



2017 STATE OF THE REGION: ICBF SELF-ASSESSMENT REPORT

*Presented at the AFROSAI-E Governing Board meeting in Kigali, Rwanda,
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List of Abbreviations

AFROSAI	African Organisation of Supreme Audit Institutions
AFROSAI-E	African Organisation of English-speaking Supreme Audit Institutions
CAM	Compliance Audit Manual
ELDP	Executive Leadership Development Programme
FAM	Financial Audit Manual
ICBF	Institutional Capacity Building Framework
IDI	INTOSAI Development Initiative
INTOSAI	International Organization of Supreme Audit Institutions
IntoSAINT	Self-Assessment INTEgrity: A tool to assess the vulnerability and resilience to integrity violations of Supreme Audit Institutions, developed by the Netherlands Court of Audit
ISSAI	International Standards of Supreme Audit Institutions
ITAM	Information Technology Audit Manual
MDP	Management Development Programme
MoF	Ministry of Finance
PAC	Public Accounts Committee
PEFA	Public Expenditure and Financial Accountability
PEFA PI	PEFA Framework Performance Indicator
PA	Performance Audit
PAM	Performance Audit manual
PFM	Public Financial Management
QA	Quality Assurance
QC	Quality Control
RA	Regularity Audit
RAM	Regularity Audit Manual
SAI	Supreme Audit Institution
SAI PMF	Supreme Audit Institution Performance Measurement Framework
SLDP	Senior Leadership Development Programme
WGVBS	INTOSAI Working Group on the Value and Benefits of SAIs

FOREWORD

It is my great pleasure to present the 2017 State of the Region: ICBF Self-Assessment Report. The report provides information from a SAI institutional perspective on the level of development and that of the public-sector auditing in the region. Based on a yearly review of the assessment questions, the questionnaire has been updated and some questions have been revised in line with changes to the requirements of ISSAI 12, ISSAI 20, the new ISSAI 30, ISSAI 40, ISSAI 100, 200, 300 and 400.

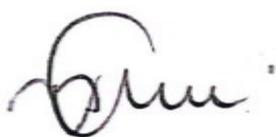
Whilst the challenges highlighted in this report are enormous, it is certainly within the capability of all SAIs to continue improving their performance, and thus facilitate public service transparency and accountability throughout the region. Over time progress made by SAIs is visible and will eventually demonstrate the impact of their work in the years ahead by means of improved accountability, transparency and governance in the region's public sector.

At the regional level capacity building support is provided to SAIs in form of regional training workshops, development of audit guidance materials, SAI level support visits and other interventions as contributions towards efficient and effective ISSAI implementation at the SAI level. The responsibility rests with SAIs to use such information and materials to identify gaps within the framework of their individual resource constraints as inputs that would ensure the deliverance of value and benefits to their societies.

We held a training workshop on the ICBF guideline in February 2018, to enhance the understanding of the ICBF questions, the scoring criteria, and to improve the quality of the self-assessment results. It is expected that this will become an annual intervention to provide SAIs with a platform to discuss and share experiences regarding the use of the self-assessment results and the extent to which the results correlate with QA support visits findings. High correlation of the ICBF self-assessment results to the institutional QA reviews is extremely important to the identification of the capacity gaps and introduction of relevant interventions at regional level. This will enhance the Secretariat's deeper understanding of the individual SAI and regional needs.

For the third year running, we used the **SurveyMonkey** platform, enabling us to receive all questionnaire responses online. We envisage that going forward the Secretariat will continue to automate its offerings. We will also continue to link the outcome of this self-assessment to the SAI needs and impact of the capacity building interventions in the region. Going forward, we will refine the way in which we report to lift strategically important elements that need attention at SAI and regional level.

It should however be noted that, when the leadership of member-SAIs and the Secretariat take co-ownership to transfer skills and implement guidance and following capacity building interventions, improvements in the SAIs will be exponential. This improvement will be enhanced by the cooperation and coordinated efforts of donors with bilateral agreements in SAIs and the Secretariat's interventions in the SAIs and in the region.



MMR Nkai
Chief Executive Officer
AFROSAI-E Secretariat

EXECUTIVE SUMMARY

Over the past 12 years there has been a general improvement across the five ICBF domains on an incremental basis. Given the increasing capacity building interventions provided across the region during this period, it is possible to see the link to the impact being made. The 2017 SAI self-assessment scorings also show marginal increases across the domains. The exceptions being the independence and legal framework domain which scored marginally lower than the previous year and the organisation and management domain which remain unchanged. The summaries at the end of each chapter highlights at least two actions that SAIs must prioritise for visible progress.

The results in the 2017 report show that the member SAIs' responses are stabilising. There is more self-awareness by SAIs as they complete the questionnaire, thus allowing for a more consistent way of interpreting results between the years. However, there are still some areas where SAIs overrated and/or underrated themselves across the five domains. As a result, the correlation level between the self-assessment results and those of the quality assurance support visit reviews is about 68% (2016:70%).

Notwithstanding, in their comments SAIs identified six cross cutting challenges and risks in their capacity building efforts namely:

- funding constraints
- the leadership capacity gap
- the absence of robust quality control management systems
- the delayed or non-communication of audit results
- weak implementation of existing policies and tools
- weak monitoring and evaluation of SAI systems, processes and outcomes

On average, the responses to the quality control measures for SAIs in the region ranges from fair to good. However, a considerable number of SAIs are yet to set up quality assurance functions to monitor compliance with their policies, processes, structures and systems. According to the general findings of quality assurance support visits, the quality control monitoring tools like quality assurance handbooks/guidelines and quality assurance annual programmes, were in draft form and a were outdated. The SAI measures were found to be outdated and or in draft form over a number of years. It is therefore important for SAIs to continue strengthening their quality control management and monitoring measures to ensure the delivery of credible audit services.

The results show that SAIs are closing performance gaps and addressing challenges at an increasing rate. This shows positive development for the region. However, some of these gaps are of concern as they can threaten the effectiveness of SAIs. These continue to be persistent challenges that SAIs face now and potentially in the future.

Gaps and challenges in the other four domains relate to the existence of SAI policies and systems versus their actual implementation and, the development of ISSAI compliant audit tools and their practical usage by the SAI auditors. Key constraints continue to be funding challenges and skills gaps to implement the policies, strategies and deploy tools. The absence of effective communication policies and tools at both the SAI business and strategic levels may also be a factor.

Implications for SAIs and regional stakeholders

The observations also raise several capacity building concerns for the attention of SAI leadership teams. Opportunities to overcome/minimise some of the challenges that are facing SAI leadership

teams, do exist across all the five domains of the ICBF and can be exploited through the mechanism described below in the following critical areas:

1. Operationalising SAI independence presents opportunities and challenges for SAIs to develop tools and the abilities necessary for lobbying the legislature and the executive to create an enabling environment that is necessary for the SAI to effectively execute its mandate. Within this domain the development and implementation of effective follow-up mechanisms by SAIs at the institutional level is also relevant to demonstrate value and benefits to citizens.
2. Building capacity of SAIs during this period of global disruptive change and uncertainty requires leadership to show and lead the way. The principles and requirements of ISSAI 12 and the new ISSAI 30, mean SAI leadership face challenges and opportunities to establish integrity control systems as a means of promoting preventive approaches to manage integrity and ethical challenges in the work place. The quality assurance support visits showed that a number of SAIs were operating using outdated strategic plans and that their operational plans were not adequately linked and aligned to strategic plans.
3. The HR domain also present opportunities and challenges for SAIs to leverage the professionalisation and competency framework developments being championed by the INTOSAI Capacity Building Committee (CBC) and the Secretariat. Within these initiatives the development of critical leadership and management, which would inspire and drive the SAI change agenda, is fundamental. The development and implementation of HR policies and strategies aligned to the SAI strategic goals and objectives is also important for SAIs to become model organisations.
4. The gaps and challenges in the audit standards and methodology domains can provide various capacity development opportunities for SAIs to acquire relevant auditing knowledge and skills in financial, performance, compliance, IT auditing and other thematic auditing disciplines. Critical though, is the need for SAIs to prioritise and address the Information Technology/Systems auditing capacity gaps, created by the automation of the public financial management systems and processes in the region.
5. SAIs should continue prioritising the value of both internal and external stakeholders. Consequently, the development and implementation of stakeholder engagement tools, policies and strategies that can be customised to specific SAI environment(s) is necessary. Another communication tool that can enhance the value and benefits of SAIs is the development and publication of the SAIs' own performance reports. This would entail setting up systems and processes for an organisational performance reporting mechanism.

CHAPTER 1: BACKGROUND

1.1 The ICBF

The ICBF consists of five development levels (1 to 5) and five institutional domains namely:

1. Independence and Legal Framework,
2. Organisation and Management,
3. Human Resources,
4. Audit Standards and Methodology and,
5. Communication and Stakeholder Management.

It is based on the International Standards of Supreme Audit Institutions (ISSAIs) and other international and regional best practices as benchmarks against which development and performance is measured. The intent is to reach the established level (level 3) and ideally an optimised level (level 4) of institutional capacity on each of the five domains in the best possible way. By using the ICBF, a SAI enhances its possibilities to develop its different branches in parallel. For example, strategic management, core auditing business and corporate services, so that they can be linked to support each other. This is especially important in relation to the linkages between the functional / operational planning of a SAI and its strategic planning, monitoring and reporting functions and or processes.

The objective of the framework is to help the SAI focus on how it can improve its results and thereby its position in relation to its counterparts in the INTOSAI community and specifically in the AFROSAI-E region. It is therefore much more than an instrument for self-assessment which differentiates it from most other capacity building models. An illustration of the development levels of the ICBF is presented in table 1 below:

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

Table 1: The five levels and the institutional perspective on each level in the ICBF

Each domain in the framework is composed of elements (appendix 1) considered necessary to build a sustainable SAI and all indicators must be met before a SAI can achieve a particular level. Furthermore, the domains are interdependent of each other. For example, communication is an important cross cutting issue for independence, audit standards and human resources and thus would need to be developed not only in the communication and stakeholder management domain but practiced across other domains as well.

While the assessments results of the individual domains of the ICBF provide useful information on their own, analysis of information from all and across the domains is fundamental to come up with a comprehensive measure of the region's or a SAI's level of development.

1.2 The ICBF Annual Questionnaire

The Institutional Capacity Building Framework (ICBF) questionnaire enables SAIs to do self-assessments of their performance and measure their own compliance with ISSAIs. The questionnaire is developed based on the five ICBF domains and its five development levels. The 2017 questionnaire has 194 questions divided into the five domains of the ICBF (141 questions) as well as an additional section containing general questions (53 questions) addressing the SAI outputs, outcomes and its environment. The results of the questionnaire responses were aggregated to produce this Report. The general questions are not used to measure the SAI development levels but are instead used to provide context and add to the narrative content of the report.

The report covers a broad overview on how the region has progressed and developed within the five domains of the ICB framework. In order to provide greater perspective, comparative results for years 2015 to December 2017, were used. The analysis address issues relating to this new strategic direction. Some of the key questions were adjusted to align with the indicators and the criteria used in the SAI-PMF.

Notwithstanding the above factors, the questions are still aligned to the basic values and principles of the five domains of the ICBF and its regional context. Lessons learnt from previous surveys were captured and instrumental in shaping the questions for the 2015-2019 strategic period.

Response rates over the years

Year	Response rate
2006	52%
2007	57%
2008	74%
2009	96%
2010	100%
2011	87%
2012	88%
2013	100%
2014	92%
2015	96%
2016	92%
2017	96%

Table 2: Number of SAIs responding to the survey over the years 2006-2017

1.3 Quality Assurance Reviews

Institutional quality assurance reviews are conducted on a three-year basis at SAIs and are used as, amongst others, a mechanism to monitor compliance with ISSAIs and against the five ICBF domains.

The focus of the reviews is both on the audit engagements and institutional levels of SAIs and a confidential report is submitted to the Auditor General together with recommendations for improvement. In 2017 two Quality Assurance Certification workshops were held to certify regional QA reviewers based on the new audit manuals and ICBF. The SAIs are expected to use the certified individuals for quality reviews on their audit engagements without replacing the engagement managers' responsibilities of supervision and review. The Secretariat is also using the certified reviewers during the tri-annual quality assurance reviews. The main observations from the reviews are summarised and form part of the findings and conclusions of this report.

The objectivity and credibility of the annual self-assessment results are ensured to an extent through the quality assurance reviews. The results of the quality assurance reviews are compared to the self-assessment results to highlight areas where the SAI are over or under rated. It is therefore important for SAI leadership to consider their QAR outcomes and corrective action implemented when completing the ICBF survey.

1.4 AFROSAI-E Development Tools

AFROSAI-E has embarked on a structured process to support members-SAIs to comply and implement the ISSAIs by focussing on the following key activities:

- Developing audit tools and training interventions
- Providing support and assistance on request of members
- Supporting its member SAI to establish robust quality control practices
- Monitoring the implementation of with ISSAIs.

In support of the developmental targets set by the Governing Board for the region, the Secretariat produces a range of capacity building tools. These include guidance materials (handbooks, guidelines and manuals), courseware (including e-learning programmes), training workshops (regional and in-country) as well as on-site support and quality assurance reviews. The following manuals were launched during 2017:

- Financial Audit Manual
- Compliance Audit Manual
- IT Audit Manual

In-country roll-outs of the Management Development (MDP) courses and follow-up workshops are also used to customise and implement the range of development tools that are available. The Senior Leadership Development Programme (SLDP) as well as the Executive Leadership Development Programme (ELDP) are also designed to support the establishment of professional, relevant and competent top leaders that would lead their organisations towards full compliance with international standards. Details of these programmes are included in the Integrated Annual Report.

The development of SAIs in the region is not only based on capacitating resource persons from members but is also materially dependent on support from institutional and other partners. We are working closely with subject matter experts from its institutional and other partners together with members who are willing to support their counterparts at regional and bilateral events. In view of the

need to strengthen this model of working relationships, resource persons are organised into different networks to enable the building of capacity within the different strategic imperatives.

1.5 The ICBF and SAI-Performance Measurement Framework (SAI-PMF)

The ICBF questions have been partially aligned to the SAI Performance Measurement Framework (SAI-PMF) to allow the region to effectively monitor developments.

Box 1: Domains of the ICBF and SAI-PMF

ICBF Domains	SAI-PMF Domains
Domain 1: Independence & Legal Framework	Domain 1: Independence & Legal Framework
Domain 2: Organisation and Management	Domain 2: Internal Governance & Ethics
Domain 3: Human Resources	Domain 3: Audit Quality & Reporting
Domain 4: Audit Standards & Methodology	Domain 4: Financial Management, Assets and Support Services
Domain 5: Communication & Stakeholder Management	Domain 5: Human Resources & Training
	Domain 6: Communication & Stakeholder Management

Although the ICBF and SAI PMF tools assign different domain names, i.e. the ICBF has five and the SAI-PMF has seven (refer to Box 1); on a general level the two frameworks use similar criteria to measure performance. In terms of the criteria for assessment the ICBF is aligned to the SAI-PMF. However, there are areas where the two frameworks differ and that is in relation to weighting when addressing the methodology of scoring, overall scoring

per domain, external reviews processes and what defines a domain and indicator.

Going forward the ICBF outcomes can be used to complement the SAI-PMF.

The ICBF, as an efficient and cost-effective method for members to assess their performance on an annual basis, is only one way for a SAI to capture its position and its needs for development. A SAI can have additional means like the SAI-PMF and other available business tools for this purpose. As discussed during the 2017 Governing Board meeting, SAIs are encouraged to use SAI-PMF at intervals of at least 5 years and/or as required by their development partners.

Furthermore, the results reflected in this report are used by the Secretariat to better understand the needs and challenges of member SAIs. It is a vital source of information for long-term and annual operational planning and provides a comparative position of SAIs in the region for the interest of their stakeholders.

1.6 Structure of the report

The 2017 reporting period uses the five domains to structure the report. The data is presented in two forms, that is, aggregated averages on clustered responses from SAIs and; a detailed analysis on key issues within each domain. Thereafter the report moves into conclusions.

CHAPTER 2: AGGREGATED ASSESSMENT OF THE FIVE DOMAINS

The self-assessment on the domains ranges from level 0-5. The regional target is to achieve level three and above of the ICBF. The integrated summary of the region's development level in 2017 identifies significant progress, gaps and challenges that member SAIs are still facing in their quest to achieve level 3 and above of the ICBF. This is covered to measure regional development and individual SAI development against each of the domains. The individual SAI development levels are captured in appendix 2.

2.1 ICBF Domain Averages Scores

On aggregate level there were marginal movements in the domains over the past three years (Figure 1).

- Independence and legal framework decreased to 3.07 from 3.14 in 2016.
- Organisation & Management increased from 2.77 (2016) to 2.80 (2017).
- Human Resources moved from 2.52 (2016) to 2.57 (2017).
- Audit Standards and Methodology moved from 2.78 (2016) to 2.84 (2017).
- Communication and Stakeholder Management moved from 2.55 (2016) to 2.55 (2017).

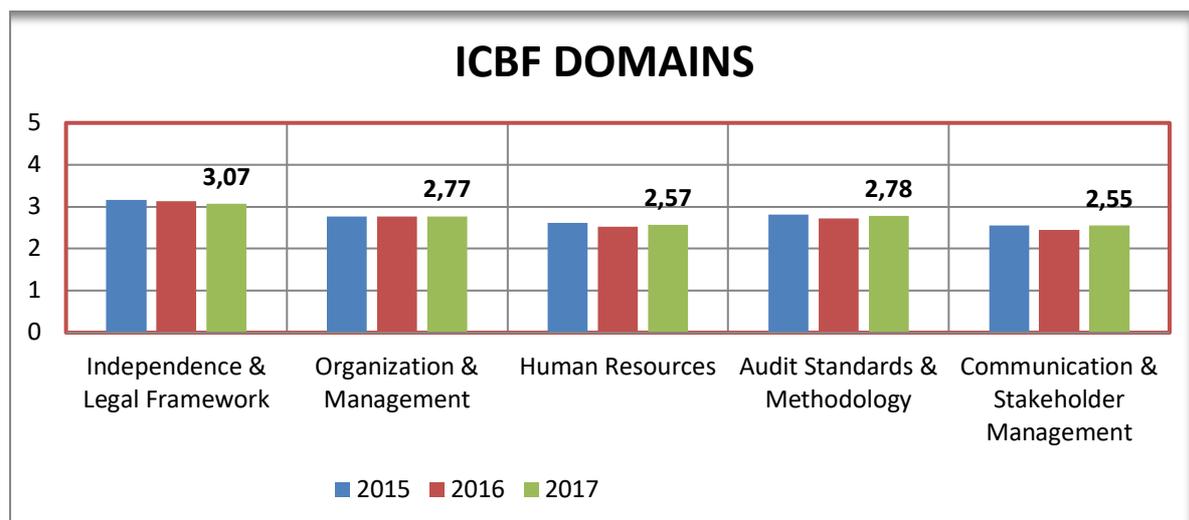


Figure 1: Average self-assessed level for the region - Comparison between domains year 2015 to 2017

The independence and legal framework domain achieved level 3 since 2013, but marginally decreased over the past two years. While the marginal drop in the aggregate score may not be material, a number of SAIs indicated that the scores were lower because of the involvement of the executive in setting budget ceilings and delays in budgetary releases during the 2017 fiscal period. The extent of budget cuts and ceilings varied across the SAIs but may be attributable to the negative economic growth experienced by some countries. Five SAIs' secondary legal frameworks were under review in 2017 and is in the process of being finalised. These new acts are expected to significantly improve the legal independence of those SAIs.

The other four remaining domains have not yet achieved a level three. The slight increase in scores for the Human Resources, Audit Standards & Methodology and Communication & Stakeholder Management domains point to the capacity development initiatives being implemented by SAIs in the region. However, these improvements do not preclude the need for implementing more institutional capacity development interventions that would ensure sustainable ISSAI implementation by SAIs.

Within this framework, the responsibility of prioritising and driving the SAI to higher development levels lies with the leadership of each SAI within the constraints of their specific political, economic, social and legal environment(s). Still it is important also to note that the development of a majority member-SAIs can be mirrored by the economic performance and political stability of their countries.

2.2 SAIs Achieving Level Three and Above

The targeted level is that 40% of SAIs should attain level three and above. Table 3 shows the number of SAIs that were on level 3 and above from 2015 to 2017.

Number of SAIs on levels 3 and above			
	2015	2016	2017
	Level 3+	Level 3+	Level 3+
Independence	15	16	13
Organisation & Management	6	7	7
Human Resources	3	7	5
Audit Standards & Methodology	10	7	9
Communication & Stakeholder Management	4	5	7

Table 3: 2015, 2016 and 2017 comparison between the number of SAIs on level 3 and above for the 26 countries (2016 scores were used for Angola who did not submit responses)

2.3 Internal Quality Control Processes

The development and effective application of internal quality control processes in a SAI is extremely important as it enhances credibility and assist in capacity building. The average scores are based on the questions in appendix 3. These questions cover different aspects of quality; addressing both institutional and individual audit disciplines such as regularity, performance and IT auditing. Only questions on quality control and not on quality assurance have been extracted. Further, the IT questions have been excluded from the list that was used to calculate the levels of development. Recalculating the numbers by taking out the questions for quality concerning IT will thereby give an appropriate score on quality assurance, which better corresponds to the efforts put into this operational area.

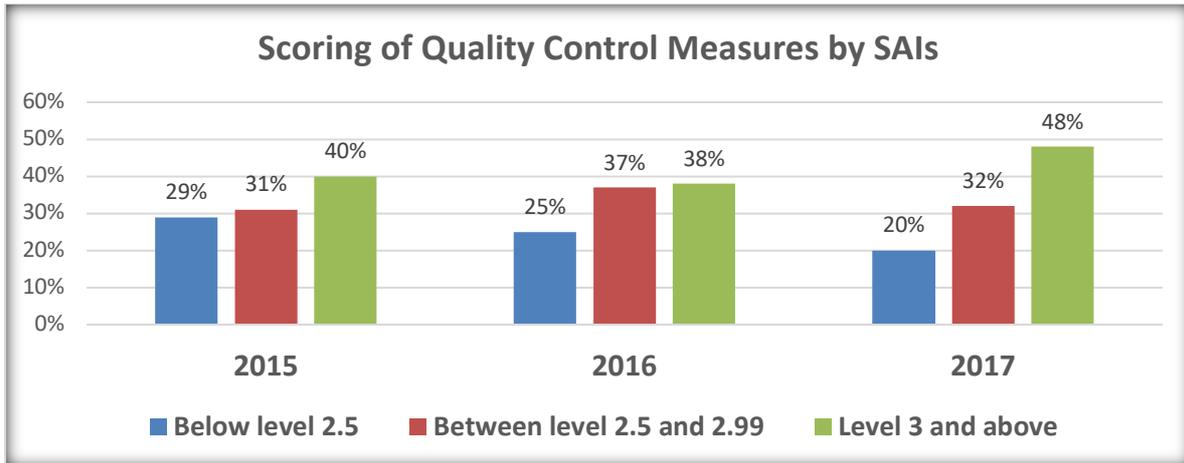


Figure 2: Quality Control Levels calculated on a subset of the quality control questions in the self-assessment questionnaire. The percentage is based on 25 SAIs in 2017; 24 SAIs in 2016 and 25 SAIs in 2015, that have reached level 3 and above, those between level 2.5 and 2.99 and below level 2.5

In figure 2 the average scores from 2015 to 2017 show slight improvements in the number of SAIs that are setting up ISSAI compliant quality control management systems as the %age of SAIs that scored 3 and above improved from 40% in 2015 to 48% in 2017. 80% of SAIs reached level 2.5 and above in 2017.

The improvement can be attributed to the quality control and assurance capacity building interventions. In 2017, a Quality Assurance Certification Programme was introduced whose main objectives were to:

- Equip/ refresh participants with basic knowledge and skills in carrying out QA reviews
- Expose participants to the processes and procedures for AFROSAI-E QA reviews
- Strengthen SAI internal quality assurance review processes and procedures

A significant number of SAIs indicated that they were prioritising the setting up of quality assurance functions. This includes the development and implementation of robust quality control measures for the SAIs, development of systems for following up audit recommendations at the institutional level, identify possible gaps, strengths and weaknesses and design strategies that address the same.

2.4 Comparison of Self-Assessment with the 2017 Quality Assurance Reviews Results

In 2017 nine quality assurance reviews were done, during which the self-assessment scores were compared with the rating for 10 key questions – as another subset of questions in the self-assessment questionnaire¹ – with the QA review results of the SAIs. Table 4 shows the difference between the maturity levels in accordance to the quality assurance reports on the one hand and the SAIs' own self assessed rating in the self-assessment questionnaire for 2017.

¹ The scores of self-assessment questions compared with the quality assurance visits results are attached in appendix 4

Comparison between self-assessed level and QA reports for 10 questions in 2017												
QUESTION	1	2	3	4	5	6	7	8	9	10	Total	%
Self-assessed > QA report	4	3	4	2	2	4	4	2	2	2	29	32%
Self-assessed = QA report	4	5	5	5	5	5	4	5	6	6	50	56%
Self-assessed < QA report	1	1	0	2	2	0	1	2	1	1	11	12%

Table 4: Self-Assessed Levels of SAIs compared with the results of the nine SAIs 2017 QA Reports

The results showed that 56% of member-SAIs' self-assessment levels were correlating with the QA review results and in 12% of the cases SAIs were underrating themselves. However, in 32% of the SAIs' self-assessment levels were higher than the QA review results. While on aggregate the correlation is high, more member-SAIs should be trained on the use of the ICBF scoring methodology to ensure improvement in the correlation of results. In February 2018 six SAIs were trained, but more SAIs should be trained to ensure submission of more objective scores.

2.5 Communicating Audit Results

ISSAI 12 principle 4 requires SAIs to publicly report audit results to enable the public to hold government and public-sector entities accountable. SAI communication is a cross-cutting dimension that demonstrates value and benefits of SAIs. The tools and channels of engagement the SAI uses to communicate its audit results are important whether it is communicating to internal and external stakeholders. Audit results are an output of the interplay between SAI's inputs and its processes and systems. Therefore, it is important to analyse the dynamics of what happens in the SAIs may provide important information about the effectiveness of such communication processes. Figure 3 shows how SAIs responded to different questions addressing communication of audit results.

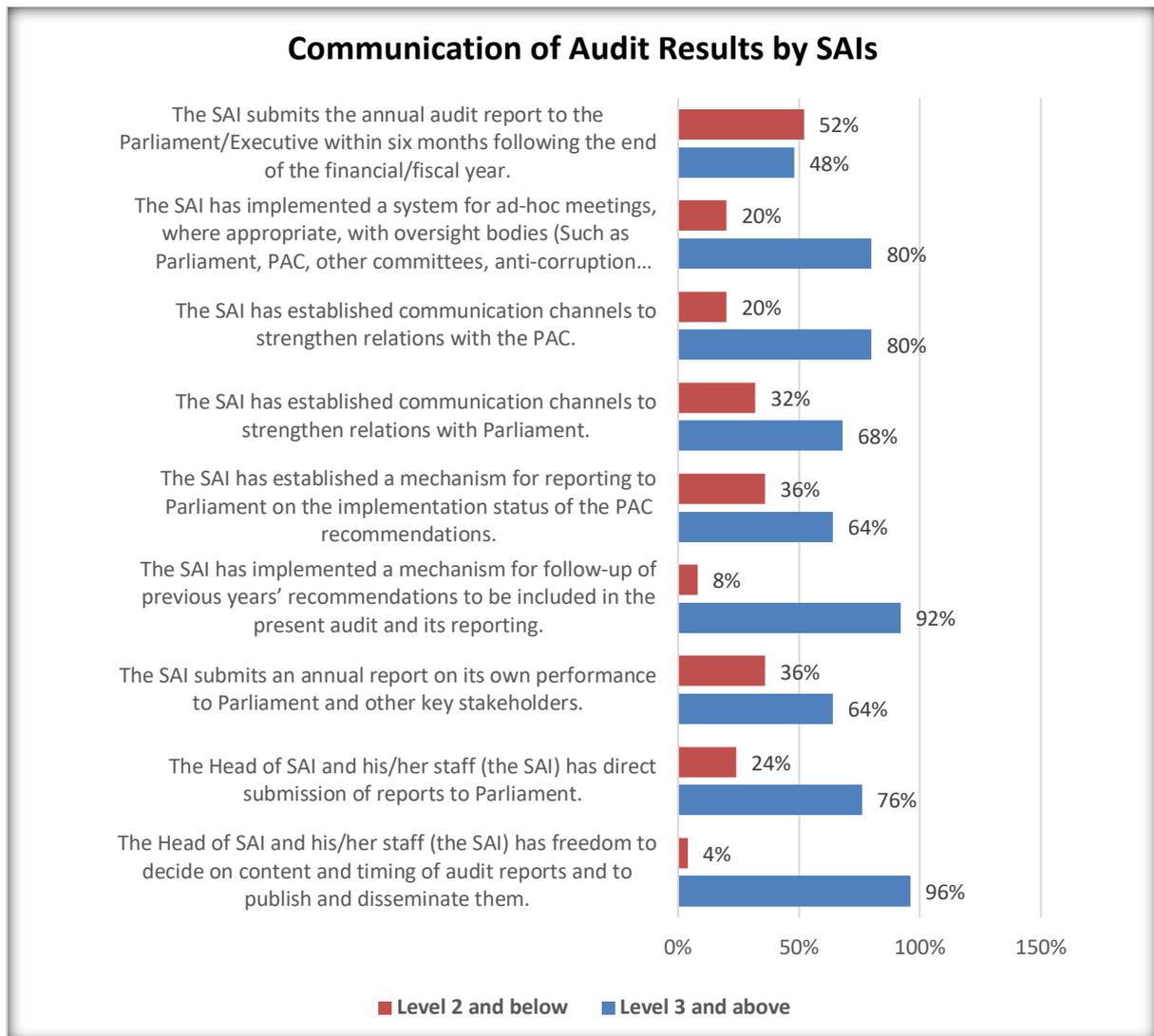


Figure 3: SAI scores on the different questions relating to how the SAIs communicate their audit results

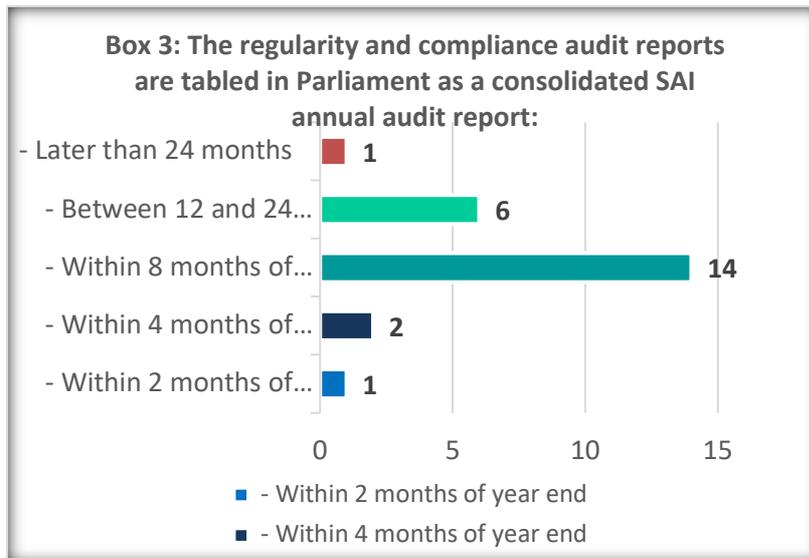
Most SAIs have the freedom to decide on the content and timing of audit reports, publishing and distribution thereof, with only one SAI indicating that they cannot exercise this because they operate in a challenging situation.

76% of SAIs have the legal right to submit reports to Parliament directly. The remaining 24% do not report directly to Parliament but through the Minister of Finance, if it is a Westminster model, or through a court like in the case of Mozambique and Angola who uses the Court model.

It is concerning that 52% of SAIs still cannot submit their annual audit reports within the six months regional standard. Important though, were the comments by a number of SAIs who committed themselves to establish robust communication systems and processes for timely engagement of key stakeholders like PAC, portfolio committees, anti-corruption agencies and others.

The submission periods of annual audit reports to Parliament ranges from two to more than twenty-four months after the end of a financial year. 17 of the 24 SAIs submitted their annual audit reports within eight months after year end. Box 3 shows the range of annual regularity and compliance audit reporting times by the SAIs in the region.

The differences in the reporting periods may be attributed to different statutory requirements where the reporting timeframes are more than six months after year-end.



Eight SAIs commented that their reporting periods were within the legislative periods. However, there were also instances where the SAI commented that the delays were due to delays in the submission of financial statements for audit by the auditees, shortage of resources including transport, manpower, financial constraints and political influence.

Delays in the submission of annual audit reports result in delays to bring auditees to account before Parliament. To improve reporting times, SAIs must put pressure on auditees to submit financial statements within the legislated timeframes for auditing. SAIs may need to lobby to amend legal frameworks to align it with other international and regional standards.

For performance auditing the 21 SAIs who responded on this question indicated that 129 performance audit reports were completed and signed-off compared to 86 in 2016. The production time for a performance audit report ranged from four to more than 24 months with an average production time of 12 months.

2.6 Measuring SAI Performance

SAIs play an important role in making a difference in the lives of citizens through independent auditing. According to principle 6 of ISSAI 20-Principles of Transparency and Accountability, SAIs are expected to assess and report on their performance in all areas of their operations on an annual basis. Secondly, SAIs are expected to follow up their public visibility, outcomes and impact through external feedback. More so, SAIs are expected to assess and publicly report on their operations and performance in all areas being covered by their mandate.

SAIs can lead by example by continuously monitoring and evaluating its operations, processes and systems. Consequently, establishing robust monitoring and evaluation mechanisms would ensure that SAIs are kept abreast about the effectiveness of their structures, policies, systems and processes. Figure 4 shows nine selected questions that measure the establishment of monitoring and evaluation mechanisms taken from across the five ICBF domains. The effectiveness of these mechanisms is expected to enable the SAIs to measure their own performance in any given reporting period.

The majority of SAIs have established systems and processes that monitor and evaluate the execution and achievement of their strategic goals and objectives (80% scoring level 3 and above) and operational plans (80% scoring level 3 and above) plans. However, fewer SAIs have established effective monitoring and reporting mechanisms when it comes to the execution of HR strategies and plans and communication strategies. For instance, 68% and 56% of the SAIs respectively scored level

2 and below as it relates to the monitoring and evaluating the execution of their HR and communication strategies.

64% of SAIs scored level 3 and above when it comes to submitting SAI performance reports to Parliament which is improvement by 6% when compared with the 58% of 2016. It is pleasing to note

Box 4: The SAI submit an annual report on its own performance to Parliament and other key stakeholders?

1. The SAI submits its performance report to the executive. Plans are there to start submitting to the legislature.
2. The OAG managed to draft its first SAI Performance Report during 2015/16 that is yet to be finalized and published. Content needs to be revised to include up to date information.
3. We currently don't have this option. Plan to do in the future.
4. More needs to be done by the SAI to prepare and regularly reports its performance to the parliament.
5. Provided for under Article 163(4) of the constitution and sec.13 (1) (a) of the NAA 2008.
6. Only Internal reporting is done

that more SAIs are now producing and publishing annual performance reports. 36% of SAIs are yet to submit annual reports on their own performance to parliament and other key stakeholders like the media, civic society, donors and others. Some SAIs indicated that it was not a requirement in their legal statutes while others stated that their annual reports were for internal consumption purposes only as shown in Box 4.

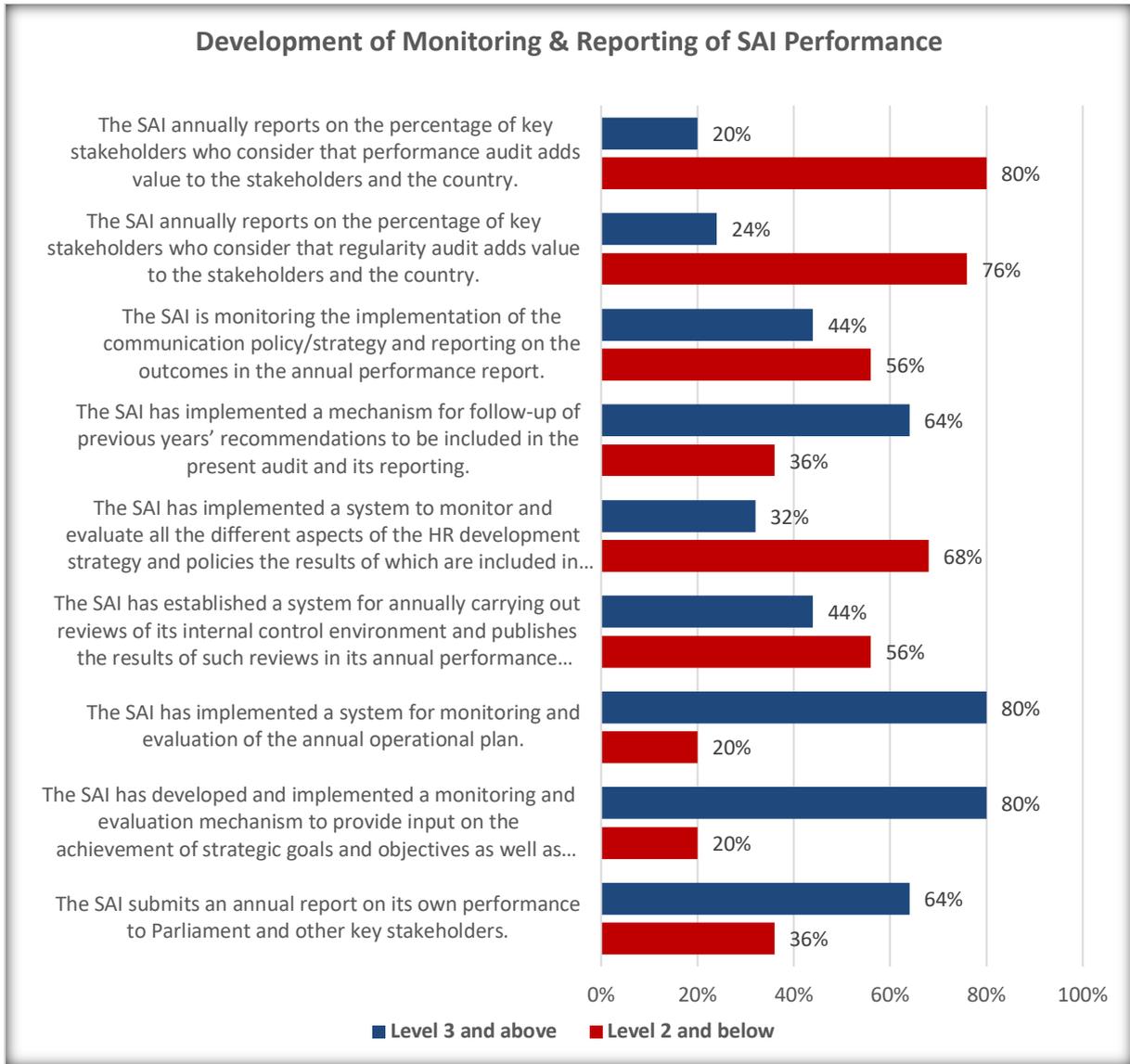


Figure 4: SAI scores on the different questions relating to monitoring and evaluation of SAI systems and processes

Another important area is the establishment of systems and processes that would enable the SAI to monitor the satisfaction levels of stakeholders. Compared with 2016 there is a marginal increase in SAIs that measured satisfaction levels of their stakeholders as only 20% of SAIs collected data to measure the extent to which stakeholders are satisfied with their services.

The majority of SAIs do not monitor the satisfaction levels of their stakeholders when it comes to regularity audits (76% scoring level 2 and below) and similarly performance audits (80% scoring level 2 and below). Failure to engage stakeholders to gather information about their views can result in the delivery of audit services that would not adequately address the needs of stakeholders and thus increasing the audit expectation gap.

CHAPTER 3: INDEPENDENCE AND LEGAL FRAMEWORK

Independence and legal framework cover aspects as formulated in the Lima Declaration (ISSAI 1) and Mexico Declaration (ISSAI 10) on the existence and mandate of the SAI and if it is appropriately and broadly prescribed in the constitution or a comparable legal framework that may not be amended without a two thirds legislature majority vote and/or in line with the national laws. It seeks to assess whether the SAI has operational, financial and administrative independence stipulated in the law(s) and if the independence of the head of the SAI and staff is guaranteed in legislation.

3.1 Assessment Criteria

- Existence of constitutional and legal framework
- Financial/managerial/administrative autonomy of the SAI in law and practice
- Appropriate human, financial and material resources;
- Independence of the Head of SAI and staff
- Broadly sufficient mandate to audit
- SAI has discretion to discharge its function in the selection of audit topics and themes
- SAI has freedom to decide on content, timing of audit reports and to publish and disseminate it
- SAI has mandate to directly submit its reports to Parliament
- SAI has effective institutional and engagement follow up mechanisms on audit recommendations
- Parliament or an oversight body appoints the SAIs' external auditors
- SAI annually reports on its activities and use of resources and submit to Parliament

3.2 Performance for the Year under Review

The majority of SAIs have achieved or are about to achieve level 3. Figure 5 shows the aggregated scores of individual SAIs as captured in 2017.

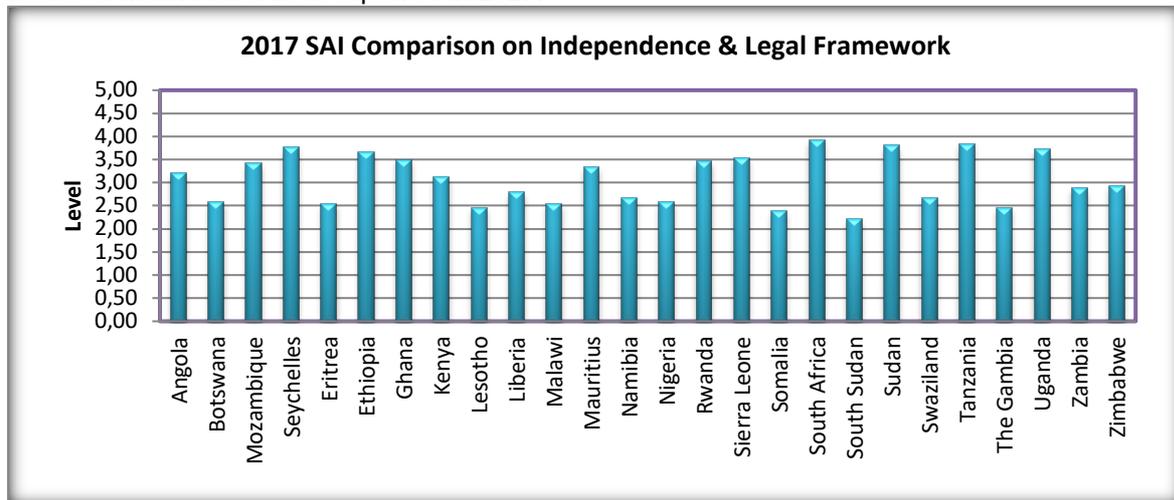


Figure 5: SAI Comparisons on Independence and Legal Framework domain (2016 scores were used for Angola.)

- A majority number of SAIs have achieved level 3 and above of the ICBF. For example, in figure 5, 13 SAIs indicated that they had achieved level 3 and above.
- More than 92% (24) of the SAIs are level 2.5 and above. On average SAIs are progressing satisfactorily towards level 3.

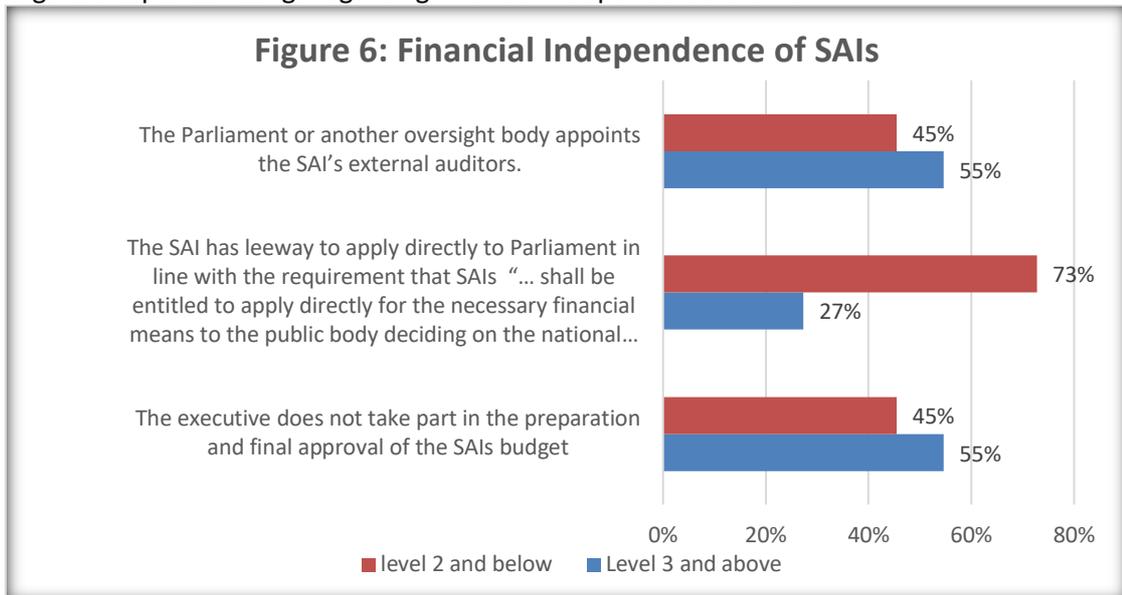
- However, it should be noted that legislative independence is not necessarily independence in practice. Box 5 captures some of the challenges faced by SAIs. Whereas, on aggregate SAIs are progressing satisfactorily towards the targeted level these challenges should be addressed for them to achieve a fair amount of financial and administrative independence in practice.

Box 5: Challenges in Achieving SAI Independence

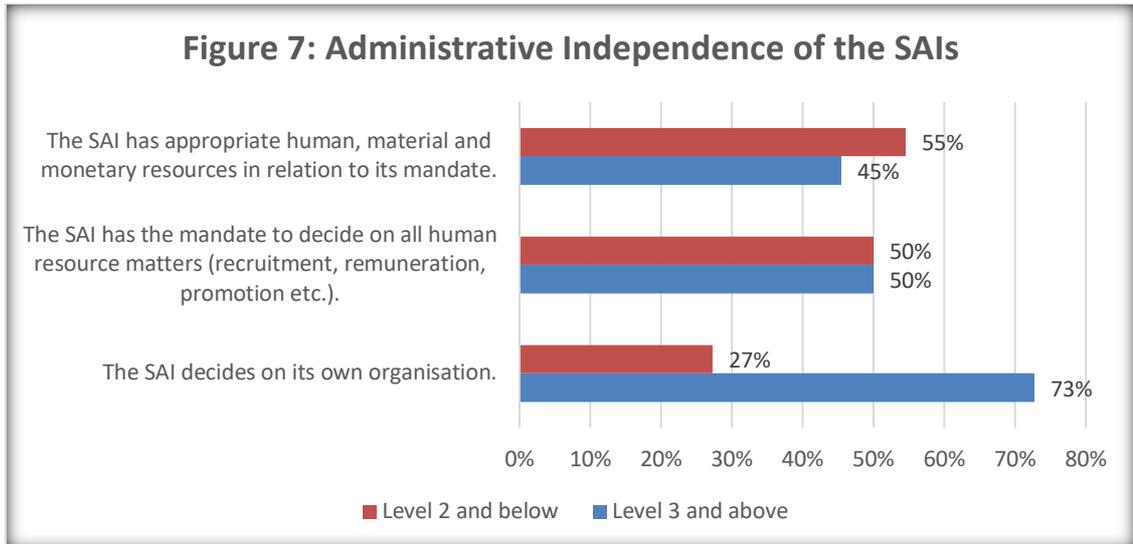
- Although ratified, currently the constitution which stipulates the independence of our SAI is not implemented
- We are in the process of reviewing the Public Audit Act to enhance our independence
- A new Audit Act 2016 came into operation on 1st April,2017. However, this new law is not aligned of the constitution.
- The Draft bill on the amendment for the Public audit act and the Constitution are still under review after being returned from Parliament.
- A Bill to strengthen the Independence of the SAI is awaiting concurrence at the Senate
- There's lack of understanding from politicians and legislators on the independence & legal framework. It'll take continuous preaching to hopefully get them understand the value of an independent SAI....
- Issues of the Independence and strengthening the capacity of [the SAI] is taking prominence

➤ For instance, while the majority of SAIs now have legal frameworks that provides them with a fair amount of independence, operationalising independence in practice is a challenge many of them are encountering. Some of these challenges are captured as follows:

- Figure 6 captures ratings regarding financial independence of SAIs



- 45% of SAIs indicated that their budgets require executive approval and release as shown in Figure 6.
- Only 27% (against 73%) of the SAIs can submit the requests directly to Parliament if they require additional funding.
- 45% of the SAIs still appoint their own external auditors or audit themselves. However, there is a small improvement by 5% compared with 2016 in that this year 55% of the SAIs have their external auditors appointed by Parliament or another oversight body.
- Administrative independence is another area where SAIs are encountering challenges as shown in Figure 7 below:



- The majority of SAIs indicated that they do not have appropriate human, material and monetary resources to execute their mandates effectively. For instance, 55% of the SAIs scored level 2 and below of the ICBF.
- 50% of the SAIs indicated that they do not have adequate authority to decide on all human resources matters yet 73% of them indicated that they decide on their own organisation. While the majority number of SAIs have legal independence but in practice they do enjoy the benefits of what their legal mandates give them.
- In terms of the follow-up of audit recommendations; SAIs are expected to establish effective follow-up mechanisms for audit recommendations as well as those made by the legislature. There still a significant number of SAIs that are yet to establish robust follow-up mechanisms of audit recommendations including those of the legislature. For instance, 36% of the SAIs scored an averaged of level 2 and below when it comes to the establishment of effective follow-up mechanisms for regularity audits and 50% for performance audits.

Summary

There have been significant improvements in legislating ISSAI compliant SAI legal frameworks over the past years. Further, several SAIs commented that they were in the process of lobbying their governments to review and approve legal frameworks that are compliant to ISSAIs and other best practices. However, operationalising independence continue to be a challenge facing SAIs in the region. This may also have a negative impact on the setting up of effective SAI governance structures that would ensure that SAIs become model organisations that deliver value to the citizenry. SAIs are encouraged to continue lobbying their executives and other development partners to ensure the establishment of appropriate measures that would guarantee their financial and administrative independence in law and in practice.

CHAPTER 4: ORGANISATION AND MANAGEMENT

The organisation and management domain is based on the principles of ISSAI 12, 20, 30, 40, INTOSAI Govs. 9100 and 9130 as well as best practices. It covers important issues concerning how the SAI is run and organised. The key aspects of the domain are based on organisational planning processes and their implementation, integrating both strategic and operational levels of the organisation.

4.1 Key Assessment Criteria

The key assessment issues include the following elements:

- Leadership and direction
- Strategic Planning
- Operational Planning
- The organisation of the SAI including, existence of a performance audit unit, existence of IT audit unit and existence of an IT support function
- An internal control system
- Management information system
- Time recording system
- Integrity and code of ethics

4.2 Performance for the Year Under Review

The average aggregate scoring of this domain is presented in figure 8. The overall picture in this domain shows that there is an increasing number of SAIs are or about to achieve level 3 and above of the ICBF.

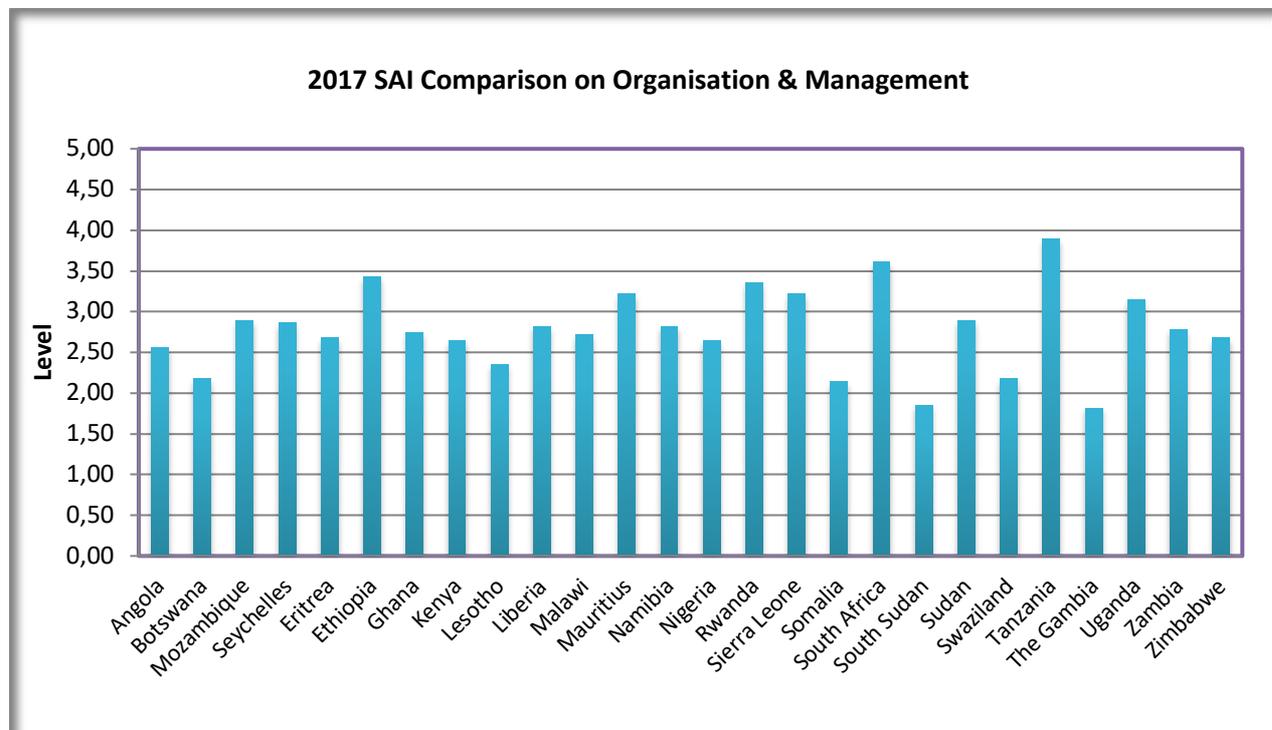
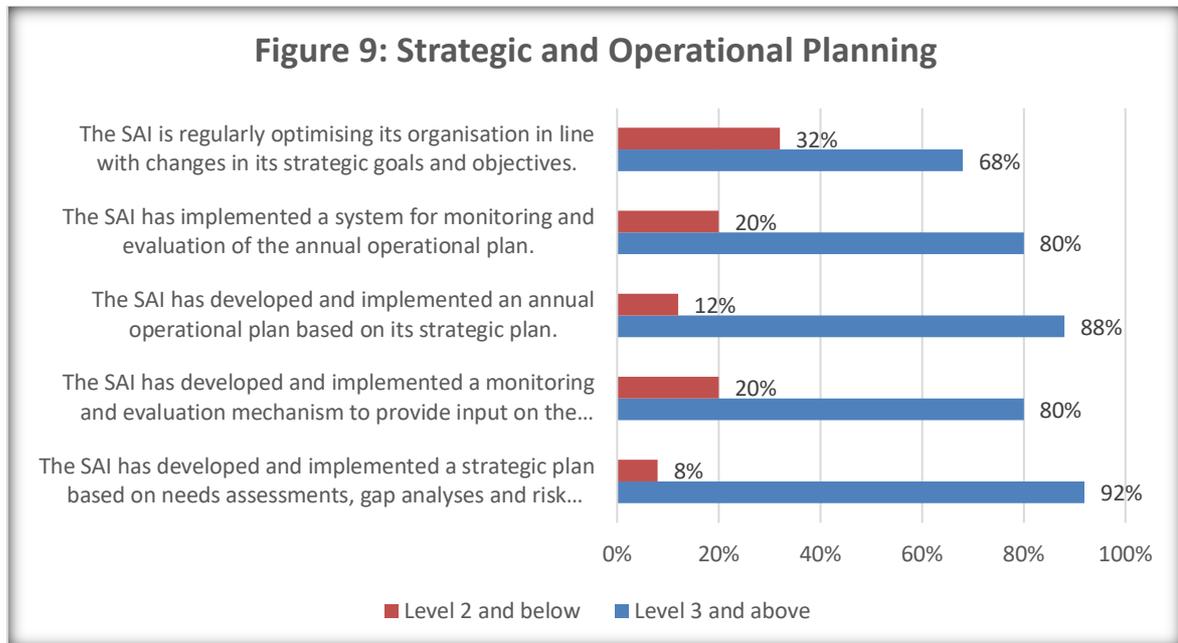


Figure 8: SAI comparisons on Organization and Management domain (2016 scores were used for Angola, Botswana, Mozambique and Seychelles.)

- 16 SAIs achieved level 2.5 and above of the ICBF. However, the region has six SAIs that are still level 2.5 and below. A majority of these SAIs fall under the grouping of those SAIs that operate

in challenging situations. The development and delivery group specific capacity building interventions are required in these SAIs. This same observation was made in 2016.

- 27% (7) SAIs have achieved the established level in this domain which is still the same number of SAIs as the previous year.
- 77% (20 out of 26) of the SAIs compared with 81% (21) of SAIs scored averages of 2.5 and above. However, there are improvements when individual elements are analysed on their own especially in the area of strategic and operational planning as shown in Figure 9:



- 92% of SAIs scored level 3 and above on the development and implementation of strategic plans. But when asked to respond on the implementation of monitoring and evaluation mechanisms that ensure the achievement of strategic goals and objective the percentage number goes down to 80%. It appears while most SAIs have strategic plans developed a few numbers of SAIs still experience challenges in implementing the same.
- When it relates to organisational structures, internal controls and MIS systems there are 80% of the SAIs who have approved organisations structures scoring level 3 and above.
- 76% of SAIs indicated that they had not established effective time recording tools that would enable them to supervise and cost their audit services.
- When it comes to the establishment of documented management information systems, there are 64% of the SAIs who scored level 2 and below in 2017 compared to 59% in 2016. There is need for these SAIs to prioritise the development of this area to improve the quality and productivity of their staff.
- It's encouraging that the region now have 20 SAIs that have established performance audit functions/units.
- 56% of the SAIs scoring level 3 and above indicating that they had established IT support functions whose responsibilities include hardware, software and network support maintenance. These SAIs indicated that they had at least one IT person per 30 staff members and that they had developed and implemented an ICT strategy that is linked to the SAI strategy (59% scoring level 3 and above of the ICBF).

Summary

The regional SAIs have progressed significantly in establishing strategic and operational plans and other governance related tools, systems and structures to effectively execute their mandates. However, it has been observed in the quality assurance support visits that a number of SAIs were operating using outdated strategic plans and that their operational plans were not adequately linked and aligned to strategic plans. SAIs still encounter challenges and gaps when it comes to ensuring the content quality of their plans, implementing and reporting on the achievement of the goals and objectives of their strategic and operational plans. SAIs are encouraged to establish effective and seamless strategic and operational planning processes to enable ownership by both SAI leadership and their staff. These internal processes are critical for effective formulation, execution and monitoring of policy documents.

Another major challenge for SAIs appears to be the implementation of policies and tools that would ensure efficient and effective execution of SAI mandates. The absence of adequate monitoring and evaluation systems and processes within the majority of the member-SAIs was again identified as a weak area in the region.

CHAPTER 5: HUMAN RESOURCES DOMAIN

The human resources domain measures human resource and organisational development policies, development plans like competency frameworks, people management strategies, monitoring and evaluation mechanisms as well as the capacity to train staff. It is of critical importance to monitor, evaluate and report on the effectiveness of HR policies and procedures within the SAI. The domain is based on the principle that human capital is the most important resource in any organisation. A strategically positioned HR function enables any SAI to anticipate change and leverage audit capacity for greater efficiency and effectiveness.

5.1 Key Assessment Criteria

The key issues addressed in the HR domain include:

- HR and professional development policies
- Competency Framework and HR strategy
- Capacity development strategy/plan aligned with SAI Strategy and Annual Operational plan
- Management and Leadership development
- Management of personnel
- Developing and Training

5.2 Performance for the Year Under Review

SAI human resources policies, strategies and procedures should address key issues such as; “... recruitment ... professional development ... promotion ... retention... [as well as emphasise for all audit and non-audit assignments the need for hiring] ... personnel with suitable qualifications, developing and training employees ... [by accepting the need for all SAI staff to] ... maintain professional competence through continuing professional development”. An overview on how SAIs scored themselves in this domain in 2017 is presented in Figure 10.

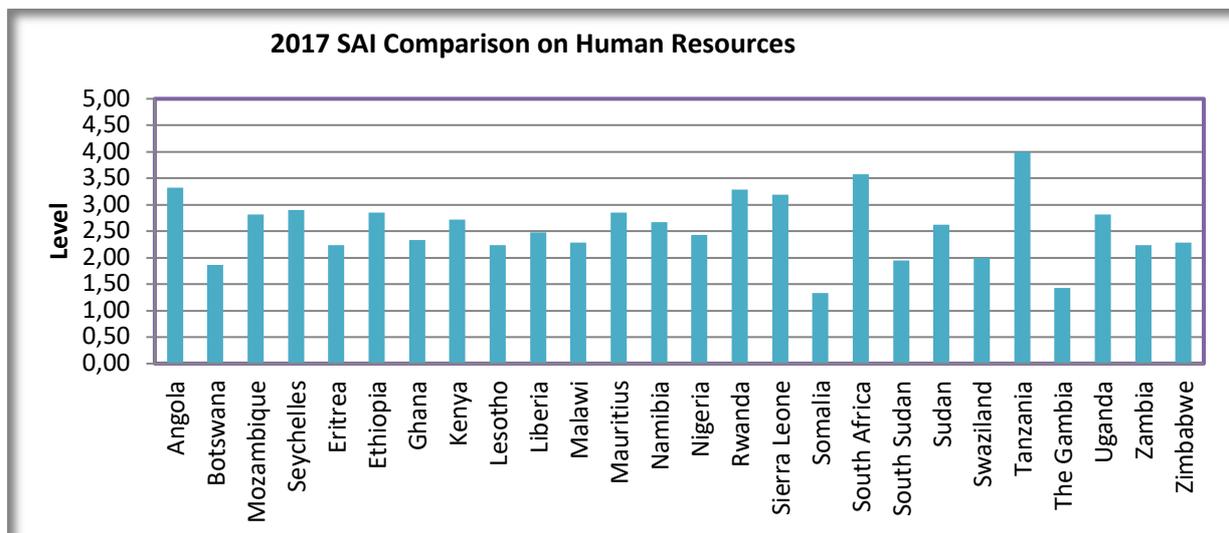


Figure 10: SAI comparisons on Human Resources domain (2016 scores were used for Angola.)

- About 18 out of 26 SAIs are still under the public services and their staff and HR policies are still greatly influenced by government departments/agencies or ministries.
- In 2017 the Human Resources domain experienced marginal decreases during the year – 19% (5) out of 26 SAIs compared to 27% (7) out of 26 SAIs in 2016 at level 3 and above. However, 50%

(13) SAIs scored averages of 2,5 and above of the ICBF. 12 SAIs which is 46% scored levels of 2.5 and below of which most them operate in challenging situations.

- A significant number of SAIs indicated that their HR functions are manned by professionally HR qualified staff. For instance, 68% of the SAIs scored averages of level 3 and above. However, it is of concern that a significant number (32% scoring level 2 and below) of these SAIs have not established human resources management functions.
- 48% of the SAIs have developed and implemented overarching integrated HR strategies to facilitate the implementation of their strategies, goals and objectives. However, there are still a significant number of SAIs whose strategies or plans are not linked to their Strategic and operational plans.
- 68% of the SAIs scored level 2 and below indicating that they had not adopted or developed and implemented an Integrated Competency Framework for their audit and non-audit staff. However, this score improved with 7% when compared to the previous year's score of 75%.
- 72% and 60% scored level 3 and above when it comes to the establishment of Training and Development policies and Performance management policies respectively. 40% of the SAIs indicated that they do not have systems to manage their performance management processes. This is similar to the previous year's numbers.
- 68% of the SAIs (scoring level 2 and below) indicated that they have adequate capacity to train and develop their own staff in relevant audit disciplines. However, 80% of the SAIs with a score of level 3 and above stated that they have established professionalisation training programmes working in collaboration with donors and development partners. These average scores were not corroborated by the general quality assurance support visit review findings. It is possible that respondents misunderstood the questions.
- For instance, 60% of the SAIs acknowledged that they do not have their own established management and leadership development programmes. But in their general comments SAIs indicated that the following are their areas of strength:
 - Fully establish HR function
 - SAIs capacity to train and develop staff
 - SAIs capacity to support staff to obtain professional qualifications
 - Training and Development Policy implementation
 - Performance Management Policy implementation
- The following were identified as areas of development:
 - Implementation of the Integrated Competency Framework for SAIs
 - HR Planning
 - Monitoring and evaluation of HR Processes
 - Implementation of Knowledge Management Systems
 - Retention Policies
 - Reward and Recognition Policies

Summary

The low numbers of SAIs on level three and above can be partly attributed to the absence of administrative independence of most SAIs as explained in chapter 4. Secondly, a majority of SAIs are still under the public service and as such policy development and implementation processes can be

slow and bureaucratic. Thirdly, the absence of financial independence in a majority of SAIs tend to constrain the recruitment, training and retention of qualified and experienced staff. Following several reviews of SAI legal frameworks, the importance of SAI independence is recognised, and it is expected that in the coming years this domain may experience improved scoring levels as more SAIs become independent.

Unfortunately, the sustainability of some of these development interventions is of concern due to funding constraints as discussed earlier in this report. The main challenge facing training and development programs is capacity limitations including financial constraints. Another challenge is the issue of small SAIs who cannot afford to sustain the rollout of such programs and the establishment of fully fledged HR functions. The region may need to consider new ways of assisting SAIs; especially those operating in fragile situations, to develop HR and Training capacity to build critical technical and leadership skills in the SAIs. Staff also needs encouragement and support to obtain professional qualifications. It is however important to note that there are non-financial methods to recognise, develop and retain staff in the SAI. SAIs can also implement informal HR processes (which may not be part of public service policy) to motivate, develop and retain staff.

CHAPTER 6: AUDIT STANDARDS & METHODOLOGY

The audit standards and methodology domain is where the SAI core business is executed. The production systems and processes are housed in this domain. The domain comprises the audit process(es) from the planning stage to reporting. Elements in this domain are closely linked to other four domains. Key ISSAIs under this domain include ISSAI 100 to 400 as well as audit process guidance standards at level 4 of the ISSAI framework. The implementation of these standards should be facilitated by robust SAI policies, systems and processes that recognise the importance of quality delivery of audit services in accordance with the requirements of ISSAI 12, 20, 30 and 40.

6.1 Assessment Criteria

SAIs are expected to develop, implement and maintain appropriate up-to-date ISSAI compliant audit tools like manuals, guidelines, and templates in accordance with their mandate and national legislative requirements. The key elements in this domain include: SAIs development and implementation of overall annual audit plans, development, implementation and maintenance of audit manuals that are aligned and compliant with international standards. The audit tools are expected to be linked to SAI training programs that are reviewed and updated regularly. Further, some of the additional elements in this domain include quality control measures and quality assurance, audit techniques such as electronic working papers and Computer Assisted Audit Techniques (CAATS), implementation of the audit communication strategies during the whole audit process.

6.2 Performance for the Year Under Review

The 2017 production statistics and workforce strength in the region were given as follows:

- based on the 24 SAIs who provided employment figures a total of 10874 regularity auditors were recorded compared to 10354 from 26 SAIs in 2016. During the same year a total of 10264 regularity audits were completed on time out of a planned or mandated total of 15579 audits. Out of the planned or mandated audits about 5243 could not be completed in the prescribed timeframes partly due to resource constraints and late or non-submission of financial statements accounts by auditees.
- In the performance auditing discipline about 669 performance auditors were recorded, and these completed a total of 129 performance audit reports compared with 86 produced by 556 performance auditors in 2016. The average production time for performance audits was 11.98 months which is approximately 12 months and is marginally equal to the period of 2016 average. This average time complies with the target set by the region to carry out and publish performance audit reports with 12 months from the date commencing the audit engagements. However, SAIs may need to do more to reduce the production time periods. The influence of the best performance audit competition funded in partnership with the Swedish National Audit Office which limits entrants to reports that are produced within 12 months can play the catalyst role towards the targeted average intended production time.
- During the same period 685 IT/IS audits were completed by 284 IT/IS auditors. About 486 of the audits were done by South Africa using 141 IT/IS auditors.

Figure 11 shows how the SAIs scored the various questions that fall under this domain.

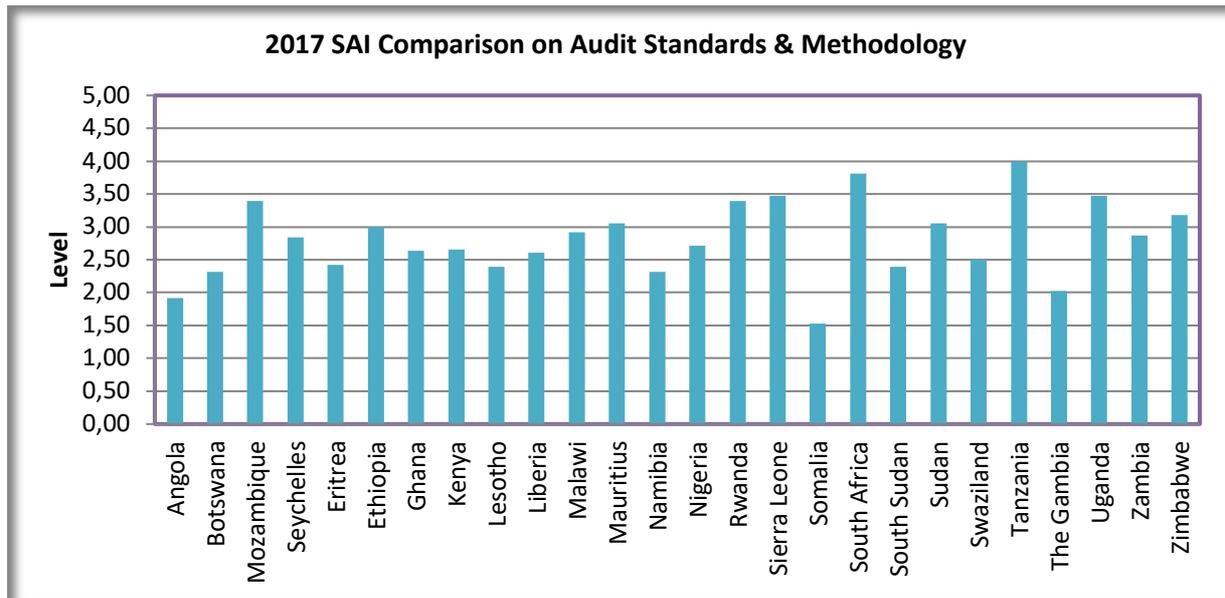
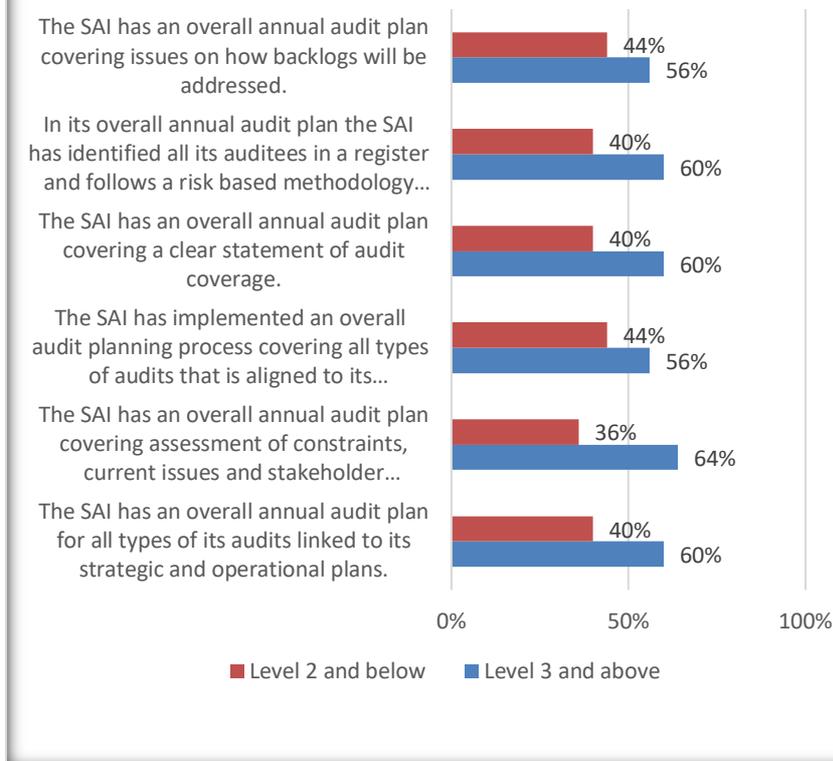


Figure 11: SAI comparisons on Audit Standards & Methodology domain (2016 scores were used for Angola, Botswana, Mozambique and Seychelles)

- 10 SAIs (38%) indicated that they had achieved averages of level 3 and above which is three SAIs more than the 2016 figure of 7. If the 2.5 level and above scores are included the number increase to 17 SAIs (65%) which is one SAI more when compared with the 2016 scores.
- There are also 10 SAIs (38%) who achieved average scores of below 2.5. The majority of these ten SAIs operate in fragile situations or politically and economically challenged environments. Further, some of these SAIs fall under the category of small to medium SAIs who are confronted with capacity and funding challenges. Specific funding and technical capacity building programmes and assistance may be required for these SAIs.
- Regularity auditing (RA) is the flagship of all audit services being provided by member SAIs in the region. Regionally, the capacity of SAIs to conduct regularity audits has been increasing in the last 12 years. SAIs commented that the customisation and rolling out of audit manuals like the Regularity Audit Manual (RAM) and the Performance Audit Manuals with the support of the Secretariat were attributed to the improvement of the quality of audit processes and services.

6.3 Annual Overall Audit Planning

Although the majority of SAIs indicated that they had approved overall audit plans there is still need for the SAIs to strengthen the monitoring and evaluation mechanisms of the same to ensure consistent compliance with ISSAIs. Figure 12 show how the SAIs responded to questions relating to overall audit planning.

Figure 12: Overall Annual Audit Planning

➤ In Figure 12, 64% of the SAIs (average score of level 3 and above) indicated that they had annual overall audit plans covering all types of audits addressing adequate assessments of constraints, stakeholders expectations and risk profiling of audit clients.

➤ 40% of SAIs (average score of level 2 and below) indicating that they are yet to fully align and link their annual overall audit plans to their strategic goals and objectives. There is need to institutionalise the concept of overall audit planning linked to strategic and operational goals and objectives there is need for hands on technical support to assist SAIs to adequately plan their audit work.

With reference to the development of Regularity Audit quality control measures: 92% of SAIs had average scores of level 3 and above indicating that they had satisfactory quality control measures which are compliant with ISSAIs and other best practices. Only two SAIs which operate in fragile situations scored level 2 and below.

- Similarly, 92% of SAIs scored averages of level 3 and above indicating that the quality control management system for regularity audit clearly defines the roles and responsibilities of all their team members, team leaders, audit managers, and engagement partners as well as pre-issuance reviewers where applicable. This is a significant improvement when compared with the 75% score of 2016.
- 88% of SAIs scored level 3 and above indicating that the SAIs had ISSAI compliant quality assurance handbook/guideline being implemented. This 17-percentage points improvement when compared with 71% of 2016.
- However, a significant number of SAIs are yet to establish appropriate quality assurance functions to monitor compliance with policies, processes, structures and systems.

With reference to the development of Performance Audit quality control measures: 68% of SAIs had average scores of level 3 and above indicating that they had satisfactory quality control measures which are compliant with ISSAIs and other best practices.

- 92% of SAIs have explicit legal mandate to carry out performance audits. The only two SAIs who scored averages of level 2 and below operate in fragile situations.
- A majority number of SAIs (84% scoring level 3 and above) had ISSAI compliant PA manuals.

- 56% of SAIs indicated that they had implemented appropriate systems with pre-issuance review of all performance audits.

With reference to the development of IT/IS Audits and quality control measures: 41% of governments (10 countries out of 25 SAIs who responded) in the region use Oracle as their platform of choice followed by Epicor and SAP

- Only 7 (28%) SAIs had developed and implemented documented IT/IS audit strategies.
- 56% (14) SAIs indicated that they had satisfactorily audited the main integrated financial management expenditure and revenue systems of their countries and the other 10 (45%) are yet to consistently audit the IFMS annually. This may be attributed to lack of technical capacity and resources constraints facing SAIs.
- 76% of the SAIs (scoring level 2 and below) indicated that are yet to yet to satisfactorily carry out integrated IT/IS audit in performance audit and regularity audit with all regularity audits being preceded by IT/IS audit of systems producing financial statements.

Summary

In terms of implementing ISSAIs and production of ISSAI compliant audit services the SAIs in the region have made satisfactory progress. There had been good improvement in the development and customisation of the Regularity Audit Manual (RAM) and the Performance Audit Manual (PAM) by SAIs. However, there is still more that need to be done in terms of establishment of robust quality control management systems in SAIs, training of the technical staff, monitoring the effectiveness of the same systems as well as computerising the audit processes to including use of CAATs. A new critical challenge before SAI now is the customization and rolling out of the new Financial Audit Manual (FAM), the Compliance Audit Manual (CAM) which are the two successors of the RAM.

According to the general findings from the quality assurance support visits conducted in during 2017 the processing of performance audits appears to be experiencing bottlenecks at the data analysis, report writing and reviewing phases. This might have effect on the prolong production time of the audit reports. For instance, in 2017 the production time for performance audits ranged from 4 to more than 24 months. The influence of the best performance audit competition funded in partnership with the Swedish National Audit Office which limits entrants to reports that are produced within 12 months is said to be having positive influence on SAIs.

SAI free comments indicate that the SAIs rely on the ISSAI compliant AFROSAI-E template manuals for customisation to ensure that their manuals are up to date and ISSAI compliant. In their comments SAIs also stated that they put greater reliance on the AFROSAI-E training courses to build their technical and management capacities. Details of these interventions are contained in the Integrated Annual Report.

Just as in previous yeas SAIs commented that funding constraints and inadequate technical skills are limiting factors when it comes to the development of audit knowledge in the region and specifically in IT/IS audit. This is shown by the few number of IT auditors employed by SAIs, limited IT infrastructure and equipment and shortage of technical IT audit skills in the region as discussed earlier. As such SAIs should prioritise the development of IT/IS audit capacity to mitigate against the risk of giving governments the wrong audit opinions.

To build and maintain future and present sustainable capacity SAIs are expected to take the professionalisation route as well as continue the development of their management and leadership teams who will guide the implementation of the relevant change agendas.

CHAPTER 7: COMMUNICATION & STAKEHOLDER MANAGEMENT

The Communication and Stakeholder Management domain covers internal and external communication at the SAI. The ICBF does not have a special domain for SAI performance and the results of audits. This domain with its inclusion of stakeholders is instead used for disclosure of the information on SAI performance. Key ISSAI under this domain include ISSAI 10, 12, 20 and 40.

7.1 Assessment Criteria

Communication is a fundamental part of a SAI's work and tool for ensuring both SAI and auditee transparency and accountability. The key assessment criteria under this domain include the following elements:

- Development and implementation of SAI Communication policy and strategy
- Communication of audit results
- Engagement with key stakeholders such as Parliament, Public Accounts Committee (PAC), Ministry of Finance (MoF) and oversight bodies
- SAI Internal communication
- Promotion of the SAI
- Communication of SAI Performance Report

7.2 Performance for the Year Under Review

The performance levels of this domain in 2017 can be discussed based on illustration presented in Figure 12.

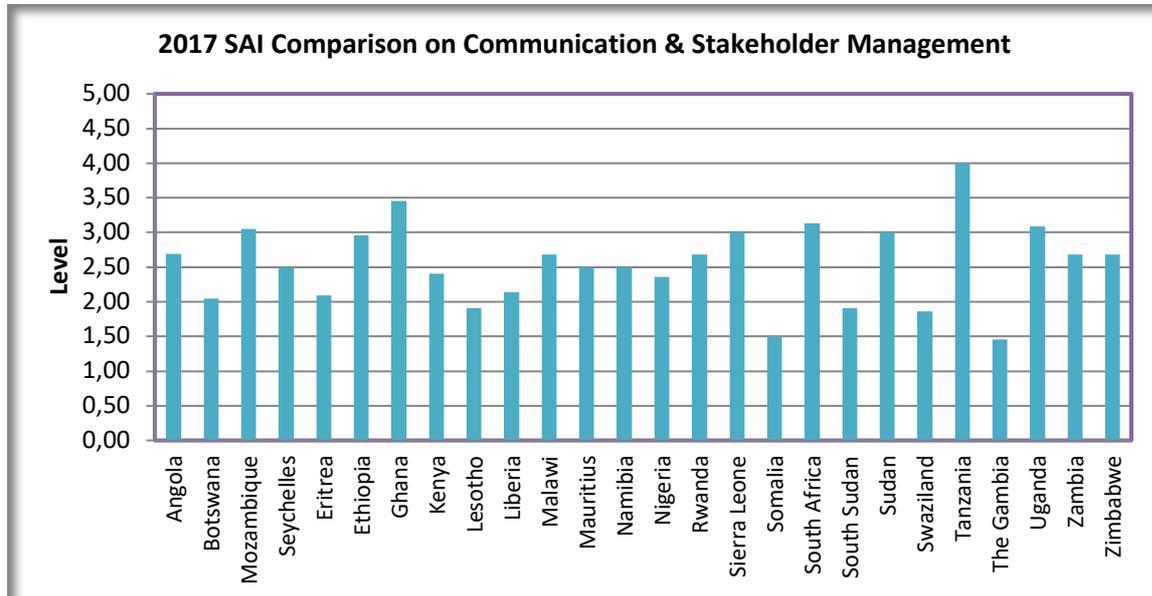


Figure 12: SAI comparisons on Communication & Stakeholders Management domain (2016 scores were used for Angola)

- 7 out of 26 (30%) SAIs scored averages of level 3 and above compare to 4 SAIs in the previous year. If average scores of level 2.5 and above are used the number increases to 17 (65%) compared to 15 (58%) in 2016. The marginal increase of two SAIs may be attributed to improved awareness and prioritisation by SAIs on the importance of communication.
- AFROSAI-E interventions like the SAI-PAC programme, the MDP as well as the SLDP and ELDP may be factors that are positively impacting on the development of this domain.

- The main challenge in this domain is building adequate technical and leadership communication capacity to drive the needed development in this domain.
- Based on the general findings of quality assurance support visits it can be inferred that a few numbers of SAIs overrated themselves especially in the internal communication and stakeholder engagement. This observation was also made in the previous years. This may be possibly due misunderstanding of the tool or the scoring being done by individuals and not a cross functional team from the SAIs.
- SAIs are expected to develop and implement communication strategies that are linked to their strategic plans and strategies.
- 72% of the 25 SAIs who responded have developed and implemented communication policies and strategies that are based on the SAIs legal framework, vision, mission and values. This is an improvement by 11 percentage points when compared with the 2016 figure of 62%.
- 76% of the 25 SAIs who responded (scored level 3 and above) indicating that they had implemented their internal communication strategies are aligned to their vision, mission and objectives and including use of effective information sharing practices (e.g. websites, meetings, newsletters etc.).
- The majority number of SAIs established communication channels with their primary stakeholders like Parliament, PAC, MoF and others.
- A great number of SAIs are still to establish monitoring mechanisms and tools to gather and report on feedback information they could receive from their stakeholders. For examples, 76% and 80% of the SAIs indicated that they do not monitor and report on the satisfaction level feedback received from stakeholders regarding the quality and relevance of SAI regularity and performance audits, respectively.

Summary

The region has made good progress in supporting SAIs to develop and implement internal and external communication policies and strategies. Now the focus should be to support SAIs to implement the same tools.

Despite that the majority of SAIs indicated gaps in the development of coherent communication policies and strategies that are linked to standards, national legal requirements and SAI strategies it was surprising that several SAIs continue to assert that their internal communication strategies, processes and structures were at level 3 and above of the ICBF. There is need to engage SAIs and discuss current stories that make them effective in the field of communication.

High on the primary list of stakeholders is Parliament, PACs, Ministry of Finance, SAI staff and the judiciary. It means effective communication is guaranteed when SAIs fully engage their internal and external stakeholders. SAIs need to continue engaging their stakeholders to ensure improved delivery of audit services.

Finally, SAIs should be encouraged to prioritise the development and implementation of stakeholder engagement and monitoring tools and templates for deployment. In addition, the region may need to continue to develop capacity development interventions targeted at developing SAI communication specialists and practitioners to effectively man communication functions at the SAI level.

CHAPTER 8: GENERAL PERFORMANCE OF THE SAIs

8.1 SDGs and AU AGENDA 2063 Goals

Questions were included in the survey to gather baseline information on new focus areas as well as productivity levels of the SAIs. The two new focus areas, namely the audit of Sustainable Development Goals (SDGs) and the AU Agenda 2063 goals were introduced in 2015. These areas became important given the adoption of UN SDGs in 2015 which are the successors of the MDGs. The main challenges listed by SAIs include; lack of technical capacity and funding constraints.

8.2 Timeliness and audit coverage

Timeliness in tabling audit reports is not only dependent on the date of submission of the reports to the legislature but it also paints a picture of how well the public financial management system works as well as how the SAI itself work. As such the parameters have been expanded to ensure compatibility with the requirements of PEFA indicators on the scope, nature and follow-up of external audits². According to the PEFA indicator number 26, level C, twelve months is the limit for audit reports to be submitted to the legislature. 68% (17 out of 25 respondents) met this PEFA standard. However, in the region we have used a bench mark of 6 months as several legislative frameworks now require the finalization and submission of such reports to be with 6 months after the financial year end. 46% (10 out of 25 SAIs) indicated that they now submit their regularity audit reports within six months of financial year end. Over the past three years this figure has been marginally increasing.

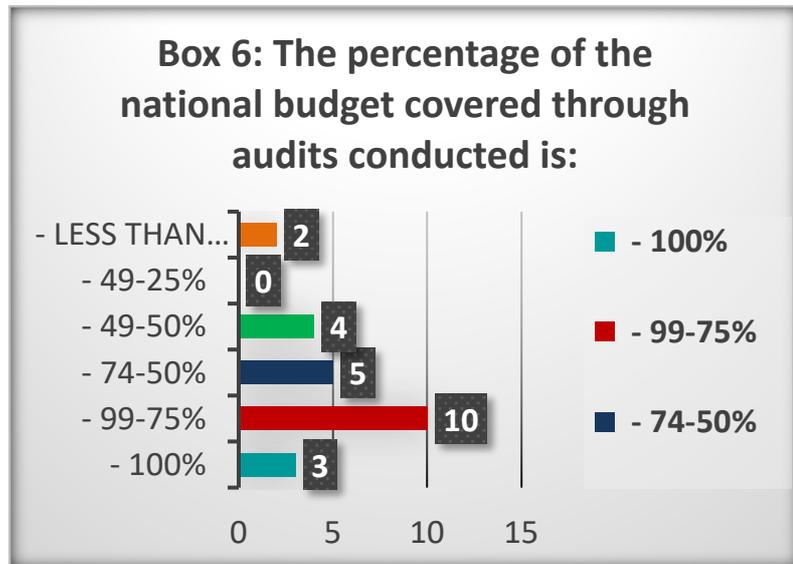
The reasons for delays and or none compliance were various, for instance; shortage of staff and funds, non-submission of the financial statements by auditees, late submission by the same and others. In 2017 SAIs singled out the main reasons as budget cuts and delay or non-release of budget allocations by the executive to fund audit operations as discussed in the financial resourcing session of this report.

For performance auditing submission times are ad hoc. In 2017 the submission times ranged from 2 months to 12 months after signing off by the head of SAI.

When it comes to audit coverage there have been material decreases in general, for the past three years starting 2015. For instance, in 2015 for regularity audits 83% (9177 out of 11070 planned audits) were completed within statutory timeframes. In 2016 this figure decreased to 69% (9866 completed out of 14291 planned audits). In 2017 the figure has further decreased to 66% (10260 completed out 15579 planned audits).

² The indicator was developed by PEFA, a multi-agency partnership sponsored by among others the World Bank, the European Commission and DFID; PEFA – Public Expenditure and Financial Accountability

Box 6 shows the percentage of national budgets that were audited marginally decreasing in 2017. For instance, in 2017 ten SAIs indicated that their audit coverage was 99-75% compared to twelve SAIs in 2016. Three SAIs indicated 100% in 2017 compared to 2 in 2016. Five SAIs indicated 75-50% of the national budgets compared to three SAIs in 2016. On the other hand, SAIs also attributed the reasons for not attaining 100% audit coverage to budgetary and staff capacity constraints; and SAI capacity limitations as well as limiting legislative instruments. In 2017 SAIs also indicated that late or non-submission of accounts was also a factor affecting audit coverage at the national levels.



8.4 Size and composition of audit staff

The size of the audit staff and its composition are of interest as reported elsewhere in this report. The financial/regularity auditors are by far the largest part of the audit staff, at approximately 92% compared with 93% in 2016. The performance audit part is approximately 6% compared with 5% in 2016 while IT auditors constitute about 2%. Figure 13 shows the total number of audit staff in the region as 11893. Over the three years period there has been a sizeable increase in the number of regularity, auditors while for the other two, namely performance and IT auditors the increase has been marginal as shown in figure 3.

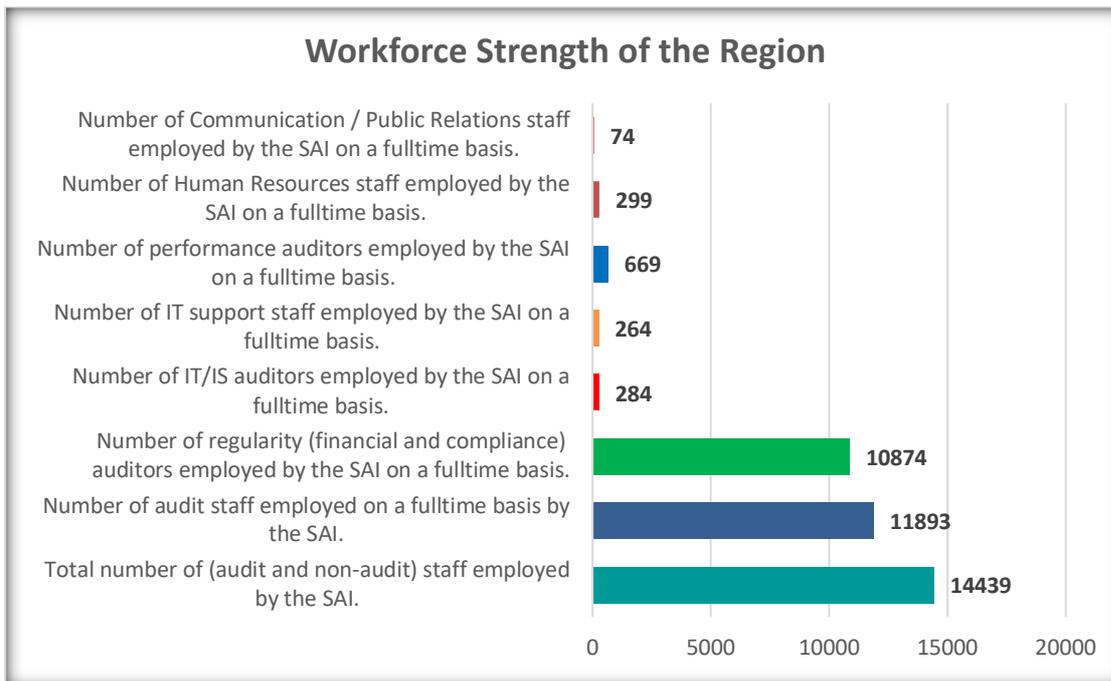


Figure 13: The 2017 regional workforce strength

The capacity to carry out financial audits by SAIs in the region is increasing as shown by the increase in the number of regularity/financial auditors (see Figure 13). Compared with other disciplines, performance auditing comes out a distant second even though there is a steady increase in the number of performance auditors in the region. The same is true when it comes to the number of IT/IS auditors. It is expected that both now and in the foreseeable future the region's number one priority would remain regularity (financial and compliance) audits. This may be attributed to the explicit mandate of the majority number of SAIs: which is to carry out regularity audits annually while for performance and IT audits the mandates are less explicit. Encouraging though is the fact that there is steady movement in terms of building the numbers of performance and IT auditors in the region.

8.5 Financial Resourcing of SAIs

Another important indicator for SAI development is in the area of financial resourcing. Just as in the previous two years, in 2017 a significant number of SAIs commented that funding constraints caused by budget ceilings, budgets cuts, non-release of budget allocations by the executive, were significant in terms of limiting the extent to which their capacity building initiatives would be implemented. As a developing region, the majority of SAIs depend on donor support to improve and sustain their audit capacities.

Effective execution of SAI mandates is premised on the availability of adequate resources. Now, the question one needs to ask is: *what does a well-resourced SAI look like in terms of its resources?* The objective is to develop a rough indicator of what a well-funded SAI should have in terms of their budget against the national budget. For now it is assumed that the region only needs a rough indicator which may not include such other factors, for instance, outsourced audits whose budgets sit in the auditees' books, in kind contributions by auditees as well as donor contributions. As such, SAI South Africa has been selected for now as a regional bench mark indicator. In 2017, the South Africa SAI's budget was calculated as 0.23% of their National budget as compared to 0.21% in 2016.

Out of the 22 SAIs who responded to the questionnaire two SAIs did not submit their data. Table 4 shows the SAIs' budgets as percentages of their national budgets. Of the remaining 20 SAIs 18 SAIs' calculated percentage budget levels were lower than the 0.23% bench mark. Two SAIs including South Africa achieved the benchmark indicator and three SAI over achieved the benchmark indicator.

2017 Financial Resourcing: SAI Budget as a Percentage of their National Budgets

Description Range	Benchmark Indicator	Number of SAIs	Benchmark
0.01% to 0.05%	0.23%	3	Not achieved
0.051% to 0.10%	0.23%	1	Not achieved
0.11% to 0.15%	0.23%	3	Not achieved
0.151% to 0.20%	0.23%	4	Not achieved
0.21% to 0.25%	0.23%	4	Achieved
0.251% to 0,30%	0.23%	1	Exceeded
0, 31% to 0.35%	0.23%	0	Exceeded
Above 0,351%	0.23%	5	Exceeded
Total		23 SAIs	

Table 5: Percentages of SAI budgets against their National Budgets (Angola, Eritrea and Mozambique, did not submit responses)

Based on the results of Table 5 it can be concluded that the majority of SAIs in the region are not well resourced. Consequently, it is possible that the SAI's affected may not be able to reward and recognise their staff using competitive markets rates. It is concerning though that most of the SAIs in the region are underfunded and depend on external donor funding to finance their capacity building initiatives. It can be concluded that the sustainable implementation of ISSAI is at risk if the SAIs are not financially supported to build their capacities.

CHAPTER 9: CONCLUSIONS

Independence and Legal Framework

There have been significant improvements in the legislation of ISSAI compliant SAI legal frameworks over the past years. Several SAIs commented that they were lobbying their governments to review and approve legal frameworks that are compliant to ISSAIs and other best practices. However, operationalising independence, continues to be a challenge. This may also prevent the creation of effective SAI governance structures that would ensure that SAIs become model organisations that deliver value to the citizenry. SAIs are encouraged to continue lobbying their executives and other development partners to ensure the establishment of appropriate measures that would guarantee their financial and administrative independence in law and in practice.

Organisation and Management

SAIs have progressed significantly in establishing strategic and operational plans and other governance related tools, systems and structures to effectively execute their mandates. However, it was observed in the quality assurance support visits that a number of SAIs were operating using outdated strategic plans and that their operational plans were not adequately linked and aligned to strategic plans. SAIs still encounter challenges and gaps when it comes to ensuring the content quality of their plans, implementing and reporting on the achievement of the goals and objectives of their strategic and operational plans. SAIs are encouraged to establish effective and seamless strategic and operational planning processes to enable ownership by both SAI leadership and their staff. These internal processes are critical for effective formulation, execution and monitoring of policy documents.

Another major challenge, facing SAIs appears to be the implementation of policies and tools that would ensure efficient and effective execution of SAI mandates. The absence of adequate monitoring and evaluation systems and processes within the majority of the member-SAIs was again identified as a weak area in the region.

Human Resources

There is HR capacity constraints in a significant number of SAIs as shown by the low number of SAIs on level three and above in the human resources domain. This can be partly attributed to the absence of administrative independence on the majority of SAIs that are still falling under the public service. As such policy development and implementation processes can be slow and bureaucratic. This then tends to constrain the recruitment, training and retention of qualified and experienced staff. However, SAIs need development support in the Implementation of the Integrated Competency Framework, HR Planning, Monitoring and evaluation of HR Processes, Implementation of Knowledge Management Systems, HR Retention and Reward and Recognition Policies. SAIs may also need support in developing and implementing professionalisation programmes.

Audit Standards and Methodology

The region has made satisfactory progress in implementing ISSAIs and production of ISSAI compliant audit processes and tools. Specifically, there had been good improvement in the development and customization of the Regularity Audit Manual (RAM) and the Performance Audit Manual (PAM), IT Audit Manual (ITAM) by SAIs. However, there is still technical capacity gaps that need closed in terms of establishing robust quality control management systems in SAIs, training of technical staff, monitoring the effectiveness of the same systems as well as computerising the audit processes to including use of CAATs. SAIs may need support in addressing the new critical challenge of customising and rolling out the new Financial Audit Manual (FAM), the Compliance Audit Manual (CAM) which are the two successors of the RAM as well as the ITAM.

To build and maintain future and present sustainable capacity SAIs are encouraged to take the professionalisation route as well as continue the development of their management and leadership teams who will guide the implementation of the relevant change agendas.

Communication and Stakeholders management

Whilst the region has made good progress in supporting SAIs to develop Internal their External Communication policies and strategies; now the focus should be to support SAIs to implement and monitor the effectiveness of the same tools. The area of engaging and monitoring stakeholders feedback has been identified as weak and yet it critical for ensuring the delivery of high quality SAI audit services. SAIs should be encouraged to prioritise the development and implementation of stakeholder engagement and monitoring tools and templates for deployment. Further, the region may need to continue to develop capacity development interventions targeted at developing SAI communication specialists and practitioners to effectively man communication functions at the SAI levels.

APPENDICES

Appendix 1: AFROSAI-E INSTITUTIONAL CAPACITY BUILDING FRAMEWORK (ICBF): A GENERIC FORMAT OF THE INSTITUTIONAL PERSPECTIVE

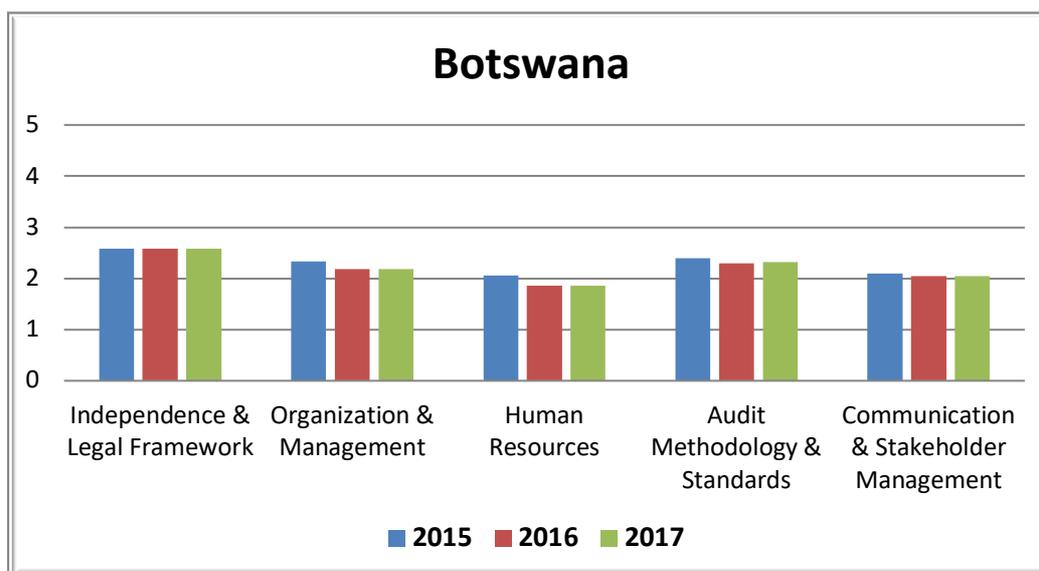
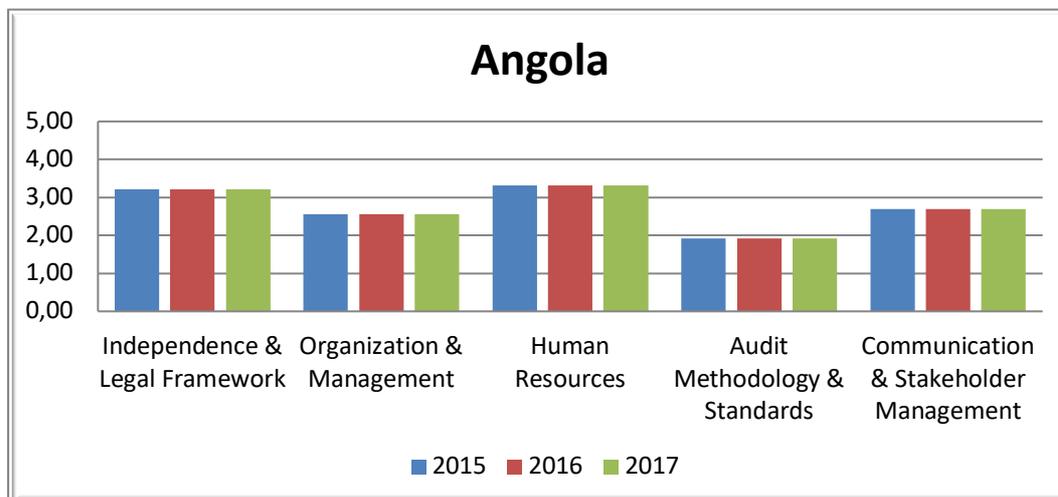
FIVE DOMAINS WITH ELEMENTS FOR ALL THE 5 LEVELS IN THE FRAMEWORK (ICBF)

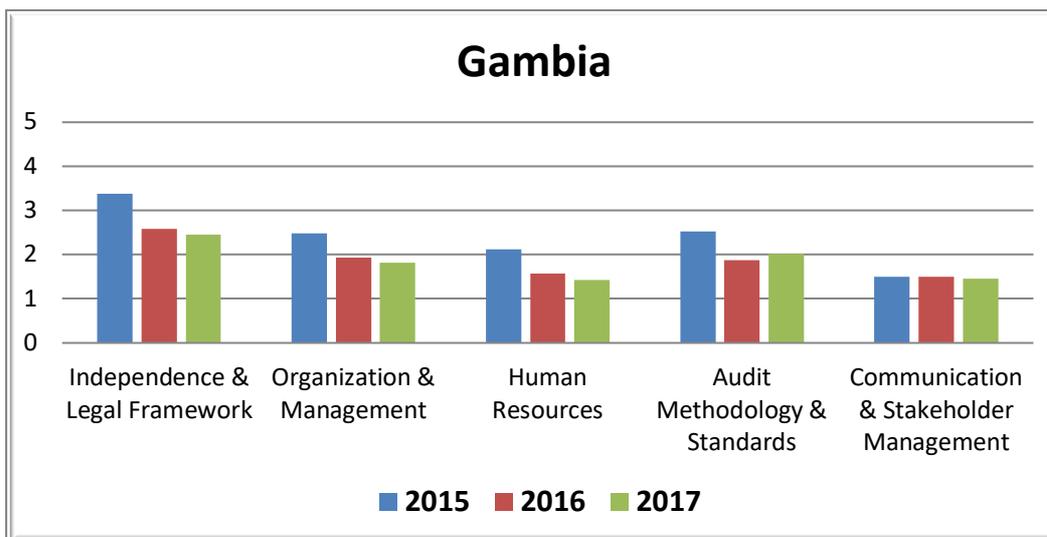
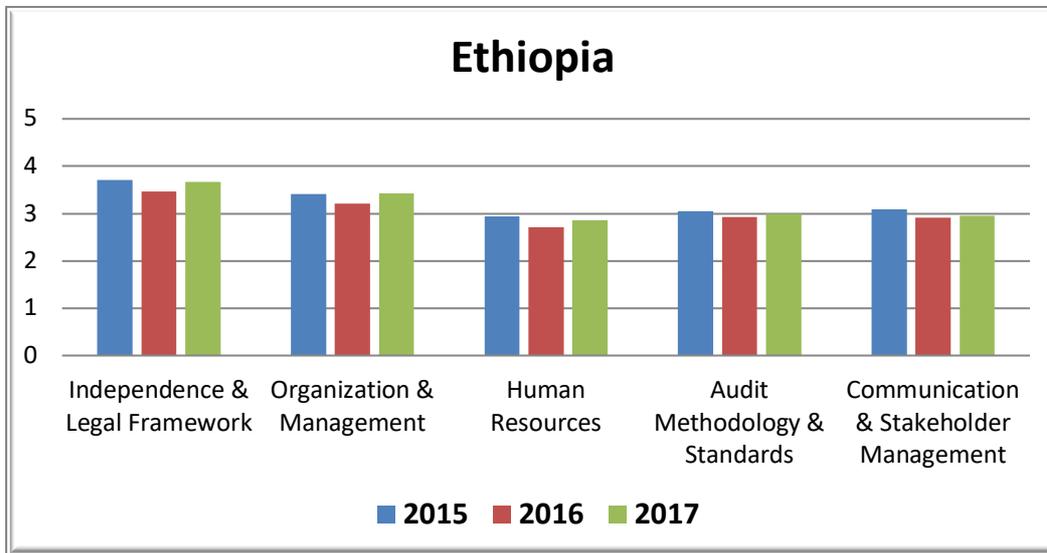
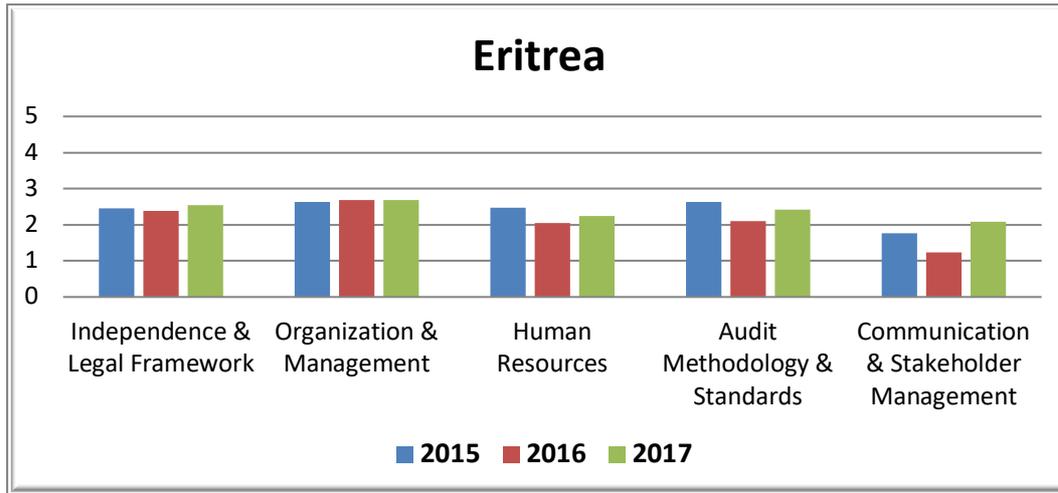
INDEPENDENCE AND LEGAL FRAMEWORK	ORGANIZATION AND MANAGEMENT	HUMAN RESOURCES	AUDIT STANDARDS AND METHODOLOGY	COMMUNICATION AND STAKEHOLDER MANAGEMENT
<p>INDEPENDENCE OF THE SAI</p> <ul style="list-style-type: none"> ➤ Appropriate and effective constitutional/statutory/ legal framework ➤ Financial autonomy ➤ Managerial and administrative autonomy ➤ Appropriate human, material and monetary resources <p>INDEPENDENCE OF THE HEAD OF SAI AND MEMBERS OF COLLEGIAL INSTITUTIONS</p> <ul style="list-style-type: none"> ➤ Security of tenure ➤ Legal immunity in the normal discharge of their duties <p>SUFFICIENTLY BROAD MANDATE</p> <ul style="list-style-type: none"> ➤ A broad mandate and full discretion in the discharge of SAI functions ➤ Direct submission of reports to Parliament ➤ Access to information ➤ Discretion in selection of audit issues ➤ Freedom to decide on content, timing of audit reports and to publish and disseminate them 	<p>LEADERSHIP AND DIRECTION</p> <p>STRATEGIC PLANNING</p> <p>ANNUAL OPERATIONAL PLANNING</p> <p>ORGANIZATION OF THE SAI</p> <ul style="list-style-type: none"> ➤ Organisational development ➤ Existence of a performance audit function ➤ Existence of an IS audit function ➤ Existence of an IT support function <p>INTERNAL CONTROL SYSTEM</p> <p>in line with International standards</p> <p>USE OF RESOURCES</p> <ul style="list-style-type: none"> ➤ A management information system (MIS) tracking key management information ➤ A time recording system to enable reporting of staff costs 	<p>HUMAN RESOURCE AND PROFESSIONAL DEVELOPMENT POLICY</p> <p>Including:</p> <ul style="list-style-type: none"> ➤ Recruitment ➤ Remuneration ➤ Performance management system ➤ Career development ➤ Training ➤ Staff welfare ➤ Professional development ➤ Job rotation ➤ Retaining ➤ Exit <p>DEVELOPMENT PLANS</p> <p>Aligned with:</p> <ul style="list-style-type: none"> ➤ Strategic plan ➤ Annual operational plan <p>MANAGEMENT OF PERSONNEL</p> <ul style="list-style-type: none"> ➤ Recruitment ➤ Development ➤ Staff welfare ➤ Performance appraisals ➤ Retaining ➤ Filling of vacant posts ➤ Exit 	<p>ANNUAL AUDIT PLAN</p> <p>Covering:</p> <ul style="list-style-type: none"> ➤ Assessments of constraints ➤ Current issues and stakeholder expectations ➤ Risk assessments in place for prioritizing audit risk ➤ Clear statement of audit coverage ➤ Activity plans for regularity and performance audits ➤ Addressing of backlogs <p>AUDIT MANUALS</p> <ul style="list-style-type: none"> ➤ Aligned to international standards ➤ Connected to a training program ➤ Reviewed and updated regularly <p>QUALITY CONTROL MEASURES AND QUALITY ASSURANCE</p> <ul style="list-style-type: none"> ➤ SAI policy and procedures ➤ Roles and responsibilities ➤ Type of review specified and planned, including nature, scope and frequency ➤ Implementation of a quality assurance handbook or guidance for full compliance to international standards 	<p>COMMUNICATION POLICY AND STRATEGY COVERING INTERNAL AND EXTERNAL COMMUNICATIONS</p> <p>Based on:</p> <ul style="list-style-type: none"> ➤ Legal framework ➤ Vision, mission and values ➤ Stakeholder analysis (including prioritization) ➤ SWOT or similar analysis ➤ Gap analysis considerations <p>CHANNELS OF COMMUNICATION</p> <p>Between:</p> <ul style="list-style-type: none"> ➤ SAI and Parliament ➤ PAC and Judiciary <p>AD HOC MEETINGS</p> <p>With:</p> <ul style="list-style-type: none"> ➤ Ministry of Finance and oversight bodies <p>INTERNAL COMMUNICATION Including:</p> <ul style="list-style-type: none"> ➤ Alignment of staff to SAI's vision, mission, goals and objectives ➤ Implementation of effective information sharing practices

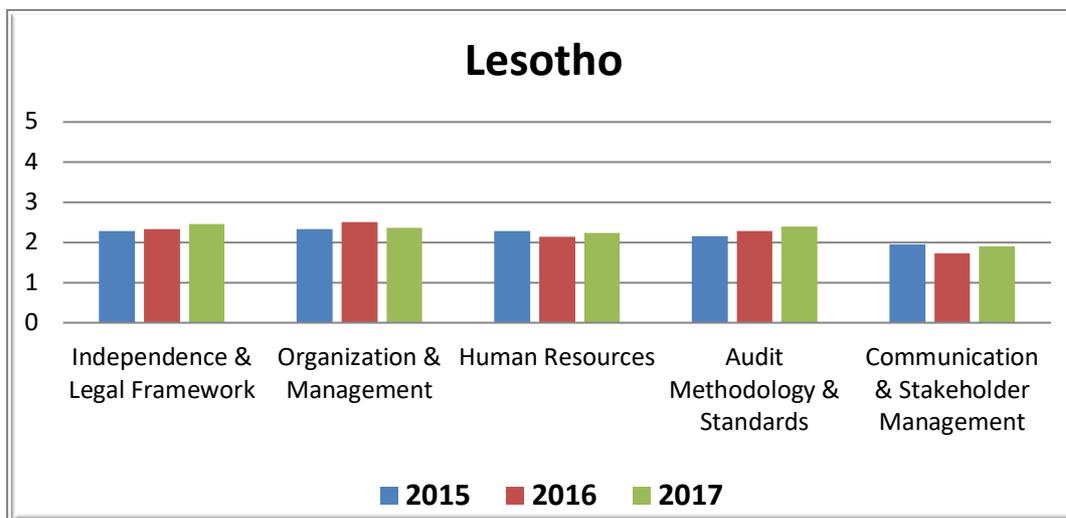
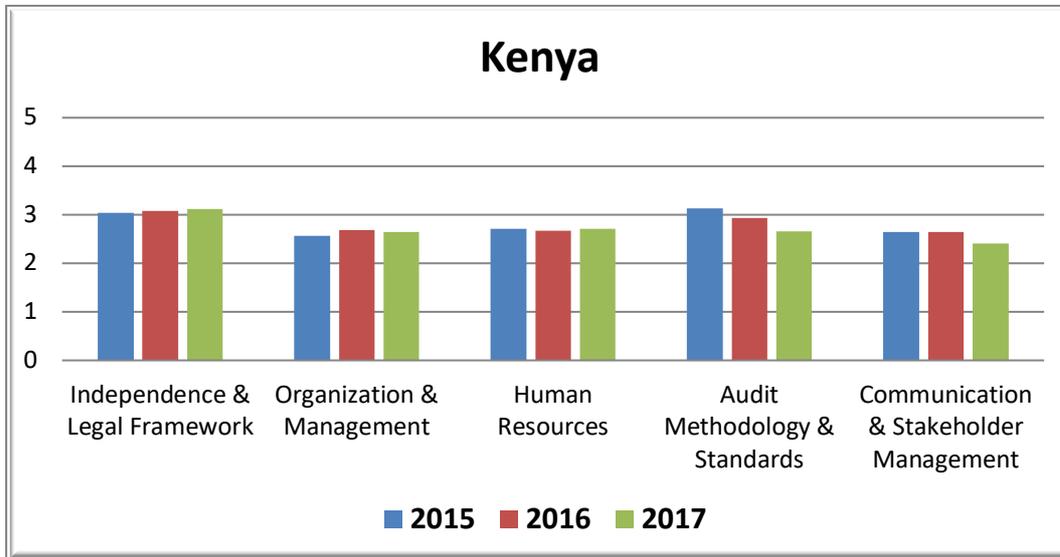
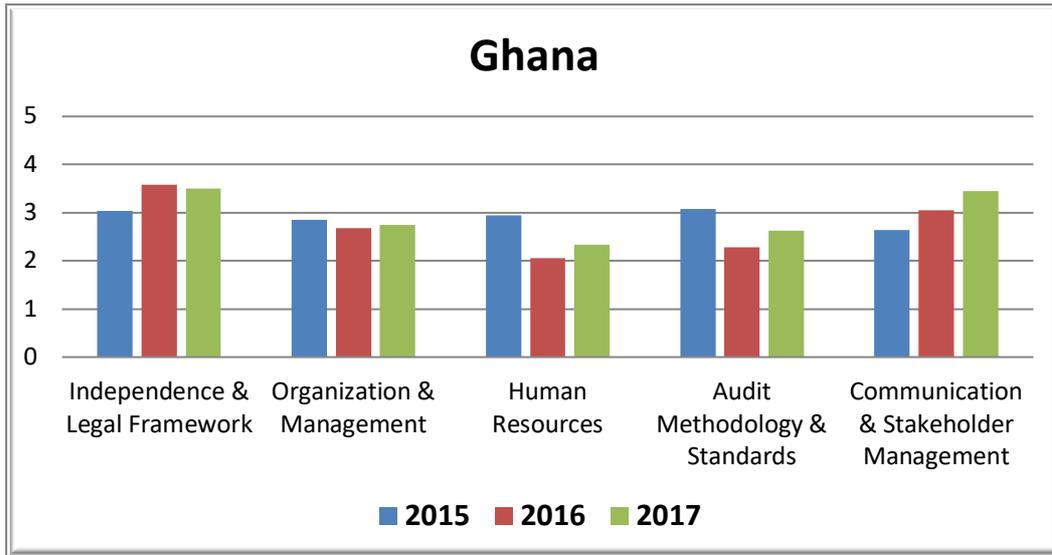
INDEPENDENCE AND LEGAL FRAMEWORK	ORGANIZATION AND MANAGEMENT	HUMAN RESOURCES	AUDIT STANDARDS AND METHODOLOGY	COMMUNICATION AND STAKEHOLDER MANAGEMENT
<p>EFFECTIVE FOLLOW UP MECHANISM at the SAI on its recommendations</p> <p>SAIS REPORTING ON ITS OWN ACTIVITIES AND USE OF RESOURCES</p> <p>OVERSIGHT AND ACCOUNTABILITY The Parliament or an oversight body appoints the SAI's external auditors</p>	<p>CODE OF ETHICS and its monitoring</p>	<p>TRAINING ASPECTS WITH MONITORING AND EVALUATION MECHANISMS For:</p> <ul style="list-style-type: none"> ➤ New entrants ➤ Management development ➤ On the job training ➤ Secondments to other SAIs ➤ Audit/accounting qualifications ➤ Coaching and mentoring process <p>CAPACITY TO TRAIN ITS STAFF To:</p> <ul style="list-style-type: none"> ➤ use information ➤ develop knowledge ➤ develop skill 	<p>QUALITY ASSURANCE PROCESSES PERFORMED BY OTHERS</p> <p>AUDIT IT-TECHNIQUES Such as:</p> <ul style="list-style-type: none"> ➤ Electronic working papers ➤ Computer assisted audit techniques (CAATS) <p>IMPLEMENTATION OF THE SAI COMMUNICATION STRATEGY for the audit process with the auditees</p> <p>COMMUNICATION With:</p> <ul style="list-style-type: none"> ➤ Relevant experts ➤ Professional bodies ➤ Relevant journals ➤ Internal audit ➤ Other public sector audit institutions <p>SAI REPORTING Should include:</p> <ul style="list-style-type: none"> ➤ Follow up on previous recommendations ➤ Standard structure of reports, user-friendly with materiality considerations 	<p>PROMOTION OF THE SAI Via:</p> <ul style="list-style-type: none"> ➤ Engagement with: <ul style="list-style-type: none"> > Media > The public > Academic institutions > International community and organizations ➤ Use of effective information sharing practices <p>AUDIT PERFORMANCE AND RESULTS Such as:</p> <ul style="list-style-type: none"> ➤ Audit coverage of expenditure ➤ Number of signed and issued or published performance audit reports ➤ Number of/percentage of performance auditors in relation to total audit staff ➤ Integration of IS audit in regularity and performance audit ➤ Coverage of IS audit ➤ Time for submission of the annual audit report to Parliament from the beginning of the year ➤ Time for implementation of the recommendations ➤ Key stakeholders view on the benefit of the audit

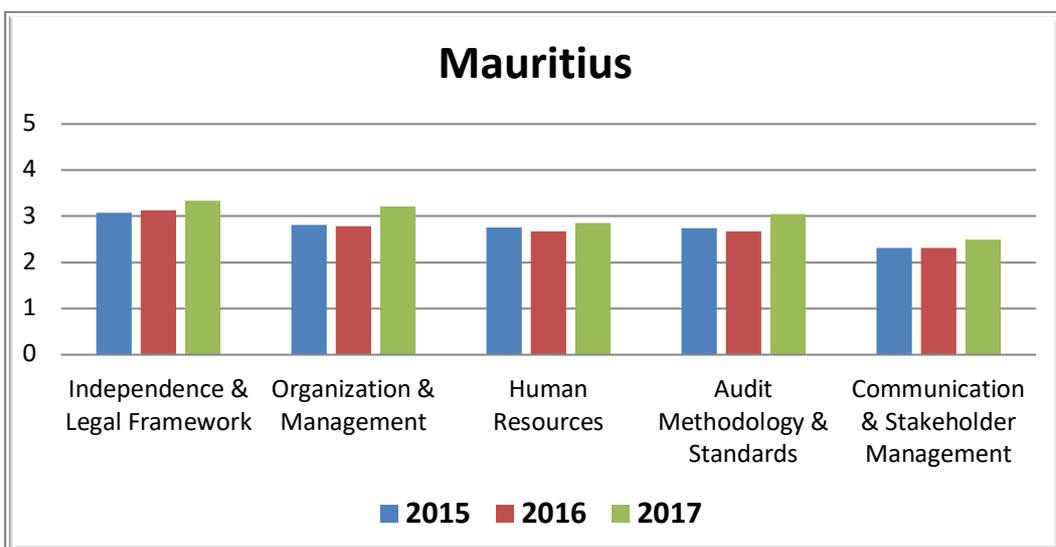
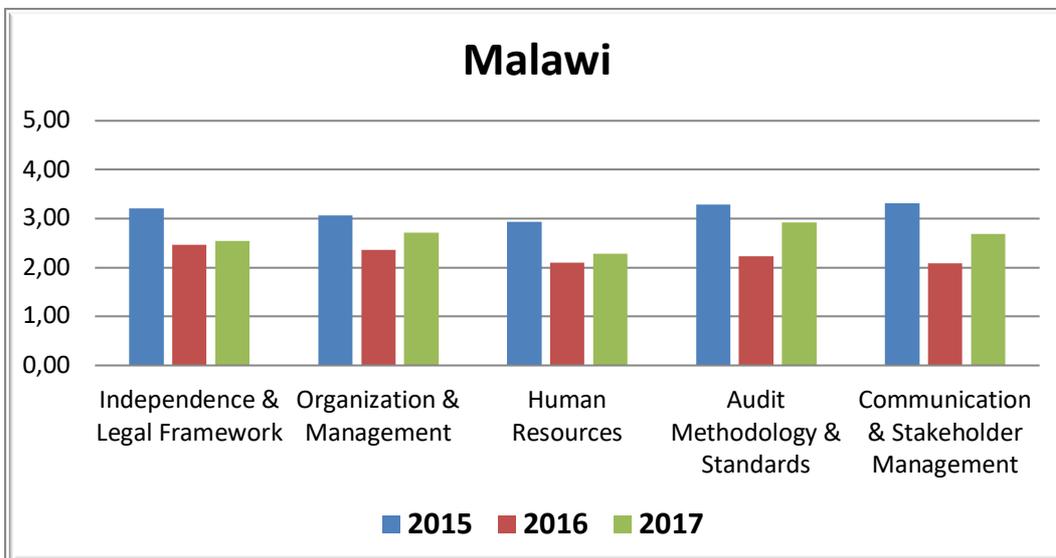
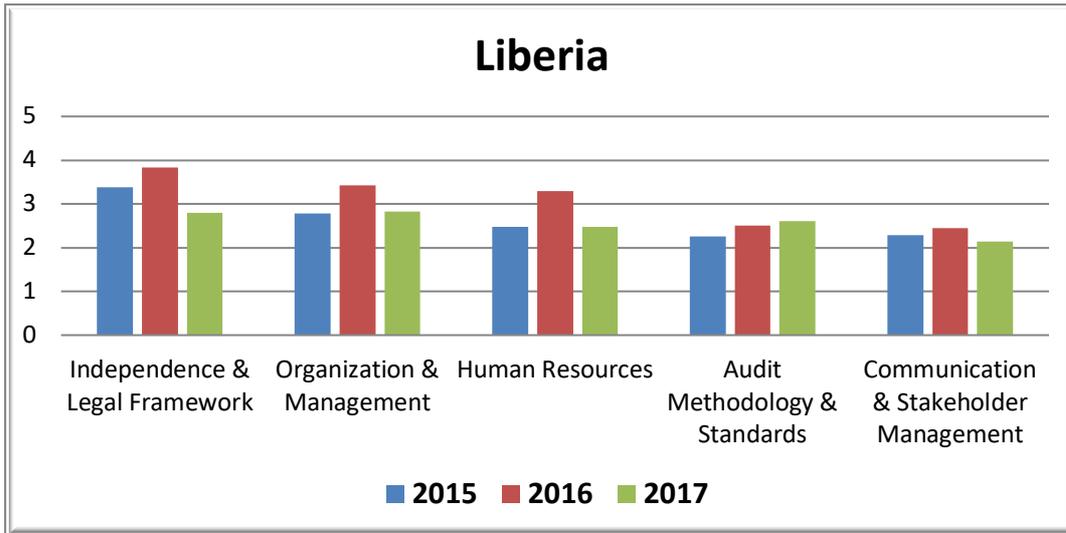
Appendix 2: Country Level Presentations 2017

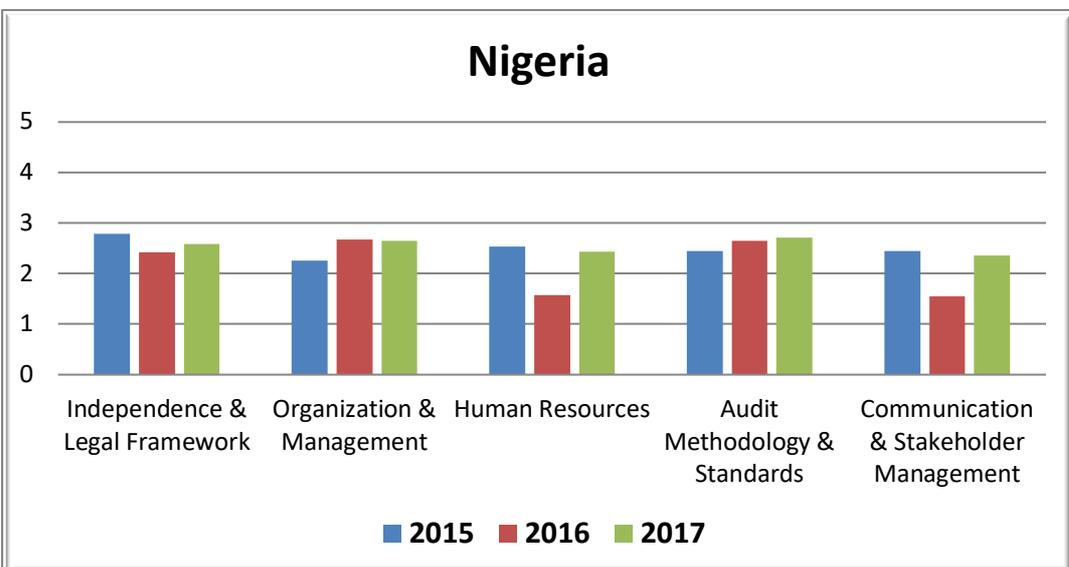
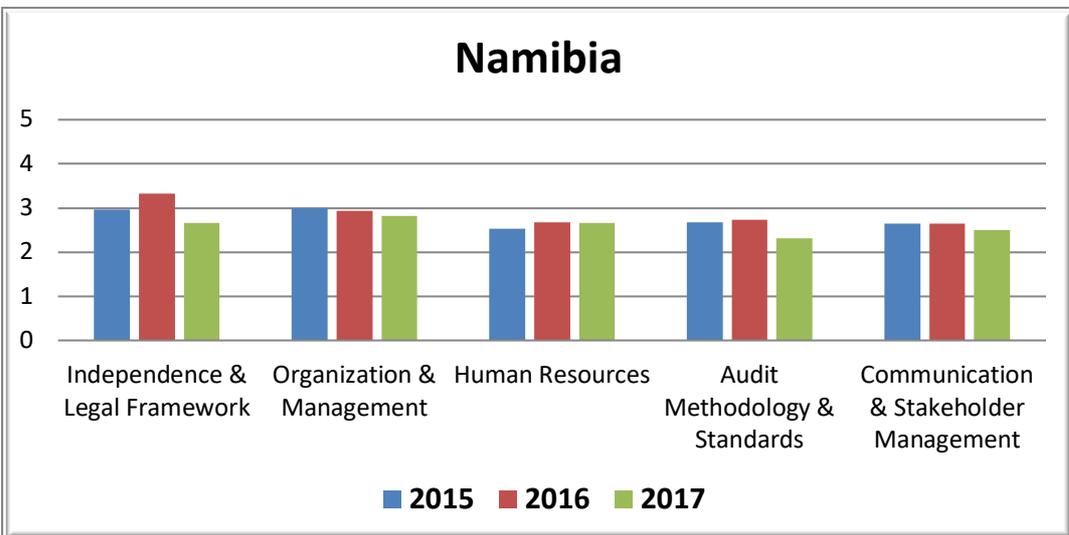
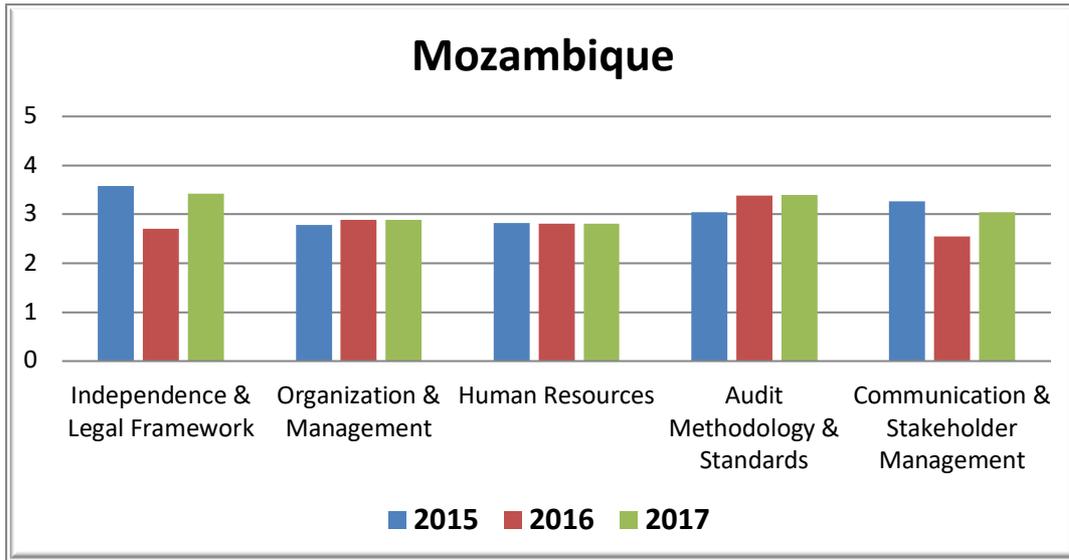
Appendix 2 shows the development levels in accordance with the institutional capacity building framework (ICBF) within the AFROSAI-E region. The values are based on annual self-assessment questionnaires for the three years from 2015 to 2017.

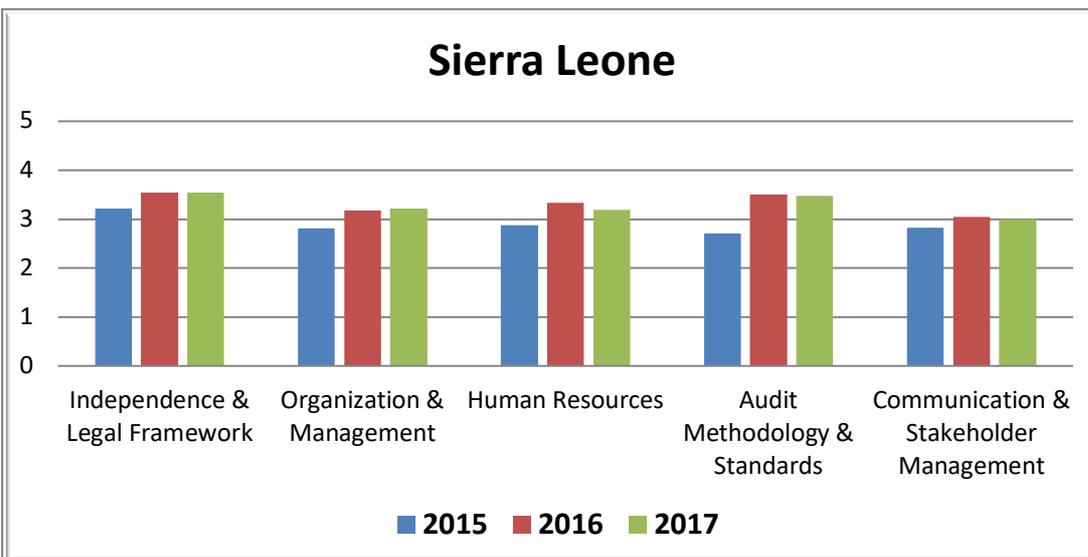
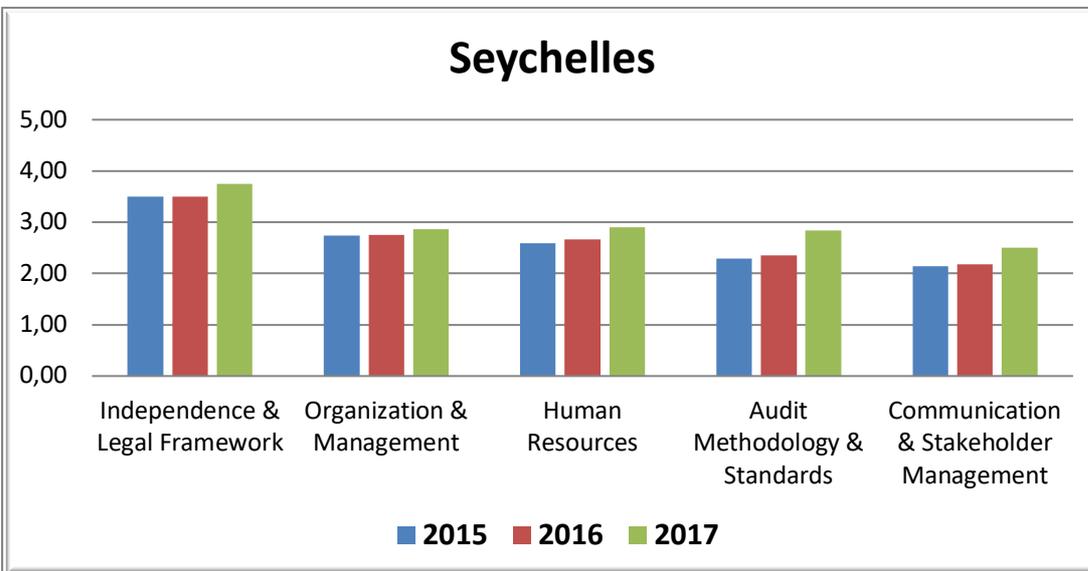
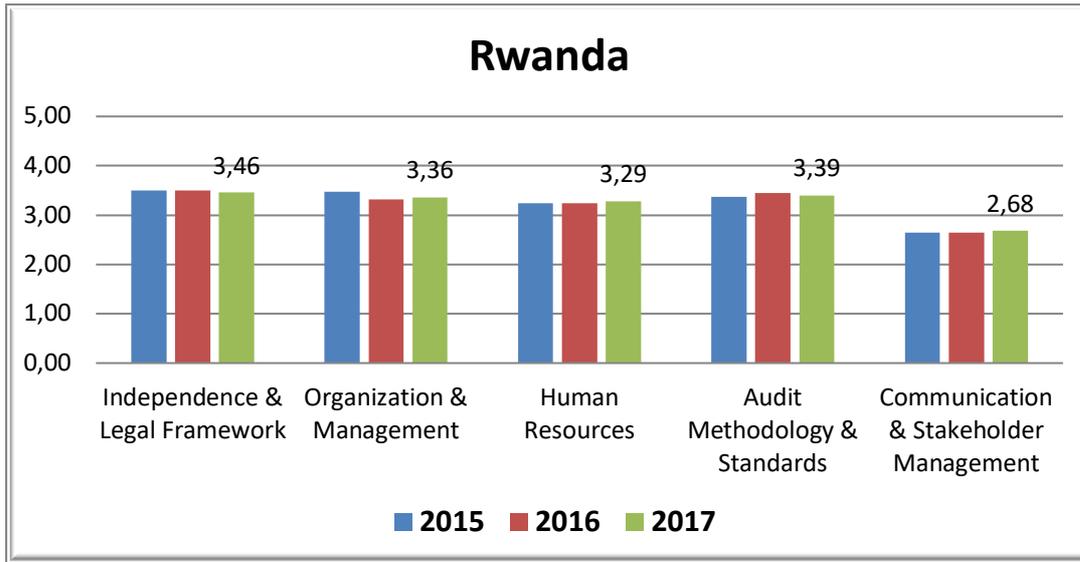


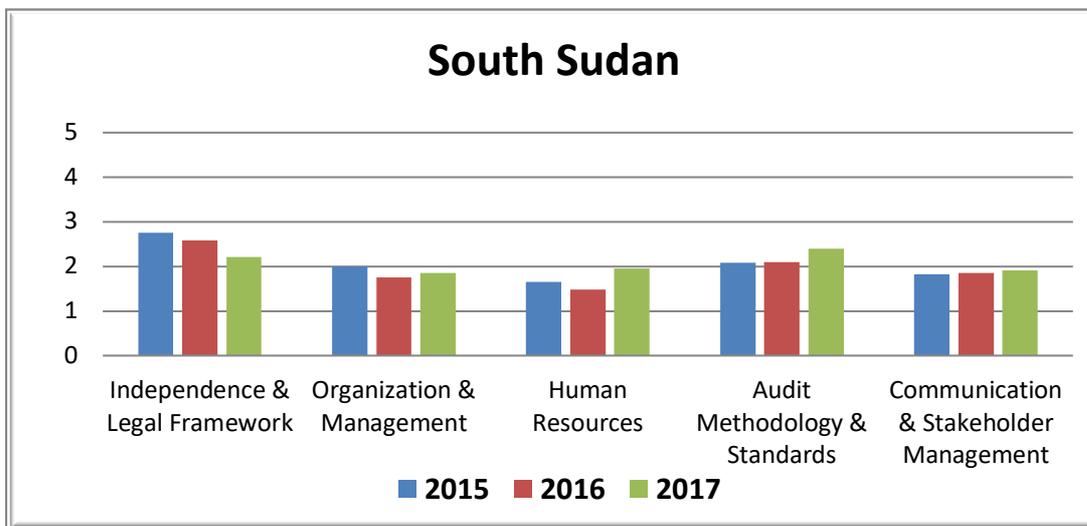
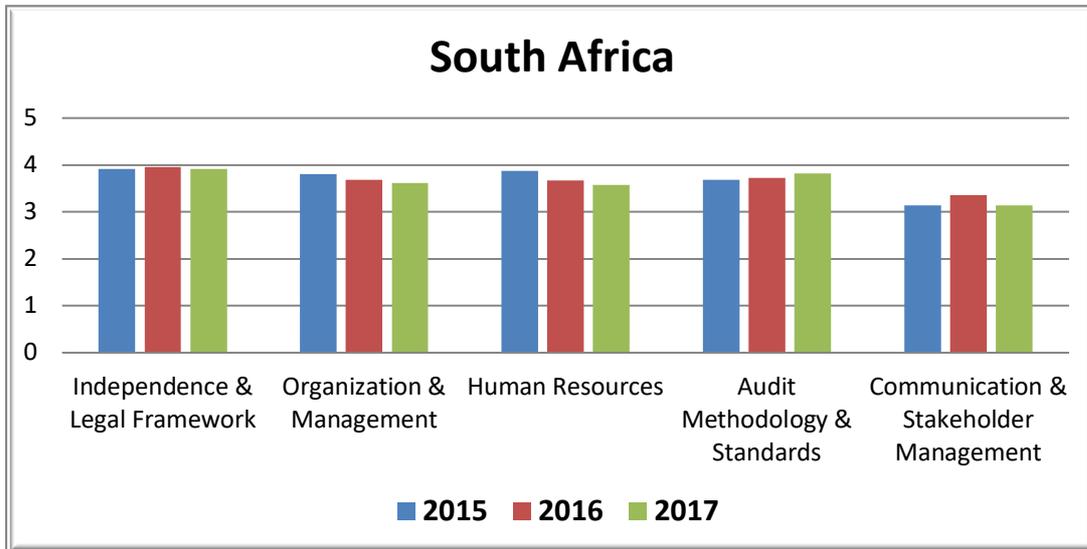
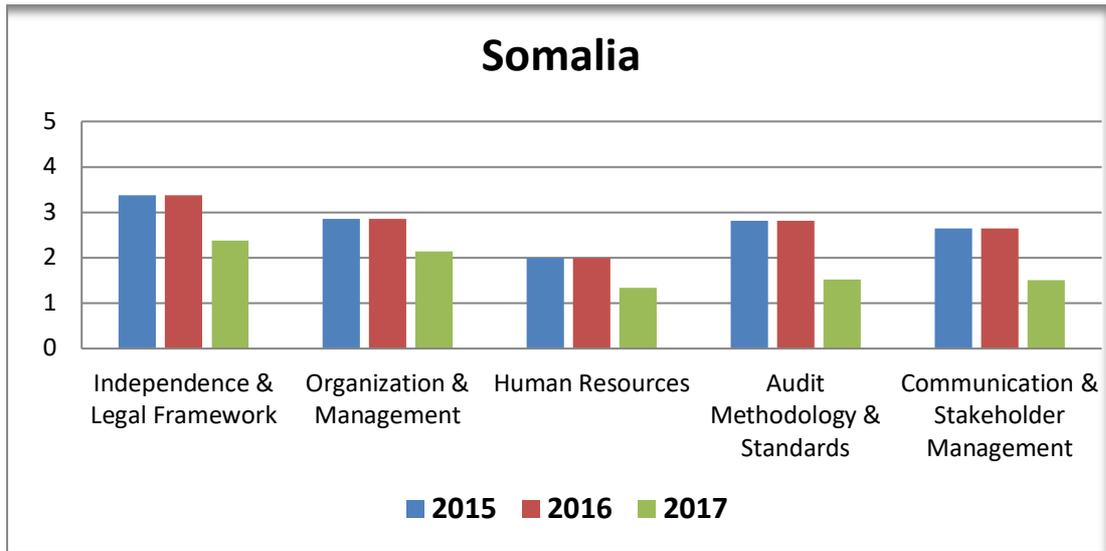


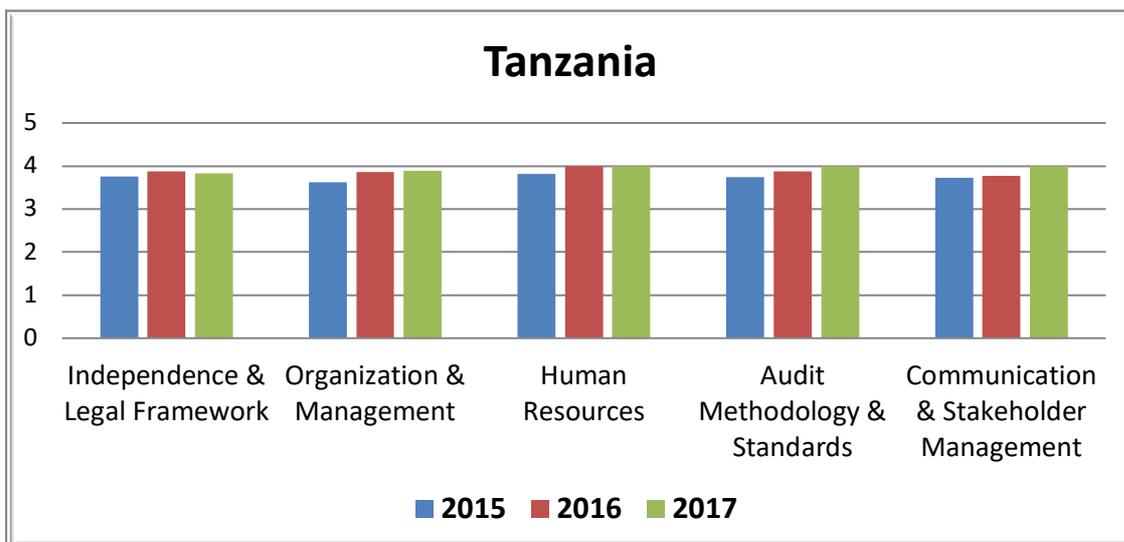
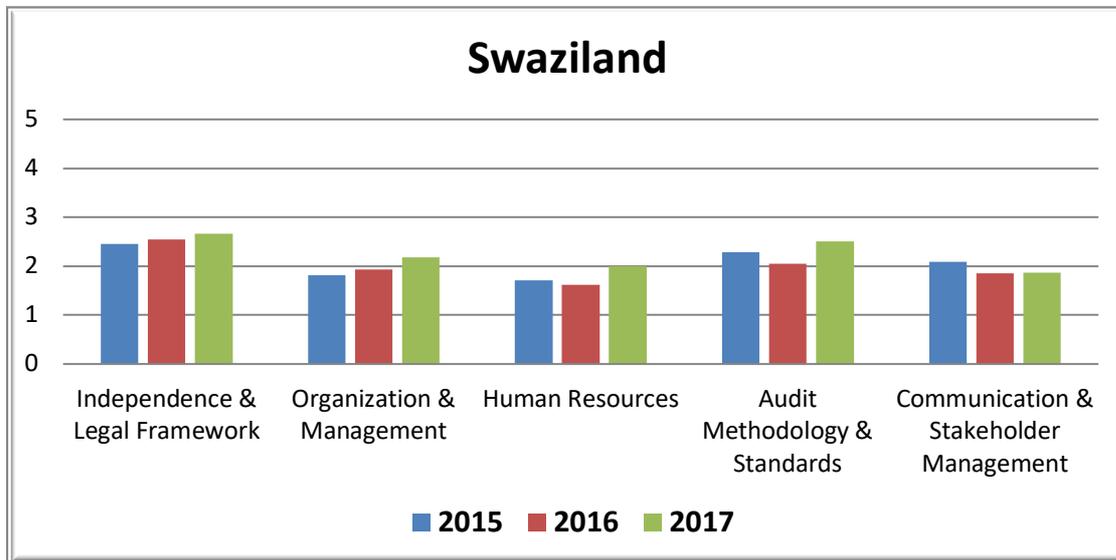
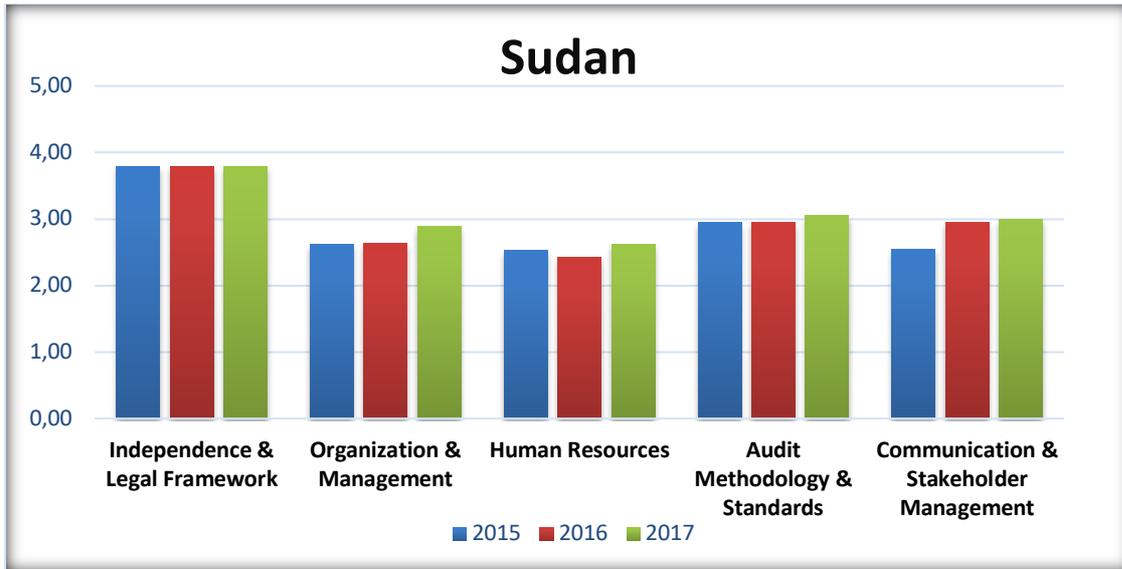


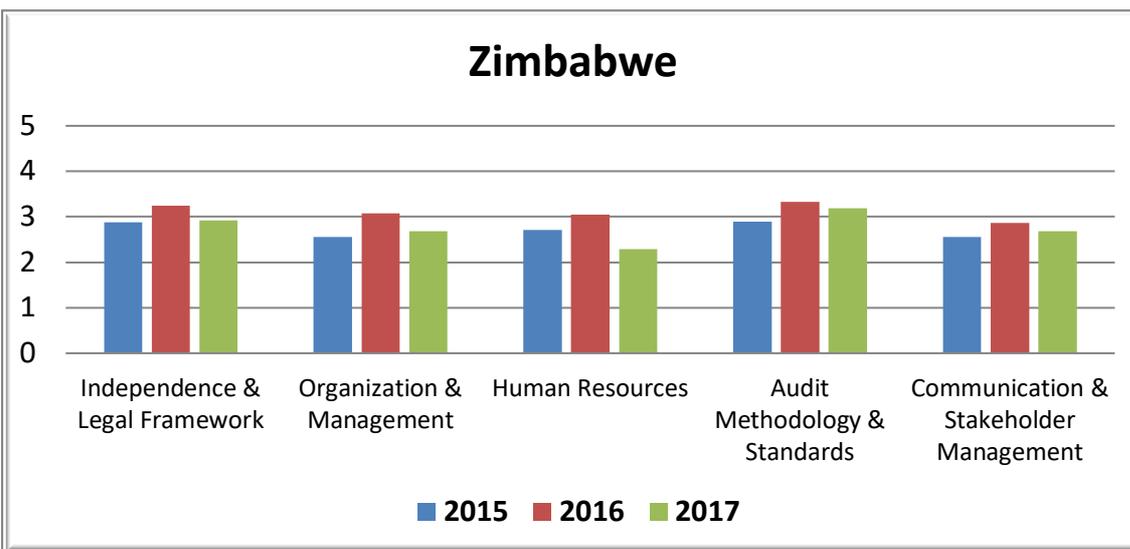
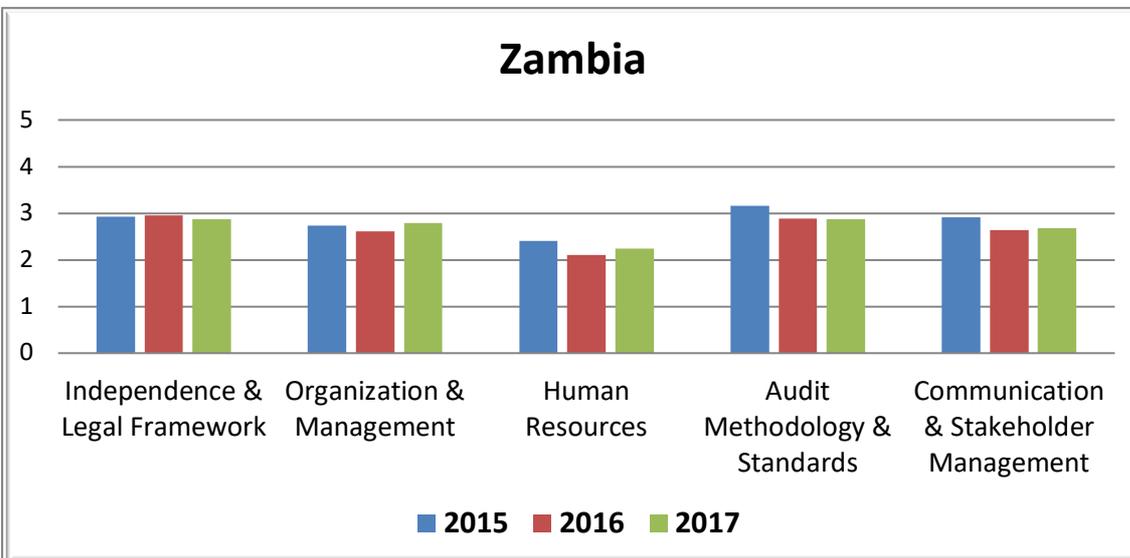
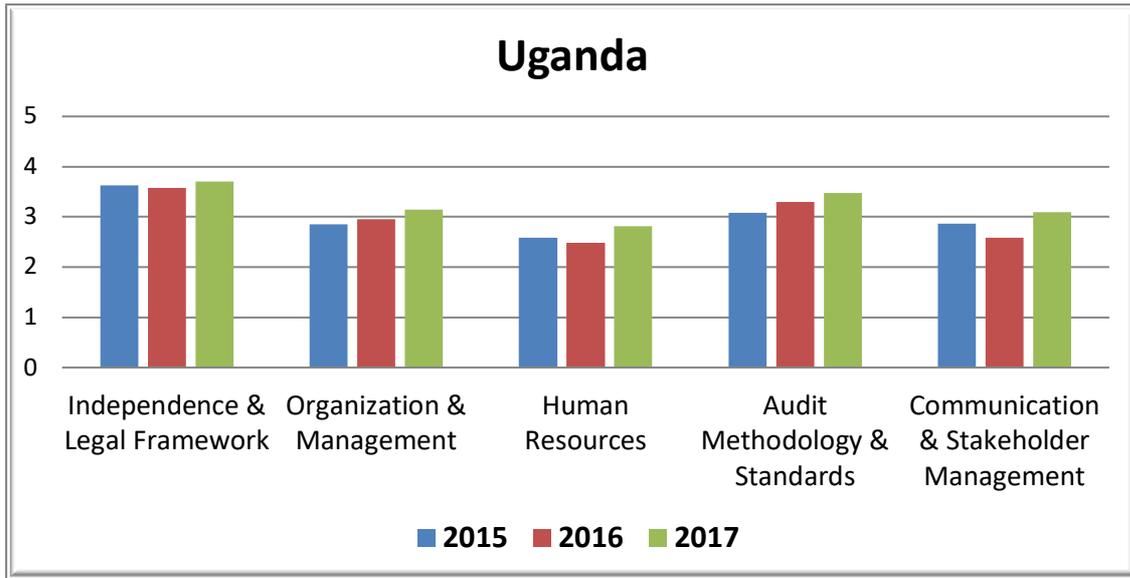












Appendix 3: Quality Assurance Questions – average for all countries per question

The white fields are left out in the subset of quality assurance questions

Year	2015	2016	2017
The Head of SAI has developed and implemented effective system(s) of delegating authority and holding managers to account for their actions in a manner that promotes a culture of quality in all the SAI work.	3.24	3.19	3.2
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)	3.24	3.15	3.12
The SAI has developed an IT/IS audit strategy for its IT/IS audits	2.20	2.46	2.24
The SAI has an IT support function with at least one (1) IT person for every 30 staff members	2.60	2.62	2.6
The SAI has approved internal control policies, rules and regulations and procedures that are clearly documented and applied in promoting an effective internal control environment	2.92	2.92	2.92
The SAI has implemented a time recording system, which enables reporting on costs of staff	2.16	2.12	2.16
The SAI has implemented a quality control management system for <i>regularity audits</i> based on ISSAIs and other good practices.	2.88	2.96	3.04
The SAI's quality control management system for regularity clearly define the roles and responsibilities of all team members, team leaders, audit managers, and engagement partners as well as pre-issuance reviewers where applicable	2.96	2.96	3.12
The SAI's quality control monitoring measures for regularity clearly specifies the requirements for planning of types of reviews, including nature, scope and frequency	2.88	2.81	2.96
The SAI has implemented quality control measures for <i>regularity audits</i> when it comes to the need for a quality assurance handbook/guideline for full compliance with international standards (ISSAIs)	2.84	2.77	2.96
The SAI has implemented a quality control management system for <i>performance audits</i> based on ISSAIs and other good practices.	2.64	2.62	2.76
The SAI's quality control management system for <i>performance audit</i> clearly define the roles and responsibilities of all team members, team leaders, audit managers, and engagement partners as well as pre-issuance reviewers where applicable	2.68	2.65	2.92
The SAI's quality control monitoring measures for performance <i>audit</i> clearly specifies the requirements for planning of types of reviews, including nature, scope and frequency.	2.64	2.54	2.76
The SAI has implemented quality control measures for <i>performance audits</i> when it comes to the need for a quality assurance handbook/guideline for full compliance with international standards (ISSAIs)	2.64	2.54	2.64
The SAI has been peer reviewed/quality assessed during the year by SAIs outside the AFROSAI-E region	1.70	2.05	1.84
The SAI has been peer reviewed/quality assessed during the year by AFROSAI-E	3.24	3.35	3.36
The SAI has been peer reviewed/quality assured during the year by SAIs in the region but not part of the regional program	2.13	2.00	2.37
The SAI is using tools such as electronic working papers	2.28	2.42	2.48
The SAI is using tools such as computer assisted audit techniques (CAATS)	2.36	2.54	2.56

The SAI has integrated IT/IS audit in performance audit and regularity audit	2.08	2.19	2.12
The SAI's annual IT/IS audit coverage in % of the number of national IS systems	1.84	2.00	2.04

Appendix 4: Scoring of quality assurance questions compared to quality assurance support visits results

Questions compared to the quality assurance reviews in year 2016. Comparisons between the reviews and the result from the survey shown in table 5 in the report.

Questions compared to the quality assurance reviews in year 2017. Comparisons between the reviews and the result from the survey shown in table 5 in the report.

1. The head of SAI is appointed with sufficiently long and fixed term to comply with the requirement that *“The Head of SAI, and (where relevant) members of collegial institutions... (are) given appointments with sufficiently long and fixed terms, to allow them to carry out their mandates without fear of retaliation”*

2. The relevant and applicable legislative framework(s) specifies, *“... the conditions for appointments ... removal ... of the Head of the SAI, and (where relevant) members of collegial institutions ... by a process that ensures their independence from the executive”* (e.g. with the approval of the legislature, and where relevant, the Head of State; removal only for just cause/impeachment, similar protections to those that apply to a High Court Judge)

3. The executive *does not* take part in the preparation of the SAI’s budget appropriation or the final decision on the SAI’s budget

4. The SAI submits an annual report on its own performance to Parliament and other key stakeholders

4.1 The head of SAI, top and senior management set appropriate tone and direction for the whole organization by documenting and disseminating the SAI vision and core values and promoting these in the SAI’s public activities as well as to all staff.

4.2 The SAI has developed and implemented an annual operational plan based on its strategic plan

4.3 The SAI has implemented an annual operational plan based on assessments of risks in the environment and expectations from stakeholders

4.4 The operational plan is linked to the SAI budget and there is evidence to prove that all planned activities have been allocated adequate resources and covers all the functions and types of audits that will be carried out.

4.5. The SAI has implemented a system for monitoring and evaluation of the annual operational plan

5.1 The SAI developed and implemented an HR plan ensuring the required institutional capacity (right staff with the right competencies).

5.2 The SAI has adopted and implemented the Integrated Competency Framework for SAI Audit and Non-Audit professionals which defines the knowledge, skills and behavioural competencies required to function effectively in the SAI environment.

5.3 The SAI has developed and implemented an overarching integrated HR strategy that supports the SAI’s strategic intent.

5.4 The SAI has developed and implemented an attraction and recruitment policy to hire, place and induct staff with the relevant competencies to operate competently and effectively in the SAI.

5.5 The SAI has developed and implemented a Performance Management Policy which defines the planning, monitoring and reviewing the performance of staff and their overall contribution to the SAI.

5.6 The SAI has implemented a system to monitor and evaluate all the different aspects of the Human Resource development strategy and policies the results of which are included in its annual performance report.

6.1 The SAI has developed and implemented a Training and Development Policy to realise individual potential, to improve productivity as well as individual and team performance.

6.2 The SAI has implemented training programs for new entrants

6.3 The SAI has developed and implemented a Leadership Framework and leadership and or management programs to ensure the cultivation of leaders / managers who motivate and inspire a culture of high performance.

6.4 The SAI has implemented on-the-job training programs for all its staff

6.5 The SAI has implemented training programs to assist its staff to obtain professional qualifications in relevant disciplines

6.6 The SAI has implemented a system to monitor and evaluate the return on investment and effectiveness of training and development initiatives.

7.1 The SAI has implemented a quality control management system for *regularity and performance audits* based on ISSAIs and other good practices.

7.2 The SAI’s quality control management system for *regularity and performance audit* clearly define the roles and responsibilities of all team members, team leaders, audit managers, and engagement partners as well as pre-issuance reviewers where applicable

7.3 The SAI’s quality control monitoring measures for *regularity and performance audit* clearly specifies the requirements for planning of types of reviews, including nature, scope and frequency.

7.4 The SAI has implemented quality control measures for *regularity and performance audits* when it comes to the need for a quality assurance handbook/guideline for full compliance with international standards (ISSAIs)

8.1 The SAI has implemented a communication policy and strategy based on the SAIs legal framework, vision, mission and values

8.2 The SAI has implemented a communication policy and strategy based on stakeholder analysis (including prioritization)

8.3 The SAI has implemented a communication policy and strategy based on a SWOT, gap or similar analysis considerations

8.4 The SAI is monitoring the implementation of the communication policy/strategy and reporting on the outcomes in the annual performance report

9. The SAI is continually optimising its organization

10.1 The SAI has regularity and performance audit manuals which are compliant with ISSAIs and other good practices

10.2 The SAI's training programs for regularity and performance auditors are based on its *regularity and performance audit manual*.

10.3 The SAI's *regularity and performance audit manuals* are implemented, reviewed and updated on a regular basis

10.4 The SAI's *regularity and performance audit manuals* are customized to fit the country SAI's specific country prerequisites

Appendix 5: Number of auditors in the region

Number and percentage of the total number of regularity, performance and IS auditors 2015-2017 [note that estimates were used for Angola and Mozambique based on 2013 and 2016 figures respectively].

COUNTRY SAI	Regularity auditors						Performance auditors						IS auditors					
	2015		2016		2017		2015		2016		2017		2014		2016		2017	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Angola	124	98%	124	98%	124		0	-	0	-	0		3	2%	3	2%	3	
Botswana	114	85%	115	83%	115		17	13%	20	15%	20		3	2%	3	2%	3	
Eritrea	58	98%	64	98%	71		0	-	-	-	0		1	2%	1	2%	1	
Ethiopia	221	82%	323	81%	358		47	18%	74	19%	68		0	-	0	-	2	
Gambia	36	92%	49	96%	54		3	8%	2	4%	4		0	-	0	-	0	
Ghana	1282	96%	1177	96%	1783		40	3%	43	3%	48		18	1%	11	1%	18	
Kenya	818	93%	762	91%	922		40	5%	54	6%	54		23	2%	23	3%	21	
Lesotho	110	85%	114	87%	118		19	15%	17	13%	15		0	-	0	-	0	
Liberia	207	91%	209	91%	204		12	5%	12	5%	9		9	4%	9	4%	9	
Malawi	230	88%	160	84%	119		20	8%	20	11%	18		12	4%	10	5%	14	
Mauritius	146	92%	172	93%	164		12	8%	12	7%	11		0	-	0	-	0	
Mozambique	134	90%	216	96%	216		8	5%	8	4%	8		8	5%	0	-	0	
Namibia	94	85%	93	83%	106		17	15%	19	17%	19		0	-	0	-	4	
Nigeria	1280	100%	1236	99.8%	1504		0	-	0	-	43		0	-	3	0.2%	3	
Rwanda	107	87%	112	88%	121		15	12%	14	11%	14		1	1%	1	1%	4	
Seychelles	27	79%	28	97%	30		6	18%	-	0	7		1	3%	1	3%	0	
Sierra Leone	97	87%	96	88%	94		14	13%	13	12%	12		0	-	0	-	0	
Somalia	37	77%	37	77%	81		3	6%	3	6%	0		8	17%	8	17%	2	
South Africa	2887	93%	2832	92%	2488		78	3%	82	3%	83		128	4%	149	5%	141	
South Sudan	250	96%	70	87%	94		10	4%	10	13%	3		0	-	0	-	0	
Sudan	908	95%	1016	97%	856		30	3%	24	2%	108		16	2%	12	1%	22	

Swaziland	66	81%	57	79%	57		10	12%	11	15%	11		5	7%	4	6%	4	
Tanzania	776	94.8%	776	95%	710		41	5%	38	4.8%	37		2	0.2%	2	0.2%	2	
Uganda	318	87%	239	84%	268		36	10%	35	12%	45		11	3%	11	4%	12	
Zambia	273	91%	276	91%	319		20	7%	20	7%	20		7	2%	7	2%	7	
Zimbabwe	165	86%	195	89%	238		20	10%	19	6%	20		6	4%	6	3%	15	