



Transversal
Activity
Report

2015

Presented at the AFROSAI-E Governing Board meeting in Abuja, Nigeria, May
2016

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FOREWORD

It gives me great pleasure to present the 2015 Transversal Activity Report. The report is based on the annual Institutional Capacity Building Framework (ICBF) questionnaire sent out to AFROSAI-E member SAIs. 2015 marked the start of our new Corporate Plan period (2015-2019) and the format of the questionnaire as well as the questions were updated and revised to reflect our new strategic imperatives and, to align with changes to the requirements of ISSAI 12, draft ISSAI 30, ISSAI 100, 200, 300 and 400.

The ICBF is now a well-accepted and understood tool in the region. Its adoption by the AFROSAI-E Auditors General has stimulated a spirit of constructive competition amongst the SAIs with a positive impact on the development activities in the region. Whilst the challenges are ambitious it is certainly within the capability of all SAIs to continue improving their performance and thus facilitate public service accountability throughout the region. The progress made by SAIs is visible and will eventually demonstrate the impact of their work in the years ahead by means of improved accountability, transparency and governance in the region's public sector.

The updated questionnaire has 189 questions divided into the five domains of the ICBF as well as an additional section containing general questions addressing the SAI outputs, outcomes and environment. It should be noted that the questionnaire still contains the questions from previous years for easy of comparison. Further, the changes in layout and content were made in response to the complexity and dynamic changing realities within the scope of the region's capacity building needs. The questions in the general section of the questionnaire are not used to measure the SAI development levels but rather to provide context and add content to the narrative of the report.

In line with our organisational value of embracing innovation, the ICBF questionnaire was distributed for the first time using an online survey tool. Utilising the **Survey Monkey** platform has allowed us to take great strides in the manner in which we collect information. We envisage that going forward the Secretariat will continue to work towards automating its offerings with hope of making a difference in the performance of our member-SAIs.

This Transversal Activity Report was presented at our Governing Board meeting in Abuja, Nigeria in May 2016. Members were given until the end of May 2016 to provide comments on the report.



Wessel Pretorius
Chief Executive Officer
AFROSAI-E Secretariat



EXECUTIVE SUMMARY

The Transversal Activity Report for year 2015 is based on the outcomes of self-assessments by 25 out of 26 member Supreme Audit Institutions (SAIs) within the AFROSAI-E region. The self-assessment questionnaire and the resulting report are based on the AFROSAI-E Institutional Capacity Building Framework (ICBF) which was adopted by its Governing Board in 2006.

The response rate for the year 2015 increased to 25 out of 26 SAIs in comparison to 23 out of 25 SAIs in 2014. The results presented in this report are primarily based on the responses provided by the 25 SAIs. However, the results of on-site quality assurance reviews by the Secretariat at selected SAIs were also taken into account. In addition, the outcomes of our 2015 Integrated Annual Report are also referred to in this report.

2015 marks the first year of our new five-year Corporate Plan period ending December 2019. The results of the year ending December 2014 were used as baseline information in the development of the 2015 Activity Report. The focus for this strategic cycle is the establishment of mechanisms to drive continuously higher levels of achievement in line with the region's strategic goals and objectives. Some analysis on the underlying factors affecting development in the region was done by focusing on how key questions within particular ICBF elements were scored and the comments offered were then used to corroborate those scores. This has resulted in a better understanding as to why some of the improvement in the region is not reflected in the aggregated figures despite the efforts made.

On a general level there has been incremental improvement within the different ICBF domains. Three domains, namely the independence and legal framework domain, the audit standards and methodology domain and the communication and stakeholder management domain show significant incremental improvement when compared with the previous years. Increased capacity building interventions in the region may attribute to the improvement in the scoring. However, two domains, namely the organisation and management domain and the human resources domain show slight decreases in the scoring. This may be due to an increased awareness by SAIs on what is needed in order for a higher score to be attained. On the other hand the number of questions used in the questionnaire was increased with an added focus on the monitoring and evaluation processes within the SAI systems.

Specifically this report identifies capacity gaps in the development and implementation of ISSAI compliant audit tools and their practical usage by the auditors and the organisations themselves. The challenge for a majority of the SAIs is implementation of the various tools, new policies and systems developed. In this report the implementation challenges has been attributed to funding challenges and technical skills gaps to drive the policies, strategies and monitor the deployment of the tools. Additionally, the absence of effective communication at both the operational and strategic levels may also be a factor in the challenges being faced by SAIs.

Although there are significant improvements recorded when compared with previous years, there are also development opportunities which could be exploited both at the SAI and regional levels. These opportunities exist across all five domains of the ICBF. In exploiting these opportunities the principles enshrined in *ISSAI 12: The Values and Benefits of SAIs*, are instructive. SAIs need to demonstrate their value and benefit to society. This raises different capacity building questions in



terms of why, when and how SAIs can build their capacities to effectively execute their audit mandates. The following key areas are important for focusing capacity building initiatives:

Professionalisation of public sector auditing as well as accounting

In view of the ISSAI implementation drive by members, professionalisation of public sector auditing can provide a long term solution to skills capacity challenges. The critical need for SAIs to pull resources together to drive training for staff to get technically qualified and accredited cannot be overemphasised.

SAIs becoming credible voices for beneficial change

SAIs occupy an important position in society and as such they are expected to ‘walk the talk’ if they are to be credible voices for change. It is therefore the responsibility of SAIs to ensure that what they communicate is credible and adds value to society. As such, the communication of audit results needs to be timely to allow decision makers to choose appropriate interventions for improved service delivery. Areas that require attention include strengthening of SAI communication functions, systems, processes and structures.

Transforming the capacity of leadership into capability

There can be no debate on the critical importance of effective leadership SAIs to drive transformation and provide direction in this era of economic, political and technological uncertainties and disruptive changes in the global environment. Leadership and management capacity development in SAIs need to be treated as a strategic tool for addressing organisational challenges to achieve predefined goals and performance outcomes. While leadership skills are required at every level of the SAI, the primary responsibility of “turning capacity to capability” lies in the domain of the top executives of the SAI.

Driving innovation and creativity in SAIs

The sustainable development of any organisation lies in its ability to be innovative and creative in the process of executing its mandate. In our region, the governments of all our member SAIs have automated their financial management systems. However, IT support and audit capacity is not growing in tandem. The area of IT support and IT audit is lagging behind in a majority of SAIs and thus compromising the credibility of reports produced. Innovation and creativity is required in the areas of audit processes, working papers and various SAI corporate services systems and processes.



CHAPTER 1: INTRODUCTION TO THE ICBF

1.1 Introduction

This chapter defines the Transversal Activity Report and it provides an overview of the AFROSAI-E Institutional Capacity Building Framework (ICBF). The chapter addresses the region's quality assurance support visits and how they are linked to the annual ICBF self-assessment questionnaire as well as the role of other development tools produced by the region. It concludes by providing clarifications on the complimentary relationship between the ICBF and the SAI Performance Measurement Framework (PMF).

1.2 The Transversal Activity Report

The Transversal Activity Report is part of capacity building through the ICBF framework. It provides a cross sectional and longitudinal view on how SAIs have performed and progressed in terms of the ICBF framework for the twelve-month reporting period. The report aims to facilitate the analysis by providing member SAIs with information from an institutional perspective on the status of their development and that of public sector auditing in the region through self-assessments. This provides a platform for broad comparison within the region and could be of benefit for benchmarking among members SAIs as well as use by our development partners and other key stakeholders including the donor community.

Further, the activity report is an important instrument for the Governing Board and its Executive Secretariat to monitor developments in the region against the agreed objectives and activities outlined in the Corporate Plan. The Secretariat's enabling role to better support its members in the execution of their mandates, is as well enhanced by the information provided in this report.

1.3 Institutional Capacity Building Framework (ICBF)

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.

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



Each domain contains a number of elements as shown in appendix 1.

The ICBF is primarily a practical tool for SAIs to use in supporting their development endeavours with the intent of reaching the established level (level 3) and ideally an optimised level (level 4) of institutional capacity on each of the five domains in the best possible way. Using the tool enhances the possibilities for a SAI to develop its different branches in parallel, that is, strategic management, auditing core business and corporate services, so that they can be linked to support each other. This is especially important in relation to the linkages between the functional / operational planning of a SAI and its strategic planning, monitoring and reporting.

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

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

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

Each domain in the framework is composed of a number of issues or topics, here called elements (see appendix 1) which are considered to be necessary to build a sustainable institution. The domains with their elements are based on standards and best practices. Each of the five levels includes indicators that must be fulfilled before the SAI can claim to have achieved the said level of development. Their assessment provides the SAI with an institutional and holistic perspective in terms of its mandate and role. The domains need to be developed to a greater extent at the same time as they are interdependent of each other. For example, communication is an important cross-cutting issue for independence, audit standards and human resources and would therefore need to be developed not only in the communication and stakeholder management domain but practiced across other domains as well.



Within the region, an annual self-assessment questionnaire is utilised as the tool for SAIs to determine their level of development against each of the domains and elements. A guideline has been developed to assist SAIs in assessing their position in accordance with the indicators developed for each element in the ICBF and; to help SAIs position them on the right development level.

1.4 QA Support Visits and General Findings

While on one hand the self-assessment questionnaire is a tool that assists SAIs to determine their level of development, another tool used to support the capacity building efforts of member SAIs is the quality control and assurance model. This model is based on the five domains of the ICBF. Since its adoption by the Governing Board in 2006, the implementation of the ICBF has gone hand in hand with quality assurance support visits to members, based on a two to three year cycle.

Subsequently, handbooks and other guidance tools to support SAIs in the development of robust quality control management systems were produced with the guidance of the Secretariat. Currently, the Secretariat together with regional resource persons and experts from institutional partners carry out on average six to eight quality assurance support visits per year. The results of these support visit reviews are annually summarised and form part of the findings and conclusions of this report.

Consequently, at the regional level the objectivity and credibility of the annual self-assessment results of the SAIs are ensured to a greater extent by the general findings of the quality assurance support visits. This is true in places where SAIs over and under assess themselves. While the assessment scores are not changed, the discussion includes the aspects of the quality support visits general findings in order to bring about clarity as to the level of development within the domain.

1.5 AFROSAI-E DEVELOPMENT TOOLS

In support of the developmental targets set by SAIs and the Governing Board for the region as a whole, the Secretariat produces a range of capacity building tools. These include guidance materials (handbooks, guidelines and manuals), courseware (including e-learning programmes), training workshops (regional and in-country) as well as on-site support and quality assurance reviews. Since 2012 more than 14 SAIs have benefited from the in-country roll-outs of Management Development (MDP) courses and follow-up workshops to customise and implement the range of development tools that are available.

The following developmental tools were developed and launched during 2015:

- Forensic Audit Manual
- Fact Sheet of Fiscal Governance
- Fraud and Corruption Guideline
- Fact Sheet on the Audit of Open Data
- Performance Audit Module 1 e-learning Programme



In 2014 a new intervention was launched at the Governing Board meeting in Ethiopia, to address continued capacity challenges to fully comply with international standards of public sector auditing. The Executive Leadership Development Programme (ELDP) was developed in partnership with the Swedish National Audit Office to support the establishment of professional, relevant and competent top executive teams at SAIs in the region to lead their organisations towards full compliance. The first phase of the programme involved 24 participants from six SAIs and was rolled-out over a period of eight months.

The development of SAIs in the region is not only based on capacitating resource persons from members, but is also materially dependent on support from institutional and other partners. AFROSAI-E is working closely with subject matter experts from its institutional and other partners together with members who are willing to support their counterparts at regional and bilateral events. In view of the need to strengthen this model of working relationships, resource persons are organised into different networks to enable the building of capacity within the different strategic imperatives.

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

As a member of the Performance Measurement Framework (SAI-PMF) task team, AFROSAI-E has the opportunity to provide inputs on the current version of the SAI PMF before its submission at the 2016 INCOSAI. The development of this performance measurement tool is being spearheaded by the INTOSAI Development Initiative (IDI) in cooperation with INTOSAI regions and the Capacity Building Committee (CBC).

Box 1: Domains of the SAI-PMF and ICBF	
SAI-PMF Domains Domain A: SAI Reporting Domain B: Independence and Legal Framework Domain C: Strategy for Organizational Development Domain D: Audit Standards and Methodology Domain E: Management and Support Structures Domain F: Human Resources and Leadership Domain G: Communication and Stakeholder Management	ICBF Domains Domain 1: Independence & Legal Framework Domain 2: Organisation & management Domain 3: Human resources Domain 4: Audit Standards & Methodology Domain 5: Communication & Stakeholder Management

Although the ICBF and the PMF tools assign different domain names, i.e. the ICBF has five and the SAI-PMF has seven (refer to Box 1); on a general level the two frameworks use similar criteria to measure performance. This similarity may be attributed to the fact that both tools are based on ISSAIs and best practice and; that the development of the SAI-PMF was partly based on the ICBF work and frame of reference.

However, it is acknowledged that the results of a self-assessment based on the ICBF are only one of the ways for a SAI to determine its performance levels as well as development needs. A SAI can also utilise additional means like the SAI-PMF and other available business tools for this purpose. It is the responsibility of the SAI to choose and use appropriate instruments in such a way that it can get the best information for its own development and performance measurement requirements.

Notwithstanding, as a self-assessment tool, the ICBF continues to provide an efficient and cost-effective method for members of the region to assess their developmental needs on an annual basis.



It is expected that the SAI-PMF will provide SAIs with an additional measurement tool as a compliment to the ICBF, for enhanced external credibility.

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



CHAPTER 2: REPORT METHODOLOGY

2.1 Introduction

This chapter covers the reporting methodology in terms of the preferred design and methods that were used to analyse the questionnaire responses. Secondly, the chapter elaborates on how the report is structured and communicated using the ICBF domains as the major divisions.

2.2 The Annual Questionnaire

This report was compiled based on the responses by member SAIs on the 2015 ICBF self-assessment questionnaire. It provides a broad overview on how the region has progressed and developed within the five domains of the ICB framework and; in an effort to provide greater perspective; it shows comparative results from 2013 to 2015.

It should however be noted that the 2015 results fall within the new Corporate Plan period (2015-2019) and the analysis does therefore address issues related to the new strategic direction. In addition, the questions used in the 2015 questionnaire have been materially adjusted in view of the following:

- The new 2015-2019 strategic imperatives;
- The principles of the new ISSAI 12, 100 – 400 and draft ISSAI 30; and
- The need to align the questions with the criteria used in the SAI-PMF.

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

2.3 Credibility of Self-Assessments

In general credibility and validity concerns are raised when addressing the issue of self-assessments. It is not within the scope of this report to discuss the merits and demerits of self-assessments. However, based on the regional history of self-assessments over a period of ten years, the region has observed significant improvements in terms of members submitting objective responses that are in turn used by the SAIs for adjusting and reviewing their strategic and operational plans. Nonetheless, when using this report the following factors are still important to consider:

First, the responses are based on self-assessments by member SAIs and are therefore a product of perceptions on performance. In order to increase the relevance and reliability of responses, and to ensure consistency, an abridged version of the ICBF guideline was sent together with the questionnaire to assist and guide members to carry out the self-assessment. The abridged guideline is meant to assist SAIs internalise the application of the ICBF tool and improve objectivity when assessing the level of development in a given area.



Second, in situations where there have been sudden or extreme variations compared with the previous years this may be due to different people answering the questions over the years since inception to date. To mitigate against extreme variations, SAIs were encouraged to establish cross functional teams to draft responses before final approval is given by the head of SAI.

Third, a simple averaging methodology is used to calculate the scoring under each domain and imperative for the period under review and this may also blur the true development levels of individual SAIs and the region as a whole. To mitigate these weaknesses, results of the quality assurance support visits by the Secretariat were used to interpret and develop conclusions under each domain.

2.4 The New Questionnaire

The 2015 questionnaire included 189 questions which were divided into the five domains and; an additional section containing general questions addressing the SAI outputs, outcomes and its environment. The general questions are not used to measure the SAI development levels but are instead used to provide context and add to the narrative content of the report.

In line with our organisational value of innovation and creativity, the 2015 questionnaire was distributed to SAIs using an electronic platform for the first time. Utilising the **Survey Monkey** tool resulted in greater accuracy and speed to analyse the results. To facilitate easy collection of data a soft copy of the questionnaire was included in the package sent out to member SAIs.

2.5 Response Rates

Over the years the numbers of countries responding to the survey have varied. For instance, in the year 2011, 20 of the then 23 members responded to the survey, while 24 out of the 24 members responded in the year 2013. In 2014 we had 23 out of 25 members responding and in 2015 we had 25 SAIs responding out of the now 26 member SAIs (*see Table 2*). The 26th member (SAI Somalia) was accepted during the 2015 Governing Board meeting in South Africa.

Year	Number of SAIs who responded	Total Number of member SAIs
2006	12	23
2007	13	23
2008	17	23
2009	22	23
2010	23	23
2011	20	23



2012	21	24
2013	24	24
2014	23	25
2015	25	26

Table 2: Number of SAIs responding to the survey over the years 2006-2015

As shown in table 2, the number of SAIs responding have more than doubled since 2006. An 88.5% response rate is a positive trend as members have been forthcoming in providing the required feedback.

2.6 Structure of the report

For the 2015 reporting period, the five domains are used to structure the report. The data is presented in two forms, that is, aggregated averages on clustered responses from SAIs and; a detailed analysis on key issues within each domain. Thereafter the report moves into conclusions.



CHAPTER 3: AGGREGATED ASSESSMENT OF THE FIVE DOMAINS

3.1 Introduction

This chapter covers the aggregated average scores of the 25 SAIs that completed the 2015 ICBF self-assessment questionnaire. The objective is to provide an integrated summary of the region's development level in 2015 as well as to indicate the significant gaps and challenges that the member are still facing especially in the area of quality control. Apart from addressing the average scores of all the five domains, the chapter also focuses on SAI performance reporting and communication of audit results across all the five domains of the ICBF. This is considered in terms of regional development as a whole, and individual SAI development against each of the domains. The individual SAI development level is captured in appendix 2.

3.2 ICBF Domain Average Scores

The self-assessment levels on the domains range from level 0-5. The regional target is to achieve level three and above on the ICBF. In this report the results from 2013 and 2014 are used to provide baseline information regarding the development levels in the region. As can be observed from the results of the self-assessment in *Figure 1*, on aggregate there has been a significant movement within the five domains.

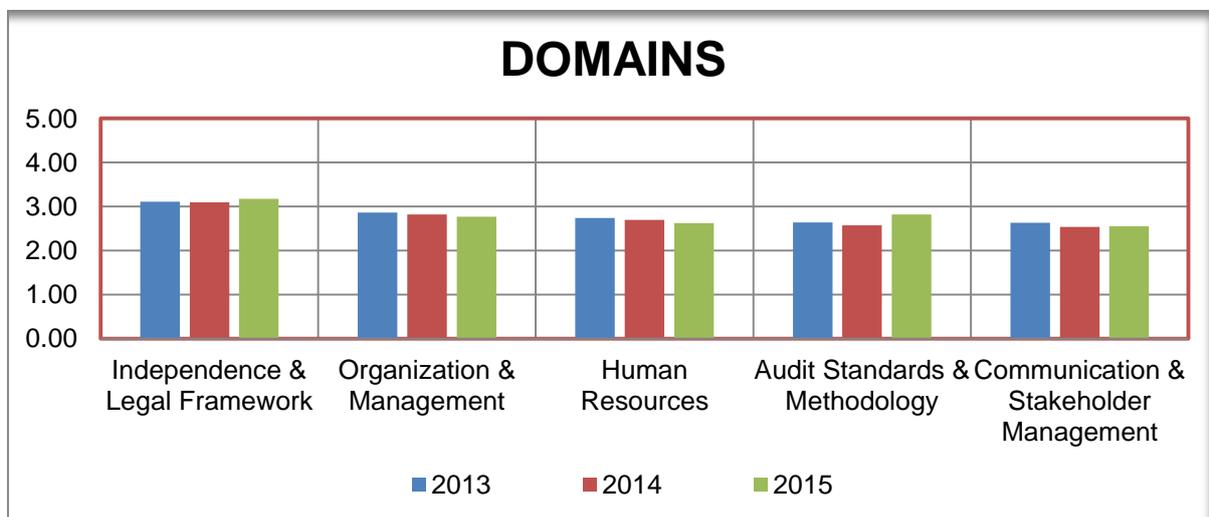


Figure 1: Average self-assessed level for the region (Comparison between domains 2013 to 2015)

In the current reporting period (2015) within the five domains, the region experienced improvements in three out of the five domains as can be seen in *Figure 1*. For instance the Independence and Legal Framework moved from 3.09 in 2014 to 3.16 in 2015; Audit Standards and Methodology moved from 2.57 to 2.82 and Communication and Stakeholder Management moved from 2.53 to 2.55. Two domains, namely Organisation and Management and Human Resources



experienced drops in the assessed aggregate averages moving from 2.82 (2014) to 2.77 (2015) and 2.69 (2014) to 2.55 (2015), respectively.

As can be seen in *Figure 1* the region has achieved the targeted level 3 of ICBF since 2013 on the Independence and Legal Framework domain and has been improving while the remaining domains are moving towards the targeted level. More importantly is the improvement in the Audit Standards and Methodology domain which is an encouraging phenomenon given that the core business of the SAI is housed in this domain.

At an individual level the development of SAIs is more contextualised. The development level of each SAI was aggregated against the five domains of the ICBF. *Appendix 2* shows the development levels of each SAI in accordance with the ICBF. As can be observed from *appendix 2*, it is the responsibility of each concerned SAI to prioritise the areas that need improvement based on their own identified gaps within the framework of their individual resource constrains. The Secretariat will use this information to prioritise the MoUs with members that request bilateral and technical support.

3.2.1 Performance on domains from 2012 to 2015

In the current strategic period (2015-2019) the targeted level of development is level 3 and above. The targeted level for this period under review is for 40% of SAIs to attain level three and above. *Table 3* depicts the trend from 2012 to 2015.

Number of SAIs in the region on level 3 and 4 in 2012, 2013, 2014 and 2015								
Year & ICBF Level of Development	2012		2013		2014		2015	
	Level 3	Level 4						
Independence	12	0	12	0	15	0	16	0
Organisation & Management	8	0	9	0	6	0	6	0
Human Resources	7	0	7	0	6	0	3	0
Audit Standards & Methodology	4	0	6	0	4	0	10	0
Communication & Stakeholder Management	3	0	4	0	4	0	5	0

Table 3: Comparison between the number of SAIs on level 3 and 4 in 2012, 2013, 2014 and 2015 (2013 figures were used for Angola)

As can be observed from *Table 3*, a substantial number of SAIs i.e. 16 (64%), have reached level 3 and above in the Independence and Legal Framework. On the other hand there are no significant improvements in the number of SAIs who reported that they were now at a level 3 on the



Organisation and Management domain, with the numbers staying static at 6 (24%) compared with the previous year. The Human Resources domain experienced a drop from 6 to 3 SAIs at level three and above.

In terms of the Audit Standards and Methodology domain, there has been a significant increase in the number of SAIs on level 3 and above, from 4 (12%) in 2014 to 10 (40%) in 2015, which is an increase of 28%. On the Communications and Stakeholders Management domain, the number of SAIs at responding at level 3 and above increased from 4 to 5 SAIs between 2014 and 2015 respectively.

There are various reasons that can explain the movement of the ratings under each of the domains. The differences and explanations in how the SAIs self-assessed will be discussed in detail when addressing the individual domains in the chapters ahead. However, analysing cross-cutting issues such as SAI performance measurement indicators and audit communication issues reveal some interesting results.

3.2.2 Measuring SAI Performance

Monitoring and evaluating the operations of the different SAI processes and systems is an important enabler for measuring SAI performance. In *figure 2*, eight selected questions that measure the establishment of monitoring and evaluation mechanisms were taken from across the five ICBF domains. The effectiveness of these mechanisms is expected to enable the SAIs to measure their own performance in any given reporting period.

As can be seen in *figure 2*, the majority of SAIs indicated that they established systems and processes that monitor and evaluate the execution and achievement of goals and objectives of their strategic (58% scoring level 3 and above) and operational (71% scoring level 3 and above) plans. On the other hand monitoring and reporting on the execution of HR and Communication strategies and plans appear to be done by only a few SAIs. For instance, only 21% and 33% of the SAIs respectively scored level 3 and above indicating they were monitoring and evaluating the execution of the HR and Communication strategies.



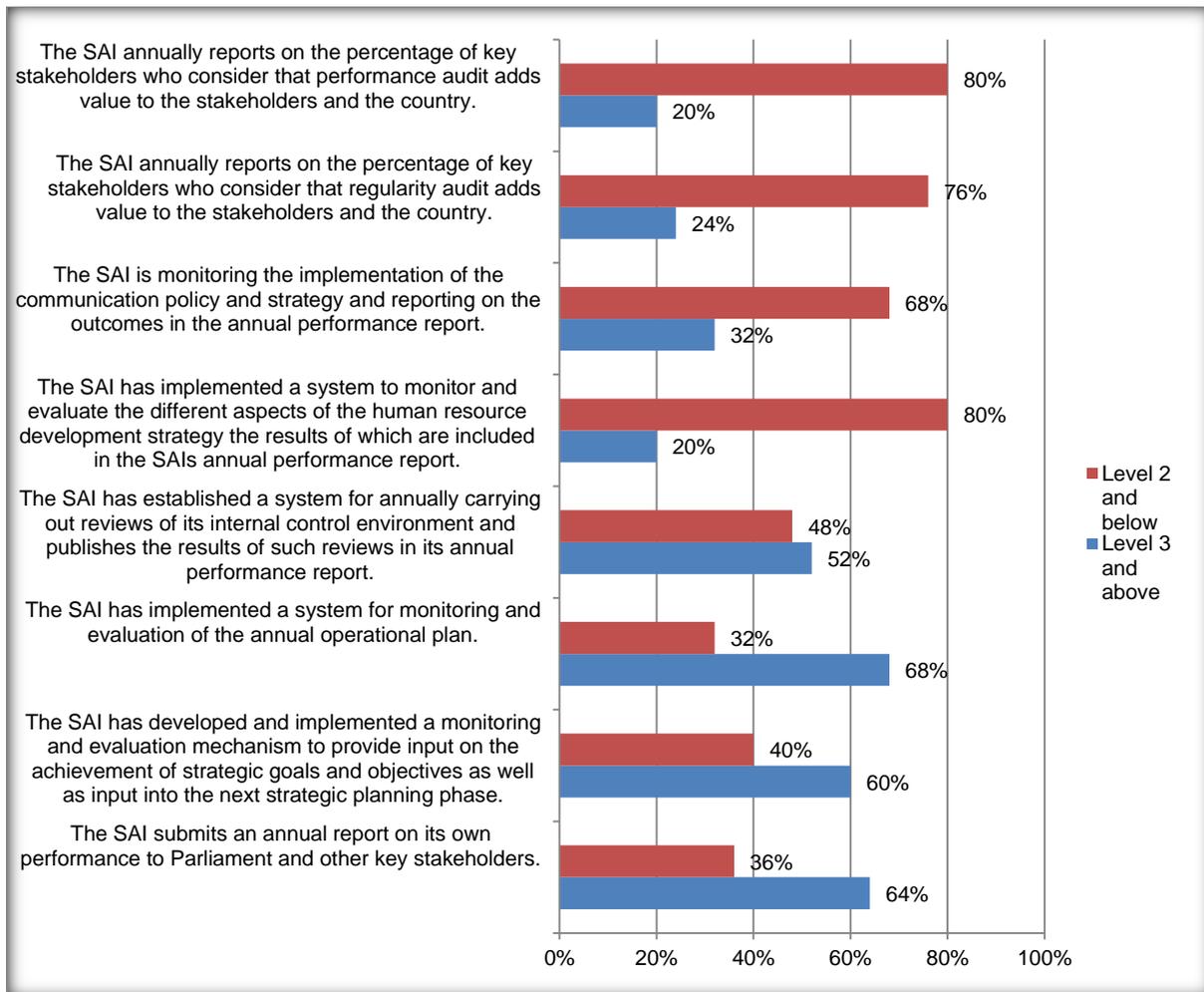


Figure 2: SAI scores on the different questions relating to monitoring and evaluation of SAI systems and processes

Further, in figure 2 the scores of the SAIs also indicated that a majority of SAI do not seek to obtain the satisfaction degrees of their stakeholders when it comes to regularity audits (76% scoring level 2 and below) and performance audits (80% scoring level 2 and below). It appears the contents of performance reports of the majority of the SAIs do not include measures on satisfaction rates of stakeholders as well as issues relating to the effectiveness of their internal control systems. This is because while a majority of SAIs indicated that they publish their SAI performance reports (64% scoring level 3 and above), a few indicated that they collect data to measure the extent to which stakeholders are satisfied with their services.

3.2.3 Communicating Audit Results

Another cross-cutting dimension is communication. Apart from being in domain five; communication can also take place across the other four domains. Of particular interest is how SAIs communicate their audit results, both from an internal and external perspective. Since audit results are an output of the interplay between a SAI's inputs and its processes and systems; analysing the dynamics of what happens in the SAIs may provide important information about the effectiveness of such



communication processes. *Figure 3* gives a summary of how the SAIs communicate with stakeholders across the domains.

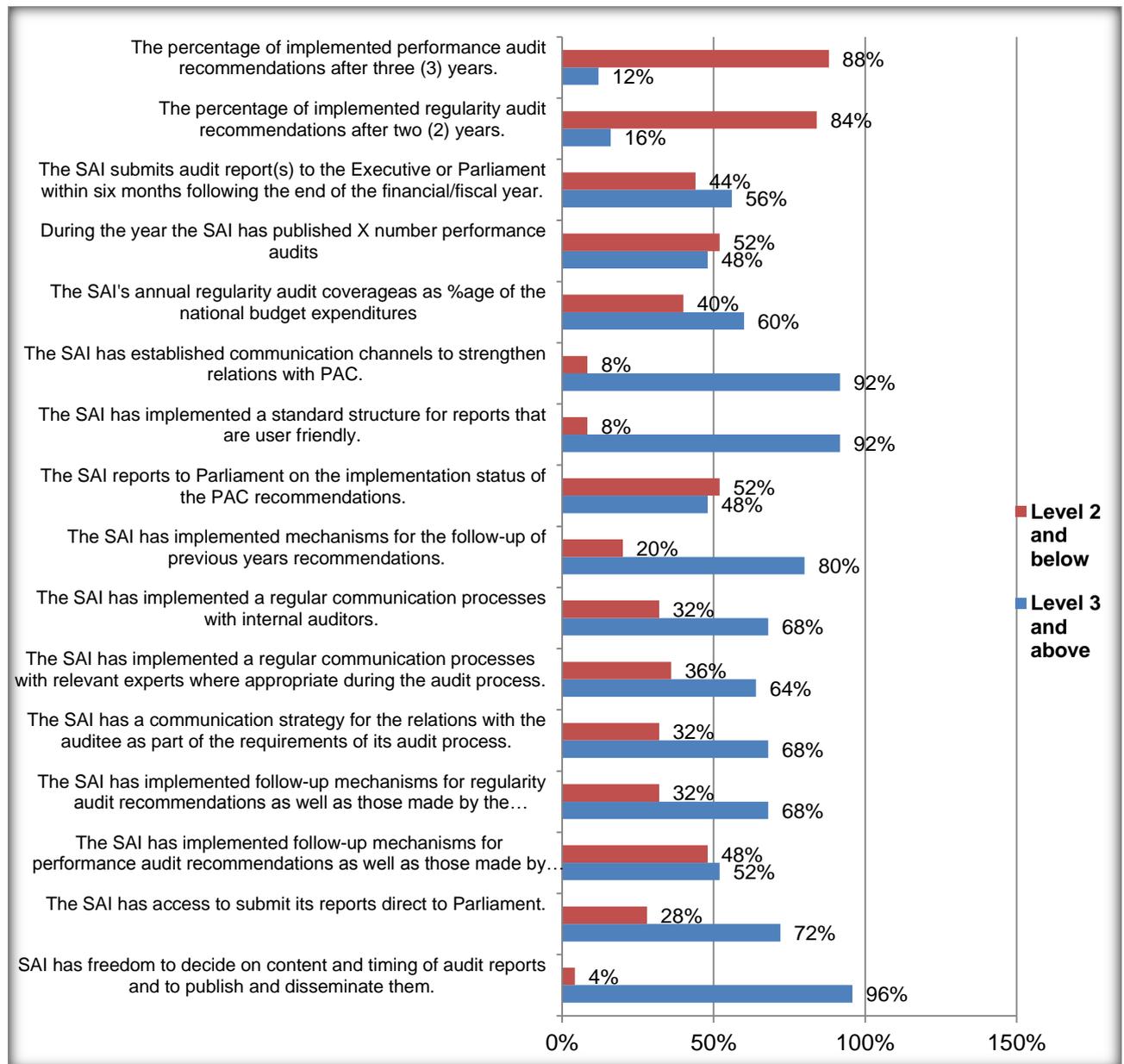


Figure 3: SAI scores on the different questions relating to how the SAIs communicate their audit results

As can be seen in *figure 3*, the majority of SAIs (96% scoring level 3 and above) have the freedom to decide on the content and timing of their audit reports and, to publish and distribute them. However, there appears to be challenges when it comes to the issue of following-up on the results of audit recommendations for both regularity and performance audits. While the self-assessment results show that a majority of SAIs were on a level 3 and above in terms of communication during the audit process, the results of the quality assurance support visits indicate that there are still challenges in this area. There may be need for SAIs to improve on the reporting times. For example, when it comes to submission of annual audit report to Parliament; 44% of the SAIs scored 2 and below indicating that a significant number of SAIs are not submitting the annual audit reports within six months after year-end. This may be attributed to different statutory requirements where the



reporting timeframes are more than six months after year-end. Further, a majority of SAIs do not report on the percentage of implemented audits recommendations as shown by 88% and 84% for performance and regularity audits, respectively scoring level 2 and below.

3.3 Quality Control and Assurance

Quality control is a fundamental ingredient in ensuring the delivery of quality audit services by the SAI. Acknowledging this critical aspect in their development; the heads of SAIs, during the 2006 Governing Board meeting, resolved to carry out external quality assurance support visits based on a cycle of at least two to three years per member SAI. This resulted in the development of a quality assurance model by the region as an ICBF tool to assist SAIs to build the requisite capacities that would enable them achieve the desired levels of development.

It follows that quality control and assurance remain an area of operational focus in the region. The development levels of the SAIs on this area of focus is summarised in figure 4 for the periods 2013 to 2015. The fairly high score (50% of 25 SAIs who responded have passed level 3 and above) shows significant progress has been made compared with the 24% recorded in 2014.

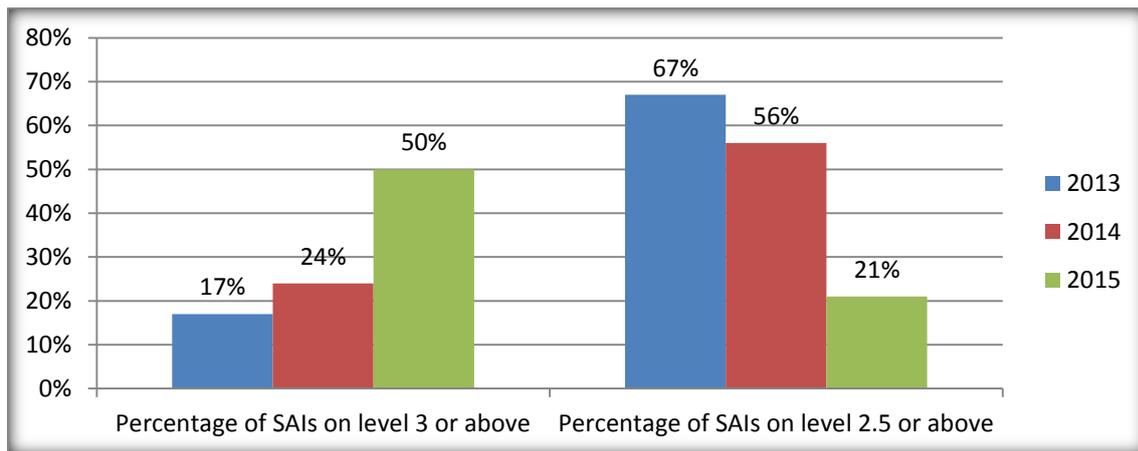


Figure 4: Quality Assurance Level calculated on a subset of the original quality assurance questions in the self-assessment questionnaire. The percentage is based on 25 SAIs in 2015, 25 SAIs in 2013 and 2014, that have reached level 3 and higher or respectively level 2.5 or higher [note that estimates were used for Angola based on 2013 figures]

In figure 4, an average of 50% of the 25 SAIs who responded had passed level 3. The score is compiled out of a number of questions shown in appendix 3. These questions cover different aspects of quality; addressing both institutional and individual audit disciplines like regularity, performance and IT audit questions. However, the IT questions have been excluded from the list that was used to calculate the levels of development. Recalculating the numbers by taking out the questions² for quality concerning IT will thereby give a higher score on quality assurance, which better corresponds to the efforts put into this operational area.

² The questions for the quality assurance imperative and the changes are attached in appendix 3



It should be noted also that only the questions on quality control and not on quality assurance have been extracted. In *figures 17 and 18* the scores on quality control measures in place for regularity audit and performance audit are discussed in the Audit Standards and Methodology domain chapter.

Figure 4 shows that in year 2015, 50% of the SAIs scored level 3 and above which is a significant improvement as compared to 24% in the previous year. This can be explained by the significant drop in the number of SAIs (21%) on level 2.5 to 2.9. However, the number of SAIs who are below level 2.5 (29%), is not reflected.

In order to improve the quality of the audit services, SAIs need to continue to establish and maintain well-developed quality control systems. Part of such systems require the development and implementation of robust quality control measures for the SAIs to be able to continuously follow up on the improvements, identify possible gaps, strengths and weaknesses and design strategies that address the gaps.

Further, four quality assurance review visits were made by the Secretariat during 2015. Comparing the rating for 10 key issues – as another subset of questions in the self-assessment questionnaire³ – with the rating in the quality assurance reviews, the tendency to rate oneself higher than an external reviewer was observed. However, it must also be said that the majority of the ratings are on the same level for the self-assessment and the external reviews. *Table 4* shows a comparison between the ratings done by the four SAIs and results of quality assurance support visits reports by the Secretariat.

Comparison between the SAIs self-assessed level on a number of relevant questions in the questionnaire and the SAI's level according to the QA reports for year 2015												
QUESTION	1	2	3	4	5	6	7	8	9	10	Total	%
Self-assessed level is higher than in QA report	3	1	1	0	1	3	0	1	0	0	10	25%
Self-assessed level is equal to QA report	1	3	2	4	2	1	3	3	4	4	27	68%
Self-assessed level is lower than in QA report	0	0	1	0	1	0	1	0	0	0	3	7%

Table 4: Four SAIs in the region were subject to quality assurance visits by AFROSAI-E during 2015. The table shows the difference between the maturity levels in accordance to the quality assurance reports on the one hand and the SAIs' own self assessed rating in the self-assessment questionnaire for 2015.

The result in *table 4* shows that the insight and understanding of the actual development stage in the SAIs on a general level corresponds well to what is interpreted from an external perspective, thus providing an opportunity for a better prerequisite for further development. This result is also in

³ The questions compared with the quality assurance visits are attached in appendix 4



line with the aforementioned interpretation of the stabilisation for the scoring on the aggregated general level for the domains and strategic imperatives; though one needs to note that there are still some few SAIs that tend to overrate themselves.



CHAPTER 4: INDEPENDENCE AND LEGAL FRAMEWORK

4.1 Introduction

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

This domain addresses criteria that include among others: constitutional and legal framework; financial/managerial/administrative autonomy and appropriate human, financial and material resources; independence of Head of SAI and staff of SAI; SAI has a broadly sufficient mandate; have mandate and discretion to discharge its function through access to information; have mandate and discretion to discharge its function through discretion of selection of audit topics; there is freedom to decide on content, timing of audit reports and to publish and disseminate them; have mandate to a direct submission of reports to Parliament; effective follow up mechanisms on recommendations; SAI reporting on its activities and use of resources and; Parliament or an oversight body appoints the SAIs external auditors.

4.2 Assessment of the Domain

The performance for the year under review based on 25 SAIs who responded is presented in *figure 3*. With reference to *figure 3*; most countries have achieved or are close to achieving level 3. 16 SAIs (62.5%) SAIs indicated achievement of level 3 and above as compared to 14 SAIs (56%) in 2014. The increase can be attributed to a greater awareness by SAIs on the need to lobby their governments to review the relevant legislative frameworks.

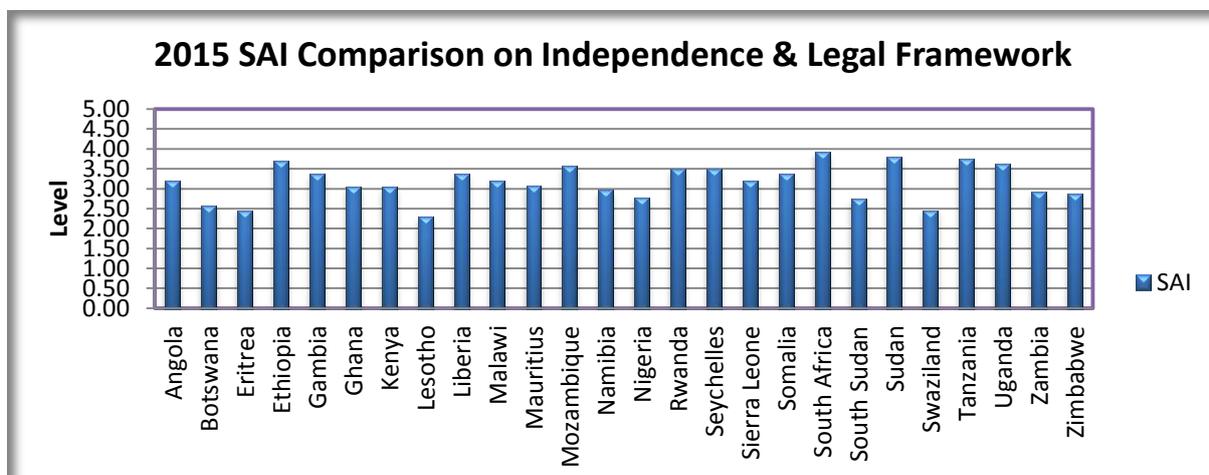


Figure 5: SAI Comparisons on Independence and Legal Framework domain (2013 figures were used for Angola)



In *figure 5*, it is also apparent that more than 88% (21) of SAIs are at level 2.5 and above on the ICBF. While on aggregate SAIs are progressing satisfactorily towards the targeted level 3, there are still some areas that need attention in to ensure achievement of a higher level of development. It is important to note that legislative independence is not necessary independence in practice. A more detailed analysis is given in the paragraphs below.

We restate here that independence is the foundation of SAIs as declared in the Lima and Mexico declarations (ISSAI 1 and 10). When it comes to operationalising independence in practice the responses were subdued. Thus, it is of interest to analyse closely some key principles relating to financial and administrative independence of SAIs.

4.2.1 Financial Independence

Financial independence is one of the key pillars of SAI independence. SAIs are expected to be financially independent if they are to execute their mandate efficiently and effectively. While on average the results shows greater improvement in terms of SAI independence the scenario changes when individual questions are analysed. *Figure 6* shows an analysis of three questions relating to financial independence.

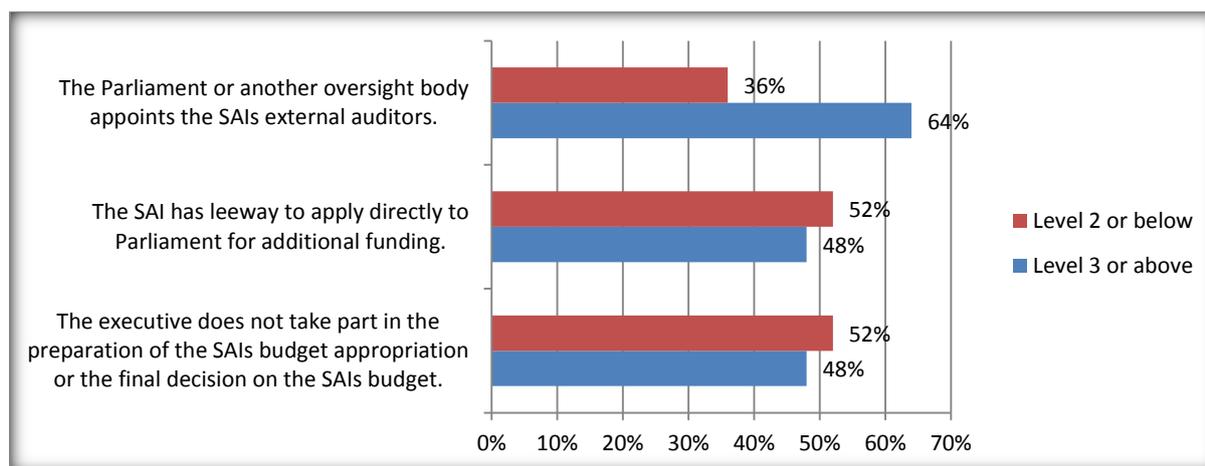


Figure 6: How SAIs responded to key questions on financial independence

Despite the overall score showing that most SAIs have achieved close to level 3 and above there are still challenges when it comes to SAIs maintaining financial independence. *Figure 6* shows that 52% of SAIs still requires executive approval and release of their budgets. Firstly, only 48% of the responding SAIs indicated that the executive does not take part in the preparations and approval of their budgets. Secondly, in the event of the SAIs requiring additional funding, only 48% can approach Parliament directly to submit their requests. 52% of SAIs still have no leeway to approach Parliament for approval of additional funding. Thirdly, as it concerns transparency and accountability 36% of the responding SAIs indicated that they do not appoint external auditors to audit their financial statements. Instead, the SAIs still provides own external audit services. However, it is encouraging to note that 64% of the respondents do not appoint their own external auditors, a significant improvement when compared with 52% for the year 2014.



4.2.2 Administrative Independence

Another SAI independence pillar is administrative independence. SAIs are expected to have the autonomy to appoint, remunerate, promote and discipline their own staff. However, most SAIs in the region still fall under the public service and can therefore not determine their own policies and procedures when it comes to ensuring adequate human resource capacity to execute their mandate. *Figure 7* shows scorings by SAIs on selected key questions under the independence and legal framework domain.

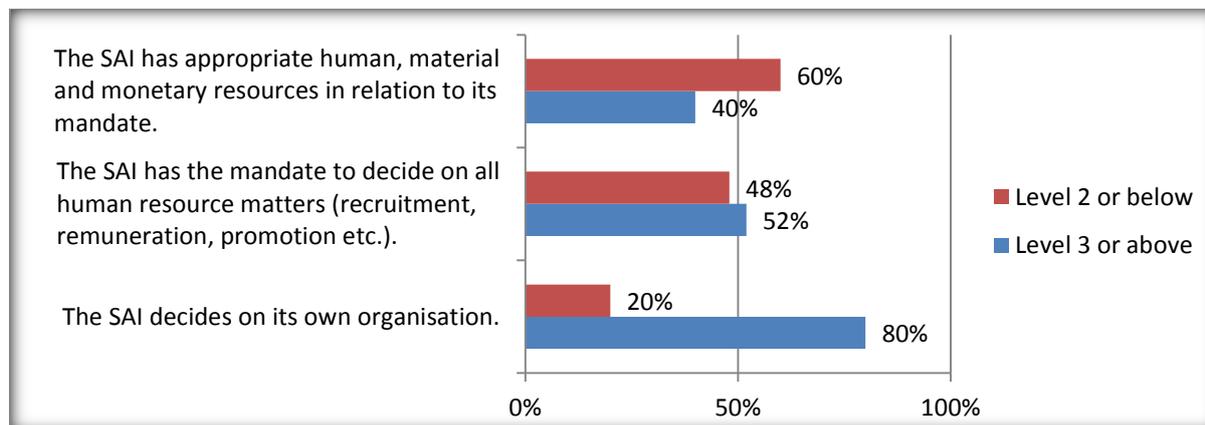


Figure 7: How SAIs responded to key questions on Administrative Independence

As shown in *figure 7*, a majority of SAIs (80%) scored a level 3 and above when it comes to the determination of their own organisational structure. However, only 52% of them have the mandate to decide on human resource matters (recruitment, remuneration, promotion and others). The other 48% of those who responded scored level 2 and below meaning they do not have the mandate to decide on their own staff. Consequently, when asked to score on whether the SAIs had adequate and appropriate human, material and monetary resources in relation to their mandate; 60% of them scored level 2 and below indicating that they do not have adequate human, material and monetary resources to execute their mandate. This has fundamental implications on the quality of their audit services and effectiveness in executing their mandates.

Although there have been significant improvements in the Independence and Legal Framework domain; SAIs still need to continue lobbying their executives and other development partners to ensure the establishment of appropriate measures that would guarantee their financial and administrative independence. Operationalising independence may be the next challenge facing SAIs in the region within the next reporting strategic period. This may also have implications on the governance structures of SAIs to ensure that they become model organisations that lead by example.

4.2.3 Follow-up Mechanism and Reporting on own Performance

In accordance with the requirements of the ISSAI 10 principles, SAIs are expected to establish robust follow-up mechanisms for their audit recommendations and reporting on their own performance. *Figure 8* shows the responses of SAIs when it comes to whether they had systems in place to ensure effective follow-up of audit recommendations and whether they publish reports on their own performance.



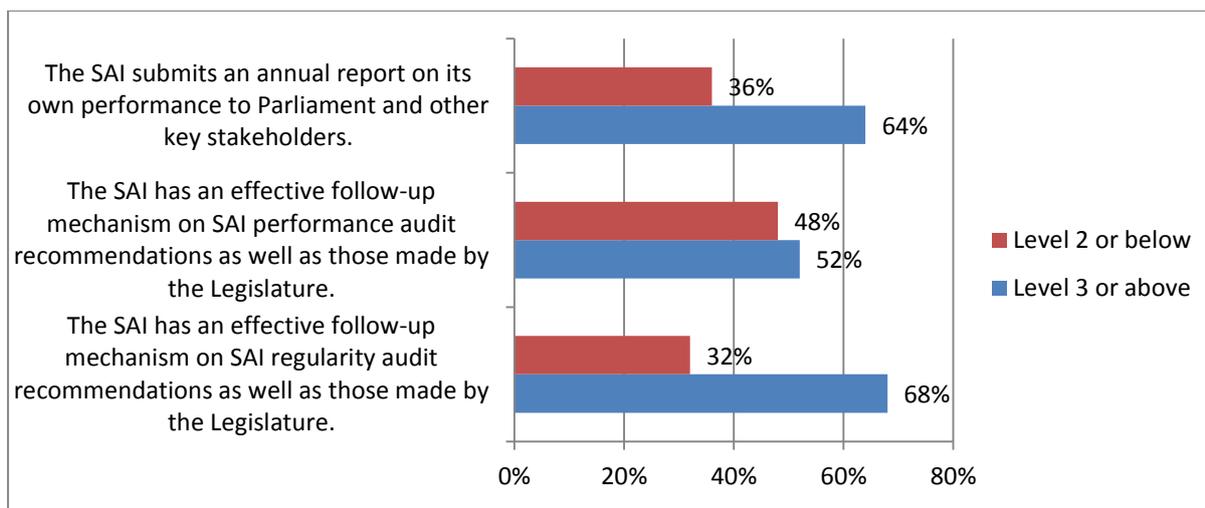


Figure 8: SAI responses to key questions on follow-up of audit recommendation and SAI performance reporting

The three main types of audits by a SAI include financial, compliance and performance auditing. In the AFROSAI-E region, financial and compliance audits are currently combined into one audit type,

referred to from this point forward as regularity auditing. SAIs are expected to establish effective follow-up mechanisms for audit recommendations as well as those made by the legislature. *Figure 8* shows how the SAIs scored on the two related questions.

Box 4: Follow-up of Audit recommendations

Regularity Audits	Performance Audits
<ul style="list-style-type: none"> • A register to monitor progress on audit recommendations was developed but is yet to be implemented. • A robust follow-up mechanisms under proposal • Currently, follow-up is built in within the audit process • Follow-ups are carried out but there is no laid down procedure or policy • System not well documented and analysed in full as to whether all the recommendations of the past year were acted upon or not • The PAC recommendations are followed-up through the Treasury Minutes prepared by the Ministry of Finance detailing the actions taken on the recommendations of PAC. 	<ul style="list-style-type: none"> • An effective follow-up mechanism is yet to be established • Performance Audit conducts Follow-up Audits as a separate audit activity. • The SAI follows up on SAI performance audit recommendations. However, the mechanism still needs improvement. • Follow ups on audit recommendations not yet made. • It's after the tabling of PA reports that the ministry of finance can prepare the treasury memorandum for follow up by the Office

A significant number of SAIs in the region have still not established robust follow-up mechanisms for both regularity and performance audits. 48% of the SAIs scored a level 2 and below for performance audit, and 32% of SAIs scored regularity audit at level 2 and below. However, it appears that SAIs have established different systems for following-up audit recommendations as confirmed by their comments in Box 4.



CHAPTER 5: ORGANISATION AND MANAGEMENT

5.1 Introduction

Organisation and Management is the second domain of the ICBF. The domain covers organisational and management tools such as plans and how they should be used efficiently and effectively. The domain also covers how managers should behave as leaders. It is based on the principles of ISSAI 20, 30, 40, INTOSAI Govs. 9100 and 9130 as well as best practices.

It addresses itself to important issues concerning how the SAI is run and organised. The key aspects of the domain are based on organisational planning processes and their implementation, thus integrating both strategic and operational levels of the organisation. Included in the domain are issues relating to leadership and direction, strategic planning, annual operational planning, organisation of the SAI, internal control system, use of resources and code of ethics and its monitoring.

The key assessment issues under this domain seeks to establish whether the head of SAI and senior management demonstrate visionary, exemplary and strategic leadership based on ethical and professional behaviour(s). At the organisational level the assessment focuses on whether the SAI has efficient and effective strategic and operational planning systems anchored in robust monitoring and reporting mechanisms. In relation to the promotion of credibility and integrity the assessment if the SAI has developed and implemented a Code of Ethics and established effective integrity management control systems. Finally, it assesses the level of robust planning and effective use of assets mechanisms and infrastructure manned by professional administrative support services

5.2 SAI Assessment

The average aggregate scoring of this domain is presented in *Figure 9*. The overall picture from this domain shows that only a few SAIs have been able to achieve the established level with 23% (6) of the SAIs who responded on level three and above. This is one percentage point lower when compared with 2014 which had 24% of the SAIs at this level.

It is significant to note that about 77% (20 out of 26) of the SAIs are at level 2.5 and above. This demonstrates that while there is still a small number of SAIs at level 3 and above there are a large number of SAIs moving towards level 3 in terms of development.



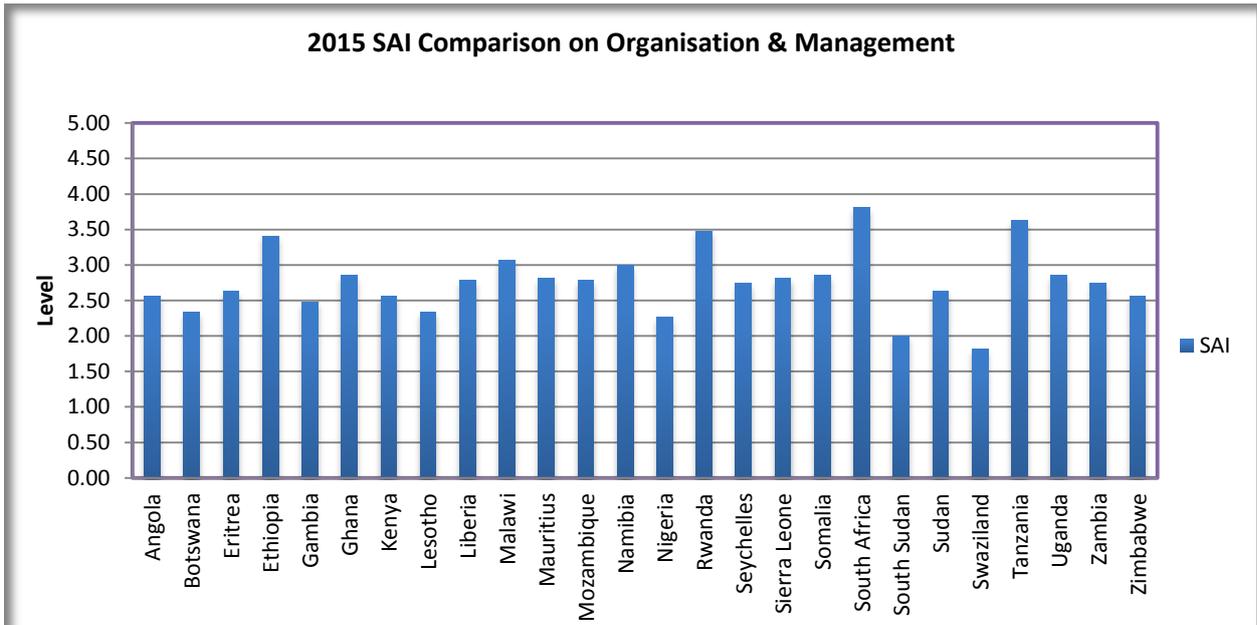


Figure 9: SAI comparisons on Organisation and Management domain (2013 figures were used for Angola)

In figure 9 it can be observed that 23% (6) of the SAIs are still below level 2.5 in terms of organisation and management domain with SAI Gambia almost reaching 2.5 score at 2.48. Key issues that attract attention under this domain include strategic and operational planning and implementation, integrity management control systems and the establishment of performance audit and IT functions. The details will now be discussed under each identified issue area.

5.2.1 Strategic and Operational Planning

Strategic and operational planning, execution, monitoring and evaluation are fundamental in ensuring organisational effectiveness. SAIs are expected to establish dynamic strategic and operational plans to ensure efficient and effective achievement of their goals and objectives. The assessment scores of SAIs on selected questions regarding strategic and operational plans are shown in figure 10.

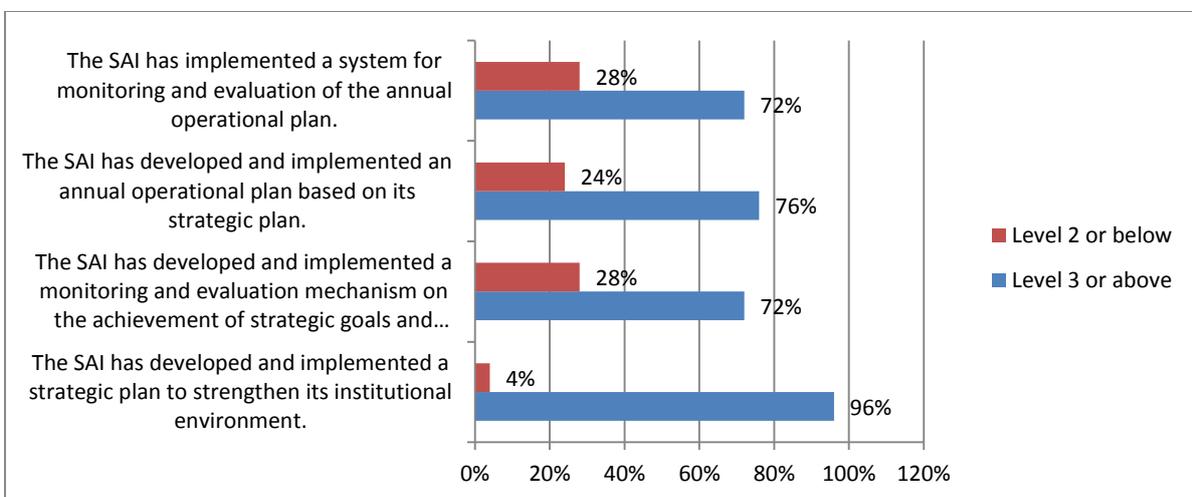


Figure 10: How SAIs responded to key questions on strategic and operational planning



In figure 10, 96 % of respondents scored level 3 and above on strategic plans having being developed and implemented. But when asked about the implementation of monitoring and evaluation mechanism for the achievement of strategic goals and objective the percentage goes down to 72% meaning 28% of SAIs are still to establish these types of mechanisms.

Similarly, *figure 10* shows that 76% of SAIs who responded have developed and implemented operational plans but the numbers decrease to 72% when asked about the establishment of monitoring and evaluation mechanisms to measure the achievement of operational plans.

However, the general findings of quality assurance support visits indicated that while the majority of SAIs have strategic and operational plans in place there are still challenges and gaps when it comes to content quality, implementation and reporting on the achievement of the strategic and operational plan goals and objectives. In addition, the establishment of robust strategic and operational planning processes that ensures both leadership and staff ownership within SAIs still require attention. These internal processes are critical for the effective formulation and execution of SAI strategic and operational plans.

5.2.2 Integrity and Code of Ethics

Integrity is a fundamental value that every SAI is expected to embrace and demonstrate at both individual and organisational level. The new draft ISSAI 30 now requires both the SAI and individual staff members to conduct themselves in an ethical manner. *Figure 11* shows how SAIs scored the questions relating to MIS and time recording, ethics and integrity.

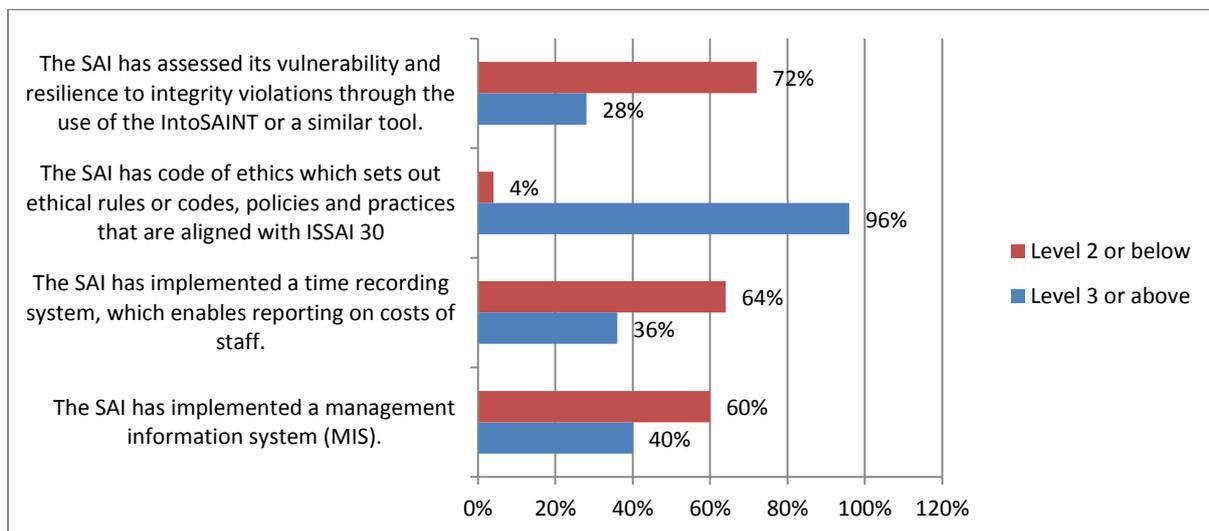


Figure 11: SAIs responses to key questions on MIS, time recording, ethics and integrity management

The results of the four questions in *figure 11* relating to management information systems, time recording, code of ethic and the use of integrity management tools and interventions like IntoSAINT, show that although a majority of SAIs have a documented Code of Ethics (96% of SAIs scored level 3 and above) there are still gaps when it comes to operationalising the same documents (72% of SAIs scored level 2 and below). A majority of SAIs indicated that they have no documented management



information systems (60% of SAIs scored level 2 and below) that would ensure effective monitoring of their operations.

Box 5: Comments on Time Recording Systems

1. The SAI has implemented a manual time recording system in line with Government policy to ensure that its staff account for their working hours. The system is not effective and needs a lot of improvement.
2. SAI does not have a time recording system in place.
3. Time sheets were developed but are yet to be enforced. A costing (charge rate) mechanism is yet to be developed.
4. There is no formal time recording system in place but monitoring of staff by supervision is done at directorate level. Plans are underway to have time recording captured. The staff identity cards system will be able to capture this information.
5. Not yet but will soon be implemented after developing the instrument
6. It is being implemented though costs module not yet used
7. The SAI has a time recording system but it is not used for calculating staff costs
8. It is a manual time recording system that is not effectively monitored.
9. Time recording established, however reporting on costs not yet fully achieved timely and effective due to non-usage and awareness by staff to the system.

Further, a majority of SAIs (64% scored level 2 and below) have not yet fully implemented time recording systems that would enable them to capture and measure the costs of their staff. For instance, a significant number of SAIs commented that there were implementation challenges when it comes to the establishment and monitoring of the implementation of time recording systems. It appears there may be capacity and resource constraints in a significant number of SAIs that

would require technical and funding support to assist SAIs in operationalising their time recording systems.

5.2.3 Performance Audit Function

According to ISSAI 100, one of the main types of audits under the different mandates of SAIs is performance auditing. In accordance with the elements in the Management and Organisation domain of the ICBF, SAI who have a mandate for carrying out performance audits are encouraged to set-up and support a stand-alone function to ensure the existence of adequate capacity for carrying the audits.

Out of the 25 SAIs who responded to the questionnaire, 20 SAIs scored a level 3 and above; meaning their performance audit units are made up of at least ten performance auditors per SAI. The remaining five SAIs who responded scored level 2 and below; meaning the SAIs do not have a performance audit function in place. Some of the reasons submitted included capacity and resources constraints as shown in Box 6. It appears capacity and resource constraints may be a contributing factor when it comes to the expansion of performance auditing in the region. As of 31 December 2015 the number of trained performance auditors in the region totalled 518 in comparison to 497 in 2014. A detailed analysis will be provided in the general section of this report.

Box 6: Setting up of Performance Audit Functions in SAIs

1. The SAI has not been able to establish its performance audit unit due to shortage of manpower.
2. Small size of the SAI and necessity to carry out regulatory audits militates against the establishment of a performance audit unit. However, this will be kept in view when resources allow.



5.2.4 IT Support Function

In the era of dynamic technology advancements and change, SAIs are forever confronted by the need to automate their work processes and systems in order to remain relevant. This brings with it both strategic and business risks that require constant attention by each SAI. *Figure 12* shows some of the questions and responses SAIs were asked to score themselves against.

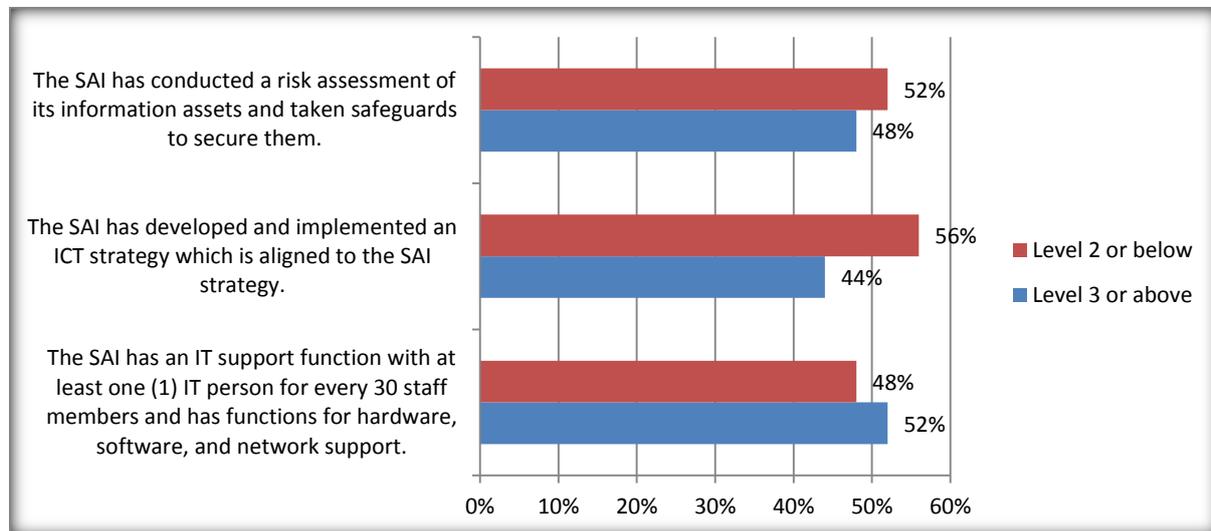


Figure 12: How SAIs responded to key questions on SAI IT function and related IT issues

As shown in *figure 12*, 52% of SAIs have established an IT support function with responsibilities that include hardware, software and network support and; is staffed with at least one IT person for every 30 members of staff in the SAI. The other 48%

are yet to establish the IT support function. On the other hand, 44% indicated that they had developed and implemented an ICT strategy that is aligned to the SAI strategy. Further, 52% of the SAIs still need to conduct risk assessments of their information assets and put in place mitigation measures to secure the assets.

Box 7: SAI Development of IT strategy

1. The ICT strategy has been developed and aligned to the SAI strategy. However, it has not been fully implemented.
2. Capacity is being developed and currently relies on IDI and AFROSAI-e guidance materials
3. The draft ICT Strategy for 2016-2021 is being developed.
4. The IT strategy is linked to the Government strategy.
5. The SAI is using ICT strategy for the civil service developed by government
6. The ICT strategy has expired and focus is on reviewing it.
7. The SAI has an IT policy that's in the process of being revised as well as an approved IT Master Plan/Strategy in place.
8. The SAI is in the process of developing an ICT function although this is proving to be challenge because of lack of technical skills given the small size of the SAI.

Box 7 contain free comments from the SAIs and indicates capacity constraints and general government policy as the main factors preventing them from developing

and implementing IT strategies that are aligned to their strategies. However, based on the general findings from quality support visits, it is argued that if technical capacity is available, SAIs can still establish IT strategies that are aligned to government policy as is expected.



CHAPTER 6: HUMAN RESOURCES DOMAIN

6.1 Introduction

The domain Human Resources covers items of importance for the management and development of the SAI managers and staff. Specifically the domain comprises aspects that include a Human Resource and professional development policy, development plans, management of personnel, training aspects with monitoring and evaluation mechanism, ethical considerations and capacity to train staff. Critical is the need to monitor, evaluate and report on the effectiveness of HR policies and procedures within the SAI.

6.2 SAI Assessment

It is accepted that the most important resource in any organisation is human capital. It follows that a strategically positioned HR function enables a SAI to anticipate change and leverage audit capacity for greater efficiency and effectiveness. As such the SAI's HR policies, strategies and procedures should address key issues such as; *"... recruitment ... professional development ... promotion ... retention... [as well as emphasise for all audit and non-audit assignments the need for hiring] ... personnel with suitable qualifications, developing and training employees ... [by accepting the need for all SAI staff to] ... maintain professional competence through continuing professional development"*. An overview on how SAIs scored themselves in this domain in 2015 is presented in figure 11.

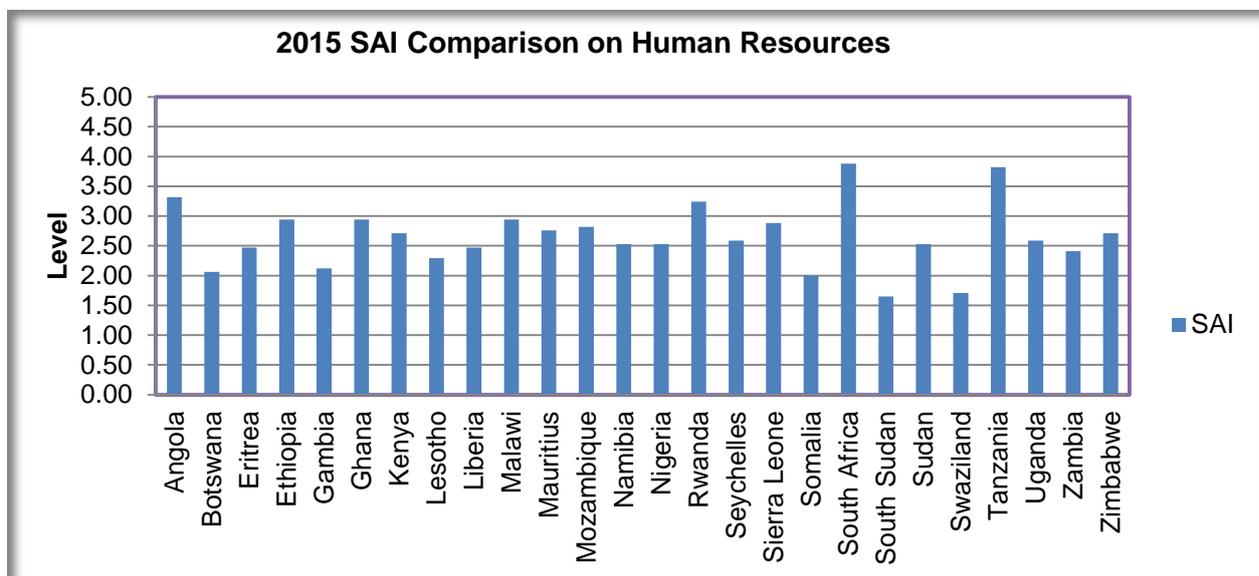


Figure 13: SAI comparisons on Human Resources domain (2013 figures were used for Angola)

As can be seen in figure 13 only 15% (4 SAIs) scored domain averages of level 3 and above and 68% (17 SAIs) averaging scores of level 2.5 and above. This can partly be explained by the absence of administrative independence in most SAIs as explained in chapter 4. Secondly, a majority of SAIs still fall under the public service and as such the policy development process is slow and bureaucratic.



Thirdly, because of the absence of financial independence in a majority of SAIs in the region, the recruitment and retention of qualified and experienced staff is constrained. The following discussion of scores on selected questions would help in identifying capacity gaps in the SAI.

6.2.1 Human Strategy

When asked whether the SAIs had developed and implemented HR strategies that are aligned to their organisational strategies, 48% of the SAIs scored level 3 and above while the other 52% scored level 2 and below as shown in *figure 12*. This shows that a significant number of SAIs are yet to develop and implement HR strategies that are aligned to their strategic plans and directions. SAI responses on the implementation of HR annual development plans were similar, with 48% of the scoring level 2 and below, indicating that the annual plans are not aligned to the strategic and operational plans objectives.

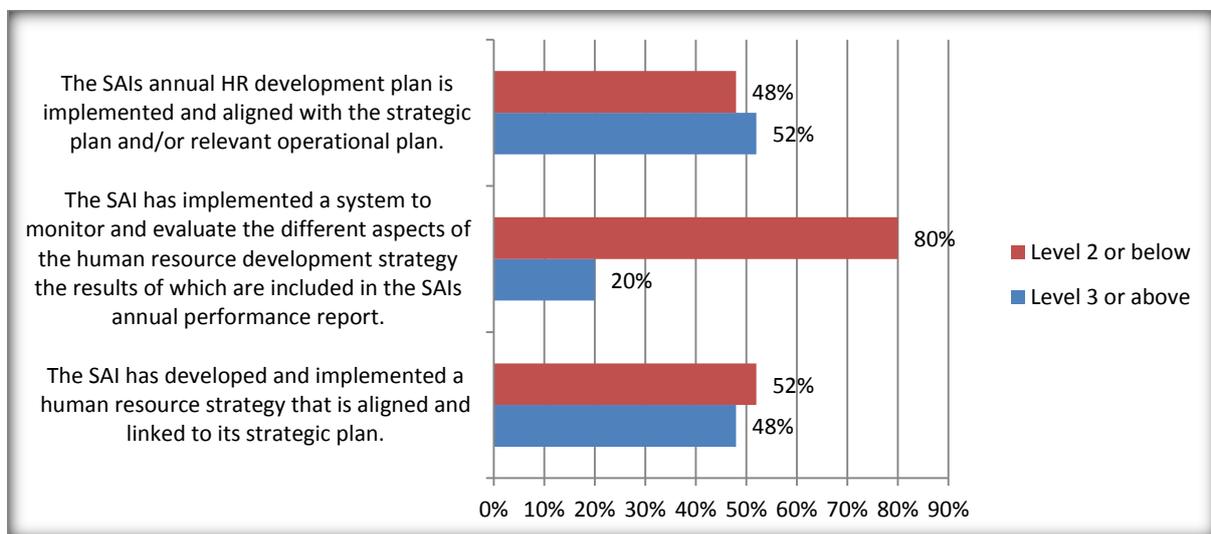


Figure 12: SAIs scoring on key questions related to HR strategy development, implementation and monitoring

Further, in *figure 12* the SAIs (80% scoring level of 2 and below) indicated that the monitoring and evaluation of the different aspects of the HR development strategy and reporting on the same was not being comprehensively covered. This may be due to capacity gaps as well as constraints imposed by the public sector environment under which a majority of the SAIs fall. Some of the comments are captured in Box 8.

Box 8: HR strategy and Monitoring

Is HR Strategy linked to SAI strategy	Is Monitoring and Evaluation of HR strategy being done
<ol style="list-style-type: none"> The SAI human resource department prepared a draft human resource strategy that is aligned and linked to its strategic plan and is awaiting approval by the head of SAI. SAI uses HR strategy from DPSM (Government department) covering the whole civil service. HR strategy has been drafted but yet to be presented to top management for approval. HR strategy not linked to SAI strategy. There is room for improvement No. HR capacity constraints due to the small size of the SAI. 	<ol style="list-style-type: none"> Not done and do not have own HR strategy. The system is being formalized through M&E which will document the ad-hoc reporting in form of progress monitoring. The SAI monitors and evaluates the different aspects of HR development though it is not documented. Strategy still planned. PMS Implemented which monitor performance individually and overall. Plans are to include the PMS results in the SAI Performance Report



According to the general findings of the quality assurance supports visits; another important factor may be the shortage of qualified and competent HR practitioners who possess the requisite knowledge and skills necessary to manage the HR function and coordinate the development of HR strategies and annual plans that are aligned to SAI strategies. On another dimension it should be acknowledged that traditionally, HR officers seconded from the public service to the SAI were personnel management cadres that were only responsible for staffing and pay roll issues and excluded the key strategic issues that would position the HR function as a strategic partner in the achievement of the SAI's strategic goals and objectives. As can be observed from the comments in Box 8, SAI HR strategies were addressed at the level of the whole public service and not at the SAI level. The disadvantage of this arrangement is that HR strategic issues, that are that fundamental to the achievement of the SAI strategy, would not be closely monitored in time.

6.2.1 SAI Performance Management Systems

Another important dimension of HR is setting up performance management systems at both the individual and organisational levels. In this section focus is on individual levels as part of the HR function including but not limited to recruitment, placement, appraisals, development, retention and others. For example, SAIs were asked to score on whether they had implemented approved HR policies and procedures including an approved performance management system. Their responses revealed capacity gaps within the HR functions and the organisational levels.

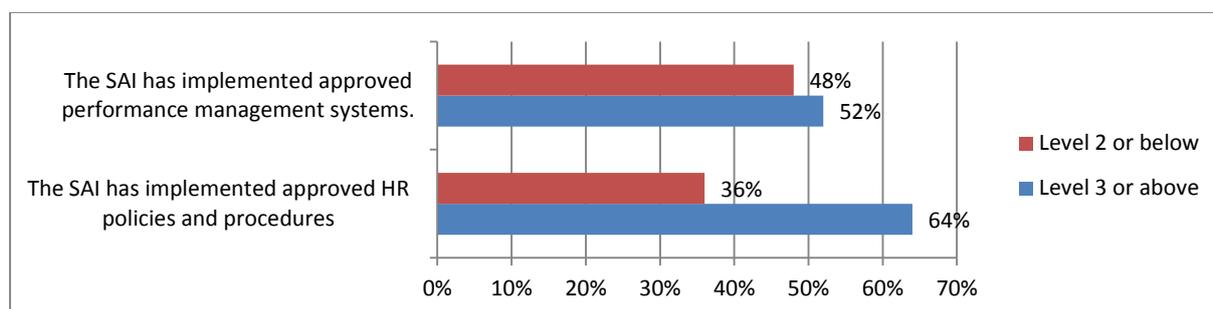


Figure 14: How SAIs scored key questions on SAI HR policies and Performance management Systems

Figure 14 shows that while the establishment of approved HR policies had 64% of SAIs scoring level 3

Box 9: SAI Performance Management Systems

1. Performance appraisals are done within the framework of Public Civil Service.
2. The SAI conforms to the Government reward system which is based on the annual appraisal performance system.
3. Appraisals not consistently carried out. No visible link between performance and reward. No immediate sanctions for non performance.
4. Approved performance management system is in place although improvement is needed especially in terms of consistency and compliance. In addition, the reward system is not linked to performance which is still a challenge.
5. Appraisals are not done regularly. When appraisals are done they are not linked to the rewarding system and development. Currently, the HR policies and procedures are being reviewed to take into account career path development and succession planning
6. Appraisal System implemented but not linked to rewards and performance.
7. Performance Management System not linked to rewarding system, job rotation or succession procedures. However, PMS is linked to functional training/development as per PDP (Personal Development Plan).

and above; the development and implementation of effective performance management systems reflected a decrease. It appears a significant number of SAIs (48% on level 2 and below) indicated absence of approved performance management systems.

While a significant number of SAIs fall under the civil/public service it is argued that the



establishment of robust performance management systems are a prerequisite for high productivity at both the individual and organisational levels. It is encouraging to note that in their comments (refer to Box 9) SAIs indicated the need for linking the appraisal of staff not only for development purposes but for rewarding and sanctioning high and poor performance, respectively.

6.2.3 Training and Development of Staff

Another important function for the HR function is training and development of staff. SAIs are expected to develop and implement development programs such as induction of new staff, on-the-job training programs, professionalisation programs, development programs for all managers and leadership teams and other interventions that would prepare the SAIs for current and future performance challenges.

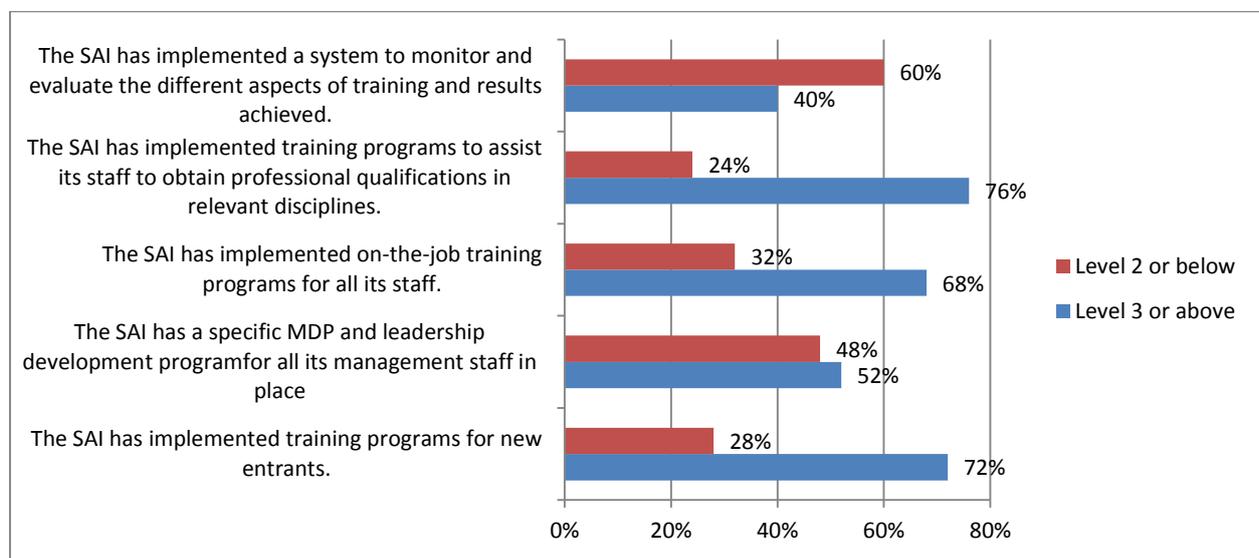


Figure 15: How SAIs scored key questions on SAI HR Training and development functions

As shown in *figure 15*, 72% of the SAIs scored level 3 and above indicating that they had developed and implemented training programs for new staff while the remaining SAIs indicated that they were at different levels of implementing consistent induction programs for new entrants. Second, programs for on-the-job training for all staff appear to show that a sizeable number of SAIs acknowledge the need to improve the documentation and delivery of the same. 32% of the SAIs scored level 2 and below indicating that the programs are not yet documented or are at various levels of development and still to be implemented.

Third, a significant number of SAIs (48% scoring level 2 and below) indicated that they do not have their own established management and or leadership development program(s). Some of the smaller SAIs commented that they rely on regional training programs for developing their staff and managers.



Fourth, a majority of SAIs (76% with a score of level 3 and above) indicated that they have established some programs for their staff to obtain professional qualifications. However, little is known about the impact of such programs because of lack of effective monitoring and evaluation systems for the different aspects of the training programs as shown by 60% of SAIs scoring level 2 and below when asked about the monitoring and evaluation of various training programs.

Abridged comments by SAIs are shown in Box 10. Based on the comments, the main challenge related to training programs is capacity limitations including financial constraints. Another challenge is the issue of smaller SAIs that cannot afford to sustain the rollout of such programs. The region may need to find new ways of assisting small SAIs to build their HR capacities to train and equip their SAIs with the requisite technical and soft skills.

Box 10: SAI Professionalisation and other Training Programs

1. The SAI ensures that staff obtain professional qualifications in relevant disciplines by sponsoring them in their studies in ACCA, CIMA, HR, Secretarial, Registry etc on an annual basis.
2. SAI has sponsored audit staff members for ACCA professional study, but those who have completed left the SAI.
3. Staff members are sent on training to acquire ACCA, BICA and other relevant qualifications but success rates are low.
4. The SAI assists its staff to obtain professional qualifications for only financial auditors. It may need to expand in other disciplines.
5. SAI is limited by financial constraints. The small resource envelope from government is a hindrance.
6. Professionalization committee was established to make proposals on career paths for Auditors.
7. SAI established CPDs training programs to ensure that staff attain the required qualifications. Still, there is need for improvements so that all the staff go for CPD and the required training is given in order to address gaps.
8. SAI supports professionalization of audit staff, through sponsorship of staff to obtain ACCA, CPA-U, CFE etc. qualifications. Improvements still needed in other areas of work, but is mainly hindered by financial resources constraints.
9. Human resource constraints due to the small size of the SAI should be taken into consideration.



CHAPTER 7: AUDIT STANDARDS AND METHODOLOGY

7.1 Introduction

The Audit Standards and Methodology domain covers the audit process from the planning stage to reporting. Certain elements in this domain are closely linked to other domains such as Human Resources and Communication and Stakeholder Management. Key ISSAIs under this domain include ISSAI 100 to 400 as well as audit process guidance standards at level 4 of the ISSAI framework. In this domain SAIs are expected to develop, implement and maintain appropriate up-to-date ISSAI compliant audit tools like manuals, guidelines, and templates in accordance with their mandate and national legislative requirements. The implementation of these same tools should be facilitated by robust policies, systems and processes that recognise the importance of delivering quality audit services.

This domain's key elements include: SAIs development and implementation of overall annual audit plans and; development, implementation and maintenance of audit manuals that are aligned and compliant with international standards. The audit tools are expected to be linked to training programs that are reviewed and updated regularly. Further, some of the additional elements in this domain include quality control measures and quality assurance, audit techniques such as electronic working papers and Computer Assisted Audit Techniques (CAATS) and the implementation of the audit communication strategies during the whole audit process.

7.2 Assessment of the Domain

Figure 15 shows how the 25 SAIs scored the various questions that fall under this domain. While in 2014 only 4 (16%) SAI were at level 3 and above in this domain, it is encouraging to observe that in 2015 10 (40%) SAIs were at level 3 and above. Considering scores of level 2.5 and above, there was still a significant movement from 12 (48%) SAIs in 2014 compared with 18 (72%) in 2015.

The improvement is an acknowledgement of the great work undertaken by the region in building the capacity of its members to achieve level 3 and above. The region has come a long way in terms of implementing ISSAIs and the provision of ISSAI compliant audit services. However, there is still more challenges that call for the attention of the region in terms of establishing robust quality control management systems in SAIs; monitoring the effectiveness of the same systems and; computerising the audit processes to including use of CAATs. More so, SAIs are expected to consider the issue of professionalisation of their staff. In order to build and maintain sustainable capacity, members SAIs are expected to take the professionalisation route as well as to continue to develop their managers and leaders who will drive the necessary change agenda.



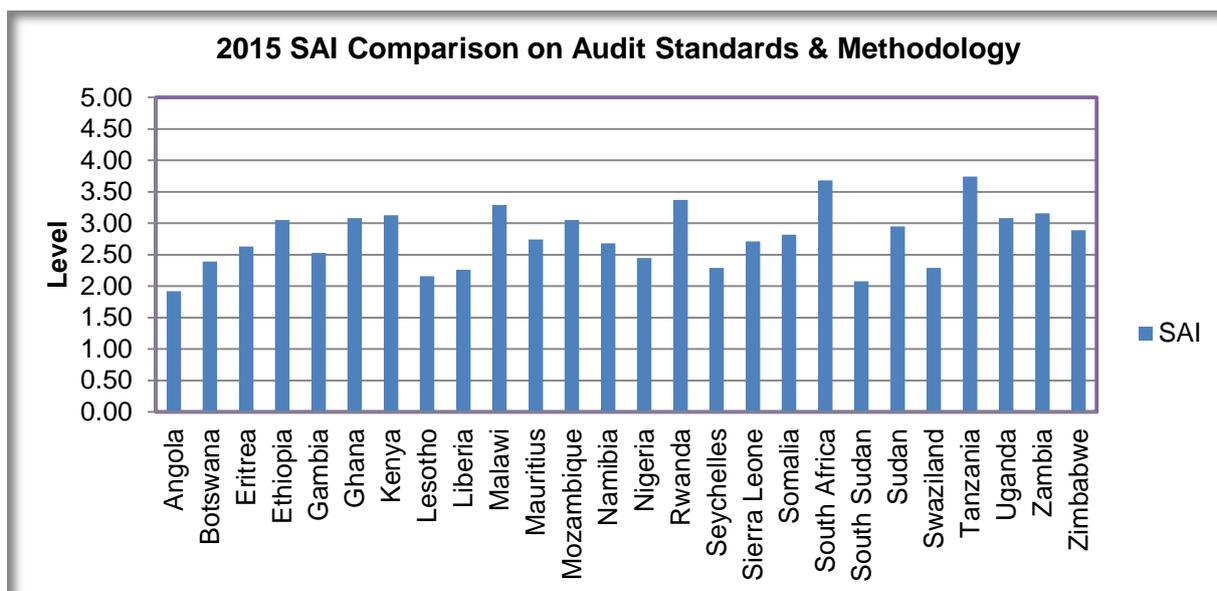


Figure 15: SAI comparisons on Audit Standards and Methodology domain (2013 figures were used for Angola)

Figure 15 shows that 8 (32%) SAIs scored averages of below level 2.5. The majority of these eight SAIs are of medium to small sizes. As earlier discussed in chapter 6 of this report, small to medium SAIs in the region are confronted with capacity and funding challenges. Consequently, these SAIs may not develop to level 3 and above in the next few years if more technical and funding assistance are not received from the region or from bilateral arrangements.

The concept of overall audit planning linked to strategic and operational goals and objectives has now taken root in the region. A majority of SAIs indicated that they had approved overall audit plans and that the implementation was being effectively monitored and evaluated each year. Figure 16 shows that the majority of SAIs are at the established level when it comes to overall annual planning. For example, 79% of the SAIs indicated that they had annual plans for all types of audits and that they are based on risk assessments (83%) and; aligned to the strategic and operational plans (79%).

However, an area that requires improvement appears to be in the alignment of the risk-based methodology to the allocation of available resources. For instance, there were 29% of respondents who indicated that they are yet to fully align the allocation of the available resources based on the results of the risk assessments.



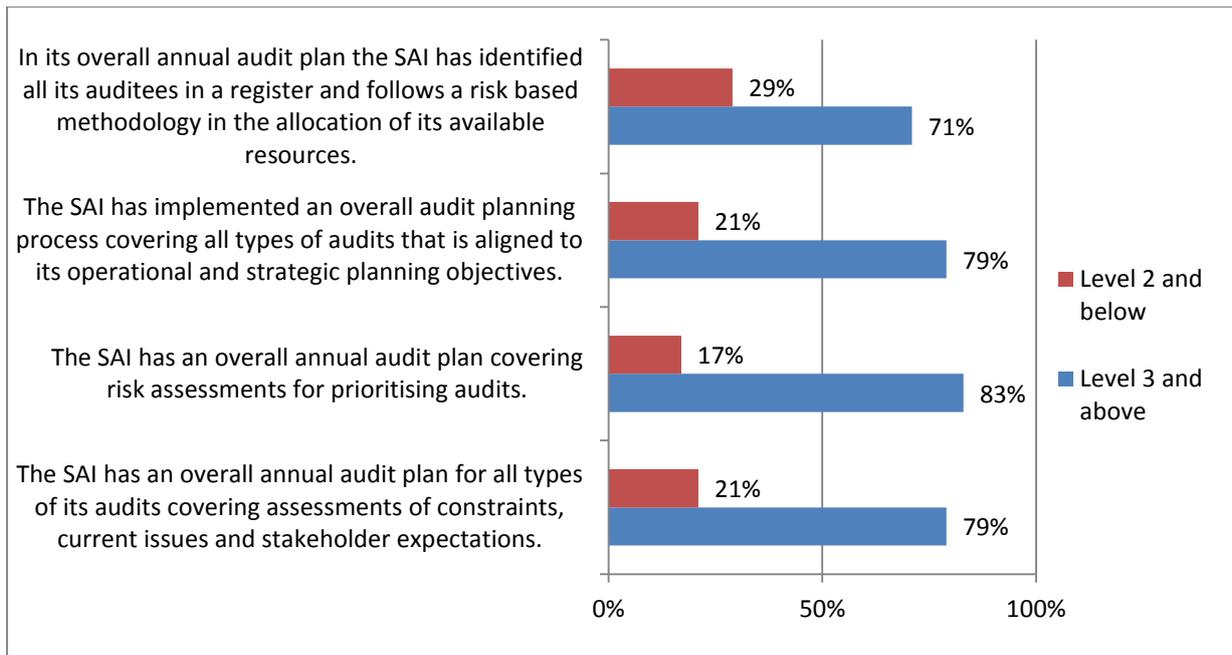


Figure 16: How SAIs scored key questions on overall annual audit planning for all types of audits

It appears the process, the content and products of overall annual audit planning requires continuous improvement by the SAIs. The paragraphs that follow addresses how the SAIs scored the different questions within the domain and specifically in the areas of regularity auditing, performance auditing and IT audits.

7.2.1 Regularity Auditing

In the region, regularity auditing is the mainstay of all audit services being provided by the SAIs. The capacity of SAIs to conduct regularity audits has been increasing in the last 10 years. For instance in 2015 from the 25 SAIs who responded to the questionnaire there were 9359 regularity auditors in the region (9483 if the Angola's 2014 figure of 124 are included) compared to 9268 in 2014. There is an incremental growth of slightly above 200 auditors of which 37 were from Somalia the region's newest member. During 2015 a total of 9177 regularity audits were completed out a planned total of 11 070 audits. Of these planned audits about 1417 audits could not be completed in the prescribed timeframes due to late submission of accounts and financial constraints faced by the SAIs.

The implementation of ISSAIs received considerable attention in the last 10 years and the flagship has been the customisation of the Regularity Audit Manual (RAM) by the majority of SAIs and the development of other relevant guidance tools. Several respondents indicated in their comments the importance of the RAM to the provision of audit services that are compliant with the ISSAIs.

Figure 17 shows how the SAIs scored selected key questions on quality control and assurance. On all five questions the majority of SAI scored level 3 and above indicating that the process and tools for carrying out regularity audits are ISSAI compliant. For example, all SAIs indicated that their RAMs are ISSAI compliant. Comments submitted indicate that this was attributed to the support provided by AFROSAI-E through its RAM and related training interventions that enables SAI to remain ISSAI compliant.



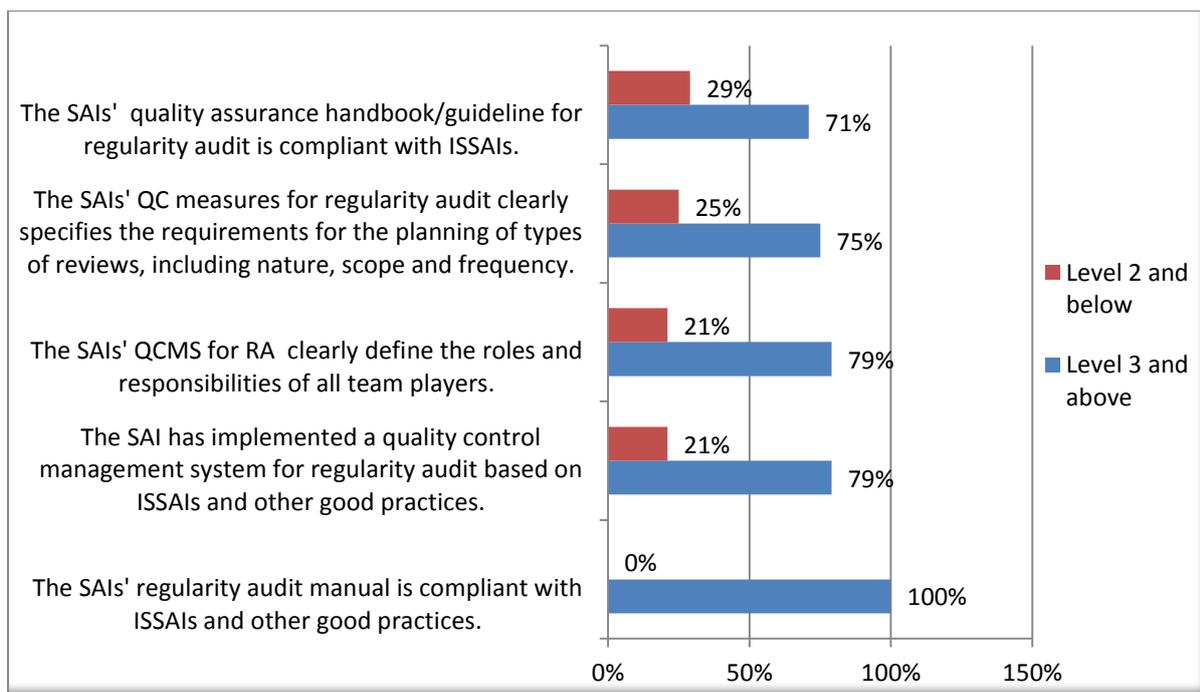


Figure 17: How SAIs scored key questions on Regularity Audit quality control measures

However, a significant number of SAIs are yet to establish quality assurance units to monitor compliance with their policies, processes, structures and systems. In some SAI these functions are carried out by appointed teams. For example, the quality control monitoring tools like the Quality Assurance Handbook / guidelines of significant number of SAIs (25% with scores of level 2 and below) are still to be reviewed and updated to be in-line with the requirements of the newly endorsed ISSAIs. This is corroborated by the quality assurance support visits general conclusions that SAIs need to strengthen the monitoring elements of their quality control measures.

7.2.2 Performance Auditing

In the region, the development of performance auditing is relatively new but it has been growing steadily over the last 10 years. In 2015 there were 518 performance auditors (the 3 auditors from Somalia were included for the first time) in the region compared with 497 in 2014. It would appear that 18 performance auditors were added to the region during the year 2015. However, as at 31 December 2015 the regional records show that more than 700 performance auditors had gone through the AFROSAI-E three-module performance auditing course. It is of concern to observe that a number of SAIs still do not deploy their staff to carry out performance audits after going through training but instead redeploys them to carry out regularity auditing. For example, in their written comments a few SAIs commented that although they had trained auditors who had gone through the three-module course; the staff concerned were not deployed to the performance audit function due to other competing priorities.

When it comes to productivity; in 2015 the 25 SAIs who responded indicated that 115 performance audit reports were completed and signed off. As at December 2015 a total of 1105 performance audit reports have been produced in the region since performance auditing was introduced. The production time period for performance audits ranged from 6 to 24 months. For the year 2015 the



average production time for performance audits was 11.4 months from the time of starting a pre-study to publication. This improvement in the average production times may be due to the influence of the best performance audit competition funded by the Swedish National Audit Office, which limits entrants to reports that are produced within 12 months.

Further, a majority of the SAIs now possess the legal power to submit their reports to Parliament, either directly or through other appropriate bodies. An analysis of key issues relating to quality control measures reveals important information about the quality of performance audits in the region (refer to *figure 18*).

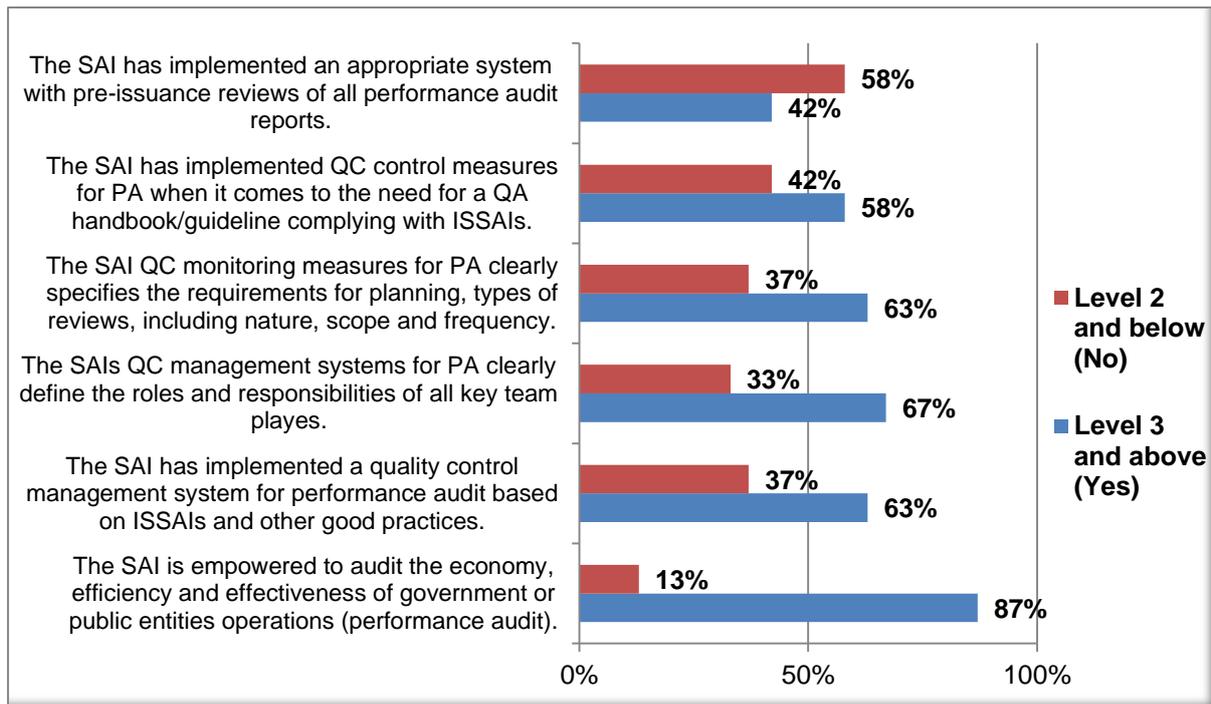


Figure 18: How SAIs scored key questions on quality control measures for performance auditing

As stated in chapter 4, the majority of SAIs have explicit legal mandates (87% of SAIs scored level 3 and above) to carry out performance audits as shown in *figure 18*. The majority of the SAIs (63% scoring level 3 and above) indicated that they have established adequate quality control management systems for performance auditing. However, there are key areas that require immediate attention: (1) the need to set up appropriate systems for pre-issuance reviews (58% of the SAs scoring level 2 and below). This may possibly be attributed to structural challenges and capacity limitations in terms of experienced staff that small SAIs in particular experience when it comes to setting up independent pre-issuance review functions. (2) The need to have ISSAI compliant guidelines and tools in place. Again, given that PA is relatively new in the region; the majority of SAIs are dependent on the Secretariat to develop the needed tools.

The above is corroborated by the SAI comments which indicated that they would customise the ISSAI compliant AFROSAI-E Performance Audit Manual to ensure that their manuals are up to date and compliant. SAIs also commented that greater reliance is on the AFROSAI-E performance audit training courses to build their technical capacity. This is corroborated by the general findings of the



quality assurance support visits. Details of these interventions are contained in the Integrated Annual Report.

7.2.3 IT Auditing

IT audit is a relatively new thematic audit in the region. At the end of 2015 there were 243 IT auditors in the region as compared to 221 in 2014. However, 128 of the IT auditors in the region are based in SAI South Africa. Out of the 25 SAIs who responded to the questionnaire, 18 of the SAIs indicated that they audited IFMIS and mostly at the level of general controls reviews. *Figure 19* shows the different platforms on which different governments' integrated financial management system (IFMIS) run.

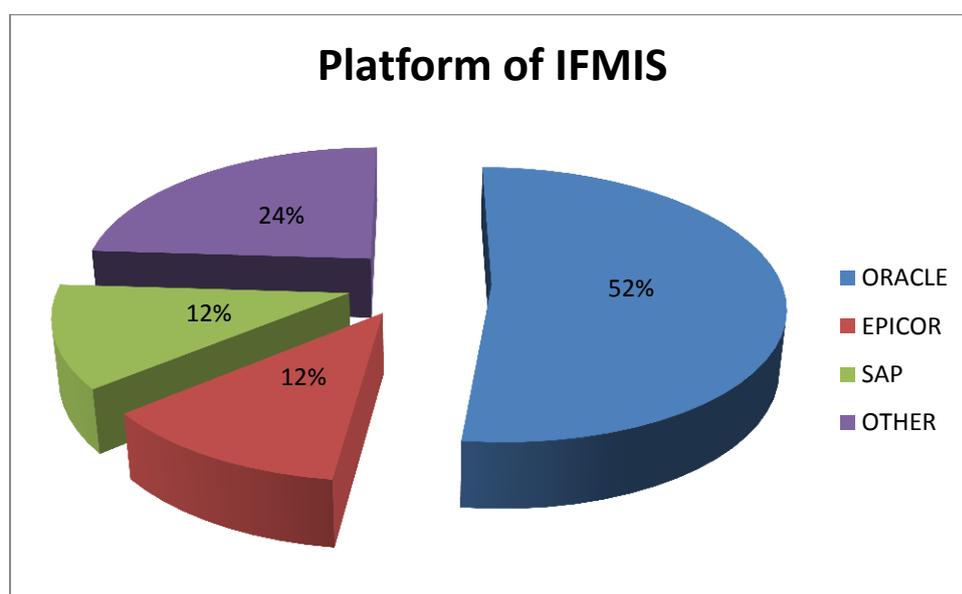


Figure 19: The different platforms used by governments in the region

The majority of governments in the region (52%) use oracle as their platform of choice followed by Epicor and SAP. The balance of 24% is made up different platforms either bought from the market or developed internally.

There is also an increase in both the number of audits carried out in the region which is in tandem with the increased number of IT auditors. In 2015 the SAIs produced 901 IT audits of which 710 of them were from South Africa followed by Mauritius with 100 audits. The balance of 91 was shared by twelve countries, namely; Botswana, Eritrea, Ghana, Kenya, Nigeria, Rwanda, Sudan, Seychelles, Uganda, Zambia and Zimbabwe. This shows that the capacity to carry out IT audits is still limited in the region. This is shown in detail in *figure 20*.



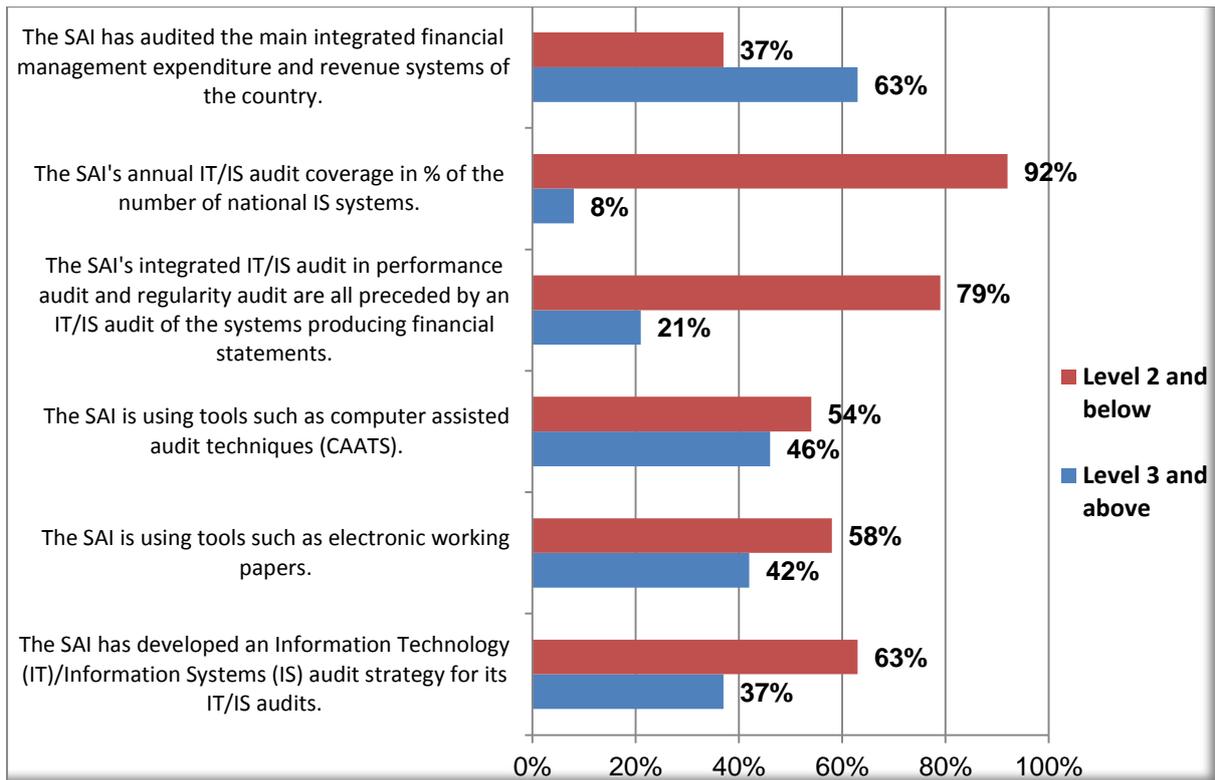


Figure 20: How SAIs scored key questions on IT/IS audit development

Figure 20 shows that there are capacity gaps in the region when it comes to the development of IT/IS audits. For example, when asked to score whether the SAI has developed IT/IS audit strategies for their IT/IS audits only 37% score level 3 and above, indicating that the majority of SAIs do not have approved IT/IS audit strategies to drive the development of the same audits in the SAI. Secondly, while SAIs are expected to carry out audits on at least 75% of the number of national IT/IS systems for them to be at level 3, it is concerning to note that only 8% of SAIs indicated that they satisfy this criterion. Thirdly, only 21% of SAIs indicated that they have integrated IT/IS audits when carrying out either regularity or performance audits. Further, the majority of SAIs in the region are yet to automate their audit processes like using CAATs (only 46% scored level 3 and above) and the use of electronic working papers (only 42% scoring level 3 and above).

Comments provided by the SAIs indicated that lack of funding and technical skills are limiting factors when it comes to the development of IT audit in the region. This is shown by the low number of IT auditors employed by SAIs, limited IT infrastructure and equipment and shortage of technical IT audit skills in the region as discussed in the organisation and management domain chapter. In conclusion while governments in the region have invested in automating their integrated financial management systems, it has not been augmented by an equal level of development and strengthening of the capacity to audit these systems.



CHAPTER 8: COMMUNICATION AND STAKEHOLDER MANAGEMENT

8.1 Introduction

The Communication and Stakeholder Management domain covers internal and external communication at the SAI. The ICBF does not have a special domain for SAI performance and the results of audits; therefore this domain with its inclusion of stakeholders is instead used for disclosure of the information on SAI performance.

It accepted that understanding and engaging the SAI's primary and secondary stakeholders is critical for the execution and achievement of its strategic goals and objectives. Communication is a fundamental part of a SAI's work and a tool for ensuring effective auditee accountability. Developing and implementing SAI communication policies/strategies is essential for effective communication.

Thus, the main focus of this domain is on communication aspects such as the establishment of a communication policy and strategy covering internal and external communication; establishing communication channels between the SAI and Parliament, PAC and the judiciary and stakeholders like Ministry of Finance and other oversight bodies; promotion of the SAI via engagement with the media, public, academic institutions and international community and organisations and; communication of audit performance and results.

8.2 Assessment of Domain

The average scores indicating the development levels of the SAs in this domain are shown in *figure 21*.



Figure 21: SAI comparisons on Communication & Stakeholders Management domain (2013 figure were used for Angola)



As shown in *Figure 21*, there are five SAI that scored averages of level 3 and above namely; Ethiopia, Malawi, Mozambique, Sierra Leone, South Africa and Tanzania. Compared with 2014 average figures there is an increase of one SAI from four to the current 2015 figure of five. If an average score of level of 2.5 and above is used the number increases to 16 (64%) as compared to 13 SAIs (52%) in 2014.

It appears this movement may have been the result of such interventions like the SAI-PAC program that is currently being rolled out, the annual communication workshops as well as roll-out of management development programmes (MDP). The challenge is to keep a sustained momentum of the development to support the majority of SAIs to move to level 3 and above. However, based on the results of quality assurance support visits there may have been instances of SAIs over scoring in some of the questions. This is corroborated by comments given by the SAIs where they indicated that there are still major capacity and funding challenges in the SAIs that threaten the development of their communication functions.

Possibilities of over-rating in this domain appear to be significant especially in the area of internal communication and stakeholder engagement. It appears there is a mistaken view that communication just happens without the SAI being strategic and deliberate about it. The discussion below that show how the SAIs responded to some key questions in the areas of implementing SAI communication strategies, SAI-PAC relations and stakeholder engagement is revealing.

8.2.1 Communication Policies and Strategy

Under domain five, SAIs are expected to develop and implement communication policies based and aligned to the requirements and guidance of the ISSAIs and in particular ISSAI 10, 12 and 20 within the contexts of their national legislative regimes and environments. Second, SAIs are expected to develop and implement communication strategies that are linked to their strategic plans and strategies. *Figure 22* illustrates the extent to which SAIs in the region have developed and implemented communication policies and strategies to drive and demonstrate their value and benefits to their particular societies.

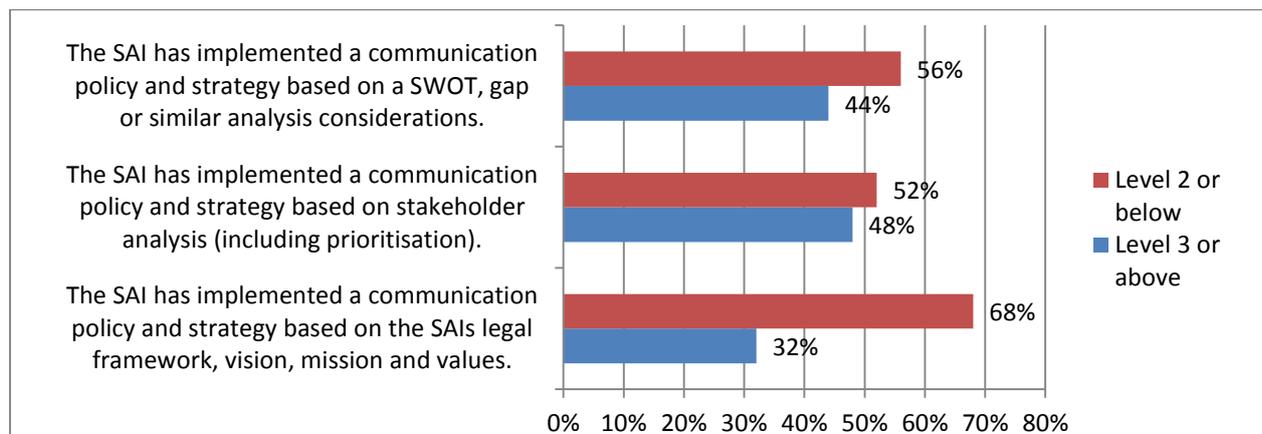


Figure 22: How SAIs scored key questions on Communication policy and strategy

As can be seen in *Figure 22*, 68% of SAIs indicated that they are yet to develop and implement communication policies and strategies that are based on their legal framework, vision, mission and



values. Only 32% of the SAIs scored level 3 and above. A majority of the SAIs (52%) indicated that their policies and strategies are yet to be based and linked to the analysis of stakeholder needs and expectations. It appears the majority of policies and strategies (56% of SAIs scoring level 2 and below) are yet to develop frameworks for the drawing up their policies and strategies.

8.2.2 Internal Communication

Despite the fact that a majority of SAIs in *figure 22* indicated gaps in the development of coherent communication policies and strategies that are linked and compliant to standards, national legal requirements and SAI strategies; it is surprising that SAIs went on to indicate that in the majority of cases their internal communication strategies, processes and structures were above level 3 and above of the ICBF. This is illustrated in *Figure 23*.

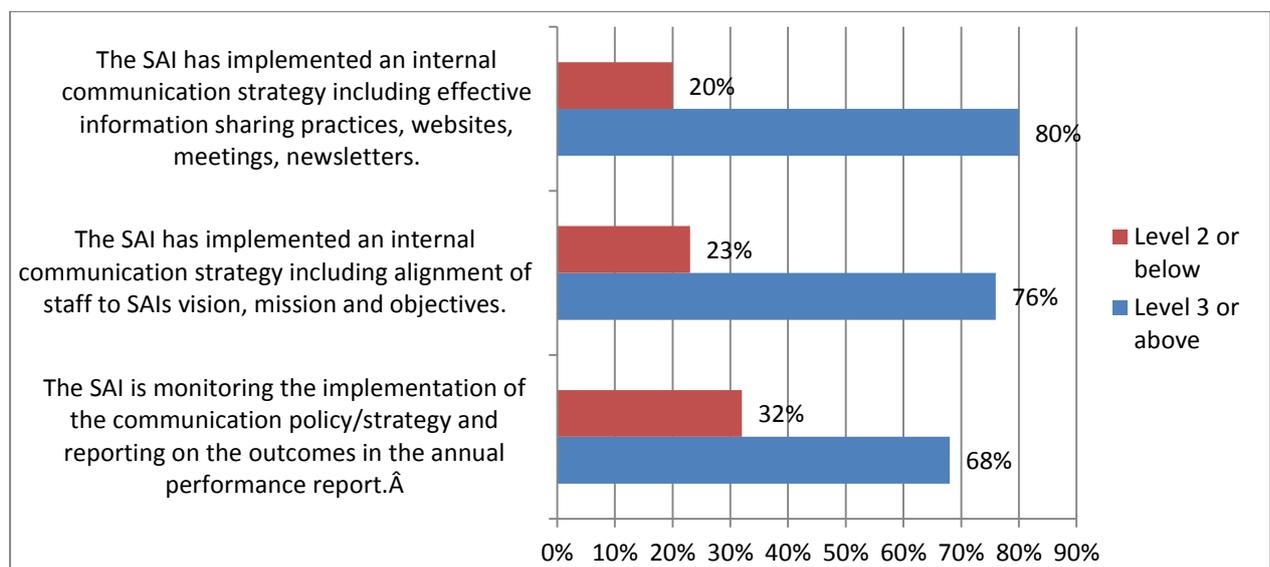


Figure 23: How SAIs scored key questions on Internal Communication

Figure 23 shows the number of SAIs that indicated they have implemented internal communication strategies that are aligned to their vision, mission and objectives. 76% of the SAIs scored level 3 and above indicating that internal communications were based on SAI strategy. Further, 80% of the SAIs indicated that internal communication strategies being implemented included effective information sharing practices, websites, meetings and newsletters. The SAI internal communication were also said to be aligned to the SAI vision, mission and objectives (76% of the SAIs indicating level 3 and above). This appears to be contradicting what *Figure 22* illustrated where the SAIs indicated that their policies and strategies were not linked to their legal framework, vision, mission and values. Similarly, *figure 24* shows that stakeholders needs and expectation were not usually taken into consideration in the development of policies and strategies.

It appears in answering the questions the SAIs did not link the development and implementation of communication policies and strategies to a critical component of the communication processes of a SAI, which is internal communication. Or it may be a mistaken assumption by SAIs that internal communication just happens automatically. Further, results from quality assurance support visits



reports show that in a significant number of SAIs internal communication need to be given adequate attention in terms its structures, systems and processes in the region.

8.2.3 SAI Stakeholder Engagement

Effective communication is possible when SAIs fully engage their internal and external stakeholders. High on the list of stakeholders are Parliament, PACs, the Ministry of Finance and the judiciary. *Figure 24* illustrates how the SAI scored the different key questions in this section of the domain as it relates to stakeholders engagements.

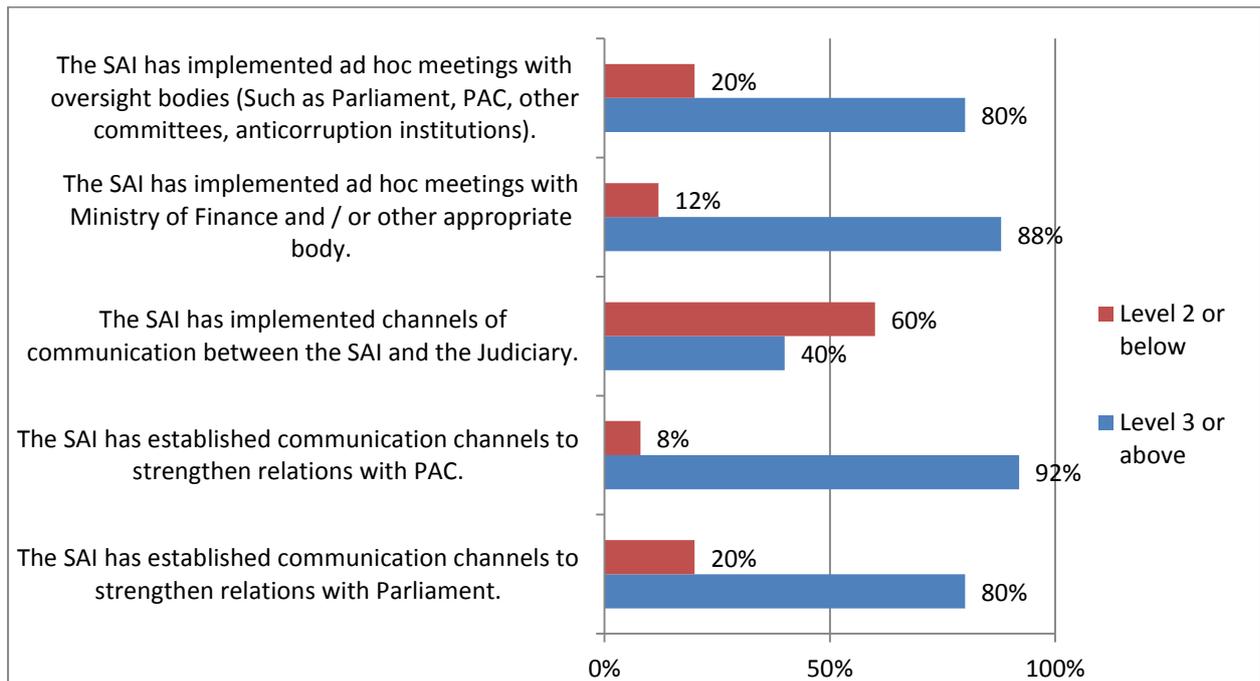


Figure 24: How SAIs scored key questions on stakeholder engagement

As shown in *Figure 24*, 80% of SAIs scored level 3 and above indicating that the SAIs had established communication channels with Parliaments and PACs. The SAIs also indicated improvements in the area of engaging with the Ministry of Finance especially to do with budget preparation, approval and execution. A big majority of the SAIs (88%) indicated a score of level 3 and above when it comes to engaging with the Ministry. However, a majority of them indicated that channels of communication with the judiciary are not that well developed with 60% scoring this question at level 2 and below. This can be explained by the fact that a big majority of SAIs in the region fall under the Westminster/Parliamentary model of SAIs or one of its modified models except for Angola and Mozambique. As report elsewhere in this report the improvement may be attributed to the SAI-PAC program being rolled out by the region in partnership with the GIZ.



CHAPTER 9: GENERAL PERFORMANCE OF THE SAIs

9.1 Introduction

The 2015 questionnaire also included general questions about the organisation and structure of the SAI. This was done to help explain the performance of the SAI as well as assists in explaining their development levels. General questions were not used to score the domains but were significant in explaining the environments of the SAIs.

9.2 SDGs and AU AGENDA 2063 Goals

In the 2015 questionnaire, questions were also included to gather baseline information on new focus areas as well as productivity levels of the SAIs. This year there are two new focus areas, namely the capacity to audit and report to the National Assembly or another appropriate body on the adequacy and comprehensiveness of the government systems and process aimed at the achievement of the Sustainable Development Goals (SDGs) as well as the African Union Agenda 2063 goals. These areas became important given the adoption of UN SDGs in 2015 which are the successors of the MDGs. The main challenges listed by SAIs include lack of technical capacity and funding constraints. *Table 5* shows a summary of comments provided by the SAIs.

Table 5: Capacity of SAIs to audit SDGs and AU AGENDA 2016 Goals

Country	Capacity to audit Social Development Goals (SDGs)	Capacity to audit AGENDA 2063 Goals
Botswana	Once the organisational review exercise is completed, the Office will have information on staffing requirements to deliver on its mandate. Currently the Executive avail resources on the basis of justified needs	Once the organisational review exercise is completed, the Office will have information on staffing requirements to deliver on its mandate. Currently the Executive avail resources on the basis of justified needs
Eritrea	Apart from the result of regularity audit reports, the SAI does not report on the adequacy and comprehensiveness of government systems	The SAI works to encourage a culture of transparency and accountability which is compatible with the AU agenda 2063 goals
Malawi	Yes that is in place we are now working on including them in our audit manuals. No audits yet.	We are working on the systems and to be implemented soon. No audits yet.
Namibia	OAG has conducted some research on the area of Performance Information as to the viability of implementation thereof. However, none specifically conducted to measure achievements of SDGs (NDP) goals.	OAG has conducted some research on the area of Performance Information as to the viability of implementation thereof. No Organisational review similar to that for AU yet planned or executed.



Swaziland	The SAI audits and reports on the adequacy and comprehensiveness of government systems and processes aimed at the achievement of SDGs.	No audits yet
Seychelles	The Constitution and the Auditor General Act, 2010 duly provide for these but no audit yet	The Constitution and the Auditor General Act, 2010 duly provide for these but no audit yet
South Africa	Yes the AGSA is adequately capacitated.	Yes we have adequate capacity
Uganda	There is need to disaggregate audit findings along the SDG to establish the level of achievement under the various goals. No specific SDG audits being done due to capacity constraints	Audit themes are aimed at service delivery to citizens which is in line with the national resource utilization.
Zambia	There is financial as well as human resource capacity constraints.	There is financial as well as human resource capacity constraints.

9.3 Timeliness and audit coverage

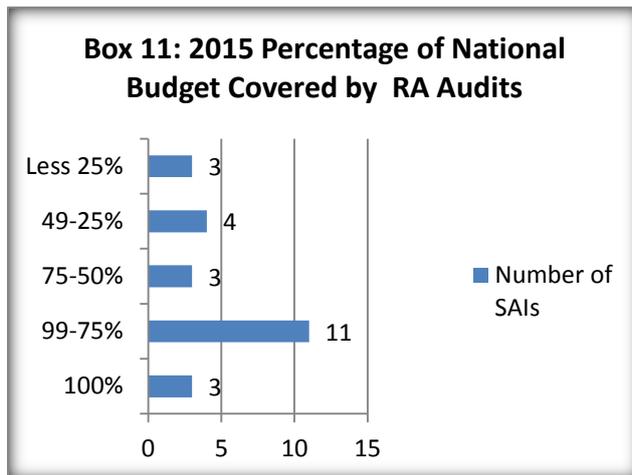
Timeliness in the submission of audit reports and overall audit coverage are critical factors that define the quality of audit services. However, timing for tabling audit reports is not only dependent on the date of submission of the reports to the legislature but it also paints a picture of how well the public financial management system works as well as how the SAI itself works.

As such, the parameters have been expanded to ensure compatibility with the requirements of PEFA indicators on the scope, nature and follow-up of external audits⁴. According to the PEFA indicator number 26, level C, twelve months is the limit for audit reports to be submitted to the legislature. In the region we have used a benchmark of 6 months as several legislative frameworks in the region now require the finalisation and submission of such reports to be within 6 months after the financial year end. In *figure 3*, 56% of the SAIs that indicated that they now submit their regularity audit reports within six months of financial year end while for performance auditing it is ad hoc.

In comparison to 2013 and 2014, there have been incremental improvements observed in the timeliness of submission of audits reports by SAIs in the region. For example, for the year 2014, 80% of regularity audits were completed and finalised within the prescribed legal timeframes against non-compliance of 20%. In 2015 for regularity audits there has been an improvement in that 83% (9177 out of 11070 audits) were completed within the statutory timeframes. While for performance audits the time period ranged from 2 months to 12 months after signing off by the head of SAI. The reasons for non-compliance were various, for instance; shortage of staff and funds, non-submission of the financial statements by auditees, late submission by the same and others.

⁴ The indicator was developed by PEFA, a multi-agency partnership sponsored by among others the World Bank, the European Commission and DFID; PEFA – Public Expenditure and Financial Accountability





Box 11 shows the percentage of national budgets that were audited in 2015. Eleven SAs indicated that their audit coverage is 99-75%, three SAs indicated 100% and three SAs indicated 75-50% of the national budgets. On the other hand, SAs also attributed the reasons for not attaining 100% audit coverage to budgetary and staff capacity constraints and; SAI capacity limitations as well limiting legislative instruments.

9.4 Size and composition of audit staff

The size of the audit staff complement and its composition are of interest as reported elsewhere in this report. The financial/regularity auditors by far make up the largest part of the audit staff, at approximately 93%. The performance auditor complement is just 5% while IT auditors constitute about 2%. *Figure 25* shows the total number of audit staff in the 25 SAs that responded including the 127 figure from the 2014 Angola figures. Over the years there has been a sizeable increase in the number of regularity, performance and IT auditors across the region.

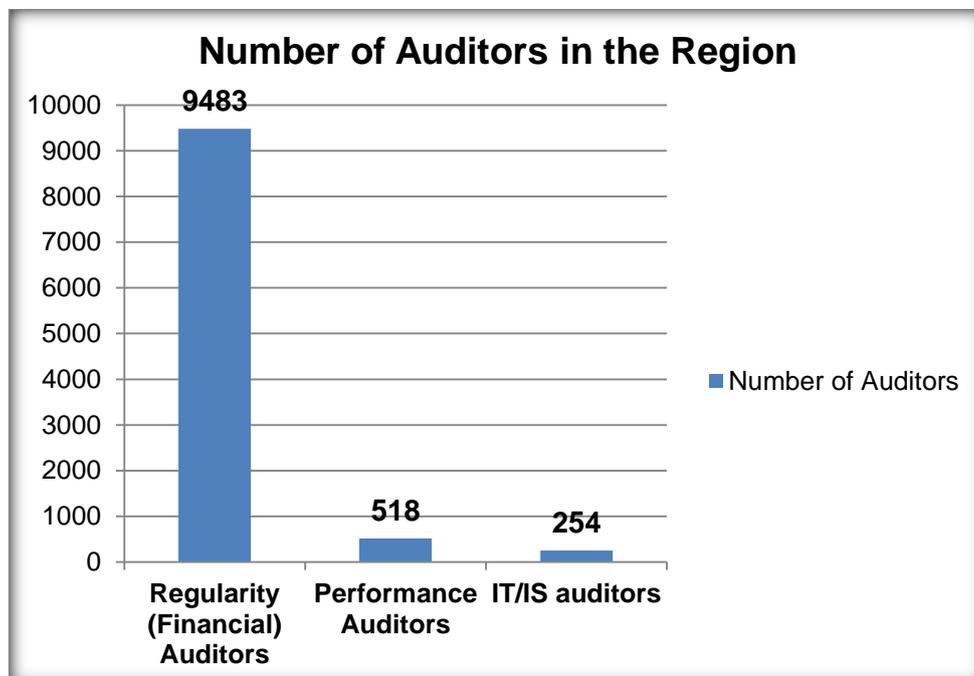


Figure 25: The numbers of auditors in the region in selected disciplines (including 2014 Angola figures)

The capacity to carry out financial audits by SAs in the region is increasing as shown by the increase in the number of regularity/financial auditors (see *figure 25*). Compared with other disciplines, performance auditing comes out a distant second even though there is a steady increase in the



number of performance auditors in the region. The same is true when it comes to the number of IT/IS auditors. It is acknowledged that currently and in the foreseeable future the region's number one priority would remain carrying out regularity audits. This can be explained by the explicit mandate of a big majority of SAIs to carry out such audits annually while for performance and IT audits the mandates are less explicit. This may take some time before the numbers begin to even out between the audit disciplines. Encouraging though, is the fact that there is steady movement in terms of building the numbers of performance and IT auditors

9.5 Financial resourcing of SAIs

Another important indicator for SAI development is in the area of financial resourcing. As reported elsewhere in this report; financial resourcing of the majority of SAIs in the region is still dependent on government budgetary allocations with the executive wielding influence on the size, amount, and classification of their budgets. In the 2015 questionnaire, the majority of SAIs commented that funding constraints were significant in terms of limiting the extent to which their capacity building initiatives would be sustainable. A significant number of the SAIs acknowledged their dependence on donor support to build and sustain their audit capacities, especially when it comes to their training budgets.

Out of the 25 SAIs that responded, two SAIs namely Eritrea and Mozambique did not submit information about their own as well as their countries' national budget figures. Angola did not respond to the questionnaire. The total national budget figures for the remaining 23 countries amounted to about USD 225 billion and the total SAI budgets in the same countries amounted to USD 406 million representing an average of 0.18% against the total country budget figures. It should be noted the 2015 total regional budget figures were materially lower than the 2014 figures in terms of US dollar figures. For example, in 2014 the total regional SAI budgets figure was US\$595.8 million for 20 SAIs but surprisingly the total figure for 2015 decreased to USD 406 million. The different exchange rates dates used by the SAIs to convert their local currency figures to arrive at the US dollar budget figures and depreciation of regional currencies may explain the discrepancies. Secondly, there might be errors in the figures submitted by some SAIs which were not correctly verified at the point of submission to the Secretariat. The Secretariat will carry out its own verification to authenticate the budget figures in the 2016 report.

The region seeks to establish how a well-resourced SAI should be funded. As such the comparison of national budget versus SAI budget figures was seen as a good rough indicator to determine the extent to which SAIs in the region are resourced. The aim is to develop an approximate indicator of what a well-resourced SAI should have in terms of their budget against the national budget. SAI South Africa was then used a good practice indicator because it is generally accepted that when compared with other SAIs in the region the SAI is well developed and resourced. In 2015 SAI South Africa's budget ratio against their national budget was 0.21% (refer to Table 6). Based on the assumption made above it is submitted here that 0.21% is the ratio to be used for the regional benchmark for the year 2015. However, it should be noted that a significant number of SAIs who scored higher percentages also commented that the higher rates were due to once-off budgetary items. *Table 6* shows the SAIs' budgets as percentages of their national budgets.



Number of Countries	Percentage of SAI budget as a ratio of the National Budget	Benchmark ratio	Deviation from the benchmark
4	below 0.1%	0.21%	- 0.11%
6	0.11% to 0.21%	0.21%	- 0.03%
4	0.221% to 0.25%	0.21%	+0.04%
5	0.251% to 0.5%	0.21%	+0.29%
2	0.501% to 0.99%	0.21%	+0.69%
2	Above 1%	0.21%	+0.89%

Table 6: Percentages of SAI budgets against their National Budgets (SAI Angola, Eritrea and Mozambique did not submit figures)

Table 6 shows that the budgets from 10 SAIs were below the 0.21% benchmark. This is similar to the 2014 figures when 10 SAI budgets were below the benchmark of 0.2%. Thirteen SAIs had budgets above the regional benchmark. For the SAIs that had budgets higher than the benchmark it can be attributed to the existence of abnormal items relating to the acquisition of land, buildings and other capital equipment like vehicles and equipment. It is thus argued that on average the majority of SAIs in the region are under-funded and not well resourced. This was also corroborated by the SAI comments that indicated the lack of financial independence as significantly limiting the ability of SAIs to fund their capacity building interventions. SAIs may need to come up with strategies to close the funding gaps in order to ensure the achievement of their development goals.



CHAPTER 10: CONCLUSIONS

10.1 Summary

The ICBF covers the different elements that have to be taken into consideration when establishing and developing an effective SAI. The framework is divided into five domains, which all have a number of elements and five development levels. There are two main tools that are used to measure the development levels of member SAIs, namely; the quality assurance model which is used when carrying out quality assurance support visits at least 2-3 years cycle per SAI and the annual self-assessment questionnaire.

The self-assessment questionnaire which is annually sent out to the member SAIs covers the different domains of the ICBF. The results of the self-assessment questionnaire are compiled in the transversal activity report. It should be noted that when compiling the report some of the elements have been highlighted and others have been left out. The objective is to analyse and discuss in more detail the key outstanding issues observed in this year's survey, so as to provide a clearer picture of areas that still need more attention in the region in future.

In this year's report the results generally show that the responses are stabilising. This in turn shows that the self-awareness of the situation is also interpreted in a more consistent way between the years, which is good. However, there are still some areas; though few, where SAIs over rated themselves, especially in the area of Organisation and Management, Human Resources, Audit Standards and Methodology as well as some areas in the Communication and Stakeholder Management domains.

10.2 Progress during the year

The self-assessment results of 2013 and 2014 revealed that in the work of SAIs there were weak linkages between the strategic and the operational/business planning levels. The results of this year show that the gaps have been narrowed down. However, there are still some gaps identified when it comes to the existence of appropriate legal frameworks and operationalising the same. For instance, in the domain of Independence and Legal Framework of SAIs, the weak link has been observed to be in the slow progress in operationalising the legal framework elements that include financial and administrative independence, establishing robust follow-up of audit recommendations mechanisms and annual performance reporting by SAIs.

Additional gaps include the existence of SAI policies and systems versus the actual implementation of the same on the ground, as well as the development of ISSAI compliant audit tools and their practical usage by the auditors and the organisations themselves. Key constraints that can be used to explain the gaps are those relating to funding challenges and skills gaps to drive the policies, strategies and deploy the tools. Secondly, absence of effective communication at both the operational and strategic levels may also be a factor in the challenges being faced by SAIs when one considers the development and implementation of policies, systems, processes and audit tools.



The different SAI scores leads to the raising of several different capacity building questions because there are different dimensions and reasons that can be used to explain the differences. Although the scores show that there are significant improvements recorded when compared with previous years there are also development opportunities which could be exploited both at the SAI and regional levels. These opportunities exist across all the five domains of the ICBF. In exploiting these opportunities the principles enshrined in 'The Values and Benefits of SAIs' (ISSAI 12) are instructive.

It is acknowledged that building capacity of SAIs during this period of uncertainties as shown by global financial crises, disruptive political change and demands by stakeholders, and operating environments that are continuously being shaped by technological advancement; calls for adaptable and visionary leadership as well as malleable organisations. In view of this, driving the development of the region forward requires recognition of four important dimensions namely:

- professionalisation of public sector auditing as a whole as well as accounting;
- SAIs focusing on becoming credible voices for beneficial change;
- Transforming the capacity of leadership into capability; and
- Driving innovation and creativity.

10.2.1 Professionalisation of public sector Auditing

It has been shown in this report that when it comes to the execution of their mandates, member SAIs are faced with technical auditing capacity and funding constraints. Small to medium sized SAIs are the ones that are most exposed. In view of the drive towards ISSAI implementation by member SAIs; professionalisation of public sector auditing can provide a long term solution to the skills problems. The need for SAIs to pull resources to drive training of staff to create technically qualified and accredited cadres cannot be overemphasised. While we have big SAIs in the region that are driving their own professionalisation programs; small and medium sized SAIs may not have the required capacity, at least in the short to the medium term. Secondly, SAI may need to influence both the executive and legislative arms of government to embrace professionalisation of the public sector as a strategy to improve service delivery. The report shows the need for an integrated approach to the challenge of building auditing adequate capacity.

10.2.2 SAI becoming credible voice for beneficial change

ISSAI 12 – Value and Benefits of SAIs calls upon all SAIs to demonstrate their value to stakeholders. Auditing is a form of communicating the extent to which auditees are transparent and accountable to their funding sources for the resources committed to them in a defined financial or fiscal period.

The responsibilities of SAIs must then be to ensure that what they communicate is credible and adds value to society. Communication of audit results needs to be timely to allow decision makers to choose appropriate interventions for improved service delivery. The SAIs themselves are expected to 'walk the talk' if they are to be credible voices of change. Areas that require attention include strengthening of SAI communication functions, systems, processes and structures.



10.2.3 Transforming leadership capacity to capability

Transformation of SAIs requires effective managerial leadership capacity to drive change and provide direction in this era of economic, political and technological uncertainties and disruptive change in the global environment. It follows that leadership and management development in SAIs need to be treated as a strategic tool for addressing organisational challenges to achieve predefined organisational goals and performance outcomes. Secondly, SAIs may need to take leadership development as a channel for employee engagement and transformation of their work environment to ensure sustainable individual and organisational development.

The existing capacity of managerial leadership may be enhanced if it is transformed into effective capabilities through SAIs treating leadership and managerial development interventions as strategic tools for driving the implementation of the ISSAIs. Pooling of resources by member SAIs to build their capabilities may also be considered as an effective strategy.

10.2.4 Driving Innovation and Creativity

In the era of financial constraints and scarcity, innovation and creativity are essential to drive sustainable audit service delivery by SAIs. In the region, all the governments of member SAIs have automated their financial management systems as shown in this report. However, the capacity to audit these systems is not growing tandem as shown by the low number IT/IS audits produced in the region. The area of IT support and audit as shown in this report is lagging. Regularity and performance audit itself need to be automated to be in line with current technologies in use by service providers. It follows innovation and creativity is required in the areas of automating audit processes, working papers and various SAI corporate services systems and processes.



APPENDICES



Appendix 1: Afrosai-E Institutional Capacity Building Framework (ICBF): A Generic Format of the Institutional Perspective

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

INDEPENDENCE AND LEGAL FRAMEWORK	ORGANISATION AND MANAGEMENT	HUMAN RESOURCES	AUDIT STANDARDS AND METHODOLOGY	COMMUNICATION AND STAKEHOLDER MANAGEMENT
<p>INDEPENDENCE OF THE SAI</p> <ul style="list-style-type: none"> ➤ Appropriate and effective constitutional/statutory/ legal framework ➤ Financial autonomy ➤ Managerial and administrative autonomy ➤ Appropriate human, material and monetary resources 	<p>LEADERSHIP AND DIRECTION</p> <p>STRATEGIC PLANNING</p> <p>ANNUAL OPERATIONAL PLANNING</p> <p>ORGANISATION OF THE SAI</p> <ul style="list-style-type: none"> ➤ Organisational development ➤ Existence of a performance audit function ➤ Existence of an IS audit function ➤ Existence of an IT support function 	<p>HUMAN RESOURCE AND PROFESSIONAL DEVELOPMENT POLICY</p> <p>Including:</p> <ul style="list-style-type: none"> ➤ Recruitment ➤ Remuneration ➤ Performance management system ➤ Career development ➤ Training ➤ Staff welfare ➤ Professional development ➤ Job rotation ➤ Retaining ➤ Exit <p>DEVELOPMENT PLANS</p> <p>Aligned with:</p> <ul style="list-style-type: none"> ➤ Strategic plan 	<p>ANNUAL AUDIT PLAN</p> <p>Covering:</p> <ul style="list-style-type: none"> ➤ Assessments of constraints ➤ Current issues and stakeholder expectations ➤ Risk assessments in place for prioritizing audit risk ➤ Clear statement of audit coverage ➤ Activity plans for regularity and performance audits ➤ Addressing of backlogs <p>AUDIT MANUALS</p> <ul style="list-style-type: none"> ➤ Aligned to international standards ➤ Connected to a training program ➤ Reviewed and updated regularly <p>QUALITY CONTROL MEASURES AND QUALITY</p>	<p>COMMUNICATION POLICY AND STRATEGY COVERING INTERNAL AND EXTERNAL COMMUNICATIONS</p> <p>Based on:</p> <ul style="list-style-type: none"> ➤ Legal framework ➤ Vision, mission and values ➤ Stakeholder analysis (including prioritization) ➤ SWOT or similar analysis ➤ Gap analysis considerations <p>CHANNELS OF COMMUNICATION</p> <p>Between:</p> <ul style="list-style-type: none"> ➤ SAI and Parliament ➤ PAC and Judiciary <p>AD HOC MEETINGS</p> <p>With:</p>
<p>INDEPENDENCE OF THE HEAD OF SAI AND MEMBERS OF COLLEGIAL INSTITUTIONS</p> <ul style="list-style-type: none"> ➤ Security of tenure ➤ Legal immunity in the normal discharge of their duties 				
<p>SUFFICIENTLY BROAD MANDATE</p> <ul style="list-style-type: none"> ➤ A broad mandate and full discretion in the discharge of SAI functions 	<p>INTERNAL CONTROL SYSTEM</p>			

<ul style="list-style-type: none"> ➤ Direct submission of reports to Parliament ➤ Access to information ➤ Discretion in selection of audit issues ➤ Freedom to decide on content, timing of audit reports and to publish and disseminate them 	<p>in line with International standards</p> <p>USE OF RESOURCES</p> <ul style="list-style-type: none"> ➤ A management information system (MIS) tracking key management information ➤ A time recording system to enable reporting of staff costs 	<ul style="list-style-type: none"> ➤ Annual operational plan <p>MANAGEMENT OF PERSONNEL</p> <ul style="list-style-type: none"> ➤ Recruitment ➤ Development ➤ Staff welfare ➤ Performance appraisals ➤ Retaining ➤ Filling of vacant posts ➤ Exit 	<p>ASSURANCE</p> <ul style="list-style-type: none"> ➤ SAI policy and procedures ➤ Roles and responsibilities ➤ Type of review specified and planned, including nature, scope and frequency ➤ Implementation of a quality assurance handbook or guidance for full compliance to international standards 	<ul style="list-style-type: none"> ➤ Ministry of Finance and oversight bodies <p>INTERNAL COMMUNICATION Including:</p> <ul style="list-style-type: none"> ➤ Alignment of staff to SAI's vision, mission, goals and objectives ➤ Implementation of effective information sharing practices
INDEPENDENCE AND LEGAL FRAMEWORK	ORGANISATION AND MANAGEMENT	HUMAN RESOURCES	AUDIT STANDARDS AND METHODOLOGY	COMMUNICATION AND STAKEHOLDER MANAGEMENT
<p>EFFECTIVE FOLLOW UP MECHANISM</p> <p>at the SAI on its recommendations</p> <p>SAIS REPORTING ON ITS OWN ACTIVITIES AND USE OF RESOURCES</p> <p>OVERSIGHT AND ACCOUNTABILITY</p> <p>The Parliament or an oversight body</p>	<p>CODE OF ETHICS</p> <p>and its monitoring</p>	<p>TRAINING ASPECTS WITH MONITORING AND EVALUATION MECHANISMS</p> <p>For:</p> <ul style="list-style-type: none"> ➤ New entrants ➤ Management development ➤ On the job training ➤ Secondments to other SAIs ➤ Audit/accounting 	<p>QUALITY ASSURANCE PROCESSES PERFORMED BY OTHERS</p> <p>AUDIT IT-TECHNIQUES</p> <p>Such as:</p> <ul style="list-style-type: none"> ➤ Electronic working papers ➤ Computer assisted audit techniques (CAATS) <p>IMPLEMENTATION OF THE SAI</p>	<p>PROMOTION OF THE SAI</p> <p>Via:</p> <ul style="list-style-type: none"> ➤ Engagement with: <ul style="list-style-type: none"> > Media > The public > Academic institutions > International community and Organisations ➤ Use of effective information sharing practices



appoints the SAI's external auditors

- qualifications
- Coaching and mentoring process

CAPACITY TO TRAIN ITS STAFF

To:

- use information
- develop knowledge
- develop skill

COMMUNICATION STRATEGY

for the audit process with the auditees

COMMUNICATION

With:

- Relevant experts
- Professional bodies
- Relevant journals
- Internal audit
- Other public sector audit institutions

SAI REPORTING

Should include:

- Follow up on previous recommendations
- Standard structure of reports, user-friendly with materiality considerations

AUDIT PERFORMANCE AND RESULTS

Such as:

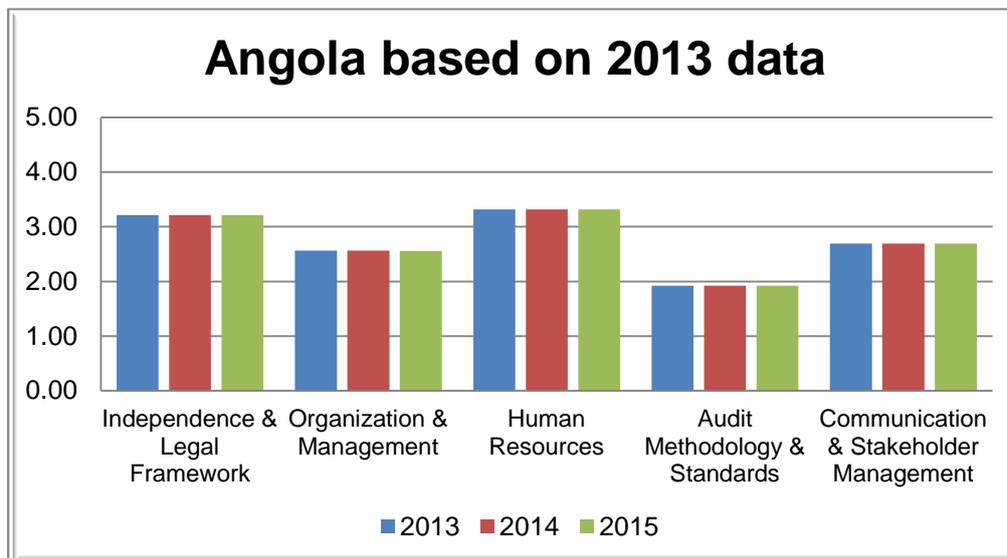
- Audit coverage of expenditure
- Number of signed and issued or published performance audit reports
- Number of/percentage of performance auditors in relation to total audit staff
- Integration of IS audit in regularity and performance audit
- Coverage of IS audit
- Time for submission of the annual audit report to Parliament from the beginning of the year
- Time for implementation of the recommendations
- Key stakeholders view on the benefit of the audit



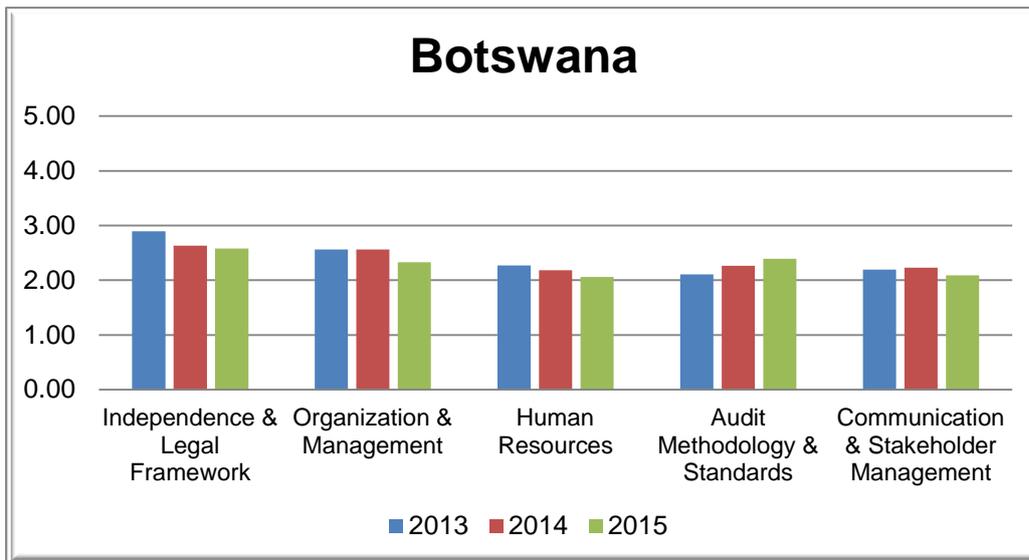
Appendix 2: Country Level Presentations 2014

Appendix 2 shows the development levels in accordance with the institutional capacity building framework (ICBF) within the AFROSAI-E region. The values are based on annual self-assessment questionnaires for the three years from 2013 to 2015.

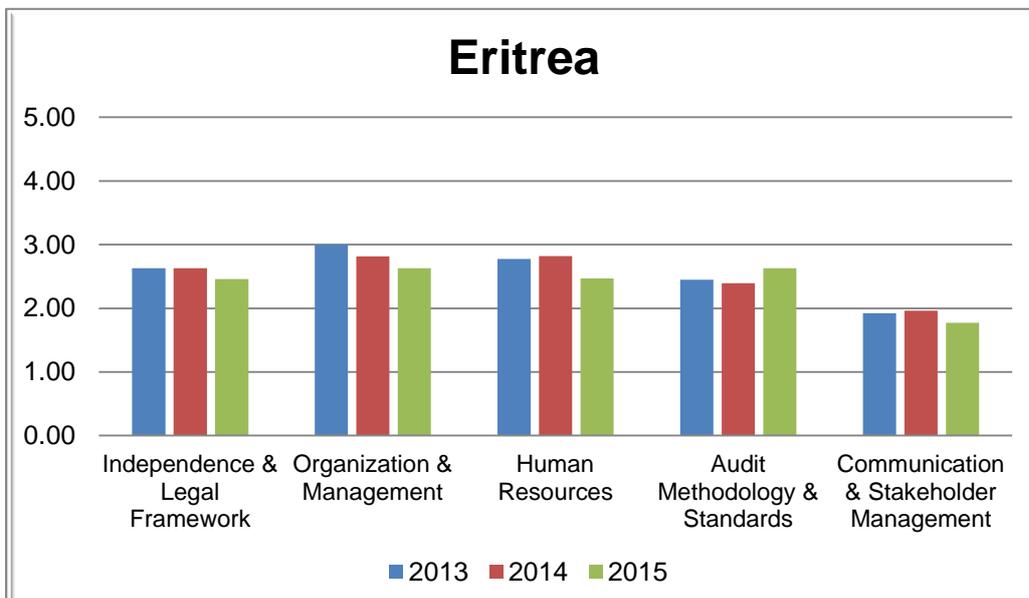
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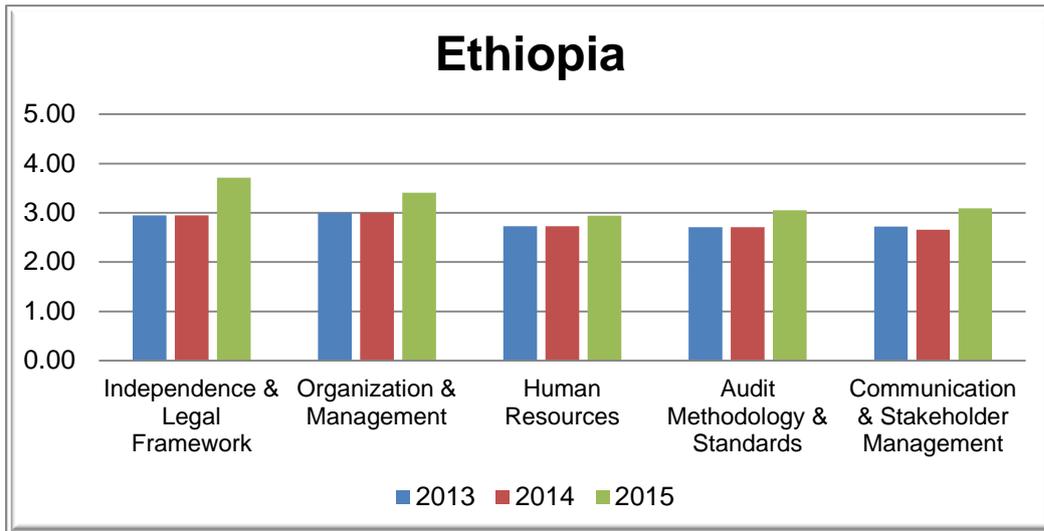
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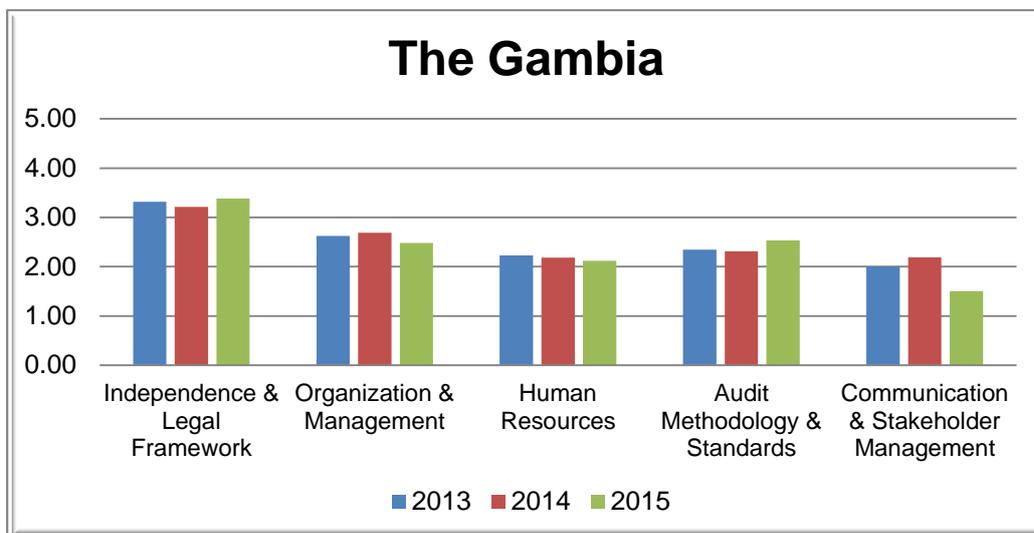
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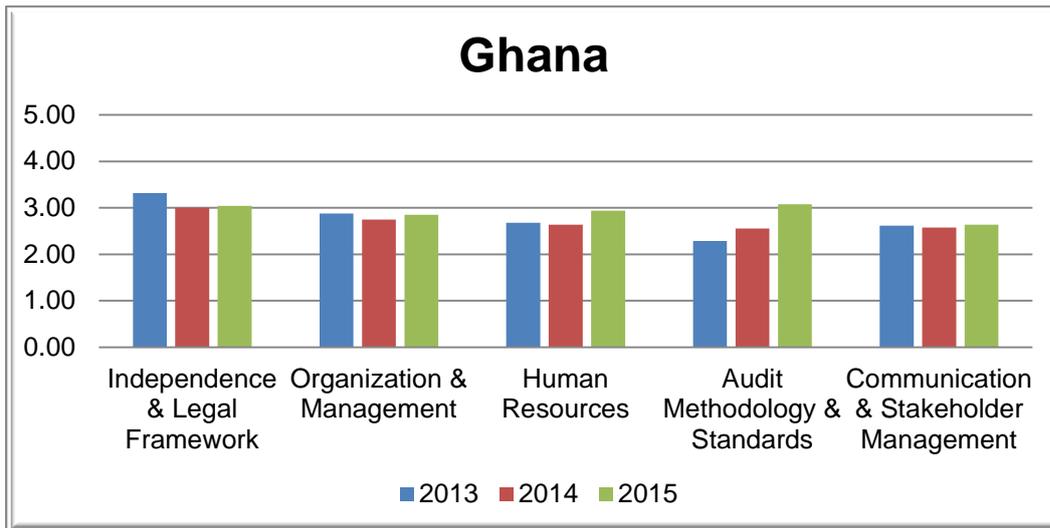
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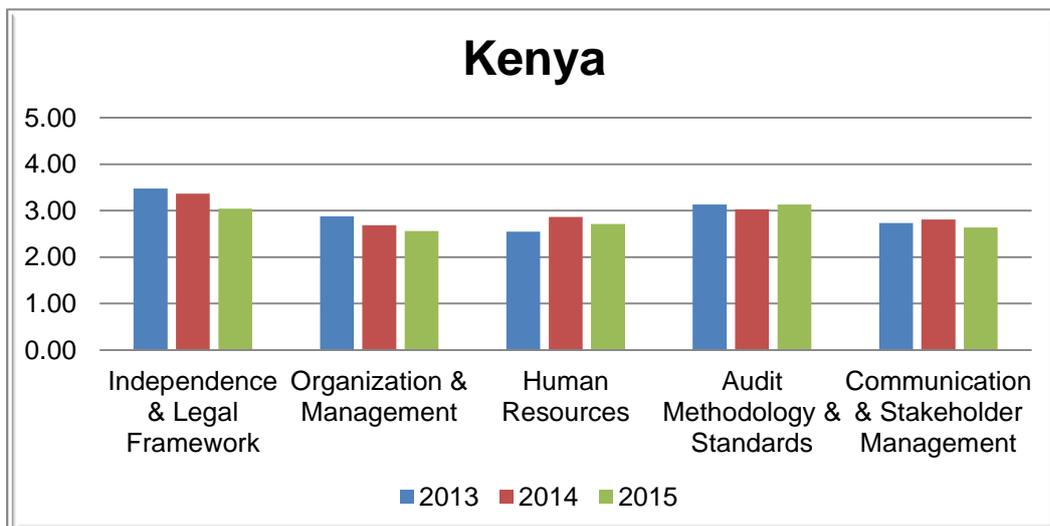
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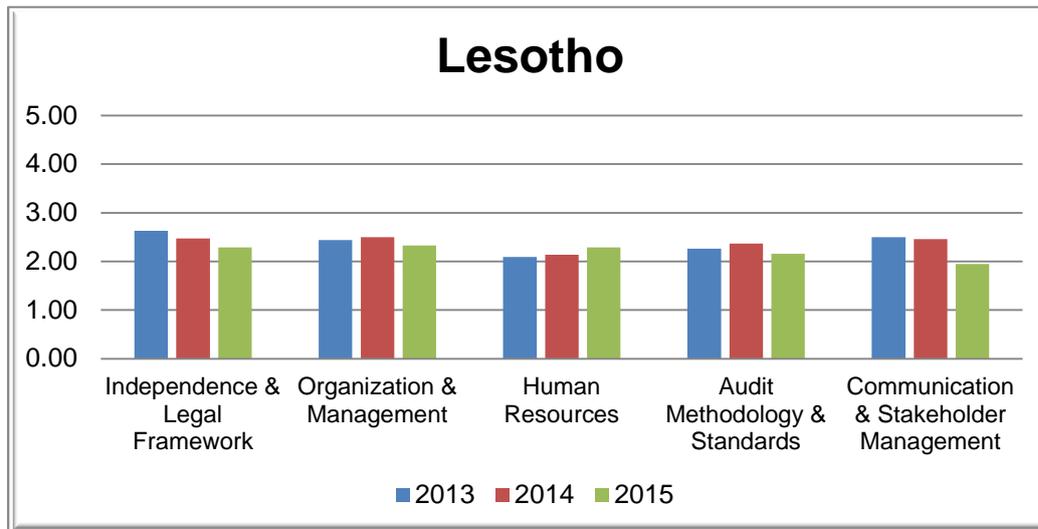
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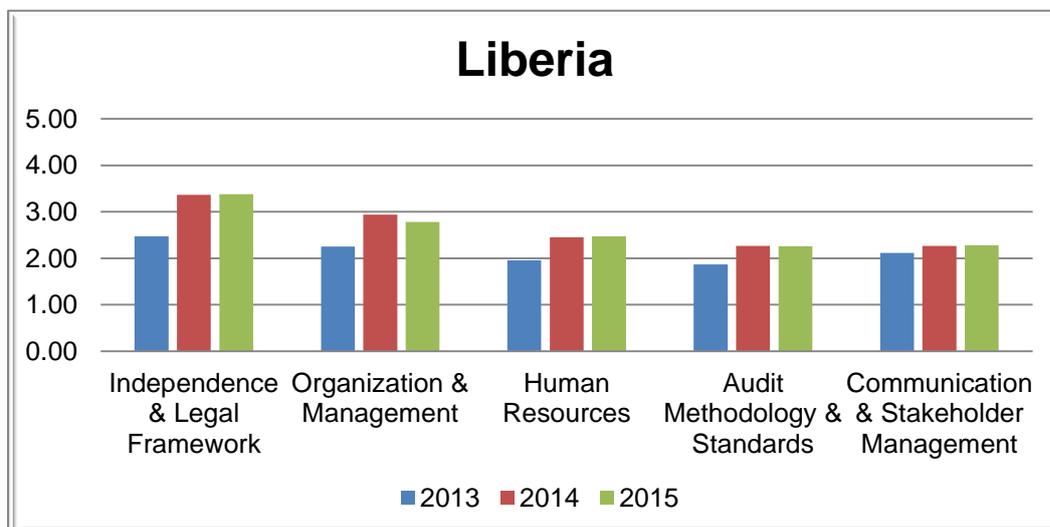
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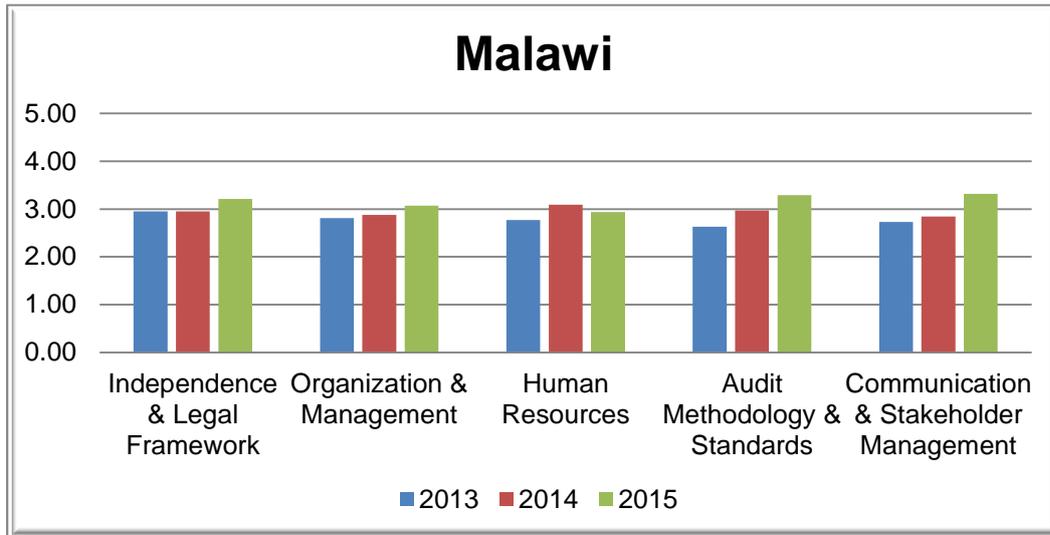
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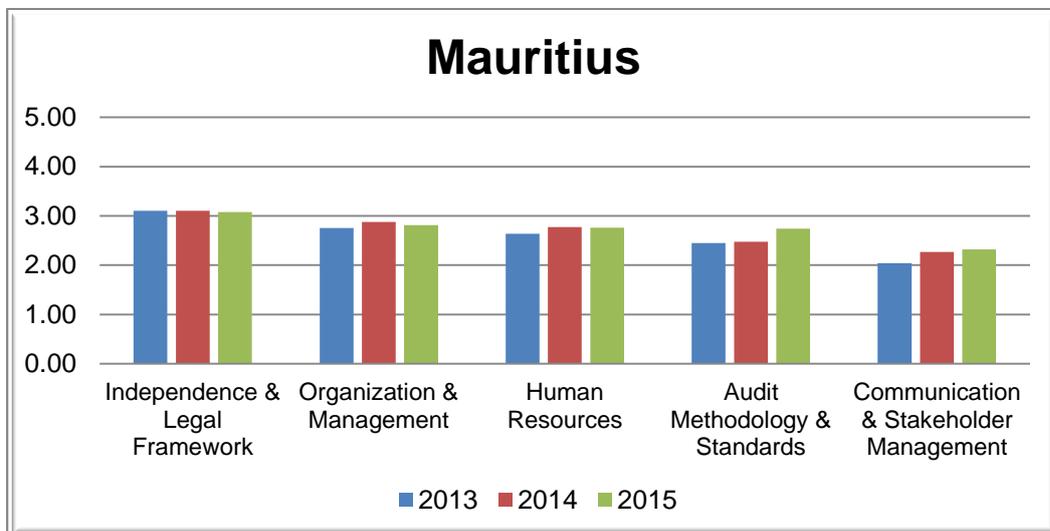
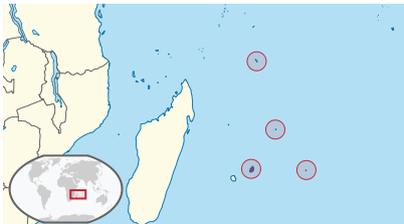
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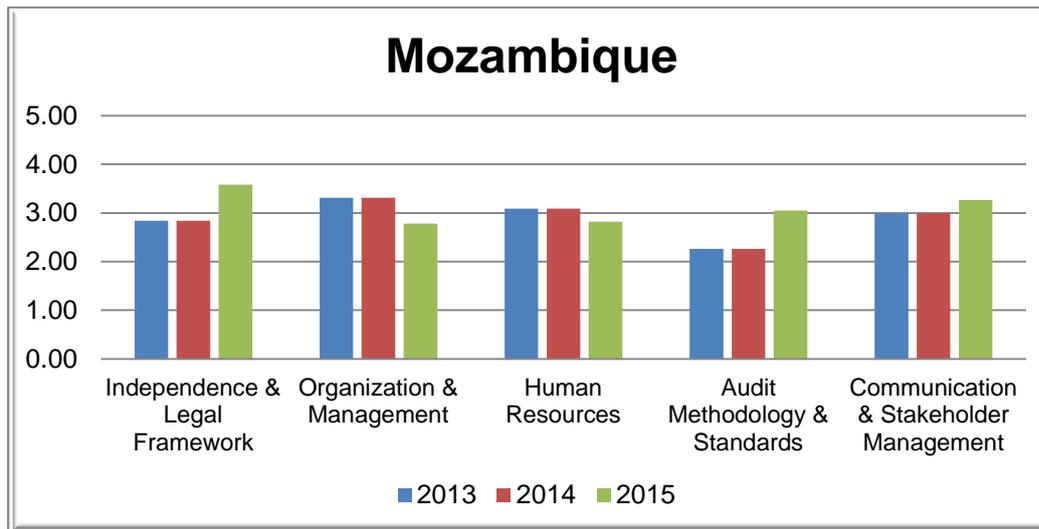
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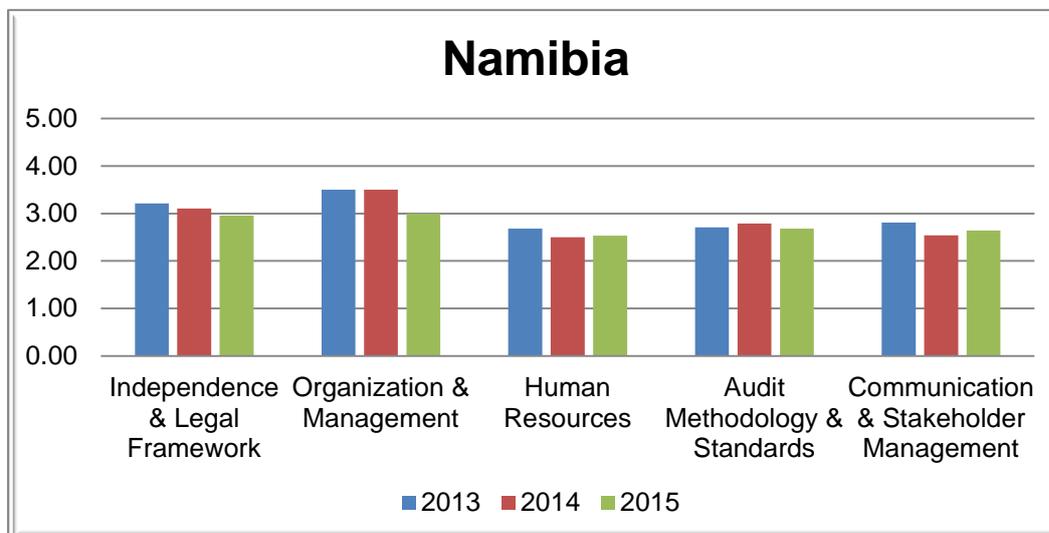
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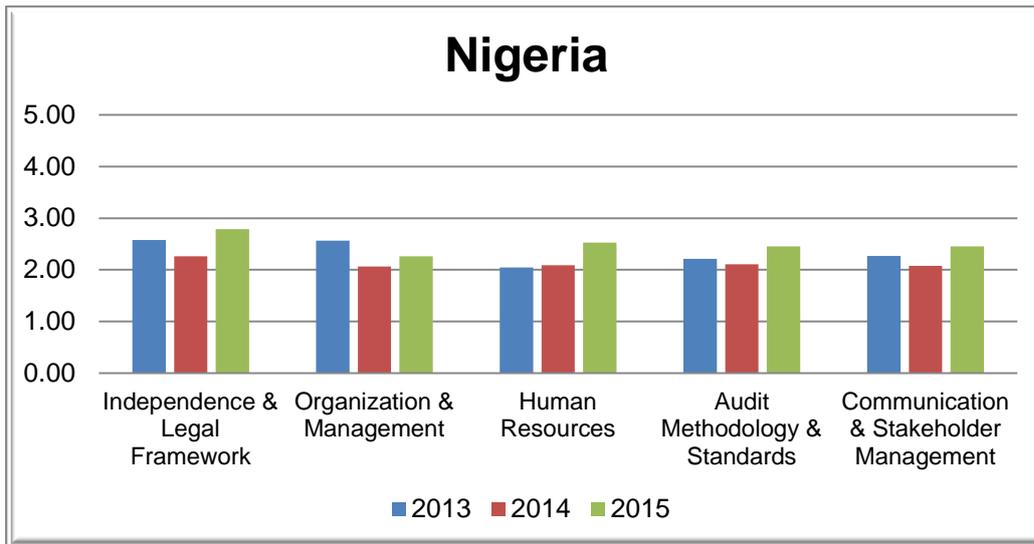
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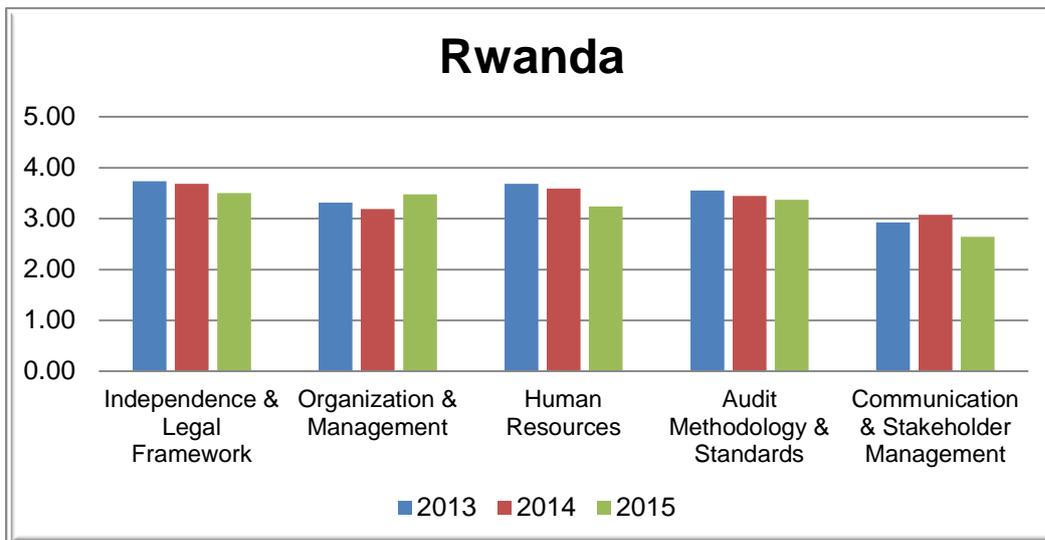
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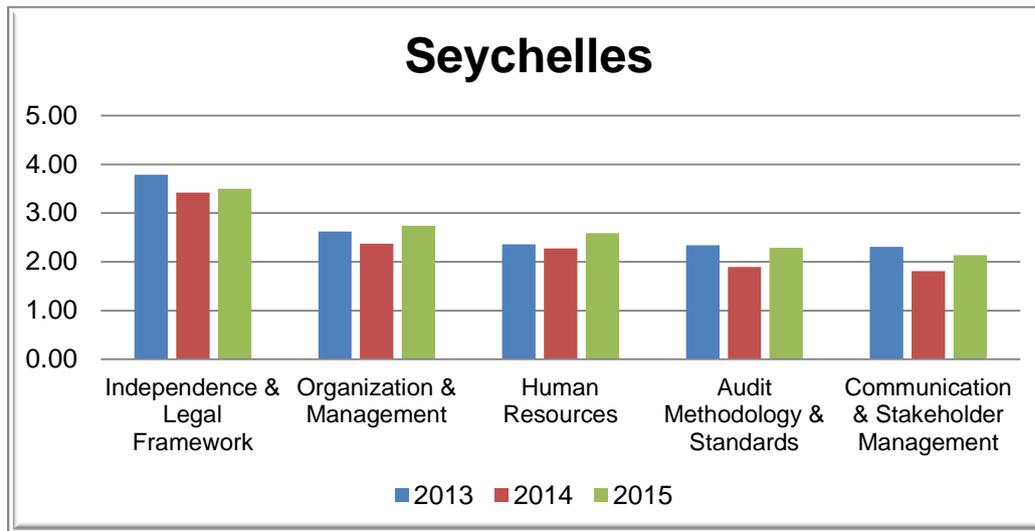
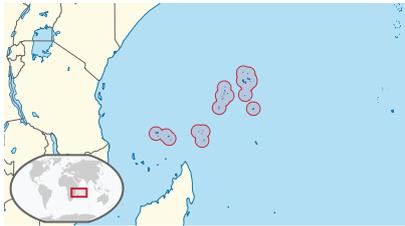
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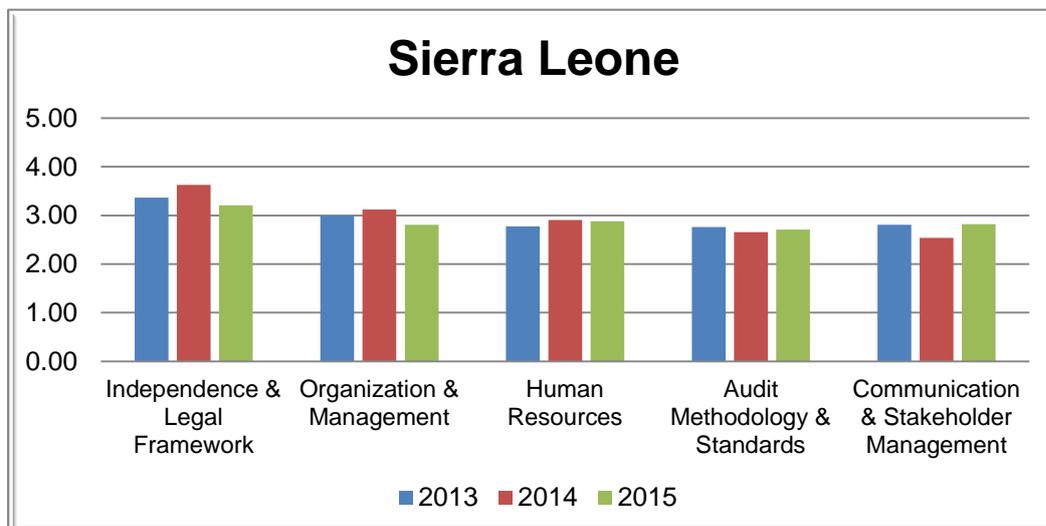
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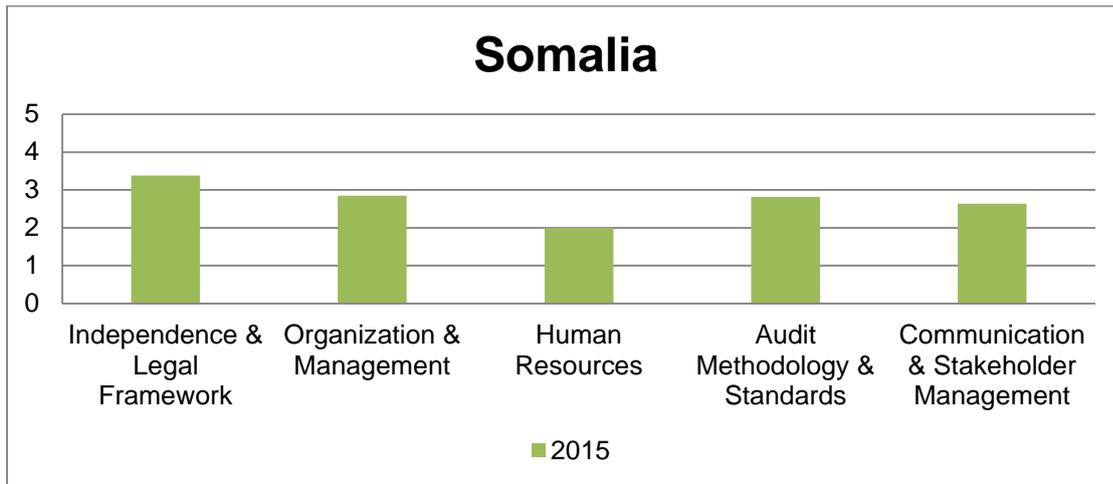
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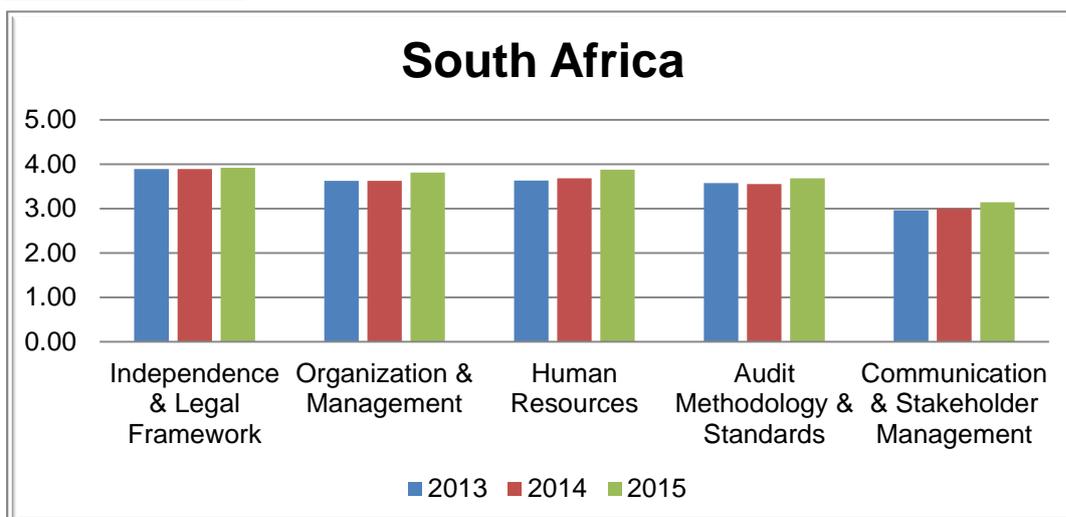
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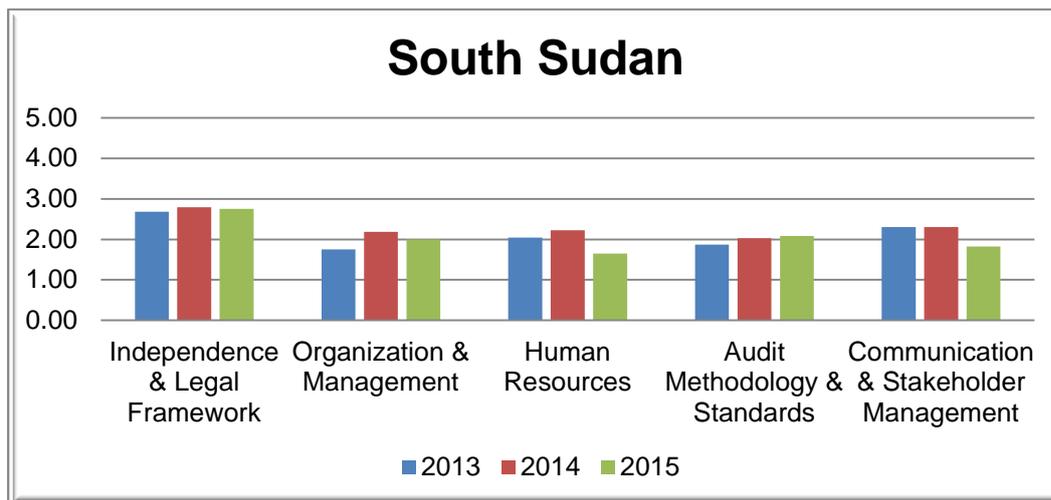
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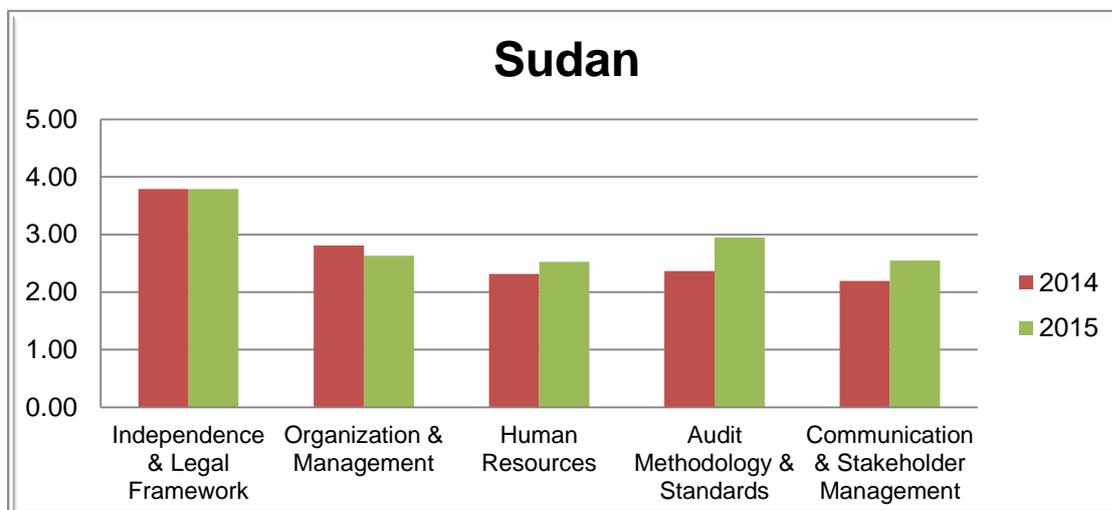
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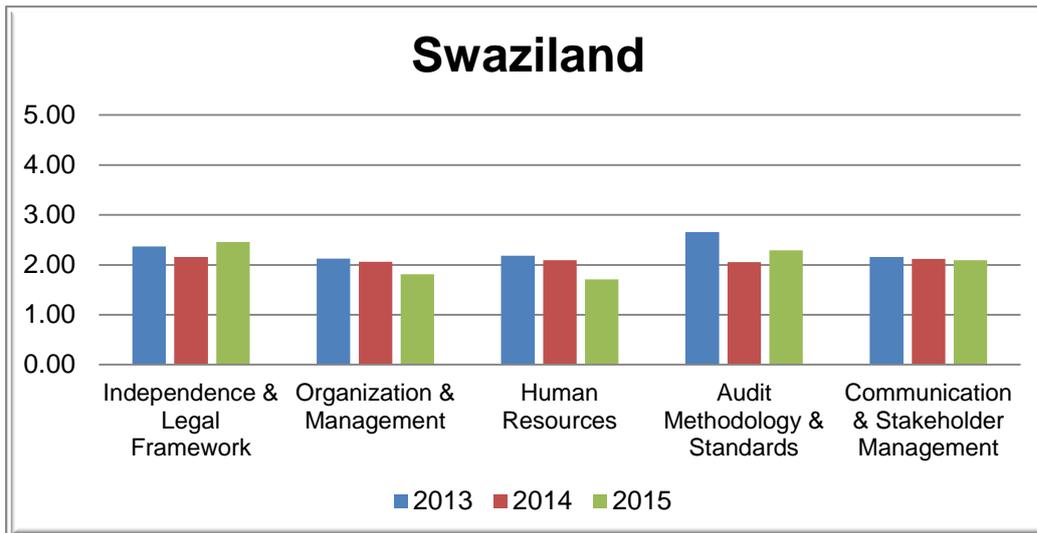
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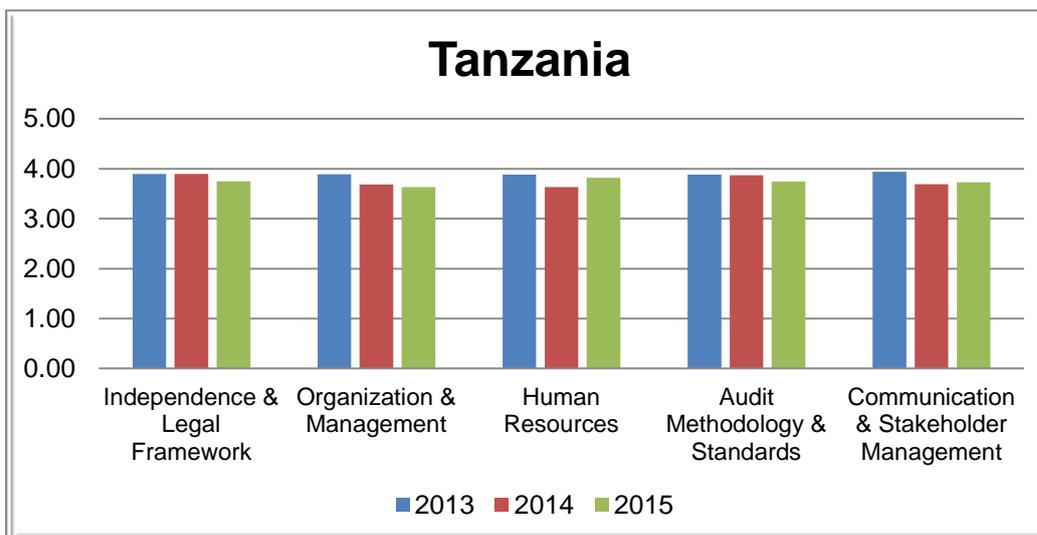
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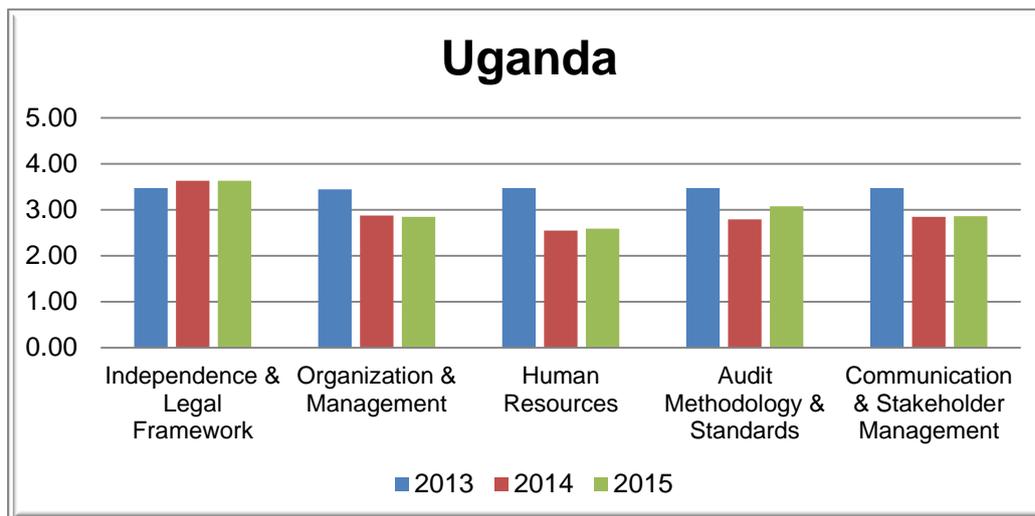
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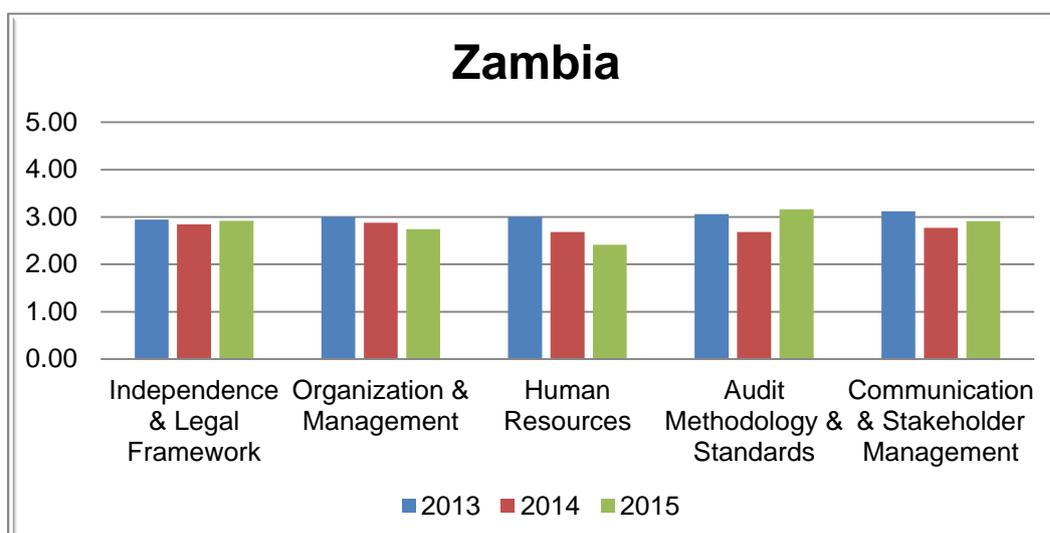
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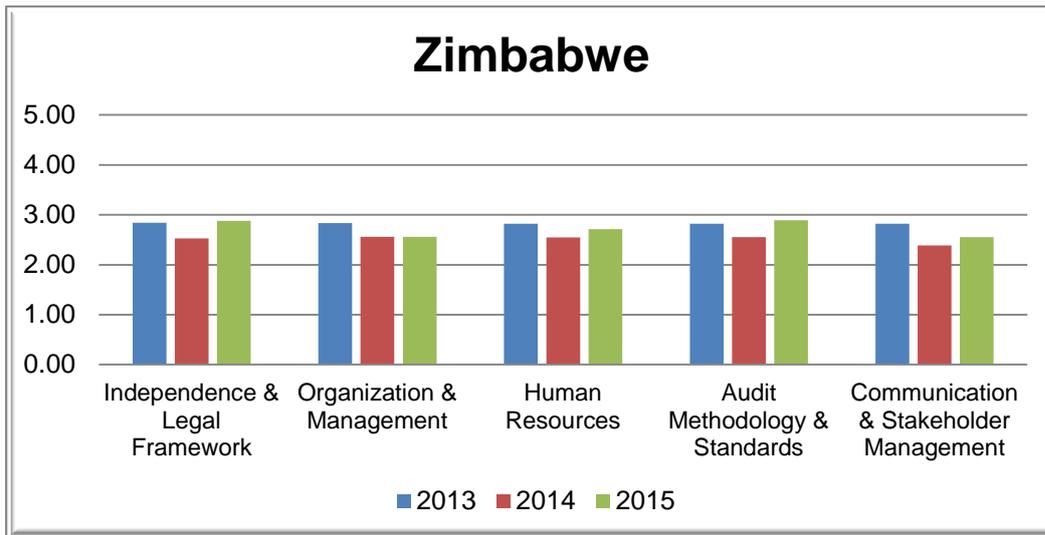
Uganda



Zambia



Zimbabwe



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

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

Year	2013	2014	2015
The Head of SAI has implemented leadership responsibilities that promotes a culture of quality in all the work	3.0	2.96	3.24
The Head of SAI has implemented measures to ensure that the SAI's managers and staff can carry out the audits according to international standards and other requirements (legal, competence, ethics, resources, supervision etc.	3.08	3.08	3.24
The SAI has developed an IT/IS audit strategy for its IT/IS audits	2.33	2.32	2.20
The SAI has an IT support function with at least one (1) IT person for every 30 staff members	2.38	2.48	2.6
The SAI has approved internal control policies, rules and regulations and procedures that are clearly documented and applied in promoting an effective internal control environment	2.63	2.68	2.92
The SAI has implemented a time recording system, which enables reporting on costs of staff	2.25	2.24	2.16
The SAI has implemented a quality control management system for <i>regularity audits</i> based on ISSAIs and other good practices.	2.71	2.68	2.88
The SAI's quality control management system for <i>regularity</i> clearly define the roles and responsibilities of all team members, team leaders, audit managers, and engagement partners as well as pre-issuance reviewers where applicable	2.75	2.84	2.96
The SAI's quality control monitoring measures for <i>regularity</i> clearly specifies the requirements for planning of types of reviews, including nature, scope and frequency	2.71	2.88	2.88
The SAI has implemented quality control measures for <i>regularity audits</i> when it comes to the need for a quality assurance handbook/guideline for full compliance with international standards (ISSAIs)	2.58	2.76	2.84
The SAI has implemented a quality control management system for <i>performance audits</i> based on ISSAIs and other good practices.	2.42	2.40	2.64
The SAI's quality control management system for <i>performance audit</i> clearly define the roles and responsibilities of all team members, team leaders, audit managers, and engagement partners as well as pre-issuance reviewers where applicable	2.33	2.40	2.68
The SAI's quality control monitoring measures for <i>performance audit</i> clearly specifies the requirements for planning of types of reviews, including nature, scope and frequency.	2.46	2.44	2.64
The SAI has implemented quality control measures for <i>performance audits</i> when it comes to the need for a quality assurance handbook/guideline for full compliance with international standards (ISSAIs)	2.38	2.52	2.64
The SAI has been peer reviewed/quality assessed during the year by other member SAIs or SAIs outside the AFROSAI-E region	1.50	1.44	1.7



The SAI has been independently quality reviewed at least once by AFROSAI-E during the past three years.	2.50	2.24	3.24
The SAI has been externally reviewed or quality assess using SAI-PMF tool and methodology during the past five years or similar not part of the regional program(s)	1.33	1.24	2.13
The SAI is using tools such as electronic working papers	2.21	2.32	2.28
The SAI is using tools such as computer assisted audit techniques (CAATS)	2.50	2.36	2.36
The SAI has integrated IT/IS audit in performance audit and regularity audit	2.04	2.08	2.08
The SAI's annual IT/IS audit coverage in % of the number of national IS systems	1.71	1.68	1.84



Appendix 4: Quality assurance questions compared to quality assurance visits

Questions compared to the quality assurance reviews in year 2015. Comparisons between the reviews and the result from the survey shown in table 5 in the report.

1. The head of SAI is appointed with sufficiently long and fixed term to comply with the requirement that *“The Head of SAI, and (where relevant) members of collegial institutions... (are) given appointments with sufficiently long and fixed terms, to allow them to carry out their mandates without fear of retaliation”*
2. The relevant and applicable legislative framework(s) specifies, *“... the conditions for appointments ... removal ... of the Head of the SAI, and (where relevant) members of collegial institutions ... by a process that ensures their independence from the executive”* (e.g. with the approval of the legislature, and where relevant, the Head of State; removal only for just cause/impeachment, similar protections to those that apply to a High Court Judge)
3. The executive *does not* take part in the preparation of the SAI’s budget appropriation or the final decision on the SAI’s budget
4. The SAI submits an annual report on its own performance to Parliament and other key stakeholders
- 4.1 The head of SAI, top and senior management set appropriate tone and direction for the whole Organisation by documenting and disseminating the SAI vision and core values and promoting these in the SAI’s public activities as well as to all staff.
- 4.2 The SAI has developed and implemented an annual operational plan based on its strategic plan
- 4.3 The SAI has implemented an annual operational plan based on assessments of risks in the environment and expectations from stakeholders
- 4.4 The operational plan is linked to the SAI budget and there is evidence to prove that all planned activities have been allocated adequate resources and covers all the functions and types of audits that will be carried out.
- 4.5. The SAI has implemented a system for monitoring and evaluation of the annual operational plan
- 5.1 The SAI has implemented approved Human Resource policies and procedures that provide it with reasonable assurance that it has sufficient personnel with capabilities, competence and commitment to ethical principles necessary to perform its audits in accordance with professional standards and national laws and regulations.
- 5.2 The SAI has developed and implemented recruitment, remuneration, promotion, staff development and retention, welfare policies and procedures as demonstrated, for instance, by existence of approved recruitment procedures, up-to-date job profiles, required competencies and or up to date job descriptions relevant for the achievement of its current strategic objectives for each position on the organisational structure
- 5.3 The SAI has implemented approved performance management systems and provisions that include consistent appraisal of all staff, rewarding system that is linked to performance, job rotation, transparent career path development and succession procedures that are compliant with professional standards and national laws and regulations
- 5.4 The SAI has implemented a Human Resource policy in line with best practice including provisions for professional development and training of staff in the main audit disciplines to effectively discharge its mandate
- 5.5 The SAI has implemented a system to monitor and evaluate systems of the different aspects of the Human Resource development policy, strategy whose results are included in its annual performance report
- 6.1 The SAI’s annual HR development plan is implemented and aligned with the strategic plan and/or relevant operational plan.
- 6.2 The SAI has implemented training programs for new entrants



6.3 The SAI has a specific management development program (MDP) and leadership development program (LDP) for all its management staff in place in accordance with international standards and good practice

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

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

6.6 The SAI has implemented a system to monitor and evaluate the different aspects of training and results achieved

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

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

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

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

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

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

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

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

9. The SAI is continually optimising its organisation

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

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

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

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



Appendix 5: Number of auditors in the region

Number and percentage of the total number of regularity, performance and IS auditors 2011-2014 [note that estimates were used for Angola and Mozambique based on 2013 figures].																		
COUNTRY SAI	Regularity auditors						Performance auditors						IS auditors					
	2013		2014		2015		2013		2014		2015		2013		2014		2015	
	N	%	N	%		%	N	%	N	%	N	%	N	%	N	%	N	%
Angola	124	98%	124	98%	124	98%	-	-	0	0%	0	%	3	2%	3	2%	3	2%
Botswana	124	87%	63	78%	114	85%	14	10%	14	17%	17	13%	5	3%	4	5%	3	2%
Eritrea	56	98%	45	88%	58	98%	-		5	10%	0	-	1	2%	1	2%	1	2%
Ethiopia	197	80%	215	80%	221	82%	49	20%	45	20%	47	18%	-	-	0	0%	0	-
Gambia	37	97%	37	84%	36	92%	-		6	14%	3	8%	1	3%	1	2%	0	-
Ghana	1268	96%	1268	96%	1282	96%	37	3%	33	3%	40	3%	18	1%	18	1%	18	1%
Kenya	723	94%	731	93%	818	93%	34	4%	40	5%	40	5%	10	2%	15	2%	23	2%
Lesotho	105	85%	123	87%	110	85%	18	15%	18	13%	19	15%	-	-	0	0%	0	-
Liberia	244	84%	227	91%	207	91%	26	9%	22	9%	12	5%	22	7%	0	0%	9	4%
Malawi	190	86%	136	84%	230	88%	15	7%	12	7%	20	8%	15	7%	13	8%	12	4%
Mauritius	150	93%	148	93%	146	92%	11	7%	12	8%	12	8%	-	-	0	0%	0	-
Mozambique	116	94%	173	96%	134	90%	7	6%	7	4%	8	5%	-	-	0	0%	8	5%
Namibia	52	80%	52	80%	94	85%	13	20%	13	20%	17	15%	-	-	0	0%	0	
Nigeria	1781	99%	806	97%	1280	100%	24	1%	22	3%	0	-	2	0.1&	0	0%	0	-
Rwanda	111	91%	99	88%	107	87%	11	9%	11	10%	15	12%	-	-	2	2%	1	1%

Seychelles	25	78%	25	81%	27	79%	5	16%	5	16%	6	18%	2	6%	1	3%	1	3%
Sierra Leone	111	89%	111	89%	97	87%	14	11%	14	11%	14	13%	-	-	0	0%	0	-
Somalia			37	52%	37	77%			3	4%	3	6%	-	-	8	11%	8	17%
South Africa	2403	92%	2400	92%	2887	93%	74	3%	65	3%	78	3%	123	5%	123	5%	128	4%
South Sudan	112	100%	90	90%	250	96%	-	-	10	10%	10	4%	-	-	0	0%	0	-
Sudan	-	-	792	95%	908	95%	-	-	30	4%	30	3%	-	-	16	2%	16	2%
Swaziland	72	82%	66	87%	66	81%	16	18%	10	13%	10	12%	-	-	0	0%	5	7%
Tanzania	597	95%	722	95%	776	94.8%	24	4%	31	4%	41	5%	4	0.6%	4	1%	2	0.2%
Uganda	267	85%	313	88%	318	87%	37	12%	36	10%	36	10%	9	3%	8	2%	11	3%
Zambia	255	91%	299	93%	273	91%	17	6%	17	5%	20	7%	8	3%	7	2%	7	2%
Zimbabwe	132	85%	166	89%	165	86%	19	12%	16	9%	20	10%	5	3%	5	3%	6	4%

