



FINAL REPORT

Bilateral Support from IDI to SAIs of Fragile Countries

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Acronyms

CA	Compliance Audit
CBC	INTOSAI Capacity Building Committee
FA	Financial Audit
GPG	Global Public Goods
iCAT	ISSAI Compliance Assessment Tool
IDI	INTOSAI Development Initiative
INTOSAI	International Organization of Supreme Audit Institutions
ISSAI	International Standards of Supreme Audit Institutions
MoFA	Ministry of Foreign Affairs
OAGS	Office of Auditor General of Somalia
PA	Performance Audit
PMF	Performance Measurement Framework
PSC	INTOSAI Professional Standards Committee
SAI	Supreme Audit Institution
SAOA	Supreme Audit Office, Afghanistan

1. Overview of the IDI bilateral support

Overview of funds provided by Norad and reporting requirements

On 17 March 2015 IDI and Norad signed Addendum 3 to the agreement GLO 3000 QZA-13/0319. This allowed the IDI to carry forward a savings of NOK 3 034 066 from its core funding provided by NORAD up to FY 2014. This carried forward amount was to be used during 2015 for providing bilateral capacity development support to the SAIs of:

- Somalia (Office of Auditor General of Somalia - OAGS),
- Afghanistan (Supreme Audit Office Afghanistan - SAOA), and
- the Ebola affected countries (SAIs of Liberia and Sierra Leone).

In 2015, unspent funds for the programme were allowed to be carried forward to 2016. This was formalized in addendum 4 to the agreement signed on 2 December 2015.

In April 2016, a revised budget for 2016 was forwarded to Norad. By mid-2016 the funds spent for the bilateral support was less than planned in the revised budget sent to Norad in April 2016. IDI informed Norad about the progress of the programme by an informal report in October 2016 and submitted a second revised budget for 2016. A meeting was also carried out between Norad and IDI to discuss ways to address challenges of implementing activities.

By the end of 2016, NOK 2 343 704 has been spent of the total amount of NOK 3 034 066 for the programme. NOK 690 362 (23 %) are unspent. When interests are added, this means NOK 792 170 are returned to Norad. The underspending can be explained by the cancellation of the support to the Ebola affected countries and less than planned activities taking place in the cooperation with OAG Somalia in 2016.

According to the agreement with Norad, IDI is required to by 1 May 2017 to:

- submit its annual audited financial statement
- provide Norad with the final narrative and financial reports for the Specified Grant allocated to the projects in Afghanistan, Somalia and the Ebola affected countries respectively for the whole project period.

In the meeting between Norad and IDI 11th February 2016, it was agreed that IDI will in the final report include activities for all the years and include assessments of:

- 1) Achievement of planned outputs and outcomes
- 2) Sustainability; the lasting effects of the support to iCATs reviews and SAI PMF assessments
- 3) The coordination with other DPs for supporting the SAIs

In addition to this final report, IDI will in the coming years provide an update on the realization of the planned outputs and outcomes of the bilateral support through the annual Performance and Accountability Report,

Overview of the support to OAG Somalia

The primary objective of the support to OAGS has been to enhance the performance of the SAI by developing a strategic plan based on a thorough needs assessment. The needs assessment were to be conducted using the SAI Performance Measurement Framework¹ and ISSAI Compliance Assessment Tools². A political economy analysis was also planned to be commissioned by the IDI. This cooperation was planned during 2015-2016 with the funding from NORAD being utilized during 2015 and the IDI using its own core funding for the activities in 2016.

During 2015, OAG Somalia was provided with training of their staff to conduct the SAI PMF assessment and the iCATs. During 2016, the OAGS did most of the iCATs, but did not complete the final report. Following a dialogue with OAGS, it was decided to only carry out a limited version of the SAI PMF as a needs assessment for the new strategic plan. This was partly because of the challenges OAGS faced in carrying out the assessment and because a similar needs assessment had been conducted by Abyrint³ on behalf of DFID in October 2015. The plan was that the Abyrint needs assessment in addition to the iCATs and the limited SAI PMF assessment, should form the basis for the priorities in the OAGS Strategic plan.

In the second half of 2016, no activities took place. This means the needs assessments (the iCATs and SAI PMF) were not completed and a new strategic plan was not developed. In the period April to September 2016, OAGS did not commit to any dates for workshops or did not provide IDI with names of participants for the workshops. Various forms of communication with the AG and appointed contact persons of OAGS were carried out. This includes weekly e-mails and phone calls, letters from the IDI Director General and a meeting between IDI and the AG of OAGS in Nairobi in May 2016.

IDI has also maintained a dialogue with the WB, Norwegian embassy and DFID representatives in Nairobi in order to ensure activities with the OAGS are coordinated with other initiatives. Both the WB and DFID have experienced similar challenges as IDI in the cooperation with OAGS.

The reasons for the lack of implementation of activities in 2016, could be related to several factors, such as external pressure against a strong audit office in Somalia, upcoming elections which puts other activities and external travel on hold, and limited capacity of the SAI. The programme activities may also have been of less relevance and priority for OAGS, as the

¹ Details in Programme Proposal

² Details in Programme Proposal

³ Abyrint is a Management Consulting firm related to financial governance.

situation in Somalia is unpredictable and strategic planning may be perceived to add limited value to the SAI.

Given the challenges faced in the IDI-OAGS cooperation in 2016, there is a substantial risk that the intended outcomes of the support to SAI Somalia will not be achieved. However, there may be a window of opportunity for greater progress of cooperation activities in 2017, given the completion of the elections in early 2017. Intention of continued support in 2017 to complete the strategic plan of OAGS was agreed by the head of IDI and the AG of OAGS in December 2016.

Overview of the support to SAO Afghanistan

The primary objective of the cooperation with SAOA was to support the SAI in conducting a SAI PMF assessment and iCATs review to be used for improvements in SAOA and inputs for their forthcoming strategic planning process. The support for SAOA was planned to be completed in 2015, but has been extended to 2016 due to delays in the execution of the activities.

In 2015, staff of SAOA were trained in the iCATs and SAI PMF tools. The iCAT reports were completed by SAOA in mid-2016. The SAI PMF report was delayed, but a quite complete draft was received by IDI in September 2016. This draft has been improved through IDI advises and Independent review. In December 2016 a strategic management seminar was conducted in Kabul, where strategic actions assumed to be feasible and effective in addressing the main challenges shown by the iCATs and SAI PMF assessments were identified. This actions are to be used for the revision of the SAOA strategic plan 1st half of 2017.

At the seminar in December 2016, guidance on finalization of the SAI PMF report was also given by IDI. By the end of February 2017, SAO has produced a final SAI PMF report including a management response to the findings of the report. This final report is currently being checked by the Independent reviewer (2nd review). This process is expected to be finalized in March 2017. IDI will encourage SAO to publish parts of the SAI PMF assessment on their webpage and share it with Norad.

IDI and SAOA do not plan to continue the bilateral cooperation as the SAOA currently receives a lot of support through the WB. IDI and the SAOA will however continue the cooperation through regional and global IDI programmes. Currently, the SAOA is a part of the IDI programme for Supreme Audit Institutions in Asia on a performance audit of disaster management. SAOA has also shown great interest in participating in IDI's programmes on fighting corruption, audit of SDGs and ISSAI certification. Potential participation of the SAOA in these programmes will be decided in 2017 and 2018.

Support to Ebola Affected Countries

The IDI and ASOSAI have cooperated to design, develop and deliver a cooperative audit Programme on Audit of Disaster Management during 2015 and 2016. The IDI proposed to support the SAIs of Liberia and Sierra Leone in applying this approach to conduct a performance

audit of the government response to the Ebola outbreak. The potential long term benefits of the programme would be to provide a credible and independent assessment of how the crises was managed and lessons learned and recommendation to support the countries in better managing potential future outbreaks; and equip the SAI with the capacity to provide oversight over the crises management systems in the countries

After a dialogue with the SAIs of Liberia and Sierra Leone in early 2016, IDI concluded that the project was less relevant and feasible than previously assumed. The SAI of Sierra Leone informed IDI they would not prioritize a new audit related to the Ebola epidemic in 2016, as they had audited several issues related to the Ebola epidemic in 2015. SAI Liberia informed IDI that the timing of the audit was challenging. In April 2016 it was formally communicated to Norad that the SAIs of Liberia and Sierra Leone are not in a position to participate in this programme during 2016-2017. As such, IDI concluded that this programme component should be cancelled.

2. Consolidated List of Programme Activities 2015-16

The tables below present the workshops and meetings held for both the cooperation with OAG Somalia and SAO Afghanistan. In addition, important activities of the programme have been the work carried out by the SAIs in their country and the online support and feedback provided by the IDI in the periods *in between the workshops*.

OAG Somalia

Name of meeting/workshop and dates	Objectives and Outputs from the meeting/activity	Venue	Number of participants	Number of Resource Persons and Countries
SAI PMF Training; 14-18 June 2015	<p>The objective was to train OAGS staff in SAI PMF so that they can conduct the SAI PMF self assessment.</p> <p>15 OAGS staff were familiarized with the framework and trained in indicator scoring. Qualitative assessment was introduced but training and exercises deferred owing to comprehension issues with the OAGS staff.</p>	Djibouti	15 including 2 female participants	Two from IDI ⁴ and one consultant from the Netherlands including one female resource person.
Visit of the AG, Somalia to the IDI: 13-14 July 2015	<p>The objective was to agree on the scope of the engagement and deliverables of the programme and obtain a statement of commitments from OAGS. The two day meeting was utilized to discuss the organization and functioning of OAGS and a statement of commitments document was signed detailing the scope of the engagement and the roles and responsibilities of the IDI and OAGS. A meeting was also held with the MoFA, Norway to discuss different issues relating to the functioning of OAGS.</p>	Oslo, Norway	2 including the Auditor General, Somalia	NA
iCATs workshop: 7-11 September 2015	<p>The objective was to train the staff of OAGS in the ISSAIs and in conducting the iCATs. The team from OAGS was introduced to the Level 2, 3 and 4 ISSAIs and trained in conducting the iCATs in Level 2 and those in CA, PA and FA. OAGS initiated work on conducting the iCATs after the workshop.</p>	Addis Ababa, Ethiopia	17 including 3 female participants and the AG, Somalia	Three from the IDI and one each from Malawi, Namibia and Uganda including 2 female resource persons

⁴ All IDI staff attending the workshops have served as resource persons

Name of meeting/workshop and dates	Objectives and Outputs from the meeting/activity	Venue	Number of participants	Number of Resource Persons and Countries
iCATs review workshop: 1-6 Feb 2016	<p>The objectives of the workshop was to review the draft iCAT tables, identify key implications for the strategic plan and develop a main study plan for a performance audit.</p> <p>The outputs of the workshop were:</p> <ul style="list-style-type: none"> - iCAT tables were completed for Level 2 and Level 4 Financial audit, Compliance audit and Performance audit. - A draft comprehensive iCAT report summarizing the findings of the iCAT tables was developed, including key implications for the strategic plan. <p>An exercise about selection of audit topic for performance audit was done, but a plan for PA was not developed. The conditions for succeeding in performance audit in OAGS were discussed with the team and the AG.</p>	Addis Abeba	7, including 1 female and the AG	6, incl four from IDI, one from Namibia and one from Uganda.
Meeting AG of OAGS, DPs supporting OAGS and SAI Kenya, 2-3 May 2016	<p>The main objectives and achievements of the meetings:</p> <ol style="list-style-type: none"> 1. Establish a platform for a coordinated and strengthened support to OAGS involving WB, DFID, RNE and IDI: <u>Not achieved</u>. The platform was discussed and improved with OAGS, but not discussed with the DPs. There were disagreements between the WB, OAG and Dfid that needed to be sorted out before a platform could be agreed to. 2. Clarify eventual outstanding difficulties for completion of the iCAT report: <u>Not achieved</u>. The issue was not discussed due to priority of other issues. 3. Establish a revised ToR for the needs assessment, taking into account the evaluation of OAGS conducted by Abyrint: <u>Achieved</u> 4. Establish a draft ToR for the strategic planning process of OAGS: <u>Partly achieved</u>. 5. Maintain a good relationship and open communication between IDI and OAGS: 	Nairobi	2, incl AG (only men)	3 from IDI

Name of meeting/workshop and dates	Objectives and Outputs from the meeting/activity	Venue	Number of participants	Number of Resource Persons and Countries
	<u>Achieved.</u> Concerns of IDI were raised and discussed with the AG.			

SAO Afghanistan

Name of meeting/workshop and dates	Objectives and Outputs from the meeting/activity	Venue	Number of participants	Number of Resource Persons and Countries
iCATs Workshop: 14-18 September 2015	The objective was to train the staff of SAO in the ISSAIs and in conducting the iCATs. The team from SAO was introduced to the Level 2, 3 and 4 ISSAIs and trained in conducting the iCATs in Level 2 and those in CA, PA and FA. SAO initiated work on conducting the iCATs after the workshop.	Jaipur, India	11	One each from the IDI and SAIs of Bangladesh, Maldives and India including one female resource person.
SAI PMF Training: 21-25 September 2015	The objective was to train SAO staff in SAI PMF so that they can conduct the SAI PMF self assessment. 11 SAO staff were familiarized with the framework and trained in conducting a SAI PMF self assessment.	Jaipur, India	11	Two from IDI, one from SAI, Nepal including one female resource person.
iCATs Review Workshop: 30 November to 4 December 2015	SAO conducted the iCATs in CA, PA and FA during September-November 2015 and brought the completed iCATs with supporting audit files for review by the resource persons. The iCATs were reviewed and feedback provided to the SAO team for updating and finalizing their reports. The reports would be finalized by mid 2016. No further meetings or workshops are planned. Remote support would be provided to SAO for finalizing their reports.	Jaipur, India	7	One each from the IDI and SAIs of Bangladesh, Maldives and India including one female resource person.
SAI PMF Review Workshop: 30	The SAO team conducted the SAI PMF indicator scoring and brought their findings for review along with the supporting audit files.	Jaipur, India	5	Two from IDI, one from SAI, Nepal

Name of meeting/workshop and dates	Objectives and Outputs from the meeting/activity	Venue	Number of participants	Number of Resource Persons and Countries
November to 7 December 2015	The scoring was reviewed by the resource persons and feedback provided to the team. Qualitative assessment portion of the SAI PMF assessment was also discussed. The report would be finalized by SAO in early 2016 and quality assured by mid 2016.			including one female resource person.
October to November 2016	Review of draft SAI PMF report. Feedback on e-mail and phone.	Oslo/Kabul		
Strategic management seminar. 13-15 Dec 2016	The main objective of the seminar was to reach a common understanding of the main areas of improvement shown by the assessments, and based on this, identify the most important and feasible strategic actions to address these findings. At the seminar a list of prioritized strategic actions to address the findings of the iCAT and SAI PMF report was produced. SAO are going to use these for to the strategic planning process 1 st half of 2017.	Kabul, Afghanistan	13 (only men)	Two from IDI

Combined Product Development Meeting for use for both OAGS and SAO

Name of meeting/workshop and dates	Objectives and Outputs from the meeting/activity	Venue	Number of participants	Number of Resource Persons and Countries
Product Adaptation Meeting for iCATs workshops for OAGS and SAO: 31 August to 4 September 2015	The objective of this meeting was to customize and adapt the existing Global Public Goods like the iCATs and ISSAI Implementation Handbooks in CA, PA and FA for a one week programme for the OAGS and SAO. The iCATs and Handbooks were developed as part of the IDI's ISSAI Implementation Initiative which included a component on ISSAI certification. These were successfully adapted to meet the requirements of one week workshops for OAGS and SAO and were used during the above mentioned workshops.	Addis Ababa, Ethiopia	Nil	Four from IDI and one each from the SAIs of Bangladesh, India, Malawi, Maldives, Namibia and Uganda including three female resource persons.

3. Progress on Programme Outputs and Outcomes

The table below presents the progress on the expected outputs and outcomes set in the Statement of Commitments signed between IDI and the respective SAIs. It should be noted that the agreement (and addendums) between Norad and IDI do not contain these results frameworks, but the Statement of Commitments have been shared with NORAD.

Programme outputs and outcomes	Progress ⁵	Comments
OAGS outputs		
a) OAGS staff trained in SAI PMF in 2015/16.		1 st part of training completed in 2015. 2 nd part not implemented in 2016.
b) SAI PMF carried out by OAGS staff and quality assured by June 2016.		Plans changed in agreement with OAGS in May 2016. OAGS will do only parts of the SAI PMF. Still no activities have taken place. IDI will seek to support OAGS to carry out parts of the SAI PMF in 2017.
c) OAGS staff trained in carrying out Level 2 ISSAIs and Financial audit, Performance Audit and Compliance Audit iCATs by December 2015.		
d) OAGS staff carry out iCATs, which are reviewed by a resource team of experts by February 2016		iCAT tables completed in Feb 2016, but final report not completed. IDI will seek to support OAGS to finalize the report in 2017.
e) OAGS strategic planning team trained in developing strategic plan by August 2016.		No training has taken place. Delegates and dates for a workshop to develop the strategic plan was not established. IDI will seek to support OAGS to develop a new strategic plan in 2017.
f) OAGS develops its new strategic plan based on the IDI model and develops an operational plan to implement the strategy by December 2016.		As above.

⁵ Uses the following colour scheme: green for successful completion; amber for activity being on track; red for activity being delayed and grey for denoting that it is premature for monitoring.

Programme outputs and outcomes	Progress⁵	Comments
OAGS outcomes		
a) OAGS implements the Strategic Plan developed through the cooperation with the IDI.		IDI continues to support for a strategic plan in 2017, but still a high risk of a strategic plan not being developed and thereby no outcome.
b) The Strategic Planning process using the IDI model is institutionalised in OAGS.		As above
c) OAGS performance is enhanced by implementing the Strategic Plan.		As above.
SAOA outputs		
a) SAOA staff trained in SAI PMF in 2015.		
b) SAI PMF carried out by SAOA staff with IDI support in 2015 and quality assured by March 2016.		Delayed, but complete report received in February 2017. 2 nd Independent review expected finalized in March 2017.
c) SAOA staff trained in carrying out Level 2 ISSAIs and Financial audit, Performance Audit and Compliance Audit iCATs by September 2015.		
d) SAOA staff carry out iCATs, which are reviewed by a resource team of experts by December 2015		Delayed, but completed in mid-2016.
e) SAOA staff trained in SAI PMF in 2015.		
SAO outcomes		
a) SAOA utilises the results of SAI PMF assessment and iCATs review to develop their ISSAI Implementation Strategy and align it with their strategic plan.		SAOA is revising their strategic plan during 1 st half of 2017 using the SAI PMF and iCATs results. SAOA and IDI jointly identified six main challenges and corresponding strategic actions to improve ISSAI compliance. IDI advised SAOA to not develop an ISSAI Implementation Strategy,

Programme outputs and outcomes	Progress ⁵	Comments
		but concentrate on the new strategic plan and an operational plan capturing ISSAI implementation actions. IDI will report on the progress of this outcome in the PAR for 2017.
b) SAOA utilises the results of the SAI PMF assessment and iCATs review as inputs for their next round of strategic planning.		This is expected to happen, but has to be verified when the strategic planning process is finalized by SAOA in 2017.

Comments to the progress and sustainability – OAG Somalia

The planned activities in cooperation with OAGS in the period April to December 2016 did not take place. The reasons for the delays could be related to several factors:

- *Upcoming elections:* the elections happening during 2nd half of 2016 and January 2017 have made it difficult for the AG to commit to IDI activities abroad.
- *Capacity of the SAI and complex tasks to be handled:* the SAI top management has numerous issues to handle in a complex environment, such as the submission of the annual audit report due by the end of June 2016. The English speaking staff participating in the IDI activities have team leading responsibilities for key audits and are also involved in study programs.
- *Management and internal issues in the SAI:* There may be conflicts or regional divisions internally in OAGS which makes selection of participants and an assessment of the performance of the office sensitive and difficult to execute.
- *External pressure against a strong audit office:* There may be a limited room of maneuver for the AG of Somalia to develop the audit office, partly related to the high corruption levels.
- *Relevance of the IDI activities:* A new strategic plan may not be a high priority for OAGS. The situation in Somalia is unpredictable and this type of planning may be seen of limited value. The needs assessment facilitated by IDI may also have been perceived of limited value for OAGS as a lighter form of needs assessment was carried out by Abyrint on behalf of DFID in October 2015, and a few years back the government of Somalia and the WB carried out a needs assessment in preparation for the current WB PFM programme.

Given the challenges faced in the IDI-OAGS cooperation in 2016, IDI regards it as a high risk that the intended outcomes of the support to SAI Somalia will not be achieved and that there will not be any sustainable results of the IDI support. However, there may be a window of opportunity

for greater progress of cooperation activities in 2017, given the completion of the elections in early 2017.

Comments to the progress and sustainability – SAO Afghanistan

SAOA were supposed to finalize the draft SAI PMF report and the iCAT reports in early 2016. The final iCAT reports were received in June 2016 following several rounds of feedback. The SAI PMF report has been more delayed. During 2016 several phone meetings have been conducted with SAOA to address the issue. Finally, a draft was received by IDI in late Sept 2016.

The report points to many important challenges of performance. The draft was improved with the assistance of IDI in October and sent for independent quality review in November. The findings and the way forward were discussed by SAOA management in a seminar in Kabul in December. The report was then improved and sent for 2nd independent review in late December. In February 2017 SAOA completed the report including a management response section. The report is undergoing the 2nd independent review in March 2017.

SAOA management has expressed clearly the usefulness of the iCATs and the SAI PMF assessments. In a letter to IDI dated 21st December 2016, the AG of SAOA writes “The assessments are an important building block for the SAO and have enabled us to fully grasp the key strategic areas of focus for our SAI. You can be assured that we will take all the necessary steps to improve the identified areas. Our SAI will also continue contacting you and getting your guidance as we embark on the next phase of developing and implementing our next five year Strategic Plan”.

Based on the commitment of SAO top management to finalization and discussion of both the iCATs and SAI PMF report, IDI believes these assessments will lead to important improvements in SAOA. IDI also believe the reports will have a sustainable impact on future discussions and understanding on what is good performance of the SAI. This because the assessments are linked to the widely accepted international standards of public sector auditing. The common understanding of what is good performance in all areas of the organization, can be regarded as a key step stone enabling a large organization as SAOA to improve its performance in the coming years. IDI will encourage SAO to publish parts of the SAI PMF assessment on their webpage and share it with Norad.

4. Programme Finances

The table below shows the budgets and actual expenditures in total or for each year. All funds are in NOK.

SAI	Total Budget	2015		2016		Total exp.	Comments
		Budget	Actual Exp.	Budget (rev. Oct)	Actual Exp.		
SAOA	1 246 122	1 246 122	765 740	35 100	72 436	838 176	2015: Substantial savings owing to the use of SAI India's training facilities which were cheaper than hotel rates. 2016: Extra spending due to Strategic Management seminar in Kabul Dec 2016.
OAGS	1 336 318	725 438	1 147 978	1 191 365	357 550	1 505 528	2015: Expenditure was more than the budget owing to the need to change the venues for the events. Budgets were made for organizing the events in Kenya, but the events had to be conducted in Djibouti and Ethiopia which had higher accommodation and travel costs. Also, the visit of the AG Somalia to Oslo had not been budgeted. 2016: Less spending than budgeted due to no implementation of planned activities June-December.
Ebola Affected Countries	451 626	451 626	0	0	0	0	This component was canceled.
Total	3 034 066	2 423 186	1 913 718	1 226 465	429 986	2 343 704	

There was less spending than budgeted in both 2015 and 2016 (see reasons in the comments in the table). Of the total funds NOK 3 034 066 allocated for the programme, NOK 2 343 704 has been used. NOK 690 362 (23 %) are unspent. When interests are added, this means NOK 792 170 are returned to Norad.

5. Follow-up of programme outputs and outcomes in the coming years

OAG Somalia

IDI has offered continued support to OAGS in 2017 to development and completion of the strategic plan. This will increase the likelihood of achievement of the outputs and outcomes set for the IDI cooperation 2015-16. The AG of OAGS and the DG of IDI met at INCOSAI in December 2016 and agreed to continue the cooperation in 2017. However, IDI has required OAGS to appoint a team for strategic planning and set dates for workshops as conditions for continued support to OAGS. By the end of February 2017, these conditions have not been met and an agreement prolonging IDI support to OAGS has not been signed.

If OAGS succeeds in establishing a new strategic plan through IDI support, IDI will consider support to OAGS in other areas. This will then be considered in close dialogue with the WB and DFID, which also has offered support to OAGS.

SAO Afghanistan

The SAOA will during the first half of 2017 revise their strategic plan. Through the IDI-SAOA seminar on strategic management in December 2016, strategic actions assumed to be feasible and effective in addressing main challenges arising from the SAI PMF assessment and iCATs review were identified.

IDI and SAOA do not plan to continue the bilateral cooperation as the SAOA currently receives a lot of support through the WB. This includes several long-term advisors and cooperation with peers such as the Supreme Audit Institution of India. Many of the findings of the assessments carried out in cooperation with IDI 2015-16 can be taken forward by the SAOA management and through the WB support.

IDI and the SAOA will however continue the cooperation through regional and global IDI programmes. Currently, the SAOA is a part of the IDI programme for Supreme Audit Institutions in Asia on a performance audit of disaster management. SAOA has also shown great interest in participating in IDI's programmes on fighting corruption, audit of SDGs and ISSAI certification. Potential participation of the SAOA in these programmes will be decided in 2017 and 2018.

Other bilateral support programmes

IDI has in 2016 drafted a new policy for bilateral support. The policy has been shared with the INTOSAI regional organizations and selected development partners for their feedback. The policy will be forwarded for approval of the IDI board in March 2017. Following the decision of the Board, IDI will consider new bilateral cooperations.

6. Lessons Learned

OAG Somalia

1. OAGS has a responsibility to coordinate external support to the office, but has to a little extent ensured information flow between different providers of support. There was an overlap of activities provided by IDI and DFID to OAGS in 2015. The timing of the IDI support activities to OAGS should have been coordinated with the WB and DFID. When IDI considered support to OAGS, the SAI and a DP was asked about the status of current support and involvement of other providers. Still, the involvement of other DPs were not properly established. The lesson learned is that there is a need to approach main DPs supporting SAIs directly regarding previous and existing support when establishing bilateral cooperations.
2. The capacity of OAGS to comprehend and execute the iCATS and the SAI PMF was over-estimated. Representatives of OAGS were active and highly constructive in workshops, but had limited experience and competence in ISSAI based audit methodology. They were also to a little extent familiar with the characteristics of Financial Audit, Compliance Audit and Performance Audit, as the OAGS has no tradition for carrying out audits in these three areas separately. In addition, the OAGS team has limited skills in English, especially writing. A lesson learned is that a more tailor-made and less ambitious use of needs assessment tools should have been considered.
3. The needs assessment could also have been combined with assistance in execution of a real audit. That could have increased the perceived value to SAI Somalia of the cooperation, as well as increased the quality of the needs assessments.
4. Communication with the SAI Somalia is a huge challenge. Response to e-mails does usually not occur. There is a need to establish robust routines for regular contact and feedback, or cooperate with other partners physically present in the country.
5. The programme events were smoothly conducted in Djibouti, Ethiopia and Kenya. With support from the host SAIs, logistics and visa issues for the participants were handled without any challenges.

IDI has conducted an internal case-study on the support provided to SAI Somalia from various DPs over the last years. The proposed lessons learned of the study will be discussed with the AG of Somalia in the next workshop to be held. The table below shows the known support provided for external audit in Somalia over the last years. Some general lessons learned are presented in the text box.

Name and brief description of support projects	Duration	Support provider (funding and implementation).	Success project level
PFM Capacity Building for Somalia (only GoSL). Support to legal framework and manuals NAO Somaliland	2008-11	WB-LICUS	No info provided at the WB webpage or obtained from the WB in Nairobi.
Somali Institutional Development	2009-15	UNDP	The Auditor General's Office procedures development in Puntland is regarded as a success story of SIDP. ⁶
Capacity development partnership. Support to needs assessment and strategic planning.	2015-16	INTOSAI Development Initiative	Major challenges in implementation, the success is too early to assess.
Second Public Financial Management Capacity Strengthening Project. Support to legal framework, stakeholder relations, audit manuals, on-the-job training, ict-tools.	2015-18	WB	Major challenges in implementation, but success is too early to assess.
Needs assessment and strategic action plan. Performance audit strategy. New legal framework Jubbaland.	2015-?	DFID	Partly completed.

Some general lessons learned of support to the external audit function in Somalia (incl. Puntland and Somaliland)

Source: IDI case-study June 2016

Support must be better coordinated and there is a need to design projects holistically and over longer term. Support so far has encountered several challenges:

- **Support to legal framework:** Audit bills have been developed separately and by the support of different donors at the federal level, for Puntland and for Somaliland. The draft bills have not been enacted and deemed partly irrelevant by the audit offices. To what extent the bills are harmonized is uncertain.

⁶ Final external evaluation of Somali institutional development project, UNDP, Somalia (2014) Authors: P. Madhava Rao, Michael Palmbach and Kerry Abbot.

- **Support to audit manuals:** Financial support have been provided for developing separate audit manuals for each audit office. This may be problematic as all audit offices in Somalia would benefit from having the same audit guidelines. Also, template audit manuals exist through AFROSAI-E which makes regional peer cooperation easier. Paying a consultant to develop an audit manual does not make sense when audit manuals are public goods, such as the case was for UNDPs support to OAG Puntland. Finally, the extent of support to on-the-job has possibly not been enough. Introducing audit manuals has very limited value without extensive on-the-job training for auditors as well as managers.

- **Support to needs assessment and strategic planning:** Both the WB, DFID and IDI have in 2015 made separate agreements with the Federal audit office to support needs assessment and strategic planning. DFID and IDI carried out support activities at the same time without any coordination. Dfid used a consultancy (Abyrint) which assessed needs based on consultations with staff and managers. An Agenda for action with a list of short-term and long term priorities was developed, but so far the audit office seems not to be actively using it. At the same time, IDI trained and supported an iCAT and SAI PMF self-assessment of the office through several workshops abroad. The WB had plans of also supporting a SAI PMF, but the activity has not been implemented due to various reasons.

The SAI is to a very limited degree able to coordinate support. There is a need for DPs to take responsibility for coordination, such as by having one defined lead DP, a joint platform with allocation of responsibilities, a common annual meeting, and a common annual plan for activities. Such coordination is a prerequisite not only to obtain efficient use of resources, but also to accomplish the principles of transparency and accountability of the audit office. It should also contribute to reduce the transactional costs and administrative burden for the audit office following the maintenance of multiple partner-relations.

The unstable security situation and the limited number of English speaking employees at the audit offices makes capacity development efforts challenging. For example does the security situation make it risky for external advisors to participate in audits. Typically, workshops have to be conducted outside the country and a limited number of staff can participate. This makes it challenging to ensure wider ownership of support in the office and understand the internal dynamics of the office (and thereby be able to work with drivers of change). Physical presence is possible in Somalia, particularly in Puntland and Somaliland, but then under tight security arrangements.

The political support for reforms and improved performance of the audit office is likely to be conditional for many years. Widespread corruption and deep conflicts of the Somali-society probably make leading elites quite hesitant in giving away control of information flow by allowing an independent and strong audit office. In order to succeed in support to a more

independent audit office, DPs as IDI must deal with these political concerns and must be a part of wider effort to ensure better PFM systems and governance in Somalia.

Somalia is undergoing a federal reform. The mandate and autonomy of the regional offices versus the federal office is not clear. The legal framework is not established. Any support to legal framework and audit methodology should seek synergies and ensure harmonization between federal and regional systems.

SAO Afghanistan

The following lessons have been learnt of the IDI support to SAO Afghanistan:

1. The SAI has limited capacity as shown by the performance assessments, but has impressed in actually carrying out both the iCATs and the SAI PMF. However, doing both the iCATS and the SAI PMF was probably not necessary due to lack of knowledge and experience in SAOA in the different audit disciplines. As for OAGS, the representatives of SAOA were to a little extent familiar with the characteristics of Financial Audit, Compliance Audit and Performance Audit. Also, the SAOA has only recently started carrying out audits in these three areas separately. Doing an iCAT is an assessment and is not meant as a training in the audit methodology. For future engagements it should be critically assessed whether the SAI has proper knowledge of the audit discipline where it is going to do the iCAT. IDI should also have a thorough communication with SAIs who want to do both iCAT and SAI PMF, and ensure that there is a need for both before decisions are made. Both tools are resources demanding, and the implication is that other more crucial activities are not prioritized.
2. The trainings could have been more effective if more time was prioritized for doing the assessments. Participants of workshops need a presentation of the tool, but will learn and understand the tool most effectively by applying the tool.
3. The programme and training could have been more tailor-made for SAI Afghanistan, for instance by preparation of the resource persons and IDI staff on the relevant PFM system and situation.
4. Both the iCATS reports and the SAI PMF reports have been delayed. The deadlines may not have been realistic and the IDI-SAOA dialogue on this during the planning could have been better. During the programme period, the lack of progress should, to a greater extent, have been addressed to SAOA top management. These communication routine should have been clear in the agreement. Finally, one more workshop would probably have been preferable for the final writing of the SAI PMF report.

To learn from the support provided to SAOA by especially the WB over the last years, IDI has conducted an internal case study on the support provided. The lessons learned are presented in the text box.

Some general lessons learned of support to the external audit function in Afghanistan

Source: IDI case-study June 2016

The SAI of Afghanistan operates in a highly challenging environment. Some lessons learned of the support to the SAI includes:

1. Targets for capacity building support must be set realistically rather than ambitious or strictly in line with international standards for a SAI as the capacity of the SAI needs to be the starting point.
2. The monitoring and evaluation framework is important and should ideally be prepared by the SAI. This will contribute to realism in collection and compilation of data necessary for monitoring.
3. Independence of a SAI is key. In a fragile state there is an opportunity for setting a new structure in a country and achieve major structural changes, such as financial autonomy and increased protection of the AG.
4. Trainings must be contextualized. Every country and state has their own PFM-system and challenges. Teaching about what international standards requirements does not make sense unless it is contextualized.
5. Communication strategy is extremely important in fragile states, both for internal and external communication. It is about change management internally. Externally it is about making sure the executive as well as the Parliament understand what the SAI is doing and a good cooperation mood is established.
6. A follow-up mechanism is key for any SAI to have an effect. In Afghanistan, the Parliament has not been dealing with audit reports, but the SAI can still establish a follow-up mechanism by keeping track of recommendations and guiding the MoF on follow-up.
7. There is a widespread confusion of financial vs compliance audit. There is a need to ensure the financial audit is done substantially.
8. Training and capacity building should be linked to the career development. This will both ensure incentives for active participation in capacity building activities as well as a structured approach to address the capacity gaps of the office.
9. Consultants can do a great job, but a twinning arrangement with another SAI could possibly have been a good supplementary arrangement. The dynamic of peer-to-peer cooperation is effective, as peers typically are facing some of the same challenges.

Some challenges that need to be addressed in future support to SAOA:

- Capacity gap and dependency on consultants
- Collection and use of monitoring information in the SAI
- Computerization of the audit process
- Strategic management of the SAI, such as ensuring core functions are prioritized
- Stakeholder relations, including sensitization of the Parliament

Language is a challenge for most support activities. The official language is Dari, most documents are in Dari and few staff, including top managers, speak English. Using translators is necessary, but still communication is a challenge. The ambition level of activities has to take this into account.