

Evaluation of the INTOSAI Development Initiative (IDI)

FINAL REPORT

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Abbreviations

ADG	Assistant Director General
CBC	INTOSAI Capacity Building Committee
CIDA	Canadian International Development Agency
CSO	Civil Society Organization
DAC	Development Assistance Committee
DDG	Deputy Director General
EU	European Union
EUR	Euro
IDI	INTOSAI Development Initiative
INCOSAI	Congress of the INTOSAI
INTOSAI	International Organization of Supreme Audit Institutions
ISSAI	International Standards of Supreme Audit Institutions
MOU	Memorandum of Understanding
MP	Member of Parliament
NGO	Non-Governmental Organization
NOK	Norwegian Krona
NORAD	Norwegian Agency for Development Cooperation
MFA	Ministry of Foreign Affairs
PFM	Public Financial Management
PDA	Public Debt Audit
PDMA	Public Debt Management Audit Programme
SAI	Supreme Audit Institution
SDA	Swedish Development Advisers
ToR	Terms of Reference
QA	Quality Assurance
QAFA	Quality Assurance in Financial Audits program
QAPA	Quality Assurance in Performance Audits program
UNITAR	United Nations Institute for Training and Research

INTOSAI Regional Groups

AFROSAI-E	African Organisation of Supreme Audit Institutions in English-speaking Africa
CREFIAF	African Organisation of Supreme Audit Institutions in French-speaking Africa
ASOSAI	Asian Organization of Supreme Audit Institutions
ARABOSAI	Arab Organization of Supreme Audit Institutions
OLACEFS	Organization of Latin American and Caribbean Supreme Audit Institutions
CAROSAI	Caribbean Organization of Supreme Audit Institutions
PASAI	Pacific Association of Supreme Audit Institutions

1. Introduction

The INTOSAI Development Initiative (IDI) is the INTOSAI body that works to enhance the capacity of SAIs in developing countries. In preparation for the drafting of its next Strategic Plan (for the period 2014-2018), IDI and its Board decided to evaluate the achievements against the current *Strategic Plan 2007-2012*¹. In 2013 the IDI contracted Swedish Development Advisers AB (SDA) to carry out this evaluation. The time frame for the assignment is January to end of June 2013.

The evaluation follows the Terms of Reference (ToR) IDI has issued (see Appendix A) and the methodology presented in SDA's *Inception Report* (Appendix B).

1.1 Methodology

The ToR establish that the evaluation Team should assess the implementation of the *Strategic Plan 2007-2012*, as well as IDI's readiness to fulfill stakeholder expectations in the next strategic plan. The following table describes the methodology used to evaluate each aspect.

Aspects to evaluate from the ToR	Methodology
1. Evaluation of the implementation of the IDI's Strategic Plan 2007-2013	
a) an examination of broad achievements of the IDI,	<p>The methodology used has been to examine IDI's own reporting against the</p> <ul style="list-style-type: none"> • Strategic goals • Performance Indicators and • <i>Results Framework</i> for IDI Capacity Development Programs. <p>In addition, stakeholders have been interviewed and asked how IDI is perceived to have performed during the period (a list of persons interviewed can be found in Appendix C). The Team has also reviewed independent information with regard to the overall performance of SAIs by using AFROSAI-E Institutional Capacity Building Framework.</p>
b) detailed evaluation of selected programs of the IDI,	<p>Two capacity building programs to analyze more closely were selected during the inception phase of the project:</p> <ul style="list-style-type: none"> • the Public Debt Management Audit programme 2008-12, and • the Quality Assurance in Performance Audit programme 2010-12. <p>These were assessed by interviewing participants in the SAIs of the following countries:</p> <ul style="list-style-type: none"> • Albania • Bangladesh • Pakistan, • Uganda, • Ukraine, and • Zambia.
c) how the IDI has planned for and managed external contextual factors,	<p>External contextual factors were interpreted jointly by the Team and IDI's staff to mean an assessment of 1) the addition of INTOSAI-Donor Secretariat responsibilities; (2) the financial sustainability of IDI and its reliance on donor funds; (3) the global fiscal crisis and (4) a new emphasis on the audit of public debt in light of the Paris Agenda and donor's emphasis on anti-corruption.</p>
d) synergies, benefits and challenges observed from the IDI taking on the hosting of the INTOSAI-	<p>An evaluation of the INTOSAI-Donor Secretariat is planned for 2016. The Team has therefore interviewed members of the INTOSAI-Donor Secretariat Steering Committee, the INTOSAI-Donor Secretariat staff</p>

¹ Extended by one year to 2013.

Aspects to evaluate from the ToR	Methodology
Donor Secretariat.	and donors to investigate their views of the further integration of the INTOSAI-Donor Secretariat into IDI.
2. Evaluation of the IDI's readiness to fulfill stakeholder expectations in the next strategic plan period	
e) Examining governance and management structures	The Team has reviewed the documentation relevant to the governance structure, reporting, Capacity Development Model and the dimensioning of IDI as well as interviews with IDI, INTOSAI-Donor Secretariat, the IDI Board, the INTOSAI-Donor Secretariat Steering Committee, donors and SAIs (the Question guide used can be found in Appendix D).
f) professional capacity	
g) systems and infrastructure, and	
h) expectations of the various stakeholders of the IDI	The Team has presented the views of the IDI's Board, Donors, INTOSAI and SAIs.

1.2 This Report

This report begins with an overview of IDI's activities and programs during the period 2007 to 2012. The following chapter presents the Team's analysis of IDI's readiness to fulfill stakeholder expectations. This section provides the backdrop and information needed to be able to draw conclusions as to whether IDI has achieved the goals established in the *Strategic Plan*. Chapter four presents the finding as to IDI's performance against its goals, the goals of the two programs selected and how IDI has managed contextual factors. Chapter five summarizes the findings in the report and Chapter 6 contains recommendations and suggestions for future improvement.

2. Activities of the IDI between 2007-2012

The IDI has, since it was first set up in 1986, changed and evolved as an organization. Its original mandate, as established in 1986, was to support the enhancement of audit capacities of INTOSAI members. In the initial years, this was accomplished by developing and implementing stand-alone training programs for audit staff of Supreme Audit Institutions (SAI). The scope and depth of IDI's work progressively expanded into the establishment of regional training infrastructure and creating IDI-certified training specialists that could take responsibility for programs within their regions. It was increasingly felt that classroom training, by itself, was not enough to build the capacity of SAIs. In the *Strategic Plan for 2007-2012*, IDI made a paradigm shift in its intervention strategy: capacity building was recognized to have an organizational strengthening² element as well as a professional strengthening element. Programs were designed to address both aspects of capacity development.

With the inclusion of the INTOSAI-Donor Secretariat in the IDI in 2010, IDI's scope of work expanded to include work with donors and other stakeholders to provide scaled up and more effective support to SAIs.

IDI has divided its activities into three main groups; Capacity Building Programs, activities carried out by the INTOSAI-Donor Secretariat and IDI Organizational Development Activities.

2.1 IDI's Capacity Building Programs

IDI's main activities are its Capacity Building Programs. These involve designing theoretical and practical learning programs, implementing these and monitoring capacity development. These programs can be regional (covering specific geographical areas) or global. The programs vary in length and complexity and involve a participatory planning process, several training events or e-learning programs and a practical stage when the participants are allowed to test the tools, carry out pilot audits or prepare their own strategic plans using the new methodology and tools.

The programs can span over several years and vary in focus. Some programs focus on teaching new techniques (in theory and practice) and providing handbooks and/or guidance materials to a broader audience of program participants e.g. the Public Debt Audit Program. Other programs are more in-depth and aimed at a limited number of SAIs where active coaching, tools and support is provided to help the SAIs for example establish Strategic Plans and/or Management Development Programs. Each individual activity within a program (planning meeting, seminar, training event, review meeting) is called a project. As an example of the numerous activities a program includes see Appendix E.

The IDI has also worked on creating sustainable change within the SAIs. This has been done by creating programs that:

- involve entire audit teams and not only individual auditors from the SAIs,
- are approved and agreed upon with the top management of the SAIs, and
- include activities to improve the participating institutions' structures and methods of working.

IDI also operates in four languages. The documentation is often first developed in one language and

² IDI has defined *organizational strengthening* as efforts to support SAIs in their internal development as organizations. IDI has defined *institutional strengthening* as efforts to change the legal framework within which the SAIs in different countries are working.

then translated and adapted to each region before the program is implemented.

During the period 2007 to 2012 IDI carried out 184 projects as part of the capacity building programs. These projects involved 4,800 participants. Over the past three years the largest number of projects implemented was in 2011 while the 2012 projects gathered the largest number of participants. Around 1,700 participants attended trainings, workshops, meetings and seminars in 2012. The statistics prepared by IDI show that AFROSAI-E and CREFI AF are the regions where the largest number of projects have been implemented during the past three years, followed by ASOSAI and ARABOSAI. There have been less activities in the CAROSAI and PASAI (the Caribbean and Pacific regions)³. The following table summarizes the statistics on activities and participants.

	2007-2009		2010		2011		2012		Total	
	Activities	Part								
GLOBAL	9	717	5	131	15	147	10	1079	39	2074
AFROSAI-E	15	171	2	74	7	178	12	319	36	742
CREFI AF	6	113	6	140	7	78	7	114	26	445
ASOSAI	16	314	3	57	4	52	3	80	26	503
ARABOSAI	13	206	3	60	2	24	3	98	21	388
OLACEFS	10	196	3	112	2	10	4	43	19	361
CAROSAI	6	108	0	26	3	19	0	0	9	153
PASAI	2	38	2	32	2	35	2	20	8	125
TOTAL	77	1863	24	632	42	543	41	1753	184	4791

The gender balance of participants has improved during the period, from 31.6 percent female of the total number of participants between 2007 and 2009 to 44 percent of all participants over the entire period. This is a significant increase and IDI is on its way to achieving an equal gender balance.

During the period IDI has implemented five global programs and 12 regional programs in several regions.

Regional Groups	Regional and global programs in each region 2007-2012
AFROSAI-E	8
CREFI AF	5
ASOSAI	5
ARABOSAI	6
OLACEFS	3
CAROSAI	5
PASAI	1
Number of times a program has been run in total	37
Global Programs between 2007-2012	10

Source: IDI file "Program Activities 2007 2012.xls"

The IDI programs have been run a total of 37 times. Three programs have been run more than 4 times in different regions while the majority has been run once. Regional programs have been run mostly in

³ There are also fewer countries in the CAROSAI and PASAI regional groups.

the AFROSAI-E, CREFIAF and the ARABOSAI regions.

2.2 Activities carried out by the INTOSAI-Donor Secretariat

The INTOSAI-Donor Secretariat is hosted by IDI. It acts as a secretariat for the INTOSAI Donor Cooperation since 2010 and has during the period carried out a number of activities with the aim of coordinating donor's funds and the needs for capacity building of SAIs in developing countries. These include: developing and administering the SAI Capacity Development Database, putting out and administering a Global Call for Proposals, designing and piloting the SAI *Performance Measurement Framework*, support to strengthen the SAI supply side and facilitating meetings of the INTOSAI-Donor Cooperation.

2.3 IDI Organizational Development Activities

IDI has also worked to strengthen its internal systems during the period. Achievements include the following.

- Establishing regional secondees to work in the regions (IDI currently has five Institutional Strengthening Managers),
- Establishing performance indicators for IDI and a Results Framework for the Capacity Building Programs,
- Implementing a gender policy for IDI,
- Strengthening IDI's environmental profile,
- Installing a new information system for its program management work,
- Developing a new reporting format for annual *Progress Reports*,
- Installing a new accounting system,
- Drafting of a new Strategic Plan for the period 2014-2018.

3. IDI’s Readiness to Fulfill Stakeholder Expectations

The following section analyses IDI’s governance structure, leadership structure, systems and infrastructure and professional capacity.

3.1 IDI’s Mandate and Role

Observations

IDI was created by a resolution at the INCOSAI meeting in Sydney, Australia in 1986. IDI’s mandate was established as follows: “to foster the advancement of public accounting and auditing especially in developing nations, through information exchange and training for audit practitioners and trainers of SAIs”. IDI’s purpose as defined in 1986, can be expressed as follows:

Resolution to establish IDI	
Expected impact	Improve public auditing and accounting in developing nations
Outcome	Help regional and sub-regional groups and individual SAIs to obtain funding to adapt IDI programs and develop their own training functions and programs.
Activities	<ol style="list-style-type: none"> 1. Analysis of training need together with the target group, 2. Information exchange, 3. Training of audit practitioners, 4. Training of trainers of SAIs, 5. Transfer of methodologies, 6. Providing tools to recipients to help them develop their own methodology and training programs, and 7. Evaluate periodically its operations
Inputs	IDI was to secure its funding from national aid agencies and international development agencies
Target Groups	<ul style="list-style-type: none"> • Individual SAIs especially in developing nations • INTOSAI Regional Groups

The above shows that IDI, at that time, was to be primarily a training institution working to train and transfer knowledge and training methodologies to the target groups.

In 1998, a proposal to move IDI from Canada to Norway was presented to the members of INTOSAI. As a result, in January 2001, IDI moved to Norway and the Norwegian government promised to provide core funding for an un-determined period. At the time of the move, IDI had held more than 70 training programs with participants from some 150 SAIs and developed into a training institution.

The move to Norway also led to a registration of IDI as a Norwegian Foundation. In May 1999 the *Statutes for the foundation: INTOSAI Development Initiative (IDI)* were adopted by the Norwegian Board of Auditors General. The *Statutes* establish a general aim for IDI which is to:

- raise levels of competence of national SAIs in developing countries,
- enable SAIs in developing countries to perform good audits, and
- take on additional tasks to support capacity building in INTOSAI.

Analysis

The aims listed above are commensurate with the initial goals and activities established for IDI. In 2010, INTOSAI established a *Strategic Plan 2011-2016* which provided further guidance to IDI on which of the four INTOSAI goals it should help achieve. INTOSAI’s Capacity Building Committee (CBC) was charged with the Goal 2: “Institutional Capacity Building”. Under this Goal 2, the CBC,

together with IDI and INTOSAI members and regional groups, was to:

- disseminate best practices through training, technical assistance and other activities,
- collect and disseminate information on capacity building projects,
- develop a bank of training materials,
- develop strategies for implementing the new ISSAIs, and
- identify opportunities for e-learning.

The IDI is also mentioned in the *INTOSAI Strategic Plan 2011-2016* under Goal 1 and the INTOSAI-Donor Secretariat is mentioned under goal 4 of the same plan. The IDI is also described, together with other INTOSAI bodies, at the end of the *INTOSAI Strategic Plan 2011-2016*.

The *INTOSAI Strategic Plan 2011-2016* shows that IDI's aim is to a) improve the competence of practitioners b) improve the capacity and competence of SAIs and c) create the platform and opportunity for information sharing among SAIs. The target group has remained the same i.e. individual auditors from the SAIs and the regional groups, and the activities to achieve the goals are also similar; training, information gathering and sharing. However, INTOSAI's *Strategic Plan 2011-2016* does not clearly establish IDI's tasks or responsibilities but instead states that IDI, in cooperation with other INTOSAI bodies, shall carry out a number of activities. IDI's current mandate cannot therefore be said to be clearly defined by INTOSAI.

IDI is fulfilling its original mandate as established in the INCOSAI resolution from 1986. Since then the objectives have shifted from training of individuals to attempting to ensure that SAIs can and do implement the new auditing techniques, knowledge and tools. The initial resolution and INTOSAI's Goal 2 both limit the role of IDI to that of disseminating tools and best practice, transfer of learning and being a knowledge sharing center. In its IDI's *Strategic Plan 2007-2012*, that was approved by the IDI Board, the IDI expanded its role to include capacity building activities aimed at creating sustainable change in practices among the target SAIs.

The interviews with IDI's stakeholders show that there are differing views and knowledge of IDI's mandate or what IDI's future role should be (see Chapter 3.8 below). IDI's mandate, future role, expected results and responsibility as part one of INTOSAI's bodies needs to be clearly articulated in both IDI's and INTOSAI's new Strategic Plans.

Conclusion

IDI has a clear mandate that was established by the INCOSAI congress in 1986. It established the IDI's role as that of a knowledge center that collects, translates and transfers guidance and tools to the target group. Since then, IDI's mandate has expanded to include creating sustainable change in practices of the target SAIs. However, this expanded mandate and the responsibilities it involves needs to be clearly articulated in the *INTOSAI Strategic Plan* and in IDI's *Draft Strategic Plan 2014-2018* and made known to all stakeholders.

Recommendations

- IDI's mandate, measureable expected results and responsibilities should be clearly stated in the new *IDI Strategic Plan* (for the period beyond 2014) and in the *INTOSAI Strategic Plan*.

3.2 IDI's Governance Structure

Observations

IDI is a Norwegian Foundation and its *Statutes*⁴ were approved in May 1999. The *Statutes* have been updated three times since, to allow changes to its governing bodies and to allow for IDI to serve as the INTOSAI-Donor Secretariat. IDI's governing bodies are:

Governing Body	Composition, responsibilities and authorities	Meetings and voting mechanisms
The IDI Board	<ul style="list-style-type: none"> Has a maximum of 10 members of which at least ½ shall be citizens of EEA⁵ member countries. Makes changes to the Foundation. Appoints Board members. Is responsible to the Norwegian parliament that the IDI is managed in accordance with the resolutions and conditions established at its foundation. Is responsible to donors for the use and management of the funds Is responsible to INTOSAI that information and reporting is submitted. 	<ul style="list-style-type: none"> No quorum rules established. Minimum 1 meeting per year.
Chairperson of the Board	<ul style="list-style-type: none"> Is the Chairperson of the Norwegian Board of Auditors General. Elects three Board members who are employees of the Norwegian Office of the Auditor General. Is the Director General's immediate superior. 	
Advisory Committee	<ul style="list-style-type: none"> Is composed of INTOSAI members representing INTOSAI's regional groups and SAIs which have contributed substantially to IDI programs and activities. Can be consulted on activity plans and reports and other issues the IDI Board may wish to raise. 	<ul style="list-style-type: none"> Meets every three years in connection with the INCOSAI
Working Committee of the Board	<ul style="list-style-type: none"> Is elected by the Board and consists of members of the Board. May be consulted on Activity Plans and Reports. 	<ul style="list-style-type: none"> Meetings are open to all Board members.

The Advisory Committee meets every three years in connection with the INCOSAI conference. The members of the Advisory Committee are: INTOSAI members, donor representatives and SAIs that are part of the regional groups and of IDI's Board. The last Advisory Committee meeting had 32 members. The Advisory Committee does not have any decision-making mandate and can only offer advice to the IDI Board if and when asked to do so.

The Working Committee of the Board comprises the four Norwegian members of the Board and meets five to 10 times per year. There is no formal mandate or ToR for this committee. The Working Committee oversee the implementation of the *Operational Plan*, monitor expenditure against the budget and grant approval for major programs.

⁴ Statutes for the foundation INTOSAI Development Initiative (IDI).

⁵ European Economic Area

Analysis

Mandate and Role of IDI Governing Bodies

The IDI's *Statutes* are limited in the information they provide and formal framework to fall back on. The *Statutes* comply with the *Norwegian Foundation Act*, but there are issues that could be improved in order to comply with best practice among Civil Society Organizations (CSO):

- The full Board meets only once per year. The ability of the Board to steer IDI, change direction (if needed) and monitor performance is limited with so few meetings per year. The current governance structure is not transparent nor does it allow all Board members full access to information needed to steer the organization. IDI should consider increasing the number of Board meetings per year and the engagement of the full Board.
- IDI's Board has established a Working Committee that meets often (almost every 6 weeks in 2012). According to the *IDI Board – Rules of Procedure* the Working Committee is mandated to take decisions within the framework drawn up by the IDI Board. However, such a framework does not exist as there is no document establishing the mandate or ToR for the Working Committee. The procedure of having a Working Committee is an un-transparent manner of governing. The full Board can and should, in accordance with good international corporate governance practice, be involved more frequently in strategic decisions and the practice of having a standing Working Committee should be re-considered. More frequent Board meetings will not necessarily mean increased costs as these can be held remotely. However, it will also mean increased time and effort by the Board members to engage in the IDI.
- The minutes from the meetings of the Working Committee reflect the topics discussed which include financial reporting, information on on-going programs, human resource issues as well as strategic decision making and preparation for the full Board meetings. However, the minutes are vague on some strategic issues e.g. the role of IDI in relation to AFROSAI-E in connection with the 3i program and succession planning. Nor are some important strategic issues brought to the Board's attention at the Board meetings as discussed with Board members in interviews. This is worrisome as the Board is the supreme decision-making body and needs to be informed about all strategic issues. For transparency, it is important that the minutes from any Board meeting or Board committee meeting reflect the discussions and decision-making process as well as record the decisions taken.
- Reporting to the Board is voluminous and activity oriented and done on a yearly basis in preparation for the Board meeting. The important minutes from the Working Committee are also provided with this reporting and not as and when the meetings are held. IDI needs to report to the full Board more often and in a more concise and succinct manner.
- The current IDI Board is composed of nine persons; seven citizens of the European Economic Area member countries, the Auditor General of Canada and the Comptroller and Auditor General of Zimbabwe. The *Statutes* were changed in 2011 to allow for at least one Board member for a developing country. However, with only one SAI from the target audience represented on the Board IDI's legitimacy is limited. By changing the composition of the Board to include at least ½ of the members from beneficiary countries, IDI would increase its legitimacy. This is an issue that has been raised in interviews carried out by the Team with SAIs in developed and developing countries alike.
- The *Statutes* should, in accordance with best practice for CSOs, establish quorum rules and if the Chairperson has a deciding vote. Quorum rules for Norwegian NGOs are established in the respective Norwegian Law but should also, for transparency and non-Norwegian board members be repeated and appended to the *Statutes*.

The Board meetings are attended not only by the Board members, but also by members of INTOSAI Committees, more importantly the INTOSAI General Secretariat and INTOSAI CBC. Donor representatives are also invited to attend parts of the Board meetings. This is good practice and ensures that the bodies to which IDI reports, are informed about the strategic decision-making process for IDI.

The Board is also provided information throughout the year; the board members received summaries of the INTOSAI-Donor Steering Committee Leadership meetings, they have been involved in the drafting of the new *Strategic Plan 2014-2018* and been consulted on the budget and organizational review of IDI.

Decision-making Procedures

The Board is the supreme decision-making body of IDI. It decides on how the funds awarded to IDI should be used and is responsible to the donors for the management of the funds. The Board approves the budget for the next year, the *Financial Statements* and the annual *Progress Report*. The Board will also approve the new *Strategic Plan for 2014-2018* once presented.

The day-to-day management of IDI is the responsibility of IDI's Director General. He has "extensive authority" as established in the *Statutes*, and a job description that establishes his authority to implement the Board's decisions with the approved budget.

The two Deputy Director Generals (DDG) - one Deputy Director General / Head of Programmes and one Deputy Director General / Head of INTOSAI Donor Secretariat and Stakeholder Relations, together with two Assistant Director Generals, form the Management Team of IDI.

The DDGs manage their respective departments and the staff within each department. The job descriptions for the DDGs outline their responsibilities and tasks. The two DDGs have distinct and different profiles and the areas of responsibility are clearly separated.

- The DDG/Head of Programmes is responsible for the planning, management and quality control of IDI's programs. She/he is authorized to take decisions regarding the staff in her/his department.
- The DDG/ Head of INTOSAI Donor Secretariat and Stakeholder Relations manages the INTOSAI Donor Secretariat and is, according to his/her job description, responsible for securing funding for the IDI.

The IDI's job descriptions for its top management do not include authorization rules i.e. type or threshold amounts for which the position is authorized to approve. This should be included in all job descriptions for positions with financial responsibility.

Conclusion

The IDI's governance structure formally complies with the *Norwegian Foundation Act* and the IDI's *Statutes*. However, it lacks in transparency as the full Board meets only once per year and important decisions are taken by a standing Working Committee without a formal decision-making authority.

Recommendations

- IDI should consider increasing the number of Board meetings per year and the engagement of the full Board.
- IDI should reconsider having a standing Working Committee between Board meetings.

- IDI needs to prepare more concise and succinct reports to the full Board and report against established measurable goals/results.
- IDI should ensure that minutes from any Board meeting or Board committee meeting reflect the discussions and decision-making process as well as record the decisions taken.
- IDI should increase the number of Board members from the SAIs in the target countries to ½ of all Board members.
- IDI should consider adding the quorum rules for Norwegian NGOs to the Statutes (or as an appendix to these).
- IDI should establish levels of authority for job positions.

3.3 IDI's Operational Planning

Observations

IDI's operational planning is done on an annual basis and presented in the *Operational Plan*. This document describes each of the capacity building programs, the activities in each and the expected outcomes. For each program, risk mitigation activities are identified. The *Operational Plan* for 2012 also includes an overall budget for the travel and direct costs for implementing the programs (this amount does not include the salaries of IDI staff, financing of the IDI secretariat or the INTOSAI-Donor Secretariat). This plan also includes a brief description of IDI's Organizational Development Activities and the activities carried out by the INTOSAI-Donor Secretariat.

Three stakeholder groups influence IDI's choice of programs to be carried out annually: SAIs, donors and INTOSAI. The planning and implementation of programs can cover several years (especially the global programs). Program planning is done in two main steps: with the Subject Matter Experts and the implementers of the training (on e-learning IDI has cooperated with UNITAR) to establish the outline of the program and objectives. Once a *Program Proposal* exists, IDI plans the actual implementation together with the SAIs that have indicated willingness to participate.

Understanding SAI Needs

IDI has a number of tools it uses to understand what the SAIs' need and what type of capabilities are in demand:

- The survey carried out as part of the process to develop the *Strategic Plan 2007-2012*,
- Subject-related needs assessments e.g. Results of the needs assessment survey on IDI Trans-regional Capacity Building Programme on Public Debt Audit,
- Survey of capacity building needs in regions e.g. *Capacity building cooperation survey 2009 results*,
- Specific needs assessments of selected SAIs e.g. *Capacity Building Needs Assessment* from 2009,
- *INTOSAI-Donor Cooperation Stocktaking Report 2010*,
- Attendance at annual planning meetings of the regional groups, and
- Attendance at the congresses of the regional groups if the regional group does not hold an annual meeting on capacity building.

Donor's Requirements

The IDI is also influenced by the Donors' agenda. During the past 10 years a substantial effort has been spent on the improvement of public financial management and control systems in developing

countries. This is in response to the Paris Declaration where ownership of the implementation of development efforts was to rest with the developing nations themselves. Core support and budget support funding is and has been tested by donors alongside efforts to strengthen the control functions over the governmental budget i.e. the SAIs. Of the 17 global and regional programs implemented, six have been in response to stronger internal control and Public Debt audit methods. These are aspects that are important to improve public financial management.

INTOSAI's Requirements

The third stakeholder that influences IDI's operational planning is the INTOSAI itself through the results of the working groups' efforts to develop new standards, principles and rules for public auditing.

IDI has established the following criteria that selected programs must fulfill:

- be relevant to the target group – which is verified through the surveys,
- involve a partnership with the target group – IDI's programs are based on the programs being transferred to regional trainers “champions” and regional groups,
- include an expert team at the outset that includes both the subject matter expertise and the pedagogical expertise to create programs and material (guidance, handbooks, manuals etc.).

Analysis

IDI's operational planning is highly program-focused. Programs are planned in accordance with the three stakeholder groups' needs, demands and requirements and not according to a long-term strategic goal. There is therefore no description of the logical/causal link between the programs and how these contribute to the achievement of the strategic goals and performance indicators.

The yearly *Progress Reports* are therefore also program- and activity-focused and lack reporting against the strategic goals and performance indicators. This issue is one that two previous evaluations⁶ have commented on with the recommendation that IDI strengthen its overall reporting against strategic goals and expected results. IDI has yet to implement this recommendation.

IDI's criteria for selecting programs are also very general; they do not exclude any programs from being implemented but are more guidelines as to what aspects need to be covered at the outset of a program. The interviews that the Team has held indicate that different stakeholder groups see the other stakeholder groups as influencing the IDI's choice of programs. By establishing clear and transparent criteria that ensure that it selects programs in line with its mandate, IDI can become more focused in its selection of programs and be more transparent. IDI's criteria for selection of programs should:

- help IDI focus on programs that contribute to its achievement of its strategic goals,
- help IDI define its role vis-à-vis other training providers. IDI provides training and capacity building alongside many other suppliers of such training; INTOSAI regional groups, national SAIs, multilateral agencies and many other institutions. IDI needs to consider its role vis-à-vis these and more clearly establish its “niche”.
- assist IDI in objectively determining the needs as ability of the target group to absorb the new tools and practices. SAIs in developing countries will not refuse training when this is offered for free. IDI's surveys are therefore one indication of the demand but should be supplemented by other methods to determine the need (impact evaluations, the future PFM strategy or similar).

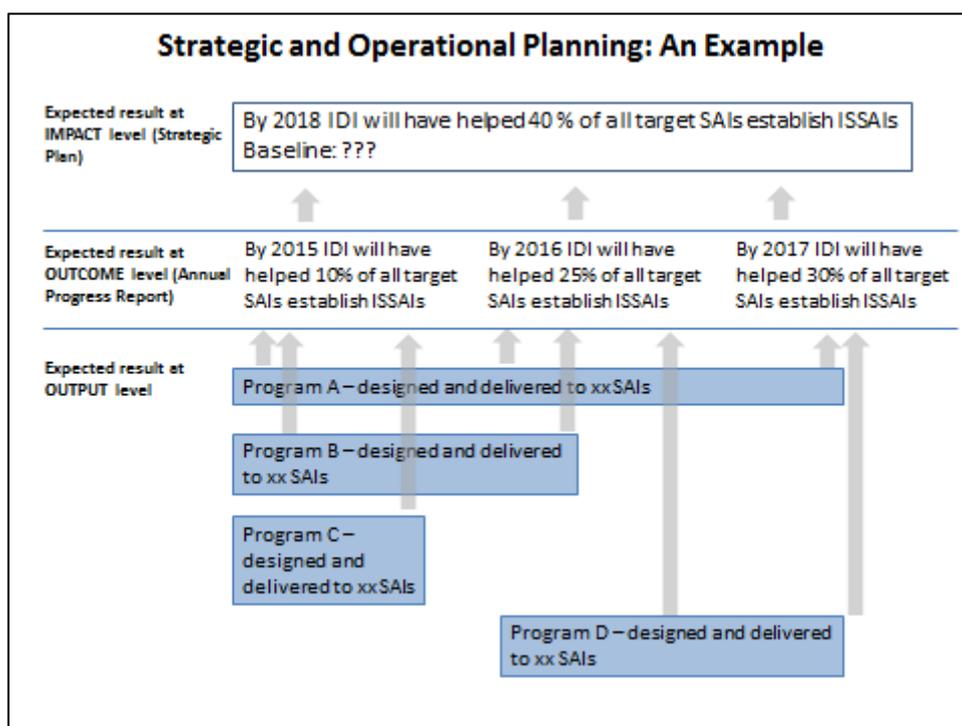
⁶ Sida in 2011 and DANIDA in 2011.

- allow IDI to plan for the use of its resources and competence. IDI's top management has commented on the high work-load of several staff members and the wish to increase staff.

Three of IDI's major donors chose to earmark part of their funds to specific programs in 2013 thereby influencing IDI's selection of programs. Donors' requirements on IDI to a certain extent offset the SAI demand as program planning is conditioned upon the availability of donor funds. There is, however, little evidence from the Board meetings that the donors attempt to influence IDI in its selection of programs. Three donors, Norad, Sida and DANIDA, have evaluated IDI and come up with recommendations on how IDI could improve its management of programs, but not on the selection of programs.

The following illustration attempts to show an example of how IDI could work in order to improve its operations management. The IDI should define a few strategic goals that are timely, preferably measurable and realistic. The example used below may not be appropriate, it is an example. This strategic goal is at the impact level i.e. IDI does not have full control of its delivery, there are other factors that influence the achievement.

This result at impact level could then be broken down into annual, outcome goals, that contribute to the achievement of the impact goal. On an operational level, IDI then decides on capacity building programs and activities that contribute to the achievement of the outcome results. IDI can thus be somewhat flexible in its selection of programs, depending on the changing environment and the needs of the stakeholders as long as it has the outcome goals in mind.



The reporting annually and against the impact goal is facilitated. The stakeholders need to understand the results at the impact and outcome level. Results on program (output) level need to be aggregated and the detailed reporting can be included in appendix.

Conclusions

IDI's operational planning and reporting is solely focused on programs. The *Operational Plans* do not establish the causal links between the strategic goals and performance indicators and the programs, nor is there any reporting on results at the IDI level. The reporting is very detailed and activity oriented at the program level and would benefit from being briefer and more to the point. IDI also needs to establish more specific and transparent criteria for selecting programs.

Recommendations:

- IDI needs to establish a system for strategic and operational planning that allows IDI to select and implement programs that help it contribute to its outcome and impact goals.
- IDI needs to establish transparent criteria for the selection of capacity building programs.

3.4 Dimensioning and Structure of IDI

Observations

The IDI had 29 staff members at the end of 2012 - 22 stationed in the office in Oslo and seven located in the regions. IDI's staff position are presented in the table below.

IDI Staff	2011	2012
Number of staff members	24	29
Admin staff	7,5	7,5
INTOSAI Donor Secretariat	3,5	4,5
Program staff	13	17

In 2011, IDI had 13 program staff members, which was increased to 17 in 2012. The leadership of IDI is also heavily involved in programs. The Director General and Deputy Director General attend planning meetings and regional congresses, interact with INTOSAI and donors as well as attend training events.

Analysis

An analysis of the dimensioning of the IDI would need to begin with an estimation of the time IDI staff spends on different programs. IDI's does not have a system for recording the time spent on each program each year. IDI's program budgets only include non-personnel costs related to the programs they implement i.e. venue hire, travel costs, printing etc. The personnel costs are funded by a lump sum awarded by the Norwegian Parliament (NOK 19 million in 2012). The IDI does thus not know how much time its staff spend on program work, on administrative work or on fundraising. Without a system for measuring, calculating and estimating all the resources spent on a project, it is not possible for IDI to properly assess:

- if it is being effective, nor
- if it is prioritizing correctly.

Without a verifiable system for analyzing the human resource needs IDI has difficulties making a case for increased (or decreasing) staff.

Conclusion

Without a system for planning for and monitoring of IDI's main resource, personnel, the IDI cannot analyze its efficiency, improve staff performance or ensure program budget adherence.

3.5 Systems and Infrastructure

A system for reporting against results at the program level needs to include:

1. A manner of establishing how the program relates or contributes to the overall annual or strategic goals/indicators of the organization,
2. A manner of establishing measureable expected impacts, outcomes and outputs,
3. A manner of measuring and reporting against the expected results.

IDI has a system for number 2 and 3 listed above:

- Each of IDI's *Program Plans* includes a logframe matrix. This matrix includes the expected impact, the expected outcomes and outputs as well as indicators for how to measure progress, monitoring mechanism and assumptions/risks.
- The programs are evaluated at the end of the program in an *Evaluation Report*. The main data collection method is to survey the participants of the program and to follow up further with some visits to participants and desk reviews of selected documentation.
- The monitoring of each ongoing program is done in the annual *Progress Reports*.

The system for establishing a logframe and the methodology for the evaluation report is described in IDI's *Program Management Handbook*.

Analysis

The Team has analyzed one *Program Plan* and the subsequent *Evaluation Report* for the following program "Quality Assurance in Financial Audits: Program Plan and Evaluation Report: ASOSAI region (2011)". This program was finalized and has been evaluated. In addition, the *Program Plans* for the PDMA and QAFA programs (not yet evaluated) were analyzed as well as the *Progress Reports* for 2011 and 2012. All three programs are, according to IDI, expected to contribute to the fulfillment of IDI's strategic goals 1 and 2.

The logframes reviewed⁷ establish measureable expected outcomes and outputs. The expected impact established in the *Program Plans* is not measureable. A weakness is the lack of a link to the Strategic Goals and Performance Indicators that IDI has established. The *Program Plans* either do not link at all to any of these important goals/indicators or there is a general reference to IDI's Goal 1 or 2. The logical link to how the program is to help IDI achieve the Strategic Goal or its Performance Indicators is not presented in the *Program Plan*.

The logframes that IDI has developed tend to include ambitious expected impacts and outcomes but ones that are very difficult or costly to measure. By collecting baseline data IDI can already at the outset of the program determine if the impact/outcome is measureable which will help also during the evaluation phase.

⁷ Program Plan for: Trans-regional Programme for Public Debt Management Audit (TPDMA), 2008-2011
Program Plan for: IDI-ASOSAI Cooperation programme on Quality Assurance in Performance Auditing (QAPA), 2010-2011

The *Program Plans* established at the planning stage differs from the *Cooperation Agreements* signed with the participating SAIs. These documents, in turn, present slightly different outcomes from the *Program Proposal* document. The *Cooperation Agreement* and the *Program Proposals* do not include the logframes of the *Program Plans*. IDI states that this is a reflection of the changing circumstances and needs of the stakeholders. However, one document needs to establish the basis for the program against which expected outcomes and outputs to measure achievements. IDI needs to, for each program, firmly establish a logframe and ensure that this is also the basis for the *Program Proposal*, the *Cooperation Agreements* signed with SAIs and the subsequent evaluation of the program.

The *Evaluation Report* reviewed⁸ is based on a survey of the participants which was complemented by a desk review of information provided by all the surveyed SAIs. As the response rate to the survey was low, the IDI evaluation team decided to strengthen the basis for analysis through desk reviews of supporting documentation thereby providing a good basis for analysis. There is no direct link between the *Program Plan* for the QAFA program and the evaluation questions that the *Evaluation Report* attempts to answer. The lack of clearly defined outcomes and outputs for this program obliges IDI's evaluation team to establish new criteria for how to measure achievement. To establish the evaluation criteria at the end of the project and in connection with the final evaluation goes against good evaluation practice which is also commented upon by IDI's evaluation team in the report. IDI's evaluation reports would benefit from a clear and concise presentation of if the expected outcomes and outputs from the logframe have been achieved. This could be done in a matrix format that allows the reader to quickly acquire an overview of the achievements

Some of the conclusions in the evaluation report are not fully supported by the data presented which can be misleading e.g. very few SAIs have implemented the agreed changes in the timeframe established (but are working to implement these) – this is rated as a success and should not according to the evaluation criteria. And possibly more importantly, why did not all participating SAIs implement the agreed changes? The purpose of the evaluation should be to assess the successes and weaknesses and to try to investigate the reasons why some outcomes or outputs have not been achieved. This is to ensure that IDI continuously improves its programs.

The annual *Progress Reports* provide detailed information on each of the programs and are activity oriented. The monitoring of the ongoing programs would benefit from being shortened substantially and IDI could include the full program reports in an annex to the *Progress Report*. The important issues for the stakeholders to know whether a program is on track, and if not, then why not.

IDI's Organizational Development Activities (implemented in order to achieve IDI's Goal 3⁹ and 4¹⁰) are not planned in the same manner as the Capacity Building Programs. There are no logframes or expected outputs or outcomes established for these activities. The *Progress Reports* present a narrative explanation as to if the activity has been completed or not.

The program budgets are followed-up on a very high level in the annual *Progress Report* where the overall budget for each program is compared against the total expenditure (with the exception of the 3i program where a more detailed budget analysis is presented). Most of the program budgets only analyze the costs for venue hire, travel costs etc. and exclude IDI's staff costs which make the total

⁸ QAFA Evaluation Report: ASOSAI region. 2011

⁹ "To contribute to SIA's knowledge sharing efforts".

¹⁰ "To organize and manage the IDI in ways that secure economic, efficient and effective operations while promoting a motivational working environment".

costs for a program impossible to define. IDI's staff costs are the main cost of any program and need to be monitored. In addition, a substantial part of the IDI's programs is financed by INTOSAI's members (in terms of allowing SAI staff to act as Subject Matter Experts etc.) and by the participating SAIs themselves (the participating SAIs may arrange the logistics, catering and venue). This is not included in the budgeting or budget follow-up. This is a consequence of IDI's internal financial reporting system. All staff costs (salaries, social costs etc.) are covered by core funding by the Norwegian Parliament. The IDI has therefore not attempted to measure staff-time spent on programs and it is therefore not estimated in budgets or monitored. Not budgeting for the time to be spent can have several effects on IDI and its programs:

- Programs are extended in scope – IDI has a “flexible approach” to program planning. However, without an established budget for staff time it is easy to extend the scope.
- Programs may be extended in time – there is no upper limit to the time a Program Manager or IDI staff can spend on a program in the budget.
- IDI does not actually know how much time a program takes and can therefore not prepare an accurate long-term budget.
- IDI cannot realistically assess how many staff members it needs, nor if they work efficiently with a focus on the right tasks.

Conclusion

IDI applies a flexible approach to program management that allows it to adapt to changing circumstances and the needs of the stakeholders. This approach, however, has meant that there is no firm basis for the programs and one document establishing the expected results which can be used to monitor and evaluate results against.

Recommendations:

- IDI should clearly establish the logical link between programs and the outcomes i.e. how each program will contribute to achievement of IDI's Strategic Goals and Performance Indicators.
- IDI should collect and present baseline data for all program-related outputs and outcomes.
- IDI needs to, for each program, firmly establish a logframe and ensure that the expected outputs and outcomes are the same in the *Program Proposals*, the *Cooperation Agreements* and the basis for the subsequent evaluation of the program.
- IDI's evaluations need to evaluate progress against the initially agreed expectations and need to clearly define if an expected result has been achieved or not.
- IDI's *Progress Reports* would benefit from being shortened, with detailed descriptions of each program and activities within each program as appendices.
- IDI's Organizational Development Activities should also be designed and evaluated in the same manner as the Capacity Building Programs.
- IDI's budgets and budget monitoring should include IDI's staff costs and contributions from INTOSAI members or the participating SAIs themselves.

3.6 Participation of Beneficiaries in the Operational Planning Process

Observations

IDI's *Program Management Handbook* establishes a number of steps to be carried out during the planning phase of any program. These steps include the involvement of the SAIs as well as INTOSAI working groups, Subject Matter Experts and IDI staff.

Analysis

IDI has a very participatory approach to the planning phase of its programs. Programs are developed based on information from the SAIs on their needs for capacity building. The planning process for regional programs involves the target group, where all SAIs are incorporated into the initial meetings or the IDI participates in regional groups' congresses held to establish if and how new programs would be received and demanded. For global program a smaller number of SAIs from different continents are involved in the planning.

Once the program has been designed (the outline of the training program, how it is to be delivered, what topics it will include and how the practical stage of the program is to be delivered) a *Cooperation Agreement* is signed with each participating SAI where the SAI commits to fulfilling specific activities and ensuring that the program participants are able to complete the program as expected.

Of the SAIs interviewed as part of this evaluation, neither of the six¹¹ had participated in the planning phase other than to sign the *Cooperation Agreement* and commit to sending the participants. There was limited ownership for the programs as these had been designed without their involvement, but the programs were felt to be very useful.

The practice of requiring the participating SAIs to pilot their learning in an actual (real) setting in their own country, contributes very strongly to the ownership of the knowledge after the program has been finished. Five of the six participants in the PDMA program that were interviewed had carried out either informational seminars or training of their peers on the subject and expressed their view of the importance of spreading this information internally. This shows a high degree of ownership for the subject matter and new tools with the participants.

Conclusion

IDI's training ensures a high degree of ownership of the knowledge and new tools learned among participants. The program planning process is also highly participative.

3.7 Professional Capacity

Competence and Skills of Staff

Observations

IDI is planning to carry out an Organizational Review during 2013. This will review the organizational chart to clarify the reporting lines and the positions in the organization. This evaluation report does not attempt to carry out a detailed analysis of the competence of IDI's staff as this would require a different methodology and is outside of the scope of this evaluation. This section analyzes the ability of IDI to recruit formally qualified staff and secondees.

Analysis

IDI has a very high standing and reputation in the SAI community worldwide. This contributes to its position as an attractive employer among practitioners. IDI therefore has a large pool of potential staff members and the secondment system helps to ensure that IDI can recruit new staff members, train them and then allow them to return to their SAIs with the competence as IDI Program Managers.

¹¹ Uganda, Albania, Bangladesh, Ukraine, Zambia and Pakistan.

All the IDI program staff members interviewed had a background as senior officials/department heads in SAIs. IDI works to “translate” principles, standards and rules into practical training and “how to” handbooks. To achieve this, a SAI-background is a necessity. IDI has also managed to complement the SAI competence with pedagogical competence to ensure that the training courses, e-learning material and handbooks are understandable. The handbooks and guidance materials are highly appreciated by the SAIs interviewed and an important product of the program that the participants use. It also includes new tools for how to manage the audit process which have been mentioned by several participants and important to improving the quality of the audits and the audit process itself.

Conclusion

IDI’s program staff has the relevant background to be able to relate to program participants and design training and guidance material that fits with the expectations and needs of the participants.

Methods and Tools for Capacity Building of Partners

Observations

IDI has developed a *Capacity Development Model* to explain its approach to capacity building. By using the *Capacity Development Model* IDI wants to develop both people and organizational systems. The model describes the different steps to be used in the process of designing and implementing a capacity building program:

Needs Assessment	Design of intervention	Capacity Building Programs	Evaluate and Report
Assessing the gaps in the SAI’s: <ul style="list-style-type: none"> Organizational systems Employees’ professional capacity 	Designing the training/activity together with regional stakeholders and the participating SAIs	Include a combination of theoretical skills, implement the skills in practical work	Based on the program, feedback from participants and lessons learned handbooks and other guidance material are produced.

Analysis

IDI has defined Capacity Development as the transfer of ownership to the SAIs. The premise for this is that to create sustainable change in a SAI, the ownership of the knowledge gained should rest with the SAI.

The Team has seen substantial evidence that the knowledge gained rests with the SAIs. Department heads in the SAIs who did not attend the IDI program, and the participants themselves show a strong ownership of the new knowledge, enough to want to teach their colleagues. The participants are also using a number of the tools introduced through the program. These findings can be related to some of IDI’s performance indicators:

Program outcomes	Results¹²
Participants/Teams that regularly apply knowledge and skills acquired during IDI learning activities	6 of 6
Participating SAIs that regularly use work practices facilitated through IDI programs	6 of 6
Participating SAIs that complete organizational learning activities agreed upon (assumed to mean that the SAIs carry out additional training on the topic internally)	5 of 6

IDI defined the expected outcome of the PDMA program as follows: Participating SAIs conduct PDA audits as per adopted guidance on a regular basis” and have defined the measurement as follows conducting of PDA audits based on the guidance¹³” is not evident.

PDMA program expected outcome	Results
”At least 50% of the participating SAIs conduct PDA audits as per guidance on a regular basis”	3 of 6

The evidence from the limited sample shows that 50% of the SAIs interviewed do carry out PDA audits on a regular basis. This outcome may be too early to measure, only one year after the finalization of the program, but in order to be able to evaluate, the IDI should establish timely outcomes and outputs i.e. establish by when an output or outcome should have been accomplished.

Conclusion

The evidence suggests that IDI’s aim to transfer ownership of the knowledge gained to the SAIs is being fulfilled. However, the causal link that ownership of this knowledge will lead to an increase in the number of PDA audits performed is not evident.

Recommendation:

- IDI should establish timely outcomes and outputs i.e. establish by when an output or outcome should have been accomplished

3.8 Stakeholder Expectations

Observations

The Team has interviewed the following three groups of IDI’s stakeholders on what they see the role of IDI to be (for a complete list of persons interviewed see Appendix C):

- members of the IDI Board of Directors,
- IDI’s financiers (the donors),
- the INTOSAI Chairperson (the interview with the Working Group on Public Debt is still pending),
- SAIs participating in IDI programs.

The following sections summarize the different stakeholders’ expectations of IDI.

¹² This is based on a very limited sample of SAIs interviewed. IDI should, in its evaluation of the program, endeavour to substantially expand the sample size.

¹³ Program Plan for: Trans-regional Programme for Public Debt Management Audit (TPDMA), 2008-2011.

The Board members have the following expectations of IDI:

- IDI should primarily serve the regional groups.
- IDI should not attempt to work directly with SAIs or measure its performance by the capacity development of SAIs. In the Board members' opinion, it is the regional groups' responsibility to help develop SAIs in the regions.
- IDI should act as a the designer of training material and programs i.e. it should help to translate the principles, rules and standards emanating from INTOSAI's working groups into practical tools that can then be transferred to the regional groups.
- IDI must focus - the Board members are afraid that the IDI is spreading itself too thin. IDI is seen as an organization that has difficulties in "saying no".

The donors have the following expectations of IDI:

- That IDI substantially improve its planning and reporting on results (outcomes). This has been mentioned in two evaluations as well as in interviews carried out by the Team. The donors have difficulties in interpreting the results of IDI's work at an overall level.
- The reporting is too activity oriented and voluminous: the reporting must become clearer, more concise and report against results.
- How much donor funding that is actually spent in developing countries is a measurement criterion for many donors and the location of IDI in Norway is therefore an issue. If IDI should be located in a developing country, some donors state that this would potentially increase the funding for IDI, others say that it would not.
- IDI has legitimacy among the SAIs and is very highly regarded, it should continue to carry out its global and long-term role in capacity building of SAIs.
- IDI needs more direction in its planning. There is a sentiment among donors that IDI has difficulties prioritizing. IDI should take more direction as to the type of programs but be independent in deciding how to deliver the results/training.

The expectations from INTOSAI are listed below:

- IDI's main role is to help build capacity in SAIs and to partner with donors.
- The donor partnership should ensure that donors know where the support is needed.
- IDI's role is to empower the regional groups, not to be everywhere at once. IDI needs to provide the knowledge - the regions are the instruments to transfer the knowledge.
- The *Lima Declaration* by INTOSAI and the recent UN General Assembly adoption of *Resolution on Auditor Independence* are important for SAIs and IDI should introduce this topic in its training portfolio for top managers of SAIs.
- IDI must ensure the success of the 3i program.
- IDI's Board should have more representation from the target countries
- IDI's geographical location is dependent on a voluntary host country. If another host country offers then the location of the office can change. The important issue is not the geographical location but the ability of IDI to run the global programs.

Expectations of parliamentary committees on the SAIs in their countries:

- High quality reports from the SAI.
- Understandable reports that are clear and more concise.
- The SAI should carry out more performance audits. These are more useful for the parliamentarians. MPs need more analysis and competence in analyzing what the national budget achieves and how well the funds are being used.

- The SAIs should also audit environmental aspects and macro-economic effects.
- The SAIs need to become more transparent and communicate better with the media, civil society and public e.g. have more information on the SAI website, have summaries of reports that are understandable etc.

Conclusions

The expectations from the stakeholder on what IDI's role is differ. The Board members' and the donors' feedback appear to coincide with the major points being IDI's role of supporting the regional groups in capacity building of SAIs and on reporting overall results in a brief and concise manner. The INTOSAI sees IDI's role as that of partnering with the donor community. IDI is also seen as the knowledge base for important issues that the SAIs/parliaments in developing countries need to begin to address e.g. public debt management, the independence of SAIs, ISSAI implementation etc. The divergence in opinions on IDI's role may be function of the fact that IDI's mandate and responsibilities vis-à-vis other INTOSAI bodies has not been clearly defined (see Chapter 3.1).

The Members of Parliament (MP) have limited knowledge of IDI but have important views on the work of the respective SAIs. The MPs the Team has spoken to have seen an improvement in the quality of the work of the SAIs, in terms of reports being more understandable and the recommendations more useful. However, there is a need for a different type of audit (other than regulatory audits) to help the MPs in their decision-making and reporting to the public.

4. The Achievements of IDI

4.1 Examining IDIs' Goals, Indicators and Results Framework

Measuring IDI's Performance

IDI has established several sets of goals and expected results during the period 2007-2013:

1. The *Strategic Plan 2007-2012* established four Strategic goals and 13 intermediate goal.
2. 12 Performance Indicators for the IDI Strategic Plan 2007-2012 were approved by the Board in 2009.
3. In 2012 the document *Results Framework for IDI Capacity Development Programmes* was developed that includes a further five intermediate outcomes.

These documents do not establish baseline data for the goals or expected results. Nor do they describe the IDI's system for how, with what frequency or against which goals, indicators and expected outcomes progress will be measured.

The IDI has not, in any of the *Progress Reports* prepared during the period, presented information to allow the stakeholders an analysis of how IDI is performing against its strategic goals. Nor has IDI, during the period, collected and aggregated data from programs to allow an analysis of its performance against the goals, indicators and expected outcomes.

An attempt has been made to correlate secondary data with regard to SAI performance against the same SAI's participation in IDI training programs. The Team has used the PEFA¹⁴ indicator 26, that represents a fairly objective and independent rating of the capacity or level of maturity of a SAI. The Team has also analyzed AFROSAI-E's *Institutional Capacity Building Framework* to assess if this tool is relevant in the analysis of SAI performance.

Analysis

An analysis of IDI's performance against goals, indicators and expected outcomes begins with an analysis of the expected results. IDI has in its *Strategic Plan 2007-2012*, Performance Indicators and *Results Framework*, established goals at the outcome level, where IDI appears to assume the responsibility for the SAI's implementation of the tools. An example is the expected intermediate outcome listed in the *Results Framework*: "SAIs apply project outputs – implemented and institutionalized in the SAIs". This indicates that IDI wishes to measure its success by the extent to which the SAI uses the tools/guidance. This could be an appropriate impact goal, but is beyond IDI's control nor is it realistically achievable for IDI as an organization. It is the responsibility of the individual SAIs to carry out specific types of audits in line with standards, guidelines and tools, for which IDI should not be accountable. This responsibility that IDI has taken on is reflected in the performance indicators, the *Results Framework* as well as in the *Program Plans* for each global and regional program. Examples of this are presented below:

¹⁴ The Public Expenditure and Financial Accountability (PEFA) Program was founded in 2001 as a multi-donor partnership between seven donor agencies and international financial institutions to assess the condition of country public expenditure, procurement and financial accountability systems and develop a practical sequence for reform and capacity-building actions. Countries' Public Financial Management structures are assessed and countries are scored on a number of aspects. The indicator 26 relates to the "scope, nature and follow-up of external audit" and is one measure of how well the SAI in the country performs.

Expected result	Comment
Performance Indicator # 7: “ % of participating SAIs that complete organizational learning activities agreed upon”	The IDI is responsible for providing high quality training and the knowledge transfer. The SAIs and their top management are responsible for implementing internal changes and learning activities. One common recommendation from the PDMA program is to establish a separate PDA department in the SAIs, if it does not already exist. This recommendation, however, has not been implemented in any of the SAIs interviewed who participated in the PDMA program and who did not have a separate PDA unit. The reasons for this, as described by the SAIs, have been: <ul style="list-style-type: none"> • By choice - the current structure without a separate department works well, • The Government has not approved the creation of a Performance Audit/PDA unit. • There is not sufficient staff with the knowledge yet to create a separate unit.
Intermediate Outcome from the Results Framework: ”SAIs apply project outputs implemented and institutionalized in the SAI”	The application of the knowledge is the responsibility of the SAI. Feedback from the SAIs interviewed as part of this evaluation show that three of the six SAIs have carried out PDA audits after the ending of the PDMA program for a number of reasons: <ul style="list-style-type: none"> • The SAIs only has routines for regulatory audits and not performance audits. • There is no competence in the SAI to carry out performance audits.

Several of IDI’s performance indicators and expected intermediate outcomes could be classified as expected impacts; the IDI has no or limited responsibility for these results, they are not within the control of IDI and IDI cannot influence their achievement.

So what type of expected outcome indicators should IDI have? The basic premise should be the following:

- The quality and relevance of the programs delivered.
- The competence of the participants at the end of the program.
- The quality of the training materials provided.
- The “transferability” of the training programs and material.

The IDI does collect some data that could be used to measure against the performance indicators. However, this data is scattered, available in some *Evaluation Reports* but not for all programs and is difficult to aggregate. Other data e.g. on ratio of stakeholder satisfaction and ratio of administrative cost to program costs is not collected. Attempting to measure the existing goals, performance indicators and the expected intermediate outcome without any aggregated data collected by IDI is not possible. The data collected by the Team is based on telephone interviews with three SAIs and three visit to the SAIs of Pakistan, Uganda and Ukraine which is a very limited reference group.

The following table summarizes the Team's analysis of how IDI is performing against the different goals in the *Strategic Plan 2007-2012*.

IDI Strategic Goals	Performance
1. To effectively enhance the professional capacity of SAI staff	
1.1 To organize and deliver development projects for supervisory staff at different levels	<p>Yes. IDI is well organized, has a well-developed program management framework and appropriate handbook for organizing and delivering training programs that are adhered to. Participant feedback on the program is very positive showing that IDI's training is:</p> <ul style="list-style-type: none"> • Relevant • Of high quality • Demanded • Understandable • User-friendly
1.2 To facilitate the dissemination and application of professional guidance in cooperation with INTOSAI Working Groups and Standing Committees and external professional institutions	Feedback from donors, the Board and INTOSAI shows that IDI's choice of topics is relevant to these stakeholders. IDI's material (handbooks, guidance material etc.) is perceived as user-friendly and understandable by the target group.
1.3 To conduct follow-up programs to ensure the sustainability of staff development	The interviews carried out by the Team indicate that participants of the program and their superiors continue to train fellow auditors in the same topics. The handbook/guidance/manual are used in internal training.
2. To support institutional strengthening efforts in SAIs	
2.1 To facilitate the implementation of audit systems and procedures in line with best practice	<p>IDI provides not only knowledge transfer on specific topics but also tools that can be used in the audit process that are much appreciated and used.</p> <p>How to measure implementation of audit systems and procedures is however, not defined and therefore difficult to clearly establish if the IDI has achieved.</p>
2.2 To facilitate the development and strengthening of support services	This goal is poorly defined i.e. what does "support services" mean? The IDI does not appear to collect data on this aspect; it has not been mentioned in the evaluation reports.
3. To contribute to SAI's knowledge sharing efforts	
3.1 To develop an effective knowledge management system accessible to authorized stakeholders	IDI's role is to provide information exchange as per the original resolution. There has been an increase in the number of requests for information over the period

IDI Strategic Goals	Performance								
		2006	2007	2008	2009	2010	2011	2012	2013
	Total requests for information	7	14	16	44	142	135	44	17
	From countries on the DAC list of ODA recipients	4	5	1	11	11	9	9	2
	Least developed	4	2	1	5	2	0	1	1
	Other low income			0	1	2	0	3	0
	Lower Middle income		3	0	5	7	9	5	1
	Regional groups				2	1			
	The requests for information in 2010 and 2011 were not recorded by IDI and it is therefore not possible to know which countries requested the information during these two years. Regarding the requests for which information exists, a majority of the requests are from SAIs outside IDI's target group. Few SAIs used IDI as a source of information other than to obtain the guidance material (via email). The Google groups created for each program are frequently used to ask questions or obtain advice.								
3.2 To cooperate with other INTOSAI bodies and external professional institutions to promote knowledge sharing	The IDI has not measured this goal and there is therefore no data available								
4. To organize and manage the IDI in ways that secure economical, efficient and effective operations while promoting a motivational environment.									
4.1 To secure sufficient and stable funding	IDI has succeeded in increasing its non-earmarked and earmarked funding over the period.								
4.2 To ensure a well-functioning interaction with all stakeholders	IDI has an excellent reputation within the target groups and INTOSAI. The donor relationship is more complex and some demands from the donors are not being satisfied, primarily with regard to performance reporting.								
4.3 To maintain a team of competent and motivated professionals	IDI appears to have a competent staff with the relevant experience and professional competence.								
4.4 To provide quality-assured services to stakeholders	IDI's programs are, according to the recipients, of high quality.								
4.5 To have appropriate planning and reporting systems in place	IDI does not have sufficient systems in place for program planning and reporting against its performance at IDI level								
4.6 To provide an effective administrative support for execution of operations	IDI does not have sufficient administrative financial routines to be able to budget and plan for use of its main resource (staff) nor monitoring and follow-up the use of this resource and can therefore not assess if it is more or less efficient(see chapter 3.5).								

The IDI has, during the period 2007-2013, not managed to collect information on an aggregate level to allow it to objectively measure the 12 Performance Indicators or the expected Intermediate Outcomes listed in the *Results Framework*. This has been commented on in two separate desk studies carried out by donors.

An attempt was made to link the degree of participation of SAIs in IDI's capacity development programs with changes in PEFA scores. However, data limitations prevented any clear result from this exercise; SAI participation in IDI programs was measured by the number of times a country SAI was involved as a participant in an IDI program, but these numbers were available from IDI only for the two years 2011 and 2012. As most of the PEFA scores are dated before that time they would precede the participation and could not be a result of it.

AFROSAI-E has an *Institutional Capacity Building Framework*, which it started developing in 2006. Each of the 23 SAIs in the region are asked annually to assess its position on each of five domains – independence, organization and management, communications and stakeholder management, human resources, and audit methodology and standards, on a scale of 0-5. So far as resources allow, AFROSAI-E or peer SAIs validate self-assessments. This was examined as a possible source of information on performance improvements resulting from IDI interventions. The latest AFROSAI-E activity report is for 2011. This shows that for the years 2009, 2010 and 2011 the changes in this group of SAIs are marginal, and two out of the five domains show lower scores in 2011 than in 2009. The report explains that initially SAIs inflated their grades, but that interpretations of the questionnaire are now stabilizing. It is not possible at this point to place any reliance on the data as an indicator of effectiveness of IDI interventions.

IDI has already begun the drafting of a new strategic plan for the period 2014-2018. An analysis of this is not part of the ToR for this evaluation, however, a few comments on the new results framework therein may be relevant in light of the above analysis. There is room for improvement in the following areas of the *Draft Strategic Plan 2014-2018*

- Clarification of IDI's mandate – the introduction mentions IDI's role in the roll-out of the ISSAI implementation. However, IDI's mandate is, in accordance with the documented resolution from 1986, broader than that. The IDI should endeavor to more clearly establish what it promises to deliver and its mandate.
- The *Results Framework* distinguishes between the expected IDI outcome and the expected SAI Outcomes. The IDI outcomes are more clearly within IDI's control and realistically achievable by the IDI.
- The indicators to measure success of the IDI outcomes are, however, too numerous, and at the present time, there is no baseline.
- The SAI outcomes and the respective indicators will be very costly and difficult for IDI to measure. If the IDI wishes to measure SAI performance, the PFM tool developed by the INTOSAI-Donor Secretariat may be a "shortcut" to the many indicators suggested to measure SAI outcomes. A baseline for each and every indicator should be established in the *Draft Strategic Plan*. If a baseline indicator is not available, the IDI is recommended to carefully consider including this indicator at all.

Conclusions

The IDI is a highly regarded supplier of relevant training to SAIs. Feed-back from the target group shows that the training is of very high quality, in demand and useful. IDI's is weak in its ability to report or measure delivery against the capacity development goals it has set itself. The reason for this is that these goals are not outcome goals but impact goals and therefore beyond the control of IDI. As such, they are difficult for IDI to measure and be able to provide evidence that these goals have been achieved.

Recommendations:

- The IDI should endeavor to establish goals, outcomes and indicators that
 - are realistic in terms of what the IDI can achieve,
 - have a baseline,
 - show how monitoring of the goals, outcomes and indicators would be carried out.

4.2 Evaluation of Selected Programs of the IDI

The Public Debt Management Audit Programme 2008-12

Program Goals

The PDMA *Program Plan*¹⁵ includes a logframe that lists three expected outcomes and how to measure these. The *Program Proposal* lists a different set of outcomes without measurement indicators. The expected outputs appear to be similar in both documents but the expected outcomes differ. The *Program Plan* is the one that is approved by IDI's DDG. The *Program Proposal* is agreed with the participating SAIs. It is important that there is one document establishing the expected outputs and outcomes and that the expected outputs and outcomes are the same throughout the program.

The expected outcomes of the PDMA program are¹⁶:

1. At least 50% of the participating SAIs conduct PDA audits as per adopted guidance on a regular basis.
2. The IDI received requests for the guidance material from SAIs and regions other than the participants of this program.
3. The material developed is used by at least two INTOSAI regions to deliver the program at regional level.

The expected outputs were:

- A. The needs analysis report developed before the curriculum and design meeting.
- B. E-course is in line with the IDI training requirements and addresses the identified needs.
- C. At least 75% of the SAI teams successfully complete the e-course.
- D. At least 75% of target SAIs conduct PDA audits as per plans.
- E. At least 50% of SAIs table reports.

The expected outcomes listed above correlate to IDI's Performance Indicators # 2 and # 9. Of the expected outputs¹⁷, A and B are fully within the responsibility of the IDI, C. is substantially within the control of IDI. However, output D and E are not within IDI's responsibility and the IDI has limited control over if the SAIs conduct PDA audits and table reports and should be defined as an expected outcome.

¹⁵ Dated March 27, 2009.

¹⁶ As stated in the *Program Plan*.

¹⁷ There are many definitions of output, but the Norwegian MFA defines it as "Outputs are actually the short term products of completed activities. They can typically be measured on a regular basis by keeping account of what has been produced within a specific timeframe and budget". Outputs are directly attributable to an activity and fully within the control of the activity owner. *Results Management in Norwegian Development Cooperation - A practical guide*. Norad.

The IDI has not carried out an evaluation of the outputs or outcomes and there was therefore no data available to the Team to be able to assess the outputs. The performance against the expected outcomes is assessed by the Team based on a small sample of six participating SAIs only and therefore constitutes a very limited basis to draw conclusions from.

Implementation

The program was planned and designed in accordance with the instructions in IDI's *Program Management Handbook*. The planning phase took a little over a year and included planning meetings, a needs assessment, design of the e-learning course and the program material. The participants that the Team has interviewed were not part of the planning process, but were invited to submit suggestions for two to three participants from their audit staff. The IDI selected the auditors to participate in the program. The second phase of the program was the practical phase when the participating audit teams piloted the new learning by carrying out pilot audits. This phase was supported by Subject Matter Experts in planning and review meetings before and after the pilot audits.

During 2012 and 2013 the final draft guidance material was sent to all participants for review and comments before the final versions were sent out.

The SAI participants that the Team has interviewed were all very satisfied with the e-learning course, the guidance material and the support from the Subject Matter Experts. Some of the expectations on the programs were:

- new methodology/tools,
- increased technical knowledge,
- learn about best practice,
- learn from the experience from the experts, and
- gain a larger network of practitioners.

The participants' expectations were exceeded. The main benefits mentioned were:

- the accessibility of the Subject Matter Experts,
- the usefulness of the Audit Plan Matrix,
- the google-group created that is still used by former participants,
- the understanding of auditing by topics.

Constructive feedback on the implementation of the program included:

- one participant would have liked to have more face-to-face training,
- the planning meeting (in preparation for the pilot audits by the participants) could have been extended by two days – there existed differences between the draft guidance material and the national systems that would have needed more time to discuss.

Overall, the participants interviewed, as well as Department Heads and superiors to the participating auditors who were interviewed (in Bangladesh, Uganda and Ukraine) all praised the program both with regard to the training method, guidance material as well as the learning conveyed.

Evaluating the Expected Outcomes

The following table compares performance against the expected outcomes.

Expected Outcome	Performance
1. At least 50% of the participating SAIs conduct PDA audits as per adopted guidance on a regular basis.	3 of 6 SAIs interviewed have carried out audits of the Public Debt management structure since finalizing the program
2. The IDI received requests for the PDMA guidance material from SAIs and regions other than the participants of this program.	Requests received in 2011: 3 SAIs Requests received in 2012: 8 SAIs Requests received in 2013: 2 SAIs
3. The material developed is used by at least two INTOSAI regions to deliver the program at regional level.	No data. Several SAIs from middle income countries who did not participate in the program requested the PDMA materials and handbooks. However, there is no data available on if the PDMA program is re-delivered by other regions.

The data to support the first expected outcome is very limited and needs to be supplemented by the *Evaluation Report* that IDI prepares at the end of each project in order to be either validated or contradicted. The data to show performance against the second expected outcome is based on IDI's statistics. It shows that the number of requests increased in 2012 when the program was being completed. All the requests came from non-participating SAIs. The requests are also from primarily developed country SAIs (46 percent) or SAIs in upper middle income countries¹⁸ (30 percent). This indicator shows that the IDI's material is being requested as a public good, however, is 13 requests good performance or poor? This is not defined in the original expected outcome.

Several SAIs from middle income countries who did not participate in the program requested the PDMA guidance material. However, there is no data available to show if the PDMA program is re-delivered by other regions.

Conclusion

The PDMA program has been implemented according to the IDI's *Program Management Handbook* and has, as stated by the participants, been of very high quality and relevance to the participating SAIs. The expected outcomes for the program directly correlate to two of IDI's performance indicators and should be aggregated to the expected outcomes from other programs to show the performance against these in the IDI's yearly *Progress Reports*. The Team's evaluation shows that outcome # 1 has been achieved, outcome #2 did not have a baseline or measurement criteria and can therefore not be measured and that there is no data to support a conclusion as to outcome #3.

The Quality Assurance in Performance Audit Programme 2010-12.

Program Goals

The QAPA program was implemented between 2010 and 2012. It was first planned in 2007 with a needs assessment and then run the first time in the ASOSAI region. The *Program Plan*¹⁹ includes a logframe that established the following expected outcomes and outputs.

Expected outcome in the *Program Plan*:

- At least 75% of the target SAIs conduct QA reviews on a systemic basis. The review processes should show relationship to the procedures stated in the customized QA handbooks.

¹⁸ As defined in the DAC List of ODA Recipients.

¹⁹ Approved February 2, 2010.

Expected outputs:

- Nominated SAI teams successfully complete all required components of the program.
- The customized QA handbooks are approved by the respective SAIs and are disseminated to relevant staff in a language understood by the staff.

The expected outcomes listed in the *Program Plan* do not coincide with the expected outcomes that are part of the *Cooperation Agreement*²⁰ which are:

- Greater awareness among employees of the participating SAIs regarding good practices in QA performance auditing,
- Stronger QA systems in Performance Auditing in the SAI,
- Regular conduct of internal QA reviews of performance audits; and
- Improved performance audit and management practices related to performance auditing in the participating SAIs as a result of appropriate actions taken on internal QA reports.

The expected outcome in the *Program Plan* closely correlates to IDI's performance indicator # 2 and somewhat with the sub goal 2.1 in the *Strategic Plan 2007-2012*. The expected outcomes in the *Cooperation Agreement* should be the same as the ones in the *Program Plan* or vice versa and should be clearly measurable and able to be aggregated to show IDI's performance against overall goals and performance indicators.

Implementation

The program involved the design of the program using the ISSAIs 40 "Quality Control for SAIs". The program was designed by IDI staff and regional trainers and involved the preparation of the program materials and a draft *Quality Assurance Manual*. The training was a face-to-face workshop where the theoretical concepts were introduced to the participants. This was followed by a "pilot quality assurance review meeting" where participants presented their plans to carry out quality assurance reviews of previous audits in their respective countries.

A "quality assurance review meeting" was held once all the participants had carried out their quality assurance reviews and at that same meeting, the participants were also trained in facilitation skills in order to be able to train more staff on the quality assurance subject upon their return home. The feedback from program participants interviewed shows that this program was much appreciated, especially the practical phase and the peer reviews of other countries' audits that was part of the quality assurance review meeting.

The participants' expectations were exceeded. The main benefits mentioned were:

- the usefulness of the analysis of their own previous audits from a quality assurance perspective,
- the usefulness of the peer reviews where similar weaknesses were identified and discussed (QAPA program),
- the high quality of the handbook.

Constructive criticism put forward is limited to:

- that IDI explain the pre-requisites for the program. In the case of the QAPA program, some of the material and program content presumed that the participants had also attended the Quality

²⁰ Cooperation Agreement signed with 10 SAIs in ASOSAI on August 8, 2010.

Assurance in Financial Audits program which some participants had not.

IDI has carried out two evaluations²¹ of the program where feedback from the participants on each workshop/meeting was collected. The average score overall for the workshops was very high, 4,3 of 5 in the ARABOSAI region. The evaluation of the QAFA program in ASOSAI and CAROSAI was focused on assessing the outcomes of the program. The *Transversal Report* concludes that the program “achieved its outcomes substantially” in the ASOSAI region but to a lesser extent in the CAROSAI region.

Evaluating the Expected Outcome

Expected Outcome as per Program Plan	Performance
At least 75% of the target SAIs conduct QA reviews on a systemic basis. The review processes should show relationship to the procedures stated in the customized QA handbooks.	<ul style="list-style-type: none"> • 7 of the 10 participating SAIs in ASOSAI were conducting QA reviews on Financial Audits • 1 of the 12 participating SAIs in CAROSAI was conducting QA reviews after the QAFA program • All of the SAIs that the Team interviewed that had participated were conducting QA reviews on a regular basis.

This program has achieved its expected outcome in some of the regions it has been delivered in. However, there is no comprehensive data available on ARABOSAI or AFROSAI-E where the program has also been delivered. There are several other results that also show that this program has been very successful but that is not part of the expected results listed in the Program Plan:

- 70 percent of the SAIs in ASOSAI have improved their quality procedures by either implementing new procedures or modifying quality assurance systems and policies or both. 39 percent of the SAIs in CAROSAI have done the same.
- A majority of the SAIs in ASOSAI have carried out their own training of staff on quality assurance. 31 percent of the SAIs in CAROSAI have done the same.

The *Transversal Report* also listed a number of important lessons learned and recommendations.

Conclusion

The QAPA program has been implemented according to the IDI’s *Program Management Handbook* and has, as stated by the participants, been of very high quality and relevance to the participating SAIs. The expected outcome for the program directly correlates to one of IDI’s performance indicators and should be aggregated to the expected outcomes from other programs to show the performance against these in the IDI’s yearly *Progress Reports*.

4.3 IDI’s Management of External Contextual Factors

The SDA’s *Inception Report* defined the external contextual factors to assess in this report as the following:

- 1) the addition of INTOSAI-Donor Secretariat responsibilities;
- 2) the financial sustainability of IDI and its reliance on donor funds;
- 3) the global fiscal crisis and

²¹ IDI/ARABOSAI Quality Assurance Programme 2011-2012. Program Report. Transversal Report on IDI programmes on Quality Assurance on Quality Assurance on Financial Audit (QAFA) in ASOSAI and CAROSAI. 2011.

- 4) a new emphasis on the audit of public debt in light of the Paris Agenda and donor’s emphasis on anti-corruption.

The addition of INTOSAI-Donor Secretariat to IDI’s responsibilities and INTOSAI-Donor Secretariat’ incorporation into IDI is discussed in Chapter 4.4. The remaining issues are analyzed below.

Financial Sustainability of IDI and effect of the global fiscal crisis

The IDI has over the past six years managed to steadily increase its funding as well as attract new donors for each year (except for in 2011). IDI’s main donors are the World Bank, CIDA and the Scandinavian and British governments.

IDI is in the very fortunate position to be the recipient of substantial core funding from the Norwegian Parliament that is channeled through Norad. This amounted to NOK 22 million in 2012.

‘000 NOK	2007	2008	2009	2010	2011	2012	2013 ²²
Total IDI funding	23 652	31 290	34 390	34 977	37 403	47 008	38 859
<i>of which earmarked</i>	-	-	1 493	4 057	5 148	12 299	12 243
Funding for the INTOSAI-Donor Secretariat				956	3 379	2 570	4 940
Total IDI and INTOSAI-Donor Secretariat funding	23 652	31 290	34 390	35 933	40 782	49 578	43 799

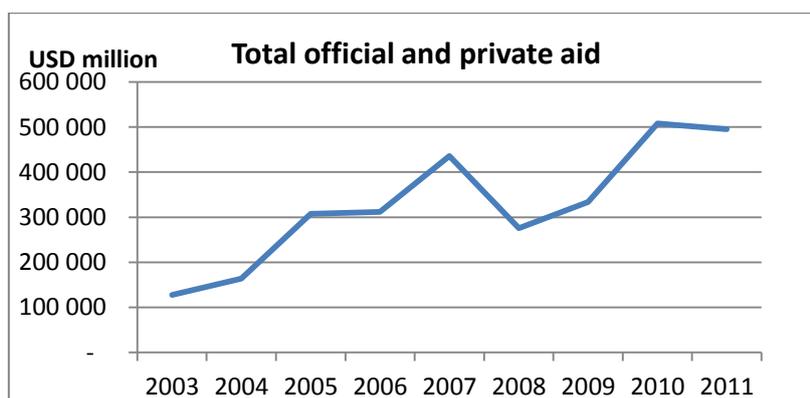
During the period 2007 to 2012 IDI’s funding (excluding the funding for the INTOSAI-Donor Secretariat) has increased from NOK 23 million in 2007 to NOK 47 million 2012. For 2013, the contracted amount was NOK 43 million by June 30, 2013. This represents an average increase of 15 percent per year. The largest increase was in 2012 when total funding to the IDI increased by 26 percent. In 2009, Norad and EUROSAI decided to provide earmarked funding for the PDMA program. The amount of earmarked funding has since increased, and most recently, the World Bank has provided a substantial grant for the 3i program (to cover the direct staff costs and other costs). However, non-earmarked funding has also increased by nine percent per year between 2007 and 2012. The earmarking may have had an effect on the choice of IDI’s programs but the earmarked funds are only used for non-staff related costs (except for in the case of the 3i program). With the earmarking, IDI is forced to consider other training options (e-learning etc.) and requesting more assistance from participating SAIs.

The core funds from the Norwegian Parliament ensure the functioning of the office in Oslo with the current staff composition. Additional funding is primarily used for the implementation of programs and costs (excluding IDI staff costs). The financial sustainability depends on the support of the Norwegian Government. However, IDI needs to begin to consider other options. Most NGOs work with program or project funding and with the trend to earmark funds IDI is facing the same situation. IDI needs to be realistic and analyze its efficiency and ability to deliver against a program budget, taking into account all costs. IDI is currently considering other options such as fee-based programs and for IDI to “bid for work”. Fee-based programs may incentivize SAI top management to make better use of the learning. IDI may consider charging a small fee for all participants in order to increase the perceived value. Such a fee would need to be off-set by any in-kind contributions that a SAI may make. IDI can also consider offering fee-based programs to SAIs in developed countries considering

²² Funding agreed by June 30, 2013.

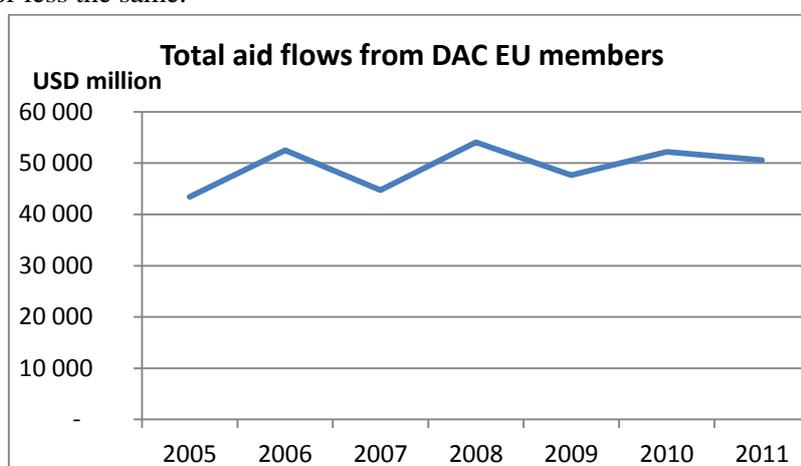
the substantial interest that these SAIs have shown in the handbooks and training material.

The financial crisis has not affected the funding to IDI during the period. The IDI has made substantial fundraising efforts during the period that have been successful as evidenced by the increase in basket and earmarked funding. At the same time, the effect of the financial crisis that began in 2008 has not substantially affected the flow of official aid from the EU countries, nor to NGOs. The OECD's statistics show that the aid flows decreased by almost 40 percent in 2008 when the financial crisis hit, but have since increased to above the level of 2007. The following graph illustrates this.



Source: OECD Statistics

At the same time grants from the DAC EU members (including Switzerland and Norway) have remained more or less the same.



Source: OECD Statistics

World-wide, the fiscal crisis has affected budget support to developing countries but has meant increases in funds to NGOs, private public partnerships and to the Multilateral Official Development Assistance agencies.

That the donors increasingly are earmarking their funds is evidenced in IDI's revenue streams. In 2012, 26 percent of total funding to the IDI (excluding the INTOSAI-Donor Secretariat) was earmarked and of IDI's funds that have been approved for 2013, 32 percent is earmarked. The interviews with the donors indicate that the donors themselves have more specific goals that they need to achieve and report against (either as agencies to the Ministry of Foreign Affairs or similar or to the national parliament). As a result of this, donors have begun to focus on subject matters (gender, environment etc.) and/or on countries/regions and earmark their funds to programs and projects that

allow them to monitor and deliver the results they are seeking. As a consequence of this, the recipients of donor funds must substantially improve the ability to report against the expected results. The donors, in line with their own reporting requirements, need to be able to show what the funds have achieved. By earmarking funds to specific IDI programs and requiring measureable results, the donors can more clearly see the results achieved with their funds since that is what IDI reports.

Conclusion

IDI has an excellent reputation and has during the period drawn in this in its fundraising efforts. IDI has managed to increase its total funding over the period 2007-2012 both with regard to basket funding and earmarked funding. However, IDI's privileged position with a very generous core funding from Norway will most probably not continue forever. The trend towards more earmarking of funds by donors is here to stay and IDI needs to, in response to this, show results.

Recommendations

- IDI may consider charging a fee for all participants in order to increase the perceived value to top management.
- IDI may also consider offering fee-based programs to SAIs in developed countries.

Emphasis on the audit of public debt in light of the Paris Declaration and anti-corruption

The Paris Declaration on aid effectiveness emphasizes support for recipient-owned development strategies, increased use of national systems and more coordinated and predictable donor actions. The Paris Declaration was signed in 2005. Since 2007 the IDI has responded to this by designing and delivering a number of programs that help SAIs improve staff members' competence with regard to internal control, auditing public debt and techniques to improve the auditors' ability to assess risk. These are:

Program	Regions	Program Run
Detecting Fraud while Auditing Programme	AFROSAI-E	2007-2008
Public Debt Management Audit Programme (PDMA)	TRANSREGIONAL (ENGLISH AND FRENCH): AFROSAI-E, CREFIAF, ASOSAI, PASAI	2008-2012
Quality Assurance Financial Audit Programme (QAFA) - Development of Model Audit file	AFROSAI-E, ASOSAI, CAROSAI, ARABOSAI	2007-2012
Local Financial Audit Programme	CREFIAF in 4 SAIs	2010
Risk Based Financial Audit Programme (RBFA)	CAROSAI, TRANSREGIONAL ENGLISH: E-LEARNING	2008-2012
ISSAIs Implementation Programme (3i)	TRANSREGIONAL ENGLISH: ASOSAI, AFROSAI-E, EUROSAI, PASAI, CAROSAI	2012

Of the 17 programs delivered during the period 2007 to 2012, six programs have been aimed at providing tools, techniques and knowledge to allow SAIs to better audit its institutions, to detect risks and fraud and to audit the national budget and public debt. These are all programs that aim to improve the ability of aid-recipient countries to better manage its public finances and aid flows – in response to the Paris Declaration.

The interviews that the Team has held indicate that different stakeholder groups see the other stakeholder groups as influencing the IDI's choice of programs. Some stakeholders question the

timing of IDI's programs and the ability of the target group to fully use and incorporate the learning. The evidence from the Team's interviews suggests that the PDMA program has only partially resulted in increased PDA audits, mainly due to other factors than the lack of competence. The argument for transparent program selection criteria is reiterated here. Such criteria in combination with the PFM framework to establish the level of development of SAIs should provide a transparent method for the selection of programs.

Conclusion

The IDI has responded to the Paris Declaration by delivering several programs that address the issues with control that the implementation of the Paris Declaration would give rise to.

4.4 The INTOSAI-Donor Secretariat

The performance of the INTOSAI-Donor Secretariat will be the subject of a separate evaluation in 2016. It was agreed in the SDA *Inception Report* that the focus in this evaluation will therefore be on the organizational aspects of fully incorporating the INTOSAI-Donor Secretariat into IDI. The Team was asked to answer the following questions:

- What is the situation today with regard to integration?
- How is it working?
- Should the INTOSAI-Donor Secretariat be integrated more closely to IDI?
- If so, what is needed to integrate the INTOSAI-Donor Secretariat more closely to IDI?

Observations

The INTOSAI-Donor Secretariat is a unit created under the umbrella of IDI. The INTOSAI-Donor Secretariat's mandate is defined as "providing administrative support to the Steering Committee" in the MOU signed between INTOSAI and the Donor Community²³. The project purpose²⁴ is "to improve the effectiveness and volume of capacity development support to SAIs in partner countries". The INTOSAI-Donor Secretariat is to keep track of support to the SAIs and carry out activities that support capacity building of SAIs.

The donors and INTOSAI decided to incorporate INTOSAI-Donor Secretariat into the IDI and established the roles and responsibilities of the INTOSAI-Donor Secretariat at the inaugural meeting in 2010. The INTOSAI-Donor Secretariat had 4,5 full-time positions in 2012 and operates under a separate budget from IDI. It began operations in 2010 with a small budget of almost NOK 1 million, and received NOK 2.5 million in 2012.

The INTOSAI-Donor Secretariat reports to its Steering Committee (that meets once per year) and also to a committee of the Steering Committee called the Steering Committee Leadership that convenes more often (every two months). The Steering Committee Leadership is jointly chaired by representatives from the donor community and the INTOSAI's Finance and Administration Committee.

The INTOSAI-Donor Secretariat's annual written report is included in the IDI's annual *Progress Reports* and its annual plan is included in the IDI's *Annual Plan*.

²³ Memorandum of Understanding between the International Organization of Supreme Audit Institutions (INTOSAI) and the Donor Community. Oct 20, 2009.

²⁴ Project Document: Funding of INTOSAI-Donor Secretariat. 20100601.

The INTOSAI-Donor Secretariat has established a number of expected results in two documents: the *Project Document: Funding of INTOSAI-Donor Secretariat 20100601* and the *Results Framework* included in the *IDI Progress Report 2011*. The *Project Document* established four expected results and the *Results Framework* 6 expected outcomes. In addition to this, a work program was approved by the Steering Committee for 2012. This outlines a number of tasks to be carried out by INTOSAI-Donor Secretariat during 2012. For the period 2013-15 the Steering Committee has approved seven activities (called themes) that the INTOSAI-Donor Secretariat should carry out.

Analysis

The INTOSAI-Donor Secretariat exists to provide support to the functioning of the Steering Committee. It is not an administrative unit but one that establishes its own annual plan, work programs, strategies and goals. These are approved by the Steering Committee each year. The INTOSAI-Donor Secretariat's actual work has comprised activities that the IDI, the Donor Community and the INTOSAI have needed in order to be able to, in the future, match donor funds with projects to develop SAIs. These have included the *Stocktaking Report*, the development of the SAI Capacity Development Database and the *SAI Performance Measurement Framework*. The feedback from the stakeholders and INTOSAI-Donor Secretariat Leadership indicates that the stakeholders are very satisfied with the activities and results of the INTOSAI-Donor Secretariat over the past two years.

An evaluation of the INTOSAI-Donor Secretariat is planned for 2016, however, an initial analysis of INTOSAI-Donor Secretariat's plans and reporting shows that the INTOSAI-Donor Secretariat, similar to IDI, has very many and very ambitious expected results that are established in two different documents; *Project Document: Funding of INTOSAI-Donor Secretariat 20100601* and the *Results Framework* from the *IDI Progress Report 2011*. The *Project Document* established four expected results and the *Results Framework* six expected outcomes. Neither document establishes a baseline or measurements for how to monitor achievement of the expected results. The *Project Document* does provide more detail as to what activities to carry, however, the causal link between the expected result and the activity is not clearly explained nor are the results defined or measurable.

The INTOSAI-Donor Secretariat *Results Framework*²⁵ established six outcomes. These are ambitious and non-measurable. INTOSAI-Donor Secretariat's new *Results Framework*, presented in the *Narrative Progress Report 2012*, includes 16 outcomes. It is not explained which of these 16 outcomes the INTOSAI-Donor Secretariat will take responsibility for achieving and monitoring, nor is there a baseline or indicators to help INTOSAI-Donor Secretariat monitor progress. In addition, the Steering Committee has, in the *Program Document Phase 2, 2013-15*, established seven activities (called themes) that the INTOSAI-Donor Secretariat should carry out between 2013 and 2015. The IDS thus has both the new expected results (as per the new *Results Framework*) to achieve and the seven themes to implement. Neither of these are measurable.

The INTOSAI-Donor Secretariat's reporting during the years 2010 to 2012 (found in the IDI's *Progress Reports*) presents activities carried out and does not link back to the expected results established in the *Project Document* or the *Results Framework*. Instead, the INTOSAI-Donor Secretariat has in the *Progress Reports*, focused on reporting on activities carried out in accordance with the work program. This has been highly appreciated by the SC and the Leadership. The most

²⁵ Presented in the *IDI Progress Report 2011*.

recent *Narrative Progress Report 2012*²⁶, clearly reports against the overall objective, project purpose, the *2010 Results Framework* and work program. This practice should be continued whereby the INTOSAI-Donor Secretariat establishes expected output and outcome results that are monitored annually. Measureable outcome indicators would facilitate the process of reporting and assessing level of achievement.

Currently, INTOSAI-Donor Secretariat is operating as a part of IDI. The Deputy Director General of IDI is also the head of the INTOSAI-Donor Secretariat and has the responsibility for the overall administration of the IDI as well as becoming the acting Director General in the Director General's absence. In practice, today, the INTOSAI-Donor Secretariat is integrated into IDI.

The important achievements of the INTOSAI-Donor Secretariat would not have been possible had the INTOSAI-Donor Secretariat not been part of the IDI. This is because the success of these activities depends on the participation of the SAIs, who know IDI, not the INTOSAI-Donor Secretariat. There are differing views among stakeholders as to whether INTOSAI-Donor Secretariat should continue to be a unit within IDI or fully incorporated into IDI. Donors want INTOSAI-Donor Secretariat to remain a separate unit, as does the Steering Committee Leadership. The IDI's leadership and INTOSAI would like to see the INTOSAI-Donor Secretariat fully incorporated into IDI.

The role of INTOSAI-Donor Secretariat is to support the INTOSAI Donor Cooperation. One of the INTOSAI-Donor Secretariat's roles is to organize and coordinate applications for funding of capacity building projects to be implemented by SAIs. This was done through a Global Call for Tender and a second Call for Tender is being planned. The role of the INTOSAI-Donor Secretariat is clear; it is to organize and coordinate and bring the proposals to the donors. The INTOSAI-Donor Secretariat does not have the mandate to rank funding proposals or make funding decisions. The funding of projects is clearly the decision of the donors. This would not change irrespective of INTOSAI-Donor Secretariat full incorporation into IDI or not. IDI does not have this mandate.

Conclusion

Currently, the INTOSAI-Donor Secretariat is, for all practical purposes, incorporated into IDI. This is evidenced by:

- the planning, monitoring and reporting mechanisms,
- the staff, located within IDI and some working part-time with INTOSAI-Donor Secretariat and part time with IDI, and
- the achievements that have been possible also due to the IDI's reputation among SAIs.

Recommendation

- The INTOSAI-Donor Secretariat should establish measureable outcome indicators in the new *Results Framework*.

²⁶ Finalized 12 of June 2012.

5. Summary

The IDI has, since it was first set up in 1986, changed and evolved as an organization. Its original mandate was to support the enhancement of audit capacities of INTOSAI members. In the initial years, this was accomplished by developing and implementing stand-alone training programs for audit staff of SAIs. The scope and depth of IDI's work progressively expanded into the establishment of a regional training infrastructure and creating IDI-certified training specialists that could take responsibility for programs within the regions. It was increasingly felt that classroom training, by itself, was not enough to build the capacity of SAIs. In its *Strategic Plan for 2007-2012*, IDI made a paradigm shift in its intervention strategy: capacity building was recognized to have an organizational strengthening element as well as a professional strengthening element. Programs were designed to address both aspects.

The IDI is an organization that is highly regarded among the INTOSAI bodies, among donors and among SAIs. It produces high quality programs where theoretical training is combined with practical pilot audits, hands-on support by experts and tools to use to implement sustainable changes in audit- and managerial practices among SAIs. Program participants praise the programs; the donors continue to fund IDI and to engage IDI to implement programs and the INTOSAI bodies work closely with IDI to improve audit practices and standards. IDI's program planning process is highly participative and IDI's program implementation ensures a high degree of ownership of the knowledge and new tools among participants as well as SAI top management. IDI's staff has the relevant background to be able to relate to program participants and design training and guidance material that fits with the expectations and needs of the participants. The evidence collected suggests that IDI's aim to transfer ownership of the knowledge gained to the SAIs is being fulfilled.

IDI has a mandate that was established by the INCOSAI congress in 1986. It established the IDI's role as that of a knowledge center that collects, translates and transfers guidance and tools to the target group. Since then, IDI's role has expanded to include creating sustainable change in audit practices of the target SAIs. However, the IDI's stakeholders see IDI's current and future role differently; creating diverging expectations. IDI's Board members and donors would like to see an IDI that supports the regional groups rather than working and measuring performance at the SAI level. The INTOSAI sees IDI's role as that of partnering with the donor community. IDI is also seen as the knowledge base for important issues that the SAIs/parliaments in developing countries need to begin to address e.g. public debt management, the independence of SAIs, ISSAI implementation etc. IDI and INTOSAI need to bring clarity in what IDI's mandate is and will be. This should be communicated to all stakeholders and articulated by establishing IDI's responsibilities and the results it is to deliver.

The IDI needs help in defining its role and the future direction. This support should come from the Board. The current Board structure is not sufficiently transparent; the full Board meets only once per year and important decisions are taken by a standing Working Committee. Not all strategic information appears to reach the full Board. In order to ensure the full Board's support and buy-in, the full Board needs to meet more often and be responsible for establishing strategic goals and measuring performance against these. The IDI's legitimacy would also be increased with more Board members from the target group.

The IDI is a highly regarded supplier of relevant capacity building programs to SAIs. Feed-back from the target group shows that the training is of very high quality, in demand and useful. IDI's main

weaknesses are

- Its monitoring process– IDI has not been able to report or measure delivery against its goals, expected outcomes or indicators. The reason for this is that the strategic planning process has resulted in a large number of goals, expected outcomes and indicators that are, to a large extent, impact goals and therefore beyond the control of IDI. As such, they are difficult for IDI to measure and be able to provide evidence that these goals have been achieved. The IDI should endeavor to establish goals, outcomes and indicators at strategic and program level that: are realistic in terms of what the IDI can achieve, have a baseline and show how monitoring of the goals, outcomes and indicators would be carried out.
- Its program planning system- IDI applies a flexible approach to program management that allows it to adapt to changing circumstances and the needs of the stakeholders. This approach, however, has meant that during the program design phase, the causal link between the programs and the goals, outcomes and indicators was not established and the program outputs and outcomes were therefore not designed in a manner to allow these to be measured and aggregated. This approach has also meant that the goals of the programs changed during the planning and that there is no *one* document establishing the expected results which can be used to monitor programs and evaluate results. This has made the subsequent reporting on program results and program evaluations difficult and aggregated data comparing results are not available.

The IDI does not have a system for planning for and monitoring of IDI's main resource; personnel. Without such a system it is not possible for IDI to properly assess:

- if it is being effective, nor
- if it is prioritizing correctly.

IDI has, during the period, seen substantial effects of its fundraising efforts. IDI has managed to increase its total funding over the period 2007-2012 both with regard to basket funding and earmarked funding. However, IDI's privileged position with a very generous core funding from Norway will most probably not continue forever. The trend towards more earmarking of funds by donors is here to stay and IDI needs to, in response to this, measure and show results.

Currently, the INTOSAI-Donor Secretariat is, for all practical purposes, incorporated into IDI. This is evidenced by:

- The planning, monitoring and reporting mechanisms
- The staff, located within IDI and some working part-time with INTOSAI-Donor Secretariat and part time with IDI
- The achievements that have been possible also due to the IDI's reputation among SAIs.

6. Recommendations

Strategic Planning and Monitoring

1. IDI's mandate, measureable expected results and responsibilities should be clearly stated in the new *IDI Strategic Plan* (for the period beyond 2014) and in the *INTOSAI Strategic Plan*.
2. The IDI should endeavor to establish goals, outcomes and indicators that
 - are realistic in terms of what the IDI can achieve,
 - have a baseline,
 - show how monitoring of the goals, outcomes and indicators would be carried out.
3. IDI needs to establish a system for strategic and operational planning that allows IDI to select and implement programs that help it contribute to its outcome and impact goals.
4. IDI should establish timely outcomes and outputs i.e. establish by when an output or outcome should have been accomplished.
5. The INTOSAI-Donor Secretariat should establish measureable outcome indicators in the new *Results Framework*.

Governance

6. IDI should consider increasing the number of Board meetings per year and the engagement of the full Board.
7. IDI should reconsider having a standing Working Committee between Board meetings.
8. IDI needs to prepare more concise and succinct reports to the full Board and report against established measureable goals/results.
9. IDI should ensure that minutes from any Board meeting or Board committee meeting reflect the discussions and decision-making process as well as record the decisions taken.
10. IDI should increase the number of Board members from the SAIs in the target countries to ½ of all Board members.
11. IDI should establish levels of authority for job positions.

Program Management

12. IDI should clearly establish the logical link between programs and the outcomes i.e. *how* each program will contribute to achievement of IDI's Strategic Goals and Performance Indicators.
13. IDI should collect and present baseline data for all program-related outputs and outcomes.
14. IDI needs to, for each program, firmly establish a logframe and ensure that the expected outputs and outcomes are the same in the *Program Proposals*, the *Cooperation Agreements* and the basis for the subsequent evaluation of the program.
15. IDI needs to establish transparent criteria for the selection of capacity building programs.
16. IDI's Organizational Development Activities should also be designed and evaluated in the same manner as the Capacity Building Programs.
17. IDI's evaluations need to evaluate progress against the initially agreed expectations and need to clearly define if an expected result has been achieved or not.
18. IDI needs to establish a system for planning for and monitoring staff time to be spent on capacity building programs as well as on IDI Organizational Development Activities.

Planning and Reporting

19. IDI's *Progress Reports* would benefit from being shortened, with detailed descriptions of each program and activities within each program as appendices.
20. IDI's budgets and budget monitoring should include IDI's staff costs and contributions from

INTOSAI members or the participating SAIs themselves.

Suggestions

- IDI should consider adding the quorum rules for Norwegian NGOs to the Statutes (or as an appendix to these).
- IDI may consider charging a fee for all participants in order to increase the perceived value to top management.
- IDI may also consider offering fee-based programs to SAIs in developed countries.