

## PURPOSE

1. The purpose of these rules of procedure is to operationalise the IDI statutes in accordance with the Norwegian Act relating to foundations<sup>1</sup> and detail the high level procedural working of the IDI Board. The appendix encompasses the Terms of Reference (ToR) for the Nomination and Remuneration Committee of the IDI Board, Chair of the IDI Board, Vice-Chair of the IDI Board, individual IDI Board members and the Director General of IDI.
2. The Rules of Procedure are notified with the adoption by the IDI Board<sup>2</sup> and updated as per requirement but at least once every three years.

## APPOINTMENTS TO THE IDI BOARD

3. All appointments to the Board will be done by the Board in plenary sessions. All nominations of members to the IDI Board will be handled by a separate Nomination and Remuneration Committee comprising the Chair of the Board and two additional IDI Board members. The composition of the IDI Board will be regulated as per the statutes for the foundation IDI.
4. Members to the IDI Board shall be appointed in their personal capacity and appointments shall be done in a transparent and competitive manner.
5. All members to the IDI Board shall be appointed on an honorary basis with normally a three-year term which may be renewed for another term only. Board members shall remain in office until new members are elected, even if their terms of office have expired. The Board may also appoint members for a shorter duration if it so desires.

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<sup>1</sup> Sections 30, 31, 32, 33,37,38,39 of annex 1 of the Act.

<sup>2</sup> Adopted by the IDI Board on 10 March 2000. Paragraph 6, last section, amended by the IDI Board on 12 March 2003. All sections revised, updated and adopted by the IDI Board on 10 March 2016. Revisions to paragraph 4.e,f,g and paragraph 5 a-c; e-j in appendix adopted by the IDI Board on 9 November 2018. Revisions to articles 22,25,27,30 and paragraph 3.i in the appendix adopted by the IDI Board on 27 November 2019. Paragraph 5.f in the appendix agreed by the IDI Board on 24 March 2020.

6. While Board members shall be appointed primarily from the INTOSAI community, Board members may also be appointed externally in instances where the required skill sets are not available within INTOSAI.
7. Even though appointed in their personal capacity, Board members appointed from the INTOSAI community should review their continuation in the IDI Board upon the expiry of their association with INTOSAI and member Supreme Audit Institutions.
8. All new Board members shall be invited to undergo an induction programme for IDI Board members.

#### FREQUENCY AND QUORUM OF IDI BOARD MEETINGS

9. The IDI Board shall have a minimum of 1 and preferably 2 physical meetings every year. Additional meetings may be substituted by telephone or video. The Chair of the IDI Board will decide on the medium through which the meetings are conducted.
10. In case any Board members or the Director General request additional meetings to discuss pertinent issues, they can request the Chair of the Board to call a meeting. The Chair has to follow up on the request with a meeting or facilitating discussions through other relevant means. In case the Chair does not follow up then the concerned member or Director General can call for a meeting.
11. A quorum of at least 50 per cent of the Board members is necessary for enabling the Board to take decisions during the meeting.
12. However, the Board may not make a decision on any issue unless all the board members have, as far as possible, been given the opportunity to participate in the proceedings.
13. The Board meetings will be led by the Chair and in the absence of the Chair by the Vice Chair. In the absence of both, the Board shall elect a Chair for the meeting.
14. All Board members are required to do their utmost to attend meetings. Board members will be asked to step down from the Board if they have not attended, in person, three consecutive IDI Board meetings. Attendance through video/telephone conference will be accepted.
15. A Board member may be accompanied by one advisor for a Board meeting.
16. There shall be no permanent observers to the IDI Board. The IDI Board may however invite observers to the Board meetings for specific agenda items.

#### ROLES AND RESPONSIBILITIES OF THE IDI BOARD

17. The Board is the IDI foundation's principal body. It is a non-executive Board and is responsible for the management of the foundation and setting the strategic direction of the IDI.
18. The Board shall ensure that the objectives and mandate of the IDI foundation are complied with.

19. The Board shall ensure that the accounts and asset management of the IDI are subject to adequate control. The Board shall also be responsible for appointing the IDI's external auditor. It shall also determine the scope of the annual audit and review the auditor's report.
20. The Board shall decide on all statutory issues and ensure the operations of the IDI in accordance with the Norwegian Act relating to foundations as well as the resolutions and conditions laid down by the Norwegian Parliament.
21. The Board shall approve the IDI Strategic Plan and decide on other issues of strategic importance as well as approve key IDI policies.
22. The Board shall approve the IDI Annual Financial Statements, IDI Operational Plans, the IDI Budget and Annual Performance and Accountability Reports as well as the IDI Corporate Risk Register.
23. The Board shall monitor regularly the performance of the IDI and the extent to which agreed plans and budgets have been achieved and risks materialized
24. The Board shall hold the Director General and IDI management team accountable for the implementation of the IDI Strategic Plan.
25. The Board shall determine the remuneration of the Director General and the Deputy Director Generals, as well as the remuneration structure and framework in the IDI.
26. With regards to any complaints from within the IDI, the Board shall maintain a complaints monitoring framework including complaints against the Board and the Director General.
27. The Board shall hold itself accountable and review its performance on an annual basis. This will be done through a consultative process during Board meetings. The Board will also have a short post meeting assessment after each Board meeting.
28. The Board is authorized to take decisions in all above areas and related issues also in between Board meetings in the event of these issues referred to them outside the regular or extraordinary Board meetings.
29. The Board shall be responsible for authorizing any procurements above NOK 5 million for a single procurement to be made by the IDI Secretariat. All provisions of the IDI Procurement Policy shall be applicable.
30. The Board shall elect a Nomination and Remuneration Committee once every three years. The Board may also decide to establish additional Board Committees or close such Committees.

#### MAJORITY REQUIREMENT FOR DECISION MAKING

31. Decisions of the Board shall be made through simple majority voting. In the event of any stalemate in decision, a casting vote shall be exercised by the Chair.

32. In case of elections or appointments, the person receiving the most votes shall be deemed to have been elected or appointed. In case none of the members receive majority votes, a new round of elections may be notified by the Board.

#### DISQUALIFICATION/CONFLICT OF INTEREST

33. The IDI shall maintain an IDI Register of Related Parties and Related Entities. At each meeting, Board members and IDI management are requested to confirm the information contained in the Register of Related Parties and Related Entities, and to disclose any perceived and actual conflicts of interest.
34. A Board member or the Director General is disqualified from participating in proceedings or decisions concerning matters that are of such great importance to him or her or to his or her closely related parties that he or she must be deemed to have a prominent personal or financial interest in the matter. A Board member or the Director General is also disqualified from participating in proceedings or decisions if he or she holds a position or an office in a private or public institution, organisation or enterprise with a financial or other prominent interest in the matter, or if he or she has previously participated processing the matter.
35. A Board member or Director General shall report on any conflict of interest. The declaration has to be made at every Board meeting and at any other time whenever a conflict arises. A member is disqualified from participating in proceedings or decisions concerning matters that are of such great importance to him or her or to his or her closely related parties that he or she must be deemed to have a prominent personal or financial interest in the matter.

#### RECORDING OF BOARD DECISIONS

36. All discussions in the Board meetings shall be recorded in the minutes of the meeting. The minutes shall include all details regarding time, place of discussion, the manner of proceedings and the decisions made.
37. Any disagreements by any Board member shall be duly recorded in the minutes.
38. The minutes of the Board meeting are to be signed by the Board members present, either using a physical or electronic signature. The approved Board minutes will be published on the IDI website.

**1. TERMS OF REFERENCE FOR THE CHAIR OF THE IDI BOARD**

- a. Decide on the agenda for the Board meeting in consultation with the other members and the Director General. In doing so, ensure that all relevant matters under the business of the Board are duly considered.
- b. Based on the recommendations of other members or the Director General, approve the participation of observers in the Board meeting.
- c. Ensure the participation of all the members in decision making process managed outside the Board meetings.
- d. Represent the IDI in different international forums. Delegate and authorize other Board members to represent the IDI in international forums.
- e. Ensure participation of the other Board members and collective decision making.
- f. Represent the IDI in the INTOSAI Governing Board.
- g. Be involved in the induction of new Board members.
- h. Initiate investigations in the event of any suspected wrong doing.
- i. Monitor performance between Board meetings by having regular meetings with the Director General.

**2. TERMS OF REFERENCE FOR THE VICE CHAIR OF THE IDI BOARD**

- a. The Vice Chair will be elected by the IDI Board, based on a recommendation from the Nomination and Remuneration Committee, once every three years or when the term of the concerned member to the IDI Board expires.
- b. The Vice Chair will stand in for the Chair in case of the Chair's absence.
- c. The Vice Chair will provide advice to the Chair and the Director General.

**3. TERMS OF REFERENCE FOR THE IDI BOARD MEMBERS**

- a. Membership to the IDI Board will be on honorary basis and will involve no payment other than covering direct accommodation and travel costs (economy class) for attending Board meetings and other Board engagements.
- b. All Board members other than the Chair will have a fixed term of three years which may be renewed for another term only.

- c. All Board members shall demonstrate commitment and willingness to serve on the IDI Board including providing their time and other resources.
- d. The member may bring along one advisor for the Board meetings, however no costs will be borne by the IDI.
- e. All Board members shall provide timely and constructive input to Board discussions.
- f. All Board members shall provide timely and proper feedback to the Chair of the Board regarding the functioning of the Board.
- g. All Board members shall contribute effectively to strategic operations of the IDI, including resourcing.
- h. All Board members shall support the induction of new members.
- i. All Board members shall notify in a timely manner regarding the end of their term including the demission/ relinquishment of office of their regular responsibility.
- j. All Board members shall be governed by the IDI Code of Ethics and other IDI policies while they are discharging their responsibility as IDI Board members.
- k. The IDI can claim compensation from members for any loss that any member has willingly or negligently caused the IDI to suffer in the execution of their tasks. The IDI shall however arrange for liability insurance for the Board members individually and collectively.
- l. The Board may delegate the authority to the Chair or member(s) to enter into an agreement on behalf of the IDI with external entities.
- m. In case of any member representing the IDI in any forum exceeds his or her authority to enter into an agreement on behalf of the IDI, such agreement will not be binding on the IDI if the IDI provides evidence that the other party understood or should have understood that the authority had been exceeded and that it would be dishonest to apply such disposition.
- n. A Board member can resign from the position after a sufficient notice period not less than 90 days.
- o. The member shall continue in the position for 90 days or till a replacement is found whichever is earlier.
- p. Board members are expected to represent the IDI and promote the IDI in their international work, subject to the delegated authority provided by the Chair

#### 4. TERMS OF REFERENCE FOR THE DIRECTOR GENERAL

- a. The Director General is responsible for matters regarding the operations of the IDI foundation.
- b. The Director General is responsible for the development and implementation of strategic and operational plans approved by the Board.

- c. The Director General is responsible for representing the IDI outwards, and extensive liaison with stakeholders including SAIs, INTOSAI bodies and regions and donors.
- d. The Director General is responsible for the execution of the IDI's budget and financial management within the framework of approved budgets.
- e. The Director General is responsible for effective and strategic management of the IDI's human resources, including determining the individual remuneration of all staff, within the bands approved by the Nomination and Remuneration Committee.
- f. The Director General proposes salary bands for positions in IDI to the Nomination and Remuneration Committee, for approval
- g. The Director General proposes the individual salaries for the Deputy Directors General to the Nomination and Remuneration Committee, for approval.
- h. The Director General can seek advice from the Board members during and in between the Board meetings on issues of importance.
- i. The Director General will update the Board through e-mail or other means on important issues concerning the management of the IDI that arise in between the Board meetings.
- j. The Director General has delegated authority for entering agreements with external entities on behalf of the IDI within the strategic and operational requirements set by the Board.
- k. The delegation of financial powers to the Director General, IDI is NOK 5 million for a single procurement. All provisions of the IDI Procurement Policy also have to be followed.
- l. The Director General represent the IDI in different forums for all regular operational matters of the IDI.

## 5. TERMS OF REFERENCE FOR THE NOMINATION AND REMUNERATION COMMITTEE OF THE IDI BOARD

- a. The Nomination and Remuneration Committee of the IDI Board shall comprise three members including the Chair of the IDI Board and at least one member from a developing country.
- b. The members of the Nomination and Remuneration Committee will be elected by the Board once every three years or upon the end of term of any of the members.
- c. The Nomination and Remuneration Committee will nominate and recommend the appointment of members by the IDI Board based on the requirements of the composition of the Board indicated in the Statutes for the foundation IDI. This includes the requirements in respect of gender, members from developing countries, members from EU/EEA, INTOSAI representatives and members from OAG Norway. The Nomination and Remuneration Committee will also nominate candidates for the position as Vice Chair of the IDI Board.

- d. In recommending members, the committee will consider the required skills of the Board members in terms of the following competency matrix:

Competencies	Practical	Practical	Practical	Strategic	Strategic	Strategic
<b>Essential: Every Board Member should have these</b>	Capacity Development	Organizational Management				
<b>Subsidiary: The Board should have these based on the competencies of some members</b>	Norwegian Legislation	Specific Experience under Capacity Development: Familiarity with IDI Approach	Public Audit	Influence in INTOSAI	Donor Engagement and Knowledge	Results Reporting

- e. The Nomination and Remuneration Committee should also consider different models of SAIs while nominating members.
- f. A transparent and competitive approach shall be followed for recommending members to the IDI Board. This involves an open call for expressions of interest in being a member of the Board and a short-listing of candidates for the position. At least two additional candidates should be short-listed in comparison to the number of positions being considered. This procedure shall be followed in case of the international members of the IDI Board. In case of the members from OAG Norway, a request shall be sent by the Nomination and Remuneration Committee to OAG Norway. The short listing will be done by the OAG Norway while the further process will be done by the Nomination and Remuneration Committee. INTOSAI will nominate both its representatives selected through their internal process upon a reference being made by the Nomination and Remuneration Committee to the INTOSAI Chair and Secretary General. The reference made by the Nomination and Remuneration Committee to both the OAG Norway and INTOSAI will list the requirements of the new members in terms of gender, skills etc.
- g. The Nomination and Remuneration Committee will decide whether there is any need of nominating a member from outside the INTOSAI community.



- h. The Nomination and Remuneration Committee has delegated authority from the IDI Board to decide on the remuneration for the Director General, IDI and will also conduct the annual performance appraisal of the Director General.
- i. The Nomination and Remuneration Committee approves the salary structure and pay bands for IDI, based on a proposal from the Director General.
- j. The Nomination and Remuneration Committee approves the remuneration of the Deputy Directors General, based on a proposal from the Director General.