAIs across regions as beneficiaries as well as to the development and maintenance of global public goods.

	2022	2021
GLOBAL	20 423 414	9 038 975
AFROSAI-E	8 316 406	2 244 432
CREFIAF	5 862 602	1 934 984
ARABOSAI	414 047	248 084
ASOSAI (incl. ASEANSAI)	674 512	264 874
CAROSAI	195 484	249 409
EUROSAI	377 190	8 646
OLACEFS	476 374	78 360
PASAI	14 795	252 154
<b>Total</b>	<b>36 754 824</b>	<b>14 319 919</b>

## **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 2022. 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 delivery of services after the pandemic**

IDI gradually resumed travel and physical meeting activities during 2022 following the pandemic and at the same time keep a high focus on developing alternative ways of delivering IDI services online.

IDI maintained full business continuity and delivered on its portfolio of initiatives and commitments in 2022. Support from donors continues to be strong and funding is expected to be at the same level in 2023 as in 2022.