

2014



# Integrated Annual Report





**Celebrating 10 years  
of**

**“Making a difference in the performance of SAIs”**

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## **ABOUT THIS REPORT**

### **Scope and boundary**

This report includes information on the financial and non-financial performance for the period 1 January to 31 December 2014. It covers the activities of the AFROSAI-E Executive Secretariat established in terms of Regulation 7(1)(b). The activities and operations of the member SAIs fell outside the boundary of this report.

### **Reporting against GRI G3**

This is our third annual integrated report. Last year we achieved a Global Reporting Initiative's (GRI) G3 Application Level C+, but this year AFROSAI-E is reporting a self declared Level C.

### **Other reporting changes**

We focused extensively on our stakeholders and have identified our risks in more detail than in previous years. Where restatements of last year's data were necessary it has been clearly noted where applicable.

### **External assurance**

The external audit firm, Mazars, audited our financial statements that was prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized entities (IFRS for SME).

### **The Governing Board remains accountable**

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

## STATEMENT OF INTENT

*Making a difference  
in the performance  
of SAIs*

## MISSION

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

## VALUE STATEMENT

Making a difference through:

- Innovation and creativity
- Developing competence
- Enhancing confidence
- Improving credibility

## AFROSAI-E MEMBER COUNTRIES ON 31 DECEMBER 2014



### AFROSAI-E's OBJECTIVES

To enhance public accountability, the organisation strive to:

- enhance the audit performance of its members;
- develop and share resources in the region;
- promote professional and technical development and cooperation among its members and other international and regional bodies such as AFROSAI and INTOSAI;
- promote and maintain relations with national, regional and international institutions specialising in issues affecting the audit of public resources; and
- support regional institutions in promoting good governance.

## INSTITUTIONAL PARTNERS AND DONORS



Algemene Rekenkamer

# SECTION ONE

- Foreword by the Chairperson
- Report of the Chief Executive Officer

# FOREWORD BY THE CHAIRPERSON

I must state that it was a great honour when I was elected as chairperson of the AFROSAI-E Governing Board in May 2014. Following in the footsteps of my predecessor, Mr Utouh from Tanzania, I am embarking on a journey which I am passionately looking forward to. Mr Utouh's term as Auditor-General of the National Audit Office of Tanzania ended in 2014, I wish him all the best of health and a well-deserved retirement.

AFROSAI-E is celebrating its tenth anniversary in 2015 and as an organisation we can look back with pride at what has been achieved over this period. 2014 marked the end of the 2010-2014 Corporate Plan period, and with the dawn of the 2015-2019 Corporate Plan period, I am pleased to highlight the four new strategic imperatives.

- Professionalising Public Sector Auditing and Accounting in Africa which should be seen as a human capital investment in our organisation. If we are successful in this endeavour, it will be a catalyst for Public Financial Management Reform, ultimately making a difference in the lives of citizens.
- Being a credible voice implies that our reports and interactions are done so in a constructive manner without shying away from the realities and challenges our continent faces. To lead by example, SAIs must publicly report and be held accountable for the use of our financial and other resources.
- Building leadership capabilities should include all levels in an organisation and be seen as a positive challenge for all that are part of this initiative.
- With the rapid changes in technical globalisation and innovation, SAIs can no longer afford to do business as usual. Our audit methodologies and own systems must be improved in order to remain a relevant role-player in governance and oversight. We should also implement new innovative methods to develop our people through e-learning and other electronic means.

Considering our external stakeholders, it is significant to take note of the African Union Agenda 2063 document. It details a common set of seven aspirations, and the concepts of inclusive growth, sustainable development, good governance, values and ethics are just some of the aspirations referred to. As advocates for good financial governance, accountability and ethics, we as leaders of the SAIs must take a proactive approach towards incorporating these aspirations in our AFROSAI-E Corporate Plan as well as our SAI Strategic Plans.

The Ebola outbreak affected the West African region and particularly Liberia and Sierra Leone, causing the cancellation of some events and impacted on the attendance of other events. The situation has started to stabilise, but it was for me a personal reminder of the harsh challenges that can adversely affect our beautiful continent.

This report highlights the key outcomes of the 2014 activities and events, and while it cannot detail all the positive changes I believe it gives the reader an oversight of the main outcomes and deliverables.

I wish you all the best for 2015.



Lara Taylor-Pearce  
Chairperson  
AFROSAI-E



# REPORT OF THE CHIEF EXECUTIVE OFFICER

As I write this report the organisation has reached the end of the 2010 to 2014 Corporate Plan period. It is, therefore, my honour to submit this annual report for the year ended 31 December 2014 to the Governing Board for their consideration and approval as per the AFROSAI-E Statutes.

In 2014 the SAI of Sudan joined as the 25<sup>th</sup> member and the African Union Commission was accepted as our first associate member. In early 2015 the SAI of Somalia's application for membership was finalised, bringing the current total membership to 26.

However, the Ebola outbreak and the impact it had on two of our member SAIs, namely Liberia and Sierra Leone proved how vulnerable countries are towards health emergencies and natural disasters. This unfortunate event forced us to expedite the use of electronic communication technology such as video and e-learning to maintain our capacity building drive. It also highlighted the need for proactive involvement by our SAIs in national, regional and even international occurrences that is within their legislative mandates.

At the 11<sup>th</sup> meeting of the Governing Board, the Board approved a recommendation by the Finance subcommittee for the Secretariat to consider supplementing financial support to SAIs to participate in AFROSAI-E events that will enhance implementation of our methodologies. In light of this I am pleased to report that the Secretariat was able to favourably consider this request and assisted with accommodation for at least two participants per country per event from July to December 2014.

The Auditor-General of South Africa (AGSA) also responded positively on the Governing Board's request to host the Secretariat for a further period of six years, up to December 2022, and I express my sincerest thanks to the AGSA for its direct and indirect support since the inception of AFROSAI-E.

For 2014 the Secretariat planned 93 projects (2013:70). We managed to increase the level of projects achieved from 63% in 2013 to 76% in 2014. This would not have been possible without the support from the staff at the Secretariat, our members, institutional and other partners.

Considering the 2015 to 2019 Corporate Plan as deliberated at the 11<sup>th</sup> Governing Board meeting, it sets the strategic direction and extremely exciting vision for the organisation. I am of the opinion that it will provide a sound platform to continue the journey towards developing member SAIs.

As an organisation we acknowledge the effect which our activities have on the social, economic and environmental areas, and therefore, this report reflects the sustainability information in accordance with the GRI guidelines. We will continue with initiatives to reduce potential negative practices and to be seen as an organisation that promotes transparency and accountability.

Lastly, I want to thank our member countries, donors, institutional partners and other partners and staff for their continuous support, financial assistance, human resources and the knowledge and information that they have so generously shared. Without their support and assistance the much needed projects and work would not have been possible, and we look forward to continuing with these valuable partnerships.



Wessel Pretorius  
Chief Executive Officer

# SECTION TWO

- Performance at a glance - 2014 Work Plan
- Overview of the Secretariat

# PERFORMANCE AT A GLANCE - 2014 WORK PLAN

Two of our Statutes' objectives are to enhance the audit performance of our members; and develop and share resources in the region. On the basis of this, our products (methodologies) and material are jointly developed by our members, institutional partners and the Secretariat. This approach allows for:

- Constantly identifying and implementing new initiatives and methodologies, learning from each other;
- Considering and using, where relevant, existing methodologies while material and other good practices, avoiding a duplication of efforts;
- Our methodologies and material to accommodate regional perspectives and scenarios;
- A cost effective and efficient approach as it optimises time and resources for member SAIs.

## 2010-2014 Strategic imperatives

1. *Independence of the SAI*
2. *Use of IT in auditing*
3. *HR practices and management development*
4. *Quality assurance*
5. *Performance auditing*
6. *Communication and stakeholder management*

Over the past few years we have supplemented the development of material with customisation workshops where SAIs are in a workshop environment systematically guided and assisted to customise material for their own unique circumstances and to make it SAI or country specific.

The approved 2014 Work Plan was founded on a needs-driven basis after consultation with our members, institutional and other partners. It took into account the status of existing projects and new initiatives identified throughout 2013 which warranted research, support or training. The 2014 Work Plan was ambitious, but it was a stark reminder of the challenges ahead to ensure that SAIs function effectively and efficiently and ultimately achieve the required Institutional Capacity Building Framework (ICBF) levels.

In 2014 there were 122 events or activities. They involved 2060 participants of which 60% were male and 40% female (Table 1). The activities and events ranged from customising manuals to be SAI or country specific, development work on new thematic areas and updating existing material, to the provision of training, conducting quality assurance reviews, a joint audit on extractive industries and support visits.

<b>Table 1: Overview of 2014 events and activities</b>					
<b>Type</b>	<b>Events</b>		<b>Participation</b>		
	<b>No. of events</b>	<b>% of Total events</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>
Development Work - research	11	9%	118	66	52
Development Work - updating material	21	17%	200	122	78
Management Development Programme in a specific country	6	5%	291	176	115
Management Development Programme involving multiple countries	2	2%	49	29	20
Stakeholder meetings*	17	14%	279	187	92
Support visits to SAIs and Quality assurance reviews**	19	16%	61	42	19
Training done in a specific country	21	17%	286	182	104
Training/customisation involving multiple countries	25	20%	776	426	350
	<b>122</b>	<b>100%</b>	<b>2060</b>	<b>1230</b>	<b>830</b>
* Includes Governing Board meeting					
** Not including staff from the SAI being reviewed					

One of the recommendations in the independent evaluation report that was submitted to the AFROSAI-E Governing Board in Ethiopia in May 2014, was for the Secretariat to focus more on the implementation of tools on SAI level.

An analysis of the activities in-country on SAI level indicated that 46 (38%) of the 2014 activities were done on SAI level and included 638 participants (Table 2).

<b>Table 2: Overview of 2014 events and activities on SAI level</b>				
<b>Type</b>	<b>No. of events</b>	<b>Total participants</b>	<b>Male</b>	<b>Female</b>
Quality Assurance reviews	11	47	31	16
Support visits***	8	14	11	3
Management Development Programme in a specific country	6	291	176	115
Training done in a specific country	21	286	182	104
	<b>46</b>	<b>638</b>	<b>400</b>	<b>238</b>
*** Only includes staff from the Secretariat				

The Work Plan for 2014 included 93 projects (2013: 70). Of those, 71 (76%) were finalised (achieved), 14 (15%) were work in progress (partially achieved) at year-end and 8 (9%) were postponed or not commenced (Table 3). The achieved level for the Strategic imperatives improved from 58% in 2013 to 77% in 2014, while the operational interventions remained marginally the same.

**Table 3: Outcomes of the 2014 and 2013 Work Plans**

	2014				2013			
	Total	Achieved	Partially achieved	Not achieved	Total	Achieved	Partially achieved	Not achieved
Strategic Imperatives	57	44	9	4	53	31	13	9
Operational Interventions	36	27	5	4	17	13	0	4
	<b><u>93</u></b>	<b><u>71</u></b>	<b><u>14</u></b>	<b><u>8</u></b>	<b><u>70</u></b>	<b><u>44</u></b>	<b><u>13</u></b>	<b><u>13</u></b>
Percentage		<b><u>76%</u></b>	<b><u>15%</u></b>	<b><u>9%</u></b>		<b><u>63%</u></b>	<b><u>19%</u></b>	<b><u>19%</u></b>

## OUTCOMES / ACTIVITIES PER STRATEGIC IMPERATIVE

### *SI 1: To obtain as great a level of independence as possible under prevailing circumstances*

Independence is the foundation in the Lima and Mexico declarations (ISSAI 1 & 10). In 2014 direct requests by SAIs for assistance in reviewing their legislation has stabilised. However, what was observed is that there is a need for SAIs in implementing the legislative pronouncements in practice. To assist with this, the Secretariat has embarked on developing the independent toolkit that can be used as guidance by SAIs to develop legislative frameworks in compliance with ISSAI 1 and 10.

Although guidance material on support functions such as developing human resource policies and procedures, including for the appointment of staff, performance management processes, staff retention and promotion and opportunities for professional development and growth, is available it still requires a huge effort from SAIs to customise and align it with country requirements and circumstances.

One of the biggest challenges for SAIs is to achieve a reasonable level of administrative independence to enable them to recruit and maintain professional staff. AFROSAI-E's focus on professionalisation will certainly assist SAIs to close this gap.



## *SI 2: To improve information technology infrastructure and optimise the utilisation thereof*

On the management of IT, it was observed that most SAIs need to improve technology infrastructure to get optimal use thereof.

AFROSAI-E continued advocating innovative use of technology, calling on SAIs to explore ways in which they can improve their core functions with the use of IT. This does not necessarily have to be new IT investments, but can include better use of existing technology. An example is the use of MS Excel as a data analysis tool.

Enhancements to the audit flow were finalised in August after a knowledge and experience sharing workshop with countries using it. The audit flow, combined with the regularity audit manual (RAM) was then implemented in four SAIs, namely:

- Lesotho
- Nigeria
- Swaziland
- The Gambia

Follow-up training on IT audit for regulatory auditors took place in June 2014 to enable regularity auditors to carry out general computer controls as part of the financial audits. Of the 12 SAIs that participated in the initial workshop in 2013, eight of them conducted audit assignments. Reports from the General Computer Controls (GCC) were both peer and expert reviewed at the workshop.

AFROSAI-E also continued underlining the importance of performing IT control audits and reports thereon, especially IFMIS, as well as incorporating basic IT auditing into regularity audits.

Two one-week courses were held on alternative Computer Aided Audit Techniques (CAATs) for data analysis, using MS Excel. This empowered participants with techniques which were initially thought to be only available through using more complex IT systems. However, using CAATs for data analytics during audits must be advanced, especially due to the increasing use of IT systems and platforms and the volume of transactions associated with it.

Furthermore, a pilot project was done on the concept of Code Analysis. This is an analysis of the customised programming of an IT system to detect defective or fraudulent code and improper coding practices. Although the pilot did not yield the anticipated results, it remains a high risk audit area to SAIs and will be further explored.

Other areas that were identified as requiring future interventions are:

- Audit of IFMIS;
- Fraud & Security training, including data analysis;
- IT Management for IT staff; and
- More complex data analytics.

The regional IT audit champions were used for various training programmes and interventions, and it is anticipated that they will be fully utilised within the SAIs.

### *SI 3: To apply best practices in human resource management*

#### ➤ *Human resources training*

Human Resource Management (HRM) is the overall concept for all the policies, plans and procedures that enable the SAI to attract, motivate and retain highly skilled professionals. Thus, it is fundamental to have good strategies and practices in HRM as well as high competence in the area. Clear strategic and well adopted HRM procedures help employees to understand what is expected from them. As such the importance of a professional HR function is crucial in facilitating the development of policies, plans and procedures.

The annual workshop for regional Human Resource experts and practitioners was attended by 22 regional delegates from 13 SAIs. The workshop was designed to respond to the ongoing changes in HRM practices with specific focus on regional needs based on the AFROSAI-E HRM Handbook. The main objectives of the workshop were to:

- Enable participants to understand their role in the SAIs' Performance Management system, processes and tools and their roles in the change management process; and
- Update participants on the ICBF and ISSAIs and how it affects HRM functions in the SAI.

A HR workshop was held for 34 managers of the SAI of Namibia. The purpose was to support the SAI to develop a comprehensive HRM roadmap for the current strategic period and addressed people management issues they encounter in their everyday work environment.

#### ➤ *Management development programme*

A MDP workshop for 33 executive leaders (Deputy Auditors-General) and a workshop for 28 senior managers were held.

A regional facilitation skills workshop for MDP champions took place in October 2014 in which 14 managers participated. The purpose of this workshop was to create an additional pool of MDP champions for SAIs that are rolling out the programme.

AFROSAI-E conducted MDP rollout workshops in Ghana, Swaziland, Rwanda and the Gambia and a total of 192 managers participated in those workshops.

Two MDP follow-up workshops were conducted at the SAIs of Lesotho and Namibia and were attended by 22 and 34 managers respectively. The workshops covered topics on situational leadership and supervision.

In total, 24 countries participated in MDP initiatives in 2014 and 340 senior, operational and top managers participated. These managers were exposed to the MDP package, key knowledge, skills and attitudes (KSAs) for managers and facilitation skills.

➤ *Executive leadership development programme*

During the MDP workshops in 2013 it was discovered that there were still skills gaps at the executive leadership level. Consequently, the Executive Leadership Development Programme (ELDP) was launched at the 11<sup>th</sup> Governing Board meeting in cooperation with the SNAO. Subsequent to the launch an AG's Seminar was conducted in November 2014 to discuss and agree on the structure, selection criteria and timelines of the programme. Thirteen SAIs were represented in this seminar and the first course is scheduled for June 2015.

➤ *Professionalisation of public sector auditing and accounting*

A concept note was written which detailed the history and current need for professionalising the Public Sector in Africa. A workshop to affirm the need for professionalisation then followed which resulted in a Strategy for Implementation. This Strategy was endorsed by the Governing Board at its 11<sup>th</sup> meeting.

According to the Strategy, an Interim Oversight Board consisting of up to five members of the Governing Board must be established. This was not achieved during the reporting year, but it is envisaged that the structure will be finalised at the 12<sup>th</sup> Governing Board meeting in 2015.

A Competencies Framework detailing public sector specific competencies and differences between the public and private sectors was developed and discussed thoroughly at a development workshop in November 2014. This document will be used as baseline for engagements with regional organisations, Professional Accounting Organisations and others and for it to ultimately be used for curriculum development.



#### *SI 4: To exercise quality control over audit services rendered, focusing on both technical and institutional issues*

AFROSAI-E strives to conduct quality assurance reviews at all member SAIs on a rotation basis over at least a three-year cycle.

The format of the review depends on the results of previous quality assurance reviews and the SAIs' internal quality assurance structures. A review can focus on institutional level, regularity audit and performance audit, or a combination of the three. The review report is a confidential document between AFROSAI-E and the Auditor-General of the SAI reviewed. However, the knowledge and insights gathered during the quality assurance reviews is used as input into the AFROSAI-E planning process.

**Table 4: Annual quality assurance reviews conducted**

<b>Year</b>	<b>No. of reviews carried out</b>
2012	10
2013	7
2014	11

A supervision and review workshop was held for 23 participants. The focus of the workshop was to assist SAIs in strengthening their internal quality assurance functions, as a strong and effective quality assurance function in a SAI will greatly support the overall goal of improving the quality of audits for that SAI.

## *SI 5: To promote performance auditing in the region so that meaningful performance audits can be carried out*

AFROSAI-E completed two three-module performance audit training courses which started in 2013. Three new 3-module courses commenced during 2014, two courses presented concurrently in South Africa and one course in Nigeria. The modified version of the course initiated in 2013, where the SAI of Mauritius took responsibility for training the basic modules, was also completed by presenting modules 2 and 3 in Mauritius. 141 performance auditors participated in the different courses, including five auditors from the SAI of Cameroon who is a member of AFROSAI-F.

In addition, a specially designed one-week course based on the three-module course materials, were presented to 28 performance auditors of the AGSA, and a needs driven course on Quantitative Data Analysis was presented to 25 performance auditors of the AGSA.

A three-day report writing course for performance auditors was presented to 30 participants in November 2013.

During 2014, AFROSAI-E provided on-site support and one mission each to Rwanda, Seychelles, Tanzania, Uganda, Zambia, Zimbabwe as well as two missions to Mozambique. Performance auditing quality assurance reviews were done in Namibia, Mozambique and Lesotho, together with follow-up reviews in three other countries.

The AFROSAI-E Template Performance Audit Manual with working papers was completed and presented at the Technical Update in November 2014, together with the first regional version of the Template Performance Audit Flow. The Audit Flow is a web-page interface giving users easy access to the manual, working papers and guiding documents for performance auditing. Work commenced on the development of the first e-learning functionality and will be available in 2015.

While the work on the development of the Template Manual was still being done, Tanzania and Zimbabwe were supported to customise the template into national manuals. Based on these experiences a customisation workshop was organised where Botswana, Lesotho, Malawi, Namibia, Uganda and the African Union Commission Internal Auditors customised their manuals based on the template. Both these processes also provided input to the finalisation of the template manual.

The AFROSAI-E prize for the best performance audit report for 2013 was presented to the SAI of Uganda at the Governing Board Meeting in May 2014. This was for the report on the Management of Blood Transfusions.

## ***SI 6: To improve communication and relationships with stakeholders with a view to promote awareness of the SAI's function and its impact on society***

### **Website**

Enhancements to the website were made to align it with the rejuvenated brand. The website makes use of the latest mobile responsive web technologies to ensure security for registered users and a good user experience for all visitors, including those who access the web through mobile devices.

Other functionalities and enhancements included:

- Quick access buttons to make navigation easier;
- Search and filter options for events, publications and reports; and
- The option to add an event to the user's calendar.

### **The Annual Communication Workshop**

For many years, AFROSAI-E has been partnering with the SNAO to enhance Communication, with the belief that a professional corporate service is core in order to operationalise strategic plans.

The main theme for the workshop was Internal Communication and the topics discussed included:

- Strategic Communication: Partnering with the broader SAI community;
- Benchmarking stakeholder communication through:
  - A study visit to SAI South Africa
  - SAI/PAC relations
- The importance of internal communication;
- Supporting top management in times of change; and
- Communicating with regularity audit.

### ***Outputs***

At the end of the workshop the communication practitioners had:

- An understanding of how communication experts and managers can support SAIs at a strategic, practical, tactical and operational level.
- A better understanding of tools and processes within a Communication division.
- Elaborated project plans concerning strategically, tactically and/or operationally important areas for SAIs.
- Established a network of practitioners and experts in Communication.

## Communication between SAIs and Public Account Committees

Following up from the development of the toolkit in 2013 and the training of six countries, a review meeting was organised by AFROSAI-E and GIZ. Twenty seven participants refined the toolkit and planned future roll-outs thereof in other countries.

Following the review meeting, a training workshop was delivered to 14 participants from seven other SAIs to expand the group of regional champions with the knowledge, skills and attitudes to advocate, initiate and effectively facilitate positive and sustained changes to strengthen SAI/PAC relations in their countries and region.

By the end of the workshop the participants were able to:

- Demonstrate knowledge about the AFROSAI-E SAI/PAC communication tool kit and related materials;
- Facilitate improvement of the quality of audit reports and how to respond to the needs of PACs;
- Use facilitation skills effectively in their supervisory roles, team works, and during training activities; and
- Make appropriate recommendations on how audit reports and communication with PACs can be improved;

By February 2015 all seven SAIs had signed a MOU with AFROSAI-E on the roll-out thereof in their respective countries, showing their commitment to the implementation of the toolkit and a follow up workshop was held in March 2015 to discuss the progress of the activities as agreed upon in the MOU's.

## **OUTCOMES/ACTIVITIES PER OPERATIONAL INTERVENTION**

### **1. Annual Technical Update – English Speaking SAIs**

The 9<sup>th</sup> technical update held in November 2014 was attended by 91 representatives, and the outputs included:

- The launch of the first regularity audit e-learning module;
- An overview of the leadership course and MDP;
- Audit flow for Performance auditing;
- Update on the Extractive Industries collaborative audit;
- Guidance on how to audit Performance Information;
- Progress outcomes of the SAI/PAC Communication Project;
- Environmental impact assessments; and
- Fiscal governance and how to consider it in an audit.

Because Liberia and Sierra Leone were unable to travel due to the Ebola outbreak, all the proceedings of the technical update were recorded and made available electronically to all SAIs.

At the subsequent regularity and performance audit refresher workshops the participants were trained on the following documents:

- Draft Performance Audit Manual;
- Guidance on Report Writing;
- Exposure Draft on Audit of Fraud and Corruption;
- Exposure Draft on Forensic Auditing; and
- Guideline on Audit of Environmental Impact Assessment (EIA) Studies.

### **2. Annual Technical Update – Portuguese Speaking SAIs**

In August 2014 a Technical Update was presented to the Portuguese speaking member SAIs, as well as the SAIs from Cape Verde, Guinea-Bissau and Sao Tome. The update was attended by 30 people and included:

- Discussions on the Judgment process and the similarities and differences between the SAIs;
- Group discussion and sharing of experiences between the Councilors;
- The compilation of audit reports for judgment by the auditors;
- Performance audit manuals and activities;
- The auditing of extractive industries and public works; and
- Citizen involvements during audits.

### 3. Other technical activities

AFROSAI-E and IDI jointly organised a collaborative audit on Extractive Industries, which was based on the guideline that was developed in 2013. Seven member SAIs participated with a common audit topic executed in parallel.

The topic selected by the SAIs was on the effectiveness of national content provisions in their respective legislation in achieving desired outcomes for local and national economic development.

Three activities took place namely a:

- Start-up workshop to agree on a common topic;
- Planning workshop to design the audit; and
- Review meeting to peer review and improve the quality of the draft reports.

The SAIs will table their reports in 2015.

### 4. Assistance to other SAIs

Ongoing assistance was provided on other areas through bilateral and in-house support as agreed upon in terms of references.

MOUs were signed with the following member SAIs in 2014:

- Botswana;
- Lesotho;
- Sudan;
- Swaziland; and
- The Gambia.

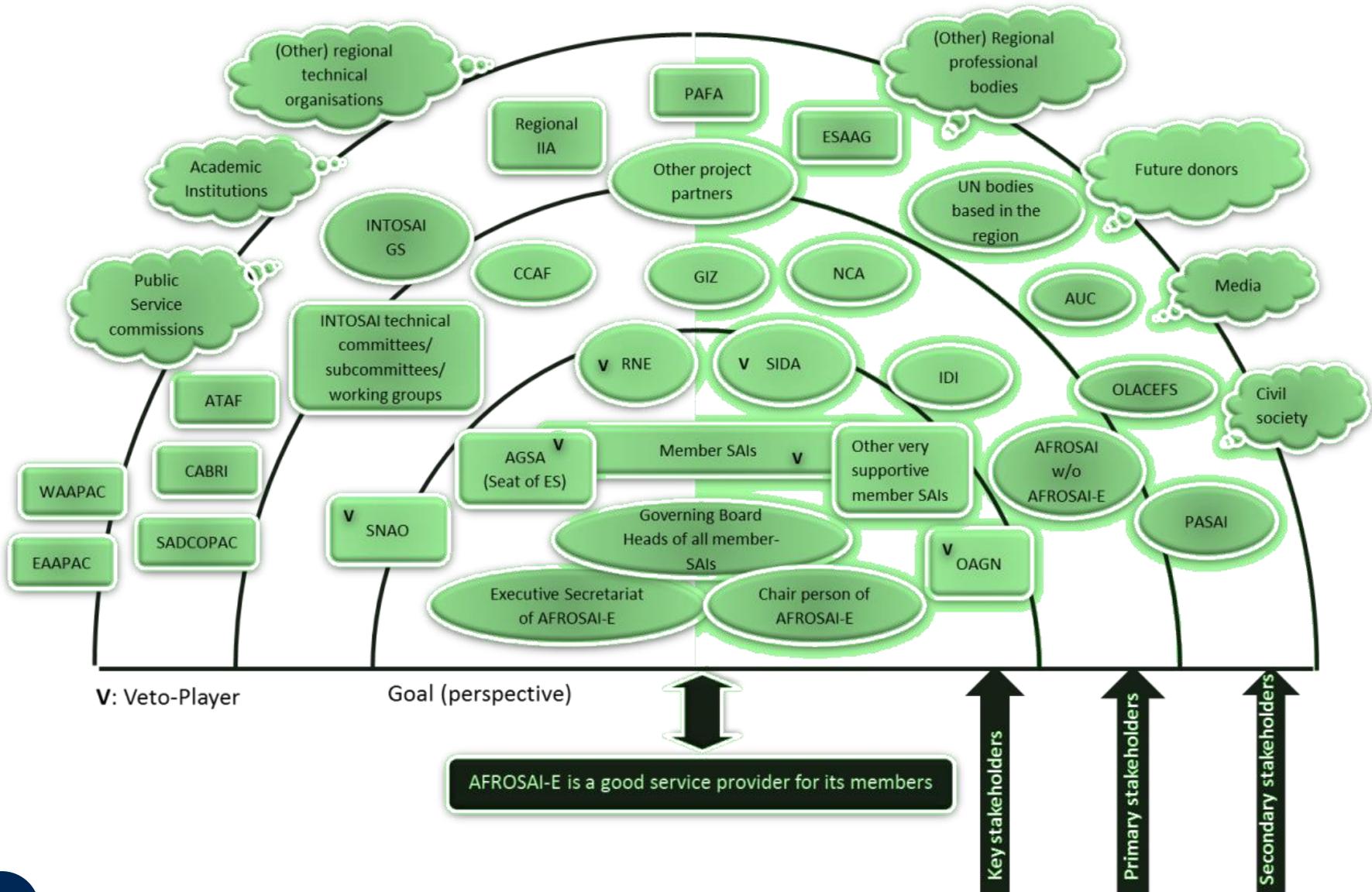
### 5. Stakeholder engagements

The Secretariat concluded its stakeholder analysis in early 2014, identifying key stakeholders and the intensity level for AFROSAI-E's relationships that would maximise benefit over cost.

Stakeholders were ranked into three groups, namely key stakeholders, primary stakeholders and secondary stakeholders.

In accordance with the stakeholder map (page 26), members of the Secretariat participated in various other conferences, technical forums, meetings and workshops.

# STAKEHOLDER MAP



## These included:

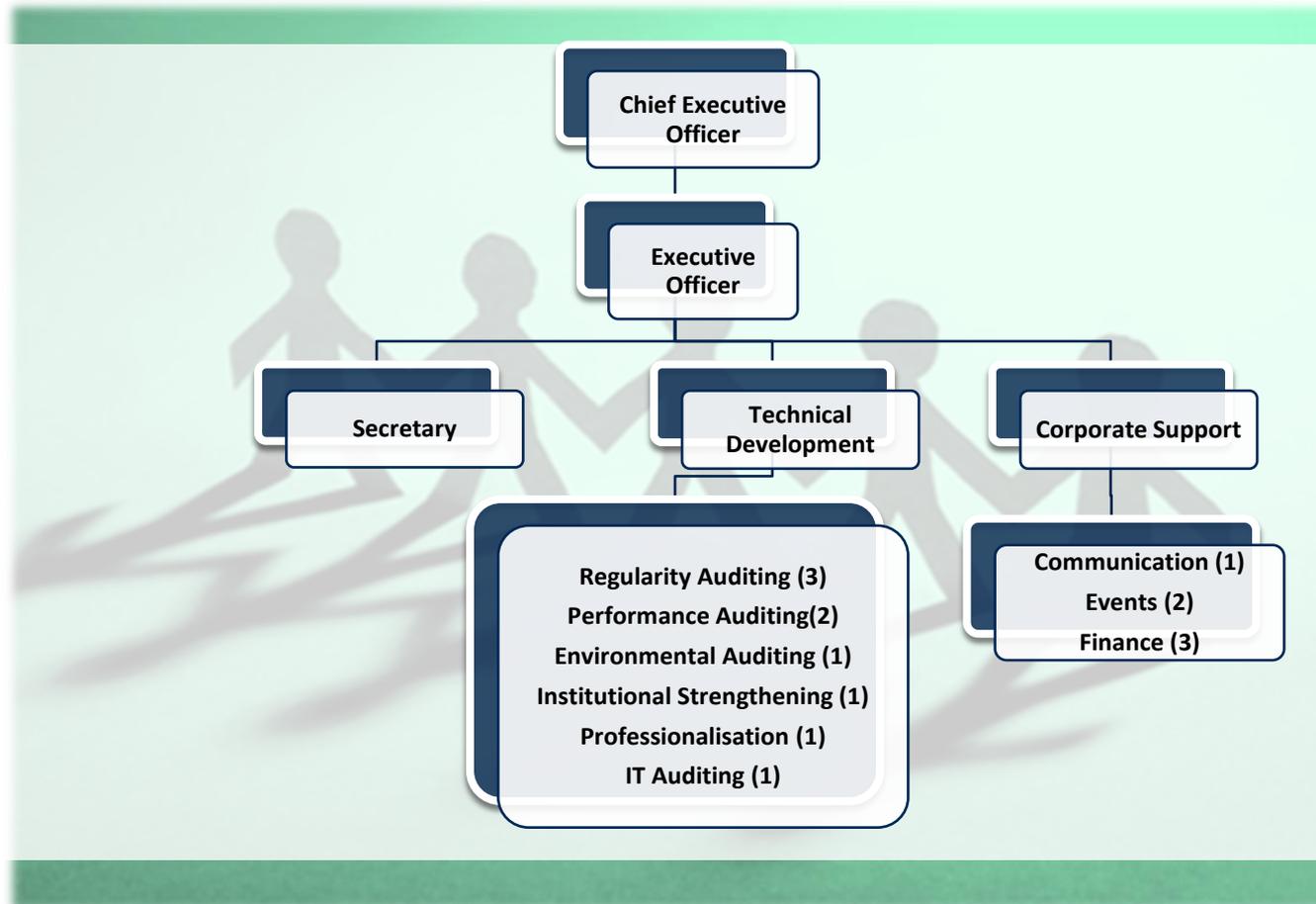
- AFROSAI:
  - Attended the General assembly in Egypt;
  - Participated in the committees on Strategic Planning and Coordination and, Finance and Administration; and
  - Made presentations at the Working Group on Environmental Auditing .
- African Organisation of Public Accounts Committees (AFROPAC)
- Attended the EUROSAI Congress
- Participated in the East and Southern African Association of Accountants General (ESAAG) annual conference
- IDI:
  - IT audit capacity building programme
  - Working group on SAI Performance Measurement Framework
- INTOSAI:
  - Capacity Building Subcommittee
  - Donor Steering Committee
  - Professional Standards Committee
  - SAI PMF working group
- Engaged with a number of organisations on the topic of Professionalising Public Sector Auditing and Accounting
- Applied for observer status of the INTOSAI Working Group of Information Technology Audit (WGITA), Working Group of Compliance Audit and Performance Audit Standards Committee.

# OVERVIEW OF THE SECRETARIAT

## 1. SECRETARIAT CAPACITY

The approved staff establishment (Figure 1) remained the same from 2013 with eighteen positions. Seventeen positions were filled on 31 December 2014, of which ten (59%) were male and seven (41%) female.

Figure 1: Organisational structure



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

**Table 5: Position funded by / seconded from:**

AFROSAI-E directly contracted	7
AGSA	6
SNAO	3
	<b>16</b>
Secondments from:	
OAGN	1
SNAO	1
	<b>2</b>

The appointment of the Chief Executive Officer is made by the Governing Board, after consultation with the Head of the SAI hosting the Secretariat.

The Secretariat welcomed two new staff members:

- Joshua Asimwe was appointed as performance audit manager, on secondment from the Office of the Auditor-General of Uganda.
- Henry McGregor was appointed as regularity audit assistant manager, and subsequently also qualified as a Chartered Accountant (South Africa).

## Code of conduct

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

## 2. Institutional partners and donors

Donor agreements with the Swedish International Development Cooperation Agency (SIDA) and the Royal Norwegian Embassy (RNE) in South Africa enabled the Secretariat to perform its functions during 2014. It was supplemented with support from our institutional partners with high-level technical support, assistance and human resources (HR), without which many of the projects and deliverables would not have been possible.

The funding agreement with SIDA amounting to 4 000 000 SEK per year ended December 2014. The Secretariat has started negotiations with SIDA to enter into a new funding agreement.

The SNAO and OAGN agreements also ended 31 December 2014. New agreements have been entered into, both which are in place until 31 December 2017.

### 3. FINANCIAL POSITION

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

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

According to the value added statement (Table 6), membership fees contributed 25% towards the total value added in 2014. 18% was from the AGSA as agreed upon in the MOU and 7% came from membership fees. The membership fees contribution increased by 3%, due to the increased membership fees as approved by the Governing Board in 2013, and the principle of a once of joining fee for new members as approved at the Governing Board in May 2014.

But, the majority of funding still came from donor support as donor funds accounted for 74% of the available funding.

**Table 6: Summary value-added statement for 2014 and 2013**

	2014		2013	
	%	US\$	%	US\$
Membership fees	7	136 066	4	76 348
Donor funds	74	1 444 657	76	1 556 246
Support from AGSA	18	340 676	16	317 028
Other income	1	18 900	4	79 676
<b>Total value added</b>	<b><u>100</u></b>	<b><u>1 940 299</u></b>	<b><u>100</u></b>	<b><u>2 029 299</u></b>
<b>Applied as follows:</b>				
Capacity building (training and development) costs	66	1 276 460	36	726 205
Operational expenditure	54	1 065 771	36	728 782
Retained /(outflow) in the organisation	(20)	(401 933)	28	574 312
<b>Total value added</b>	<b><u>100</u></b>	<b><u>1 940 299</u></b>	<b><u>100</u></b>	<b><u>2 029 299</u></b>

The cost of training and technical development increased by 76% from US\$726 205 to US\$1 276 460. while operational expenditure increased by 44% from US\$728 782 to US\$1 065 771. The nett result for the year was an outflow of US\$401 933 (20%).

The 20% outflow can be attributed mainly to the following:

### ***Training and technical development***

- As reported in the 2013 annual report US\$526 000 was received from the RNE in the third and fourth quarters of that year. The Secretariat, therefore, accelerated some projects in 2014 to catch up on projects that were postponed or delayed in 2013.
- Many of the initiatives focused on the implementation of ISSAIs, which is important to improve the compliance with standards. The number of participants in our events and activities increased by 46% from 1415 in 2013 to 2060 in 2014. This increased the Secretariat's costs for daily conferencing facilities, equipment and training material as well as logistical support.
- The sourcing of additional external services of part-time subject matter experts was utilised in exceptional cases to ensure the integrity and quality of documentation and to supplement internal capacity amounted to approximately US\$123 740 and related to regularity audit research and support, research on the Professionalisation of Public Sector Auditing and Accounting, and MDP courses.

- The Secretariat, based on the Governing Board's recommendation, considered the request to support members to participate in training and other events. The Secretariat paid for two participants per country for workshops and events from July to December 2014. This amounted to approximately US\$216 000.
- The number of quality assurance reviews increased from seven in 2013 to 11 in 2014.
- Direct costs incurred to conduct 27 in-country capacity building events.

### ***Operational expenditure***

- Two staff appointments made in the latter part of 2013 increased the salary costs for 2014, while the IDI funding for one senior manager ended on 31 December 2013. The Secretariat, therefore, had to pay those costs from 2014.
- There was a relative small exchange rate variance between the budgeted and actual rates. The functional currency used by the secretariat is South African Rand (ZAR), while the reporting currency is United States Dollar (US\$). The budget for 2014 was compiled using an estimated exchange rate of US\$1: ZAR11.00, but the actual average rate for 2014 was US\$1: ZAR11,69.

Table 7: details changes in the key financial components from 2013 to 2014. Gross revenue decreased by 4.2%, while total expenditure increased by 60% from 2013. The net current asset situation decreased by 39.4% to a total of US\$696 423

**Table 7: Key financial components and changes from 2013 to 2014**

Component	2014 US\$	2013 US\$	Change US\$	Change %
<b>Total value</b>	1 932 107	2 017 849	(85 742)	(4.2)
Donor funding and support*	1 785 333	1 873 275	(87 942)	(4.7)
<b>Total expenditure</b>	2 348 361	1 459 954	888 407	60.9
Total capacity building costs**	1 276 460	726 205	550 255	75.8
Operational expenditure	1 065 771	728 781	336 990	46.2
<b>Net current assets</b>	696 423	1 149 092	(452 669)	(39.4)

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

\*\* The total direct cost relating to training interventions amounted to US\$1 276 460 (2013: US\$726 205), or approximately US\$620 per participant (2013: US\$513 per participant).

There were also financial contributions from the OAGN and SNAO which are not reflected in the annual financial statements. These contributions amounted to US\$ 1 685 558 in 2014 (2013: US\$1 922 628) (Table 8).

For the first time information was requested from members on the financial contributions made by them towards AFROSAI-E activities. The direct costs incurred included:

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

Six SAIs provided information regarding the costs incurred. The average per SAI was US\$75 595 or approximately US\$1 890 000 in total if extrapolated to all 25 members.

**Table 8: Contributions not reflected in the annual financial statements**

<b>Organisation</b>	<b>2014 US\$</b>	<b>2013 US\$</b>
Office of the Auditor-General of Norway	730 000	730 000
Swedish National Audit Office	955 558	1 192 628
Member SAIs (6 respondents)	453 570	*
<b>Total</b>	<b>2 139 128</b>	<b>1 922 628</b>

\* Comparative information not available

# SECTION THREE

- Report of the Independent Auditor
- Report of the Governing Board
- Annual Financial Statements

# REPORT OF THE INDEPENDENT AUDITOR

We have audited the financial statements of AFROSAI-E set out on pages 38-50, which comprise the statement of financial position as at 31 December 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

## **Governing Board's Responsibility for the Financial Statements**

The Governing board is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium Sized Entities and in the manner required by the Statutes of AFROSAI-E, and for such internal control as the Governing Board determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

## **Auditor's Responsibility**

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

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

## **Audit Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of AFROSAI-E as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium Sized Entities and in the manner required by the Statutes of AFROSAI-E.

## **Other matters**

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 18 does not form part of the financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

## **Other reports required**

As part of our audit of the financial statements for the year ended 31 December 2014, we have read the Governing Board's Report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. The report is the responsibility of the Governing Board. Based on reading the Governing Board's Report we have not identified material inconsistencies between the report and the audited financial statements. However, we have not audited the Governing Board's Report and accordingly do not express an opinion thereon.



**MAZARS**  
**Partner: AF Naberman**  
**Registered Auditor**  
**20 April 2015**  
**Pretoria**

# REPORT OF THE GOVERNING BOARD

The Governing board is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs and in the manner required by the Statutes of AFROSAI-E; and for internal control as deemed necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

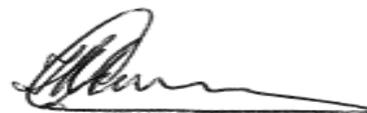
The financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable judgments and estimates.

We have reviewed the audited financial statements of AFROSAI-E set out on pages 38-50, which comprise the statement of financial position as at 31 December 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

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

The Governing Board has reviewed the organisation's cash flow forecast for the year to 31 December 2015 and, in the light of this review and the current financial position, they are satisfied that the organisation has access to adequate resources to continue in operational existence for the foreseeable future, subject to the attainment of donor support as reflected in this annual report.

In terms of Article 15.4 of the Statutes and Regulations these financial statements are signed on behalf of the Governing Board by the Head of the SAI hosting the secretariat and the Chief Executive Officer.



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



Mr MW Pretorius  
Chief Executive Officer  
on behalf of the Governing Board  
**Pretoria**

# ANNUAL FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL POSITION

	Note	2014 US\$	2013 US\$
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	24 685	23 035
Intangible assets	2	24 164	22 061
		521	974
<b>Current assets</b>			
Trade and other receivables	3	769 072	1 200 239
Cash and cash equivalents	4	26 197	74 830
		742 875	1 125 409
<b>Total assets</b>		<b>793 757</b>	<b>1 223 274</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Foreign currency translation reserves		721 108	1 172 127
AFROSAI-E membership fees		(216 548)	(173 592)
Retained income	5	277 464	235 764
		660 192	1 109 955
<b>Current liabilities</b>			
Trade and other payables	6	72 649	51 147
Deferred income	7	56 578	35 147
		16 071	16 000
<b>Total equity and liabilities</b>		<b>793 757</b>	<b>1 223 274</b>

## STATEMENT OF COMPREHENSIVE INCOME

	Note	2014 US\$	2013 US\$
Gross revenue	8	1 932 107	2 017 849
Loss on foreign exchange		(14 948)	(396)
Operating costs		(2 333 413)	(1 459 558)
Operating/(Shortfall) surplus	9	<u>(416 254)</u>	<u>557 894</u>
Investment income	10	8 191	11 450
<b>(Shortfall) / Surplus for the year</b>		<b><u>(408 063)</u></b>	<b><u>569 344</u></b>



## STATEMENT OF CHANGES IN EQUITY

	Foreign Currency Translation Reserves	AFROSAI-E membership Fees	Retained Income	Total
	US\$	US\$	US\$	US\$
<b>Balance at 1 January 2013</b>	(48 874)	210 114	566 260	727 500
Surplus for the year	0	0	569 345	569 345
Transfer to membership fees reserve	0	25 650	(25 650)	0
Foreign currency translation reserves	(124 718)	0	0	(124 718)
<b>Balance at 31 December 2013</b>	<b>(173 592)</b>	<b>235 764</b>	<b>1 109 955</b>	<b>1 172 127</b>
Shortfall for the year	0	0	(408 063)	(408 063)
Transfer to membership fees reserve	0	41 700	(41 700)	0
Foreign currency translation reserves	(42 956)	0	0	(42 956)
<b>Balance at 31 December 2014</b>	<b>(216 548)</b>	<b>277 464</b>	<b>660 192</b>	<b>721 108</b>

## STATEMENT OF CASH FLOWS

		<b>2014</b>	<b>2013</b>
	<b>Note</b>	<b>US\$</b>	<b>US\$</b>
<b>Cash flows from operating activities</b>		<b>(369 847)</b>	<b>362 520</b>
Cash generated by operating activities	11.1	(335 082)	475 788
Interest received		8 191	11 450
Foreign currency translation reserves		(42 956)	(124 718)
<b>Cash flows from investing activities</b>		<b>(12 687)</b>	<b>(21 084)</b>
<i>Expenditure to maintain operating capacity</i>			
Property, plant and equipment acquired		(12 687)	(21 084)
<b>(Decrease) / Increase in cash and cash equivalents</b>		<b>(382 534)</b>	<b>341 437</b>
Cash and cash equivalents at the beginning of the year	11.2	1 125 409	783 972
<b>Cash and cash equivalents at the end of the year</b>	11.2	<b>742 875</b>	<b>1 125 409</b>

# ACCOUNTING POLICIES

## PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with the IFRS for SMEs and historical cost basis.

### 1. Functional and Presentation Currency

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

### 2. Transactions and Balances

Foreign currency transactions are translated to the functional currency using the average spot rate applicable for the month. Gains and losses from settlement and translation of the monetary liabilities and assets translated at closing rates are reported in the Foreign Currency Translation Reserve in the Statement of Comprehensive Income.

### 3. Revenue

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

- **Membership Fees**

Revenue from membership fees is recognised when fees become due.

- **Donor funding**

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

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

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

- **Investment Income**

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

#### 4. Property, plant and equipment

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

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

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

The useful lives of items of property, plant and equipment have been assessed as follows:

- Office equipment                      6 years
- Computer equipment                3 years
- Vehicles                                4 years

Assets with a cost price of less than US\$1 000 are depreciated on acquisition. The assets are recorded in an asset register.

#### 5. Intangible assets

An intangible asset is recognised when:

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

Intangible assets are initially recognised at cost. Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

- Computer Software                      2 years

## 6. Financial instruments

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

A financial asset/(liability) is:

- A contractual right/(obligation) to receive/(pay) cash to another entity, or exchange financial assets or liabilities with another entity under conditions that are potentially favorable/(unfavorable).
- Financial assets/(liabilities) are recognised on the entity's statement of financial position when the entity becomes party to the contractual provisions of the instrument.
- Classification depends on the purpose for which the financial instrument was obtained/incurred and takes place at initial recognition.

The entity classifies financial assets and financial liabilities as follows:

- **Trade and other receivables**

Trade receivables are amounts claimable from another party owing to contractual or legal rights, other than investments. Trade receivables are recognised when it is probable that economic

benefits will flow to the entity and the amount can be measured reliably. Trade receivables are carried at original invoice amount less allowance for any uncollectable amounts. An allowance for estimated irrecoverable amounts is recognised in profit or loss when there is objective evidence that the asset is impaired.

- **Cash and cash equivalents**

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

- **Trade and other payables**

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

- **De-recognition of financial assets (liabilities)**

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

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 1. Property, plant and equipment

	2014 Accumulated			2013 Accumulated		
	Cost/valuation US\$	Depreciation US\$	Carrying value US\$	Cost/valuation US\$	Depreciation US\$	Carrying value US\$
<b>Owned assets</b>						
Office equipment	24 690	(13 754)	10 936	25 085	(20 396)	4 689
Computer equipment	19 347	(19 183)	164	19 767	(19 753)	14
Motor vehicle	19 838	(6 774)	13 064	19 838	(2 480)	17 358
	<b>63 875</b>	<b>(39 711)</b>	<b>24 164</b>	<b>64 690</b>	<b>(42 629)</b>	<b>22 061</b>

The carrying amounts of property, plant and equipment can be reconciled as follows:

2014	Carrying value beginning of year US\$	Additions US\$	Disposals US\$	Depreciation US\$	Carrying value end of year US\$
<b>Owned assets</b>					
Office equipment	4 689	11 801	(3 933)	(1 621)	10 936
Computer equipment	14	218	(1)	(67)	164
Motor vehicle	17 358	0	0	(4 295)	13 064
	<b>22 061</b>	<b>12 019</b>	<b>(3 934)</b>	<b>(5 982)</b>	<b>24 164</b>

2013	Carrying value beginning of year US\$	Additions US\$	Disposals US\$	Depreciation US\$	Carrying value end of year US\$
<b>Owned assets</b>					
Office equipment	6 223	0	(3)	(1 531)	4 689
Computer equipment	694	0	(2)	(683)	14
Motor vehicle	0	19 838	0	(2 480)	17 358
	<b>6 917</b>	<b>19 838</b>	<b>(5)</b>	<b>(4 694)</b>	<b>22 061</b>

## 2. Intangible assets

	<b>2014</b>		<b>2013</b>			
	<b>Accumulated</b>	<b>Carrying value</b>	<b>Accumulated</b>	<b>Carrying value</b>	<b>Carrying value</b>	
<b>Cost/valuation</b>	<b>Depreciation</b>	<b>US\$</b>	<b>Depreciation</b>	<b>US\$</b>	<b>US\$</b>	
<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	
Computer Software	669	(147)	521	2 927	(1 953)	974

The carrying amounts of intangible assets can be reconciled as follows:

<b>2014</b>	<b>Carrying value</b>	<b>Additions</b>	<b>Disposals</b>	<b>Amortisation</b>	<b>Carrying value</b>
	<b>beginning of year</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>end of year</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Computer Software	974	669	(974)	(147)	521

<b>2013</b>	<b>Carrying value</b>	<b>Additions</b>	<b>Disposals</b>	<b>Amortisation</b>	<b>Carrying value</b>
	<b>beginning of year</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>end of year</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Computer Software	2	1 246	0	(274)	974

<b>3. Trade and other receivables</b>	<b>2014 US\$</b>	<b>2013 US\$</b>
SAI Angola	0	13 500
SAI Botswana	0	6 000
SAI Gambia	0	3 000
SAI Kenya	0	922
SAI Liberia	0	3 371
SAI Malawi	3 000	0
SAI Sudan	11 929	0
SAI Tanzania	7 700	8 440
SAI Uganda	0	1 046
Trade debtors	0	38 551
Sundry debtors	3 568	0
	<u><b>26 197</b></u>	<u><b>74 830</b></u>

**Trade and other receivables past due but not impaired**

At 31 December 2014, trade and other receivables amounting to \$26 197 were past due but not impaired. The ageing of amounts past due but not impaired is as follow:

180 days	<u>22 629</u>	<u>74 830</u>
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**4. Cash and Cash Equivalents**

***Basket accounts***

US Dollar Account	275 552	346 252
ZAR Current Account	64 795	246 803
ZAR Call Account	19 427	178 201

***Membership accounts***

US Dollar Account	257 292	230 660
ZAR Investment Account	125 267	122 521

***Other***

US Dollar Account (IDI)	20	20
US Dollar Account (World Bank)	2	2
Cash on hand	520	950
	<u><b>742 875</b></u>	<u><b>1 125 409</b></u>

		<b>2014</b>	<b>2013</b>
<b>5. Retained income</b>			
An amount of \$41 700 (30%) of membership fees has been retained as per decision taken on 11 October 2004 by the Governing Board, and as disclosed in the Statement of Changes in Equity. An amount of \$97 300 (70%) has been transferred to the US\$ Donor Basket account.			
<b>6. Trade and other payables</b>			
Leave pay accrual		14 677	12 700
Trade Creditors		41 901	22 447
		<u><b>56 578</b></u>	<u><b>35 147</b></u>
<b>7. Deferred income</b>			
Membership fees prepaid		16 025	16 000
SNAO Long term expert		46	0
		<u><b>16 071</b></u>	<u><b>16 000</b></u>
<b>8. Gross Revenue</b>			
Gross revenue comprises membership fees and grants received from donors			
<b>Donor contributions</b>			
INTOSAI Development Initiative (IDI)		0	60 852
Royal Norwegian Embassy		488 091	526 397
Swedish International Development Agency (SIDA)		569 126	627 920
Swedish National Audit Office (SNAO)		387 440	341 077
<b>Membership fees</b>		136 066	76 348
<b>Secretariat support - AGSA</b>	12	340 676	317 028
<b>Other income</b>		10 709	68 226
		<u><b>1 932 107</b></u>	<u><b>2 017 849</b></u>

	2014	2013
<b>9. Operating surplus / (shortfall)</b>		
The operating surplus is stated after taking in to account the following expenses:		
Auditors' remuneration	11 796	9 466
Depreciation - Property, plant and equipment	5 983	4 693
Amortisation of intangible assets	147	274
Assets written off	3 939	0
Other expenses	2 311 548	1 445 125
Loss on foreign exchange	<u>14 948</u>	<u>396</u>
<b>10. Investment income</b>		
Interest received	<u>8 191</u>	<u>11 450</u>
<b>11. Notes to the cash flow statement</b>		
<b>11.1 Cash generated by operating activities</b>		
(Shortfall)/Surplus	(408 063)	569 345
Adjustments for:		
Depreciation and amortisation	6 130	4 967
Investment Income	(8 191)	(11 450)
Assets written off	<u>4 913</u>	<u>0</u>
Movements in working capital	(405 211)	562 862
Decrease / (Increase) in accounts receivable	48 633	21 722
Increase / (Decrease) in accounts payable	<u>21 496</u>	<u>(108 796)</u>
	<u><b>(335 081)</b></u>	<u><b>475 788</b></u>

## 11.2 Cash and cash equivalents

2014

2013

Cash and cash equivalents consist of cash on hand and balances with banks.

	4	<b>742 875</b>	<b>1 125 409</b>
Bank balances		742 355	1 124 459
Cash on hand		520	950

## 12. Contribution from the Auditor-General of South Africa

In accordance with the memorandum of understanding between AFROSAI-E and the AGSA, AFROSAI-E compiles an annual budget in compliance with the AGSA requirements for consideration and approval. AFROSAI-E is, furthermore, required to comply with the AGSA financial reporting requirements. The AGSA, as host of the Secretariat provides financial and logistical support such as office accommodation, certain assets, equipment and electricity and water.

Secretariat support		<u>340 676</u>	<u>317 028</u>
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## DETAILED STATEMENT OF FINANCIAL PERFORMANCE

	2014 US\$	2013 US\$
<b>Gross revenue</b>	<b>1 932 107</b>	<b>2 017 849</b>
Donor funding and support	1 785 333	1 873 275
Membership fees	136 066	76 348
Project income	10 709	68 226
<b>Other income</b>	<b>8 191</b>	<b>11 450</b>
Interest received	8 191	11 450
<b>Total income</b>	<b>1 940 299</b>	<b>2 029 299</b>
<b>Expenditure</b>	<b>2 348 361</b>	<b>1 459 954</b>
Amortisation	147	274
Auditors' remuneration	11 796	9 466
Depreciation	5 983	4 693
Assets written off	3 939	0
Loss on foreign exchange	14 948	396
Operating expenses - Secretariat	42 659	25 538
Professional fees - Secretariat	992 429	693 382
Project expenses	1 276 460	726 205
<b>(Shortfall) / Surplus for the year</b>	<b>(408 063)</b>	<b>569 345</b>

# SECTION FOUR

- Organisational Overview and Business Model
- Corporate Plan and Key Success Factors
- Report Profile

# ORGANISATIONAL OVERVIEW AND BUSINESS MODEL

## 1. Governing Board and subcommittees

The Governing Board is the supreme authority and has powers and responsibilities as set out in the Statutes.

The Chairperson and Vice-chairperson of the Governing Board are appointed by the Board for a term of three years and may be re-elected for a further one term or such shorter term as the Governing Board may decide.

The Governing Board is currently under the chairmanship of the Auditor-General of Sierra Leone. The Governing Board furthermore has four subcommittees.

- The **Capacity Building subcommittee** oversee matters pertaining to the planned outputs and performance of AFROSAI-E of the preceding year, including but not limited to the activity report, work plan outputs, stakeholder satisfaction and independent mid-term reviews, as well as work plan activities for the upcoming period.
- The **Financial subcommittee** oversee matters pertaining to the funding of AFROSAI-E and its programmes, including but not limited to membership fees, budgets, subsidisation policy and donor funding proposals.

- The **Human Resource** subcommittee oversee matters provided for in the Human Resource Regulations of AFROSAI-E.
- The **Audit Subcommittee** oversee matters pertaining to the financial performance of AFROSAI-E and its programmes, including but not limited to the financial statements and auditor's report, financial information contained in progress reports and the appointment of external auditors.

## 2. Secretariat

Under the new arrangement the Secretariat will be hosted by the AGSA until 31 December 2022. The Secretariat is subject to the law of South Africa, and is furthermore ruled by the Statutes and Regulations.

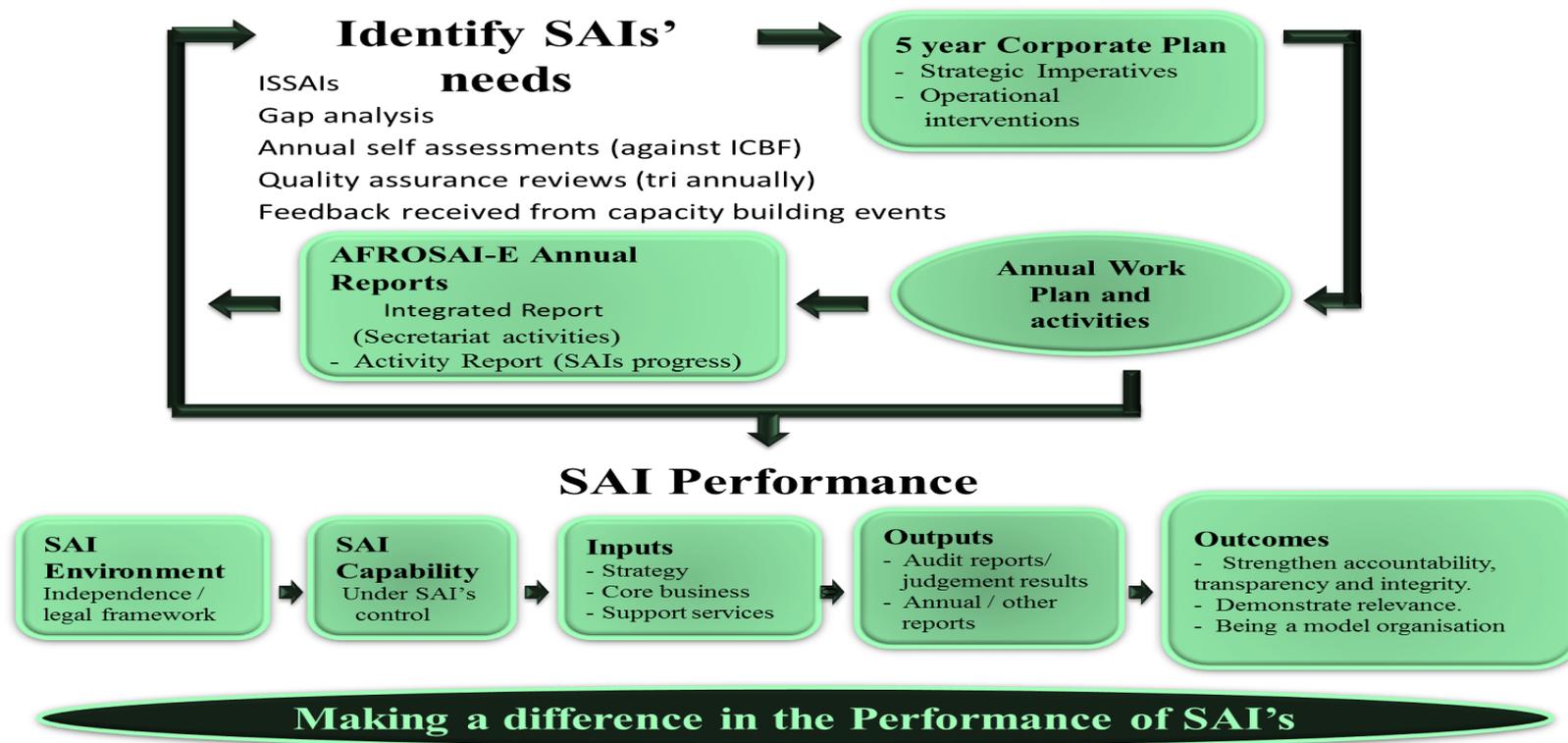
The Secretariat is headed by a Chief Executive Officer appointed by the Governing Board, and the Auditor-General of South Africa, Mr K Makwetu, fulfills an oversight role in terms of Article 11(3) of the Statutes and as set out in a Memorandum of Understanding (MoU) between the AGSA and AFROSAI-E.

### 3. Capacity Building Process

The first objective of the organisation is to enhance the audit performance of its members. Figure 2 provides an overview of how the Secretariat, through a needs identification process, assist the Governing Board in setting its 5-year Corporate Plan. The Corporate plan guides the Annual Work Plan and budget, of which the outcomes are reported annually in an Integrated Report and Activity Report.

However, SAIs' own performance depends on many other external and internal factors, such as its independence, its internal capability and strategies, the reports it tables and its own interactions to strengthen accountability in their respective countries. The work done by the Secretariat only assists SAIs to improve their performance.

Figure 2:



#### 4. Risks facing the organisation

An assessment of the risks facing the organisation highlighted 3 key risk areas. The three areas and risk mitigations are (Table 9):

**Table 9: Key risk areas and mitigation initiatives**

Key risk area	Risk mitigation initiative
<b>Long term financial sustainability and continuation of donor support</b>	<ul style="list-style-type: none"> <li>• Effective engagements with existing donors to visibly demonstrate the benefits and positive changes that AFROSAI-E members get through their active participation in the programmes.</li> <li>• Continue to work with existing institutional and other partners on a project basis.</li> <li>• Engage with other interested donors.</li> <li>• Participate in the INTOSAI Donor Steering Committee to actively seek for further donor support.</li> </ul>
<b>Capacity to meet increased demand/expectations for services from SAIs</b>	<ul style="list-style-type: none"> <li>• Identify subject matter experts from member SAIs and use them to increase capacity on a need and project basis.</li> <li>• Actively develop regional resources to become subject matter experts, both for AFROSAI-E purposes and within their own SAIs.</li> <li>• Encourage member SAIs to develop the technical and leadership competencies of their people and to make such persons available for agreed upon interventions.</li> </ul>
<b>Outcomes of initiatives/interventions does not reflect on SAI level</b>	<ul style="list-style-type: none"> <li>• Encourage SAIs to actively participate in the programmes that are specifically relevant to them, and to take ownership for implementation on SAI level.</li> <li>• Monitor progress made by the SAIs annually through the activity report, while emphasising the role SAIs have in developing their organisations and its personnel.</li> <li>• Intensify bilateral and local support activities / projects.</li> </ul>

## **5. Relevance and impact of the work done by the organisation**

### **Human rights, democracy and good governance**

In a democratic society the SAI is called upon to play an essential role in the safekeeping and use of public resources. The concept of parliamentary control over public expenditure presupposes the existence of a body responsible for the audit, on behalf of the legislature, of the proper use and management of public resources. A SAI attests to the integrity of the information that is provided by the executive branch of government on its use of public funds, and to the quality of the services that are offered to the public.

### **Regional integration**

AFROSAI-E plays a very important role by bringing the Auditors-General and the staff of their SAIs together and through the sharing of audit and other practices on a regional level in the exchange of ideas and information. The dissemination and use of standardised materials and the application of common auditing standards and criteria, is bound to have a beneficial influence on the SAIs in the region. There is also regular interaction with other external organisations.

### **Increased capacity of regional human resources**

One of the main developmental premises upon which the programmes of AFROSAI-E are based is the development of regional specialists, subject matter experts and trainers, giving them the opportunity to broaden the scope of their knowledge and experience and empowering them to transfer their skills to their colleagues and SAIs. The other area is the professionalisation of public sector auditors and accountants in the region.

### **Gender equity in the professional activities of SAIs**

AFROSAI-E has developed guidelines to enable auditors to consider gender related policies and principles during the audit process. These guidelines have been included in the regularity audit manual. The participation of women in the AFROSAI-E programmes during 2014 was 40% (2013: 34%).

### **Fight against corruption**

Forensic auditing or special investigations are means to audit fraudulent activities or practices and a guideline is already available to the SAIs. However, forensic audits are often only done after fraud or corruption indicators emerged. To enable a more proactive approach fraud auditing principles have been incorporated into the regularity audit manual. Continuous research, engagements with external experts and capacity building events are included in the annual work plans.

### **Fight against poverty**

The purpose of public sector auditing is to improve accountability to such an extent that systems are in place to optimise the performance of government service delivery and audit of local governments that is a key provider of basic services.

### **Protection of the environment**

Within the framework of their regularity audit mandate, SAIs must normally ensure that their countries' laws and regulations regarding the environment are respected by government entities.

### **Effectiveness of development aid**

The AFROSAI-E capacity building programme is fully in line with the Paris Declaration which aims to increase efforts in the harmonisation, alignment and management of development aid for results with a set of actions and indicators. Ownership of the programme rests with the SAIs of the member countries whose Auditors-General set strategic priorities for AFROSAI-E and approves the capacity building initiatives in its work plans on an annual basis.

## 6. Environmental Impact of the Organisation

### ➤ *Energy consumption*

The Secretariat's office accommodation is provided by the AGSA, and data on the energy consumed is not separately available.

The Secretariat has access to:

- Virtual servers which increase the efficiency of server usage and reduce energy consumption;
- Timers and low energy globes to control lights, switching off automatically between 18:00pm and 06:00am.
- Waste recycling

### ➤ *Water consumption*

The Secretariat's office accommodation is provided by the AGSA, and data on water usage is not separately available since it is only done at AGSA level.

Data on energy and water consumption is reported in the AGSA integrated annual report.

### ➤ *Business travel and carbon emissions*

Business travel is probably the biggest contributor to carbon emissions. Table 10 provides the CO<sub>2</sub> emissions per category for business travel per vehicle and flights. The centralisation of hosting training events in South Africa was also done with the purpose to reduce CO<sub>2</sub> emissions, while the e-learning modules for regularity and performance auditing is done to make it accessible to more staff in the SAIs, reducing the need to travel.

The Secretariat also stopped the practice of making hard copies of documents available, and does it only in exceptional cases. An electronic medium such as Dropbox is being used more frequently.



**Table 10: Emissions per Category**

		2014		2013	
Category	Criteria	Total	CO <sub>2</sub> Emissions	Total	CO <sub>2</sub> Emissions
Private vehicles used for business travel	Mileage	8 912	2.10 ton CO <sub>2</sub>	5 900	1.39 ton CO <sub>2</sub>
Pool vehicles	Mileage	11 324	2.30 ton CO <sub>2</sub>	11 901	2.42 ton CO <sub>2</sub>
Air travel	Flights	884	277 ton CO <sub>2</sub>	457	89.19 ton CO <sub>2</sub>
Paper usage	Kg	*	*	731	1.382 ton CO <sub>2</sub>

\* With the introduction of distributing material electronically paper usage is no longer been regarded as material for reporting purposes.

Shuttle services are used to transport visitors and delegates, and in some instances Secretariat staff, for airport and other transfers. The information of the CO<sub>2</sub> emissions from the shuttle services is not included in this report.

# CORPORATE PLAN AND KEY SUCCESS FACTORS

## Legal Framework

Statutes and Regulations adopted on 11 October 2004

## Mission

AFROSAI-E will, through its institutional strengthening initiatives, be a catalyst which enables its members SAI's to optimize their audit performance so as to help ensure the highest degree of accountability, transparency, honesty and utilization of public resource in Sub-Saharan English-speaking Africa.

## Vision

AFROSAI-E is committed to cooperate with and support its member SAI's to successfully fulfill their mandates by helping them to reach the highest possible level of achievement of the objectives outlined in the region's institutional capacity building framework.

### Institutional Capacity Building Framework

#### Independence and legal Framework

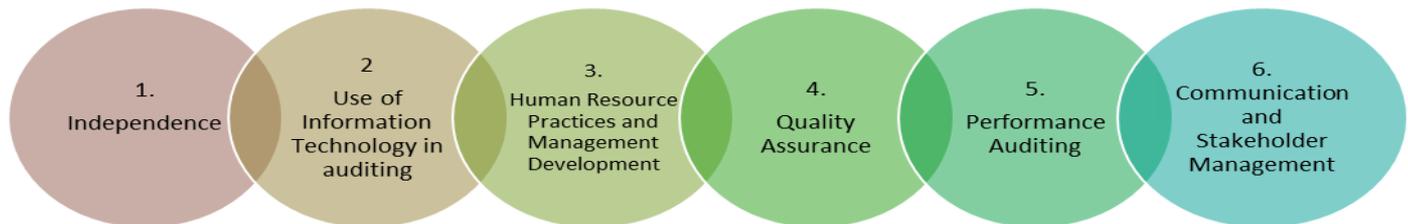
#### Organisational and Management

#### Human Resource

#### Audit Standards and Methodology

#### Communication and Stakeholder Management

## Strategic Imperatives



1. Audit Technical Capacity Building

3. Executive Secretariat (as required by chapter 5 of Statutes)

## Operational Interventions



2. Bilateral Capacity Building Support

## Activity report summary: Self-assessment positions as at 2014

The detailed progress made with respect to the six strategic initiatives as set out in the 2010-2014 Corporate Plan is separately reported in the 2014 Activity Report. Table 11 is an overview of the annual self-assessment positions from 2010 to 2014 in comparison to the 2014 targets. These percentages are calculated based on the responses received on the self-assessment questionnaires and the proportion of responding SAIs that have achieved at least a score of level 3 and level 2.5 or higher.

**Table 11: Self-assessment positions against the 2014 targets**

<i>Strategic Imperative</i>	<i>2010 Level 3</i>	<i>2011 Level 3</i>	<i>2012 Level &gt; 2.5</i>	<i>2012 Level 3</i>	<i>2013 Level &gt; 2.5</i>	<i>2013 Level 3</i>	<i>2014 Level &gt; 2.5</i>	<i>2014 Level 3</i>	<i>Target 2014</i>
<i>SI 1: Independence</i>	48%	45%	95%	60%	92%	50%	88%	60%	40%
<i>SI 2: Use of IT in auditing</i>	13%	15%	40%	25%	42%	13%	32%	12%	40%
<i>SI 3: HR and MDP</i>	39%	25%	65%	15%	67%	29%	64%	24%	35%
<i>SI 4: Quality assurance</i>	39%	10%	40%	10%	29%	8%	56%	20%	60%
<i>SI 5: Performance auditing</i>	35%	20%	65%	20%	54%	25%	64%	20%	60%
<i>SI 6: Communication</i>	30%	15%	50%	15%	63%	17%	52%	16%	40%

Source: Annual Activity Reports of the SAIs which contain information based on self-assessments by SAIs using the Institutional Capacity Building Framework of AFROSAI-E

# REPORT PROFILE

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

## **Reporting policies, principles and procedures**

The Guidelines for Sustainability Reporting (version 3.1) of the Global Reporting Initiative (GRI) have been followed in the compilation of this report, and the financial statements have been prepared in accordance with IFRS for SMEs.

## **Process for defining the content of this report**

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

- Statutes and regulations of AFROSAI-E as amended in May 2013;
- The Corporate Plan for 2010-2014; and
- The Work Plan for 2014.

## **Reporting boundary**

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

## **Application level**

In accordance with the GRI guidelines this report is self-declared as a Level C report.

## **Reference to other major reports of the organisation**

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

**Significant restatements from prior reports**

There were no restatements from the previous report.

**Significant changes regarding the organisation during the reporting period**

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

# SECTION FIVE

- Global Reporting Initiative Index
- Abbreviations
- Contact Details

# Global Reporting Initiative Index

This index refers the reader to the page(s) where information relating to GRI parameters and performance indicators can be found. The bolded parameters are minimum requirements for a GRI Level C+ report. Only parameters and performance indicators on which information is disclosed are included in this index.

**N/A = Not applicable**

Profile disclosure or performance indicator		Remarks	Page no.
No	Brief description		
<b>PROFILE DISCLOSURES</b>			
<b>1. Strategy and analysis disclosures</b>			
1.1	CEO and Chairman statement		8, 10
1.2	Description of key impacts, risks and opportunities		55, 56-57
<b>2. Organisational profile disclosures</b>			
2.1	Name of the organisation		2
2.2	Primary brands, products and/or services		5, 13-25
2.3	Operational structure of the organisation		28, 53
2.4	Location of organisation's headquarters		73
2.5	Countries where the organisation operates		5
2.6	Nature of ownership and legal form		53
2.7	Markets served		5, 56
2.8	Scale of the reporting organisation		6, 53-54
2.9	Significant changes regarding the organisation during the reporting period		63
2.10	Awards received	None	

Profile disclosure or performance indicator		Remarks	Page no.
No	Brief description		
<b>PROFILE DISCLOSURES</b>			
<b>3. Report parameters disclosures</b>			
3.1	Reporting period		3
3.2	Date of most recent previous report		3
3.3	Reporting cycle		3
3.4	Contact point for questions		73
3.5	Process for defining report content		62, 63
3.6	Boundary of the report		3
3.7	Specific limitations on scope or boundary of report		62
3.8	Basis for reporting on joint ventures	No JVs	
3.9	Explanation of the effect of any re-statements of information		63
3.10	Significant changes from previous reporting period regarding the report		63
3.11	GRI content index		65-67
3.12	Assurance		N/A
<b>4. Governance, commitments and engagements disclosures</b>			
4.1	Governance structure of the organisation		53
4.2	Status of CEO vs. chair		53
4.3	Number and gender of independent and/or non-executive directors	N/A	
4.4	Mechanisms for shareholder and employee inputs to board		54
4.14	List of stakeholder groups engaged		26, 27
4.15	Basis for identification of stakeholders		25

Profile disclosure or performance indicator		Remarks	Page no.
No	Brief description		
<b>PROFILE DISCLOSURES</b>			
EC1	Direct economic value generated and distributed		30
EC4	Significant financial assistance from government		33, 48
EC9	Significant indirect economic impacts		51
<b>Environmental performance indicators</b>			
EN1	Materials used		58, 59
EN4	Indirect energy consumption		58
EN7	Initiatives to reduce indirect energy consumption		58, 59
EN8	Total water withdrawal		58
EN17	Other relevant indirect greenhouse gas emissions		58, 59
EN23	Total number and volume of significant spills	None	
EN28	Significant fines and non-monetary sanctions for non-compliance	None	
<b>Labour practices and decent work performance indicators</b>			
LA1	Total workforce		28, 29
LA2	Employee turnover		29
LA7	Rates of injury, occupational diseases and fatalities	None	
LA10	Employee training		29
LA11	Programmes for skills management and lifelong learning		29
LA13	Composition of and employees according to diversity indicators		28

**ANNEXURE A: PLANNED 2014 ACTIVITIES CLASSIFIED ACCORDING TO ACHIEVED, PARTIALLY ACHIEVED AND NOT ACHIEVED**

ACTIVITIES ACHIEVED		ACTIVITIES PARTIALLY ACHIEVED			ACTIVITIES NOT ACHIEVED		
WORK PLAN REF.	TOPIC	WORK PLAN REF.	TOPIC	REASON	WORK PLAN REF.	TOPIC	REASON
<b>STRATEGIC IMPERATIVE 1 – INDEPENDENCE OF SAIs</b>							
SI 1(1)	Engagement with regional institutions	SI 1(2)	Independence toolkit	Work in progress			
SI 1(3)	Assist SAIs on request with the review of audit legislation, processes, and systems						
<b>STRATEGIC IMPERATIVE 2 – USE OF INFORMATION TECHNOLOGY IN AUDITING</b>							
SI 2(1)(i)	Audit flow tool updated	SI 2(1)(ii)	Five SAIs supported to implement audit flow	Only Four SAIs visited	SI 2(3)(iv)	E-learning course in partnership with IDI	Postponed to 2015
SI 2(1)(iii)	Review workshop for SAIs using audit flow	SI 2(2)(ii)	QA Review on IT controls and key financial management systems				
SI 2(2)(i)	Course material updated with CAATS						
SI 2(3)(i)	Remote assistance to SAIs via support network						
SI 2(3)(ii)	On-site support to SAIs (on request)						
SI 2(3)(iii)	Research on IT auditing (including IDI handbook)						

STRATEGIC IMPERATIVE 3 - HUMAN RESOURCE PRACTICES AND MANAGEMENT DEVELOPMENT							
SI 3(1)(i)	Annual HR update workshop	SI 3(2)(i)	MDP roll-out workshops for 7 SAIs	Only four SAIs visited	SI 3(2)(viii)	Design an organisational development toolkit for SAIs	Postponed to 2015
SI 3(1)(ii)	Support visits to SAIs - assistance with understanding of HR handbook	SI 3(2)(vi)	MDP follow-up visits to eight SAIs	Only two SAIs visited			
SI 3(1)(iii)	Root cause analysis	SI 3(3)(iii)	Country visits with professional bodies	No need for actual visits in 2014			
SI 3(2)(ii)	Development of MDP assessment tool						
SI 3(2)(iii)	MDP workshop for senior managers						
SI 3(2)(iv)	Leadership workshop for executive managers						
SI 3(2)(v)	Facilitation skills workshop for MDP/leadership champions						
SI 3(2)(vii)	Research an executive leadership mentorship programme						
SI 3(3)(i)	Professionalisation - three-day workshop with interested stakeholders						
SI 3(3)(ii)	Development work - Strategy etc.						
SI 3(3)(iv)	Support to Mozambique accreditation (MoU)						
STRATEGIC IMPERATIVE 4 – QUALITY ASSURANCE							
SI 4(1)	12-15 Quality reviews at SAIs	SI 4(5)	Regional workshop for West Africa	Postponed due to Ebola	SI 4(3)	Incorporation of IntoSaint and updating QA questionnaires	
SI 4(2)	4 Performance audit quality reviews						
SI 4(4)	Follow up workshop on in-house QA functions						

**STRATEGIC IMPERATIVE 5 – PERFORMANCE AUDITING**

SI 5(1)(i)	Country support to Mozambique	SI 5(2)(iii)	Revision of AFROSAI-E performance audit guidelines	Work in Progress	SI 5(2)(ii)	Development of guideline for data collection	Reprioritised
SI 5(1)(ii)	Country support Zimbabwe - customisation						
SI 5(1)(iii)	Workshop customisation of PA template						
SI 5(1)(iv)	Workshop for experienced auditors in Nigeria						
SI 5(1)(v)	On-site support on request						
SI 5(2)(i)	Finalise revision of AFROSAI-E performance audit template						
SI 5(2)(iv)	Update 3-module Course material						
SI 5(2)(v)	Database of PA Reports						
SI 5(2)(vi)	Prize for best PA report						
SI 5(3)(i)	Regional 3-module course (South Africa)						
SI 5(3)(ii)	Regional 3-module course (Mauritius)						
SI 5(3)(iii)	New regional 3-module course (South Africa)						
SI 5(3)(iv)	Regional 3-module course (Nigeria)						

**STRATEGIC IMPERATIVE 6 – COMMUNICATION AND STAKEHOLDER MANAGEMENT**

SI 6(1)(i)	Enhance and maintain website	SI 6(3)(vi)	SAI / media communication workshop	Postponed			
SI 6(1)(ii)	Enhance brand and develop brand toolkit						
SI 6(1)(iii)	Position key strategic events through branding, electronic media						
SI 6(2)(i)	Annual communication workshop						
SI 6(3)(i)	Liaise and cooperate with public sector forums, professional, academic and political forums						
SI 6(3)(ii)	Follow-up workshops for communication and facilitation skills between SAIs and PACs						
SI 6(3)(iii)	Roll-out of communication toolkit between SAIs and PACs in 5 countries						
SI 6(3)(iv)	Cooperate with AFROSAI						
SI 6(3)(v)	AFROSAI strategic planning meeting						

**OPERATIONAL INTERVENTION 2 - BILATERAL CAPACITY BUILDING SUPPORT PROGRAMS**

OI 2(1)(a)	Exploratory and/or development cooperation meetings with SAIs and other stakeholders on request						
OI 2(1)(b)	Coordinated in-house support programmes for SAIs						

**OPERATIONAL INTERVENTION 3 - EXECUTIVE SECRETARIAT (AS REQUIRED BY CHAPTER 5 OF THE STATUTES)**

OI 3(1)(a)	Annual operational and planning meeting with institutional and other partners	OI 3(2)(a)	Maintain database for regional resource persons	Work in Progress			
OI 3(1)(b)	Research the external environment which can affect new Corporate Plan	OI 3(1)(c)	Develop performance indicators for 2015-2019 Corporate plan	Work in Progress			
OI 3(1)(d)	Annual meeting of the Governing Board and sub-committees						
OI 3(1)(e)	Auditing of annual financial statements						
OI 3(2)(b)	Financial management						
OI 3(2)(c)	Procurement						
OI 3(2)(d)	Direct support from AGSA to secretariat						

# Abbreviations

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

# Executive Secretariat – Contact Details

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