



2021

STATE OF THE REGION

ICBF Self-Assessment Report



TABLE OF CONTENTS

FOREWORD	3
EXECUTIVE SUMMARY	5
INDEPENDENCE AND LEGAL FRAMEWORK.....	5
ORGANISATION AND MANAGEMENT.....	6
HUMAN RESOURCES.....	6
AUDIT STANDARDS AND METHODOLOGY.....	7
COMMUNICATION AND STAKEHOLDER MANAGEMENT.....	8
THE ICBF AND ITS PURPOSE.....	10
Quality assurance reviews	10
CHAPTER 1: AGGREGATED ASSESSMENT AND GENERAL PERFORMANCE.....	11
1.1. HIGH LEVEL REGIONAL CONTEXT.....	11
CHAPTER 2 : TRANSVERSAL MATTERS.....	14
2.1 The impact of COVID-19 on the work of SAIs	14
2.2 Internal quality assurance processes.....	15
2.3 Professionalisation of SAIs.....	17
2.4 Gender equality, diversity, and inclusion	19
CHAPTER 3 : INDEPENDENCE AND LEGAL FRAMEWORK.....	21
3.1 Progress in 2021.....	21
3.1.1 The mandate and independence of SAIs	22
3.1.2 Effective follow-up mechanisms.....	23
3.1.3 Financial Independence	24
3.1.4 Administrative Independence.....	25
3.1.5 Oversight and accountability mechanisms of SAIs	26
3.2 Conclusion.....	27
CHAPTER 4 : ORGANISATION AND MANAGEMENT	29
4.1. Progress in 2021.....	29
4.1.1. Leadership direction and governance.....	30
4.1.2. Strategic and operational planning.....	30
4.1.3. Organisation of the SAI and resource management.....	32
4.1.4. Monitoring and evaluation mechanisms	34

4.1.5.	Integrity and code of conduct.....	35
4.2.	Conclusion.....	37
CHAPTER 5 : HUMAN RESOURCES.....		39
5.1	Progress in 2021.....	39
5.1.1	Staff wellness policy.....	40
5.1.2	Training unit/function.....	41
5.1.3	Recognition policy.....	41
5.1.4	Gender policy.....	42
5.1.5	Competency framework.....	42
5.1.6	Professional development and training.....	43
5.2	Conclusion.....	43
CHAPTER 6: AUDIT STANDARDS AND METHODOLOGY.....		45
6.1.	Progress in 2021.....	45
6.1.1.	Quality assurance at audit engagement level.....	46
6.1.2.	Financial and compliance audits.....	46
6.1.3.	Performance audits.....	47
6.1.4.	Environmental audits.....	48
6.1.5.	Sustainability assurance.....	49
6.1.6.	Use of technology in audits.....	50
6.1.7.	Holistic audit and reporting on the functionality of PFM systems.....	51
6.1.8.	Audit engagement reporting.....	52
6.2.	Conclusion.....	53
CHAPTER 7: COMMUNICATION & STAKEHOLDER MANAGEMENT.....		55
7.1	Progress in 2021.....	55
7.1.1	Facilitating audit impact through stakeholder engagements.....	57
7.1.2	Public reporting on stakeholder satisfaction.....	59
7.2	Conclusion.....	60
CHAPTER 8: ICBF OVERVIEW.....		62
Domains and levels.....		63
Targets.....		66
LIST OF ABBREVIATIONS.....		67

FOREWORD

In the previous ICBF report we noted the impact the COVID-19 pandemic had on the work of SAIs and our ability to make progress. The past year was unfortunately not much different. This report highlights that regional ICBF improvement continues to be slow, and we are at risk of not meeting the overall targets as set out in the 2020-2024 Strategic Plan.

In the Strategic Plan we collectively set three key performance indicators with annual targets, and at the end of 2021, we have only met one of the targets¹. The regional target for 2020 was that 40% of member SAIs should have reached level 3 across all five domains, with only 38% reaching the target. In 2021 the target was 45%, but it regressed to 36%.

	2020		2021	
	Target	Actual	Target	Actual
Independence and legal framework	60%	54%	65%	46%
Organisation and management	40%	27%	45%	31%
Human resources	25%	23%	25%	35%
Audit standards and methodology	40%	31%	45%	38%
Communication and stakeholder management	35%	23%	40%	31%
% SAIs on level 3	40%	38%	45%	36%

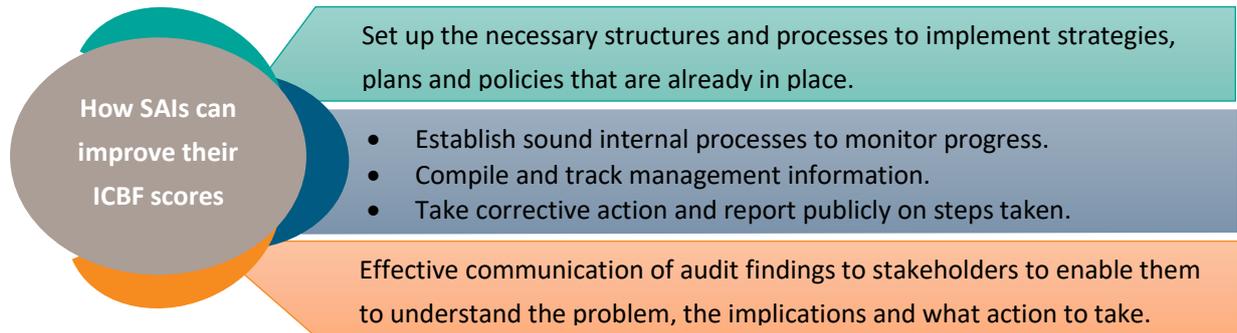
Historically, most of our focus have been on reporting progress on the five domains. However, we recognise that we need to do more analyses on the cross-cutting root causes that could be stifling progress. Going forward, we will develop a matrix of the typical organisational processes and mapping them against the ICBF questions. We are hopeful that will enable us to better understand the key areas where SAI capacity must be strengthened.

Looking at the various organisational processes it appears that SAIs generally has frameworks (legal and other) in place and have developed and approved the appropriate internal strategies, organisational plans and policies that create the enabling environment that allows them to function.

However, there are three areas where SAIs can do more to improve their ICBF scores, improve the quality of audits and technical capabilities of staff and increase staff retention.

¹ This relates to the number of SAIs as a percentage and not the average domain scores.

These are:



Over the past two years we were unable to do the planned quality assurance reviews, which would enable us to determine correlations with the self-assessment scores. Although we have continued to implement annual training on the ICBF to improve understanding of the questions and how to answer them, when scrutinising the country responses, we do observe areas where the data appears to be inaccurate.

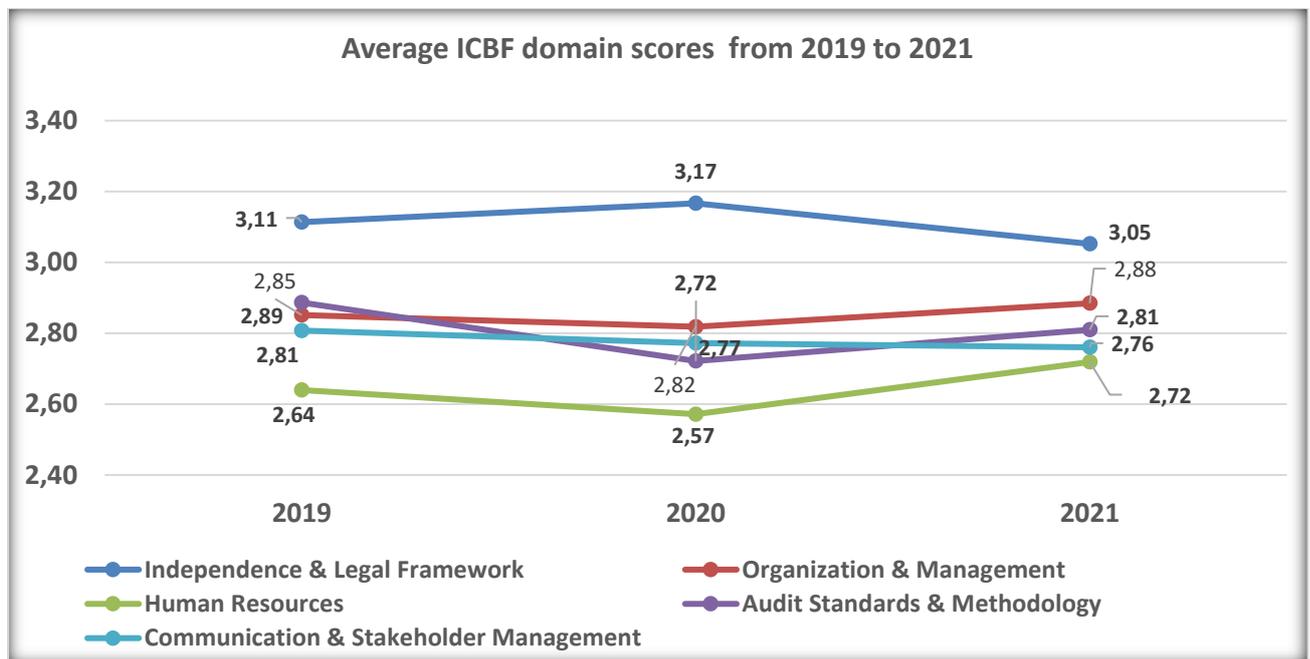
MMR Nkau
CEO

EXECUTIVE SUMMARY

The State of the Region: Self-Assessment Report outlines how member SAIs have performed and progressed in the 12-month reporting period ending 31 December 2021.

On an individual domain level, there were improvements in the organisation and management, human resources, and audit standards and methodologies domains. The averages for the independence and legal framework, and communication and stakeholder management domains decreased.

Figure 1: Average ICBF domain scores from 2019 to 2021



INDEPENDENCE AND LEGAL FRAMEWORK

This domain decreased slightly by 4% to 3.05 from 3.17 (2020), with the scores of two SAIs dropping below 3. As we had also noted in 2020, the review and or operationalisation of legal frameworks remained a challenge, which was intensified by the political and economic disruption caused by COVID-19.

The current main challenges:

- Limited political support in the review and operationalisation of legal frameworks, which threatens legal independence, as well as transparency and the enforcement of accountability.
- Delays in establishing effective follow-up mechanisms for audit and legislature recommendations, and thus also delays in bringing those responsible for mismanaging public resources to account.

- Constraints on the financial and administrative independence of the SAIs, impacting their ability to effectively deliver quality audit services, and promote good governance, transparency, and accountability.
- Limited oversight and accountability of the SAIs, which negatively affected the promotion of good corporate governance, transparency, accountability as well as integrity and good ethical behaviour of the SAI.

ORGANISATION AND MANAGEMENT

The domain increased marginally from 2.83 in 2020 to 2.88 in 2021. Eight SAIs are on level 3; an increase of one.

The SAIs made progress in the areas of leadership direction, strategic and operational plans, resource management, the establishment of good corporate governance structures, and other relevant internal control policies.

The current main challenges:

- Lack or inadequacy of various governance systems and frameworks for quality management, risk management, monitoring and evaluation, and integrity and ethics. SAIs should prioritise the development and implementation of the above, as well as ensure qualified and competent staff to appropriately manage these areas and their related aspects.
- Lack of effective internal information and communications technology, and capacity to conduct information systems (IS) audits. Improving the ICT and IS audit capacity will improve scores in other domains.
- Lack of regular assessment of vulnerabilities and resilience to integrity breaches. SAIs should use the IntoSAINT and/or similar tools, which will continue to be rolled out, to help strengthen their integrity control systems.

HUMAN RESOURCES

The average score improved from 2.57 in 2020 to 2.72 in 2021, and the SAIs at level 3 and above by three. More are now reporting on their human capital in their annual performance reports. The general focus continued to be staff wellness, especially with the perpetuation of COVID-19, and the creation of an enabling and safe working environment.

The current main challenges:

- Lack of appreciation for the role and independence of the SAI. SAI's should continue to prioritise engagements with the public service commissions to ensure an understanding of the SAI's unique requirements, and the importance of its independence.

- Ineffective resource and performance management. SAIs are urged to make full use of HR initiatives and processes, such as AFROSAI-E's integrated competency framework, and the training, staff wellness and recognition interventions. Planning should also be accompanied by appropriate budgeting.
- Inability to retain high-performing auditors. Some of the methods to address this challenge is to review and adjust retention plans to ensure, among others, functional training units and collaboration with professional accountancy organisations to ensure professionalism and to create a conducive professional pathway for auditors.

AUDIT STANDARDS AND METHODOLOGY

The overall domain score increased marginally in 2021 to 2.81 (2020: 2.72). Ten SAIs averaged above level 3, eight between 2.5 and 2.99, and the other eight below 2.5.

The region recorded 32 606 mandated audits (financial and compliance audits) during this period; however, only 13 311 were completed. But it is heartening to note that the addressing of the audit backlog has increased to 55% (2020:34%), which is likely attributed to SAIs intentionally implementing an audit backlog strategy.

The current main challenges:

- Most SAIs have audit manuals that address quality assurance at audit level; however, supervision and review remains a challenge, especially at senior management level. To improve the efficiency of reviews SAIs should develop risk-based quality management systems according to which audits are categorised for review.
- Although the audit coverage improved, it is still an issue. Two reasons cited is lack of capacity and appropriate skilling – challenges which surface across all the types of audits. SAIs should:
 - review their staff recruitment processes
 - address vacancy levels
 - focus on training, and retention strategies
 - continue to engage with parliament and other stakeholders on capacity-building
- A decline in the auditing of critical information systems (IS) can be attributed to the above challenges, capacity and skills, as SAIs have few IS auditors. SAIs should also review their information and communications technology (ICT) capabilities and strategies, and use tools, such as computer-assisted audit techniques (CAATs), more effectively in their quest to become data-driven organisations.
- IFMIS audits need to progress from the auditing of expenditures and revenue extracts only to the auditing of the system's general and information processing controls.
- SAIs are gradually improving the alignment of their SAI plans to the sustainable development goals (SDGs) and/or the African Agenda 2063; however capacity and skills are again mentioned

as reasons why many SAIs were unpreparedness to audit these goals, and why improvement was slow.

COMMUNICATION AND STAKEHOLDER MANAGEMENT

The aggregate score dropped again this year, albeit marginally, to 2.76 (2020: 2.77). But there are now eight SAIs at an average of level 3; this is an increase of two.

It is positive to see the increase of dedicated communication officers from 90 to 97, which could be why the SAIs are very satisfied with their internal communication. SAIs have also been including citizens in the accountability process through increased stakeholder engagements that include civil society organisations (CSOs). This has resulted in simpler audit messages and more citizen-friendly reports. SAIs have also started increasing their reach through social media.

The current main challenges:

- SAIs are still not monitoring and evaluating their stakeholder strategies and plans effectively, and so there is no indications if the desired outcomes have been achieved, or whether plans need to be adapted. SAIs should review the strategies and plans to incorporate clear indicators.
- Despite reporting great strides in the relationships with their stakeholders, this has not translated to the same degree in the impact of audit recommendations. It is vital that SAIs begin to monitor the implementation of the SAI and PAC recommendations; failure to do so will lead to the same findings year after year.

Highlights from the 2020 INTOSAI Global Survey

The 2020 INTOSAI Global Survey was sent to all INTOSAI members. We have included selected information in the ICBF Report for reference purposes and cross-correlation where relevant. Readers should take note of the following:

- Only 19¹ SAIs from AFROSAI-E responded to the Global Survey.
- The period covered was from 2017 to 2019, so some statistics could differ from the 2021 ICBF data.
- In some instances, the scope or wording of a question was slightly different.

The full report can be accessed via <https://www.idi.no/elibrary/global-sai-stocktaking-reports-and-research/2020-global-sai-stocktaking/1364-idi-global-sai-stocktaking-report-2020/file>

Key observations

The following are some of the key observations from the Global SAI Stocktaking Report.

- Challenges relating to independence, resource constraints and financial and administrative autonomy remain an impediment to SAIs' performance. The global crisis caused by COVID-19 has escalated this and calls for stronger oversight institutions to ensure accountability in crises.
- Full access to information necessary to carry out audit work dropped from 70% to 44%. There is a risk that governments may continue to introduce laws and measures under the pretext of an emergency which undermine the very systems of accountability, as was the case in the wake of COVID-19.
- SAIs' own performance accountability measures are not transparent and if SAIs are to lead by example, they must enhance their governance.
- There are opportunities for digitalisation and better use of technology when conducting audits and accessing documentation electronically from auditees.
- Regarding quality management, 37% lack a system to monitor audit quality for any of the main audit streams, and with insufficient resources this could affect a SAI's ability to implement the robust systems needed to promote high-quality audits.
- Human resource management is not focusing sufficiently on professionalisation. To manage human resources well, SAIs need to attract and retain talent, while considering gender and inclusiveness in recruitment and professional development.
- SAIs communicate mostly with auditees, with regional variances when it comes to involvement with other stakeholders such as citizens, media and civil society.

THE ICBF AND ITS PURPOSE

The State of the Region Report focuses on the activities and performances of SAIs in the region as per the information they provide via the self-assessment questionnaire. It provides an overview of progress made by each SAI under the five ICBF domains in a narrative, numerical and graphical format. For a detailed overview of the domain areas of the ICBF, refer to Chapter 8 in this report.

The AFROSAI-E Secretariat provides capacity building support in the form of training, audit guidance materials, SAI-level support, and other interventions as contributions towards efficient and effective implementation of the international standards of supreme audit institutions (ISSAI).

The responsibility ultimately rests with SAIs to identify gaps and resource constraints, use available information and materials, and take responsibility for organisational and staff development.

We recognise that, in addition to their own internal capacity building programmes, SAIs receive support from various institutions, and that their progress is not attributed to AFROSAI-E interventions only. Rather, the State of the Region Report provides a general overview of where SAIs are by benchmarking their scores against ICBF indicators.

However, through the ICBF data collected over the years, we can track the impact that AFROSAI-E has made on SAIs, facilitated by the capacity-building initiatives that we provide.

Quality assurance reviews

Since 2015, we have been comparing the QA review findings to a selection of ten ICBF self-assessment questions, to determine the correlation of the self-assessment scores against the external quality assurance review scores assessed during the current year of assessment.

This is done to highlight areas where SAIs overrated or underrated themselves. It is, therefore, critical for SAIs to compare their QA review outcomes to their self-assessment scores, so that they can identify where corrective action is applicable.

Due to the COVID-19 pandemic, we could not conduct any in-country QA reviews in 2020, with only a remote review conducted for SAI Somalia. In 2021, only four of the ten planned reviews were conducted. We, therefore, did not report on the correlations, as the number of SAIs reviewed could not constitute a representative sample.

In 2019, we conducted nine QA reviews, and the results showed that 66% of the self-assessment levels correlated with the QA reviews, with 5% underrating themselves. The 29% over-assessment scores are considered high.

CHAPTER 1: AGGREGATED ASSESSMENT AND GENERAL PERFORMANCE

1.1. HIGH LEVEL REGIONAL CONTEXT

This chapter is a summary of the information relating to the context in which the 26 member SAIs operate. Table 1 sets out this context as at 31 December 2021.

Table 1: High-level regional context – SAI staff capacity and outputs

Audit mandate and capacity	Number of SAIs	2020	2021
Total number of staff employed by the SAI	All 26 SAIs	16 619	16 359
Number of full-time financial and compliance auditors	All 26 SAIs	11 288	9 673
Number of auditors with professional audit qualifications	All 26 SAIs	4 498	4 359
% of audit staff with professional audit qualifications		40%	45%

Number of auditors with professional audit qualifications	20 SAIs with least no. of professional staff	684	727
% of audit staff with professional audit qualifications		15%	17%

Number of financial and compliance audits mandated	All 26 SAIs	29 786	32 606
Number of financial and compliance audits conducted	All 26 SAIs	10 202	13 311
% of mandated audits completed		34%	41%

IS auditing	Number of SAIs	2020	2021
Number of IS audits conducted	All 26 SAIs	422	438
Number of IS auditors		320	329
Number of IS audits conducted	20 SAIs with least no. of professional staff	135	39
Number of IS auditors		90	73

Organisational capacity	Number of SAIs	2020	Ratio to total staff complement	2021	Ratio to total staff complement
Number of HR staff	All 26 SAIs	268	1,6%	338	2,1%
Number of communication staff	All 26 SAIs	90	0,5%	97	0,6%
Number of ICT support staff	All 26 SAIs	263	1,6%	255	1,6%

Total staff complement

Table 1 shows that the staff complement of the 26 SAIs was 16 359 (2020: 16 619) on 31 December 2021.

The number of full-time auditors focussing on financial and compliance audits declined by 14% from 11 288 in 2020 to 9 673 in 2021. This is mainly attributed to the impact of the COVID-19 pandemic on the various countries' economies and reduction of budget allocations leading to the inability to fill vacancies. This affects the ability of SAIs to execute their audit mandates.

Audits conducted

The number of audits that SAIs are mandated to conduct has increased over the past three years. In 2021, the legislated number of audits increased by 9% to 32 606 (2020: 29 786) of which only 41% or 13 311 (2020: 34% or 10 202) were completed.

Although the number of audits concluded increased, the low completion rate is a major concern and can be attributed to, among others:

- Lockdowns due to COVID-19.
- Funding constraints.
- Diminished capacity due to the reduction in the number of auditors.
- Skill gaps, especially in information system (IS) audits.

Consequently, this has increased the audit backlog, and the pressure to finalise audits and implement new audit methodologies and learnings.

Professional qualifications

Out of the total number of financial and compliance auditors, 45% (2020: 40%) have a professional audit qualification. While this looks like an improvement, the reason for the increase is purely due to the decline in the total number of auditors.

The 20 SAIs with the lowest percentage qualified auditors only has 17% (2020: 15%) qualified auditors. Countries mostly affected include Botswana, Eritrea, Eswatini, Liberia, Lesotho, Seychelles, Sierra Leone, Zambia, and Zimbabwe.

Information Systems audits

The number of IS auditors remained, for all practical reasons, the same at 329 (2020: 320) auditors within the SAI membership, with only 73 auditors in the 20 SAIs with the least number. There was a drastic decline in the number of IS audits conducted by these 20 SAIs with the numbers dropping from 135 audits in 2020 to 39 in 2021.

The importance of professionalisation and building of IS audit capacity is becoming increasingly apparent.

Support services

The HR staff increased to 2,1% (2020: 1,6%) in relation to the total staff complement, and that of communication practitioners was up from 0,5% in 2020 to 0,6% in 2021.

The ratio of the number of information and communications technology (ICT) support staff to the total SAI staff falls far short of the international benchmark of one ICT support staff member per 30 employees. The number of ICT support staff remained steady at 1,6% of the total staff complement, meaning the region is currently working at a ratio of one ICT staff member to over 200 employees.

CHAPTER 2 : TRANSVERSAL MATTERS

Four transversal matters were identified in this assessment period:

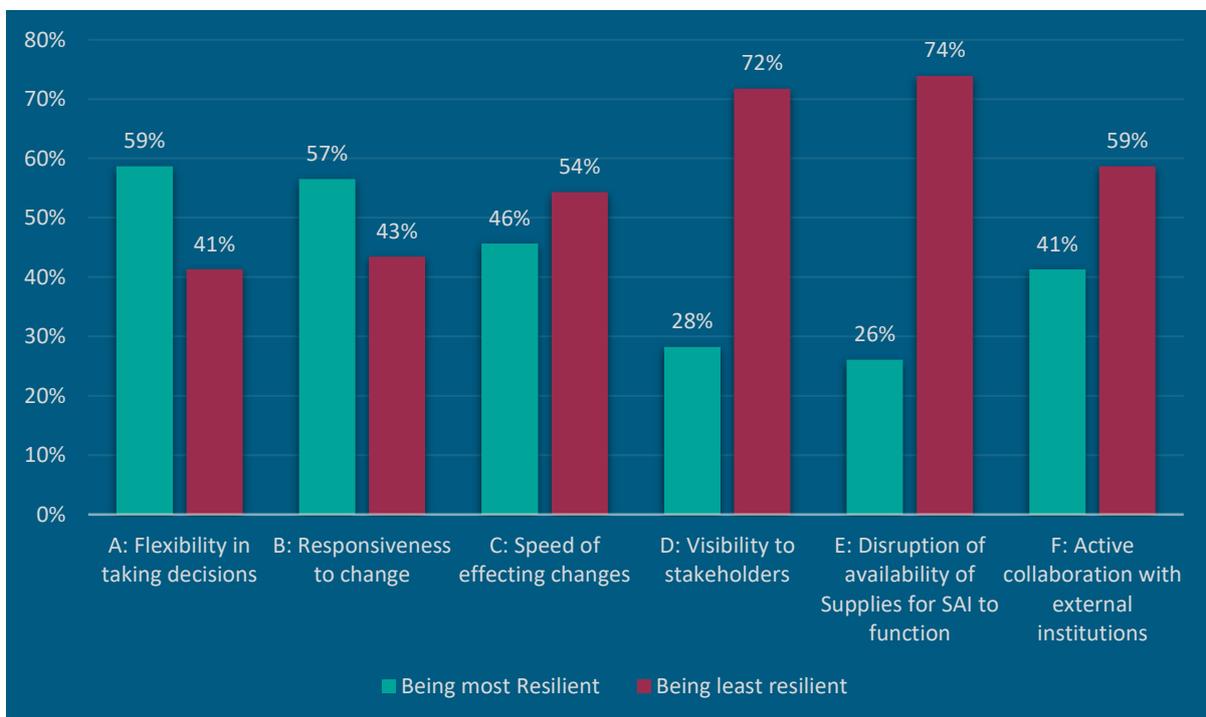
- The impact of COVID-19 on the work of SAIs.
- Internal quality assurance processes.
- Professionalisation of SAIs.
- Gender equality, diversity, and inclusion.

2.1 The impact of COVID-19 on the work of SAIs

The COVID-19 pandemic and its impact on the health sectors raised the question of the resilience of SAIs to respond to stakeholder expectations in times of disaster, as well as their ability to continue to bring value and benefits to citizens.

In June 2020, AFROSAI-E conducted a qualitative and quantitative analysis of the resilience of the sub-Saharan Africa SAIs in meeting stakeholder expectations in disaster situations.

Figure 2: SAIs’ perceived level of resilience in the wake of COVID-19²



² AFROSAI-E. 2020. “SAI Resilience in addressing the auditor expectation gap during disaster periods: The case of sub-Saharan SAIs during the COVID-19 pandemic”

According to the findings, SAIs were generally flexible in taking decisions and responsive to change. However, their main challenges included:

- No and/or limited access to financial resources
- Limited access to key stakeholders such as parliament and the media
- Inability to effect changes speedily
- Lack of visibility to stakeholders
- Disruption in or unavailability of supplies for them to function
- No active collaboration with external institutions

Building on these research outcomes, in AFROSAI-E initiated knowledge sharing initiatives and developed guidance material (pocket guide on the audit of disaster situations and paper on crisis, emergency and risk communication).

In 2021 several SAIs used the above-mentioned materials to conduct audits in challenging circumstances. 12 SAIs (Botswana, Ethiopia, Kenya, Lesotho, Liberia, Namibia, Sierra Leone, South Africa, The Gambia, Uganda, Zambia, and Zimbabwe) performed COVID-19-related audits. These audits exposed several cases of fraud and corruption which haunted the PFM systems during the pandemic.

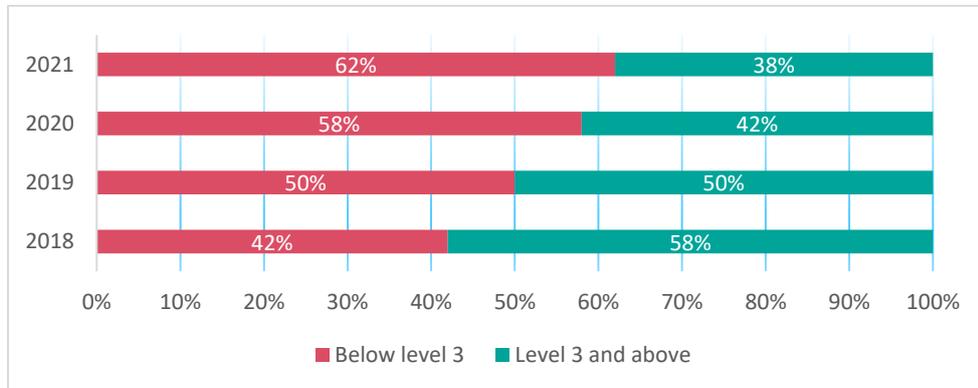
Several SAIs, in their response to the ICBF questionnaire, mentioned various challenges that they were facing due to COVID-19. The main challenges highlighted are in the independence and legal framework domain, as access to financial resources are still a challenge. A new challenge in the form reduced access to key stakeholders such as Parliament and the media due to the pandemic has also been highlighted. This talks directly to the communication and stakeholder domain. The audit standards and methodology domain was largely affected by the audit backlogs emanating from the prior year. It is seen to be supported by a bolstered human resources domain, which as per the responses gathered, witnessed several initiatives by the AFROSAI-E Secretariat in staff welfare in the form of policies and programmes in response to COVID-19.

2.2 Internal quality assurance processes

The comprehensive implementation of the international standards of supreme audit institutions (ISSAI), and the effective execution of audit mandates are fundamental to ensuring the delivery of quality audit services. Consequently, the development and application of internal quality management systems by SAIs is critical for maintaining their credibility.

The scores of 24 questions were compared in the assessment of the internal quality assurance processes. These questions addressed various aspects of quality management on institutional and individual audit disciplines such as financial, compliance, performance, and IT auditing.

Figure 3: Scoring of quality assurance measures based on a selected subset of 24 questions



Over the past four years there has been an annual decline in the results of these 24 quality assurance questions, with more than 60% of SAIs below level 3 in 2021, down from 42% in 2018.

Areas between 2.7 and 3

- A quality assurance (QC) policy to ensure that staff conduct audits according to international standards and other requirements, had been developed and implemented. This includes legal, competencies, ethics, resources, and supervision.
- Roles and responsibilities of all auditors, engagement partners, and engagement quality assurance reviewers are clearly defined.
- A performance management policy/process, which defines the process of planning, monitoring, provides feedback, and reviews the performance of staff, is in place.
- Job rotation, delegating authority, and holding managers accountable for their actions in a manner that promotes a culture of quality, is in place.

Areas below 2.7

Unfortunately, the following areas are at risk. In these areas implementation is often weak, and the setting of an appropriate tone by top and senior management to demonstrate organisational values is also very low.

- Quality assurance management systems to promote an internal culture of quality performance has not been established or needs to be improved. While a policy may have been developed, it is not translating into systems to support implementation. This leads to:
 - A lack of or absent annual quality assurance (QA) review programmes.
 - Annual reports on conducted reviews not being compiled or done in time.
 - Plans to address review findings not being drafted.
 - Lack of actions to address identified findings and gaps.

- Although roles and responsibilities may have been defined, there are insufficient resources within the QA function/unit to effectively perform quality assurance reviews for all types of audits to ensure compliance with ISSAIs. The following is needed:
 - Prioritising of capacity building for the QA function, as competent persons are often used to conduct audits rather than perform reviews.
 - Training of competent quality assurance reviewers that can focus on all types of audits.
 - Appointing of IT audit QA reviewers.
 - Funding to address budget constraints to fill vacancies.
 - Planning by smaller SAIs, who don't have resources for full-time reviewers, for auditors to do reviews on a rotational basis before audit reports are issued.
 - Reviewing of all audit types by the internal quality assurance function.

- Lack of mechanisms for conducting quality assurance reviews for contracted-out audits. This is a major concern as very few SAIs have a policy and procedures on contracted-out audits, which could have a reputational risk for SAIs if audit reports are issued in the public domain without due review processes being followed.

- Quality assurance management systems are not reviewed regularly by an independent reviewer. This limits the information to SAIs on institutional challenges and weaknesses, and hampers their ability to timely implement actions.

AFROSAI-E is currently developing guidance materials to ensure that SAIs have quality management systems that are risk-based, focused and proactive, and to emphasise continuous improvement and implementation of corrective action.

2.3 Professionalisation of SAIs

The capacity of a SAI, particularly the ability to fulfil its mandate, is dependent and often affected by the availability of suitably qualified professionals in its workforce. Unfortunately, the number of professional auditors working within the SAI and the broader public service is often limited, and SAIs are frequently required to adopt proactive measures to encourage and support those wanting to become professionals.

One such major measure is the implementation of a professional development process and all its components. This process not only ensures structured and predictable recruitment and/or training for suitable prospective professional auditors, but also provides the tools and a conducive environment for attaining professional status. Monitoring of their continued development forms part of the process as well.

A key relationship in the professionalisation process is the one between the SAI and the professional accountancy organisation (PAO). SAIs indicated that:

- Almost all (81%) have some form of relationship with the PAO.
- Relationships with the PAOs is often strong.
- There is some collaboration to enhance the standing of the accounting profession in the country, especially in relation to the public sector.
- The head of SAI is often a member of the PAO, the accountancy regulator, or on its Board.

However, only 13 SAIs (50%) indicated that the PAO provided any form of training for their auditors. This highlights the need to implement accredited practical experience programmes with the PAO/regulator to provide opportunities for staff to become professional accountants.

Being registered with a PAO or regulator has other benefits, such as being held to a code of conduct, and ensuring continued professional development (life-long learning) in accordance with the PAO's requirements, as well.

As mentioned in chapter 2, the number of qualified staff is less than in 2020. However, viewed over a three-year period, the decline in qualified auditors is even more alarming.

Among the 20 members with the least number of qualified auditors, the total professionally qualified staff reduced by 29% from 1030 (2019) to 727 (2021). For the six members with the most qualified auditors, the decline was not as significant as it only reduced by about 350 people or 9% of their staff complement. Comparing the percentage of auditors with professional qualifications to the number of audit staff for the same 20 and six SAIs respectively, the six have proportionally a much higher percentage.

Table 2: Number of full-time auditors and audit staff who hold professional qualifications

All SAIs	2021		2020		2019	
	Number	Percentage	Number	Percentage	Number	Percentage
Number of full-time auditors	9 673		11 288		10 932	
Auditors with professional audit qualifications	4 359	45%	4 498	40%	5 010	46%
20 SAIs with least no. of auditors with professional audit qualifications	727	17%	684	15%	1 030	21%
6 SAIs with most no. of auditors with professional audit qualifications	3 632	83%	3 814	85%	3980	79%

2021 Auditors with professional qualifications	20 SAIs	6 SAIs
Number of full-time auditors	3 080	6 593
Auditors with professional audit qualifications	727	3 632
Percentage of auditors with professional audit qualifications	23%	55%

It is anticipated that participation in initiatives such as the IDI's PESA programme as well as in the country-implementation of the African professionalisation initiative (API) will assist to address this.

The data also shows that those SAIs that indicated the highest levels of professionalisation tend to have a more formal professional development process, thus supporting the idea that a holistic approach is the desired approach.

This is why we continue to advocate and support SAIs seeking accreditation with professional bodies, or wanting to enhance their practical experience offering so that it provides more planning and predictability, and increases staff's chance of meeting their professional goals.

The professionalisation agenda is a long-term one. For professionalisation levels to improve, and to realise all its benefits, SAIs need to set up policies and procedures for an enabling environment that encourages development, and, more importantly, ensures that the actual programmes and initiatives are implemented and completed.

AFROSAI-E will continue to partner with SAIs to ensure such initiatives are contextually relevant, leading to sustained success in their implementation.

2.4 Gender equality, diversity, and inclusion

In 2021, we embarked on an initiative to strengthen gender equality within the region. The two main objectives were to help SAIs become gender-responsive organisations, and to build their capacity to conduct audits that contribute to gender equality.

We conducted a gender assessment in 2021, in which 18 countries took part. The results showed that, overall, men comprised 66%, and women 34% of the SAI staff complement. The biggest challenges these SAIs face in becoming more gender responsive were that their organisational strategies that did not define gender equality goals, and that there were insufficient technical, financial, and human resources to implement a gender strategy.

Highlights from the 2020 INTOSAI Global Survey – cross cutting issues

Data suggests that AFROSAI-E SAIs are advancing on cross-cutting priorities like professionalisation and gender. Almost all AFROSAI-E members adopted a competency framework (only 5% saying this was not in place), against two-thirds of SAIs globally. In terms of characteristics of the competency frameworks, the majority covers cross-cutting competencies, and 60% cover competencies for financial, compliance and performance auditors. Two-thirds have also identified unique skills specific to their SAIs.

Many SAIs have undertaken different forms of leadership development, but only half of them have internal leadership development programmes, which makes external support necessary.

Global Survey data on HR management seem to suggest that the focus on professional development is coming from an organisational level to prioritise this area. 73% of SAIs say they have built their HR processes around the competency framework and that their HR strategy is aligned with the strategic plan.

Another cross-cutting area where SAIs in AFROSAI-E are doing well compared with global averages is gender. 36% of SAIs have a gender policy and 31% a gender strategy. 68% state that they address gender in their code of ethics. Almost half of SAIs (47%) have an HR strategy that addresses gender equality. When it comes to strategic goals on gender, almost 60% of SAIs report that the SAI's strategic plan promotes gender equality at the institutional level, and 47% of SAIs state that the strategic plan commits them to developing staff's capacity on gender. Almost 70% of SAIs have institutionalised gender responsibilities in their institution.

AFROSAI-E, in collaboration with GIZ, will support the SAIs of Eritrea, The Gambia, and Rwanda in 2022 to develop and implement a gender strategy. We will also conduct gender assessments for countries that did not take part in last year's assessment, develop follow-up gender videos and implement more training workshops.

CHAPTER 3 : INDEPENDENCE AND LEGAL FRAMEWORK

Domain 1: Independence and legal framework is about the operational, financial, and administrative independence of the SAI, the head of the SAI, and its staff as stated in the law(s).

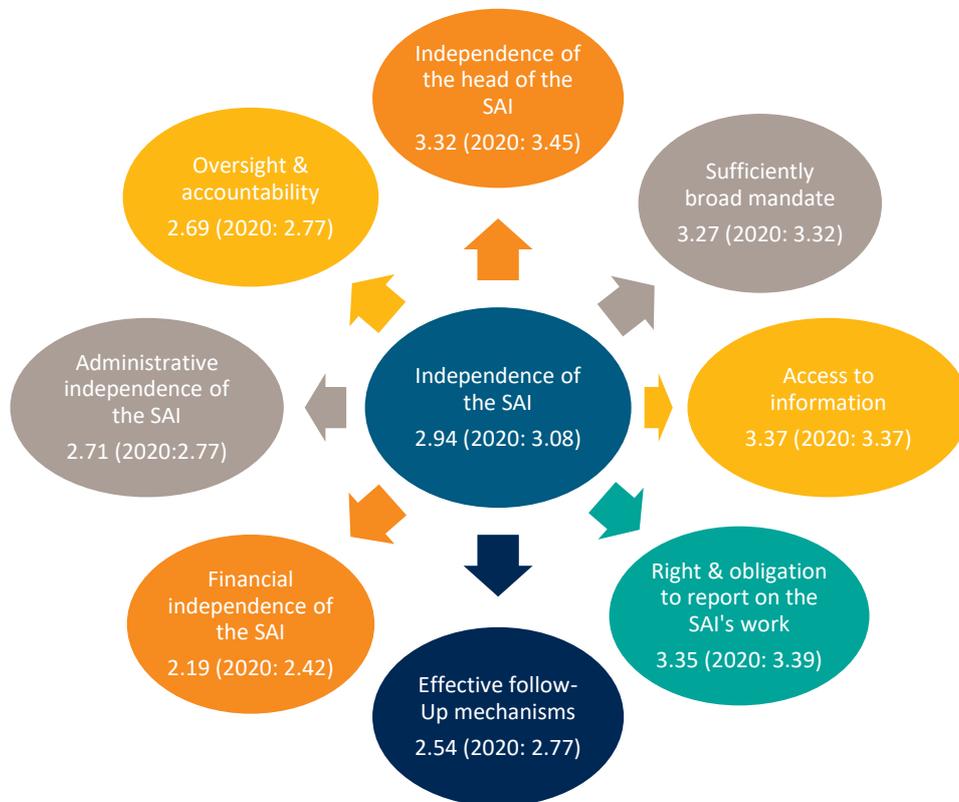
3.1 Progress in 2021

The domain average decreased slightly by 4% to 3.05 from 3.17 (2020), with the scores of two SAIs dropping below 3.

Table 3: Scores per grouping of SAIs above and below level 3

ICBF development level	Number of SAIs		Average scores	
	2020	2021	2020	2021
Below level 3	12	14	2.62	2.61
Level 3 and above	14	12	3.63	3.57

Figure 4: The average ICBF scores of the nine elements



Of the nine elements, five had averages below level 3:

- The mandates and independence of SAIs.
- Follow-up of audit recommendations.
- Financial independence.
- Administrative independence.
- Oversight and accountability mechanisms of the SAI.
 - Submission of the SAI's own annual performance report.
 - Appointment of the SAI's external auditors.
 - The role of SAI boards/commissions.

3.1.1 The mandate and independence of SAIs

INTOSAI-P1, P10 and the United Nations (UN) resolution A/66/209 state that the independence of SAIs from the executive, audited entities and other stakeholders is fundamental for effective execution of their audit mandates. Notwithstanding, it is noted that SAIs are products of both their countries' constitutional provisions and/or appropriate legal frameworks.

It follows then that the legitimacy of SAIs and their decisions depend on robust legal frameworks that acknowledge and recognise their independence both in law and practice. As such, the constitutional and secondary laws of any democratic government are expected to provide special status and protection to both the SAI as an organisation, and its auditing staff in their daily operations.

The independence of the SAI is spelt out in the legislation (Constitution and/or Audit Act) of most SAIs with 22 SAIs (85%) scoring level 3 and above. Similarly, 25 (96%) of the respondents indicated that the establishment, role, powers, and duties of the SAIs were laid down in the constitutions of their countries' or comparable legal frameworks. While the legislative principles are well-defined, there are challenges when it comes to their operationalisation.

Most SAIs' have a mandate that is empowered to audit the use of public monies, resources or assets, the collection of all revenues, the quality of auditees' financial management, and regularity (financial and compliance) and performance audits in line with the requirements of ISSAI 100 to 400.

All SAIs further indicated that in the exercise of their mandate, they had the right and discretion to undertake audits, examinations, or investigations or otherwise, as they may deem necessary without being subjected to any direction except from parliament.

The two main challenges in this area are:

- Lack of legal prescriptions for periodic reviews of the performance of heads of SAIs and/or (where relevant) members of jurisdictional control institutions by parliament or appropriate bodies. Only 11 SAIs (42%) scored levels 3 and above, indicating that many SAI legal

frameworks do not have the requirement for reviewing the performance of heads of SAIs periodically. The majority of SAIs commented that performance contracts for heads of SAIs were not required by their laws even though it was expected and encouraged by INTOSAI principles.

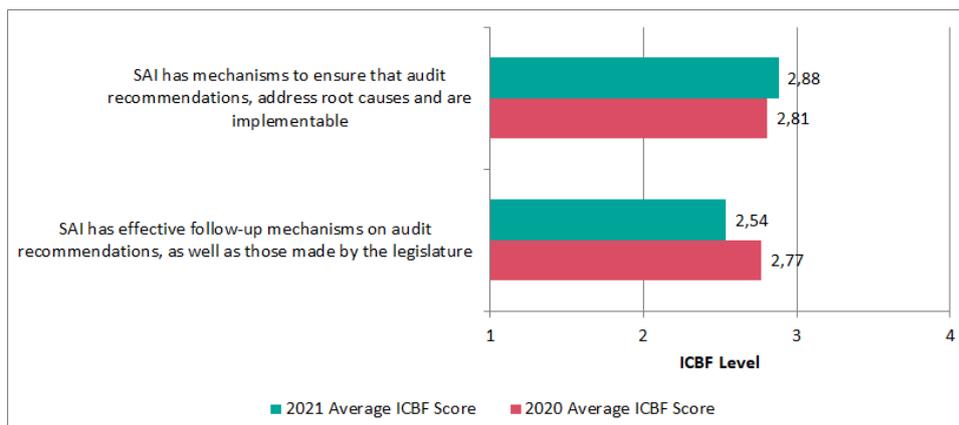
- About 40% of SAIs do not have the legal right to address parliament or the relevant parliamentary committee(s) regarding any concerns they may have about the audit arrangements of any public financial operations not within their audit mandate. Many SAIs, for example, are limited when it comes to the audit of security agencies, military ordinances, and related matters of public financial management.

3.1.2 Effective follow-up mechanisms

Model organisations that exemplify good corporate governance and professionalism are expected, according to INTOSAI P- 10 and 12, to establish robust and effective follow-up mechanisms on all types of audits (financial, compliance and performance) to assess the extent to which SAI recommendations have been implemented by the audited entities.

This means that the SAI should establish its own internal follow-up system to ensure that the audited entities adequately address its findings and recommendations, as well as those made by the legislature and/or other appropriate oversight bodies. In the spirit of promoting good professional audit practices, SAIs are expected to regularly submit follow-up reports to the legislature or other appropriate oversight bodies for deliberation even when the SAIs do not have explicit statutory power for follow-up and sanctions.

Figure 5: Establishment of effective follow-up mechanisms by SAIs



The 2021 average scores decreased from 2020 across this element with, for instance, most SAIs scoring below level 3 on effective follow-up mechanisms at the organisational level. However, when

it comes to the engagement level at audit level, 20 SAIs (77%) have established adequate mechanisms to ensure quality audit recommendations.

The majority of SAIs comply with ISSAIs when it comes to the audit engagement level, but fall short at the organisational level regarding the establishment of management information systems, policies, and procedures that could effectively monitor the implementation of audit recommendations of all types of audits. Also refer to domain 5 on the reporting to parliament on the follow up of public accounts committees’ recommendations.

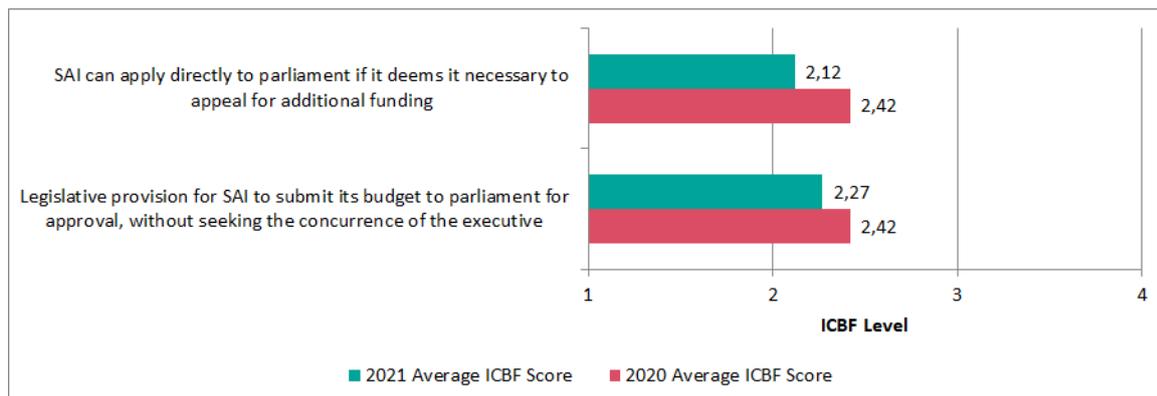
However, some SAIs scoring below level 3 stated that their mandate ended at the audit engagement levels, as their legal frameworks does not require them to establish follow-up mechanisms on the implementation of audit recommendations and those of the legislature.

The SAIs also noted their capacity challenges, and the need to do more to establish follow-up mechanisms at organisational level.

3.1.3 Financial Independence

According to the Lima Declaration (INTOSAI P-1) and Mexico Declaration (INTOSAI P-10), managerial autonomy of the SAI also entails financial independence. This means the law and practice of the SAI’s legal framework should prevent and/or minimise the undue influence by the executive over the preparation, allocation, classification, approval, disbursement, and use of the SAI’s funds. Similar to 2020, the absence of financial independence of the SAI remains one of the greatest challenges, even more so during the COVID-19 pandemic.

Figure 6: Financial independence of SAIs



Over the two years of 2020 and 2021, the financial independence of SAIs marginally decreased. Only 11 SAIs (42%) had a scoring of level 3 and above, which implies they have legislative provisions that empower them to prepare and submit their budgets to parliament without undue influence from the executive.

It is concerning the budgets of 58% of SAIs (2020: 50%) are, according to legal clauses and/or practices, allocated and approved by the ministry of finance (MoF) or another appropriate body of the executive. Furthermore, the SAIs indicated their financial autonomy was being eroded, especially by the economic disruptions caused by the COVID-19 pandemic.

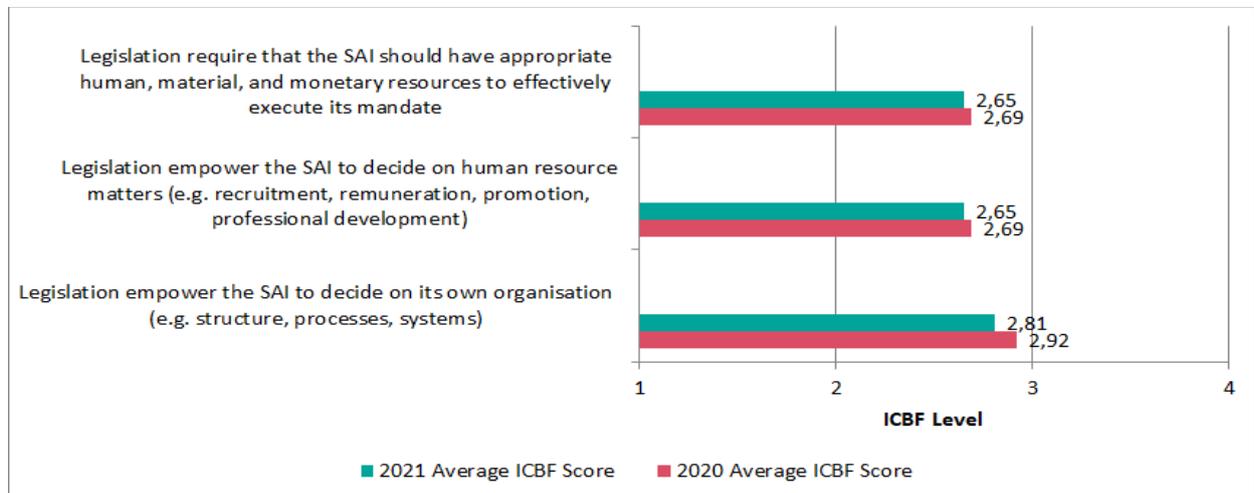
Unfortunately, most SAIs do not have the legal leeway to directly approach parliament for additional funding when needed. Nineteen SAIs (15 in 2020) said that they had to go through the executive for additional funding.

3.1.4 Administrative Independence

The INTOSAI P-1, 10 and 20 state that SAIs should be established and managed as autonomous organisations to ensure effective delivery of audit services and promote good governance. Consequently, the SAI’s legal framework should be based on the principle of limiting and/or minimising any undue influence by the executive on the attraction, recruitment, retention, professional development, training, promotion, discipline, and remuneration of staff.

In other words, the SAI should be able to implement its own policies, systems, and processes in accordance with applicable legislation, and determine its own organisational structure.

Figure 7: Administrative independence of SAIs



Similar to the financial independence area, the scores for administrative independence marginally decreased. It seems that although most SAIs have the legal right to determine their own organisational structures, in practice they do not have the required administrative independence.

Many SAIs who fall under public service commissions (PACs), require the agreement of the relevant executive arms of government departments when deciding on their own organisation. Seventeen SAIs (65%) (2020 – 69%), for example, are legally allowed to determine their own organisational structure

based on their legal frameworks, but nine do not have the right. However, half of the 17 SAIs encounter challenges when it comes to implementation of the same legal clauses.

Eleven SAIs (2020: 10) do not have legal clauses that address the need for SAIs to have appropriate human, material, and monetary resources to enable them to effectively execute their mandate. Consequently, these SAIs cannot determine their own organisational structures because it would require funding approval from the ministry of finance (MoF).

In the spirit of promoting SAI financial independence, the executive should not participate in the preparation and final approval of the SAI’s budget allocations, release, and execution. It is the legislature’s responsibility for ensuring that the SAI has adequate and appropriate resources to execute its mandate. Consequently, the SAI should have the right to directly appeal to the legislature if it considers its resources insufficient for the execution of its mandate.

3.1.5 Oversight and accountability mechanisms of SAIs

Independence can be viewed as a “level” where SAIs are progressively professional, transparent, and accountable organisations (INTOSAI-P 12, 20 and 50). As such, they are expected to establish efficient service delivery systems, and to optimise their own resources. Although independence may be enshrined legislatively, it is equally important for the SAI and its staff to be a “model organisation” by “leading by example.”

SAIs, for example, are expected to timely submit their own annual performance reports and have their financial statements audited by independent auditors appointed by parliament as shown in Table 4.

Table 4: Number of SAIs above and below level 3 regarding oversight and accountability

Oversight and accountability	Number of SAIs below level 3		Number of SAIs at level 3 and above	
	2020	2021	2020	2021
Submission of an annual performance report to parliament and/or other stakeholders	10	8	16	18
Appointment of SAI’s external auditor(s) by parliament or another oversight body	12	14	14	12

SAIs that submit a separate report on its performance to parliament and/or other relevant bodies increased by two from 16 SAIs in 2020 to 18 SAIs in 2021. However, there are some SAIs that submit their reports through the ministry of finance and/or the president.

Concerning is that there are eight SAIs that had no legal provisions requiring them to submit annual reports on own performance to parliament and/or any other appropriate oversight body.

Another area that relates to oversight and accountability is the appointment of the SAI's external auditors by parliament and/or another appropriate oversight body. In 2021, this was done at only 46% of the SAIs who noted that they experienced delays in the appointment of external auditors by parliament.

The majority of SAIs who fall under PSCs, still audit their own financial statements which is contrary to good corporate governance principles and practices.

3.2 Conclusion

Legal frameworks that comply with international guidance and best practices are lacking in many of the SAIs, and there have, unfortunately, been marginal decreases in average scores across the elements of this domain.

The political and economic challenges brought about by COVID-19 has worsened the situation. The challenges include:

- Limited political support to develop, review, and operationalise the SAI's legal frameworks in compliance with the requirements of INTOSAI-P 1, 10 and 12. The absence or inadequacy of this legislation threatens the SAI's legal independence, as well as transparency, and the enforcement of accountability by government
- Delays in establishing effective follow-up mechanisms for audit and legislature recommendations. This negatively impacts the ability to bring those responsible for mismanaging public resources to account timeously
- Constraints in terms of financial and administrative independence of the SAIs. SAIs flagged financial and administrative independence challenges as the main risk threatening their ability to both effectively deliver quality audit services, and promote good governance, transparency, and accountability
- Limited oversight and accountability of the SAIs, which negatively affects the promotion of good corporate governance, transparency, accountability as well as integrity and good ethical behaviour of the SAI and its staff members

In 2020 and 2021 the level 3 targets of 60% and 65% were not met with 54% in 2020 and 46% in 2021.

Highlights from the 2020 INTOSAI Global Survey – independence and legal framework

Legal independence and appointment of the Head of SAI

SAIs should be able to deliver on their mandate without interference and fear of repercussions. According to the Global Stocktaking Report, independence levels for AFROSAI-E countries are slightly below average and have declined from the previous Survey Report. When it comes to the appointment of the Head of SAI, almost 90% stated that the legal framework provides for the appointment and tenure of the Head of SAI, with similar results for dismissal, security of tenure and immunity. However, only 31% of SAIs have the right to appeal to the Supreme Court in case there is interference by the Executive.

Financial autonomy

A pressing weakness is found in the ability to access and manage own resources. Financial autonomy is a challenge, with only 57% of SAIs saying they can manage their own budget, and 25% having sufficient financial resources to fulfil their mandates. Only three SAIs reported that they could submit budget proposals directly to the Legislature, and 38% of SAIs reported that the Legislature is not responsible for ensuring that SAIs have sufficient resources to fulfil their mandates. The same proportion of SAIs cannot appeal directly to the Legislature if resources are insufficient. In addition to these legal restraints, 47% of SAIs experienced some form of interference in their budget during the three years.

Audit mandates and follow-up of audit recommendations

It is positive to note that 90% of SAIs have the ability to select their programme freely, and conduct audits freely as well. Regarding reporting and publication, almost 80% are free to report and publish audit results. However, when it comes to accessing information to conduct audits, less than 40% (globally: 44%) gained full access to timely and complete information. The majority of SAIs have the mandate to audit most levels of government or institutions receiving public funds. However, only 11% have the mandate to audit funding to political parties. 73% of the SAIs can investigate fraud and corruption, but only one-third (31%) have the mandate to issue binding remedial actions.

SAIs reporting on own performance and being audited externally

When it comes to the SAIs' own accountability and performance, there is a difference in the levels of financial accountability and performance reporting. 84% of SAIs produce financial statements, with 68% subjecting the statements to an external auditor, whereupon the auditor issues an opinion. Only 63% of SAIs publish their financial statements and external audit opinion. Meanwhile a mere 41% of the SAIs prepare an annual performance report against its strategic plan and make it publicly available (globally: 57%). 31% share the report with key stakeholders, while 21% only prepare a report against achievement of the operational plan.

CHAPTER 4 : ORGANISATION AND MANAGEMENT

Domain 2: Organisation and management is about quality management, organisational planning processes, and management tools relating to leadership, management information, governance, and internal control systems.

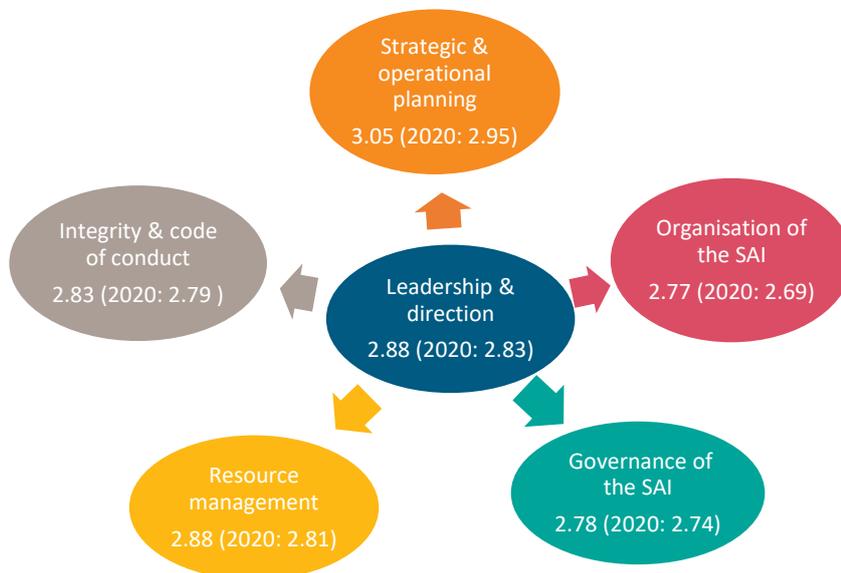
4.1. Progress in 2021

The domain average score increased marginally from 2.83 recorded in 2020 to 2.88, with eight SAIs on level 3 as shown in Table 5.

Table 5: Scores per grouping of SAIs above and below level 3

ICBF development level	Number of SAIs		Average scores	
	2020	2021	2020	2021
Below level 3	19	18	2.58	2.62
Level 3 and above	7	8	3.47	3.48

Figure 8: The six organisation and management domain elements and average scores



The progress on this domain is troubling as five of the six elements fall below level 3. The only element above level 3 is strategic and operational planning, which only marginally increased from 2.95 in 2020 to 3.05 in 2021.

To allow a deeper analysis, the elements have been grouped within the following themes:

- Leadership direction and governance.
- Strategic and operational planning.
- Organisation of the SAI and resource management.
- Monitoring and evaluation mechanisms.
- Integrity and code of conduct.

4.1.1. Leadership direction and governance

According to ISSA 140 element 1 (Quality assurance for SAIs), the SAI should establish policies and procedures designed to promote an internal culture that recognises quality as essential in all its work.

The policies and procedures should be set by the head of SAI, who retains overall responsibility for the system of quality assurance. With 11 SAIs still below level 3, it is concerning to note that:

- Eight SAIs had not established quality management systems.
- Nine SAIs are yet to establish mechanisms to regularly measure the extent to which SAI leadership teams set the appropriate tone at the top.
- The previous year's report noted inadequate resources for the internal audit, and monitoring and evaluation functions.
- The number of SAIs that indicated inadequate capacity and resourcing internal and/or risk management functions remained the same at 42% as reported in 2020.

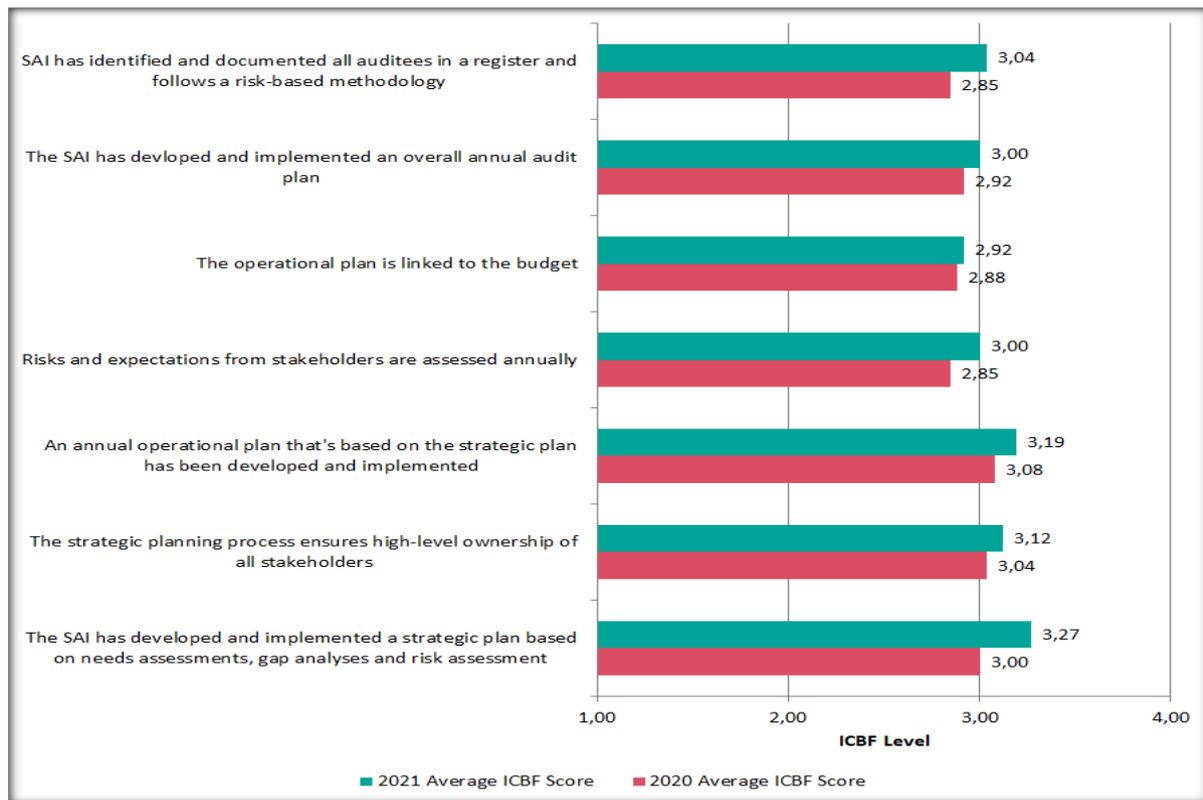
On the positive side:

- Twenty-two SAIs (2020: 20) reported that the leadership and their relevant committees hold regular decision-making meetings, and actions were being tracked, followed up, and actioned.
- Seventeen SAIs (2020: 18) indicated they had established mechanisms to regularly measure the extent to which top and senior management set appropriate tone at the top by living the organisational values.

4.1.2. Strategic and operational planning

Good strategic management practices supported by strategic and operational plans are essential for demonstrating the value and benefits of SAIs to citizens. The average on this element moved above level 3; however, nine SAIs are still below level 3 at 2.51.

Figure 9: SAI scores on strategic and operational planning



The average scores of the strategic and operational planning element increased from 2020 to 2021. Contributing to this was that all SAIs had developed and implemented a strategic plan, based on a needs assessment, a gap analysis, and a risk assessment, to strengthen the institutional environment, and contribute to the achievement of sustainable development goals (SDGs) and African Agenda 2063 goals.

The number reduced to 85% that have:

- Documented strategic planning processes to ensure involvement and high-level ownership of staff and key stakeholders.
- Documented operational plans linked to their strategic plans.

However, it is important to continue conducting regular risk assessments, and to document stakeholder expectations and feedback. The report shows 20 SAIs (77%) said that this was in place.

The alignment of operational plans to the approved budget, and the monitoring and evaluation in accordance with a performance management system, improved by two SAIs to 20 (2020: 18). However, external factors such as the COVID-19 pandemic and the associated economic disruptions continue to negatively affect budgetary allocations and their timeous release.

4.1.3. Organisation of the SAI and resource management

Organisation and resource management involves assessing development plans, quality assurance and financial management policies, and other operational management functions.

The majority of SAIs have these in place; however, there is still room for improvement in two areas, the organisation of the SAI (17 SAIs), and resource management (13 SAIs). Both scored far below level 3.

Table 6: Average scores of organisation of SAI and resource management

Domain 2 element	Number of SAIs	Average score below level 3	Average score level 3 and above
Organisation of the SAI	17	2.43	-
	9	-	3.43
Resource management	13	2.38	-
	13	-	3.38

Quality assurance

The establishment of quality assurance policies and other relevant measures is another aspect that requires more attention, as they help ensure compliance with the international standards, and other relevant legal requirements and best practices. Although about 70% of SAIs indicated that they done so, there is concern about the implementation.

Most SAIs commented that their quality management systems still require improvement; however, it seems that some are overrating themselves in this area when compared to other related quality assurance questions elsewhere in this report.

Major weaknesses have been observed in the following areas:

- Eight SAIs have not established robust quality assurance management systems to promote an internal culture that recognises quality as essential to all SAI work.
- Nine SAIs do not have mechanisms to measure the extent to which top and senior managers demonstrate the values of their SAIs.
- Nine SAIs have not established quality assurance functions that are adequately resourced to conduct reviews of all types of audits.

ICT

Almost 80% of the SAIs indicated they had adequate ICT resources with 70% having ICT strategies aligned to the SAI strategic goals. However, there appears to be instances of overrating by SAIs as, for example, various assessments (IT self-assessments-ITSA and SAI IT maturity assessments-SAI ITMA) and A-SEAT implementations have shown inadequate ICT resources.

Furthermore, two SAIs scored themselves at level 3 which implies that they have an established an ICT support function appropriately resourced with full-time, dedicated support staff, and hardware, software, and network support functions. However, both SAIs had only two ICT staff of which the staff one of the SAIs were not even full-time.

SAIs should evaluate and, if necessary, adjust their ICT resources and strategies to ensure that they are able to support the technological innovations in the SAIs.

Organisational development plan

Fourteen SAIs indicated that they have established an organisational development (OD) plan or policy to address issues identified during quality and other relevant institutional strengthening reviews.

Thirteen of them have established risk management functions to ensure the effective functioning of their internal controls and operations. Only 15 SAIs (58%) have established risk management policies and related measures.

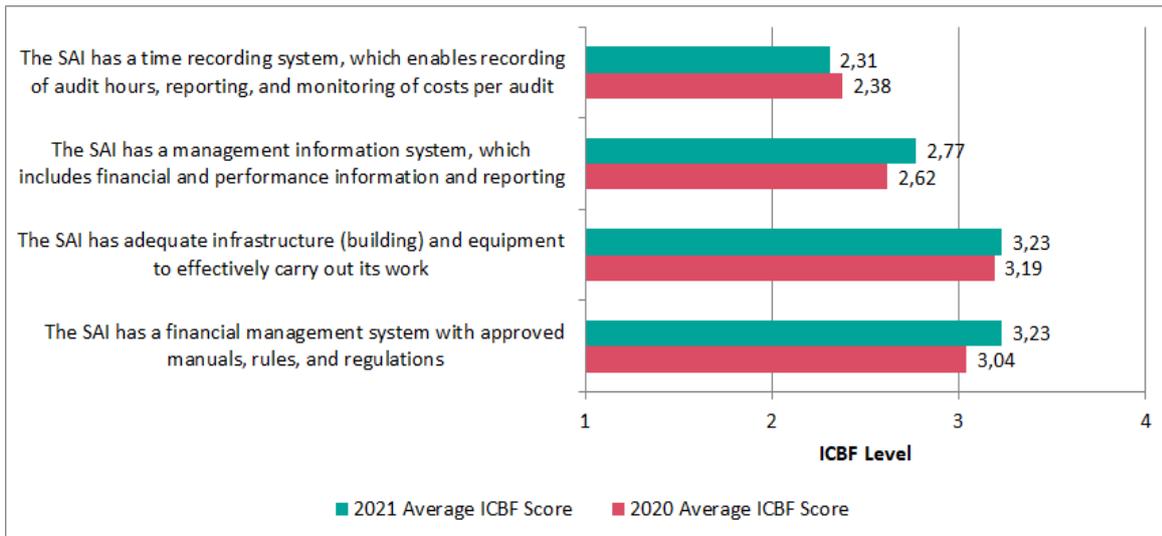
SAIs need to prioritise this area and provide technical support to build and/or maintain the necessary capacity. Figure 10 shows the level of assessment by SAIs when it comes to other areas of resource management planning tools and processes.

Management information systems

More attention needs to be given to the implementation of effective time recording systems to record audit hours and monitor staff costs, and management information systems (MIS) that include financial and performance reporting.

There was a regression from 2020 with two SAIs ceasing to use their time recording systems. Furthermore, more than half of the members do not currently keep record of time spend on audits.

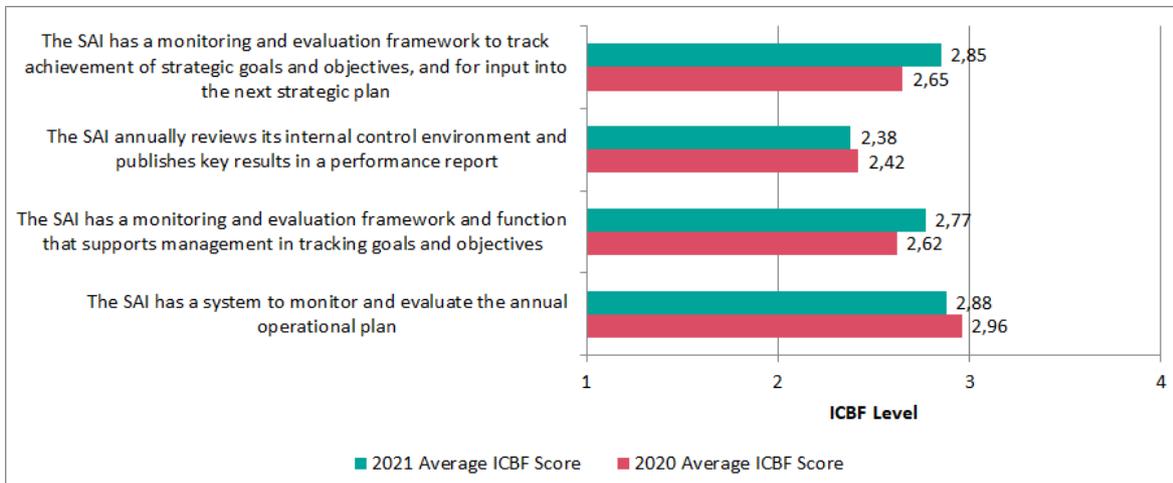
Figure 10: Resource management of SAIs



4.1.4. Monitoring and evaluation mechanisms

According to INTOSAI-P12 principles, a model SAI that leads by example is expected to establish continuous monitoring and evaluation programmes at both the strategic and operational levels to ensure the achievement of planned activities in a cost-effective manner.

Figure 11: Monitoring and evaluation systems of SAIs



Sixty-nine percent of SAIs indicated that they have developed and implemented a monitoring and evaluation framework to provide information on the achievement of its strategic goals and objectives.

However, there is a significant lack of capacity when it comes to the establishment of a monitoring and evaluation function, or expertise to manage the framework. The results show that SAIs need to make a greater effort to establish robust monitoring and evaluation systems that are adequately

manned by well-qualified staff. In their comments, many SAIs indicated that they needed technical support with the development of the necessary policy frameworks.

The many scores below level 3 shows that there are still challenges with the annual review of their internal control environment. Fourteen SAIs (54%) fell below level 3, which suggests that the majority of SAIs are implementing internal control systems without regularly evaluating their effectiveness.

On the other hand, scores of level 3 and above were indicated by 65% of SAIs regarding the establishment of effective management information systems (MIS). The low-scoring SAIs said they needed to prioritise the development and implementation of relevant capacity-building initiatives for the establishment of efficient and effective MIS.

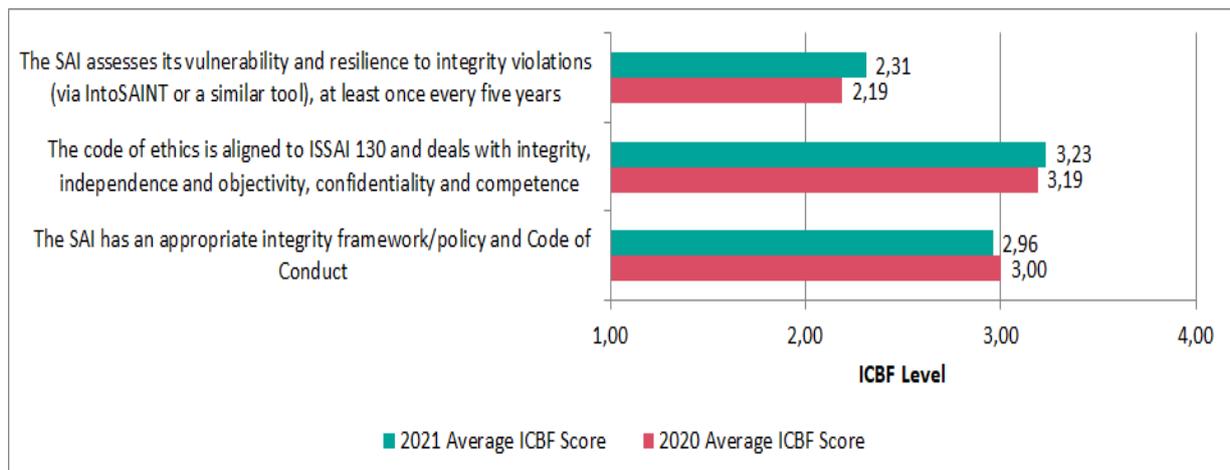
4.1.5. Integrity and code of conduct

According to INTOSAI-P 20, Principle 4, SAIs should have ethical rules or codes, policies, and practices, that are aligned with the ISSAI 130, the code of ethics. This is essential for the effective and appropriate execution of their mandates, organisational image and to:

- Prevent internal conflicts of interest and corruption
- Ensure transparency and legality of their operations
- Actively promote ethical behaviour throughout the organisation

A vital role can be played by SAIs in the integrity control system of their countries when the above are in place and applied. Unfortunately, the integrity and code of conduct domain only scored an average of 2.83.

Figure 12: Integrity control systems of SAIs

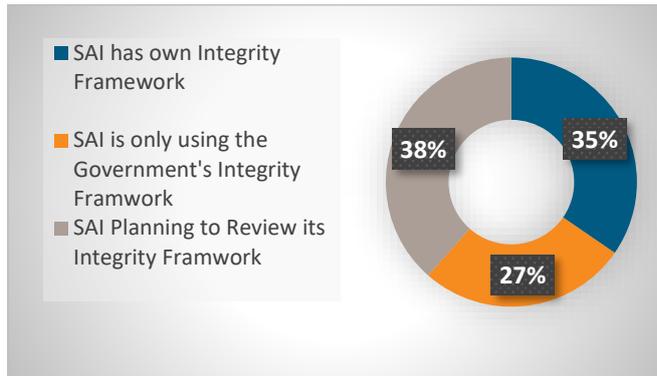


There was a marginal decrease in the establishment of integrity frameworks/policies, moving from 20 SAIs in 2020 to 19 SAIs in 2021 that scored level 3 and above. Seven SAIs (27%) scored below level 3.

Figure 13 is a summary of the comments from SAIs:

- 10 (38%) are implementing own approved integrity frameworks
- Nine (35%) are using the government’s integrity frameworks
- Seven (27%) are planning to develop and/or review their own integrity framework/policies

Figure 13: Establishment of appropriate SAI integrity frameworks

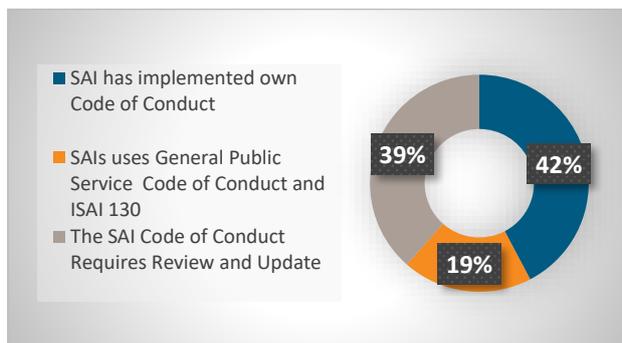


We are pleased to note improvements in the developing and implementing of codes of conduct when compared with the 2020 scores. The scoring showed 92% (2020: 85%) of SAIs at level 3 and above, and only 8% (2020: 15%) below level 3.

In their comments, SAIs noted the following:

- Forty-two percent are effectively implementing their own code of conduct
- Nineteen percent are using their governments’ public service code of conduct and the general principles of ISSAI 130
- Thirty-nine percent acknowledged that that their codes of conduct are outdated, and need to be updated soon

Figure 14: Establishment of a code of conduct

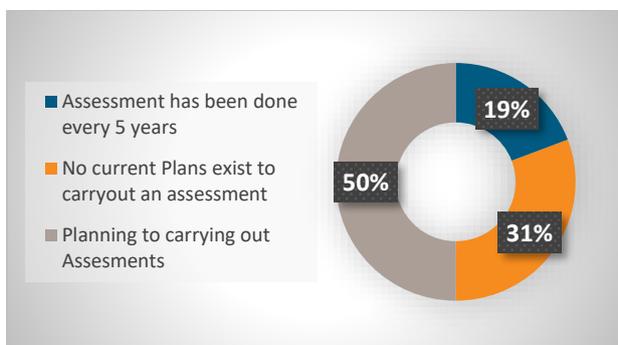


The AFROSAI-E is committed to supporting and/or partnering with SAIs to develop or review their codes of conduct, as updated codes, aligned to the ISSAI 130 requirements, will improve the quality and credibility of the SAIs' audit services.

However, it is concerning that the majority of SAIs in the region do not regularly assess their vulnerabilities and resilience to integrity breaches, and failing to use the IntoSAINT and/or similar tools to do so, is still the greatest weakness. The scoring showed 16 SAIs (62%) below level 3.

The IntoSAINT and SAINT tools will continue to be rolled out to SAIs to help strengthen their integrity control systems.

Figure 15: Regular assessment of vulnerability and resilience to integrity breaches



4.2. Conclusion

The SAIs continued to make positive progress in this domain, especially in the areas of leadership direction, strategic and operational plans, resource management, the establishment of good corporate governance structures, and other relevant internal control polices.

However, the lack or inadequacy of various systems and frameworks for quality management, risk management, monitoring and evaluation, and integrity and ethics, remains concerning.

SAIs should have well-qualified and competent staff that are responsible for:

- Developing and implementing quality assurance policies.
- Developing and implementing risk management, and monitoring and evaluating policies/frameworks.
- Monitoring the strategy and operational plan.
- Drafting annual reports on their performance.

In 2020 and 2021 the level 3 targets of 40% and 45% were not met with 27% in 2020 and 31% in 2021.

Highlights from the 2020 INTOSAI Global Survey – Organisation and management

SAIs were asked about the reasons for not being able to implement and comply with ISSAI standards and 47% of AFROSAI-E SAIs reported that the insufficiency of resources affected this. Another factor pointed out as possibly affecting ISSAI compliance is whether the SAI has systems to monitor audit quality. While AFROSAI-E SAIs mostly report having quality assurance at engagement level, it is worth noting that 26% state that a system for monitoring the quality of the audit is not in place for any of the main types of audit conducted by the SAI.

It continues to be important for SAIs to establish internal ICT support functions, and increase their capacity to conduct information systems (IS) audits. As mentioned elsewhere in this report, improving the ICT and IS audit capacity, will improve scores in other domains.

AFROSAI-E will keep prioritising assistance with the development and implementation of integrity frameworks, including support to implement code of conduct policies, regular assessment of threats to integrity vulnerabilities, and culture values assessments, during the remainder of the 2020-2024 strategic period.

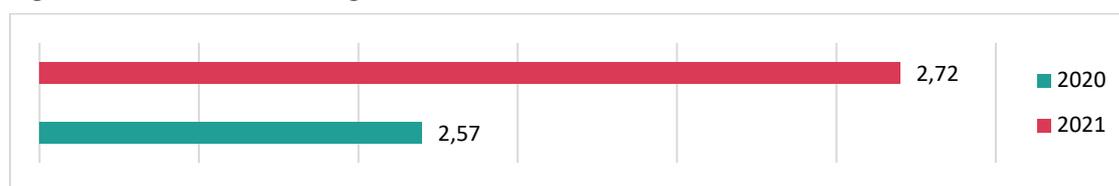
CHAPTER 5 : HUMAN RESOURCES

Domain 3: Human Resources (HR) is about the management and development of the SAI’s staff.

5.1 Progress in 2021

It is encouraging to see that the HR domain improved from 2.57 in 2020 to 2.72 in 2021. The SAIs’ main focus during 2021 was on ensuring an enabling and safe working environment for staff as well as creating recognition and development opportunities for them.

Figure 16: HR domain average score



Three SAIs moved above level 3 in 2021. Nine SAIs are now on level 3 and above, compared to six in 2020.

Table 7: Scores per grouping of SAIs above and below level 3

ICBF development level	Number of SAIs		Average scores	
	2020	2021	2020	2021
Below level 3	20	17	2.32	2.37
Level 3 and above	6	9	3.42	3.37

The average HR scores of 20 SAIs improved from 2020. They are Angola, Eritrea, Ethiopia, Ghana, Kenya, Lesotho, Liberia, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sierra Leone, Somalia, South Sudan, Sudan, South Africa, Tanzania, Uganda, and Zambia. It is particularly reassuring to note the significantly improved scores for Eritrea, Ethiopia, Liberia, Somalia, and South Sudan, given the specific HR capacity building interventions we had implemented for the SAIs.

More SAIs are now also reporting on their human capital in their annual performance reports, which improved this element’s score from 2.88 in 2020 to 3.04 in 2021.

Concerning, however, is the perceived instances of overrating by a few SAIs, but we anticipate that continuous engagements, and regular training of SAI assessment teams will reduce this.

HR employee life cycle

Staff, the backbone of a SAI, are continually working to fulfil its strategic goals and mandate.

When a new staff member joins, and starts investing their time and skills, their employee life cycle has begun. This life cycle consists of three stages, before joining, during employment, and upon resignation. Throughout this time, it is the SAI’s primary task to create and ensure a rewarding employee journey, and a continually high-performing, committed and engaged staff member.

Figure 17: The 2020 and 2021 employee life cycle scores

Dimension	2020	2021	
1 HR Strategy	2.81	2.77	↓
2 HR Planning	2.65	2.58	↓
3 Recruitment & Onboarding	3.08	3.19	↑
4 Performance Management	3.00	2.96	↓
5 Training and Dev.	2.88	3.15	↑
6 Recognition	2.54	2.62	↑
7 Staff Wellness	2.65	2.81	↑
8 Succession	2.38	2.62	↑
Retention	2.38	2.42	↑
9 Exit	2.62	2.65	↑



All the dimensions in the employee life cycle showed improvement in 2021, except for the ones of HR strategy, HR planning, and performance management. These decreases can be attributed to the challenges SAIs faced due to COVID-19, and the review or development of new strategic plans. An additional challenge was that of managing the performance of staff working remotely.

We analysed the following six areas below in more detail:

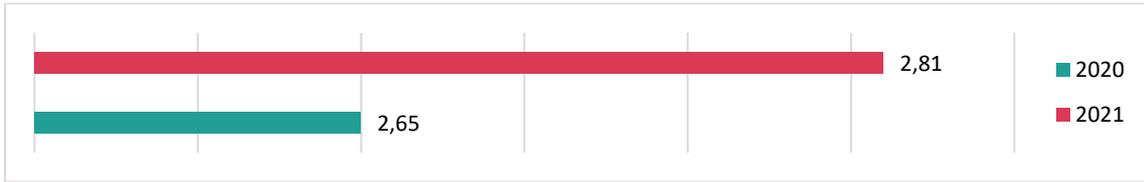
5.1.1 Staff wellness policy

Staff wellness continued to be a main HR theme, especially with the additional challenges caused by COVID-19. The pandemic emphasised the importance of staff wellness and having a policy/process to ensure the physical, mental, environmental, intellectual, emotional, and occupational health of staff.

SAIs implemented various health and safety processes and initiatives based on country-specific COVID-19 health and safety regulations.

The improvement of the average score for all SAIs from 2.65 in 2020 to 2.81 in 2021 is encouraging. There are now 62% of SAIs on level 3 and above.

Figure 18: Implementation of a staff wellness policy/process

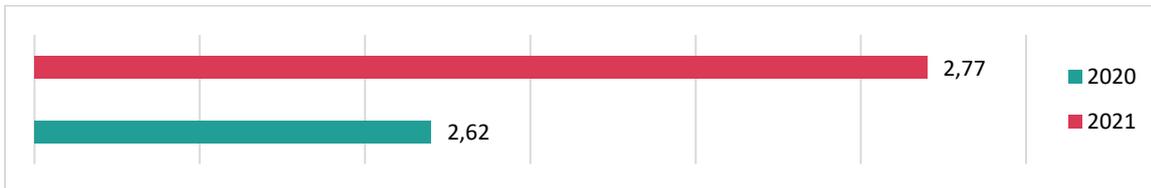


5.1.2 Training unit/function

A SAI should have a training unit/function staffed with certified or tested full-time and/or part-time trainers to help build internal capacity. This is especially important for the capacity building of the financial, performance and compliance auditing areas.

However, SAIs are still experiencing challenges with setting up fully operative training functions, and systems for monitoring the return on investment on training. Only six SAIs have a monitoring system in place, which raises the question about the effectiveness and efficiency of the training units.

Figure 19: Establishment of a training unit/function

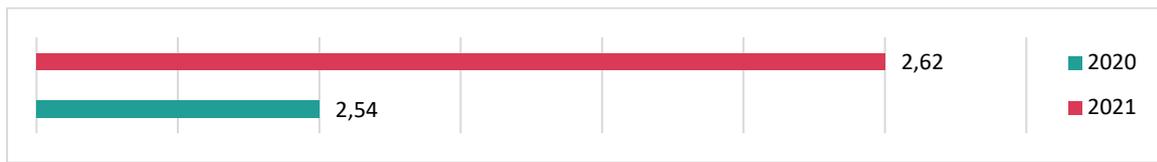


5.1.3 Recognition policy

A number of SAIs have begun to develop recognition strategies for individual/team behaviour, effort, and accomplishments as part of their HR strategy to retain staff, with the average score for all SAIs improve from 2.54 in 2020 to 2.62 in 2021.

Staff recognition has been a focus during the regional HR workshops since 2019. We attended the SAI Mozambique recognition ceremony for excellent performers in 2021, and the launch of the SAI Namibia recognition strategy.

Figure 20: Implementation of a recognition policy



5.1.4 Gender policy

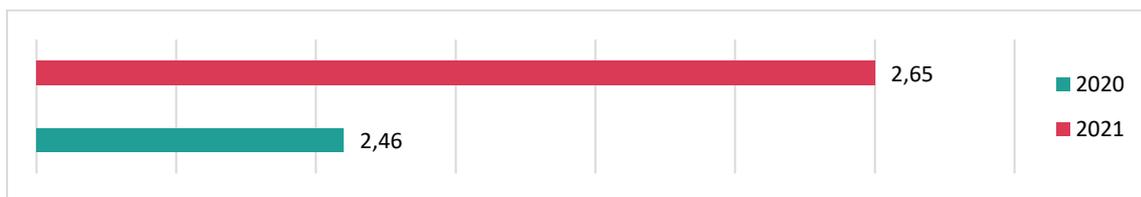
Gender equality can be achieved through an established gender policy/process that ensures equal and fair opportunities for all, and the protection of staff against all forms of gender harassment and gender stereotyping.

In 2021, we started to implement initiatives in the region to strengthen gender equality. These initiatives aim to support SAIs in becoming gender-responsive organisations, and to build the capacity of SAIs to conduct audits that contribute to gender equality. This was done through:

- A video to create awareness of gender equality.
- A gender assessment – 18 SAIs participated.
- An online workshop to debate gender issues.
- Guiding of HR practitioners on how to develop a gender policy.

It is encouraging to see in the improvement of the average score for all SAIs from 2.46 in 2020 to 2.65 in 2021, that the initiative yielded positive results. Fourteen SAIs are now on level 3 and above.

Figure 21: Implementation of a gender policy/process



5.1.5 Competency framework

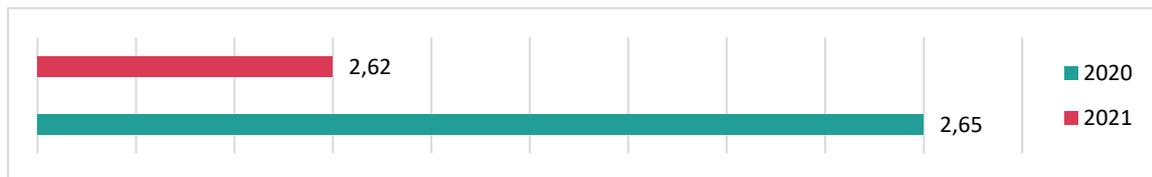
High-performing SAIs clearly understand the competencies their employees need to perform their assigned roles effectively, which enables them to appropriately train and develop staff, and to recruit the desired candidates.

To assist SAIs with this area, AFROSAI-E reviewed its integrated competency framework that defines the functional knowledge, skills, behavioural, and leadership competencies for audit and other professional roles in the SAI.

The framework and dictionary can aid SAIs to:

- Develop job profiles and compile job advertisements.
- Conduct assessments for recruitment.
- Conduct competency-based recruitment.
- Do skill assessments for training.
- Use it as basis for performance management contracts.
- Retain staff with critical skills.
- Do leadership assessment and development.
- Conduct assessments for succession.

Figure 22: Implementation of a competency framework



5.1.6 Professional development and training

Professional development and training is an important aspect of capacity, as it ensures that SAIs have both current and future capacity to appropriately carry out their audit mandates and add value to the citizenry.

To develop this capacity, SAIs should deliberately identify and exploit professional development opportunities within the SAIs and the broader public sector. An example is partnering with government to professionalise public sector accounting and auditing.

5.2 Conclusion

Currently, the main challenges for SAIs are proper resource planning, retaining of high-performing auditors, and improving performance management practices.

The focus for SAIs in the coming year should be to:

- Continue to improve relations with the public service commission to ensure greater appreciation for the unique requirements of a SAI, and the importance of its independence
- Integrate AFROSAI-E’s integrated competency framework into the HR processes.
- Budget adequately for training, staff wellness programmes, and recognition interventions.
- Become gender-responsive organisations.
- Ensure adequate resources to manage, develop, and implement all HR activities, interventions, and processes in a SAI.
- Design and develop professional pathways for auditors.

- Find collaborative points with professional accountancy organisations to ensure an environment supportive of the professionalisation of individual auditors.

The professionalisation of SAIs is moving in the desired direction; even SAIs with low levels of professionalisation are improving, albeit at a slower pace. This slower pace is expected due to the long-term nature of professionalisation. However, it could be achieved faster if the SAIs harnessed all the opportunities to improve professionalisation. An example of such an opportunity is the implementation of a formalised practical experience programme.

The SAIs seem to acknowledge the importance of professionalisation, and are making some effort towards attaining this ideal. These efforts should be welcomed, and built upon.

Highlights of the 2020 INTOSAI Global Survey – human resources

For human resource management SAIs also seem to be limited. Only 20% have adequate staff both in number and competencies. The percentage of SAIs that control recruitment and remuneration processes is low, especially for remuneration: only 21% of SAIs have control over this. For recruitment, the numbers are the same as global levels.

CHAPTER 6: AUDIT STANDARDS AND METHODOLOGY

Domain 4: Audit standards and methodology is about all the audit types as per the ISSAIs.

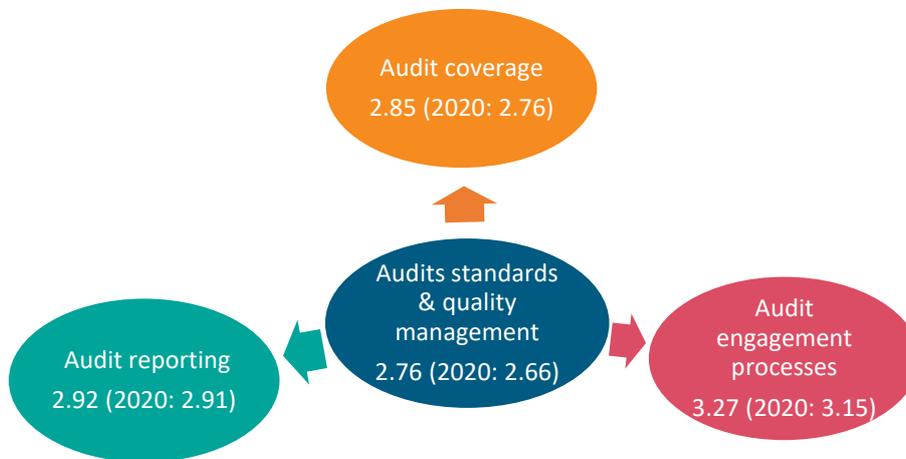
6.1. Progress in 2021

The overall domain score remained practically the same in 2021 at 2.81 (2020: 2.72). The averages of ten SAIs were above level 3, eight between 2.5 and 2.99, and the other eight below 2.5.

Table 8: Scores per grouping of SAIs above and below level 3

ICBF development level	Number of SAIs		Average scores	
	2020	2021	2020	2021
Below level 3	18	16	2.42	2.48
Level 3 and above	8	10	3.40	3.33

Figure 23: The four elements of the audit standards and methodology domain



Although there were marginal increases in all four elements, three remain below level 3. The audit standards and quality management element remains the lowest at 2.76 (2020: 2.66), and is followed by the 2.85 of the audit coverage element (2020: 2.76).

The following themes were selected to analyse the development within this domain even further:

- Quality assurance at audit engagement level.
- Performance audits.
- Financial and compliance audits.
- Environmental audits.
- Sustainability assurance.

- Use of technology in audits.
- Holistic auditing and reporting on the functionality of country-PFM systems.
- Audit engagement reporting.

6.1.1. Quality assurance at audit engagement level

Most SAI's have implemented audit manuals that address quality assurance at audit level. However, we noted that supervision and review, especially at senior management level, is still an area that SAIs can improve. We, therefore, encourage SAIs to develop robust quality management systems to support and strengthen audit quality assurance at audit engagement level.

Only 14 SAIs indicated that they have mechanisms for conducting quality reviews of contracted-out audits. The main reason for this being some SAIs (2021: 12) do not have documented policies and processes for contracted-out audits. Unfortunately, the majority of SAIs who do have policies, do not regularly conduct the reviews on all outsourced audits.

6.1.2. Financial and compliance audits

While a considerable number of SAIs have customised the financial and compliance audit manuals, SAIs still face challenges in effectively implementing the risk-based methodology in both types of audits.

In a few cases, the methodologies could not be effectively applied due to lack of financial statements being produced by the government. Auditors are also, based on the internal quality assurance reviews, struggling to implement the audit methodologies fully due to the inadequate number of auditors employed by the SAI. Some SAIs are still exploring the idea of performing combined audits (for financial and compliance audit) to enable audit efficiency, and as such have not customised the compliance audit manual yet.

At country level, the financial reporting framework remains a challenge in the implementation of the methodology as the basis for criteria to audit financial statements. We urge SAIs to advocate for these through stakeholder engagements with the ministry responsible for producing the framework.

SAIs in the region have a mandate to report on 32 606 (2020: 29 786) regularity audits, but they only completed 13 311 (2020: 10 202) audits.

We urge SAIs implement audit backlog strategies to reduce the number of outstanding audits, and to ensure that timely audit reports are issued. This will increase the effectiveness of the SAI and its relevance.

6.1.3. Performance audits

We have seen a cumulative increase in the number of performance audit (PA) reports published since 2008 in our region. The increase was from 1 452 in 2020 to 1 545 in 2021.

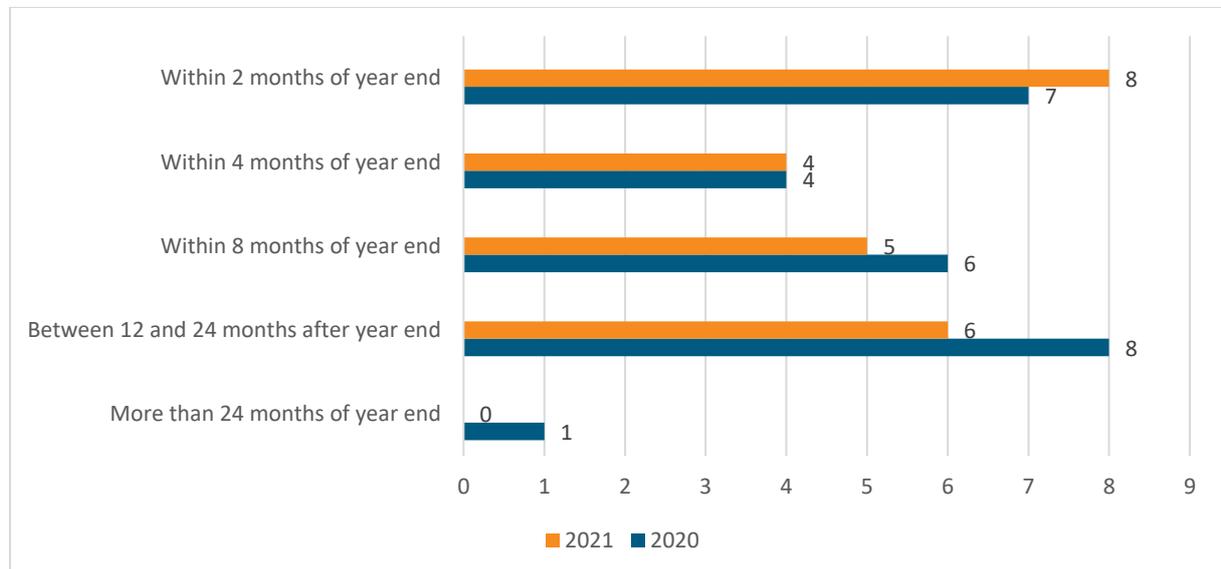
We are also pleased that, in accordance with ISSAI 1:4, SAIs have established performance auditing priorities based on the premise that economy, efficiency, and effectiveness are audit objectives that are equally important to the legality and regularity of financial management and accounting.

In 2020, just under 7,69% of SAIs were ranked at level 1 or 2 in terms of their mandate to conduct performance audits, compared to 3,85% who were ranked at the same level in terms of regularity audits.

However, it is concerning that SAIs with performance audit mandates under levels 1 and 2 increased to 11,54% in 2021. SAIs affected should investigate why this occurred, and what the implications will be on their audit mandates.

We are also happy to note that the region reported that no SAIs issued performance reports later than 24 months after year end as was the case with in 2020 following the period of an audit activity.

Figure 24: Duration before publication of performance audit reports



Eight SAIs reported to have issued performance audit reports within two months following the audit year end; an improvement from 2020 where there were seven SAIs. There has also been a drop in the number of SAIs publishing reports between 12 to 24 months after year end.

While more SAIs were taking longer to publish audit reports in 2020, i.e. six SAIs within eight months and eight SAIs between 12 and 24 months, these timelines have shortened as seen by the number of

SAIs in each category and periods under review. For instance, SAIs that published between 12 and 24 months dropped from eight to six SAIs in 2021. This means more SAIs are increasingly publishing reports in 2021 when the information is still relevant and timely.

We also noted that, in 2021, 19 SAIs tabled performance audit reports as individual reports to parliament within two months of the approval compared to 15 SAIs in 2020. Although this could be attributed to the lifting of COVID-19 restrictions, it is still very welcoming news given the challenging times the SAIs operated under, and given that only two SAIs tabled their performance audit reports more than 12 months after approval compared to three SAIs in 2020.

However, of great concern is the drop from 704 in 2020 to 665 in 2021 in the number of full-time performance audit staff. This is more than a 5% decrease across the region.

In 2020, we reported that the recruitment at the time would be sustainable if SAIs prioritised different competencies for the recruited performance audit staff, and recruited qualified staff with multidisciplinary backgrounds. Unfortunately, as was the case in 2020, the data for 2021 shows that while SAIs again said they had prioritised the need for different competencies, all still scored themselves level 2 and below, with no SAI scoring level 3 and above.

This means issues related to career paths within the SAI, motivation, and professionalisation of the performance auditor remain critical compared to that of regularity auditors. It could be a potential staff retention issue/challenge for SAIs, which would explain the drop in full-time performance audit staff and/or the turnover being reported by some SAIs.

6.1.4. Environmental audits

In 2020, five SAIs produced a total of 15 environmental audit reports. The remaining 21 SAIs (89%) were unable to complete environmental audits in this year.

However, in 2021, 21 environmental audit reports were completed by seven SAIs (29%) out of a total of 24 who responded to the question. Some reported that they could not complete environment audits because of the COVID-19 pandemic and its associated restrictions and lockdowns, while others treated environmental audits as part of performance audits and therefore did not report on them separately.

SAIs have traditionally carried out environmental audits using the performance audit methodology, but should begin to find ways of reporting environmental concerns through the other two acceptable methodologies, compliance and financial audits.

6.1.5. Sustainability assurance

Sustainability assurance includes:

- The assessment of the preparedness and capacity of SAIs to carry out SDGs and/or African Agenda 2063 audits, or audits related to the SDGs
- The number of SDG-related audits carried out by SAIs
- The incorporation of SDGs and sustainability into general planning and implementation schemes of SAIs
- SAIs reporting to national bodies on the progress of achievement of the SDGs in their countries

With an average score of 3.15 for 2021 (2020: 2.88) and no SAI scoring below 3, it is clear that SAIs are gradually aligning their plans with the SDGs and/or the African Agenda 2063, and improving their performance in this area. Four SAIs scored 2 or less in 2020. Although an improvement, the aim is to have all SAIs mainstream the SDGs into their planning.

On the element of preparedness and capacity, eight SAIs (31%) indicated in 2020 not being prepared, or having the capacity to audit the progress of the government's implementation of the SDG programmes. This number changed to nine SAIs (35%) in 2021, which shows that one SAI, previously prepared, is now unprepared or lacks capacity.

The main reasons given by SAIs for their unpreparedness is the lack of skills to carry out such audits. AFROSAI-E has noted this capacity concern, and we are planning to roll out modular training on the auditing of SDG implementation.

We also noted that 16 SAIs (62%) in 2020, and 17 (65%) in 2021 did not report on the progress of SDG achievements to their national assemblies. Reasons given by some SAIs for not reporting separately, was that SDG issues were incorporated in their mandatory SAI reports to the national assemblies, and, therefore, no separate reports were necessary. Others noted that legislation, allowing such reports, were yet to be passed.

A total of 45 reports were completed by nine SAIs (35%) in 2021. The remaining 65% of SAIs attributed their inability to produce reports to the lack of staff. Some SAIs produced more than five reports for 2021, others none.

AFROSAI-E intends to address this capacity issue by speeding up the development of the modular training programme on SDGs. While applauding those who have already produced such reports, we encourage them to produce more, and appeal to the rest of the SAIs to at least produce one SDG-related audit per year. SAIs can also join in SDG-related coordinated audits to build the capacities of its staff, and contribute to the overall aim of achieving the SDGs and leaving no one behind.

6.1.6. Use of technology in audits

When it comes to the use of technology in audit, four aspects are discussed:

- Information systems (IS) audit support in audits
- Audit of the integrated financial management system
- Computer-assisted audit techniques (CAATs) tools
- Audit management systems.

IS audit support in audits

Most of the SAIs with an IS audit function indicated that they have strategies in place to ensure IS audit supports or is conducted as a financial, compliance, or performance audit. The auditing of critical information systems has decreased to only six SAIs (2020: 18) auditing more than 50% of the critical information systems.

This is mainly due to the low number of IS auditors in the region; only 329 IS auditors supporting 9 673 auditors. SAIs should, therefore, ensure that all auditors are adequately skilled to audit in information technology (IT) environments, thus freeing the few IS auditors to only audit the critical information systems or complex IT environments.

AFROSAI-E is developing eLearning to aid financial auditors to understand basic IT environment as it applies to financial reporting.

Audit of the integrated financial management systems

Twenty-three countries recorded financial transactions on an integrated financial management system (IFMIS) in 2021. Fifteen of these SAIs said they audit the IFMIS annually, while some of the 15, as noted in their comments and during quality assurance reviews, only audit expenditure and revenue information extracted from the system. This is a sharp increase from 2020, when only eight SAIs said they audit IFMIS annually.

However, more is needed when it comes to the auditing of information processing controls and general controls of IFMIS, and the communication of IFMIS audits findings and their implications on the audits of other ministries/agencies needs to be improved.

Computer-assisted audit techniques (CAATs) tools

The number of SAIs effectively using CAATs reduced to nine from 10 in 2020, while 13 SAIs (50%) effectively use the appropriate data analytics to support their audit work. These statistics are consistent with the study conducted by AFROSAI-E in 2020 which called on SAIs to be more data driven. SAIs should look at their data capabilities for them to be better data driven.

Audit management systems

In the region, 10 SAIs (38%) have implemented an electronic audit management system. Two of the 10 indicated that the management system was more a file server than an audit management system, which would put the actual percentage at 31% that use electronic audit management systems.

Of the 16 SAIs that scored themselves at level 2 and below:

- Two SAIs have licences for audit management tools, but are not fully using them
- Three SAIs are currently developing/implementing systems
- Five SAIs are in process of implementing the A-SEAT

6.1.7. Holistic audit and reporting on the functionality of PFM systems

Many African countries have been through several rounds of public financial management (PFM) reforms, including those to implement medium-term budgeting, programme-based budgeting, and integrated financial management information systems. A well-functioning PFM system is essential for ensuring public service delivery, and consequently the implementation of policies sensitive to the SDGs and the African Agenda 2063.

Through the auditing of the PFM system, SAI auditors can give assurance and advice on how adequately the country-PFM system considers the SDGs, and on the most conducive country-PFM environment for SDG implementation.

2021 was the first time that a question was included about the adoption and implementation of methodologies to audit and report on the functionality of country-PFM systems, so no comparative data is available.

SAIs scored an average of 2.69 for this element in 2021. Seventeen SAIs (65%) scored between levels 3 and 4, whilst nine SAIs were below level 3. Further investigation shows that the 17 SAIs, which scored between levels 3 and 4, could be divided up into a further three categories:

- Development of methodologies still in progress (28%).
- Implementation of methodology ongoing, but with challenges (20%).
- Full seamless implementation (5%).

This classification revealed that 80% of the SAIs face challenges in the adoption and implementation of these methodologies, as they do not have a consistent and standardised approach to the holistic audit of PFM systems.

The AFROSAI-E Public Financial Management Reporting Framework (PFM-RF), developed in collaboration with the GIZ good financial governance programme in Africa assists SAIs in taking a more active and impactful role in the interrogation of PFM systems.

The PFM-RF could prove to be the solution for the root cause mentioned previously, and it is reassuring that all the SAIs (20%) who scored well in this area have adopted and are at different stages of using the PFM-RF to perform holistic audits of PFM systems in their countries.

6.1.8. Audit engagement reporting

It is important for both the SAI and its clients to document the engagement processes and tools, and the audit engagement communication for all types of audit engagements. Twenty-one SAIs, for example, indicated they had established mechanisms to ensure that all audit recommendations issued address the relevant root causes and are implementable. Scores of level 3 and above were indicated by 20 SAIs.

Some of the analysis regarding this element:

- Twenty-three SAIs stated that they support the preparations of deliberations of audit findings and outcomes (financial, compliance and performance reports) in parliamentary committees, and participate at a management level in meetings as agreed with PAC or other relevant parliamentary standing committees from time to time
- Sixteen SAIs had scores of level 3 and above, showing they had established practices for evaluating materiality in determining if audit follow-ups required new additional audit(s)
- Twenty-two SAIs responded that they provided individual audit opinions, or conclusions and assurance for each ministry, department, and agency audited
- Eighteen SAIs stated that they had staff with authority to sign audit reports (equivalent to the “engagement partner”), and that the said staff were regulated in their personal capacity by a professional accountancy organisation and/or independent regulator

However, there seems to have been several instances of overrating in the audit engagement reporting element. Very few SAIs, for example, who had staff at the level of “engagement partners” had the authority to sign audit reports, as the legal frameworks require the head of the SAI to sign such reports. Additionally, several SAIs do not provide individual audit opinions on ministries because their treasuries only produce one formal set of financial statements at national level.

We will continue to support member SAIs in building the necessary capacity to effectively establish relevant and adequate mechanisms that ensure effective audit engagement processes.

6.2. Conclusion

In general, the domain average score increased from 2.72 in 2020 to 2.81 in 2021, while most SAIs also increased their scores. The following aspects should be prioritised by both SAIs and development partners:

Quality management systems: Audit quality assurance remains a key challenge for the majority of SAIs, who still struggle with underdeveloped quality management systems.

Demonstrating ongoing relevance: The self-assessment showed that SAIs only managed to perform slightly more than half of their regularity audit capacity in the period under review. However, it is critical that the annual audited accounts of government spending is completed timeously, the conclusions are presented to parliament, and follow ups made on outstanding issues if immediate progress and a difference is to be made in the lives of citizens thereby demonstrating relevance as SAIs.

Data-driven SAIs: The limited number of IS auditors within the SAI membership is the main reason for the region's decline during the period under review in the area of critical information systems audits. Additionally, the region is still not using CAATs effectively in the support of audit work, which indicates that the majority of SAIs cannot handle big data analytics despite the quest to become data-driven organisations. These challenges signify that the SAIs are vulnerable when auditing in IT environments.

SAIs need to assess their ICT capabilities and strategies to support the implementation and continued use of audit management tools such as CAATs, so that they can maximise the opportunities associated with ICT.

IFMIS coverage and scope: The IFMIS audits need to progress from the auditing of expenditures and revenue extracts only to the auditing of the system's general and information processing controls.

Career path for auditors without accounting background: In comparison to regularity auditors, issues such as career paths within the SAI, motivation, and professionalisation of the performance auditor remain critical, and are seemingly not prioritised by many SAIs.

Sustainability assurance and environment audits: About 17 SAIs (65%) did not report on SDG progress to their national assemblies, although they reported to have gradually aligned their SAI plans to the SDGs and/or the African Agenda 2063. Despite this being an improvement over the previous year, there is still room for capacity development at the SAI level to improve on their performance even further.

Environmental audits have traditionally been conducted using the performance audit methodology, but SAIs are encouraged to consider mainstreaming environmental concerns in their audit plans for all audit types, and for financial and compliance audits.

Highlights of the 2020 INTOSAI Global Survey – audit standards and methodology

Digitalisation

Only half of all SAIs globally have a digitalisation strategy as part of their strategic plan. Digitalisation and better utilising the opportunities created by technology has become a heightened priority for governments and SAIs alike during COVID-19, due to the need to work remotely and automatise documentation processes. Half of the SAIs worldwide use digitalised audit documentation to a large

CHAPTER 7: COMMUNICATION & STAKEHOLDER MANAGEMENT

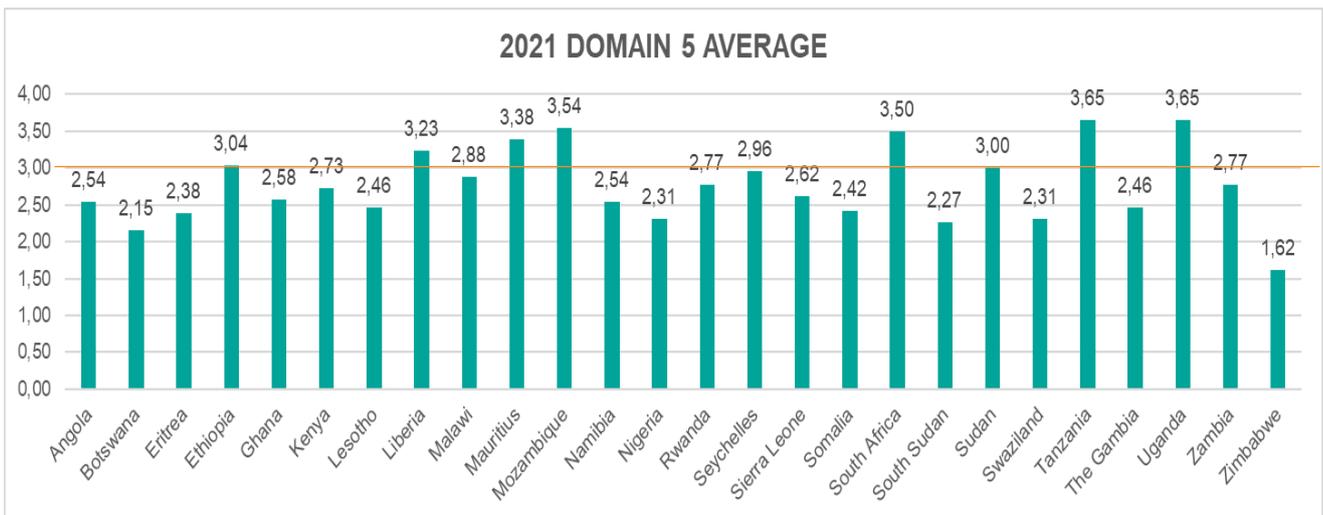
Domain 5: Communication and stakeholder management is about SAI engagement with internal and external stakeholders.

7.1 Progress in 2021

The overall results of domain 5 remained almost the same compared to 2020; however, there are now eight SAIs on average at a level 3. This is an increase from the six in 2020. We are also pleased about the increase of dedicated communication officers from 90 to 97.

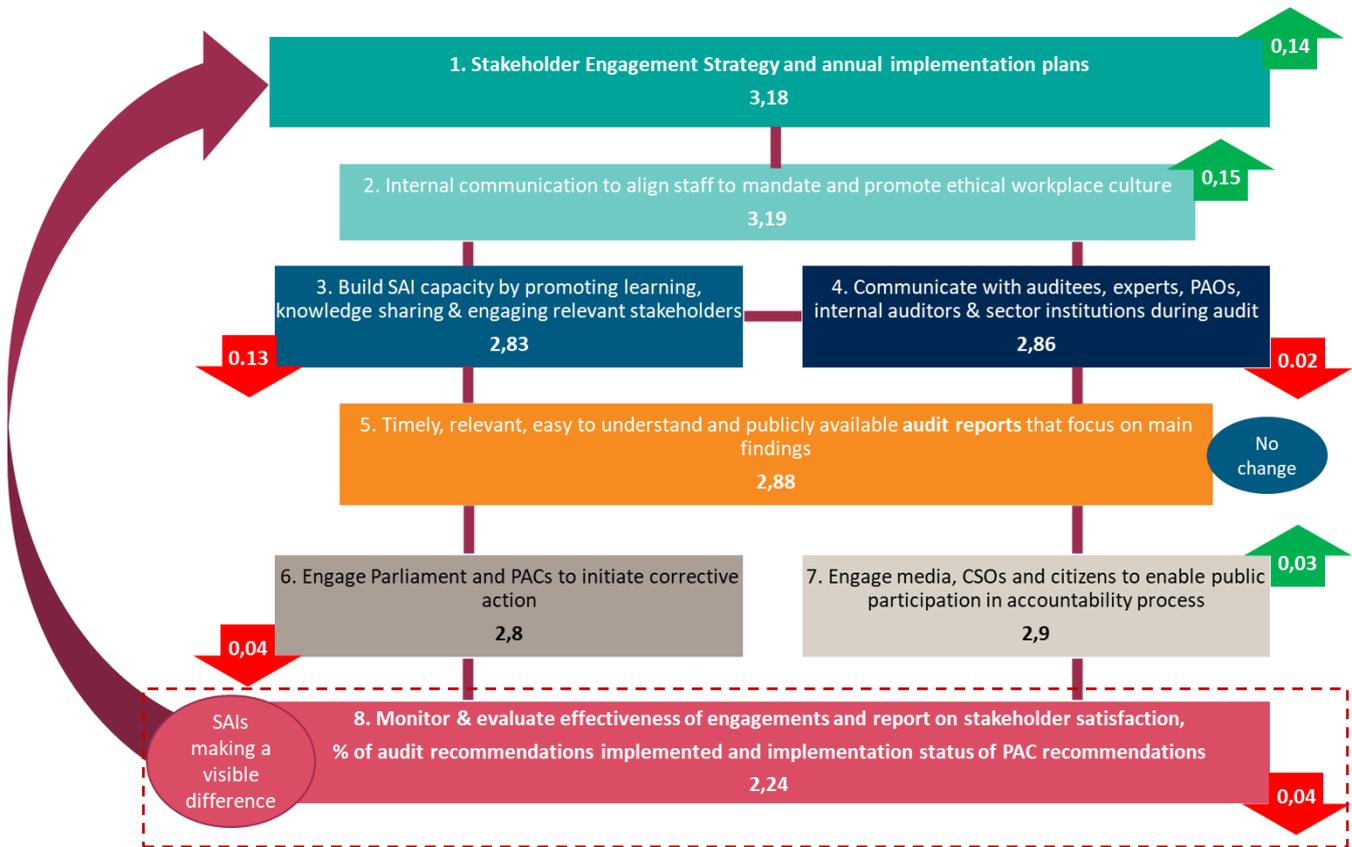
Nevertheless, while it is encouraging to see improvement in the individual elements, there is still no improvement on the elements that measure outcomes and audit impact.

Figure 25: Average scores of domain 5



Last year, we introduced the cycle to give a cohesive picture of how the elements of domain 5 support the accountability process.

Figure 26: The different elements of domain 5 in context of the accountability cycle



The comparative results for this year, show increases in the average scores for the region in the following three areas:

- SAIs with stakeholder engagement strategies and plans improved to 3.18 (2020: 3.04). However, some overrating is likely in this element, as at least two SAIs who had assessed themselves on a level 3, still only have draft strategies in place.
- SAI satisfaction with their internal communication has increased to 3.19, making it the highest scoring element in this domain. The results in other domains substantiate this score, as, for instance, questions in domain 2 relating to SAIs having a code of conduct and an approved organisational structure (questions 75 and 66) have similar high results

Improvement on this element could also be linked to having mechanisms to measure the extent to which top and senior management set the tone at the top (question 47 in domain 2)

- There is an overall improvement on this element due to increased engagements with civil society organisations (CSOs), with 16 SAIs now on a level 3 (2020: 12). This noteworthy development shows SAIs are enabling citizens to be part of the accountability process

We held a webinar for communication officers, and a session for the auditors-general during the 2021 technical seminar, to share experiences and perspectives on engaging with CSOs. There were marginal declines in SAIs promoting public awareness and engaging the media; however, while not apparent in the scoring, we have noted good progress in SAIs’ digital reach through social media. This may be related to the AFROSAI-E training workshop in 2021 on social media and digital communication

Figure 27: Regular communication with CSOs

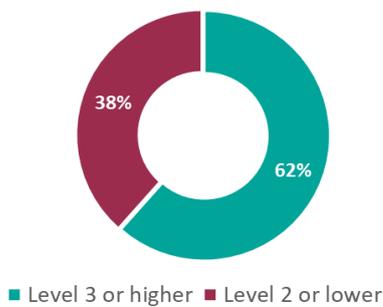
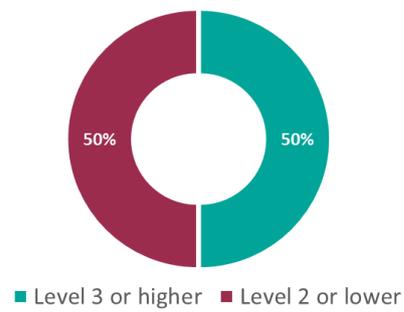


Figure 28: Citizen input/participation in audit process



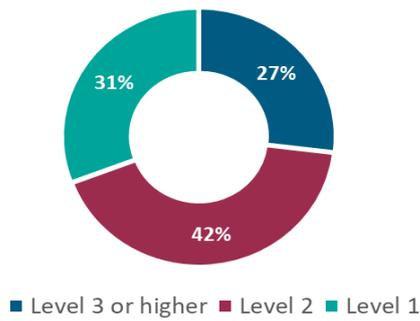
7.1.1 Facilitating audit impact through stakeholder engagements

For SAIs to make a difference to the lives of citizens (INTOSAI-P12), their audit recommendations should lead to positive change. Facilitating this accountability process is thus the primary reason why SAIs engage their stakeholders.

It is, therefore, concerning to see that while SAIs have made great strides to strengthen relations with their stakeholders and improve their audit reports, this has not translated to the same degree in audit impact.

The ICBF question related to the percentage of implemented audit recommendations (for all audit types), is currently the second lowest scored across all five domains, at an aggregate score of 1.92. Only seven SAIs are currently on level 3 in this area, with 11 SAIs on level 2, and eight on level 1.

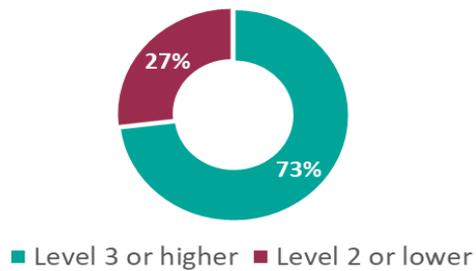
Figure 29: Audit recommendations implemented after two years



Reasons for the low score could include:

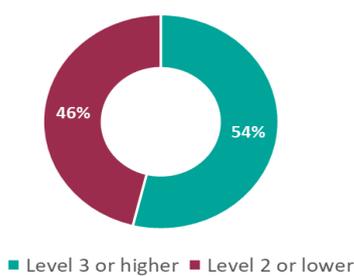
- SAI communication plans do not have clear indicators to effectively measure the outcomes. Ideally, SAIs should include the desired behaviours stemming from the engagements in their plans. For example, “an increased number of SAI audit recommendations included in the PAC recommendations” can be the measurement for plans to strengthen PAC relations. Therefore, while 92% of SAIs are satisfied with their stakeholder engagement plans, they would benefit from revisiting the measurement indicators.

Figure 30: Plans implemented to strengthen PAC relations



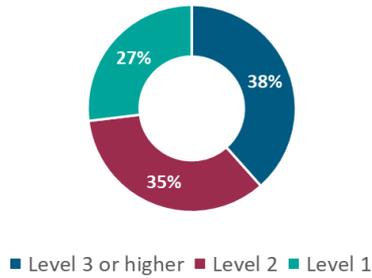
- Related to the above issue, is the fact that 46% of SAIs are not effectively monitoring and evaluating the implementation of their strategies and plans. Without this crucial step, SAIs cannot accurately determine if their plans are having the intended outcomes, and so will also not know whether their plans need to be adapted

Figure 31: Monitoring and evaluating of strategies and plans



- Only ten SAIs currently report to their parliament on the status of the PAC recommendations. While comments show that this may fall outside the mandate of the SAI, or that another institution performs this task, it is concerning that 16 SAIs do not currently track and/or report on the status of these recommendations

Figure 32: Reports to parliament on the status of PAC recommendations

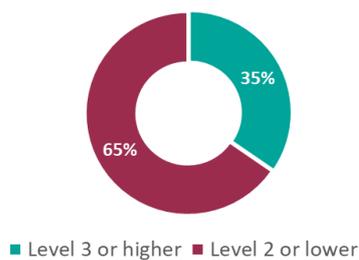


There is a high likelihood that annual audits will result in the same findings year after year if more isn't done to track, monitor, and follow up on both SAI and PAC recommendations.

7.1.2 Public reporting on stakeholder satisfaction

Another key question that forms part of step eight in the accountability cycle, is about SAIs' own reporting on their stakeholders' satisfaction. It is unfortunate that, while the result of this question remained static at 1.92 for the region, it is currently the lowest scoring question across all five domains.

Figure 33: SAIs' own reporting on outcomes of stakeholder engagements



To achieve a level 4 on most questions across all five domains in the ICBF, the criteria must be met to the full satisfaction of the SAI and its key stakeholders. It is therefore concerning that only seven SAIs are currently taking steps to measure stakeholder satisfaction, either through a survey or other means, and reporting the outcomes in their own performance report.

Also refer to domain one regarding the legal provisions that require SAIs to submit a report to parliament and/or any other appropriate oversight body on the SAI's own performance.

7.2 Conclusion

The outcomes of domain 5 give an overall view of the audit impact SAIs in the region are making. It is therefore gratifying to see an increase in the number of SAIs achieving a level 3, and noteworthy that SAIs are increasing the scope of their stakeholder engagements to include CSOs.

In several cases, these engagements have resulted in CSOs supporting SAIs to simplify their audit messages and produce citizen-friendly reports. The emphasis on user-friendly reporting is also clear with 69% of SAIs showing satisfaction that their reports are written in plain language.

However, following a report writing workshop in 2021, and noting the needs expressed by SAIs, more guidance and capacity building is clearly required in this area. AFROSAI-E is implementing projects in 2022 to develop guidance on report writing and engaging CSOs.

SAIs stakeholder engagement strategies should include measurable outcomes that are related to audit impact. A key measurement of audit impact is the number of SAI and PAC recommendations that are implemented. It is therefore crucial that that SAI engagement plans seek to improve the rate of implementation. They also need to be regularly monitored and the outcomes evaluated so that the SAI can adjust the plans as needed.

To support SAIs with strengthening capacity in this area, AFROSAI-E will release a template guidance for stakeholder engagement strategies, plans, and policies as well as an updated toolkit for engaging PACs, in 2022.

Highlights from the 2020 INTOSAI Global Survey – communication and stakeholder management

When it comes to engaging stakeholders, AFROSAI-E SAIs report favouring communication with and the involvement of Parliament, which can be expected since the majority is part of the Legislature model. 83% communicate regularly with Parliament, while 68% regularly involve Parliament in the follow-up of audits.

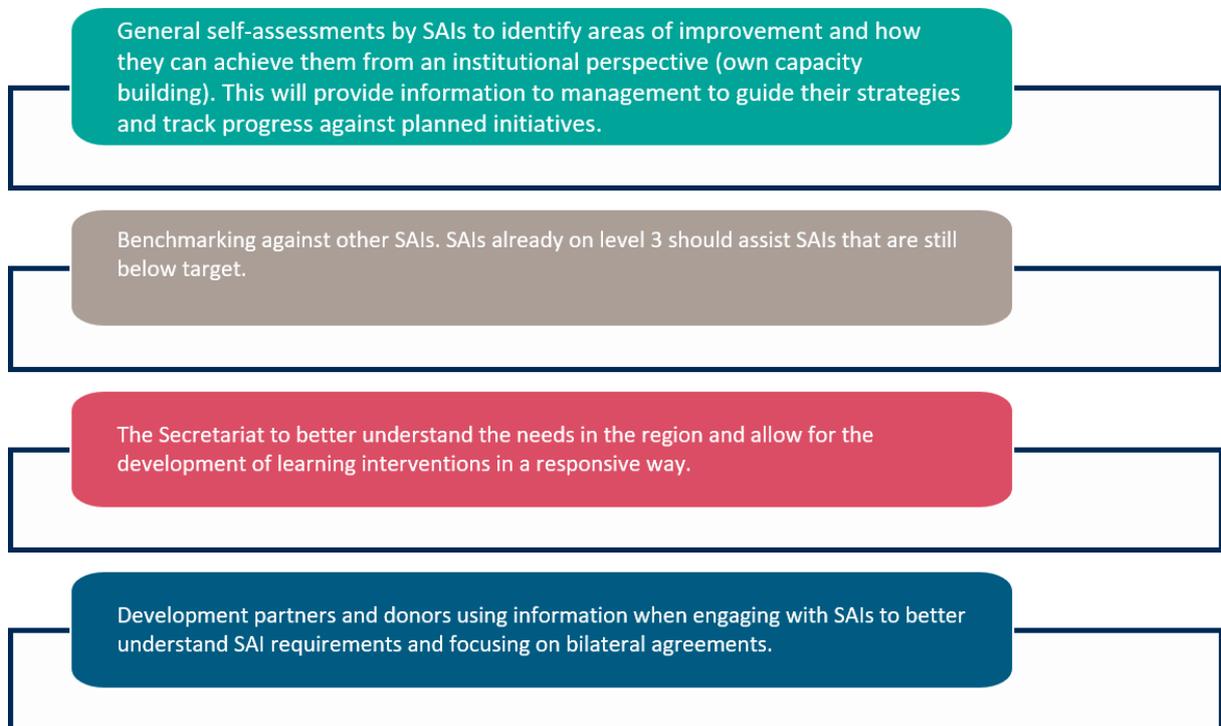
Regular communication with the Executive seems to be less common, with only 58% doing this to a great or full extent, and 42% involve the Executive regularly in the follow-up of audits. This could indicate that the SAIs are missing out on opportunities of strategic dialogue with key Ministries, which could facilitate audit work and the implementation of recommendations.

Engagement with other stakeholders is less widespread. Half of the SAIs report having regular communication with civil society organisations, and the same proportion of SAIs involve them in the follow-up of audits.

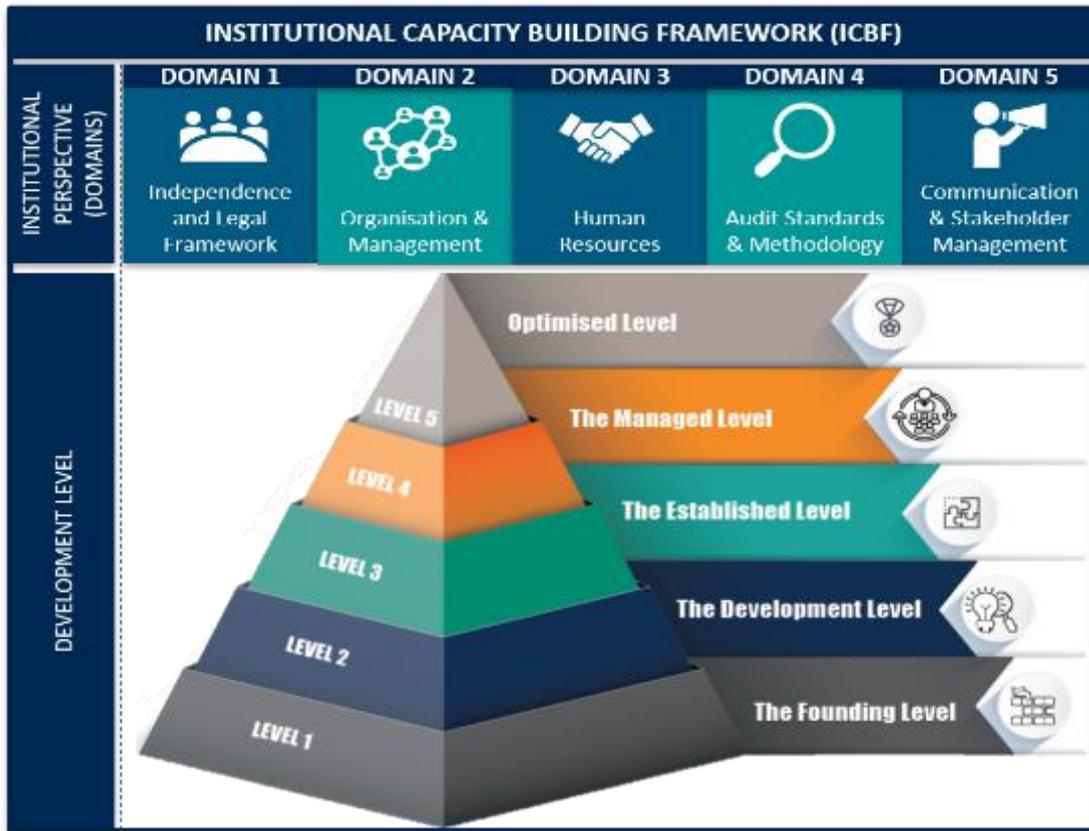
CHAPTER 8: ICBF OVERVIEW

SAIs play a vital role in facilitating accountability of governments to the legislature, and the public for their stewardship of public funds, thus helping to ensure the transparency of government operations. SAIs are uniquely suited to provide independent views on the quality of public sector management, the extent to which the executive branch of government is operating within the law, and on the effectiveness of its public financial management systems.

It is therefore critical that SAIs develop their professional and institutional capacity to fulfil their mandates in the most efficient and effective way. The ICBF provides information and insights to enable:



Domains and levels



Each of the five ICBF domains is composed of elements considered necessary to build a well-performing SAI. The domains and elements are interrelated, for example, communication is a cross-cutting issue for independence, human resources, and implementation of audit standards.

1.2.1 Independence and Legal Framework

This domain considers if the SAI has operational, financial and administrative independence stipulated in the law(s), as well as whether the independence of the head of the SAI and staff is guaranteed in the same laws.

The nine elements for the independence and legal framework cover the principles of the Lima Declaration (INTOSAI P-1) and Mexico Declaration (INTOSAI P-10), and include:

- An appropriate and effective constitutional/statutory/legal framework.
- Independence of the head of SAI, including security of tenure and legal immunity in the normal discharging of their duties.
- A sufficiently broad mandate and full discretion in discharging SAI functions.
- Unrestricted access to information and confidentiality.
- The right and obligation to report directly to parliament, including deciding on the content and timing of audit reports and the publishing and disseminating of them.

- Effective follow-up mechanisms on SAI recommendations and those of the legislature.
- Financial independence of the SAI and the availability of appropriate monetary resources.
- Managerial/administrative autonomy and the availability of appropriate human and material resources.
- Oversight and accountability mechanisms of the SAI.

1.2.2 Organisation and Management

This domain is based on the principles of the Value and Benefits of SAIs (INTOSAI P-12), Transparency and Accountability of SAIs (INTOSAI P-20), INTOSAI-P 50, ISSAIs 100, 130 and 140, including appropriate organisational and management tools. The INTOSAI principles and ISSAI 140 encourage SAIs to become model organisations by establishing and maintaining appropriate quality management systems which cover all their work.

The head of the SAI, who retains overall responsibility for the system of quality assurance, is expected to establish appropriate organisational policies, structures, systems, and processes to:

- Ensure that the SAI and its personnel comply with professional standards and applicable legal and regulatory requirements
- Produce high-quality audit services that add value and promote the efficient and effective allocation and use of resources in the public sector
- Manage the SAI's own resources efficiently and effectively, and to avoid waste
- Account to the public, media and parliament for the resources committed to the SAI

1.2.3 Human Resources

Human Resources covers the management and development of SAI Staff, specifically on the development and implementation of HR Strategies, interventions, plans, policies, and processes.

The need to monitor, evaluate and report on the effectiveness of HR policies and procedures within the SAI is critical. It covers, inter alia, areas related to recruitment, induction, retention, recognition, performance management, training, career development and staff wellness.

Human capital is the most valuable resource in any organisation, and a strategically positioned HR function enables a SAI to anticipate change and leverage audit capacity for greater efficiency and effectiveness. Domain 3 specifically covers the development and implementation of:

- An HR strategy aligned with the strategic and annual operational plan
- An integrated competency framework
- Training and professional development

- Recruitment, induction, performance management, staff wellness, gender, retention, succession, and exit policies

1.2.4 Audit Standards and Methodology

SAIs are expected to develop, implement and maintain appropriate, up-to-date ISSAI-compliant audit tools like manuals, guidelines, and templates – in accordance with their mandate and national legislative requirements.

The implementation of ISSAI-compliant audit tools is only effective if it is supported by policies, systems and processes that recognise the importance of delivering quality audit services.

The domain includes areas related to internal and external quality assurance, the use of electronic working papers, and computer-assisted audit techniques. As auditing is the core function of the SAI, domain 4 is closely linked with elements in the other four domains such as the follow-up of audit recommendations and the user friendliness of the audit reports.

All the audit types are covered in this domain as per the ISSAIs, and includes:

- Audit planning, capacity, risk assessments and audit coverage
- Audit manuals aligned to international standards, which are reviewed and updated regularly
- Audit manuals connected to learning programmes
- Quality assurance measures and quality assurance (internal and external)
- Audit techniques, for example, electronic working papers and computer-assisted audit techniques

1.2.5 Communication and Stakeholder Management

This domain relates to SAI engagement with internal and external stakeholders, in order to support oversight, good governance and public participation in the accountability cycle.

Elements of this domain include stakeholder engagement strategies and plans that support the strategic goals and mandate of SAIs. It also covers processes and channels of communication with, inter alia, parliament, the Public Accounts Committee, the judiciary, the media, civil society organisations and citizens.

This domain links with the other four domains as it relates to SAI performance and the results of audits. It therefore also includes elements related to communication during the audit process, the user-friendliness of audit reports, stakeholder satisfaction with the SAI and its products, and the implementation of audit recommendations.

Targets

The INTOSAI principles, international standards of supreme audit institutions (ISSAIs), and other international and regional best practices are used as benchmarks against which development and performance across the five domains are measured. The target is to reach the established level (level 3), and ideally, the optimised level (level 4) within each of the five domains.

LIST OF ABBREVIATIONS

AFROSAI-E	African organisation of English-speaking supreme audit institutions
CAATS	Computer-assisted audit techniques
CAM	Compliance audit manual
COVID-19	Coronavirus disease 2019
CVA	Culture values assessment
FAM	Financial audit manual
HR	Human resources
ICBF	Institutional capacity-building framework
ICT	Information and communications technology
IDI	INTOSAI development initiative
INTOSAI	International organisation of supreme audit institutions
IntoSAINT	INTOSAI self-Assessment integrity tool: Tool to assess vulnerability to integrity violations and resilience of supreme audit institutions
IS	Information systems
ISSAI	International standards of supreme audit institutions
PAC	Public accounts committee
PA	Performance audit
PAM	Performance audit manual
PAP-APP	Accelerated peer support partnership programme
PFM	Public financial management
QA	Quality assurance
QC	Quality assurance
SAI	Supreme audit institution
SAINT	Self-assessment integrity
SDG	Sustainable development goal