

PERFORMANCE AND FINANCIAL REPORT 2017

INTOSAI-DONOR SECRETARIAT

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Executive Summary

Phase 3 of the INTOSAI-Donor Cooperation started in 2016, guided by a Programme Document for 2016-2018. The Cooperation seeks to improve SAI performance through scaling-up and increasing the effectiveness of support to SAIs. The main focus for the Cooperation in 2017 was implementing the strategies developed in 2016.

The new round of Global Call for Proposals was launched, consisting of a rolling process for most SAIs (Tier 1) and a targeted support mechanism for selected Challenged SAIs (Tier 2). Tier 2 was the highest priority activity starting from May 2017. By the end of the year, 9 SAIs had been selected and received expressions of interest through both SAI and donor channels.

A communications strategy for the Cooperation was developed in 2016, recognizing that outreach through the Cooperation's network is critical for achieving more effective capacity development. The Cooperation developed and launched a new communication package in 2017 and increased its outreach activities by opening social media accounts and scaling up meeting activities with INTOSAI regional bodies.

The new results framework was finalized in early 2017 and the 2016 and 2017 performance reports are both based on this framework.

The transfer of the SAI PMF unit to IDI (operationally) and CBC (governance role) was completed at the beginning of 2017, with the Secretariat supporting the transition, especially during the first quarter.

The majority of the other tasks on the Cooperation's 2017 work program were completed as planned. Details on this, as well as on results, financing and budget execution in 2017, are presented in this report. The Performance and Financial report is prepared annually and shared with the SC.

Scaled-up and More Effective Support for SAI Capacity Development

The Cooperation measures the levels of support to SAIs globally. The annual financial support for SAI capacity development fell slightly from 2016 to 2017, as measured through the SAI Capacity Development Database. It was 68.4 million USD in 2017. The percentage of developing countries benefitting from a substantial capacity development initiative (in size or duration) fell to 39 % in 2017 from 41 % in 2016.



1. Introduction

1.1 Report Purpose

Phase three of the INTOSAI-Donor Cooperation runs from 2016 to 2018. Austria, Ireland, Norway¹ and Switzerland provide core funding to support phase three through grants to the INTOSAI-Donor Secretariat within the IDI. In addition, the SAI of Norway has provided staff as in-kind support. The purpose of this report is to fulfil the reporting requirements set down in the Program Contract, through reporting on performance, results, and the use of funds in 2017.²

1.2 INTOSAI-Donor Cooperation Background

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

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

First, priority was given to carrying out strategic reviews to further define the Cooperation's strategic direction and key activities in light of the evaluation findings. Several working groups comprising volunteer Steering Committee members subsequently elaborated strategies for four key areas: Global Call for Proposals (GCP), SAI Capacity Development Database, Communications, and Results Framework. These strategies, and the overall strategic direction for the Cooperation in phase 3, were endorsed by the SC at its 9th meeting in Cape Town in October 2016, and approved by the SC Leadership in December 2016.

¹ Residual interest only in 2017

² Section 6 of the Program Contract signed between IDI and the Secretariat's funding donors in July 2016 outlines the reporting requirements, consisting of an annual narrative report, accompanied by IDI's audited financial statements, IDI's ordinary annual financial audit report and any management letters provided by the auditor. These documents are to be submitted to the Donors by 31 May each year. The following constitutes the report for 2017, and the financial report is provided in section 3.



The second priority was to finalise and ensure INTOSAI approval of the SAI PMF and SAI PMF Implementation strategy at the INTOSAI Congress in Abu Dhabi in December 2016.

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

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

Two further program components – but not outputs – are:

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

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

In 2017 the cooperation scaled down its involvement in SAI PMF and started work on implementing the strategies developed in 2016. In particular, the Cooperation launched the new round of Global Call for Proposals (GCP), the initiative to increase funding for SAIs. The Cooperation has also worked on a new portal, with an updated database interface, as well as a new communications package to implement the Communication Strategy.

1.3 Results System and Framework for Results Reporting

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



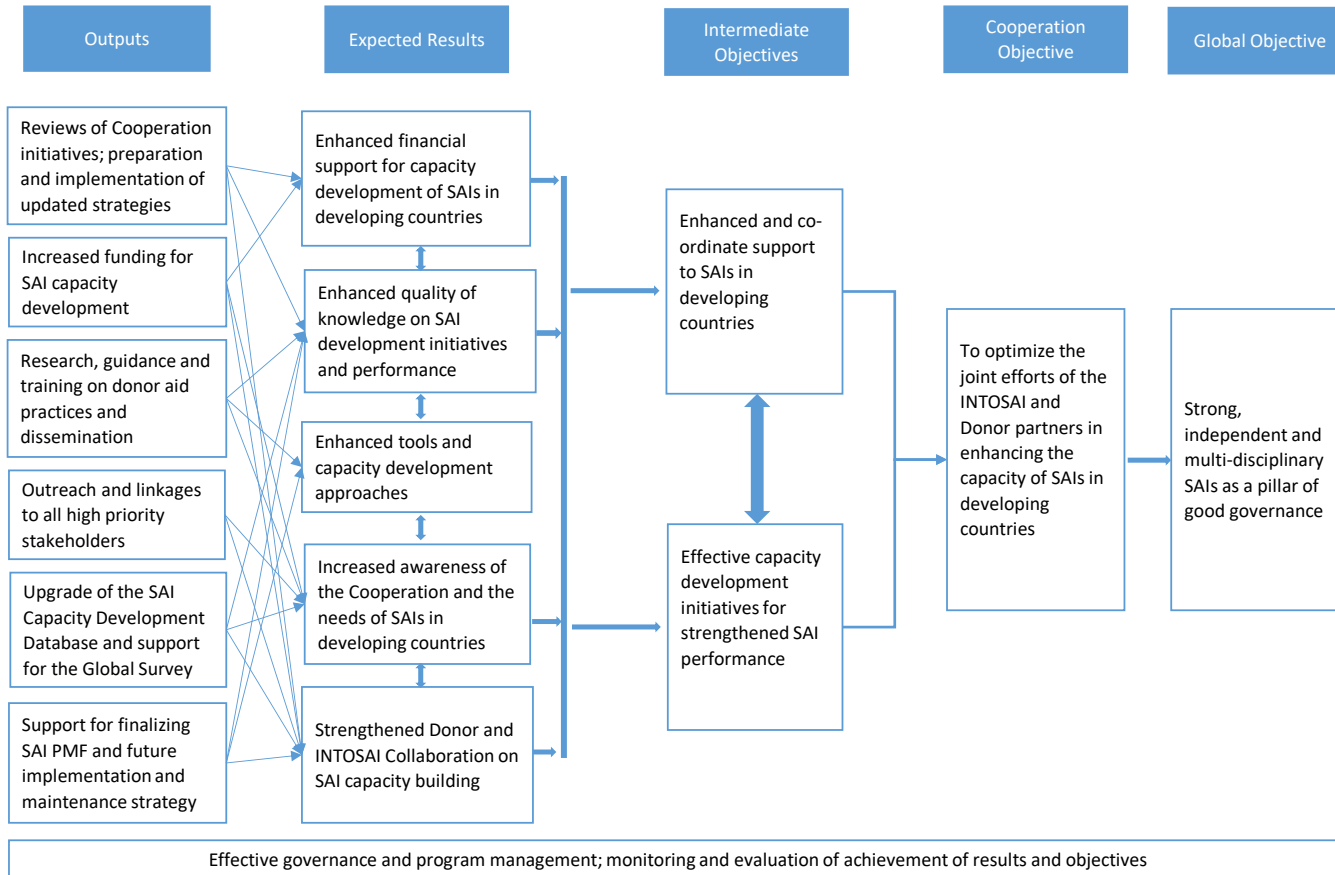
October 2016, and approved by the SC Leadership in December 2016. The results system will be reviewed and endorsed annually by the SC.

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

The results *system* facilitates monitoring, reporting and evaluation of the Cooperation, including its relevance and contribution to sustainable performance improvements in SAIs, and ultimately the contribution of SAIs to Sustainable Development Goal 16.6: *Develop effective, accountable and transparent institutions at all levels*. The components of the results system are indicators, baselines, milestones and targets at relevant levels of the results chain. The monitoring of results in 2016 are included in section 2 of this report, updated to show actual achievement against milestones as at 31 December 2016³. Baselines are drawn from relevant sources, including the INTOSAI global surveys, relevant SAI PMF and PEFA data, and reports from earlier phases of the Cooperation.

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

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



INTOSAI-Donor Cooperation Results Framework 2016-18

1.4 Financial and Other Support for the INTOSAI-Donor Cooperation (2017)

IDI, as the legal entity hosting the Secretariat, entered into a Program Contract regarding funding for the INTOSAI-Donor Cooperation 2016-18, with the Austrian Development Agency (ADA), the Ministry of Foreign Affairs and Trade, Ireland, and the State Secretariat for Economic Affairs (SECO) (Switzerland) in July 2016.⁴ The Secretariat has also received a part of a core grant to IDI provided by the Norwegian Parliament through the Office of the Auditor General of Norway. However, in 2017 the only funding from this source was residual interest earned on funding received in 2016.

The Office of the Auditor General of Norway (OAGN) provided a rolling secondee under an informal arrangement, which from 2016 changed from 12 months to 18 months. However, this arrangement was discontinued in November 2017. There were no formal reporting requirements under this arrangement.

The World Bank provided in-kind support by financing a review of the previous rounds of Global Call for Proposals.

Other in-kind support, such as hosting meetings and events was provided by AFROSAI, CREFIAF, SAI Namibia and AFROSAI-E

The Program Contracts stipulate that there will be an Annual Donor Meeting in order to discuss the progress of the program and the cooperation between the funding Donors. Wherever possible, the Annual Donor Meeting should be organized together with the regular SC Meetings. The 2017 Annual meeting was held on 21 September 2017, in connection with the 10th SC meeting in Washington DC, and attended by ADA, Irish Aid, SECO and the Secretariat.

1.5 INTOSAI-Donor Cooperation Governance Arrangements and Secretariat Staffing

The MoU establishes the governance structure of the Cooperation, consisting of the SC as the decision-making body, assisted by the Secretariat that provides administrative support. The inaugural SC Meeting in 2010 decided to locate the Secretariat as an integral part of the INTOSAI Development Initiative (IDI) in Oslo, Norway. The full governance arrangements for the INTOSAI-Donor Cooperation are articulated in the Program Document. In addition, in December 2016 a document outlining the responsibilities of the Steering Committee, the Steering Committee Leadership and the IDI Board vis-à-vis the Secretariat was agreed between all parties. The following summarises the functioning of the main governance bodies during 2017.

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

Steering Committee (SC)

During 2017, the main activity for a select group of SC-members was participating in the Tier 2 Committee. The Committee worked to select a final list of 8-12 SAs in challenged situations that would be targeted for scaled-up support. The final list of ten countries was presented at the INTOSAI-Donor Steering Committee meeting in September 2017, in Washington DC. The countries selected were: Eritrea, Somalia, the Gambia, Guinea (Conakry), Sierra Leone, Niger, Madagascar, Democratic Republic of Congo, Togo and Zimbabwe. Somalia was later taken off the list as it emerged that there was already a significant amount of support available.

Steering Committee Leadership

The SC leadership comprises the INTOSAI and Donor chairs and vice chairs of the SC, supported by the Secretariat. It provides strategic direction and interim decision-making on behalf of the SC between SC meetings. During 2017 it met by teleconference six times. Following a decision by the SC leadership, the chair and vice chair of the INTOSAI CBC now participate as observers. Summaries of the teleconferences were shared with the IDI Board and donors to the Secretariat, as per the agreed governance arrangements.

INTOSAI-Donor Secretariat

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

Position	No. Months	No. FTE	Title	Comments
1	5	0.42	Deputy Director General & Head of the INTOSAI-Donor Secretariat (local staff contract)	Salary costs covered by the INTOSAI-Donor Secretariat budget. Vacated position end of May 2017.
0,7	7	0.41	Deputy Director General, Head of the INTOSAI-Donor Secretariat (local staff)	New Head of Secretariat from June. 30% of Position is IDI Head of Admin, 70% of Salary costs covered by the INTOSAI-Donor Secretariat budget.
1	7	0.58	GCP Manager	GCP manager started June 2017. Salary costs covered by the INTOSAI-Donor Secretariat budget.
1	3	0.25	Advisor (local staff)	Salary costs covered by the INTOSAI-Donor Secretariat budget.
1	4	0.33	Advisor (local staff)	Salary costs covered by the INTOSAI-Donor Secretariat budget.



Position	No. Months	No. FTE	Title	Comments
1	12	0,73 ⁵	Communications manager	Salary costs covered by the INTOSAI-Donor Secretariat budget.
1	10 ⁶	0.83	Advisor (OAGN secondee)	Salary costs covered by the Office of the Auditor General of Norway.
TOTAL		3.55		

Overall, the staffing situation changed significantly in 2017. Following the transition of SAI PMF to IDI, Secretariat staff was reduced by one advisor. In addition, two more advisors left at the end of March and April, respectively. The Head of Secretariat moved to IDI at the end of May and was replaced in early June. A new GCP manager also started in June. All positions were financed from the Secretariat's budget except one, which was funded by the Office of the Auditor General of Norway as a rolling secondment. Furthermore, the Secretariat benefits from the support services provided by IDI's administration department, and pays a fair share of the costs of IDI's administration and overheads⁷.

2. INTOSAI-Donor Cooperation Performance Report, 2017

The following sections report on the results in 2017. Section 2.1. presents data on Cooperation Objective Indicators. Section 2.2 presents the achievement of milestones towards the intermediate objectives and expected results. These are results partly attributable to the Cooperation. Section 2.3 reports on the achievement of outputs. Annex A provides the full report of achievement of the 2017 work plan.

2.1 Reporting Against Cooperation Objective Indicators

The following presents high level results from SAI data on Transparency of Audit Reports, ISSAI implementation, Strategic Planning and Audit Coverage. The data was collected from the results of SAI PMF assessments carried out so far and the Global Survey of SAIs in 2017.

⁵ Programme Coordinator from Jan-May 2017. Acting Communications manager from May, hired as Communications manager July. 50% Secondment to OAG Norway from May 2017,

⁶ May-December.

⁷ During 2017, 11% of IDI's support staff costs and IT costs were charged to the Secretariat, reflecting the ratio of Secretariat staff to IDI program staff. Also, 12% of IDI's pension costs, Oslo rent and Oslo operating costs were charged to the Secretariat, reflecting the ratio of Oslo based Secretariat staff to Oslo based IDI program staff.



COOPERATION OBJECTIVE INDICATORS

COOPERATION OBJECTIVE: Optimize the joint efforts of INTOSAI and Donor partners in enhancing the capacity of SAIs in developing countries ⁸				
Cooperation Objective Indicator CO1: Transparency of Audit Reports	Baseline 2014	Milestone 1 2016	Milestone 2 2017	Target 2020
a) Percentage of developing country SAIs reporting that at least 80% of their completed audit reports were made available to the public in the previous financial year.	a) 48 % ⁹		a) 50 %	a) 60 %
b) Percentage of developing country SAIs reporting that they did not make any reports public in the previous financial year.	b) 15 %		b) 10 %	b) 5 %
	Achieved:		a) 39 % b) 37 %	a) % b) %
	Source: a) INTOSAI triennial Global Survey (Calculation based on data from GS Q44 and 45) b) INTOSAI triennial Global Survey (Calculation based on data from GS Q44 and 45)			
Cooperation Objective Indicator CO2: ISSAI Implementation	Baseline 2015¹⁰	Milestone 1 2016	Milestone 2 2017	Target 2020
Total number and percentage ¹¹ of developing country SAIs that have undergone a SAI PMF assessment and have reached the following SAI PMF scores in their journey towards ISSAI implementation:	a) 7 (54 %) b) 7 (54 %) c) 6 (46 %)		a) To be tracked b) To be tracked c) To be tracked	a) To be tracked b) To be tracked c) To be tracked
Financial Audit Process	Achieved:		a) 11 (52%) b) 10 (48%) c) 11 (55%)	a) % b) % c) %
a) SAI PMF assessment score of 2 or higher on SAI-12 [Pilot version] or SAI-10 [Endorsement version]	Source: Secretariat review of all available SAI PMF assessments			
Performance Audit Process	(Note that in calculating the baselines, indicators marked as not applicable (NA) were included in the sample, effectively treating these as cases where the threshold was not met. This has been corrected in calculating the 2017 milestones).			
b) SAI PMF assessment score of 2 or higher on SAI-16 [Pilot version] or SAI-13 [Endorsement version]				
Compliance Audit Process				

⁸ Cooperation Objective indicators are used for monitoring the overall performance improvement of SAIs. Such high-level performance changes are the result of all forms of SAI capacity development and cannot be attributed solely to the INTOSAI-Donor Cooperation.

⁹ The baseline has been corrected from 70% in a prior version. 70% was the figure for all countries globally, including high income countries. The milestones and targets have been adjusted accordingly, from 75% and 80% respectively.

¹⁰ Calculated on the basis of 13 available SAI PMF-reports.

¹¹ The number of available SAI PMF assessments carried out by developing country SAIs that reached the required scores. The percentage in brackets is calculated as the percentage of the available assessments.



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c) SAI PMF assessment score of 2 or higher on SAI-14 [Pilot version] or SAI-16 [Endorsement version]				
Cooperation Objective Indicator CO3: Strategic Planning	Baseline 2015¹²	Milestone 1 2016	Milestone 2 2017	Target 2020
Percentage of developing country SAIs with a high quality strategic planning cycle (MoU Principle)	a) 38% b) N/A		a) 48% b) 60%	a) 60% b) 75%
a) Measured by SAI PMF assessment score of 3 or higher on SAI-8 [Pilot version] or SAI-3 [Endorsement version]; b) Measured by answers to questions in the INTOSAI Global Survey	Achieved:		a) 28% b) 30%	a) % b) %
	Source: a) Secretariat review of all available SAI PMF assessments b) INTOSAI triennial Global Survey (Questions 64-68) ¹³			
Cooperation Objective Indicator: CO4: Audit Coverage	Baseline 2014	Milestone 1 2016	Milestone 2 2017	Target 2020
Percentage of SAIs in developing countries ¹⁴ meeting the following 'audit coverage' criteria for each audit discipline: <ul style="list-style-type: none"> Financial audit: at least 75% of financial statements received are audited (including the consolidated fund / public accounts or where there is no consolidated fund, the three largest ministries) Performance audit: on average in the past three years, the SAI has issued at least ten performance audits and/or 20% of the SAI's audit resources have been used for performance auditing Compliance audit: the SAI has a documented risk basis for selecting compliance audits that ensures all entities face the possibility of being subject to a compliance audit, and at least 60% (by value) of the audited entities within the SAI's mandate were subject to a compliance audit in the year 	Financial: LDC & OLI = 69% LMI = 69% UMI = 66% Performance: LDC & OLI = 38% LMI = 44% UMI = 55% Compliance: LDC & OLI = 57% LMI = 64% UMI = 59%		Financial: LDC & OLI = 72% LMI = 72% UMI = 69% Performance: LDC & OLI = 41% LMI = 47% UMI = 58% Compliance: LDC & OLI = 60% LMI = 67% UMI = 62%	Financial: LDC & OLI = 75% LMI = 75% UMI = 72% Performance: LDC & OLI = 44% LMI = 50% UMI = 61% Compliance: LDC & OLI = 63% LMI = 70% UMI = 65%
	Achieved:		Financial audit: LDC & OLI = 71%	Financial: LDC & OLI = %

¹² Calculated on the basis of 13 available SAI PMF reports.

¹³ Specific definition given in file 'IDC Results Framework – Explanation to Calculation of Indicators'

¹⁴ Classification based on OECD-DAC classification effective for reporting on 2012 and 2013 flows. LDC = least developed countries. OLI = other low income countries. LMI = lower middle income countries. UMI = upper middle income countries.



			LMI = 60% UMI = 69% Performance audit: LDC & OLI = 32% LMI = 58% UMI = 49% Compliance audit: LDC & OLI = 48% LMI = 54% UMI = 69%	LMI = % UMI = % Performance: LDC & OLI = % LMI = % UMI = % Compliance: LDC & OLI = % LMI = % UMI = %
Source: INTOSAI Triennial Global Survey (Questions 37, 41 & 39)				

Comments on Performance

The Global Survey showed that the transparency of SAI reporting was below the target for 2017 and that more SAIs than expected report that they have not published reports in the SAI World. This can be viewed in the context of the global trend of democratic backsliding, where many countries' performance on more macro democratic and transparency indicators are worsening¹⁵. These trends present a challenge to the SAI world and its supporters in promoting the role and duties of SAIs and accountability institutions.

The indicator on ISSAI implementation does not have targets for 2017, but the data shows that the increased number of reviews still show a status that is similar to the baseline from 2015.

The data on strategic planning cycles shows that the number of SAIs with high quality strategy cycles are far below target. This presents a challenge for the Cooperation's objective of harmonizing support around the strategic planning cycle of SAIs.

The audit coverage statistics show improvements on performance audit, but also indicate that there are challenges for some country groups on both financial and Compliance audit.

¹⁵ Democracy Index 2017 *Free Speech Under Attack*, The Economist Intelligence Unit, p.2

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

The following summarises performance against the four intermediate objectives and expected results indicators in the results system that have defined milestones for 2017.

The Cooperation seeks to improve SAI performance through scaling-up and increasing the effectiveness of support to SAIs. To take this forward, during 2017, the Cooperation started to implement a new approach for the Global Call for Proposals (GCP), which has two tiers: tier one is an inclusive invitation to submit proposals for SAI capacity development projects in developing countries, and tier two provides targeted support to a limited number of the most challenged SAIs. In 2017, the SAI Capacity Development Fund was closed, but existing projects will continue until they are finalized.

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



INTERMEDIATE OBJECTIVE INDICATORS

INTERMEDIATE OBJECTIVE 1: Enhance and Coordinate support to SAIs in Developing Countries				
Intermediate Objective Indicator: IO1	Baseline 2015	Milestone 1 2016	Milestone 2 2017	Target 2018
a) Cumulative number of significant capacity development initiatives originating from the Global Call for Proposals and/or funded through the SAI CDF (i.e. exceeds \$0.3 million for the SAI, and/or has a duration of 2 years or longer)	a) 38 ¹⁶	a) 45	a) 55	a) 65
	b) 51 %	b) 55%	b) 60%	b) 65%
b) Percentage of developing countries which, in the year in question, have participated in / benefitted from a significant capacity development initiative (i.e. exceeds \$0.3 million for the SAI, and/or has a duration of 2 years or longer)	Achieved:	a) 42 b) 41 %	a) 46 b) 39%	a) b) %
	Source: a) Secretariat monitoring of initiatives originating from the GCP and SAI CDF b) Secretariat calculations based on SAI Capacity Development Database			
INTERMEDIATE OBJECTIVE 2: Effective capacity development initiatives for strengthened SAI performance				
Intermediate Objective Indicator: IO2	Baseline 2014	Milestone 1 2016	Milestone 2 2017	Target 2018
Percentage of capacity development initiatives originating from the Global Call for Proposals and/or funded through the SAI CDF, which are aligned with the strategies of participating SAIs, designed based on a robust needs assessment, and (where relevant) evaluated as fully or substantially achieving their purpose ¹⁷ (MoU Principle)	100 % ¹⁸	N/A	a) 80 % b) 80 %	N/A
	Achieved:	N/A	a) 100 ¹⁹ % b) 100%	N/A
a) Global and regional initiatives b) Bilateral initiatives	Source: Secretariat monitoring survey and review of evaluations of initiatives originating from the GCP and SAI CDF			

Comments and Analysis on Performance

As of 31.12.2017 the current round of GCP had not progressed to the stage where we could conclude that new initiatives had been established.

¹⁶ Calculated on the basis of projects originating from the Global Call for Proposals and SAI CDF data. 2015 baseline adjusted in Jan 2017 from 41 to 38 because of new information.

¹⁷ Baseline from a small sample, expect figures in future years on a larger sample to be smaller

¹⁸ Not disaggregated by type of initiative

¹⁹ Results for a) and b) based on SAI Capacity Database reporting for SAI CDF projects. Still too early to include data from GCP in current program period. Will include reporting for 2018 to include current round of GCP.



Analysis

The additional projects were the results of new projects in SAI CDF established in 2016 and 2017. For the alignment with strategies, the results are very good- These do not currently include new GCP projects, however, so the GCP numbers are the same as the baseline. New projects added to the SAI CDF since 2014 have complied with the Strategic Plan alignment principle.

EXPECTED RESULTS INDICATORS

EXPECTED RESULT 1: Enhanced financial support for capacity development of SAIs in developing countries				
Expected Result Indicator: ER1	Baseline 2014	Milestone 1 2016	Milestone 2 2017	Target 2018
Moving three-year average annual financial support for the benefit of SAIs in developing countries (MoU Principle)	US \$62 million	US \$70 million	US \$75 million	US \$80 million
	Achieved:	US \$69 million	US \$68.4 million	US \$ million
	Source: Secretariat calculations extracted from SAI Capacity Development Database. The figure is determined by calculating the average of the total annual support provided in the past three years.			
EXPECTED RESULT 2: Enhanced quality of knowledge on SAI development initiatives and performance				
Expected Result Indicator: ER2	Baseline 2015	Milestone 1 2016	Milestone 2 2017	Target 2018
Cumulative number of developing countries with a SAI performance report based on the SAI PMF framework	16	20	30	45
	Achieved:	19	36	
	Source: IDI records of SAI PMF pilots			
EXPECTED RESULT 3: Enhanced tools and capacity development approaches				
Expected Result Indicator: ER3	Baseline 2015	Milestone 1 2016	Milestone 2 2017	Target 2018
Status of SAI PMF within INTOSAI	Pilot	Endorsed by Congress	N/A	N/A
	Achieved:	Endorsed by Congress	N/A	N/A
	Source: Official records of the XXII nd INCOSAI, and future CBC meeting records.			
EXPECTED RESULT 4: Increased awareness of the Cooperation and Collaboration on SAI capacity development				



Expected Result Indicator: ER4	Baseline 2015	Milestone 1 2016	Milestone 2 2017	Target 2018
Percentage of survey respondents stating that they are fully/significantly aware of:	N/A	N/A	N/A	75% (for each response)
a) The nature of the Cooperation as a Strategic Partnership b) The Cooperation's main outputs c) The MoU principles, as stated in the Communications Strategy	Achieved:	N/A	N/A	a) % b) % c) %
Source: Triannual communications survey, sent to donor SC members for distribution to a representative sample of staff involved in PFM / SAI capacity development work; and staff of SAI international relations departments in a representative sample of SAIs across different regions.				
EXPECTED RESULT 5: Strengthened donor and INTOSAI coordination and collaboration on SAI capacity development				
Expected Result Indicator: ER5	Baseline 2014	Milestone 1 2016	Milestone 2 2017	Target 2018
Percentage of developing countries with an established donor coordination group to facilitate coordination of support to the SAI, in which all providers of support participate (MoU Principle)	a) 35% b) N/A	N/A	a) 50% b) 50%	N/A
a) As reported by SAIs b) As reported by donors	Achieved:	N/A	a) 47% b) Not reported	N/A
Source: a) INTOSAI Triennial Global Survey 2017 b) Targeted survey among donor members of the SC. A sample of 35 countries from all INTOSAI regions was taken. Only one donor responded. The response rate is insufficient to give a representative figure from the Donor side.				

Comments and Analysis on Performance

EXPECTED RESULT 1: Enhanced financial support for capacity development of SAIs in developing countries

The average annual financial support indicator is below target.



Analysis

Possible reasons for this are:

- Underreporting from the Donors and SAIs.
- A reflection of the current round of GCP not having reached the stage where the level of support committed had increased in 2017.

The Cooperation continued in 2017 computing the levels of support to SAIs globally. The annual financial support for SAI capacity development has remained constant at around 68 million from 2016 to 2017, as measured through the SAI Capacity Development Database. As of the beginning of 2018, there are 523 projects registered in the database, 73 more than by the close of 2016. The percentage of developing countries benefitting from a substantial capacity development initiative (in size or duration) slightly decreased to 39 % in 2017 from 41 % in 2016, reflecting a reduction of support provided to Least Developed Countries. However, the Cooperation initiatives to increase this support is expected to scale up this support in 2018.

EXPECTED RESULT 2: Enhanced quality of knowledge on SAI development initiatives and performance

There has been success in SAI PMF implementation, in that there were more SAI PMF reviews conducted than the 2017 target. While this is no longer a part of the Cooperation's work, the Cooperation did spend a significant amount of resources in the first quarter of 2017 on transitioning the SAI PMF Unit from the INTOSAI-Donor Secretariat to the IDI.

Analysis

The success of the SAI PMF implementation is indicative of a successful transfer of the function from IDS. The Secretariat spent a substantial amount of resources ensuring an effective transfer of the function. The overlap practices are worth noting as positive lessons learned

EXPECTED RESULT 5: Strengthened donor and INTOSAI coordination and collaboration on SAI capacity development

The number of SAIs reporting that they have coordination groups is slightly below target. The Secretariat conducted a survey of Donors to obtain their perspective. The response rate, however, was not high enough for us to report a figure that we believe presents an accurate picture of the number of coordination groups established.



Analysis

The SAI reporting is taken from the INTOSAI Global Survey and gives a very positive result, so it is based on a survey of all SAIs. This is indicative of both SAIs and Donors working to ensure better coordination for in development support. The secretariat conducted a more targeted sample survey of donors, but the response rate was not sufficient to draw a representative conclusion for the donor side. On balance, the result on the SAI side is enough to conclude that this is a positive result of the Cooperation's work and the efforts of all the members.



2.3 Reporting on Outputs and Progress against the Work Plan Themes in 2017

The following section reports on the 2017 work plan (output indicators). The first six output indicators relate to the Cooperation's Program components, each comprising a number of activities with defined outputs which are defined in detail as part of annual work plans. The last output indicator relates to program management and monitoring and evaluation. The 2017 work plan was approved by the SC Leadership in March 2017. The progress on each of the activities on the 2017 work plan is presented in Annex A.



OUTPUT INDICATORS

OUTPUT 1: Reviews of Cooperation initiatives; preparation and implementation of updated strategies				
Output Indicator: O1	Baseline 2015	Milestone 1 2016	Milestone 2 2017	Target 2018
Number of SC working groups delivering their expected outputs, as follows: <ul style="list-style-type: none"> • SAI PMF: recommendation on future role of the Cooperation • Global Call for Proposals: recommendation on strategic direction • SAI Capacity Development Database: recommendation on strategic direction • Results: Performance Measurement System finalised • Communications: communications strategy finalised 	N/A	5	N/A	N/A
	Achieved:	5	N/A	N/A
	Source: Summary of annual SC meeting			
OUTPUT 2: Increased funding for SAI capacity development				
Output Indicator: O2	Baseline 2015	Milestone 1 2016	Milestone 2 2017	Target 2018
Establishment and renewal of mechanisms to enhance access to SAI capacity development support, for SAIs, regional bodies and INTOSAI bodies: <ul style="list-style-type: none"> a) Global Call for Proposals redesign and launch b) SAI Capacity Development Fund 	a) Not operating b) Established	a) SC decision to redesign and launch b) SC support to continuation	a) Launched b) Additional contributions received	a) Ongoing b) Operational
	Achieved:	a) Achieved b) Not achieved	a) Launched b) Not applicable ²⁰	a) b)
	Source: Summary of annual SC meeting			
OUTPUT 3: Research, guidance and training on donor aid practices and dissemination				
Output Indicator: O3	Baseline 2015	Milestone 1 2016	Milestone 2 2017	Target 2018
a) Paper on an issue relevant for SAI-donor policy dialogue developed, published and disseminated	a) None b) None	a) Terms of reference developed b) None	a) One paper published b) Terms of reference developed	a) N/A b) One paper published

²⁰ The Cooperation decided to discontinue the SAI CDF in 2017. Its ongoing projects will be finalized.



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b) Study of effective approaches to supporting SAI capacity development published and disseminated (<i>specific topic(s) to be defined by the Steering Committee</i>)	Achieved:	a) Not achieved b) N/A	a) Coordination paper published b) NA – no paper requested by Steering Committee	a) N/A b)
Source: Studies/reviews/evaluations published on the Cooperation web pages				
OUTPUT 4: Outreach and linkages to all high priority stakeholders				
Output Indicator: O4	Baseline 2015	Milestone 1 2016	Milestone 2 2017	Target 2018
Status of the Cooperation’s Communication Strategy	None	Finalized and disseminated to SC	Implemented	Evaluated
	Achieved:	Finalized and disseminated to SC	Implemented	
Source: Secretariat monitoring reports				
OUTPUT 5: Upgrade of the SAI Capacity Development Database and support for the Global Survey				
Output Indicator: O5	Baseline 2015	Milestone 1 2016	Milestone 2 2017	Target 2018
Status of the INTOSAI-Donor Cooperation Portal	SAI CD database in operation	SC decision to establish IDC Portal	Launch of IDC Portal	Fully operational
	Achieved:	Achieved	Achieved (with slight delay, launched in January 2018)	
Source: Secretariat monitoring reports				
OUTPUT 6: Support for finalising SAI PMF and future implementation and maintenance strategy				
Output Indicator: O6	Baseline 2015	Milestone 1 2016	Milestone 2 2017	Target 2018
Status of SAI PMF Strategy	Strategic options paper drafted	Endorsed by CBC & Cooperation	SAI PMF advisory group established and functioning	
	Achieved:	Achieved	Achieved	
Source: Summary of the CBC and Cooperation annual meetings				



Components 7 and 8: Effective Governance and Program Management; and Monitoring and Evaluation of Achievement of Results and Objectives				
Output Indicator: O7	Baseline 2015	Milestone 1 2016	Milestone 2 2017	Target 2018
a) Cooperation annual performance report shared with Steering Committee members by 30 June the following year and subsequently published, including levels of achievement against indicators in the results system b) Evaluation of Phase 3 of the Cooperation (nature, scope and manner of the evaluation to be determined by the SC in 2017)	a) Achieved b) Phase 2 evaluation published	a) Achieved b) N/A	a) Achieved b) Evaluation designed	a) Achieved b) Evaluation complete and published
	Achieved:	a) Achieved (with delay) b) N/A	a) Achieved b) Partially Achieved (Draft Terms of reference discussed at SC meeting, but finalized in 2018)	a) b)
Source: Cooperation webpages				



Comments on Performance

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

The main focus in 2016 was defining the future strategic direction of the Cooperation in light of the 2015 evaluation. This was finalized in 2016 and reported on in the 2016 Performance and Financial Report.

Analysis

The Cooperation produced all the planned strategy documents during 2016 and approved a new strategic direction at the IDSC Meeting in Cape Town in 2016. This was successfully facilitated by the Secretariat and completed with substantial support from all the participating Cooperation members in the groups that drafted the strategies. The participation of the members was a good practice that ensured representation and broader insights in the strategy development process.

Output 2: Increased funding for SAI Capacity Development

The new round of GCP was launched in 2018, for both Tier 1 and Tier 2 countries.

The Tier 2 committee was established in early 2017. It narrowed the number of organizations invited to participate in the initiative to 22. After the SAIs had expressed their interest, the Committee narrowed the list to 10 SAIs, which was later adjusted to 9 after it emerged that one of them had unprocessed offers of significant support.

The INTOSAI-Donor Secretariat collected expressions of interest from multiple donors and SAIs. The first meeting with the selected nine SAIs was held in Namibia in October 2017. Since then the Secretariat has been working to establish mechanisms to ensure that the Tier 2 SAIs and their supporting organizations adhere to the MoU principles as they work towards initiating support activities.

The Tier 1 was launched as a rolling process, where SAIs submit concept notes to the Secretariat and receive feedback on how these can be approved. They are then published, and Donors and other providers of support can express their interest in supporting the concepts. In 2017 the Secretariat received three proposals, one of which was finalized by the SAI and published. It has also received expressions of interest, but support projects were not established by the end of 2017.

In 2017 the Cooperation decided that the SAI CDF would not continue as a mechanism for scaling up support. Its ongoing projects will be finalized.

Analysis

The Tier 1 initiative did not produce a lot of interest in 2017. The combination of a relatively high bar to entry, in producing a concept note, and no deadline, makes it a challenging intervention to participate in for SAIs with limited resources. The Secretariat believes it would take a substantial



effort to mobilize and support SAIs in this process, and has no system or resources to target support, outside of the Tier 2 initiative.

For the Tier 2 initiative, the Cooperation was able to select and target the initiative at 9 SAIs, but at the end of 2017 there were expressions of interest, but not commitments of support. However, this was expected as SAIs in challenged environments need a lot of support in order to identify and communicate needs that garner support.

The Cooperation decided to close the SAI CDF. The reasons or lessons learned from the fund were²¹:

- The Fund was too small to accommodate all eligible applicants
- Only a single donor provided funding for the Capacity Development fund
- Increasing demand for SAI Peer Support
- Long processing time for grant agreements, contributing to the lack of enthusiasm for providing funds to the CDF

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

In 2017 the Secretariat engaged a consultant, and provided its own staff, to complete a review of coordination practices in the SAI World. The review was presented and discussed at the IDSC Meeting in Washington DC. Feedback from the meeting was incorporated in the report and it was finalized and published at the end of 2017. The review looked at good practices for coordination when working with SAIs using a combination of survey data, interviews and two case studies. The [Final Report](#) can be found on the Cooperation Portal. The Secretariat also produced [a campaign](#) to disseminate and communicate the results, which is also available on the portal.

The Cooperation did not develop a Terms of Reference for a new paper, as this was not requested by the leadership and the Secretariat, having reduced staffing and new staff, did not have the resources to prioritize this.

Analysis




The Coordination paper produced lively discussion at the IDSC meeting in 2017 and the results were communicated on social media channels and the new Cooperation Portal. However, it is

²¹ Annual Report for the Year ended June 2017 for the SAI Capacity Development Multi Donor Trust fund, World Bank 2017, pp.31-32

too early to tell whether this has had an impact on Coordination behaviour, and it may require substantial follow-up to ensure this.

Output 4: Outreach and Linkages to all high priority stakeholders

In 2017 the implementation of the communications strategy was carried out as planned. Among the highlights of the communications work were:

- ✓ **Communications package:** developed and published as a mean to facilitate communication for the Cooperation's members while raising awareness about the importance of working with SAIs, the value of the Cooperation and the MoU principles. Different elements were used at various events.
- ✓ **Success Stories** showcasing case country level results, linked back to Cooperation activities and MoU principles: three stories (Bhutan, Sierra Leone and PASAI) were disseminated through various channels of communication, such as social media and regional events. By the end of the year the Secretariat started with the development of the [Uganda story](#).
- ✓ IDC's **social media** presence: accounts on [Facebook](#), [LinkedIn](#) and [Twitter](#) were opened in 2017, rapidly reaching more than 140 followers each.
 - ❖  [LinkedIn](#): IDC's LinkedIn page has proved to be the most successful social media platform for the organization. Initiated in January 2017, the page had over 220 followers by the end of the year. The demographics of visitors and followers to the LinkedIn page is senior professionals from the accounting, business, and development sectors. The follower list includes numerous Auditors General and senior staff from SAIs around the world. The Secretariat has highlighted its newsletters, success stories in several languages, as well as sporadic but relevant events or news for this type of audience.
 - ❖  [Twitter](#): Since its launch in July 2017, the IDC Twitter account gained over 115 followers by the end of the year. IDC material posted on Twitter has been shared and disseminated by other organizations such as the INTOSAI Journal and AFROSAI-E. The IDC's Twitter account is followed by a number of communication managers from various SAIs, who can potentially share the material from IDC's tweets on internal communication networks, thereby creating an additional avenue to raise awareness of IDC principles and activities.
 - ❖  [Facebook](#): IDC's Facebook page gained 105 followers in the same period. The GCP promotional video, which was the first post of the July launch, did extremely well with over 1,100 impressions. Posts on IDC activities, such as visits to conferences or the hosting of workshops, generally generate the greatest engagement. This material seems to be primarily shared by those who attended the workshop, and is an opportunity for them to highlight the training and the collaborative opportunities offered by IDC to work colleagues.



- ✓ Launch of the [INTOSAI Donor Cooperation Portal](#) providing information in all languages. It contains the Cooperation's [success stories](#), [results](#), [work streams](#) and [background](#) information as well as country pages for each SAIs with their main details and performance reports (some country pages are complete, while others are still under development). The Portal also contains the redeveloped [SAI Capacity development database](#) with its interactive map and new tools for statistical analysis.
- ✓ **IDC newsletters:** The [newsletter](#) was revamped into a new format and regular dissemination was taken through other communication channels and campaigns, in order to increase the size of target audiences and improve their experience.
- ✓ **Strengthening linkages with SC members:** In order to secure support for communicating to the right audiences, the Secretariat started holding virtual and face to face meetings with CBC, INTOSAI Regional Secretariats, the INTOSAI Journal and providers of support, which has permitted the strengthening of partnerships and collaboration.

The above-mentioned activities executed by the Secretariat intended to target key communications objectives such as raising awareness about the value of supporting SAIs and the Cooperation's role: to influence behaviour change towards application of the MoU principles and strengthening the capacity building of SAIs.

The communications strategy foresees a "network of change" in which the SC members constitute a link between the Cooperation's global activities and work at the country level. The SC members are expected to communicate the key objectives of the Cooperation with those who are not directly involved in the SC, but who work on SAI capacity development in donor organisations and in SAIs. They are also placed to ensure that feedback from staff in their organisations regarding SAI capacity development and the effectiveness of the communications efforts and other activities of the Cooperation is brought to the attention of the other members of the SC.

Analysis

The main new activity for 2017 was the Social Media engagement. Although the number of followers are not numerous, on the three channels, a closer inspection of the followers shows that they are mostly active members of the SAI community and are therefore effective advocates for spreading news from the SAI development sphere.

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

The INTOSAI Donor Cooperation Portal was developed in 2017. The Portal is a platform that integrates the SAI Capacity Development Database with the other work streams of the Cooperation, communication about the Cooperation's results, and country-level information about SAIs, including their capacity development activities. Information in the Portal is relevant to both INTOSAI and donor members, and aims to strengthen knowledge about SAI capacity development.



The Database has been a key vehicle for fulfilling this objective as well as facilitating analysis of global value of support to SAIs, enhancing coordination and providing useful information for future strategic planning of SAI support. During 2017, the Secretariat continued to maintain the database. Only one update of projects information occurred during this period, due to that fact that the database had to be shut down to finalize its integration within the Portal during the second half of the year. By the end of the year the new database page had been updated and the registration process for projects had been streamlined with the intention of making the user's experience easier and faster. The way the user navigates through the database and finds project information, as well as the way the user can register new information, have been improved.

The Secretariat provided support to IDI in the implementation of the 2017 INTOSAI-wide global stocktaking on SAI performance and needs as planned, which has provided significant data for the Cooperation's reporting.

Analysis

The development was slightly delayed by changes in leadership and staffing requiring more time to be spent on procuring the developer. The developer also faced some challenges in finalizing all the functions requested by the Secretariat. However, the delays were not significant despite these challenges.

The Global Survey and Global Stocktaking report are key tools for the Cooperation and provide much of the performance data used in this report. The Cooperation should continue to support this work.

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

The Secretariat spent a significant amount of time during the first quarter for 2017 supporting the SAI PMF unit in IDI as the responsibility for the tool was transferred. The former Head of Secretariat also served as part of the independent advisory group.

The Cooperation continues to support the independent advisory group with seven representatives from the Cooperation. Six are members and one is an observer: three are donors and four are SAIs.

Analysis

The Secretariat is no longer directly involved in the SAI PMF work, but the Cooperation is still strongly linked to the tool through the advisory group. SAI PMF was one of the Cooperation's most significant investments, if not the most significant investment. The connection through the advisory group will have positive impact on the relevance of the measurement framework.

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



Following a decision by the SC leadership, the development of the program document for phase 3 of the Cooperation began in October 2016, and a SC working group was established to take the work forward. The program document was approved by the SC in mid-February 2016. The funding for the first two years of phase 3 (2016-17) was secured with the signing of the contract with ADA, Ireland and SECO in July 2017, and efforts are ongoing to close the remaining funding gap for 2018 (SECO has only committed to funding for 2016-17).

The Cooperation's annual performance report for 2016 was shared with the donors providing core funding to the Secretariat by 8 June 2017. It was finalised and shared with the full SC in September together with a monitoring report covering the first half of 2017.

The Secretariat facilitated the 10th Steering Committee meeting in Washington DC, 20-21 September 2017, in collaboration with the Capacity Building Committee. The contiguous meetings were attended by around 100 participants from SAls and donors. The Secretariat facilitated six teleconferences of the SC leadership throughout the year.

During 2017 the Secretariat developed the Terms of Reference for the review of the Cooperation. A draft was submitted to the Steering Committee and discussed at the meeting in Washington DC. The ToR was developed further and only finalized in 2018.

In 2017 a consultant, engaged by the World Bank, carried out a review of the previous rounds of the Global Call for Proposals. The review recommended a process to explicitly define the roles and responsibilities of the participants, donors (or other supporting organizations) and IDS in the GCP process. This has been carried forward in by having terms of reference for parties involved with in the coordination groups in Tier 2. The review also recommended a more detailed description to help the SAls in the process of applying for and negotiating funding. IDS is still considering how this can be used to improve Tier 1, but the application levels have not been high enough for this to be prioritized because the secretariat is able to help in a tailored manner when there are few applicants.

Analysis

The original intention with the ToR for the review was to carry it out with in-kind support. This proved a challenge for the Cooperation to mobilize. A review or evaluation exercise requires a substantial amount of resources and is easier and quicker to finance through a budget provision.

However, the Austrian Development Agency provided substantial support in drafting the Terms of Reference, which was very helpful for the new Head of Secretariat. There were many review rounds in the leadership and amongst Cooperation members, which were also helpful.

2.4 Cross-Cutting Observations on Sustainability and Gender

<p>Assessment of sustainability</p>	<ul style="list-style-type: none"> • The evaluation of the Cooperation in 2015 found evidence that donor and INTOSAI behaviour has improved in accordance with the MoU principles, although it was challenging to determine to what degree this can be attributed to the Cooperation as such. Support provided is increasingly aligned behind SAI strategic plans, and coordination of support has improved, although challenges remain. • Cooperation activities were done in response to demand from SAIs, communicated directly and through INTOSAI bodies at the global and regional level. • In particular, the Global Call for Proposals (GCP) was designed to ensure and strengthen SAI ownership of future capacity development initiatives, by placing them in the position to articulate their own needs to donors. The GCP was redesigned in 2016 to allow for more extensive support to the most challenged SAIs, including those in fragile and conflict environments. Such support will be provided under the GCP Tier 2. • Participation of individual SAIs in the Cooperation’s activities was based on the demand of the SAI. Senior management of the SAIs were engaged in the various programs, e.g. Head of the SAI decides whether to conduct a SAI PMF, or apply for support under the Global Call. • SAI-focused activities seek to strengthen the core systems used within SAIs, so that improvements resulting from the program continue to have an impact after the activities.
<p>Program gender participation</p>	<p>In line with the Program Document and the new strategic direction of the Cooperation, the number of activities/trainings with direct participation from SAIs and donors was reduced from 2016 onwards. In 2017 the Cooperation did not carry out any training activities.</p>

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

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

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

Resource Requirements – Program Document

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

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

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

Indicative Financing – Program Document

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

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

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

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

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

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

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

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



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

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

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

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

All figures in Norwegian Kroner, unless otherwise stated

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

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

All figures in Norwegian Kroner

There was no further budget revision in 2017.

3.3 Budget Execution, 2017

The following table shows actual expenditure against the revised budget for 2017.

Budget Execution 2017	Revised Budget 2017	Actual 2017	(Under) / Over Spend	(Under) / Over Spend %
A. Admin. Staff Costs (excluding in-kind support)	733 830	621 061	- 112 769	-15 %
B. Overheads and Other Indirect Costs	651 900	908 648	256 748	39 %
C. Contingency (Including Exchange Rate Provision)	-	-	-	
Total Admin (Cash)	1 385 730	1 529 709	143 979	10 %
Program Staff Costs (Excluding in-kind Support)	2 353 735	1 825 633	- 528 102	-22 %
Program Staff Costs (for increase of 0.5 FTEs 2017, 0.25 FTEs 2018)	360 000	-	- 360 000	-100 %
1. Strategic Reviews	-	-	-	N/A
2. Funding Mechanisms	584 000	304 191	- 279 809	-48 %
3. Research, Guidance and Training	177 000	244 967	67 967	38 %
4. Outreach and Communications	271 100	226 788	- 44 312	-16 %
5. Data Collection and Management	146 420	154 152	7 732	5 %
of which: 5.1 SAI Capacity Development Database	110 700	154 152	43 452	39 %
5.2 INTOSAI Global Survey	35 720	-	- 35 720	-100 %
5.3 Other	-	-	-	N/A
7. Governance and Program Management	46 800	81 994	35 194	75 %
8. Monitoring and Evaluation	-	-	-	N/A
Total Program (Cash)	3 939 055	2 837 725	- 1 101 330	-28 %
Total (Cash)	5 324 785	4 367 434	- 957 351	-18 %

All figures in Norwegian Kroner

Overall, the total 2017 budget was underspent by 18%, mainly on staff costs for both program and admin. The main variances are explained as follows:

- A. The 15% underspend on staff costs was caused by a significant underspend on IDI admin staff costs allocated to the INTOSAI-Donor Secretariat. As the relative size of the IDS was smaller in the IDI, the portion of admin staff cost allocated to IDS fell.
- B. Overheads and other indirect costs were 39% over budget, this was due to unforeseen expenses associated with the relocation of the former head of the Secretariat relocating to UK. It was also the result of IDI spending more on consultancy for organizational development than was initially planned.
- Program Staff cost. This largely reflects a reduction in the number for FTEs compared to the original budget. In addition, a significant amount of staff time was recharged to IDI for supporting the transition of the SAI PMF unit and because one staff member was on a 50% secondment to the Office of the Auditor General for Norway in the period May-December. The original additional budget for increase in 2017 was not used.
- 2. Tier 1 implementation was given lower priority and very little of its budget was spent. Tier 2 was delayed when compared to the original implementation plan for 2017. In addition, the Secretariat was able to use AFROSAI General Assembly to launch the initiative which led to significant cost savings.
- 3. The Secretariat decided to expand the scope of the exercise and use two case studies in the research. This resulted in additional travel for secretariat staff to Uganda that was not

originally budgeted for. Moreover, the consultant fee was 20,000 NOK more than the original budget of 177 000.

- 4. Communications material was shared at international events with the support of IDI, so no IDS staff had travel costs associated with this.
- 5. The development costs were higher than initially budgeted for. This emerged during the procurement process and the leadership and funding donors were informed.
- 7. Governance and Program Management went over budget by 75% due to costs associated with the former head of secretariat having to travel to Oslo after relocation, which was not budgeted for. The travel costs to the SC meeting were also more expensive than originally budgeted for.

3.4 Income and Expenditure per Donor, 2017

The following table summarises the funds received and spent, by source, for 2017. In addition to the carry forward from 2016 of 325 713 NOK, there was an underspend of 957 351 NOK in 2017 (as per section 3.3 above). In addition, there was more funding due to exchange rate variances. By the end of 2017 there was a carry forward of 1 010 538 NOK, which has been allocated pro-rata, based on the percentage rate of funding provided by each donor.

2017 Statement by Donor	Brought Forward	Funding Received	Accrued Interest	Expenditure	Carried Forward
Austrian Development Agency		935 950	1 176	749 533	187 593
Irish Aid	325 713	2 439 075	3 661	2 279 583	488 866
OAG Norway			2 537	2 537	-
SECO (Switzerland)		1 666 800	3 060	1 335 781	334 079
Total	325 713	5 041 825	10 434	4 367 434	1 010 538

All figures in Norwegian Kroner

IDI's financial statements have been audited and an unqualified audit opinion was given. This confirms the Secretariat's actual expenditure as 4 367 434 NOK as per section 3.3 above, as well as the income and expenditure per donor, as shown in this table.

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

3.5 Financial Position at End of 2017, and Revised Financial Schedule

As a result of the final out-turn for 2017, the future financial schedule for the Cooperation is as follows. The overall deficit has now been reduced to 687 038 NOK (4%).



Updated Financing Schedule	2016	2017	2018	2016-2018
Brought Forward	1 325 798	325 713	1 010 538	1 325 798
Add: Current Funding and Interest Received/Receivable	6 933 256	5 052 259	3 234 000	15 219 515
Less: Actual Expenses 2016 / revised budget 2017-2018	-7 933 341	-4 367 434	-4 931 576	-17 232 351
Carried Forward	325 713	1 010 538	-687 038	-687 038

3.6 2017 Comparison: Original Budget, Revised Budget, Actual

As can be seen below, the Cooperation began 2017 with a forecast surplus of 0,4 million NOK for the year. The revised forecast for 2017 gave a deficit of 0,3 million NOK. Actual figures show that for 2017, the income was slightly above expectations due to exchange rate fluctuations and expenditure came in around 1 million below budget. The Cooperation is therefore able to carry forward 1,01 million NOK to 2018, reducing the forecast deficit for future years. The overall deficit for the program period is now reduced to 0,7 million NOK (section 3.5 above) from an initial deficit of 2.9 million NOK. The Secretariat will look for further cost savings, as well as exploring opportunities for further funding for 2018, including from SECO and others.

	Original Budget	Revised Budget	Actual	Revised vs. Actual
Brought Forward	-	128 679	325 713	197 034
Income	5 126 000	4 902 000	5 052 259	150 259
Expenditure	4 731 178	5 324 785	4 367 434	- 957 351
Surplus / (Deficit)	394 822	- 294 106	1 010 538	1 304 644



4. Explanation of Major Deviations

The majority of the activities on the annual work plan in 2017 were carried out. Of the high priority activities, all were completed as planned, with the exception of the implementation of the GCP (task 2.16). Due to delays in implementation of the GCP and significant staff changes in 2017, it was not possible to complete meetings between all SAIs and providers of support. The Secretariat has also spent more time preparing the SAIs selected for Tier 2 for receiving support, amending the Tier 2 strategy with a roadmap for implementation that foresees more activities to ensure coordination, Strategic Plan harmonization and ensuring that this support will also be SAI-led. The Secretariat believes this will ultimately improve the sustainability of the Tier 2 initiative.

Although most activities in Tier 1 were completed as planned, the rate of applications was very low, with only three applicants by the end of 2017. Tier 1 was also not given very high priority in 2017.

See Annex A for a detailed progress report on the work plan for 2018.

5. Management of Internal and External Risks

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

The following table shows the risk register as approved by the SC leadership in September 2017. It presents internal risks (within the control of the Cooperation members), the mitigating measures and the perceived residual risks. Assumptions and external risks are considered in relation to the program purpose of improving SAI performance in developing countries.

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



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



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Risk	Likelihood (H/M/L)	Impact (H/M/L)	Response	Mitigating Measures	Responsibility for Mitigating Measures	Residual Risk
8. Insufficient SAI engagement in participating in Tier 1	High	Medium		Reach out to eligible SAIs and regional organizations to stimulate submission of new concept notes.	Secretariat	Medium
9. Insufficient donor interest for supporting Tier 1	High	Medium	Treat	Work to improve upon concept notes in target SAIs and engage with potential donors who are active in their regions. Engage with other providers of support	Secretariat	Medium

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

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

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

6. Lessons Learned

We will maintain the lessons learned from 2016 in this document, and supplement with new lessons learned from 2017.

2016

- A survey carried out following the 9th SC meeting in Cape Town contiguous meeting with the CBC showed that holding the meetings back-to-back was appreciated by the majority of the respondents. It saves travel costs and time for some participants who would otherwise attend both meetings, and thematic synergies were identified. Some of those who participated recommended allowing for even deeper discussions between the participants, as their varied backgrounds added value to discussions. SC members also emphasised the importance of ensuring a feedback loop at the meetings, to allow for country-level experiences to be discussed in a global forum.
- Involving SC members in working groups to elaborate new strategies for the various Cooperation activities was useful in order to ensure ownership and bring different perspectives together in the development of the new concepts. However, the working groups still relied quite heavily on the Secretariat to carry out quite a lot of the drafting and preparatory work.

2017

- Rolling process challenges: Having a rolling process for Tier 1 requires a significant amount of time and resources for encouraging applications. During 2017, the Secretariat did not prioritize Tier 1, and although planned activities were completed the number of applications was very low. A rolling process means no deadline. A deadline in itself can motivate SAIs to seize the opportunity of applying for support. In the future, in order to ensure a sufficient application rate for Tier 1, the Secretariat needs to have a targeted group for outreach to encourage individual SAIs to apply. In 2017 we did a significant amount of outreach to the regions, to encourage applications, but this resulted in very limited success. Another option, is to reinstate deadlines.
- Tier 2 Committee selection process: The selection process for the final list of Tier 2 countries was divided into 2 phases:



1. An initial filtering based on macro level indicators such as GDP per capita and PEFA and OBI scoring.
2. A scoping of the SAIs, based on formal and informal knowledge of the SAIs among the Tier 2 Committee members

This first phase was relatively easy with clear and transparent criteria. However, the second phase proved challenging for the Secretariat in chairing the Tier 2 committee. It was difficult to obtain the information in the scoping exercise for all SAIs. In the end, INTOSAI membership and the level of support available to the SAI (and an informal assessment of absorption capacity) became the main metric for determining which SAIs were selected among the 22 selected in the first phase.

In the future, the Secretariat would recommend a process that involves the SAI more. Rather than gathering background on the SAI, we could conduct interviews of them and assess their motivation and willingness to adhere to the MoU principles as assessment criteria.

Another issue with the Tier 2 process raised by Donor members of the Cooperation was that the final group consisted solely of African countries. Regional representation was not assessed as a selection criterion, but it is something that could be considered in the future.

There needs to be strengthened communications with donors' in country offices so that we understand their current and planned work with the SAIs and how best IDC initiatives can support their interventions.

SAIs are expecting immediate to short-term responses to project proposals and lose interest to continue the GCP process if the matching process is not progressing within 1-2 months. The Secretariat's main point of contact with the donors is the Steering Committee representatives. However, the Secretariat has identified the value in establishing relationships with the in-country or regional staff, who take decisions on supporting SAIs. This has worked to some extent in Tier 2, but the Secretariat needs further support from the donors for Tier 1.

- The outgoing head of IDS had a very rigorous overlap workshop for the new head and new staff. This included case studies for the work we would be doing, a thorough run-through of all tasks and reporting requirements and a detailed plan for the IDSC meeting. This was a successful practice that can be repeated for new staff.
- There are some objectives that the Cooperation has not met. Some of these, such as the global amount of support to SAIs, is hard for the Cooperation to impact directly, as most of the variables influencing it are beyond the Cooperation's control. The current round of GCP may have an impact on it. However, it may be useful to consider the priorities in the 2018



workplan and skew them even more towards achievement on this objective, as the target is quite ambitious.