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IMPLEMENTATION COMPLETION AND RESULTS REPORT

<TF OA2349>

ON A

SMALL GRANT

IN THE AMOUNT OF USD 325,000

TO THE

ASEANSAI

FOR

Establishment of ISSAI Facilitators Pool for ASEANSAI Members (P156884)
{31 March 2019}

Governance Global Practice
East Asia And Pacific Region

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ABBREVIATIONS AND ACRONYMS

ASEAN	Association of South East Asian Nation
ASEANSAI	ASEAN Supreme Audit Institution
AEC	ASEAN Economic Community
TAC	Treaty of Amity and Cooperation
BPK	Indonesia Supreme Audit Institution
IC	Internal Control
ISSAI	International Standards of Supreme Audit Institutions
FSW	Facilitation Skill Workshops
PDO	Project Development Objective
PMU	Project Management Unit
RBA	Risk-Based Audit
TOT	Training for Trainer

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DATA SHEET

BASIC INFORMATION

Product Information

Project ID	Project Name
P156884	Establishment of ISSAI Facilitators Pool for ASEANSAI Members
Country	Financing Instrument
East Asia and Pacific	Investment Project Financing
Original EA Category	Revised EA Category
Not Required (C)	

Organizations

Borrower	Implementing Agency
ASEANSAI	ASEANSAI

Project Development Objective (PDO)

Original PDO

The proposed development objective is to provide technical assistance for strengthening the capacity of members of ASEANSAI towards accelerated implementation ISSAIs in each member country.



FINANCING

	Original Amount (US\$)	Revised Amount (US\$)	Actual Disbursed (US\$)
Donor Financing			
TF-A2349	325,000	253,442	253,442
Total	325,000	253,442	253,442
Total Project Cost	325,000	253,442	253,442

KEY DATES

Approval	Effectiveness	Original Closing	Actual Closing
21-Apr-2016	29-Jul-2016	30-Sep-2018	30-Sep-2018

RESTRUCTURING AND/OR ADDITIONAL FINANCING

Date(s)	Amount Disbursed (US\$M)	Key Revisions
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KEY RATINGS

Outcome	Bank Performance	M&E Quality
Satisfactory	Satisfactory	Substantial

RATINGS OF PROJECT PERFORMANCE IN ISRs

No.	Date ISR Archived	DO Rating	IP Rating	Actual Disbursements (US\$M)
01	26-Jul-2017	Satisfactory	Satisfactory	0.20
02	18-Jul-2018	Satisfactory	Satisfactory	0.31

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Regional Context

- 1) The Association of Southeast Asian Nations, or ASEAN, was established on 8 August 1967 in Bangkok, Thailand, with the signing of the *ASEAN Declaration* (Bangkok Declaration) by the Founding Fathers of ASEAN, namely Indonesia, Malaysia, Philippines, Singapore and Thailand. From the original five member countries, ASEAN has grown to ten members (additional members: Brunei, Cambodia, Laos, Myanmar and Vietnam) covering more than 1.7 million square miles—over half the size of the continental United States—and a population of 626 million with an economy valued at \$2.4 trillion. The ASEAN Treaty of Amity and Cooperation (TAC) lays out the key principles of non-interference and cooperative dispute resolution for members. The ASEAN Economic Community (AEC), which is scheduled for implementation in December 2015, aims to create one of the largest single market economies in the world, facilitating the free movement of goods, services, and professionals.

- 2) The ASEAN Community is comprised of three pillars, namely the ASEAN Political-Security Community, ASEAN Economic Community *and* ASEAN Socio-Cultural Community. The ASEAN Economic Community (AEC) that aims for regional economic integration by 2015, envisages the following key characteristics: (a) a single market and production base, (b) a highly competitive economic region, (c) a region of equitable economic development, and (d) a region fully integrated into the global economy. The AEC areas of cooperation include human resources development and capacity building; recognition of professional qualifications; closer consultation on macroeconomic and financial policies; trade financing measures; enhanced infrastructure and communications connectivity; development of electronic transactions through e-ASEAN; integrating industries across the region to promote regional sourcing; and enhancing private sector involvement for the building of the AEC.

A. Sectoral and Institutional Context

- 3) Association of South East Asian Nations Supreme Audit Institutions (ASEANSI) was established on November 16, 2011 as a sub-regional group of SAIs of the ten ASEAN countries with the overall objective of building capacity and promoting co-operation and understanding amongst ASEANSI members through sharing of knowledge and experiences in the field of public sector auditing.

- 4) ASEANSI prepared its Strategic Plan for 2014-17 shortly thereafter. Besides laying out the mission, vision and core values of the organization, the strategic plan lays out the four strategic goals of ASEANSI. These are: (1) to promote recognition and adoption of the ASEANSI in the ASEAN community; (2) to strengthen the institutional capacity of member SAIs; (3) to strengthen the organizational and audit capacity of member SAIs; and (4) to establish the relationship with the external stakeholders.



- 5) The key program identified to address the goal of strengthening organization and audit capacity of member SAIs has accelerated implementation of International Standards of Supreme Audit Institutions (ISSAIs) in member countries. ASEANSAI conducted a workshop during August 18-22, 2014 in Bandung, Indonesia, in order to know the level of understanding on ISSAIs implementation. Each SAI was asked to identify ISSAIs implementation status for 15 ISSAIs as in Table 1.

ISSAIs Financial Audit Guidelines		
No	ISSAI No	Description
1	1210	Terms of Engagement
2	1220	Quality Control for Audits of Historical Financial Information
3	1230	Planning an Audit of Financial Statements
4	1300	Planning an Audit of Financial Statements
5	1315	Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and its Environment
6	1320	Materiality in Planning and Performing an Audit
7	1330	The Auditor’s Responses to Assessed Risks
8	1450	Evaluation of Misstatement Identified during the Audit
9	1500	Audit Evidence
10	1520	Analytical Procedures
11	1530	Audit Sampling
12	1580	Written Representations
13	1700	Forming an Opinion and Reporting on Financial Statements
14	1705	Modifications to the Opinion in the Independent Auditor’s Report
15	1706	Emphasis of Matter Paragraphs and other Matter(s) Paragraphs in the Independent Auditor’s Report

- 6) Implementation status is quite varied among the members. With support from members and development partners, ASEANSAI has launched a few initiatives to accelerate ISSAI implementation in member countries. These include mapping the baseline of ISSAI implementation and training programs to improve the knowledge of staff of member SAIs. The next proposed step is to create a pool of ISSAI facilitators on financial audit and increase the number of facilitators in the region. This work will build on the work currently being done in the area of ISSAI implementation to fill an important gap.



Project Development Objectives (PDOs)

- 7) The proposed development objective is to provide technical assistance for strengthening the capacity of members of ASEANSAI towards accelerated implementation ISSAIs in each member country.

Key Expected Outcomes and Outcome Indicators

- 8) There are two output from the project:
 - 1) 30 candidate and 25 certified facilitators at the end of the project. and
 - 2) Inclusion of ISSAI certified facilitators in Data base of ASEANSAI Resources: List of experts (ISSAI Facilitators, Resource Persons, Subject Matter Experts)
- 9) The outcomes of the projects are:
 - 1) A readiness member country to institutionalize ISSAIs implementation through two pilot projects selected.
 - 2) 75 percent certified facilitators are involved in audit assignment and shared their knowledge that contributed to strengthen capacity of member country to accelerate ISSAIs implementation.

Results Framework Matrix

Component/Activities	Output Indicators	Intermediate Outcomes	Final Outcome
1. ISSAI Implementation Workshops: 1.1 Design Meeting 1.2 ISSAI Workshops 1.3 Pilot Project	Workshop design and program finalized 45 auditors trained in risk-based audits	20 participants from 11 SAIs join Design Meeting 45 participants sign up for ISSAI workshop	A readiness member country to institutionalize ISSAIs implementation through two pilot projects selected and audit team established
2. Certification 2.1 Training 2.2 Review 2.3 Follow-up	10 days training for Trainers 10 days review 5 days follow-up	30 participants joined the training 30 participants joined the review 30 participants the follow-up	75 percent certified facilitators are involved in audit assignment and shared their knowledge that contributed to strengthen capacity of



		25 ISSAI certified facilitator Inclusion of ISSAI certified in the ASEANSAI data base	member country to accelerate ISSAIs implementation.
3. Monitoring and Evaluation	Availability and timeliness of activity reports	Verified report on workshop, certification and pilot project	

Components

- 10) The project consisted of three components: (1) Workshop on ISSAI implementation focusing on Internal Control Systems and Risk-Based Audit; (2) Certification of ISSAI Facilitators; (3) Monitoring and Evaluation.
- 11) Component 1: Workshop on ISSAI implementation focusing on Internal Control Systems and Risk-Based Audit - Based on the needs identified in Bandung, a workshop for 30 financial auditors implemented on IC/RBA Workshop. The workshop prepared in a Design Meeting by the existing 11 ASEANSAI ISSAI Facilitators. The workshops supported by subject matter expert from SAI Sweden and Training Specialists from IDI. The project considered existing ISSAI material prior to the design meeting. The project might reallocate the budget to other related activities, i.e. increase number of participants and/or increase/decrease the training duration. The workshop followed by a pilot audit implemented by the participants in their respective SAIs. Assistance provided to the SAIs who are unable to apply ISSAI on the pilot audit through twinning with a more experienced SAI, thus establishing a mechanism for peer learning to supplement the classroom workshop. The workshop and the pilot audit provided the participants with a good basis of theoretical and practical knowledge on ISSAI implementation. This complemented through the second component with further training on ISSAI and facilitation skills in order to award to 30 financial auditors.
- 12) Component 2: Certification - PMU organized the certification of 30 financial auditors. The training conducted for Training of Trainers (TOT) mode and the trained facilitators then shared their knowledge with auditors inside their respective organizations. The certified auditors integrated the ASEANSAI ISSAI Facilitators Pool to share knowledge and sustain the ISSAI implementation and included the certified auditors in the data base.
- 13) Component 3: Monitoring and Evaluation - The project monitored and evaluated each activity, including monitoring the database of certified ISSAI facilitators. A year after the implementation of the grant, an analysis will be carried out to review the ISSAI implementation.



I. OUTCOME

Assessment of Achievement of Each Objective/Outcome

- 14) The project development objective is to provide technical assistance for strengthening the capacity of members of ASEANSAI towards accelerated implementation ISSAIs in each member country. There are two PDO indicators: i) A readiness member country to institutionalize ISSAIs implementation through two countries selected for pilot implementation on ISSAI and ii) strengthening capacity of member countries by having 25 certified facilitators by the end of the project; and 75% certified facilitators are involved in audit assignment and shared their knowledge.
- 15) **Pilot Implementation.** Two countries had selected for pilot implementation on ISSAIs (Cambodia and Philippines). The Philippines team has completed the financial audit assignment to the Agricultural Credit Policy Council for CY 2016. The team submitted the audit report to the secretariat on March 31, 2017 with unqualified opinion. Cambodia team finished the financial audit assignment to Siem Reap Water Supply Authority for FY 2017. Cambodia team finalized the audit report on June 28, 2018 with unqualified opinion. The report is submitted to the secretariat on July 5, 2018. Based on audit reports provided, the pilot showed that there is still a gap between country members in ASEANSAI. Philippines' report is more comprehensive and represent readiness of the country SAI for implementation of ISSAIs. While Cambodia SAI need more training and exercises on implementation of ISSAIs. Following up this issue, currently facilitators pools provide field mentoring in the country as needed. This is part of sustainability activities after the project ended.
- 16) **Certified Facilitators.** After series training through ISSAI workshops, there are 18 certified facilitators as of June 30, 2018. Total certified facilitators are below the target of 25 as some candidates are failed to complete all requirement. The criteria requirement included: i) attendance of FSW; ii) submission of action plan; iii) submission of supporting documents as the evidence of implementation part and iv) performance in delivering the course of field workshop. Some participants withdrew their participants due to their audit workload (Vietnam). It made them couldn't attend all required training program. Some are failed due to the country regulation doesn't allow them to share the supporting documents (Brunei). While the committee need to access and review the supporting audit documents for certification purposes. All certified facilitators are involved in audit assignment and shared the knowledge in their respected country. It is proved by their activities' report to the secretariat. They become trainer to their respective country as well as part of facilitator pool for other ASEANSAI member country.
- 17) **Monitoring and Evaluation.** The Bank will continue to work together and dialogue with ASEANSAI and remind the secretariat to conduct analysis and review the ISSAIs implementation a year after the project completed.



Overall Outcome Rating

- 18) The project overall outcome rated Satisfactory. Except number of certified facilitators, all performance indicators are achieved and met the target. Number of certified facilitators are below the target due to some reason as mention above.

II. KEY FACTORS THAT AFFECTED IMPLEMENTATION AND OUTCOME

- 19) There were several factors that affected and resulted satisfactory achievement of the project implementation. The main factors are:
- i Leadership of SAI of member counties. SAI capacity in ASEAN countries has different level capacity on ISSAIs implementation. Some advance countries have committed and willingness to share the knowledge, while less advance countries realize their weakness and committed to improve their capacity. The Bank assistance came in the right time and consistent with the ASEANSAI country member need.
 - ii Role of ASEANSAI Secretariat. ASEANSAI secretariat in BPK Office Jakarta set as project management unit (PMU). The secretariat set for non-permanent secretariat at the beginning of establishment where it would be rotated every two years to other country. Policy of the secretariat was changing prior to the project implementation. The secretariat become long term secretariat. This policy created much better relationship for the project implementation as the secretariat is at the same location with the task team leader from the Bank. PMU worked smoothly with the Bank during the project implementation.
 - iii BPK assigned permanent and qualified staffs to work for the secretariat. The PMU staff was qualified and highly committed to the project activities. They are open and willing to work together with the Bank team in every step of the activities.

III. BANK PERFORMANCE, COMPLIANCE ISSUES, AND RISK TO DEVELOPMENT OUTCOME

- 20) **Bank Performance.** The project is a regional project, instead of country specific. However, Task Team Leader and ASEANSAI secretariat office are at the same location in Jakarta, Indonesia. It created a supportive environment for the Bank and Secretariat working together. The Bank provided extensive supports to ensure the ISSAI Implementation It immensely helped ASEANSAI in building and expanding the capacity of its members, particularly in the field of Risk-Based Approach on Financial Audit; and benefitted for respective SAI and in the region of ASEAN. ASEANSAI also obtained the support from the knowledgeable officers of the World Bank, which was friendly, informative, and easily contacted during the time ASEANSAI encountered difficulties. Annex 3 shows the Bank performance from clients' perspective. Annex 4 shows audit opinion of the project financial statement. A detail activities report is in separate attachment of this ICR report.



- 21) ASEANSI secretariat play important role on communicating preparation and implementation of this project both to the Bank and SAI Chairman in a member country. Since the secretariat is in Indonesia and the same location with the Bank Task Team Leader (TTL) based. It created an advantage to the project implementation. We talked at the same time and communicated at a daily basis. We overcome any issues during implementation right away. Except slow progress at beginning of the project implementation, there was no compliance issue during project implementation. The project started moderately at the beginning of the project, since ASEANSI required long period of time for internal discussion on the grants' approval for cooperation from the member SAIs. After the approval from all SAI, the project ran smoothly.
- 22) **Development Outcome Risks.** There are two main risks during project implementation. The first risk related to political and governance in each country member. It created a risk of slow implementation because of the regional nature of the project. ASEANSI follows consensus for making decision, it was quite difficult to get a quick consensus for a specific issue. It happened at the beginning of project implementation. A greater role of project secretariat helped to speed up the decision making.
- 23) The second risk is the capacity of auditors in member countries, especially language barrier. Since English is not an official language in many ASEAN countries. The staff selected for the training at least speak English sufficiently. There is a requirement for the certified facilitator to share their knowledge in their country with their own local language.

IV. LESSONS LEARNED AND RECOMMENDATIONS

- 24) Based on the main factors that contributed to the project performance, there are some lesson learned that may apply to the future project or program:
- 1) This project is consistent with ASEANSI mission and goal. It creates easier buy-in and ownership from the SAI member country. By financing their priorities, it will create SAI ownership and commitment during the project implementation.
 - 2) ASEANSI follows consensus and require a join/collegial decision making which takes time to make some decision. There is a need to provide the secretariat higher authority to make some decision at least for certain level which may accelerate a future project implementation.
 - 3) The PMU assigned qualified and dedicated staff to manage the project implementation. In addition, there are good communication between the Bank and PMU during project implementation. These factors made the project satisfactory implemented.
 - 4) SAI is a critical pillar in accountability mechanism in every country. Engaging with ASEANSI is strategic engagement for having a better quality of SAI in the region.
 - 5) The pilot showed that there is still a gap between country members on ISSAI implementation. Following up this issue, currently facilitators pools provide field mentoring where the country member need. This is part of sustainability activities after the project ended.



ANNEX 1. RESULTS FRAMEWORK AND KEY OUTPUTS

A. RESULTS INDICATORS

A.1 PDO Indicators

Objective/Outcome: There are two result indicators: (i) A readiness member country to institutionalize ISSAIs implementation through two pilot projects selected and audit team established; and (ii) 75 percent certified

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Pilot Implementation of ISSAI in a member country	Text	0 Country 08-May-2016	2 Countries 09-May-2016		2 Countries 28-Sep-2018

Comments (achievements against targets): Two countries had selected for pilot implementation on ISSAIs (Cambodia and Philippines). The Philippines team has completed the financial audit assignment to the Agricultural Credit Policy Council for CY 2016. The team submitted the audit report to the secretariat on March 31, 2017 with unqualified opinion. Cambodia team finished the financial audit assignment to Siem Reap Water Supply Authority for FY 2017. Cambodia team finalized the audit report on June 28, 2018 with unqualified opinion. The report is submitted to the secretariat on July 5, 2018. The pilot showed that there is still a gap between country members in ASEANSAI. Philippines’ report is more comprehensive and represent readiness of the country SAI for implementation of ISSAIs. While Cambodia SAI need more training and exercises on implementation of ISSAIs. Following up this issue, currently facilitators pools provide field mentoring in the country as needed. This is part of sustainability activities after the project ended.



Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Strengthening Capacity of Member Country	Text	0 Facilitator	25 Facilitators	18 Facilitators	18 Facilitators
		08-May-2016	09-May-2016	31-May-2018	28-Sep-2018

Comments (achievements against targets): After series training through ISSAI workshops, there are 18 certified facilitators as of June 30, 2018. Total certified facilitators are below the target of 25 as some candidates are failed to complete all requirement. The criteria requirement included: i) attendance of FSW; ii) submission of action plan; iii) submission of supporting documents as the evidence of implementation part and iv) performance in delivering the course of field workshop. Some participants withdrew their participants due to their audit workload (Vietnam). It made them couldn't attend all required training program. Some are failed due to the country regulation doesn't allow them to share the supporting documents (Brunei). While the committee need to access and review the supporting audit documents for certification purposes. All certified facilitators are involved in audit assignment and shared the knowledge in their respected country. It is proved by their activities' report to the secretariat. They become trainer to their respective country as well as part of facilitator pool for other ASEANSAI member country.

A.2 Intermediate Results Indicators

Component: The project consisted of three components: (1) Workshop on ISSAI implementation focusing on Internal Control Systems and Risk-Based Audit; (2) Certification of ISSAI Facilitators; (3) Monitoring and E

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of Participants in Design Meeting	Text	0 participant	20 participants	16 participants	16 participants
		08-May-2016	09-May-2016	31-May-2017	28-Sep-2018

Comments (achievements against targets): 16 participant showed up in the design meeting. The participant number was below the target



mostly due to concurrent working schedule that assigned by the SAI member. However, the design meeting succeeds to develop and finalize the course design and workshop materials for the Facilitation Skill Workshop (FSW). The meeting also determined the agenda for the FSW and assigned roles and responsibilities of course designers during the conduct of the FSW.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Participant in ISSAIs Workshops	Text	0 participant signed up 08-May-2016	45 participants 09-May-2016	41 participants 31-May-2018	41 participants 28-Sep-2018

Comments (achievements against targets): 41 participants joined the ISSAI facilitation skill workshops. Some auditors cancelled their participant due to similar reason on call of duty to certain assignment. Nevertheless, the workshop was able to develop pool of trained ISSAI facilitators and to decide two selected SAIs to conduct pilot audit in 2017.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
☑ Pilot Audit Projects Selected	Text	0 countries selected 08-May-2016	2 Countries Selected 09-May-2016	2 countries selected 30-Sep-2018	2 countries selected 31-May-2018

Comments (achievements against targets): Two countries had selected for pilot implementation on ISSAIs (Cambodia and Philippines). Both team completed the pilot audit assignment. The Philippines team completed the financial audit assignment to the Agricultural Credit Policy Council for CY 2016. The Philippines team issued the audit report with qualified opinion on 30 March 2017. Cambodia team conducted financial audit to Siem Reap Water Supply Authority for FY 2017. The team issued the audit report with unqualified opinion on 26 June 2018.

Indicator Name	Unit of	Baseline	Original Target	Formally Revised	Actual Achieved at
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	Measure			Target	Completion
Facilitator Certification	Text	0 certified facilitator	25 certified facilitators	25 certified facilitators	18 certified facilitators
		08-May-2016	09-May-2016	30-Sep-2018	30-Jun-2018

Comments (achievements against targets): After series training through ISSAI workshops, there are 18 certified facilitators as of June 30, 2018. Total certified facilitators are below the target of 25 as some candidates are failed to complete all requirement. The criteria requirement included: i) attendance of FSW; ii) submission of action plan; iii) submission of supporting documents as the evidence of implementation part and iv) performance in delivering the course of field workshop. Some participants withdrew their participants due to their audit workload (Vietnam). It made them couldn't attend all required training program. Some are failed due to the country regulation doesn't allow them to share the supporting documents (Brunei). While the committee need to access and review the supporting audit documents for certification purposes.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Certified Facilitator Involved in Audit Assignment	Text	0 certified facilitator involved in audit assignment	25 certified facilitator involved in audit assignment	25 certified facilitator involved in audit assignment	18 facilitators involved in audit assignment
		08-May-2016	09-May-2016	30-Sep-2018	31-May-2018

Comments (achievements against targets): All candidate facilitators had to involve in audit assignment, included on the pilot audit. All candidate facilitators in Philippines and Cambodia involved in the pilot audit assignment. Besides involving in the audit assignment, all facilitators conduct a knowledge sharing and become a resources person on ISSAIs implementation in their respective country.





A. ORGANIZATION OF THE ASSESSMENT OF THE PDO

Objective/Outcome 1	
Outcome Indicators	1. two pilot projects selected and completed
Intermediate Results Indicators	1. 20 participants from 11 SAIs join Design Meeting 2. 45 participants signed up for ISSAI workshop
Key Outputs by Component (linked to the achievement of the Objective/Outcome 1)	1. Workshop design and program finalized 2. 45 auditors trained in risk-based audits
Objective/Outcome 2	
Outcome Indicators	1. 75% certified facilitators involved in audit assignment 2. Facilitators shared their knowledge to respected country
Intermediate Results Indicators	1. 25 certified facilitators, but only achieved 18 facilitators & inclusion in data base 2. 30 candidate facilitators
Key Outputs by Component (linked to the achievement of the Objective/Outcome 2)	1. Training for Trainers (TOT) conducted 2. Review and Follow up Conducted



ANNEX 2. PROJECT COST BY COMPONENT

Components	Amount at Approval (US\$M)	Actual at Project Closing (US\$M)	Percentage of Approval (US\$M)
Workshop on ISSAI implementation focusing on Internal Control Systems and Risk-Based Audit	0	.14	0
Certification of ISSAI Facilitators	0	.17	0
Monitoring and Evaluation	0	.01	0
Total	0.00	0.32	0.00



ANNEX 3. RECIPIENT (ASEANSI Secretariat) COMMENTS

ASEANSI-World Bank Cooperation Project	
Project Preparation - Agreement for Cooperation ASEANSI and the World Bank	<p>The engagement was started in 2012 by ASEANSI initial communication and studied the possible support area of cooperation. Then in 2015, through ASEANSI Donor Coordination Meeting, the World Bank agreed to support project in the area of ISSAI Implementation. In 2016, agreement was signed and fund USD 325,000,00 was disbursed gradually to support the project activities.</p> <p>The preparation stage ran a bit moderate, since ASEANSI required long-period of time for internally discussing the approval on cooperation from the members SAIs and considering the involvement of SAI Singapore and SAI Brunei Darussalam into the project.</p>
Project Administration	<p><u>Project Planning & Implementation</u></p> <p>The project planning activities of (1) Organizing Workshop Focuses on Facilitation Skills of ISSAI Facilitators; (2) Monitoring & Evaluation of the Planned Activities; (3) Certification of ISSAI Facilitators; and (4) Conducting Pilot Audit & Wrap up, progressed effectively due to intensive ASEANSI internal communication among Secretariat, Training Committee, and Knowledge Sharing Committee.</p> <p>Then the plan was listed in our Cooperation Proposal to World Bank. Previous consultation and discussion with the World Bank also did not come across any significant obstacle.</p> <p>The implementation of Design Meeting of Facilitation Skills Workshop (DFSW) in 2016, Facilitation Skills Workshop (FSW) and Field Workshops (FW) in 2017, Interim Wrap-up Meeting (IWM) and Final Wrap-up Meeting (FWM) in 2018, ran smoothly since ASEANSI gradually getting used to the mechanism of disbursement of grant fund on project activities, event arrangement, and the activity reports to the World Bank.</p> <p><u>Budgeting</u></p> <p>Budgeting process was smoothly developed.</p> <p>In the early Preparation stage of cooperation, the budgeting was based on Cooperation Proposal for the ISSAI implementation activities.</p> <p>It was then decided that the World Bank would entrust the grant fund to support ASEANSI.</p> <p>As the time passed, budgeting for each project activity had adjustment. This was due to the saving that was made at the early stage of Implementation and actual spending in different venues that was less than the budgeting.</p> <p><u>Disbursement of Grant Fund</u></p> <p>Disbursement process was easily proceed through online platform of the World Bank; the Client Connection.</p> <p>In the Preparation stage, officers from the World Bank transferred the knowledge on how to operate the disbursement and reporting through the Client Connection, to the staffs of ASEANSI Secretariat.</p> <p>The officers were also very helpful by being easily contacted when ASEANSI dealt with issues in accessing or submitting the data to the platform.</p>
Project Reporting	<p>Overall, reporting mechanism (procedures, format, and submission) was easily understood and well carried out, since the officers from the World Bank were very supportive, knowledgeable, and informative.</p>



Project Output	<p>The completion of project successfully resulted the implementation of two pilot audits in SAI Cambodia and Philippines. The team of SAI Cambodia performed the audit at Siem Reap Water Supply Authority, while the team of SAI Philippines performed audit at Agricultural Credit Policy Council under the Department of Agriculture.</p> <p>On the other hand, it also resulted 18 ASEANSI ISSAI Facilitators (86% of the total LTAPII participants of Phase 1 and Phase 2) who have capacity in Risk-Based Approach on Financial Audit. These Facilitators also actively involved in audit assignments in their respective SAIs and successfully delivered ISSAI training both in respective SAIs and in other member SAIs during the Field Workshops.</p> <p>Along with other ISSAI-certified Facilitators in member SAIs, they are expected to sustain and push forward the ISSAI implementation in respective SAI and the ASEAN region.</p> <p>Further, the ASEANSI Pool of ISSAI Facilitators was created soon after that. The Pool was developed online and displayed in ASEANSI website.</p> <p>From these achieved outputs, it has been realized that the development of an organization is strongly influenced by the awareness and quality of human resources. Thus, the process of capacity building becomes essential.</p> <p>This process can certainly be done in various ways; either through training, workshop, or implement the gained skills in the area/field of practice.</p> <p>Capacity building had been done in this project with much optimal impact for organisation as there were follow-up from participants and respective parties after the program. The follow-up activities were agreed to be implemented to maintain the sustainability of the program and utilize the Facilitator on the next activities of LTAPII.</p>
Financial Audit	<p>As a part of project completion, the audit on the project financial statement was conducted from October to December 2018. The audit report will be submitted to the World Bank at the end of January 2019.</p> <p>After the submission, arrangement for refund of the fund grant is expected as the next step of project completion.</p> <p>The completion stage is running a bit moderate since ASEANSI required long-period of time to internally circulate the documents on the audit report to obtain the approval from ASEANSI Executive Committee; the Chairperson and the Vice Chairperson.</p>
Overall Assessment	<p>World Bank as Development Partner of ASEANSI provided extensive supports to ensure the ISSAI Implementation Projects run smoothly.</p> <p>It immensely helped ASEANSI in building and expanding the capacity of its members, particularly in the field of Risk-Based Approach on Financial Audit, and benefitted for respective SAI and in the region of ASEAN.</p> <p>ASEANSI also obtained the support from the knowledgeable officers of the World Bank, which was friendly, informative, and easily contacted during the time ASEANSI encountered difficulties.</p>



ANNEX 4. Audited Financial Statements

dbsd&a

Doli, Bambang, Sulistiyanto, Dadang & Ali

Registered Public Accountants

License No. : 42/KM.1/2013

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with offices throughout the World

Number: R.1.1/047-GA/ASEANSAI/12/18

Independent Auditor's Report

**The Head and Board of Management of
ASEANSAI Secretariat**

We have audited the accompanying statement of sources and uses of funds of the ASEANSAI related to fund grant received from the World Bank Project on Establishment of ISSAI Facilitators Pool for the period November 18, 2016 to September 30, 2018, and a summary of significant accounting policies and other explanatory notes collectively referred as "Financial Statements".

Management's Responsibility for the Financial Statement

Management of ASEANSAI Secretariat is responsible for the preparation and fair presentation of the Financial Statement in accordance with the cash basis of accounting described in note 3 to the Financial Statement: this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the Financial Statement in the circumstances, and for such internal control as management is necessary to enable the preparation of the Financial Statements that is free from material misstatement, due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence related to the amount and disclosures in the Financial Statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of the material statement of Financial Statement, due to fraud or error. In making those risk of material statements, we consider internal control relevant to the entity's preparation and fair presentation of the Financial Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the project's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the Financial Statement.

We believe that the audit evidences we have obtained are sufficient and appropriate as a basis of our audit opinion.



Doli, Bambang, Sulistiyanto, Dadang & Ali

Opinion

In our opinion, the accompanying Financial Statements present fairly, in all material respect, statement of sources and use of funds of the ASEANSI related to fund grant received from the World Bank Project on Establishment of ISSAI Facilitators Pool for the period November 18, 2016 to September 30, 2018 in accordance with the cash basis of the accounting described in note 3 to the Financial Statement.

Basis of Accounting

Without modifying our opinion, we draw attention to note 3 to the Financial Statement, which describes the basis of accounting. The Financial Statement is prepared to provide information on ASEANSI related to fund grant received from the World Bank Project on Establishment of ISSAI Facilitators Pool for the period November 18, 2016 to September 30, 2018. As a result, the statements may not be suitable for other purposes. Our report is intended solely for ASEANSI related to fund grant received from the World Bank on Establishment of ISSAI Facilitators Pool and should not be distributed to other parties.

DOLI, BAMBANG, SULISTIYANTO, DADANG & ALI

Firm License No.42/KM.1/2013

Doli Diapary Siregar, CPA

Public Accountant Registration Number AP.0396

Jakarta, December 10, 2018



ASEANSAI - WORLD BANK COOPERATION PROJECT

Statements of Sources and Use of Funds

For the period November 18, 2016 to September 30, 2018

(Expressed in United States Dollar (USD), unless otherwise stated)

	<u>Notes</u>	<u>USD</u>
Beginning balance		--
Sources of funds	3.a,b	
<u>Fund received from:</u>		
Contribution from BPK RI for Initial Deposit		200.00
World Bank Fund		314,398.27
Total source of funds	4	314,598.27
Use of funds		
Expenditures for the events	3.a,b	
DFSW, Malaysia, November 2016	5.1,a	19,826.41
FSW, Lao PDR, May 2017	5.1,b	61,163.06
1st FW, Lao PDR, September 2017	5.1,c	20,717.93
2nd FW, Vietnam, October 2017	5.1,d	32,881.66
3rd FW, Myanmar, December 2017	5.1,e	32,086.00
IWM, Philippines, February 2018	5.1,f	25,723.21
FWM, Malaysia, July 2018	5.1,g	48,559.17
Total Expenditures for the events		240,957.44
Other Expenditures for the events		
Proposition charges - hotel down payment		195.00
OBK charges - hotel down payment		220.00
Proposition charges - hotel final payment		160.00
OBK charges - hotel final payment		195.00
Proposition charges - ticket and insurance by Dwipanusawisata		5.00
OBK charges - ticket and insurance by Dwipanusawisata		25.00
Bank charges		181.50
Others (loss in foreign exchange - reimbursement to Host SAIs, Payment Accomodation for Regional Prticipants and Tips - Hotel Banquet, Porter, Driver)		657.29
Total other expenditures		1,638.79
Total use of funds		242,596.23
Cash on Hand	5.4	1,023.22
Ending balance	6	73,025.26

