

**INTOSAI Development Initiative (IDI)**  
**Notes to the Financial Statements of 2023**  
**31 December 2023**

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**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 and generally accepted accounting principles for small companies as of 31 December 2023. 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 2023**

Only grants used in 2023 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 2023 received a grant amounting to NOK 28 700 000 from Office of the Auditor General of Norway, to cover the running expenses of the IDI Secretariat and some capacity development initiatives.

IDI receives a yearly grant from INTOSAI amounting to 5% of the INTOSAI incomes from the membership fees. For 2023, IDI received an additional grant of EUR 50 000 from INTOSAI reserve funds. 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 USAID and Norwegian Embassy South Sudan for 2023 are not included in funding received 2023 as the agreements stipulates that grant payments are settled in arrears. They are, however, accounted for as grants in 2023 as they pertain to 2023 costs and are included as a receivable in the total current assets. All of the NOK 1 823 643 expensed from USAID below, and the 361 886 expensed from Norwegian Embassy South Sudan below, are included as a receivable.

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<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 01.01.2023	Funding received 2023	Accrued interest	Expenses 2023	Income to Reserves	Donor liability 31.12.2023
<b>Unrestricted Grants</b>						
INTOSAI	-	806 415	175	-	806 590	-
State Audit Bureau, Kuwait	-	-	-	-	-	-
General Bureau for Auditi, Saudi Arabia	-	-	-	-	-	-
<b>Sub-total Unrestricted Grants</b>	-	<b>806 415</b>	<b>175</b>	-	<b>806 590</b>	-
<b>Restricted Grants</b>						
General Bureau for Auditi, Saudi Arabia	809 265	-	5 231	814 497	-	-
OAG, Norway	7 504 013	28 700 000	39 624	32 513 020	-	3 730 616
SIDA, Sweden	-	16 757 015	14 557	16 771 573	-	-
IADB	-	-	-	-	-	-
BMZ (GIZ), Germany	167 645	1 924 557	2 388	1 092 746	-	1 001 844
Global Affairs, Canada	-	9 669 190	-	7 160 748	-	2 508 442
MFA, France	-	933 399	778	934 177	-	-
MFA Estonia for SDG's	-	-	-	-	-	-
Asian Development Bank	-	2 693 045	-	2 693 045	-	-
USAID, USA	-	9 502 182	4 721	9 417 477	-	89 426
FCDO, UK	-	-	715	715	-	-
Norwegian Embassy South Sudan	-	5 592 453	4 466	5 596 919	-	-
ADA, Austria	-	1 108 150	1 609	1 109 759	-	-
Norwegian Embassy Kenya	684 357	2 261 500	3 711	2 382 260	-	567 308
SECO, Switzerland	1 423 450	20 838 197	8 762	5 019 736	-	17 250 673
European Union	984 470	14 762 829	9 697	15 205 916	-	551 080
State Audit Bureau, Qatar	-	2 096 859	4 754	2 101 613	-	-
NORAD, Norway	1 333 546	2 000 000	3 420	2 441 696	-	895 270
MFA, Ireland	-	2 957 000	2 508	2 959 508	-	-
State Audit Office, Latvia	-	161 910	146	162 055	-	-
Undistributed Interest Debt	107 263	-	448 849	-	-	556 111
<b>Sub-total Restricted Grants</b>	<b>13 014 008</b>	<b>121 958 287</b>	<b>555 936</b>	<b>108 377 460</b>	-	<b>27 150 773</b>
<b>Total (Resource Basis)</b>	<b>13 014 008</b>	<b>122 764 702</b>	<b>556 112</b>	<b>108 377 460</b>	<b>806 590</b>	<b>27 150 773</b>
<i>Adjustment for Grants paid in arrears</i>						
USAID, USA	-2 605 991	2 605 991	-	1 823 643	-	-1 823 643
Norwegian Embassy South Sudan	-198 547	198 547	-	361 886	-	-361 886
<b>Total (Cash Received Basis)</b>	<b>10 209 471</b>	<b>125 569 240</b>	<b>556 112</b>	<b>110 562 989</b>	<b>806 590</b>	<b>24 965 244</b>

## 5. Payroll and related costs

	2023	2022
Direct salaries	38 088 111	33 647 201
Pension	3 115 674	2 151 014
Employers national insurance contributio	6 440 599	5 156 124
Other payroll related costs	4 292 919	5 524 792
<b>Total payroll and related costs</b>	<b>51 937 303</b>	<b>46 479 132</b>

Direct Salaries include, among others, housing expenses for foreign staff members amounting to NOK 1 592 574. Payroll and related costs concerning the Director General amounted to NOK 1 765 169 in 2023.

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 31.12.2023, IDI employed 40 staff in Norway and drew on 8 Professionals hired via the Employer of Record, Globalization Partners. In addition, IDI drew on unpaid Associate resources equivalent to 0,8 staff.

Number of full-time equivalents during 2023 was 40,2.

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 214 266 inclusive of VAT, in the fiscal year 2023.

## 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.

	2023	2022
IDI Secretariat	517 800	604 879
Work Stream activities	26 644 595	20 052 683

## 7. Other Operating Expenses

Other Operating Expenses include consultancy costs of Professionals hired through Globalization Partners, among others:

	2023	2022
Consultants	18 333 206	19 887 484
IT services	1 115 572	1 277 015
Housing and meeting room costs	2 286 664	1 547 484
Stationary and printing costs	128 342	105 823
Phone and internet costs	1 219 379	1 219 897

## 8. Financial Transactions

Financial transactions consist of the following:

	2023	2022
Net interest	-897	-142
Net foreign currency exchange gain/(loss)	-67 885	-412 072
<b>Net financial transactions</b>	<b>-68 782</b>	<b>-412 214</b>

Interest received is earned on Capital and Operation Bank Accounts.

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 2023 amounts to NOK 556 112.

## 9. Restricted assets

The balance on the tax deduction bank account in Nordea was NOK 1 833 409 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 2023 compared to 2022 comes as a general increase in activities across IDI and in particular for regional activities.

The costs of the Global initiatives have for 2023 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.

	2023	2022
GLOBAL	18 745 974	20 423 414
AFROSAI-E	8 397 827	8 316 406
CREFIAF	7 193 979	5 862 602
ASOSAI (incl. ASEANSAI)	1 989 849	674 512
ARABOSAI	1 817 452	414 047
CAROSAI	1 437 793	195 484
OLACEFS	1 041 975	476 374
EUROSAI	428 230	377 190
PASAI	66 208	14 795
<b>Total</b>	<b>41 119 287</b>	<b>36 754 824</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 2023. 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. Business Continuity**

IDI maintained full business continuity and delivered on its portfolio of initiatives and commitments in 2023. Support from donors continues to be strong and funding is expected to be at the same level in 2024 as in 2023.