

Evaluation

of the

Audit of Lending and Borrowing
Frameworks Program

Final Report

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By:



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Abbreviations

ALBF	Audit of Sovereign Lending and Borrowing Frameworks Program
CSO	Civil Society Organization
DeMPA	Debt Management Performance Assessment Methodology
GUID	INTOSAI Guidance
IDI	INTOSAI Development Initiative
IFPP	INTOSAI Framework of Professional Pronouncement
IMF	International Monetary Fund
ISSAI	International Standards of Supreme Audit Institutions
KSC	Knowledge Sharing Committee
MFA	Ministry of Foreign Affairs Norway
PAR	Performance and Accountability Reports
PSC	Professional Standards Committee
SAI	Supreme Audit Institutions
UNCTAD	United Nations Conference on Trade and Development
UNITAR	United Nations Institute for Training and Research
WGPD	INTOSAI Working Group on Public Debt

1. Introduction

During 2009-2012, IDI (in partnership with the INTOSAI Working Group on Public Debt (WGPD)) delivered a program for “Public Debt Management Audit”, funded by the Ministry of Foreign Affairs of Norway (MFA). This program was continued (with the support of MFA) as a global program; “the Audit of Sovereign Lending and Borrowing Frameworks (ALBF)”. The program was planned for delivery in 2013-16 and subsequently extended to 2017. This evaluation is to present learned lessons and assess achievement of outcomes of the program.

IDI has, after a competitive tendering process, contracted Swedish Development Advisers AB (SDA) to carry out the evaluation of the ALBF program implemented during: 2014-2017.

1.1 Scope

The aim of this review is to:

1. strengthen the future selection, design and implementation of IDI programs (i.e. lessons learned)
2. Investigate and report on whether the program caused demonstrable effects on the defined target outcomes (at the national level, SAI level, and IDI/program level)

1.2 Methodology

The methodology was presented in an *Inception Report* on March 15, 2018. A Draft Report was presented to IDI after which this Final Report was prepared taking into account IDI’s comments. The evaluation is primarily based on a desk review of relevant documentation about the program complemented by key stakeholder interviews with IDI staff and stakeholders and participants of the program. An important caveat is that the MFA had not been interviewed due to the unavailability of MFA representatives for an interview. A list of persons interviewed can be found in Appendix 2.

This desk review is based on a review of documentation and evidence covering the period between 2014 and March 2018.

2. Description of the ALBF program

In October 2013, the IDI and the Norwegian Ministry of Foreign Affairs (MFA) signed a *Grant Agreement* to fund a program “Strengthening Public Oversight and Audit of Sovereign Lending and Borrowing Frameworks”. The grant was for the period May 2013 to June 2016 which was later extended both in time and in funding to June 2018.

2.1 Program Rationale

The program was initiated after the financial crisis in 2008 after which the IDI, with the support of the MFA, delivered a program for “Public Debt Management Audit”. In March 2013 the IDI submitted a *Program Proposal* to MFA for a program to strengthen the capacity of SAIs in countries faced with a high incidence of external public debt. The aim was to create institutional capacity within the participating SAIs in conducting in-depth and effective audit of lending and borrowing frameworks.

In 2012 the United Nations Conference on Trade and Development (UNCTAD) published the *Principles on Promoting Responsible Sovereign Lending and Borrowing* in order to establish a set of common principles and practices relating to sovereign debt. The INTOSAI’s Working Group on Public Debt (WGPD) had, by 2012, developed *International Standards of Supreme Audit Institutions* (ISSAIs) and case studies to focus on public debt audit issues.

2.2 Program Outcomes

The outcomes of the program, as established with MFA were:

- A. Strengthened capacity in participating SAIs for audit of pre- and post- contracting practices associated with public debt, and
- B. Greater acceptance of audit recommendations by both the sovereign borrowers and their lenders.

Five expected results were also established in the Grant Agreement:

1. At least 80 % of the participating SAIs are able to complete audit of pre and post contracting practices associated with public debt, during the course of the program.
2. At least 50 % of the participating SAIs report a regular usage of the Guidance materials developed under the program.
3. Other SAIs in the INTOSAI community request for and use material developed in this program.
4. The ISSAIs are updated to reflect the evolving nature of audit of public debt mechanisms, especially related to lending and borrowing practices.
5. Similar programs are taken up by regional bodies to cover SAIs not covered in this program.

In 2013, the IDI drafted a new strategic plan for the period 2014-2018. It includes an overall results framework and for each capacity building program specific results frameworks were established. In the case of the ALBF program, the expected results as established in the *Grant Agreement* were used as the basis and outcomes and outputs were established (see chapter 2.2 below for the list of IDI outcomes and an analysis of effectiveness).

2.3 Program Design

In June 2013 the IDI brought stakeholders together to agree the scope and outcomes of the program. These were UNCTAD, WGPD and the United Nations Institute for Training and Research (UNITAR). In addition, a Global Conference was held the same month to present the issue to SAIs from seven countries worldwide and to get trends on public debt auditing.

An online survey was carried out with 22 SAIs from ASOSAI, AFROSAI-E and OLACEFS responding (largely the same SAIs that later participated in the program¹). The purpose of the survey was to assess the needs and skills gaps in order to inform the design of the program. Data was collected on SAI legal frameworks, audit mandates to examine lending and borrowing, profiles of the public debt audit functions and gaps and needs in the area of public debt audit. The survey showed that 15 of the 22 responding SAIs had a considerable mandate to audit and monitor public debt and considered public debt audit to be a priority in the next strategic period. However, few SAIs had specialized public debt audit units, had carried out performance audits on the effectiveness of the public debt frameworks (mainly financial and compliance audits had been carried out) and only 15 audit reports on public debt had been tabled by the 22 SAIs in the last five years. This suggested that, despite their mandate to audit public debt, the SAIs had either limited competence or capacity to carry these out. The *Baseline Survey* did indicate that the program was needed and provided a stable mandate for IDI to progress with the design and development of the program.

During the design of the program and the course material (in the form of five eLearning modules) debt management experts were brought in. Finding experts with the relevant background was, however, difficult and caused a delay to the program. In 2013 two experts were contracted, one with a long debt management background from working within the World Bank, and one with experience of working in UNCTAD but also with debt management. The experts found that there was a need to further develop the course material, find good practice against which to audit public debt management processes and to include more case studies.

There was also a need to establish good practice against which auditors could analyze and assess the different debt management processes and the legal framework. The Debt Management Performance Assessment Methodology (DeMPA) was first prepared in 2009. It is a tool to assess

¹ Rwanda and Indonesia participated in the survey but did not participate in the program. Georgia and Mexico did attend the program.

and score strengths and weaknesses in government debt management practices against good practice and was developed by the World Bank with contributions from the International Monetary Fund (IMF), civil society organizations (CSOs) in the field of debt management, the US Treasury and several other relevant institutions. This tool and the *UNCTAD principles* were used by the experts to help establish audit criteria against which to audit public debt management practices and to ensure that all aspects of public debt management were captured in the program.

The course material was, in a later stage, included in the *Audit of Public Debt Management A handbook for Supreme Audit Institutions* (here referred to as the *Handbook*).

2.4 Program Implementation

The eLearning course was delivered in June 2014 after 24 SAIs had signed cooperation agreements. UNITAR hosted and managed the platform for the eLearning course. Two eLearning courses structured into five modules were run, one in English and one in Spanish. Feedback from participants shows that the eLearning modules were highly appreciated, easy to access, useful and taught the participants important concepts and methodologies and gave a good understanding of the topic. The participants felt more comfortable with the topic after completing the eLearning modules, and still use the course material today as reference material.

All SAI teams completed the eLearning course, which was a pre-requisite for the next phase. The ensuing part of the program was a pilot audit where the teams were to select topics for pilot audits, prepare audit plans and matrices, carry out the field work and have the experts and other SAIs review the audit findings.

An Audit Planning meeting was held in November 2014 for the English-speaking group and in January 2015 for the Spanish speaking group. At this meeting the SAI teams presented the audit topics and discussed the topics with other SAIs and the public debt experts. Each team established the concept note and audit matrix and received feedback from experts and other SAIs on the audit plan.

Once completed the teams returned to their countries in order to carry out the field work and prepare audit findings and reports. During this phase the audit teams were supported remotely by one public debt management expert and, in the cases of Nepal and Honduras, supported on-site.

The teams met again in August 2015 (English speaking regions) and September 2015 (for the Spanish speaking SAIs) in an Audit Review meeting. During this meeting the audit findings were shared and reviewed by the participants and experts. 22 of the 24 SAIs attended these meetings. Two SAIs had withdrawn from the program prior to the start of the field work. The SAI of South Africa had withdrawn from the program as its mandate did not extend to the topic of the audit. The team from Tanzania had arrived at the audit planning meeting with the understanding that

they would be planning and carrying out a financial audit. However, upon arriving they were advised to carry out a performance audit. After returning home they sought to expand the audit team to include performance auditors (who had not attended the eLearning modules), but were unable, within the time frame, to recruit auditors into the team and therefore abandoned the pilot audit task. The SAI of Tanzania has, subsequently, completed the audit of Effectiveness of cash management of public debt. Tanzania's feedback to IDI was to clearly establish the type of pilot audit to be carried out as part of the program in order to allow a team composed of auditors with the relevant expertise to participate.

Of the 22 SAIs that did complete the audits, a majority carried out performance audits and three did compliance audits.

By the end of 2015 audit reports had been completed by 22 SAIs and by the end of 2017 12 of these had been published and all had been submitted to the relevant authorities.

2.5 Finalizing the Program

In August and September 2016, the IDI held two Quality Assurance workshops (one in English and one for Spanish speaking SAIs) where representatives from the WGPD quality assured all the 22 reports produced as part of the program. The independent experts carried out quality assurance based on the ISSAI 5000 series and the results showed that the SAIs had carried out audits as per guidance provided in 5000 series ISSAIs.

An Exit and Lessons Learnt meeting was held in March 2017 and was attended by 19 SAIs. The purpose of the meeting was for IDI to gain feedback on the program, success stories and improvements potential and discuss how to improve sustainability. The feedback from the attendees was very positive with participants appreciating the structure of the program (eLearning + pilot audit), the competence of the experts and quality of the materials. This was also voiced by the participants interviewed as part of this study.

Feedback to IDI included the length of the program, which some SAIs considered should be shortened and to include IT components as many auditors were unfamiliar with systems used by debt management offices. Feedback from the interviews agreed with that from the Exit and Lessons Learnt meeting. In addition to this feedback, SAIs interviewed would like to see additional training or follow-up meetings on more specialized topics that would have the dual purpose of learning and of being able to share experiences with other SAIs. There was also a request for the creation of a pool of experts or a community of auditors with experience from auditing public debt as one manner of sharing expertise.

2.6 Drafting of Global Public Goods

In 2016 the *Audit of Lending and Borrowing Frameworks 2013 – 2017 Compendium of Audit Findings* was produced by the experts, mentors/resource persons and IDI. The compendium gives an overview of the key findings of the audits conducted during the program, makes reference to the UNCTAD principles, relevant ISSAIs and DeMPA indicators and provides lessons learned from the pilot audits carried out as part of the program.

In addition, the *Handbook on Audit of Public Debt Management* was drafted and prepared for review by March 2018. This has yet to be published as it is to undergo a quality assurance process established by IDI. The *Handbook* is a tool that explains public debt management and provides concepts and processes an auditor would audit. It furthermore explains how to audit the practices and makes reference to principles, indicators, standards and good practices against which to audit actual public debt management practices.

2.7 Cooperation with INTOSAI and other Stakeholders

Throughout the program, IDI has cooperated closely with INTOSAI's WGPD. Its mandate is to prepare and publish guidelines for SAIs regarding the audit and evaluation of public debt and exchange of knowledge regarding public debt with other institutions. The WGPD has throughout the program been closely involved. IDI has participated in the WGPD's annual meetings sharing information from the course. The current Chair of the WGPD (SAI of Philippines) also allowed staff to participate as resource persons in the ALBF program which involved designing the program, acting as a mentor to the participating SAIs during the eLearning course and the pilot audit and in drafting the *Handbook* and *Compendium*. The WGPD is currently working to produce a GUID (see more below) on audit of public debt, where the *Handbook* is being considered as the basis.

The use of the World Bank tool for assessing public debt management performance (DeMPA) meant involving a public debt manager with a background from the World Bank. In this manner, good public debt management practice and expertise in the subject matter was incorporated into the program. There appears to have been less formal communication and involvement of institutions such as the IMF and the World Bank, but in practice, the contracting of the former World Bank expert meant drawing on knowledge from the latter institution.

There has been less formal cooperation between UNCTAD and IDI during the program. A former UNCTAD employee and debt manager was contracted as an expert and to coordinate the program, but the formal coordination with UNCTAD was limited. This was due to the UNCTAD team initially involved in the design of the ALBF program leaving, but the input from this institution in reviewing the Global Public Goods and in helping to ensure the sustainability of the program would have been valuable in the process.

Realizing that the necessary expertise in debt management was required on an on-going and intensive basis, IDI therefore contracted experts to provide this. This appears to have been a practical solution to ensure the availability of expertise throughout the program. However, involving the institutions formally at the beginning and at the end of the program may help to strengthen the sustainability by discussing ways forward, actions to be taken by each institution to promote the Global Public Goods and further learning opportunities.

2.8 Deviations from the Plan

Some elements of the program were changed during the course of the program, these were:

1. The updating of ISSAIs.
2. Involvement of public debt lenders in the program.
3. Certification of public debt audit champions.
4. IDI Community Portal for Public Debt champions.

Each of the changes are described below

1. The updating of ISSAIs. As a result of the capacity building program preceding the ALBF program, the IDI and WGPD published the *IDI-WGPD Guidelines on Public Debt Audit* (2012). At the outset of the program (in 2014), the idea was to harmonize and modify these *Guidelines* and the ISSAIs for public debt audit.

In 2014 INTOSAI decided to gather and establish guidance, standards and principles in the INTOSAI Framework of Professional Pronouncement (IFPP). These are to include, among other documents, the ISSAIs and new INTOSAI Guidance (GUIDs). As this development took place during the program period, the idea of modifying the ISSAIs for public debt was abandoned and instead, IDI has worked closely with the WGPD in order to assist in the preparation of a GUID on auditing of public debt. The aim of the GUID is to provide guidance on how to apply the ISSAIs when auditing public debt management practices. The WGPD is currently considering if it would be possible to co-brand the *Handbook* and thus use this when developing the GUID for public debt audit.

2. Involvement of public debt lenders in the program. The original program proposal established the target group of the program to be “SAIs, primarily from the developing countries, which are faced with a high incidence of external public debt burden”. However, the document also stated that “developed country SAIs from some of the big donor countries” would be invited to participate. SAIs from donor countries were invited, but declined participation. The SAIs that did participate all came from countries with high external and/or internal sovereign debt (India and Brazil being the countries with low external borrowing but high internal debt) and none of the donor country SAIs participated. This has, by some stakeholders interviewed, been seen as a drawback of the

program, while other stakeholders interviewed saw it as relevant to IDI's purpose and provided an appropriate focus for the program.

3. Certification of public debt audit champions. The original plan was to certify the participants of the program once they had passed an online exam and attended facilitation skills workshops. Certified public debt audit champions would be able to provide training in their respective SAIs and to other SAIs in the region – improving the sustainability of the program by ensuring that competence was available for the cascading of training. This was seen as critical to the sustainability of the program as finding and being able to draw on skilled professionals was one of the largest challenges of the program.

However, during the program period discussion regarding developing a certification and/or accreditation system within INTOSAI began and the Task Group on INTOSAI Auditor Certification was created. IDI has been closely involved in this work by, among other tasks, contributing substantially to the creation of a *Competency framework for public sector audit professionals at SAIs* (presented at INCOSAI 2016), and the preparation of a position paper on an enabling mechanism required to facilitate and structure professional development at SAI level (presented at INCOSAI 2016).

IDI decided to remove this element of the program, in order to not contradict any developments with regard to the accreditation of public sector auditors. A program revision proposal was submitted to the MFA and approved in March 2016.

4. IDI Community Portal for Public Debt champions. Originally, the plan was for IDI to create a community of practice for regular information exchange of those completing the course and certified as champions. The *Annual Progress Report* for the period 2014-2015 stated that IDI was to establish an eLearning platform to house the community of practice. This has, however, not been done. The INTOSAI Knowledge Sharing Committee (KSC) and IDI have created a common website (intosaicommunity.org) where such a community of practitioners was to be housed, but till now, no such community exists.

3. Achievement of Program Objectives

The following chapter presents the evidence as to the achievement of Outcomes and Expected Results, as established in the *Grant Agreements*. The ensuing chapter presents the achievement of the Outcomes IDI established for the ALBF program in the Results Frameworks attached to the *IDI Strategic Plan 2014-2018*.

3.1 Achievement of Outcomes and Expected Results

The following outcomes and expected results were established in the *Grant Agreement* with the MFA. The Expected Results are analyzed first, resulting in an overall conclusion on whether the Outcomes were achieved.

Outcome/expected result to achieve	Achievement	Evidence/comment
Expected result		
1. At least 80 % of the participating SAIs are able to complete audit of pre and post contracting practices associated with public debt, during the course of the program.	Achieved.	<p>Of the 24 participating SAIs, 22 completed the pilot audits (92% of participating SAIs). A majority of the audits were performance audits of different aspects of debt management practices and the audit reports analyzed one or several aspects of the debt management system against the 14 DeMPA indicators. Also the UNCTAD <i>Guidelines on Responsible Sovereign Lending and Borrowing</i> were used as benchmarks.</p> <p>The two SAIs that did not complete an audit, one (South Africa) due to the lack of mandate of the SAI, the other (Tanzania) due to the lack of performance auditors available to support the participants (with a regulatory audit expertise) in conducting the audit.</p>
2. At least 50 % of the participating SAIs report a regular usage of the guidance materials developed under the program	Partially achieved.	<p>During the course of the program two guidance documents were to be prepared: the <i>Handbook</i> and the <i>Compendium</i>. The <i>Compendium</i> is available on IDI's website but the <i>Handbook</i> is not yet publicly available which is a shortcoming of the program. Of the four participants interviewed, two used the <i>Compendium</i>, one was aware of it but did not find it useful and the other participant was not aware of the <i>Compendium</i>.</p> <p>The material provided as part of the eLearning course was found by all participants to be extremely useful and is still being used for reference by the participants. All the participants sought additional material (such as the <i>Handbook</i>).</p> <p>Not having the <i>Handbook</i> available more than two years after the SAIs completed the pilot audits reduces its usefulness to the SAIs. It would have been useful for participants to use it in training of their colleagues and for reference during the course.</p>
3. Other SAIs in the INTOSAI community request for and use material developed in this program	Not achieved.	<p>The IDI has, throughout the program, cooperated closely with the WGPD which is currently considering co-branding the <i>Handbook</i> and using it as part of the preparation of a GUID on public debt audit.</p> <p>IDI's statistics show that the <i>Compendium</i> had been downloaded 74 times between March 1 and early April 2018.</p> <p>The <i>Handbook</i> is not yet publicly available.</p>

Outcome/expected result to achieve	Achievement	Evidence/comment
		There is no evidence provided that other SAIs are using the publicly available <i>Compendium</i> .
4. The ISSAIs are updated to reflect the evolving nature of audit of public debt mechanisms, especially related to lending and borrowing practices	Objective changed and achieved.	During the course of the program, a decision was taken by the INTOSAI community not to further develop the ISSAIs, update these or change them. This objective was thus not achievable. However, the ALBF program and the output in the form of the <i>Handbook</i> is instrumental in the preparation of a GUID on public debt audit which is the task of the WGPD.
5. Similar programs are taken up by regional bodies to cover SAIs not covered in this program	Not achieved.	A review of the publicly available data on the regional bodies' programs and training events do not show that similar programs have been taken up by the regional bodies.
Outcome		
A. Strengthened capacity in participating SAIs for audit of pre and post contracting practices associated with public debt	Achieved.	<p>The evidence that participating SAIs have strengthened their capacity for audit of public debt practices is:</p> <ul style="list-style-type: none"> • 22 of 24 SAI teams completed audit reports and presented these to the relevant authorities. • The public debt experts interviewed stated that the audit reports showed that the SAI teams had a greater understanding of the concepts, were ambitious in their approach and scope for the pilot audits, that they were able to “ask the right questions”. • The participants all attest to the fact that their understanding of the subject matter has increased substantially, that they understand the concepts and methodologies and are able to speak with greater authority on the subject matter. • All the participants interviewed had trained other auditors in their SAIs in the subject matter. In one case the SAI team had developed a manual for audit of public debt as a result of the program. • All the participating SAIs had carried out at additional audits of public debt management since the end of the course.
B. Greater acceptance of audit recommendations by both the sovereign borrowers and their lenders	Achieved.	Of the 22 audit reports completed, 12 had been published by early 2018 ² , and all had been presented to the relevant government recipient.

² Appendix to PAR 2017.

Outcome/expected result to achieve	Achievement	Evidence/comment
		<p>All the participating auditors interviewed stated that the recommendations provided in the pilot audit reports had been accepted and that changes to public debt practices were underway. Changes as a result of the SAI’s recommendations include:</p> <ul style="list-style-type: none"> • The Ministry of Finance developing an new policy for sustainable debt, • The establishment of a macro-economic affairs department, • The amendment and subsequently preparation for a new law on managing public debt, and • The establishment of a new debt management office.

In summary, the findings show that IDI has achieved the two Outcomes established in the *Grant Agreement*, and clearly achieved two of the Expected Results. However, the delay in getting the *Handbook* finished is a shortcoming of the program and not all participants were either aware of the *Compendium* or found it useful. There is no indication that similar programs have been held by the INTOSAI regional bodies.

3.2 Achievement of IDI’s Outcomes

In 2014 IDI began implementing a new strategic plan for the period 2014-2018. This included an overall Results Framework and for each of IDI’s capacity building programs, a specific results framework was established. The ALBF program results framework built on the original objectives of the *Grant Agreement*. The following section analyzes the achievement of IDI’s Outcomes for the ALBF program.

Outcome	Achievement	Evidence/comment
SAI Outcomes		
1. 16 participating SAIs issue audit reports on lending or borrowing framework within the established legal time frame	Achieved	22 participating SAIs issued audit reports on public debt practices.
4. 12 draft audit reports which generally meet best practice requirements as per applicable ISSAIs	Achieved	12 audit reports were quality assured by experts from WGPD and found to be in line with the public debt audit ISSAIs.
IDI Outcomes		
1.1 Program delivered as per the IDI Service Delivery Model <ul style="list-style-type: none"> • Programme selected on the basis of criteria defined by the IDI 	Not applicable.	The program was selected prior to the IDI establishing criteria for the selection of programs.
<ul style="list-style-type: none"> • Beneficiary SAI leadership involved in programme selection and design and beneficiary SAIs resource persons participate in design, development and delivery of the programme 	Achieved	Beneficiary SAI leaders were invited to and attended a global conference. The SAIs of China, India, Brazil and South Africa (initially reluctant to participate) did commit to participate. The program was designed by IDI and UNCTAD initially and then completed by public debt experts. The resource persons included two public debt experts, three participants from the previous transversal program on public debt, WGPD members and four experts from SAIs.
<ul style="list-style-type: none"> • Results framework that integrates at least two of the three aspects of capacity development i.e. institutional, organisational, professional staff capacity. 	Achieved	The results framework for the ALBF program incorporates strengthening of professional, institutional and organizational capacities.

Outcome	Achievement	Evidence/comment
<ul style="list-style-type: none"> • IDI core values and principles are respected³ 	Partially achieved	<p><u>Innovation</u>: the IDI followed its traditional manner of design for capacity building programs to include eLearning (which was a new manner of working for the IDI in 2013), pilot audits, certification of champions and Global Public Goods. Throughout the program the changes in the INTOSAI community meant that IDI needed to modify the program which it did to accommodate additional opportunities for the participating SAIs to meet, learn and share best practice (in the quality assurance review and exit meeting).</p> <p><u>Diversity</u>: the IDI sought a blend of lending and borrowing country SAIs to participate. They were less successful in attracting the main donor country SAIs but the SAIs of China, Brazil, India and South Africa did participate. In terms of gender diversity, the total number of women attending the program during 2015, 2016 and 2017 was 52 of a total of 128 participants resulting in 41 % female participation rate. This is slightly below IDI's aim of 44%.</p> <p><u>Impact</u>: the sustainability of the program is somewhat hampered by the lack of the <i>Handbook</i>. This is a significant tool to allow SAIs to continue to train colleagues and as reference material when carrying out additional public debt audits. IDI has on two additional occasions, offered SAIs the opportunity to meet and share experiences (during the Quality Assurance workshop and the Exit workshop) but additional efforts to help SAIs connect and share experiences, especially since experts in this are very scarce may have improved the sustainability of the knowledge.</p>
<ul style="list-style-type: none"> • IDI partners with relevant INTOSAI Committees, WGs and/ or regions 	Achieved	<p>The IDI partnered with the relevant INTOSAI body: the WGPD. UNCTAD was also a clear partner. In order to draw on the expertise of the lenders and developers of good practice in debt management, IDI contracted two consultants with highly relevant background from the World Bank from debt management.</p> <p>In order to ensure that the final version of the <i>Handbook</i> is relevant and reflects current best practice, inviting additional experts in public debt to comment on the Handbook is important. These may be representatives of the IMF, the Commonwealth Secretariat Debt Recording and Management System and/or academics or CSOs working in this field.</p>
1.2 Program delivered to time and budget	Partially achieved	The program was originally planned to be finalized by June 2016. In three <i>Addendums</i> to the contract, the <i>Grant Agreement</i> with MFA was modified and the final report is to be submitted in June 2018. The delays in the program were caused by

³ IDI's core values are: Innovation, Diversity and Impact.

Outcome	Achievement	Evidence/comment
		<ul style="list-style-type: none"> • Additional buy-in meetings with SAIs at the outset • The scarcity of public debt experts to participate as quality reviewers and resource persons • Changes made by INTOSAI regarding both the ISSAIs (into IFPP) and the future accreditation of public sector auditors mean modification to the program. <p>However, the delay in drafting the <i>Handbook</i>, three years after the completion of the pilot audits and the participation of SAIs, is a result of lack of resources within the IDI. It is also an important shortcoming.</p> <p>Criticism put forward by participants include the length of the program. Feedback from participants on the eLearning course was that this was well timed and allowed sufficient time to review material and complete the work. However, some participants thought that the pilot audit period was very lengthy and therefore did not conform to the scheduling of the SAI's audits which impacted on the resources available to carry out the audit.</p> <p>By the end of 2017, the IDI had overspent the budget by 3% and estimated the additional cost for the evaluation, to be overspending by approximately 5%. This is within the IDI's goal of overspending by a maximum of 10%</p>
<p>1.1 Participating SAI staff whose professional capacity is developed:</p> <ul style="list-style-type: none"> a) 50% SAI staff successfully complete their professional training b) 50% SAI staff conduct pilot audits as per best practice c) 50% SAI staff being deployed in audits by 2019. 	Achieved	<ul style="list-style-type: none"> a) 100% of the SAI staff participating in the eLearning course successfully completed their professional training b) 80% of the participating SAI staff conducted the pilot audits c) of the participants interviewed all four (and their teams) were currently, or had since the program ended in 2015, been deployed in public debt audits.
<p>1.1 50% of participating SAIs who report that they have established a mechanism for conducting audit of lending and borrowing frameworks on a regular basis, using guidance provided in the program</p>	Achieved	<p>All four participants interviewed stated that they had been involved in, and the SAI had completed, additional audits of public debt practices since the end of the program. This is probably the most important evidence that the training has had an effect since this is a new and complex area where many SAI auditors have limited experience.</p>

Outcome	Achievement	Evidence/comment
		Only one participating SAI that was interviewed stated that a new manual for public debt audit had been prepared as a result of the program. All participants had carried out training for fellow auditors in their SAIs and also for other SAIs in the region. At the Exit meeting, attended by 19 participating SAIs, SAIs presented sustainability plans which included developing long-term and medium-term strategies for auditing public debt, including public debt audits in SAI audit plans, arranging training on public debt audit within the SAI, and conducting awareness raising in the national parliaments and relevant ministries.
2.1 12 SAIs that report use of IDI-WGPD's updated Guide on Public Debt Management Audit	Not achieved.	The <i>Handbook on Audit of Public Debt Management</i> is in an early draft format and will be released for comments during 2018.
3.1 a) 70 participating SAI staff qualify as IDI-WGPD certified public debt audit champions b) 35 champions used by their own SAIs or regions	Removed as an outcome	This element of the program was removed in discussion with MFA.

4. Conclusion

The ALBF program aimed at strengthening the capacity of participating SAIs to carry out audits of pre and post public debt contracting practices. It ran simultaneously in English and Spanish, for a group of 24 SAIs from the INTOSAI regions of AFROSAI-E, ASOSAI, EUROSAI and OLACEFS. It was delivered in partnership with the WGPD, UNITAR, and UNCTAD, with the MFA as a financing partner.

The program included the following components

- Stakeholder meeting and global conference to agree on program design, roles and responsibilities and expected deliverables. The IDI carried out a *Baseline Survey* which showed that the responding SAIs had comprehensive mandates to audit and monitor the public debt frameworks and practices. The survey also suggested that despite their mandate to audit public debt, the SAIs had neither the competence nor capacity to carry these out. The *Baseline Survey* did indicate that the program was needed and provided a stable mandate for IDI to progress with the design and development of the program. 24 SAIs that had decided to use the *UN Principles on promoting responsible sovereign lending and borrowing* signed statements of commitment to participate in the program.
- eLearning course and pilot audits in conducting audits of lending and borrowing frameworks and debt management practices. The program comprised an eLearning course of five modules and pilot audits carried out with the support of public debt experts and resource persons. The pilot audits were used to help audit teams through the practical application of the learning by carrying out audits with the support of resource persons and experts. This part included developing pre studies and audit plans in joint meetings with support from resource persons in reviewing audit plans providing online support while conducting audit, reviewing draft audit reports and, finally, quality assurance reviews of the audits. These reviews were conducted by WGPD experts and the public debt management experts.
- Exit Meeting and Lessons Learned with all participating SAIs' leadership and teams.
- Development of the *ALBF Compendium of audit findings* (published) and the *Handbook on Audit of Public Debt Management* (yet to be made public).
- Close cooperation with the WGPD in order to help develop the *Handbook* and GUID on public debt.

The analysis of the Outcomes and Expected Results established in the *Grant Agreement* with MFA shows that IDI achieved two of the five expected Outcomes. With the *Handbook* still to be published, and the *Compendium* used, and found useful by two of the four participating SAIs interviewed, the Expected Results regarding the use of the guidance material and up-take of this by other SAIs cannot be said to be achieved. Nor is there any evidence publicly available that

other INTOSAI regional bodies have delivered similar programs on the audit of public debt for their members.

The two Outcomes established in the *Grant Agreement* - strengthened capacity of SAIs to complete these specialized audits and the relevant national institutions acceptance of the recommendations by the SAIs - have been fully achieved.

IDI had established two SAI Outcomes and six IDI Outcomes for the ALBF program in the results framework developed as part of IDI's strategic planning process. The two SAI Outcomes have been fully achieved with SAIs issuing quality assured audit reports. Of the six IDI Outcomes, IDI has achieved three of the outcomes, one was removed as an outcome with the development of a new *Competency framework for public sector audit professionals at SAIs*, and the Outcome regarding the use of the *Handbook* has not been achieved.

4.1 Lessons Learned

Public debt is an area that is complex where IDI's data shows that SAIs in borrowing countries have not worked substantially. Auditing public debt practices and frameworks can also impact on a country's credit rating with an important effect on the ability to borrow and the costs of borrowing. There was therefore some reluctance by SAIs to participate, which the IDI managed to overcome resulting in the participation of 24 SAIs including the SAIs of China, Brazil, India, and South Africa who are emerging sovereign lending countries.

The IDI also realized early on that specific debt management expertise would be needed for the course in order to establish good practice to help auditors assess public debt practices and frameworks. This was sought from the World Bank and UNCTAD and the practical solution was to contract experts with backgrounds from these organizations and public debt management. There was some delay in this, resulting in a delay in the project. In order to avoid delays the IDI should consider, prior to submitting a proposal to the financier, finding experts that would be relevant for the project. This to ensure that the experts are available and to avoid delays in the project.

The mix of eLearning and pilot audits appears to have been a relevant and appropriate blend of learning approach allowing participants to understand the basic concepts before embarking on an actual audit with the support of reference persons. It was highly appreciated by the participants.

The face-to-face meetings were also of high value to the participants and experts allowing them to share actual examples, problems and to discuss scope, good practice and criteria. Further opportunities for sharing are being requested by the participants in order for them to continue to learn from each other and from experts. The lack of a community portal impacts on the participants' ability to interact which is sought by the participants.

The delay in producing the *Handbook* is a drawback of the program. More than two years after the SAI teams finalized their pilot audit reports, the *Handbook* was still to be published. The *Handbook* is also the most important guiding document as it provides the “how to” for auditors performing audits of public debt practices and frameworks. It is also useful for SAIs embarking on new public debt audits, when designing internal manuals for such audits and when preparing training events to disseminate the learning from the ALBF program. The *Compendium* appears to have been less useful to the participants. However, as the *Compendium* presents key findings from the pilot audits, it has been useful in drafting the *Handbook*. The participants interviewed were not aware of the *Handbook* or that it was due to be published. Learning from this would suggest that IDI prioritize drafting and finalizing important guidance material with the aim of publishing this within the same year as the finalization of the pilot audit reports, as planned in the original *Program Proposal*. This would make it more useful to both participants and regional bodies wishing to disseminate learning or deliver training to their members.

As part of the IDI’s *Protocol for Quality Assurance of IDI’s Global Public Goods*, all Global Public Goods are to be exposed to stakeholder feedback and review. The project manager is responsible for ensuring that all relevant stakeholders are aware of the availability of the draft version. In order to ensure that the final version of the *Handbook* is relevant and reflects current best practice, inviting additional experts in public debt to comment on the *Handbook* is important. These may be representatives of the IMF, the Commonwealth Secretariat Debt Recording and Management System and/or academics and/or CSOs working in this field.

5. Recommendations

The following section presents the recommendations to IDI.

- IDI is recommended, when designing a capacity development program and proposal to a donor, to establish and engage the relevant experts for a program, to ensure the feasibility of the program and avoid delays in the start-up phase of the program.
- IDI is recommended to establish manners in which participants can interact and share experiences and learning after the program.
- IDI is recommended to prioritize drafting and finalizing important guidance material with the aim of publishing this within the same year as the finalization of the pilot audit reports.
- IDI is recommended to invite institutions, CSOs and academic institutions that have not been involved in the program to review the Handbook to ensure that relevant and current best practice based on their experience is reflected.