AFROSAI-E

2020
INTEGRATED ANNUAL REPORT

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CHAIRPERSON'S MESSAGE

The past year challenged us in many ways. We had to grapple with the immediate health and safety concerns of our staff, families and communities as the COVID-19 pandemic became a global disaster. With staff having to work from home for parts or the full duration of the year, our members needed to adapt infrastructure, make greater use of online collaboration tools and find innovative ways to communicate. The impact on audit plans also became apparent as the year progressed. In some countries, strict lockdown measures meant SAIs could not access information in order to undertake their mandated audits.

I want to commend our members and Secretariat for their resilience in the face of these challenges. As AFROSAI-E, we adapted and responded well to the crisis with research and guidance on disaster-related audit and communication considerations. I am pleased to note that to date, 12 SAIs have completed real-time audits on COVID-19-related issues and of those, five have published reports. The updated version 2 of the Public Finance Management Reporting Framework tool now also includes a more robust approach to the audit of SDGs and emphasises the audit of disaster preparedness of PFM systems at both department and country level.

I would venture to say that one of the positive elements stemming from the crisis was the opportunity to meet more often on virtual platforms. While our Governing Board could not meet in person in 2020, members fulfilled their governance roles through online subcommittee meetings. We also had a fruitful round-table discussion around SAI responses to the COVID-19 pandemic. I am grateful to have had these platforms to engage with our members, partners and valuable stakeholders on our role in supporting Good Financial Governance amid the crisis.

As a region, we welcome the new Auditors General of Mozambique, Zambia, South Africa, Kenya and Nigeria, who were appointed in 2020 and early 2021. You have taken up the reigns of your new roles during an extremely demanding time and we wish you all the best with the challenges of your new positions.

In November 2020, we received the tragic news that two weeks before his term as Auditor-General was set to conclude, Kimi Makwetu, the former Auditor-General of South Africa, had died. He had great passion for our region, and we will greatly miss his excellent and inspirational leadership.

I am proud of what our region was able to achieve, despite the significant challenges last year putting serious strain on our capacity and productivity. The COVID-19 pandemic rages on and the road ahead will still include many trials as we work to meet the heightened expectations of our stakeholders. But we do not face these challenges alone. I am confident that as a region, we have the skills, experience and tenacity to weather the storm and make a meaningful contribution to improving the lives of our citizens.

Mrs Lara Taylor-Pearce

Chairperson

ABOUT THIS INTEGRATED REPORT

We developed this report to give a transparent overview of our outputs and outcomes during 2020, to our members, partners, donors and stakeholders.

REPORTING POLICIES, PRINCIPLES AND PROCEDURES

This is a GRI referenced report and contains selected individual disclosures based on the GRI Standards as issued by the Global Sustainability Standards Board. The Disclosures and their location in this report are listed at the end of this report.

The annual financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) for Small and Medium Enterprises (SMEs), as issued by the International Accounting Standards Board.

REPORT CONTENT, SCOPE AND BOUNDARY

This report includes information on the financial and non-financial performance for the period 1 January 2020 to 31 December 2020 of AFROSAI-E (the Executive Secretariat), which is based in Pretoria, South Africa. No specific limitations were imposed on the scope and boundary of this report. This report on the activities of the Executive Secretariat is in accordance with the AFROSAI-E Statutes and Regulations. The activities and the operations of member SAIs fall outside the scope of this report. We report on the status

of regional performance and improvement in a separate publication called the 2020 State of the Region: Institutional Capacity Building Framework Self-Assessment Report (ICBF).

This report contains comprehensive information on the financial performance for AFROSAI-E based on our approved Strategic Plan for 2020–2024, the Workplan and Budget for 2020.

SIGNIFICANT RESTATEMENTS FROM PRIOR REPORTS

There were no significant 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.

EXTERNAL ASSURANCE

The external audit firm Logista audited our financial statements, which were prepared in accordance with the IFRS for SMEs.

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.

This is our tenth consecutive annual integrated report. All our reports are available on our website: **www.afrosai-e.org.za.**

ABOUT AFROSAI-E

OUR VISION IS

to make a difference in the performance of SAIs

TO ACHIEVE THIS, WE

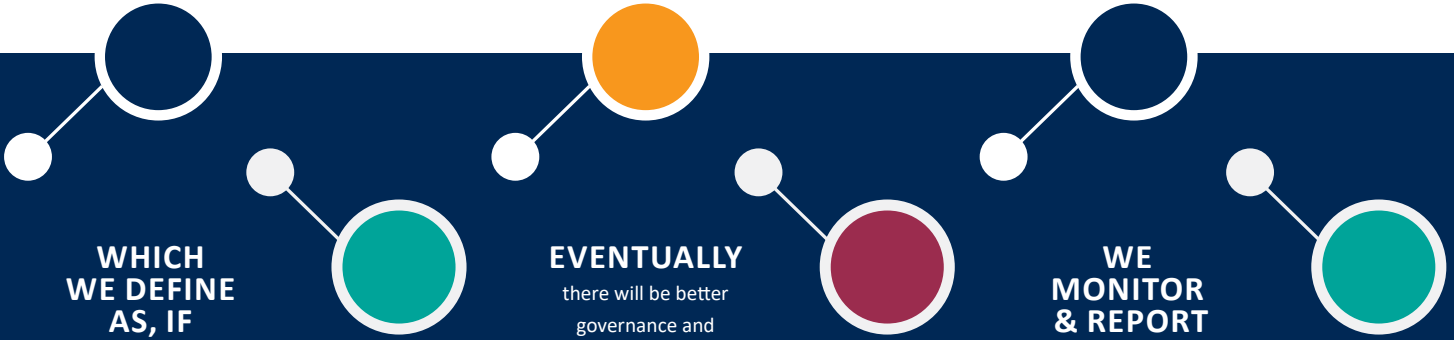
commit to support and cooperate with our member SAIs to enhance their institutional capacity to successfully fulfil their audit mandates, thereby making a difference to the lives of citizens

OUR ACTIVITIES ARE DRIVEN BY OUR STRATEGIC GOALS TO

1. Professionalise public sector accountancy
2. Empower SAIs for greater audit impact and quality
3. Transform SAIs' organisational capabilities for greater impact
4. Lead by example and deliver on our mandate

TO MEASURE OUR IMPACT OVER TIME

we use the Institutional Capacity Building Framework as our theory of change



WHICH WE DEFINE AS, IF

we support our members with learning, in-country training, technical advice, guidance, manuals, tools and materials

THEN

public sector auditing will become increasingly professionalised. SAIs will be empowered to have greater audit impact and become model institutions able to lead by

EVENTUALLY

there will be better governance and greater transparency & accountability in the public sector. We will see less corruption and misuse of funds and an increased access to services. And ultimately, less poverty

WE WORK CLOSELY TOGETHER

with our dedicated members, invaluable partners and generous donor institutions to achieve these ambitious goals

WE MONITOR & REPORT PROGRESS

through our robust governance structures. A monitoring & evaluation framework, this integrated annual report and our State of the Region: ICBF Self-Assessment Report

EVERYTHING WE DO

reflects the values we live by

- Professional
- Innovative
- Collaborative

REPORT BY THE CHIEF EXECUTIVE OFFICER

Meisie Nkau

Chief Executive Officer

SUPPORTING SAIs THROUGH CHALLENGING TIMES

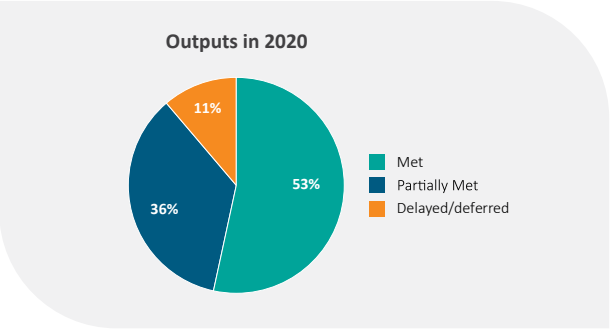
2020 was a year defined by unprecedented upheaval because of the COVID-19 pandemic. The impact of this disaster was and is still being felt across the globe, significantly affecting our social and economic environment. The strength and ability of the Secretariat to adapt and to do so quickly was certainly put to the test during the year under review. Historically, our capacity building programmes are mainly through face-to-face engagement and in-country

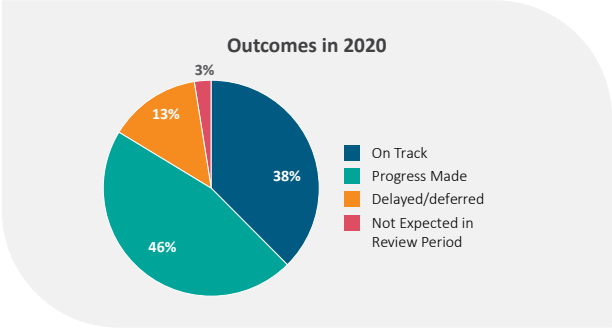
support. But, with travel abruptly halted at the end of March 2020, we needed to quickly find alternative means to continue with our programmes. Varied success was accomplished with these adapted measures, even though areas such as quality assurance reviews and leadership development programmes were negatively affected. However, I am pleased to report that overall, much was achieved in 2020, both as a Secretariat and a region.

From late March 2020, staff worked from home and we swiftly implemented collaborative platforms and tools such as Teams and Zoom. The AFROSAI-E Learning Platform (ALP) launched in late 2019 and provided an excellent opportunity to have a distance learning solution in place. With travel suspended, we were able to focus more time on research topics and development of guidance material. As a result, we published timely and relevant research papers on SAI resilience to meet stakeholder expectations during disasters, integrating Big Data into public sector auditing and Crisis, Emergency and Risk Communication for SAIs. Findings from the research will indeed help the Secretariat "shape" its response to the needs of the region. Focus was put on improving our monitoring and evaluation, governance and administrative processes and policies.

OUTPUTS IN 2020

With this higher focus on research and development, we exceeded some of our expectations on the volume and quality we were able to produce. However, we need to acknowledge that our inability to implement some programmes in their intended format, did have an impact on our achievements in 2020. Overall, we achieved 53% of the planned outputs while partially achieving 36% of our planned activities. We were not able to meet 11% of our targeted outputs for the year. Given the fundamental shift in our operations for 2020, I am pleased that we were still able to make substantial progress towards the desired outcomes in our five-year Strategic Plan.



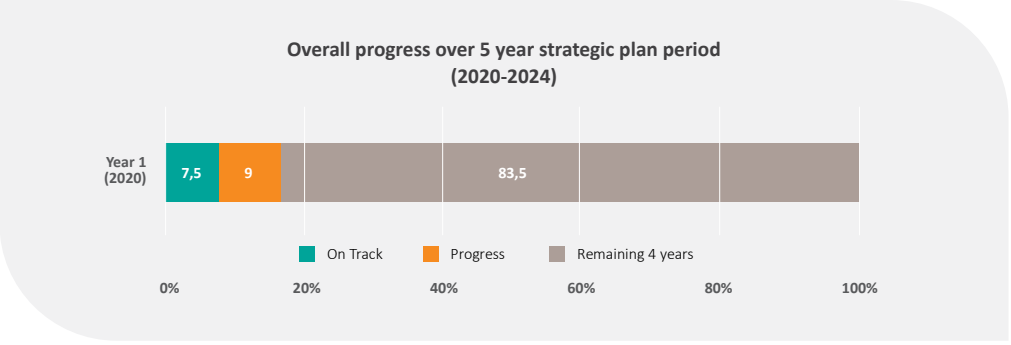


PROGRESS ON OUTCOMES RELATING TO OUR STRATEGIC PLAN

Despite the setbacks in 2020, it gives me great satisfaction to highlight some of the achievements coming from a dedicated and motivated team.

In the area of professionalisation of public sector accounting, we achieved key milestones such as the approval of the new Strategic Plan for 2021-2023 by the African Professionalisation Initiative (API) Interim Oversight Board, development of a draft constitution for permanent structure and nomination of professionalisation champions. The principal areas to pay more attention to going forward, without obviously neglecting the areas on track, are in establishing an independent, recognised, sustainable API structure and establishing internal training schemes at SAI level, for aspiring professionals to obtain practical experience. To realise a substantial amount or all outcomes in this goal area by 2024, we will need to mitigate any challenges early on.

Activities in goal two – Empower SAIs for greater audit impact – it took a few months to transition to the virtual platforms in the first half of the year due to a number of reasons, including amongst others, network challenges in some of our member SAIs, preparing teams for virtual training etc. However, as the year progressed, and the team adjusted to remote work and virtual platforms there was a significant improvement in meeting the deliverables and the resultant outcomes. Some SAIs used the lockdown period to give their financial, compliance, performance and IT auditors opportunity to apply their audit skills by training others in their SAIs and in the region. With



support from the Secretariat and other similar capacity building institutions, SAIs in the region widened the scope of their audits and are producing value-adding audit reports that meet the audit expectation gap by responding to the COVID-19 pandemic through audits. At the time of drafting this report 12 SAIs had conducted COVID-19 related audits and five SAI had published reports. Quality assurance reviews and information systems audit were two areas negatively affected by the pandemic. Because of the network challenges and lack of automated audit processes, these areas still require a high degree of physical interaction.

The third goal relates to transforming SAI organisational capacity for greater impact. Given the nature of the work done in this goal, the outcomes tend to take longer to come to fruition. It takes time to assimilate the knowledge and skills gained, implement lessons learned and demonstrate the results and transformation at SAI organisational level. Most outcomes in this goal are interlinked and interdependent and the success of one area depends on the other. To truly see organisational transformation, it is therefore important that all aspects in the organisation work well together, as the weakest aspect of the organisation will affect the others. We have seen improvement in the areas we support namely leadership, communication, human resources, strategic and operational management and advocacy work in promoting SAI independence. However, true organisational transformation will be clear in future years, as we work with SAIs to share and implement lessons learnt and have follow up interventions where necessary.

> **Alone we can do so little, together we can do so much.**
> - Helen Keller

While the first three goals focus on performance at a regional level, the last goal looks inward – Lead by example and deliver on our mandate. In this area we were able to make considerable progress this year with improved monitoring and evaluations systems, partial execution of the internal audit plan, finalising our risk management framework and introducing several new internal policies.

CHALLENGES

While remote work and virtual training proved to be beneficial in some ways, there were numerous hurdles to overcome throughout the year. Some of the obvious challenges resulted from internet connectivity issues in SAIs, mainly due to lack of funding and poor internet infrastructure in some of the countries and availability of SAI staff during the various lockdown restrictions in some countries. We continue to work with SAIs for implementable solutions, to make interventions accessible.

The above limitations negatively affected online workshop attendance and participation, especially in the area of Information Systems Audit. Across all the capacity building interventions, preparation time for virtual training took much longer, as teams needed to convert existing materials to complement the distance learning platform and maintain participation throughout sessions. Participation in virtual interventions is very low making it difficult to measure the effectiveness of sessions, particularly in large groups. In addition, virtual sessions seem to be more strenuous for both the facilitator and the participants, requiring shorter and increased number of sessions. The Secretariat learned valuable lessons in 2020, which will assist in improving effectiveness of future online capacity building interventions. This would however affect the duration and resources required to implement the training.

Conducting quality assurance reviews (QAR) remotely was almost impossible as most SAIs are on manual audit systems. Based on lessons learned in this area, we continue to engage SAI leadership to discuss innovative ways to carry

out this task and continue to add value to our member SAIs. QAR is used to identify SAI strengths and capacity building needs and to corroborate the ICBF scores. If the current global crisis and challenges with virtual interventions continue, it will be impossible for the Secretariat to meet all planned outcomes in terms of the current Strategic Plan.

WAY FORWARD

Considering the substantial challenges of 2020 and the impact it had on planned activities, the performance of our team and the region was extraordinary. The Secretariat proved to be very resilient, and the team continued to perform with passion and dedication, which was more than expected. While more is to be done to catch up on areas lagging, we are confident that the Secretariat will succeed in achieving a substantial number of outcomes set out in the 2020-2024 Strategic Plan. Specific activities we are planning to mitigate the challenges we experienced in 2020 are:

- Prioritise execution of activities where outputs and outcomes planned for 2020 were delayed/deferred to the extent possible.
- Continue to strengthen training skills of all regional trainers on virtual platforms and implement lessons learned to ensure effective virtual capacity building sessions.
- Strengthen the Secretariat's planning process and reinforce the role and purpose of monitoring and evaluation, and evidence-based reporting at Secretariat and regional level.
- Encourage SAIs to prepare for online QAR for efficiencies in the process and demonstrating adaptability, resilience and preparedness for disaster situations.
- Engage potential donors and partners to reinforce the strength of the Secretariat and region.

Achievement of the strategic goals as set out in the 2020 -2024 Strategic Plan is central to the success of the region. This is made possible by the unwavering support and cooperation of our Governing Board (Auditors General). In addition to the late Auditor General of SAI South Africa, I would like to extend my sincere gratitude to the former Auditors General of SAI Nigeria, SAI Lesotho and SAI Mozambique whose term came to an end during 2020. Their notable contribution to their SAIs and regional achievements will always be remembered.

I would like to extend my appreciation to the Secretariat staff for the wonderful work they do every day.

GOVERNANCE STRUCTURE

AFROSAI-E Governance Structure

Institutional partners & donors

Our 26 Member-SAIs

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

Chief Executive Officer

Executive Officers

Executive Secretariat

Planning Committee

Consists of Secretariat technical managers, institutional and other partners. Collaborates on annual workplan activities, resource allocation and joint initiatives. Shares knowledge on regional activities.

Technical Committee

Forum to discuss and review AFROSAI-E guidance documents. It ensures the technical quality and consistency of all guidance documents and submits recommendations to the CEO regarding the guidance.

The Capacity Building Subcommittee

Oversees matters relating to our planned activities and performance of the previous year. Among other things, members consider the State of the Region: ICBF Self-Assessment Report, our annual workplan, stakeholder satisfaction and independent mid-term reviews.

Human Resources Subcommittee

Oversees issues related to HR regulations in the Secretariat.

Finance Subcommittee

Oversees matters related to funding. Members review among other things, membership fees, budget of upcoming work plan and donor funding proposals.

Audit Subcommittee

Oversees our financial performance by reviewing among others, our financial statements and auditor's report, financial information in progress reports and the appointment of external auditors.

Members of the Board

AFROSAI-E consists of 26 member SAIs and two Associate members. Our Governing Board, which is the supreme authority, consists of the Heads of the 26 SAIs. Our Executive Secretariat is responsible for implementing the Governing Board's decisions.

OUR ASSOCIATE MEMBERS:

- The African Union Commission
- Pan African Federation of Accounting (PAFA)

There were no changes in the membership or associate membership during the year. The Heads of member SAIs and the AFROSAI-E Subcommittee they serve on are as follows:

Angola
Dr Exalgina Gambôa
Finance Subcommittee

Botswana
Mrs Pulane Letebele
Audit Subcommittee

Eritrea
Mr Gherezgiher Ghebremedhin
HR Subcommittee

Eswatini
Mr Timothy S. Matsebula
HR Subcommittee

Ethiopia
Mr Gemechu Godana
(tenure ended March 2021)
Capacity Building Subcommittee

The Gambia
Mr Karamba Touray
Finance Subcommittee (Chair)

Ghana
Mr Johnson Akuamoah Asiedu
(acting) HR Subcommittee

Kenya
Ms Nancy Gathungu
Capacity Building Subcommittee

Lesotho

Ms Monica Besetsa (acting)

Audit Subcommittee

Liberia

Ms Yusador S. Gaye

Capacity Building Subcommittee (Chair)

Malawi

Mr Thomas Makiwa (acting)

Audit Subcommittee

Mauritius

Mr Charanjivsingh Romooah

HR Subcommittee

Mozambique

Dr Lúcia Maximiano do Amaral

Audit Subcommittee

Namibia

Mr Junias Etuna Kandjeke

Capacity Building Subcommittee

Nigeria

Mr Aghughu Adolphus Arhotomhenla

Finance Subcommittee

Rwanda

Mr Obadiah R. Biraro

HR Subcommittee (Chair)

Seychelles

Mr Gamini Herath

Audit Subcommittee (Chair)

Sierra Leone

Ms Lara Taylor-Pearce

GB Chairperson

Somalia

Mr Mohamed M Ali

Capacity Building Subcommittee

South Africa

Ms Tsakani Maluleke

Capacity Building Subcommittee

South Sudan

Mr Steven Kiliona Wondu

Capacity Building Subcommittee

Sudan

Mr Eltahir Malik

Audit Subcommittee

Tanzania

Mr Charles Edward Kichere

Finance Subcommittee

Uganda

Mr John F.S Muwanga

Finance Subcommittee

Zambia

Dr Dick Chellah Sichembe

Capacity Building Subcommittee

Zimbabwe

Mrs Mildred Chiri

Finance Subcommittee

The Governing Board's four Subcommittees oversaw the following activities of the organisation on its behalf: Capacity Building, Human Resources, Finance and Audit. Each Board member serves on one of these Subcommittees and the full Board considers the outcomes and recommendations stemming from their deliberations for endorsement. The Auditor-General of South Africa continued hosting the Secretariat in accordance with Article 11(3) of the statutes and the Memorandum of Understanding which is valid until December 2022. The Chief Executive Officer, appointed by the Governing Board, led the Secretariat.

Due to the pandemic, we held online Subcommittee meetings, which were open to all members and partners to observe. Following these meetings, we circulated the committee resolutions to all members for approval during a round robin process. The following key recommendations (affecting the Secretariat) were approved in 2020:

- Amending the AFROSAI-E Statutes under the guidance of a review committee consisting of at least five AGs to oversee and guide the process. Feedback on the Statutes review will be provided to the Board at their 2021 meeting.
- The reporting currency of the Annual Financial Statements from US Dollars (USD) to South African Rand (ZAR).
- 2020 Workplan: To address the volatility and impact on the activities due to COVID-19, the Secretariat met with the Finance Subcommittee in the third quarter of 2020 and presented an updated Workplan and Budget, which was approved.
- Appointed new external auditors for the period 2020 to 2022.
- Members deferred the election of a new chairperson and vice chairperson for the Governing Board to 2021. Also deferred to the 2021 meeting was the rotation of subcommittee members and the election of their new chairpersons and vice chairpersons.

OVERSIGHT BY THE AUDITOR-GENERAL OF SOUTH AFRICA

AUDITOR-GENERAL SOUTH AFRICA

OVERSIGHT RESPONSIBILITY IN TERMS OF ARTICLE 11(3) OF THE STATUTES OF AFROSAI-E

I want to acknowledge the guidance and support I received from the late Mr Kimi Makwetu, whose sudden death shortly before his term was set to conclude, was felt keenly by our office and the SAI community. My term of office as Auditor-General of South Africa commenced in December 2020. I am confident that I have sufficient information to give assurance to members of the AFROSAI-E Governing Board of my oversight role.

In terms of article 11(3) of the Statutes of AFROSAI-E, the head of the SAI that hosts the Executive Secretariat has an oversight responsibility for the Executive Secretariat. My office exercised this oversight responsibility monthly, as agreed in a Memorandum of Understanding (MoU) signed in 2016 on behalf of SAI South Africa by my predecessor, Mr Kimi Makwetu, and the Chairperson of the Governing Board in terms of article 11 of the Statutes.

This report, which includes the audited financial statements, deals with the most relevant matters affecting the affairs of the organisation. I am satisfied with the results achieved and can confirm that, based on the activities reported, the Executive Secretariat plays a pivotal role in the capacity building of our members. The report is submitted simultaneously to the Subcommittees established by the Governing Board in terms of article 7(2) of the Statutes, for scrutiny and recommendation to the Governing Board where necessary.

HOSTING OF THE SECRETARIAT

In addition to fulfilling an oversight role on the Secretariat operations, the AGSA contributed 32% of AFROSAI-E's funding for 2020. The contribution is in the form of nine staff secondments and the provision of an infrastructure and staff overhead budget allocation. We are proud of the work the Secretariat does in our continent and the successes that have been achieved over the years. Over and above that, we are acutely aware of the wonderful opportunities that our close relationship with AFROSAI-E holds, both in participating in capacity development interventions and in creating opportunities for our staff to work and learn in situations outside our office. I have expressed our willingness to continue hosting the Secretariat for the period until 2028 and look forward to the Governing Board decision on the matter.

Yours faithfully,

Tsakani Maluleke

Auditor-General of South Africa

OUR INSTITUTIONAL PARTNERS AND DONORS

Long-standing collaborative and financial partnerships have been a cornerstone of our success. The highly collaborative relationships with our institutional partners and donor support enabled us to continue capacity building efforts in the region, while adapting to the difficult circumstances brought on by the pandemic.

We recognise that the achievement of our objectives would not be possible without the tremendous support of our donors who contributed 39% of our 2020 total funding. We are grateful for the support.

Sweden
Sverige

The Swedish International Development Cooperation Agency (Sida) contributed 12% of our available funding for the year.

ROYAL NORWEGIAN EMBASSY

The Royal Norwegian Embassy (RNE) contributed 6% of the available funding for the year.

The Swedish National Audit Office, in addition to a financial contribution of **20% of available funding** for 2020, provided additional indirect support in the form of resources and seconded staff members amounting to **R 7.6 million** for the year.

The Swedish National Audit Office (SNAO) / Riksrevisionen

"We are very proud of our cooperation with AFROSAI-E. The cooperation with AFROSAI-E is our largest and most long-standing project within international development cooperation. Together, we entered a new project phase of cooperation last year, with an increased focus on strategic dialogue and sustainable results.

We provide support to the important work of AFROSAI-E in implementing their Strategic Plan, by providing expertise in numerous activities and a financial contribution. Importance is attached to audit issues such as developing methods and capacity in performance audit, financial audit and quality control. The Swedish NAO also supports the AFROSAI-E in establishing a regional pool of resources, with the purpose of making the region less dependent on external expertise and contributing to strengthened institutional capacity and professional development, which they have done very successfully.

Last year, was indeed a challenging time with the ongoing COVID-19 Pandemic. AFROSAI-E managed to quickly adapt to the new situation, continuing to strengthen audit capacity in the region. It has been encouraging to see this smooth adjustment and successes in new ways of working such as digital performance audit training.

We very much look forward to the coming year and exciting activities it will bring, digitally or in-person. We will maintain our efforts in collaboration with AFROSAI-E to strengthen the members' capacity to audit in relation to international standards, which in turn contributes to parliamentary control, efficient use of resources, good governance, transparency, and accountability." - Catharina Cappelin, Deputy Auditor General for International Affairs, Swedish National Audit Office.

Riksrevisjonen
Office of the Auditor General of Norway

Office of the Auditor General of Norway

"AFROSAI-E plays a vital role in the world of Supreme Audit Institutions. AFROSAI-E has demonstrated the ability to base its activities and programs in the region's needs and provides an important meeting place for the development of methodology, providing support and sharing experiences. Evaluations show that AFROSAI-E is a relevant and strong organisation that has been an essential force in the development of its member SAIs.

The Office of the Auditor General of Norway (Riksrevisjonen) has a long history working together with AFROSAI-E in our development work. It is one of our largest and most important cooperation projects. Riksrevisjonen is also working directly with several of AFROSAI-E member SAIs. Our partnership with AFROSAI-E is making it possible to provide more relevant and effective support to our bilateral partners. We see that the coordinated efforts make for a stronger impact and that the development we have done on our focus areas of Extractive Industries and IT-audit has reached much further and had more effect working together with the Secretariat. Working together with AFROSAI-E in our development work strengthens the effect of our efforts, improves sustainability and create important synergies between our partnerships in the region. We look forward to the continued collaboration!" - Øivind Berg Larsen, Head of the International Division, Office of the Auditor General of Norway.

The Office of the Auditor General of Norway (Riksrevisjonen) supports AFROSAI-E with resources and seconded staff members amounting to **R3.2 million** for the year.

GIZ, Good Financial Governance (GFG) in Africa Programme

The Federal German Ministry of Economic Cooperation and Development (BMZ) supports pan-African public finance networks to strengthen sound public financial management and domestic revenue mobilisation in Africa through the Good Financial Governance (GFG) in Africa programme implemented by GIZ. AFROSAI-E is one of our key partners of the programme. Additional co-financing by the European Union will enable the programme and its partners to upscale their efforts in combatting Illicit Financial Flows (IFFs) in partnership with the African Union Commission until 2024.

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), provided project support to the AFROSAI-E region of **R1.4 million** for the year.

As a result of the COVID-19 pandemic in 2020, we adjusted the scope of implementation of the joint work streams. The revised version of the PFM Reporting Framework not only encompasses an enhanced focus on the SDGs but also enables SAIs to audit disaster preparedness of the PFM system. Moreover, based on AFROSAI-E research, we jointly developed a strategic pocket guide to inform SAIs' response to the ongoing pandemic and future crisis. In addition, we jointly initiated critical discussions by hosting one of the first webinars with policy makers from the continent and globally to discuss the severe challenges to PFM systems and how to respond to them.

In 2021, the focus of the collaboration of AFROSAI-E and GIZ is the continued rollout of the PFM Reporting Framework through the development of a flexible training programme to facilitate virtual and physical trainings as well as offering refresher and comprehensive classes. Reengaging with SAIs that have successfully worked with the first version of the PFM Reporting Framework as well as supporting new SAIs with the tool is critical. Moreover, SAIs' citizen engagement, for example by means of innovative tools, such as the CITIZENSEYE smartphone application successfully piloted in Ghana, is a centrepiece of joint operations in 2021. Following up on the disaster pocket guide, operationalising key recommendations and strengthening SAIs in the audit of emergency funds to combat corruption will require joint efforts to succeed. Furthermore, financing the next steps for the African Professionalization Initiative (API) to customise the curriculum to a francophone context is at the heart of GIZ's support to the further development of the accounting profession in Africa.

The INTOSAI Development Initiative (IDI)

The INTOSAI Development Initiative (IDI) are the partners for the PAP-APP programme in the region.

"IDI and AFROSAI-E has over the years developed a close and constructive cooperation covering among other areas like bilateral cooperation, strategic management, stakeholder relations and professionalisation of auditors. This cooperation has greatly contributed to the implementation of the various initiatives and also in building synergies in common interventions. The last year has been challenging for all of us, but we have still managed to continue our cooperation through different online platforms. I believe and hope that our cooperation will further develop in the future for the benefit of the SAIs in the AFROSAI-E region and the wider INTOSAI community." Ola Hoem, IDI Deputy Director General SAI Governance Department.

Canadian Audit and Accountability Foundation (CAAF)

"The Canadian Audit and Accountability Foundation shares a common goal with AFROSAI-E: supporting audit offices with the resources and training they need to make a positive impact for citizens. Our organisations have a long history of collaborating on initiatives related to performance auditing and SAIs' stakeholder relations. This year, despite the many changes brought about by the COVID-19 pandemic, our cooperation continued uninterrupted. As always, CAAF welcomed opportunities to learn from AFROSAI-E's insights and experiences, which enrich our work, and to be able to share our research and guidance with AFROSAI-E's members. We're proud to consider AFROSAI-E a partner and believe our collaboration helps us both better meet our common goal." - Carol Bellringer, President and CEO, Canadian Audit and Accountability Foundation.

Netherlands Court of Audit

"The NCA closely cooperated with the AFROSAI-E Secretariat in the development and dissemination of the online course on "how to audit government's performance in managing oil and gas contracts" that has been made accessible through AFROSAI-E's Learning Platform. The opportunity AFROSAI-E offered to allow access to SAIs worldwide (and not only to their members) shows their ambition in thinking outside the box and facilitate learning of SAIs to the greatest extend possible. The AFROSAI-E Secretariat expertly led the communication campaign for the launch of the online course, resulting in close to 40 SAIs registering for the course to date." - Mr. Ewout Irrgang (Vice-President NCA).

RISKS & SUSTAINABILITY

RISK MANAGEMENT FRAMEWORK APPROVED IN 2020

The Audit Subcommittee approved a risk management framework in 2020. The framework sets an environment that maintains good governance arrangements, an ethical culture, a robust strategic planning process, a documented risk register, and personnel who are aware of risks. The framework covers:

- Governance and oversight
- Risk appetite and tolerance
- Risk assessment process
- Reporting

We have already started to implement this framework, which enables us to report risks to the Audit and Finance Subcommittees, in way that emphasises the most strategic risks. The framework defines the risk appetite of the organisation as low, and we have identified mitigating actions for all identified risks.

The most significant risks that we identified in 2020 that will continue to pose risks to our operations in next year are:

Risks	Mitigation strategies
COVID-19 associated health risks for staff of members SAIs, partners and the Secretariat	• Adherence to regulations and recommendations designed to curb the spread of the virus. • Regular communication to raise awareness on the health risks of COVID-19. • Halting all travel until infection risks are sufficiently lower.
COVID-19 travel restrictions will affect our planned outcomes/impact.	• We have made every effort to continue supporting member SAIs virtually. However, we have yet to accurately assess the effectiveness of the virtual training in isolation.
Capacity to meet increased demand/ expectations from SAIs	• Implementing the Training-of-Trainer programme to extend the pool of available resources to meet SAI expectations. • The AFROSAI-E Learning Portal extends the reach of training initiatives to a wider pool of SAI staff and enables blended learning approaches. • We will be further developing our database of subject matter experts. However, we are still in the process of fully developing / implementing the above initiatives to reach their risk mitigating potential.
Outcomes not reflecting on SAI level	• Generating individual country-level ICBF reports to monitor progress. • SAI-level monitoring and evaluation focal persons to aid us with gathering information on progress. • Developing a robust management information system to track this information. This is however still in development.

We will continuously monitor and report to the Audit Subcommittee, on the risks in accordance with the framework.

The risks associated with the ongoing COVID-19 pandemic continue to affect operations of the organisation. We have made every effort to continue implementing our activities virtually wherever possible. However, the inability to travel to members countries and conduct in-person training, has affected our implementation of the strategy.

INTERNAL AUDIT PLAN IMPLEMENTED

In 2019, the Audit Subcommittee appointed SAI Malawi as our internal auditors for the period 2020 to 2022. They conducted an inception audit in February 2020 and the three main outputs from the audit were:

- *An internal audit charter to guide the function.* The Audit Subcommittee approved the charter in May 2020.
- *The findings of an evaluation of the current AFROSAI-E risk framework with improvement recommendations.* We implemented these recommendations in late 2020 and presented outcomes to the Audit Subcommittee in January 2021.
- *The drafting of an internal audit plan for the three-year period based on a risk analysis.* The plan included two assignments for late 2020: the effectiveness of the capacity building initiatives and the management of revenue.

We presented the 2020 draft internal audit progress report to the Audit Subcommittee in January 2021. Included in the progress report was an explanation that the internal audit team was not able to conduct the planned audits for 2020 in person because of travel restrictions. The assignments commenced virtually in late 2020 but the reports will only be finalised in the first quarter of 2021.

OUR ENVIRONMENTAL IMPACT AND MITIGATION MEASURES

A steady increase of our regional capacity building efforts had resulted in a marked increase of travel in the last strategic plan period. This increase came to an abrupt halt in March 2020 with the COVID-19 pandemic grounding flights around the world. However, because the nature of our operational targets does necessitate on-site support, we expect travel to again increase as soon as it is safe and practical to travel.

While not being able to travel impacted our ability to execute planned activities for the year, it also had some positive outcomes in terms of our environmental impact which are worth noting. Our carbon footprint reduced significantly from 2019 to 2020 with over 1000 fewer flights booked in the last year.

"If you just focus on one type of footprint, you miss out on the others that can provide a more holistic look at the environmental impact"
– Roshanak Nateghi,
Purdue professor of industrial engineering

Period	Number of Flights*	Kilometres travelled	Carbon Footprint**
2018	1 191	3 295 139 km	
2019	1 312	3 406 119 km	341.4 Co2 Metric Ton
2020	262	603 461 km	60.3 Co2 Metric Ton

* Statistics limited to flights booked through our travel agent and excludes flights booked by SAIs directly.

** Metric tons calculated since 2019

Looking at the environmental impact holistically does however mean that we need to acknowledge that while online meetings have a significantly lower impact on the environment, they do have an impact, nonetheless. Based on the research done by Purdue University, Yale University and the Massachusetts Institute of Technology (MIT), the drastic shift to remote work and more at-home entertainment due to the pandemic still presents significant environmental impact, primarily because of how internet data is stored and transferred around the world. An hour online meeting with video emits 150-1,000 grams of carbon dioxide, requires 2-12 litres of water and demands a land area adding up to about the size of an iPad Mini. By mostly leaving cameras off during our virtual meetings, we not only conserved bandwidth, but we also reduced the impact of our online footprint by 96%, (according to the research estimate).

OUR CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

We have prioritised five relevant SDGs in our operational activities to support these global aspirations for a sustainable future.

We are committed to the health and safety of our Secretariat staff and resources. South Africa announced a nation-wide lockdown in March 2020. We immediately took steps to equip staff with online collaboration tools and instituted a work from home arrangement. Secretariat staff have access to the wellness programme of our host SAI (AGSA), should they need support. We immediately cancelled all travel and face-to-face engagements and maintained this stance throughout the year. In line with national emergency regulations on the pandemic, we ensured our offices complied with all safety requirements. Using guidance from the WHO, we supplied information on health and safety tips and measures on our social media platforms.

We drafted a Learning and Professional Development Policy in 2020 to engage employees in a culture of lifelong professional learning and acquisition of required competencies to maximise job performance. We are passionate about providing our member-SAIs access to high-quality training and guidance. Our Technical Committee approved a new process that will ensure all online training materials go through rigorous quality and peer reviews.

We adopted a Gender Mainstreaming Policy in 2020 which embodies our values and demonstrates our commitment to creating a fair and pleasant workplace for all staff, in compliance with international good practice. The purpose of this Policy is to ensure that what we do and how we do things in AFROSAI-E contributes to gender equality by balancing responsibilities and conditions of service between genders. Through our gender mainstreaming strategy we aim to ensure that the concerns and experiences of all genders form an integral dimension of our operations so that everyone benefits. For us, gender mainstreaming is not a goal but an integrated approach for promoting equality.

Our vision of making a difference in the performance of SAIs, aligned with this goal to have strong national institutions that support good governance. We continue to use the Institutional Capacity Building Framework (ICBF) to measure and communicate the performance of our member SAIs, using aggregated information in a simplified format, based on key global indicators. This year we also developed individual country reports to supply additional insights on capacity building needs and constraints. We also have initiatives supporting SAIs to publish information on their performance annually, to lead by example as transparent and accountable institutions.

We updated our Public Finance Management Reporting Framework tool to include a more robust approach to the audit of SDGs. The tool also now emphasises the audit of disaster preparedness of PFM systems at both department and country level. One of our engagement goals in our Stakeholder Engagement Strategy, speaks directly to finding the right platforms, institutions, individuals, and bodies to approach and promote SAI independence. We have subsequently strengthened our partnership with the African Peer Review Mechanism (APRM) through a Memorandum of Understanding and participation in a country review.

YEAR IN REVIEW

18 online learning programmes on the AFROSAI-E Learning Portal

41 virtual capacity building workshops

INSTITUTIONAL CAPACITY BUILDING FRAMEWORK (ICBF)

The Institutional Capacity Building Framework (ICBF) forms the basis of the Theory of Change for our 2020 - 2024 Strategic Plan.

Theory of Change: IF SAIs are supported with capacity building opportunities through learning, on-site visits, technical advice and assistance, generic and customised audit manuals and tools. **THEN** public sector auditing will become increasingly professionalised, SAIs will be empowered for greater audit impact, and become model institutions and be able to lead by example. **EVENTUALLY** this will lead to better governance in the public sector, increased transparency and accountability, reduction in corruption and misuse of funds, increased access to services and reduction in poverty.

Since 2017 we have delivered annual ICBF training workshops to enable individual SAIs to provide self-assessment information that are as valid and realistic as possible. We held the 2020 training workshop from 10 to 14

Over **2300** participants reached with online interventions

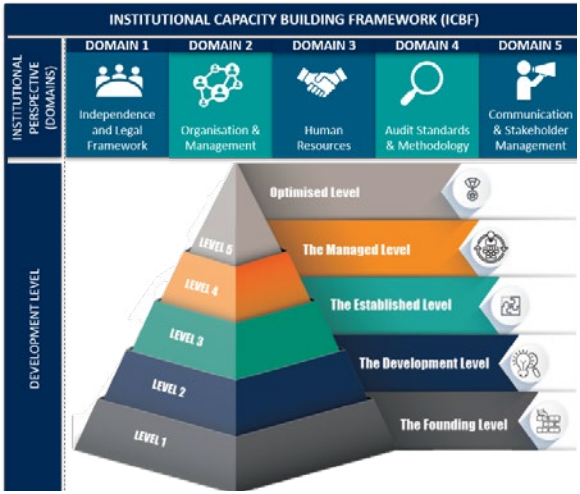
100% submission of ICBF self-assessment questionnaires

13 SAIs contributed **469** days of resource support

39 mulit-stakeholder virtual meetings

February 2020 for 31 participants from 15 SAIs. We held another three online training workshops in January 2021 to support SAIs with the completion of the 2020 self-assessment surveys.

In 2020 we issued SAI specific ICBF reports for the first time based on the 2019 self-assessment information. These reports included insights on SAI-level progress. We are using these reports to drive constructive engagements with individual SAI leadership teams on areas for development and to set clear objectives to improve the ICBF scores and maturity levels. While we have based these reports on the outcomes of the ICBF self-assessment and quality assurance reviews, we have also included our observations, based on our professional views and experiences when engaging with SAIs. Our goal with these reports is to have mutually beneficial engagements to better understand and respond to our SAIs' needs. To date we have discussed these reports with six SAIs, in so doing creating a platform for learning and exchange of ideas on how best to respond to the gaps identified in the reports. This is part of the current strategy to encourage SAIs to take ownership for the own development to improve on the ICBF scores.

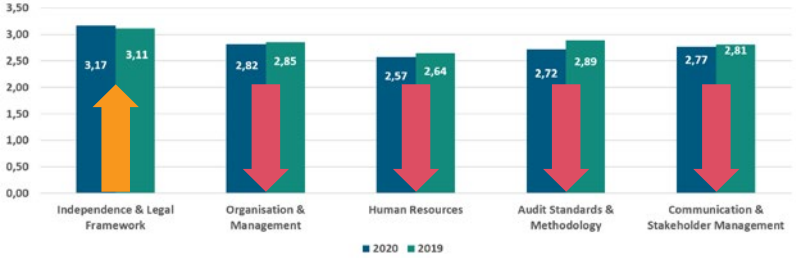


In 2019 we noted a 66% (69% in 2018) correlation of self-assessment scoring with the results of the independent quality assurance reviews. We believe that our intensified focus on training SAIs to better understand the scoring requirements, and engagement of SAI leadership will help in improving the correlation levels in future. As we capacitate SAIs to reflect the results of the independent quality assurance reviews more accurately.

Aggregated scores per domain for 2020 show a marginal increase across the region on the Independence and Legal Framework domain (domain 1). The other four domains show a marginal decrease in the aggregated scores. All five domains show a decrease in the number of SAIs on Level 3 or higher.

The 2020 State of the Region: ICBF Self-Assessment Report includes detailed information and analysis of these results.

Domain average comparison 2019 to 2020



% of SAIs on Level 3+ per institutional domain

"I am very happy to receive this prize on behalf of my office, and I am very proud of the team that has conducted the winning performance audit report. I would also like to thank the Swedish NAO for its longstanding support, that has contributed to developing the audit capacity in NAO Tanzania"

– Mr Charles Kichere,
Controller and Auditor General of SAI Tanzania

PRIZE FOR THE BEST PERFORMANCE AUDIT REPORT OF 2019

The National Audit Office of Tanzania scooped up the prize for the Best Performance Audit Report of 2019. This was the fourth win for SAI Tanzania since we jointly launched the prize in 2008, with the Swedish National Audit Office. The aim of the Prize is to benchmark good practices in performance audit and to highlight efforts made by performance auditors around the region.

The winning report *"Management of Water Projects in Rural Areas"* deals with a sector that is closely connected to public health, and therefore has a clear citizen perspective.

The international independent Review Team was unanimous in its decision on the winning report, and states that the audit report is well-motivated, of good quality and well designed. It covers the whole chain of responsibility, from the ministry to the local level of administration. The report presents conclusions and recommendations that are clearly analytical, add value and are based on an overarching integration of the findings.

The SAIs of Ethiopia, Ghana, Seychelles, Sierra Leone, South Africa, Sudan, and Tanzania nominated a total of ten reports to this year's competition. It is encouraging to see the spread of topics and geographic coverage in the nominated reports, as it demonstrates that quality performance audit work is conducted throughout the region, says Auditor General of Sweden, Helena Lindberg.

The audit team behind the winning report are Mr Victor Mapigano, Mr Andalason Hamba and Ms Esnath Henry Nicodem. As part of the prize, the team will visit the Swedish NAO in Stockholm later, to exchange knowledge and experiences with their Swedish colleagues.

14TH TECHNICAL UPDATE CONFERENCE

Our annual Technical Update Conference is an important platform, where we can share updates on technical developments, emerging issues and progress on capacity building interventions. In 2020 we hosted this event virtually and we were delighted with the turnout. We had over 500 registered participants and an average of more than 220 logged in attendees per session. While the virtual event did not allow for personal engagements and networking that's always been a highlight of the Conference, we were able to still have interactive discussions using the online platform.

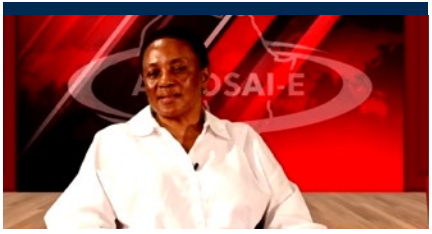
During the five-day event, we heard from a varied and interesting line-up of presenters, speakers and panellists who shared their insights. Among these were Chris Austin from the British High Commission in South Africa, who reflected on the social, economic and personal impact of disasters, the role of public institutions and the importance of resilience and adaptability. SAI Uganda, in collaboration with the IDI, shared their plans to embark on a pilot performance audit of elimination of intimate partner violence against women, linked to SDG 5.2. We also heard from our partners, the CAAF and NCA on their programmes related to doing culture audits and Covid-19-related activities, respectively. A panel discussion on the HR assessments tools and programmes included valuable feedback from the AG of Liberia and regional HR experts from Liberia, Namibia and Nigeria as well as insights from the Swedish NAO and PASAI on a joint HRM development programme.

The conference provided the perfect platform to widely share information about new and upcoming technical guidance and material. We used this opportunity to launch our Pocket Guide for SAIs on Audit Considerations on Responses to Disaster Situations, as well as an upcoming brand-new dedicated website for the Public Finance Management Reporting Framework tool, both done in collaboration with the GIZ. In addition, we had interactive sessions on current programmes including infrastructure audits, procurement and fraud audits, extractive industries audits and a coordinated audit project.

Breakaway sessions enabled in-depth discussion on financial, compliance, performance and IT audit guidance and new developments.

Throughout the exciting week, we had a wide variety of presentations, guest speakers, panel discussions and breakaway sessions.

"Each topic we addressed and presented on during the Conference, has a partner we work with or donor that funded it. We want to thank our partners and donors for their continued support and confidence they have in the Secretariat. We also want to reemphasise the importance for SAIs to take active steps to implement the learnings from the various interventions and we thank the SAIs that have cooperated with us and took ownership of their capacity growth through our programmes" – Meisie Nkau, CEO



AFROSAI-E LEARNING PLATFORM (ALP)

We launched the AFROSAI-E Learning Portal (ALP) at the 2019 Technical Update Conference. In addition to our self-paced e-learning programmes, we were also able to implement certain capacity building interventions remotely through ALP. By the end of 2020, we had more than **1300** learners registered from **92** countries. We currently have **18 online programmes** available to our region. Most of these courses are also available to all members of the INTOSAI community.

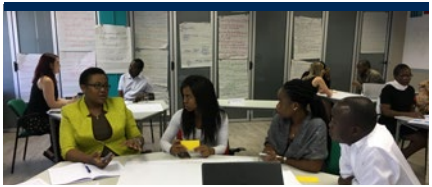
In addition, we have 10 short programmes for Secretariat staff, most specifically geared towards aiding them with remote working skills. ALP provided us with timely solution to implement training remotely. It has been particularly useful as part of a blended learning approach that included resource materials, exercises, assignment combined with online training sessions. We have however noted that while registrations for online learning programmes increase at a steady rate, we need to do more to encourage learners to complete the courses in full.

Courses currently available on ALP

1. Performance Audit Basic Module
2. Performance Audit Pre-study Module (blended learning course)
3. Performance Audit Main Study Module (blended learning course)
4. How to audit government's performance in managing oil and gas contracts *(supplied by Netherlands Court of Audit)*
5. *CPD through Audit of Extractive Industries*
6. Audit of Extractive Industries
7. Coastal Audit
8. Environmental Audit Risks at Local Government Level
9. Compliance Audit knowledge assessment
10. Financial Audit knowledge assessment
11. External Communications Toolkit
12. SAI/PAC Relations
13. Communication & Stakeholder Relations Webinar Series
14. Managing staff for Greater Engagement & Performance
15. Integrated Competency Framework
16. Cyber Security Quiz
17. African Professionalisation Initiative (API) introduction
18. AFROSAI-E Induction Programme

TRAIN-THE-TRAINER PROGRAMME

The 25 participants from the masterclass group, gathered in February to develop materials for the next phase of the programme. The intensive development workshop resulted in a comprehensive set of materials that we will use to train the SAI Champions. Unfortunately, we



had to postpone the first Champions workshop, since it will require elements of face-to-face engagements to be effective. In the interim, we held an initiation meeting with the nominated SAI Champions to provide them with background on the programme and discuss the planned activities. We also used the time to consolidate the material and quality assure it.

ACCELERATED PEER-SUPPORT PARTNERSHIP (PAP-APP)

AFROSAI-E partnered with IDI in 2018 to support the SAIs of Eritrea, Zimbabwe, The Gambia and Sierra Leone. The Accelerated Peer-Support Partnership (PAP-APP) continue to empower the four participating SAIs to enhance their capacity and improve performance. The project is organised in two phases:

- Phase 1 - 2018-20: to clarify strategic priorities and operational plans and use these to establish long-term and scaled up capacity development support.
- Phase 2 - several years where the PAP-APP partners will consider offering diverse types of support for capacity development depending on the SAI needs and the resources available from partners, peers and donors.

In 2020, SAI Sierra Leone and SAI Zimbabwe entered a Phase 1 extension to allow for development of their 2021-25 strategies, and to establish long-term technical and financial support. The peer-support team aided both SAIs to develop their 2019 Annual Performance Reports and supported SAI Zimbabwe with their 2021 Annual Operational Plans as part of extended agreements. Building on the progress made during the first phase, the SAIs and their peer support teams are planning various projects to enable them to enhance capacities and performance as set in their new strategic plans and project proposals.

SAI The Gambia signed a transitional Corporation Agreement to get support to audit COVID-19 relief funds and continue capacity development in key areas while the Phase 2 project was being finalised. The new project will build on the work done previously, bringing in new partners from within and outside the region. Funding has been secured from the World Bank for a complementary project supporting performance auditing and quality assurance.

SAI Eritrea completed a paper that included the Implementation Plan and Cooperation Agreement. The SAI and peer review team developed a funding proposal, which was submitted through the Eritrean Government to the African Development Bank in respect of infrastructural needs. AFROSAI-E included other support activities relating to SAI Eritrea in a separate application to the African Development Bank. Unfortunately, we had not received the funding commitment by the end of 2020, which has contributed to the delay the implementation of Phase 2 support.

STRATEGY IN ACTION

2020 was the first year of reporting on our 2020–2024 Strategic Plan. It proved to be a year of laying a solid foundation for focusing our reporting, not only on activities, but also on annual outputs and the progress we continue to make on achieving our strategic outcomes. This section of the report demonstrates the flow of interventions/activities to the outputs reported, and how these contribute to progress made to the achievement of outcomes. As reported in other sections of this report, we managed to achieve most of our planned outputs by implementing activities including those "redirected" because of the COVID-19 pandemic. The Finance Subcommittee considered and approved an amended budget in line with the revised Workplan activities.

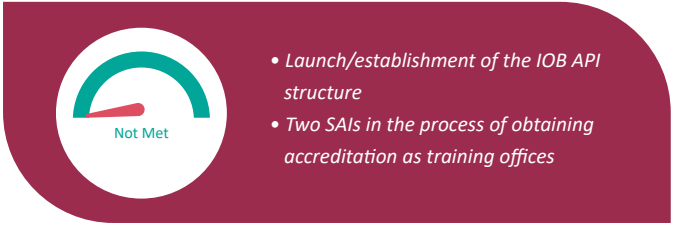
GOAL 1:

Professionalise Public Sector Accountancy

Our first Strategic Goal is to professionalise public sector accountancy.
This will involve:

- Collaborating with INTOSAI Professionalisation activities based on specific regional needs
- Actively contributing towards the African Professionalisation Initiative Strategy
- Actively supporting SAIs to create pathways for professional development

Outputs achieved in 2020



PROGRESS TOWARDS EXPECTED LONG-TERM OUTCOMES IN 2020

- **Growth in professional capacity building initiatives in African states through the API**

Through our participation in the African Professionalisation Initiative (API), we have taken progressive steps to building public sector professional capacity in African states. We remain committed to the long-term journey of professionalising public sector accounting and auditing in Africa. Our partnership with PAFA, ESAAG and CREFIAF to create and strengthen the API, is an exemplar for African states of the multi-stakeholder approach needed for sustainable professional capacity building. Not all expected outcomes were met in 2020. The process to establish an independent API structure is taking longer than initially anticipated however, good progress has been made. The partnership directed much of its collaborative efforts with its committees and member-SAIs to the development of high-quality learning resources which will be launched in 2021. The wide representation from all the partners in the API governance structure, has resulted in relevant activities that are of a high standard. This will ultimately lead to the intended impact.

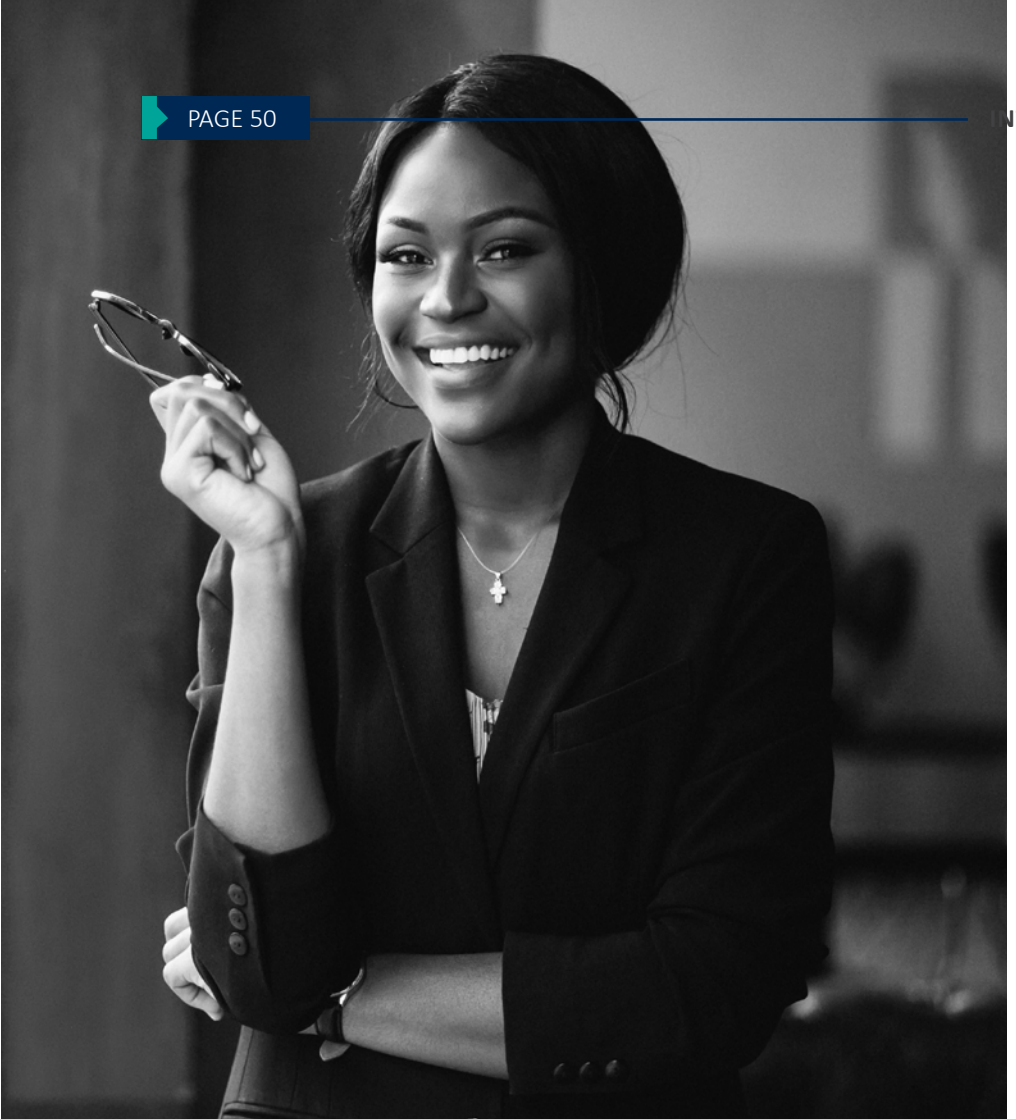
• Growth in professional capacity building initiatives in member SAIs

Although COVID-19 travel restrictions resulted in the postponement of most SAI level professionalisation interventions in 2020, a professionalisation champions network was successfully established. This will enable member SAIs to benefit directly from our professionalisation activities and the associated work of the API and INTOSAI. The insights we gained from the first champions workshop will enable the professionalisation team to better support member SAIs and achieve greater impact in 2021 and beyond. We further expect that the abovementioned API learning resources will be integrated into professional accountancy qualifications in the coming years, and will benefit our member SAIs directly.

The Accelerated Learning Programme will create a foundation for effective absorption and implementation of learnings through the Secretariat's capacity building programmes.

Objectives	Outputs
Collaborating with INTOSAI Professionalisation activities based on specific regional needs	We actively participated in the Taskforce on INTOSAI Auditor Professionalisation (TFIAP), under the leadership of SAI South Africa, and are incredibly pleased that the combined efforts of the Taskforce led to the imminent release of the draft Professional Pronouncements (ISSAI 150) on auditor competence. Our input ensured that the draft standards reflect regional perspectives. This work will help to set a benchmark for SAIs in our region and globally for their professional development activities. This will be beneficial to the professionalisation support we can offer our SAIs in future. In addition, we made substantial contributions to the IDI Professional Education for SAI Auditors (PESA) programme to ensure relevance to our members.
Actively contribute towards the API strategy	The Interim Oversight Board approved the new API Strategic Plan for 2021-2023 and the Project Steering Group is drafting the constitution for a permanent structure. At this stage the API has not yet reached a point where a permanent structure can be established and is still working toward financial and administrative independence. We are therefore still housing the API and its Secretariat.

Objectives	Outputs
Actively support SAIs to create pathways for professional development	The API, through its involvement with the relevant regional and international bodies has established itself as a leading voice in professionalisation in Africa. Our member SAIs and Secretariat team play a significant role to guide and contribute to the work of the API. In 2020, this included the development of the online Accelerated Learning Programme that will support the development of professional accountants and auditors in the public sector. IFAC is a key supporter of this initiative and consistently advocated for Professional Accountancy Organisations in Africa to recognise the API's Accelerated Learning Programme as a pathway to a professional accountancy designation. We also played a significant role in the development of a White Paper on professional capacity building. The COVID-19 pandemic and resulting travel restrictions did impact our ability to meet all our objectives for 2020. While we completed the planning for the Professional Pathways Workshop, we were not able to implement the training intervention. However, to ensure SAIs are aware of key professionalisation efforts taking place globally and within the African context, we invited member SAIs to nominate professionalisation champions. Through this network of champions, we will equip SAIs with the knowledge to develop a well-considered professionalisation pathway that leverages INTOSAI guidance and that works for the SAI's unique circumstances.



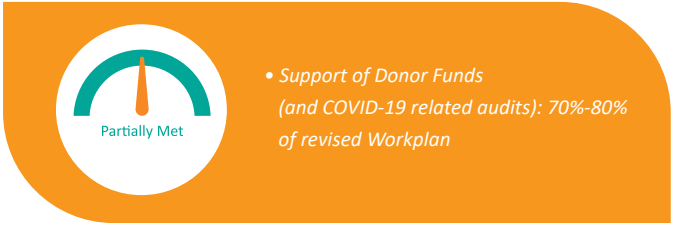
GOAL 2:

Empower SAIs for greater audit impact and quality

To improve our reach to the high number of auditors employed by SAIs, our second strategic goal is to: Empower SAIs for greater audit impact and quality. This will involve:

- Developing and providing value-adding audit learning opportunities and services to SAIs
- Researching and developing relevant technical materials in accordance with SAIs' best practices

Outputs achieved in 2020



PROGRESS TOWARDS EXPECTED LONG-TERM OUTCOMES IN 2020

• Improvement in SAI staff (audit) skills and Knowledge

Despite the challenges and limitations posed by the pandemic, we achieved key outcomes in 2020. More SAI staff are now skilled enough to facilitate training in their own SAIs. This reflects a growth in confidence and an improvement in the skills, knowledge, and training capacity in our member SAIs. Two SAIs established Extractive Industry (EI) audit units, including SAI Nigeria, who has since started working on two EI audits. The improved calibre of auditors in the region is increasingly critical in the current climate where travel is restricted. Having a pool of capable and qualified regional resources to draw from is important to ensure sustained growth at SAI level and decreased reliance on training from the Secretariat. We also believe that improved audit skills and knowledge improves the quality of audits.

• Improvement in the 'quality' of audits

Recognising their responsibility to stakeholders, SAIs responded well to the expectations raised during the pandemic. Despite constraints to physically access information while not impeding government's responses to the pandemic, 12 SAIs performed COVID-19 related audits. These audits are in various stages of completion. To date Sierra Leone, Lesotho, Kenya, Zambia and South Africa have published their reports.

Objectives	Outputs
Develop and provide value-adding audit learning opportunities and services to SAIs	**Financial and Compliance Audit** The pandemic resulted in some SAIs not able to fully implement their planned audits. We therefore focused on supplying technical guidance to SAIs on specific areas. In 2020, the SAIs of South Sudan, Uganda and Zambia implemented customised manuals in accordance with the ISSAIs. Before travel restrictions were imposed, we had the opportunity to have one sub-regional workshop for the SAIs that have piloted audit manuals. We also gave remote support to the SAIs of South Sudan, Ethiopia, Zambia, Angola, Nigeria, Rwanda, Somalia and Sudan and implemented an online FAM and CAM knowledge assessment programme. Despite the challenges in 2020, we have seen some positive results following our capacity building efforts. SAI staff are showing more confidence in their skills and ability to facilitate in-house training on the audit manuals. This was evident with the online workshops held in Nigeria and Rwanda respectively, which SAI staff facilitated. This has been a part of our long-term strategy to increase the pool of trainers and skills of regional auditors.
	Audit of Extractive Industries To support SAIs with improving their resilience during the pandemic, we published a joint research paper with Working Group on Extractive Industries (WGEI) entitled: SAI audit considerations to the impact of COVID-19 on the Extractive Industries sector. We also focused efforts to reach a broader audience of SAIs with guidance on extractive industries. This included translating our Audit Considerations for Extractive Industries Guideline to Arabic, to aid ARABOSAI members, who are some of the most oil and gas resource rich countries in the world. These efforts included a collaborative project with the Netherlands Court of Audit to launch an e-learning programme on auditing governments' management of oil and gas contracts, on our AFROSAI-E Learning Portal in English, French and Arabic. To further strengthen capacity, we supported SAI Nigeria to establish a dedicated Extractive Industries unit and guided SAI Gambia on risk assessments and stakeholder mapping.

Objectives	Outputs
Develop and provide value-adding audit learning opportunities and services to SAIs	**Performance Audit** Teams from Kenya and Botswana concluded two separate main studies (Module 3). A total of 19 draft reports were workshopped during these sessions and the teams were able to improve the flow of their reports to add more value. We also implemented the pre-study module (Module 2) online for the first time, with 29 participants (Uganda, Gambia, Zambia and Namibia). Participants had to submit a draft pre-study memorandum of a real audit they are busy with and this enabled us to give them practical support to apply the training to their audits. We piloted a blended learning approach to advanced data analytics in SAI Mauritius, that included 25 hours of e-learning prior to the session. Participants demonstrated knowledge of data collection, analysis, and interpretation by practically applying the knowledge in a performance audit context. We also used the AFROSAI-E Learning Platform to run the Performance Audit Basic Module e-learning programme in Portuguese for SAI Angola. As part of the accelerated support programme, we supported SAI Nigeria to review and conclude six draft performance audit reports. The SAI subsequently published three of these reports. We also aided the ARABOSAI region by training 41 participants from their member SAIs on risk analysis and approached to risk-based auditing.

Objectives	Outputs
Develop and provide value-adding audit learning opportunities and services to SAIs	**Information Systems Audit** In 2020, the AFROSAI-E Working Group for Information System Audit and Management (WGISAM) focused on topics related to supporting a remote audit office. Following online discussion sessions, the Working Group developed workplans for the three subgroups to foster knowledge transfer in the region. Through an online seminar on the topical issue of integrating IT audit in financial audit, we enabled regional Information Systems (IS) auditors to answer questions from financial auditors on the topic. To further support SAIs, we developed a research paper on Integrating Big Data in Public Sector Audit and conducted research on cyber security in the region. Although it was not feasible to implement all the planned activities in a remote format, we collaborated with the OAGN on IT audit initiatives in Uganda and Zambia. We also supported Nigeria, Angola, Rwanda and Liberia remotely with online training sessions and updated the Information Technology Audit Manual (ITAM) and IT checklist in line with changes in the ISSAIs. Unfortunately we were unable to proceed with three planned AFROSAI-E SAI Enhancement Audit Tool (A-SEAT) implementations, but we did implement one SAI self-assessment to test the readiness for implementation.

Objectives	Outputs
Research and develop relevant technical materials in accordance with the ISSAIs and best practices	Public Finance Management Reporting Framework tool SAI Zimbabwe had tabled their report to their Parliament in 2019, with stakeholders indicating that the report was adding value through its root cause analysis. We continued to support SAIs with developing their capacity through follow-up training sessions. In partnership with the GIZ Good Financial Governance programme, we completed development of the PFM Reporting Framework tool version 2.0. The updates reflect user feedback, includes a more robust approach to the audit of SDGs and emphasises the audit of disaster preparedness of PFM systems at both department and country level. With support from the INTOSAI Working Groups on SDGs and Key National Indicators, we rolled out the updated version in SAI Zambia, Kenya and Zimbabwe. As a result, leaders from Zimbabwe and Kenya prepared action plans to carry out audits using this version of the tool. We collaborated with the GIZ to develop a dedicated website for the PFM Reporting Framework tool with plans to launch in early 2021. Through the site, our aim is to create a credible platform for PFM practitioners globally, to exchange ideas grow their knowledge. We also engaged with the Pan-African Public Finance network partners, the GIZ and the International Budget Partnership (IBP), in a valuable knowledge sharing session on the role Public Finance Management systems and tax regimes can play in enabling African governments' responses to the COVID-19 pandemic and the resulting economic fallout.

Objectives	Outputs
Research and develop relevant technical materials in accordance with the ISSAIs and best practices	**Audit of donor funds and disaster audits** To enable regional and global knowledge and experience sharing, we conducted and published a series of online interviews with the AGs of South Africa, Ethiopia, Liberia and Sierra Leone, on the impact of COVID-19 on country PFM systems. This provided a platform for AGs to talk about the challenges of the pandemic for their SAIs and their efforts to adapt and respond to the crisis. We further held a round-table discussion with AGs and stakeholders on SAI responses to COVID-19. To support SAIs with responding to the pandemic, we developed the Pocket Guide for SAIs on Considerations for Responses to Disasters in cooperation with the GIZ. The Pocket Guide gives strategic level guidance to SAIs on considerations to be taken, when preparing and responding to disasters throughout the three phases of a disaster cycle. It also conveys some fundamental audit practices such as remote auditing and real-time audits. We held constructive dialogues with the Global Fund on the issues of accreditation of SAIs as the external auditors of their grants and to access capacity building funding.
	Quality Assurance reviews Unfortunately, we were not able to conduct planned in-country quality assurance reviews in 2020 due to travel restrictions. Although we were able to conduct one review remotely at the SAI of Somalia, it was very time consuming and challenging to coordinate. We included the PMF Reporting Framework review in the quality assurance review, and it was gratifying to note that there was a correlation of the findings. Following workshops with SAI leadership to discuss their role to improve SAI quality management systems, we developed a draft action plan for to further develop SAIs in this area. The discussions centred around the ICBF self-assessment results and quality assurance review outcomes to identify and prioritise SAI development gaps.

GOAL 3:

Transform SAIs' organisational capabilities for greater impact

Our third strategic goal demonstrates our commitment to transforming SAI organisational capabilities for greater impact. We will achieve this by:

- enabling SAIs to instil results-driven stakeholder relationships
- improving leadership and organisational capability for transformational excellence
- creating highly skilled, productive, professional and engaged staff

Outputs achieved in 2020

- *Peer-to peer/twinning & partnership mechanisms: 75%-80% of requests*
- *SAI independence: 1x regional/ continental and 2x country engagements*
- *Communications: 1x guideline, 5x trainings, 3x country support*
- *HR: Update & expand HR Handbook (2x HRM practices), 3x training, 80% country support request*

- *Advocate for SAIs to be independently audited*
- *Approved templates for SAI performance reporting*
- *Leadership: 1x SLDP, AG onboarding programme document*
- *80% of MDP and strategic management intervention requests*
- *PAP-APP: Phase 2 paper & implementation plan, 90% of implementation plan*

PROGRESS TOWARDS EXPECTED LONG-TERM OUTCOMES IN 2020

• Improvement in skills and knowledge of SAI strategic management, HR and communication staff

We have seen notable improvement in the skills of SAI HR, communication and strategic management staff. Specifically, there is evidence that staff are applying the learnings from annual workshops and p eer-to-peer support by developing initiatives to communicate audit findings more effectively. Following intensified HR capacity building support, 15 SAIs have developed HR Strategies, which are at various stages of implementation. Staff from seven SAIs are in the process of developing a Strategic Plan through our bilateral cooperation agreements.

• Improved organisational systems and processes

The culture values assessments have yielded satisfactory results with improved SAI organisational systems and processes. Following the assessments, SAIs have adopted new organisational values, improved their codes of conduct, developed new policies and improved staff engagement. We also aided several SAIs to develop strategic and operational plans, which have aided them to better plan and organise their activities, systems and processes.

• Improved leadership and management capability

Effective leadership development programmes require a level of physical interaction. This meant we had to limit or cancel most of our planned leadership development activities in 2020. While we were able to implement some online activities, we are redesigning the programmes for more effective implementation in 2021 onwards.

Objectives	Outputs
Enable SAIs to instil results-driven stakeholder relationships	We have in-country programmes and agreements with Rwanda, Nigeria, Liberia, Angola and Somalia. Rwanda currently is the only country with a long-term adviser and direct peer support. The purpose of these agreements is to ensure dedicated and focused capacity building efforts that meet the specific needs of the SAI and will ensure sustainability of capacity created/enhanced. We engaged the African Peer Review Mechanism (APRM), in line with our Memorandum of Understanding, to elevate the challenge of SAI independence to a country and continental level, through their review processes. This led to an invitation for AFROSAI-E to participate in the Sudan country peer review. This partnership will continue in the future and ensure that where countries request targeted reviews, SAIs are part of it. In response to the COVID-19 pandemic, we developed a research paper on Crisis, Emergency & Risk Communication Paper. The Paper gives an overview on the differences between disasters, crises, emergencies and risks, and the recommended types of communication response for each of these. It also proposes key communication considerations for SAIs to create or adapt disaster preparedness plans. To build SAI capacity to demonstrate ongoing relevance to citizens, parliament, and other stakeholders, we held a series of webinars for SAI communication practitioners. This enabled valuable knowledge and experience sharing, especially in terms of how SAIs responded to stakeholder expectations during the COVID-19 pandemic. We also held experience sharing sessions with the AFROPAC, ESAAG and PASAI Secretariats. The SAIs of Eritrea and Zimbabwe piloted our annual report template guidance and used it to produce Annual Reports on their own performance. The templates for basic and standard reporting are now available on our website.

Objectives	Outputs
Enhanced leadership capabilities of executive and senior staff at SAIs	The pandemic-related travel restrictions adversely affected most of our planned leadership development activities, including the Senior Leadership Development Programme and Executive Mentoring and Coaching Programme which were both cancelled. We did implement a Management Development Programme (MDP) in Liberia and held inception meetings with Angola and Nigeria. We conducted Culture Values Assessments and Organisational Assessments for SAI Zambia, SAI Sierra Leone and SAI Liberia. These assessments enabled us to assist the SAIs to determine the status of the organisational culture, find out which factors negatively impact performance, identify areas for improvement and make recommendations to maximise the engagement and performance.
Enhanced human resources capability	We supported HR staff in the region with guidance on how to develop a staff wellness policy and the types of interventions linked to improve staff wellness. The impact of the pandemic on SAIs was undeniable and we aided HR practitioners with COVID-19 readiness and related HR policies. We also provided direct support to the SAIs of Rwanda and Namibia to develop HR programmes and supplied intensive support to SAI Somalia with recruitment and to develop HR capacity. In collaboration with the Swedish NAO, we co-facilitated the HR Management training programme for six PASAI members. The SAIs of Namibia and Rwanda are now using our Integrated Competency Framework (ICF) to develop job profiles for their SAIs and Mozambique and Somalia are using it to develop career paths and development profiles. To enable our Portuguese-speaking members to implement the ICF, we updated it to include competencies for the court model. The Integrated Competency Framework has been translated to Portuguese.

GOAL 4:

Lead by example and deliver on our mandate

As a Secretariat we strive for a more structured approach and improved coordination with our stakeholders. Our fourth and final strategic goal is therefore to lead by example and deliver on our mandate. We will achieve this by:

- establishing sustainable relationships with members, institutional partners and donors
- providing staff with development opportunities to enrich knowledge and skills
- entrenching good governance, transparency

Outputs achieved in 2020

- *Consolidated skills enhancement plan for Secretariat staff; job description review; 360 assessment completed; integrate values in IPCs; benchmark good governance practices; assess statutes; internal audit plan and risk management framework; implement HR policies*
- *Assess strategic plan (2x)); complete M&E framework and handbook; draft management information; approved Integrated Annual Report and State of the Region Report*

- *Develop Stakeholder Engagement Strategy & 90-100% implementation*
- *Implement online expense claim process; procure new HR system*

PROGRESS TOWARDS EXPECTED LONG-TERM OUTCOMES IN 2020

• Effective organisational systems and processes in the Secretariat

We improved several of our organisational systems and processes at the Secretariat. The shift to remote working late in March 2020 meant we had to strengthen our use of our online collaboration platforms to ensuring minimum disruption to our work. We adapted quickly and held successful online Subcommittee meetings and a virtual Technical Update Conference. Throughout the year we made improvements in our monitoring and evaluation processes which have improved the quality of data and information collected. We are in the process of developing an online monitoring and evaluation platform that we plan to implement in 2022. We also made improvements to our finance system to allow for faster administrative processes. All these improvements have allowed as to continue be effective in serving our member SAIs.

• Stakeholder engagements

Our desire to continuously improve and meet the needs of our stakeholders, has increased our resolve to have clear and purposeful engagements. It is only through successfully involving our stakeholders in our operational and strategic activities, that we can clearly understand them and their needs. And it is only with this understanding, that we can implement our organisational strategy in a way that enables us to meet those needs. We developed a Stakeholder Engagement Strategy in 2020 to prioritise engagement goals for the 2020-2024 Strategic Plan period.

Objectives	Outputs
Establish sustainable relationships with members, institutional partners and donors	To respond proactively to our stakeholders' needs, we engaged with all our institutional and other partners individually and in a joint session. These engagements aided us with developing our operational plan for 2021 and confirm areas of collaboration and support from our partners. We also held meaningful, tailormade discussions with six SAIs to discuss their individual ICBF country reports and their capacity building needs for future interventions. Targeted engagements with current and potential development partners and donors to discuss areas of funding and collaboration were held. We submitted funding proposals to two potential donors to support the implementation of our Strategic Plan. We also secured funding and technical support to develop and implement an online monitoring and evaluation system. To cultivate networks of subject matter expert to increase contributions and feedback on SAI-level developments, we held engagement sessions with our existing and new regional networks including the communication practitioners, HR champions, monitoring and evaluation focal persons and SAI professionalisation champions. We participated and actively contributed regional perspectives in several INTOSAI structures. These included: • The Forum for INTOSAI Professional Pronouncements (FIPP) meeting • Working Group on SDGs and Key Sustainable Development Indicators meeting • Capacity Building Steering Committee meeting and webinar on SAIs auditing donor funds • Working Group on Big Data meeting • 13th INTOSAI Donor Steering Committee Meeting • PAP-APP Steering Committee meeting

Objectives	Outputs
Establish sustainable relationships with members, institutional partners and donors	• PAP-APP Steering Committee meeting • AFROSAI Governing Board meeting • Compliance Audit Subcommittee meeting • 17th Professional Standards Steering Committee meeting To provide our members with the most up to date guidance on technical developments within the global public sector auditing environment, we actively engaged stakeholders on the following platforms: • African Professionalisation Initiative Steering Committee meeting • ACFE Industry Forensic Accounting Forum • GIZ webinar on Illicit Financial Flows • IDI forum discussion on Transparency, Accountability and Inclusiveness during COVID-19 • International forum discussion on PFM and resource mobilisation during COVID-19 We produced a short video on our 2020 to 2024 Strategic Plan and published it on our website and social media platforms. Our website remains our primary source of information and we updated it continuously with news on the latest developments in the region. We launched the AFROSAI-E Bulletin in April 2020 to share regional news and developments with our members, stakeholders and interested parties. We issued ten Bulletins during the year and will continue to use this channel to increase our visibility.

Objectives	Outputs
Provide staff with development opportunities to enrich knowledge and skills	Professional development of our staff is central to the successful implementation of our strategy. Staff members were given an opportunity to pursue studies in areas where the Secretariat does not have expertise and to also improve own knowledge and skills. Staff alignment to the Strategic Plan and organisational values is emphasised through the individual performance agreement of each staff member to manage and ensure acceptable performance and behaviour.
Entrench good governance, transparency and accountability principles	The process to revise our Statutes and Regulations, in line with good governance practices, commenced in 2020. We will present the revised documents for approval at the 2021 Governing Board meeting. Our internal auditors finalised the internal audit plan and implemented it virtually in 2020. The annual policy review was conducted and two new policies relevant for the current situation were developed to manage expectation and create a consistent working environment. We continued to review and develop our systems and processes to be more efficient within the organisation and with our external interactions, including our capacity building efforts. We developed an internal monitoring and evaluation system, framework and handbook. We have already begun using these and they will provide the basis for the online platform we plan to develop with the support of the GIZ in 2021. In line with these processes, we completed mid-year and year-end reviews of the Strategic Plan using our new tracker tool.

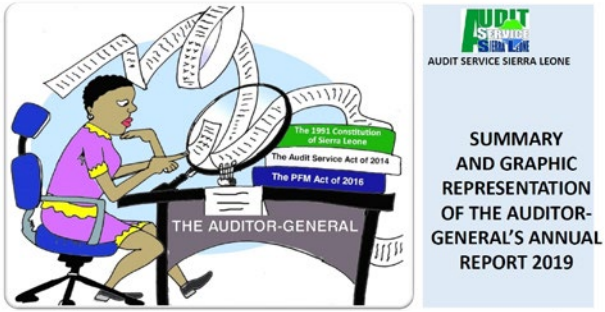
SUCCESS STORIES

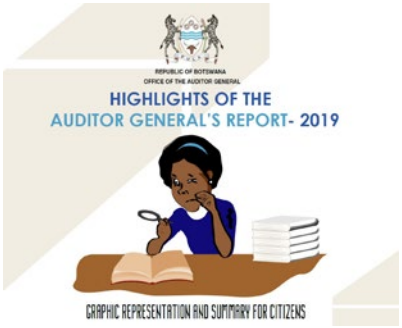
Success stories are qualitative accounts of AFROSAI-E's collective contribution to impact, whether it be in the SAIs, region or international sphere we operate in.

Due to the nature of the work we do that has many interdependencies, and the fact that we support SAIs in various countries operating in different social and political environments, conducting detailed impact assessments and evaluations annually is beyond our scope (both in terms of capacity and resources). As such success stories are a practical way of highlighting and celebrating some of the outstanding work that our member SAIs and Secretariat Technical Managers are doing in the region. The stories zoom in on a particular SAI or SAIs, thematic audit area or institutional discipline and reflect the achievements made in that area. All the stories are linked to our capacity building interventions, but focus on the change effected at the SAI itself and at societal level.

SAIs REACH OUT TO CITIZENS WITH GRAPHIC AUDIT REPORTS

We recognise that for SAIs to make a difference to the lives of citizens, they need to make audit recommendations that will result in positive change. Audit reports are however often difficult for average citizens to fully understand. Distilling down the key messages from an annual audit in an easy-to-understand format is a challenging undertaking. But SAIs Sierra Leone, Botswana and Zambia, managed to tackle this challenge head on by issuing visually appealing and user-friendly graphic audit reports. SAI Sierra Leone has

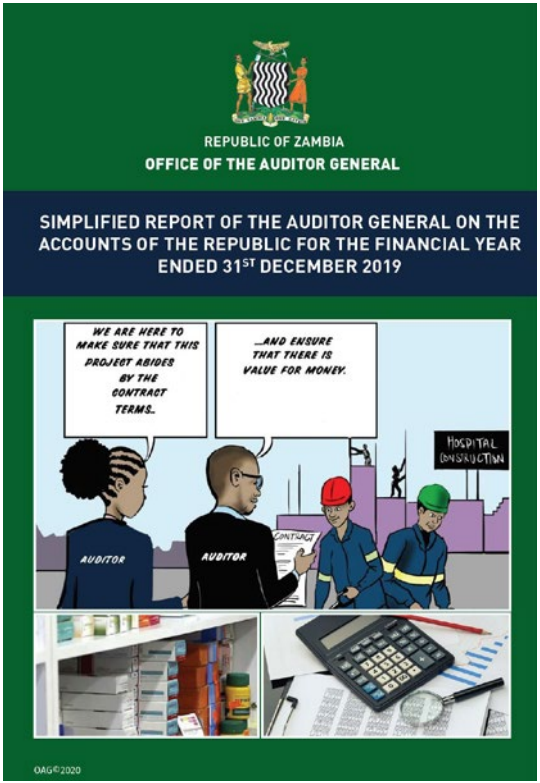




published graphic versions of their annual audit reports since 2014 and the SAIs of Botswana and Zambia published their first graphic reports in the last year.

Graphic reports are excellent tools to create dialogue with civil society organisations and during outreach programmes, particularly those targeting schools. It enables the SAI to get the key messages across in a memorable and digestible way.

During our 2018 and 2019 regional workshops for communication practitioners, we particularly focused on strategies to engage stakeholders on audit reports and using plain language for effective report writing. We also aimed these workshops to focus primarily on regional practitioners sharing their experiences with developing and implementing communication products and channels.



Among these were the graphic audit reports that SAI Sierra Leone had been producing. In Sierra Leone only 40% of the population have at least basic skills in reading and writing, which meant the SAI had to seek creative and effective ways to communicate with its citizens. The use of graphics, reducing the word counts and the availability of hard copies meant the reports where easier to understand, had a broader appeal and reached more citizens. It is also a means of getting the messages of the report to people in underdeveloped rural areas where there is no electricity and access to the internet.

Workshop participants had the opportunity to learn from this experience and interrogate the process SAI Sierra Leone followed with a view on replicating it in their own SAIs. Communication practitioners were very enthusiastic about using graphics and cartoons to make the audit reports more accessible to citizens. These workshops have enabled effective networking among regional communicators who are able to continuously support each other with practical application of initiatives in their own context. SAI Botswana stated how *"the training was an eye opener and aided them to produce initiatives that are aligned with our Strategic Objectives, yet accessible and appealing to our stakeholders. The training equipped us with the necessary pointers to execute our project to produce a Citizen's Report."* While SAI Zambia noted that *"The training provided by AFROSAI-E, compounded by the sharing of experiences by member SAIs have tremendously helped the Office of the Auditor General Zambia to improve the contents and outlook of its audit reports. The Office has managed to not only communicate its audit findings to the public but communicate the audit findings more effectively."*

It is clear from the response of stakeholders of all three SAIs, that the graphic audit reports have had the intended impact. In Sierra Leonne, the civil society organisations (CSOs) have been using the graphic report in their outreach programmes. CSOs also consistently request the graphic summary whenever the SAI tables its main report in parliament. In Botswana and Zambia, stakeholders responded very positively to the report. SAI Zambia had support from their cooperating partner, the USAID, to disseminate the simplified report through newspaper supplements (pull-outs) which have a readership of over 20, 000. The newspapers also placed the simplified version on their websites for download. Their stakeholders have stated that "*this will go a long way in promoting accountability in the country.*"

The capacity building efforts in this area have resulted in more graphic reports in the region. We have also seen more citizen-centric audit reports coming out from regional SAIs, which includes easier to understand, summarised information on audit outcomes. Though, there is room for improvement in adopting a plain language approach to the 'official' annual report on audit outcomes.

SAIs who are interested in creating these types of reports should reach out to the SAIs in the region that have already done so. Each SAI has a unique way of getting staff and management buy-in to produce the graphic audit reports. Learning from their experiences is the most effective way to start the process. Simplifying and condensing audit messages in graphics is a complex task and learning about the processes that other SAIs followed is therefore crucial. Where such skills are lacking in the SAI, consider outsourcing or partnering with other technical experts/institutions; as was the case with SAIs Sierra Leone, Botswana and Zambia.

It is also good to consider engaging with relevant CSOs in the country to aid in this process (depending on the SAIs' stakeholder engagement strategy and priorities). CSOs have a direct line to engaging citizens and therefore have valuable insights on how to get messages across effectively to them. It is also critical to ensure that initiatives to create graphic audit reports are implemented by an integrated team that includes both audit, quality assurance and communication practitioners.

CULTURE AND ORGANISATIONAL ASSESSMENTS SUPPORTS SAI LIBERIA EFFECTIVENESS

Our Culture and Organisational Assessment intervention is valuable tool to enable SAIs to assess their organisational culture and effectiveness. In implementing this intervention with a Culture Values Assessment (CVA), SAIs can identify and address issues that negatively impact its culture and performance. In addition, it enables the SAI to determine the collective personal values of staff and if they are living the current organisational values. It also assesses what the level of top management cohesion is, and how staff view the current culture and future of the SAI. The second part of the assessment looks at organisational effectiveness using our Organisational Development Model. Using the model, the SAI can identify and plot issues that impact its performance based on the external environment as well as strategic, organisational and people levers.

The Culture and Organisational Assessment can be particularly useful to SAIs when developing or reviewing the strategic plan. The CVA results can help the SAI set new core values, develop a Code of Conduct and cultivate a culture of integrity and performance. The General Auditing Commission of Liberia requested a Culture Values Assessment in 2020 to assist them to develop of their new Strategic Plan and performance management system. Of the 330 employees, 249 (75%) participated. This was a remarkable response considering the challenges posed the COVID-19 pandemic. It was also the first

CVA that we conducted and presented virtually. Ideally, we conduct in-person interviews with leadership and visit the SAI offices to better understand the environment and culture, before making recommendations.

Despite the COVID-19 lockdown regulations in Liberia and many staff not having access to computers at home, the SAI was committed to the process. More importantly, staff recognised the value of the assessment and were eager to participate. To enable staff without home computers to complete

the survey, the SAI set up a resource centre at the office. The CVA results and key recommendations highlighted the improvements the SAI could make to promote its effectiveness and efficiency to deliver on its mandate. The Auditor General and her management team took these recommendations to heart and incorporated them into the SAI's 2020-2025 Strategic Plan and performance management system.

According to the HR Manager of SAI Liberia, the benefits of implementing the CVA are clearly visible. He believes that, if you have a good Strategic Plan but an unhealthy toxic culture, you will not be able to deliver your goals. *"It was therefore critical for us to participate, as we needed to assess our existing culture and identify the strengths and weakness and how best to respond to them. We highly recommend this to other SAIs."*

The process was so beneficial to the SAI, that the Auditor General requested an annual CVA to maintain the office's healthy organisational culture. She stated that staff are the most important asset of the office and it was important to continuously assess where they were as an organisation and get staff input and buy-in. *"We want to ensure that what we are preaching is what we are practising"*, she stated in an interview at the 2020 Technical Update. The AG went on to explain how the CVA has helped them in their planning processes and career development plans. *"We appreciate the support provided by AFROSAI-E and that we did not have to go outside the region and pay for these services."*

MEETING STAKEHOLDER EXPECTATIONS WITH REAL-TIME COVID-19 AUDITS

The COVID-19 pandemic caused an unprecedented public health emergency, with associated significant economic impact, affecting all developing and developed countries. Stakeholders have recognised the role of SAIs as crucial in supporting government response mechanisms by maintaining public financial management discipline and ensuring transparency and accountability. In response to the pandemic, we researched the resilience of sub-Saharan Africa SAIs to meet stakeholder expectations at the wake of COVID-19. Based on the research outcomes, we initiated knowledge sharing initiatives and developed guidance material to supplement our existing guidance. This included a pocket guide for SAIs on the audit of disaster situations for SAIs and a paper on crisis, emergency and risk communication.

Several of our member-SAIs responded to the stakeholder expectations and conducted audits in some of the most challenging circumstances. SAI South Africa took the lead as the first SAI in the continent to table a COVID-19 report, and shared their experiences with other members. By early 2021, 11 more SAIs including Zambia, Botswana, Namibia, Lesotho, Ethiopia, Uganda, Kenya, Sierra Leone, Liberia, The Gambia, and Zimbabwe were busy with COVID-19 related audits. Sierra Leone, Lesotho, Kenya, Zambia and South Africa have already published their reports.

The SAIs of Sierra Leone, Zambia, Lesotho, The Gambia and Fiji shared their experiences in carrying out audits during the COVID-19 pandemic. It is obvious that carrying out these audits were extremely difficult for the SAIs and their auditors. The SAIs faced similar challenges including restricted movement, social distancing, reduced staff at the public offices and fear of virus exposure. Auditors also met with resistance from some auditees, who did not understand the importance of real-time audits and were reluctant to test the effectiveness of the processes they applied during the pandemic. Other factors SAIs had to contend with were the lack of personal protective equipment and mandatory quarantine periods for auditors after meeting auditees in some health institutions. The lack of reliable internet connectivity and ICT equipment for remote auditing and working from home were also areas of concern.

Despite these significant challenges, the SAIs persevered with their audits. SAI Gambia stated how the research paper and pocket guide were relevant in assisting SAIs in *"carrying out audits using the compliance audit methodology and in considering aspects of performance auditing as well."* SAI Lesotho and SAI Fiji appreciated how the knowledge sharing initiatives and guidance material provided by AFROSAI-E assisted them in selecting audit topics that were relevant to their citizens and stakeholders and carrying out such audits during the pandemic.

In the various countries, there were mixed reactions from stakeholders such as media, parliament and civil society organisations to the published audit reports. While these reports received wide social and mainstream media coverage as well as supportive responses from Civil Society Organisations (CSOs), some SAIs noted that their parliaments had not treated the report with the necessary seriousness. Donor institutions also reacted positively to these reports and, in one of the countries, is requiring the SAI report as a condition for budget support.

In Zambia, the response to the SAI report has been overwhelming. The Public Accounts Committee (PAC) used the SAI's interim COVID-19 report to reprehend relevant officials for abuse and failure to account for COVID-19 funds at the responsible ministries. Certain officials cited in the report, were subsequently dismissed, transferred and demoted. The PAC also requested the SAI to hold a workshop with parliamentarians to highlight and explain the audit findings and to follow up on its findings with a forensic audit. The Auditor General gave a presentation on the role of the SAI in fostering accountability in the management of public resources at a national media training workshop which community radio stations from all 10 provinces of Zambia attended.

We want to encourage SAIs that are interested in conducting such audits in the future, to contact us. In addition to the guidance and support we can provide, there are also useful lessons we can share from SAIs who have produced COVID-19 reports.

Summary

- *Audit reports reveal massive looting of resources allocated to government ministries, department and agencies.*
- *The irregularities, according to the reports, include unauthorised spending, inflated prices, breach of contract, payroll violations.*

https://www.theeastafrican.co.ke/tea/rest-of-africa/sierra-leone-detains-covid-response-officials-over-graft-3238512

"AFROSAI-E greatly assisted us to develop out Compliance Audit Manual, which aided us in carrying out compliance audits related to COVID-19. We learnt a lot from the disaster-related guidance and found it especially useful in selecting the audit approach to use in doing these type of audits" – SAI Fiji

https://allafrica.com/stories/202008040920.html

http://www.xinhuanet.com/english/2020-11/10/c_139506712.htm

AUDITOR-GENERAL SOUTH AFRICA

SAI SOUTH AFRICA AUDIT INNOVATION DURING TIMES OF CRISIS – COVID-19 RESPONSE

After the outbreak of the novel coronavirus in South Africa, the Office of the Auditor General (AGSA) had to shut down its ten offices around the country, reorganise their way of working and revise their audit plan for 2020. The first action taken by the SAI was to ensure the health and wellness of its 3600 members of staff. This included daily communication on COVID-19 safety measures and awareness as well as regular leadership messages from the Deputy Auditor General to reassure staff and keep them informed on key decisions and actions taken by the SAI. Their other key priority was to ensure business continuity in areas such as staff productivity, overcoming cash-flow challenges, accelerating their digital transformation journey, equipping staff to work effectively from home and preparing to respond appropriately to the crisis from an audit perspective.

Auditor-General uncovers major problems with South Africa's Covid-19 spending

https://businesstech.co.za/news/government/455772/auditor-general-uncovers-major-problems-with-south-africas-covid-19-spending/

The AGSA's audit response to the crisis was to undertake a real-time audit of 16 of the key Covid-19 initiatives introduced by government and the management of ZAR147,41 billion of the funds made available. This was the first time that the SAI would undertake this type of audit and the decision was not taken lightly. But the SAI was confident that it would be able to add value, demonstrate relevance, and boost public confidence in the difficult times.

The SAI published the first report based on this special audit in September 2020 and issued the second report in December 2020. The COVID-19 audit was performed by multidisciplinary teams, made up of fraud, information technology and sector-specific experts, who supported the financial auditors to dig deeper and provide relevant insights on auditees' risks and operations by applying ISA 240 "the auditor's responsibilities relating to fraud in an audit". In addition to using the results for purposes of the audit, the AGSA also shared the data analysis and findings with their Government's newly established fusion centre that deals with investigations into fraud and corruption relating to Covid-19 thereby creating a knock-on effect in the accountability ecosystem.

The real-time audits were based on three components – prevention, detection, and public reporting. The SAI audited payments, procurement and delivery as they occurred and reported any findings to the accounting officer or authority to enable them to deal with any shortcomings immediately and tighten the controls to prevent a recurrence. "I believe that this report and the work that went into it, is a great reminder of the value that we as external auditors have to offer, and that it demonstrated how the varied and wide spectrum of knowledge and skills within a SAI can bring value to government and the citizen by supporting accountability, transparency and good governance also in these unusual circumstances." Tsakani Maluleke, Auditor-General of South Africa

Response to the reports

The AGSA's long-standing approach to have a structured, systematic and broad stakeholder engagement strategy as a cornerstone of its organisational strategy, paid off during this high-pressure audit. There has been a good attempt by Government, both accounting officers and political heads, to implement the committed actions. Existing good relations with the media ensured wide coverage of the reports in broadcast, print and social media. The AGSA's messages were well received by the media, who reported on actions taken by one Ministry to suspend several senior staff, as an immediate reaction to the AGSA's findings.

The SAI also capitalised on existing relationships with civil society organisations and accelerated its external cooperation with them. These engagements aided the SAI to understand the involvement of CSO's in the COVID-19 response, gain insights in the effectiveness of COVID-19 related service delivery by Government and encourage CSOs to act as a "preventative control" on Government's response to the pandemic. This enabled the SAI to obtain valuable information and a broader community perspective on the impact of the pandemic.

Rapid innovation and sharing experiences

Responsiveness to change, and being on the lookout for lessons to learning opportunities throughout the rapidly moving process, enabled the AGSA to "bank" the lessons learned for future improvements to their strategy and audit plans. By developing a plan of key action steps early in the crisis, the SAI was able to ensure its continued relevance and value-add, during the abnormal circumstances brought about by the pandemic.

A critical success factor that enabled the SAI to adapt quickly and demonstrate relevance, was having the right people in place. The SAIs' investments in the professionalism of their staff over many years meant the staff complement included diverse technical skills and employees were committed to the AGSA's vision of supporting the country's democracy by enabling public sector oversight, accountability, and good governance. This was essential as the SAIs response to the crisis required staff who were committed enough to step-up and put in the many extra hours, adaptable enough to follow new processes, and who had the resilience to keep going when they experienced push-back from uncooperative government officials or their political heads.

In line with the INTOSAI motto, mutual experience benefits all, the AGSA participated in global and regional efforts to share experiences regarding its work during the pandemic. As chair of the INTOSAI CBC, the SAI championed certain capacity development related initiatives into its work-programme (webinars on SAIs responding to earlier disasters) and refocusing its annual meeting to a virtual session, with a strong COVID-19 response focus. In the AFROSAI-E region, they shared information on their plan of action to respond to the pandemic, participated in our roundtable discussion on SAIs' strategic level responses and the Auditor-General took part in our series of interviews with AGs, to share experiences.

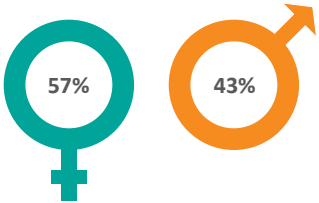
THE EXECUTIVE SECRETARIAT

The successful execution of our strategy and mandate depends on the collective effort of our staff. We embed a culture of professionalism, innovation and collaboration and provide a work environment where each staff member feels valued.

With the shift to remote work and increased use of virtual platforms the Secretariat sought to improve these systems and processes. We introduced a new remote working policy, supported staff internet data, acquiring comfortable office chairs, laptop upgrades where needed and training on Microsoft Teams. In addition, we completed the risk framework and register and gender mainstreaming policy. In the review period eight staff members received either full or partial financial support to complete professional qualifications across various fields. We drafted a Policy on Professional Development and Training, which we will finalise in 2021.

OUR TEAM

We have a staff complement of 23 employees, but, our Sustainability Assurance Manager, Melissa Reddy left the Secretariat, and the vacancy will only be filled in 2021. Andrew Kellei was appointed as the new Performance Audit Manager and replaced Senior Performance Auditor, Christina Sand, whose secondment period from SNAO ended. Joseph Mumbire joined the Secretariat as the PAP-APP Programme Manager. We formally appointed Josephine Mukomba, who had been acting in the position throughout 2020, as the second Executive Officer in March 2021.



We have a diverse staff complement that includes 13 women and 10 men. We adopted a Gender Mainstreaming Policy in 2020 which embodies our values and demonstrates our commitment to creating a fair and pleasant workplace for all staff, in compliance with international good practice. Our team consist of a mixture of staff seconded from other SAIs (South Africa, Sweden, Norway, Uganda, Zambia and Tanzania) and staff appointed and funded directly from AFROSAI-E basket funding.

We reviewed and signed off the job profiles of all staff, aligned to the Integrated Competency Framework.

Staff	Number	Secondment / Contract Period
AGSA	9	December 2022
Contracted directly	9	December 2022
Uganda	1	December 2022
Zambia	1	December 2022
OAG Norway	1	December 2021
SNAO	1	August 2020
IDI	1	February 2021
Tanzania (replaced SNAO above)	1	December 2022
Total	22 as at December 2020*	

** One directly contracted position was vacated in March 2020 and remained vacant until the end of the year. The seconded employee from SNAO was replaced with a seconded employee from Tanzania.*

FINANCIAL OVERVIEW OF 2020

The financial results compared to the amended plan for 2020 that was approved in September 2020, is outlined in Table 1 below.

The 2020 financial plan approved by the Governing Board in May 2020 contained a proviso that due to the uncertainty presented by COVID-19, the Finance Subcommittee of the Governing Board would convene again in the third quarter to assess the impact of the pandemic on the finances of the organisation for the year. We presented a revised annual plan in September, which the Finance Subcommittee approved. The main amendments related to a reduction in expenditure due to the inability to travel and conduct in-person training activities.

FUNDING RECEIVED

Funding received for the year was slightly higher than the amount in the revised plan, due to higher project cost recoveries on both the IFAC funded professionalisation curriculum development project as well as the Rwanda funded SAI capacity building project.

Following a reduction in the planned expenditure for the year, we made requests to both the Swedish International Development Cooperation Agency (Sida) and the Royal Norwegian Embassy (RNE) to postpone planned support in 2020 to 2021.

EXPENDITURE

The planned expenditure for the year was reduced from R62.8 million to R45.7 million in the amended Workplan, which was approved by the Finance Subcommittee. The Governing Board members approved in May 2020, for the Finance Subcommittee to consider an amended Workplan and budget in the third quarter of 2020.

The amended plan had included limited 4th quarter travel for in-country support and the conducting of the planned quality assurance reviews planned for the year. Travel remained prohibited for the remainder of the year.

The amended plan had included an increase in the investment in Strategic Goal 1 (Professionalisation of Public Sector Accountancy), specifically for the development of a public sector specialisation curriculum. The project contained ambitious timelines to be completed by year-end, but the content was only received in the first quarter of 2021, resulting in an underspend of close to R1 million for the year.

There is a foreign exchange variance of R1.9 million due to the strengthening of the South African Rand against the US Dollar and the revaluation of Cash and Accounts Receivable denominated in US Dollars.

The accounting policy on membership fees, allows for fees to be retained in a membership fee reserve on an annual basis. The purpose of this reserve is to contribute to the financial sustainability of the organisation. The retention is a minimum of 30% but may be increased if finances allow. 100% of membership fees for the year were retained in the membership fee reserve based on the Governing Board approval in May 2020.

Staff	%	2020 Actual (ZAR'000)	%	2020 BUDGET (ZAR'000)
Membership fees	5%	2 472	5%	2 472
Donor funds	39%	17 786	39%	17 749
- Royal Norwegian Embassy (South Africa)	6%	2 876	6%	2 876
- SIDA	12%	5 673	12%	5 673
- Swedish National Audit Office	20%	9 237	20%	9 200
Projects Income	24%	10 901	23%	10 395
Support from AGSA	32%	14 630	33%	14 932
Other Income	1%	348	1%	382
Prior retentions available to fund current operations				
Total Funding Received	**100%**	**46 137**	**100%**	**45 930**

Staff	%	2020 Actual (ZAR'000)	%	2020 BUDGET (ZAR'000)
Secretariat remuneration	49%	21 048	46%	20 831
Overhead expenditure	14%	6 110	14%	6 198
Project expenditure	33%	14 333	42%	19 256
- Strategic goal 1 (Professionalisation)		6 758		7 684
- Strategic goal 2 (SAI Audit capacity)		6 192		7 970
- Strategic goal 3 (SAI Institutional capacity)		393		2 065
- Strategic goal 4 (Secretariat Governance)		990		1 537
Foreign exchange losses	3%	1 372	-1%	-543
Total Expenditure	**100%**	**42 863**	**100%**	**45 742**
Surplus / (Shortfall) for the year		**3 274**		**188**
Reserves available to fund shortfall		10 126		10 126
Transfer to Membership fee reserve		-2 472		-708
Transfer to self-insurance reserve		-46		-46

Institutional partners, donors and member SAIs support the Executive Secretariat by providing resources who assist in the fulfilment and execution of activities and initiatives in the annual Workplan. The indicative cost of resources from member SAIs is determined by using an estimated rate for the 617 resource days (2019: 1 094 days) provided in total during 2020. The estimated value is ZAR 5.0 million for 2020 (2019: ZAR 8.6 million).

Our Institutional partners also support the Executive Secretariat with human capacity to execute activities in the annual work plan. These contributions are not included in the annual financial statements.

Organisation	2020 ZAR'000	2019 ZAR'000
	ZAR	ZAR
Swedish National Audit office*	7 604	8 684
Office of the Auditor-General of Norway*	3 152	5 872
GIZ*	1 427	4 467
	12 183	**19 023**
Member SAIs - provision of resources**	5 045	8 577
Memeber SAIs - investment in AFROSAI-E training***	1 352	13 807
	6 397	**22 384**

* Using the applicable conversion rates at at 31 December 2020

** Resources provided in person for January and February, remotely thereafter due to Covid-19

*** Training only attended in January and February 2020

ANNUAL FINANCIAL STATEMENTS OF AFROSAI-E

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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Governing Board's Responsibilities and Approval

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

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

The Governing Board acknowledge that they are ultimately responsible for the system of internal financial control and place considerable importance on maintaining a strong control environment. To meet these responsibilities, the Governing Board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework,

effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout AFROSAI-E and all employees are required to maintain the highest ethical standards in ensuring business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management is on identifying, assessing, managing and monitoring all known forms of risk. While operating risk cannot be fully eliminated, AFROSAI-E endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The Governing Board have reviewed the cash flow forecast for 2021 and, in the light of this review and the current financial position, they are satisfied that AFROSAI-E has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The external auditors are responsible for independently auditing and reporting on the financial statements. The financial statements have been examined by the external auditors and their report is presented on page 88 to 91.

The financial statements set out on pages 92 to 109, which have been prepared on the going concern basis, were approved by the Governing Board on 19 May 2021 and were signed on its behalf by:

By order of the Board

Ms MMR Nkau

Chief Executive Officer
On behalf of the Governing Board

Ms T Maluleke

Auditor-General of South Africa
On behalf of the Governing Board in her capacity
as head of the SAI hosting the Secretariat

INDEPENDENT AUDITOR'S REPORT

To the Governing Board of the African Organisation of English-Speaking Supreme Audit Institutions

OPINION

We have audited the financial statements of the African Organisation of English-Speaking Supreme Audit Institutions (AFROSAI-E) set out on pages 92 to 106, which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of AFROSAI-E as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Statutes and Regulations of the AFROSAI-E.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the organisation in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

The governing board is responsible for the other information. The other information comprises the information included in the document titled "African Organisation of English-Speaking Supreme Audit Institutions 2020 Integrated Annual Report", which includes the Governing Board's Report as required by the Statutes and Regulations of the AFROSAI-E. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE GOVERNING BOARD FOR THE FINANCIAL STATEMENTS

The governing board is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Statutes and Regulations of the 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 misstatement, whether due to fraud or error.

In preparing the financial statements, the governing board is responsible for assessing the organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governing board either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit 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 organisation's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the governing board.

• Conclude on the appropriateness of the governing board's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern.

• Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the governing board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

GT Wessels

GT Wessels
Director
Registered Auditor
Chartered Accountant (SA)
19 May 2021

REPORT OF THE GOVERNING BOARD

1. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

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

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

2. PROPERTY, PLANT AND EQUIPMENT

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

At 31 December 2020 the investment in property, plant and equipment amounted to a cost of R2 179 022 (2019 : R1 919 390), of which R286 656 (2019 : R128 155) was added in the current year through additions. The carrying value of the investment in property, plant and equipment is R664 807 (2019 : R597 353).

3. EVENTS AFTER THE REPORTING PERIOD

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

4. GOING CONCERN

The Governing Board believes that AFROSAI-E has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The Governing Board have satisfied themselves that AFROSAI-E is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Governing Board is not aware of any new material changes that may adversely impact AFROSAI-E, nor aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect AFROSAI-E.

5. PRIOR YEAR ADJUSTMENT

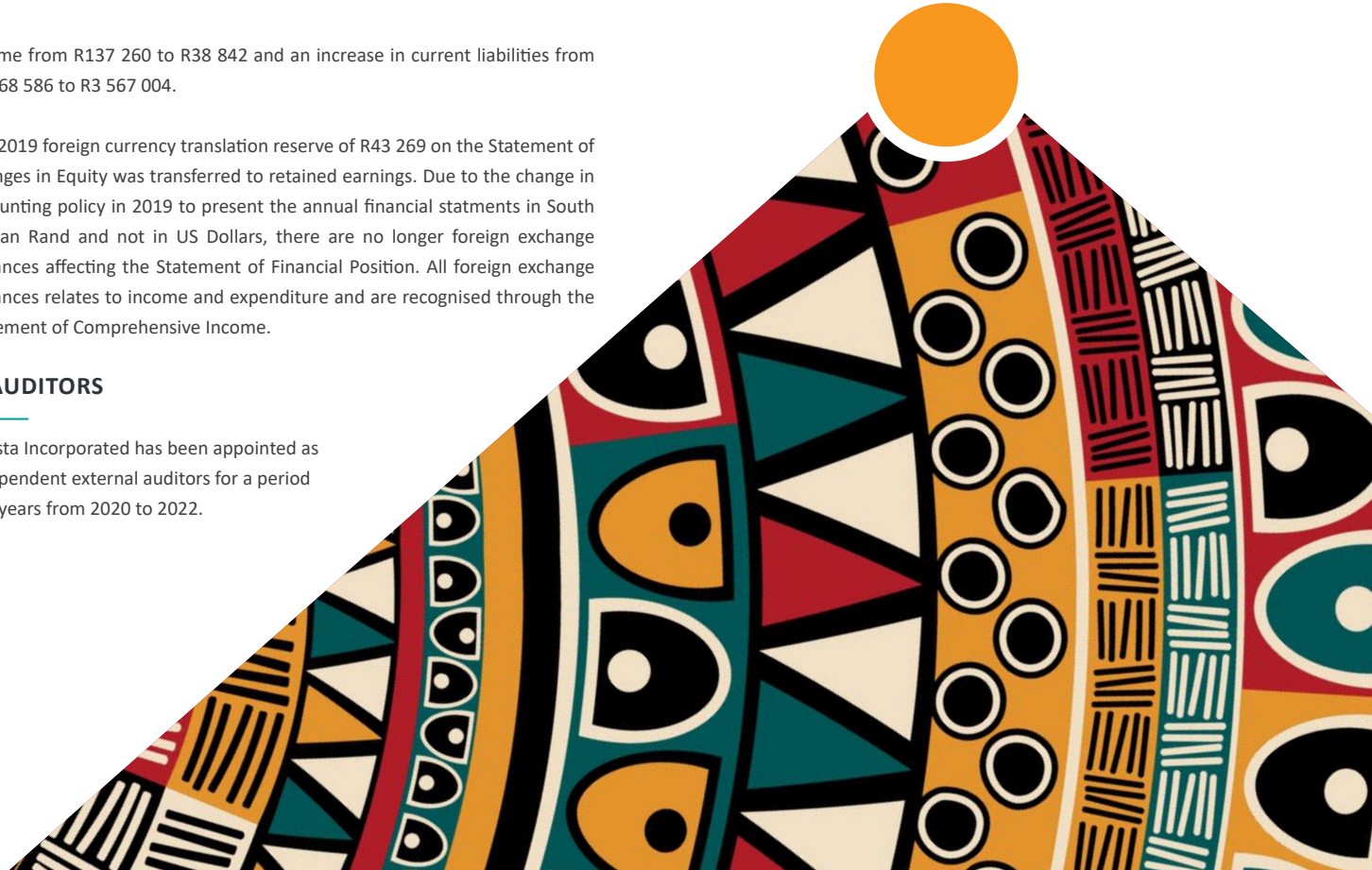
The prior year revenue, relating to project cost recoveries, was reduced by R98 418. Indirect taxes payable by the COPCD in Ethiopia had been incorrectly recognised as revenue in the prior year and not as an indirect tax current liability. The net effect of the adjustment is a reduction of revenue from R52 185 293 to R 52 086 874 leading to a reduction of total comprehensive

income from R137 260 to R38 842 and an increase in current liabilities from R3 468 586 to R3 567 004.

The 2019 foreign currency translation reserve of R43 269 on the Statement of Changes in Equity was transferred to retained earnings. Due to the change in accounting policy in 2019 to present the annual financial statments in South African Rand and not in US Dollars, there are no longer foreign exchange variances affecting the Statement of Financial Position. All foreign exchange variances relates to income and expenditure and are recognised through the Statement of Comprehensive Income.

6. AUDITORS

Logista Incorporated has been appointed as independent external auditors for a period of 3 years from 2020 to 2022.



FINANCIAL STATEMENTS

AFROSAI-E

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

Financial Statements for the year ended 31 December 2020

Statement of Financial Position as at 31 December 2020

	Note(s)	2020 ZAR	2019 ZAR
Assets			
Non-current assets			
Property, plant and equipment	2	664 807	597 353
		664 807	**597 353**
Current assets			
Trade and other receivables	3	2 661 734	5 678 515
Cash and cash equivalents	4	18 391 949	13 106 004
		21 053 683	**18 784 519**
Total assets		**21 718 490**	**19 381 872**
Equity and Liabilities			
Equity			
Reserves		6 107 052	3 588 781
Retained income		11 335 333	10 578 974
		17 442 385	**14 167 755**
Liabilities			
Current liabilities			
Trade and other payables	5	2 446 261	3 567 004
Pre-payments received	7	1 829 844	1 647 113
		4 276 105	**5 214 117**
Total Equity and Liabilities		**21 718 490**	**19 381 872**

Statement of Comprehensive Income

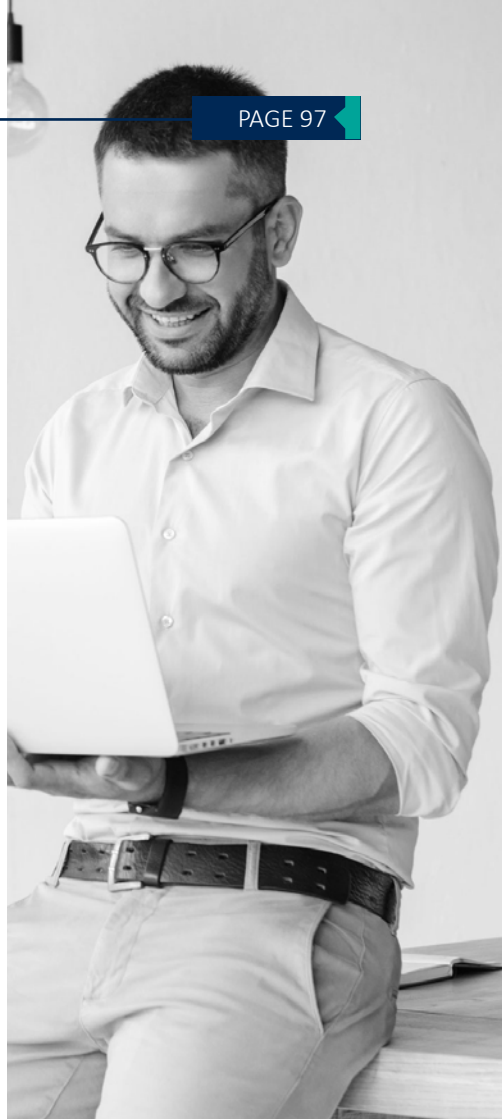
	Note(s)	2020 ZAR	2019 ZAR
Revenue	9	45 789 511	52 086 874
Other income		116 484	132 177
Operating expenses		(42 863 628)	(52 474 105)
Operating profit / (loss)		**3 042 367**	**(255 054)**
Investment revenue		232 263	293 896
Profit / (loss) for the year		**3 274 630**	**38 842**
Other comprehensive income		-	-
Total comprehensive profit / (loss) for the year		**3 274 630**	**38 842**

Statement of Changes in Equity

	Foreign currency translation reserve	Distributable Reserves (Insurance)	AFROSAI-E membership fees	Retained income	Total equity
	ZAR	ZAR	ZAR	ZAR	ZAR
Balance at 01 January 2019	**(43 559)**	**103 884**	**2 787 125**	**11 235 003**	**14 082 453**
Profit for the year	-	-	-	38 842	38 842
Other comprehensive income	290	46 170	-	-	46 460
Total comprehensive loss for the year	**290**	**46 170**	**-**	**38 842**	**85 302**
Transfer between reserves	43 269	-	651 602	(694 871)	-
Total changes	**43 269**	**-**	**651 602**	**(694 871)**	**-**
Balance at 01 January 2020	-	**150 054**	**3 438 727**	**10 578 974**	**14 167 755**
Profit for the year	-	-	-	3 274 630	3 274 630
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	3 274 630	3 274 630
Transfer between reserves	-	46 170	2 472 101	(2 518 271)	-
Total changes	-	**46 170**	**2 472 101**	**(2 518 271)**	**-**
Balance at 31 December 2020	-	**196 224**	**5 910 828**	**11 335 333**	**17 442 385**

Statement of Cash Flows

	Note(s)	2020 ZAR	2019 ZAR
Cash flows from operating activities			
Cash (used in)/generated by operations	13	5 336 874	(8 523 472)
Interest income		232 263	293 896
Distributable Reserves (Insurance)		-	46 170
Foreign currency translation reserves		-	290
Net cash from operating activities		**5 569 137**	**(8 183 116)**
Cash flows from investing activities		**-**	**-**
Purchase of property, plant and equipment	2	(286 656)	(128 155)
Sale of property, plant and equipment	2	3 465	-
Net cash from investing activities		**(283 191)**	**(128 154)**
Total cash movement for the year		5 285 945	(8 311 270)
Cash at the beginning of the year		13 106 004	21 417 274
Total cash at the end of the year	**4**	**18 391 949**	**13 106 004**



ACCOUNTING POLICIES

1. PRESENTATION OF FINANCIAL STATEMENTS

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

These accounting policies are consistent with the previous period.

1.1 Functional and presentation currency

The functional currency in which transactions are recorded is South African Rand (ZAR). The presentation currency of the Annual Financial Statements had been amended from United States Dollars (US$) to South African Rands (ZAR) in 2019 in order to reduce the effect of currency translations on the reserves of the organisation.

1.2 Transactions and Balances

Foreign currency transactions are translated to the functional currency at the spotrate on the date of the transaction. Gains and losses from settlement and translation of the monetary liabilities and assets translated at closing rates are reported in the Statement of Comprehensive Income.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the organisation holds for its own use which are expected to be used for more than one period. An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the organisation, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost and includes costs incurred initially to acquire the item. Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the organisation. Property, plant and equipment is depreciated on the straight-line basis over thee expected useful life to their estimated residual value.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The

gain or loss arising from the de-recognition of an item of property, plant and equipment is included in the Statement of Comprehensive Income and is calculated as the difference between the net disposal proceeds, if any, and the carrying amount of the item at the date of de-recognition.

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

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

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

Assets with a cost price of less than R 7 000 (or US$ 500), are fully depreciated in the year it's brought into use.

Any changes are accounted for prospectively as a change in accounting estimate. Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in the Statement of Comprehensive Income to bring the carrying amount in line with the recoverable amount.

1.4 Financial instruments

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

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

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

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

The organisation classifies financial assets and financial liabilities as follows:

TRADE AND OTHER RECEIVABLES

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

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

CASH AND CASH EQUIVALENTS

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

TRADE AND OTHER PAYABLES

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

DE-RECOGNITION OF FINANCIAL ASSETS (LIABILITIES)

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

1.5 Revenue

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

MEMBERSHIP FEES

Revenue from membership fees is recognised when fees become due. At the commencement of each financial year, 30% of the invoiced membership fees for that financial year, is to be transferred to a membership fee reserve and associated ring-fenced bank account. The balance may be used for operational expenses during that financial period. In the event of a cash surplus at the end of the financial year, unused funds may be transferred to the membership fee reserve limited to the remaining 70% of the invoiced membership fees for that financial year.

DONOR FUNDING

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

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

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

PROJECT COSTS RECOVERIES

Project Cost Recoveries are accounted for through the Statement of Financial Position and the Statement of Comprehensive Income.

Project cost recoveries are recognised in the Statement of Comprehensive Income once all attached conditions have been met.

INVESTMENT INCOME

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

1.6 Taxation

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

Notes to the Financial Statements

2. Property, plant and equipment

	2020			2019		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
Motor vehicles	564 197	(439 198)	125 000	564 197	(439 198)	125 000
Office equipment	814 370	(597 197)	217 173	814 370	(469 467)	344 903
IT equipment	800 454	(477 820)	322 634	540 823	(413 373)	127 450
TOTAL	**2 179 022**	**(1 514 215)**	**664 807**	**1 919 390**	**(1 322 037)**	**597 353**

Reconciliation of property, plant and equipment - 2020

	Opening Balance	Additions	Disposals	Depreciation	Total
Motor vehicles	125 000	-	-	-	125 000
Office equipment	344 903	-	-	(127 730)	217 173
IT equipment	127 450	286 656	(4 169)	(87 303)	322 634
	597 353	**286 656**	**(4 169)**	**(215 033)**	**664 807**

Reconciliation of property, plant and equipment - 2019

	Opening Balance	Additions	Disposals	Depreciation	Total
Motor vehicles	184 040	-	-	(59 040)	125 000
Office equipment	472 178	11 444	(1 651)	(137 068)	344 903
IT equipment	202 489	116 711	(12 692)	(179 058)	127 450
	858 707	**128 155**	**(14 343)**	**(375 166)**	**597 353**

3. Trade and other receivables

	2020 ZAR	2019 ZAR
Trade receivables	784 732	2 600 297
Prepayments	1 642 430	2 422 311
SAI foreign receivables	142 448	506 001
Expense recoveries due from partners	114 063	149 906
Total receivables	**2 683 673**	**5 678 515**
Less provision for unrecoverable receivables	21 939	-
	2 661 734	**5 678 515**

Trade and other receivables past due but not impaired

At year-end, the following trade and other receivables were past due but not impaired:		
SAI Angola	-	213 384
SAI Ghana	-	107 806
SAI Nigeria	142 448	-
SAI South Sudan	-	184 811
	142 448	**506 001**

The US Dollar equivalent of membership fees past due is provided in the supplementary information.

4. Cash and Equivalents

	2020 ZAR	2019 ZAR
Cash and cash equivalents consist of:		
Cash on hand	16 028	64 714
Bank balances	18 375 921	13 041 290
	18 391 949	**13 106 004**
Basket accounts		
US Dollar Account (Standard Bank)	5 992 332	4 528 397
British Pound Account (Bidvest Bank)	136 524	-
ZAR Current Account (Standard Bank)	538 214	3 682 975
ZAR Current account (Bidvest Bank)	145 375	5 400
ZAR Call Account (Standard Bank)	3 705 879	6 469
Membership accounts		
US Dollar Account	3 654 839	2 701 393
ZAR Investment Account	4 202 758	2 116 656
Cash on hand	16 028	64 714
	18 391 949	**13 106 004**

5. Trade and other payables

	2020 ZAR	2019 ZAR
Trade payables	642 996	1 627 268
Accrued leave pay	940 402	990 425
Provision for straight-lining of rental payments	862 863	949 311
	2 446 261	**3 567 004**

The prior year trade payables of R3 468 586 was increased by R98 418 due to the allocation correction of indirect taxes payable in Ethiopia, previously reflected as revenue.

6. Retained income

The 2020 total membership fees of R 2 472 101 ($ 168 190) were transferred to membership fee reserve in the Statement of Changes in Equity as per decision taken on 11 October 2004 by the Governing Board and accounting policy 1.5 on revenue.

7. Pre-payments received

	2020 ZAR	2019 ZAR
AGSA - overheads contribution received in advance	1 379 046	1 211 679
Membership fees prepaid	450 798	413 283
Long term experts advances	-	22 151
	1 829 844	**1 647 113**

Breakdown of the prepaid membership fees is as follows:

SAI Angola	28 741	-
SAI Botswana	124 450	-
SAI Ethiopia	124 450	-
SAI Sierra Leone	53 336	50 823
SAI Sudan	119 821	260 814
SAI Uganda	-	101 646
	450 798	**413 283**

The US Dollar equivalent of prepaid membership fees is provided in the supplementary information.

8. Contribution from the Auditor-General South Africa

	2020 ZAR	2019 ZAR
Secretariat support from host SAI		
Staff remuneration	8 828 419	8 768 073
Contributions towards other expenses	5 801 223	5 455 070
	14 629 642	**14 223 143**

9. Revenue

	2020 ZAR	2019 ZAR
Donor contributions	33 045 828	43 361 657
Membership fees	2 472 101	2 172 005
Project cost recoveries	10 271 582	6 553 212
	45 789 511	**52 086 874**
Donor contributions were received as follows:		
- Royal Norwegian Embassy (South Africa)	2 875 767	4 866 899
- SIDA	5 673 236	14 836 338
- Swedish National Audit Office	9 237 346	8 384 618
Support from INTOSAI Development Initiative (IDI)	629 837	1 050 659
Support from Auditor General South Africa (AGSA)	14 629 642	14 223 143
	33 045 828	**43 361 657**

10. Prior year adjustment

The prior year revenue, relating to project cost recoveries, was reduced by R98 418. Indirect taxes payable by the COPCD in Ethiopia had been incorrectly recognised as revenue in the prior year and not as an indirect tax current liability. The net effect of the adjustment is a reduction of revenue from R52 185 293 to R 52 086 874 leading to a reduction of total comprehensive income from R137 260 to R38 842 and an increase in current liabilities from R3 468 586 to R3 567 004.

The 2019 foreign currency translation reserve of R43 269 on the Statement of Changes in Equity was transferred to retained earnings. Due to the change in accounting policy in 2019 to present the annual financial statments in South African Rand and not in US Dollars, there are no longer foreign exchange variances affecting the Statement of Financial Position. All foreign exchange variances relate to income and expenditure and are recognised through the Statement of Comprehensive Income.

11. Operating profit/(loss)

	2020 ZAR	2019 ZAR
Operating profit/(loss) for the year is stated after accounting for the following:		
Operating lease charges:		
Premises		
- Contractual amounts	2 800 191	2 592 767
- Straightlining of rental payments	(86 448)	120 974
	2 713 743	**2 713 741**
Loss on disposal of property, plant and equipment	704	14 342
Loss on exchange differences	1 372 168	175 003
Depreciation on property, plant and equipment	215 033	375 166

12. Auditor's remuneration

	2020 ZAR	2019 ZAR
Annual audit fees	142 754	132 179
Ad-hoc expenses verification assignments	-	42 143
Audit Fees	**142 754**	**174 322**

13. Cash used in operations

	2020 ZAR	2019 ZAR
Profit/(Loss)	3 274 630	38 842
Adjustments for:		
Depreciation and amortisation	215 033	375 166
Doubtful debts	21 939	-
Loss on disposal of assets	704	14 342
Interest received	(232 263)	(293 896)
Changes in working capital:		
Trade and other receivables	2 994 842	(221 675)
Trade and other payables	(1 120 743)	1 534 960
Pre-payments received	182 732	(9 971 211)
	5 336 874	**(8 523 472)**

14. Commitments

Operating leases - as lessee expenses		
Minimum lease payments due		
- within one year	2 713 743	2 713 743
- in second to fifth year inclusive	2 713 744	5 427 487
- later than five years	-	-
	5 427 487	**8 141 230**

Operating lease payments represent rentals payable by the organisation for its office property. The full term of the lease is six years ending 31 December 2022. A period of 2 years remains on the lease. No contingent rent is payable.

Supplementary information

Detailed Income Statement

	Note(s)	2020 ZAR	2019 ZAR
Revenue			
Donor contributions		17 786 348	28 087 855
Support from INTOSAI Development Initiative (IDI)		629 837	1 050 659
Support from Auditor General South Africa (AGSA)		14 629 642	14 223 143
Project cost recoveries		10 271 582	6 553 212
- IFAC		5 720 430	1 562 973
- Rwanda		4 099 091	1 620 165
- Ethiopia (COPCD)		-	652 941
- Liberia (EU)		433 179	811 767
- Nigeria (DAI)		18 882	1 385 137
- Other (Global Fund, Aidspan, NCA)		-	520 227
Membership fees		2 472 101	2 172 005
	9	**45 789 511**	**52 086 874**
Other income			
Interest received		232 263	293 896
Profit on exchange differences		-	-
Sundry income (parking recoveries)		116 484	132 177
		348 747	**426 073**

Supplementary information

Detailed Income Statement - (continued)

	Note(s)	2020 ZAR	2019 ZAR
Operating expenses			
Audit fees	10	(142 754)	(174 322)
Staff remuneration		(21 288 924)	(22 050 942)
Office overheads funded by AGSA, SNAO & basket funded		(5 631 576)	(7 936 911)
Depreciation		(215 033)	(375 165)
Doubtful debts		(21 939)	-
Loss on disposal of fixed assets		(704)	(14 342)
Foreign exchange differences		(1 372 168)	(175 003)
Expenses related to workplan activities		(14 190 531)	(21 747 418)
2020-2024 strategic plan			
- Strategic goal 1 (Professionalisation)		(6 757 536)	n/a
- Strategic goal 2 (SAI Audit capacity)		(6 192 220)	n/a
- Strategic goal 3 (SAI Institutional capacity)		(393 074)	n/a
- Strategic goal 4 (Secretariat Governance)		(847 701)	n/a
2015-2019 corporate plan			
- Strategic imperative 1 (Professionalisation)		n/a	(2 116 376)
- Strategic imperative 2 (Being a credible voice)		n/a	(918 258)
- Strategic imperative 3 (Capacity development)		n/a	(777 728)
- Strategic imperative 4 (Innovation & creativity)		n/a	(2 904 578)
- Operational intervention 1 (Regularity audit)		n/a	(6 041 803)
- Operational intervention 2 (Performance audit)		n/a	(2 819 085)
- Operational intervention 3 (SAI capacity)		n/a	(2 512 621)
- Operational intervention 4 (Secretariat)		n/a	(3 656 969)
		(42 863 628)	**(52 474 105)**
Profit/loss for the year		**3 274 630**	**38 842**

Supplementary information

Membership Fees in United States Dollars

	Note(s)	2020 ZAR	2019 ZAR
Membership fees receivable	**3**		
SAI Angola		-	15 241
SAI Ghana		-	7 700
SAI Nigeria		9 680	-
SAI South Sudan		-	13 200
		9 680	**36 141**
Prepaid membership fees	**7**		
Breakdown of the prepaid membership fees is as follows:			
SAI Angola		1 956	-
SAI Botswana		8 470	-
SAI Ethiopia		8 470	-
SAI Sierra Leone		3 630	3 630
SAI Sudan		8 155	18 606
SAI Uganda		-	7 260
		30 681	**29 496**

ANNEXURE 1: GRI INDEX

This report contains selected individual disclosures based on the GRI Standards as issued by the Global Sustainability Standards Board. Below is the list of Disclosures and their location in the report.

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