



UNITED NATIONS DEVELOPMENT GROUP  
IRAQ TRUST FUND  
PROJECT DOCUMENT COVER SHEET

**Participating UN Organisation:**

UNDP

**Cluster:**

C (Governance and Human Development)

**Programme/Project Manager:**

**Name:**

**Address:**

**Telephone:**

**E-mail:**

**Cluster Coordinator:**

**Name:**

**Address:**

**Telephone:**

**E-mail:**

**Programme/Project Title:**

Institutional Strengthening Programme for the Iraqi Supreme Audit Institution (SAI)/Supreme Audit Board (SAB)

**Programme/Project Location:**

Iraq and training in regional centres.

**Programme/Project Number:**

C9-18

**Programme/Project Description:**

This Programme aims to improve and harmonize the audit practices, methods and procedures of the SAB - the external independent financial audit institution of the Iraqi Government - by providing an integrated capacity building programme.

**Programme/Project Costs:**

**UNDG ITF:** \$ 4,879,535

**Govt.**

**Input:** 0

**Core:** 0

**Other:** 0

**TOTAL:** \$4,879,535

**Govt of Iraq Line Ministry Responsible:**

Ministry of Planning and Development Cooperation

**Programme/Project Duration:**

Start date: September 2005

End date: December 2006

**Review & Approval Dates:**

**Line Ministry Approval:** December 2004

**Cluster Review Date:** 12, April 2005

**Cluster Manager Group Review Date:**

**ISRB Approval Date:** 17, August 2005

**Steering Committee Approval Date:** 09, November 2005

*Signature*

*Date*

*Name/Title*

UN Agency Name: UNDP

Chairman UNGD ITF SC:



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**Development Goal:**

*(Not more than one statement, with reference to the Joint UN-Iraq Assistance Strategy matrices)*

To promote 'good governance' honesty, transparency and accountability in the use and management of public resources by strengthening the capacity of the SAB Iraq, realizing the out come "Strengthening Institutional and Administrative Infrastructure" in the UN-Iraq Assistance Strategy Matrix.

**Key Immediate Objectives:**

1. Conduct and complete a Training Needs Assessment of the SAB;
2. Conduct research, from international experiences, on money laundering to develop future audit programmes (Assessment of Australian & Canadian experiences);
3. Conduct Off-the-Shelf short-term courses around the Arab Region for 269 auditors in the following priority areas:
  - 1) Performance Audit, Short Train-the-Trainer (T&T) programme
  - 2) Debt Accounting & Audit,
  - 3) Fraud Detection Audit,
  - 4) Aid Management and Co-ordination Audit, (T & T)
  - 5) Procurement & Contract Management Audit,
  - 6) International Standards & Guidelines,
  - 7) Privatization Audit, (T & T)
  - 8) IT Audit,
  - 9) ISO 9001 Certification (Quality Control & ISO certification)
  - 10) Financial Audit
4. Conduct Train-the-Trainer workshops to develop the long-term training programme for 3 groups of 30 audit practitioners each in the following areas:
  - 1) Financial auditing and fraud detection – Revenue and expenditure
  - 2) Computer auditing
  - 3) Performance audit
5. Conduct a workshop to develop a pool of 30 technicians capable of coordinating and supporting the introduction of the audit operations' computerization and SAB's administrative systems; and developing a guide to this effect;
6. Develop and disseminate the following:
  - 1) Audit guidance on the training activities referred above
  - 2) Code of conduct to SAB based on INTOSAI code of ethics
7. Adapt and disseminate SAB guide on fraud awareness and detection.
8. Sustainability of SAB Iraq's capacity reinforcement ensured.



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IRAQ TRUST FUND**

**PROJECT DOCUMENT COVER SHEET**

**Outputs**

List in reference to the key immediate objectives (i.e. 1.1, 1.2, 2.1, 2.2, etc.)

- 1.1 Comprehensive Training Needs Assessment conducted covering 18 regional offices.
- 2.1 Research paper and recommendations on 'money laundering' audit programmes for SAB drafted and presented.
- 3.1 10 short-term courses for 269 auditors over 44 weeks conducted.
- 4.1 3 teams of 30 FRLs (Functional Responsibility Leaders) formed (in financial audit and fraud detection, computer auditing and performance auditing).
- 4.2 The FRLs to develop long-term customized training programmes on the above noted subject matters.
- 4.3 3 standardized course manuals on the subject matters noted in 4.1 developed.
- 5.1 A pool of 30 technicians formed, capable of coordinating and supporting the initiation of the SAB operations' computerization and a guide produced to facilitate this computerization.
- 6.1 Audit guidance and Ethic's Code manual developed and disseminated.
- 7.1 The guide on fraud awareness and detection adapted and disseminated.
- 8.1 3 experimental audits conducted.
- 8.2 The Institutional Strengthening Committee (ISC) and workgroup formed.
- 8.3 A secretariat established to support SAB's needs in coordinating future activities with donor agencies.
- 8.4 SAB (strategic and operational) institutional strengthening plan developed.

**Key Activities**

List in reference to the outputs (i.e. 1.1.1, 1.2.1, 2.1.1, 2.2.1, etc.)

- 1.1.1 Establish project management team (UNDP/SAB/JAB)
- 1.1.2 Develop TORs and identify teams.
- 1.1.3 Conduct needs assessment.
- 2.1.1 Research international experience, policies and programmes on money laundering, including a study tour.
- 2.1.2 Draft research paper and present recommendations on 'money laundering' audit programmes for SAB.
- 3.1.1 Regional training institutions identified and contracted to conduct 10 short-term courses.
- 4.1.1 Form 3 teams of 30 FRLs.
- 4.2.1 Regional training institutions contracted to develop customized long-term training programmes.
- 4.3.1 Develop 3 standardized course manuals on the subject matters noted in 4.1.
- 5.1.1 Form a pool of 30 technicians and produce a guide to facilitate computerization.
- 6.1.1 Develop and disseminate audit guidance and ethic's code manual.



**UNITED NATIONS DEVELOPMENT GROUP  
IRAQ TRUST FUND**

**PROJECT DOCUMENT COVER SHEET**

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|-------|---|
| 7.1.1 | Adapt and disseminate the guide on fraud awareness and detection.                                     |
| 8.1.1 | Conduct 3 experimental audits.  |
| 8.2.1 | Form the Institutional Strengthening Committee (ISC) and workgroup.                                   |
| 8.3.1 | Establish a secretariat to support SAB's needs in coordinating future activities with donor agencies. |
| 8.4.1 | Develop SAB (strategic and operational) institutional strengthening plan.                             |

## 1 LOGICAL FRAMEWORK

*A logical framework is required for programmes/projects greater than \$500,000. For smaller programmes/projects, if a log frame is not used, a narrative statement including clearly stated objectives, outputs, activities, indicators and risks should be provided.*

*UNDG ITF proposes to utilise the log frame below for programme/project submissions because it:*

- *has been used in the UN strategic planning process for Iraq;*
- *brings together in one place a clear, concise and accessible statement of all of the key components of programme/project submitted;*
- *indicates the logic of how the programme/project is expected to work, separating out the various levels in the hierarchy of objectives, and helping to ensure that inputs, activities, outputs and objectives are not confused with each other;*
- *provides a basis for monitoring and evaluation by identifying indicators of success and a means of quantitative or qualitative assessment, which will be essential for reporting on implementation to donors.*

*Please fill in the following table.*

## Logical Framework

Objectives	Measurable indicators	Means of verification	Important assumptions
<b>Development Objective</b> To promote 'good governance' honesty, transparency and accountability in the use and management of public resources by strengthening the capacity of the SAB Iraq.	Improved staff capacity to conduct audits with new tools and techniques.  Usage of audit reports by senior management and the government in general and actions taken.	Standards of the Arab Organisation of Supreme Audit Institutions (ARABOSAI)  Performance reports by SAB.	The level of security, which is currently at Security Phase 4+, and which is unlikely to decrease in the near future. Political stability. Required funding made available. Commitment and cooperation of all parties involved.
<b>Immediate Objectives:</b> <i>The immediate impact on the programme/project area or target group i.e. the change or benefit to be achieved by the programme/project:</i> To meet the short-term needs, conduct a needs assessment to identify the long term needs of the SAB, develop the long-term training programme and develop and disseminate guides and code.	<i>Quantitative ways of measuring or qualitative ways of judging timed achievement of purpose:</i>  269 SAB employees are trained (which includes 149 auditors, 90 trainers and 30 technicians).  Needs assessment conducted.  Course manuals developed.  Guides and code developed, disseminated, and adapted.  Experimental audits conducted.	<i>Cost-effective methods and sources to quantify or assess indicators:</i>  Training evaluation forms and reports.  Needs assessment report.  Course Manuals.  Guides and codes.  External/internal evaluations.	<b>(Immediate Objective to Development Objective)</b> <i>External conditions necessary if achieved programme/project purpose is to contribute to reaching programme/project goal:</i>  The level of security, which is currently at Security Phase 4+, which is unlikely to decrease in the near future.  Political stability.  Required funding made available.  Commitment and cooperation of all parties involved.

<p><b>Outputs:</b>  <i>The specifically deliverable results expected from the programme/project to attain the objectives:</i></p>	<p><i>Quantitative ways of measuring or qualitative ways of judging timed production of outputs:</i></p>	<p><i>Cost-effective methods and sources to quantify or assess indicators:</i></p>	<p><b>(Outputs to immediate objective)</b>  <i>Factors out of programme/project control which, if present, could restrict progress from outputs to achieving programme/project objectives:</i></p>
<p>1. 10 short-term courses for 269 auditors over 44 weeks.</p>	<p>The number of courses developed and delivered by expert institutions in the Arab Region.  No. of participants identifying &amp; expressing how skills have improved.  Training programme is conducted within allocated budget and timeframe.</p>	<p>Training evaluation forms.  Training reports.</p>	<p>Security situation not allowing travel to regional countries for training.  Current level of cooperation from the SAB is not sustained.  Relevant participants not selected to undergo training.</p>
<p>2. Comprehensive Training Needs Assessment covering 18 regional offices.</p>	<p>Iraqi and international team in place to conduct the training needs assessment  Assessment conducted and report prepared.</p>	<p>Draft and final reports completed, with action plans.</p>	<p>Post referendum environment in Iraq is not conducive to conduct a nation-wide needs assessment so that the immediate needs can be met.</p>
<p>3. Research paper and recommendations on 'money laundering' audit programmes for SAB.</p>	<p>Iraqi team in place to conduct research.  Study tour undertaken.  Report produced.</p>	<p>Draft and final reports completed, with action plans.  Research tours completed and draft &amp; final reports completed, with action plans.</p>	<p>Post election environment in Iraq is not conducive to conduct research.  Current level of cooperation from SAB is not maintained to ensure thorough and accurate research.</p>
<p>4. 3 teams of 30 FRLs (Functional Responsibility Leaders) formed (in</p>	<p>Number of teams formed.</p>	<p>Project/programme report.</p>	<p>Relevant FRLs are not selected.</p>

financial audit and fraud detection, computer auditing and performance auditing) to work closely with and draw on the expertise of LTTP graduates from other ARABOSAls.			Evaluation report from regional SABs.	Security situation does not allow travel to regional countries. Cooperation not given from the LTTP graduates from other ARABOSAls.
5. The 30 FRLs to develop long-term customized training programmes on the above noted subject matters, working closely with the LTTP graduates from other ARABOSAls.			Project/programme report.	
6. 3 standardized course manuals on the subject matters noted in 4. developed, for usage as reference in the conduct of auditors and the eventual development of audit guidance at the institutional/team levels.	Number of course manuals developed.		Evaluation report from regional SABs.	
7. Audit Guide.			Course manuals.	
8. Ethic's code manual.			Project/programme report.	
9. The guide on fraud awareness and detection.	Audit guide disseminated. Code disseminated. Guide adopted and adapted by SAB.		Audit guide. Code. Project/programme report.	
10. A pool of 30 technicians formed, capable of coordinating and supporting the initiation of the SAB operations' computerization and a guide produced to facilitate this computerization.	Number of technicians. Guide produced and disseminated.		Project/programme report. Guide.	
11. 3 experimental audits conducted.	Number of experimental audits			



<p>12. Formation of the Institutional Strengthening Committee (ISC) and workgroup, known for their leadership and creativity.</p> <p>13. A secretariat established to support SAB's needs in coordinating future activities with donor agencies.</p> <p>14. SAB (strategic and operational) institutional strengthening plan.</p>	<p>conducted.</p> <p>ISC and workgroup formed.</p> <p>Secretariat established.</p> <p>Institutional strengthening plan developed.</p>	<p>Project/programme report.</p> <p>Project/programme report.</p> <p>ISC and workgroup.</p> <p>Project/Programme report.</p> <p>Secretariat.</p> <p>Institutional strengthening plan.</p>	<p><b>(Activity to output)</b>  <i>Factors out of programme/project control which, if present, could restrict progress from activities to achieving outputs:</i></p>
<p><b>Activities:</b>  <i>Tasks to be done to produce the outputs</i></p> <p>Establish project management team (UNDP/SAB/IAB)</p> <p>Regional training institutions identified and contracted to conduct 14 courses and to develop customized long-term training programmes.</p> <p>TORs developed, team identified and needs assessment conducted.</p> <p>Research of international experience, policies and programmes on money laundering (including study tour).</p>	<p><b>Inputs:</b>  <i>This is a summary of the programme/project budget (sub-budgets and total as in Annex B)</i></p> <p>Personnel (National &amp; International)</p> <p>Contracts</p> <p>Training</p>	<p><i>Financial report</i></p> <p>\$ 1,224,000</p> <p>\$ 925,000</p> <p>\$ 2,229,540</p>	

Manuals, guides and code developed and disseminated.			
	Equipment	\$ 52,400	
	Travel	\$ 64,000	
	Miscellaneous	\$ 25,000	
	Security	\$ 89,898.80	
	Management Fee	\$ 269,696	
	<b>Total</b>	<b>\$ 4,879,535</b>	

## 2 PROGRAMME/PROJECT JUSTIFICATION

### 2.1 Background

#### **2.1.1 What is the rationale and context to the programme/project, and the approach adopted?**

In a democratic Iraq, the Supreme Audit Board (SAB) is called upon to play an essential role in the safekeeping and use of the public purse. It must be the body that aims to ensure that the government adheres to the principles of transparency and accountability as well as good management practices. It is therefore SAB's mandate to provide the Iraqi Government and its citizens the public assurances as a servant of the public, through its reporting process that Iraqis will get value-for-money from their government. It also attests to the integrity of the information that is provided by the executive branch of the Iraqi government on its use of public funds, and the quality of the services that are offered to the public.

In recognizing this, the new Financial Management Act (FMA) stipulates that the Supreme Audit Board SAB will audit the budgetary process starting from 2005. The FMA also gave the SAB a clear mandate to promote 'good governance', honesty, transparency and accountability in the use and public management of public resources.

For SAB to play this role effectively, it will require improved and harmonized audit practices, methods and procedures. Building technical capacity is an important first step in this process. Indeed, in January 2005, the President of SAB and his senior management team indicated that the auditor general's office was in immediate need of upgrading the skills of its audit cadre.

This project will provide quick impact training courses to bridge the existing knowledge gap for the short-term. These training programmes will draw on the experience of the highly successful Arab Organisation for Supreme Audit Institutions (ARABOSAI) Programme, which produced a learning community in the region that will be invaluable for the Iraqi SAB. At the same time the project will conduct a needs assessment to identify long-term needs, conduct research on money laundering, provide recommendations for future action, and will include extensive training of trainers, development of guidelines and standards and the establishment of an Audit Institute. The project is an integrated scheme to strengthen and modernize the SAB.

The project was designed, developed and approved by the President of the Supreme Audit Board and supported by the President of the Jordanian Audit Board, as seen in the letter quoted below.

*"Good governance includes notions of greater participation by civil society in decision making, instituting the rule of law, anti-corruption, transparency, accountability, poverty reduction and human rights. Good governance is facilitated by access to information by citizenry to government decisions and public spending. Greater transparency in public administration allows for checks on these possible conflicts of interest and ensures greater legitimacy for the government. Ensuring wider access to information, through the enactment of freedom of information legislation, ensures greater citizen participation in governance. This allows for maximum verifiability of information and allows all stakeholders to come to the table equally on important issues. Training of SAB staff on principles transparency and accountability through incorporating access to information standards into the operations is a vital building block of the capacity building of SAB."*

**2.1.2 What experience does the organisation have in working on this issue in Iraq or countries in similar circumstances? This should reflect lessons learned.**

With growing international consensus that good governance is a pre-condition in achieving sustainable human development, UNDP plays a key role in mobilizing all development partners to support the Iraqi Government's efforts in establishing a consolidated system of democratic governance in difficult political environments. It also has excellent records in delivering basic services, building capacity and initiating reform processes in similar post crisis and transitional country situations as Iraq. UNDP's experience and technical knowledge of public administration reform and management ranges from pioneering work in national technical cooperation assessments and programmes to support for comprehensive civil reforms.

Between 1997 and 2001, UNDP sponsored the ARABOSAI programme, which provided extensive capacity building and knowledge sharing for Audit Institutions in 15 countries in the Arab region. This programme has been extremely well received by Arab countries and the Arab League. Following this initiative, the region established learning and training communities to plan and expand training opportunities in the region. This experience has influenced and guided the development of this project.

UNDP also has extensive experience in the region in capacity building and institutional development initiatives. In Iraq, UNDP has initiated a \$3.2million capacity building project for the Ministry of Municipalities and Public Works.

Finally, the ARABOSAI members, who will deliver the training, have 8 years experience in delivering the above-mentioned programmes.

**2.2 Programme/Project Approach**

*Please address all of the following issues/questions in relation to programme/project design and definition:*

**2.2.1 What problem(s) does the programme/project address? What specific assessments have been made and by whom?**

The need for capacity building initiative in the Iraqi SAB has been identified by numerous sources.

In 1991, the International Training Organisation for Supreme Audit Institutions (INTOSAI) conducted a needs assessment of supreme audit institutions and identified their needs to meet international professional standards. INTOSAI accordingly designed and developed a ten-year training programme for the countries that required the assistance for improvement, including for 15 Arabic speaking countries. However, Iraq was excluded from this capacity building programme and as a result did not benefit from the international exchange of ideas, knowledge, experience and the training programmes for audit practitioners and trainers. Iraq thus is the only country where the auditing standards and performance remain at the level long before 1991.

The President of the SAB acknowledges that it has not been able to provide adequate training in the past 10 years to its employees, and expressed a serious need to bridge the gap that formed during the last decade.

Finally, the United Nations, the World Bank, IMF, and international donors have all on separate occasions indicated the crucial importance and need of building SAB's capacity to enable it to play its role properly.

**2.2.2 *Indicate which cluster(s) and matrix outcome(s) from the Joint UN-Iraq Assistance strategy this programme/project addresses.***

The programme is within the framework of Cluster C: Governance and Human Development and the Matrix Outcome it addresses is “Strengthening Institutional and Administrative Structure.”

**2.2.3 *What is the expected impact of the programme/project? What could be potentially negative impact of the programme/project?***

The expected impact of the programme would be:

In SAB

- Raise the international audit standards of SAB;
- Establish an Iraqi based learning community;
- Link the Iraqi auditors with that of regional training and learning centers;
- Modernize the audit practice in Iraq; make SAB more transparent and the government of Iraq more accountable to the public through SAB and its regular reports.
- Increased recognition of the importance of adhering to institutional, professional and personal precepts of ethics; and
- Increased participation of women in the professional activities of SAB.

At the Governmental level

- Increased attention given to SAB reports by the Office of the Prime Minister, the Ministry of Finance, the Ministry of Planning and Development Cooperation and other line ministries;
- An increased dissuasive effect with respect to fraudulent practices and embezzlements.

Potential negative impact of the programme could be:

- Depriving the office of its staff during the training;
- Providing the staff with marketable skills that could be headhunted away to elsewhere;
- Limited long-term impact if suitable candidates are not selected and/or they are unable to retain the knowledge acquired.

**2.2.4 *Indicate the beneficiaries of the programme/project.***

Direct Beneficiaries (# and classification):

269 audit practitioners of SAB will benefit directly.

Indirect Beneficiaries (# and classification):

The institution as a whole, including the regional offices, will benefit indirectly. The programme will ensure that regional and Baghdad auditors will participate equally. The Ministry of Finance, MoPDC and other economic ministries will also benefit from SAB’s up-to-date skills. Finally, the National Assembly, the Office of the Prime Minister will directly benefit from high quality, accurate audit findings, reports, recommendations (bringing corruption to the forefront of the decision makers)

**2.2.5 How does the programme/project design ensure the participation of all stakeholders?**

The programme will help establish a pool of robust audit practitioners; help develop an internal learning community, with linkages to line ministries and will help the audit community liaise and work with other regional offices. This is ensured from the high-level commitment and interest in the project from the relevant Iraqi institutions that assisted the design of the project and will assist the effective delivery of the project.

(The programme was designed and developed by the SAB senior staff, with the support of UNDP. SAB will identify a project manager, who will be trained by UNDP and will be active in ensuring the delivery of the programme in Baghdad and in the regional offices.)

**2.2.6 Does the programme/project address the needs of particularly vulnerable or marginalised groups? Who are they and how are their needs addressed?**

As the programme aims at building the capacity of SAB Iraq, it does not address the needs of particularly vulnerable or marginalized groups. However, criteria will be established to ensure the participation of regional offices.

**2.2.7 How does this programme/project benefit men and women? If not specifically designed to address gender issues, how will gender issues be addressed?**

Criteria will be established to ensure the participation of female employees. UNDP already has raised these issues with the President of SAB, who was formerly the Minister of Human Rights, and who is quite aware of these issues and eager to address them.

**2.2.8 Have environmental concerns been addressed including environmental impact/risk assessment conducted where relevant?**

Environmental issues are not relevant. However, environmental audit is a new audit field and a training programme would be recommended for the future.

**2.2.9 To what degree does this project generate direct and/or indirect employment opportunities?**

It is a capacity building programme hence will generate little employment.

**2.2.10 Does this project contribute towards the attainment of the MDGs in Iraq? Which Goal in particular?**

The programme contributes towards the attainment of Goal 8: Develop a Global Partner, particularly Target 12: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system (includes a commitment to good governance, development, and poverty reduction, both nationally and internationally).

**2.2.11 Are there specific issues in relation to the security situation? How will they be handled?**

Security in Iraq will be an issue and it will be discussed and planned with Security officer colleagues. Training is scheduled to take place in the neighbouring countries. Field research for the needs assessment will be conducted by Iraqi consultants. International consultants will work from Amman and enter Iraq where security permits.

**2.2.12 How does the programme/project relate to existing ministerial structures and how will it contribute to capacity building in ministries?**

The very essence of this project is to build the capacity of the SAB, which has a legal mandate to audit and monitor all public institutions in Iraq. SAB already has a well-established organizational structure and it is one of the few public institutions that was not destroyed or looted. Further, the SAB will co-operate with the Ministry of Finance and MoPDC on this project.

### 3 MANAGEMENT ARRANGEMENTS

*Give a brief description of programme/project implementation and monitoring arrangements to ensure the cost-effective and efficient attainment of the outputs identified in the logical framework, including:*

**3.1 Programme/project implementation and supervision arrangements; indicate in-country and region based capacity of organisation; indicate names, and expertise of any implementing partners**

A Project Steering Committee (PSC) will be formed, involving SAB, UNDP, MOPDC & JAB and the implementation team, to select training institutes and participants, as well as monitor the implementation of the courses, the needs assessment and the research project.

The successful approaches and methodologies developed for the Arab countries under the ARABOSAI Programme will be the base of the conception and delivery of this project. The short-term courses and the customized workshops will be developed and delivered by regional countries. Respective Audit Bureaus will be the Implementing Agency for their segment of the programme, and will provide the training materials and resources. UNDP would enter into agreement with separate Audit Bureaus (the Implementing Agency) to implement their component of the project. Logistics from SAB and expertise from other ARABOSAI countries will be provided.

The Implementing Agencies and their sub-contractors will provide most of the human and material resources needed for the design, development and delivery of courses. ARABOSAI members would be solicited to provide technical experts. Arabic speaking subject matter experts and facilitators will be lead instructors.

**3.2 Specify delivery mechanism(s) chosen, reflecting security conditions and in particular detailing proposed use of international staff in Iraq both from private contractors and NGOs**

Training courses will take place outside Iraq. An Iraqi Project Manager will be based in the SAB and will coordinate with the UNDP-Iraq Country Office in Amman. As mentioned in 2.1.3., the needs assessment will involve both national and international consultants. Travel into Iraq by international consultants will only occur when security situation permits.

**3.3 Indicate line ministry counterparts and their management role in the implementation of the programme/project**

The SAB and the MoPDC are fully supportive. Both have been actively involved in the design and will be members of the Project Steering Committee.

**3.4 Indicate inter-agency and cluster cooperation if applicable and the role of the other agencies involved.**

None

**3.5 Indicate the overall timeframe for the programme/project and work plan (please provide project work plan as annex)**

This is a 15 month long programme. However, due to the security situation the programme may continue longer. The programme is designed in modules and in such a way that all modules could be delivered within stated timeframe. Some training programmes could run parallel to ensure that it is completed on time. However, some training packages or follow-ups may be done (with ARABOSAI members) on line and the project may continue without the full time support of UNDP. Workplan is attached.

**3.6 In order to indicate the appropriateness and value for money of the proposed activities and modalities of implementation, provide evidence of: the reliability of the costing of programme/project inputs and comparability with other UN organisations; arrangements for procuring and transporting programme/project inputs; and local appropriateness and acceptability of the inputs.**

The programme is unique in that it is government-to-government with UNDP providing support, guidance and leadership. It was SAB that reviewed the initial costing – overhead, services, development of courses, manuals etc. The programme has been benchmarked against the ARABOSAI programme. For equipment and other external services UNDP's procurement rules will apply. Regional co-operation and transfer of know-how will also provide value-for-money.

**3.7 Systems for programme/project monitoring (including financial tracking and accounting audit), quality control, and impact assessment; methods for data collection and monitoring**

The programme will be evaluated by external experts as well as by UNDP. Given the fact SAB is THE audit institution, it will not be difficult to access data and information – using audit methodologies, tools and techniques.

The PM will be assigned to monitor the delivery of training courses (including selection of institutes, participants and follow up measures), and as well as the smooth implementation of the needs assessment. This PM will coordinate with the PM in UNDP's CO, and report regularly to the Implementation Team. There will be regular meetings between UNDP Country Office, PM, and PSC via teleconferencing or video conferencing.

Any payments to contractors and partners on due reporting and certification of satisfactory by the IT and the PM. All budgets, commitments and payments will be recorded in real-time by means of UNDP's global financial management system ATLAS. Financial reports can be derived from this system anywhere and anytime.



#### 4 ANALYSIS OF RISKS AND ASSUMPTIONS

*Key assumptions with regard to external factors that are outside programme/project control but nevertheless necessary to the achievement of programme/project outputs and purpose should be stated in the log frame.*

##### **4.1 Aside from those issues indicated in 2.2.13, assess other main potential causes of failure, their likelihood of occurrence, and their consequences**

Potential failure may occur if the programme does not have sufficient funding. However, as the programme is comprehensive and has been successfully implemented in other countries in the region, it is unlikely that the programme would have other potential causes of failure. UNDP's ARABOSAI experience has been extremely well received by Arab countries and the Arab League. Following this initiative, the region established learning and training communities to plan and expand training opportunities in the region. It was this experience that has influenced and guided the development of this project.

##### **4.2 Indicate the options considered and the steps taken in programme/project design and implementation to address, and minimise or mitigate the potential risks indicated in 4.1 and 2.2.13**

In case sufficient funding is not granted, the programme can be divided into two parts: provision of short-term courses and the medium/long-term programming. As long as the programme has enough funds to implement the first part, the latter part can be implemented once sufficient funds are granted.

To mitigate the risk associated with the selection of appropriate candidates, UNDP will work closely with SAB to ensure that suitable candidates participate from the training courses, and that follow up activities within the SAB are conducted. UNDP will also coordinate with SAB when selecting training institutions to ensure all concerns are taken into consideration.

##### **4.3 Indicate any undertakings or agreements made with partners which impact on programme/project implementation. Indicate how observance of undertakings will be monitored and the implications of non-compliance.**

There are already letters of agreements between UNDP and SAB that define the implementation of this project. DEX implementation modality will be used with implementing partners from ARABOSAI region. The UNDP Project Manager, in coordination with the Implementation Team, will monitor all elements of implementation. In the case of non-compliance, training courses will be halted until the problem is resolved.

**ANNEX: Project Work plan****Tentative Work plan and Timeframe**

<b>Task</b>	<b>Area of Responsibility</b>	<b>Participants</b>	<b>Date of Start</b>	<b>Length of Task</b>
<b>Approval of the UNDG Iraq Trust Fund Steering Committee</b>	N/A	N/A	September 2005	N/A
<b>Recruitment of Project Manager, Project Assistant and Programme Coordinator</b>	UNDP, SAB	N/A	October-December 2005	3 months
<b>Strategic Planning Session</b>	UNDP, SAB, ARABOSAI	4-5 SAB senior officials, 5-6 UNDP, ARABOSAI experts	December 2005	1 week
Course on <b>Performance Audit</b> Train-the-trainer	SAB, UNDP, Training institution	15 2	January 2006	4 weeks 4 weeks
Course on <b>Debt Accounting</b> Audit	SAB, UNDP, Training institution	24	February 2006	4 weeks
Course on <b>Fraud Detection</b> Audit	SAB, UNDP, Training institution	25	March 2006	3 weeks
Course on <b>Aid Management</b> Audit Train-the-Trainer	SAB, UNDP, Training institution	5	April 2006	3 weeks
Course on <b>Procurement &amp; Contract</b> Audit	SAB, UNDP, Training institution	24	May 2006	3 weeks
Course on <b>International Guidelines and Standards</b>	SAB, UNDP, Training institution	15	June 2006	4 weeks
Course on <b>Privatization</b> Audit Train-the-Trainer	SAB, UNDP, Training institution	10	July 2006	4 weeks
Course on <b>IT</b> Audit	SAB, UNDP, Training institution	15	August 2006	5 weeks
ISO 9001	SAB, UNDP, Training	TBD	September 2006	TBD

	institution			
Course on <b>Financial Audit</b>	SAB, UNDP, Training institution	30	October 2006	4 weeks
<b>Training Needs Assessment</b>	SAB/UNDP other	4/5 experts	February-May 2006	4 months
Research report on <b>'Money laundering'</b>	SAB, UNDP	4/5 experts	April-July 2006	4 months
Planning to customize and develop the 'Long Term Training Program' delivered in the Arab countries from 1997-2001 and the materials <b>(Financial Audit &amp; Fraud Detection)</b>	ARABOSAI and International Experts	4-5 ARABOSAI and International Experts	April/June/July 2006	8 weeks
Workshop in <b>Financial Auditing and Fraud Detection</b>	UNDP, SAB, ARABOSAI	30 audit practitioners	June/July 2006	5 weeks (3/2) ( 2 courses )
Planning to customize and develop the 'Long Term Training Program' delivered in the Arab countries from 1997-2001 and the materials <b>(Computer Audit)</b>	ARABOSAI and International Experts	4 ARABOSAI and International Experts	September 2006	4 weeks
Workshop in <b>Computer Auditing</b>	UNDP, SAB, ARABOSAI	30 audit practitioners	October 2006	4 weeks
Planning to customize and develop the 'Long Term Training Program' delivered in the Arab countries from 1997-2001 and the materials <b>(Performance Audit)</b>	ARABOSAI and International Experts	4 ARABOSAI and International Experts	November 2006	4 weeks
Workshop in <b>Performance Auditing</b>	UNDP, SAB, ARABOSAI	30 Audit Practitioners	December 2006	4 weeks
Workshop for <b>audit. administrative for Technicians</b>	UNDP, SAB, ARABOSAI	30 Audit Practitioners	Nov/Dec 2006	