INTOSAI-DONOR COOPERATION

PERFORMANCE AND FINANCIAL REPORT 2016

INTOSAI-DONOR SECRETARIAT

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TABLE OF CONTENTS

ANNEXES **3**

EXECUTIVE SUMMARY **4**

1. INTRODUCTION **5**

1.1 Report Purpose 5
1.2 INTOSAI-Donor Cooperation Background 5
1.3 Results System and Framework for Results Reporting 6
1.4 Financial and Other Support for the INTOSAI-Donor Cooperation (2016) 9
1.5 INTOSAI-Donor Cooperation Governance Arrangements and Secretariat Staffing 9

2. INTOSAI-DONOR COOPERATION PERFORMANCE REPORT, 2016 ..... **11**

2.1 Reporting Against Intermediate Objectives and Expected Results: Enhanced Support to SAIs in Developing Countries 11
2.2 Reporting on Outputs and Progress against the Work Plan Themes in 2016 13
2.2.1 Output 1: Reviews of Cooperation initiatives; preparation and implementation of updated strategies 14
2.2.2 Output 2: Increased funding for SAI Capacity Development 15
2.2.3 Output 3: Research, guidance and training on donor aid practices and dissemination 16
2.2.4 Output 4: Outreach and Linkages to all high priority stakeholders 16
2.2.5 Output 5: Upgrade of the SAI Capacity Development Database and Support for the Global Survey 17
2.2.6 Output 6: Support for finalising SAI PMF and future implementation and maintenance strategy 18
2.2.7 Output 7: Effective governance and program management; and Monitoring and Evaluation of Achievement of Results and Objectives 19
2.3 Cross-Cutting Observations on Sustainability and Gender 19

3. INTOSAI-DONOR COOPERATION: FINANCIAL REPORT 2016 ..... **21**

3.1 Original Budget and Financing Schedule, 2016-2018 (Program Document) 21
3.2 Revised Budget and Financing Schedule, 2016-2018 (New Strategies) 22
3.3 Budget Execution, 2016 24
3.4 Income and Expenditure per Donor, 2016 25
3.5 Financial Position at End of 2016, and Revised Financial Schedule 26
3.6 2016 Comparison: Original Budget, Revised Budget, Actual 26

4. EXPLANATION OF MAJOR DEVIATIONS **27**

5. MANAGEMENT OF INTERNAL AND EXTERNAL RISKS **28**

6. LESSONS LEARNED **30**

ANNEXES

Annex A: Progress Reporting Against the 2016 Work Plan of the INTOSAI-Donor Cooperation
Annex B: Financial Statements IDI 2016 (Signed English Translation)
Annex C: Financial Statements – Notes 2016 (English Translation)
Annex D: Auditor's Report 2016 (English Translation & Signed Norwegian Original)

Executive Summary

Phase 3 of the INTOSAI-Donor Cooperation started in 2016, guided by a Programme Document for 2016-2018. The Cooperation seeks to improve SAI performance through scaling-up and increasing the effectiveness of support to SAIs. The main focus for the Cooperation in 2016 was to consider the future strategic direction of the Cooperation in light of an independent evaluation from 2015, and to ensure INTOSAI approval of the SAI PMF. During the year, a number of INTOSAI-Donor Steering Committee (SC) working groups elaborated strategies for the main activities: the Global Call for Proposals (GCP), the INTOSAI-Donor Cooperation Portal (including a global database of SAI capacity development projects), communications, results monitoring, and SAI PMF. The GCP, which is a key activity for the Cooperation, will have two tiers going forward: tier one will be an inclusive invitation to submit proposals for SAI capacity development projects in developing countries, and tier two providing targeted support to a limited number of the most challenged SAIs. The new strategic direction was approved in December 2016, and implementation begins in 2017.

The Cooperation recognises the nature of INTOSAI as a global peer partnership, and the role of diverse stakeholders in supporting capacity development. The SAI Performance Measurement Framework (SAI PMF) was approved at INCOSAI 2016, and 19 developing countries have now completed a SAI PMF assessment (40 assessments have reached at least draft report stage). From 2017 onwards, as the work on SAI PMF shifts from development to implementation, the INTOSAI Development Initiative (IDI) will take over the operational responsibility for SAI PMF, in collaboration with the INTOSAI Capacity Building Committee (CBC) as strategic governance lead. The INTOSAI-Donor Secretariat will no longer be directly involved. During its engagement with SAI PMF since 2011, the Secretariat has played an important role in achieving an internationally acknowledged framework, and over 900 people have been trained on the framework. The work has been done in partnership with the Working Group on the Value and Benefits of SAIs and the Capacity Building Committee, with substantial support from many SAIs and donors.

A communications strategy for the Cooperation was developed in 2016, recognizing that outreach throughout the network that the Cooperation represents is important to achieve more effective capacity development. Three success stories showing how good practice principles for SAI capacity development contributed to results in Bhutan, PASAI and Sierra Leone were disseminated at INCOSAI in 2016.

The majority of the other tasks on the Cooperation's 2016 work program were completed as planned. Details on this, as well as on results, financing and budget execution in 2016, are presented in this report. The performance and financial report is prepared annually and shared with the SC.

Scaled-up and More Effective Support for SAI Capacity Development

The Cooperation measures the levels of support to SAIs globally. The annual financial support for SAI capacity development increased slightly from 2015 to 2016, as measured through the SAI Capacity Development Database. It reached 68.7 million USD. The percentage of developing countries benefitting from a substantial capacity development initiative (in size or duration) fell to 41 % in 2016 from 51 % in 2015, reflecting a reduction of support provided to Middle Income Countries.

1. Introduction

1.1 Report Purpose

Phase three of the INTOSAI-Donor Cooperation runs from 2016 to 2018. Austria, Ireland, Norway[1] and Switzerland provide core funding to support phase three, through grants to the INTOSAI-Donor Secretariat within the IDI. In addition, the SAI of Norway has provided staff as in-kind support. The purpose of this report is to fulfil the reporting requirements set down in the Program Contract, through reporting on performance, results, and the use of funds in 2016.[2]

1.2 INTOSAI-Donor Cooperation Background

Recognizing the importance of well functioning, multidisciplinary and independent SAIs, and that support to SAIs from both the INTOSAI and Donor communities could be more effective, the International Organization of Supreme Audit Institutions (INTOSAI) and 15 Donors signed a landmark Memorandum of Understanding (MoU) to augment and strengthen support to SAIs in developing countries in 2009. Since then, a further eight donor organizations have signed the MoU. Phase one of the Cooperation ran from June 2010 to December 2012, and phase 2 ran from 2013 to 2015. Phase 3 runs from 2016 to 2018.

An independent evaluation of the Cooperation from 2015 concluded positively, showing that there is evidence of positive change in behavior of donors and SAIs, and also indications of improved coordination of support to SAIs, which reflect the main objectives and underlying principles of the MoU. The evaluation also identified challenges and made recommendations to help improve the management, outcomes and results of the Cooperation. In light of the evaluation, the Program Document for phase 3 of the cooperation (2016-18) was agreed in February 2016, outlining the main goals for the period. To follow up further on the evaluation, the main priorities for the Cooperation during 2016 were two-fold.

Firstly, to carry out strategic reviews to further define the Cooperation's strategic direction and key activities in light of the evaluation findings. Consequently, a number of working groups comprising volunteer Steering Committee members elaborated strategies for four key areas: Global Call for Proposals (GCP), SAI Capacity Development Database, Communications, and Results Framework. These strategies, and the overall strategic direction for the Cooperation in phase 3 were endorsed by the SC at its 10th meeting in Cape Town in October 2016, and approved by the SC Leadership in December 2016.

Secondly, to finalise and ensure INTOSAI approval of the SAI PMF and SAI PMF Implementation strategy, at the INTOSAI Congress in Abu Dhabi in December 2016.

[1] 2016 only

[2] Section 6 of the Program Contract signed between IDI and the Secretariat's funding donors in July 2016 outlines the reporting requirements, consisting of an annual narrative report, accompanied by IDI's audited financial statements, IDI's ordinary annual financial audit report and any management letters provided by the auditor. These documents are to be submitted to the Donors by 31 May each year. The following constitutes the report for 2016, and the financial report is provided in section 3.

The Program Document identifies the following six components for the Cooperation program in phase three, each comprising a number of activities with outputs which are defined in detail as part of annual work programs.

1: Strategic Reviews of Cooperation Initiatives
2: Increased Funding for SAI Capacity Development
3: Research, Guidance and Training on Donor Aid Practices and Dissemination
4: Outreach and Linkages to All High Priority Stakeholders
5: Upgrade of the SAI Capacity Development Database and Support for the Global Survey
6: Support for Finalizing SAI Performance Measurement Framework (SAI PMF) and Future Implementation and Maintenance Strategy

Two further program components – but not outputs – are:

7. Effective Governance and Program Management
8. Monitoring and Evaluation of Achievement of Results and Objectives

It is worth noting that, from 2017 onwards, the Cooperation takes on an advisory role in relation to SAI PMF, while the governance and implementation of SAI PMF will be located within INTOSAI structures. Following a recommendation from the Cooperation, the INTOSAI Capacity Building Committee (CBC) will take over the responsibility as strategic governance lead, and IDI will take over as operational lead. This entails that work on SAI PMF from 2017 will no longer be part of the work program of the INTOSAI-Donor Cooperation and Secretariat. The Cooperation has the opportunity to remain involved in SAI PMF work through its Independent Advisory Committee.

1.3 Results System and Framework for Results Reporting

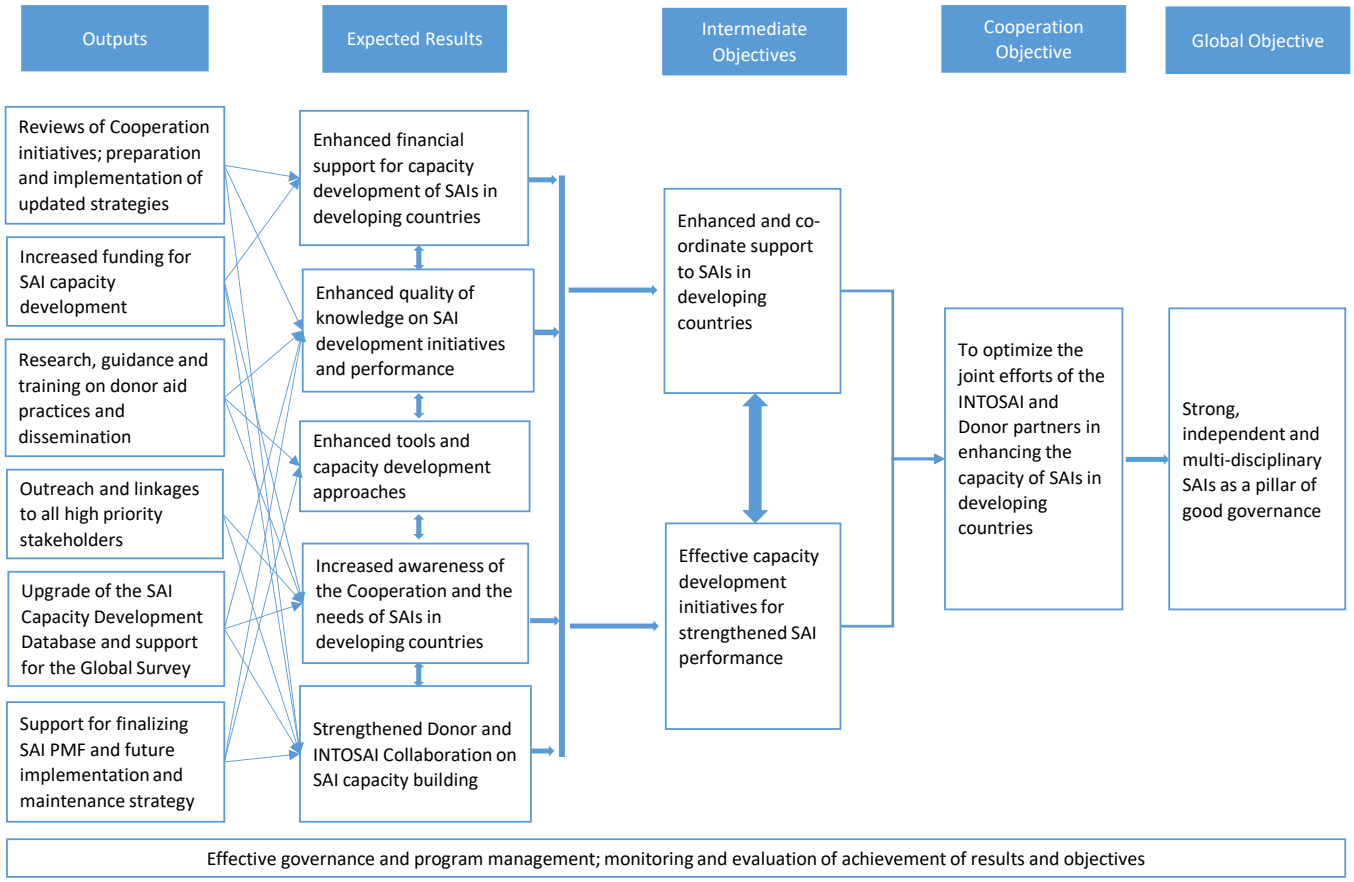
The 2016-18 Program Document included a draft results framework and a draft performance measurement system for the Cooperation. These were reviewed by the SC working group on Results, which decided to keep the results framework (showing the overall logical framework of the results at different levels), but to revise the performance measurement system. The new results system was presented and broadly endorsed at the 9th SC meeting in Cape Town in October 2016, and approved by the SC Leadership in December 2016. The results system will be reviewed and endorsed annually by the SC.

The diagram below shows the results *framework* for the Cooperation for the period 2016-2018. It defines the results chain as: **outputs-expected results-intermediate objectives-Cooperation objective-global objective.** It recognizes the wider environment in which the Cooperation operates.

The results *system* facilitates monitoring, reporting and evaluation of the Cooperation, including its relevance and contribution to sustainable performance improvements in SAIs, and ultimately the contribution of SAIs to Sustainable Development Goal 16.6: *Develop effective, accountable and transparent institutions at all levels*. The components of the results system are indicators, baselines, milestones and targets at relevant levels of the results chain. The monitoring of results in 2016 are included in section 2 of this report, updated to show actual achievement against milestones as at 31 December 2016[3]. Baselines are drawn from relevant sources, including the INTOSAI global surveys, relevant SAI PMF and PEFA data, and reports from earlier phases of the Cooperation.

It is important to explicitly recognize the difference between the Cooperation's *contribution* to the results, and *attribution*. The results at the levels of outputs, expected results and intermediate objectives are (fully or in part) *attributable* to the Cooperation, whereas there are many other factors influencing on the achievement of the Cooperation objective and the global objective. For these, the Cooperation therefore only *contributes* to the results. Whereas the indicators measuring the results that are attributable to the Cooperation are useful for evaluating the program's economy, efficiency and effectiveness, the indicators measuring the Cooperation and global objectives provide information on important factors which are beyond the direct control of the Cooperation, but which may guide the overall direction of the Cooperation. The results system tracks the global objective indicators informally during the third program period, with the intention of including them (or revised versions of them) in the results framework in the next program period.

[3] Milestone dates for output indicators are annual, the first milestone date being 31 December 2016. Milestone dates for indicators measuring achievement of the Cooperation objectives, intermediate objectives, expected results and the global objective are mostly every second or third year, the first being 31 December 2017.



INTOSAI-Donor Cooperation Results Framework 2016-18

1.4 Financial and Other Support for the INTOSAI-Donor Cooperation (2016)

IDI, as the legal entity hosting the Secretariat, entered into a Program Contract regarding funding for the INTOSAI-Donor Cooperation 2016-18, with the Austrian Development Agency (ADA), the Ministry of Foreign Affairs and Trade, Ireland, and the State Secretariat for Economic Affairs (SECO) (Switzerland) in July 2016.[4] The Secretariat also receives a part of a core grant to IDI provided by the Norwegian Parliament through the Office of the Auditor General of Norway.

The Office of the Auditor General of Norway (OAGN) provides a rolling secondee under an informal arrangement, which from 2016 changed from 12 months to 18 months. There are no formal reporting requirements under this arrangement.

Other in-kind support (e.g. SC working group participation, translations, hosting workshops, providing facilitators, independent review of SAI PMF assessments) was received during 2016 from the SAIs of: Brazil, Costa Rica, France, Germany, Kuwait, Mexico, Panama, Peru, Portugal, Saudi Arabia, Sierra Leone, South Africa, Sweden, UK and USA; and from the Asian Development Bank, DFATD Canada, the Inter-American Development Bank, Irish Aid, USAID and the World Bank.

The Program Contracts stipulate that there will be an Annual Donor Meeting in order to discuss the progress of the program and the cooperation between the funding Donors. Wherever possible, the Annual Donor Meeting should be organized together with the regular SC Meetings. The 2016 Annual meeting (relating to 2015) was held on 6th October 2016, in connection with the 9th SC meeting in Cape Town, and attended by ADA, Irish Aid, SECO and the Secretariat.

1.5 INTOSAI-Donor Cooperation Governance Arrangements and Secretariat Staffing

The MoU establishes the governance structure of the Cooperation, consisting of the SC as the decision making body, assisted by the Secretariat that provides administrative support. The inaugural SC Meeting in 2010 decided to locate the Secretariat as an integral part of the INTOSAI Development Initiative (IDI) in Oslo, Norway. The full governance arrangements for the INTOSAI-Donor Cooperation are articulated in the Program Document. In addition, in December 2016 a document outlining the responsibilities of the Steering Committee, the Steering Committee Leadership and the IDI Board vis-à-vis the Secretariat was agreed between all parties. The following summarises the functioning of the main governance bodies during 2016.

[4] The funding from Austria and Ireland is for 2016-18, while the funding from SECO is for 2016-17.

Steering Committee (SC)

During 2016, a number of working groups comprising volunteer SC members worked to elaborate strategies for four key areas: Global Call for Proposals (GCP), SAI Capacity Development Database, Communications, and Results Framework[5]. These were presented at the 9th SC meeting, which was held on 5-6th October 2016 in Cape Town, hosted by the South African SAI. For the first time, the meeting was held in conjunction with the annual meeting of the INTOSAI Capacity Building Committee (CBC), and there were joint sessions of interest to both committees. The Steering Committee meeting reviewed progress against the 2016 work program and discussed the future strategic direction of the Cooperation. The key summary points from the meeting are available at http://www.idi.no/en/intosai-donor-cooperation/about-the-intosai-donor-cooperation/steering-committee/steering-committee-meetings/ninth-sc-meeting-cape-town-2016.

Steering Committee Leadership

The SC leadership comprises the INTOSAI and Donor chairs and vice chairs of the SC, supported by the Secretariat. It provides strategic direction and interim decision making on behalf of the SC between SC meetings. During 2016 it met by teleconference seven times. Following a decision by the SC leadership, the chair and vice chair of the INTOSAI CBC now participate as observers. Summaries of the teleconferences were shared with the IDI Board and donors to the Secretariat, as per the agreed governance arrangements.

INTOSAI-Donor Secretariat

The Secretariat is a department within IDI, whose financial activities are separately identifiable within IDI's financial statements, in order to meet donor requirements in the Program Contract. During 2016 the Secretariat was staffed as follows:

Position	No. Months	No. FTE	Title	Comments
1	9[6]	0.75	Deputy Director General & Head of the INTOSAI-Donor Secretariat (local staff contract)	Salary costs covered by the INTOSAI-Donor Secretariat budget.
1	11[7]	0.92	Deputy Head of the INTOSAI-Donor Secretariat (local staff)	Salary costs covered by the INTOSAI-Donor Secretariat budget.

[5] In addition, one working group developed the Program Document 2016-18 which was approved in February 2016, and an additional working group made recommendations for the future role of the Cooperation in relation to SAI PMF.

[6] Parental leave 12 weeks during May-August, in accordance with Norwegian regulations. These costs are refunded by the Noregian Government.

[7] Around 1 month of 2016 was spent on a bilateral project supporting SAI Afghanistan. Costs and time have been recharged to that project.

Position	No. Months	No. FTE	Title	Comments
1	11[8]	0.92	Advisor (local staff)	Salary costs covered by the INTOSAI-Donor Secretariat budget.
1	12	1	Advisor (local staff)	Salary costs covered by the INTOSAI-Donor Secretariat budget.
1	12	1	Program Coordinator (local staff)	Salary costs covered by the INTOSAI-Donor Secretariat budget.
1	8[9]	0.67	Advisor (OAGN secondee)	Salary costs covered by the Office of the Auditor General of Norway.
TOTAL		**5.25**		

Overall, the staffing situation was stable during 2016, and largely in accordance with the planned input of 5 FTEs. Over the year, the average staffing level was 4 technical staff and one program coordinator. The Head of the Secretariat relocated to the UK in August 2016, and continued to work from there in agreement with IDI. All positions were financed from the Secretariat's budget except one, which was funded by the Office of the Auditor General of Norway as a rolling secondment. Furthermore, the Secretariat benefits from the support services provided by IDI's administration department, and pays a fair share of the costs of IDI's administration and overheads[10].

2. INTOSAI-Donor Cooperation Performance Report, 2016

The following sections report on the results in 2016. Section 2.1. presents data on the achievement of milestones towards the intermediate objectives and expected results.[11] These are results partly attributable to the Cooperation. Section 2.2 reports on the achievement of outputs. Annex A provides the full report of achievement of the 2016 work plan.

2.1 Reporting Against Intermediate Objectives and Expected Results: Enhanced Support to SAIs in Developing Countries

The following summarises performance against the four intermediate objective and expected results indicators in the results system that have defined milestones for 2016.

[8] Around 1 month of 2016 was spent on a bilateral project supporting SAI Somalia. Costs and time have been recharged to that project.
[9] May-December.
[10] During 2016, 19% of IDI's support staff costs and IT costs were charged to the Secretariat, reflecting the ratio of Secretariat staff to IDI program staff. Also, 23% of IDI's pension costs, Oslo rent and Oslo operating costs were charged to the Secretariat, reflecting the ratio of Oslo based Secretariat staff to Oslo based IDI program staff.
[11] Indicators measuring the Cooperation objectives and the global objective were not measured in 2016, as milestones for this year are not defined in the results system.

The Cooperation seeks to improve SAI performance through scaling-up and increasing the effectiveness of support to SAIs. To take this forward, during 2016, the Cooperation developed a new approach for the Global Call for Proposals (GCP), which will have two tiers in future: tier one will be an inclusive invitation to submit proposals for SAI capacity development projects in developing countries, and tier two will provide targeted support to a limited number of the most challenged SAIs. The implementation work will begin in 2017. In 2016, the SAI Capacity Development Fund approved funding for two new projects (Nicaragua and Sierra Leone).

The Cooperation measures the levels and nature of support to SAIs globally through the SAI Capacity Development Database. The data show that the percentage of developing countries benefitting from a substantial capacity development initiative (in size or duration) fell to 41 % in 2016 from 51 % in 2015 (Intermediate Objective Indicator IO1). This reflects a reduction in support provided to Middle Income Countries as opposed to Low Income Countries. The figure is also affected by the fact that there has been no GCP since 2013 (the new GCP will be launched in early 2017). The total annual financial support for SAI capacity development increased slightly from 2015 to 2016. It reached 68.7 million USD, which is slightly below the target of 70 million (Expected Result Indicator 2).

When it comes to approval and roll-out SAI PMF, the Cooperation has been a strong supporter and contributor to the development of the framework since 2011. Until the end of 2016 the Secretariat was the coordinator of the task team developing SAI PMF, and has also been the global knowledge centre on SAI PMF and been responsible for training and independent review of assessments. The Secretariat's work on SAI PMF in 2016 mainly revolved around supporting the development of the SAI PMF Endorsement Version, including carrying out two pilot assessments to test the revisions to the Pilot Version, carrying out consultations with a group representing SAIs with jurisdictional functions, and preparing for various INTOSAI meetings involved in the approval process leading up to final INTOSAI endorsement. The updated version of the framework was approved at INCOSAI 2016. 19 developing countries have now completed a SAI PMF assessment (in total, 40 assessments have reached at least draft report stage, up from 26 in 2015). The interest in SAI PMF is growing in all INTOSAI regions. From 2017 onwards, and in accordance with the Program Document for the Cooperation, the IDI will take over the operational responsibility for SAI PMF, in collaboration with the CBC as strategic governance lead. The INTOSAI-Donor Secretariat will no longer be directly involved.[12]

<table>
<tr><th>Intermediate Objective Indicator IO1</th><th>Baseline 2015</th><th>Milestone 1 2016</th><th>Milestone 2 2017</th><th>Target 2018</th><th>Progress</th></tr>
<tr><td rowspan="3">a) Cumulative number of significant capacity development initiatives originating from the Global Call for Proposals and/or funded through the SAI CDF (i.e. exceeds $0.3 million for the SAI, and/or</td><td>a) 38
b) 51 %</td><td>a) 45
b) 55 %</td><td>a) 55
b) 60 %</td><td>a) 65
b) 65 %</td><td rowspan="3">a) Slightly below target, as GCP will only be launched in 2017.
b) Not achieved.</td></tr>
<tr><td>Achieved:</td><td>a) 42
b) 41 %</td><td></td><td></td></tr>
<tr><td colspan="4">Source: Secretariat monitoring and calculations.</td></tr>
</table>

[12] See section 2.2.6 for further details on SAI PMF work in 2016.

has a duration of 2 years or longer) b) Percentage of developing countries which, in the year in question, have participated in / benefitted from a significant capacity development initiative (i.e. exceeds $0.3 million for the SAI, and/or has a duration of 2 years or longer)					
Expected Result Indicator ER1	**Baseline 2014**	**Milestone 1 2016**	**Milestone 2 2017**	**Target 2018**	**Progress**
Moving three year average annual financial support for the benefit of SAIs in developing countries (MoU Principle)	US $62 million	US $70 million	US $75 million	US $80 million	Slightly below target.
	Achieved:	US $69 million			
	Source: Secretariat calculations extracted from SAI Capacity Development Database. The figure is determined by calculating the average of the total annual support provided in the past three years.				
Expected Result Indicator ER2	**Baseline 2015**	**Milestone 1 2016**	**Milestone 2 2017**	**Target 2018**	**Progress**
Cumulative number of developing countries with a SAI performance report based on the SAI PMF framework	16	20	30	45	Slightly below target.
	Achieved:	19			
	Source: IDI records of SAI PMF assessments				
Expected Result Indicator ER3	**Baseline 2015**	**Milestone 1 2016**	**Milestone 2 2014**	**Target 2015**	**Progress**
Status of SAI PMF within INTOSAI	Pilot	Endorsed by Congress			Target achieved.
	Achieved:	Achieved			
	Source: Official records of the XXII INCOSAI				

2.2 Reporting on Outputs and Progress against the Work Plan Themes in 2016

The following section reports on the 2016 work plan (output indicators). The first six output indicators relate to the Cooperation's Program components, each comprising a number of activities with defined outputs which are defined in detail as part of annual work plans. The last output indicator relates to program management and monitoring and evaluation. The 2016 work plan was approved by the SC Leadership in March 2016. The progress on each of the activities on the 2016 work plan is presented in Annex A.

2.2.1 Output 1: Reviews of Cooperation initiatives; preparation and implementation of updated strategies

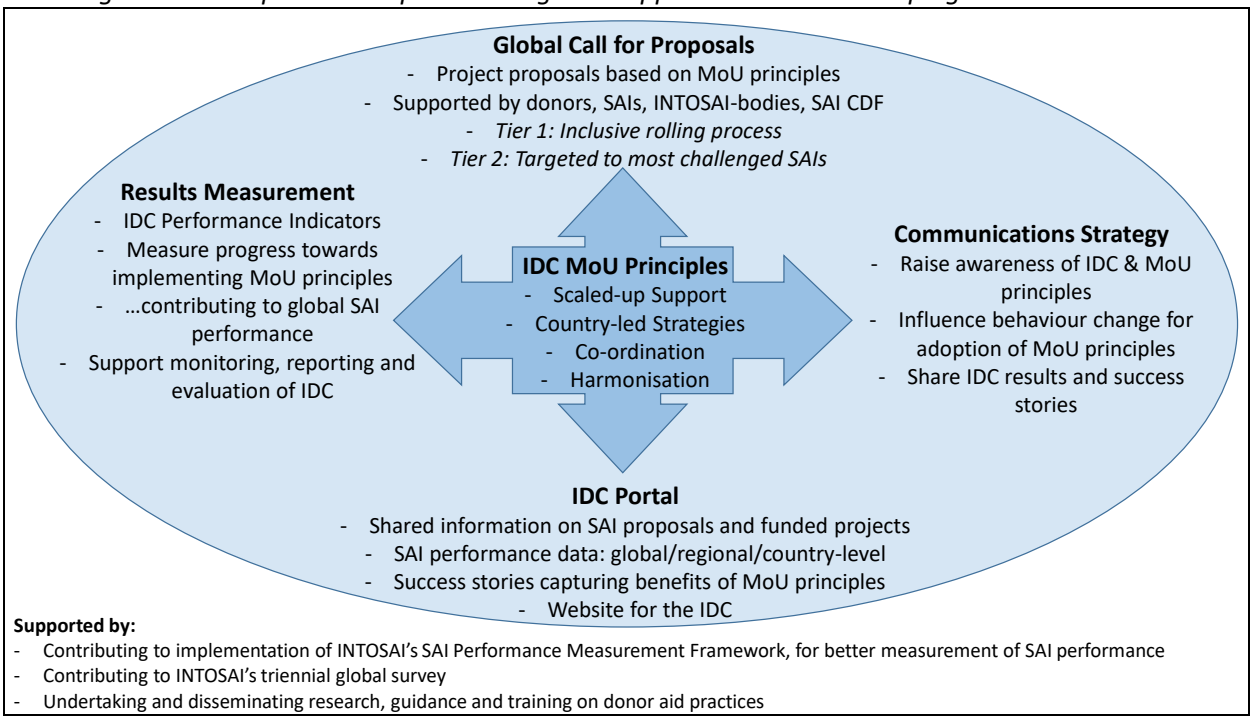
Output Indicator O1	Baseline 2015	Milestone 1 2016	Milestone 2 2017	Target 2018	Progress
Number of SC working groups delivering their expected outputs, as follows: • SAI PMF: Recommendation on future role of the Cooperation • GCP: Recommendation on strategic direction • SAI Capacity Development Database: Recommendation on strategic direction • Results: Performance measurement system finalised • Communications: Communications strategy finalised	N/A	5			Target achieved.
	Achieved:	5			
	Source: Summary of annual SC meeting				

The main focus in 2016 was on defining the future strategic direction of the Cooperation in light of the 2015 evaluation. This work was carried out by a number of working groups comprising volunteer SC members, with support from the Secretariat. During 2016, the working groups carried out preparatory analysis work and developed strategies for each area. These were approved by the SC leadership in December, following overall endorsement and comments by the SC at the 9th SC meeting in Cape Town in October. The revised strategies are:

- **Program Document 2016-18:** Approved by the SC in February 2016. Working group members: European Commission (co-lead), SECO (co-lead), IDI.
- **Global Call for Proposals:** Strategy approved by SC leadership on 14 December 2016. Working group members: Irish Aid (co-lead), SAI USA (co-lead), Asian Development Bank, USAID, SAI Sweden.
- **Database:** Strategy for a new IDC Portal approved by SC leadership on 14 December 2016. Working group members: World Bank (co-lead), SAI Mexico (co-lead), Canada DFATD.
- **Communications:** Strategy approved by SC leadership on 14 December 2016. Working group members: World Bank (co-lead), SAI USA (co-lead), SAI South Africa.
- **Results Framework:** IDC Results System 2016-18 approved by the SC leadership on 2 November 2016. Working group members: World Bank (co-lead), SAI USA (co-lead), SAI UK.

The overall strategic direction was set out in an IDC synthesis paper, to show how the individual strategies come together. Notably, a new approach for the Global Call for Proposals was developed. The implementation of the new strategies will mostly begin in 2017.

***INTOSAI-Donor Cooperation**:*
A Strategic Partnership to Scale-up and Strengthen Support to SAIs in Developing Countries



2.2.2 Output 2: Increased funding for SAI Capacity Development

Output Indicator O2	Baseline 2015	Milestone 1 2016	Milestone 2 2017	Target 2018	Progress
Establishment and renewal of mechanisms to enhance access to SAI capacity development support, for SAIs, regional bodies and INTOSAI bodies: a) GCP redesign and launch b) SAI Capacity Development Fund	a) Not operating b) Established	a) SC decision to redesign and launch b) SC support to continuation	a) Launched b) Additional contributions received	a) Ongoing b) Operational	Milestone partly achieved.
	Achieved:	a) Achieved b) Not achieved			
	Source: Summary of annual SC meeting				

The SC and the Leadership decided that the redesigned GCP will be launched in 2017. There have been continuing challenges with achieving sustainable funding for the SAI Capacity Development Fund (CDF), where SECO is the only donor and the World Bank is the administrator. SECO and the World Bank have led the efforts to attract further donors to the fund, but this has so far not materialised.

A final monitoring report on the 2013 GCP was prepared for the 9th SC meeting. It showed that 22 of the 47 concept notes submitted had been supported by development partners (donors or SAIs/INTOSAI bodies). The projects supported included 14 country level projects and 8 regional level projects. In both of the previous rounds of GCP, around 50 % of the proposals submitted were matched with funding.

2.2.3 Output 3: Research, guidance and training on donor aid practices and dissemination

Output Indicator O3	Baseline 2015	Milestone 1 2016	Milestone 2 2017	Target 2018	Progress
a) Paper on an issue relevant for SAI-donor policy dialogue developed, published and disseminated b) Study of effective approaches to supporting SAI capacity development published and disseminated *(specific topic(s) to be defined by the Steering Committee)*	a) None b) None	a) ToRs developed b) None	a) One paper published b) ToRs developed	a) N/A b) One paper published	Milestone not achieved following decision to postpone.
	Achieved	a) Not achieved b) N/A			
	Source: Studies/reviews/evaluations published on the Cooperation webpages				

Work on theme 3 was given low priority in 2016 in accordance with the priority level indicated in the work plan and in agreement with the SC leadership. The development of a paper on an issue relevant for SAI-donor policy dialogue was postponed. No requests for the training for donor staff on working with SAIs were received in 2016, and the development of an e-learning solution was not prioritised.

2.2.4 Output 4: Outreach and Linkages to all high priority stakeholders

Output Indicator O4	Baseline 2015	Milestone 1 2016	Milestone 2 2017	Target 2018	Progress
Status of the Cooperation's communications strategy	None	Finalised and disseminated to SC	Implemented	Evaluated	Milestone achieved.
	Achieved	Achieved			
	Source: Secretariat monitoring reports				

The communications strategy was developed to enable increased awareness of the value and results of the Cooperation and, where possible, influence behaviour change as a key objective of the Cooperation. It defines the Cooperation's value proposition, as well as communications objectives, stakeholders and

communications channels. It foresees a "network of change" in which the SC members constitute a link between the Cooperation's global activities and work at the country level.

More active external communications in line with the communications strategy commenced in late 2016, with the triannual INTOSAI Congress in Abu Dhabi in December 2016. At this key event the Secretariat presented on the Cooperation's activities and SAI PMF through various means. Three success stories on SAI capacity development (Bhutan, Sierra Leone and PASAI) were prepared by the Secretariat with the support from SAI USA and the SAIs in question. These were disseminated at the Congress. The links with the CBC were strengthened throughout the year, with their participation in the SC leadership teleconferences and the contiguous annual meetings. In addition, four quarterly newsletters were issued, and the Secretariat also provided regular contributions on the Cooperation in the INTOSAI Journal.

2.2.5 Output 5: Upgrade of the SAI Capacity Development Database and Support for the Global Survey

Output Indicator O5	Baseline 2015	Milestone 1 2016	Milestone 2 2017	Target 2018	Progress
Status of the INTOSAI-Donor Cooperation Portal	SAI CD database in operation	SC decision to establish IDC Portal	Launch of IDC Portal	Fully operational	Milestone achieved.
	Achieved	Achieved			
	Source: Secretariat monitoring reports				

The Secretariat continued to maintain the SAI Capacity Development Database, and oversaw two updates of the database in 2016, where those who have entered information were requested to update the data. As of December 2016, around 450 projects were registered in the database (including planned and proposed projects), a steady increase from the 260 projects registered in 2012.

The evaluation of the Cooperation undertaken in 2015 corroborated that the SAI Capacity Development Database remains a highly relevant activity to the objectives of the MoU, but was facing implementation challenges. With the SC's decision to establish the INTOSAI-Donor Cooperation Portal, a substantial improvement of the database is foreseen. The Portal will be a platform that integrates the SAI Capacity Development Database with the other work streams of the Cooperation, communication about the Communication and its results, and country- level information about SAIs, including their capacity development activities. Information in the portal would be relevant to both INTOSAI and donor members, and will aim to strengthen knowledge about SAI capacity development. The Portal will be developed during 2017.

The Secretariat also provided (limited) support to the IDI's work on the 2017 INTOSAI Global Survey, which will provide information about SAI performance and needs, including data to the Cooperation's results system.

2.2.6 Output 6: Support for finalising SAI PMF and future implementation and maintenance strategy

Output Indicator O6	Baseline 2015	Milestone 1 2016	Milestone 2 2017	Target 2018	Progress
Status of SAI PMF Strategy	Strategic options paper drafted	Endorsed by CBC & Cooperation	SAI PMF advisory group established and functioning		Milestone achieved.
	Achieved	Achieved			
	Source: Summary of the CBC and Cooperation annual meetings				

A SC working group was established to make recommendations regarding the SC's future role in relation to the SAI Performance Measurement Framework (SAI PMF), following expected INTOSAI endorsement in December 2016. It worked in coordination with an INTOSAI group that developed a SAI PMF Strategy 2017-19. In a paper submitted to the SC in March 2016, the SC working group recommended that future governance, implementation and resourcing for SAI PMF should be an INTOSAI responsibility, to secure INTOSAI ownership of SAI PMF. The SC endorsed this recommendation in April 2016. In line with the recommendation, INTOSAI placed the strategic governance lead for SAI PMF within its Capacity Building Committee, and IDI agreed to take on the implementation and resourcing role. Hence from 2017 onwards, the Cooperation's activities and budgets will exclude support for SAI PMF. To establish SAI PMF as the preferred performance measurement tool within the INTOSAI and donor communities, a SAI PMF Advisory Group of volunteer donors, SAIs and INTOSAI bodies will be established. This will ensure that SC members remain engaged with SAI PMF at a strategic level.

During the year, the Secretariat also carried out other tasks related to SAI PMF, largely in accordance with the work plan. It administered translation of the SAI PMF Endorsement Version into Arabic, French, German, Portuguese and Spanish. In its role as knowledge centre on SAI PMF, it responded to queries related to SAI PMF assessments, and administered and carried out independent reviews of draft Terms of Reference and/or reports for nine assessments (Afghanistan, Cyprus, Dominican Republic, Guatemala, Honduras, Mexico, New Zealand, Peru, Trinidad and Tobago). Two Knowledge Sharing and Quality Assurance workshops were held, both in OLACEFS, which has seen the greatest interest in SAI PMF and has the highest number of assessments that have reached an advanced stage. However, in accordance with the work plan the basic training courses were not given high priority, given that about 900 people have already been trained and the training material was based on the Pilot Version. Updating the basic training material and guidance material had to be postponed to 2017, and will be taken forward by the newly established SAI PMF unit in IDI.

2.2.7 Output 7: Effective governance and program management; and Monitoring and Evaluation of Achievement of Results and Objectives

Output Indicator O7	Baseline 2015	Milestone 1 2016	Milestone 2 2017	Target 2018	Progress
a) Cooperation annual performance report shared with SC members by 30 June the following year and subsequently published, including levels of achievement against indicators in the results system b) Evaluation of Phase 3 of the Cooperation (nature, scope and manner of the evaluation to be determined by the SC in 2017)	a) Achieved b) Phase 2 evaluation published	a) Achieved b) N/A	a) Achieved b) Evaluation designed	a) Achieved b) Evaluation completed and published	Milestone achieved.
	Achieved	a) Achieved with some delay b) N/A			
	Source: Cooperation webpages				

Following a decision by the SC leadership, the development of the program document for phase 3 of the Cooperation began in October 2016, and a SC working group was established to take the work forward. The program document was approved by the SC in mid-February 2016. The funding for the first two years of phase 3 (2016-17) was secured with the signing of the contract with ADA, Ireland and SECO in July 2017, and efforts are ongoing to close the remaining funding gap for 2018 (SECO has only committed to funding for 2016-17). The Cooperation's annual performance report for 2015 (including final reporting on phase 2) was shared with the donors providing core funding to the Secretariat by 31 May 2016. It was finalised and shared with the full SC in September together with a monitoring report covering the first half of 2017.

The Secretariat facilitated the 9th Steering Committee meeting in Cape Town, 5-6th October 2016, in collaboration with the Capacity Building Committee. The contiguous meetings were attended by around 100 participants from SAIs and donors, and a survey following the meeting showed that participants appreciated that the two meetings were held in conjunction. The Secretariat facilitated seven teleconferences of the SC leadership throughout the year.

2.3 Cross-Cutting Observations on Sustainability and Gender

Assessment of sustainability	• The evaluation of the Cooperation in 2015 found evidence that donor and INTOSAI behaviour has improved in accordance with the MoU principles, although it was challenging to determine to what degree this can be attributed to the Cooperation as such. Support provided is increasingly aligned behind SAI strategic plans, and coordination of support has improved although challenges remain.

<table>
<tr><td></td><td>

Cooperation activities were done in response to demand from SAIs, communicated directly and through INTOSAI bodies at the global and regional level.
In particular, the Global Call for Proposals (GCP) was designed to ensure and strengthen SAI ownership of future capacity development initiatives, by placing them in the position to articulate their own needs to donors. The GCP was redesigned in 2016 to allow for more extensive support to the most challenged SAIs, including in fragile and conflict environments. Such support will be provided under the GCP's Tier 2.
Participation of individual SAIs in the Cooperation's activities was based on the demand of the SAI. Senior management of the SAIs were engaged in the various programs, e.g. Head of the SAI decides whether to conduct a SAI PMF, or apply for support under the Global Call.
The SAI PMF is designed as a tool to measure and contribute to sustainable performance changes within an SAI.
SAI-focused activities seek to strengthen the core systems used within SAIs, so that improvements resulting from the program continue to have an impact after the activities.

</td></tr>
<tr><td>Program gender participation</td><td>
In line with the Program Document and the new strategic direction of the Cooperation, the number of activities/trainings with direct participation from SAIs and donors will be reduced from 2016 onwards. The basic SAI PMF training course was not delivered in 2016, given that about 900 people have already been trained and that a new SAI PMF version was being developed and approved during the year. However, the two SAI PMF Knowledge Sharing and Quality Assurance workshops that were organised in 2016 had the following gender distribution among the participants:

% female participants on SAI PMF training courses, by region
<table>
<tr><th></th><th>OLACEFS</th></tr>
<tr><td>Total number of participants</td><td>34</td></tr>
<tr><td>Female (number)</td><td>22</td></tr>
<tr><td>Female (%)</td><td>76</td></tr>
</table>

Among the 34 participants in the SAI PMF workshops held in 2016, 22 were women (76%). Trainings in OLACEFS have had a relatively even gender distribution in the past years, whereas participation in other regions has been skewed towards men, in particular in ARABOSAI.
</td></tr>
</table>

3. INTOSAI-Donor Cooperation: Financial Report 2016

3.1 Original Budget and Financing Schedule, 2016-2018 (Program Document)

The Cooperation budget for 2016-2018 was approved as part of the Program Document in February 2016, with a 2.9 million NOK (16%) financing gap. Core funding for this phase is provided by Austrian Development Agency, Irish Aid, SECO and (for 2016 only) a core grant to IDI provided by the Norwegian Parliament through the Office of the Auditor General of Norway. As the budget was prepared in early 2016, the 2015 underspend was not known, and so no brought forward funding from 2015 was included.

At the time of budget preparation, the future of SAI PMF was being decided. The program document was prepared on the assumption that, from 1 January 2017, the Cooperation would take on an advisory role in relation to SAI PMF, while the Governance and implementation of SAI PMF would sit within INTOSAI structures. Hence, the financing for SAI PMF implementation would no longer be channelled through the Cooperation's Secretariat**.** Instead, it would potentially be financed through a combination of IDI core funds from the Norwegian Parliament, and most likely some ring fenced donor support. The estimated resource requirements below were prepared based on this assumption.

Resource Requirements – Program Document

Budget	2016	2017	2018	Total	Total, €	Total, $
A. Admin. Staff Costs	1,826,051	1,052,084	1,065,930	3,944,064	410,840	446,161
B. Overheads and Other Indirect Costs	1,255,520	715,324	716,631	2,687,475	279,945	304,013
C. Contingency (Including Exchange Rate Provision)	-	-	-	-	-	-
Total Admin (Cash)	**3,081,571**	**1,767,408**	**1,782,560**	**6,631,539**	**690,785**	**750,174**
Program Staff Costs (Excluding in-kind Support)	3,246,312	1,870,371	1,894,986	7,011,669	730,382	793,175
1. Strategic Reviews	-	-	-	-	-	-
2. Funding Mechanisms	80,000	603,200	603,200	1,286,400	134,000	145,520
3. Research, Guidance and Training	87,000	90,000	180,000	357,000	37,188	40,385
4. Outreach and Communications	90,400	120,400	150,400	361,200	37,625	40,860
5. Data Collection and Management	45,000	233,000	45,000	323,000	33,646	36,538
of which: 5.1 SAI Capacity Development Database	*45,000*	*45,000*	*45,000*	*135,000*	*14,063*	*15,271*
5.2 INTOSAI Global Survey	-	*188,000*	-	*188,000*	*19,583*	*21,267*
5.3 Other				-	-	-
6. SAI PMF *	2,183,200	-	-	2,183,200	227,417	246,968
of which: 6.1 Custodian of SAI PMF	*187,000*			*187,000*	*19,479*	*21,154*
6.2 Supporting Assessment Quality and Monitoring	*811,600*			*811,600*	*84,542*	*91,810*
6.3 Conduct Assessments	*328,600*			*328,600*	*34,229*	*37,172*
6.4 Facilitate Assessments and Usage of Results	*37,000*			*37,000*	*3,854*	*4,186*
6.5 Independent Reviews (formerly QA)	*96,000*			*96,000*	*10,000*	*10,860*
6.6 SAI PMF Regional Employee	*723,000*			*723,000*	*75,313*	*81,787*
7. Governance and Program Management	*132,900*	*46,800*	*46,800*	226,500	*23,594*	*25,622*
8. Monitoring and Evaluation	30,100	-	74,000	104,100	*10,844*	*11,776*
Total Program (Cash)	**5,894,912**	**2,963,771**	**2,994,386**	**11,853,069**	**1,234,695**	**1,340,845**
Total (Cash)	**8,976,483**	**4,731,178**	**4,776,947**	**18,484,608**	**1,925,480**	**2,091,019**

All figures in Norwegian kroner (NOK), unless otherwise stated.

The resource requirements are the required contributions to the IDI to operate the INTOSAI-Donor Secretariat, including implementation of Cooperation activities carried out by the Secretariat.

Indicative Financing – Program Document

Financing Expected	2016	2017	2018	Total	Total, €	Total, $
Austrian Development Agency (€100 000 per year)	960,000	960,000	960,000	**2,880,000**	300,000	325,792
Irish Aid (€250 000 per year)	2,400,000	2,400,000	2,400,000	**7,200,000**	750,000	814,480
Norwegian Parliamentary Funding	2,000,000			**2,000,000**	208,333	226,244
SECO (Switzerland) (SFr 200 000 per year, 2016 & 17)	1,766,000	1,766,000	-	**3,532,000**	367,917	399,548
Total Financing (Cash)	**7,126,000**	**5,126,000**	**3,360,000**	**15,612,000**	1,626,250	1,766,063

All figures in Norwegian kroner (NOK), unless otherwise stated.

Based on the above resource requirements and indicative financing, the financing gap for the Cooperation was 2.9 million NOK in total over the three years, or 16% of the program costs.

Financing Gap	2016	2017	2018	Total
Financing Gap, % of Program Costs	21%	-8%	30%	16%
Financing Gap, NOK	1,850,483	-394,822	1,416,947	**2,872,608**
Financing Gap, Euros	192,759	- 41,127	147,599	**299,230**
Financing Gap, USD	209,331	- 44,663	160,288	**324,956**

3.2 Revised Budget and Financing Schedule, 2016-2018 (New Strategies)

During 2016, an underspend of 1 325 798 NOK from 2015 was brought forward from phase 2 of the Cooperation. New strategies for the Cooperation's core activities were developed, and at the October Steering Committee, a new strategic direction was approved. A revised budget was prepared to match these new strategies. The ambition of the Cooperation in these new strategies, particularly around the Global Call for Proposals, Communication efforts, and the new INTOSAI-Donor Cooperation portal, implied an increase in program expenditure from 11.9 million to 13.4 million NOK over the program period. However, these were offset by reductions in administration costs from 6.6 million to 5.2 million (largely due to efficiencies savings within IDI), leaving total expenditure increasing by just 0.2 million NOK.

The revised budget was shared with the full Steering Committee in late 2016 together with the finalised strategies and Synthesis Note. It was formally approved by the funding donors (Austrian Development Agency, Irish Aid, SECO) as an amendment to the grant agreement in February 2017.

The changes to the budget and financing are highlighted in red in two following tables.

Budget	2016	2017	2018	Total	Total, €	Total, $
A. Admin. Staff Costs	1 340 130	733 830	751 584	2 825 544	305 795	346 268
B. Overheads and Other Indirect Costs	1 118 780	651 900	644 930	2 415 610	261 430	296 031
C. Contingency (Including Exchange Rate Provision)	-	-	-	-	-	-
Total Admin (Cash)	**2 458 910**	**1 385 730**	**1 396 514**	**5 241 154**	**567 225**	**642 298**
Program Staff Costs (Excluding in-kind Support)	3 814 218	2 353 735	2 383 262	8 551 215	925 456	1 047 943
Program Staff Costs (for increase of 0.5 FTEs 2017, 0.25 FTEs 2018)		360 000	180 000	540 000	58 442	66 176
1. Strategic Reviews	-	-	-	-	-	-
2. Funding Mechanisms (including cross-cutting GCP activities)	-	584 000	422 000	1 006 000	108 874	123 284
of which: 2.1 GCP Tier 1 specific	-	*188 000*	*152 000*	340 000	36 797	41 667
2.2 GCP Tier 2 specific	-	*236 000*	*186 000*	422 000	45 671	51 716
2.3 Other				-	-	-
3. Research, Guidance and Training	-	177 000	180 000	357 000	38 636	43 750
4. Outreach and Communications	95 426	271 100	202 200	568 726	61 550	69 697
5. Data Collection and Management	45 000	146 420	46 800	238 220	25 781	29 194
of which: 5.1 SAI Capacity Development Database	*45 000*	*110 700*	*46 800*	*202 500*	*21 916*	*24 816*
5.2 INTOSAI Global Survey	-	*35 720*	-	*35 720*	*3 866*	*4 377*
5.3 Other				-	-	-
6. SAI PMF *	1 832 150	-	-	1 832 150	198 285	224 528
of which: 6.1 Custodian of SAI PMF	*187 000*			*187 000*	*20 238*	*22 917*
6.2 Supporting Assessment Quality and Monitoring	*761 800*			*761 800*	*82 446*	*93 358*
6.3 Conduct Assessments	*328 600*			*328 600*	*35 563*	*40 270*
6.4 Facilitate Assessments and Usage of Results	*37 000*			*37 000*	*4 004*	*4 534*
6.5 Independent Reviews (formerly QA)	*96 000*			*96 000*	*10 390*	*11 765*
6.6 SAI PMF Regional Employee	*421 750*			*421 750*	*45 644*	*51 685*
7. Governance and Program Management	*184 200*	*46 800*	*46 800*	277 800	*30 065*	*34 044*
8. Monitoring and Evaluation	-	-	74 000	74 000	*8 009*	*9 069*
Total Program (Cash)	**5 970 994**	**3 939 055**	**3 535 062**	**13 445 111**	**1 455 099**	**1 647 685**
Total (Cash)	**8 429 904**	**5 324 785**	**4 931 576**	**18 686 265**	**2 022 323**	**2 289 983**

* All figures in Norwegian Kroner unless otherwise stated. Figures in red have been updated compared to the Program Document.

Financing Expected	2016	2017	2018	Total	Total, €	Total, $
B/f: Irish Aid	662 899			**662 899**	71 742	81 238
B/f: SECO	662 899			**662 899**	71 742	81 238
Austrian Development Agency (€100 000 per year)	919 000	924 000	924 000	**2 767 000**	299 459	339 093
Irish Aid (€250 000 per year)	2 297 500	2 310 000	2 310 000	**6 917 500**	748 647	847 733
Norwegian Parliamentary Funding	2 000 000			**2 000 000**	216 450	245 098
SECO (Switzerland) (SFr 200 000 per year, 2016 & 17)	1 700 000	1 668 000	-	**3 368 000**	364 502	412 745
SECO (Switzerland) SAI PMF Burkina Faso	58 927			**58 927**	6 377	7 221
Total Financing (Cash)	**8 301 225**	**4 902 000**	**3 234 000**	**16 437 225**	1 778 920	2 014 366

Table shows actual amounts received where applicable, and otherwise forecasts based on recent exchange rates

All figures in Norwegian Kroner, unless otherwise stated

Based on the revised budget and financing, the overall funding gap fell to 2.25 million NOK (12%).

Revised Financing Schedule	2016	2017	2018	2016-2018
Brought Forward	1,325,798	-128,679	-551,464	**1,325,798**
Add: Current Funding and Interest Received/Receivable	6,975,427	4,902,000	3,234,000	**15,111,427**
Less: Revised Budget	-8,429,904	-5,324,785	-4,931,576	**-18,686,265**
Carried Forward	-128,679	-551,464	-2,249,040	**-2,249,040**

All figures in Norwegian Kroner

3.3 Budget Execution, 2016

The following table shows actual expenditure against the revised budget for 2016.

Budget Execution 2016	Revised Budget 2016	Actual 2016	(Under) / Over Spend	(Under) / Over Spend %
A. Admin. Staff Costs (excluding in-kind support)	1 340 130	1 087 487	- 252 643	**-19 %**
B. Overheads and Other Indirect Costs	1 118 780	860 867	- 257 913	**-23 %**
C. Contingency (Including Exchange Rate Provision)	-		-	
Total Admin (Cash)	**2 458 910**	**1 948 354**	**- 510 557**	**-21 %**
Program Staff Costs (Excluding in-kind Support)	3 814 218	3 547 233	- 266 984	**-7 %**
1. Strategic Reviews	-	52 220	52 220	**N/A**
2. Funding Mechanisms	-		-	
3. Research, Guidance and Training	-		-	
4. Outreach and Communications	95 426	19 388	- 76 038	**-80 %**
5. Data Collection and Management	45 000	27 495	- 17 505	**-39 %**
of which: 5.1 SAI Capacity Development Database	45 000	18 207	- 26 793	**-60 %**
5.2 INTOSAI Global Survey	-		-	
5.3 Other	-	9 288	9 288	**N/A**
6. SAI PMF	1 832 150	2 027 829	195 679	**11 %**
of which: 6.1 Custodian of SAI PMF	187 000	198 053	11 053	**6 %**
6.2 Supporting Assessment Quality and Monitoring	761 800	685 217	- 76 583	**-10 %**
6.3 Conduct Assessments	328 600	552 543	223 943	**68 %**
6.4 Facilitate Assessments and Usage of Results	37 000	152 453	115 453	**312 %**
6.5 Independent Reviews (formerly QA)	96 000	43 996	- 52 004	**-54 %**
6.6 SAI PMF Regional Employee	421 750	395 567	- 26 183	**-6 %**
7. Governance and Program Management	184 200	310 824	126 624	**69 %**
8. Monitoring and Evaluation	-		-	
Total Program (Cash)	**5 970 994**	**5 984 988**	**13 995**	**0 %**
Total (Cash)	**8 429 904**	**7 933 342**	**- 496 562**	**-6 %**

All figures in Norwegian Kroner

In addition to the costs financed through the core funding provided to the Secretariat, the above also includes activities carried out on a cost recovery basis under separate, additional contracts. In 2016, this was restricted to 59 000 NOK from SECO for finalisation of SAI PMF work (translation of the final report) in Burkina Faso.

Overall, the total 2016 budget was underspent by 6%, mainly on administration costs. The main variances are explained as follows:

- A. The 19% underspend on staff costs was caused by a significant underspend on IDI admin staff costs allocated to the INTOSAI-Donor Secretariat.
- B. Overheads and other indirect costs were 23% under budget, reflecting continued efficiency savings.
- 4. For Outreach and communications there was a considerable underspend because planned activities were due after the approval of the strategic review at October SC Meeting. In addition, the Secretariat obtained in-kind support from GAO and SAI South Africa instead of hiring a communications consultant. Travel related to communications were reduced by finding synergies with travel to other events.
- 5. Data Collection and Management was 39% under budget because technical work for redeveloping the database was deferred into the 2017 work plan.

- 6. Total SAI PMF expenses went over budget by 11%. Within it, *6.3 Conduct Assessments* was 68% higher than budgeted because the Pilot assessments in Sierra Leone and Cook Islands went over budget due to travel costs and travel time. This amount also includes the translation of Burkina Faso report funded by SECO (59 000 NOK). *6.4 Facilitated Assessments and Usage of Results* had a considerable overspend due to the Secretariat´s participation in CAROSAI and PASAI Congresses in order to facilitate discussions on future regional SAI PMF initiatives. Travel costs, especially to PASAI, significantly exceeded budget. *6.5 Independent Reviews* budget was under budget given lower than budgeted use of consultants to undertake SAI PMF reviews. Some reviews done in-house or through in-kind support.
- 7. Governance and Program Management went over budget by 69% due to expenditures on venue and dinners for the Steering Committee meeting in Cape Town - budget assumed these would be borne by the host.

3.4 Income and Expenditure per Donor, 2016

The following table summarises the funds received and spent, by source, for 2016. In addition to the carry forward from 2015 of 1 325 798 NOK (as per section 3.2 above), there was an underspend of 496 562 NOK in 2016 (as per section 3.3 above). However, these gains were slightly offset as funding came in 42 000 NOK below expectations, due to exchange rate variances. By the end of 2016 there was a carry forward of 325 713 NOK, which has been allocated against Irish Aid.

2016 Statement by Donor	Brought Forward	Funding Received	Accrued Interest	Expenditure	Carried Forward
Austrian Development Agency		927 350	2 532	929 882	
Ministry of Foreign Affairs, France			2 293	2 293	
Irish Aid	662 899	2 223 025	11 477	2 571 688	325 713
OAG Norway		2 000 000	1 875	2 001 875	
SECO (Switzerland)	662 899	1 749 726	6 233	2 418 858	
DFID (UK)			8 208	8 208	
USAID			537	537	
Total	**1 325 798**	**6 900 101**	**33 155**	**7 933 341**	**325 713**

All figures in Norwegian Kroner

IDI's financial statements have been audited and an unqualified audit opinion was given. This confirms the Secretariat's actual expenditure as 7 933 342 NOK as per section 3.3 above, as well as the income and expenditure per donor, as shown in section 3.4 above.

The approved financial statements of IDI, with particular notes related to the Secretariat, are included as Annex B and Annex C. The contributions to and expenditures of the Secretariat were audited as part of the overall audit of the IDI. The original and signed audit report in Norwegian, and translation in English, is included as Annex D.

3.5 Financial Position at End of 2016, and Revised Financial Schedule

As a result of the final out-turn for 2016, the future financial schedule for the Cooperation is as follows. The overall deficit has now been reduced to 1.8 million NOK (10%).

Updated Financing Schedule	2016	2017	2018	2016-2018
Brought Forward	1,325,798	325,713	-97,072	**1,325,798**
Add: Current Funding and Interest Received/Receivable	6,933,256	4,902,000	3,234,000	**15,069,256**
Less: Actual Expenses 2016 / revised budget 2017-2018	-7,933,341	-5,324,785	-4,931,576	**-18,189,702**
Carried Forward	325,713	-97,072	-1,794,648	**-1,794,648**

3.6 2016 Comparison: Original Budget, Revised Budget, Actual

As can be seen below, the Cooperation began 2016 with a forecast deficit of 1.85 million NOK for the year. The 2015 underspend of 1.3 million NOK was brought forward, and the budget was revised down to reflect the new strategies approved during 2016. This gave a revised forecast deficit for 2016 of 0.13 million NOK. Actual figures show that for 2016, while the income was slightly below expectations due to exchange rate fluctuations, expenditure came in around 0.5 million below budget. The Cooperation is therefore able to carry forward 0.32 million NOK to 2017, reducing the forecast deficit for future years. The overall deficit for the program period is now reduced to 1.8 million NOK (section 3.5 above) from an initial deficit of 2.9 million NOK, which is now broadly in line with the historical annual contributions made by SECO. The Secretariat will look for further cost savings, as well as exploring opportunities for further funding for 2018, including from SECO and others.

	Original Budget	Revised Budget	Actual	Revised vs. Actual
Brought Forward	-	1,325,798	1,325,798	-
Income	7,126,000	6,975,427	6,933,256	- 42,171
Expenditure	8,976,483	8,429,904	7,933,342	- 496,562
Surplus / (Deficit)	**- 1,850,483**	**- 128,679**	**325,712**	**454,391**

4. Explanation of Major Deviations

The majority of the activities on the annual work plan in 2016 were carried out. Of the high priority activities, all were completed as planned, with the exception of the implementation of the GCP (task 2.2), which in agreement with the SC leadership was postponed to 2017 (tier 1 to be launched at the end of Q1), and securing funding for 2018 (task 7.2), which is in progress.

The low and medium priority activities under work plan theme 3 (Research, guidance and training on donor aid practices and dissemination) were not prioritised in 2016.

Furthermore, the following deviations related to medium priority activities are noted:

- The development of the INTOSAI-Donor Cooperation Portal (enhanced website and database) was postponed until 2017, with a planned launch of the new Portal within the year (task 5.3).
- No basic SAI PMF training courses were held in 2016 (task 6b.3), given that about 900 people have already been trained, that higher priority was awarded to the development and approval of the SAI PMF Endorsement Version at the INTOSAI Congress, and that the training material relates to the old Pilot Version of the framework. Updating the training material will be taken forward in the first half of 2017 by the new SAI PMF unit in IDI.

5. Management of Internal And External Risks

The Cooperation maintains a risk register, which is approved by the SC and reviewed annually at the SC meetings. As the highest organ of the Cooperation, the SC is collectively responsible for the risk management framework and approving the risk management approach. Between SC meetings, the SC leadership is responsible for risk management, and will decide whether and when to raise issues with the full SC. The leadership should review the risk register every six months, to ensure all significant risks are identified and effectively managed. The Secretariat is responsible for maintenance of the risk register, and bringing new risks to the attention of the SC leadership.

The following table shows the risk register as approved by the SC leadership in March 2017. It presents internal risks (within the control of the Cooperation members), the mitigating measures and the perceived residual risks. Assumptions and external risks are considered in relation to the program purpose of improving SAI performance in developing countries. The main change from the version of the risk register that was approved by the SC at the 9th meeting in October 2016, is that the risk related to the SAI PMF support function (previous risk no. 5) has been removed. It is no longer considered relevant, as this responsibility for SAI PMF shifted to IDI as of January 2017.

Risk	Likelihood (H/M/L)	Impact (H/M/L)	Response	Mitigating Measures	Responsibility for Mitigating Measures	Residual Risk (as at June 2017)
1. Secretariat has insufficient staff and financial resources to provide the requested support to the Cooperation	Medium	High	Treat	Give high priority to recruitment processes. Focus on high priority activities and cost cutting. Seek further donor funding. Seek more in-kind support from SAIs.	All SC members, Secretariat	Medium
2. Perceptions of potential conflicts of interest within the governance structures of the Cooperation damages its credibility and undermines support for the Cooperation and its potential impact	Low	High	Treat	SC to remain vigilant against potential conflicts of interest, and to raise any such conflicts at SC meetings, for inclusion on the Cooperation risk register. Existing perceived conflicts included below. Define capacity development roles clearly and segregate duties where ever potential conflicts arise.	All SC members	Low
3. There is insufficient awareness and application of the MoU principles among the INTOSAI and Donor	Medium	High	Treat	Increased awareness raising of the MoU principles within INTOSAI and international development fora.	All SC members, Secretariat	Medium

Risk	Likelihood (H/M/L)	Impact (H/M/L)	Response	Mitigating Measures	Responsibility for Mitigating Measures	Residual Risk (as at June 2017)
communities, thus not delivering the behavioural change required to enhance the effectiveness of SAI capacity development support				Increased communication of results and successes, and implementation of communications strategy.		
4. There are insufficient donors willing to fund the SAI CDF, leading to it being closed down. This could undermine the ability of the Cooperation to ensure SAI capacity development funding goes where it is most needed.	High	Medium	Treat	The current SAI CDF funding is committed and without replenishment, the SAI CDF will be closed down. The managing agent will make one final advocacy effort on the benefits of pooled funding, to secure contributions from new donors. However, the new GCP Tier 2 will provide the Cooperation further opportunity to ensure funding goes to those countries and SAIs most in need.	SC donor members	Medium
5. Information on the database is inaccurate and incomplete, undermining its effectiveness in facilitating better coordination of capacity development support, and tracking volumes of support	High	Medium	Treat	Development of new IDC Portal will make the database/ website more useful and interesting SC members to provide updated information regularly Secretariat to carry out quality control of the data	All SC members, Secretariat	Medium
6. Insufficient, credible global and regional information on SAI performance and results from SAI capacity development initiatives to demonstrate the results and achievements of the Cooperation.	Medium	High	Treat	• Collaboration between partners that also need such global and regional information	Secretariat, all SC members	Medium
				• Establish systems to collect and aggregate such information, and guarantee anonymity of country level information where requested	Secretariat and IDI	
				• Continually promote measurement of SAI performance and SAI capacity development results, and publication where appropriate	All SC members	

Risks outside the control of members of the Cooperation are considered program assumptions, and dealt with as part of the program results framework.

The risk management of the Secretariat in the program period has entailed:

- Reviewing and suggesting updates to the risk register for the SC leadership's approval (March 2017)
- Bringing new perceived risks to the attention of the SC leadership, IDI board, funding donors and SC as appropriate

6. Lessons Learned

- A survey carried out following the 9th SC meeting in Cape Town contiguous meeting with the CBC showed that holding the meetings back-to-back was appreciated by the majority of the respondents. It saves travel costs and time for some participants who would otherwise attend both meetings, and thematic synergies were identified. Some participated recommended to allow for even deeper discussions between the participants, as their varied backgrounds added value to discussions. SC members also emphasised the importance of ensuring a feedback loop at the meetings, to allow for country-level experiences to be discussed in a global forum.

- Involving SC members in working groups to elaborate new strategies for the various Cooperation activities was useful in order to ensure ownership and bring different perspectives together in the development of the new concepts. However, the working groups still relied quite heavily on the Secretariat to carry out quite a lot of the drafting and preparatory work.