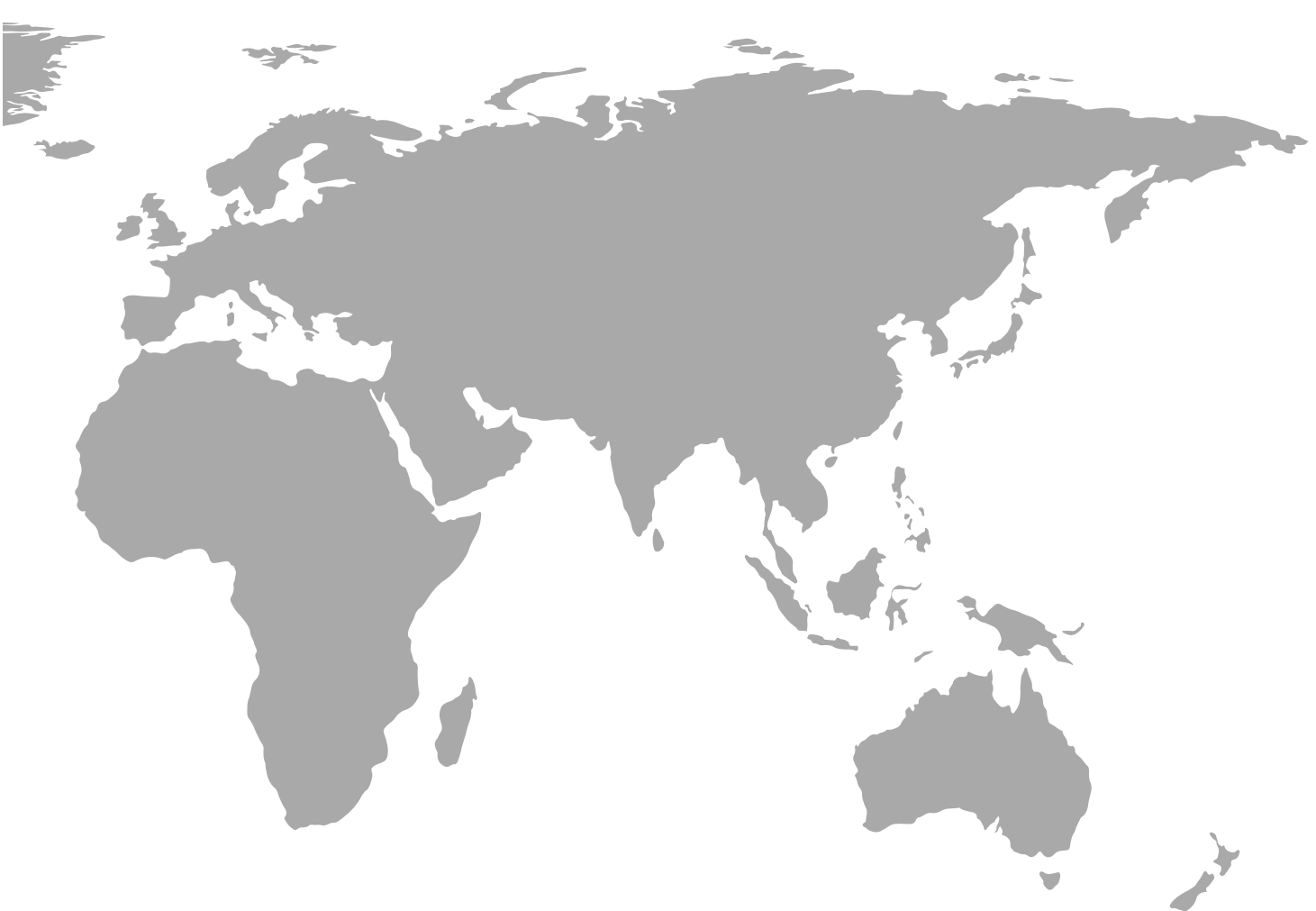




RESULTS OF THE SWEDISH NATIONAL AUDIT OFFICE'S
INTERNATIONAL DEVELOPMENT COOPERATION
2015–2018



2015

2016

2017

2018

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Results of the Swedish National Audit Office's international development cooperation

In this report the Swedish National Audit Office compiles the results of its international development cooperation. The report is submitted as information to the Riksdag Committee on Foreign Affairs.

The reporting is in accordance with the Swedish National Audit Office's commitment to report the results of its international development cooperation every fourth year.

Auditor General Helena Lindberg took the decision in this matter. Project Director Johanna Gårdmark was presenter. Acting Deputy Auditor General, International Affairs Dag Levin Sparr participated in the final processing.

Helena Lindberg

Johanna Gårdmark

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Preface by the Auditor General

This report on the Swedish National Audit Office's international development cooperation presents the results of our bilateral and regional cooperation projects. The outcomes achieved in our partner organisations are always a result of their hard work. At the same time, we contribute our knowledge and our experience to cooperate in promoting sustainable development in organisations that often operate under very difficult conditions. The evaluations we have made of our cooperation projects show that progress has been made in many ways; the implementation of international standards is increasing, performance audit reports are becoming more readable, quality control systems are improving, leadership is developing, and progress is also being made in contacts with both parliaments and media, auditees and civil society.

In accordance with Sweden's policy for global development (PGD), Swedish development cooperation is to create conditions for poor people to improve their lives. The cooperation must be characterised by the poor person's perspective and a justice perspective, in which the individual's freedom and rights are at the centre.

A national audit office is central to a country's financial management. By supporting supreme audit institutions (SAIs) in developing countries the Swedish National Audit Office helps to promote sound use of public resources and effective administration, which are central to growth and democratic development. Increased transparency and effective systems for accountability promote individual citizens' chances of making their voices heard while at the same time preventing corruption and fraud.

Stronger SAIs contribute directly and indirectly to the UN Sustainable Development Goals. Goal 16 aims to promote the building of effective and inclusive institutions and emphasises accountability. This goal is particularly relevant to SAIs that contribute through their audits to transparency and effectiveness in public administration.

The Swedish NAO has decided to an increasing extent to start cooperation with SAIs that operate in difficult and fragile contexts. After having seen good results since 2011 and 2013 in Cambodia and Palestine, for example, cooperation was started with the SAI in Zimbabwe in 2016. In 2018 the Swedish NAO also signed agreements with SAIs in Afghanistan and Liberia. At the same time, we are phasing out cooperation with now more established SAIs, such as in Georgia.

We make these decisions well aware that these complex and conflict-filled environments bring with them challenges that mean development in the SAI will probably be slower than in another context. This is conscious risk-taking. But we see it as our responsibility to operate within the framework of Swedish development cooperation policy and to support the SAIs that best need it.

Helena Lindberg
Auditor General

Abbreviations

AFROSAI-E	African Organisation of English-speaking Supreme Audit Institutions – a subregional cooperation organisation for SAIs in English-speaking countries in Africa
ASEAN	Association of Southeast Asian Nations – a geopolitical and economic organisation consisting of ten countries in South East Asia
ASEANSAI	Association of Southeast Asian Nations (ASEAN) Supreme Audit Institutions – a subregional cooperation organisation for supreme audit institutions in the ASEAN region
CBC	INTOSAI Capacity Building Committee – INTOSAI’s main committee for capacity building
CoA	Court of Accounts – Moldova’s Supreme Audit Institution
COPF	Parliamentary Committee for Oversight of Public Finances in Kosovo
CPP	Cambodian People’s Party – government party in Cambodia
ELDP	Executive Leadership Development Programme – a leadership programme in AFROSAI-E, developed by the Swedish NAO
FINMAP	Financial Management & Accountability Programme
GAC	General Auditing Commission – Liberia’s Supreme Audit Institution
GIZ	Gesellschaft für Internationale Zusammenarbeit – German central government implementing body in support of development cooperation policy
IDI	INTOSAI Development Initiative – Norwegian foundation that implements development initiatives in INTOSAI
INTOSAI	International Organization of Supreme Audit Institutions
ISSAI	International Standards for Supreme Audit Institutions, developed by INTOSAI
JWGAA	Joint Working Group of Audit Activities – a working group in the framework of cooperation between EU’s supreme audit institutions, with the aim of supporting cooperation and development in EU candidate and potential candidate countries

KNAO	Kosovo Office of the Auditor General
NAA	National Audit Authority of Cambodia
NAOT	National Audit Office of Tanzania
OAGK	Office of the Auditor General of Kenya
OAGU	Office of the Auditor General of Uganda
OAGZ	Office of the Auditor General of Zimbabwe
OECD	Organisation for Economic Cooperation and Development
PEFA	Public Expenditure and Financial Accountability – tool to assess the state of a country's system for public expenditure, procurement and accountability
PFM	Public Financial Management
PGD	Sweden's policy for global development
SAACB	State Audit and Administrative Control Bureau of Palestine
SAI	Supreme Audit Institution
SAI BD	Office of Audit for Public Administration of the Brčko District
SAI BiH	Office for Auditing of Institutions of Bosnia Herzegovina
SAI FED	Office for Auditing of Institutions in the Federation of Bosnia Herzegovina
SAI RS	Supreme Audit Office for Auditing of the Public Sector of Republika Srpska
SAI PMF	Supreme Audit Institution Performance Measurement Framework – developed by INTOSAI to support complete and fact-based evaluations of SAIs' performance in relation to international standards and good practice
SAOA	State Audit Office of Afghanistan – Afghanistan's Supreme Audit Institution
SAOG	State Audit Office of Georgia – Georgia's Supreme Audit Institution
SDA	Swedish Development Advisers – firm of consultants
Sida	Swedish International Development Cooperation Agency

SIGMA	Support for Improvement in Governance and Management – a joint EU and OECD initiative, aimed at promoting development of public sector governance and management in EU’s candidate countries and potential candidate countries as well as developing countries
UK NAO	The National Audit Office of the United Kingdom
UNDP	United Nations Development Program
USAID	United States Agency for International Development

Summary

This is the third report on the Swedish National Audit Office's (NAO) international development cooperation. It supplements the annual report by describing in more detail how initiatives contribute to achieving the objective of the Swedish NAO's development cooperation. The report is based on external evaluations or the Swedish NAO's own assessments of performance.

The Swedish National Audit Office's development cooperation

Under the Act containing Instructions for the Swedish National Audit Office (2002:1023) the Swedish NAO is to conduct international development cooperation. The Swedish NAO's development cooperation is based on Swedish policy for global development. The Swedish NAO selects partner organisations from countries with which Sweden has a cooperation strategy.

The objective of the Swedish NAO's development cooperation is to help strengthen the capacity and ability of SAIs to conduct audits in accordance with international standards. The objective is achieved through global, regional and national initiatives.

Globally the Swedish NAO works within the international cooperation body INTOSAI¹.

Working methods and approaches

International development cooperation aims at promoting institutional development in public sector audit in the Swedish NAO's partner organisations. The Swedish NAO's contribution is mainly through its own staff who, as part of a multi-year project, complete short-term or long-term assignments. The emphasis of the cooperation is on financial audit and performance audit, and on systems for quality control that support the audit work. In addition, the Swedish NAO also supports change processes in management and governance, leadership, internal and external communication, IT and HR. Development of pedagogical methods is an important element in developing quality and operational effectiveness.

¹ International Organization of Supreme Audit Institutions.

Results of development cooperation

AFROSAI-E

The Swedish NAO's cooperation with AFROSAI-E² is the most extensive and long-term of all our cooperation projects. By supporting the implementation of the AFROSAI-E strategic plan in various ways, the Swedish NAO contributes to strengthening its members' institutional capacity and professional development. An evaluation shows that progress has been made for example in development of performance audit. In financial audit, the regional manual has been updated and the Swedish NAO supports the extensive work of applying the manual and adapting it to national conditions. In 2015–2016 the Swedish NAO put particular effort into developing a leadership programme. Despite the success of the programme, the Swedish NAO and AFROSAI-E came to the joint conclusion that advanced strategic leadership programmes should be carried out bilaterally to enable better adaptation to national conditions.

ASEANSAI

The cooperation project between ASEANSAI³ and the Swedish NAO, which was started in 2014, aims to strengthen members' capacity, including audit in compliance with international standards. The Swedish NAO's support is given through participation of experts, training initiatives and coaching for activities planned and implemented by ASEANSAI and its sub-committees and members. To date, the Swedish NAO has mainly contributed expertise to ASEANSAI's long-term programme to implement international standards in the region. Part of the aim of the programme was to train a regional pool of expert resources. The Swedish NAO has also trained auditors from the region in quality assurance.

Bosnia and Herzegovina – Supreme Audit Institutions

In 2016, after seventeen years of cooperation, the Swedish NAO's project with the SAIs in Bosnia Herzegovina came to an end. The project took a broad approach and took into account the organisations' collective support needs. The project was evaluated on several occasions and the overall assessment is that the Swedish NAO contributed to developing effective SAIs that publish performance audits of good quality. The long period of cooperation is also considered to have contributed to a situation of dependency on the Swedish NAO and was considered not to have created the conditions for long-term sustainable results without external support. In this light, the project was not extended after the fifth project phase.

² African Organisation of English-speaking Supreme Audit Institutions, a subregional cooperation organisation for supreme audit institutions in English-speaking countries in Africa.

³ Association of Southeast Asian Nations (ASEAN) Supreme Audit Institutions, a subregional cooperation organisation for supreme audit institutions in the ASEAN region.

Cambodia – National Audit Authority

The Swedish NAO's support to the National Audit Authority in Cambodia started in 2011. In financial audit the Swedish NAO contributed to the development of an audit manual as well as training and coaching of employees and managers. As a result, the National Audit Authority increased its capacity to conduct audits in accordance with international standards. The Authority's system for quality control and ability to assure the quality of its own audits have improved. Performance audit has been introduced in Cambodia and among others, the Senate, the National Assembly and the ministry of finance have requested the NAA's reports. An evaluation highlights a number of factors that can help to uphold development now taking place in the organisation in the long-term: the leadership's support for the development, development of quality assurance capacity and developed capacity to conduct internal training.

Georgia – State Audit Office

Cooperation between the Georgia State Audit Office and the Swedish NAO started in 2010. The latest agreement expired in June 2018 and, after a period of reduced activity, has not been renewed. Performance audit is of good quality and produces readable reports. The number of published reports has also increased, though partly at the expense of quality in the audits. Performance audit is also regarded as vulnerable, as the organisation is dependent on a small number of experienced auditors. An evaluation of the State Audit Office in relation to international standards shows that at an overall level the Office has developed from a traditional control and inspection based organisation to a modern SAI.

Kenya – Office of the Auditor General

An evaluation of the partnership between the Swedish NAO and Kenya's Office of the Auditor General concludes that the project has helped to strengthen quality assurance systems and quality control, mainly in financial audit, as well as strengthened skills in performance audit and communication with external stakeholders. At the same time, the project is characterised by some inertia, which means that the Swedish NAO often takes a more proactive role than is desirable in the partnership. The challenge is to provide the organisation with the tools needed for it to continue with its own further development. Sustainability of development is promoted for example by the choice of methodology and working methods, by investing in professional development for managers and by supporting development of professional networks. The cooperation started in 2011.

Kosovo – National Audit Office

The Swedish NAO has been supporting the professionalisation of the National Audit Office in Kosovo since 2011, by means of broad institutional cooperation. Together with the National Audit Office in Kosovo, the Swedish NAO has noted that in particular

performance audit has special challenges. The ambition is to create a sustainable mechanism for performance audit so that the reporting quality can be steadily improved. An evaluation shows that early investment in leadership training has had a positive effect on other parts of the cooperation project. The National Audit Office has relatively well-functioning communication with auditees and other actors.

Moldova – Court of Accounts

For more than 10 years the Swedish NAO's support to the Court of Accounts in Moldova has been mainly focused on financial audit and its quality assurance. New senior management was appointed during the reporting period. The high staff turnover at the Court of Accounts entails challenges to the sustainability of various development initiatives. When qualified staff leave the organisation there is a risk that it will not only affect the results of the cooperation project, but also the quality of audits and thus also the credibility of the organisation.

Palestine – State Audit Administrative Control Bureau

The Swedish NAO's cooperation with the Palestine State Audit Administrative Control Bureau started in 2013 and the agreement was renewed in January 2018. The cooperation project was then broadened to include not only performance audit but also leadership development and strategic questions such as audit planning and quality control. Communication is now also included in the project, including a focus on development of an intranet. The organisation faces considerable challenges in view of its limited independence and lack of a functioning parliament. In the past five years the Bureau, with the support of the Swedish NAO, has developed an entirely new organisation, as performance audit was not conducted previously. A separate unit has been created, the knowledge and capacity of the staff in conducting performance audit has been built up, and to date six performance audit reports have been produced.

Tanzania – National Audit Office

The cooperation between Tanzania's National Audit Office and the Swedish NAO includes performance audit, quality assurance and quality control, planning, communication and IT. Despite ambitious plans and much evidence of successful cooperation to date, the project is characterised by some inertia of response and momentum. A consequence of this is that the Swedish National Audit Office in some respects has taken on too much of a proactive role in implementing the project. Support to performance audit is the part that functions best, and this has also led to the most tangible result. The Swedish NAO has cooperated with its sister organisation in Tanzania since 2004.

Uganda – Office of the Auditor General

The cooperation between the Office of the Auditor General in Uganda and the Swedish NAO started in 2013 and is mainly focused on developing the Office's quality assurance system, performance audit and relations to the parliament and the media. An evaluation from 2017 noted that effectiveness in the audit process has been strengthened and communication with external stakeholders has improved. The reports have become easier to read and the Office is also increasingly running its change processes without external support. A sign of positive development is that the staff of the Office of the Auditor General are engaged as experts for training in the region and the organisation receives enquiries for study visits and support from its neighbouring countries.

Western Balkans – Joint Working Group on Audit Activities

In the Western Balkans the Swedish NAO has partnered the Supreme Audit Institutions since 2013 as part of the working group within the EU aimed at facilitating cooperation between SAIs in candidate countries and potential candidate countries and SAIs in EU Member States. The cooperation supplements and augments the bilateral cooperation the Swedish NAO has (and has had) in the region. The Swedish NAO has for example contributed financing and expertise to two parallel audit projects. The second parallel audit resulted in a synthesis report in which some common conclusions could be drawn. The synthesis report helped to also increase the impact of national reporting.

New cooperation projects

Afghanistan – State Audit Office

In August 2018 the Swedish NAO started a cooperation project with the State Audit Office in Afghanistan. The agreement runs until December 2020. The cooperation project takes into account the entire organisation and is focused on financial audit, performance audit, quality control and quality assurance, support activities such as HR and communication and leadership. The security situation does not allow visits to Afghanistan. The cooperation with the State Audit Office will therefore largely build on new working practices, in which activities are carried out in a third country and via Skype, email and telephone.

Liberia – General Auditing Commission

In August 2018 the Swedish NAO started cooperating with the Liberian General Auditing Commission. The overall goal of the cooperation is to assist the Commission in its ambition to conduct audits in accordance with international standards. The Swedish NAO contributes experts in the activities carried out in the context of EU

support to the SAI. The focus lies on financial audit and compliance audit, where the Swedish NAO contributes by supporting adaptation of the AFROSAI-E manual to the Liberian context and by supporting the group that is to train the auditors.

Zimbabwe – Office of the Auditor General

There has been cooperation between the Swedish NAO and Zimbabwe's Office of the Auditor General since January 2017. The introductory project phase will run until the end of 2019. The uncertain political situation in the country and the authoritarian tendencies of the regime limit the ability of the Office to live up to international standards. Project activities have been implemented within leadership, performance audit and internal communication. Among other things, the Office has launched a new intranet and thus simplified and improved communication in the organisation.

Conclusions and success factors

The objectives are common to all the Swedish NAO's projects in international development cooperation. The Swedish NAO's endeavours to achieve the objectives are emphasised and shaped differently depending on the partner's needs and circumstances.

The Swedish NAO regularly develops and changes its cooperation partner portfolio. A new focus is towards cooperation with SAIs in fragile states. The value we can add is great, but at the same time the focus is associated with risk.

In its international development cooperation, the Swedish NAO has by and large achieved the intended results.

Based on the evaluations made and our own lessons learned from the activities, the Swedish NAO has identified a number of factors that in general are of great importance for the success of development cooperation:

The Swedish NAO's appropriation for international development cooperation gives the agency a unique ability to be a long-term and *flexible partner* that can both supply its own expert knowledge and contribute financial resources when it supports the project objectives.

Our experience shows that it is important to *take into account the entire organisation* in the change process, even when the project is mainly focused on a limited technical area. When support has been broadened to include other aspects of organisational development the evaluations have shown that this support is a condition for sustainable development in the more technical cooperation.

With the help of *technical development* of tools for communication and cooperation there are opportunities for new forms of cooperation.

In several cooperation projects *continuity of staffing* with certain key people, both from the Swedish NAO and the partner organisation has created a foundation for collegiality, trust and a good working relationship.

A formal or informal *multilateral approach* to cooperation has advantages, for the participants themselves and for the Swedish NAO as a partner. In regional cooperation there are economies of scale in joint training sessions and common manuals, for example. Regional cooperation also contributes positive collegial pressure for change between the participating organisations.

The Swedish NAO has to relate to the international context when planning and implementing international development cooperation. Good *interaction* with others contributes to sound results. Consultation takes place annually with Sida and where necessary with missions abroad and other donors in order to gain a comprehensive view of the development needs of the cooperation partner, to plan effectively and achieve synergy effects.

Evaluations have noted that the Swedish NAO needs to develop its *support to project management*, such as planning, management, implementation and follow-up of projects, through clearer templates and requirements, as well as harmonising its language, including in various project documents.

The Swedish National Audit Office's development cooperation

The Swedish National Audit Office is presenting a report on the results of its international development cooperation for the third time. The results are presented in light of the Swedish NAO's remit and current agreements on cooperation with other SAIs, and it is based mainly on evaluations made of each cooperation project.

Under Section 22 of the Act containing Instructions for the Swedish National Audit Office (2002:1023), the Swedish NAO is to conduct international development cooperation. The focus shall be determined by the Swedish National Audit Office, following consultation with the Swedish International Development Cooperation Agency (Sida). The Riksdag makes an annual appropriation for these activities.

The Swedish National Audit Office's instructions stipulate that international development cooperation is part of the Swedish NAO's core operations. Under the rules of procedure one of the Auditors General is tasked with determining the focus of international development cooperation.

A report on international development cooperation is presented annually in the Swedish National Audit Office's Annual Report. The results report supplements and deepens the section in the annual report on the results of operations by giving an account of how development cooperation initiatives contribute to the operational objectives.

Development cooperation in accordance with PGD

The Swedish National Audit Office international development cooperation is to be in accordance with Sweden's policy for global development (PGD). It follows from the PGD that operations must be characterised by two perspectives; the poor person's perspective and a justice perspective, in which the individual's freedom and rights are at the centre. Sweden's partner organisations⁴ are the starting point when selecting cooperation partners.

There is close consultation with both Sida and Swedish missions abroad. In some cases, there is also parallel financing.

⁴ Defined as the countries for which Sweden has a cooperation strategy.

Objectives of development cooperation

Good use of resources and effective administration are central to growth and democratic development. Increased transparency and functioning mechanisms for accountability improve the chances of individual citizens to make their voices heard. This also contributes to combating corruption and fraud.

In its field of activity, the Swedish National Audit Office can contribute to this development and has set up the following objectives for international development cooperation:

To help strengthen the capacity and capability of supreme audit institutions to conduct audits in accordance with international standards.

Financing and utilisation of appropriations

Since 2004 the Swedish National Audit Office has had at its disposal an appropriation for international development cooperation. Since 2016 the appropriation amounts to SEK 50 million per year. The appropriation is not subject to price and salary indexing. The part of the appropriation used for common costs at the Swedish NAO has decreased.⁵

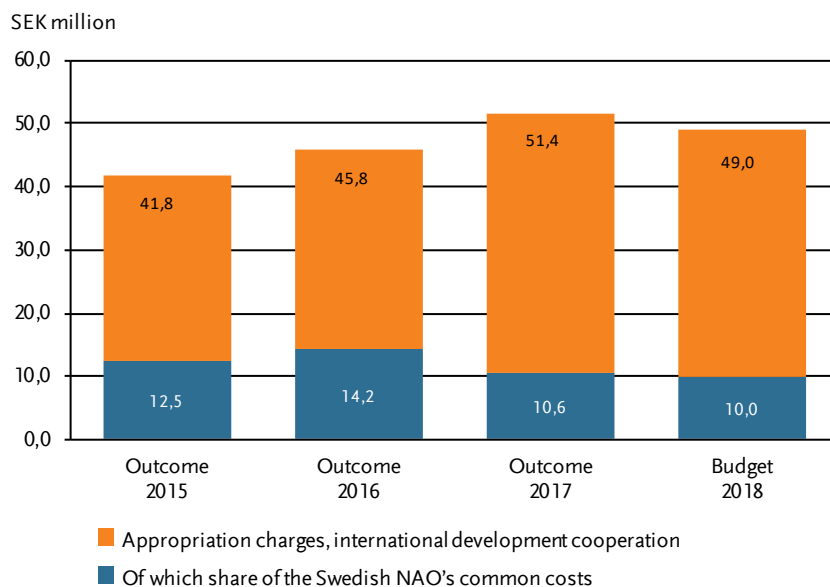
The appropriation charges consist of both costs of own operations and of transfers. A well-balanced combination of these contributes to effective development cooperation. For example, the Swedish NAO bears the cost of locally employed experts. These costs are accounted for as transfers.⁶ Apart from the project costs presented in the report, the development cooperation appropriation is also charged with costs for global initiatives, for example.

A more detailed financial report is given annually in the Swedish National Audit Office Annual Report.

⁵ Swedish NAO, *Swedish National Audit Office Annual Report for 2017, 2017/18:RR1*, 2018, p. 43–44.

⁶ Swedish National Audit Office, *Annual Report for 2017*, p. 10, 41, 44 and 47.

Diagram 1 Appropriation charges for international development cooperation 2015–2017 and budget for 2018⁷



Source: Swedish National Audit Office Annual Reports for 2015, 2016 and 2017 and budget for 2018.

Development cooperation in INTOSAI

INTOSAI is an umbrella organisation for supreme audit institutions of which the Swedish NAO is a member. INTOSAI has four strategic goals, each led by a main committee. The work of the committees focuses on developing International Standards of Supreme Audit Institutions (ISSAI⁸), promoting SAIs' capacity building, exchange of information and experience and ensuring that INTOSAI acts as a role model for international organisations.

The Swedish NAO is the vice chair of the INTOSAI Capacity Building Committee (CBC), which the South African SAI chairs. The Swedish NAO is also a prominent actor in INTOSAI's work of developing standards.

The Swedish NAO's commitment to both the CBC and INTOSAI's standard-setting committee is prompted by both the benefit to its own organisation and by the fact that

⁷ Since the Swedish NAO used an appropriation credit equivalent to SEK 1.4 million in 2017, the budget for 2018 corresponds to available funds.

⁸ International Standards for Supreme Audit Institutions, developed by INTOSAI.

the Swedish NAO has relevant competence and experience that can contribute to global development of SAIs.⁹

The members of INTOSAI also have the support of the INTOSAI Development Initiative (IDI), which provides assistance in the form of professional development.¹⁰ The IDI is funded through grants from several national and multilateral aid organisations, including Sida, as well as through professional contributions from SAIs, including the Swedish NAO.

⁹ This activity is mainly financed by the Swedish NAO's administration appropriation and is only charged to the international development cooperation appropriation to the extent it is intended to strengthen supreme audit institutions in developing countries.

¹⁰ Auditor General Helena Lindberg is a member of the IDI board.

Working methods and approaches

The Swedish NAO initiatives are to promote institutional development in public sector audit in countries where the Swedish NAO operates. The support is to strengthen the capacity of cooperation partners to plan, implement, assure quality, report, communicate and follow up public sector audit. Swedish NAO cooperation often covers several areas to contribute to the development of the organisation as a whole. This broad approach is a conscious choice.

The Swedish NAO mainly contributes through its own staff who, as part of a multi-year project, complete short-term or long-term assignments. The scope varies from a few days' work on site in the country (short-term assignment) to being stationed at the partner organisation for several years (long term advisor). Work on site at the partner organisation is often supplemented by remote support, by email or telephone or video conference. In addition, there are also training activities in Sweden, coordinated for several partner organisations in a region.

The emphasis of the cooperation project is on financial audit and performance audit, and on a system for quality control that supports the audit work. The Swedish NAO also supports change processes in such areas as management and governance, leadership, internal and external communication, IT and HR.

Cooperation is based on the partner's responsibility for its own development. The support of the Swedish NAO must therefore always be demand-driven and based on local needs and conditions. The partners jointly determine the content of the cooperation project, based on the cooperation partner's own strategies and development plans.

To increase the impact of cooperation and reduce the risk of fragmentation, the Swedish NAO coordinates its initiatives with other actors. This is done both in the context of each project, and through the participation of the Swedish NAO in structured cooperation between INTOSAI and the donor institution¹¹.

Results framework

When the Swedish NAO receives a formal request from a SAI to initiate cooperation, an assessment is made of the preconditions for cooperation. The Swedish NAO then assesses the organisation and operations of the prospective partner. The assessment must also include the institutional background of the SAI, such as its independence and mandate, the country's financial reporting framework and the parliament's

¹¹ INTOSAI-Donor Cooperation (<https://intosaidonor.org/>).

capacity and ability to receive the audit findings. If there are good prospects for cooperation a project document is drawn up clearly stating the objectives of the project.

The Swedish NAO's results framework guides all cooperation projects. The objective of the operations is for SAIs to work in accordance with international standards. The objective is reflected in all cooperation projects and is broken down into three performance objectives that express what a SAI must achieve to meet the objective:

- Effective and qualitative audit processes.
- Performance audit reports that are of high quality and reader-friendly.
- Good quality relations with external stakeholders.

The Swedish NAO's input should contribute to the achievement of one or more of these objectives. The input may also concern the institutional framework of the SAI. The Swedish NAO could for example participate in action to develop the capacity of parliaments or clarify laws governing the independence and mandate of the SAI. The Swedish NAO often interacts with the parliament in these contexts.

Approach to cooperation

The Swedish NAO differs from traditional aid donors and aid-financed consultants in that it is an institutional partner working from authority to authority. The Swedish NAO endeavours to be flexible in its approach and enters into cooperation with the intention of working in a sustainable and long-term way.

The Swedish NAO's input is based on a holistic perspective of the cooperation partner's ability to conduct effective audit operations. The initiatives aim to increase professional audit skills, the individual's capacity to use these skills and the cooperation partner's ability to link their employees' capacities into an effective organisation.

Where there are regional manuals based on international standards that are used by the partner, the Swedish NAO adapts its input to them. As far as possible we coordinate with what other partners and donors are doing. To contribute to greater sustainability and viability the Swedish NAO supports regional organisations and networks in the regions where we run bilateral projects.

The Swedish NAO has a broad menu, where the choice of measures depends on where the cooperation partner is in its development and what it requires. The Swedish NAO can provide basic education on audit matters, continuing professional training in specialist areas, support in building up quality assurance and quality control, training in project management, assistance to support functions to improve their support to core processes and support to managers at various levels to improve their leadership of audit operations.

The Swedish NAO endeavours to strengthen the role of audit and increase its impact. This entails supporting the work of the SAI in relation to its stakeholders, above all

parliament and government, but also the media, academia and civil society. In conversations with Sida and relevant missions abroad the Swedish NAO calls attention to the importance of raising the role of audit and independence in their political dialogue in the country.¹²

Methods development and learning

The Swedish NAO utilises lessons learned in development cooperation and continually develops its methods. Continuing professional development helps the organisation and employees to develop their skills in contributing to strengthened capacity in their areas of expertise.

Development of educational methods

An ambition of the Swedish NAO is to be able to alternate between different educational methods and therefore it has developed several tools for facilitating learning. Examples of this are games to clarify different strategic processes, such as strategic planning, quality assurance and audit methodology in financial audit.

For several years the Swedish NAO has offered recurring courses in facilitation.¹³ The Swedish NAO has also started a partnership with Uppsala university to develop educational methods and adult learning. Our cooperation partners have also been invited to participate in these training sessions.

Increased safety awareness

The Swedish NAO has taken steps to increase the safety of employees participating in development cooperation. This includes increasing safety awareness and knowledge among employees. In light of this the Swedish NAO has developed web-based safety training that all employees must complete before they travel abroad. This is the first agency-adapted training of its kind and the Swedish NAO has shared it with other interested agencies.

Evaluating and monitoring cooperation projects

The Swedish NAO endeavours to achieve concrete, measurable results in the cooperation projects, in both the short and medium-term. For each project phase (3–5 years) a status report is established that for some years has been mainly based on

¹² Riksrevisionen, *inriktning av Riksrevisionens internationella utvecklingssamarbete 2018, 2017*.

¹³ Facilitation is an educational method in which a leader – facilitator – acts in various ways to enable the group's process for achieving certain objectives, such as problem-solving, development of ideas and exchange of experiences, and thus also learning.

indicators taken from SAI PMF¹⁴. This method means both that a clear common picture of development needs is created and that the cooperation projects have a clearer *baseline*, that is a starting point in relation to which development can be assessed during a project period. The method has been applied in the new project phases in cooperation with Kosovo's Supreme Audit Institution and in the evaluation was highlighted as a good example that should be applied in all cooperation projects.¹⁵

Joint work processes, for example for planning, monitoring and evaluation, are developed within the framework of each cooperation project. In all projects there is a joint steering committee that regularly monitors the project to determine whether the input is relevant and of good quality. Evaluations of projects are also regularly conducted to stimulate learning and promote results-oriented working methods. The conclusions from the evaluations are presented below by project.

Improved support for planning and follow-up

During the current period the Swedish NAO has identified a need to develop project plans, in particular as regards clear, realistic and monitorable formulation of objectives. In connection with the renewal or updating of project plans a more standardised process and documentation are used.

Systematic evaluation of individual initiatives

Since 2016 the Swedish NAO has systematised its use of written evaluations of each completed initiative. The evaluations are standardised to be comparable over time and between initiatives. The purpose is to obtain supporting documentation to enable assessment of both benefit and value of different types of initiative and how well they are implemented.

New method for evaluation

The Swedish NAO has varying experiences of the quality and benefit of evaluations made of cooperation projects. The Swedish NAO has applied different methods and engaged different actors – mainly external consultants and international colleagues – in the evaluations. In 2017–2018 a new method was applied to five cooperation projects, a light touch review.¹⁶

The purpose is to be able to make an assessment of the status of a cooperation project with relatively limited resources, in which the Swedish NAO and the cooperation

¹⁴ Supreme Audit Institution Performance Measurement Framework – developed by INTOSAI to support complete and fact-based evaluations of supreme audit institutions' performance in relation to international standards and current practice.

¹⁵ National Audit Office (UK), *Swedish National Audit Office: Evaluation of development cooperation project with the Kosovo National Audit Office*, 2018, p. 7.

¹⁶ Kenya, Moldova, Palestine, Tanzania and Uganda.

partner are already agreed on continuing the cooperation. The evaluations were led by an external consultant and conducted with the help of an employee of the Swedish NAO, often together with a colleague from another cooperation country than the one being evaluated. No-one in the evaluation team has previously had any part in the cooperation project in question.

The light touch concept indicates that the evaluation does not aspire to fully comply with the OECD:s¹⁷ evaluation criteria for international development cooperation, which take into account relevance, effectiveness, efficiency, impact and sustainability¹⁸. The assessment in the evaluation report is based on document studies and questionnaires and interviews with relevant people in the partner organisation, at the Swedish NAO and any consultants. Only in a few cases have interviews been conducted with external stakeholders, and the evaluation teams have not either made any assessment of their own of the statements concerning improved quality of audits, for example. However, the reports reflect any differences in assessment between various actors.

¹⁷ Organisation for Economic Cooperation and Development.

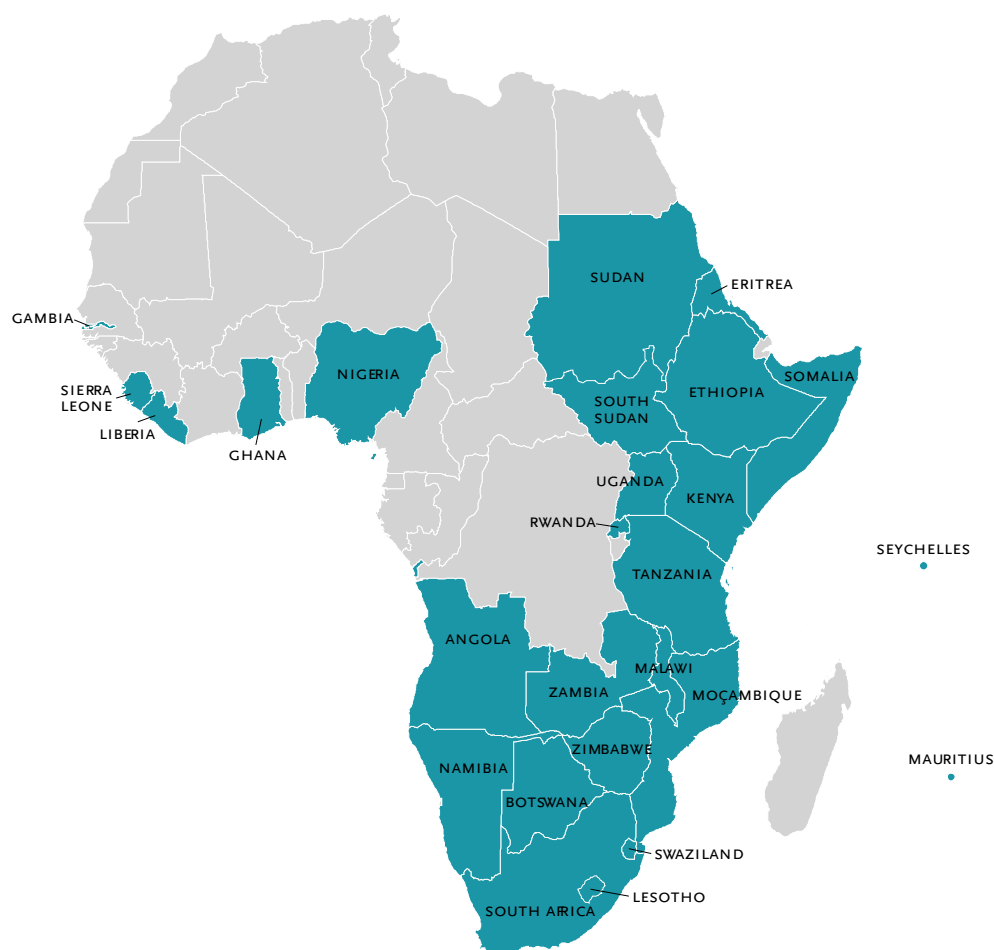
¹⁸ <http://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>, accessed on 13 September 2018.

Results of development cooperation

AFROSAI-E

AFROSAI-E (*African Organisation of English-speaking Supreme Audit Institutions*) is a regional organisation whose members consist of 24 English-speaking and two Portuguese-speaking supreme audit institutions in Africa. AFROSAI-E is a sub-regional organisation under INTOSAI, that aims to strengthen the performance of SAIs, through innovation and creativity, professional development, strengthened self-confidence and credibility.¹⁹

Figure 1 Map of the 26 member countries of AFROSAI-E



¹⁹ Lourenço, M. *Bedömningspromemoria: Förlängt samarbete med AFROSAI-E*, Swedish National Audit Office, 2017, p. 1.

AFROSAI-E's Corporate Plan 2015–2019 has a strategic focus towards

- Professionalising public sector auditing and accounting
- Being a credible voice for beneficial change
- Turning leadership from capacity into capability
- Driving innovation and creativity.

The circumstances of the members of AFROSAI-E vary. Some of the SAIs have a relatively strong position in their respective countries and have the capacity and room for manoeuvre to conduct public sector audit within the framework of their mandates. Other members operate in challenging environments characterised by such things as insufficient resources, political turbulence, immature administrative cultures, weak parliaments and repression in relation to expressed criticism of the government.

In the AFROSAI-E region there are great variations as regards the political and economic situation. Many of the countries are characterised by widespread poverty, corruption and weak parliaments. According to *Transparency International's Corruption Perceptions Index*²⁰ its members lie within an interval from rank 34 (Botswana) to rank 179 (South Sudan) out of a total of 180 countries. At the same time rapid economic growth is taking place in several of the member countries and in some places democratic progress is being made.

Project description

Current project phase

Main focus

The Swedish NAO's current cooperation agreement with AFROSAI-E was extended at the end of 2017 and now runs until 2019.

The Swedish NAO augments the AFROSAI-E secretariat with one own long-term advisor and two regional long-term experts to assist in implementing AFROSAI-E's strategic plan. The Swedish NAO support is mainly focused on developing methods and skills in performance audit, but also contributes to development and implementation of methods in financial audit, quality control, HR, leadership and communication. The Swedish NAO further supports AFROSAI-E through a financial grant for implementing a number of activities within priority areas.

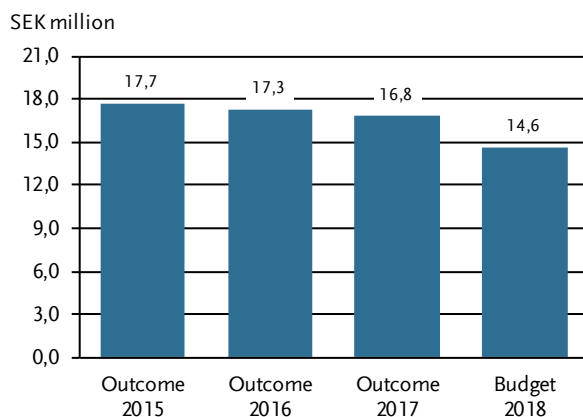
Other support

The Swedish NAO, the South African and Norwegian Supreme Audit Institutions, GIZ²¹ and the Canadian Audit & Accountability Foundation (CAAF) are AFROSAI-E's institutional partners. The IDI (INTOSAI Development Initiative) is also an important cooperation partner. In addition, the organisation receives financial support from Sida and the Norwegian government.

²⁰ Transparency International, *Corruption Perceptions Index 2017*.
https://www.transparency.org/news/feature/corruption_perceptions_index_2017, accessed 13 September 2018.

²¹ GIZ Gesellschaft für Internationale Zusammenarbeit – German central government implementing body in support of development cooperation policy.

Diagram 2 Costs for AFROSAI-E that were charged to the international development cooperation appropriation in 2015-2017 and budget 2018



Source: Swedish National Audit Office Annual Reports for 2015, 2016 and 2017 and budget for 2018.

Earlier project phases

The Swedish NAO has cooperated with AFROSAI-E since its formation in 2005, but even AFROSAI-E's forerunner received Swedish development support from 1989. Historically, the Swedish NAO's support has focused on developing performance audit in the region, but has also included other areas such as methods and skills development in financial audit, quality control, anti-corruption, HR, leadership and communication.

The Swedish NAO's cooperation project with AFROSAI-E differs from bilateral cooperation projects in that the activities in which the Swedish NAO participates are planned and run by the AFROSAI-E-Secretariat, in accordance with the members' priorities, instead of being agreed in a project document between the Swedish NAO and its counterparty. This implies an inbuilt ownership in which the AFROSAI-E-Secretariat and the members of the organisation themselves identify needs and take responsibility for their own development. On the other hand, it means that the Swedish NAO has less influence over how the combined work is conducted and developed, and fewer opportunities to influence content. The design of the support, in which the Swedish NAO contributes to the work and development of AFROSAI-E as a whole, also means that it is more difficult to trace and identify specific results of the Swedish NAO's efforts.²²

Throughout the years the Swedish NAO has been, and still is, a major contributor to AFROSAI-E and the organisation is by far the Swedish NAO's largest cooperation partner. There are clear synergies between AFROSAI-E and the Swedish NAO's bilateral support in Africa. One example of this is that several people in the SAIs in East

²² Lourenço, *Bedömningspromemoria*, p. 1.

Africa, who have participated in the Swedish NAO's bilateral projects, can now contribute as facilitators and coaches in AFROSAI-E contexts.

A general trend through the project phases, which reflects AFROSAI-E's own development, is that the Swedish NAO's support has gradually become more focused on developing material and acting as a sounding board for regional experts, rather than holding basic auditing courses. The latter is competence that now exists in the region.²³

The Swedish NAO's financial contributions, aimed at supporting the Secretariat's implementation of activities in priority areas and thus strengthening regional ownership, have over time become a growing part of the Swedish NAO's support. This is because to an increasing extent there is regional competence and capacity for such things as holding courses, while as yet the necessary financing is not in place to cover the costs of experts and practical arrangements.

Results

In 2018 Sida commissioned an evaluation of AFROSAI-E, with the aim of supporting Sida's decision concerning possible continued support to the organisation.²⁴ In addition, in 2016 an evaluation was made of the leadership and mentorship programme developed by the Swedish NAO for the most senior management groups at SAIs in AFROSAI-E, the Executive Leadership Development Program (ELDP)²⁵.

Institutional conditions

The latest evaluations of AFROSAI-E, which were conducted in 2018, give AFROSAI-E high marks as regards all the OECD development parameters: relevance, effectiveness, efficiency, impact and sustainability. Also, from the perspective of sustainability, monitoring and evaluation, as well as donor coordination, the organisation received a favourable assessment in the evaluation.²⁶

The recommendations that are most clearly relevant to the Swedish NAO in the evaluation concern an increased need for coordination between AFROSAI-E, the member organisations and the organisations that support the members bilaterally. The evaluators consider that there is scope to make better use of the synergies between the different actors.²⁷

²³ Moran, G., Baumgart dos Santos, M. & Elkjae, K., *Evaluation of the African Organisation of English-speaking Supreme Audit Institutions (AFROSAI-E)*, Sida Decentralized Evaluation 2018:15, Sida, 2018, p. 64.

²⁴ Moran, Baumgart dos Santos & Elkjae, *Evaluation of AFROSAI-E*.

²⁵ Königson, Å. *Evaluation of the Executive Leadership Development Program*, Swedish Development Advisers, 2016.

²⁶ Moran, Baumgart dos Santos & Elkjae, *Evaluation of AFROSAI-E*, p. 5-8.

²⁷ *Ibid*, p. 9.

Among AFROSAI-E's 26 members there are great variations as regards the context in which the SAIs operate, the scope of their mandates, the degree of independence, the structure of the organisation and access to resources and competence. These variations make high demands on the flexibility of AFROSAI-E and its partners in terms of adapting support to the circumstances of the members, developing peer-to-peer learning²⁸ and creating platforms for exchange of experience.

AFROSAI-E operates in different ways to strengthen the institutional capacity of its members. This includes support on matters such as independence and the relation to stakeholders. Issues relating to independence and mandate are appropriate for the regional platform, as the members can gain support from each other's experiences.

The AFROSAI-E Secretariat holds a strong position in the region and is a driving force for development among its members. However, in terms of resources the Secretariat is dependent on external donors and cooperation partners, above all as regards financing of the Secretariat, but also for carrying out activities. This was shown in a report about the organisation's long-term financial sustainability, which among other things raises the risks of dependence on support from the Swedish NAO and other strong partners and donors.²⁹

Quality of audit processes and reports

Within *performance audit* the Swedish NAO finances one long-term expert and one regional expert. The Swedish NAO also contributes through both financing and participation of its own staff in different courses (both basic training and more specialised training). In addition, Swedish NAO staff participate in quality assurance missions of members. According to the evaluation of AFROSAI-E, the members have made great progress in performance audit, where 25 out of 26 members state that performance audit forms part of their operations. Based on self-assessment, the evaluation reports that the SAIs on average have 15 performance auditors and produce five reports per year.³⁰ Through its support, the Swedish NAO has made a considerable contribution to AFROSAI-E's performance audit activities.

On the initiative of the Swedish NAO, since 2009 an annual prize is awarded for the best performance audit report in the region. The prize has a high status among the members and competition is increasingly tough, which motivates the SAIs to produce high-quality performance audit reports.³¹ The independent international jury considers that the quality of the nominated performance audit reports is improving every year.³²

²⁸ Peer-to-peer learning is a basic concept in a learning organisation, in which colleagues use each other as resources to develop both theoretical and practical competence.

²⁹ AFROSAI-E, *A Sustainable AFROSAI-E: Making a Difference in the Performance of SAIs – Sustainability Plan 2018–2022*, 2017.

³⁰ Moran, Baumgart dos Santos & Elkjae, *Evaluation of AFROSAI-E*, p. 38.

³¹ *Ibid.*, p. 40.

³² AFROSAI-E, *2017 AFROSAI-E Prize – Jury Report*, 2018.

In *financial audit* the Swedish NAO finances a regional expert and participates in developing and implementing a manual. According to the evaluation, the work of updating AFROSAI-E's manual for financial audit, to which the Swedish NAO has contributed expert participation and some financing, has clarified methods, harmonised the content, included more guidance in the templates and ensured that the manuals are updated in accordance with international standards. The new manual started to be introduced in 2018.³³

In *leadership and HR*, the Swedish NAO contributed both expertise and coaching and financing of the training programme. The Swedish NAO has supported development of a competence framework for the members of AFROSAI-E, acted as a professional sounding board for the AFROSAI-E Secretariat's experts and financed different types of leadership initiatives, including assessments and tests in support of personal development.

In the period 2015–2016 the Swedish NAO conducted a special initiative to produce an Executive Leadership Development Programme (ELDP), for the most senior management in the member organisations. The initiative was based on a need formulated by the members in 2013, which resulted in an agreement with the Swedish NAO to develop a programme.

After a selection process in several stages, 24 senior participants were chosen for the programme, from Botswana, Kenya, Nigeria, Sierra Leone, Sudan and South Africa. The purpose was to improve each participant's and team's strategic capacity, leadership and interpersonal capacity, with the intention that this development would also contribute to changes at the respective SAI. There were 3-5 participants from each SAI, so as to create a core of competence and motivation within the participating organisations.³⁴

The ELDP received generally high marks from the participants, and several considered that they themselves had developed and changed their working methods. They also appreciated the opportunity to create good contacts with colleagues in the region. Measurements of the participants' leadership level before and after the programme showed that a majority of the participants had changed, though there were great variations within the group. It is worth noting that all the female participants improved their individual results and that their final results were better than the male participants.³⁵

³³ Moran, Baumgart dos Santos & Elkjae. *Evaluation of AFROSAI-E*, p. 48.

³⁴ Königson, *Evaluation*, p. 5.

³⁵ *Ibid*, p. 16–18.

The evaluation by NIRAS Sweden AB questioned whether the costs of various leadership initiatives in AFROSAI-E are justifiable, given the limited participation at the most senior level.³⁶ The Swedish NAO decided, despite the demand from AFROSAI-E, not to conduct another ELDP, since the applications from the level of leaders targeted were too few. The lesson learned was that advanced strategic leadership programmes should be conducted bilaterally or sub-regionally to better tailor the initiatives and link them close to the SAI's strategic and operational plan.

Quality in relations

The AFROSAI-E Secretariat has regular contacts with its 26 members and with external partners and stakeholders, both at working and leadership level. AFROSAI-E conducts regular dialogues with donors and institutional partners through annual planning meetings and continual briefings in-between. AFROSAI-E also has a stated ambition to strengthen its relations with other regional actors such as the African Union (AU).

The Swedish NAO has contributed expertise and some financing to AFROSAI-E's efforts to strengthen the members' communication capacity.

ASEANSAI

ASEAN³⁷ is a geopolitical and economic organisation made up of ten countries in South East Asia: Brunei Darussalam, the Philippines, Indonesia, Cambodia, Laos, Malaysia, Myanmar, Singapore, Thailand and Vietnam. ASEANSAI – ASEAN Supreme Audit Institutions, was founded in 2011 and is a subregional organisation for Supreme Audit Institutions in the ASEAN member countries.

³⁶ Moran, Baumgart dos Santos & Elkjae. *Evaluation of AFROSAI-E*, p. 51.

³⁷ Association of Southeast Asian Nations.

Figure 2 Map of the ten member countries of ASEANSAI



ASEAN was created in 1967 and aims to accelerate the economic growth, social progress and cultural development of its members. The organisation also promotes regional peace and stability and affords its member countries opportunities to discuss their affairs peacefully in accordance with the principles of the United Nations Charter.

The cooperation within ASEANSAI aims to contribute to good governance in the region through exchange of experience between the SAIs of the member countries and discussion of important common problems in public sector audit.³⁸

Several of the countries in the region have political environments with a high level of corruption and limited democratic scope. According to the Transparency International corruption index³⁹ ASEANSAI members range from rank six (Singapore) to rank 161 (Cambodia) out of a total of 180 countries.

³⁸ ASEAN Supreme Audit Institution, (ASEANSAI) *Strategic Plan 2018-2021*, 2017.

³⁹ Transparency International, *Corruption Perceptions Index 2017*. 2018.
https://www.transparency.org/news/feature/corruption_perceptions_index_2017, accessed 13 September 2018.

Project description

Current project phase

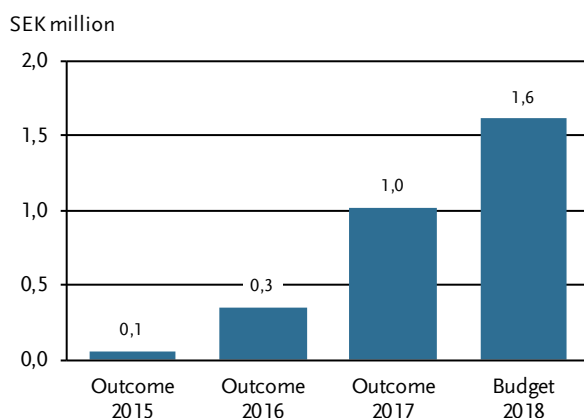
Main focus

Since autumn 2017 there is a cooperation agreement between the Swedish National Audit Office and ASEANSAI. The Swedish NAO's support focuses on strengthening the capacity of audit techniques mainly within financial audit and quality assurance, but there is a preparedness to provide support in other areas. The agreement runs until September 2019.

Other support

The ASEANSAI Secretariat has been supported for several years by GIZ, which has one long-term employee on site to strengthen the organisational capacity of the Secretariat, up to and including 2018. Since 2015 ASEANSAI has also received support from the World Bank, which funds an extensive project for implementation of ISSAIs. Several of ASEANSAI's members also receive bilateral or sub-regional support from international donors and partners.

Diagram 3 Costs for ASEANSAI that were charged to the international development cooperation appropriation in 2015-2017 and budget 2018



Source: Swedish National Audit Office Annual Report for 2017 and budget for 2018.

Earlier project phases

Since 2014 the Swedish NAO has supported ASEANSAI by providing experts in financial audit for a number of workshops in the context of the *Long-Term ASEANSAI Programme on ISSAI Implementation (LTAPII)*. The purpose of the programme has been, with a focus on ISSAI implementation, to strengthen the regional cooperation between members, build up a pool of regional experts, strengthen expertise in each member organisation and promote regional skills transfer.

The Swedish NAO's support to ASEANSAI is mainly through participation of experts, training initiatives and coaching for activities planned and arranged by ASEANSAI and its sub-committees and members.

This form of cooperation means regional ownership, but also that the Swedish NAO has limited influence over how all the work in ASEANSAI is conducted and developed

and that it is more difficult to trace and identify specific results of the Swedish NAO's input.

Results

ASEANSAI and GIZ have compiled a results report for the first phase of the LTAPII (2015–2017) which in part forms the basis of the reporting below.⁴⁰

Institutional conditions

The institutional conditions vary considerably between members of ASEANSAI. There are also major variations regarding the organisational capacity of the SAIs and their status in their respective countries. By supporting collegial exchange in the region, stronger members can act as facilitators and coaches for colleagues from member organisations with greater needs.

Quality of audit processes and reports

The Swedish NAO's partnership with ASEANSAI has been dominated by expert support to the programme for *ISSAI implementation*.

The initiative for the programme arose from needs identified in 2013 and 2014. The implementation of international standards in the region was low at that time and there was a demand for training and exchange of experience on risk-based audit. The programme was initiated as a response to this, to strengthen the capacity of members to implement international standards. In a second phase the focus has been on establishing a pool of regional experts, who are intended to promote financial audit in accordance with ISSAIs.⁴¹ Seventeen experts from seven countries in the region have been certified as facilitators. The entire programme was implemented with a combination of e-training, mentor support, work on pilot audits and on-site training in a member country.⁴²

The Swedish NAO has also trained a large number of people in quality assurance. The programme participants, representing eight out of ten member organisations, subsequently showed increased understanding of the role of quality assurance in the audit process and gained greater knowledge of international standards in the area.⁴³

⁴⁰ Aguinaldo, M.G. *LTAPII Phase 1 Accomplishment Report*, Commission on Audit, 2017.

⁴¹ Aguinaldo, *LTAPII Phase 1 Accomplishment Report*, p. 3.

⁴² *Ibid*, p. 4.

⁴³ Öhman Persson, J. & Holmerin, K. *Mission Report QA workshop in ASEANSAI 20170425–20170428*, Swedish National Audit Office, p. 1.

Quality in relations

ASEANSAI has established several goals in its strategic plan that relate to strengthening the organisation's external relations. One area of priority has been to strengthen its active role within the ASEAN agenda to a greater extent. Another stated strategic goal is to improve cooperation with regional and international partners – donors and stakeholders.⁴⁴ In 2017–2018 the ASEANSAI Secretariat organised several donor meetings, in which the Swedish NAO and other partners participated, in order to improve coordination of support and contributions from different actors.

Bosnia and Herzegovina – Supreme Audit Institutions

Bosnia and Herzegovina became independent at the time of the disintegration of the Yugoslav Federation. The 1995 peace agreement established a complex political system. The ethnic segregation created by the civil war has been consolidated over the years. The country is divided into two entities and one district: Federation of Bosnia and Herzegovina, Republika Srpska and Brcko District. Each of these administrative entities has its own parliament and government. There are Supreme Audit Institutions at both central and entity levels.

Bosnia and Herzegovina have found it difficult to recover from the civil war. The country made up a poor part of Yugoslavia, and the war shattered the already fragile economy, unemployment spread, and the country became dependent on foreign aid.

Bureaucracy is cumbersome and necessary reforms of the state apparatus are blocked in a political culture characterised by ethnic divisions and corruption.⁴⁵

Project description

Current project phase

Main focus

The Swedish NAO's cooperation with the Supreme Audit Institutions in Bosnia and Herzegovina was formally ended in December 2016, after gradually being scaled down in 2015–2016. In the fifth and final project phase (2013–2016) cooperation focused on performance audit, financial audit, compliance audit, quality assurance, leadership development and external relations. In 2017 a few supplementary activities were carried out as part of the cooperation in the Western Balkans.

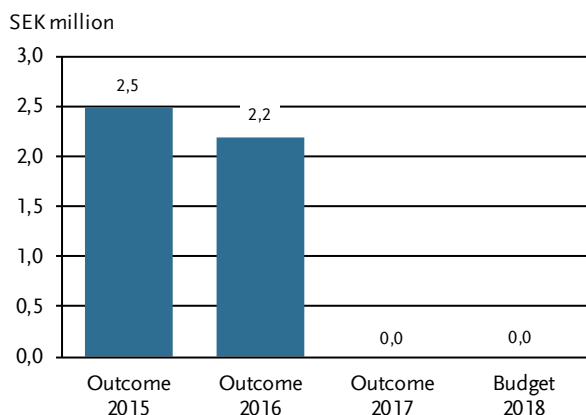
Other support

The SAIs do not currently receive any external support.

⁴⁴ ASEAN Supreme Audit Institution, (ASEANSAI) Strategic Plan 2018-2021, 2017, p. 6-7.

⁴⁵ Swedish Institute of International Affairs. *Bosnien-Herzegovina*, Landguiden. <https://www.ui.se/landguiden/lander-och-omraden/europa/bosnien-herzegovina/>, accessed 13 September 2018. And Ministry for Foreign Affairs, *Mänskliga rättigheter, demokrati och rättsstatens principer i Bosnien och Herzegovina 2015–2016*, Government Offices, 2017.

Diagram 4 Costs for Bosnia and Herzegovina charged to the international development cooperation appropriation in 2015-2017



Source: Swedish National Audit Office Annual Report for 2015, 2016 and 2017.

Earlier project phases

The Supreme Audit Institution, SAI BiH⁴⁶ was established in 2000, at the same time as the Supreme Audit Institutions in the country's two entities (SAI FED and SAI RS) and in the Brcko District (SAI BD) were established. For most of the period of cooperation the Swedish NAO has been an institutional partner to these organisations.

The Swedish NAO has supported various parts of the SAIs, with the main focus on developing the capability of conducting audit effectively and appropriately, with good quality and in compliance with international standards. During the closing project period, from 2013, the support was mainly targeted at the SAI at national level, SAI BiH.

Results

Since cooperation between the Swedish NAO and the SAIs in Bosnia and Herzegovina three evaluations have been made of the project, on the initiative of the Swedish NAO.⁴⁷

⁴⁶ The Office for Auditing of Institutions of Bosnia Herzegovina - Supreme Audit Institution of Bosnia and Herzegovina.

⁴⁷ MAPSEC, *Evaluation of phase 2 of the SNAO institutional capacity building project with the three audit institutions in Bosnia and Herzegovina*, 2005. Office of the Auditor General of Norway, *Evaluation report - The Swedish National Audit Office cooperation with SAIs in Bosnia and Herzegovina*, 2014. And Häggroth, S., Waern, S. & Svensson, S. *Evaluation of the third Phase of the Institutional Cooperation project between the Three National Audit Offices of Bosnia and Herzegovina and the Swedish National Audit Office*, Professional Management, 2010.

In addition SIGMA⁴⁸ on two occasions (2005 and 2012) has evaluated external audit in Bosnia and Herzegovina.⁴⁹

Institutional conditions

The political conflicts in the country are also noticeable in the cooperation between the SAIs, and they make interaction and audit impact more difficult. The SAIs cooperate via a Coordination Board run by SAI BiH. This has worked well in periods, which is unusual for formal coordination functions between public agencies in Bosnia and Herzegovina. There have also been periods when coordination has not functioned. Among other things, some reform decisions have been blocked, thus hindering initiatives to strengthen the constitutional role of the SAIs, and the formal position of the Coordination Board. The Swedish NAO's presence and projects have – to some extent – acted as a mediatory link between the agencies.

Quality of audit processes and reports

The Swedish NAO's cooperation with the SAIs in Bosnia and Herzegovina took a broad approach and took into account the organisations' collective support needs. This contributed to improved capacity to conduct audits.

An overall assessment of the various evaluations indicates that cooperation with the Swedish NAO contributed to developing effective SAIs that publish performance audits of good quality.⁵⁰ One of the main conclusions of the 2014 evaluation was, however, that the management has not been developed to conduct audit activities independently, without external support. The evaluators considered that the long-term cooperation has created a dependency between the Bosnian SAIs and the Swedish NAO, and that the cooperation has not created the conditions for long-term sustainable results.⁵¹

SIGMA considers that the reports published by the SAIs in financial audit, compliance audit and performance audit are of generally high quality. The SAIs are entitled to request relevant information and have a relatively far-reaching mandate to audit central government activities. As a result, they are able to conduct audits that are mainly considered to be conducted in accordance with international standards.⁵² *The Open Budget Survey* from 2017 confirms that audits are conducted within all relevant areas at central level, have been reported in time (until the 2015 budget year, which was included in the survey) and are followed up in all audit types. The report also shows

⁴⁸ Support for Improvement in Governance and Management – a joint initiative between the EU and the OECD aimed at promoting development of public governance.

⁴⁹ SIGMA, *Peer Review Report of the Supreme Audit Institutions of Bosnia and Herzegovina, 2005*. SIGMA, *Peer Review Report of the Supreme Audit Institutions of Bosnia and Herzegovina, 2012*.

⁵⁰ Sabanovic, H. & Berglund, I. *Preliminary assessment of the prospects for a possible collaboration with the SAI Bosnia*, Swedish National Audit Office, 2017.

⁵¹ Office of the Auditor General of Norway, *Evaluation report*, p. 34–36.

⁵² SIGMA, *Monitoring Report: The Principles of Public Administration, Bosnia and Herzegovina*, 2017 p. 195.

that the Government reports on any measures in response to most recommendations in the audits. The Government generally reports to Parliament on the measures, in accordance with current requirements, and they are published by the SAI.⁵³

The Swedish NAO considers that an important result of the last project phase was the introduction of an improved method for compliance audit, which is updated in accordance with the latest standards in the area. Separate audit opinions for financial audit and compliance audit give a better overview and transparency of public sector activities. Another result of the last project phase was improved competence and methodological knowledge in performance audit. On average, in Bosnia and Herzegovina at least ten reports are published per year, in total at the different SAIs.

Quality in relations

Citizens have low confidence in the SAIs and their capacity to effectively audit the governments at central and regional level and hold them accountable. This may be partly explained by the lack of constitutional legitimacy of the SAIs and shortcomings in the Governments' implementation of measures in response to recommendations in the audit reports.⁵⁴

The communication function at SAI BiH is weak. Performance audit reports are published on the SAI's website, but no other measures are taken to spread information about audits or the role and remit of the SAI.⁵⁵

Cambodia – National Audit Authority

Cambodia formally became a democracy in 1993, but popular rule has only partly been possible. Ahead of the election in July 2018 the regime eliminated practically all political opposition, through politically motivated legal cases. The government party, CPP, won all seats in parliament. The lack of a genuine election process means, according to the EU, that the election result lacks credibility.

The judicial system is not independent and is used to silence critical voices. Impunity is common and corruption widespread. Arrests and imprisonment of human rights activists occur. Traditional media are controlled to a large extent by the government party.

⁵³ International Budget Partnership, *Open Budget Survey 2017. Questionnaire. Bosnia and Herzegovina*, 2018, questions 97–102.

⁵⁴ SIGMA, *The Principles of Public Administration*, p. 139.

⁵⁵ Sabanovic & Berglund, *Preliminary assessment*, p 7.

Cambodia has always been a distinctly agricultural country, but since democratisation in 1993 industry, mainly textile production, and tourism have grown vigorously and now account for a larger part of the economy than agriculture.⁵⁶

Project description

Current project phase

Main focus

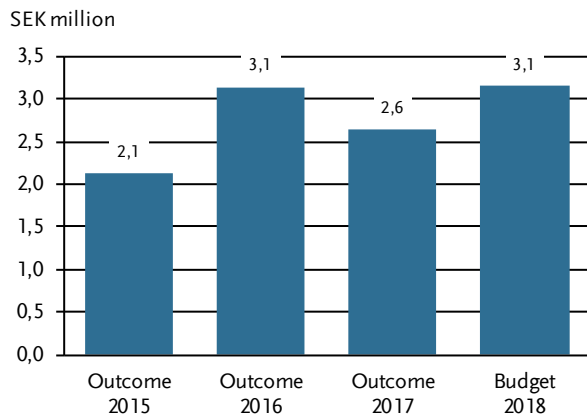
The Swedish NAO's cooperation with the Supreme Audit Institution in Cambodia, the National Audit Authority (NAA), focuses on financial audit and performance audit. The support assists the NAA in implementing international auditing standards so that they can conduct better audit of public administration and report their results to the parliament. Apart from developing audit capacity the Swedish NAO has given support in strategic planning, IT and leadership.

The current project phase ran originally in 2015–2017 and has been extended until the end of 2018. Possible continuation of the cooperation project will be determined in autumn 2018.

Other support

The EU and Sida support the NAA with development of internal and external communication, the intranet and strategic planning. In addition, the NAA has received support in its former role as Chair of ASEANSAI.

Diagram 6 Costs for Cambodia that were charged to the international development cooperation appropriation in 2015–2017 and budget 2018



Source: Swedish National Audit Office Annual Reports for 2015, 2016 and 2017 and budget for 2018.

Earlier project phases

The Swedish NAO has cooperated with the NAA since 2011. Initially the Swedish NAO's support focused on financial audit and implementation of international

⁵⁶ Swedish Institute of International Affairs. *Cambodia*. Landguiden. <https://www.ui.se/landguiden/lander-och-omraden/asien/kambodja/>, accessed 13 September 2018. And Ministry for Foreign Affairs, *Mänskliga rättigheter, demokrati och rättsstatens principer i Kambodja 2015–2016*, Government Offices, 2017. And European Union External Action, *Statement of the Spokesperson on the general elections in Cambodia, 2018*.

standards. Cooperation has been gradually broadened and now also includes performance audit, and to a more limited extent also leadership and strategic planning.

Results

In spring 2018 the National Audit Office of the United Kingdom (UK NAO) evaluated cooperation between the NAA and the Swedish NAO.⁵⁷

Institutional conditions

The NAA has historically had a weak position in Cambodia. Until 2018, however, increased demand for reports was noted in both financial and performance audit from the Senate, the National Assembly and the ministry of finance. At that time there were also calls for the NAA to help in training staff in the National Assembly and the Senate, as well as internal auditors.

The appointment and dismissal of the Auditor General follows formal processes with relevant actors involved, the NAA's budget is adopted with limited influence from the executive and formally they have the right to conduct the audits they themselves choose.⁵⁸ The areas of public administration that for various reasons are regarded as sensitive will probably not be audited in the foreseeable future.⁵⁹

The NAA is formally independent, but in practice this is limited by the prevailing political context in Cambodia.

Quality of audit processes and reports

In the 2018 evaluation, progress is summarised in a number of areas as a result of the cooperation between the NAA and the Swedish NAO.

In *financial audit* a large number of employees and managers have undergone training and audit teams from all departments have received coaching. The evaluation shows that this has considerably increased the NAA's capacity to coach its staff itself and conduct audits in accordance with international standards. A manual for financial audit has been developed with the support of the Swedish NAO. The manual follows international standards and all departments base their work on it, though compliance is limited by lack of knowledge and/or time for the audit.⁶⁰

⁵⁷ National Audit Office (UK), Swedish National Audit Office: *Evaluation of development cooperation project with the National Audit Authority of Cambodia*, 2018.

⁵⁸ International Budget Partnership, Open Budget Survey 2017. *Questionnaire. Cambodia*, 2018, questions 119–122.

⁵⁹ Holmerin, K. *Bedömningspromemoria: Förlängt samarbete med National Audit Authority i Kambodja*, Swedish National Audit Office, 2018, p. 1–2.

⁶⁰ National Audit Office (UK), *National Audit Authority of Cambodia*, p. 19.

According to the *Open Budget Survey* of 2018 the NAA does not fulfil its entire mandate through financial audits, but covers at least two thirds of the budget.⁶¹

The NAA's *system for quality control* has also improved, as has the capacity to carry out quality controls during and after the financial audits. The quality function has been coached and developed check lists, managers have been coached in quality assessment and an annual quality plan has been developed.⁶²

In the last project phase *performance audit* was initiated and for the first time performance audits are being conducted based on international standards in Cambodia. The work is still in its infancy, but the four teams being coached conduct audits and are making observations that are expected to result in finished reports before the end of 2018. With the support of the Swedish NAO the NAA has started work on developing a manual for performance audit, intended to function both as guidance for the NAA's auditors and leadership and as support in communication with external stakeholders concerning what performance audit is and how it is conducted.

The Swedish NAO considers that there is increasing professionalism among the NAA staff, who choose to conduct more audits than before. The auditors also have a more professional attitude to the auditees, which leads to more findings.⁶³ The Swedish NAO's impression is that these findings are more often included in the reports, even though it is difficult to assess, as few of the NAA's reports are published and even fewer are available in English. There is also caution before publication of what may be perceived as criticism of the government.

For the purpose of strengthening the quality of the NAA's processes of audit and planning the Swedish NAO supported the NAA in developing its *strategic planning*. The evaluation from 2018, as well as an evaluation of the previous project phase, highlight the need for NAA in its strategic planning to take into account the ongoing reform of public financial management in Cambodia, which may have consequences for audit.^{64,65}

Even if it is too early to say anything about the long-term sustainability of the results of the Swedish NAO's support to the NAA, the evaluation highlights a number of factors in the cooperation project that create good conditions for sustainable results:

- There is clear support from the NAA leadership, which has also shared in training aimed at gaining support for the new working methods and development initiatives.

⁶¹ International Budget Partnership. *Questionnaire. Cambodia, 2018, question 98.*

⁶² National Audit Office (UK), National Audit Authority of Cambodia, p. 19.

⁶³ Holmerin, *Bedömningspromemoria*, p. 2.

⁶⁴ National Audit Office (UK), *National Audit Authority of Cambodia*, p. 7 and 22.

⁶⁵ SIPU, *Evaluation of the institutional co-operation programme between the Swedish National Audit Office and Cambodia's National Audit Authority*, 2014, p. 4 and 34.

- The project includes training for NAA staff so that they can continue to train their colleagues without the help of the Swedish NAO.
- Greater capacity for quality assurance means stronger ownership of quality in audit processes as well as audit reports.
- There is an ambition to use a future intranet to spread knowledge and lessons learned from training and thus increase the chance of more employees sharing in the development.⁶⁶

According to the *Open Budget Survey* there continues to be a need for development as regards measures and follow-up of recommendations in the performance audit reports. There is no report available to the public about the audited agencies' measures in response to recommendations from the NAA, and only some measures are followed up and reported publicly.⁶⁷ The relatively weak role of the parliament probably contributes to the lack of follow-up.

Quality in relations

Internal and external communication are included as components of the support given by the EU and Sida to the NAA. These areas are not included as separate parts of the Swedish NAO's cooperation with the NAA. On the other hand, there is a link between the Swedish NAO's input and the NAA's external relations. A good example is the study visit to Sweden for a joint delegation consisting of representatives of the NAA and the Cambodian parliament, which the Swedish NAO helped to implement, together with Sida. The purpose was in part to contribute to strengthened relations between the NAA and parliament, by promoting dialogue and showing best practice.

In recent years the NAA has become an increasingly active member of ASEANSAI. The Swedish NAO's support has been a contributory reason for the participation of NAA experts in regional activities with increased professional self-confidence, and they have also been used as trainers and facilitators in the region.⁶⁸

Georgia – State Audit Office

Georgia is rich in natural resources and has a favourable geographical location along the trade route between the Caspian Sea and the Black Sea. Armed conflicts, economic mismanagement and corruption have hampered the transformation from a centrally planned economy to a functioning market economy. Unemployment is high, and every fifth person is estimated to be living in poverty. Two areas, Abkhazia and South Ossetia, have declared independence and their future status is unclear. However, there

⁶⁶ National Audit Office (UK), National Audit Authority of Cambodia, p. 23.

⁶⁷ International Budget Partnership. *Questionnaire. Cambodia, 2018, questions 101–102.*

⁶⁸ National Audit Office (UK), National Audit Authority of Cambodia, p. 11. And Swedish National Audit Office, *Progress Report Institutional development co-operation between the Swedish National Audit Office and the National Audit Authority of the Kingdom of Cambodia*, 2015.

are positive tendencies. In 2014 Georgia signed an association agreement with the EU aimed at strengthening political and economic cooperation and promoting sound public governance. Several reforms have also contributed to economic development, increased democracy and a stronger state governed by rule of law. For example, corruption has decreased considerably, from being ranked 124 out of 133 countries in 2003 to number 44 in 2016, according to Transparency International.⁶⁹

Respect for human rights is good in many areas. However, there are deficiencies in terms of the independence and impartiality of the judicial system and protection of minority groups. Civil society is growing, but the number of organisations is still small. Parliamentary elections were held in 2016 and local elections in 2017. The elections were mainly calm and correct.⁷⁰

Project description

Current project phase

Main focus

During the project period, the Swedish National Audit Office's cooperation with the Georgian Supreme Audit Institution, the State Audit Office of Georgia (SAOG) primarily included performance audit and to a lesser extent leadership development.

The cooperation agreement expired on 30 June 2018 and has not been renewed. At present the SAOG has extensive cooperation with other partners.

Other support

The SAOG was previously supported by several multilateral and bilateral cooperation partners such as the EU, the World Bank, USAID⁷¹ and GIZ⁷². The SAOG is still supported, for example by GIZ in performance audit and communication with parliament, by the World Bank in audit of World Bank funded projects and by the EU in the SAI PMF evaluation and development of methods in compliance audit.

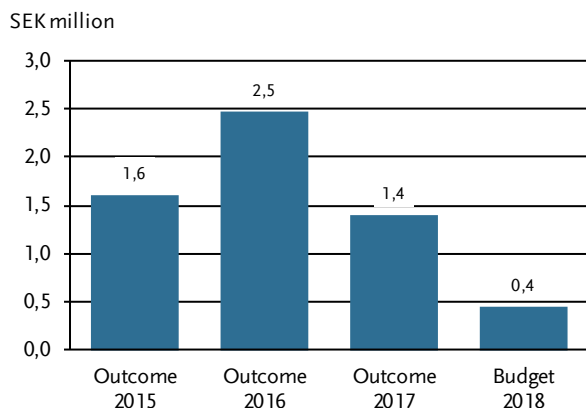
⁶⁹ Sida. *Utvecklingen i Georgia*. <https://www.sida.se/Svenska/Har-arbetar-vi/Europe/Georgia/Utvecklingen-i-Georgia/>, accessed 13 September 2018.

⁷⁰ Swedish Institute of International Affairs. *Georgia*, Landguiden. <https://www.ui.se/landguiden/lander-och-omraden/europe/georgia/>, accessed 13 September 2018. And Ministry for Foreign Affairs, *Mänskliga rättigheter, demokrati och rättsstatens principer i Georgien 2015–2016*, Government Offices, 2017.

⁷¹ United States Agency for International Development.

⁷² GIZ Gesellschaft für Internationale Zusammenarbeit, is the German central government implementing body in support of development cooperation policy.

Diagram 5 Costs for Georgia that were charged to the international development cooperation appropriation in 2015-2017 and budget 2018



Source: Swedish National Audit Office Annual Reports for 2015, 2016 and 2017 and budget for 2018.

Earlier project phases

The Swedish NAO has cooperated with the SAOG since 2010. The first phase of the cooperation, which lasted until 2014, was focused on five areas: financial audit, performance audit, leadership matters, IT and internal and external communication. The first project phase was within the framework of a major change process conducted by the SAOG largely with its own resources, but also with some support from the World Bank and GIZ.

In 2014 the Swedish NAO and the SAOG signed a new agreement for a second cooperation phase until autumn 2016. This second phase was extended to 30 June 2018. The main focus was continued support to performance audit, and to some extent leadership development. The support to performance audit focused on audit quality and on building internal competencies to assure the quality of reports.

Results

At the end of 2016 the consultancy company Swedish Development Advisers (SDA) evaluated the project.⁷³ In addition, in 2017 the SAOG was subject to a SAI PMF evaluation. The SAOG's intention for the evaluation was to measure the organisation's activities and development, to obtain reference data for planning its continued operations development.⁷⁴

⁷³ Swedish Development Advisers, *Evaluation of the Institutional Development Cooperation Project between the State Audit Office of Georgia and the Swedish National Audit Office 2014–2016 – Final Report*, 2016.

⁷⁴ GFA Consulting Group GmbH, *Assessment of the Performance of the State Audit Office of Georgia against the International Standards for Supreme Audit Institutions (ISSAIs)*, Final Report, 2017.

Institutional conditions

The SAOG's SAI PMF evaluation shows improvements in legislation and the organisational structure of the SAI and in professional development and various support processes, such as strategic development, audit planning and communication.⁷⁵ Despite the fact that the SAOG's independence is regulated in the constitution, the risk of politicisation of audit activities, and the threat to the independence of the SAI is a recurring question. The Swedish NAO has supported the SAOG on several occasions when the institution was exposed to political pressure.

At the time of the last election in October 2016 the issue of independent audit flared up again. The SAOG again requested support from the Swedish NAO, which then invited new Georgian members of parliament to Stockholm to join with the Georgian Auditor General in meeting Swedish members of the Riksdag. The purpose was to convey a picture of the remit and role of the SAI in relation to parliament. The SAOG considered that the visit to Sweden had strengthened relations between the members of parliament and the SAI, as well as understanding of the value of independent audit.

Quality of audit processes and reports

The SAOG's SAI PMF evaluation shows that the SAOG has developed from a traditional control and inspection based organisation to a modern Supreme Audit Institution, but work still remains to be done before the institution can be considered to conduct audits in accordance with international standards.⁷⁶ The SAOG's operations development is expected to continue in coming years, which is evident from the organisation's new strategy for 2018–2021.⁷⁷

The SDA's evaluation shows that the SAOG is making progress in *performance audit* in its endeavours to comply with international standards. The evaluation shows also that external stakeholders in Georgia consider that the SAOG's audits are of good quality and that the reports are easy to read. They also consider that adequate follow-up processes have been introduced, that the performance audit process is well established in the organisation and that the performance auditors are very familiar with the process and understand and follow the audit cycle. Knowledge of the audit process has also been transferred between different departments. Scope for improvement remains, particularly in the choice of audit questions and systematic quality control and quality assurance of the audits.

One of the SAOG's strategic goals has been to increase the number of published performance audit reports, which they have also succeeded in doing. The organisation

⁷⁵ GFA Consulting Group GmbH, *Assessment of the Performance of the State Audit Office of Georgia against the International Standards for Supreme Audit Institutions (ISSAIs)*, Final Report, 2017, p. 51.

⁷⁶ Ibid.

⁷⁷ Ibid, p. 21.

has progressed from about three reports per year in 2013, to eleven reports in 2017. However, this has had some impact on the quality of the audits. Moreover, there is a vulnerability in performance audit, as the total number of experienced auditors is relatively small, and several have left the organisation in the past year.⁷⁸

As part of the bilateral cooperation between the Swedish NAO and the SAOG the Supreme Audit Institutions in Moldova and Latvia were also invited to workshops in performance audit. The purpose was to learn from each other's experiences and gain inspiration to improve their working methods. These workshops, which have taken place once or twice per year, have been perceived as enriching this cooperation, and they have extended the professional networks between SAIs.⁷⁹

Because the project goals in communication and leadership were not entirely clear, it is more difficult to measure their results. However, there are indications that the middle managers who participated in the Swedish NAO's *leadership training* have changed their behaviour and working methods. While the managers themselves show humility in their assessment, the employees consider that the training has resulted in an improved ability to delegate as well as increased effectiveness thanks to more structured and regular meetings, increased confidence between managers and employees and a coaching leadership.⁸⁰

The evaluation considers that the project achieves its purposes, thanks to good collegial collaboration between the Swedish NAO and the SAOG. The project has been characterised by flexibility and responsiveness, which has assisted the development of the SAOG in performance audit. The same people from the respective SAIs have had the main responsibility for a long period, which has also promoted informal, regular contact between auditors concerned in both organisations.

Quality in relations

According to the SDA's evaluation, the SAOG's communication and relation to the parliament of Georgia has improved, though from a very low level. External stakeholders confirm that the performance audit reports have become easier to understand, clearer and more evidence-based. The budget working group and finance committee, which are the primary recipients of the SAOG's performance audits, appreciate the reports. They also require the auditees to implement the SAOG's recommendations. The audit reports are processed in the parliament and the SAI is

⁷⁸ GFA Consulting Group GmbH, *Assessment of the Performance of the State Audit Office of Georgia against the International Standards for Supreme Audit Institutions (ISSAIs)*, Final Report, 2017, p. 3-4.

⁷⁹ Ibid, p. 3.

⁸⁰ Ibid, p. 4, 34 and 40.

often invited to hearings.⁸¹ The SAOG's internal follow-up shows that one out of five recommendations can be regarded as implemented and another 40 per cent are in the process of being implemented.⁸²

The original results framework for the project focused almost exclusively on performance audit, while communication and leadership were added subsequently. Expected results were clearly formulated and to a great extent measurable in performance audit⁸³

Concrete results in internal communication include the launch of the SAOG's intranet and that regular internal meetings are held and documented.

Kenya – Office of the Auditor General

The political conflicts in Kenya are great and often follow ethnic lines, and this has sometimes resulted in violence. The Presidential election in 2017 was characterised by irregularities and was declared invalid by the Supreme Court. The subsequent re-run of the election was boycotted by the opposition and the incumbent President was re-elected.

Kenya's constitution provides far-reaching protection for human rights. Tendencies to restrict freedom of expression and citizens' rights have been noticed in recent years with more restrictive legislation for the media and violent crackdowns against demonstrators. Corruption is a problem.

Kenya is the largest economy in East Africa and is a centre of finance, IT and transport in the region. The industrial sector is considerably larger and more varied than in the neighbouring countries. Tourism is an important branch of industry.⁸⁴

⁸¹ GFA Consulting Group GmbH, *Assessment of the Performance of the State Audit Office of Georgia against the International Standards for Supreme Audit Institutions (ISSAIs)*, Final Report, 2017, p. 32.

⁸² SAO's annual report 2017, სახელმწიფო აუდიტის სამსახურის 2017 წლის საქმიანობის ანგარიში, p. 20 and 22.

⁸³ GFA Consulting Group, *Assessment*, p. 40.

⁸⁴ Swedish Institute of International Affairs, *Kenya*. Landguiden. <https://www.ui.se/landguiden/lander-och-omraden/africa/kenya/>, accessed 13 September 2018. And Ministry for Foreign Affairs, *Mänskliga rättigheter, demokrati och rättsstatens principer i Kenya 2015–2016*. Government Offices, 2017.

Project description

Current project phase

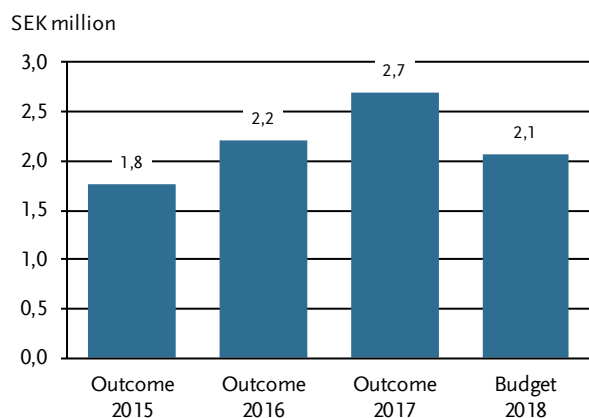
Main focus

The main focus of cooperation between the Swedish NAO and the Office of the Auditor General of Kenya (OAGK) is on financial audit, compliance audit, performance audit, communication and leadership. The current project phase runs from April 2018 to June 2021.

Other support

The World Bank provides minor support to the OAGK as part of a reform programme for public financial management (PFM). Support from GIZ touches on the Swedish NAO's work and its focus includes improved relations with, and reporting to, parliament.

Diagram 7 Costs for Kenya that were charged to the international development cooperation appropriation in 2015-2017 and budget 2018



Source: Swedish National Audit Office Annual Reports for 2015, 2016 and 2017 and budget for 2018.

Earlier project phases

The Swedish NAO has cooperated with the OAGK since 2011. In the latest cooperation period (2015–2017) focus lay on supporting the development of the OAGK's performance audit and system for quality control – mainly for financial audit. The cooperation project also included development of the relation to external stakeholders, such as parliament and the mass media, as well as a project to develop quality and readability of reports.

Results

In 2017 a light touch review of the cooperation project was conducted, based on document studies, questionnaires and interviews of the people involved in Kenya and Sweden.⁸⁵

Institutional conditions

The OAGK is tasked with auditing central and regional administration, the courts and public funds paid to political parties. The OAGK's mandate has grown considerably in that it not only audits the central administration but also the regions (autonomous counties), which number 47 after the latest decentralisation process. The Auditor General's independence is laid down in the constitution. The OAGK has a broad mandate to audit the use of public funds in Kenya, but faces challenges as regards the premises for fulfilling the mandate and achieving an impact for their audits.⁸⁶

The OAGK does not have complete financial independence since the budget is decided by parliament, but appropriations are paid by the ministry of finance monthly. Sometimes the budgeted funds are not all paid out, since the ministry of finance makes a different order of priorities concerning which agencies are to receive funds in a particular month, which is a recurring problem in other African countries as well.⁸⁷

An analysis of the results of the *Open Budget Survey* from 2015 and 2017 shows that the institutional conditions did not change during the period. For example, the incomplete financial independence and some limitations to what the OAGK can select for audit are noted.⁸⁸ The *Africa Integrity Index* notes limitations both in financial independence and the right of the OAGK to recruit its staff independently.⁸⁹

The Swedish NAO had to postpone and refrain from missions, for example due to political unrest in connection with the general elections in autumn 2017.⁹⁰

Quality of audit processes and reports

The 2017 evaluation found that the OAGK's cooperation with the Swedish NAO has contributed to strengthening the OAGK's quality assurance system and quality controls, in particular in financial audit, as well as skills in performance audit and

⁸⁵ Ljungström, K., Travis, R. & Nambuya L. *Light Touch Review of the capacity development cooperation project between the Office of the Auditor General Kenya (OAGK) and the Swedish National Audit Office (SNAO) 2015–2017*, Klub, 2017.

⁸⁶ Karneback, O. *Bedömningspromemoria: Fördjupad beredning av eventuellt fortsatt samarbete med OAG Kenya*, Swedish National Audit Office, 2018, p. 5–6.

⁸⁷ Karneback, *Bedömningspromemoria*, p. 5–6.

⁸⁸ International Budget Partnership, *Open Budget Survey 2017. Questionnaire. Kenya*, 2018. questions 121 and 122.

⁸⁹ Global Integrity. *Africa Integrity Indicators, Scorecard 2018, Kenya*, question 7. <https://aii.globalintegrity.org/scorecard?country=kenya&year=2018>, accessed 13 September 2018.

⁹⁰ Karneback, *Bedömningspromemoria*, p. 10.

communication with external stakeholders, including parliament.⁹¹ At the same time as the cooperation project contributes to these positive results, it is often characterised by inertia and requires that the Swedish NAO takes a more proactive role than is desirable for the project to proceed according to plan.

The evaluation showed good results overall and a mutually positive attitude to the project. The Swedish NAO and the OAGK have worked together in the areas of *quality assurance, performance audit* and *communication*. The Swedish NAO has prepared adapted manuals and worked in the interface between audit and communication with report writing and with communicating audit findings. On several occasions the Swedish NAO has implemented training covering different areas simultaneously, such as performance audit, leadership, quality assurance and communication, to clarify the role of various actors in the OAGK's efforts to write performance audit reports that are clear and appropriate. The purpose is to clarify the internal division of responsibility and improve cooperation.

The overall impression from the staff of the Swedish NAO who were interviewed during the evaluation is that the OAGK has the basic conditions required to operate as an effective SAI. The challenge is to ensure sustainability in the current developmental level and give the OAGK the necessary tools to continue its own further development.⁹² The Kenyan colleagues are now seeking the next step in their own development through training in more complex methods and in specific audit areas.⁹³

Both the OAGK and the Swedish NAO have worked with different methods to achieve *sustainable results*. For example, the Swedish NAO has supported the development or adaptation of different types of manual and policy documents in the audit processes, such as quality assurance policy and adaptation of AFROSAI-E's manuals in performance audit and quality assurance. The OAGK has worked to develop different teams with ambassadors who can demonstrate best practice in the organisation and help to promote implementation of new approaches and methods of working. However, it has been a challenge to give these teams sufficient training and time to be able to fulfil this function. From a sustainability perspective, professional development of managers is also key to enabling them to support the audit teams well through the audit process.⁹⁴

Another method that promotes development and sustainability is to support natural networks in the organisation and with colleagues in the region. In East Africa the

⁹¹ Ljungström, Travis, & Nambuya, *Light Touch Review*, p. 15.

⁹² *Ibid*, p. 4.

⁹³ *Ibid*, p. 10.

⁹⁴ *Ibid*, p. 9–11.

Swedish NAO has organised opportunities for both training and benchmarking in performance audit, quality assurance and development of intranets.⁹⁵

Quality in relations

The OAGK is working to get parliament to process the performance audit reports, but has not progressed far enough. The OAGK itself desires continued support in adapting the reports to a language and format that makes them more accessible to the parliamentarians.⁹⁶ The OAGK has a *parliament liaison function*, with six employees, aimed at facilitating and preparing relations and contacts between the OAGK and parliament.⁹⁷

The 2017 *Open Budget Survey* states that even if the OAGK is given high marks for its audits (percentage of the mandate audited, types of audit conducted etc.), it is not possible to monitor if, or how, the government has taken action in response to the audits. In the report it is also noted that the parliament has indeed taken the OAGK's annual reporting into consideration, but only six months after the report is available and this did not lead to any action on the part of the parliament.⁹⁸

The OAGK's communication department has developed, with the support of the Swedish NAO, a communication strategy and policy, developed criteria and guidelines for report writing and developed its intranet, to the benefit of the organisation. The communication department has the second highest number of employees in the region after the South African organisation and regularly lends out staff to regional and global training sessions, mainly in external communication. They hope to be able to continue learning from the experiences of colleagues in neighbouring countries.⁹⁹

Kosovo – National Audit Office

Kosovo broke away from Serbia in 2008 and declared independence after a short but violent war.

The relation to Serbia and the Serb minority characterises political life. Nationalist feelings are strong. The democratic institutions function and a multi-party system is maintained. In practice the government exerts influence over parliament and the judicial system. Freedom of expression and freedom of the press are protected in the constitution and other legislation.

⁹⁵ Ljungström, Travis, & Nambuya, *Light Touch Review*, p. 12.

⁹⁶ *Ibid*, p. 10.

⁹⁷ Karneback, *Bedömningspromemoria*, p. 6.

⁹⁸ International Budget Partnership, *Questionnaire. Kenya, 2018. questions 97–98 and 100–102*.

⁹⁹ Ljungström, Travis & Nambuya, *Light Touch Review*, p. 11.

The weak economy is one of Kosovo's greatest political and social challenges. Domestic industry is weak and exports modest. Wages are the lowest in Europe, the level of education is low, unemployment more than 30 per cent and two out of three young people are without jobs. The well-educated leave the country if they are able. Corruption is widespread.¹⁰⁰

Project description

Current project phase

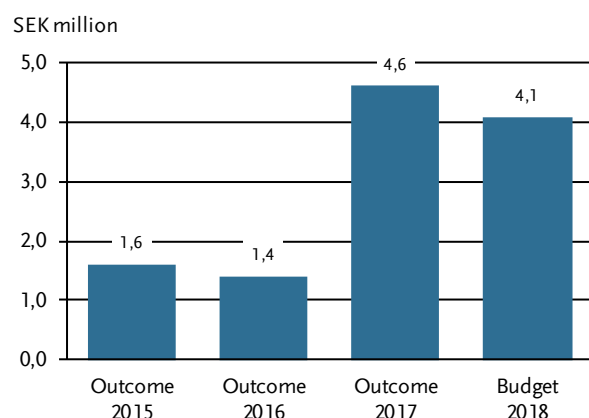
Main focus

The Swedish NAO's cooperation with the Supreme Audit Institution in Kosovo, the National Audit Office of Kosovo (KNAO), aims to professionalise the organisation at all levels and conduct audit in accordance with international standards. The cooperation project includes support to performance audit, compliance audit, financial audit, HR, communication, leadership and management issues such as strategic planning. The current project phase started in August 2017 and runs to June 2020.

Other support

In 2012-2015 the KNAO received support from the SAIs in the United Kingdom, the Netherlands and Estonia through an EU funded twinning project. In 2017 a new EU funded twinning light-project in audit of state-owned enterprises was started, which ended in May 2018. The EU aims to start another full-scale institutional cooperation project. The World Bank has been supporting the KNAO's audit of procurements for a couple of years. The Swiss aid organisation, DEMOS, has previously assisted the KNAO with funds for specific services. USAID provides limited support for anti-corruption measures.

Diagram 8 Costs for Kosovo that were charged to the international development cooperation appropriation in 2015-2017 and budget 2018



Source: Swedish National Audit Office Annual Reports for 2015, 2016 and 2017 and budget for 2018.

¹⁰⁰ Swedish Institute of International Affairs. *Kosovo*. Landguiden. <https://www.ui.se/landguiden/lander-och-omraden/europa/kosovo/>, accessed 13 September 2018. And Ministry for Foreign Affairs, *Mänskliga rättigheter, demokrati och rättsstatens principer i Kosovo 2015–2016*, Government Offices, 2017.

Earlier project phases

The Swedish NAO has cooperated with the KNAO since 2011. The cooperation project has mainly focused on supporting performance audit and financial audit. The cooperation project was broadened in 2017 to include leadership issues such as strategic planning, compliance audit, leadership development and HR.

Results

In spring 2018 the cooperation project was evaluated by the UK NAO.¹⁰¹ In addition, in spring 2017 the Swedish NAO and the KNAO conducted a simplified SAI PMF evaluation of the KNAO to gain a common view of the current situation in the organisation and its development needs ahead of a new project phase.¹⁰²

Institutional conditions

In the first years of Kosovo's independence the KNAO was one of the key organisations whose leadership was appointed by the international community. However, since March 2016 the KNAO is led by a Kosovian.

Since June 2016 Kosovo has a new law on public sector audit. The Auditor General has the formal mandate to exercise their role fully.¹⁰³ Despite the fact that the law on public sector audit regulates the KNAO's independence, the ministry of finance in practice has an influence on the KNAO's budget, premises etc. Nor is the KNAO independent in recruiting or establishing conditions for auxiliary staff (non-auditors) since they are governed by a general regulation for civil servants. This creates a divide, with different systems for assessing performance, pay and career paths, and gives rise to additional administrative work within the organisation.¹⁰⁴

The KNAO is working to change the law on public sector audit to strengthen its independence, for example to be able to make their own priorities as to which agencies should be audited through financial audit, and also to be able to extend the scope of performance audit.¹⁰⁵ The combination of today's requirements to audit all auditees every year, and the lack of economic independence, entails difficulties for the KNAO to develop performance audit.¹⁰⁶

¹⁰¹ National Audit Office (UK), Swedish National Audit Office: *Evaluation of development cooperation project with the Kosovo National Audit Office*, 2018.

¹⁰² Swedish National Audit Office, *Assessment Report: Assessment/baseline National Audit Office of the Republic of Kosovo (KNAO)*, 2017.

¹⁰³ AECOM International Development Europe, *Republic of Kosovo, Central Government Repeat Public Expenditure and Financial Accountability Assessment (PEFA). Central Government*, PEFA Report, 2016, p. 111.

¹⁰⁴ Berglund, I. *Beredningspromemoria: Fördjupad beredning inför beslut om förnyat samarbete med National Audit Office i Kosovo*, Swedish National Audit Office, 2017, p. 4.

¹⁰⁵ National Audit Office (UK), *Kosovo National Audit Office*, p. 12.

¹⁰⁶ Berglund, *Beredningspromemoria*, p. 5.

Quality of audit processes and reports

In the PEFA¹⁰⁷ evaluation made in 2016 the KNAO is regarded as implementing its *audits in accordance with international standards* in all three of its audit types – financial-, performance- and compliance audit.¹⁰⁸ In a simplified SAI PMF evaluation from spring 2017 the KNAO and the Swedish NAO made a partly different assessment. The conclusion was that the financial audit was largely performed in accordance with international standards but that there continue to be development needs in limited areas. The compliance audit focus, scope and reporting need to be clarified and performance audit is partially undeveloped. There is a system for quality control, but it is used to a varying degree. There is no uniform system for quality control.¹⁰⁹

The SAI PMF evaluation also noted that there is no cohesive *system for planning and follow-up* while development activities to establish a strategic plan, among other things, are in progress. HR processes need to be developed where competences and delivery of high-quality audit are valued, instead of formal training or certification requirements. In particular, these competences need to be implemented in pay and performance reviews etc.

The evaluation highlights the KNAO leadership's commitment to development as a positive aspect. Since the leadership drives the project's focus and scope there is clear ownership and a minimum of bureaucracy around delivery of the project.¹¹⁰ There is, however, some risk in that the leadership's strong role means that the project and planned activities are not always so well-anchored among the staff.¹¹¹

The KNAO and the Swedish NAO are agreed to concentrate on development of *leadership* in the current project phase.¹¹² Despite the fact that the project was evaluated at an early stage of the cooperation phase, the evaluation shows that early investment in leadership training has already had an effect in the form of better leadership in other parts of the project.¹¹³ It also shows that the KNAO has developed a common training plan as a result of feedback they received in employee performance reviews. With the help of the mentor input the number of performance audits was doubled between 2017 and 2018, and both the KNAO itself and the parliamentary Committee of Oversight and Public Finance (COPF), were agreed that the audits had improved.¹¹⁴

¹⁰⁷ Public Expenditure and Financial Accountability – tool to assess the state of a country's system for public expenditure, procurement and accountability.

¹⁰⁸ AECOM, *Republic of Kosovo PEFA Assessment*, p. 111.

¹⁰⁹ Berglund, *Beredningspromemoria*, p. 6–7.

¹¹⁰ National Audit Office (UK), *Kosovo National Audit Office*, p. 14.

¹¹¹ *Ibid*, p. 12.

¹¹² Berglund, *Beredningspromemoria*, p. 7.

¹¹³ National Audit Office (UK), *Kosovo National Audit Office*, 2018, p. 6.

¹¹⁴ *Ibid*, p. 18.

The evaluators' assessment is that some working methods promote *sustainability in development*. These build first and foremost on the leadership's commitment to the project, which has been underpinned by leadership training at an early stage of the project phase. The KNAO has also succeeded in spreading lessons learned from the training in the organisation, not least in that there are components that are intended to train the KNAO's own staff in conducting training without the help of the Swedish NAO.¹¹⁵

Quality in relations

The SAI PMF evaluation noted that communication with auditees and other stakeholders functions well but can be developed.¹¹⁶

The KNAO's most important point of contact with the parliament is the COPF, which receives their reports. The leadership of the KNAO describes the interaction with COPF as good, which has been confirmed by the Swedish NAO in interviews with representatives of the COPF, GIZ and the EU. In addition, the KNAO leadership cooperates closely with the budget committee, which is an important actor in parliament.¹¹⁷

The COPF deals with relatively few of the audit reports, just less than a third, and then mainly financial audit reports. There is an interest in more audit and clearer reporting of compliance audit, as well as more performance audits in areas that are important to citizens. The COPF has also expressed criticism that the performance audits are not sufficiently detailed and stringent.¹¹⁸

The parliament, the KNAO and aid donors in Kosovo testify to systematic failure of the auditees to implement the KNAO's recommendations as well as a lack of political will, and possibly an inability, to implement the audit recommendations.¹¹⁹ Through more risk-based audits, systematic follow-up and increased contacts with civil society, the KNAO is working to achieve a greater impact for its audits.¹²⁰

Moldova – Court of Accounts

Until 1991 Moldova was part of the Soviet Union. Domestic policy is characterised by deep conflicts between Russophile and EU-oriented parties. In 2014 Moldova signed an

¹¹⁵ National Audit Office (UK), *Kosovo National Audit Office*, 2018, p. 21.

¹¹⁶ Berglund, *Beredningspromemoria*, p. 6–7.

¹¹⁷ Ibid, p. 3.

¹¹⁸ Ibid, p. 3–4.

¹¹⁹ Sida, *Strategirapport för Kosovo 2015 inom ramen för Resultatstrategin för reformsamarbete med Östeuropa, Västra Balkan och Turkiet 2014–20*, p. 7.

¹²⁰ Kosovo National Audit Office, *Draft Strategic Plan of the National Audit Office 2018–2021*, 2018.

association agreement with the EU. The Transnistrian region is outside the control of the Moldovan state since an armed conflict in 1992.

The human rights situation is largely satisfactory. In recent years the scope of civil society to act has diminished and independent media are under greater pressure.

Moldova has had relatively rapid economic growth since the turn of the millennium, but this has been from a low level. It is still among Europe's poorest countries, with major social and economic divides in society. Corruption damages economic development.¹²¹

Project description

Current project phase

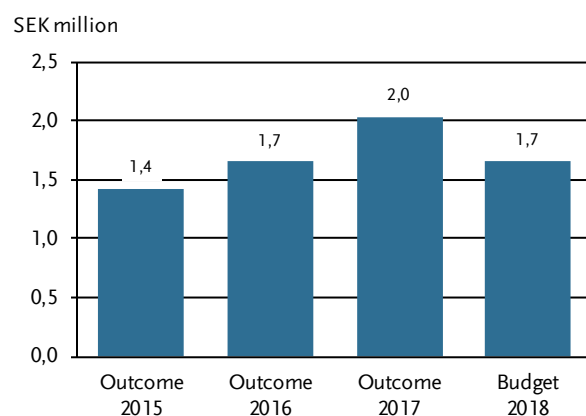
Main focus

In autumn 2018 a new three-year cooperation agreement was drafted between the Moldovan Supreme Audit Institution, the Court of Accounts (CoA), and the Swedish NAO. This project phase focuses on certification of financial auditors, leadership development, communication, HR and strategic questions for the audit operations such as planning and quality control.

Other support

The EU provides support mainly in financial audit. The Supreme Audit Institution in the Netherlands supports the CoA in performance audit. The Latvian Supreme Audit Institution provides advisory services in the framework of the forum for Supreme Audit Institutions in the countries of the Eastern Partnership.

Diagram 9 Costs for Moldova that were charged to the international development cooperation appropriation in 2015-2017 and budget 2018



Source: Swedish National Audit Office Annual Reports for 2015, 2016 and 2017 and budget for 2018.

¹²¹ Swedish Institute of International Affairs. *Moldavien* Landguiden. <https://www.ui.se/landguiden/lander-och-omraden/europa/moldavien/>, accessed 13 September 2018. And Ministry for Foreign Affairs, *Mänskliga rättigheter, demokrati och rättsstatens principer i Moldavien 2015–2016*, Government Offices, 2017.

Earlier project phases

The Swedish NAO started cooperation with the Supreme Audit Institution of Moldova, the Court of Accounts, in 2007. The last project phase ran until 2015 and was thereafter extended by one year in 2016 and 2017. The long-term objective has been for the CoA to work in accordance with international standards, and the Swedish NAO's support has mainly consisted of strengthening financial audit and the CoA's quality control system.

Results

In autumn 2017 the cooperation project was evaluated in a light touch review based on document studies, questionnaires and interviews with people involved in Moldova and Sweden.¹²²

Institutional conditions

Moldova's Supreme Audit Institution is led by an auditor general (President) and six board members, all appointed by parliament. The President selects a Vice-President from among the board members. The current board was appointed at the end of 2016, after a period of political instability in Moldova.

In 2017 a decision was taken on a new law on public sector audit that essentially follows international standards. For example, the law gives the CoA the right to determine the number of employees and their duties and pay, which was not the case previously.¹²³ In 2018 SIGMA analysed the law and found that it should be strengthened in a number of areas, including in regard to protecting the board from external influence when performing its tasks.¹²⁴

The CoA's remit is to audit the government's reporting of budget implementation during the current budget year, the central government budget, the state social insurance budget and the mandatory sickness insurance funds. The CoA decides independently on audit activities and how they are performed. The audit takes place in three audit types: compliance audit, financial audit and performance audit.

Moldova was the subject of a PEFA assessment in 2015. The assessment takes into account external public sector audit, including aspects such as independence and implementation of standards. The assessment shows that the CoA audits at least 75 per cent of the state budget and that the work is done on time. By law the auditees must deal with the CoA's recommendations within 3–6 months. The CoA has a system for

¹²² Ljungström, K., Rask, G. & Janhed, T. *Light touch review of the capacity development cooperation project between the Court of Accounts of Moldova (CoA) and the Swedish National Audit Office (Swedish NAO) 2013-2016*, Kluab, 2017.

¹²³ *Law on the organization and functioning of the Court of Accounts of Republic of Moldova, Article 25.*

¹²⁴ SIGMA, *Alignment of the law of the Court of Accounts of the Republic of Moldova to the INTOSAI Standards*, 2018.

following up measures and receives formal responses on time, but there are deficiencies in the systematic implementation of recommendations, despite the CoA's follow-up.¹²⁵ The responses in the 2017 *Open Budget Survey* indicate that these challenges remain.¹²⁶

Quality of audit processes and reports

Despite the fact that the cooperation has been affected by a period of uncertainty, the 2017 evaluation shows that the CoA staff and leadership themselves consider that they have developed *new insights, knowledge and professional competence*.¹²⁷ The Swedish NAO's staff are perceived as competent and knowledgeable. Support has benefitted the CoA through training in international standards and through eight pilot audits in which the standards were implemented. During the evaluation the CoA was clear that the cooperation had led to a good and effective audit process, from planning to report. Using various educational methods, development and learning have been promoted in the organisation and increased understanding of new methods and processes.¹²⁸ In addition, the Swedish NAO has arranged multilateral meetings with colleagues from Georgia and Latvia, in which the participants have had the opportunity to learn from each other's similar experiences.

The Swedish NAO has carried out a number of activities together with Moldovan colleagues to strengthen both theoretical knowledge and practical capacity in various aspects of quality control and quality assurance. The evaluation showed good results overall. For example, a manual has been developed and implemented, and the CoA itself considers that the quality of audit has been improved by means of quality control – but work remains to be done to fully implement the quality control system.¹²⁹

Despite the fact that the project has consciously worked on embedding sustainability in the development, there are challenges due to *high staff turnover* in particular. The staff turnover means that the CoA loses the skills developed both within and outside the project, which ultimately risks having a negative impact on the quality of audits and thus also on the credibility of the organisation.¹³⁰

Quality in relations

In the past project phase, the project was not focused on improving the CoA's external relations, but this perspective will be included in the new cooperation phase.

¹²⁵ Schulster, I., de Zeeuw, M., Teneva, E. & Ververita, E. *Public Expenditure and Financial Accountability (PEFA) Assessment. Update for Moldova (2012-2014)*, ECORYS, 2015, p. 134–145.

¹²⁶ International Budget Partnership. *Open Budget Survey 2017, Questionnaire. Moldova*, 2018, questions 97–102.

¹²⁷ Ljungström, Rask & Janhed, *Light Touch Review*, p. 5.

¹²⁸ *Ibid.*, p. 10.

¹²⁹ *Ibid.*, p. 7.

¹³⁰ *Ibid.*, p. 6.

The CoA's strategic plan for 2016–2020 includes strengthening relations with external stakeholders as part of strengthening the position and long-term institutional sustainability of the SAI. The CoA's follow-up of the strategic plan shows among other things that the CoA staff have participated in activities organised by parliament with a focus on the CoA's operations and international auditing standards.¹³¹

Palestine – State Audit Administrative Control Bureau

The conflict between Israel and Palestine has continued for more than 60 years and at present the peace process is at a standstill. Sweden decided to recognise the State of Palestine in 2014. However, the possibility of the Palestinian Authority fully meeting the obligations and responsibilities of a functioning state will remain severely limited as long as the Israeli occupation continues.

Since 2007 the West Bank and Gaza have been governed by two Palestinian movements that are in conflict with each other – Fatah on the West Bank and Hamas in Gaza. No national elections have been held since then and President Mahmoud Abbas legislates by decree. The situation regarding human rights has major shortcomings. The rule of law is weak, and violations are perpetrated by Israel, the Palestinian Authority and the de-facto government in Gaza.

The Palestinian economy is extremely dependent on the rest of the world. Development assistance from abroad and the customs and VAT revenue administered by Israel constitute almost the entire revenue side of the budget. The Palestinian economy has been near collapse on several occasions when the rest of the world has stopped the flow of money for political reasons.¹³²

Project description

Current project phase

Main focus

In January 2018 a new four-year cooperation agreement was signed between the Palestinian Supreme Audit Institution, the State Audit Administrative Control Bureau (SAACB), and the Swedish NAO. This project phase is focused on performance audit, leadership development, communication, HR and strategic issues for audit operations such as planning and quality control. The new agreement broadened the scope of cooperation.

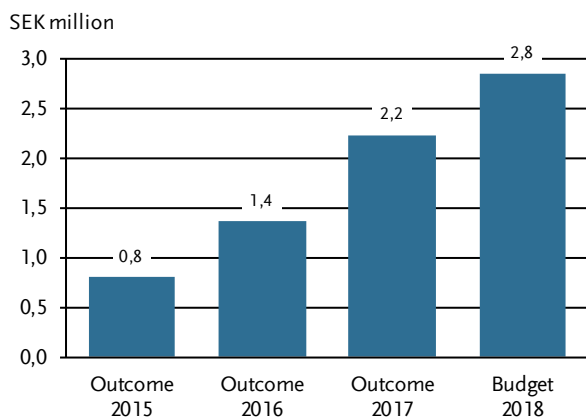
Other support

The SAACB cooperates to a minor extent with the Supreme Audit Institution of the Netherlands on the UN Sustainable Development Goals. The long-term EU funded project was concluded in 2017 and new EU-support is being discussed.

¹³¹ Court of Accounts, *Report on the implementation of the Action Plan for the implementation of the Strategic Development Plan for 2016-2017*, 2017, p. 3–4.

¹³² Swedish Institute of International Affairs. *Palestina*. Landguiden. <https://www.ui.se/landguiden/lander-och-omraden/asien/palestina/>, accessed 13 September 2018. And Ministry for Foreign Affairs, *Mänskliga rättigheter, demokrati och rättsstatens principer i Palestina 2015–2016*, Government Offices, 2017.

Diagram 10 Costs for Palestine that were charged to the international development cooperation appropriation in 2015-2017 and budget 2018



Source: Swedish National Audit Office Annual Reports for 2015, 2016 and 2017 and budget for 2018.

Earlier project phases

The Swedish NAO has cooperated with the SAACB since 2013. The long-term objective is for the SAACB to work in accordance with international auditing standards. Since 2018 the Swedish NAO has mainly supported the development of performance audit and to a limited extent carried out leadership development measures.

Previous EU support focused on financial-, performance- and compliance audit, leadership and internal and external communication.¹³³

Results

In autumn 2017 the cooperation between the SAACB and the Swedish NAO was evaluated.¹³⁴ The majority of the conclusions below are based on that evaluation.

Institutional conditions

The SAACB's audit mandate is broad and covers the entire public sector, state-owned enterprises, and all publicly funded civil society organisations that, due to the weak state apparatus in Palestine, account for a large part of service to citizens.

The gap has narrowed to the international standards' definition of an independent institution through the revised law on public sector audit of 2017. For example, the status of the Auditor General has become stronger and the SAI is to have greater

¹³³ The support was mainly provided with the help of the firm of consultants BDO International, an international audit network for audit firms that help companies with advisory services, audit, tax and business services.

¹³⁴ Goldsworthy, D. & Einarsson, L. *Review of partnership project between the Swedish National Audit Office and the Palestinian State Audit and Administrative Control Bureau*, Development Action, 2017.

influence on recruitment. However, the financial dependence on the ministry of finance still remains. Another central challenge is the restricted staff resources in relation to the SAACB's remit.¹³⁵

According to the SAACB their audit of public finances has been delayed by the lags in the ministry of finance's accounting. Moreover, the SAACB sometimes finds it difficult to gain access to information from the agencies they audit.

In 2015 and 2016 the cooperation project was complicated since the SAACB's representatives could not leave Palestine due to Palestine agencies' restrictions on international travel. However, the cooperation could be maintained through regular contact via video, telephone and email.

Quality of audit processes and reports

When the cooperation started in 2013 the SAACB in principle was not conducting any *performance audit*. The evaluation five years later shows that performance audit is now being established at the SAACB; a separate unit has been created for this type of audit, the knowledge and ability of the staff to conduct performance audits has improved, and six reports have been produced. The reports in turn are considered to have resulted in changes in the auditees. However, work remains on institutionalising performance audit in the SAACB, and build up leadership skills in the new field of operations.¹³⁶

The leadership of the SAACB has invested in spreading information and improving skills in performance audit in the organisation. In addition, the SAACB has endeavoured to clarify its mandate in performance audit in the legislation. The assessment of the evaluators is that some these changes would possibly have taken place regardless of external support, but that it is clear that the cooperation with the Swedish NAO has helped the SAACB to clarify its priorities and achieve some changes faster than they would otherwise have done.¹³⁷

The evaluators' analysis of published reports shows that the audits are conducted to an increasing degree in accordance with international standards. However, there continues to be scope for improvements, above all in the later parts of the audit process: Being able to present well-founded observations, report audit evidence and compile files for each audit. Finally, the SAACB needs to be better at both making its reports publicly available and following up the audit impact. At the same time, three out of four audits included in the evaluation sample have given concrete results, which must be deemed to be a good outcome.¹³⁸

¹³⁵ Söderlund, A. *Beredningspromemoria: Beredning för en andra samarbetsfas med State Audit and Administrative Control Bureau*, Swedish National Audit Office, 2018, p. 4–5.

¹³⁶ Goldsworthy & Einarsson, *Review of partnership*, p. 1.

¹³⁷ *Ibid*, p. 9.

¹³⁸ *Ibid*.

Leadership training was also included in the cooperation, but to a limited extent, and therefore the evaluation did not cover this component. Support in leadership development is included in the new cooperation agreement.

Quality in relations

Since the parliament does not function, the SAACB emphasises the need to reach out with its audit findings directly to the Palestinian citizens. For example, on a trial basis, the SAACB is allowing performance auditors to present and discuss their reports on television and they have organised several conferences aimed at spreading their message among stakeholders and to some extent to the public. The strategic plan for 2017–2021, *To make a Difference in the Life of Citizens*, is also in this spirit. However, it is not clear to what extent Palestinian citizens know about the SAACB and its operations.¹³⁹

Tanzania – National Audit Office

Tanzania is a union between the mainland and the island group Zanzibar, which is autonomous. Throughout the years Tanzania has been more politically stable than many of its neighbours.

Even if human rights are in general respected, the trend in recent years has been negative in some areas. Respect for freedom of expression and association has deteriorated. The space for civil society is decreasing. Detentions and harassment of representatives of the opposition, civil society and the media are increasingly frequent. Corruption is widespread and impacts large parts of society.

Tanzania is among the poorest half of Africa's countries. Growth in mining, tourism and the financial market has been vigorous in recent years. However, most Tanzanians make their living from small-scale farming, a sector with weak growth. About two thirds of Tanzania's population are estimated to live below the income threshold for poverty.¹⁴⁰

¹³⁹ Berglund, *Beredningspromemoria*, p. 5.

¹⁴⁰ Swedish Institute of International Affairs. *Tanzania*. Landguiden. <https://www.ui.se/landguiden/lander-och-omraden/afrika/tanzania/>, accessed 13 September 2018. And Ministry for Foreign Affairs, *Mänskliga rättigheter, demokrati och rättsstatens principer i Kosovo 2015–2016*, Government Offices, 2017.

Project description

Current project phase

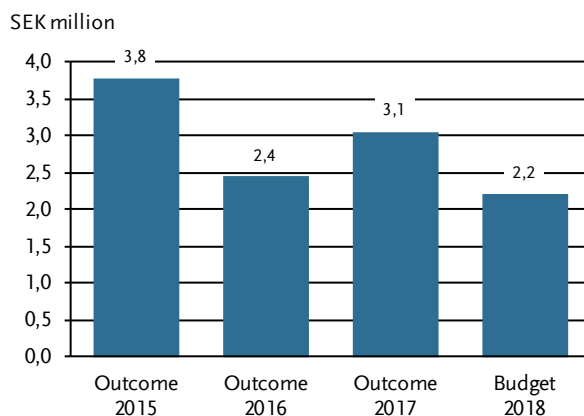
Main focus

The purpose of the Swedish NAO's cooperation with the Supreme Audit Institution in Tanzania – the National Audit Office of Tanzania (NAOT) – is to support sustainable development of the NAOT's audit capacity and ability to fulfil its constitutional role. The cooperation includes performance audit, quality assurance and quality control in the audit operations, planning, follow-up and evaluation, administration and HR as well as communication and IT. Some of these components are still in an introductory phase. The project period is 2017–2020.

Other support

GIZ is the most prominent external aid donor besides the Swedish NAO.¹⁴¹

Diagram 11 Costs for Tanzania that were charged to the international development cooperation appropriation in 2015-2017 and budget 2018



Source: Swedish National Audit Office Annual Reports for 2015, 2016 and 2017 and budget for 2018.

Earlier project phases

The Swedish NAO's cooperation with the NAOT started in 2004 and has undergone several phases. Initially the cooperation focused on introducing risk-based financial audit of the country's public agencies and to establish performance audit of public sector activities.

Results

In 2017 a light touch review of the project was conducted, based on document studies, questionnaires and interviews of the people involved in Tanzania and Sweden.¹⁴²

¹⁴¹ Including in the areas of public finances, good governance and audit.

¹⁴² Ljungström, K. & Gårdmark, J. *Light touch review of the capacity development cooperation project between the National Audit Office of Tanzania (NAOT) and the Swedish National Audit Office (Swedish NAO) 2013-2016*, Kluab, 2017.

Institutional conditions

The NAOT is a relatively strong institution, with a mandate to audit all public funds. The mandate covers ministries, municipalities, public agencies and other bodies as well as donor-funded projects, the court system and the national assembly. There is a challenge, however, as regards obtaining sufficient financial resources to fulfil the mandate. The deficiencies in the NAOT's economic independence have rather increased than decreased in recent years, since the ministry of finance was given greater influence over the NAOT's budget. According to the *Africa Integrity Index 2014–2017* the ministry of finance reduced the budget approved by parliament by more than 50 per cent.¹⁴³ Restrictions on the right to recruit and retain staff also impede the development of the organisation, which is a consequence of the system of mandatory rotation of posts in the public administration.¹⁴⁴

The President appoints the Auditor General on the basis of professional merits and experience. The 5-year mandate period can be renewed once, and the Auditor General can only be dismissed under special conditions stipulated in the constitution (Article 144).¹⁴⁵

In 2015 the NAOT was accused of internal corruption by a whistle-blower, in part because the use of Sida funds could not be correctly accounted for, or because funds had simply been embezzled. This led to Sida freezing payments to the NAOT. The Swedish NAO notes that the Auditor General acted fast and resolutely to take action internally to rectify the problems, which is an important condition for continued cooperation.¹⁴⁶

Quality of audit processes and reports

According to the evaluation of the project the Swedish NAO's cooperation has contributed to developing both the types of audit and the overall quality assurance. At the same time as the cooperation contributes to positive results, it should be mentioned that there are challenges in the form of inertia of response and momentum, which requires that the Swedish NAO takes a more proactive role than is desirable to be able to implement planned activities.

In a project proposal for support to the NAOT the World Bank highlights in particular the NAOT's long-term cooperation with the Swedish NAO, which has led to the

¹⁴³ Global Integrity, *Africa Integrity Indicators, Scorecard 2018, Tanzania*, question 7. <https://aii.globalintegrity.org/scorecard?country=tanzania&year=2018>, accessed 13 September 2018.

¹⁴⁴ Ljungström, Rask & Janhed, *Light Touch Review*, p. 12.

¹⁴⁵ The Public Audit Act 2008, §§4–8.

¹⁴⁶ In September 2017 the Auditor General reported that the debt to Sida/Sweden had been settled. And Gimdal, M. & Öhman Persson, J. *Fördjupad beredning – Tanzania*, Swedish National Audit Office, 2017.

development of the NAOT from level one to level three (of four) in the AFROSAI-E's capacity building framework.¹⁴⁷

The overall assessment of the evaluation is that cooperation between the NAOT and the Swedish NAO has contributed to more effective audit processes and more readable audit reports of higher quality. The cooperation is also considered to be conducted in a way that promotes sustainable development at the NAOT. Combining theory and practice in different educational elements, documenting processes and methods well, as well as supporting development of people and functions that internally drive and support the NAOT's development along those lines, increases the chances of the continued future development even without support.¹⁴⁸

A manager at the NAOT stated that the development of performance audit is one of the most noticeable results of the cooperation.¹⁴⁹ It is also the opinion of the Swedish NAO that the support in *performance audit* functions well. The number of performance auditors is gradually increasing and the NAOT now has the capacity and ability to introduce new recruits to the profession. In addition, a skills framework for performance audit has been developed. The purpose is to be able to better identify the NAOT's skills requirements and how they can be met.

Support has also focused with some success on *quality assurance aspects* in audit and *leadership issues*. One quality assurance function was established in 2016, and it has further strengthened the organisation's processes and contributed to better audit quality. Training continues to be a need for both managers and employees to clarify roles in the processes of quality control and quality assurance, as well as a need to update the documentation of internal policy documents in the area.¹⁵⁰

The project has also included other components, such as audit of suspected fraud and corruption, called *forensic audit*. One of the NAOT's ambitions is to train auditors as trainers in the area in all 31 regional offices. These should in turn train auditors in the region in how they should act when they observe so-called *red flags*¹⁵¹.

The foundation laid early (before 2013) by the NAOT with the help of the Swedish NAO in *financial audit*, still serves the organisation well. The 2017 PEFA report on Tanzania, assesses that in financial audit the NAOT audits the greater part of state income and expenditure, and that it is done in accordance with international standards. The audit

¹⁴⁷ World Bank, *Project Intelligence Document (PID) Identification/Concept Stage – PIDC99543 Public Disclosure Copy*, 2016, p. 3.

¹⁴⁸ Ljungström, Rask & Janhed, *Light Touch Review*, p. 17.

¹⁴⁹ *Ibid*, p. 11.

¹⁵⁰ *Ibid*, p. 16.

¹⁵¹ Red flags are the extraordinary findings made by the auditors, which may, but not necessarily, indicate fraud. The findings must be channelled in accordance with a special procedure, where it is finally determined whether the NAOT has reason to submit the matter to a prosecutor.

reports are submitted to parliament on time and the government responds to the NAOT's findings and recommendations. However, there are deficiencies in following up action taken.¹⁵²

Quality in relations

The Swedish NAO's support in the area of communication is relatively limited. There is now both a communication policy and a communication strategy in place, and the NAOT testifies that the professional exchange with Swedish colleagues has been crucial during the development process.¹⁵³

The evaluation reported on the NAOT's improved relations with various stakeholders.¹⁵⁴ The NAOT's own assessment is that the organisation and the Auditor General are increasingly regarded as credible. This assessment is supported by the PEFA report, which states that the Auditor General continues to be an important and credible part of accountability in Tanzania's public sector and that there is steady improvement in terms of extent and quality of audit.¹⁵⁵ However, the NAOT considers that there continues to be a lack of knowledge among citizens in general and journalists in particular. One of the organisation's objectives is that the media should understand the role and remit of audit and be able to report on audit findings.¹⁵⁶ As a result, communication is included as a free-standing component in the bilateral support in the new project period.

During the report period the NAOT has also participated in activities together with other SAIs in the region, focusing on communication issues, such as intranet development.¹⁵⁷

Uganda – Office of the Auditor General

The government party NRM and President Yoweri Museveni have governed Uganda since 1986. The President was re-elected in 2016 in an election characterised by democratic shortcomings. For example, one of the opposition candidates was put under house arrest without any formal prosecution. A legislative change in 2017 removed the age restriction on the President, which makes it possible for Museveni to also run in 2021.

¹⁵² Lawson, A., Hedvall, F., Thue-Hansen, C. & Contreras, G. *Tanzania Mainland Public Expenditure & Financial Accountability (PEFA) Performance Assessment Report*, 2017, p. 147.

¹⁵³ Ljungström & Gårdmark, *Light Touch Review*, p. 13.

¹⁵⁴ *Ibid*, p. 17.

¹⁵⁵ Lawson, Hedvall, Thue-Hansen & Contreras, *Tanzania PEFA Performance Assessment Report*, 2017, p. 151.

¹⁵⁶ Ljungström & Gårdmark, *Light Touch Review*, p. 13.

¹⁵⁷ *Ibid*, p. 17.

Despite a progressive constitution and legislation that to a high degree protect human rights, their implementation has shortcomings. Restrictions on freedoms of assembly, association and expression affect both the opposition and civil society. Impunity is widespread for government officials who commit abuses.

Uganda has good economic conditions: A favourable climate, fertile soils, rich natural resources and a relatively well-educated population. In the past 25 years the country has reported high growth and a considerable reduction in poverty. The oil discoveries made in western Uganda are expected to give a further boost to the country's economy.¹⁵⁸

Project description

Current project phase

Main focus

The Swedish NAO's cooperation with the Supreme Audit Institution in Uganda – Office of the Auditor General (OAGU) – aims to develop the organisation to a modern Supreme Audit Institution that works in accordance with international standards. The cooperation focuses on the OAGU's quality assurance system, performance audit and relations to parliament. The cooperation agreement was renewed in 2017 and runs until 2020.

Other support

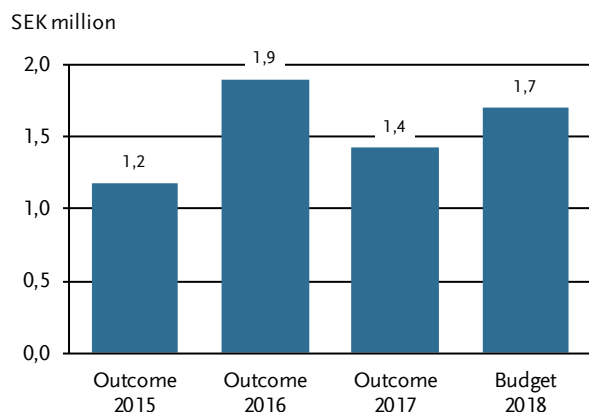
The OAGU receives support from another five organisations. FINMAP¹⁵⁹ works to strengthen the entire financial management system in Uganda; GIZ supports development of various guidelines, strategies and follow-up tools; the Office of the Auditor General of Norway offers support in audit of extractive industries (that is mining, oil and gas); the UNDP¹⁶⁰ assists in purchasing equipment; and USAID has given some support to performance audit and the local and central audit committees.

¹⁵⁸ Swedish Institute of International Affairs. *Uganda*. Landguiden. <https://www.ui.se/landguiden/lander-och-omraden/afrika/uganda/>, accessed 13 September 2018. And Ministry for Foreign Affairs, *Mänskliga rättigheter, demokrati och rättsstatens principer i Uganda 2015–2016*, Government Offices, 2017.

¹⁵⁹ Financial Management & Accountability Programme.

¹⁶⁰ United Nations Development Program.

Diagram 12 Costs for Uganda that were charged to the international development cooperation appropriation in 2015-2017 and budget 2018



Source: Swedish National Audit Office Annual Reports for 2015, 2016 and 2017 and budget for 2018.

Earlier project phases

The Swedish NAO's cooperation with the OAGU started in 2013 and from the start supported its development into a modern SAI that works in accordance with international standards. The cooperation is based on the OAGU's strategic plan and the areas where there is an observable need for development support, such as financial audit, performance audit, leadership and communication. The first project period ran until 2016.

Results

The cooperation project was subject to a light touch review in 2017 which showed a mainly well-functioning cooperation project.¹⁶¹

Institutional conditions

The OAGU has a broad mandate to audit and report on public accounts in Uganda and all public offices or bodies and organisations set up by parliament. An amended constitution in 1995 and the law on public sector audit of 2008 have strengthened the OAG's mandate and functions.¹⁶² Under the constitution the Auditor General must be a qualified accountant and not be under anyone's influence. The President's

¹⁶¹ Ljungström, K., Mukuria, D. & Gårdmark, J. *Light touch review of the capacity development cooperation project between the Office of the Auditor General of Uganda (OAGU) and the Swedish National Audit Office (Swedish NAO) 2013-2016*, Kluab, 2017.

¹⁶² Öhman Persson, J. & Gimdal, M. *Fördjupad beredning: Samarbete med Office of the Auditor General of Uganda*, Swedish National Audit Office, 2017, p. 2.

appointment of the Auditor General is approved by parliament and the law protects the Auditor General from unfounded removal from office.¹⁶³

According to the *Open Budget Survey*¹⁶⁴, published in January 2018, the OAGU fulfils many of the formal pre-requisites for a well-functioning SAI: The Auditor General is appointed by the President with the approval of parliament and can only be removed under special circumstances; the OAGU has a mandate to conduct financial audits¹⁶⁵ and performance audits; parliament decides on the OAGU's budget, and the organisation is entitled to freely decide on which audits it is to conduct. *The Africa Integrity Index* reports that the Institution produces reports without allowing itself to be influenced.¹⁶⁶ However, the OAGU's budget is estimated to be insufficient to enable the organisation to fully live up to its mandate.¹⁶⁷

The follow-up of the OAGU's audits is deficient. The Government does not make information accessible about the measures taken resulting from the OAGU's recommendations, and neither the government nor the OAGU systematically follow up the consequences of the audits.¹⁶⁸

Quality of audit processes and reports

The 2017 evaluation of the cooperation project shows that with the help of the Swedish NAO the OAGU has developed its capacity to comply with international standards in both financial audit and performance audit. The effectiveness of the audit process has been strengthened and communication with external stakeholders has improved. The OAGU writes better and more readable reports, and is also increasingly running its change processes without external support.¹⁶⁹

The cooperation has been based on a conscious idea of *sustainable results*, for example by ensuring that the Swedish NAO's support is in line with the OAGU's strategic plan. New methodology and working methods are documented in policies and manuals so that the organisation is not dependent on a small number of people. Skills development in the project is close to the operations and endeavours to mix theory and practice, and support is directed at internal key personnel and structures that have a strategic role in

¹⁶³ *The Constitution of the Republic of Uganda, 1995 as amended, article 163, §§1-10.*

¹⁶⁴ International Budget Partnership, *Open Budget Survey 2017. Questionnaire. Uganda, 2018.*

¹⁶⁵ Within the entire region, up to and including 2017 the SAIs conducted a type of audit that combines financial audit and compliance audit, called *regularity audit*. As of 2018 they differentiate between these types of audit.

¹⁶⁶ Global Integrity. *Africa Integrity Index, Scorecard 2018*, question 7. <https://aii.globalintegrity.org/indicator-details?country=uganda&num=7&year=2018>, accessed 13 September 2018.

¹⁶⁷ International Budget Partnership, *Open Budget Survey 2017. Questionnaire. Uganda, 2018*, questions 97–98, 119–122.

¹⁶⁸ *Ibid*, questions 101–102.

¹⁶⁹ Ljungström, Mukuria & Gårdmark, *Light Touch Review*, p. 10–11.

leading or maintaining change processes.¹⁷⁰ Not least in *performance audit* efforts are made to change working methods and to apply advanced quantitative methods, which is crucial if the OAGU is to live up to its high ambitions. At the same time the auditors consider that the training can sometimes be rather theoretical and not sufficiently adapted to the conditions in Uganda. The Ugandan colleagues would like to see further support in applying these methods.¹⁷¹

The OAGU's staff have learned much from developing their own work on *peer review*, where colleagues review each other's work at different stages of performance audit and provide feedback.¹⁷² The Swedish NAO's help to the OAGU to adapt AFROSAI-E's various manuals to the Ugandan context has been of great benefit, and this is work that needs to continue when new manuals are developed.

The Swedish NAO has provided relatively extensive support to the OAGU in developing systems and processes for quality control. Above all it has been important for the OAGU to clarify roles and responsibilities in both quality control and quality assurance, as well as to develop the ability of different actors to live up to their responsibility in this area.

An indication of good progress is that the OAGU has developed into a model for SAIs in the region, which is manifested in the form of requests for study visits and support.¹⁷³

While the cooperation project contributes to these positive results, it is also characterised by some inertia on the part of the OAGU, which sometimes requires the Swedish NAO to be more proactive than is desirable to achieve agreed goals.

Quality in relations

An important point of departure for the Swedish NAO's support is that it is to help the OAGU's reporting to gain a greater impact in the Ugandan parliament. In the support to the OAGU's communication department the Swedish NAO engaged a local consultant with a background in journalism. The consultant's local knowledge has been a good complement to the support of the Swedish colleagues, and of benefit to the OAGU, not least in the media training of the leadership. The OAGU itself considers that it has improved its relations with, and impact in, the media. The increased skills and self-confidence of the communication unit have also contributed to improved ways of presenting audit findings.¹⁷⁴ For example, increased collaboration between the

¹⁷⁰ Ljungström, Mukuria & Gårdmark, *Light Touch Review*, p. 8.

¹⁷¹ *Ibid.*, p. 10–11, p 12–14.

¹⁷² *Ibid.*, p. 12.

¹⁷³ *Ibid.*, p. 9–10.

¹⁷⁴ *Ibid.*, p. 10.

communication unit and the performance audit function has been a contributory success factor.

Continued support in developing the OAGU's intranet is also seen as an important component of the ambitions to improve internal communication.¹⁷⁵

Western Balkans – Joint Working Group on Audit Activities

The countries of the Western Balkans share a common cultural and historical heritage. However, there are often differing and sometimes conflicting opinions about this history, which is one reason for the complex and sensitive relations in the region. The conflicts after the dissolution of the former Yugoslavia still mark the relations between ethnic groups, within and between the present countries.

The complexity of these relations hampers development processes for these countries. The countries of the Western Balkans have a long way to go before they become members of the EU. Consequently, regional cooperation is an important part of the continued peace process, in which the relation to the EU and its institutions plays an important role. The EU and EU harmonisation of the countries' legislation is in this context a uniting factor in the region.

Project description

Current project phase

Main focus

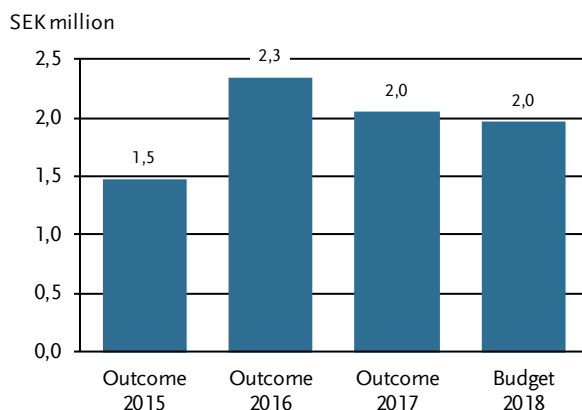
The Swedish NAO has co-chaired the JWGAA (*Joint Working Group for Audit Activities*) since 2016. The Swedish NAO contributes project management and expert help to the training and seminars arranged within the group. The Swedish NAO has been a neutral catalyst to help ensure that the cooperation initiatives that exist are really implemented despite historical and political conflicts in the region.

Other support

SIGMA also supports the JWGAA through financing and expert help.

¹⁷⁵ Ljungström, Mukuria & Gårdmark, *Light Touch Review*, p. 21.

Diagram 13 Costs for the Western Balkans that were charged to the international development cooperation appropriation in 2015-2017 and budget 2018



Source: Swedish National Audit Office Annual Reports for 2015, 2016 and 2017 and budget for 2018.

Earlier project phases

Since 2013 the Swedish NAO has supported cooperation in the Western Balkans in the context of the JWGAA. This group was established in 2002 with the aim of promoting cooperation between the SAIs in the EU Member States, the EU candidate countries and potential candidate countries. Since 2016 the Swedish NAO has co-chaired this group together with Romania's Supreme Audit Institution. The Swedish NAO has contributed project management and expert help to the training and seminars arranged by the group.

Results

The parallel audit project in the Western Balkans was evaluated in spring 2018 by the UK NAO.¹⁷⁶ In 2016 the first parallel audit project was evaluated by an intern at the Swedish NAO from Gothenburg University.¹⁷⁷

Institutional conditions

In general, regional cooperation means that the Swedish NAO's counterparts have different frames of reference, even if there are similar challenges. The participating SAIs have different legal structures and are at different levels of development, and the staff have varying experience, skills levels and support from the leadership. The evaluation of the parallel audit project highlights this as a complicating circumstance.¹⁷⁸

¹⁷⁶ National Audit Office (UK), Swedish National Audit Office: *Evaluation of development co-operation for Parallel Performance Audit II in the Western Balkans Regions*, 2018.

¹⁷⁷ Massie, J. *Evaluation of the Parallel Performance Audit in the Western Balkans – A method for furthering capacity development and regional cooperation*, Gothenburg University, 2016.

¹⁷⁸ National Audit Office (UK), *Parallel Performance Audit II in the Western Balkans Regions*, p. 13.

Quality of audit processes and reports

The Swedish NAO part-financed the implementation and participated with project management and experts in the parallel audit project in public procurement in 2016–2017. The project was implemented together with experts from the European Court of Auditors and was based on lessons learned from a previous parallel audit in the JWGAA. Six SAIs in the Western Balkans participated in the project: Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro and Serbia. In conclusion the results of the six audits were compiled into a joint synthesis report, in which some common conclusions could also be drawn. The Swedish NAO's regular follow-up of the operations shows that training and seminars are appreciated and that knowledge from regional cooperation is applicable in the daily audit work. The evaluation from 2018 shows that the participants valued highly the possibility of cooperating with colleagues in neighbouring countries. There are also signs that the networks will continue after the completed project.¹⁷⁹

The evaluators would like to see a clearer structure in support of the project, such as a results framework adapted to this type of project, a clearer link between project activities and intended results to contribute to a more structured design of different activities, and a formal agreement between the participants that is specific for the parallel audit. The evaluation also highlights the need for a more formal risk evaluation ahead of the project and in the course of the project, to be able to follow up and deal with any risks in a more structured way.¹⁸⁰ However, regardless of the formal framework, this type of cooperation rests on good relations and a mutual desire for it to work.

A challenge when cooperation is with several SAIs at the same time is that a limited number of auditors per participating organisation can take part and thus learn new working methods, learn from colleagues and exchange experiences. This means that it is more difficult for the participating SAIs to achieve sustainable changes at home, than if the project was on a bilateral basis. Consequently, the evaluators propose that in future the Swedish NAO should consider including components in the project aimed at teaching methods for sustainable development, to support participants in how they can best take home lessons to their respective home organisations.¹⁸¹

Apart from the parallel audit project, the Swedish NAO supports an initiative to develop competence building of financial auditors in the region. In that the same participants follow each other throughout the entire process – from planning to follow-up – it is hoped that this initiative will also lead to the creation of informal networks.

¹⁷⁹ National Audit Office (UK), *Parallel Performance Audit II in the Western Balkans Regions*, p. 5.

¹⁸⁰ *Ibid*, p. 5–6.

¹⁸¹ *Ibid*, p. 6.

Quality in relations

In the parallel audit project all the participating SAIs published their respective reports, in accordance with national processes and requirements. A synthesis report was thereafter compiled and published in January 2018. Being able to draw general conclusions and make recommendations in a synthesis report based on the national reports must be regarded as a success, given the political context in the region.¹⁸² The synthesis report also contributed to the national reports having a greater impact, for example since the possibility of comparison created an interest for the reports in the media.¹⁸³

¹⁸² Joint Working Group on Audit Activities. *Public Procurement in Western Balkans – Synthesis Report on the Parallel Performance Audit conducted by the Supreme Audit Institutions of Albania, Bosnia-Herzegovina, the former Yugoslav Republic of Macedonia, Kosovo, Montenegro and Serbia*, 2018.

¹⁸³ Aljazeera Balkans, Šabanović o reviziji javnih nabavki u zemljama regije. (*Šabanović on audit of public procurement in the countries in the region.*) <http://balkans.aljazeera.net/video/sabanovic-o-reviziji-javnih-nabavki-u-zemljama-regije>, accessed 13 September 2018.

New cooperation projects

Since the Swedish NAO's last reporting on international development cooperation to the Riksdag, in January 2015,¹⁸⁴ three new cooperation projects have been started. It is too early to speak of results of the activities, but a description is given here of the focus, scope and objective of the cooperation as well as – in so far as it is possible – the Swedish NAO's assessment of results achieved in each project. The intention is that all projects should be evaluated in connection with the completion of the current project phase.

Afghanistan – State Audit Office

Afghanistan has not experienced peace since the 1970s. After almost four decades of war the country –despite progress – reports the lowest humanitarian indicators in the world.

The 2014 Presidential election, despite widespread fraud, was the first to some degree democratic transfer of power in the history of the country. However, the political leadership is weak due to conflicts within the government. Armed conflict continues in several parts of the country. Since the major part of the international peacekeeping forces left Afghanistan at the turn of the year 2014/15 the increasingly strong Taliban militia has taken control of almost half the country.

In Afghanistan there is a lack of respect for human rights. The judicial system is corrupt and difficult to access for citizens and impunity is widespread. Torture and unlawful detentions occur.

Economic statistics from Afghanistan are generally uncertain. Steady growth since the fall of the Taliban regime in 2001 has mainly been based on international development assistance and the presence of international troops. A considerable part of the country's economy is based on opium cultivation, heroin trading and smuggling. More than 90 per cent of the central government budget is financed with development assistance.¹⁸⁵

¹⁸⁴ Swedish National Audit Office, Results of the Swedish National Audit Office's International Development Cooperation 2011-2014. Stockholm, 2015

¹⁸⁵ Swedish Institute of International Affairs, *Afghanistan*. Landguiden. <https://www.ui.se/landguiden/lander-och-omraden/asien/afghanistan/>, accessed 13 September 2018. And Ministry for Foreign Affairs, *Mänskliga rättigheter, demokrati och rättsstatens principer i Afghanistan 2015–2016*, Government Offices, 2017.

Project description

Current project phase

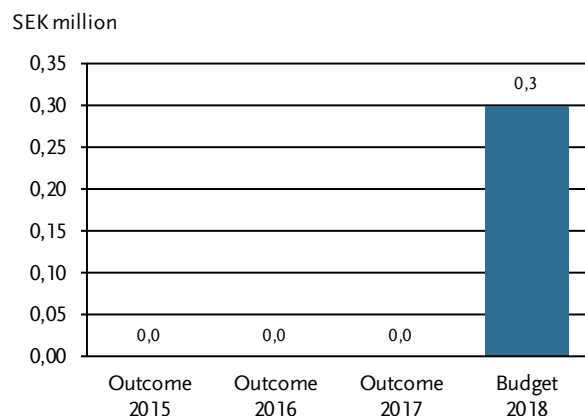
Main focus

In August 2018 the Swedish NAO started a cooperation project with the Supreme Audit Institution in Afghanistan, the State Audit Office (SAOA). The agreement runs until December 2020. The overall goal of the cooperation project is that the SAOA will conduct its audits in accordance with international standards. The project takes into account the entire organisation and is focused on financial audit, performance audit, quality control and quality assurance, leadership and support activities such as HR and communication.

Other support

The World Bank is the only donor that currently has an agreement with the SAOA.

Diagram 14 Costs for Afghanistan that were charged to the international development cooperation appropriation in 2015-2017 and budget 2018



Source: Swedish National Audit Office Annual Reports for 2015, 2016 and 2017 and budget for 2018.

Focus

The overall goal of the cooperation project is to assist the SAOA in its ambition to conduct audits in accordance with international standards. The SAOA has expressed the wish for support, not only as regards the actual audit but also in how to strengthen the organisation around it. The project therefore also includes initiatives to build up quality assurance systems, operational support and leadership capacity. The purpose is to strengthen the conditions for high quality in the audit and its reports by means of more comprehensive institutional support.

The security situation does not allow visits to Afghanistan. Cooperation with the SAOA will therefore build on new forms of work. Training and workshops will be conducted in a third country, and the coaching sessions in-between will be via Skype or similar. The cooperation will require continual remote follow-up.

Institutional conditions

The SAOA's independence is guaranteed in a law on public sector audit of 2012, which also guarantees the independent position of the Auditor General. The Auditor General's mandate runs for 6 years.

The SAOA has a broad and strong mandate. The SAI is to audit all activities at central and local level that are publicly funded. The SAOA has the right to independently plan, select the focus and conduct its audits as well as access the information and documentation held by the auditees.

The SAOA has more limited financial and administrative independence. In these respects, it is still subject to the law governing public officials which means that positions, appointments and pay setting is partly outside the control of the SAOA.

Quality of audit processes and reports

The cooperation project will initially be focused on audit processes and the system for quality control, and later stabilise the developed capacity through operational support and support to leadership.

Initiatives in both performance audit and financial audit may be relevant. Focus will lie on clarifying concepts and approaches and how they relate to international standards. The emphasis will be on workshops and remote coaching will be part of the practical implementation.

Support to the SAOA's system for quality control will be given in the form of workshops and production of customised practical solutions. Support to strategic planning and audit planning may also be relevant.

In a slightly longer perspective, the SAOA also seeks support in HR, including the production of a skills framework for the organisation. Support in leadership development at different levels in the organisation will also be relevant after the needs in that area have been established.

Quality in relations

According to a report from *Integrity Watch* the SAOA is the strongest force in Afghanistan's integrity system.¹⁸⁶ The assessment is based on an analysis of independence, transparency and responsibility, as well as of how to fulfil the mandate in practice.

The SAOA's financial and compliance audits are reported to parliament. To increase the impact of their audits the SAOA has requested support in improving its external

¹⁸⁶ Integrity Watch and Transparency International. *National integrity system assessment, Afghanistan 2015. 2016.* *Integrity Watch* is a civil society organisation whose aims and purpose are to safeguard integrity, transparency and responsibility. The evaluation was financed by the Norwegian embassy, DFID, Integrity action, UNDP and the World Bank.

communication, for example as regards writing summaries and press releases. The SAOA is also requesting support to develop effective internal communication.

Liberia – General Auditing Commission

The Republic of Liberia was founded in 1847 by liberated American slaves. They created a state in which they and their descendants became an upper class with a monopoly on political power. The years from 1980–2003 were the darkest in the history of the country, characterised by war and economic decline.

There are deficiencies as regards respect for human rights. Impunity for traditional leaders and influential men is high as neither the police nor the courts prosecute the crimes committed to a sufficient degree. Corruption is widespread. Many war criminals have not yet been punished and several hold high political positions.

Liberia is rich in natural resources such as water, minerals and forests. Nevertheless, poverty is deep and widespread. During the civil war in the 1990s the country was ruined. Agriculture was abandoned and lay fallow, infrastructure deteriorated and industrial facilities were destroyed. There has been some recovery since a democratically elected government came into power in 2006, but the severe Ebola epidemic in 2014–2015 hit the economy, education and healthcare hard.¹⁸⁷

Project description

Current project phase

Main focus

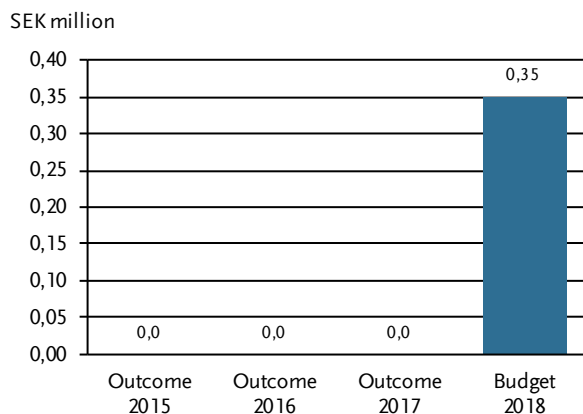
In August 2108 the Swedish NAO started a cooperation project with the Supreme Audit Institution in Liberia, the General Auditing Commission (GAC). The agreement runs until December 2020. The overall goal of the cooperation project is that the GAC will conduct its audits in accordance with international standards. The project focuses on financial audit, compliance audit and quality assurance, and is implemented in close cooperation with the EU and AFROSAI-E.

Other support

The World Bank is planning long-term support in performance audit. The EU supports the entire audit process with experts from AFROSAI-E. The Swedish NAO's support is integrated into this project.

¹⁸⁷ Swedish Institute of International Affairs, *Liberia*. Landguiden. <https://www.ui.se/landguiden/lander-och-omraden/afrika/liberia/>, accessed 13 September 2018. And Ministry for Foreign Affairs, *Mänskliga rättigheter, demokrati och rättsstatens principer i Liberia 2015–2016*, Government Offices, 2017.

Diagram 15 Costs for Liberia that were charged to the international development cooperation appropriation in 2015-2017 and budget 2018



Source: Swedish National Audit Office Annual Reports for 2015, 2016 and 2017 and budget for 2018.

Focus

The overall goal of the cooperation project is to assist the GAC in the ambition to conduct its audits in accordance with international standards. The project aims to contribute additional experts in the activities conducted in the framework of the EU project.

Institutional conditions

The law on public sector audit gives the GAC the right to conduct financial-, performance- and compliance audit. Compliance audit is often done when the party being audited does not have any annual accounts, when the audit instead covers whether the transactions are in compliance with the law. The GAC has the right to audit financial reports, budget and consolidated accounts, which corresponds to the central government annual report.

The GAC's constitutional status as SAI is deficient, even though the law on public accounts stipulates that the organisation is independent. One limitation is that the President chooses the Auditor General, and the choice is approved by the Senate. The GAC has formal powers to independently recruit and dismiss staff, but failure to pay out the appropriation restricts those powers in practice.¹⁸⁸

Quality of audit processes and reports

According to a PEFA assessment of 2016 the GAC's development has mainly stood still since 2012. The report notes a somewhat improved compliance with international

¹⁸⁸ General Auditing Commission Act 2014.

standards, but reporting from the GAC is non-timely, mainly due to insufficient resources. Nor are there any signs that the government follows up the GAC's recommendations.¹⁸⁹

The Swedish NAO supports the GAC's development through the EU-funded AFROSAI-E initiatives. Focus is on adapting AFROSAI-E's manuals in financial audit and compliance audit to Liberia's context and supporting the group that is to train the auditors. In addition, the Swedish NAO will support the development of the GAC's system for quality control and any development of operational support.

In January 2018 the Swedish NAO together with the GAC made an assessment of the current situation in the organisation. This was in the form of a self-assessment with the help of SAI PMF, with support from the Swedish NAO. It showed deficiencies in the implementation of standards, the extent of public administration that is audited and audit findings.¹⁹⁰

Quality in relations

The GAC reports to an audit committee in parliament. This committee has improved its capacity through support from donors.¹⁹¹ The PEFA assessment of 2016 notes that the government takes minimum measures in response to the GAC's reports.¹⁹²

Zimbabwe – Office of the Auditor General

Since independence in 1980 Zimbabwe has mainly operated as a one-party state under President Robert Mugabe and his Zanu-PF party. After a power struggle in the government party in 2017 Mugabe was forced to step down. His successor, Emmerson Mnangagwa and the Zanu-PF party were awarded the victory in the Presidential and parliamentary elections held in July 2018. The election result was not accepted by the opposition, which maintained that the electoral commission had manipulated the result.

Zimbabwe has a long history of serious human rights violations and widespread impunity. The judicial system in Zimbabwe is politicised, mainly at the higher levels and when political interests are at stake. There is corruption at all levels of society, including the police and the court system.

¹⁸⁹ Government of Liberia. *Public Expenditure and Financial Assessment (PEFA) 2016 on Liberia's Public Financial Management Systems*, 2016.

¹⁹⁰ Swedish National Audit Office, *Mission Report, "Assessment" mission*, 2018.

¹⁹¹ AFROSAI-E. *Quality Assurance Support Visit to the Supreme Audit Institution of Liberia*. 2016.

¹⁹² Government of Liberia. *PEFA 2016 on Liberia's Public Financial Management Systems*, 2016.

The mining sector and agriculture form the basis of Zimbabwe' economy. After a decade of deterioration, when the economy contracted by more than 40 per cent and the state was approaching collapse, the situation changed in 2009. The economy grew vigorously for a few years, but growth subsequently slowed again. The country has problems with a low investment level, neglected infrastructure, widespread corruption, high foreign debt and continued political uncertainty.¹⁹³

Project description

Current project phase

Main focus

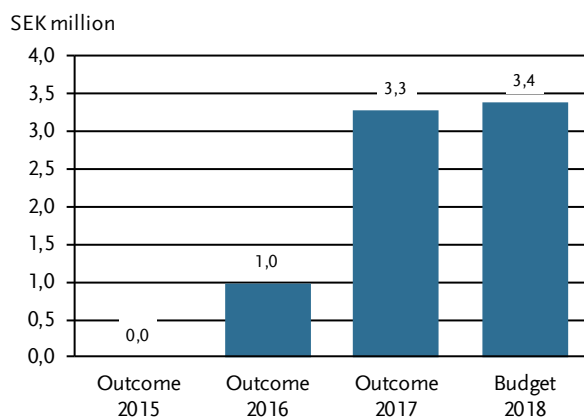
In January 2017 the Swedish NAO introduced a new cooperation project with the Office of the Auditor General of Zimbabwe (OAGZ).

The agreement runs until the end of 2019. The cooperation project aims to provide assistance mainly in performance audit and leadership development.

Other support

The OAGZ currently receives support from the World Bank, the UNDP and the African Development Bank. Support is focused on financing training and IT equipment.

Diagram 16 Costs for Zimbabwe that were charged to the international development cooperation appropriation in 2015-2017 and budget 2018



Source: Swedish National Audit Office Annual Reports for 2015, 2016 and 2017 and budget for 2018.

¹⁹³ Swedish Institute of International Affairs, *Zimbabwe*. Landguiden. <https://www.ui.se/landguiden/lander-och-omraden/afrika/zimbabwe/>, accessed 13 September 2018. And Ministry for Foreign Affairs, *Mänskliga rättigheter, demokrati och rättsstatens principer i Zimbabwe 2015–2016*, Government Offices, 2017.

Focus

Institutional conditions

The SAI's remit and independence is regulated in the constitution and a law on public sector audit. The law stipulates which merits are required for an Auditor General, that the appointment is by the President and that an Auditor General can only be dismissed from the post through a majority decision by parliament.¹⁹⁴ The OAGZ conducts both financial and performance audit and the audit mandate covers ministries, state-owned enterprises and local administration. However, there are restrictions on the OAGZ's financial and administrative independence.¹⁹⁵

The Open Budget Survey gives the OAGZ good marks overall – the SAI conducts its audits, fulfils its audit mandate and reports its findings. However, the government does not report on action taken in response to the audit conclusions and recommendations, and neither the OAGZ nor parliament make information on action available.¹⁹⁶

Quality of audit processes and reports

The cooperation project aims to assist the OAGZ to introduce international standards in selected cooperation areas. This long-term objective is to be achieved for example by ensuring an effective and empathetic management culture and management process, effective audit processes for performance audit, and the capacity and knowledge to produce user-friendly audit reports of good quality.

The uncertain political situation in the country and the authoritarian tendencies of the regime limits the ability of the OAGZ to live up to international standards. However, the SAI has a good reputation both within the country and among international actors in the country. There is an interest and openness to the audit reports presented, and they are also given attention in the media. In the opinion of the Swedish NAO the OAGZ is doing its best in a difficult environment, and they are endeavouring to comply with international standards and publish reports of good quality.¹⁹⁷

In 2017 a broad *leadership programme* was started for the OAGZ's managers, aimed at improving flexibility of leadership through increased self-knowledge.¹⁹⁸ The Swedish

¹⁹⁴ *Audit Office Act, Act 12/2009.*

¹⁹⁵ Florin, L. *Bedömningspromemoria: Samarbete med Office of the Auditor General of Zimbabwe, Swedish National Audit Office, 2017*, p. 1 and 5.

¹⁹⁶ International Budget Partnership, *Open Budget Survey 2017. Questionnaire. Zimbabwe, 2018*, questions 97–102.

¹⁹⁷ Florin, *Bedömningspromemoria*, p. 3.

¹⁹⁸ Magadza, N. & Florin, L. *Progress Report – Institutional Development Co-operation between the Office of the Auditor General of Zimbabwe and the Swedish National Audit Office, OAGZ and the Swedish National Audit Office, 2018*, p. 2–3.

NAO can already see that measures are being taken at both an individual and organisational level.

In *performance audit* several project activities have been completed, aimed at helping to create a department for performance audit, as well as developing skills among managers, project leaders and auditors.¹⁹⁹

In *internal communication* the OAGZ has participated in training organised by the Swedish NAO, together with several other SAIs in East Africa. The OAGZ has, also with the help of some bilateral support from the Swedish NAO, started developing its intranet with a view to simplify and improve communication within the SAI.²⁰⁰

Quality in relations

The primary contact point of the OAGZ with parliament is the Public Accounts Committee. The OAGZ itself describes cooperation with the Committee as good, and sees that there is both interest and openness towards the audits presented. The media also give attention to published reports.²⁰¹

¹⁹⁹ Magadza, N. & Florin, L. *Progress Report – Institutional Development Co-operation between the Office of the Auditor General of Zimbabwe and the Swedish National Audit Office*, OAGZ and the Swedish National Audit Office, 2018, p. 4–6.

²⁰⁰ Ibid, p. 7.

²⁰¹ Florin, *Bedömningspromemoria*, p. 3.

Conclusions and success factors

The overall goal and sub-goals are common to all the Swedish NAO's projects in international development cooperation. The Swedish NAO's endeavours to achieve the objectives are emphasised and shaped differently depending on the partner's needs and circumstances. Initiatives are both bilateral and multilateral.

The results of the Swedish NAO's initiatives are to a high degree dependent on our cooperation partners. Many of them are relatively weak organisations operating in politically complex and sometimes turbulent environments. The results are also sometimes influenced by other actors, for example other donors. Later in this chapter we describe the most important factors enabling us to achieve good results.

Follow-ups and evaluations of the projects are carried out systematically, both to enable us to present the results and to obtain reference data to develop operations. The complex environment we operate in makes it genuinely difficult to state an opinion on the results and effects of input in the individual projects. As shown by the project by project description, the overall results are good and in line with the project objectives. It is even more difficult to make an overall assessment of the results. Nevertheless, the Swedish NAO makes the assessment, in light of what has emerged in the follow-up and evaluation, that the activities as a whole meet the objectives and achieve the results intended.

The Swedish NAO develops and changes its cooperation portfolio by ending projects and starting others. The work of changing the portfolio follows a pre-determined and well-structured system. A clear new focus is that on cooperation with SAIs in fragile states, where perhaps the clearest example is the cooperation with the SAI in Afghanistan. The value we can add is great, but at the same time the focus is associated with risk. The Swedish NAO also works within the framework of INTOSAI with the role and capacity of public sector audit in fragile states.

Flexibility – a precondition involving challenges

With an appropriation for international development cooperation the Swedish NAO has the advantage of being able to be a flexible partner that can both supply its own expert knowledge and contribute financial resources when this supports the project objectives. The Swedish NAO is able to relate to the uncertainty that always exists in change projects, an uncertainty that in addition increases when the project is conducted in a challenging environment.

While this flexibility is a precondition for meeting our partners' needs, it involves some challenges. It is evident that clear objectives from the start give a direction for the change process and thus more concrete results. In Georgia, for example, a change can

be noted in areas of activity whose development was carefully planned in project documents, such as performance audit, while it is more difficult to measure the results in areas of activity that have been added in the course of the project, such as leadership.

In several projects, flexibility of planning can improve the conditions for the audit teams in the partner organisations to participate in project activities, but the same flexibility creates uncertainty among the most senior leadership in the same organisation, when the leaders feel that they are losing control over the activities. For example, in Tanzania and Uganda the evaluations showed that staff and heads of units appreciated having direct contact with their Swedish counterparts in planning various activities – as regards both timing and content. In the same countries the most senior management wanted clearer long-term planning in the project to ensure that the project activities supplemented, rather than disrupted, the line operations. In Kosovo minor adjustments could be made in the planning without formal decisions being required by the steering group.

Good internal communication – at the Swedish NAO as well as partner organisations – is a requirement for enabling the combination of good long-term planning with some measure of flexibility that takes into account both a changing reality and the management's planning and governance.

Important to take the whole organisation into account in a change process

In some cooperation projects the Swedish NAO's support – at least initially – is focused on a limited part of the organisation, such as performance audit in Palestine and financial audit in Cambodia. Our experience shows that it is important nevertheless to take the whole organisation into account in the change process. In both these cases the support has been broadened to include other aspects of organisational development. The evaluations of Cambodia and Kosovo highlighted in particular the importance of these parts of the Swedish NAO's support, as a precondition for sustainable development in the more technical cooperation that is directed at audit methods and processes.

The Swedish NAO's evaluations of several cooperation projects, including in Kenya, Tanzania and Uganda, show that project activities entailing cooperation between various functions of the same organisation are appreciated by the colleagues in the partner organisations. In East Africa, for example, several activities have been carried out in which colleagues from HR, IT and the communication functions in each partner organisation have participated together to develop their own organisation's intranet. Participants testified to the fact that they do not have any natural arenas for cooperation in their own organisation but saw a benefit in cooperation on a specific development issue. Other examples of successful combinations of different professions in project

activities have been communication in combination with performance audit and leadership in combination with different audit types or with quality assurance.

Technical development creates new opportunities in cooperation

All projects are based on cooperation between the Swedish NAO's staff and colleagues in sister organisations. Normally different activities take place on site in the country in question, and study visits to Sweden are sometimes made. Increasingly, joint activities with several organisations simultaneously are held, with Swedish NAO staff still in attendance.

Technical frameworks are gradually being developed in our partner organisations; more employees have computers; the offices have better internet connection and access to technical tools that are simple to use without major cost. With the help of Skype, email, Dropbox and other tools new forms of cooperation are possible, such as giving presentations remotely or sharing working material on a common platform during a video call. These developments enable more frequent contacts between the Swedish NAO and colleagues in a cooperation project and between colleagues who for example have participated in the same training between neighbouring countries.

In several countries Swedish NAO staff offer support via email and Skype between project activities, which gives a valued continuity. The use of this technology has been a necessity for cooperation in Kenya and Palestine, for example, in periods when colleagues' ability to travel have at times been restricted for political or security reasons. Technological solutions may come to play an important part in the Swedish NAO's new cooperation programmes in challenging environments.

Continuity in staffing creates a sound basis for partnership

Cooperation with Supreme Audit Institutions in Cambodia, Georgia and Palestine have clearly shown how continuity in staffing of some key functions on the part of both the Swedish NAO and the partner organisation has created a basis for collegiality, trust and a good working relationship. This in turn forms a good foundation for a partnership in development in which the Swedish NAO increases its opportunities to offer the support needed.

The value of continuity refers both to the Swedish NAO's staff (and the Swedish NAO as an organisation) gradually building up knowledge about the partner organisation and the context in which it operates, and to the fact that mutual trust creates better conditions for mutual transparency, both in the support requested and in the quality and relevance of the support offered.

In response to clear feedback the Swedish NAO has been able to change its working methods to better match the partner's needs. In Cambodia, for example, we have been able to be flexible with support to pilot audits²⁰² and in the Western Balkans the programme was supplemented by further workshops as needed.²⁰³

In the evaluations of Cambodia, Kosovo and the Western Balkans further values are highlighted regarding continuity of staffing. The Swedish NAO has competent employees who have developed both broad and deep experience of capacity building in their professions. This gives value both for the Swedish NAO's partner organisations and for the Swedish NAO itself.²⁰⁴

Multilateral cooperation contributes to learning on several levels

A regional approach to cooperation has advantages, for the participants themselves and for the Swedish NAO as a partner. In regional cooperation there are economies of scale in joint training sessions and common manuals, for example. Regional cooperation also contributes positive collegial pressure for change between the participating organisations. Questions of a potentially sensitive nature may be better suited to regional rather than bilateral discussions, as no party needs to feel particularly singled out.

Based on these experiences, the Swedish NAO has decided to support existing subregional cooperation projects in AFROSAI-E, ASEANSAI and the Western Balkans, as well as to develop informal multilateral networks in support of the development of SAIs. Informal cooperation has been developed in East Africa, between the Swedish NAO's partner organisations in Kenya, Tanzania and Uganda. This cooperation is also broadened when possible, to include sister organisations in neighbouring countries such as Rwanda and Zimbabwe. The Swedish NAO has initiated activities in Eastern Europe that included the SAIs of Moldova and Georgia, with the support of colleagues in Latvia who could share their own journey to a modern SAI.

Common to experiences of formal and informal multilateral cooperation is the value attributed by the participants to the exchange, between colleagues, despite the fact that in some cases this may involve challenges in the form of language difficulties. Since the life of these informal networks can continue even after the completion of training

²⁰² National Audit Office (UK), *National Audit Authority of Cambodia*, p. 18–19.

²⁰³ National Audit Office (UK), *Parallel Performance Audit II in the Western Balkans Regions*, p. 9.

²⁰⁴ National Audit Office (UK), *Parallel Performance Audit II in the Western Balkans Regions*, p. 9. National Audit Office (UK), *National Audit Authority of Cambodia, 2018*, p. 14. National Audit Office (UK), *Kosovo National Audit Office, 2018*, p. 13.

programmes or parallel audits, the mutual learning can also continue, thanks to good contact with colleagues with relevant knowledge and experience.

Importance of coordination with different actors

The Swedish NAO has to relate to the rest of the world when planning and implementing international development cooperation. The success of the interaction with others impacts the results to a high degree.

By law, the Swedish NAO must decide on the focus of development cooperation after consulting with Sida. The consultation meetings are held annually in connection with the Swedish NAO's operational planning. Additionally, there is interaction with Sida and missions abroad in other contexts. One example of close interaction is the cooperation project with the Cambodian Supreme Audit Institution, in which Sida also finances some initiatives.

Interaction and coordination with other donors and partners is necessary to obtain a comprehensive view of the cooperation partner's development needs, to achieve effective planning and synergy effects. A good example of this is our cooperation projects in Moldova and Palestine, where the initiatives are coordinated with input from the EU.

The role of parliament in the audit process is central and the Swedish NAO's initiatives sometimes focus on the working methods of the parliaments and on the relation with the SAI. In these contexts, Swedish members of the Riksdag (parliament) and officials on Riksdag Committees are often involved in the Swedish NAO's activities.

International cooperation on standards is a necessary precondition for implementing development cooperation. The standards also form the basis for the Swedish NAO's objectives for the development cooperation. They make it clear what requirements can be imposed on a SAI and facilitate the identification of cooperation areas. The standards form a good basis for evaluating activities and providing a common language and coherent goals for the activities, also in relation to other donors and partner organisations.

Need to develop support for project management

Colleagues from the UK NAO have evaluated the Swedish NAO's cooperation with Kosovo, Cambodia and the Western Balkans. They were thereby able to draw general conclusions about the Swedish NAO's methodology and working methods in international development cooperation. One area identified for continued development was the need of support for planning, project management, implementation and follow-up of project cooperation through clearer templates and requirements. Among other things, they noted that though there are standardised formats for such things as

planning and reporting back about a mission, there are no best practice models for terms of reference or mission reports. Thus, all the project leaders and experts involved in the cooperation project invent their own wheels to some extent, even though this is done in the framework of a standardised format.

It is recommended that the Swedish NAO develops a format for risk analysis and risk management for each cooperation project, as well as a process that clarifies risk management in the project.

The UK National Audit Office also proposes that in its cooperation projects the Swedish NAO adopts INTOSAI's terminology for capacity building. This is mainly a matter of how to differentiate between different categories of development of SAIs –institutional, organisational and professional development – to achieve a more uniform use of language between projects and in relation to INTOSAI.²⁰⁵

²⁰⁵ The text is based on reflections found under the heading "Findings and Recommendations" and the sub-headings "Regarding delivery", "Regarding design" and "Regarding purpose" in the evaluations made by the National Audit Office (UK) on the cooperation project with the Supreme Audit Institutions in Cambodia, Kosovo and the Western Balkans.

This report on the Swedish National Audit Office's international development cooperation presents the results of our bilateral and regional cooperation projects. In addition, three new bilateral cooperation projects are presented.

The evaluations show that the Swedish NAO's international development cooperation contributes to long-term capacity building in Supreme Audit Institutions in Africa, Asia, Eastern Europe and the Western Balkans. This is well in line with the objective of the operations – to help strengthen the capability of Supreme Audit Institutions to conduct audits in accordance with international standards. By supporting Supreme Audit Institutions in developing countries the Swedish National Audit Office helps to promote sound use of public resources and effective administration, which are central to growth and democratic development.

The Swedish NAO has decided to focus cooperation to a greater extent on Supreme Audit Institutions in fragile states. The value we can add is great, but at the same time the focus is associated with risk.