

TO: The Chairman and Secretariat, AFROSAI –E.

July 24th 2013

Subject: Quality Assurance Report

1. I have received the June 2013 version of the Quality Assurance Report prepared by the AFROSAI-E Secretariat.
2. I am deeply grateful to the entire body of AFROSAI-E for responding positively to my request for a QA review.
3. I made the request in our meeting in Pretoria in November last year (2012) knowing very well that we must be the weakest SAI in the world on account of our infancy. Thus the findings in this report come as no surprise to me. Indeed, I am happy to have our shortcomings pointed out early so that corrective measures can be taken before we mature.
4. I am however pleasantly surprised that the review team found some positive things to say about this SAI. We have an opportunity to consolidate these strengths while addressing and redressing the challenges identified.
5. South Sudan is currently undergoing constitutional and law review processes. I intend to take advantage of these opportunities to submit proposals that could result in the adoption of constitutional and legal provisions that create a truly independent SAI. In my meeting with the Head of State on 22nd July 2013, he agreed to support my efforts and propositions. Hopefully, South Sudan will emerge with an exemplary legal framework for the SAIs of Africa.
6. It is now my great pleasure to formally approve the report and declare it a public document.



Steven K. Wöndu

Auditor General

Republic of South Sudan

AFROSAI-E Secretariat

Quality assurance support visit to The National Audit Chamber of South Sudan

14th June 2013

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1 INTRODUCTION

The international auditing fraternity is increasingly emphasizing the importance of quality results and activities of Supreme Audit Institutions. Standards, and more importantly, the extent to which SAIs comply with standards are continuously reviewed and are regarded as an important component of good corporate governance practices. AFROSAI-E has incorporated several quality assurance and other activities in its work plans and is eager to support SAIs in enhancing the SAI's institutional development. The National Audit Chamber of South Sudan (NAC) responded favorably to the AFROSAI-E Secretariat's (Secretariat) invitation to make use of a high level visit to assess its development and need of support.

1.1 PURPOSE OF THE REVIEW

The purpose of the review was to assess the preconditions for cooperation and capacity building through a high level review of the NAC of South Sudan. The review encompassed its current status, organization and practices as well as of its national environment and dependence on other institutions for achieving its results.

The expected result of a high level visit is a report to be used for further discussions between the NAC of South Sudan and the Secretariat on how AFROSAI-E best can support the development of the NAC of South Sudan.

1.2 EXPECTED OUTPUTS

Upon completion of the support visit, it was expected that the resource team would have:

- reviewed a number of audit files and given feedback to the responsible audit manager and his/her audit team
- collected observation and presented the Auditor-General and his management team with recommendations.

- Assessed the quality control system, based on the AFROSAI-E ICBF¹, of the SAI and made recommendations to the Auditor-General and his team;
- A report on the support visit to be compiled and submitted to the AFROSAI-E Secretariat and the Auditor General of South Sudan.

¹ Institutional Capacity Building Framework, ref page 6.

2. WORK DONE AND METHODOLOGY

The resource team conducted the quality assurance review by using the following tools, techniques and procedures:

- The 2012 AFROSAI-E manual for quality assurance was used as the standard
- Interviews with staff and managers of NAC
- Interviews with PAC and Undersecretary in Ministry of Finance
- Review of a sample of regularity audits
- Giving feedback to audit managers and audit teams
- Assessing control systems in place in NAC
- Delivering a presentation to the Auditor-General and other senior managers on findings and recommendations
- Interview with Joint Donor Team
- Drafting a report on the support visit

The AFROSAI-E Institutional Capacity Building Framework (ICBF) with its 5 domains was used as the main assessment tool for the review (Appendix 1).

| Institutional Capacity Development Framework (ICBF) | | | | | | |
|---|----------------------------------|-----------------------------|-----------------|---------------------------------|--|--|
| INSTITUTIONAL PERSPECTIVE | | | | | | |
| DEVELOPMENT LEVEL | Independence and Legal Framework | Organization and Management | Human Resources | Audit Standards and Methodology | Communication and Stakeholder Management | |
| | Level 5 | -----OPTIMIZED LEVEL----- | | | | |
| | Level 4 | -----MANAGED LEVEL----- | | | | |
| | Level 3 | -----ESTABLISHED LEVEL----- | | | | |
| | Level 2 | -----DEVELOPING LEVEL----- | | | | |
| | Level 1 | -----FOUNDING LEVEL----- | | | | |

Documents used by the NAC for its governance and audit were studies as well as country information about South Sudan. Interviews was carried out at the NAC and with important stakeholders (Appendix 2).

2.1 SCOPE OF REVIEW

The review team assessed NAC from 2010 and onwards.

2.2 THE DESIGN OF THE REPORT

The report is to be used as a baseline document. It therefore, beside the result of the review, also includes some political and economic information about South Sudan (chapter 3). A brief description of the SAI is also provided in chapter 4. Chapter 5 includes conclusions and prioritizations based on observations and recommendations in chapter 6. This chapter can also be used as an executive summary. The result of the high level review is presented in chapter 6. This chapter follows the ICBF with its 5 domains: Independence and legal framework (6.1), Organization and management (6.2), Human resources (6.3), Audit standards and methodology (6.4) and Communication and stakeholder management (6.5). The report is finalized with an acknowledgement. Attached to the report is an Annex with a scoring of NAC by the AFROSAI-E QA review team. The 2012 ICBF Self-Assessment was used for the scoring.

3 POLITICAL AND ECONOMIC BACKGROUND²

3.1 HISTORY

South Sudan is a country which in the recent years has been subdued to colonial powers, in one form or another. After the independence of Sudan in 1956, South Sudan wanted to seize the opportunity and gain its independence as well. A civil war, which lasted approximately 50 years, began with the first armed movement called Anyanya and ended by Sudan's People's Liberation Movement (SPLM) leading the struggle.

South Sudan gained significant autonomy in 2005 by becoming "Southern Sudan". A deal was struck with Sudan to split the oil revenue in half. Southern Sudan managed massive revenues and expenditures. In 2011, Southern Sudan became the independent nation of South Sudan. SPLM is the ruling party, and consists of several fractions within the former liberation movement.

The former leader of the SPLM, the late John Garang, became the 1st Vice President of the Republic of Sudan and the President of Southern Sudan in 2005. After he died in a helicopter crash on July 30th 2005, Mr. Salva Kiir became the president. He is currently the president of South Sudan, after being re-elected in the 2010 election, gaining 93 % of the votes.

There are ongoing disagreements with Sudan on issues dealing with border disputes, handling of oil revenue and support to rebels within Sudan. The South Sudan government is also at war with several armed groups within the country.

² Sources of information has been the following:

3.2 POLITICAL SITUATION

Since its independence in 9th July 2011, South Sudan has been a presidential form of government based on decentralized system of governance.

3.3 ECONOMIC BACKGROUND

1st January 2012 South Sudan closed down its oil production as a result of an ongoing dispute with Sudan. It resulted in one of the biggest macro-economic shocks ever experienced by a country. According to the audit report on the 2007 financial year³ the government relies heavily on oil revenue. 98 % of all revenue collected stems from oil. The government had initially planned to collect around 217 million USD in non-oil taxes, but only managed to collect 4.2 million USD - a mere 2 % of what was budgeted. The stop in oil production therefore had a major negative effect on the economy.

The Republic of South Sudan managed the initial economic shock by utilizing reserves, gained from oil reserves from their first 6 months of independence, loans and donor aid. Expenditures are however still significant, and among 40 % of overall expenditures are spend on the military.

On 12th March 2013 an agreement was reached between South Sudan and Sudan, in Addis Ababa, to reconvene after 14 days and as soon as it is practically possible.

3.4 LEGAL STRUCTURE

3.4.1 The Legislature - National Legislative Assembly

The National Assembly of the Republic of South Sudan was established through Presidential Decree No. 10/2011 for the Reconstitution of the National Legislative Assembly of the Republic of South Sudan, 2011 issued on 1 August 2011.

It replaced the Southern Sudan Legislative Assembly (SSLA) which came to existence under Art. 57 (1) of the Interim Constitution of the Southern Sudan 2005, as provided for in the Comprehensive Peace Agreement (CPA) signed between the Sudan Government and the Sudan People Liberation Movement (SPLM) in Naivasha – Kenya on 9th January 2005. The SSLA was originally composed of

³ National Audit Chamber, June 27th 2012

70% SPLM members, 15% NCP members, and the other political parties make up the 15% as stipulated by the CPA.

However, following the April 2010 general elections, members of the SSLA were either elected or nominated as per the Constitution. The Presidential Decree establishing the National Legislative Assembly also reconstituted its membership. Now it is composed of all the members of the former SSLA, former members of the National Legislative Assembly of the Republic of Sudan elected from constituencies in Southern Sudan, and members appointed under Article 94(2)(b) of the Transitional Constitution of South Sudan.

The Legislature is bicameral, with 332 seats in the Assembly, while the Council of States has 50 seats. Members serve four-year terms.

The National Legislative Assembly exercises the following functions:

1. overseeing the performance of the National Government institutions;
2. approving plans, programmes and policies of the National Government;
3. approving budgets;
4. ratifying international treaties, conventions and agreements;
5. adopting resolutions on matters of public concern;
6. summoning Ministers to answer questions of members of the Assembly on matters related to their ministries;
7. interrogating Ministers about their performance or the performance of their ministries;
8. approving appointments as required by the Transitional Constitution or the law;
9. casting a vote of no confidence against the Vice President and any Minister;
10. enacting legislation to regulate the conditions and terms of service of the Judiciary and its oversight mechanisms; and
11. performing any other function as determined by the Transitional Constitution or the law.

The National Legislative Assembly has shown an interest in the reports of NAC. The report on the 2006 financial statements of the Republic of South Sudan gained significant attention and outcry among the parliamentarians. Many were indignant by the behavior of former government officials. The report indicated high levels of corruption and misuse of public funds. However, the absence of parliamentary tradition of scrutiny of reports from NAC, as well as the generally limited

accountability tradition in the country, implies that there will be need for capacity building, extensive dialogue and in general strengthening of Parliament, the Executive and NAC to obtain increased effect of the reports that NAC is producing.

3.4.2 The Executive

The number of written ministries (including President's office) amounts to 30. The key ministry is said to be Ministry of Finance which distribute funds and consolidate all financial information in government.

There are great difficulties of attracting qualified labor in government. There is a 75 % vacancy rate in government, and only the positions of top officials are filled. People from the diaspora with qualifications have however returned and bring some much needed competencies into the public sector. In addition, many development partners provide long-term advisors to work in government.

3.4.3 States

There are 10 states in South Sudan, with Juba the Capital located in Central Equatoria. Each state is governed by a governor. The oil producing states are entitled to a transfer of 2 % of oil revenue generated.

3.5 DONORS

The three largest contributing donors, known as "the troika", are USA, UK and Norway. Norway has been mostly focused on the management of the petroleum sector, through its "Oil for development" program, while the UK has been tackling issue of accountability and transparency in government and the USA has been focusing, i.a. on the public financial management sector and rule of law. The World Bank and IMF are playing an active role in South Sudan. IMF maintains close cooperation with the Central Bank of South Sudan in ensuring proper fiscal policies. The South Sudan pound is said to be under pressure for devaluation. The World Bank, through its Multi-Donor Trust Fund has been providing significant support to South Sudan, among others by funding PKF's/EAA's involvement in NAC⁴.

⁴ PKF/EAA: PKF is a consultancy firm that has been assigned by the Joint Donor Trust Fund (see next page) to undertake the role as an External Audit Advisor. Since 2007, a group of foreign private auditors has assisted NAC in undertaking audits, as well as having been responsible for auditing selected DP-projects in South-Sudan.

Norway has had a long history of cooperation in South Sudan. Norway also played a key role in promoting the establishment of independent nation of South Sudan, and has together with a number of countries been providing experts for key positions on government to aid in long-term capacity building. There is no budget support, since the country system is deemed too weak to manage these funds.

As mentioned in chapter 4 below, the Belgian consultancy firm Agrer, has been chosen by the Joint Donor Team to strengthen the accountability chain in South Sudan. The Joint Donor Team is a result of coordinated efforts from Canada, Denmark, The Netherlands, Norway, Sweden and The UK of managing resources from the Capacity Development Trust Fund. The Joint Donor Team was created in 2006 and will dissolve later in 2013.

4 THE NATIONAL AUDIT CHAMBER OF SOUTH SUDAN

The Southern Sudan Audit Chamber (SSAC) was launched in June 2006 and later disbanded in 2008 and a new Deputy Auditor General was appointed in an acting capacity, and audit operations resumed at this time for Multi Donor Trust Fund (MDTF) projects, GOSS & States.

As a part of the capacity building support to SSAC, an External Audit Agent was hired and funded by the MDTF. The consultancy firm PKF was assigned as EAA, and has since November 2007 played a pivotal role in the audit work undertaken by the office and in establishing foundation documents to enhance institutional development.

A new Auditor General, Mr. Steven Wöndu, took office in June 2010. A provisional order was passed to enable audit functions until the passage of the substantive law. The SSAC changed name to National Audit Chamber of South Sudan (NAC) as South Sudan saw its independence in 2011.

A revised South Sudan Audit Chamber Act has now been drafted and is under review. Thus, NAC currently functions under Audit Act 2011 issued by the President in June 2011⁵.

Since 2010, the office has undergone a substantial transformation. The number of staff has increased by approximately 100, to the current figure of 144, out of which 94 are auditors.

NAC has launched important strategic documents to guide further development. The launch of the Strategic Development Plan in 2011 was a major milestone, and it envisages a NAC that operates in lines with International Standards of Supreme Audit Institutions (ISSAIs) with a sufficient structure, human and financial resources to add value to the Republic of South Sudan in line with its mandate.

Tremendous efforts has been made to clear the backlog of un-audited years, and audited financial statements for 2005/2006 and 2007/2008 was presented to the President and laid before the National Legislative Assembly in 2011. Work is still ongoing to clear the remaining backlog for 2009, 2010, 2011 and 2012.

A set of international audit experts (ranging between 7 and 11 at place in the country) has assisted the EAA and NAC to clear the backlog, and the experts have audited projects for the WB and the MDTF. This support ends in mid-March 2013. In January 2013, the Belgian consultancy firm Agrer initiated a cooperation with NAC for a short term assistance (12 months) in providing capacity building in performance audit (and audit undertaken by Supreme Audit Institutions to assess efficiency, effectiveness and economy), procurement audit and audit of petroleum revenues.

In 2013 NAC has received a short-term assistance from UNDP to boost the HR and training departments by 2 international experts.

⁵ United Nations Development Programme (UNDP), South Sudan Office, November 2012

NAC became member of the International Organization of Supreme Audit Institutions (INTOSAI) and the African Organization for Supreme Audit Institutions in English speaking countries (AFROSAI-E) in 2012.

South Sudan is an experiment in democracy of less than two years. So the instrumentalities are still in the works and the institutions still in transit. There is no congress of professional politicians or a vibrant civil society. The review team takes into cognizance that in this reality the NAC cannot assert or articulate for a defiant or deviant institutional independence. NAC independence will grow in time and in tandem. Nevertheless, public audit is a defender of democracy, and NAC has taken on board the challenge to play its part.

5 EXECUTIVE SUMMARY

The review team wants to underline the major achievements made by the National Audit Chamber (NAC). NAC has managed to issue audit reports which are relevant and of high quality, in a time of significant transition and institutional development of the office. NAC is working hard to achieve its major strategic goal, which is to clear the audit backlog. This task will prove more difficult with the departure of the PKF consultants. NAC has been highly reliant on assistance from development partners and consultants for both audit work and in implementing its Strategic Development Plan (2011-2015). The review team would like to highlight four areas for attention where NAC should concentrate its efforts.

The review team has taken note of the circumstances prevailing in South Sudan. It means that the specific aspects of our recommendations, especially related to independence to the executive, could be considered only when the environment is more conducive for such practice.

5.1 ALIGN NAC AUDIT METHODOLOGY AND OTHER GUIDELINES TO ISSAIs AND AFROSAI-E PRODUCTS

NAC has put in a commendable effort in establishing policies and procedures that are aimed at improving audit work, operations of its corporate services and strategic planning. These products have however not been benchmarked against existing AFROSAI-E products. Based on the review, further improvement on both the quality of products and the implementation process can be made. Instead of developing new materials, NAC, and any of its consultants, are encouraged to customize already existing AFROSAI-E materials which are all fully aligned to the International Standards for Supreme Audit Institutions, the ISSAIs.

5.2 USE WINDOW OF OPPORTUNITY FOR REVISION OF CONSTITUTION AND PROPOSED AUDIT BILL

The role and functions of NAC as outlined in the Constitution and the proposed amendments in Audit Act 2011 is not in line with the International standards of auditing for supreme audit institutions. Both documents need to be harmonized with the United Nations General Assembly's resolution No. A/66/2009 on Independence for Supreme Audit Institutions (SAIs) which state: "*Supreme Audit Institutions can accomplish their tasks objectively and effectively only if they are independent of the audited entity and are protected against outside influence*"⁶. This means that NAC should be granted independence in the following areas:

- Human Resources management: NAC should have the right to independently recruit, remunerate and discipline its own staff
- Right to report to National Legislative Assembly: Annual audit reports should be sent and presented directly to National Legislative Assembly.
- Financial and administrative matters: NAC should only be accountable to National Legislative Assembly, both in terms of approval of budget and reporting on finance and performance of the office.
- The mandate of NAC in the Constitution should be broadened to include Performance Audit (Value For Money audit).
- The Constitution should be amended to align the security of tenure of the Head of SAI with the ISSAIs.

5.3 IMPROVE ORGANIZATION AND MANAGERIAL FUNCTIONS OF NAC

During the past years with the consultancies provided through the World Bank MDTF, the NAC has not put adequate emphasis on skills transfer; especially to management. This is largely related to the fact that NAC has a group of middle management that is aged and over-all not sufficiently exposed to international public auditing precepts and practices. However, the review observes a potential of more active involvement by larger parts of NAC management in both the audit process and the implementation of the Strategic Development Plan. Their participation may mitigate the risk of having parallel structures in NAC. It is also recommended that NAC takes more ownership of development processes in general.

⁶ United Nations General Assembly, Resolution A/66/209: "Promoting the efficiency, accountability, effectiveness and transparency of public administration by strengthening supreme audit institutions".

Capacity building provided on certain audit topics such as risk-based audit, petroleum audit, performance audit, as well as quality control etc. should be managed and coordinated by NAC itself. To improve managerial functions NAC is encouraged to request the AFROSAI-E Secretariat to be part of the AFROSAI-E Management Development Programme roll-out. This programme puts managers in control of development work. Also bilateral or regional agreements with other SAIs and AFROSAI on specific tasks could strengthen the public audit scope to be applied in the audit.

5.4 NEED FOR IMPROVED RELATIONS WITH AUDITED ENTITIES

NAC has a potential of establishing better relations with its auditees, and correct the image which is shared by many of them of the NAC being inspectors with a punitive approach. Auditees should understand they have a shared goal with NAC on improving public financial management in government. NAC should be portrayed as applying a corrective approach. This can be achieved by modifying the inspector functions given to NAC in the legal framework, and performing extensive sensitization on the risk-based audit approach. This work, though, is currently impaired by the lack of staff and qualified middle managers in NAC.

In addition NAC should work closer with key auditees such as Ministry of Finance and Economic Development and Ministry of Justice to explain the role of a Supreme Audit Institution, and how it should be applied in South Sudan. Improvement on NAC's ability to report independently to National Legislative Assembly without the involvement of the executive, access to information and availability of financial data are key priority areas. NAC should initiate regular contact meetings with auditees and sensitization workshops which explains its audit approach, in accordance with International Standards of Supreme Audit Institutions (ISSAIs). It is also recommended that NAC produce and make public an annual performance report that includes the financial statements.

These observations and recommendations are more elaborated below.

6. RESULT OF THE REVIEW

6.1 INDEPENDENCE AND LEGAL FRAMEWORK

This domain takes particular consideration to ISSAI 1 (the “Lima Declaration”) and ISSAI 10 (the “Mexico Declaration”). In this chapter, independence and legal framework is divided into eight sub-chapters, namely Constitutional and legal independence, Independence of the head of SAI, Financial and managerial autonomy, Mandate, Follow-up mechanisms, Discharge of function, Reporting, and External audit,

NAC has gone a long way in short time: The Transitional Constitution of Southern, the Interim Constitution of the Republic of South Sudan and the South Sudan National Audit Chamber Act 2011 provide a relatively good mandate and gives clear governance instructions for NAC. The Independence-issue is largely addressed; however the legal instruments do not sufficiently safeguard the independence of NAC, as prescribed in the ISSAIs. Also, certain inconsistencies between the Constitution and the Act might create uncertainties and different interpretations; hence the Act is more in line with the ISSAIs than the Constitution. Finally, in few occasions the review recommends amendments or further elaboration to achieve clarity in application and thereby contribute to enhanced effectiveness of the NAC’s operations.

6.1.1 The constitutional and legal independence of NAC

The standards and good practice

A legislation that spells out in detail the extent of the SAI’s independence is required (Mexico declaration/ISSAI 10, principle 1). Ideally the establishment of SAIs and the necessary degree of independence should be laid down in the Constitution. However, the details may be set out in legislation such as in a separate Audit law/act.

Observations in NAC

The transitional constitution⁷ of South Sudan came into force on the day of the independence of South Sudan (9th July 2011). It succeeded The interim constitution of Southern Sudan⁸.

⁷ The Transitional Constitution of the Republic of South Sudan, 2011

⁸ The Interim Constitution of Southern Sudan 2005, Section 195 (dealing with the National Audit Chamber)

The National Audit Chamber is established as an independent institution and shall be accountable to the President for the performance of NAC. The National Auditor General shall present an annual report to the President and the National Legislature.

The constitution states that the law shall organize NAC and shall specify tenure, functions and terms and conditions of staff. However, the NAC Audit Act-2011 is still to be amended and the AG recently stated⁹ that the office is still struggling with the promulgation of the act for the newly independent republic. The Audit Chamber Provisional order was signed into law by the President on July 7 2011, but will have to be enacted by National Legislative Assembly and later be disseminated to key stakeholders¹⁰.

Currently, the National Legislative Assembly has received a proposal for amendment of the Audit Act¹¹. This document constitutes the point of reference for this review, and will hereafter be referred to as The Act.

Both the Constitution and the Act are mentioning the Independence of NAC. However, as will be shown in the subsequent sub-charters, due to lack of preciseness or of possible ambiguity, there are some rooms for interpretations and important issues may be interpreted differently by reading the Constitution and reading the Act. In other words, the two statutory instruments are not well aligned.

Also, it is observed that the Act is using definitions which are not in line with the ISSAIs. Updating of the definitions in line with ISSAIs will by necessity change the purpose of the Act.

Specifically, the review notes that the definition of “audit” in the Act is deficient. As it stands (section 5), it may be read as a definition of *financial audit* in the private sector (ref the International Standards for Auditing (for the private sector), the ISA’s) . Correct definitions ought to *broaden* the purpose. This issue is taken further in sub-chapter 6.1.4, The SAI’s Mandate.

The Auditor General has been active in soliciting experiences and best practices from his peers in AFROSAI-E, using forums such as the Governing Board

⁹ At the East African Public Accounts Committees (EAAPAC), Juba conference 7th February 2013

¹⁰ <http://www.audit-chamber-ss.org/functions.html>

¹¹ The South Sudan National Audit Chamber Act 2012, Draft of June 2012

Recommendations of alterations in the Constitution

It is recommended that NAC could engage the appropriate authorities in a dialogue aiming at the full adaptation of the principles in the UN-Resolution A/66/209, the Lima- and Mexico Declarations in the Constitution. AFROSAI-E, through its legal advisor may assist NAC in the detailed outline of recommendable paragraphs; however it's observed that the following alterations could be considered:

- 1) The financial independence of NAC ought to be prescribed in the Constitution. One could consider specifying that the AG should prepare and submit to the President, estimates of the year, and that the President shall cause the estimates to be laid before National Legislative Assembly without revision but with any recommendations that Government may have on them.

- 2) The mandate of NAC as prescribed in the Constitution. The review notes that when it comes to the statutory order of making audits, the Constitution only instructs NAC to "...assume auditing of the accounts ..." (§ 184 (7)). § 184 (2) instructs NAC to "...supervise the financial performance of all levels of government..." Supervision, though, is different from audit. Accepted definitions of audit in public sector are presented in the ISSAIs. Currently the scope stated in the Constitution is too narrow, hence the ISSAI 10 states that SAIs should be empowered to audit the
 - use of public monies, resources, or assets, by a recipient or beneficiary regardless of its legal nature;
 - collection of revenues owed to the government or public entities;
 - legality and regularity of government or public entities accounts;
 - quality of financial management and reporting; and
 - economy, efficiency, and effectiveness of government or public entities operations.

Taking into recognition that this mandate is comprehensively outlined in The Act, the ISSAIs and good practice state that this should also be reflected in the Constitution. NAC's mandate should therefore include what's already is written in the Transitional Constitution of South Sudan, *plus* a short version summarizing the five bullet points above: "conduct financial and value for money audits in respect of any project involving public funds".

- 3) The AG shall be accountable to the President for the performance of the

Chamber (§184, (6)). UN General Assembly Resolution A/66/209 (of 22.12.2011) makes it perfectly clear that the SAI shall be independent of outside influence, i.e. from the audited entity/from the Executive. The Act is more in line with the ISSAIs on this matter, hence section 6 (4) states that NAC accountability to the public is through the Assembly and the President. ISSAIs states that the SAI should be accountable and report as such only to National Legislative Assembly.

- 4) The AG shall present an annual report to the President and the National Legislature (§184, 8). Following the ISSAIs, NAC shall not report to the President, but to the National Assembly. Given the existing de facto power-distribution in South Sudan, one could consider that the Constitution instruct NAC to keep the President informed, by clarifying that the reporting line is to the National Legislative Assembly, with copies to the President. This is in line with established good practice in some African countries.
- 5) The National Audit Chamber is included under the heading "Part Twelve Finance and Economic Matters, Chapter VII Accounting Standards", and not under the heading "Part Nine The Civil Service, Independent Institutions and Commissions" where one in other countries would normally find the mentioning of the SAI.

Furthermore, it is important to align the Act with the Constitution.

6.1.2 Independence of the Head of NAC

The standards and good practice

The independence of the Auditor-General (A-G) shall be guaranteed by the Constitution. The legislation shall specify the conditions for appointments, reappointments, employment and removal. The appointment etc. is to be carried out by a process that ensures the A-G's independence from the Executive. The incumbent is to be immune to any prosecution for any act, past or present that result from the normal discharge of his or her duties. (The Lima declaration section 6, Mexico Declaration on SAI Independence principle 2)

The AG should be given "appointments with sufficiently long and fixed terms to allow them to carry out their mandate without fear of retaliation". (The Mexico Declaration principle 2).

Observations in NAC

NAC is defined as an independent institution according to the Constitution. This independence is also enshrined in the draft audit act. Although NAC is by the present audit act considered as a body corporate, which may sue or be sued, it is stated in section 47 (2) that no criminal proceedings shall be instituted against the AG on the basis of the audit report.

The Constitution § 184, 5 (a) authorize the President to remove the AG. This mandate is, though, specified and thereby limited in the Act (§ 17, 2). It is the view of the review that the provisions in the Act gives sufficient security of tenure for the AG, hence it's specifying that, e.g. that 2/3 of the National Legislative Assembly must vote in favor of the removal of the AG and this provided that certain specified criteria's are met. However, this important disclaimer is currently absent in the Constitution. Rectification in the Constitution could be made e.g by altering the word "President" by "South Sudan National Assembly". Good practice in the region implies that the Act describes the process of the removal of the AG in more detail, and one sees two commonly applied set of procedures: Either to follow the same procedures for the dismissal of an AG as is being regulated for the removal of the Supreme Judge in High Court, and/or establish a special committee to evaluate and recommend on the matter prior to the vote in National Legislative Assembly.

Section 12 (2) in the Act states that the Auditor General shall have complete discretion in the discharge of his or her functions. This principle is adhered to in section 12 (3) of the Act, which entitles National Legislative Assembly and Government to *propose* audit assignments for NAC.

The Act makes several references to NAC's reporting. In some sections, the reporting lines are described, or may be *interpreted*, as NAC is to first to report to the President and then to the National Legislation (i.a. Section 15 (2)). As recommended by the review in the previous chapter, the Constitution's § 6 ought to be altered in such a manner that NAC becomes accountable first and foremost to the National Legislature.

The Act (section 47) specifies the establishment of an Auditing Standards Council. It is outlined that the Auditing Standard's Council ought to be appointed by the President upon the recommendation of the AG.

Recommendations

Current wordings in §184 (5) could be changed to specify the leading role of the National Legislature in the process of a removal of the AG, as already embedded in the Act's section 17 (2).

The Act should be altered to safeguard the reporting line of NAC to the National Legislative, whereas current linkage to the Executive (the President) should be abolished.

In the absence of both professional bodies in South Sudan and involvement of private audit firms, it is the view of the review team that having NAC as part of the Auditing standards council is a good and workable arrangement.

6.1.3 NAC's financial and managerial/administrative autonomy

The standards and good practice

Even if state institutions cannot be absolutely independent as they are part of the state as a whole, a SAI shall have the financial, functional and organizational independence required to accomplish its task. The establishment of the SAI and the necessary degree independence shall be laid down in the Constitution. The SAI should have available necessary and reasonable human, material and monetary resources. The Executive should not control or direct the access to these resources. (The Lima Declaration sections 5 and 7, Mexico Declaration on SAI Independence principle 8.)

In a number of countries, a Board or a Commission is proposed or has been set up as a "station" between the SAI and the Parliament. There are several different and sometime complementary reasons for this arrangement: to provide Parliament with independent information/proposal on/for the SAI's budget and salary, to act as a gatekeeper to regulate the input to parliament, to act in an oversight function when it comes to the SAI's non statutory functions, to balance the power of the Auditor General etc.

Observations in NAC

Human resources: The Act grants NAC with limited independence when it comes to HR matters. Auditors which are graded 1-4 shall be appointed by the President upon the recommendation of the AG, while the AG has the prerogative to appoint auditors which fall within grades 5-17. These auditors, graded 5-17, are to be nominated by a selection committee within the SAI.

The existing statutory regulations are not de jure sufficiently securing NAC the right to hire and fire and to establish its own payment schedule for staff remuneration. The ISSAIs are clear on the matter,

and there is certain support in the Act to argue that NAC already has this authority: In section 11 (f) , the AG is authorized to “appoint...in accordance with staff rules and regulations to be set up by NAC”. This form of independence is, arguably, also safeguarded in the Constitution § 184 (1). However, section 23 (1) of the Act implies annual approval of staffing requirements of NAC by the President after his consultation with Ministry of Labour and Public Service. Section 24 (1) states that appointment of auditors might be done by the AG after consultation with the Ministry of Labour. Section 26 (1 & 2) instructs that terms and conditions shall be in accordance with the Civil Service Act.

The situation on the ground is that NAC lacks the authorities to independently administer their institution, and that the staff remains under the general conditions in the civil service. From a practical point of view, it is limiting the flexibility to react to emerging issues. From a legal aspect, this is placing the SAI under the grace and considerations of some of its auditees.

The Audit Act does not mention a board or commission tasked with HR and administrative matters. In practice, the President exercises many of the governance functions which could be tasked by a board.

The Act reveals the qualifications for being appointed as auditors (section 25). Emphasis is given on formal proficiency in accountancy. Although the intentions might be good and while these criteria may be adequate when it comes to audit of financial statements, modern audit- as reflected in NAC’s mandate – calls for other professional and educational careers. Value for money audit (performance audit) is one example of an audit discipline that requires other skills than accounting. Professionals like social or political scientists, economists, legal experts, environmentalist, geologist and engineers are examples of auditors composing the human resource base in VFM-audit. IT-audit, environmental audit, specified revenue-audit etc are other examples of audit approaches where the current set of recruitment criteria might imply shortcomings. Although section 27 clearly says that AG may appoint qualified auditors or experts from outside the Chamber to undertake specific audit work, the definition of "auditor" as derived from section 25 still remains confined.

Material and monetary resources: Financial independence is hampered by the section 23 in the Act, as shown above. Equally, also section 37 of the Act represents a breach of the ISSAIs. This section is at one hand stating that the budget should be independent. On the other hand, it also states that the

budget proposed by NAC should be submitted to the President for consultation with the Ministries of Finance and Labour.

Current de facto situation is that the MoF and Ministry of Labour sets limits on budget and staffing. Furthermore, transfer of funds to NAC from the Treasury are delayed and sometimes below the scheduled ceiling.

This situation is a breach to both ISSAIs and good practices in the region. It may affect both audit coverage, audit scope and the quality of the audit, and thereby in a substantial manner restrict the administrative and financial independence of the Supreme Audit Institution in South Sudan and the value that the institution might add to the Nation.

The review has learnt that the salary level for the large party of the staff in NAC is not sufficient to cover the cost of living. This constitutes a general challenge for the Civil Service in GoSS, assumingly impacting negatively on effectiveness in the public sector. However, for the SAI, this implies an additional challenge when it comes to integrity. It is out of the mandate of this review to give specific recommendations on salary levels, but two observations are made:

- a. Good practice among SAIs recognize that all staff in a SAI, being allocated in administrative or audit functions, are equally important for the SAI's value-adding to society.
- b. Studies and experiences from SAIs and other public entities show that low salary level is correlated with frequency of integrity breaches.

Recommendations

Human resources:

A governance mechanism, e.g. audit board, should appoint, promote and discipline the staff of the AG. It is important that independence of the AG should be balanced. NAC should avoid a situation where the legislators consider the result to be negative and a consequence of a concentration of too much power at the hand of the AG. Independence will in the end be built on confidence, which have to be earned. However, while ensuring proper governance and accountability of AGs powers, it is equally important that the executive should not form part of this governance mechanism.

It is recommended that the Act prescribes that NAC shall have such staff as may be necessary for the efficient performance of its functions under the Audit Act, and that the eligibility criteria for auditors are broadened to include other professions than accountants.

It is recommended that the Act prescribes that the salaries, allowances, pensions and other benefits payable to the staff appointed under this section shall be determined by the Auditor General.

Material and monetary resources:

It is recommended that NAC should have an annual risk based audit plan linked to a realistic budget, and that the budget process secures direct contact between NAC and the National Legislative Assembly.

Possibly, the annual budget process could be described along the following lines: The AG should prepare and submit to the President the estimates of the year, of administrative and development expenditures and estimates of revenues of NAC. The President shall cause the estimates submitted under subsection (1) to be laid before National Legislative Assembly without revision but with any recommendations that Government may have on them.

NAC should state in their yearly Annual Performance Report the implications of budgetary constraints (if any) upon the audit performance during the year.

One could assume that the Act § 27 is related to External Auditors on Contract. This could be specified even in the heading of the section, and thereby avoid any possible confusion between these external auditors and the staff of NAC (which also in general are perceived as external auditors).

6.1.4 NAC's mandate

The standards and good practice

SAIs should be empowered to audit the:

- Use of public monies, resources, or assets, by a recipient or beneficiary regardless of its legal nature
- Collection of revenues owed to the government or public entities
- Legality and regularity of government or public entities accounts
- Quality of financial management and reporting, and

- Economy, efficiency and effectiveness of government or public entities operations

The mandate should be clearly defined preferably in the Constitution or in a separate audit legislation (Mexico declaration/ISSAI 10, Principle 3).

Observations in NAC

The review-report's chapter 6.1.1 states the limitations in the definitions of audit observed both on the Constitution and in the Act.

The purpose of the Act (section 3) states, i.e. that "... for the auditing of and reporting of the accounts of the South Sudan Government ...". This purpose is limiting NAC's scope; hence modern public audit entails three types of audit, with different objectives and approaches, namely Financial audit, Performance audit and Compliance Audit ¹²

The review will like to highlight two tasks that NAC has been mandated to undertake, which may turn out to be difficult to apply and which also might imply diversion of NAC's prime objective. Consequently, the full application of these two tasks might impact negatively on NAC's oversight-function due to the resources they might consume as well as due to the possible conflict of interest that might occur. The task, though, are *not* in conflict with ISSAIs and similar task are undertaken by a minority of SAIs in the AFROSAI-E region:

Act section 11 (1) mandates the AG to have a Controller-function. This function is given to some AGs in the region.

Act 12 (5) (5): mandates the AG to surcharge. This mandate is given to some AGs in the region.

¹² **Financial audit**; focusing on determining whether an entity's financial information is presented in accordance with an applicable financial reporting framework. This is accomplished by obtaining sufficient appropriate audit evidence to enable the auditor to express an opinion on whether the financial information is free from material misstatement whether due to fraud or error

Performance audit; focuses on whether interventions, programmes and institutions are performing in accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvements. This is accomplished by examining performance against suitable criteria and by analysing causes of deviations from criteria or problems.

Compliance audit; focusing on whether the activities of the entity have been conducted in accordance with the applicable authorities

Section 11 of the Act lists the administrative functions and powers of the AG. The list contains 15 (set of) activities, and it is worthwhile questioning if the presented levels of details are suitable to be in an Act. If the AG is given full administrative independence, there should be no need to specify the functions to the level of e.g paragraph # (i); “Promoting IT-policy in the Chamber”.

Recommendations

The Statutory documents should refer to audit as defined by the ISSAIs. One frequently cited definition is the following: “Auditing” can be described as a systematic process of objectively obtaining and evaluating evidence to determine whether information or actual conditions correspond with established criteria" (ISSAI 200).

The controller-function should be considered taken out of the mandate of the AG, after a prior assessment done by National Legislative Assembly on which governmental entity and position that best could undertake this important function.

The right to surcharging should be considered taken out of NAC’s mandate. If the practice of surcharging by NAC is deemed advantageous by the national legislators and NAC, it is recommended that the text in the Act is changed so that NAC may *recommend* to National Legislative Assembly that the responsible person or the person in default is being surcharged.

The detailed list of Administrative Functions should be considered reduced. Some of these activities should be carried out because of organizational needs; not because NAC is mandated by law to carry them out (e.g. IT policy in the Chamber).

6.1.5 Effective follow up mechanism on recommendations

The standards and good practice

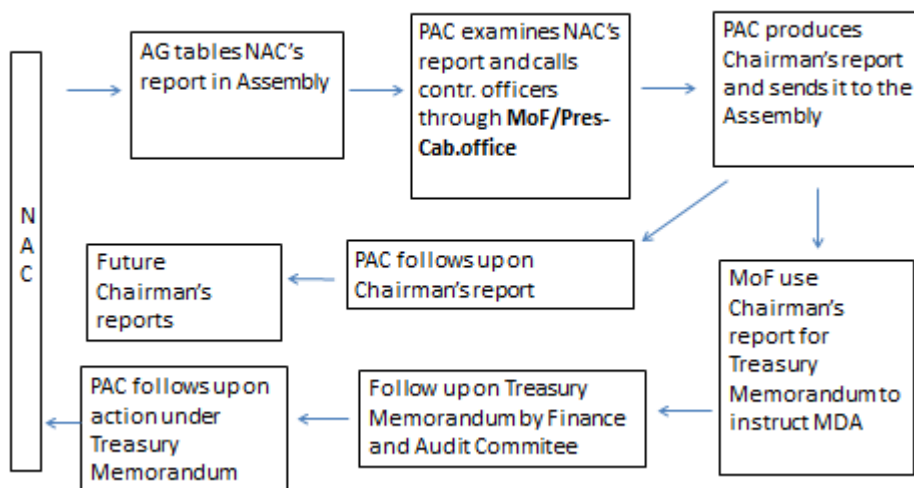
SAIs shall have their own internal follow-up system to ensure that the audited entities properly address their observations and recommendations as well as those made by the Legislature, one of its commissions, or the auditee’s governing board, as appropriate. The follow up report is submitted by the SAI to the Legislature, one of its commissions, or the auditee’s governing board, as appropriate, for consideration and action. (Mexico Declaration/ISSAI 10, Principle 7)

Observations in NAC

NAC has only presented report in two occasions, so there is little precedence to build upon. Given the absence of parliamentary tradition of scrutiny of reports from NAC, as well as the generally limited accountability tradition in the country, one has to give credit to both NAC and the Parliament for the achievements so far.

However, it has not been evidenced by the review team that the proceedings of the audit reports in the National Legislative Assembly were documented in a consistent manner useful for later verification of follow-up. There will be need for capacity building, extensive dialogue and in general strengthening of Parliament, the Executive and NAC to obtain increased effect of the reports that NAC is producing.

Figure 1: Extract of a possible future audit accountability cycle in South Sudan



Recommendations

It is recommended that revised statutory instruments will secure NAC’s right to direct reporting to the National Legislative Assembly. The Act describes a practice of reactions and follow-up from National Legislative Assembly and the ministries that appears to be grossly in accordance with good practices.

One should remember that the follow-up has to do with the effect of a SAI’s work. If no well-functioning procedures for how to handle the audit reports in National Legislative Assembly and further in the MDAs are established, and likewise if routines on how to document subsequent follow-up are absent, the accountability chain will not be completed. The Standing orders of National Legislative Assembly, as well as instructions given from the President are important instruments in this respect. The design of these instruments fall outside the mandate of a SAI, however NAC should

enter into dialog with the respective stakeholders on modalities to enhance effective follow-up. Some good practices from the region implies that the head of the President and Cabinet's Office or the Undersecretary in the MoF is coordinating the instructions to the Ministries (e.g. by issuing a so called Treasury Minutes/-Memorandum or alike), as well as the coordination of the response from the Ministries. NAC needs such a document so as to bridge next year's audit with the past one, and the Parliament could profit of having this process documented in one document, so as to larger extent being able to hold the Executive accountable.

It exist some good practices in the region on how to make effective use of the reports from the SAI.

Internally, the NAC must ensure that audit methodology and administrative structures enhance consistency and follow-up of previous year's audit.

6.1.6 The Head of NAC and his staff have mandate to and discretion to discharge its function – Access to information

The standards and good practice

SAIs should have adequate powers to obtain timely, unfettered, direct and free access to all the necessary documents and information, for the proper discharge of their statutory responsibilities. (Mexico Declaration/ISSAI 10, Principle 4)

Observations in NAC

The statutory instruments seem to secure NAC and the AG sufficient access to information.

De facto, the review has experienced that the non-existence of documentation by the clients constitute a grave problem. The reasons for non-existence of documents may be diverse, ranging from ignorance and lack of proper routines to intentional obliteration or misconduct. At the end of the day, the situation creates difficulties for NAC in giving verifications of completeness.

The review has also learnt that de facto some clients (currently at least two, namely Ministry of Justice and Ministry of Finance) deny the auditors access to information and refuse to collaborate. This situation may be a consequence of an unclear understanding of NACs mandate. The SAI is not the executive's internal audit, and, as pointed out in previous chapters; clarification of NAC's mandate of being responsible only to the National Legislative Assembly could assist in NAC's de facto accessibility of information.

Recommendations

NAC should continue to enhance constructive dialogue with the audit clients. Further related commendations are to be found in the next sub-chapter.

6.1.7 The right and obligation of NAC to report on its work

The standards and good practice

SAIs should report publicly on the results of their audits and on their recommendations regarding overall government activities. (Principles of Transparency and Accountability, ISSAI 20, principle 7).

Observations in NAC

A positive observation made by the review is that the reports produced by NAC are being public when presented to National Legislative Assembly and President. Recently, all reports have also been published on the internet. This enhance not only horizontal accountability (the accountability effect that one expect within the MDAs (Ministries, Departments and Agencies as a result of NAC's work), but also enables vertical accountability (accountability whereas representatives of the citizens and public office-bearers are being held accountable to the citizens) by informing the citizens in general and interested stakeholders in particular.

It is also highly commendable that NAC is producing reader-friendly short versions of its audit reports. This is commented upon under chapter 6.5 (communication).

The situation in South Sudan currently implies that NAC both de jure and de facto have deficient access to free and unhampered deliverance of reports to the National Legislative Assembly.

Recommendations

It is recommended that NAC continues to sensitize the MDAs of the Chambers mandate and role. Rectification of the lack of access to information, hindrance of deliverance of reports to the National Legislative Assembly and no-follow up of Parliamentary deliberation of NAC's report fall outside the mandate of NAC. Current constraints in independence of recruitment and budget place sever limitations on NACs availability to follow-up this recommendation though.

NAC should, however, continue to document their own efforts to execute their mandate and use this documentation in dialogue with National Legislative Assembly and other stakeholders to put pressure on the Executive for improved performance.

6.1.8 External audit of NAC

The standards and good practice

“The SAI manages its operations economically, efficiently, effectively and in accordance with laws and regulations and reports publicly on these matters..... - SAI’s financial statements are made public and are subject to external audit or parliamentary review....”

SAIs make public what their total budget is and report on the origin of their financial resources (parliamentary appropriation, general budget, ministry of finances, agencies, fees) and how those resources are used.

(Principle 6, ISSAI 20 Principles of transparency and accountability)

Observations in NAC

Good practice AFROSAI-E recommends external audit, and this is encouraged in the ISSAI 20.

NAC is still not audited by external auditors. However, as this review-report is being written, contracts are being signed with private audit firms to undertake external audit of NAC’s finances 2007-2010. This is a highly commendable move, aiming at demonstrating transparency and accountability within NAC.

Recommendations

It is recommended that NAC produce and make public an annual performance report that includes the financial statements. NAC should strive towards being a national leading example among public entities in all its governance issues, and annual external audits of its own financial statement is a minimum prerequisite. AFROSAI-E has made a “Guideline for reporting on the performance of a SAI”, which could be considered used when making the first annual performance report.

6.2 ORGANIZATION AND MANAGEMENT

6.2.1 Leadership and Direction

The standards and good practice

A SAI should establish policies and procedures designed to promote an internal culture recognizing that quality is essential in performing all of its work. The policies and procedures should be set by the HoS who retains overall responsibility for the system of quality control (ISSAI 40, Element 1)

Observations in NAC

A set of manuals and guidelines developed by external consultants. These documents have been made known through a series of training events and availability on the NAC website. What is absent however is an internal culture promoting quality of work and where accountability is monitored. Staff is not assessed against their performance and management meetings are not held regularly.

There is a thorough process of quality review of audits. This involves both NAC line-managers, but most importantly PKF consultants. This process ensures quality products in the end and recognition of NAC of being a well-performing entity in South Sudan. However, this process of quality review of audit has not been *documented* in policies and procedures. Consultants are to a large extent gap fillers, and transfers of skills are limited. NAC has had to strike a balance of getting the job done by clearing the backlog, and capacitate its staff by benefitting from the expert advice from the consultants. As a consequence, the transfer of skills has been suffering.

There are few measures taken to strengthen the identity of being managers. Also, there is a need for grooming of aspiring young leaders who will take the organization forward in the coming years.

But the future is looking bright for NAC. The staff will soon move into a new office building and a proposed amendment on Audit Act, ensuring greater independence, may be past in the near future. The major accomplishments made by NAC have already been commended by the Secretary General of the UN and President Obama in their speeches.

Recommendations

A formal management development programme aimed at capacitating managers enabling broader engagement and ownership of change and development in NAC should be initiated. NAC is encouraged to apply for admission to the 2014 AFROSAI-E Management Development Programme

(MDP). This may contribute to increase the current involvement of NAC in the development of policy documents and implementation of the NAC Strategic Development Plan. It is also recommended that NAC established a forum where managerial issues can be freely discussed.

Management meetings should be held on a frequent basis and be used for monitoring of the progress of audits according to plans. When the office moves to a new building there should be more opportunities for the Auditor-General and his staff to interact. Weekly meetings between the Auditor-General and the staff for information, short presentations and possibility to ask questions for the staff could be measures to develop a shared culture of result orientation.

6.2.2 Strategic and operational planning

The standards and good practice

A SAI should establish policies and procedures designed to promote an internal culture recognizing that quality is essential in performing all of its work. The Strategy of each SAI should recognize an overriding requirement for the SAI to achieve quality in all of its work so that political or economic considerations do not compromise the quality of work performed (ISSAI 40).

The SAI manages its operations economically, efficiently, effectively and in accordance with laws and regulations and reports publicly on these matters.

1. SAIs assess and report on their operations and performance in all areas, such as financial audit, compliance audit, jurisdictional activities (SAIs constituted as Courts), performance audit, performance evaluation and recommendations regarding government activities ...
2. SAIs report on the origin of their financial resources (parliamentary appropriation, general budget, ministry of finances, fees) and how these resources are used.....

(ISSAI 20, Principles of transparency and accountability, principle 6)

The strategic development of any organization requires imagining a desired future and creating a plan to make that vision a reality. (AFROSAI-E/IDI: Strategic Planning. A Handbook for Supreme Audit Institutions)

Observations in NAC

NAC has made a major achievement by the adoption of the 2011-2015 Strategic Development Plan. It was developed with the assistance of consultants from PKF. The plan is a comprehensive document highlighting the areas of *Institutional building*, *Capacity building*, *Operational dynamics* and *Transparency and accountability*. These goals are broken down into a number of objectives.

Some of the objectives have already been achieved, i.e. the development of the HR and training manuals, while others are still to materialize. Although some of the objectives are dependent on funding for successful outcomes a main challenge is the internal capacity within NAC to drive these processes forward. Many of the products made can be attributed to the efforts put in by the PKF consultants.

The clearance of the audit backlogs is said to have been an area of priority for NAC and one of the objectives for the PKF-project. This goal is however not mentioned in the NAC Strategic Development Plan. The plan is to a large extent focused on development goals, and not on the deliverables of NAC. No indicators has been set on the audit coverage, reduction of backlog, timeliness of audit reports, number of value for money reports in the future etc.

Operational Plan

The SDP has not been supported by an annual operational plan. There is however a detailed implementation matrix in the SDP indicating time frame, responsibilities and priority. It is not apparent that this matrix has been guiding NAC on how it should plan its activities each year.

In the Annual Budget Document there is, together with the approved budget for 2012/2013, a list of activities for the year, most of them relating to development, which would normally be found in an operational plan. There is however no reference to the strategic plan and how it shall be implemented.

Monitoring and evaluation of the Strategic Development Plan

According to the Strategic Plan, a core working group consisting of senior members within NAC will monitor progress against agreed performance criteria and take corrective actions where necessary. Also, a task team leader will be identified to maintain time limits, cost budgets and quality standards¹³.

No such monitoring and evaluation function has been established. The progress on implementation of the plan has been halted by the financial constraints faced by NAC, and the goals appear unrealistic given the current situation. Annual reviews have not been performed.

¹³ Strategic Development Plan, National Audit Chamber, 2011-2014. Page 11-12

The South Sudan Development Plan

Unlike the Strategic Development Plan, the South Sudan Development Plan 2011-2013 identifies clear measurable outputs for NAC. It states that NAC by 2013 shall have released 18 reports¹⁴ of "recognized international auditing standards to the President, Parliament and the people" (page 58). The South Sudan Development Plan has however been taken into account when calculating the annual number of new recruits to the NAC¹⁵. The SDP does not make other references to the South Sudan Development Plan (SSDP) because the later was produced month later after the SDP was officially launched.

Recommendations

NAC should develop a proper annual operational plan (See AFROSAI-E's Guideline Annual Operational plan) and Planning Process. A unit responsible for planning and monitoring/evaluation should be established. The unit should initially report directly to the Auditor-General.

NAC should have ownership by aligning planning and reporting on development activities carried out, through donor funded projects to NAC, to NAC's own process of planning and reporting. As of now interesting details of planned projects and completed activities are found in documents prepared by the SAI's consultants.

NAC has showed considerable strategic management the last years, and it is important that also the current situation when the PKF-period ends will be analyzed and approached through strategic actions. The departure of the international experts that previously has been core in both audit and development of the management instruments of the NAC documents might create a vacuum.

6.2.3 The Organization of NAC - Organizational Development

The standards and good practice

The SAI is constantly trying to organize its staff in functions and units with relevant reporting to achieve the strategic goals and objectives in the most economic, efficient and effective way. SAIs should in their organization and management of their office be free from direction and interference from the Legislature and the Executive. (Mexico Declaration/ISSAI 10, principle 3)

¹⁴ 4 reports by 2011, 12 reports by 2012 and 18 reports by 2013. Page 261.

¹⁵ NAC Strategic Development Plan, 2011-2015. Page 43

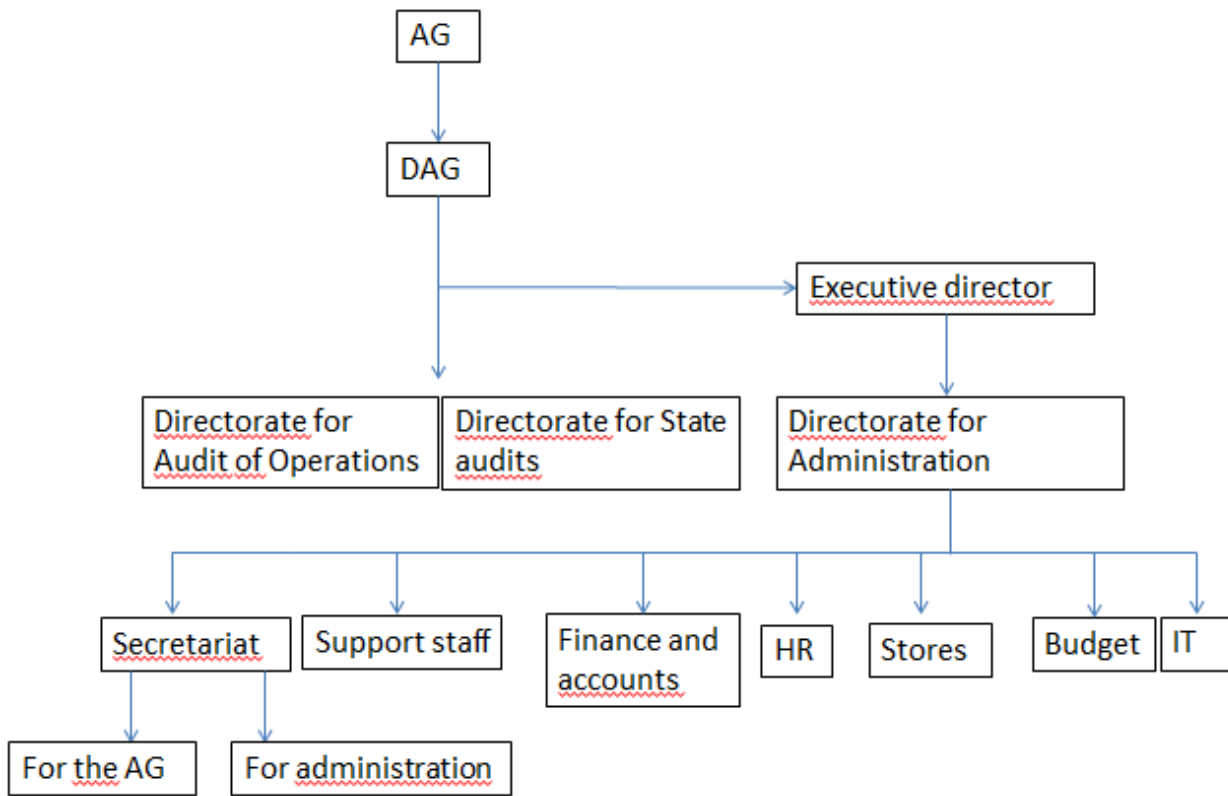
Observations in NAC

The organization of NAC is changing fast. New units are being established at a high pace, owing to the influx of new recruits, donor funded projects and expanded mandate. The only existing organizational chart in NAC is the futuristic chart in the SDP showing an organization with 10 directorates, several support units, with significant staffing numbers and units dedicated to specialized audit disciplines.

Currently there exists only three directorates; Audit operations, Audit of states and Administration and HR. The number of employees is at the moment 144. According to the proposed audit Act, article 23 (1), any revised organizational chart will have to be approved by the President. The Act, article 23 (3), also mentions that the staff composition of NAC should be based on the audit universe. A commendable practice of doing annual survey and reviews of Ministries, Departments, and commercial corporations is proposed as a legal requirement.

For clarification purposes the review team has sketched the current organizational structure of NAC (see Figure 2 below). The major presence of PKF consultants has not been included, although they play a key role in both operations and development of NAC. PKF has however been included in the mentioned futuristic organizational chart, and forms part of the reporting lines.

Figure 2: Current organizational chart of NAC as sketched by the review (15 March 2013)



PKF consultants has been involved in development of manuals, policy documents, legal advising and is also part of line-management by doing quality reviews of audits. Audit reports are also being prepared by the consultants. This creates the risk of establishing parallel structures within NAC. It appears that transfer of skills has been limited and the process of drafting of policy documents seems to not have been very participatory. PKF has been instrumental in the design of a NAC Strategic Development Plan, but has not facilitated systematic follow-up, tracking of progress, revision and evaluation of the plan by managers - which was envisioned in the Strategic Development Plans.

PKF work was channeled through established management structures in NAC. No work was done without the knowledge of the DAG and the AG. Without NAC input, PKF could not have delivered what they did. NAC appears largely dependent on the presence of consultants as gap-fillers the area of Institutional and Quality Assurance capacity building. The PKF consultants, performing the audits were accountable to the NAC director of operation and the DAG.

Recommendations

NAC should establish an organizational chart that is more compliant with the current situation of NAC. The futuristic organizational chart should be considered revised to clarify reporting lines and leave out the work flow. The review team considers the chart in the SDP not to be easily understandable.

There is a need for enhanced capacity of project management and organizational development. NAC should use internal seconding/shadowing/mentoring in which consultants and advisors have attached staff/managers in NAC so as the transfer of skills occurs on a regular, realistic and efficient way.

6.2.4 An Internal Control System

The standards and good practice

An internal control system including an internal audit function consists of the following interrelated components: control environment, risk assessment, control activities, information and communication and finally monitoring. The system is designed to provide a reasonable assurance that the SAI's general objectives are being achieved. (Guidelines for Internal Control Standards for the Public Sector/INTOSAI GOV 9100) SAIs employ sound management practices, including appropriate internal controls over its financial management and operations. This may include internal audits and other measures described in INTOSAI GOV 9100. (ISSAI 20 principle 6)

Observations in NAC

NAC has two units tasked with managing the finances; the budget department and the finance and accounts department. The budget department is responsible for setting up a budget for the office. Each year the Ministry of Finance presents a budget ceiling to NAC. NAC has to develop a budget which does not exceed this ceiling and that enables it to carry out its mandate in the most efficient way. Directors come together before the budget is sent to Ministry of Finance to discuss and prioritize activities. Based on the deliberations a set of activities are added to the budget. In the 2012/2013 budget¹⁶ such activities have been listed. The template also includes a heading on "Performance". This has however not been completed.

NAC has to comply with the financial regulations prescribed by the Ministry of Finance and has been given templates on payment books, fixed asset register etc. While internal audit has been established

¹⁶ NAC Approved Budget 2012-2013

in the Ministry of Finance, and some other places in government, it is yet not a function within NAC. There are however plans of establishing internal audit in NAC in the near future.

The PKF project, funded by the World Bank, is exempted from the operations of NAC, by operating under a clear project structure with separate reporting lines. The WB had a PFMU that released funds directly to the project, so the financial management within NAC has not been able to align the funds into NAC's financial management. This set-up has possibly implied lack of an holistic overview and cohesion of the development activities in NAC. This set-up might have been reasonable when established, but given the current strength, as well as aspirations of NAC; a more mature set up that fosters institutional ownership of funds and activities within NAC should be sought.

Recommendations

NAC should establish mechanisms allowing for holistic budgeting and reporting in NAC that including development activities and projects that enables transparency and ownership.

Establishes an internal audit function. The internal audit function should be given a broad mandate enabling it to systematically assess the risk management, the control environment and how the SAI is achieving its objectives. It should report directly to the AG. NAC could first start with getting internal auditors from Ministry of Finance and Development on secondment.

6.2.5 Use of resources – A management information system tracking key management information / A time-recording system to enable reporting of staff costs

The standards and good practice

Information systems produce reports that contain operational, financial and non-financial, and compliance-related information that makes it possible to run and control operations. They deal not only with internally generated data, but also with information about external events, activities and conditions necessary to enable decision-making and reporting. Management's ability to make appropriate decisions is affected by the quality of information which implies that the information should be appropriate, timely, current, accurate and accessible. (INTOSAI GOV 9100 Guidelines for Internal Control Standards for the Public Sector, page 36)

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A time-recording system is part of the management information system. A good practice is to use a time-recording system to efficiently and effectively track the use of human resources.

Observations on practices in NAC

The Strategic Development Plan (pages 60-62) underlines the importance of introducing a robust management information system. It outlines a system where staff is held accountable for their work, where objectives are set and progress reporting carried out on all levels. Given the short time span, and the concentrated efforts in reducing the backlog, it is understandable that such a system has not yet been fully implemented. However, steps should have been to move NAC towards greater accountability and effectiveness. An ounce of prevention is worth more than a pound in correction.

There is no time recording system in the SAI. The budget only contains management information on monetary resources. On all levels of the SAI there is a feeling of being underfunded in terms of human resources. This claim of being underfunded is not supported by measures to establish a baseline of how much an audit assignment costs. The SAI therefore has few means of measuring its own efficiency. It is, however, understandable that no major focus has been placed on this so far, taken into consideration the multiple challenges that NAC has lived through the last three years.

There are also significant inherent constraints to effective time management in NAC that ought to be recognized. Firstly, salaries of employees in NAC are fairly low given the cost of living in South Sudan. This affects both motivation and work ethics. Secondly, significant time is spent at the auditee's premises. This limits the potential for managers to exercise time management since they are situated at the NAC's premises.

Recommendations

NAC should establish a simple time management system. The SAI could begin with introducing time sheets which is to be completed by each audit team.

Information obtained from the system can be used to monitor actual hours spent and compare it with planning, either to revise planning or to reallocate staff. The information should also feed into next year's overall planning in order for the AG to define realistic targets. The AG is dependent on having reliable and independent information when allocating the resources within the office.

The NAC management could identify some key institutional performance indicators to initiate the culture of handling management information systems. The above recommended unit for planning and

monitoring should be the ones to establish baselines and monitor the system, which could provide information to every management meetings (when the practice of having regular meetings is being institutionalized).

6.2.6 Performance Audit

The Lima Declaration¹⁷ states that performance Audit is equally important as regularity audit. Performance audit is according to INTOSAI an audit of economy, efficiency and effectiveness with which the audited body uses its resources in carrying out its responsibilities. Performance audit covers not only specific financial operations, but the full range of government activity including both organizational and administrative systems.

Observations in NAC

No Value For Money (VFM) audits/Performance audits are carried out by NAC. The Act provides NAC with extensive mandate for performing value for money audits (performance audits). The Act specifically mentions the three Es¹⁸, which are listed in the ISSAIs. Section 25 (A) of the audit act does however restrict recruitment criteria for entry to NAC to people with accountancy background. This criteria is also backed up by article 24 (D). When establishing a VMF audit in a SAI one will also need other qualifications i.e. in the fields of social sciences, economics.

Support on VFM audits is one of the major components of the ongoing support from Agrer, a Belgian consultancy firm, financed by the Joint-Donor-Team in South Sudan. A VFM manual will have to be drafted and auditors trained. NAC has not been participating in the AFROSAI-E 3-module course on Performance Audit, and it has indicated interest in benefitting from such initiatives.

Recommendations

A value-for-money unit should be established and NAC should recruit and select auditors for this audit discipline.

NAC is encouraged to request for participation in the AFROSAI-E 3 module course, starting in June 2013.

For the inception of the value-for-money unit, NAC should prepare to adopt the AFROSAI-E Performance Audit Handbook and the AFROSAI-E Performance Audit Manual; both will be presented as updated versions at the 2013 AFROSAI-E Technical Update.

¹⁷ ISSAI 1

¹⁸ Economy, efficiency and effectiveness - ISSAI 3100 paragraph 9 (a-c)

6.2.7 Code of ethics

Standards and best practice

SAIs should have ethical rules or a code, as well as policies and practices that are aligned with ISSAI 30, Code of Ethics. They should prevent internal conflicts of interest and corruption and ensure transparency and legality of their operations as well as actively promote ethical behavior throughout the organization. The ethical requirements and obligations of auditors, magistrates in the Court model, civil servants or others should be made public (Principles of transparency and accountability, ISSAI 20, Principle 4).

A SAI should communicate timely and widely on their activities and results (ISSAI 20, Principle 8), which include information about the implementation of the code of ethics. The information requires monitoring. Monitoring of the implementation of a code of ethics is also part of the internal monitoring system.

It is the responsibility of each SAI to develop its own Code of Ethics which best fits its own environment (INTOSAI Code of ethics, ISSAI 30)

Observations in NAC

A code of ethics, based on the INTOSAI Code of Ethics, was adopted November 2009 by NAC. In addition a Code of Professional Conduct was established. It builds on the general principles of the Code of Ethics, but goes more into detail on how auditors should conduct themselves. NAC received training and awareness raising on the two documents after their completion. NAC has also made sure that new recruits receives knowledge on and understand the ethical requirements, during the induction courses.

It should be commended that both the Code of ethics and Code of professional conduct has been made available on the NAC website. It demonstrates a willingness to share with stakeholders that NAC is serious on preventing fraudulent activities in its organization, and the importance of transparency as emphasized in ISSAI 20.

NAC take ethical considerations into effect when deciding on strategic issues. There is among others a concern, specifically raised by the AG, regarding auditors becoming too attached, or even coopted, by the auditees. It is therefore seen as pivotal to ensure their independence by having them based at the premises of NAC.

Monitoring and evaluation on the code of ethics is largely absent. Adherence to code of ethics is not an integral part of the audit engagement. There is no working paper that guides the auditor in declaring his/hers interests and to apply a professional conduct while performing the audit.

Recommendations

NAC should introduce a system for monitoring of the implementation of a Code of Ethics, under the responsibility of the HR department. In addition NAC should introduce regular training (i.g. training in dilemmas) in ethics, not only for newcomers but for all staff.

NAC should start applying the Code of Ethics declaration which is to be found in the AFROSAI-E Regularity Audit manual, which the auditors should sign before each audit assignment. This can also be used for performance audit.

6.2.8 Records Management and IT-support

The standards and good practice

An audit institution should establish policies and procedures requiring appropriate documentation to provide evidence of the operation of each element of its system of quality control. It should further establish policies and procedures that require retention of documentation for a period of time sufficient to permit those performing monitoring procedures to evaluate the Audit Office's compliance with its system of quality control, or for a longer period if required by law or regulation.

The COBIT Framework used by the AFROSAI-E ICBF gives guidance on the ratio of the IT staff to total employees.

Observations in NAC

A Registry/stores is kept at one of the branch offices in Juba (office 3). This contains the audit files. Documents are also made available at the webpage of NAC. The webpage is one of the most advanced in AFROSAI-E and provides users with updated news and relevant policy documents.

An IT department has recently been established. Two IT officers were recruited, but one of them has left for studies. There are plans for further recruitment. The number of IT staff does not seem sufficient. At the time of review there was wireless connection at the head office. Distribution of

laptops for audit work is said not to be sufficient, and the level of computer literacy is not very high among all staff and managers. It appears to be less computer knowledge among the elder managers than among the younger auditors.

Recommendations

An open accessible library for relevant audit products, such as AFROSAI-E materials, should be established. Accessibility to computers for training purposes could be part of the library-facilities, and the NAC's staff and managers should have access to formal and informal computer training. The office needs more lap-tops, and it is expected that the new premises will enable LAN and thereby facilitating common storage. This may open up for future increased used of computerized audit management.

AFROSAI-E is developing low-tech computerized management of working papers, and NAC could consider in the coming years to be exposed to this tool ("Audit Flow").

NAC should continue to improve the IT services of the office by recruiting professional IT staff.

6.3 HUMAN RESOURCES

6.3.1 A Human Resource policy

(A human resource and professional development policy (including Recruitment, Remuneration, Retention, Performance management, Career development, Training, Staff welfare, Professional development and Job rotation))

Standards and good practice

A SAI should establish policies and procedures designed to enable it to secure reasonable assurance adequate human resources with the competence, capabilities and commitment to ethical principles necessary to:

- a) perform its tasks in accordance with relevant standards and applicable and legal and regulatory requirements; and
- b) enable the SAI to issue reports that are appropriate in the circumstances

SAIs should ensure that Human Resources policies and procedures give appropriate emphasis to quality. Such policies and procedures related to: Recruitment (and the qualifications of recruited staff), Performance evaluation, Professional development, Capabilities (including sufficient time to perform assignments to the required quality standard), Competence (including technical competence), Career development, Promotion, Compensation and estimation of personnel needs.

(Quality control for SAIs/ISSAI 40, Element 4)

Observations in NAC

NAC was established with a lean staff previously employees of Sudan and were being managed in accordance with the main Public service rules and regulations. NAC developed its own detailed Human Resource Manual which came into effect in December 2012. The manual provides appropriate Human Resource policies and procedures.

The manual, in parts II and III, adequately provides for performance evaluation, professional development, career development, competence and the estimation of personnel needs. Part IV provides annexure availing key forms to operationalize the spelt out procedures.

It has however been noted that NAC lacks the legal and administrative autonomy to manage her staff independently. This may constrain the implementation of the well intentioned provisions of the manual.

Owing to the fact that this high level over view was done barely two months after coming in operation of the manual, it was not possible for the team to evaluate the effect of utilization of the manual in practice by staff.

In December 2012 NAC launched a document called the “Staff Profile”. It gives a comprehensive overview of staff composition in terms of age, education, gender, retirement dates. The document ought to be a useful tool to guide the strategic and operational planning of the office; hence NAC currently aims at doubling up their number of staff in the years to come. The staff profile will assist in the planning of the new establishment, enabling that recruitments is done in line with needs for organizational sustainability and as deemed necessary to accomplish NAC’s mandate. The staff profile shows a fair gender distribution over all; however it’s notable that there are no women with higher grade than 7. Of professional qualifications, the NAC has one CPA, 6 masters, 51 Degree holders and 58 diploma holders.

Also the aging of staff and managers is both a risk and a challenge, adding to the somewhat urgent need of recruiting qualified staff and managers.

Recommendations

NAC should popularize the provisions of the manual through massive sensitization of the staff to secure ownership and garner support necessary for smooth implementation.

6.3.2 Personnel management

The standards and good practice

SAIs should ensure that Human Resources Policies and procedures give appropriate emphasis to quality and commitment to the SAI's ethical principles. Such policies and procedures related to human resources include:

- performance evaluation
- professional development
- career development
- competence
- the estimation of personnel needs

(ISSAI 40, Quality Control for SAIs, 6d)

Observations in NAC

NAC lacks the independence to manage her own Human Resource given that the current staffs are actually employees of Ministry of Public Service. This review comes two months after the launch of the HR Manual as such it was not possible to establish the practical utilization of the manual by staff. The management pledges commitment to effective utilization of the manual to manage staff. NAC staff management is already constrained given that half of the 144 staff recruited directly by NAC have not received formal approval by the Ministry of Public service as such are not on the National payroll. Although NAC has put in place professional way of recruiting, developing and retaining personnel in an efficient and effective manner through the Human Resource Manual, NAC's lack of independence in Human Resource management will constrain implementation.

Currently, the office is recruiting some skilled staff from the diaspora. The UNDP has granted NAC with funds for two short term (six months) assignments by international experts in HR and training. These positions are core in the further development in the HR.

NAC has approved generic job description for positions of the organizational structure; however, the job description for auditors does not incorporate those of emerging audits such as performance audits, specialized audits, etc. which tap from a variety of professions. Additionally, some positions do not have job descriptions.

At present performance appraisals of staff are not adequately undertaken as such young staff who are vibrant, willing and motivated are not accorded appropriate opportunity to express their needs and aspirations. Also, career development plans are absent. This may have an effect on the work ethics of staff.

Recommendations

NAC should go through the process of improving its legislation and secures the legal independence in management of her human resource from Ministry of Public Service.

It is important for NAC to broaden their job description to incorporate the broadened mandate of NAC. The job descriptions should be kept updated. NAC should already now start applying performance appraisals of staff. Although NAC does not have the full independence in HR management, there are still a number of measures and tools the HR department and managers can apply.

6.3.3 Training

The standards and good practice

The SAI should adopt policies and procedures to support the skills and experience available within the SAI and identify those skills which are absent; provide a good distribution of skills to auditing and corporate tasks; and have proper planning and supervision to achieve its goals at the required level of due care and concern.

A SAI should be responsive to new/revised standards, regional manuals etc. and function as a learning organization. It should have an elaborate training policy, a training manual and training plans. (ISSAI 10, Principle 6; ISSAI 40, Element 4, ISSAI 6, ISSAI 200)

Observations in NAC

The SAI has already developed a detailed training manual adequate to support the skills and experience available within the SAI and identify those skills missing. NAC has adequate futuristic organizational structure with a Director responsible for training with the enthusiasm to undertake implementation of the trainings planned. However, NAC lacks legal and administrative autonomy to manage her staff independently; this will definitely constrain implementation of the training manual.

The high level over view was done two months after coming in operation of the training manual; this short period could not allow the team to evaluate the effect of implementation of the manual.

Although some language courses have been given, proficiency in English continues to be a major challenge.

Recommendations

NAC should undertake massive sensitization of the staff to secure ownership and garner support from staff necessary for smooth implementation of the training manual. NAC should also broaden the training to include attachments of staff to other regional SAIs to gain practical experience, exposure and coaching from peers.

NAC should make use of the AFROSAI-E trainings and ensures that guidelines and manuals are made available for NAC staff. NAC should integrate the AFROSAI-E training calendar and annual events planner in its training plan. AFROSAI-E events are of low costs and it yields great results. Training in audit methodology could be combined with training in English, thus there is a need for increased knowledge in written English, not only among elderly managers but also among several younger recruits.

For NAC to take ownership, it should work together with external contributors to come up with training programs and career development plans. There should be accelerated training programs to facilitate the implementation of risk-based audit methodology.

6.4 AUDIT STANDARDS AND METHODOLOGY

6.4.1 OVERALL AUDIT PLANNING

The standards and good practice

SAIs normally operate with limited resources. SAIs should consider their work programme and whether they have the resources to deliver the range of work to the desired level of quality. To achieve this, SAIs should have a system to prioritise their work in a way that takes into account the need to maintain quality (ISSAI 40)

When developing an annual audit plan the SAI should start by an identification of the audits and audit areas which the SAI leadership believe they should focus on during the year. The ICBF specifically mentions the overall audit plan and the fact that it should be in place, including the following:

- Assessment of constraints;

- Activity plans for regularity and performance audits;
- Risk assessment in place for prioritizing audit risk;
- Clear statement of audit coverage;
- Addressing of backlogs

(Annual Overall Audit Plan, AFROSAI-E 2009)

Observations in NAC

The strategic plan underlines the need for an annual audit plan which specifies components of executive expenditure that would be subject to audit each year. Such a plan is especially needed given that NAC is in short of adequate resources, and needs to achieve the best value of what it has¹⁹. This plan seems to be based on the principle of risk-based auditing by including a prioritization of sectors and MDAs to be audited, prioritizing oil-revenue and factor in coverage of non-oil revenue.

It was stated in the 2008 Audit report that the audit did not cover all the ministries, departments and agencies due to resource constraints, both financial and human. It is stated that the selection of ministries, months of audit and vouchers were selected on the basis of perceived risk and materiality.

In practice, there is no overall audit planning taking place. The overall directive is about reducing the backlog of audits. The review team was told that entities were picked based on materiality. Audit themes, given from the top, are not used.

Recommendations

NAC should develop an audit theme each year and then do an overall risk assessment from all the entities to be audited; this should be done in accordance with ISSAIs and in Particular as provided for in the AFROSAI E audit manual. It is important that proper documentation be kept for this important exercise at the start of each audit cycle.

As guidance the AFROSAI-E guideline on annual audit planning should be utilized. It gives guidance on how to establish a SAI database, use a risk matrix to categorize the auditees etc. The aspect of annual audit planning is also embedded in the AFROSAI-E Regularity Audit Manual as a separate process.

¹⁹ Strategic Development Plan, National Audit Chamber, 2011-2015. Page 45

6.4.2 QUALITY CONTROL OF THE AUDITS

Standards and good practices

SAIs should establish policies and procedures that encourage high quality and discourage or prevent low quality. This includes creating an environment that is stimulating, encourages proper use of professional judgement and promotes quality improvements. All work carried out should be subject to review as a means of contributing to quality and promoting learning and personnel development.

SAIs should ensure appropriate quality control policies and procedures are in place (such as supervision and review responsibilities and engagement quality control reviews) for all work carried out (including financial audits, performance audits, and compliance audits).

(ISSAI 40).

Observations in NAC

On a whole there is little evidence of a quality control system at the NCA, with NAC being largely dependent on the quality that is ensured by the consultants when vetting the audit reports. The audit files have no evidence of review and there is no unit dedicated to quality assurance which is tasked with assessing the overall robustness of the quality control system. The review team was however informed that the process of quality review is rigorous and vetting of draft reports is done at several managerial levels in NAC. The result of this review can be seen in the quality of the audit reports.

Recommendations

NAC should document its quality control system showing the involvement by line-management in the audit process.

NAC should consider adopting the AFROSAI-E QA handbook which has full holistic view on quality control. NAC should also be cognizant about the sections in the AFROSAI-E Regularity Manual dealing with quality control and utilize the checklists provided.

6.4.3 OVERALL AUDIT REPORT

The standards and good practice

The reports shall present the facts and their assessment in an objective, clear manner and be limited to essentials. The wording of the reports shall be precise and easy to understand.

(Lima Declaration, section 17.2).

Observations in NAC

NAC has been prioritizing reduction of the audit backlog when carrying out its audits. As a result, only audit reports covering the period 2005-2008 have been issued. NAC issues two types of report:

1. The first one is a comprehensive report showing the detailed findings of audits of ministries, departments and revenue.
2. The second report is a reader friendly product that summarizes the key findings and aggregates similar findings in different auditees. Very few SAIs in AFROSAI-E issues such reports.

The audit findings are relevant and the auditors reveal substantial misconduct of public funds in South Sudan. Its focus on revenue, especially petroleum revenue, is commendable. The findings are presented in a clear and well-written manner.

The review team is however concerned about the strong influence of external consultants in performing the audits, writing audit reports and assisting in preparing the annual audit report. It was also revealed that the PKF project leader was very instrumental in the development of the short-version of the annual audit report. There was no evidence of any capacity-building strategy by the External Audit Agent, and it is doubtful if the work undertaken had a consistent methodology for participatory transfer of skills.

Recommendations

NAC should continue to produce reader-friendly audit reports with relevant findings. NAC should ensure that the auditors are well trained to handle these audits and continue to learn from sister SAIs and AFROSAI E on this important component of auditing revenue. It should still be given a prominent space in the audit report.

NAC should acquire more ownership in the process of writing audit reports by establishing a strategy for reducing the influence of external consultants in the reporting phase. Currently the audit reports do not give a true reflection of the capacity of NAC; hence it rather reflects the support provided by external consultants.

6.4.4 THE QUALITY ASSURANCE FUNCTION

Standards and best practice

A SAI should establish a monitoring process designed to provide it with reasonable assurance that the policies and procedures relating to the system of quality control are relevant and adequate and are operating effectively. The monitoring process should:

- a) Include an ongoing consideration and evaluation of the SAI's system of quality control, including a review of a sample of completed work across the range of work carried out by the SAI
- b) Require responsibility for the monitoring process to be assigned to an individual or individuals with sufficient and appropriate experience and authority in the SAI to assume that responsibility, and
- c) Require that those carrying out the review are independent (i.e. they have not taken part in the work at any quality control review of the work.)

(Quality Control for SAIs/ISSAI 40, Element 6: Monitoring)

Observations in NAC

The SAI does not have a dedicated Quality Assurance (QA) function in the form of a unit/function that is responsible for monitoring the implementation of the quality control system of the SAI. There are no structured efforts to assess how the audits performed by the SAI comply with international auditing standards, and to identify competence and skills gaps within the organization.

The establishment of a QA unit will be essential in the process of implementing the manuals on regularity audit and performance audit.

Recommendations

NAC should develop a QA policy, and use the 2012 AFROSAI-E QA Handbook as reference material. A QA function, possibly a QA unit, with direct reporting lines to the AG should be established in the long run. This QA unit should be tasked with reviewing audits from previous year's audit.

6.4.5 AUDIT METHODOLOGY

The standards and good practice

The SAI should adopt policies and procedures to prepare manuals and other written guidance and instructions concerning the conduct of audits (ISSAI 200)

Each SAI should establish a policy on which INTOSAI standards, or other specific standards, should be followed in carrying out the various types of work that the organization conducts to ensure that the work and products are of high quality (ISSAI 100)

- Manuals
- Guidance material
- Technical assistance

Observations in NAC

NAC has developed a Financial Audit Manual²⁰. The financial audit manual is to be updated every year by gathering suggestions and experiences from the audit memos.

It should be underlined that the NAC Audit manual bears strong resemblance to the AFROSAI-E manual. The overall flow of the audit is similar to the AFROSAI-E RAM. However, the overall impression is that the AFROSAI-E RAM is more systematically referenced to ISSAIs. It also provide auditors with more working papers.

The NAC audit manual has good literature on certain audit topics and is fairly comprehensive. It is also customized to local circumstances in South Sudan, giving extensive references to applicable legal framework (pages 110-111) and it gives examples of audit task plans and specific risks normally found in the South Sudan environment. The manual also gives guidance on how to document the audit.

The review team has compared the NAC Financial Audit Manual with the AFROSAI-E Regularity Audit Manual. The following discrepancies were noted:

- Audit flow: The AFROSAI-E RAM specifies the audit flow of an audit engagement, starting with pre-engagement and ending up with the audit report. No such table is shown in the NAC Audit manual
- The NAC audit manual Part 1 is more of an audit handbook. Part 2 contains the working papers, but this part has not been disclosed to NAC staff as of now.

²⁰ South Sudan Audit Chamber, Audit Manual (Part 1)

- The NAC Audit manual refers to both the ISSAIs and the ISAs. There is no need of doing that since they are the same. One should only refer to the ISSAIs, which has been done in the AFROSAI-E manual. References to ISSAIs in the NAC Audit manual should have been made more specific, pointing to applicable sections on the different ISSAIs.
- Pre-engagement activities: As per ISSAI 1220, the audit team, and those responsible for the audit, should assess whether it possess sufficient competencies and capabilities. The AFROSAI-E RAM dedicates a working paper to this while the NAC Audit manual does not give it any prominence.
- Reporting:
 - References to ISSAIs are very poor in this section. There are both references to "INTOSAI Standard 4.0.8 (a)" and "INTOSAI Section 4.0.8 (f)". There are no ISSAIs with these names. ISSAIs 1700 and 1705 on forming an Audit opinion, which in this sense are the most relevant ones, are not referred to.
- Quality control:
 - On pages 156-157 review responsibilities are described. There are 1st and 2nd level reviewers. There are little guidance to reviewers on how they should carry out the review. Given that review of audit files is usually an area of concern; the AFROSAI-E RAM has given this prominent space.
 - It is not stated in the working papers who should perform the quality review of these.

To sum up, the NAC audit manual bears more resemblance to an audit handbook, which explains different audit topics, rather than being a practical manual guiding auditors throughout the audit. References to ISSAIs are poor and not done systematically.

Recommendations

A thorough mapping of its current manual against the AFROSAI-E Regularity Audit Manual is needed, and NAC should consider in the long-term to adapt the AFROSAI-E Regularity Audit Manual. Its use has benefitted a number of SAIs in AFROSAI-E. NAC will benefit from the annual update of the manual done in the AFROSAI-E Secretariat every year, the *full* inclusion of the ISSAIs in the manual and by using a product adopted by its neighboring SAIs in AFROSAI-E.

The AFROSAI-E secretariat has over the last years assisted a large number of AFROSAI-E member SAIs in customizing the AFROSAI-E Regularity Audit Manual to national standards and legislation. NAC is encouraged to contact the AFROSAI-E Secretariat to plan for similar support for NAC.

6.4.6 OUTSOURCING OF AUDITS

Standards and best practice

SAIs should ensure that quality control policies and procedures are clearly communicated to SAI personnel and to any parties contracted to carry out work for the SAI. All work carried out should be subject to review as a means of contributing to quality and promoting learning

SAIs should ensure that all documentation (such as audit work papers) is the property of the SAI, regardless of whether the work has been carried out by SAI personnel or contracted out.

(ISSAI 40, Quality Control for SAIs).

Observations in NAC

Section 12 (4) in the Audit act says that the AG may authorize the use of external auditors on audits which is outsourced. The auditors must be approved by NAC and they shall report back to the AG. This is very much in line with the requirements in ISSAI 40. The audit act does not however mention the importance of the SAI having possession of the audit files.

As of now, only the audit of Ivory Commercial Bank, in which GoSS has a significant share, has been outsourced. It was awarded to PKF, the cooperation partner of NAC. In the bidding document between Ivory Commercial Bank and PKF there was no mentioning of NAC, and again no evidence of capacity building of NAC managers or staff has been identified.

Standard terms of references for outsourcing of audits have not been established.

Recommendations

NAC should acquire outsourcing policies from other SAI, i.e. the Office of the Auditor General of Uganda. For its own outsourcing policy NAC should put, as an absolute requirement in a future outsourcing guide, the importance of capacity building of NAC staff by the selected audit firm who won the tender. Equally important is to ensure ownership of outsourced audits, including audit files, when entering into contracts. NAC should be consequent in adhering not only to national standards but also to international good practices of procurement.

6.5 COMMUNICATION AND STAKEHOLDER MANAGEMENT

Standards and good practice

SAIs should make public their mandate, missions, organization and strategy (Principles of transparency and accountability, ISSAI 20, Principle 2). In order to achieve this external communication, a SAI must ensure via internal communication, internalization and other means that the staff fully understand the matters to fulfill their work (Quality control for SAIs, ISSAI 40, Element 4).

SAIs should communicate timely and widely with interested parties. Parliament, PAC and the Judiciary in countries with a court system should be the most important parties to communicate with. It is therefore important that the SAI establishes communication channels with these (Mexico Declaration).

SAIs communicate timely and widely on their activities and audit results through the media, websites and by other means:

- SAIs communicate openly with the media or other interested parties on their operations and audit results and are visible in the public arena
- SAI reports are available and understandable to the wide public through various means (e.g. summaries, graphics, video presentations, press releases.”

(ISSAI 20, Principles of transparency and accountable, principle 8)

Observations in NAC

NAC dully recognizes the need for communication both internally and externally. This is evidenced by NAC dedicating a chapter covering five pages (Chapter 10) of Human Resource Manual to introduce a snap short on organizational communication. The provision provides, basically, key definitions of forms of internal and external communications.

To ensure NAC maintains continuous dialogue with PAC an Audit manager’s duty schedule was enhanced to include Parliamentary Liaison. This was confirmed in the discussion with chairman of PAC, AG and Director Administration and Human Resource. PAC enjoys cordial relationship with NAC. However, there are enormous opportunities to enhance this relationship further especially when the capacities of PAC and NAC are built in terms training, experience sharing and tooling. NAC also has a normal relationship with Ministry of Finance mainly for cordial discussion of audit reports. This relationship may need to be enhanced beyond discussion of audit reports to include annual ad hoc meetings to deliberate on key bilateral operational support issues.

To maintain informed relationship with key stakeholders, NAC established a channel of communication through a very colorful website duly populated with current information. This is very impressive. NAC presents reports both in detailed and summarized format. NAC generally communicates their audit performance and results through this website. Visibility of NAC is evident in the press confirmed by press clippings captured.

NAC's provision for communication, however, does not fully meet the requirement envisaged under ISSAI 20, Principle 2 regarding transparency and accountability of SAIs. This is because SAIs communications are intended to ensure that the work of the SAI has impact, known and used by external stakeholders and ensure sustained effective working relationship. There is therefore need for NAC to have good understanding of the wider public sector and a meaningful dialogue with stakeholders about how NAC's work can support public sector improvement.

No clear documented formal mechanisms for open communication with the media and other interested parties on NAC operations and audit results exist. NAC has not yet initiated communication with the academic institutions as required by Principle 8 of ISSAI 20. NAC does not report on its own actions and activities as required under ISSAIs 20 regarding transparency and accountability.

The review further established that NAC lacks a communication policy and strategy covering internal and external communications based on its legal framework, vision, mission and values. NAC has not yet done stakeholder analysis appropriately prioritized. NAC lacks a strategy which reveals NAC's analysis of Strength Weaknesses Opportunities and Threats (SWOT) including gap analyses in accordance with ISSAI 20, Principles 2, 3 and 8 as guided by AFROSAI-E handbook on communication.

There are limitations to the internal communication and involvement of staff, both junior and senior, in the strategic discussions and development of policies in NAC. The AG has stated that there is a plan to increase their exposure to developments in international auditing by enabling their participation in international interventions, such as those provided by AFROSAI-E. When staff reaches a certain level of maturity, they will be taken on board in, and be informed of, the policy making process within NAC.

Recommendations

NAC should develop a communication policy to cover key requirements as guided in the AFROSAI-E communication handbook. A communication strategy which clearly spells out how the policies will be operationalized should also be made.

NAC should put in place the requisite organizational structure dully facilitated including staffing dedicated to handling communication, Public relations and stakeholder management. Specially assigned staff should be attached to maintain continuous dialogue with PAC, who is the main recipient of NAC output and also maintain good dialogue with Development partners and the public through public relations office.

Communication tools should be developed as planned, such as intranet and use of office e-mails. Internal stakeholder survey should be initiated in order to assess the level of satisfaction of its staff.

It is recommended that NAC considers how to increase the internal flow of information as well as the intra-relations between institutional development work and the relation between the development work and the auditors. An optimized situation would imply that external consultants (and hired project-staff, as mentioned elsewhere in this report) are aligned to strengthen the organizational structure in NAC.

7 ACKNOWLEDGEMENT

We would like to take this opportunity to express our gratitude to the Auditor-General of the National Audit Chamber of South Sudan and staff for the cooperation and assistance accorded to us.

THE AFROSAI-E QUALITY ASSURANCE REVIEW TEAM:

Mr Trygve Christiansen - AFROSAI-E Secretariat (Team Leader)

Mr. Svend T. Skjønsberg - Norway (Office of the Auditor General of Norway)

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ANNEX - AFROSAI-E QA SCORING OF NAC

Below is a comparison between the 2012 NAC self-assessment of the AFROSAI-E ICBF, and an assessment carried out by the AFROSAI-E QA review team. "X" indicates the scoring by NAC.

INDEPENDENCE AND LEGAL FRAMEWORK

| INDEPENDENCE AND LEGAL FRAMEWORK | | No action taken | Some achievements made | Implemented, Improvement still needed | Full satisfaction | AFROSAI-E QA SCORING | | |
|----------------------------------|--|---------------------------|---------------------------|---------------------------------------|---------------------------|----------------------|--|---------|
| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | | Comments | Ref. |
| 1a | The independence of the SAI is spelled out in the legislation (constitution and/or audit act) | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 2 | Click here to enter text. | Page i |
| 1b | The executive <i>does not</i> take part in the preparation of the SAI's budget appropriation or the final decision on the SAI's budget | Click here to enter text. | Click here to enter text. | Click here to enter text. | X | 2 | | Page i |
| 1c | The SAI decides on its own organization | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 2 | | Page i |
| 1d | The SAI decides upon all human resource matters (recruitment, remuneration, promotion etc) | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 2 | But must be established by Ministry of labor and Public Service. | Page ii |
| 1e | The SAI has appropriate human, material and monetary resources in relation to its mandate | Click here to enter text. | X | Click here to enter text. | Click here to enter text. | 2 | | Page ii |

| INDEPENDENCE AND LEGAL FRAMEWORK | | No action taken | Some achievements made | Implemented, Improvement still needed | Full satisfaction | | |
|----------------------------------|--|---------------------------|---------------------------|---------------------------------------|---------------------------|-----------------------|-------------------------------|
| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments |
| 2 | The Auditor General is appointed, reappointed or removed by a process that ensures the independence from the Executive | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 2 | Spelt out in the Constitution |

| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
|--------|--|---------------------------|---------------------------|---------------------------|---------------------------|-----------------------|---|----------|
| 3a | The SAI is empowered to <i>audit the use of public monies</i> , resources or assets by a recipient or beneficiary regardless of its legal nature | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 3 | | Page iii |
| 3b | The SAI is empowered to <i>audit the collection of revenues</i> by the government or public entities | Click here to enter text. | X | Click here to enter text. | Click here to enter text. | 2 | Could possibly be reinforced | Page iii |
| 3c | The SAI is empowered to <i>audit the regularity</i> of government or public entities accounts | Click here to enter text. | X | Click here to enter text. | Click here to enter text. | 3 | | Page iii |
| 3d | The SAI is empowered to <i>audit the quality</i> of financial management and reporting | Click here to enter text. | X | Click here to enter text. | Click here to enter text. | 2 | | Page iii |
| 3e | The SAI is empowered to <i>audit the economy, efficiency and effectiveness</i> of government or public entities' operations (performance audit) | Click here to enter text. | X | Click here to enter text. | Click here to enter text. | 2 | The Act is clear (level 3), while the Constitution is at level 2. | Page iv |

| INDEPENDENCE AND LEGAL FRAMEWORK | | No action taken | Some achievements made | Implemented, Improvement still needed | Full satisfaction | AFROS AI-E QA SCORING | | |
|----------------------------------|---|---------------------------|---------------------------|---------------------------------------|---------------------------|-----------------------|--|---------|
| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
| 4a | The Head of SAI and his/her staff (the SAI) has free access to all necessary documents and information from the auditees in accordance with the legislation | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 3 | | Page iv |
| 4b | The Head of SAI and his/her staff (the SAI) has discretion in selection of audit issues | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 2 | Financial limitations. Currently the Executive may instruct. | Page iv |
| 4c | The Head of SAI and his/her staff (the SAI) has freedom to decide on content and timing of audit reports and to publish and disseminate them | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 3 | | Page v |
| 4d | The Head of SAI and his/her staff (the SAI) has direct submission of reports to Parliament | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 2 | First the Audit Report is submitted to the President and the Parliament. | Page v |

| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
|----------------------------------|---|---------------------------|------------------------|--------------------------------|---------------------------|-----------------------|----------|---------|
| 5a | The SAI has an effective follow-up mechanism on SAI <i>regularity audit</i> recommendations as well as those made by the Legislature | Click here to enter text. | X | Click here to enter text. | Click here to enter text. | 2 | | Page vi |
| 5b | The SAI has an effective follow-up mechanism on SAI <i>performance audit</i> recommendations as well as those made by the Legislature | Click here to enter text. | X | Click here to enter text. | Click here to enter text. | NA | | Page vi |
| INDEPENDENCE AND LEGAL FRAMEWORK | | No action taken | Some achievements made | Implemented, Improvement still | Full satisfaction | | | |

| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROSAI-E QA SCORING | Comments | Ref. |
|--------|--|---------------------------|---------|---------------------------|---------------------------|----------------------|----------|---------|
| 6 | The SAI submits an annual report on its own performance to Parliament and other key stakeholders | Click here to enter text. | X | Click here to enter text. | Click here to enter text. | 2 | | Page vi |

| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROSAI-E QA SCORING | Comments | Ref. |
|--------|---|---------------------------|---------------------------|---------------------------|---------|----------------------|--|----------|
| 7 | The Parliament or another oversight body appoints the SAI's external auditors | Click here to enter text. | Click here to enter text. | Click here to enter text. | X | 2 | De jure, it's the President that appoints. | Page vii |

| Q. no: | Question/statement | Yes | No | AFROSAI-E QA SCORING | | Comments | Ref. |
|--------|---|---------------------------|----|----------------------|--|----------|----------|
| 8 | The SAI has a Board <i>If "Yes" please describe the mandate of the board in the field for comments</i> | Click here to enter text. | X | NO | | | Page vii |

| Q. no: | Question/statement | General Comments on Independence and Legal Framework | | | AFROSAI-E QA SCORING | Ref. |
|--------|--|---|--|--|----------------------|------|
| | Please fill in if there are any general comments on the issue of independence and legal framework. If there is need of more space, please continue in the space at the end of the questionnaire or in an e-mail. | As required by the Transitional Constitution and the ethics of professional conduct, the auditor General is independent of the executive. | | | | |

ORGANIZATION AND MANAGEMENT

| ORGANIZATION AND MANAGEMENT | No action taken | Some achievements made | Implemented, Improvement still needed | Full satisfaction | | |
|-----------------------------|-----------------|------------------------|---------------------------------------|-------------------|--|--|
| | | | | | | |

| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
|--------|---|---------------------------|---------------------------|---------|---------------------------|-----------------------|---|-----------|
| 1a | The Head of SAI has implemented leadership responsibilities that promotes a culture of quality in all the work | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 2 | | Page viii |
| 1b | The Head of SAI has implemented measures to ensure that the SAI's managers and staff can carry out the audits according to international standards and other requirements (legal, competence, ethics, resources, supervision etc) | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 2 | Policies, manuals and guidelines have been developed but there is a lack of implementation. | Page viii |

| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
|--------|--|---------------------------|---------------------------|---------|---------------------------|-----------------------|--|-----------|
| 2 | The SAI has implemented a strategic plan based on needs assessments including gap analyses | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 2 | A strategic plan based on needs assessment has been developed, but it has not been implemented through an annual operational plan. | Page viii |

| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
|--------|--|---------------------------|---------------------------|---------|---------------------------|-----------------------|--|---------|
| 3 | The SAI has implemented a strategic planning process | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 2 | There was an initial strategic planning process with the involvement of NAC staff and consultants, but it is not a continuous process. | Page IX |

| ORGANIZATION AND MANAGEMENT | | No action taken | Some achievements made | Implemented, Improvement still needed | Full satisfaction | | | |
|-----------------------------|--------------------|-----------------|------------------------|---------------------------------------|-------------------|-----------------------|----------|------|
| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
| | | | | | | | | |

| | | | | | | | | |
|---|--|---|---------------------------|---------------------------|---------------------------|---|--|---------|
| 4 | The SAI has implemented a system for monitoring and evaluation of the strategic plan | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | No monitoring and evaluation of the strategic plan is taken place. Only evidence of monitoring is found in the progress reports of External Audit Agent. | Page IX |
|---|--|---|---------------------------|---------------------------|---------------------------|---|--|---------|

| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
|--------|--|---------------------------|---------------------------|---------------------------|---------------------------|-----------------------|--|---------|
| 5a | The SAI has implemented an annual operational plan based on a strategic plan | Click here to enter text. | X | Click here to enter text. | Click here to enter text. | 1 | Some development activities are included in the annual budget, but these are not linked to the strategic plan. | Page IX |
| 5b | The SAI has implemented an annual operational plan based on assessments of risks in the environment and expectations from stakeholders | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | See comment above | Page X |

| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
|--------|---|---------|---------------------------|---------------------------|---------------------------|-----------------------|----------|--------|
| 6 | The SAI has implemented a system for monitoring and evaluation of the annual operational plan | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | | Page X |

| ORGANIZATION AND MANAGEMENT | | No action taken | Some achievements made | Implemented, Improvement still needed | Full satisfaction | | | |
|-----------------------------|--------------------|-----------------|------------------------|---------------------------------------|-------------------|-----------------------|----------|------|
| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
| | | | | | | | | |

| | | | | | | | | |
|----|---|---------------------------|---------------------------|---------------------------|---------------------------|---|--|---------|
| 7a | The SAI is continually optimizing its organization | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 2 | An optimized organizational chart has been developed, but not implemented. | Page X |
| 7b | The SAI has an organizational development (OD) plan/policy in place | Click here to enter text. | X | Click here to enter text. | Click here to enter text. | 2 | It exist only through the futuristic organizational chart. | Page Xi |

| Q. no: | Question/statement | Level 1 <i>0 auditors</i> | Level 2 <i>Less than 10</i> | Level 3 <i>At least 10</i> | Level 4 <i>40% of audit staff</i> | AFROS AI-E QA SCORING | Comments | Ref. |
|--------|--|------------------------------|--------------------------------|-------------------------------|--------------------------------------|-----------------------|----------|---------|
| 8 | The SAI has a performance audit unit of at least XX auditors | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | | Page Xi |

| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
|--------|---|---------|---------------------------|---------------------------|---------------------------|-----------------------|----------|---------|
| 9 | The SAI has developed and IT/IS audit strategy for its IT/IS audits | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | | Page Xi |

| ORGANIZATION AND MANAGEMENT | | No action taken | Some achievements made | Implemented, Improvement still needed | Full satisfaction | | | |
|-----------------------------|---|-----------------|---------------------------|---------------------------------------|---------------------------|-----------------------|--|---------|
| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
| 10 | The SAI has an IT support function with at least one (1) IT person for every 30 staff members | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | One IT for the head quarters at the moment | Page Xi |

| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORI NG | Comments | Ref. |
|--------|---|----------|---------------------------|---------------------------|---------------------------|------------------------------------|--|----------|
| 11 | The SAI has implemented an internal control system built on international standards | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | The current internal control system does not consist of control environment, risk assessment, control activities, information and communication and monitoring. No internal audit. | Page Xii |

| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORI NG | Comments | Ref. |
|--------|---|----------|---------------------------|---------------------------|---------------------------|------------------------------------|------------------------------------|----------|
| 12 | The SAI has implemented a time recording system , which enables reporting on costs of staff | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | No time recording system in place. | Page Xii |

| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORI NG | Comments | Ref. |
|--------|--|---------------------------|---------------------------|----------|---------------------------|------------------------------------|--|----------|
| 13 | The SAI has implemented in line with INTOSAI standards (ISSAI 30) its own code of ethics | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 3 | A code of ethics and code of professional conduct has been developed. Sensitization is done through induction course. No systematic monitoring of compliance of code of ethics in audit engagements. | Page Xii |

| Q. no: | Question/statement | General Comments on Organization and Management | | | | | | Ref. |
|--------|---|---|--|--|--|--|--|------|
| | Please fill in if there are any general comments on the issue of organization and management. If there is need of more space, please continue in the space at the end of the questionnaire or in an e-mail. | Some work is needed as we need staff with professional capacities | | | | | | |

HUMAN RESOURCES

| HUMAN RESOURCES | | No action taken | Some achievements made | Implemented, Improvement still needed | Full satisfaction | | | |
|-----------------|--|---------------------------|---------------------------|---------------------------------------|---------------------------|-----------------------|--|-----------|
| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
| 1a | The SAI has implemented a Human Resource policy in line with best practice including provisions for recruitment of staff based on good practice criteria | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 2 | NAC developed own detailed Human Resource Manual which came into effect in December 2012. The manual provides appropriate Human Resource policies and procedures. High level over view was done barely two months after coming in operation of the manual, no implementation done the team to evaluate the effect of utilization of the manual in practice by staff. | Page Xiii |
| 1b | The SAI has implemented a Human Resource policy in line with best practice including provisions for remuneration of staff based on performance | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | do | Page Xiii |
| 1c | The SAI has implemented a Human Resource policy in line with best practice including provisions for mechanisms to retain qualified staff | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | do | Page Xiii |
| 1d | The SAI has implemented a Human Resource policy in line with best practice including provisions for performance/appraisal management systems | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | do | Page Xiii |

| | | | | | | | | |
|----|--|---------------------------|---------------------------|---|---------------------------|---|----|-----------|
| 1e | The SAI has implemented a Human Resource policy in line with best practice including provisions for career development | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 2 | do | Page Xiii |
| 1f | The SAI has implemented a Human Resource policy in line with best practice including provisions for training | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 2 | do | Page Xiv |

| HUMAN RESOURCES | | No action taken | Some achievements made | Implemented, Improvement still needed | Full satisfaction | | | |
|-----------------|---|---------------------------|---------------------------|---------------------------------------|---------------------------|-----------------------|----------|----------|
| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
| 1g | The SAI has implemented a Human Resource policy in line with best practice including provisions for professional development of staff | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 2 | do | Page Xiv |
| 1h | The SAI has implemented a Human Resource policy in line with best practice including provisions for job rotation practices | Click here to enter text. | X | Click here to enter text. | Click here to enter text. | 2 | do | Page Xiv |

| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
|--------|--|---------------------------|---------------------------|---------|---------------------------|-----------------------|----------|----------|
| 2 | The SAI has implemented a monitoring and evaluation system of the different aspects of a Human Resource development policy | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 2 | do | Page Xiv |

| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
|--------|--------------------|---------|---------|---------|---------|-----------------------|----------|------|
|--------|--------------------|---------|---------|---------|---------|-----------------------|----------|------|

| | | | | | | | | |
|---|---|---------------------------|---|---------------------------|---------------------------|---|--|----------|
| 3 | The SAI's annual development plan is implemented and aligned with the strategic plan and/or relevant operational plan | Click here to enter text. | X | Click here to enter text. | Click here to enter text. | 2 | | Page xiv |
|---|---|---------------------------|---|---------------------------|---------------------------|---|--|----------|

| HUMAN RESOURCES | | No action taken | Some achievements made | Implemented, Improvement still needed | Full satisfaction | | | |
|-----------------|---|---------------------------|---------------------------|---------------------------------------|---------------------------|-----------------------|----------|----------|
| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
| 4a | The SAI is managing its development process in accordance with international standards and good practice | Click here to enter text. | X | Click here to enter text. | Click here to enter text. | 1 | | Page Xv |
| 4b | The SAI is managing its welfare program in accordance with international standards and good practice | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | | Page Xv |
| 4c | The SAI is managing its performance appraisal system in accordance with international standards and good practice | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 2 | | Page Xv |
| 4d | The SAI is managing its mechanism to fill vacant posts in accordance with international standards and good practice | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 2 | | Page Xvi |

| HUMAN RESOURCES | | No action taken | Some achievements made | Implemented, Improvement still needed | Full satisfaction | | | |
|-----------------|---|---------------------------|---------------------------|---------------------------------------|---------------------------|-----------------------|---------------------------------------|-----------|
| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
| 5a | The SAI has implemented training programs for new entrants | Click here to enter text. | Click here to enter text. | Click here to enter text. | X | 3 | | Page Xvi |
| 5b | The SAI has implemented training programs for management | Click here to enter text. | X | Click here to enter text. | Click here to enter text. | 2 | Plan in place but not implemented yet | Page Xvi |
| 5c | The SAI has a specific management development program (MDP) in place in accordance with international standards and good practice | Click here to enter text. | X | Click here to enter text. | Click here to enter text. | 2 | Same as above | Page Xvi |
| 5d | The SAI has implemented training programs for staff on the job training | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 2 | Same as above | Page Xvi |
| 5e | The SAI has implemented training programs for professional qualifications | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | | Page xvii |

| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
|--------|--|---------------------------|---------|---------------------------|---------------------------|-----------------------|--|-----------|
| 6 | The SAI has implemented a monitoring and evaluation system of the different aspects of training and results achieved | Click here to enter text. | X | Click here to enter text. | Click here to enter text. | 2 | Training department is the focal point | Page xvii |

| HUMAN RESOURCES | | No action taken | Some achievements made | Implemented, Improvement still needed | Full satisfaction | | | |
|-----------------|---|---------------------------|---------------------------|---------------------------------------|---------------------------|-----------------------|-------------------------------------|-----------|
| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
| 7a | The SAI has fulltime/part-time trainers providing in-house training for regularity auditors in accordance with the strategic plan. <i>(Please indicate on relevant level the number of trainers)</i> | Click here to enter text. | X | Click here to enter text. | Click here to enter text. | 2 | Training mainly made by consultants | Page xvii |
| 7b | The SAI has fulltime/part-time trainers providing in-house training for performance auditors in accordance with the strategic plan. <i>(Please indicate on relevant level the number of trainers)</i> | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | Performance audit is on process | Page xvii |

| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
|--------|---|---------------------------|----------|---------------------------|---------------------------|-----------------------|---------------------------------------|------------|
| 8 | The SAI has implemented a “system”, which encourages the staff to find, use, manage and share information, knowledge and skills | Click here to enter text. | X | Click here to enter text. | Click here to enter text. | 2 | Plan in place but not implemented yet | Page xviii |

| Q. no: | Question/statement | General Comments on Human Resources | | | | | | Ref. |
|--------|---|---|--|--|--|--|--|------|
| | Please fill in if there are any general comments on the issue of Human Resources. If there is need of more space, please continue in the space at the end of the questionnaire or in an e-mail. | Some works are needed for the HR system to comply with International Standards. | | | | | | |

AUDIT METHODOLOGY AND STANDARDS

| AUDIT METHODOLOGY AND STANDARDS | | No action taken | Some achievements made | Implemented, Improvement still needed | Full satisfaction | | | |
|---------------------------------|--|---------------------------|---------------------------|---------------------------------------|---------------------------|-----------------------|---|----------|
| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
| 1a | The SAI has an overall annual audit plan covering assessments of constraints | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 1 | There is no overall audit plan but the audits are carried out on the basis of what is known to MGT but this is not documented anywhere. | Page Xix |
| 1b | The SAI has an overall annual audit plan covering current issues and stakeholder expectations | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 1 | Same as above | Page Xix |
| 1c | The SAI has an overall annual audit plan covering risk assessments for prioritizing audit | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 1 | Same as above | Page Xix |
| 1d | The SAI has an overall annual audit plan covering clear statement of audit coverage | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 1 | Same as above | Page Xix |
| 1e | The SAI has an overall annual audit plan covering activity plans for <i>regularity audits</i> | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 1 | Same as above | Page Xx |
| 1f | The SAI has an overall annual audit plan covering activity plans for <i>performance audits</i> | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | No performance audits are carried out | Page Xx |

| AUDIT METHODOLOGY AND STANDARDS | | No action taken | Some achievements made | Implemented, Improvement | Full satisfaction | | | |
|---------------------------------|--|-----------------|------------------------|--------------------------|-------------------|--|--|--|
|---------------------------------|--|-----------------|------------------------|--------------------------|-------------------|--|--|--|

| | | | | still needed | | | | |
|--------|--|----------|---------------------------|---------------------------|---------------------------|-----------------------|---|---------|
| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
| 1g | The SAI has an overall annual audit plan covering addressing of backlogs | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | Backlogs dealt with following the above methodology. Backlogs have however been dealt with. | Page Xx |

| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
|--------|--|---------------------------|---------------------------|---------------------------|---------------------------|-----------------------|---|----------|
| 2a | The SAI's <i>regularity audit manual</i> is implemented and aligned to international standards | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 2 | The Manual developed refers both to ISAs and ISSAIs. It does not include all relevant ISSAI requirements. | Page Xx |
| 2b | The SAI's <i>regularity audit manual</i> is implemented and connected to a training program | Click here to enter text. | X | Click here to enter text. | Click here to enter text. | 2 | Training was carried out but it was not sufficient. Some on-the-job training. | Page Xxi |
| 2c | The SAI's <i>regularity audit manual</i> is implemented and is reviewed and updated on a regular basis | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | | Page Xxi |
| 2d | The SAI's <i>regularity audit manual</i> is customized to fit the country SAI's specific prerequisites | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 2 | The manual in use is more of a generic version than a customized one | Page Xxi |

| AUDIT METHODOLOGY AND STANDARDS | | No action taken | Some achievements made | Implemented, Improvement still needed | Full satisfaction | | | |
|---------------------------------|--------------------|-----------------|------------------------|---------------------------------------|-------------------|-----------------------|----------|------|
| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
| | | | | | | | | |

| | | | | | | | | |
|----|--|----------|---------------------------|---------------------------|---------------------------|----------|---|-----------|
| | | | | | | NG | | |
| 3a | The SAI's <i>performance audit manual</i> is implemented when it comes to alignment to international standards | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | No performance audit function in place. | Page Xxi |
| 3b | The SAI's <i>performance audit manual</i> is implemented when it comes to connection to a training program | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | | Page Xxii |
| 3c | The SAI's <i>performance audit manual</i> is implemented when it comes to regular reviewing and updating | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | | Page Xxii |
| 3d | The SAI's <i>performance audit manual</i> is customized to fit the country SAI's specific prerequisites | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | | Page Xxii |

| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORI NG | Comments | Ref. |
|--------|---|---------------------------|---------------------------|----------|---------------------------|------------------------------------|--|-----------|
| 4a | The SAI has implemented quality control measures for <i>regularity audit</i> when it comes to SAI policy and procedures | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 2 | There is no evidence on audit files that actually a quality control mechanism is in place. However, it was reported that extensive quality review is taking place, but this is not documented. | Page Xxii |

| AUDIT METHODOLOGY AND STANDARDS | | No action taken | Some achievements made | Implemented, Improvement still needed | Full satisfaction | | | |
|---------------------------------|--------------------|-----------------|------------------------|---------------------------------------|-------------------|------------------------------------|----------|------|
| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORI NG | Comments | Ref. |
| | | | | | | | | |

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|----|--|---------------------------|---------------------------|---|---------------------------|---|--|------------|
| 4b | The SAI has implemented quality control measures for <i>regularity audit</i> when it comes to definition of roles and responsibilities | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 2 | The definition of roles in place but no clear follow up mechanism in place | Page xxiii |
| 4c | The SAI has implemented quality control measures for <i>regularity audit</i> when it comes to specification and planning of type of review, including nature, scope and frequency | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 2 | | Page xxiii |
| 4d | The SAI has implemented quality control measures for <i>regularity audit</i> when it comes to a quality assurance handbook/guideline for full compliance with international standards (ISSAIs) | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 1 | No quality assurance system in place and as such there is no unit in the SAI to ensure quality | Page xxiii |

| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
|--|--|-----------------|---------------------------|---------------------------------------|---------------------------|-----------------------|----------|-----------|
| 5a | The SAI has implemented quality control measures for <i>performance audit</i> when it comes to SAI policy and procedures | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | | Page xxiv |
| 5b | The SAI has implemented quality control measures for <i>performance audit</i> when it comes to definition of roles and responsibilities | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | | Page xxiv |
| 5c | The SAI has implemented quality control measures for <i>performance audit</i> when it comes to specification and planning of type of review, including nature, scope and frequency | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | | Page xxiv |
| AUDIT METHODOLOGY AND STANDARDS | | No action taken | Some achievements made | Implemented, Improvement still needed | Full satisfaction | | | |
| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |

| | | | | | | | | |
|----|---|----------|---------------------------|---------------------------|---------------------------|----------|--|----------|
| 5d | The SAI has implemented quality control measures for <i>performance audit</i> when it comes to a quality assurance handbook/guideline for full compliance with international standards (ISSAIs) | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | | Page Xxv |
| 5e | The SAI has implemented an appropriate system with pre-issuance reviews of all <i>performance audit</i> reports | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | | Page Xxv |

| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
|--------|--|----------|---------------------------|---------------------------|---------------------------|-----------------------|---|-----------|
| 6a | The SAI has been peer reviewed/quality assessed during the year by SAIs outside the AFROSAI-E region | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | NAC has not been assessed prior to the visit of the AFROSAI-E QA review team in March 2013. | Page Xxv |
| 6b | The SAI has been peer reviewed/quality assessed during the year by AFROSAI-E | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | NAC has not been assessed prior to the visit of the AFROSAI-E QA review team in March 2013. | Page xxvi |
| 6c | The SAI has been peer reviewed/quality assessed during the year by SAIs in the region but not part of the regional program | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | AFROSAI-E Quality Review Assessment is due in March 2013. | Page xxvi |

| AUDIT METHODOLOGY AND STANDARDS | | No action taken | Some achievements made | Implemented, Improvement still needed | Full satisfaction | | | |
|---------------------------------|--|-----------------|---------------------------|---------------------------------------|---------------------------|-----------------------|----------|-----------|
| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
| 7a | The SAI is using tools such as electronic working papers | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | | Page xxvi |

| | | | | | | | | |
|----|---|----------|---------------------------|---------------------------|---------------------------|----------|--|-----------|
| 7b | The SAI is using tools such as computer assisted audit techniques (CAATS) | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | | Page xxvi |
|----|---|----------|---------------------------|---------------------------|---------------------------|----------|--|-----------|

| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
|--------|---|---------------------------|----------|---------------------------|---------------------------|-----------------------|---|-----------|
| 8 | The SAI has implemented a communication strategy for the relations with the auditee | Click here to enter text. | 2 | Click here to enter text. | Click here to enter text. | 2 | There is no written strategy on how the SAI should interact with the auditee in a uniform manner. There are however working papers and text in the audit manual regulating formal communication with the auditee. | Page xxvi |

| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
|--------|--|---------------------------|---------------------------|---------------------------|---------------------------|-----------------------|----------|------------|
| 9a | The SAI has implemented a regular communication process with relevant experts | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 1 | | Page xxvii |
| 9b | The SAI has implemented a regular communication process with professional bodies | Click here to enter text. | X | Click here to enter text. | Click here to enter text. | 1 | | Page xxvii |

| AUDIT METHODOLOGY AND STANDARDS | | No action taken | Some achievements made | Implemented, Improvement still needed | Full satisfaction | | | |
|---------------------------------|--|-----------------|---------------------------|---------------------------------------|---------------------------|-----------------------|----------|------------|
| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
| 9c | The SAI has implemented a regular communication process with relevant journals | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | | Page xxvii |

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|----|--|---------------------------|---------------------------|---------------------------|---------------------------|----------|--|-------------|
| 9d | The SAI has implemented a regular communication process with internal auditors using results in line with international standards (ISSAIs) | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | | Page xxvii |
| 9e | The SAI has implemented a regular communication process with other important sector institutions | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 1 | | Page xxviii |

| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
|--------|---|---------------------------|---------------------------|---------------------------|---------------------------|-----------------------|--|-------------|
| 10a | The SAI has implemented a follow-up of previous recommendations to be included in the present audit and its reporting | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 1 | This does not appear to be done systematically. As of now NAC has audited two financial years at a time. | Page xxviii |
| 10b | The SAI reports to Parliament on the implementation status of the PAC recommendations | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | | Page xxviii |

| AUDIT METHODOLOGY AND STANDARDS | | No action taken | Some achievements made | Implemented, Improvement still needed | Full satisfaction | | | |
|---------------------------------|---|---------------------------|---------------------------|---------------------------------------|---------------------------|-----------------------|--|-------------|
| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
| 10c | The SAI has implemented a standards structure of reports that are user friendly with materiality considerations | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 3 | The reports are well structured and user friendly. | Page xxviii |

| Q. no: | Question/statement | General Comments on Audit Methodology and Standards | Ref. |
|--------|--------------------|---|------|
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| | <p>Please fill in if there are any general comments on the issue of audit methodology and standards. If there is need of more space, please continue in the space at the end of the questionnaire or in an e-mail.</p> | <p>The methodology issues are on process of being adopted but a lot is yet to be done, like setting up a quality Assurance function to ensure proper implementation and adherence to Standards</p> | |
|--|--|--|--|

COMMUNICATION AND STAKEHOLDER MANAGEMENT

| COMMUNICATION AND STAKEHOLDER MANAGEMENT | | No action taken | Some achievements made | Implemented, Improvement still needed | Full satisfaction | | | |
|--|--|---------------------------|---------------------------|---------------------------------------|---------------------------|-----------------------|---|-----------|
| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
| 1a | The SAI has implemented a communication policy and strategy based on the legal framework | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | No policy in place except some definitions in chapter 10 of Human resource manual | Page xxix |
| 1b | The SAI has implemented a communication policy and strategy based on the SAI's vision, mission and values | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 1 | | Page xxix |
| 1c | The SAI has implemented a communication policy and strategy based on stakeholder analysis (including prioritization) | Click here to enter text. | X | Click here to enter text. | Click here to enter text. | 1 | | Page xxix |
| 1d | The SAI has implemented a communication policy and strategy based on a SWOT, or similar, analysis | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 1 | | Page xxix |
| 1e | The SAI has implemented a communication policy and strategy based on GAP analysis considerations | Click here to enter text. | X | Click here to enter text. | Click here to enter text. | 1 | | Page Xxx |

| COMMUNICATION AND STAKEHOLDER MANAGEMENT | | No action taken | Some achievements made | Implemented, Improvement still needed | Full satisfaction | | | |
|--|--------------------|-----------------|------------------------|---------------------------------------|-------------------|---------------|----------|------|
| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA | Comments | Ref. |

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|----|--|---------------------------|---------------------------|---------------------------|---------------------------|----------|--|----------|
| | | | | | | SCORING | | |
| 2a | The SAI has implemented channels of communication between the SAI and the Parliament | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 3 | | Page Xxx |
| 2b | The SAI has implemented channels of communication between the SAI and the PAC | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 3 | | Page Xxx |
| 2c | The SAI has implemented channels of communication between the SAI and the Judiciary | Click here to enter text. | X | Click here to enter text. | Click here to enter text. | 2 | | Page Xxx |

| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
|--------|--|---------------------------|---------------------------|----------|---------------------------|-----------------------|----------|-----------|
| 3a | The SAI has implemented ad hoc meetings with Ministry of Finance | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 2 | | Page Xxx |
| 3b | The SAI has implemented ad hoc meetings with oversight bodies (Such as Parliament, PAC, other committees, anticorruption institutions) | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 3 | | Page xxxi |

| COMMUNICATION AND STAKEHOLDER MANAGEMENT | | No action taken | Some achievements made | Implemented, Improvement still needed | Full satisfaction | | | |
|--|--------------------|-----------------|------------------------|---------------------------------------|-------------------|-----------------------|----------|------|
| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
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|----|---|---------------------------|---------------------------|----------|---------------------------|----------|--|-----------|
| 4a | The SAI has implemented an internal communication system including alignment of staff to SAI's vision, mission and objectives | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 2 | | Page xxxi |
| 4b | The SAI has implemented an internal communication system including effective information sharing practices, websites, meetings, newsletters | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 2 | | Page xxxi |

| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |
|---|--|---------------------------|---------------------------|---------------------------------------|---------------------------|-----------------------|---------------------------|------------|
| 5a | The SAI has implemented participation in workshops/seminars to promote the SAI via media | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 2 | | Page xxxi |
| 5b | The SAI has implemented participation in workshops/seminars to promote the SAI via the public | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 2 | | Page xxxii |
| 5c | The SAI has implemented participation in workshops/seminars to promote the SAI via academic institutions | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 1 | No evidence of such plans | Page xxxii |
| 5d | The SAI has implemented participation in workshops/seminars to promote the SAI via international community and organizations | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 3 | | Page xxxii |
| COMMUNICATION AND STAKEHOLDER MANAGEMENT | | No action taken | Some achievements made | Implemented, Improvement still needed | Full satisfaction | | | |
| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |

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|--------|---|---------------------------|---------------------------|---------------------------------------|---------------------------|--------------------------------|----------|-------------|
| 6a | The SAI's annual <i>regularity audit coverage</i> in % of the national budget expenditures | Click here to enter text. | Click here to enter text. | X | Click here to enter text. | 3 | | Page xxxii |
| 6b | At the SAI has during the year been published X number of <i>performance audit reports</i> | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | | Page xxxiii |
| 6c | The SAI is using X number/percentage of its audit staff for <i>performance audit</i> | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | | Page xxxiii |
| 6d | The SAI has integrated <i>IT/IS audit in performance audit</i> and <i>regularity audit</i> | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | | Page xxxiii |
| 6e | The SAI's annual <i>IT/IS audit coverage</i> in % of the number of national IS systems | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | | Page xxxiii |
| 6f | The time for submission of the annual audit report to the Parliament/Executive within months of the end of the period covered | Click here to enter text. | X | | Click here to enter text. | 2 | | Page xxxiii |
| 6g | The percentage of implemented <i>regularity audit</i> recommendations after two (2) years | Click here to enter text. | X | Click here to enter text. | | 1 | | Page xxxiii |
| | COMMUNICATION AND STAKEHOLDER MANAGEMENT | No action taken | Some achievements made | Implemented, Improvement still needed | Full satisfaction | | | |
| Q. no: | Question/statement | Level 1 | Level 2 | Level 3 | Level 4 | AFROS AI-E QA SCORING | Comments | Ref. |

| | | | | | | | | |
|----|--|---------------------------|---------------------------|---------------------------|---------------------------|----------|---------------------------------|-------------|
| 6h | The percentage of implemented <i>performance audit</i> recommendations after three (3) years | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | No performance audit undertaken | Page xxxiii |
| 6i | The percentage of key stakeholders who consider that <i>regularity audit</i> adds value to the stakeholders and the country | Click here to enter text. | Click here to enter text. | Click here to enter text. | X | 2 | | Page xxxiv |
| 6j | The percentage of key stakeholders who consider that <i>performance audit</i> adds value to the stakeholders and the country | X | Click here to enter text. | Click here to enter text. | Click here to enter text. | 1 | No performance audit undertaken | Page xxxiv |

| Q. no: | Question/statement | General Comments on Communication and Stakeholder Management | Ref. |
|--------|--|--|------|
| | Please fill in if there are any general comments on the issue of communication and stakeholder management. If there is need of more space, please continue in the space at the end of the questionnaire or in an e-mail. | Performance audit department is yet to be set and hence no such audit has been done. | |