

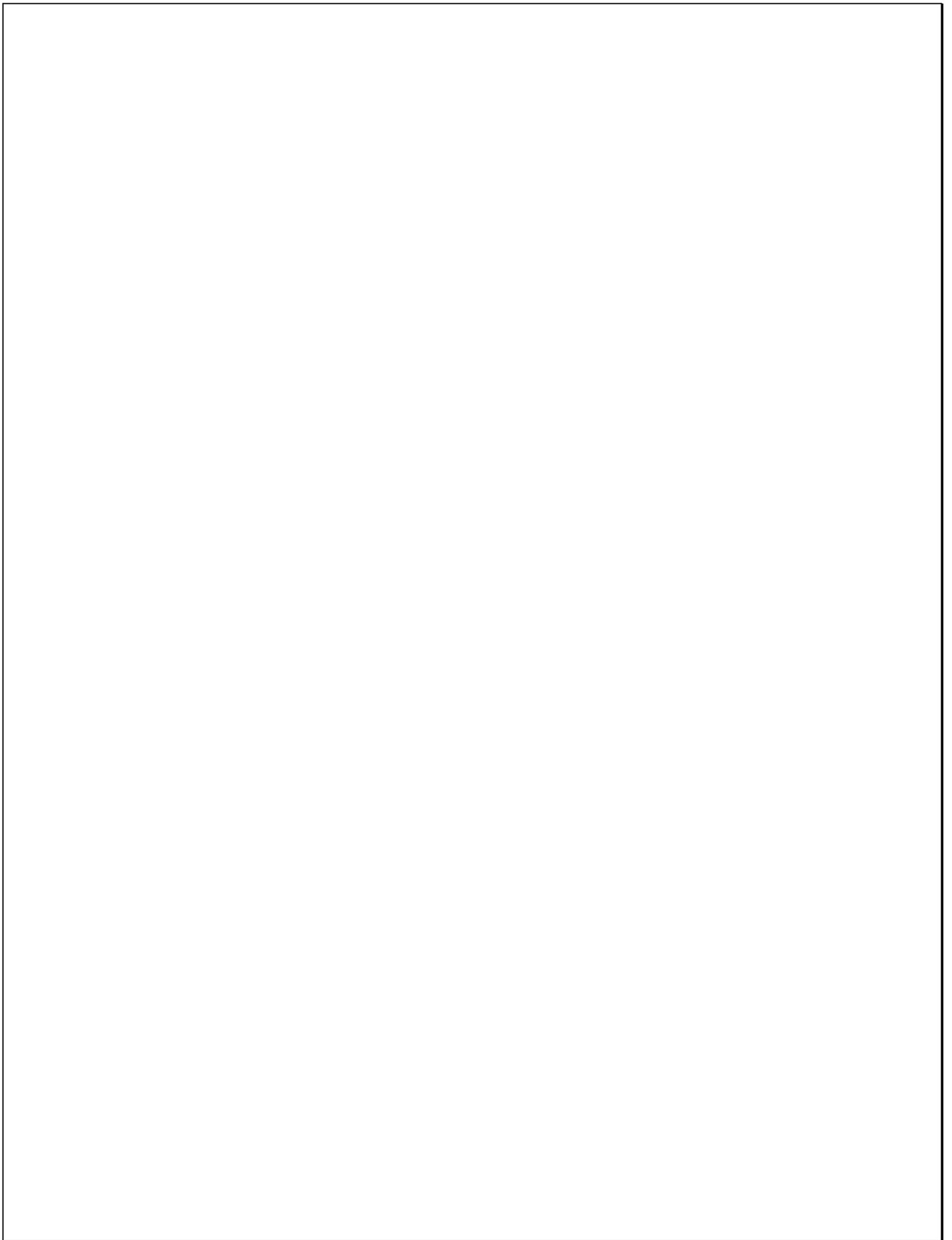
2016

ANNUAL REPORT

SUPREME AUDIT INSTITUTIONS CAPACITY DEVELOPMENT FUND



**STRENGTHENING SUPREME AUDIT INSTITUTIONS**





## OBJECTIVES OF THE SAI CDF

**To strengthen governance and public financial management in developing countries, through direct capacity development support to SAIs and to INTOSAI global and regional bodies**

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### A Multi Donor Trust Fund

#### Donor



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Swiss Confederation

Federal Department of Economic Affairs,  
Education and Research EAER  
**State Secretariat for Economic Affairs SECO**

#### Trust Fund Management



**THE WORLD BANK**  
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## **1. ABOUT SAI CDF**

### **Background**

1. Supreme Audit Institutions (SAI) play a vital role helping their respective governments improve performance, enhance transparency, ensure accountability, fight corruption, and foster efficient service delivery for the benefit of their peoples.
2. Diagnostics over years have consistently revealed the need for strengthening SAIs in many countries. However, global support to SAIs was fragmented, access to donor funds was limited (partly due to most bilateral and MDB aid being directed towards supporting the executive branch of government), and donor coordination was not fully effective. In addition, donor support had catered in many instances to short-term training needs, rather than supporting the strategic development plans of SAIs.
3. Donors recognized that weak SAI capacity is one of the major obstacles in making greater use of country systems and that this is an area in which impact and results require working in unison. INTOSAI proposed a stronger engagement by donors with the SAIs. These efforts culminated into the 2009 MoU between INTOSAI and donors (currently 23, including the World Bank and SECO, have signed the MoU) providing a common approach to development support to the SAI community. The overarching goal is to accelerate the strengthening of audit capacity in poor/low income and fragile countries so that there is sustained improvement in accountability for the use of public funds.
4. In support of the objectives of the INTOSAI-Donor Cooperation MoU, a SAI Capacity Development Fund (SAI CDF) - a Multi Donor Trust Fund (MTDF) - administered by the World Bank was established on April 11<sup>th</sup>, 2014. The State Secretariat for Economic Affairs (SECO), Switzerland became the first donor to the MDTF with a contribution of Swiss Francs 5 million.

### **Objectives of the SAI CDF**

5. The purpose of the SAI CDF is to strengthen governance and public financial management in developing countries, through direct capacity development support to SAIs and to INTOSAI global and regional bodies.
6. The SAI CDF has the following specific objectives:

- **Scale up support for SAI Capacity Development** in developing countries, by providing a sound and streamlined vehicle for donors to fund improvements in SAI performance
- **Enhance the effectiveness of support to SAIs**, by
  - Improving allocative efficiency of funding for SAI capacity development, by ensuring resources flow to the areas where they are most needed and can have the greatest impact
  - Strengthening SAI leadership and ownership of capacity development, by providing funding for and incentivizing the development and implementation of SAIs' Strategic and Development Action Plans.
  - Strengthening donor harmonization and alignment behind SAI-led Strategic and Development Action Plans
  - Improving donor coordination in support to SAIs, by establishing a multi-donor vehicle for funding and decision making on provision of support
  - Reducing the transaction costs for both SAIs and Donors, through developing a single, tailored and streamlined set of procedures for funding SAI capacity development
- **Deliver results** through financing and managing SAI capacity development programs, with a focus on achieving improvements in SAI performance

#### **Eligible Beneficiaries**

7. The following organizations/institutions/bodies are eligible to receive support from the SAI CDF provided they are eligible to enter into financing agreements with the World Bank.
  - SAIs of countries or territories on the DAC list of ODA eligible recipients which are able to enter into agreements with the World Bank;
  - INTOSAI regional and sub-regional bodies whose activities are wholly or predominantly ODA eligible, or for specific activities undertaken by INTOSAI regional or sub-regional bodies and considered wholly or predominantly ODA eligible; and
  - INTOSAI Global and Trans-regional bodies (including the work of INTOSAI committees, sub-committees, working groups and task forces), for activities undertaken predominantly for the benefit of SAIs.

#### **Eligible Activities**

8. All expenditures financed by CDF will be in support of activities designed to contribute to capacity development of SAIs. Capacity development is the sustained development of the core capabilities of an SAI to deliver its mandate more effectively so as to create the

desired impact. It implies strengthening the institutional framework within which the SAI operates, the organizational systems within the SAI, and the professional capacity of its management and staff.

9. Specifically the following capacity development activities are eligible for support:

- Organizational capacity development
- Financial audit capacity development
- Compliance audit capacity development
- Performance audit capacity development
- IT audit capacity development
- Other specialized audit capacity development
- Administrative services capacity development
- External stakeholders' relation capacity development

#### **Ineligible Activities**

10. Activities that are ineligible for SAI CDF funding include basic expenditure needs, such as payment of regular salaries and wages, utility (water/heat/electricity) expenses, maintenance expenses; travel expenses unrelated to the program defined in the project proposal; purchase of motor vehicles.

#### **Criteria for the Evaluation of Project Proposals**

11. A transparent and robust mechanism has been put in place to evaluate each proposal received. The evaluation criteria and the scoring system used to evaluate project proposals are described in Table 1.

**Table 1: Evaluation Criteria and Scoring System for Project Proposals**

No.	Criteria	Max Score
	<b>Country Ownership and Leadership</b>	
1	SAI involvement in the design of the project	10
	<b>Strategy and Project Design</b>	
2	The project activities clearly fits into the long term capacity development strategy of the SAI	10
3	Project activities clearly links to the identified needs	10
4	Project activities and proposed project budget are necessary and sufficient to achieve expected outcomes and outputs	10
5	There is clear and logical sequence of activities to achieve project objectives	10
	<b>Alignment and Coordination</b>	
6	PCN clearly identifies links to and builds on previous and ongoing projects	10
	<b>Results Framework</b>	
7	A monitoring framework is proposed (including indicators, baseline, targets, and monitoring mechanisms)	10
	<b>Sustainability</b>	
8	PCN clearly articulates risks to achieving the PDO	10
9	PCN clearly articulates risk mitigation measures to address the identified risks	10
10	Results from the proposed project are sustainable after the completion of the project	10
	<b>Total</b>	<b>100</b>

### **Governance Arrangements for the SAI CDF**

12. A Funding Board, comprised of representatives from the World Bank and the SECO, serves as the governance body of the SAI CDF. The Chief Financial Management Officer of the World Bank, who also co-chairs the INTOSAI Donor Cooperation Steering Committee, chairs the Funding Board.

13. The Funding Board is responsible, inter alia, for approving funding for projects, reviewing periodic progress reports, and approving the SAI CDF Operating Manual. The Funding Board meets (in person or virtually) at least once every year and more regularly if required for the timely approval of funding proposals, and approval of work programs and progress reports. An Operating Manual specifies procedures and guidance for the working of the SAI CDF.

14. Roles and responsibilities of the World Bank include:

- a. As Trustee responsible for the Trust Fund administration activities in accordance with the TF Administration Agreements, including receiving, holding, investing, disbursing and reporting on funds;
- b. As Program Manager responsible for program management activities including hosting the Secretariat for the Funding Board;
- c. As Adviser responsible for providing implementation support to SAIs in project preparation and supervision activities.

**2. SAI CDF PROGRAM – KEY HIGHLIGHTS of FY2016**

15. During the year (July 1<sup>st</sup> 2015 to June 30<sup>th</sup>, 2016) the Funding Board met 3 times – once virtually and twice by audio conference. FB met virtually in July 2015 to consider Mozambique and ASEANSAI proposals. FB met by audio conferencing in February 2016 to discuss the Semi-Annual Progress report for the period July 1 2015 to December 31 2015 and consider Expressions of Interest for the third round of funding. FB met by audio conferencing in June 2016 to review and decide on the grant funding proposals. Approved minutes of these meetings are available upon request.

16. During the year, the Funding Board approved the revised version of the Operating Manual clarifying the priorities for funding under the SAI CDF.

17. Three new projects were approved for funding during the year as follows:

Mozambique (grant amount US\$500,000)

ASEANSAI (grant amount US\$325,000)

Nicaragua (grant amount US\$497,000)

18. The Mozambique project aims to deliver on-going, role-specific, non-certified professional training aimed at enhancing the effectiveness of the SAI and to build sufficient professional capability amongst the staff to enable them to obtain a professional qualification.

19. The ASEANSAI project aims to develop a shared pool of trained ISSAI facilitators who can then contribute in the implementation of ISSAIs in member SAIs.

20. The Nicaragua project aims to train auditors in the updated National Audit standards based on ISSAIs, performance audit; to implement SIAG (Integrated Governmental Audit

System; to update the Code of Ethics and to train auditors in the use of the updated Code of Ethics; to implement an audit quality control system.

21. During the year grant agreements for the following projects, which were approved in FY 2015, were signed thus enabling the SAIs to begin implementation of their projects.

Bhutan July 23 2015

Philippines February 15, 2016

Mongolia February 4, 2016

### **3. SAI CDF PROGRAM FINANCES**

22. The overall funding situation for the SAI CDF is provided below in Table 2. As can be seen from the Table, SECO has fully discharged its funding commitment towards the SAI CDF. Since the beginning, eight SAI capacity development projects have been approved with total funding commitment of \$3,105,000.

**Table 2: Overall Funding Situation as of 30<sup>th</sup> June 2016**

		<b>CHF</b>	<b>USD (approx.)</b>
<b>SECO Commitment</b>		5,000,000	
<b>First Installment (received May 19, 2014)</b>		1,000,000	
<b>Second Installment (received December 24, 2014)</b>		2,000,000	
<b>Third Installment (received October 8, 2015)</b>		1,000,000	
<b>Final Installment (received June 24, 2016)</b>		1,000,000	
		<u>5,000,000</u>	\$ 5,206,940
<b>Committed:</b>			
TF Admin Fee	\$ 104,139		
Program Management	\$ 260,347		
<b>Gabon</b> SAI (approved July 28, 2014)	\$ 350,000		
Gabon Implementation Support	\$ 28,000		
<b>Georgia</b> SAI (approved July 28, 2014)	\$ 500,000		
Georgia Implementation Support	\$ 40,000		
<b>Philippines</b> SAI (approved Jan 20, 2015)	\$ 278,000		
Philippines Implementation Support	\$ 22,240		
<b>Bhutan</b> SAI (approved Jan 20, 2015)	\$ 275,000		
Bhutan Implementation Support	\$ 22,000		
<b>Mongolia</b> Proposal (approved March 16, 2015)	\$ 380,000		
Mongolia Implementation Support	\$ 30,400		
<b>Mozambique</b> Proposal (approved July 10, 2015)	\$ 500,000		
Mozambique Implementation Support	\$ 40,000		
<b>ASEANSAI</b> Proposal (approved July 15th, 2015)	\$ 325,000		
ASEANSAI Implementation Support	\$ 26,000		
<b>Nicaragua</b> Proposal (approved June 2, 2016)	\$ 497,000		
Nicaragua Implementation Support	\$ 39,760		\$ 3,717,886
<b>Balance Available</b>			<b>\$ 1,489,054</b>
<b>Add: Investment Income</b>			<b>\$ 26,395</b>
<b>Balance Available</b>			<b>\$ 1,515,449</b>
<b>(Note: In July 2016, the FB approved capacity development project for Sierra Leone SAI for \$270,000)</b>			

23. Disbursement vis-à-vis individual grant commitments is provided in Table 3. Gabon, Georgia, and Bhutan projects are in the advanced stage of implementation whereas Philippines, Mongolia, and Mozambique projects are in the initial stages of implementation. ASEANSAI and Nicaragua projects are yet to begin implementation. Overall, only 20% of the approved grant amount has thus been disbursed.

**Table 3: Disbursement vis-à-vis Grant**

Grant Number	Grant Name	Grant Amount	Cumulative Disbursements as of June 30th, 2016	Disbursement Ratio
TF017694	SAI CDF Program Administration and Management Fund	\$ 260,342	\$ 88,385	34%
TF018205	Gabon SAI Capacity Building Project	\$ 350,000	\$ 213,381	61%
TF018189	Implementation Support to Gabon Project	\$ 28,000	\$ 23,280	83%
TF018381	Georgia IT Audit Development in the State Audit Office	\$ 500,000	\$ 158,830	32%
TF018190	Implementation Support to Georgia Project	\$ 40,000	\$ 8,203	21%
TF0A0417	Bhutan Institutional Capacity Development of the Royal Audit Authority	\$ 275,000	\$ 90,436	33%
TF0A1803	Implementation Support to Bhutan Project	\$ 22,000	\$ 1,039	5%
TF0A1162	Philippines Capacity Development Support to the Commission on Audit	\$ 278,000	\$ -	
TF0A2768	Implementation Support to Philippines Project	\$ 22,240	\$ -	
TF0A1838	Mongolia Capacity Building for the National Audit Office (MNAO)	\$ 380,000	\$ 75,000	20%
TF0A1839	Implementation Support to Mongolia Project	\$ 30,400	\$ 6,829	22%
TF0A2144	Mozambique Training and Education for Tribunal Administrativo	\$ 500,000	\$ 50,000	10%
TF0A1825	Implementation Support to Mozambique Project	\$ 40,000	\$ 20,343	51%
TF0A2349	ASEANSAI Establishment of ISSAI Facilitators Pool	\$ 325,000	\$ -	
TF0A2348	Implementation Support to ASEANSAI Project	\$ 26,000	\$ -	
	Nicaragua SAI Capacity Development	\$ 497,000	\$ -	
	Implementation Support to Nicaragua Project	\$ 39,760	\$ -	
<b>Total</b>		<b>\$ 3,613,742.00</b>	<b>\$ 735,726.40</b>	<b>20%</b>

#### 4. SAI CDF FUNDED PROJECTS

24. The SAI CDF has approved eight projects for funding (as of 30<sup>th</sup> June 2016) that supports capacity development of SAIs in low capacity countries including one regional project supporting implementation of ISSAIs in the ASEAN region (see Annex 1 for the World Map of SAI CDF projects). These projects are aligned with the strategic development plans of the SAIs/INTOSAI regional bodies and provide much needed support in creating capacity in implementing ISSAIs, conducting value for money/performance audits, creating code of ethics, implementing quality control arrangements, developing IT audit capacity, and assisting SAI staff obtain professional accountancy qualifications. The following provides a summary of key project details and achievements for each project under implementation. Detailed project implementation progress including results

framework are included in the Implementation Status and Results Report (ISR) for each project in the Annexes.

### **Gabon Project**

25. The **Gabon** Project has three components:

Component 1: Modernization of the SAI organizational structure and operating manuals

Component 2: Scale up of the VFM audit methodology

Component 3: Strengthening of relationships between the SAI and its external stakeholders such as parliamentarians and civil society organizations. Key details of the project are summarized below.

<b>Key Project Details:</b>	
<b>Country SAI</b>	<b>Gabon</b>
Grant Signing Date	21-Nov-14
Grant Amount	\$ 350,000
Disbursements till 30th June 2016	\$ 213,381
Disbursement Ratio	61%
Grant Closing Date	30-Sep-17

26. Key achievements under the **Gabon** Project are summarized below – detailed results framework and other project related particulars are available in the Implementation Status and Results Report (ISR) in Annex 1:

Component 1: Modernization of the SAI organizational structure and operating manuals

- Revised organic law proposing revised SAI mandate consistent with the new PFM legal framework and a commensurate SAI organization structure, has been drafted and submitted for review and endorsement. Policy dialogue is ongoing to reach a final consensus before the Parliament enacts the law. Technical guidelines and manual of procedures have also been developed to facilitate the timely implementation of the revised law.
- Three staff have been trained in the use of the INTOSAI SAI Performance Measurement Framework (PMF) tool. A self-assessment, using the SAI PMF tool, is now planned.
- Several technical training programs, envisaged in the SAI development action plan, were successfully delivered.

Component 2: Scale up of the VFM audit methodology

- The VFM audit of the health spending and impact on HIV and Malaria was completed and made public on April 11, 2016 in an official ceremony attended by the Ministry of Health and donors.
- The VFM audit of the national insurance scheme is well advanced with actuarial work ongoing.
- The VFM audit of the infrastructure sector is also well advanced awaiting inputs from an engineering expert.
- Using its own resources, the SAI has begun implementing other VFM audits, such as management of waste in Libreville and tax expenditures, thus disseminating the VFM audit methodology amongst other staff in the SAI.

Component 3: Strengthening of relationship between the SAI and external stakeholders

- The newly developed SAI website (<http://www.ccomptes.ga/>) was launched at the aforementioned official ceremony.
- Other activities under this component will be implemented after the Parliamentary elections in December 2016.

## Georgia Project

27. The **Georgia** Project has three components:

Component 1: Development of IT Audit Information System

Component 2: Development of IT Audit Capacity

Component 3: Project Management. Key details of the project are summarized below.

<b>Key Project Details:</b>	
<b>Country SAI</b>	<b>Georgia</b>
Grant Signing Date	5-Feb-15
Grant Amount	\$ 500,000
Disbursements till 30th June 2016	\$ 158,830
Disbursement Ratio	32%
Grant Closing Date	5-Feb-18

28. Key achievements under the **Georgia** Project are summarized below – detailed results framework and other project related particulars are available in the Implementation Status and Results Report (ISR) in Annex 2:

Component 1: Development of IT audit Information System

- After repeating the bidding process thrice, the SAI finally awarded a contract for supply and installation of Information System Equipment.

- Implementation of specialized data analysis and audit software (Caseware IDEA). SAI has initiated pilot implementation of this advanced data analysis software in its audit.
- Implementation of Audit Management software, which is funded from SAI’s own resources, is currently underway.
- Implementation of Network Security Evaluation Software is planned for second of 2016.

Component 2: Development of IT Audit Capacity

- Training courses covering IT Audits and IT Audit Quality Control and Assurance procedures are being provided by the SAI India and the Government Accountability Office (GAO) of the United States.
- Selective participation in “Meeting of the E-Government Subgroup of the EUROSAI IT Working Group on IT” and “The Second Young EUROSAI Conference”.
- Conducted training programs in Testing IT Controls and Data Analysis

**Bhutan Project**

29. The **Bhutan** Project has two components:

Component 1: Training of Expert Trainers and Subject Matter Experts

Component 2: Professional development training. Key details of the project are summarized below.

<b>Key Project Details:</b>	
<b>Country SAI</b>	<b>Bhutan</b>
Grant Signing Date	23-Jul-15
Grant Amount	\$ 275,000
Disbursements till 30th June 2016	\$ 90,436
Disbursement Ratio	33%
Grant Closing Date	30-Jun-18

30. The **Bhutan** project effectively has been under implementation for less than 10 months. In this short timeframe, the key achievements are summarized below – detailed results framework and other project related particulars are available in the Implementation Status and Results Report (ISR) in Annex 3. The project has entered into a contract with IDI, Norway to support implementation of both the components.

Component 1: Training of Expert Trainers and Subject Matter Experts

- One-week intensive training program (in July 2016) for six mentors (Subject Matters Experts) focused on customizing the contents of ISSAIs to the needs of the SAI.
- Two weeks training (in August 2016) for auditors in performance, financial and compliance audits

Component 2: Professional Development Training

- Development of nine course materials for planning, executing and reporting on audit is in the advanced stage of finalization.

**Mongolia Project**

31. The **Mongolia** Project has five components:

Component 1: Peer review of financial audit activities

Component 2: Comprehensive training needs assessment

Component 3: Designing continuing professional development strategy together with a detailed action plan

Component 4: Development of customized training materials and delivery of the training

Component 5: Implementing an updated private audit firm contracting process. Key details of the project are summarized below.

<b>Key Project Details:</b>	
<b>Country SAI</b>	<b>Mongolia</b>
Grant Signing Date	4-Feb-16
Grant Amount	\$ 380,000
Disbursements till 30th June 2016	\$ 75,000
Disbursement Ratio	20%
Grant Closing Date	30-Aug-18

32. The **Mongolia** project effectively has been under implementation for less than four months. In this short timeframe, the key achievements are summarized below – further details are available in the Implementation Status and Results Report (ISR) in Annex 4:

- Project launch workshop attended by senior management including the Auditor General
- Finalization of the project work plan with detailed budget.
- Finalization of the Terms of Reference for the financial audit peer review. Discussion are underway with the UK National Audit Office (NAO) for the peer review.

## **Mozambique Project**

33. The **Mozambique** Project focuses on education and certification of audit staff and has seven components:

Component 1: Develop induction e-learning program for the new staff

Component 2: Training materials for the Pre-Certification Education

Component 3: Run the Pre-Certification - classroom training

Component 4: Conduct Certification Entry exam

Component 5: Training materials for Level-1 Certification

Component 6: Run the Level-1 Certification - classroom training

Component 7: Conduct Level-1 Certification exam. Key details of the project are summarized below.

<b>Key Project Details:</b>	
<b>Country SAI</b>	<b>Mozambique</b>
Grant Signing Date	27-Apr-16
Grant Amount	\$ 500,000
Disbursements till 30th June 2016	\$ 50,000
Disbursement Ratio	10%
Grant Closing Date	31-Dec-18

34. The **Mozambique** project effectively has been under implementation for just over two months. In this short timeframe, the key achievements are summarized below – further details are available in the Implementation Status and Results Report (ISR) in Annex 5:

- Preparation of the draft Terms of Reference for the content, methodology as well as syllabus for the main education/learning consultancy
- Identification of five potential tertiary education institutions to be the training providers

## **Philippines Project**

35. The **Philippines** Project has two components:

Component 1: Implementation of ISSAI-based Philippine Public Sector Standards of Auditing

Component 2: Development of a specialized audit manual for disaster related funds and activities. Key details of the project are summarized below.

<b>Key Project Details:</b>	
<b>Country SAI</b>	<b>Philippines</b>
Grant Signing Date	15-Feb-16
Grant Amount	\$ 278,000
Disbursements till 30th June 2016	\$ -
Disbursement Ratio	0%
Grant Closing Date	31-Mar-18

36. There was initial delay in the countersignature of the Grant Agreement and, as a result, the **Philippines** project has been under implementation for just over four months. In this short timeframe, the key achievements are summarized below – further details are available in the Implementation Status and Results Report (ISR) in Annex 6:

- Preparatory work on professional development training plan and organization systems capacity development plan.
- Begun preparation of guidance/practice notes and audit manuals for the implementation of level 4 ISSAI
- Project launch workshop for Procurement, Financial Management and Disbursement staff
- Reaching an agreement amongst the Asian Development Bank (AsDB), the USAID, the WBG and the SAI on the division of labor amongst donors in support of implementation of level 4 ISSAI - SAI CDF to focus on Compliance Audit, AsDB on Financial Audit, and the USAID on Performance Audit.

### **ASEANSAI Project**

37. The **ASEANSAI** Project is the first INTOSAI regional project funded by the SAI CDF. It covers ten countries - Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei, Cambodia, Laos, Myanmar and Vietnam. ASEANSAI secretariat housed in the SAI of Indonesia is implementing the project.

38. The **ASEANSAI** Project has three components:

Component 1: ISSAI implementation focusing on Internal Control Systems and Risk-Based Audit

Component 2: Certification of ISSAI Facilitators

Component 3: Monitoring and Evaluation of ISSAI implementation. Key details of the project are summarized below.

<b>Key Project Details:</b>	
<b>Regional SAI Body</b>	<b>ASEANSAI</b>
Grant Agreement Date	8-May-16
Grant Amount	\$ 325,000
Disbursements till 30th June 2016	\$ -
Disbursement Ratio	0%
Grant Closing Date	8-May-18

39. There has been delay in the countersignature of the Grant Agreement, as the ASEANSAI policy requires consent from all the member SAIs. It is expected that the grant agreement will be signed by mid-August 2016. As a result project implementation is yet to commence.

### **Nicaragua Project**

40. The **Nicaragua** Project was approved in June 2016 and the process of establishing the Trust Fund is progressing. The project grant amount is \$497,000 and it has four components:

Component 1: Development and implementation of a training strategy for the updated auditing standards and audit manual.

Component 2: Adaptation and implementation of the Integrated Governmental Audit System (SIAG).

Component 3: Design and implementation of a quality control system

Component 4: Project management

## **5. SAI CDF PROGRAM RISKS**

41. The SAI CDF at the Program level faces three key risks in achieving the program objectives:

- a. **Funding Risk.** Although, SAI CDF was set up as a Multi Donor Trust Fund, only one donor viz. SECO has come forward to support it. Moreover, SECO has completely discharged its funding commitment. In the absence of new donors coming forward to fund the SAI CDF, it is unlikely that SECO will be making new commitments to the SAI CDF.
- b. **Quality of Project Proposals Risk.** The SAI CDF Program also faces the risk of receiving sub-standard proposals for capacity building. There are two possible reasons for it: one, the SAI CDF has limited grant funds that discourages some

SAIs from submitting comprehensive proposals that would require significant funding for their strategic development plans. Second, the SAI CDF uses robust but transparent criteria to evaluate project proposals, which a few proposals have failed to meet in the past thus discouraging prospective SAIs from considering sending their proposals.

- c. Transformative Outcome Risk.** Since the SAI CDF has limited funding, it has not been possible to fund comprehensive strategic development plans that would lead to the transformation of the SAIs that could lead to significant outcomes at the domestic accountability at the country level. The SAI CDF has provided funding for implementing a small part of the SAI's strategic development plan, which undoubtedly leads to achieving certain positive outputs, but it is proving difficult to achieve significant transformative outcomes envisioned in the INTOSAI Donor Cooperation MoU.
42. In order to mitigate these risks, the most important risk mitigation measure is to urgently obtain significant new funding for the SAI CDF, which would enable funding of comprehensive strategic development plans of SAIs needing significant funding.

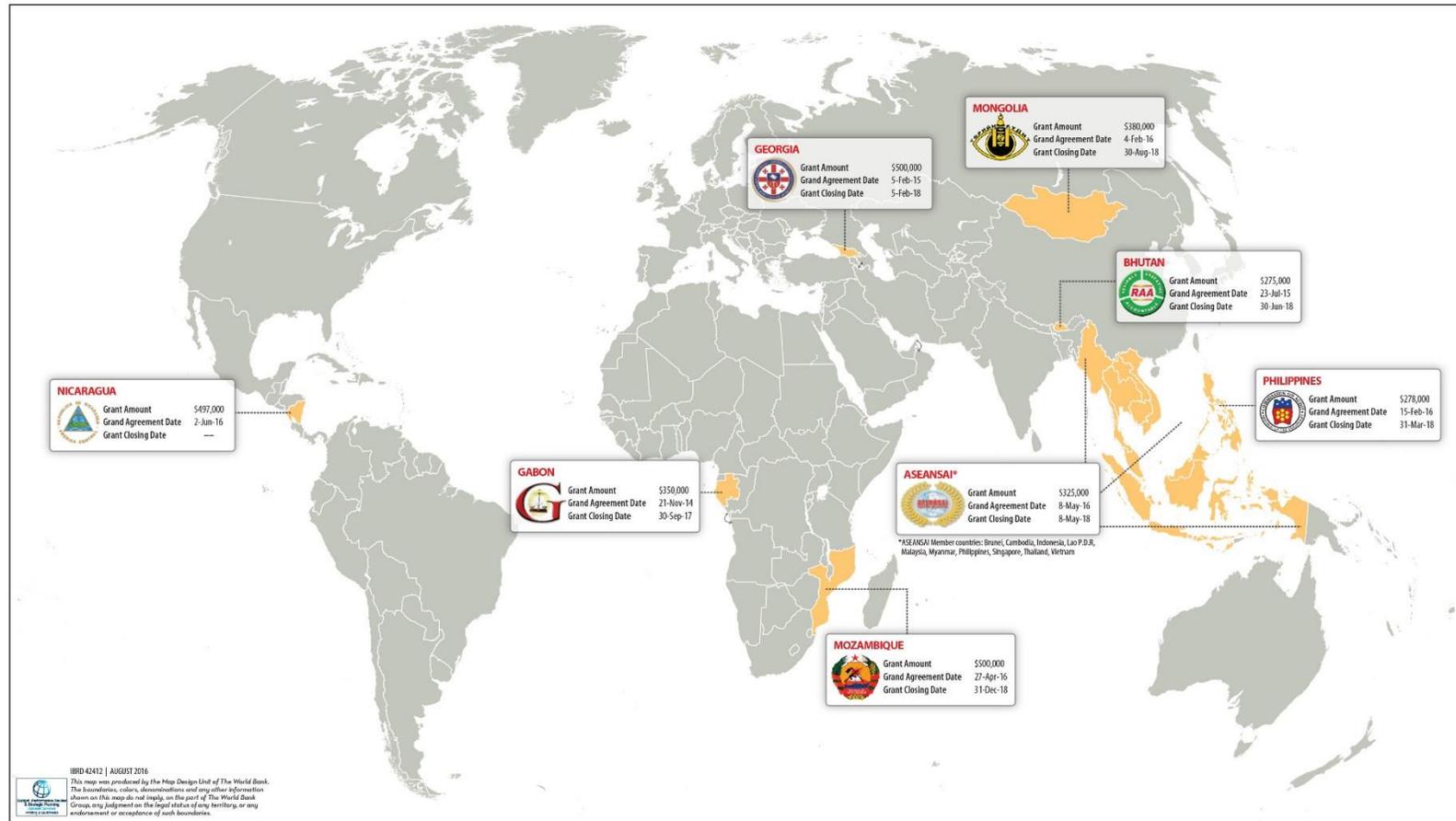
## **6. LESSONS LEARNED**

43. The SAI CDF has received scores of proposals for support, but has only been able to approve eight proposals due to limited availability of funds. It is, therefore, a clear indication of a number of needy SAIs in low income and fragile countries that are unable to obtain the much needed funding to implement their strategic development plans.
44. An important lesson the task teams are learning from the experience is that there is a need to factor in substantial grant agreement processing time. Signing Trust Fund agreements with SAIs takes a lot of time as a number of clearances are required before the SAI can sign the agreement. This perhaps reconfirms earlier diagnostics that had observed a lack of enthusiasm on the part of governments for providing funding to the SAIs for capacity building.
45. Regional project agreements require substantial lead-time as the regional INTOSAI secretariat needs to obtain consent from all member SAIs before signing the grant agreement.
46. Donor coordination at the country level is still a challenge, which ITNOSAI Donor Cooperation MOU had identified earlier. Ensuring proper donor coordination at the

project preparation stage gets complex for the task teams as the SAI Project Database maintained by the IDC Secretariat is incomplete and, at times, the SAIs are unable to provide full information on on-going and completed donor projects. For example, both the Philippines and Sierra Leone task teams had to spend considerable time in gathering information on donor-financed projects (both ongoing and completed projects).

47. For ensuring appropriate independence, mandate, and enabling framework for the SAIs, it is important to ensure that capacity development efforts are supplemented by policy level dialogue with governments. For example, the Gabon project is supporting development of a new SAI law that is benefiting from the policy level engagement by the World Bank at the country level.
48. SAIs are increasingly looking at other SAIs to provide the requisite expertise in specific areas on a peer-to-peer basis. For example, Georgia has sought specific expertise under the grant project from the SAIs of India and the USA. For some SAIs, who are providers of such services, this is a new “line of business” requiring learning in international bidding and contracting practices. It will be useful if IDI were to develop an e-Learning program helping these SAIs in quickly understanding the process of entering into international contractual obligations.
49. Finally, it has proved challenging to obtain additional funding for the SAI CDF despite considerable efforts made by the WBG over the past few years. It has been observed that there has been competing demand on limited donor resources from various INTOSAI organs such as the IDI, INTOSAI Committees, INTOSAI Regional Bodies, as well from individual country SAIs and the SAI CDF. There is a need for a more cohesive and holistic dialogue with donors to avoid competing demand on scarce donor funding and to ensure that most funding is channelized at the country level to the low capacity SAIs in poor and fragile countries as envisioned in the INTOSAI Donor Cooperation MOU. Unless new funding pledges are received, the SAI CDF risks the prospect of being shut down.

World Map of SAI CDF Funded Projects



## Gabon Supreme Audit Institution Capacity Building (P152449)

AFRICA | Gabon | Governance Global Practice | Requesting Unit: AFCC1 | Responsible Unit: GGO13

Recipient Executed Activities | Investment Project Financing | FY 2015 | Team Leader(s): Enagnon Ernest Eric Adda, Kolie Ousmane Maurice Megnan

Seq No: 2 | ARCHIVED on 24-Apr-2016| ISR23320| Created by: Kolie Ousmane Maurice Megnan on 15-Apr-2016 | Modified by: Kolie Ousmane Maurice Megnan on 20-Apr-2016

## 1. STATUS &amp; KEY DECISIONS

## 1.1 OBJECTIVE &amp; RATINGS

## Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Project Development Objective (PDO) is to improve the professionalism and quality of the audit work of the SAI in order to contribute to efficiency and accountability in the use of public resources. The project will play a key role in Gabon's acceleration of pace towards a more transparent and orderly PFM, more efficient public service delivery.

## Disbursement Summary

Source of Funds	Net Commitment	Total Disbursed	Remaining Balance	Disbursed
Grants	0.35 M	0.25 M	0.10 M	71%

Disbursement Ratio	0.0%
Disbursement Delay Flag	NONE
Effectiveness Delay Flag	NONE
Bank Approval Date	21-Nov-2014
Project Closing Date	30-Sep-2017
Overall Risk	● Moderate

## Key Project Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Satisfactory	● Satisfactory
Overall Implementation Progress (IP)	● Satisfactory	● Satisfactory

## Comments

The last implementation support mission carried out on March 2016 confirmed the satisfactory implementation of the project activities as evidenced by the following:

Component 1: modernization of the SAI organizational structure and operating manuals

The revised SAI Organic Law is finalized at the technical level. Policy dialogue is ongoing within the institution to reach a final consensus before passing the law at the Parliament. The revised Organic Law is in line with new country PFM legal framework which calls for efficiency

and value for money in public spending. The technical guidelines and manual of procedures to ease the implementation of the revised Organic Law are also ready. In addition, the training of 3 Staff of the SAI was financed by project on the new INTOSAI SAI Performance Measurement Framework. These staff will to carry out a self assessment of the SAI with the view to assess progress made over the project implementation. Lastly several training in line with SAI action plan on various technical topics were conducted by the project.

**Component 2: scale up of the Value For Money (VFM) audit methodology in other social and infrastructure sectors**

The VFM audit of the health spending and impact on HIV and Malaria is finalized and was made public on April 11, 2016 during an official ceremony attended by the Ministry of Health and the donors.

The VFM audit of the national insurance scheme is well advanced. The financial audit part is completed. The actuarial work is ongoing. This audit is expected to be completed by en June 2016.

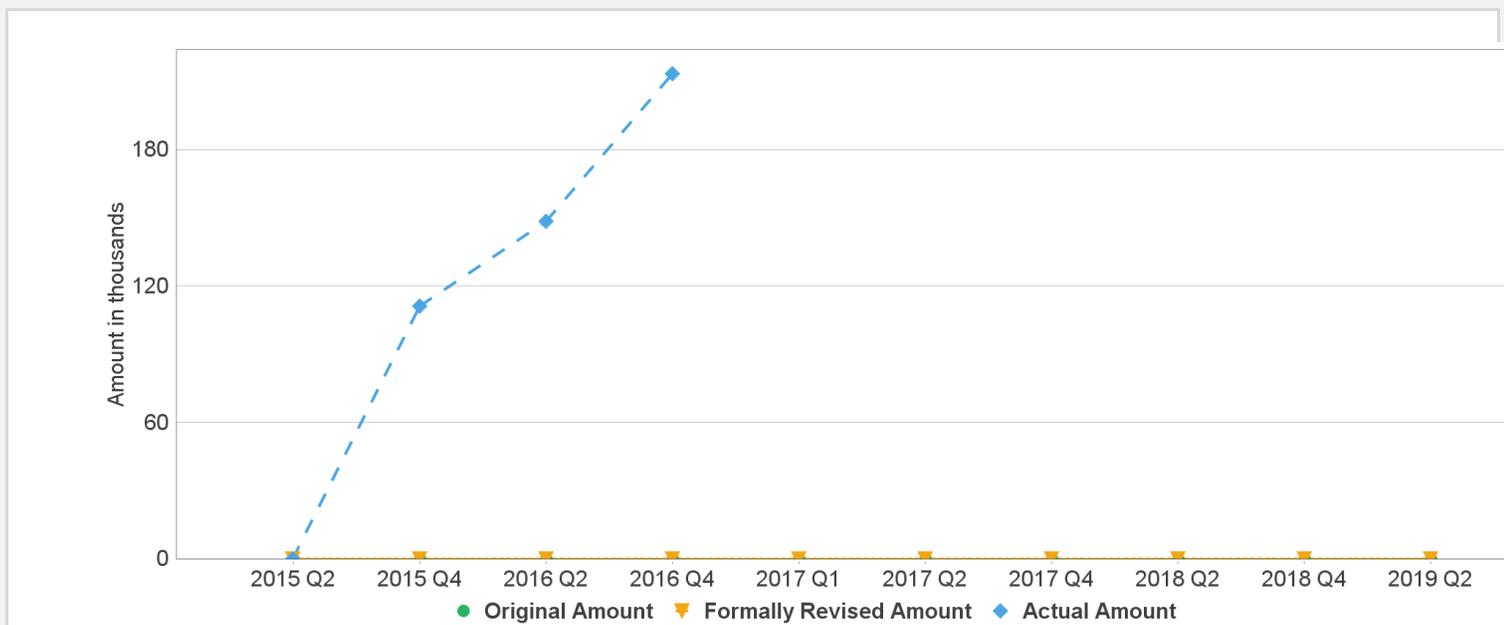
The VFM audit of the infrastructures is also well advanced and will be completed once the engineer issues his technical report.

In addition, with the view to disseminate the VFM methodology with the institution and in line with the Grant Agreement, the SAI using its own resources initiated a number VFM audit in various sectors such as management of wastes in Libreville and the tax expenditures.

**Component 3: Strengthening of relationship between the SAI and its external stakeholders such as parliamentarians and civil society organizations**

The project financed the development of the SAI website which will contribute to strengthen its relationship with the external stakeholders. The launch of this website was done as part of the official ceremony to present the VFM audit report on HIV and Malaria. The other activities under this component will be carried out after the Parliamentarian elections scheduled for end of the year.

**Cumulative Disbursements**



Disbursement Lag		
Original Disb. Lag:	Formally Revised Disb. Lag:	Disb. Estimate Last Formally Revised on:
Not Applicable	Not Applicable	--

**Disbursements (by loan)**

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P1 524 49	TF- 18205	Effective	USD	0 . 3 5	0 . 3 5	0.0 0	0.2 1	0.14	

#### Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P1 524 49	TF- 18205	Effective	21-Nov-2014	21-Nov-2014	16-Jan-2015	30-Sep-2017	30-Sep-2017

## 1.2 KEY ISSUES & PROJECT STATUS

### Key Issues and Actions for Management Attention

#### Issues

The ongoing discussions on the revised organic law within the SAI might lead to a long process before adoption. During the course of the project implementation, due attention will be paid to this issue and will require high level policy dialogue.

#### Action

#### Due Date

#### Status

### Implementation Status and Key Decisions (Public Disclosure)

This ISR is based on the implementation follow up done in June 2015 after 6 months of the project implementation. As presented below, the progress towards the achievement of PDO and the overall Implementation Progress are satisfactory.

First, the revised organic law proposing a new mandate and the structure of the SAI is drafted and submitted to the SAI Management for review and endorsement.

Second, the SAI capacity building plan is finalized out of the financing of the Institution itself. Agreement was made with the SAI to finance under the project, the new needs related to the better understanding of the Performance Based Budgeting approach and to apply the audit methodology to the latter. The implementation of this capacity building activity started with the first series of the Value For Money (VFM) audits and will be pursued.

Third, out of 3 performance audits to be conducted under the project, 2 are underway. The performance audit on HIV spending is ongoing. The draft report will be finalized on June 30th, 2015. As for the performance audit of Health Insurance System, after the completion of the scoping

mission, the need to recruit additional expertise in the field of IT data management and actuary emerges. The recruitment of these experts is ongoing. The Bank's no objection was provided to the ToRs of the assignment and the expression of interest was advertised. The candidates' evaluation report will be sent to the Bank at latest on June 25th. The mission is planned to start on July 2015.

Finally, the activities related to the *Strengthening of relationships between the SAI and its external stakeholders such as parliamentarians and civil society organizations* are planned for 2016 to ensure an adequate sequencing with component2 related activities which will nurture the dialogue and the relationship with the CSOs and others stakeholders

## 2. Missions

ISR Sequence No.	Mission Type	Actual Date
02 (Current) 24-Apr-2016	Implementation Support	11-Apr-2016

## 3. Compliance

### Safeguards

Current Environmental Assessment Category: **C - Not Required**

Environment Assessment Date: --

Comments  
N/A

### Legal Covenants

Loan/Credit/TF	Description	Status
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Comments  
N/A

## 4. Risks

## Overall Risk Rating

Risk Category	Rating at Approval	Previous Rating	Current Rating
Overall	● Moderate	--	● Moderate

## 5. Results

### Project Development Objective Indicators

► A revised organizational and management structure (including HR management) is adopted and enforced (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Existing organizational and management structure is outdated	A revised organizational structure is drafted and is pending the review by the SAI management	A revised organizational and management organizational structure backed by the revised Organic Law is drafted. However it is subject to the approval of the revised Organic Law	A revised organizational and management structure (including HR management) is adopted and enforced
Date	--	15-Jun-2015	11-Apr-2016	01-Sep-2017

► VFM audit methodology is embedded (SAI PMF Indicators 3 and 13 on performance audit results) (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1 VFM audit completed with WB's TA support	2 out the 3 audits are ongoing	1 audit is completed. 2 are well advanced and will be completed by end of the year	3 VFM audits performed in infrastructure and social sectors
Date	--	15-Jun-2015	15-Jun-2015	01-Sep-2017

► Implementation of the communication strategy aiming to strengthen the relationship of the SAI, the civil society and parliament (SAI PFM indicator 21 and 22 on relations with external stakeholders (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No website. No strategy to strengthen the relationship with external stakeholders	No to the with	SAI website available. Other activities will be scheduled after the parliamentary elections	communication strategy applied (Gabon SAI report disseminated to civil society and parliament)
Date	--	15-Jun-2015	15-Jun-2015	01-Sep-2017

Overall Comments

### Intermediate Results Indicators

► Not applicable (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	not applicable	not applicable	not applicable	not applicable
Date	--	--	--	--

Overall Comments

## 6. Clearance History

Person

Comments & Actions

**Guenter Heidenhof (PMGR)**

---

Practice Manager, GGO13  
WASHINGTON, DC (IBRD)

*Disclosed and Archived on 24-Apr-2016 at 13:02:54*

**Guenter Heidenhof (PMGR)**  
Practice Manager, GGO13  
WASHINGTON, DC (IBRD)

I concur with the proposed ratings. Implementation process appears to be reasonable as evidenced by the current disbursement rate.

*Approved on 24-Apr-2016 at 13:02:50*

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**Sylvie Florence Najatte Dossou Djossou (CD)**  
Country Manager, AFMGA  
LIBREVILLE, GABON (IBRD)

The CMU commends the team for the significant progress made towards the achievement of PDO and the overall project's Implementation. The capacity building activities as well as initiatives such as the revision of the SAI organic law are critical to strengthen the institutional framework and increase the effectiveness of the institution. We strongly recommend that the planned performance audit of the Health Insurance System, be undertaken in close coordination with the health team in charge of developing the economic update dedicated to health financing in Gabon.

*Advice Provided on 22-Apr-2016 at 06:24:33*

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**Kolie Ousmane Maurice Megnan**  
Sr Financial Management Specialist, GGO26  
YAOUNDE, CAMEROON (IBRD)

Dear Guenter / Elisabeth / Sylvie

Following my recent mission in Gabon, please find for your clearance the ISR of the IDF supporting the Supreme Audit Institution.

Regards

*Recommended on 20-Apr-2016 at 09:26:53*

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## PROJECT INFORMATION

### 7. Key Dates

#### Key Project Dates

Bank Approval Date:21-Nov-2014

Effectiveness Date:16-Jan-2015

Original Closing Date:30-Sep-2017

Revised Closing Date:30-Sep-2017

#### Related Project(s)

Project	Relationship	Status	Product Line	Team Leader	Country
--	--	--	--	--	--

### 8. Team Composition

#### Bank Staff

Name	Specialization	Title	Unit	Phone No.	Location
Enagnon Ernest Eric Adda	--	Team Leader	GGO31	5396+3314 /	KIGALI, RWANDA
Kolie Ousmane Maurice Megnan	--	Team Leader	GGO26	5330+8040 /	YAOUNDE, CAMEROON
Kouami Hounsinou Messan	--	Procurement Specialist	GGO07	5330+8031 /	YAOUNDE, CAMEROON
Celestin Adjalou Niamien	--	Financial Management Specialist	GGO26	5330+8036 /	YAOUNDE, CAMEROON
Sonia Vanecia Boga	--	Team Member	AFMGA	5341+4914	LIBREVILLE, GABON

#### Extended Team

Name	Title	Organization	Office	Location
--	--	--	--	--

### 9. Organizations

Name	Role	Contact	Title	Office Phone	Email
Gabon	Borrower/Recipient	Alex Moutsianguou	Maitre	2410789 0745	moutsianguoualex@yahoo.fr

### 10. Financial Management

#### Overdue Reports

#### Overdue Issues

	< 4 months	> 4 months	> 9 months		< 30 days	31 - 60 days	> 61 days
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Financial Statement Audit	-	--	--	--
		< 30 days	31 - 60 days	> 61 days
Interim Financial Reports		--	--	--

Audit Issues	--	--	--
IFR Issues	--	--	--
General Supervision Issues	--	--	--

## IT Audit Development in the State Audit Office of Georgia (P152658)

EUROPE AND CENTRAL ASIA | Georgia | Governance Global Practice | Requesting Unit: ECCU3 | Responsible Unit: GGO21  
 Recipient Executed Activities | Investment Project Financing | FY 2015 | Team Leader(s): Galina Alagardova

Seq No: 1 | ARCHIVED on 02-Mar-2016| ISR22702| Created by: Sanjay N. Vani on 11-Feb-2016 | Modified by: Galina Alagardova on 18-Feb-2016

## 1. STATUS &amp; KEY DECISIONS

## 1.1 OBJECTIVE &amp; RATINGS

## Project Development Objectives

Project Development Objective (from Project Appraisal Document)

Proposed Development Objective(s) are as follows: (i) Increased competence and skills of the IT auditors leading to the improvement of staff capacity; (ii) increased audit coverage.

## Disbursement Summary

Source of Funds	Net Commitment	Total Disbursed	Remaining Balance	Disbursed
Grants	0.50 M	0.16 M	0.34 M	 32%

Disbursement Ratio	0.0%
Disbursement Delay Flag	NONE
Effectiveness Delay Flag	
Bank Approval Date	29-Jul-2014
Project Closing Date	05-Feb-2018
Overall Risk	 Moderate

## Key Project Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	--	 Satisfactory
Overall Implementation Progress (IP)	--	 Satisfactory

## Comments

**Component 1: Development of IT audit Information System at SAO**

SAOG Developed ITQ for acquisition of Information System Equipment and announced bidding (PP 1.1. activity) on 13th of May 2015, price submission started on 8 June, 2015, bidding was closed on 12 June, 2015. However, based on the evaluation, SAOG was not able to get 3 substantially responsive bids and therefore, SAOG decided to re-announce ITQ. In cooperation with other Supreme Audit Institutions (SAI Portugal and SAI Poland) SAOG updated technical requirements for Server Infrastructure and conducted a new market research. The next bidding (PP 1.1.1 activity) was announced in November 2015 and the result was the same as in the first case. Consequently, the third bidding

(PP 1.1.2 activity) was announced in the beginning of the December 2015. SAOG received 3 substantially responsive bids and the lowest priced bidder was awarded contract on 23rd of December. The contract is expected to be fully implemented within 3 months.

**1.2 Acquisition of Specialized Audit Software (Data Analysis Software + License Fee)** – SAOG conducted market research and identified leading data analysis software packages for Supreme Audit Institutions. It was identified that Caseware IDEA. SAOG had cleared Direct Contract for Acquisition of Data analysis software. The Vendor provided SAOG with all the necessary documentation (Certificate of Residence to avoid double taxation). The contract was signed on 16th of July, 2015. In the framework of the contract, SAOG received 10 licenses for IDEA users, 2 courses of online trainings (8 auditors trained) and 6 IDEA add-in. Afterwards, SAOG has initiated pilot implementation of Advanced data analysis techniques in the audits.

**1.3 Acquisition of Specialized Audit Software (Network Security Evaluation Software + License Fee)** - SAOG has identified the needs for Network Security Evaluation Software and conducted market research according to the forehead mentioned criteria. According to the implementation plan, the acquisition of the software is planned later on in FY 2016 (PP – 1.3)

**1.4 Acquisition of Generalized Audit Software (Audit Management Software user licenses for up to 200 auditors; Training courses for System Administrator and system users, installation and configuration procedures)** – represents SAOG contribution to the grant project. SAOG has created AMS working group to identify SAO needs regarding audit management software and to develop technical requirements for ICB document. The procurement is subject to Bank's prior review. Bidding was closed on 12th of June 2015. SAOG received 1 bid, from Morgan Kai Limited. SAOG evaluation committee determined responsiveness of the proposed bid to the ICB requirements and in agreement with the World Bank awarded contract to the forehead mentioned company. The Contract was signed on 30th of November. The contract implementation is underway.

**Component 2: Capacity Development of SAO IT Audit**

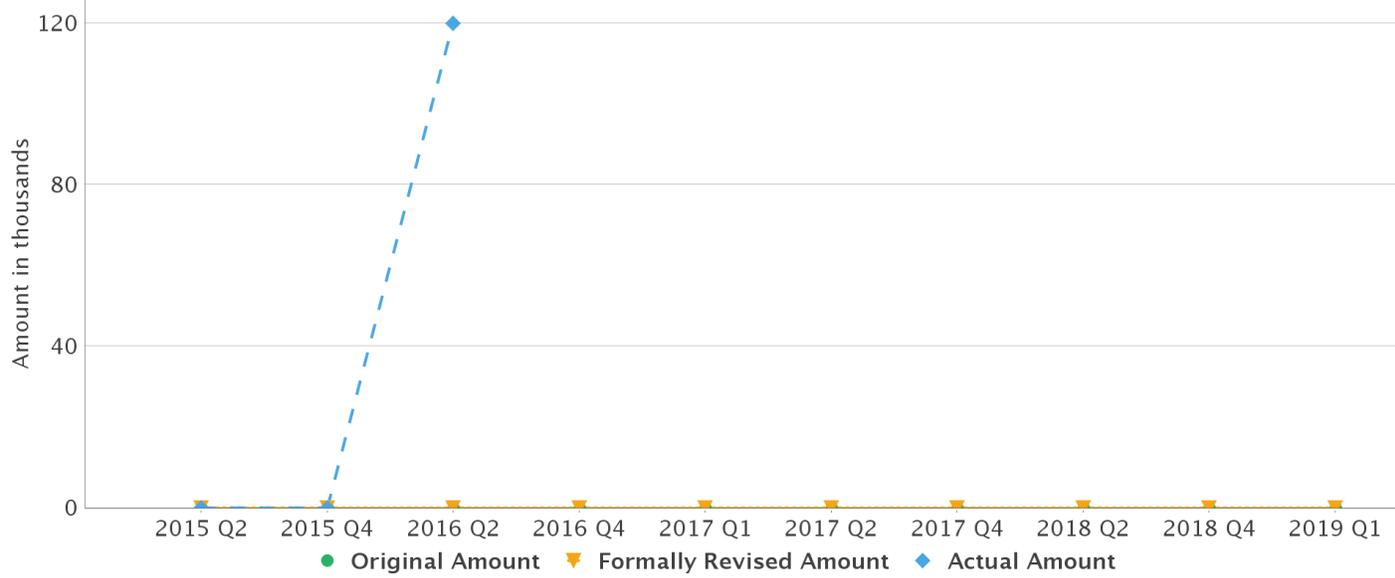
**2.1 Capacity building of SAO IT Audit Staff - 30 months program (Training Courses, Pilot IT Audits, Quality Assurance Support, Elaboration of IT audit manual, Elaboration of IT audit Quality Control and Assurance procedures, Elaboration of training program/policy)** – Based on the SAO study, only Supreme Audit Institutions have appropriate experience and capacity to provide us with the consultants services identified in the activity 2.1. SAI India and Government Accountability Office of United States will provide SAO with the consultant's services.

**2.1.1. Capacity building of SAO IT Audit Staff – Provided by SAI India** (Training Course(s), Assistance in conducting pilot IT Audit(s), Quality Assurance Support of the selected audit engagement(s), Elaboration of IT audit manual, Elaboration of IT audit Quality Control and Assurance procedures, Elaboration of training program/policy) – SAI India represents an acting chair of the INTOSAI Working Group on IT Audit, which is currently elaborating International Standards For Supreme Audit Institutions (ISSAIs) on IT Audit. SAI India has its own IT Audit Manual and wide spectre of guidelines for different fields in information technology audit. SAOG started negotiations with SAI India in May 2015. At the end of the December 2015, SAOG reached agreement on cooperation with SAI India. MoU with SAI India is expected to be signed in March 2016.

**2.1.2. Capacity building of SAO IT Audit Staff – Provided by US GAO** (1 Training Course in Information Security Audit, Assistance in conducting 1 pilot Information Security Audit and 1 Quality Assurance Support of the selected audit engagement) – The US GAO has been a leader within the Supreme Audit Institution (SAI) community in developing and applying methodologies and approaches for conducting information systems audits for many years. The US GAO's development and publication of extensive guidance for conducting audits of information systems controls is a major contribution to the field of IT auditing. The US GAO represents one of the best possible partners for the SAOG in the development of the IT audit capacity. Consequently, project team started negotiations with the US GAO in the middle of 2015. The agreement on cooperation with US GAO has been achieved and actual cooperation is expected starting March-April 2016.

SAOG auditors have participated in number of international workshops and seminars, such as "Meeting of the E-Government Subgroup of the EUROSAI IT Working Group on IT" and "The Second Young EUROSAI Conference was held in Israel in November 10-11, 2015". Also, in the framework of the IT Audit Development Programme, SAOG initiated regular training courses in: 1) testing **General IT Controls**. The training is focused on the techniques and approaches to test general IT Controls, such as access controls, information security controls and etc. forehead mentioned training course envisages to raise awareness of the Financial auditors who audit accounting, inventory and other information systems in the framework of their financial audit. SAOG has already trained 30 auditors and 2) the **Data Analysis** - SAOG invited external expert to provide SAOG auditors with the practical and theoretical trainings in data analysis techniques. The courses are focused on the Microsoft Excel and Microsoft SQL databases. The participants are learning how to improve their analysis techniques and approaches using forehead mentioned complex tools (Excel, SQL). These training courses are crucial for SAO auditors to better understand the structure of big volume data and to get better results based on analysis.

## Cumulative Disbursements



### Disbursement Lag

Original Disb. Lag:	Formally Revised Disb. Lag:	Disb. Estimate Last Formally Revised on:
Not Applicable	Not Applicable	--

### Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P1 526 58	TF-18381	Effective	USD	0.50	0.50	0.00	0.12	0.38	<div style="width: 38%; background-color: green;"></div>

### Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
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2015

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2015

04-Jun-2015

04-Feb-  
2018

05-Feb-2018

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## 1.2 KEY ISSUES & PROJECT STATUS

### Key Issues and Actions for Management Attention

#### Issues

This is a desk ISR which will be updated after the next full implementation support mission scheduled for April, 2016.

Action

Due Date

Status

---

### Implementation Status and Key Decisions (Public Disclosure)

The project became effective in February 2015. Reasonable progress has been achieved since effectiveness in a number of areas in regard to Capacity building of SAO IT Audit Staff and increased audit coverage.

## 2. Missions

ISR Sequence No.

Mission Type

Actual Date

---

## 3. Compliance

### Safeguards

Current Environmental Assessment Category: C - Not Required

Environment Assessment Date: --

### Legal Covenants

---

Loan/Credit/TF

Description

Status

#### 4. Risks

##### Overall Risk Rating

Risk Category	Rating at Approval	Previous Rating	Current Rating
Overall	● Moderate	--	● Moderate

##### Comments

The project is rated Moderate also considering the small size, limited complexity, strong client commitment, and stakeholders engagement.

#### 5. Results

##### Project Development Objective Indicators

► Improved efficiency of IT audit work (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No IT audits	--	No IT Audits	Completion of 5 IT audits within public entities with complex IT environment (Social Protection Fund, E-Auction System of Georgia, Public Procurement Agency, etc.) in accordance with revised

				IT audit methodology
Date	05-Feb-2015	--	17-Feb-2016	31-Jan-2018
Comments	The commence of IT audits is planned upon signing the contract with SAI India and US GAO.			

**Overall Comments**  
Pilot IT Audits are planned to be conducted together with SAI India and US GAO starting from June 2016

**Intermediate Results Indicators**

▶ Audit Coverage (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Audit Coverage - 27%	--	Audit Coverage - 45%	Audit Coverage - 85%
Date	01-Sep-2013	--	01-Jan-2016	31-Jan-2018

Overall Comments

**6. Clearance History**

Person	Comments & Actions
--	--

## PROJECT INFORMATION

### 7. Key Dates

#### Key Project Dates

Bank Approval Date:29-Jul-2014

Effectiveness Date:04-Jun-2015

Original Closing Date:04-Feb-2018

Revised Closing Date:05-Feb-2018

#### Related Project(s)

Project	Relationship	Status	Product Line	Team Leader	Country
--	--	--	--	--	--

### 8. Team Composition

#### Bank Staff

Name	Specialization	Title	Unit	Phone No.	Location
Galina Alagardova	--	Team Leader	GGO21	5252+225 / 9	TBILISI, GEORGIA
Sandro Nozadze	--	Procurement Specialist	GGO03	5252+243	TBILISI, GEORGIA
Garik Sergeyan	--	Financial Specialist	Management GGO21	5775+271 / 7	ALMATY, KAZAKHSTAN
Khatuna Didbaridze	--	Team Member	ECCGE	--	TBILISI, GEORGIA
Vusala Mamed Asadova	--	Team Member	ECCAZ	5255+2232 /	BAKU, AZERBAIJAN

#### Extended Team

Name	Title	Organization	Office	Location
--	--	--	--	--

### 9. Organizations

Name	Role	Contact	Title	Office Phone	Email
State Audit Office (SAO)	Borrower/Recipient	Marika Natsvlshvili	Director	9955998 58207	mnatsvlshvili@sao.ge
SAO	Borrower/Recipient	Marika Natsvlshvili	Director	9955998 58207	mnatsvlshvili@sao.ge

### 10. Financial Management

#### Overdue Reports

#### Overdue Issues

	< 4 months	> 4 months	> 9 months

	< 30 days	31 - 60 days	> 61 days

Financial Statement Audit	-	--	--	--
		< 30 days	31 - 60 days	> 61 days
Interim Financial Reports		--	--	--

Audit Issues	--	--	--
IFR Issues	--	--	--
General Supervision Issues	--	--	--

## Bhutan Institutional Capacity Development of the Royal Audit Authority Project (P155150)

SOUTH ASIA | Bhutan | Governance Global Practice | Requesting Unit: GGO24 | Responsible Unit: GGO24  
 Recipient Executed Activities | Investment Project Financing | FY 2015 | Team Leader(s): Savinay Grover

Seq No: 1 | ARCHIVED on 16-Jun-2016| ISR23788| Created by: Savinay Grover on 23-May-2016 | Modified by: Savinay Grover on 08-Jun-2016

## 1. STATUS &amp; KEY DECISIONS

## 1.1 OBJECTIVE &amp; RATINGS

## Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The objective of the Project is to enhance the effectiveness of the RAA by improving its operational capacity to produce and disseminate quality audit reports as per ISSAIs.

## Disbursement Summary

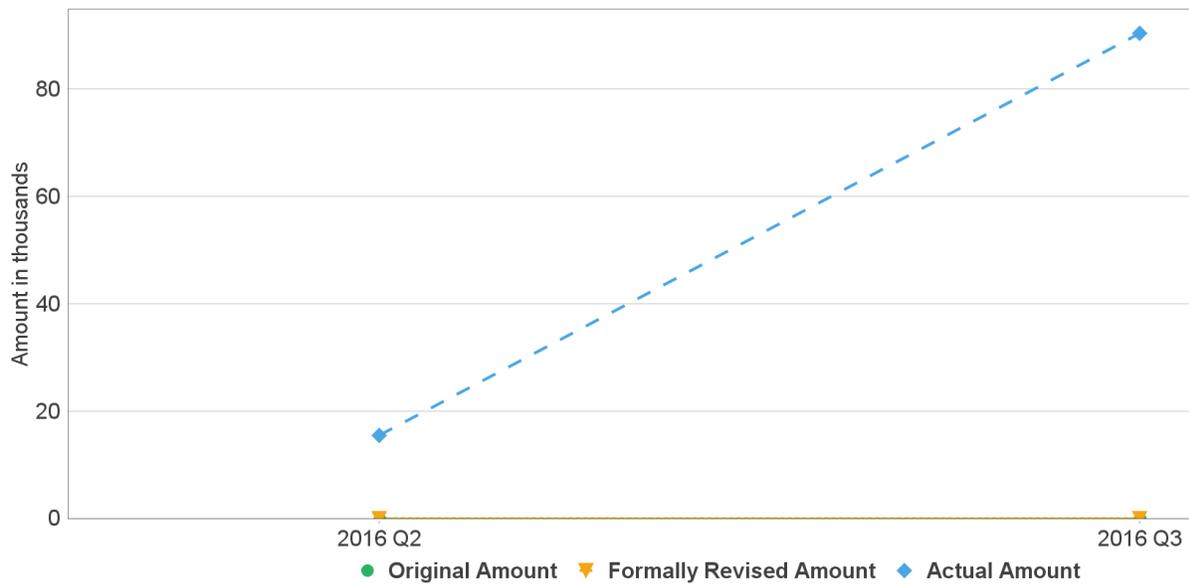
Source of Funds	Net Commitment	Total Disbursed	Remaining Balance	Disbursed
Grants	0.28 M	0.09 M	0.18 M	 32%

Disbursement Ratio	0.0%
Disbursement Delay Flag	NONE
Effectiveness Delay Flag	NONE
Bank Approval Date	18-Jun-2015
Project Closing Date	30-Jun-2018
Overall Risk	● Low

## Key Project Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	--	● Satisfactory
Overall Implementation Progress (IP)	--	● Satisfactory

## Cumulative Disbursements



#### Disbursement Lag

Original Disb. Lag:	Formally Revised Disb. Lag:	Disb. Estimate Last Formally Revised on:
Not Applicable	Not Applicable	--

#### Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P155150	TF-A0417	Effective	USD	0.28	0.28	0.00	0.09	0.18	<div style="width: 18%; height: 10px; background-color: green; display: inline-block;"></div>

#### Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
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A0417

18-Jun-  
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23-  
Jul-  
2015

23-Jul-2015

30-Jun-  
2018

30-Jun-2018

## 1.2 KEY ISSUES & PROJECT STATUS

### Key Issues and Actions for Management Attention

Issues

Action

Due Date

Status

### Implementation Status and Key Decisions (Public Disclosure)

## 2. Missions

ISR Sequence No.

Mission Type

Actual Date

01 (Current) 16-Jun-2016

Implementation Support

24-Nov-2015

## 3. Compliance

### Safeguards

Current Environmental Assessment Category: C - Not Required

Environment Assessment Date: --

### Legal Covenants

Loan/Credit/TF

Description

Status

## 4. Risks

### Overall Risk Rating

Risk Category	Rating at Approval	Previous Rating	Current Rating
Overall	● Low	--	● Low

## 5. Results

### Project Development Objective Indicators

- Improved audit approaches and methodologies impacting on the quality of audits and reporting (measured by percentage of ISSAIs complied audit reports issued) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	40.00
Date	01-Jul-2015	--	24-Nov-2015	30-Jun-2018

Overall Comments

### Intermediate Results Indicators

- SMEs trained (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	2.00	--	2.00	16.00
Date	01-Jul-2015	--	24-Nov-2015	30-Jun-2018

▶ ETs trained (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	10.00	--	10.00	20.00
Date	01-Jul-2015	--	24-Nov-2015	30-Jun-2018

▶ Develop ISSAI based training material (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	10.00
Date	01-Jul-2015	--	24-Nov-2015	30-Jun-2018

Overall Comments

## 6. Clearance History

Person	Comments & Actions
<b>Fily Sissoko (PMGR)</b> Practice Manager, GGO24 WASHINGTON, DC (IBRD)	<i>Disclosed and Archived on 16-Jun-2016 at 00:59:54</i>
<b>Fily Sissoko (PMGR)</b> Practice Manager, GGO24 WASHINGTON, DC (IBRD)	<i>Automatically approved on 16-Jun-2016 at 00:59:51</i>
<b>Genevieve F. Boyreau (CD)</b> Senior Economist, SACBT THIMPHU, BHUTAN (IBRD)	<p>The last mission was 7 months ago, and the Aide-Memoire at the time proposed a mission in May 2016. It would be good for the team to update the status of the ISR as of today please.</p> <i>Advice Provided on 09-Jun-2016 at 00:59:48</i>
<b>Savinay Grover</b> Sr Financial Management Specialist, GGO24 NEW DELHI, INDIA (IBRD)	<i>Recommended on 08-Jun-2016 at 12:00:26</i>



## PROJECT INFORMATION

### 7. Key Dates

#### Key Project Dates

Bank Approval Date:18-Jun-2015

Effectiveness Date:23-Jul-2015

Original Closing Date:30-Jun-2018

Revised Closing Date:30-Jun-2018

#### Related Project(s)

Project	Relationship	Status	Product Line	Team Leader	Country
--	--	--	--	--	--

### 8. Team Composition

#### Bank Staff

Name	Specialization	Title	Unit	Phone No.	Location
Savinay Grover	Financial Specialist Management	Team Leader	GGO24	5785+79325	NEW DELHI, INDIA
Tanvir Hossain	Procurement Specialist	Procurement Specialist	GGO06	5764+4302 /	DHAKA, BANGLADESH
Anantha Krishna Karur	Financial Specialist Management	Financial Specialist	GGO24	5785+79272	NEW DELHI, INDIA
Gloria Avershima Kwembe	Program Asst.	Team Member	SARDE	473-7825	WASHINGTON, DC
Justina Parambaloth	Program Asst.	Team Member	SACIN	5785+79128 /	NEW DELHI, INDIA

#### Extended Team

Name	Title	Organization	Office	Location
Puneet Kapoor	Consultant	--	--	New Delhi, India

### 9. Organizations

Name	Role	Contact	Title	Office Phone	Email
Royal Audit Authority	Implementing Agency	DECHEN Pelden	Assistant Auditor General	975-2-2321904	auditorgeneral@bhutanaudit.gov.bt
Ministry of Finance, Royal Government of Bhutan	Borrower/Recipient	Mr Lam Dorji	Secretary	975-2-326770	--

### 10. Financial Management

Overdue Reports

Overdue Issues

	< 4 months	> 4 months	> 9 months
Financial Statement Audit -	--	--	--
	< 30 days	31 - 60 days	> 61 days
Interim Financial Reports	--	--	--

	< 30 days	31 - 60 days	> 61 days
Audit Issues	--	--	--
IFR Issues	--	--	--
General Supervision Issues	--	--	--

## Capacity Building for MNAO through Establishing a Continuing Professional Development Strategy and Program (P155305)

EAST ASIA AND PACIFIC | Mongolia | Governance Global Practice | Requesting Unit: GGODR | Responsible Unit: GGO20  
 Recipient Executed Activities | Investment Project Financing | FY 2016 | Team Leader(s): Regis Thomas Cunningham, Badamchimeg Dondog

Seq No: 1 | ARCHIVED on 29-Jun-2016| ISR24462| Created by: Regis Thomas Cunningham on 26-Jun-2016 | Modified by: Regis Thomas Cunningham on 28-Jun-2016

### 1. STATUS & KEY DECISIONS

#### 1.1 OBJECTIVE & RATINGS

##### Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The main objective of the proposed project is to strengthen MNAO's capacity, primarily in financial audit and audit firm contracting and oversight. To achieve this objective a comprehensive and systematic continuing professional development strategy together with a time-bound action plan that is needs-driven, tailored and sustainable will be developed and implemented. For this purpose, the current capacity strengths and gaps in financial audit and related areas will be independently assessed by a peer SAI. In parallel to this assessment, MNAO personnel will be surveyed and participate in focus groups to identify their requests for and perceptions of their professional development needs and alternative means to achieve these objectives. The results of the financial audit peer review and the knowledge and learning needs assessment to be carried out under this proposed project, as well as the 2010 performance audit peer review, will feed into development of a CPD strategy for the institution that will then be developed into a 3-year knowledge and learning program. Furthermore, as part of the project, tailored training materials will be developed and actual training will be delivered to MNAO staff as per the CPD strategy and the knowledge and learning program. While the specific content and depth of topics to be covered under the CPD program are largely to be identified and tailored as per the assessments to be carried out, an early indication of capacity gaps reveals such areas as MNAO staff's knowledge and understanding of the relevant standards, i.e. IPSAS and the newly translated ISSAIs, quality control, contracting and quality assurance of private audit firm engagements, and audit of the consolidated financial statements of the Government.

##### Disbursement Summary

Source of Funds	Net Commitment	Total Disbursed	Remaining Balance	Disbursed
Grants	0.38 M	0.08 M	0.31 M	21%

Disbursement Ratio	0.0%
Disbursement Delay Flag	NONE
Effectiveness Delay Flag	NONE
Bank Approval Date	22-Jan-2016
Project Closing Date	30-Aug-2018
Overall Risk	● Moderate

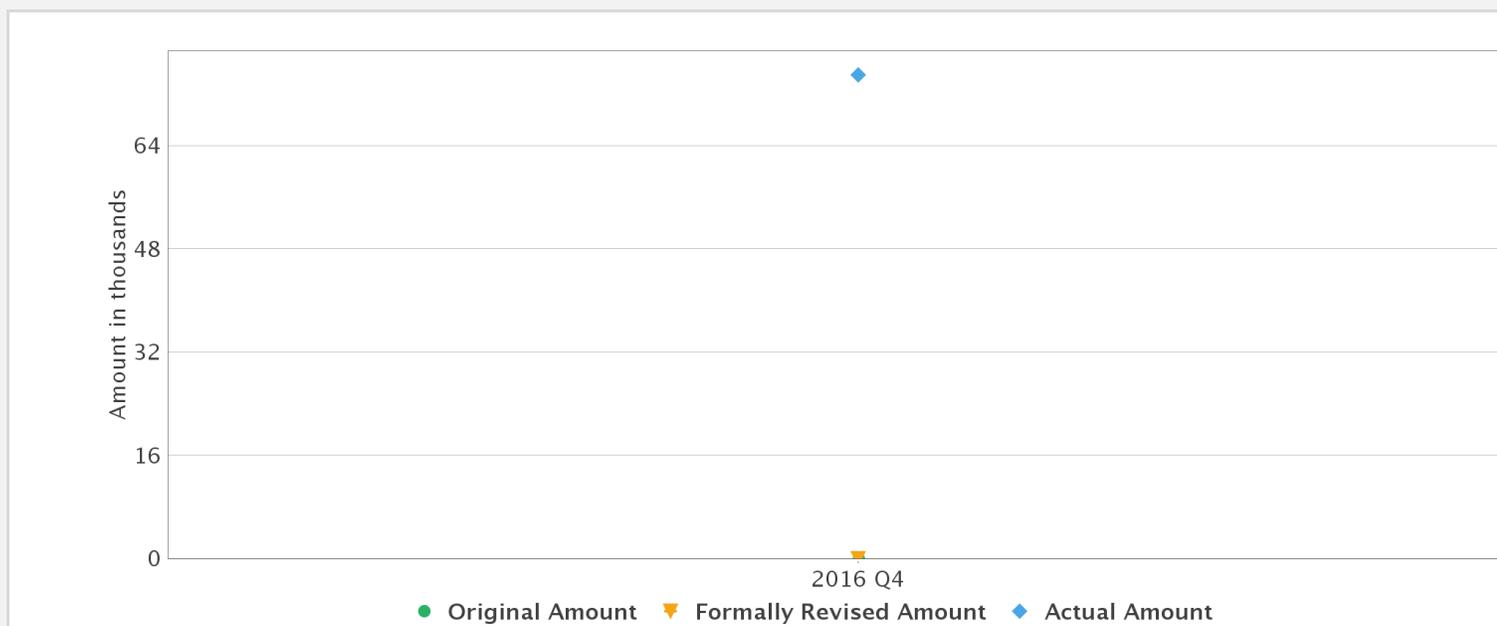
##### Key Project Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	--	● Satisfactory
Overall Implementation Progress (IP)	--	● Satisfactory

**Comments**

The project became effective less than five months ago on February 4, 2016. Since effectiveness the project implementation progress has been satisfactory and in accordance with the project implementation work plan developed and agreed collectively by MNAO and the Bank team.

**Cumulative Disbursements**



Disbursement Lag		
Original Disb. Lag:	Formally Revised Disb. Lag:	Disb. Estimate Last Formally Revised on:
Not Applicable	Not Applicable	--

**Disbursements (by loan)**

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed

P1 553 05	TF- A1838	E f f e c t i v e	US D	0 . 3 8	0 . 3 8	0.0 0	0.0 8	0.31	
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### Key Dates (by loan)

Pro ject	Loan/Cr edit/TF	S t a t u s	Approv al Date	Signin g Date	Effectivenes s Date	Orig. Closing Date	Rev. Closing Date
P1 553 05	TF- A1838	E f f e c t i v e	22-Jan- 2016	04- Feb- 2016	04-Feb-2016	30-Aug- 2018	30-Aug-2018

## 1.2 KEY ISSUES & PROJECT STATUS

### Key Issues and Actions for Management Attention

#### Issues

The project implementation has been on track since effectiveness. Therefore, there are no issues to raise for management attention at this time.

Action	Due Date	Status
--------	----------	--------

### Implementation Status and Key Decisions (Public Disclosure)

Since the effectiveness of the project declared on February 4, 2016, the project has made a satisfactory progress and has so far carried out the following activities. On March 16, a half-day inception workshop was organized for the relevant officials of MNAO including the Auditor-General, members of the project steering committee as well as staff and managers from the relevant departments e.g. the Strategy and Management Department as the main implementing body as well as the Financial, Performance and Compliance Audit Departments. The purpose of the workshop was to bring everyone on the same page with regards to the planned activities of the project, clarify roles and responsibilities of the different players at MNAO in implementation of the project and to hear any comments from the MNAO staff for more effective and better implementation of the project. Following the inception workshop, the Bank team then had another more detailed technical meeting with the managers of the Strategy and Management Department of MNAO to discuss the project overall work plan and the terms of references for the consulting services to be procured in the immediate future including the one for the peer review activity, which is a prerequisite for the remaining planned activities. In due course, a final draft project work plan was prepared by MNAO together with a detailed budget and was submitted to the Bank's review and no objection after the Bank team's comments have been reflected on the initial drafts. Furthermore, the terms of reference for the financial audit peer review has been prepared and finalized as of the ISR date. The UK National Audit Office (NAO) has been identified as a potential peer reviewer for MNAO and the Bank team is currently discussing with the UK NAO on the proposed dates of the peer review that is currently planned to take place in the fall of 2016. Upon completion of the peer review and provision of the recommendations, the remaining project activities will take shape as planned. The project has withdrawn its initial advance of USD 75,000 from the Bank on June 15, 2016.

## 2. Missions

ISR Sequence No.	Mission Type	Actual Date
01 (Current) 29-Jun-2016	Implementation Support	18-Mar-2016

## 3. Compliance

### Safeguards

Current Environmental Assessment Category: C - Not Required

Environment Assessment Date: --

### Legal Covenants

Loan/Credit/TF	Description	Status
TF-A1838	Finance Agreement :Appoint a financial management staff for the project   Description :Appoint, under terms of reference satisfactory	Partially complied with

	to the World Bank, an adequately trained, duly qualified, and experienced professional responsible for the financial management and disbursement aspects of the Project.   Due Date :29-Feb-2016	
TF-A1838	Finance Agreement :Develop a chart of accounts satisfactory to the Bank   Description :Furnish to the World Bank a chart of accounts for the Project developed in a manner satisfactory to the World Bank.   Due Date :29-Feb-2016	After delay complied with

**Comments**

MNAO has appointed a Project Coordinator who will be in charge of the financial management aspects of the project immediately following the project effectiveness. The qualifications and financing of this position are under discussion. A draft chart of accounts was developed and submitted to the Bank for review and approval on May 9, 2016 after a short delay.

## 4. Risks

**Overall Risk Rating**

Risk Category	Rating at Approval	Previous Rating	Current Rating
Overall	● Moderate	--	● Moderate

**Comments**

There has been no change to the project risk assessment at this time. The main risks of the project remain associated with MNAO's capacity to manage the project effectively to ensure the timely and efficient implementation and completion of the planned project activities.

## 5. Results

**Project Development Objective Indicators**

▶ MNAO has made demonstrable progress in implementing the targeted improvements which emerge from the financial audit peer review (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	25.00
Date	11-Jan-2016	--	28-Jun-2016	31-Aug-2018

▶ MNAO auditors have been trained in the priority areas identified by the CPD strategy and action plans (Percentage, Custom)				
--	--	--	--	--

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	50.00
Date	11-Jan-2016	--	28-Jun-2016	31-Aug-2018

► MNAO has utilized a strengthened procedure for selection of private audit firms contracted to conduct audits of government entities (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	--	N	Y
Date	11-Jan-2016	--	28-Jun-2016	31-Aug-2018

#### Overall Comments

The project implementation is on track and it has not yet reached the time in its implementation to meet the target results.

#### Intermediate Results Indicators

► A peer review report including recommendations for improvement of MNAO's financial audit capabilities submitted (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	--	N	Y
Date	11-Jan-2016	--	28-Jun-2016	31-Aug-2018

► Report on MNAO training needs assessment (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	--	N	Y
Date	11-Jan-2016	--	28-Jun-2016	31-Aug-2018

► CPD strategy and an action plan have been developed and adopted (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	--	N	Y
Date	11-Jan-2016	--	28-Jun-2016	31-Aug-2018

► Materials developed for 50% of the courses included in the CPD action plan (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	50.00
Date	11-Jan-2016	--	28-Jun-2016	31-Aug-2018

► Selection procedure for private audit firms that would perform contracted audits developed (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	--	N	Y
Date	11-Jan-2016	--	28-Jun-2016	31-Aug-2018

Overall Comments

The project implementation is on track and it has not yet reached the time in its implementation to meet the target results indicators.

## 6. Clearance History

Person

Comments & Actions

**Roberto Tarallo (PMGR)**  
Practice Manager, GGO20  
WASHINGTON, DC (IBRD)

*Disclosed and Archived on 29-Jun-2016 at 10:28:15*

**Roberto Tarallo (PMGR)**  
Practice Manager, GGO20  
WASHINGTON, DC (IBRD)

*Approved on 29-Jun-2016 at 10:28:12*

---

**James Anderson (CD)**  
Country Manager, EACMF  
ULAANBAATAR, MONGOLIA (IBRD)

Thanks for this ISR. We welcome the satisfactory implementation progress and note that there are currently no issues.

*Advice Provided on 28-Jun-2016 at 18:38:13*

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**Badamchimeg Dondog**  
Financial Management Analyst, GGO20  
ULAANBAATAR, MONGOLIA (IBRD)

The first ISR for this project is being recommended for your review and approval. Thank you!

*Recommended on 28-Jun-2016 at 01:37:26*

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## PROJECT INFORMATION

### 7. Key Dates

#### Key Project Dates

Bank Approval Date:22-Jan-2016

Effectiveness Date:04-Feb-2016

Original Closing Date:30-Aug-2018

Revised Closing Date:30-Aug-2018

#### Related Project(s)

Project	Relationship	Status	Product Line	Team Leader	Country
--	--	--	--	--	--

### 8. Team Composition

#### Bank Staff

Name	Specialization	Title	Unit	Phone No.	Location
Regis Thomas Cunningham	--	Team Leader	GGO20	5788+7610 /	BEIJING, CHINA
Badamchimeg Dondog	--	Team Leader	GGO20	5725+8240 /	ULAANBAATAR, MONGOLIA
Gerelgua Tserendagva	--	Procurement Specialist	GGO08	5725+8203 /	ULAANBAATAR, MONGOLIA
Dulguun Byambatsoo	--	Financial Specialist	Management GGO20	5725+8229 /	ULAANBAATAR, MONGOLIA
Giovanni Bo	--	Counsel	LEGES	473-3732	WASHINGTON, DC
Haiyan Wang	--	Team Member	WFALN	5788+7620	BEIJING, CHINA

#### Extended Team

Name	Title	Organization	Office	Location
--	--	--	--	--

### 9. Organizations

Name	Role	Contact	Title	Office Phone	Email
Mongolia National Audit Office	Implementing Agency	Bayarmaa Khorjav	Manager, Strategy and Planning Department	976-99156639	horjav@yahoo.com
Ministry of Finance	Borrower/Recipient	Khurelbaatar Gantsogt	State Secretary	+976-51-2644346	gantsogt_kh@mof.gov.mn

### 10. Financial Management

Overdue Reports

Overdue Issues

	< 4 months	> 4 months	> 9 months
Financial Statement Audit -	--	--	--
	< 30 days	31 - 60 days	> 61 days
Interim Financial Reports	--	--	--

	< 30 days	31 - 60 days	> 61 days
Audit Issues	--	--	--
IFR Issues	--	--	--
General Supervision Issues	--	--	--

## Training and Education for Tribunal Administrativo (P157598)

AFRICA | Mozambique | Global Practice | Requesting Unit: AFCS2 | Responsible Unit: AFCS2  
 Recipient Executed Activities | Investment Project Financing | FY 2016 | Team Leader(s): Elvis Teodoro Bernado Langa

Seq No: 1 | ARCHIVED on 20-Jun-2016| ISR23579| Created by: Elvis Teodoro Bernado Langa on 06-May-2016 | Modified by: Elvis Teodoro Bernado Langa on 15-Jun-2016

## 1. STATUS &amp; KEY DECISIONS

## 1.1 OBJECTIVE &amp; RATINGS

## Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The main objective of this project is to support the creation of capacity in Mozambique's Supreme Audit Institutions (the Mozambican Tribunal Administrativo or TA) to provide its audit staff with internationally-accepted continuous professional auditing education, training and certification.

## Disbursement Summary

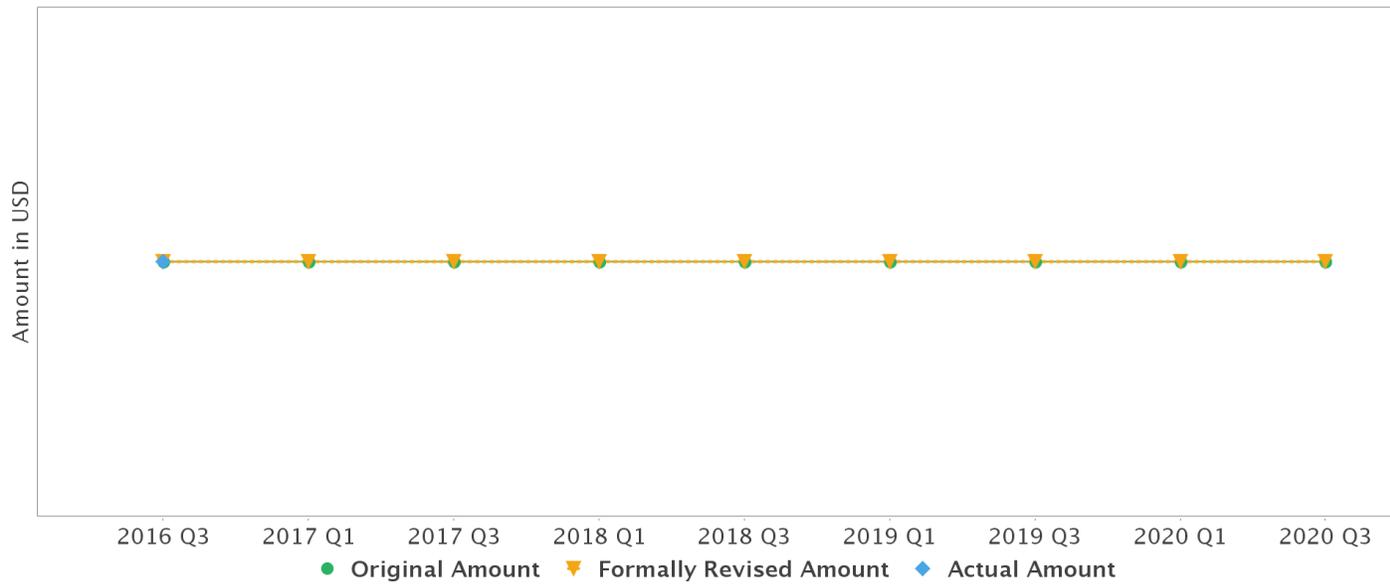
Source of Funds	Net Commitment	Total Disbursed	Remaining Balance	Disbursed
Grants	0.50 M	0.05 M	0.45 M	10%

Disbursement Ratio	0.0%
Disbursement Delay Flag	NONE
Effectiveness Delay Flag	NONE
Bank Approval Date	17-Mar-2016
Project Closing Date	31-Dec-2018
Overall Risk	● Moderate

## Key Project Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	--	● Satisfactory
Overall Implementation Progress (IP)	--	● Satisfactory

## Cumulative Disbursements



#### Disbursement Lag

Original Disb. Lag:	Formally Revised Disb. Lag:	Disb. Estimate Last Formally Revised on:
Not Applicable	Not Applicable	--

#### Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P1 575 98	TF-A2144	Effective	USD	0.50	0.00	0.00	0.05	0.45	<div style="width: 45%; height: 15px; background-color: #28a745;"></div>

#### Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
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P1 575 98	TF- A2144	17-Mar- 2016	27- Apr- 2016	27-Apr-2016	31-Dec- 2018	31-Dec-2018
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## 1.2 KEY ISSUES & PROJECT STATUS

### Key Issues and Actions for Management Attention

#### Issues

This is the initial ISR as the project was approved on March 17, 2016. No actions identified for Management attention.

Action	Due Date	Status
--------	----------	--------

### Implementation Status and Key Decisions (Public Disclosure)

Project Grant Agreement was only signed on April 27, 2016, while respective Authorized signatories Letter (ASL) was submitted through the Ministry of Economy and Finance with significant delays, only arriving at the Bank on May 3, 2016, however, the first disbursement took place on June 2, 2016. This will allow for the necessary activities regarding procurement of the consultancy services to take place, including the posting of advertisement in the local newspapers for the main consultancy under the operation.

The project coordinating team within the TA has already prepared and submitted the Terms of Reference for the main consultancy which will be responsible for providing, preparing the content, methodology as well as the material/syllabus of learning content. The Terms of reference have been submitted to the Conselho Tecnico (a technical consultative group within the TA), however there have been delays in obtaining feedback, particularly as this is the main consultancy within the project. It is expected that the tender shall be placed in July 2016.

The Tribunal Administrativo (TA) has identified five tertiary education institutions which could possibly partner up with TA to be the training providers and the auditors which will initially take part in the training program will be identified by TA's leadership based on merit, experience and higher possibility of successfully completing the program. Their progress in the education program will continuously be monitored to ensure they remain on track to ensure that at the end of the project the expected number of auditors with the pre-certification requisitions obtained.

Identification of the auditors which will initially take part in the training program will be taking place by TA's leadership based on merit, experience and higher possibility of successfully completing the program.

## 2. Missions

ISR Sequence No.	Mission Type	Actual Date
01 (Current) 20-Jun-2016	Implementation Support	01-Jun-2016

## 3. Compliance

### Safeguards

Current Environmental Assessment Category: C - Not Required

Environment Assessment Date: --

Comments

N/A

### Legal Covenants

Loan/Credit/TF	Description	Status
----------------	-------------	--------

Comments

NA

## 4. Risks

### Overall Risk Rating

Risk Category	Rating at Approval	Previous Rating	Current Rating
Overall	● Moderate	--	● Moderate

## 5. Results

### Project Development Objective Indicators

► Delivery of Induction Program for new audit staff (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	1.00
Date	31-Dec-2015	--	10-Jun-2016	31-Dec-2017

► Number of auditors completed the pre-certification training (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	--	80.00
Date	31-Dec-2015	--	10-Jun-2016	31-Jan-2018

► Number of auditors having taken the certification exam (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	--	70.00
Date	31-Dec-2015	--	10-Jun-2016	31-Dec-2018

Overall Comments

### Intermediate Results Indicators

► Number of auditors completed the pre-certification training (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	--	40.00
Date	31-Dec-2015	--	10-Jun-2016	31-Dec-2017

## Overall Comments

### 6. Clearance History

Person

Comments & Actions

**Guenter Heidenhof (PMGR)**

Practice Manager, GGO13  
WASHINGTON, DC (IBRD)

*Disclosed and Archived on 20-Jun-2016 at 15:44:32*

**Guenter Heidenhof (PMGR)**

Practice Manager, GGO13  
WASHINGTON, DC (IBRD)

*Approved on 20-Jun-2016 at 15:44:29*

**Iolanda Maria Ornelas Fortes Fauvrelle (CD)**

Senior Operations Officer, AFCS2  
MAPUTO, MOZAMBIQUE (IBRD)

Thank you for submitting the initial ISR. We take note of the progress in implementing the preparatory activities and encourage the team to closely monitor the recruitment of the main consultancy to avoid delays in implementing the planned activities

*Advice Provided on 20-Jun-2016 at 11:14:57*

**Elvis Teodoro Bernado Langa**

Financial Management Specialist, GGO26  
MAPUTO, MOZAMBIQUE (IBRD)

Dear Guenter,  
This ISR has been reviewed by OST.  
Many thanks in advance for your of the initial ISR for the operation, which had its first disbursement earlier this month.  
Kindest regards,  
Elvis

*Recommended on 15-Jun-2016 at 16:17:56*

## PROJECT INFORMATION

### 7. Key Dates

#### Key Project Dates

Bank Approval Date:17-Mar-2016

Effectiveness Date:27-Apr-2016

Original Closing Date:31-Dec-2018

Revised Closing Date:31-Dec-2018

#### Related Project(s)

Project	Relationship	Status	Product Line	Team Leader	Country
--	--	--	--	--	--

### 8. Team Composition

#### Bank Staff

Name	Specialization	Title	Unit	Phone No.	Location
Elvis Teodoro Bernado Langa	--	Team Leader	GGO26	5333+2932 /	MAPUTO, MOZAMBIQUE
Amos Martinho Malate	--	Procurement Specialist	GGO07	5333+2397 /	MAPUTO, MOZAMBIQUE
Eldio Venancio Mapoissa	--	Financial Management Specialist	GGODR	--	MAPUTO, MOZAMBIQUE
Adelina Mucavele	--	Team Member	AFCS2	5333+2950 /	MAPUTO, MOZAMBIQUE
Furqan Ahmad Saleem	--	Team Member	GGO26	458-0480	WASHINGTON, DC
Paulo Jorge Temba Sithoe	--	Team Member	GEN01	5333+2330 /	MAPUTO, MOZAMBIQUE

#### Extended Team

Name	Title	Organization	Office	Location
--	--	--	--	--

### 9. Organizations

Name	Role	Contact	Title	Office Phone	Email
Ministry of Economy and Finance	Borrower/Recipient	Adriano Ubisse	National Director of Treasury	2588230 43540	aubisse@gmail.com
Tribunal Administrativo	Implementing Agency	Luis Herculano	Secretary General	+258 82 300 252	lherculano@ta.gov.mz

### 10. Financial Management

Overdue Reports

Overdue Issues

	< 4 months	> 4 months	> 9 months
Financial Statement Audit -	--	--	--
	< 30 days	31 - 60 days	> 61 days
Interim Financial Reports	--	--	--

	< 30 days	31 - 60 days	> 61 days
Audit Issues	--	--	--
IFR Issues	--	--	--
General Supervision Issues	--	--	--

## Capacity Development Support to the Commission on Audit (P154844)

EAST ASIA AND PACIFIC | Philippines | Governance Global Practice | Requesting Unit: GGO20 | Responsible Unit: GGO20  
 Recipient Executed Activities | Investment Project Financing | FY 2015 | Team Leader(s): Tomas JR. Sta.Maria

Seq No: 1 | ARCHIVED on 20-Jun-2016| ISR24067| Created by: Tomas JR. Sta.Maria on 06-Jun-2016 | Modified by: Tomas JR. Sta.Maria on 15-Jun-2016

## 1. STATUS &amp; KEY DECISIONS

## 1.1 OBJECTIVE &amp; RATINGS

## Project Development Objectives

Project Development Objective (from Project Appraisal Document)

Project Development Objective: To increase uniformity of practice of audit and assurance services provided by the Supreme Audit Institution of the Philippines (Commission on Audit) and promote its compliance with international audit guidelines and best practices in the specialized area of disaster related activities

## Disbursement Summary

Source of Funds	Net Commitment	Total Disbursed	Remaining Balance	Disbursed
Grants	0.28 M	--	0.28 M	0%

Disbursement Ratio	0.0%
Disbursement Delay Flag	NONE
Effectiveness Delay Flag	NONE
Bank Approval Date	07-Oct-2015
Project Closing Date	31-Mar-2018
Overall Risk	● Low

## Key Project Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	--	● Satisfactory
Overall Implementation Progress (IP)	--	● Satisfactory

## Cumulative Disbursements

--

Disbursement Lag		
Original Disb. Lag:	Formally Revised Disb. Lag:	Disb. Estimate Last Formally Revised on:
Not Applicable	Not Applicable	--

**Disbursements (by loan)**

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P1 548 44	TF- A1162	Effective	USD	0 . 2 8	0 . 2 8	0.0 0	0.0 0	0.28	

**Key Dates (by loan)**

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date

P1 548 44	TF- A1162	E ff e c ti v e	26-Oct- 2015	15- Feb- 2016	15-Feb-2016	31-Mar- 2018	31-Mar-2018
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## 1.2 KEY ISSUES & PROJECT STATUS

### Key Issues and Actions for Management Attention

#### Issues

There was a delay in the countersignature of the Grant Agreement by the Department of Finance and the endorsement of the list of authorized signatories and their specimen signatures. Nevertheless, the Commission on Audit has already conducted preparatory steps prior to full implementation of the grant. The Terms of Reference for the required consultants are being finalized. Professional staff capacity development training plans and organization systems capacity development training plans are currently being developed. COA has also started to draft the guidance and practice notes, audit manuals on the adoption of level 4 ISSAI based on the resources available from the INTOSAI Development Institute (IDI).

A briefing on Procurement, Financial Management and Disbursement has been conducted and was attended by the Project Management Office, Technical Working Group, Procurement and Finance Staff. The project will be piloted in the implementation of Systematic Tracking of Exchanges in Procurement (STEP).

During discussions with the Commission on Audit, we have noted overlapping of support from the Asian Development Bank and the USAID who also have ongoing support on Financial Audit and Performance Audit, respectively. COA expressed preference to have each Development Partner take on one approach to auditing and support the alignment with level 4 ISSAI standards. Hence, an agreement on the delineation of support among Development Partners relating to the adoption of level 4 ISSAIs ( where SAI CDF will focus on Compliance Audit, ADB on Financial Audit, and USAID on Performance Audit) to avoid duplication of support and facilitate monitoring of results.

Action	Due Date	Status
As agreed, the SAI CDF grant shall focus on the adoption of level 4 ISSAI standards for Compliance Audits. This will include the following: a. Adoption of the remaining level 4 ISSAIs in the conduct of Compliance Audit; b. Revision of the IRBBA Manual to conform with relevant ISSAIs in the conduct of Compliance Audit; c. Assessment of compliance with level 4 ISSAIs in the conduct of Compliance Audit using iCAT.	21-Apr-2016	Completed
COA shall revise Work and Financial Plan (including the proposed reallocation of funds from the activities that are covered by other DPs).	30-Jun-2016	In Progress
COA shall also submit a request for the revision of the results indicators brought about by the delineation of support.	30-Jun-2016	In Progress

### Implementation Status and Key Decisions (Public Disclosure)

The grant is in its early stage of project implementation. The Terms of Reference for the required consultants are being finalized. Professional staff capacity development training plans and organization systems capacity development training plans are currently being developed.

## 2. Missions

ISR Sequence No.	Mission Type	Actual Date
01 (Current) 20-Jun-2016	Implementation Support	14-Jun-2016

## 3. Compliance

### Safeguards

Current Environmental Assessment Category: U - Not Rated (for all adjustment operations except for SECA

Environment Assessment Date: --

Comments

N/A

### Legal Covenants

Loan/Credit/TF	Description	Status
	<p>Comments</p> <p>Submission of interim unaudited financial reports for the project not later than 45 days after the end of each calendar semester. The first IFR will be due by Feb 15, 2017 as there were no disbursements for the semester ended June 30, 2016.</p> <p>Submission of annual audited project financial statements not later than six months after the end of each fiscal year. The first audited project financial statements (CY2016) will be due by June 30, 2017.</p>	

## 4. Risks

### Overall Risk Rating

Risk Category	Rating at Approval	Previous Rating	Current Rating
Overall	● Low	--	● Low

## 5. Results

### Project Development Objective Indicators

▶ Number of audits applying the revised IRRBA Manual which adopts additional ISSAI requirements. (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	0.90
Date	17-Aug-2015	--	14-Jun-2016	31-Mar-2018

▶ Number of audits utilizing specialized procedures in the audit of disaster related transactions (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	0.50
Date	17-Aug-2015	--	14-Jun-2016	31-Mar-2018

Overall Comments

### Intermediate Results Indicators

▶ Number of auditors trained on level 4 ISSAI and the iCATs (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	200.00
Date	17-Aug-2015	--	14-Jun-2016	31-Mar-2018

▶ Number of assessments conducted using the iCATs (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	115.00
Date	17-Aug-2015	--	14-Jun-2016	31-Mar-2018

► Number of auditors trained in the conduct of audit of disaster related funds (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	200.00
Date	17-Aug-2015	--	14-Jun-2016	31-Mar-2018

► Approval by the Commission Proper of a specialized audit manual as a guide for the audit of disaster related funds (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	--	N	Y
Date	17-Aug-2015	--	14-Jun-2016	31-Mar-2018

► Approval by the Commission Proper of the revised IRRBA Manual which adopts Level 4 ISSAI requirements. (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	--	--	N	Y
Date	--	--	14-Jun-2016	31-Mar-2018

Overall Comments

## 6. Clearance History

Person

Comments & Actions

**Roberto Tarallo (PMGR)**  
Practice Manager, GGO20  
WASHINGTON, DC (IBRD)

*Disclosed and Archived on 20-Jun-2016 at 09:03:48*

**Roberto Tarallo (PMGR)**  
Practice Manager, GGO20  
WASHINGTON, DC (IBRD)

*Approved on 20-Jun-2016 at 09:03:45*

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**Mara K. Warwick (CD)**  
Country Director, EACPF  
MANILA, PHILIPPINES (IBRD)

Thanks for preparing this initial ISR for this project. We are pleased to see that despite the delay in securing the Government's countersignature on the Grant Agreement, the Commission on Audit is taking needed steps to ensure that grant implementation gets off to a good start. The delineation of the coverage of the support of other development partners is welcome but we encourage the team to continue to support COA in coordinating closely with ADB and USAID not only to minimize overlaps but to ensure that potential synergies are maximized. Please coordinate with the CMU, the country lawyer and the TF program manager in confirming whether the recent adjustments in the work and financial plan will require a formal project restructuring. Thanks, Mara

*Advice Provided on 15-Jun-2016 at 06:10:50*

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**Tomas JR. Sta.Maria**  
Financial Management Specialist, GGO20  
MANILA, PHILIPPINES (IBRD)

*Recommended on 15-Jun-2016 at 05:19:34*

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**Tomas JR. Sta.Maria**  
Financial Management Specialist, GGO20  
MANILA, PHILIPPINES (IBRD)

*Recalled for revision on 15-Jun-2016 at 04:49:26*

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**Tomas JR. Sta.Maria**  
Financial Management Specialist, GGO20  
MANILA, PHILIPPINES (IBRD)

Dear Mara/Roberto, The grant is in its early stage of implementation and this is the first ISR. Grateful for your advice/decision. Thanks, Tom

*Recommended on 14-Jun-2016 at 22:56:25*

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## PROJECT INFORMATION

### 7. Key Dates

#### Key Project Dates

Bank Approval Date:07-Oct-2015

Effectiveness Date:15-Feb-2016

Original Closing Date:31-Mar-2018

Revised Closing Date:31-Mar-2018

#### Related Project(s)

Project	Relationship	Status	Product Line	Team Leader	Country
--	--	--	--	--	--

### 8. Team Composition

#### Bank Staff

Name	Specialization	Title	Unit	Phone No.	Location
Tomas JR. Sta.Maria	--	Team Leader	GGO20	5776+2543	MANILA, PHILIPPINES
Cecilia D. Vales	--	Procurement Specialist	GGO02	5776+2535	MANILA, PHILIPPINES
Aisha Lanette N. De Guzman	--	Financial Management Specialist	GGO20	5776+2544	MANILA, PHILIPPINES
Bonnie Ann Sirois	--	Team Member	GGOFR	5258+70737 /	VIENNA, AUSTRIA
Maria Liennefer Rey Penaroyo	--	Team Member	GGO20	5776+2541	MANILA, PHILIPPINES
Roberto Tarallo	--	Program Manager	GGO20	473-2413	WASHINGTON, DC

#### Extended Team

Name	Title	Organization	Office	Location
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### 9. Organizations

Name	Role	Contact	Title	Office Phone	Email
DOF	Borrower/Recipient	--	--	--	--
Commission on Audit	Implementing Agency	Lourdes Castillo	Assistant Commissioner	6329510458	lmcastillo@coa.gov.ph

### 10. Financial Management

Overdue Reports

Overdue Issues

	< 4 months	> 4 months	> 9 months
Financial Statement Audit -	--	--	--
	< 30 days	31 - 60 days	> 61 days
Interim Financial Reports	--	--	--

	< 30 days	31 - 60 days	> 61 days
Audit Issues	--	--	--
IFR Issues	--	--	--
General Supervision Issues	--	--	--

