



Making a difference in the performance of SAIs.

INTEGRATED ANNUAL REPORT

2015

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OUR INTEGRATED REPORT

Scope and boundary

This report includes information on the financial and non-financial performance for the period 1 January 2015 to 31 December 2015. It covers the activities of the AFROSAI-E Executive Secretariat established in terms of Article 7(1)(b) of the Statutes. The activities and the operations of member SAIs fell outside the boundary of this report, but are reported in an annual activity report, which is published separately.

This report contains comprehensive information on the financial, social and environmental performance for AFROSAI-E based on our Corporate Plan for 2015 – 2019, the Work Plan and Budget for 2015 and; is in accordance with the Statutes and Regulations of AFROSAI-E as amended in May 2013. These documents, along with the Annual Activity Report, form part of our main accountability instruments and describe the short- to medium-term organisational goals and objectives, as well as the associated activities and interventions planned to ensure effective and efficient delivery of AFROSAI-E's organisational mandate.

Reporting against GRI G4

Since 2012 we have based our reporting structure on the guidelines of the Global Reporting Initiative (GRI) and, for the first time this year, version 4.1 of the GRI was used as a reference in the compilation of this report.

In accordance with the GRI 4 guidelines this report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines.

Other reporting changes

Where restatements of last year's data were necessary, it has been clearly noted in this report where applicable.

External assurance

The external audit firm O.M.A Chartered Accountants Inc. audited our financial statements that were prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized entities (IFRS for SME).

The Governing Board remains accountable

The Governing Board acknowledges its responsibility to ensure the integrity of this report and believes that it addresses all material issues, and fairly presents the integrated performance of the organisation.

AFROSAI-E:

The African Organisation of English-speaking Supreme Audit Institutions

OUR VISION

Making a difference in the performance of SAIs

OUR MISSION

AFROSAI-E is, through innovation, committed to cooperate with and support its member SAIs to enhance their institutional capacity to successfully fulfil their audit mandates, thereby making a difference to the lives of citizens

OUR VALUES

Making a difference through:
Innovation and creativity
Developing competence
Enhancing confidence
Improving credibility

OUR OBJECTIVES

To enhance the audit performance of its members.

To develop and share resources in the region.

To promote professional and technical development and cooperation among its members and other international and regional bodies such as AFROSAI and INTOSAI.

To promote and maintain relations with national, regional and international institutions specialising in issues affecting the audit of public resources.

To support regional institutions in promoting good governance

MEMBER COUNTRIES



OUR INSTITUTIONAL AND OTHER PARTNERS



Algemene Rekenkamer

SECTION 1:

Foreword from Chairperson

2015 was an auspicious year for AFROSAI-E, as it marked the 10-year anniversary of the organisation. It has been a decade of remarkable development and growth for our region and for us as a capacity building organisation. On 13 April 2005 the Heads of member SAIs gathered in the National Assembly Chamber of the South African Parliament to officially inaugurate AFROSAI-E. Ten years later, on 8 May 2015, I felt very proud to gather in the same spot with my fellow Auditors-General as we celebrated our achievements of the last decade. I'm also very pleased that the achievements and highlights of the last ten years have been recorded in a special publication.

This past year marked the first year of our new five-year Corporate Plan, which provides the strategic direction for the organisation for the 2015 – 2019 period. In line with our four strategic imperatives as outlined in the Corporate Plan, I would like to highlight the following achievements from this year and share some of the opportunities that lie ahead:

Professionalisation is one of the themes at the upcoming XXII INCOSAI and it is therefore fitting for AFROSAI-E to make use of the opportunity to showcase our strategy on the Professionalisation of Public Sector Auditors and Accountants in Africa.

In support of our strategic imperative of being a credible voice, the second phase of the SAI/ Public Accounts Committees (PACs) programme commenced in cooperation with the Deutsche Gesellschaft für International Zusammenarbeit (GIZ), with active involvement by the AGs of the participating SAIs. In addition, the communication strategy was refined and further developed to align initiatives to this strategic imperative.

In addition to the continuation of in-country roll-outs of the Management Development programme, a new initiative was launched with the support of Swedish National Audit Office (SNAO) to support senior leaders to turn capacity into capability. The Executive Leadership Development Programme (ELDP) commenced in 2015 with the top leadership teams from six SAIs participating in this valuable initiative. This programme is a testimony of our commitment to developing strong leadership capacity in the region. The 2015/16 roll-out of the programme concluded in March 2016 and resulted in specific and measurable projects to be implemented at SAI-level.

In September 2015 the United Nations unveiled the new global sustainability goals known as the 2030 Agenda for Sustainable Development or SDG's for short. Included in these goals are specific objectives for countries to build effective, accountable and inclusive institutions at all levels (Goal 16). Responding to this challenge, INTOSAI has selected the SDG's as a topic for discussion at the 2016 INCOSAI. This signifies a call to action for SAIs to be innovative in their approach, a challenge which AFROSAI-E has already taken heed of by incorporating the topic in the 2015 ICBF survey so that we can contribute to meaningful dialogue at the Congress later this year and also present our ICBF and Annual Activity Report as a best practice.

The 2015 Works Plan was characterised by initiatives designed to strengthen capacity in the region, but also to support SAIs in being responsive to increasing demand for strong, capable institutions that support good governance and accountability. This report provides an overview of some of the key outcomes and deliverables achieved in the last year.

I wish you all the best for 2016.



Lara Taylor-Pearce

Letter to the Governing Board by the Auditor-General South Africa

Oversight responsibility in terms of article 11(3) of the Statutes of AFROSAI-E

In terms of article 11(3) of the Statutes of AFROSAI-E the head of the SAI that hosts the Executive Secretariat have an oversight responsibility over the Executive Secretariat.

This oversight responsibility has been exercised on a monthly basis as agreed in a memorandum of understanding signed between me and the Chairperson. This report, which includes the audited financial statements deals with the most relevant matters affecting the affairs of the organisation. I am satisfied with the results achieved and can confirm that, based on the activities reviewed, our organisation plays a pivotal role in the capacity building of our members.

The report is submitted simultaneously to the subcommittees established by the Governing Board in terms of article 7(2) of the Statutes, for scrutiny and recommendation to the Governing Board where necessary.

Yours faithfully,



Mr. K Makwetu

Auditor-General of South Africa

Report by Chief Executive Officer

It gives me great pleasure to submit our Integrated Annual Report for the year ended 31 December 2015 to the Governing Board for their consideration and approval as per the AFROSAI-E Statutes.

This report signifies a new milestone in our reporting which was done in compliance with the GRI level four guidelines. In this way we acknowledge the importance of reflecting and reporting on the impact our activities have made on social, economic and environmental areas.

The 2015 – 2019 Corporate Plan sets ambitious goals and these were reflected in the 2015 Work Plan with a total of 82 projects that were identified as activities for implementation. While these ambitions were tempered by funding deficits, many activities still progressed and were conducted in an economic, efficient and effective manner. For the first time the Work Plan included pre-determined and specific measurable performance targets for all activities and they are reported against in this report. In support of the identified Work Plan projects, 95 events/activities were executed in 2015 and; despite the funding challenges we managed to achieve 79% of our Work Plan targets. This high level of achievement is as a direct result of the support and dedication of the Secretariat staff, our members, institutional and other partners which allowed us to implement additional projects.

The Regularity Audit Manual continues to be one of our key priorities and a dedicated team commenced with a project to review and update the manual to bring it in line with the most recent international developments. I'm also very pleased to report that a member of the Secretariat, Ms Josephine Mukomba, was selected to participate on the INTOSAI Common Forum for INTOSAI's professional standards.

In demonstration of our desire to deliver programmes economically, yet effectively, we've continued with the development of e-learning programmes as a cost effective training method. In 2015 several SAIs took the opportunity to roll out the first module of the three-module Performance Audit course using the e-learning programme. Going forward, we will continue to utilise these types of innovative approaches to support our members.

Close to 1700 participants from across the region participated in 2015 activities and events and; the feedback by delegates during the 10th Technical Update in November 2015 was indicative of the level of ownership taken by members to implement AFROSAI-E guidance.

AFROSAI-E achieved an unqualified audit report from the incoming auditors OMA Chartered Accountants Inc., which is included in this report. As we enter our second decade I am confident that as a region we will continue to build on the successes we've achieved. As we continue in our journey, I want to again thank our member countries, donors, institutional partners and other partners and staff for their continuous support, financial assistance, human resources and the knowledge and information that you have so generously shared. Your support has made it possible for us to make a tangible difference in our direct environment and beyond and we forward to our continued collaborations and mutual support.



MW Pretorius

SECTION 2:

Organisational overview

The Governing Board and subcommittees

During 2015 AFROSAI-E kept functioning as an autonomous, independent and non-political organisation and maintained its governance structures of oversight and reporting (*Figure 1*). In terms of Article 10 of the Statutes, the Governing Board is the supreme authority of the organisation and consists of the heads of member SAIs. The Governing Board is headed by a non-executive Chairperson supported by a Vice-chairperson and is appointed for a term of three years. The Governing Board is currently under the Chairmanship of the Auditor-General of Sierra Leone.

Each Auditor-General also served on one of the four oversight subcommittees. The Governing Board and its four subcommittees met from 4 – 8 May 2015 to oversee the main activities of the organisation on its behalf. The subcommittees are the:

- Capacity Building Subcommittee
- Human Resources Subcommittee
- Finance Subcommittee
- Audit Subcommittee

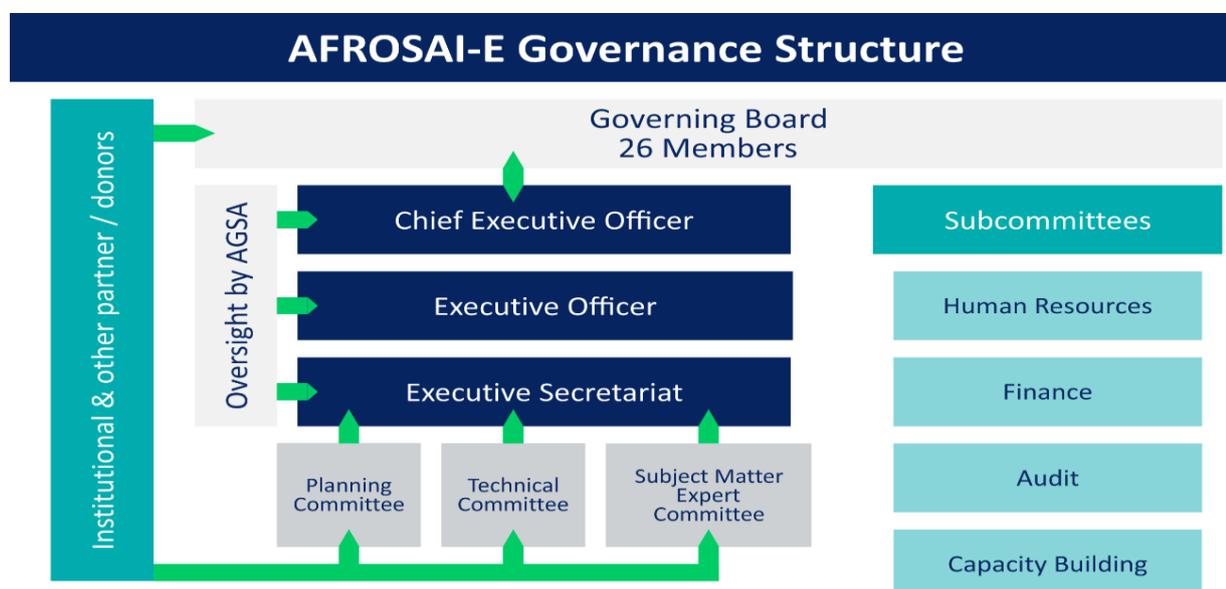
The Capacity Building Subcommittee also held an interim meeting in November 2015 to discuss current and emerging issues that are influencing capacity building measures in the region. The main outcomes of the 2015 Governing Board and Subcommittee meetings are reported on in Section 9.

The Executive Secretariat

The Secretariat will be hosted by the AGSA until 31 December 2022 and a new Memorandum of Understanding (MoU) was subsequent to year-end signed between the Auditor-General of South Africa, Mr. K Makwetu (AGSA) and the AFROSAI-E chairperson, Mrs L Taylor-Pearce. The Secretariat is subject to the law of South Africa, and is furthermore governed by the Statutes and Regulations.

The Secretariat is headed by Mr. MW Pretorius as Chief Executive Officer and on appointment by the Governing Board, and Mr K Makwetu fulfils an oversight role in terms of Article 11(3) of the Statutes and as set out in the MoU.

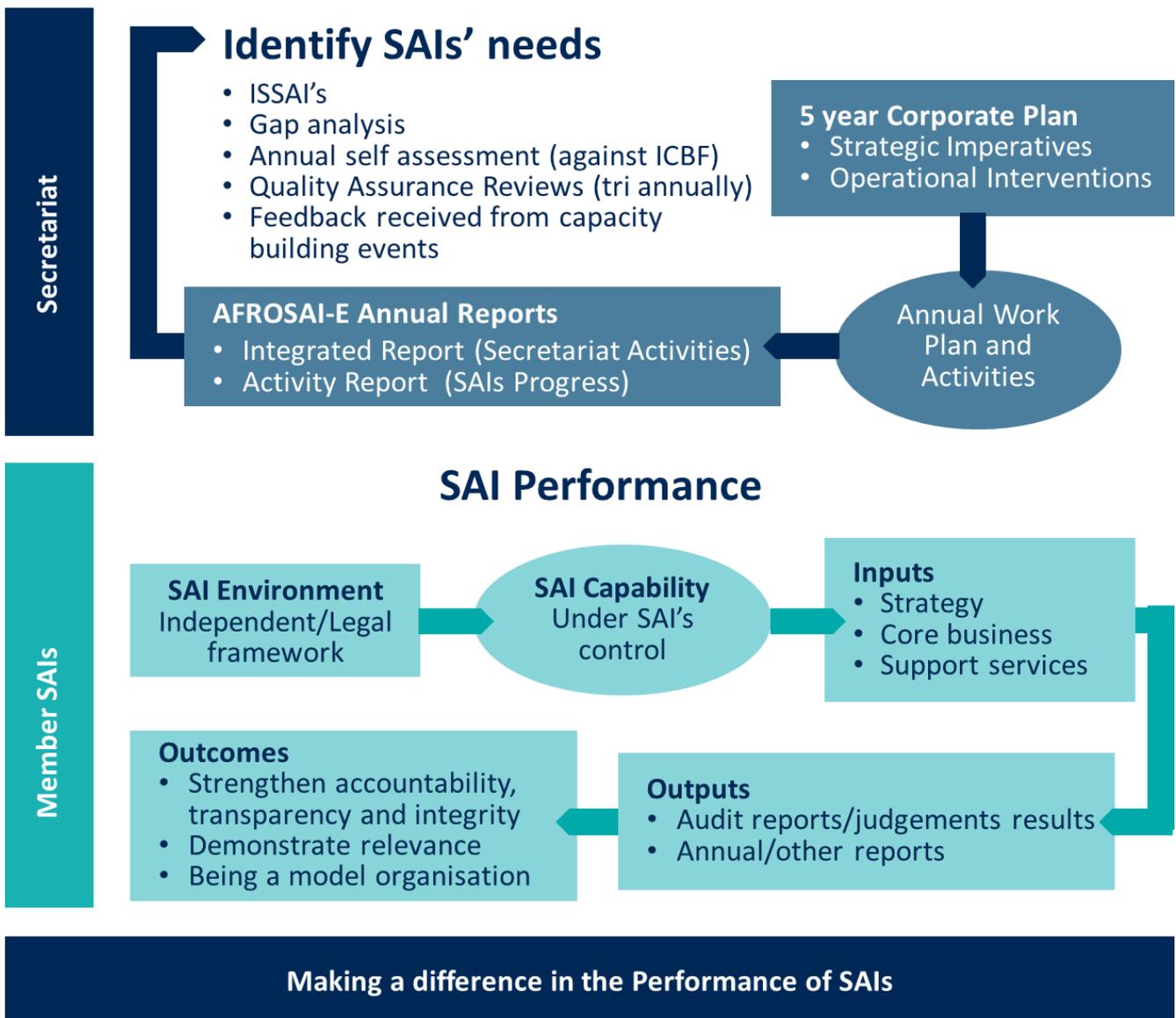
Figure 1:



Capacity building process

The primary objective of AFROSAI-E is to make a difference in the performance of its members. *Figure 2* provides an overview of how the Secretariat, through a needs identification process, assisted the Governing Board and its members in working towards this objective. The 2015 to 2019 Corporate Plan guided the formulation of the 2015 Work Plan and budget which was used to track and monitor progress and performance. The Integrated Annual Report and the Activity Report on the SAIs' performance together present a multi-dimensional overview of our performance against the targets set in the work plan and; it highlights the intent of AFROSAI-E to be a leading organisation in terms of enhancing accountability practices.

Figure 2:



Corporate Plan 2015 – 2019 and key success factors

2015 was the first year of the new Corporate Plan period (2015 – 2019). The Plan includes four strategic imperatives and four operational interventions (*figure 3*).

Figure 3:



Activity report summary

At its annual meeting in 2006, the Governing Board adopted an institutional capacity building framework as a basis for the organisation and its members to approach development and strategic planning. The framework has its roots in a capability model that was developed in 2001 and updated in 2005¹. It consists of five development levels, level 1 to 5, and five institutional development areas or domains:

- Independence and Legal Framework,
- Organisation and Management,
- Human Resources,
- Audit Standards and Methodology and,
- Communication and Stakeholder Management

The annual ICBF survey is based on the five domains and depicts how various SAIs are performing in the region against the Institutional Capacity Framework. A complete summary of the outcomes of the 2015 ICBF survey is published in the Transversal Activity Report. This section includes a short summary of the key outcomes for 2015.

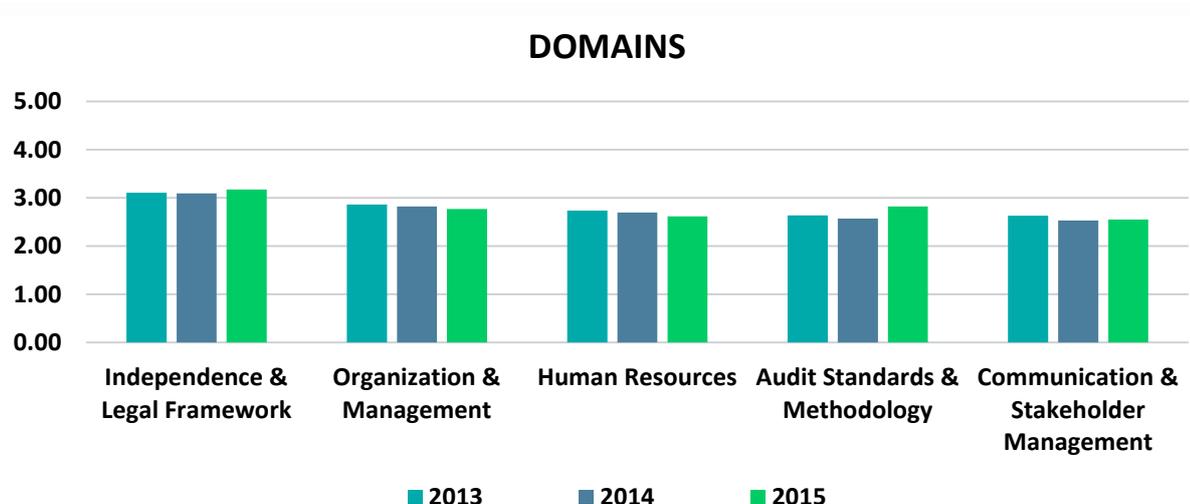
ICBF Domain Averages Scores

The regional target is to achieve level three and above on the ICBF. In this report, comparative data is shown for the years 2013 and 2014 to provide baseline information regarding the development levels in the region.

As can be seen in *Figure 4* the region has achieved the targeted level 3 on the Independence and Legal Framework since 2013, and is still improving whilst the remaining domains are moving towards the targeted level 3. More importantly is the improvement in the Audit Standards and Methodology domain which is an encouraging sign given that the core business of the SAI is housed in this domain.

In 2015 there were improvements in three out the five domains. The Independence and Legal Framework moved from 3.09 in 2014 to 3.17; the Audit Standards and Methodology moved from 2.57 to 2.82 and the Communication and Stakeholder Management moved from 2.53 to 2.55. Organisation & Management and Human Resources experienced decreased in the assessed aggregate averages from 2.82 (2014) to 2.77 (2015) and 2.69 (2014) to 2.62 (2015), respectively.

Figure 4: Domain comparison



¹ AFROSAI-E: A good practice guide to enhance the independence of Supreme Audit Institutions (SAIs) in English-Speaking African countries, 2005.



The development against the five domains of the ICBF is the responsibility of each concerned SAI to prioritise the areas that need improvement based on their own identified gaps and within the framework of their individual resource constrains. The Secretariat will use this information to prioritise the MoUs with member-SAIs that request for bilateral technical support.

The main challenges as documented in the activity report are:

- Capacity to adequate audit key Information and Communication Technology systems and the SAIs' own ICT systems.
- Quality control systems and structures, as well as the supervision and review capability.
- The importance to have professionally qualified personnel who belong to an appropriate professional accountancy organisation.
- Reporting by SAIs on own performance.

Risks

A risk assessment was completed in 2014 and incorporated in the 2015 to 2019 Corporate Plan. However, at the annual planning meeting in November 2015 the committee discussed the possibility to review the risks and perform another risk assessment. This reassessment was done early in 2016 and due to its relevance to the organisation; it is included in this report. The three primary risk areas identified in 2014 was again assessed to have the highest risks, but with some additional risk factors.

Table 1: Strategic risks identified

STRATEGIC RISKS			
#	Risk	Risk Factors	Mitigation measures and actions taken to minimise risk factors
1	Long term financial sustainability	<p>The majority of AFROSAI-E's operations are financed by the AGSA, donors and institutional partners.</p> <p>Some donor agreements will end in 2016, the renewals of which are uncertain. Budget constraints in 2015 put pressure on the Secretariat to exercise strict prioritisation of activities. Financial instability affects the daily business and also impacts operational activities.</p>	<ul style="list-style-type: none"> Continued working with existing institutional and other partners on a project basis. Participated at the INTOSAI Donor Steering Committee in September 2015. Feedback on subsequent funding proposals to possible future donors is pending. Engaged existing donors to visibly demonstrate the benefits and positive changes members get through active participation in programmes. Published a brochure on the positive outcomes over the 2010 - 2014 Corporate Plan period. Proposals to generate new income streams with be considered by the Governing Board.
2	Capacity versus member SAIs' expectation gap Inability to deliver necessary support to the SAIs	<p>Increased demand / expectations from members i.e. training-workshops, support-visits, QA reviews, development of new products, updated manuals and guidelines; compared to Secretariat's capacity to meet them.</p> <p>A lack of capacity may increase the risk that quality can be compromised for quantity.</p> <p>The secretariat may not be capable of delivering the necessary support to the member SAIs, even if resources are available.</p>	<ul style="list-style-type: none"> Identified subject matter experts (SMEs) from members and used them to increase capacity. Focused on uplifting compliance with ISSAI 4000 by: <ul style="list-style-type: none"> Embarked on comprehensive RAM-update programme. Indirectly introduced methodology on compliance audit as per ISSAI 4000 and commenced with developing formal guidance. Continuous research and development in order to stay innovative. Commenced developing an IT-audit strategy for delivering support needed in the region. Developed e-learning material for RAM and PAM and trained SAIs on their application. Worked with SAIs on other partner/donor programmes to avoid overlap.
3	Outcomes of initiatives undertaken by the SAI and Secretariat is not evident Reduced stakeholders trust	<p>The outcomes of initiatives/interventions being undertaken by AFROSAI-E do not reflect on SAI-level performance</p> <p>Reduction of stakeholders trust and confidence if support is not delivered or if initiatives do not reflect as positive outcomes.</p>	<ul style="list-style-type: none"> SAIs were continuously encouraged to take ownership for the implementation of programmes. Requested SAIs to send relevant participants who actually work with the subject matters/audits to the workshops. Monitored progress made by the SAIs through the activity report, while emphasising the role SAIs have in developing their organisations and staff. Demonstrate integrity throughout the organisation.

SECTION 3:

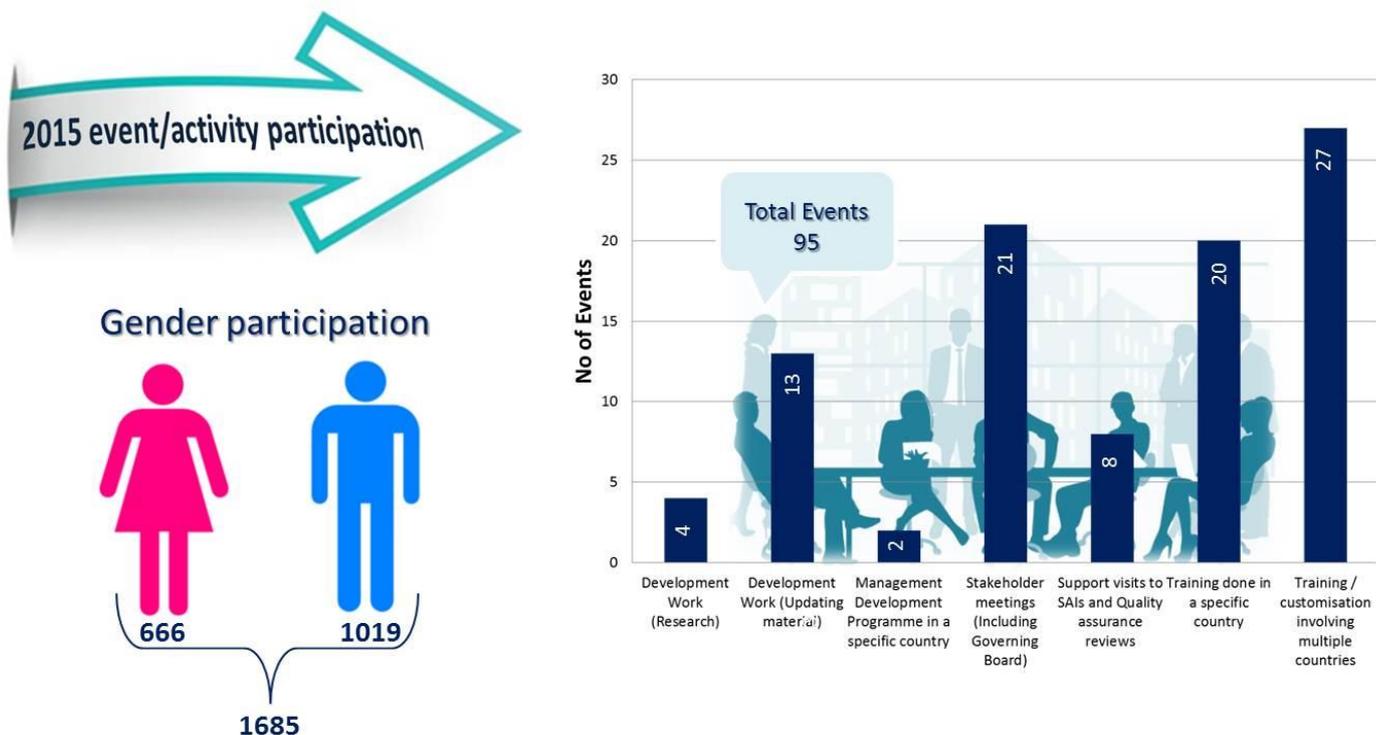
2015 Work Plan achievements

AFROSAI-E completed 95 events / activities² during 2015 which involved around 1685 participants from across the region. Approximately 40% of participants were female.³ The activities and events ranged from customising manuals to be SAI or country specific, development work on new thematic areas and updating existing material, to the provision of training, conducting quality assurance reviews, a joint audit on extractive industries and support visits.

The impact and outcomes of these activities on SAI-level were presented at the 10th Technical Update in November 2015 where individual SAIs were given the opportunity to present the developments, new deliverables and challenges they experienced as well as the progress that had been made on SAI-level (country) as a direct result of these interventions and initiatives.

The feedback given by SAIs was indicative of the ownership taken to implement AFROSAI-E guidance, while acknowledging that more needs to be done to ensure effective implementation.

Table 2: Overview of all 2015 events and activities



The Work Plan for 2015 included 110 projects (2014: 93), but due to the uncertainty and delays in securing funding from SIDA, several projects were classified as unfunded and were therefore not executed / postponed. Ultimately 28 projects were affected.

Of the 82 projects that commenced 65 (79%) were finalised (achieved), 9 (11%) were work in progress (partially achieved) at year-end and 8 (10%) were postponed or had not commenced (Table 3).

² Events / activities refer to training workshops, development workshops, QA reviews, MDP and ELDP sessions etc. while work plan projects refer to planned outputs which may also include events.

³ Figures are based on all available data captured during the period

In May 2015 the Governing Board approved that, subject to available funding and consultation with the Chairperson of the Finance subcommittee, the Secretariat is allowed to overspend the approved budget on aggregate level up to a maximum of 10%. In light of this the Secretariat exercised caution in commencing projects and monitored the situation on a monthly basis.

Table 3: Outcomes of the 2015 Work Plan

	Total Measurable targets	Performance Target %	Achieved	Partially Achieved	Not Achieved
Strategic Imperative 1	2	100%	50%	50%	0%
Strategic Imperative 2	11	75%	73%	18%	9%
Strategic Imperative 3	4	75%	100%	0%	0%
Strategic Imperative 4	25	75%	84%	0%	16%
Operational Intervention 1	10	75%	60%	30%	10%
Operational Intervention 2	17	75%	71%	18%	11%
Operational Intervention 3	4	75%	100%	0%	0%
Operational Intervention 4	9	75%	100%	0%	0%
Total	82		79%	11%	10%

Table 4: Outcomes of the 2015 and 2014 Work Plans – Strategic Imperatives and Operational Interventions

	2015				2014			
	Total projects	Achieved	Partially achieved	Not achieved	Total projects	Achieved	Partially Achieved	Not Achieved
Strategic Imperatives	42	81%	7%	12%	57	77%	16%	7%
Operational Interventions	40	78%	15%	7%	36	75%	14%	11%

Strategic Imperative 1: Professionalising public sector auditing and accounting

OBJECTIVE	To establish a regional professional framework, aligned with international practices that provides for the recognising and accreditation of public sector auditing and accounting
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Performance target	100%
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% Targets achieved	50%
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Activities of the Interim Oversight Board (IOB)

The Professionalisation Strategy aims to facilitate the introduction of a substantial element of professionalisation into Public Sector auditing and accounting.

To drive the Professionalism Strategy, the first step was to elect an Interim Oversight Board (IOB) which was done at the 2015 Governing Board meeting. The following AGs were elected:

Mrs Letebele (Botswana)
Mr Ouko (Kenya)
Mr Kampasa (Malawi)
Mr Malik (Sudan)
Prof Assad (Tanzania)

The IOB will be chaired by an independent chair and, on request, the former Auditor General from Tanzania, Mr L Utouh, expressed his availability and willingness to take up this role.

Due to funding constraints in 2015, the vacant position at the Secretariat was not filled which delayed the development of the Terms of Reference as well as hosting the first meeting of the IOB as planned.

Interactions with relevant role-players and PAOs

Several engagements were held throughout the year with key role-players and professional accountancy organisations (PAOs) to lay the groundwork for continued work on this imperative. This included engagements with the INTOSAI Capacity Building Committee (CBC), other regional INTOSAI working groups such as PASAI, and meetings with the International Federation of Accountants (IFAC) and Pan African Federation of Accountants PAFA to discuss options and strategies for professionalisation.

Strategic Imperative 2: Being a credible voice for beneficial change

OBJECTIVE

1. For SAI's to drive change by reporting, broadly disseminating and following up useful and practical audit findings and recommendations
2. For SAIs to promote increased transparency and accountability in governments through the auditing of open government data and performance

Performance target	75%
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% Targets achieved	73%
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Communicate effectively with stakeholders

Independence Toolkit development

The ongoing effort to develop an Independence Toolkit was supported by a Development Workshop in February. The Deputy Auditors-General from the SAIs of Ghana and Zimbabwe supported AFROSAI-E to develop a structure for the toolkit. Activities and responsibilities were allocated and work on this initiative is set to continue in 2016.

SAI assurance of open government data

Research commenced on the topic of open data to support SAIs in addressing this emerging issue. A fact-sheet was compiled with current developments and trends in the region which was distributed during the 10th Technical Update to member SAIs. Given the importance of access to open government data this will be further researched and incorporated into the Regularity Audit Manual (RAM).

Reporting on performance information

Public reporting by public sector entities on their performance is one method to ensure good governance and proper accountability to all citizens in a country. To support SAIs in this regard, we developed guidance materials and held training workshops on customising the audit approach to audit performance information i.e. outcomes against predetermined targets and objectives. Following the training workshop, SAI Botswana conducted an audit on performance information for the Ministry of Lands and Housing on the areas of Land Administration and Housing Delivery.

Reporting on the outcomes of Governments' progress to meet their commitments toward the United Nations (UN) Sustainable Development Goals (SDGs) and Agenda 2063 can be also covered by SAIs as part of the reporting on performance information.

Follow-up on prior year audit findings and reporting to the legislature

Research and development of a *Fact Sheet on Best Practice in the Following-up of Prior Year Recommendations* commenced during 2015 and the opportunity of the 10th Technical Update was utilised to further workshop the best practices applied at SAI level. From the stakeholder feedback received, it is clear that this field will require more focus and attention in the years ahead, and additional guidance will therefore be included in the revised RAM.

SAI / PAC Communication

The SAI/PAC Communication Toolkit was further updated with comments from the country roll-out workshops. The SAIs of Botswana, Malawi, Nigeria, Sudan, South Sudan, and Swaziland that participated in the 2014 training, signed MoUs with AFROSAI-E early in 2015 with set deliverables and target dates. Participating countries were furthermore required to conduct a gap analysis, which were further unpacked and discussed during a workshop in March 2015. Consequent to intense reviews by peers and coaching by mentors, there was a significant improvement in the quality of the gap analysis reports, particularly the core elements consisting of the problem tree and objective tree analyses.

Following revision of the gap analysis reports, the teams developed, reviewed, and revised actionable project plans for delivering the key outputs required for achieving the project outcomes. A session took place on 10 November 2015 with the Auditors-General of the countries involved in phases one and two of the role out (13 countries in total) to gather feedback on the status of the implementation initiatives and MoUs. The aim of this initiative is to improve the relationships between SAIs and PACs by amongst other things, strengthening the understanding of their respective roles and responsibilities.

Leading by example

To strengthen the principle of open governance, it is essential for SAIs to position themselves as model organisations with proper governance and oversight mechanisms, including open and transparent reporting on its own performance in accordance with international standards accessible and understood by the citizens of a country.

Strategic Imperative 3: Turning leadership from capacity into capability

OBJECTIVE For SAIs to have leaders and managers with strategic and interpersonal skills and institutionalised leadership and MDP programmes leading to a visible increase in performance

Performance target	75%
% Targets achieved	100%

Executive Leadership Development Programme

To complement the Management Development Programme (MDP) and to enable SAIs to move from capacity to capability an Executive Leadership Development Programme (ELDP) was designed in partnership with the SNAO. The aim of the programme is to support the establishment of professional, relevant and capable executive teams that are equipped to deal with the challenges and demands that come with leading their teams through the change journey on the road to professionalisation.

The participants for the programme were selected through an intensive external assessment and competency based process. The programme includes five individual week-long workshops, with 26 Deputy Auditors-General and executive leaders from Botswana, Kenya, Nigeria, Sierra Leone, South Africa, Sudan and Uganda participating. The programme formally commenced in April with the 1st workshop hosted by the SNAO. The second ELDP intervention was held in August and the third took place in mid-November. The fourth and final workshops are scheduled for early 2016. The outcome of this course will be for SAIs to have executive leaders in their organisations that are capacitated with the necessary interpersonal and leadership skills to develop and lead their SAIs in a professional and competent manner towards full compliance with international standards in public sector auditing.

With the assistance of an experienced and qualified mentor assigned to each team and the use of an innovative “action learning” approach, the participants’ learning is rooted in their daily work challenges within their SAIs to ensure a linkage between theory and practice that meets the different needs of the participants’ learning curves and styles.

Feedback from participants have been very positive and the results already evident through, amongst other, presentations made at the Human Resource (HR) workshop by participants from SAI South Africa; the decisive leadership action taken in SAI Sudan to follow-up on their Quality Assurance (QA) results and; through bilateral engagements between participating SAIs to further develop their chosen programme projects.

Management Development Programme (MDP)

The regional MDP training workshops for Deputy Auditors-General and Senior Managers were postponed until 2016 to allow for the alignment of the programme with that of the ELDP and due to the funding reprioritisation. However, MDP interventions were held in Malawi and Sudan.

In July the SAI of Malawi participated in the 13th regional roll-out of the MDP programme. This was the first MDP roll-out in SAI Malawi and 36 managers participated in the intensive programme which was structured into four modules with a total of 15 sessions and an overarching theme of: *Staying Relevant*.

The main objective of the workshop was to help managers identify gaps in their managerial capabilities and challenge them to pioneer their own personal development together with that of their SAI. Sessions included topics such as the International Standards of Supreme Audit Institutions (ISSAI) Framework, ICBF; the five MDP



leadership imperatives; key knowledge, skills and attitudes for managers; change management; the role of managers in planning; quality control; communications and; project planning and implementation. The participants developed seven draft project plans to address the individual and SAI development gaps identified during the workshop.

42 participants from the SAI of Sudan participated in their first MPD roll-out during December. The participating managers, 11 of who were female, singled out the ICBF session, the change management session and the communication session as eye openers in terms of their roles and responsibilities.

Strategic Imperative 4: Driving innovation and creativity

OBJECTIVE

To ensure the use of innovative IT concepts and methodologies by SAIs, such as audit software and E-learning

Performance target	75%
% Targets achieved	84%

Application of modern Information Technology (IT)

SAI IT / IT Audit self-assessment tool

The IT Self-Assessment (ITSA) and The IT Audit Self-Assessment (ITASA) methodology, developed by EUROSAI, was utilised in the region to support SAIs in assessing their ICT function and processes and assessing the maturity of their IT audit function respectively.

In August 2015, participants from Botswana, Malawi, Zimbabwe, Zambia, Ghana, Kenya, Uganda and Swaziland participated in an IT Self-Assessment and IT Audit Self-Assessment workshop. The workshop was focussed on both the IT and the IT audit self-assessment processes with the overall objectives of:

- adopting a common methodology to be used in the assessment of IT and IT Audit capabilities within the SAI
- empowering participants to understand the self-assessment process and; to conduct the assessments at their own SAI or within the region
- setting a criteria for conducting Quality Assurance on IT audit
- preparing action plans for conducting ITSA and ITASA

Innovation in IT Systems

A three-day IT Management workshop, aimed at ICT professionals within SAIs, was held in November with the primary topic focused on: *IT Management as an innovation driving force in efficient SAIs*. The workshop was aimed at empowering functional IT staff with the knowledge and skills to be viewed as more than simply a support function but rather as the drivers for change and innovation in the audit process.

International developments

Research on international developments

Emerging trends and global issues that may affect the SAIs were analysed and incorporated as a discussion document for the interim Capacity Building Subcommittee meeting held in November 2015. Following the meeting, the committee requested the Secretariat to release a summary document to all members outlining the proposed actions and activities on SAI-level and by the Secretariat to address new research topics of interest for the region. The importance of analysing and incorporating regional and global developments in the SAIs' Strategic Plans, where relevant, was encouraged. The title of the document subsequently issued was *Summary of Observations and Strategic Matters Identified in 2015*.

Members of the Secretariat were actively involved with several INTOSAI Committees, Subcommittees and Working Groups during 2015 with the objective of ensuring new developments are appropriately and timely considered by the region and; to accommodate regional perspectives. These included the:

- Professional Standards Committee (PSC)
- Performance Audit Subcommittee (PAS)
- Financial Audit Subcommittee (FAS)
- Working Group on IT Auditing (WGITA)

- AFROSAI Working Group on Environmental Audit (WGEA)
- INTOSAI Capacity Building Committee (CBC)
- INTOSAI Donor Steering Committee

In addition, Ms Josephine Mukomba, Technical Senior Manager in the Secretariat, was elected to the Common Forum on ISSAIs. The task of the Forum is to provide clearer distinction between auditing standards, other standards (requirements), guidelines, best practice documents, etc. and; to provide clearer directions on the format and quality requirements for each of these different categories of documents. Ms Mukomba participated in the two meetings of the Forum during 2015.

ICBF / SAI PMF alignment

AFROSAI-E continued to serve on the SAI PMF task team in 2015 to provide inputs on the current version of the SAI PMF and, where relevant, ensure consistency with the ICBF in terms of the overall criteria. Over 50 participants from the region participated in a PMF training workshop jointly arranged by AFROSAI-E and INTOSAI Development Initiative (IDI).

Audit innovation

Utilising e-learning tools for training

Embracing innovative technology and training methods, the development of the Regularity Audit e-learning programme that commenced in the previous year, concluded in 2015. E-learning provided SAIs with a practical tool for them to train more people in their organisations on a cost effective basis, while ensuring that the technical quality of the training was not compromised.

The Regularity Audit team conducted an e-learning mentor's workshop in the second week of March 2015. The workshop challenged 24 participants to design their own trainings for different sections of the RAM, incorporating the e-learning program. During the workshop the facilitators offered advice and feedback on the training sessions and addressed problem areas in following the ISSAI standards and implementing the RAM methodology. The workshop produced commitments for e-learning based training in the 11 participating SAIs.

Audit of extractive industries

In cooperation with the Office of the Auditor General of Norway, a workshop on Extractive Industries was held in Zambia. The workshop consisted of several facilitation sessions to identify key government actors, risks and audit topics to address those risks. As a result of the workshop, the SAI of Zambia identified 6 high risk audit topics and; in conjunction with AFROSAI E, devised a risk assessment framework to enhance the operation of the Extractive Industries Sector. SAI Zambia has subsequently completed the following audits:

- Management of Environmental Degradation caused by Mining Activities (Environmental Audit)
- ZRA- Mineral Royalty (Financial Audit)
- Verification of production figures at Ministry of Mines (Compliance audit)

An updated guideline on the Audit Considerations for Extractive Industries was distributed during the 10th Technical Update.

Fraud and corruption

Training was conducted on the Auditing of Fraud and Corruption, focusing on the requirements to be able to identify fraud and corruption as part of the normal regularity audit process and / or by means of a specific fraud / special investigation. The SAI of Sierra Leone took immediate action following the workshop to execute a Procurement Audit with the aim of:

- pointing out internal control weaknesses as potential sources of corruption
- identifying instances of fraud and corruption and bring to the attention of those charge with governance

- providing appropriate recommendations to management about how to address fraud and corrupt practices

In cooperation with auditors from the SAIs of Tanzania, Kenya, Zambia, Uganda, the Netherlands, Norway and Sweden, the development work on a Forensic Audit Manual was completed and it was distributed at the 10th Technical Update. The manual was developed to assist SAIs in establishing forensic competence and a forensic unit to follow up on indications/allegations of fraud by further audit procedures.

Fiscal Governance

Through independent and robust audits, SAIs can contribute to attaining medium and long-term sustainability of financial policies, safeguarding public interest and enhancing national governance in each country. Following a development workshop on Fiscal Governance in June 2015, a Fact Sheet was developed and distributed at the Technical Update to encourage SAIs to build their capacity for auditing fiscal governance.

Performance Audit innovation

The three-module Performance Audit programme is one of the cornerstones to building performance audit capacity in the region and to provide members with a cost-effective option to train performance audit staff, the first (basic) module of the programme was developed as an e-learning programme early in 2015.

Several SAIs including Kenya, Uganda, Tanzania and Rwanda utilised the opportunity to complete the first module using this method. Staff from SAI Rwanda noted that the e-learning provided them with a very effective method of gaining the necessary skills and knowledge on a foundational level to prepare them for participation in module two.

Operational Interventions 1: Technical capacity building: Regularity Audit

OBJECTIVE	To ensure compliance with the ISSAIs, contributing to improved financial management, accountability and transparency	
Performance target		100%
% Targets achieved		60%

Review and update existing audit material

Regularity Audit Manual

The RAM is the single most important document applicable to regularity auditors and in 2015 a project commenced to update both the structure and content of the RAM by incorporating new materials and consolidating other existing materials including:

- Guidelines linking to specific issues
- Training materials, courses, e-learning
- Model audit file
- Audit flow (The audit-flow is an electronic system which enables the SAIs to conduct their audits efficiently.)
- The Quality Assurance Handbook was supplemented with additional information on the role of leadership and the implementation of appropriate QA structures in the individual SAIs.

Information technology auditing

IT Audit related topics

The training on Information Technology conducted included the role of auditors in Enterprise Resource Planning Development and audit of Integrated Financial Management Information Systems (IFMIS). During the workshop the role of SAIs and auditors in the IFMIS audit process was clarified to the participants.

In a separate regional workshop, which was attended by representatives from 10 SAIs and subject matter experts from SAI Norway, advanced training on IT security for IT auditors was provided.

On-site IT audit support

On-site support was provided to three SAIs, namely:

- Information Technology Auditing training at SAI Zambia to build internal capacity on how to audit IFMIS systems. This was a joint intervention with the SAI of Norway.
- A workshop was presented in SAI Swaziland on "IT Audit basics" which was attended by a select team of regularity auditors. Subsequent to the training, SAI Swaziland selected staff to start conducting IT Audits.
- In-country support was given to SAI Lesotho to assist them in planning their first IT Audit of the IFMIS. Support provided included a detailed walk-through with the client and assistance with developing a detailed audit plan.

AFROSAI-E also remotely supported the SAIs.

Quality Assurance capacity building and reviews

Quality assurance reviews

The targeted number of quality assurance reviews was not met due to funding constraints. Four quality assurance reviews were completed this year of which two were full reviews (Sudan and Ethiopia) and two were follow-up reviews (Seychelles and Eritrea).

The quality reviews at Ethiopia and Sudan enabled the SAIs to identify areas where the audits did not fully comply with the International Standards for Supreme Audit Institutions and to improve on those. The reviewers also used the opportunity to give training on problematic areas identified from the reviews of the audit files.

Following the review at SAI Sudan, the SAI leadership took decisive action to address the findings which included training 36 technical managers on the RAM, initiating a project to roll out the RAM to all audit staff by early 2016 and; issuing an audit opinion on all audited accounts / financial statements.

In-country supervision and review workshops

In-country supervision and review workshops were held at the SAIs of Ethiopia, Kenya, Namibia, The Gambia and Zimbabwe, to develop their supervision and review capacity. The impact of these training interventions is geared towards the development of sustainable internal capacity in SAIs to do quality assurance reviews on a continuous basis. In SAI Namibia 18 regularity auditors were included in the training which among other things addressed issues that were identified during the 2014 Quality Assurance Review conducted.

Two regularity audit managers were sent to Banjul, in The Gambia in March, to review audit files and carry out training to improve the quality control process. The team reviewed four audits and carried out training for 36 staff members. The training went through problem areas identified in the file review, with a view to helping The Gambian audit teams to address those problems in their own reviews.

In improving the supervision and review relating to the quality of audit files challenges relates to:

- SAIs not having effective quality assurance systems in place.
- Performance management systems not used to address quality issues.
- Directors to take control of making sure staff are implementing the RAM and complying with quality assurance processes.
- Ownership to encourage professional review practices to ensure overall better quality.

Recognition for implementing AFROSAI-E guidance

Two SAIs were recognised at the Annual Technical Update for the work they had done to implement AFROSAI-E guidance:

SAI Sierra Leone

The SAI of Sierra Leone was recognised for the Procurement Audit completed following the AFROSAI-E workshop on fraud and corruption

SAI Sudan

The SAI of Sudan was recognised for the proactive and decisive actions that were taken by management to address Quality Assurance findings

Operational Interventions 2: Technical capacity building: Performance Audit

OBJECTIVE

To ensure compliance with the ISSAIs and the issuance of high quality performance audit reports, contributing to improved financial management, accountability and transparency

Performance target	75%
% Targets achieved	71%

Training, support interventions and customisation of materials

Customisation of materials

At the Technical Update in November 2014, a new template performance audit manual was presented which included draft electronic working papers and the Audit Flow. In March 2015, a workshop was arranged to support members to customise the template performance audit manual into a national manual. Facilitators from partner organisations, member SAIs and the Secretariat discussed the customisation of the template with participants, and assisted them in starting the customisation process (or continue work that has already commenced).

Following the customisation workshop, the SAIs of Zambia and South Africa completed the customisation process and rolled out their approved methodologies in their organisations. The Auditor General of Zambia officially launched their Performance Audit (PA) Manual on 5 October 2015. The launch was attended by Government Ministries and Departments, cooperating partners, AFROSAI-E and the press. The SAI noted that the establishment of the manual could not have been possible without the Template, the guidance of AFROSAI-E, assistance from the Office of the Auditor Norway, the concerted efforts of its Performance Audit Unit and its SAI Leadership.

The SAIs of Kenya and Tanzania also proceeded with customising the Performance Audit Manual and Audit Flow software within their respective SAIs.

Supervision and review workshop for senior managers

The first performance audit supervision and review workshop was held in October and was attended by 28 Senior Managers that are directly responsible for supervision and review of performance audits in their SAI. The workshop covered topics related to overall planning, supervision and support of performance auditors, review of pre-studies and reports and; provided ample opportunity for participants to share experiences.

3-Module Performance Audit course

The Performance auditing training 3-module course was held in South Africa (Modules 1 and 3), Tanzania (Modules 1 and 2) and Kenya (Module 2). The third module in South Africa was a continuation of the training that started in 2014, while the three module-1 courses were new courses that commenced in 2015. Participants from the SAIs of Uganda, The Gambia and Sudan also completed their 3-module course in Nigeria.

The Pan African Parliament internal audit team also participated in modules 1 and 2 for the first time. Given the increased demand for internal audits to not only focus on the financial aspects, but to also include amongst other things, coverage of the management of resources for the legislative business i.e. sessions and committees, this training have enabled a streamlined approach to address these requirements.

Quality assurance capacity building and reviews

A performance audit quality assurance review was performed at the SAI of Ethiopia in 2015. In addition, several support visits were concluded to members SAIs in terms of bilateral support arrangements, including at the SAIs of Lesotho, Sudan and The Gambia. . A one-week training workshop was also conducted at the SAI of Namibia to build performance audit capacity.

Best performance audit prize

The SAI of Tanzania was awarded with the prize for the best performance audit report in the AFROSAI-E region for their report on *“The management of demand forecasting and distribution of essential medicines and medical supplies to health facilities in Tanzania”*.

The purpose of the audit was to assess the availability of essential medicines and medical supplies in public health facilities in Tanzania as issued by the Medical Stores Department (MSD). The award was received by SAI Tanzania’s AG, Prof Mussa Juma Assad on behalf of the winning team.

The award, which is sponsored by the SNAO, was announced during the 12th Governing Board in May 2015. A total of twelve reports from eight supreme audit institutions were nominated for this year's prize.

Operational Interventions 3: Institutional level

OBJECTIVE

For SAIs to have structured and modernised institutional processes and management

Performance target	75%
% Targets achieved	100%

Human Resources and Communication

Research and develop new HR and Communication tools

Early in 2015, a combined development workshop was held to prepare for the Human Resources and Communication workshops that subsequently took place in September and October 2015 respectively. The planning session yielded a detailed overview of topics to be covered at the annual workshops.

Annual HR workshop

Cutting-edge techniques and the latest global and continental trends related to talent management and performance management were key features at this year's Human Resources Workshop. Participants, who consisted of HR managers and specialists as well as senior SAI leaders, also had ample opportunity to share their perspectives on HR best practices, challenges in the region and opportunities for improvement.

The positioning of the HR units within SAIs remains a great challenge in the region with many HR units still operating at primarily an operational level with little or no influence over strategic decision making. The workshop created a clear understanding of the crucial role of HR in the business and the essential need for the HR function to support business, not from behind, but as a partner in meeting the SAIs' operational and strategic objectives. During the workshop participants were provided with a clear understanding of all the processes and functions required for effective human resource management within the SAI, and more importantly, what their role is as HR specialists in every step of that process.

Annual Communication Workshop

As one of the five domains of the ICBF, the continuous development and improvement of Communication and Stakeholder Relations remains a priority in the region. By its nature, communication is an integrative force that plays an important part in all of the strategic, institutional and audit processes in a SAI. For this reason, the Communication Workshop was aimed this year at revisiting the long term communication capacity building goals in the region with a view on integration with existing and other platforms. Challenged with looking at the role and function of communication within SAIs with this perspective in mind, the participants were encouraged to approach the discussions from a fresh and innovative point of view. The participants, which included communication specialists from eight SAIs in the region, developed a shared vision for the programme: *To make communication an innovative, integrating force that brings about change and public confidence / trust.*

Recognising the importance of integrating effective communication in SAI core business processes, the team had intensive sessions to further unpack the potential platforms, methods, focus areas and key role players that will be instrumental in the development of a long-term strategy for communication capacity development programme that is fully aligned with the desired outcomes of the ICBF and the Corporate Plan 2015 – 2019.

Operational Interventions 4: Executive Secretariat

OBJECTIVE

For AFROSAI-E to be recognised as a modern organisation with high performance culture, leading by example and contributing to a significant difference in the performance of member SAIs

Performance target	75%
% Targets achieved	100%

Governance, oversight and reporting

Annual Governing Board Meeting

The meeting was attended by more than 120 participants. In addition to the member countries, representatives from the following organisations also attended: the PACs of Cameroon, Ethiopia, Ghana, Togo, Malawi, Morocco, South Africa, Seychelles, Zambia, the Canadian Comprehensive Auditing Foundation, INTOSAI Development Initiative; Netherlands Court of Audit; Office of the Auditor-General of Norway; SNAO; Swedish International Development Cooperation Agency; the GIZ, and the African Union Commission.

The meeting also marked the 10th anniversary of the organisation. A session was held in the Old Assembly Chamber of the South African Parliament, the same place where the inauguration was held in 2005, where SAIs and development partners utilised the opportunity to reflect on the achievements and developments in the region over the past 10 years.

Topics at the meeting included amongst others:

- The role of SAIs on the issues of Illicit Financial Flows and Extractive Industries. A presentation was made by former President, Mr. T Mbeki via a video recording on the report of the AU Panel on this topic
- PAC members from some African countries attended a session with the Auditors-General where the communication between SAIs and PACs were deliberated. During the panel discussion themed *“Engaging with stakeholders, communication between SAIs and Parliament”*, PACs of member countries were called to collaborate with SAIs to ensure that the reports of Auditors-General to Parliament achieved the desired bearing. Panellists agreed that such collaboration could go a long way to promote accountability, good governance and improve the standard of living for the citizens
- Good Financial Governance
- The need to incorporate environmental matters into the audit work done and what mandates are available to SAIs to audit environmental topics
- Open contracting

On 13 November 2015 the Capacity Building Subcommittee held an interim meeting to review the progress made on key issues and to provide inputs to the strategic matters that were observed during the Governing Board Meeting as well as at the 10th Technical Update that was held from 11 – 13 November 2015. A discussion-paper, prepared by the Secretariat, was tabled at the November meeting and outlined the proposed activities, interventions and actions that could be taken by the Secretariat and on SAI-level to address these matters. The outcomes of these deliberations were incorporated into the draft 2016 Work Plan and 2016 Events Calendar.

Annual operational planning meeting

The annual operational planning meeting took place on 14 November and provided an opportunity for the Secretariat to have in-depth discussions with institutional and other partners on the planned activities for 2016.

Annual technical committee meeting

Members of the technical committee met in September to review and discuss all technical documents that were developed throughout 2015 and were scheduled to be distributed at the 10th Technical Update.

Technical Update and Refresher workshops

The role of leadership and communication to effect implementation was the overarching theme of the 10th Technical Update. Over 110 delegates from across the region as well as institutional and other partners participated in the workshop, which focused on sharing the best practices and challenges experienced by SAIs in implementing the guidance materials, handbooks and learnings from training over the course of the year. As always, the Technical Update also provided the opportunity for discussions on new and updated guidance materials as well as emerging issues affecting SAIs.

The programme included sessions on all major programmes and activities and; included sessions focussing on emerging issues such as Fiscal Governance inclusive of the audit of Illicit Financial Flows and Open Data. Delegates were provided with all the presentations, technical documentation and materials in order to share the content and outcomes of the Technical Update within their SAIs.

Immediately following the conclusion of the 10th Technical Update, three separate technical refresher workshops kicked-off to provide the opportunity for in-depth discussions and presentations on the latest developments and emerging issues that affect SAIs.

Over sixty participants joined the **Regularity Audit Refresher** workshop which dealt with matters pertaining to the RAM, Compliance Audit, Fiscal Governance, Audit of Fraud and Corruption (Forensic Audits), IT Audit, Strategic Planning and, the incorporation of environmental matters in Regularity Audits.

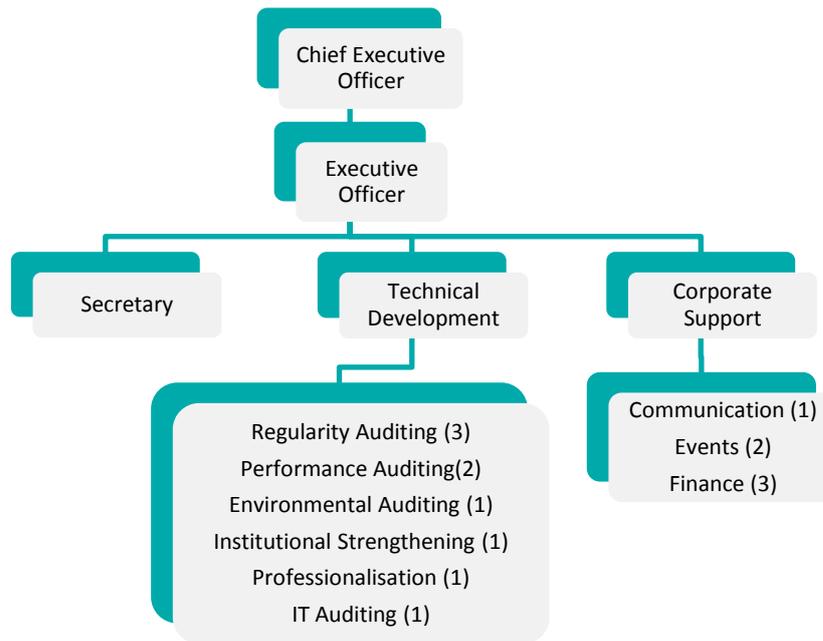
The Performance Audit Refresher workshop focused primarily on the topic of Audit Evidence, covering the advantages and disadvantages of different methods for collecting and analysing data and; looked at what auditors need to consider when planning the methods to be used in the audit. The last day of the workshop was used to give an overview of the current INTOSAI developments on the international standards for performance auditing. Over thirty participants attended the workshop, an indication of the growth of and interest in performance auditing in the region.

The three-day **IT Management** workshop was aimed at ICT professionals within SAIs with the primary topic focused on: *IT Management as an innovation driving force in efficient SAIs*. The workshop empowered functional IT staff with the knowledge and skills to be viewed as more than simply a support function but rather as the drivers for change and innovation in the audit process.

Secretariat capacity

The approved staff establishment (*Figure 5*) remained the same from 2014 with eighteen positions. Sixteen positions were filled on 31 December 2015, of which eight (50%) were male and eight (50%) female.

Figure 5:



The employment arrangements of the Secretariat staff is a mixture of staff seconded from other organisations, staff appointed and funded directly by AFROSAI-E and staff funded by the AGSA. (Table 5)

Table 5: Position funded by / seconded from:

STAFF CAPACITY	
AFROSAI-E directly contracted	5
AGSA	6
Funded by SNAO	3
	14*
SECONDMENTS FROM:	
OAGN	1
SNAO	1
	2

* 2 Persons from Zimbabwe, one from SAI Uganda and one from SAI Zambia.

In 2015 the Governing Board recommended that the current Chief Executive Officer’s contract be renewed until December 2017. A process to recruit a CEO will be activated at the 2016 GB meeting.

The Secretariat welcomed three new staff members:

Esther Raj Thomas was appointed as regularity audit manager, on secondment from the Office of the Auditor-General Norway.

Edmund Shoko was appointed as regularity audit manager, as part of the Office of the Auditor-General of South Africa contribution.

Annerie Pretorius was appointed as communication manager.

Code of conduct

AFROSAI-E abides by a code of conduct, which is based on the INTOSAI code of ethics. All Secretariat staff members annually sign the code of conduct.

SECTION 4

Stakeholder engagements

The working relationship with the following institutions and other partners continued:

- Swedish National Audit Office (SNAO)
- Office of the Auditor-General of Norway (OAGN)
- Canadian Comprehensive Auditing Foundation (CCAF)
- Netherlands Court of Audit (NCA)
- Deutsche Gesellschaft für International Zusammenarbeit (GIZ)
- INTOSAI Development Initiative (IDI)
- World Bank
- Pan African Federation of Accountants (PAFA)

New agreements were entered into with SNAO and OAGN, both of which are in place until 31 December 2017.

Stakeholder interventions

A comprehensive stakeholder analysis was conducted in 2014 to identify key stakeholders. This stakeholder map was used as the basis for a stakeholder engagement strategy that was developed in 2015 to guide specific interventions. Stakeholder interventions served a dual purpose, namely to ensure that the developments that takes place on an international level are incorporated into the working methods of the region and; to influence the international developments by incorporating requirements that may be specifically relevant to the English-speaking SAIs in Africa.

Key stakeholder engagements included:

- Participation in the AFROSAI Governing Board Meeting hosted by SAI Mozambique.
- PASAI Congress.
- VVIII EUROSAI / OLACEFS Conference.
- Two presentations were made at the African Congress of Accountants (ACOA) which was organised by the Pan African Federation of Accountants (PAFA) to elevate the need for professional public sector auditors and accountants. In excess of 500 people attended the Congress.
- Development Cooperation meetings with IFAC on developing technical competencies and curriculums for the public sector.
- Presentation at the annual Conference of the Eastern and Southern Association of Accountants-General (ESAAG).
- INTOSAI DONOR Secretariat development work on the SAI Performance Measurement Framework (SAI PMF) in Norway.
- Participation in the State of Bahia (Brazil) Centenary Seminar with the theme: "The Performance of the Control Entities in the Contemporary World".

In addition, the Secretariat continued to maintain an active online presence through its website, www.afrosai-e.org.za. Regular updates on the latest news and publication were posted online to keep members and interested stakeholders updated on the latest developments. The organisation also launched social media profiles on LinkedIn and Twitter to provide links to articles and real-time updates during events. The first AFROSAI-E newsletter was distributed shortly after the 10th Technical Update.

Environmental impact

Environmental Impact of the Organisation

Energy and water consumption

The Secretariat's office accommodation is provided by the AGSA, and data on the energy consumed and water usage is therefore reported on consolidated level in the AGSA's integrated annual report which be accessed via <http://www.agsa.co.za/Documents/AGSAreports/AGSAsannualreports.aspx>

The Secretariat has access to:

- Virtual servers which increase the efficiency of server usage and reduce energy consumption.
- Timers and low energy globes to control lights, switching off automatically between 19:00 and 06:00.
- Waste recycling.

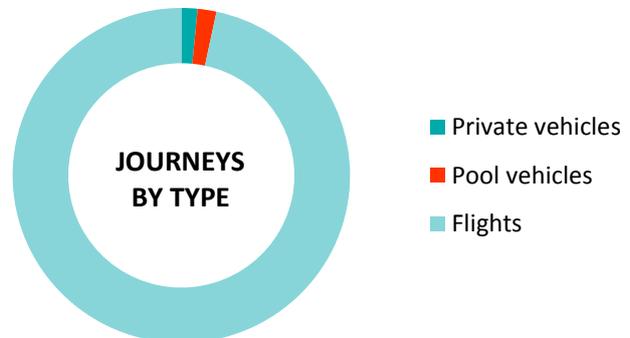
Business travel and carbon emissions

Business travel remained the biggest contributor to carbon emissions, and the centralisation of the hosting of training events was done with the purpose to reduce CO₂ emissions, while the e-learning modules for regularity and performance auditing is done to make it accessible to more staff in the SAIs, reducing the need to travel.

The Secretariat also stopped the practice of making hard copies of documents available, and does it only in exceptional cases. Electronic mediums such as Dropbox are being used as preferred method.

Table 6: Our Carbon Footprint in 2015

Emissions Source	CO ₂ (ton)
Private vehicles (official travel)	3.07
Pool vehicles	3.58
Air travel	192



Shuttle services are used to transport visitors and delegates, and in some instances Secretariat staff, for airport and other transfers. The information of the CO₂ emissions from the shuttle services is not included in this report.

Financial overview of 2015

As in the case of many member-based organisations, AFROSAI-E functions on a cost equalisation principle and the Secretariat is dependent on membership fees and other financial support from donors to fund its operations.

AFROSAI-E creates value through centralised research, development training and bilateral support programmes to its members, thereby capacitating them to provide a professional public sector audit service. In adding value, the Secretariat strives for efficiencies in our processes while being committed to provide quality services and subscribe to high ethical business practices and standards.

According to the value added statement (*Table 7*), membership fees contributed 11% towards the total value added in 2015, with an additional 22% from the AGSA as host of the Secretariat.

However, the majority of funding still came from donor support as donor funds accounted for 66% of the available funding, with the majority of the funding coming from the Royal Norwegian Embassy (RNE) in South Africa.

In respect of funds from SIDA, approximately USD180 000 was carried over from 2014 and utilised in 2015 in accordance with the 2010 to 2014 donor agreement (as amended). The Secretariat continued with negotiations with SIDA throughout 2015 to enter into a new funding agreement. A new agreement, which will be for the period 2016 to 2019 has not been signed, but SIDA gave a commitment to continue funding AFROSAI-E.

Compared to 2014, the cost of training and technical development decreased by 52% from US\$1 276 460 to US\$607 762 in 2015; while operational expenditure decreased by 14% from US\$1 065 771 to US\$915 468.

The nett result for the year was an outflow of US\$257 874 (20%). This was partially funded by:

- The SIDA funds of USD180 000 rolled over from 2014.
- The transfer of USD35 000 from the Membership account to the Basket account for costs incurred to host the 2015 Governing Board meeting (as approved by the Governing Board).

Table 7: Summary value-added statement for 2015 and 2014

	2015		2014	
	%	US\$	%	US\$
Membership fees	11	138 000	7	136 066
Donor funds	66	828 656	74	1 444 657
Support from AGSA	22	282 928	18	340 676
Other income	1	15 772	1	18 900
Total value added	100	1 265 356	100	1 940 299

Applied as follows:

Capacity building (training and development) costs	48	607 762	66	1 276 460
Operational expenditure	72	915 468	55	1 071 901
Retained /(outflow) in the organisation	(20)	(257 874)	(21)	(408 062)
Total value added	100	1 265 356	100	1 940 299

Table 8 details changes in the key financial components from 2014 to 2015. Gross revenue decreased by 35%, while total expenditure decreased by 35% from 2014. The net current asset situation decreased by 44.5% to a total of US\$386 529.

Table 8: Key financial components and changes from 2014 to 2015

Component	2015 US\$	2014 US\$	Change US\$	Change %
Total value	1 265 356	1 940 299	(674 943)	-35%
Donor funding and support*	1 111 584	1 785 333	(673 749)	-38%
Total expenditure	1 523 230	2 348 360	(825 130)	-35%
Total capacity building costs**	607 762	1 276 460	(668 698)	-52%
Operational expenditure	915 468	1 071 901	(156 433)	-15%
Net current assets	386 529	696 423	(309 894)	-44%

* Donor funding and support does not include all assistance received in the form of salaries, subsistence and travel expenditure and accommodation from institutional partners, donors and member countries, but included support from AGSA. Also refer to table 9.

** The total direct cost relating to training interventions amounted to US\$607 762 (2014: US\$1 276 460), or approximately US\$361 per participant (2014: US\$620 per participant).

There were also financial contributions which are not reflected in the annual financial statements. These contributions amounted to US\$1 854 015 in 2015 (2014: US\$2 139 128) (Table 9).

Information was requested from members on the financial contributions made by them towards AFROSAI-E activities in 2015. The direct costs incurred included:

- Hosting of events, meetings or workshops where the SAI pays for conference costs etc.;
- Subsistence and travel costs incurred to send participants to training events or to attend AFROSAI-E related events.

Seven SAIs provided information regarding the costs incurred. The average per SAI was US\$67 823 or approximately US\$1 763 412 in total if extrapolated to all 26 members.

Table 9: Contributions not reflected in the annual financial statements

Organisation	2015 US\$	2014 US\$
Swedish National Audit Office	933,990	955 558
Office of the Auditor-General of Norway	366,312	730 000
Netherlands Court of Audit	78,948	*
Member SAIs (2015: 7 respondents; 2014: 6 SAIs)	474 765	453 570
Total	1 854 015	2 139 128

*Information not previously included.

Report Profile

This is the fourth year for which AFROSAI-E compiled an integrated report. One of the Strategic Imperatives for the 2015 to 2019 Corporate Plan period is to lead by example and, where possible, assist member SAIs to follow a similar approach with respect to their own reports and to make such reports annually available.

Reporting policies, principles and procedures

The Guidelines for Sustainability Reporting (version 4.1) of the Global Reporting Initiative (GRI) were used as a reference in the compilation of this report, and the financial statements have been prepared in accordance with IFRS for SMEs.

Process for defining the content of this report

The content of this report is defined by a combination of the following:

- Statutes and regulations of AFROSAI-E as amended in May 2013;
- The Corporate Plan for 2015-2019; and
- The Work Plan for 2015.

Reporting boundary

The current report reflects the performance, financial, social and environmental information for AFROSAI-E, of which the Secretariat is based in Pretoria, South Africa. No specific limitations were imposed on the scope and boundary of this report.

Reference to other major reports of the organisation

Article 17(1) of the Statutes requires the organisation to the extent possible implement an integrated reporting approach. In addition to this Annual Report, the 2010-2014 Corporate Plan and Work Plan and Budget form part of our main accountability instruments. They describe the short- to medium-term organisational goals and objectives, as well as the associated activities and interventions planned to ensure effective and efficient delivery of AFROSAI-E's organisational mandate.

Significant restatements from prior reports

There were no restatements from the previous report.

Significant changes regarding the organisation during the reporting period

There were no significant changes during the reporting period, which are not reflected in the integrated annual report.

SECTION 5

Governing Board's Responsibilities and Approval

The Governing Board is required by the Statutes of AFROSAI-E to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the AFROSAI-E as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor's is engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Governing Board acknowledge that they are ultimately responsible for the system of internal financial control established by the AFROSAI-E and place considerable importance on maintaining a strong control environment. To enable the Governing Board to meet these responsibilities, the Governing Board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the AFROSAI-E and all employees are required to maintain the highest ethical standards in ensuring the AFROSAI-E's business is conducted in a manner that in all reasonable circumstances is above approach. The focus of risk management in the AFROSAI-E is on identifying, assessing, managing and monitoring all known forms of risk across the AFROSAI-E. While operating risk cannot be fully eliminated, The AFROSAI-E endeavours to minimise it by ensuring the appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Governing Board are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Governing Board have reviewed the AFROSAI-E's cash flow forecast for the year to 31 December and, in the light of this review and the current financial position, they are satisfied that AFROSAI-E has access to adequate resources to continue in operational existence for the foreseeable future.

In terms of Article of the Statutes and Regulations these financial statements are signed on behalf of the Governing Board by the Head of Supreme Audit Institutions (SAIs) hosting the Secretariat and the Chief Executive Officer.

The external auditors are responsible for independently auditing and reporting on the AFROSAI-E's financial statements. The financial statements have been examined by the AFROSAI-E's external auditors and their report is presented on page 42.

The financial reports set out on pages 45 to 56, which have been prepared on the going concern basis, were approved by the Governing Board on 09 May 2016 and were signed on its behalf by:

By order of the Board



Mr MW Pretorius
Chief Executive Officer
On behalf of the Governing Board



Mr. K Makwetu
Auditor-General of South Africa
On behalf of the Governing Board in his capacity as Head of the SAI hosting the Secretariat

Audit Report

REPORT OF THE INDEPENDENT AUDITOR TO THE BOARD MEMBERS OF THE AFRICAN ORGANISATION OF ENGLISH-SPEAKING SUPREME AUDIT INSTITUTIONS (AFROSAI-E)

We have audited the financial statements of the African Organisation of English Speaking Supreme Audit Institutions (AFROSAI-E), as set out on pages 45 to 56, which comprise the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Governing Board's Responsibility for the Financial Statements

The Governing Board is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and such internal control as the Governing Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

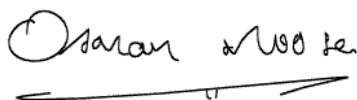
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures of the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material aspects, the financial position of the African Organisation of English Speaking Supreme Audit Institutions (AFROSAI-E) as at 31 December 2015, and its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards.

O.M.A Chartered Accountants Incorporated Registered Auditors



Per: Osman Moosa CA (S.A.)
Director
Pretoria
May 2016

Governing Board's Report

The Governing Board have pleasure in submitting their report on the financial statements of AFROSAI-E for the year ended 31 December 2015.

1. Organisation overview

The organisation consists of a governing board and executive secretariat. The Governing Board, which meets annually, has four subcommittees to oversee certain activities of the organisation on its behalf. The subcommittees are the:

- Capacity Building Subcommittee
- Human Resources Subcommittee
- Finance Subcommittee
- Audit Subcommittee

In terms of Article 10 of the Statutes, the Governing Board is the supreme authority of the organisation. The Governing Board of AFROSAI-E consists of the heads of the member Supreme Audit Institutions (SAIs) and each Auditor-General is assigned to serve on one of the oversight subcommittees.

2. Members

The twenty six members of the organisation during the accounting period and up to the date of this report were as follows:

Angola	Malawi	South Africa
Botswana	Mauritius	South Sudan
Eritrea	Mozambique	Sudan
Ethiopia	Namibia	Swaziland
Gambia	Nigeria	Tanzania
Ghana	Rwanda	Uganda
Kenya	Seychelles	Zambia
Lesotho	Sierra-Leone	Zimbabwe
Liberia	Somalia	

3. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Statutes of AFROSAI-E. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

4. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the AFROSAI-E or in the policy regarding their use.

At 31 December 2015 the AFROSAI-E's investment in property, plant and equipment amounted to \$19 435 (2014: \$24 164), of which \$156 (2014: \$12 020) was added in the current year through additions.

5. Events after the reporting period

The Governing Board are not aware of any material event which occurred after the reporting date and up to the date of this report.

6. Going concern

The Governing Board believe that the AFROSAI-E has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The Governing Board have satisfied themselves that the AFROSAI-E is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Governing Board are not aware of any new material changes that may adversely impact the AFROSAI-E. The Governing Board are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the AFROSAI-E.

7. Auditors

O.M.A Chartered Accountants Incorporated was appointed as auditors for AFROSAI-E for 2015.

Financial Statements

AFROSAI-E

(Registration number 930023438 (2007/02/07))

Financial Statements for the year ended 31 December 2015

Statement of Financial Position as at 31 December 2015

	Note(s)	2015 \$	2014 \$
Assets			
<i>Non-current assets</i>			
Property, plant and equipment	2	19 435	24 164
Intangible assets	3	272	521
		19 707	24 685
<i>Current assets</i>			
Trade and other receivables	4	63 305	26 197
Cash and cash equivalents	5	439 255	742 875
		502 560	769 072
Total assets		522 267	793 757
Equity and Liabilities			
Equity			
Reserves		45 318	60 916
Retained income		360 918	660 192
		406 236	721 108
Liabilities			
<i>Current liabilities</i>			
Trade and other payables	6	82 653	56 578
Deferred income	8	33 378	16 071
		116 031	72 649
Total Equity and Liabilities		522 267	793 757

Statement of Comprehensive Income

	Note(s)	2015 \$	2014 \$
Revenue	10	1 249 584	1 921 399
Other income		8 630	10 709
Operating expenses		(1 523 230)	(2 348 361)
Operating loss		(265 016)	(416 253)
Investment revenue		7 142	8 191
Loss for the year		(257 874)	(408 062)
Other comprehensive income		-	-
Total comprehensive loss for the year		(257 874)	(408 062)

Statement of Changes in Equity

	Foreign currency translation reserve \$	AFROSAI-E membership fees \$	Total reserves \$	Retained income \$	Total equity \$
Balance as at 01 January 2014	(173 592)	235 764	62 172	1 109 954	1 172 126
Loss for the year	-	-	-	(408 062)	(408 062)
Other comprehensive income	(42 956)	41 700	(1 256)		(1 256)
Total comprehensive loss for the year	(42 956)	41 700	(1 256)	(408 062)	(409 318)
Transfer between reserves	-	-	-	(41 700)	(41 700)
Total changes	-	-	-	(41 700)	(41 700)
Balance at 01 January 2015	(216 548)	277 464	60 916	660 192	721 108
Loss for the year	-	-	-	(257 874)	(257 874)
Other comprehensive income	(56 998)	41 400	(15 598)	-	(15 598)
Total comprehensive loss for the year	(56 998)	41 400	(15 598)	(257 874)	(273 472)
Transfer between reserves	-	-	-	(41 400)	(41 400)
Total changes	-	-	-	(41 400)	(41 400)
Balance at 31 December 2015	(273 546)	318 864	45 318	360 918	406 236

Statement of Cash Flows

	Note(s)	2015 \$	2014 \$
Cash flows from operating activities			
Cash used in operations	12	(253 613)	(336 048)
Interest income		7 142	8 191
Foreign currency translation reserves		(56 997)	(42 956)
Net cash from operating activities		(303 468)	(370 813)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(156)	(12 020)
Sale of property, plant and equipment	2	3	(5)
Purchase of other intangible assets	3	-	(669)
Sale of other intangible assets	3	-	974
Net cash from investing activities		(153)	(11 720)
Total cash movement for the year		(303 621)	(382 533)
Cash at the beginning of the year		742 875	1 125 409
Total cash at the end of the year	5	439 254	742 876

Accounting Policies

1. Presentation of financial statements

The financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities, and the Statutes of AFROSAI-E. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in US Dollar.

These accounting policies are consistent with the previous period.

1.1 Functional and presentation currency

The functional currency in which transactions are recorded is South African Rand (ZAR). The presentation currency of the Annual Financial Statements is United States Dollar (US\$)

1.2 Transactions and Balances

Foreign currency transactions are translated to the functional currency using the average spot rate applicable for the month. Gains and losses from settlement and translation of the monetary liabilities and assets translated at closing rates are reported in the Foreign Currency Translation Reserve (FCTR), in the Statement of Financial Performance (SFP)

1.3 Property, plant and equipment

Each part of an item of property, plant and equipment with costs that is significant in relation to the total cost of the item and have significantly different patterns of consumption of economic benefits is depreciated separately over its useful life.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is included in profit or loss and is calculated as the difference between the net disposal proceeds, if any, and the carrying amount of the item at the date of de-recognition.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

Item	Depreciation method	Average useful life
Motor vehicles	Straight line	4 years
Office equipment	Straight line	6 years
IT Equipment	Straight line	3 years

The residual value, depreciation method and useful life of each asset are reviewed only when there is an indication that there has been a significant change from the previous estimate.

Assets, including intangible assets with a cost price of less than US\$1 000, are fully depreciated in the year it's brought into use.

1.4 Intangible assets

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Research and development costs are recognised as an expense in the period incurred.

An intangible asset is recognised when:

- It is probable that the expected future economic benefits that are attributable to the asset will flow to the organisation; and
- The cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost. Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Amortisation is provided to write down the intangible assets, on a straight-line basis, as follows:

Item	Useful life
Computer software	2 years

1.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one organisation and a financial liability or organisation instrument of another organisation.

A financial asset/ (liability) is:

A contractual right/ (obligation) to receive/(pay) cash to another organisation, or exchange financial assets or liabilities with another organisation under conditions that are potentially favourable/(unfavourable).

Financial assets/(liabilities) are recognised on the organisation's statement of financial position when the organisation becomes party of the contractual provisions of the instrument.

Classification depends on the purpose for which the financial instrument was obtained/incurred and takes place at initial recognition.

The organisation classifies financial assets and financial liabilities as follows:

Trade and other receivables

Trade receivables are amounts claimable from another party owing to contractual or legal rights, other than investments. Trade receivables are recognised when it is probable that economic benefits will flow to the organisation and the amount can be, measured reliably. Trade receivables are carried at original invoice amount less allowance for any uncollectable amounts. An allowance for estimated irrecoverable amounts is recognised in profit or loss when there is objective evidence that the asset is impaired.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade and other payables

Trade payables are amounts owing to another party due to contractual or legal rights and are recognised when it is probable that economic benefits will flow from the organisation and the amount can be measured reliably. Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

De-recognition of financial assets (liabilities)

Financial assets (liabilities) are de-recognised when the contractual rights to the cash flows from the asset/(liability) expire, or when it transfers the financial asset (liability) and substantially all the risks and rewards of ownership of the asset (liability) to another organisation.

1.6 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the organisation and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Membership Fees

Revenue from membership fees is recognised when fees become due.

Donor funding

Donor funding is accounted for through the Statement of Financial Position and the Statement of Comprehensive Income.

Donor funding with no conditions attached is recognised in the Statement of Comprehensive Income when they become receivable.

Donor funding with conditions attached is presented as deferred income in the Statement of Financial Position. This will be recognised as revenue and as and when the conditions are met.

Investment Income

Interest income is accrued on a time proportion basis, taking into account the principal amount outstanding and the effective interest rate over the period to maturity.

1.7 Taxation

No provision has been made for taxation, as AFROSAI-E is exempt from income tax in terms of Section 10 of the Income Tax Act, 1962 (Act 58 of 1962).

Notes to the Financial Statements

2015
\$

2014
\$

2. Property, plant and equipment

	2015			2014		
	Cost	Accumulated Depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Motor vehicles	19 837	(9 978)	9 859	19 837	(6 774)	13 063
Office equipment	24 756	(15 288)	9468	24 690	(13 754)	10 936
IT equipment	11 811	(11 703)	108	19 347	(19 182)	165
TOTAL	56 404	(36 969)	19 435	63 874	(39 710)	24 164

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Depreciation	Total
Motor vehicles	13 063	-	-	(3 204)	9 859
Office equipment	10 936	66	-	(1 534)	9 468
IT equipment	165	90	(3)	(144)	108
	24 164	156	(3)	(4 882)	19 435

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Disposals	Depreciation	Total
Motor vehicles	17 358	-	-	(4 295)	13 063
Office equipment	4 689	11 801	(3 933)	(1 621)	10 936
IT equipment	14	219	(1)	(67)	165
	22 061	12 020	(3 934)	(5 983)	24 164

3. Intangible assets

	2015			2014		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	668	(396)	272	668	(147)	521

Reconciliation of intangible assets 2015

	Opening balance	Amortisation	Total
Computer software	521	(249)	272

Reconciliation of intangible assets 2014

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	974	669	(974)	(147)	521

4. Trade and other receivables

Trade receivables	25 847	22 629
Prepayments	37 458	3 568
	63 305	26 197

Trade and other receivables past due but not impaired

At 31 December 2015, trade and other receivables amounting to US\$ 17 030 were past due but not impaired. The ageing of amounts past due but not impaired is as follows:

SAI Angola	7 000	-
SAI Malawi	3 030	3 000
SAI Namibia	7 000	
SAI Sudan	-	11 929
SAI Tanzania	-	7 700
	17 030	22 629

2015
\$

2014
\$

5. Cash and Equivalents

Cash and cash equivalents consist of:

Cash on hand	516	520
Bank balances	438 739	742 355
	439 255	742 875

Basket accounts

US Dollar account	37 948	275 552
ZAR Current Account	27 861	64 795
ZAR Call Account	12 290	19 427

Membership accounts

US Dollar Account	255 497	257 292
ZAR Investment Account	105 121	125 267

Other Accounts

US Dollar Account (IDI)	20	20
US Dollar Account (World Bank)	2	2

Cash on hand	516	520
	439 255	742 875

6. Trade and other payables

Trade payables	65 655	41 901
Accrued leave pay	16 998	14 677
	82 653	56 578

7. Retained income

An amount of US\$41 400 (30%) of membership fees has been retained as per decision taken on 11 October 2004 by the Governing Board, and as disclosed in the Statement of Changes in Equity. The amount of US\$96 600 (70%) has been transferred to the US\$ Donor account.

8. Deferred income

Membership fees prepaid	28 000	16 025
Long term experts	5 378	46
	33 378	16 071

Breakdown of the prepaid value for the year ended is as follows:

SAI Botswana	-	1 000
SAI Eritrea	3 000	-
SAI Ghana	7 000	7 000
SAI Kenya	7 000	3 025
SAI Rwanda	3 000	-
SAI Sierra Leone	3 000	-
SAI Rwanda	5 000	-
SAI Zambia	-	5 000
	28 000	16 025

9. Contribution from the Auditor-General South Africa

Secretariat support		
Seconded AGSA staff – salaries refunded to AGSA	(137 146)	(61 840)
Staff remuneration	336 600	354 565
Contributions towards other expenses	83 474	47 951
	282 928	340 676

10. Revenue

Donor contributions	1 111 584	1 785 333
Membership fees	138 000	136 066
	1 249 584	1 921 399

11. Auditor's remuneration

Fees	8 349	11 796
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12. Cash used in operations

Loss before taxation	(257 874)	(408 062)
Adjustments for:		
Depreciation and amortisation	5 129	6 130
Loss on sale of assets	-	3 939
Interest received	(7 142)	(8 191)
Changes in working capital:		
Trade and other receivables	(37 108)	48 633
Trade and other payables	26 075	21 432
Deferred income	17 307	71
	(253 613)	(336 048)

Detailed Income Statement

	Note(s)	2015 \$	2014 \$
Revenue			
Donor contributions		1 111 584	1 785 333
Membership fees		138 000	136 066
	10	1 249 584	1 921 399
Other income			
Vehicle rent		7 921	10 709
Interest received		7 142	8 191
Profit and loss on exchange differences		709	-
		15 772	18 900
Operating expenses			
Auditors' remuneration	11	(8 349)	(11 796)
Depreciation, amortisation and impairments		(5 129)	(6 130)
Operating expenses – secretariat		(35 848)	(42 659)
Professional fees – secretariat		(866 142)	(992 429)
Profit and loss on exchange differences		-	(14 948)
Profit and loss on sale of assets and liabilities		-	(3 939)
Project expenses		(607 762)	(1 276 460)
		(1 523 230)	(2 348 361)
Loss for the year		(257 874)	(408 062)

SECTION 6

GRI Index

GRI G4 guidelines were used as a reference. This index refers the reader to the page(s) where information relating to GRI parameters and performance indicators can be found. Only parameters and performance indicators on which information is disclosed are included in this index.

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SPECIFIC DISCLOSURES	STANDARD	PAGE NUMBER
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2015 Performance Measurement index

Planned 2015 activities classified according to achieved, partially achieved and not achieved

PLANNED 2015 ACTIVITIES								
ACHIEVED			PARTIALLY ACHIEVED			NOT ACHIEVED		
WORK PLAN REF.	TOPIC		WORK PLAN REF.	TOPIC	REASON	WORK PLAN REF.	TOPIC	REASON
STRATEGIC IMPERATIVE 1 – INDEPENDENCE OF SAIs								
SI1 (3a)	AU, IFAC, CBC/IDI, INTOSAI Donor secretariat, PAOs		SI 1(1a)	Interim Oversight Board established and its first meeting held	1 st meeting not held			
STRATEGIC IMPERATIVE 2 - BEING A CREDIBLE VOICE FOR BENEFICIAL CHANGE								
SI 2 (1a)	Interactions with regional institutions i.e. AU/AFROPAC on independence of SAIs and GFG		SI 2 (1f)	Follow up on prior year audit findings and reporting to the legislature		SI 2 (1c)	Citizen engagement and public sector auditing understandable to the media and social media	To be incorporated in revised communication policy
SI 2 (1a)	Development workshop		SI 2 (2a)	SAIs Integrated reporting research in-house				
SI 2 (1d)	SAIs assurance of open government data							
SI 2 (1e)	Audit Performance information / management systems							
SI 2(e)	Training workshop							
SI 2(1g)	SAI / PAC							
SI 2(a)	SAI integrated reporting training workshop							
SI 2 (2b)	Ethical conduct and behaviour							

STRATEGIC IMPERATIVE 3 - TURNING LEADERSHIP FROM CAPACITY INTO CAPABILITY

- SI 3 (1a) Leadership program workshops 1
- SI 3 (1b) Leadership program workshops 2
- SI 3 (1c) Leadership program workshops 3
- SI 3 (2a) MDP roll-out workshops

STRATEGIC IMPERATIVE 4 – DRIVING INNOVATION AND CREATIVITY

- SI 4(1a) Development of SAI IT and IT audit self-assessment tool – Development workshop
- S1 4 (1a) Training workshop
- SI 4 (1c) Researched and use innovative IT Systems – Development workshop
- S1 4 (1c) Training workshop
- SI 4 (2a) International developments researched e.g. post 2015 sustainable development goals, developments of ISSAIs, scanning of key economic drivers in the region
- SI 4 (2b) SAI PMF / ICBF aligned and activity report reworked (to be renamed e.g. SAIs outcomes/implementation report)
- S1 4 (b) Training Workshop
- SI 4 (3ai) Regularity audit e-Learning
- SI 4 (3ai) RA e-learning consultant

- SI 4 (1d) IT Included in QA Reviews Incorporated into RAM update
- SI 4 (3aiii) Fiscal governance, consultant Reprioritised to 2016
- SI 4 (3bi) Practical support to teams using quantitative methods Postponed to 2016
- SI 4 (3bii) Review of E-learning materials Subject to finalising RAM update

- 
- SI 4 (3aii)** Local government Development workshop
 - SI 4 (3aii)** Local government consultant
 - SI 4 (3aiii)** Fiscal governance development workshop
 - SI 4 (3aiv)** Extractive industries focusing on oil and gas support visits
 - SI 4 (3aiv)** Extractive industries focusing on oil and gas – in-house research
 - SI 4 (3av)** Fraud and corruption development workshop
 - SI 4 (3av)** Fraud and corruption training workshop
 - SI 4 (3ax)** Agricultural programmes
 - SI 4 (3bii)** Performance Audit e-learning
 - SI 4 (3bii)** Performance Audit e-learning consultant
 - SI 4 (3biii)** Performance audit with environmental focus
 - SI 4 (3ci)** Attend subcommittee meetings - FAS, PAS, CAS etc.

OPERATIONAL INTERVENTION 1 : TECHNICAL CAPACITY BUILDING - REGULARITY AUDITING

OI 1(1)	Review and updating of material - Regularity Audit Manual	OI 1 (3b)	Bilateral support programmes as per MOU	OI 1 (4a)	Updates to QA handbook	Incorporated into RAM update
OI 1 (2ai)	Update the IT and ERP (IFMIS) guidelines - to be audited annually by the SAIs – development workshop	OI 1 (4b)	Quality assurance reviews - 8 per annum	Only done	4	
OI 1 (2ai)	Update the IT and ERP (IFMIS) guidelines - to be audited annually by the SAIs – training workshop	OI 1 (4c)	In-country supervision and review workshops			
OI 1 (2aii)	Advanced training workshop on IT security for IT auditors					
OI 1 (2b)	On-site support to SAIs					
OI 1 (5)	Prize for the best audit report					

OPERATIONAL INTERVENTION 2 - TECHNICAL CAPACITY BUILDING - PERFORMANCE AUDITING

OI 2 (2b)	Customisation of material workshop	OI 2 (1)	Review and updating existing audit material	WIP	OI 2 (2a)	1 x Advanced training in-country course	Postponed to 2016	
OI 2 (2c)	Pilot PA Flow implementation - Support visits	OI 2 (3a)	5 QA reviews	Only done	1	OI 2 (3c)	Bilateral support visits - Other countries	No requests received
OI 2 (2d)	Supervision and review workshop for senior managers – development workshop	OI 2 (3b)	Bilateral support visits as per MoU					
OI 2 (2d)	Supervision and review workshop for senior managers – training workshop							
OI 2 (2e i)	Nigeria (module 3)							
OI 2 (2e ii)	Tanzania (module 1)							
OI 2 (2e ii)	Tanzania (module 2)							
OI 2(2e iii)	Kenya (module 2)							
OI 2(2e iv)	Pretoria (module 1)							
OI 2(2e iv)	Pretoria (module 2)							

- OI 2(2e iv)** Pretoria (module 3)
- OI 2 (4)** Prize for the best performance audit report

OPERATIONAL INTERVENTION 3 INSTITUTIONAL LEVEL - SAIs

- OI 3 (1 c)** Annual HR workshop
- OI 3 (2a)** Research and develop new Communication Tools –in-house
- OI 3 (2a)** Research and develop new Communication Tools – pre-planning with SMEs
- OI 3 (2c)** Annual Communication workshop

OPERATIONAL INTERVENTION 4 : EXECUTIVE SECRETARIAT

- OI 4 (1a)** Annual Governing Board Meeting
- OI 4 (1b)** Annual operational planning meeting
- OI 4 (1c)** Annual technical committee meeting
- OI 4 (1d i)** Technical updates and refresher workshops English-speaking SAIs
- OI 4 (1e)** Auditing of annual financial statements and IAR
- OI 4 (1f)** Financial management (On-going)
- OI 4 (1g)** Direct support from AGSA to the Secretariat as per MOU
- OI 4 (2a)** Stakeholder interventions - INTOSAI, AFROSAI, AFROPAC, ETC.
- OI 4(2b)** Database for regional subject matter experts

Abbreviations

AGSA	Auditor-General of South Africa
AFROPAC	African Organisation of Public Accounts Committees
AFROSAI	African Organisation of Supreme Audit Institutions
AFROSAI-E	African Organisation of English-speaking Supreme Audit Institutions
CCAF	Canadian Comprehensive Auditing Foundation
ESAAG	East and Southern African Association of Accountants General
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
ICBF	Institutional Capacity Building Framework
IDI	INTOSAI Development Initiative
INTOSAI	International Organisation of Supreme Audit Institutions
ISSAIs	International Standards of Supreme Audit Institutions
MOU	Memorandum of understanding
NCA	Netherlands Court of Audit
OAGN	Office of the Auditor General of Norway
PAC	Public Accounts Committee
RNE	Royal Norwegian Embassy
SAI	Supreme Audit Institution
SAI PMF	SAI Performance management framework
SECRETARIAT	Executive Secretariat of AFROSAI-E
SIDA	Swedish International Development Cooperation Agency
SNAO	Swedish National Audit Office

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