2020

STATE OF THE REGION

ICBF Self-Assessment Report

AFROSAI-E

TABLE OF CONTENTS

FOREWORD

The Institutional Capacity Building Framework (ICBF) continues to be a vital regional tool to measure member SAI growth and progress to close maturity gaps as members implement learnings acquired from various interventions. For this reason the ICBF is the basis of the Theory of Change for the 2020–2024 AFROSAI-E Strategic Plan which states that IF SAIs are supported with capacity-building opportunities through learning, on-site visits, technical advice and assistance, generic and customised audit manuals and tools; THEN public-sector auditing will become increasingly professionalised, SAIs will be empowered for greater audit impact, and will become model institutions that are able to lead by example. And EVENTUALLY this will lead to better governance in the public sector, increased transparency and accountability, a reduction in corruption and misuse of funds, increased access to services, and reduction in poverty.

This is the first State of the Region Report for the Strategic Plan period 2020–2024. Our performance targets set for 2024 are to increase the number of SAIs on an average of level 3 from 38% to 55%. We have included comparisons with 2019 results in some areas, but due to some notable changes to the questionnaire, the 2020 data and information sets a more accurate baseline. The 2020 results show that 38% of SAIs are on an average of level 3. The ICBF self-assessment results, in combination with the triennial quality assurance reviews, are crucial tools that supports our joint efforts for effective capacity building.

Our capacity building approach, as defined in our Strategic Plan for 2020 to 2024, emphasises that regional progress will be a joint effort between the Secretariat and SAIs. Achieving sustainable success and progress is dependent on us supplying the right support at the right time, and in turn for SAIs to take ownership and accountability for their own growth, performance, and capacity building efforts. To drive constructive engagements with SAI leadership teams on setting clear objectives to improve their ICBF scores and maturity levels, we developed individual country reports for each of our member SAIs. The comments provided by SAIs to support their self-assessment scores, also provide crucial information to give context to the underlying matter requiring attention. This has enabled us to gain more detailed perspectives and insights on each SAIs progress.

In the past year, the COVID-19 pandemic prevented us from conducting the scheduled triennial quality assurance reviews, which would enable us to determine correlations with the self-assessment scores. We are however still committed to achieving an 85% correlation as per the targets of our Strategic Plan. We therefore continued with efforts in the interim to train SAIs on the ICBF tool, to enable them to carry out self-assessments that generate valid results. To date we have trained 24 SAIs. The quality assurance reviews will resume as soon as it is safe and feasible to do so.

The COVID-19 pandemic had an undeniable impact on the region in the past year with more than half of our member SAIs reporting that the pandemic had an adverse impact on their operations. SAIs faced tremendous challenges to meet their mandated audit targets while also trying to meet stakeholder expectations to conduct real-time audits on government spending related to the pandemic. Travel restrictions also prevented us from implementing face-to-face in-country, regional and sub-regional training interventions and support. While we continued to implement capacity building interventions remotely throughout the year and implemented several new online learning programmes on the AFROSAI-E Learning Platform, connectivity and the effectiveness of remote support continues to be challenging.

The State of the Region Report reflects the ongoing efforts of the SAIs in the region to strengthen their capacity and meet stakeholder expectations.

Meisie Nkau
Chief Executive Officer
AFROSAI-E Secretariat

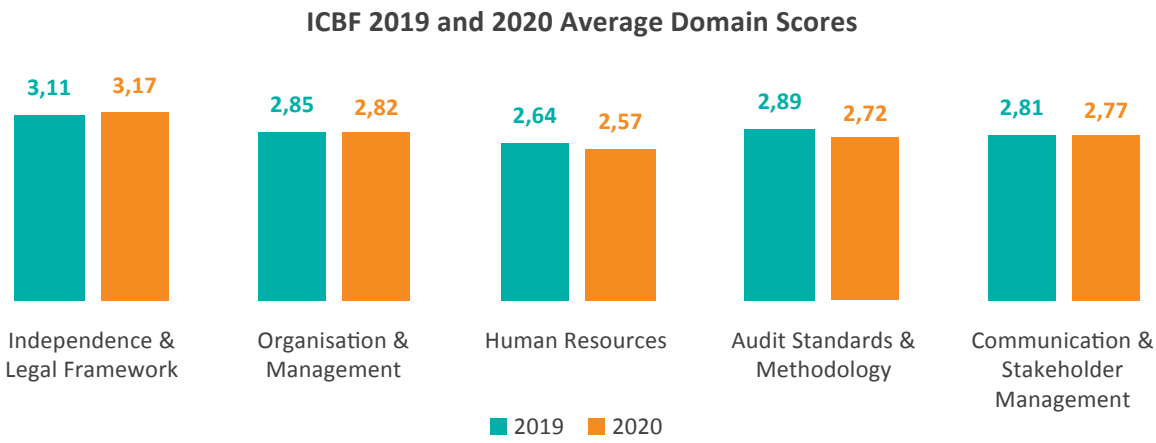
EXECUTIVE SUMMARY

The State of the Region: Self-Assessment Report outlines how member SAIs have performed and progressed in terms of actions implemented to address gaps identified through previous ICBF reports, and how well learnings from capacity building programmes as well as support from other partners were implemented, for the 12-month reporting period ending 31 December 2020.

The report contains analysis of comments and feedback received from SAIs in their completion of the ICBF annual questionnaire. The capacity development areas identified are based entirely on the questionnaire responses provided by all 26 member SAIs.

In terms of the Strategic Plan 2020-2024, the regional target for year one of the Strategy is that 40% of member SAIs should attain a level 3 or above across all five domains. In the current year, we have seen a decrease in the percentage of SAIs that have attained level 3 (2020: 38%), when compared with 42% of 2019. On an individual domain level, apart from the Independence and Legal Framework, there were marginal decreases across the other four domains with regard to the number of SAIs on level 3.

FIGURE 1: Average domain scores



SAIs offered different explanations for the movement of the scores under each of the domains. This is elaborated on in the analysis of the cross-cutting or transversal SAI performance measurement indicators such as the establishment of quality control measures, the impact of the COVID-19 pandemic, professionalisation, the impact of the Accelerated Peer Support Partnership Programme (PAP-APP) and individual domains.

THE INDEPENDENCE AND LEGAL FRAMEWORK

This domain remained unchanged at 14 SAIs (2019: 14) scoring a level 3 and above. There are, however, still a substantial number of SAIs encountering challenges in the operationalisation of their legal frameworks and the ability to conduct and table independent audit reports without some or other interference – especially during the COVID-19 pandemic.

Key issues:

The main challenges are the following:

- Absence of political will and threats to SAI independence through the role and responsibilities of SAI Boards/ Commissions.
- Fifty percent of SAIs in the region report that the executive actively participates in the preparation,

approval and execution of their budgets, and that their budgets are treated just like any government ministry, department or agency, and not prioritised to enable them to carry out their mandate in full.

- Only 62% of SAIs annually submit separate reports on their own performance to parliament, although there are a few others that submit information on the activities of the SAI as part of the consolidated audit report on the governments' finances.
- Not all SAIs are being audited by an independent external auditor.

ORGANISATION AND MANAGEMENT

The average score moved marginally from 2.85 in 2019 to 2.82 in 2020 – with only seven SAIs on level 3 and above (2019: 10). In total, twenty SAIs are above 2.5 (including SAIs with score above 3), which is an increase of two SAIs from 2019.

Key issues:

The main challenges are the following:

- Inadequate internal governance practices and review processes to monitor and evaluate Strategic and operational plans to develop or improve the SAI.
- The lack of established and effectively implemented quality management systems, risk management and monitoring and evaluation systems.
- Global and regional tools such as the IntoSAINT, SAINT, and Culture Values Assessment which are not prioritised and used to strengthen the SAIs' integrity control systems.

HUMAN RESOURCES

The scoring dropped from 2.64 in 2019 to 2.57 in 2020, and for level 3 decreased by two SAIs.

Key issues:

The current main challenges are the following:

- SAIs that are not undertaking proper resource planning,
- Inability to attract and retain well performing auditors and address the shortage of qualified staff for the HR and Training functions.
- Engagements with Public Service Commissions that are not prioritised to improve relations and ensure greater appreciation for the unique requirements of a SAI and the importance of its independence.
- Available resources to manage, develop and implement all HR activities, interventions and processes in a SAI are not optimally utilised.
- Budget provision for training, staff wellness programmes, and recognition interventions within the overall available funding of the SAI are not made.
- Human Resource units and line managers do not use performance management processes to identify training needs and manage poor performance.
- Gender equality is not embedded in organisational strategies so that SAIs become gender responsive organisations.

AUDIT STANDARDS AND METHODOLOGY

Only eight SAIs scored level 3 and above which is a decrease of four from 2019 and of two from 2018. Nine are between 2.5 and 2.99, and the other nine SAIs scored below 2.5.

The region had planned to complete 29 786 financial and compliance audits during the period. Of these, only 10 202 audits were completed, while 18 807 audits are outstanding. This increases the backlog of audits.

Key issues:

- Audit coverage decreased in recent years, as reflected above since 2018. To increase the capacity to improve audit coverage, SAIs should continue to engage parliament and other stakeholders to allocate more resources for the acquisition of the required audit tools and the hiring of relevant audit staff.
- The establishment of annual overall audit plans that are linked to the SAIs' operational plans continue to be a capacity gap in the region. To effectively support the execution of their strategic and operational plans, SAIs should develop and implement comprehensive AOAPs annually, which would enable them to be responsive to associated risks.
- The uptake of auditing the Integrated Financial Management Information Systems (IFMIS) annually is low. It is critical for SAIs to continue to build adequate capacity, to ensure that the auditing of IFMIS is done annually, as well as increase the number of their IS auditors.

COMMUNICATION & STAKEHOLDER MANAGEMENT

The aggregate score reduced from 2.81 to 2.77, and two SAIs moved below level 3. This paints a realistic picture of the impact that COVID-19 has had on SAIs in terms of effectively implementing their stakeholder engagement strategies. However, SAIs have increased confidence to approach their stakeholders with structured and purposeful engagements. There is also a growing trend of SAIs developing citizen-centric audit reports – to get their audit messages across more effectively.

Key issues:

- SAIs are not adequately monitoring and evaluating the effectiveness of their engagements or assessing the satisfaction of their stakeholders.
- There is a lack of correlation between the perceived effectiveness of SAI stakeholder engagements and the outcomes in terms of the audit impact made for example through the number of audit recommendations implemented within two years. SAIs should focus on setting measurable targets to achieve through their engagement activities. They should continuously monitor and evaluate effectiveness, and adapt their strategies and plans when necessary.

CHAPTER 1: INTRODUCTION

This Report is based on the results of the ICBF questionnaire that member SAIs complete annually. It reviews how members progressed during the 12-month period ending 31 December 2020.

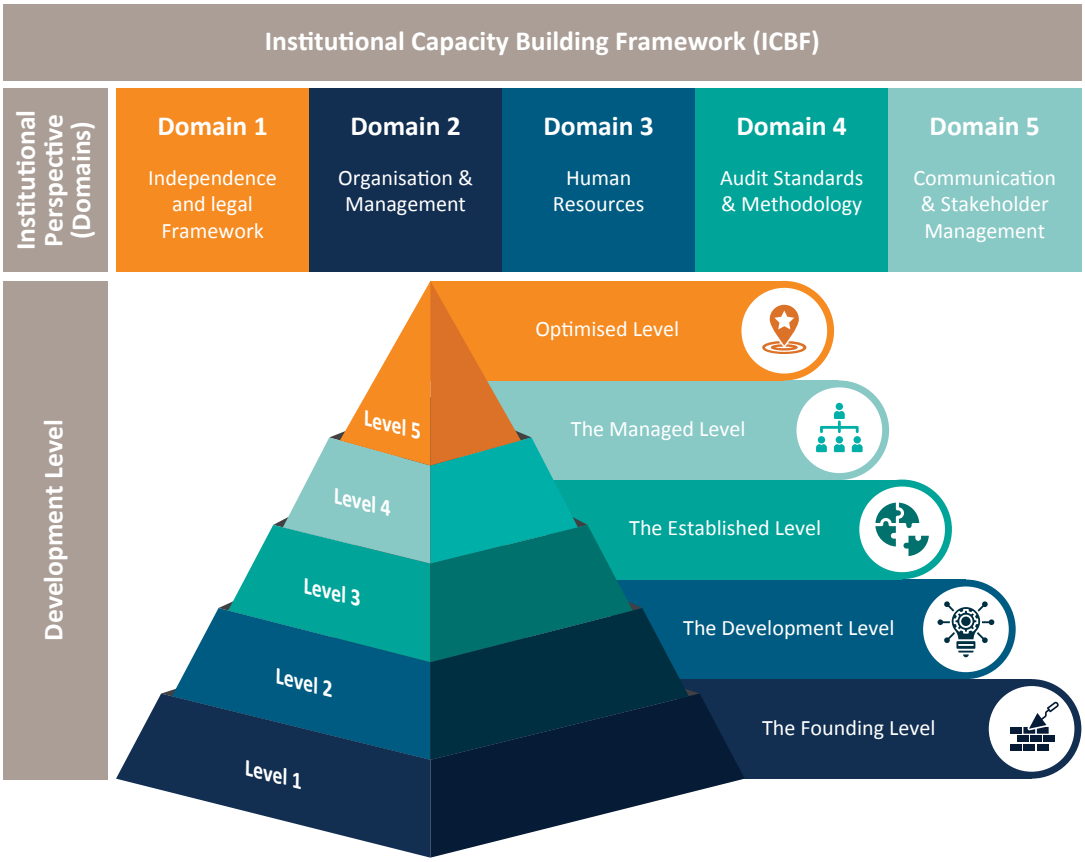
1.1 INSTITUTIONAL CAPACITY BUILDING FRAMEWORK

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:

- General self-assessments by SAIs to identify areas of improvement and how they can achieve them from an institutional perspective (own capacity building). This will provide information to management to guide their strategies and track progress against planned initiatives.
- Benchmarking against other SAIs. SAIs already on level 3 should assist SAIs that are still below target.
- The Secretariat to better understand the needs in the region and allow for the development of learning interventions in a responsive way.
- Development partners and donors using information when engaging with SAIs to better understand SAI requirements and focusing on bilateral agreements.

1.2 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 domain covers the prescripts on independence as formulated in the Lima Declaration (INTOSAI P-1) and Mexico Declaration (INTOSAI P-10). Among others, these elements include areas related to the appointment and removal of the Auditor-General, the mandate of the SAI and its discretion to discharge it fully, as well as the mechanisms required to follow up on audit recommendations.

1.2.2 Organisation and Management

The key aspects of the domain are based on organisational planning processes and its implementation, thus integrating both strategic and operational levels of the organisation.

This domain also covers management tools related to areas of leadership, management information, governance and internal control systems.

In addition, the domain is concerned with the functional structures and capacity within the SAI to fulfil its audit mandate and be a model organisation. The areas covered in this domain are based on the principles of INTOSAI P-12, 20 and 50, ISSAIs 100, 130 and 140, as well as best practices.

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.

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.

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.

1.3 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 an optimised level (level 4) of institutional capacity in each of the five domains.

1.4 QUALITY ASSURANCE REVIEWS

AFROSAI-E teams conduct institutional quality assurance (QA) reviews at each SAI, at least once every three years. These QA reviews are used, inter alia, as a mechanism to monitor compliance with ISSAIs and development levels within the five domains. The reviews focus on audit engagements and institutional levels. After a review is concluded, a confidential report is submitted to the Head of the SAI, together with recommendations for improvement.

In 2017, we started with a programme to certify quality assurance reviewers at SAIs to strengthen the pool of reviewers and the internal quality assurance function in SAIs. We expect the participating SAIs to use the trained reviewers in their QA reviews performed by their internal QA units or functions.

Annually we compare the results of the QA reviews to the ICBF self-assessment results, to highlight areas where the SAIs are overrated or underrated. It is therefore critical for SAIs to consider their QA review outcomes and to compare these with their self-assessment scores – with a view to taking corrective action where applicable.

1.5 COMPARISON OF SELF-ASSESSMENTS WITH THE 2020 QUALITY ASSURANCE REVIEWS

Since 2015, 37 Quality Assurance (QA) reviews at different member SAIs have been conducted. During the reviews, the SAI self-assessment scores from 10 selected questions were compared with the QA findings. The 10 key questions were used to determine the correlation levels by comparing the self-assessment scores of SAIs against the external quality assurance review scores assessed during the current year of assessment. Unfortunately, due to the COVID-19 pandemic lockdowns across the region, no QA support visit reviews were conducted in 2020 – except for one in Somalia.

In 2019, nine QA support visit reviews were conducted, and the results showed that 66% of the self-assessment levels correlated with the QA reviews. The 29% over assessment scores are considered too high and is unacceptable. For the purposes of this report, the 2019 correlation levels are assumed and adopted.

CHAPTER 2: AGGREGATED ASSESSMENT AND GENERAL PERFORMANCE

2.1 HIGH LEVEL REGIONAL CONTEXT

This chapter puts into perspective the reach of AFROSAI-E capacity-building initiatives, including the information that relates to the context in which the 26 member SAIs operate.

As of December 2020, the staff strength of SAIs was 16 619 (2019: 15 781). Of this number, 68% are full-time auditors who focus on financial and compliance audits, and 40% of these auditors have a professional audit qualification. When data for six SAIs with the highest number of staff with a professional qualification are excluded, the percentage of qualified auditors in the other 20 SAIs is only 15%. Of further concern is the reduction in professionally qualified auditors in these 20 SAIs, as the number reduced from just over 1 000 people in 2019 to less than 700 in 2020. The small countries affected include Botswana, Liberia, the Seychelles, Sierra Leone, Zambia, and Zimbabwe.

In respect of the number of Information Systems (IS) auditors, a similar picture emerges. Of the 320 auditors in all 26 SAIs, only 70 auditors are accounted for in 20 SAIs with the least number of auditors. This shows the extent to which professionalisation and IS audit capacity is needed in most SAIs. The six SAIs with the most IS auditors conducted 68% (2019: 85%) of all IS Audits in 2020, although there was a sharp decline in the number of IS audits conducted due to COVID-19.

Furthermore, in 2020, SAIs had a legislated mandate to conduct 29 786 (2019: 27 872) financial and compliance audits. Only 34% or 10 202 (2019: 12 453) of these were completed, primarily due to COVID-19 lockdowns. This increased the backlog in audits and led to further pressure to finalise audits and implement new audit methodologies and learnings.

Regarding support staff, the percentage of HR staff remained steady at 1.6%, Communication practitioners was at 0.5% and ICT Support at 1.6% of the total staff complements. The latter proportion falls far short of the international benchmark of one ICT support staff member per 30 employees.

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

Audit mandate and capacity	Number of SAIs	2019	2020
Total number of staff employed by the SAI	All 26 SAIs	15 781	16 619
Number of financial and compliance full-time auditors	All 26 SAIs	10 932	11 288
Number of auditors with professional audit qualifications	All 26 SAIs	5 010	4 498
% of audit staff with professional audit qualifications		46%	40%
Number of auditors with professional audit qualifications	20 SAIs with least no.	1 030	684
% of audit staff with professional audit qualifications	20 SAIs with least no.	21%	15%
Financial and Compliance audits mandated	All 26 SAIs	27 872	29 786
Financial and Compliance audits conducted.	All 26 SAIs	12 453	10 202
% Of mandated audits completed		45%	34%

Audit mandate and capacity	Number of SAIs	2019	2020
Number of IS audits conducted	All 26 SAIs	749	422
Number of IS Auditors	All 26 SAIs	323	320
Number of IS audits conducted	20 SAIs with least no.	113	135
Number of IS Auditors	20 SAIs with least no.	77	90

Organisational capacity	Number of SAIs	2019	Ratio to total staff complement	2020	Ratio to total staff complement
Number of HR staff	All 26 SAIs	245	1,6%	268	1.6%
Number of Communication staff	All 26 SAIs	89	0,6%	90	0.5%
Number of ICT support staff	All 26 SAIs	292	1,9%	263	1.6%

CHAPTER 3: TRANSVERSAL MATTERS

Five transversal matters were identified in this assessment period:

- The impact of COVID-19 on the work of SAIs.
- Internal quality control processes.
- Professionalisation of SAIs.
- The Accelerated Peer Support Partnership Programme (PAP-APP).
- The Accelerated Support Programmes with South Sudan and Somalia.

3.1 THE IMPACT OF COVID-19 ON THE WORK OF SAIs

The COVID-19 pandemic occurred with little warning, and has had a significant human, economic and social impact. This has tested the status of disaster preparedness by governments worldwide and the resilience of SAIs in addressing the "audit expectation gap" during disaster periods. Furthermore, various stakeholders have recognised the role of SAIs as being crucial in supporting government response mechanisms by maintaining public financial management discipline and ensuring transparency and accountability.

In response to the pandemic, we researched the resilience of sub-Saharan Africa SAIs in terms of meeting stakeholder expectations in the wake of COVID-19. Based on this research, AFROSAI-E embarked on several initiatives to help member SAIs remain resilient in addressing the "audit expectation gap" during disaster periods.

These initiatives included:

- A research paper on SAI resilience during disaster times.
- Four broadcast interviews with Auditor-Generals (AG) on their perspectives.
- A roundtable discussion with all member AGs and institutional partners.
- A Pocket Guide on the Audit of Disaster Situations for SAIs.
- A paper on Crisis, Emergency and Risk Communication considerations for SAIs.

For the year under review, 12 SAIs in the region have seen COVID-19 as being instrumental in how they progressed with their mandate in both positive and negative ways. Of the submissions made, 62% indicated how the pandemic had an adverse impact on operations, while 38% asserted otherwise.

SAIs stated how the pandemic impeded their ability to execute their annual audit plans on all five ICBF domains, because of government lockdowns and reprioritisation of national budgets.

For example:

- Independence and Legal Framework [SAI finances and ability to access their auditees was hampered].
- Human Resources [SAIs had to ensure remote strategies to manage human resources working from home].
- Audit Standards and Methodology [If no audits are performed, the quality of application of standards and methodologies cannot be objectively assessed].

On a positive note, several SAIs mentioned how the pandemic had pushed the SAI to be more innovative and to master mechanisms to remain relevant during the pandemic. Most highlighted how the pandemic improved their communication and stakeholder relations – especially with civil society organisations. Others mentioned how they fine-tuned their audit methodologies to include "real-time" audits on COVID-19-related expenditure. These positive remarks and gains are solid building blocks for a world where SAIs will be compelled to learn to work and be more resilient during disaster situations.

Disaster situations pose and create threats in the form of increased weakening of PFM systems and state institutions. However, they create a unique opportunity for SAIs to strengthen and produce both monitoring and preventative measures to improve their resilience during disaster situations.

3.2 INTERNAL QUALITY CONTROL PROCESSES

The development and application of internal quality management systems is critical for ensuring compliance with ISSAIs and the effective execution of audit mandates, and that quality assurance questions are built into all domains.

In monitoring internal quality control processes, the scores of 24 questions which address various aspects of quality management on institutional and individual audit disciplines such as financial, compliance, performance and IT auditing, were compared.

FIGURE 2: Scoring of quality control measures calculated based on a selected subset of 24 questions

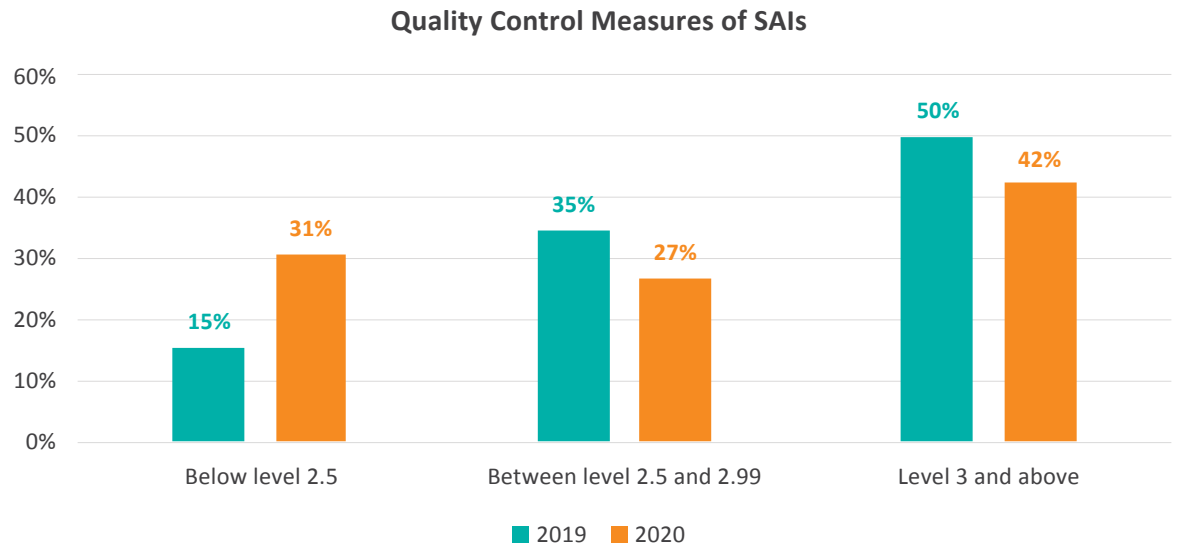


Figure 2 shows the distribution of scores relating to ISSAI-compliant quality control management systems. The average scores from 2019 show marginal changes. For instance, the number of SAIs that scored 3 and above decreased from 50% in 2019 to 42% in 2020, and 27% scored on average between 2.5 and 2.99. In 2020, 69% of SAIs indicated they had reached level 2.5 and above, which is six fewer SAIs.

The decreases can possibly be attributed to the increased number of questions added to the ICBF questionnaire and used to calculate the average scores. Second, the COVID-19 pandemic lockdowns prevented many SAIs from fully complying with their approved audit processes and standards. Third, the punishing budget cuts due to the pandemic limited the ability of SAIs to deliver on their planned audit outcomes – thus negatively affecting the quality of their work.

SAIs are encouraged to establish quality-control management systems that also promote an internal culture recognising that quality is essential in performing all SAI work. In their comments, SAIs indicated that the development and implementation of quality management systems is a priority and they would need technical support to achieve this.

This includes:

- Establishing adequately resourced QA functions.
- Training staff responsible for QA functions.
- Identifying gaps, strengths and weaknesses of quality management systems.
- Designing strategies to address those gaps.

3.3 PROFESSIONALISATION OF SAIs

Professionalisation is a key strategic objective to ensure that SAIs have personnel that are sufficiently qualified to fulfil the audit mandate. Professionally qualified staff are bound by a code of ethics and must also subscribe to life-long learning. This benefits the SAI as it enhances the likelihood of quality audit work and the credibility of the SAI to stakeholders – especially the public. For this reason, the results below are encouraging but also concerning.

Table 2 shows the number of SAIs that have over 50% of their audit staff holding qualifications has dropped from five to three SAIs compared to 2019. However, there has been a 4% improvement in SAIs with less than 10% of audit staff with professional qualifications.

TABLE 2: Percentage of audit staff who hold professional qualifications (per SAI)

	2020		2019	
Less than 10% of audit staff	9 SAIs	35%	10	39%
Between 10% and 50% of audit staff	14 SAIs	54%	11	42%
More than 50% of audit staff	3 SAIs	12%	5	19%

The reduction in SAIs with a higher number of professionalised audit staff (more than 50%) seems to relate to normal personnel turnover – resulting in affected SAIs falling just below the indicated threshold. This speaks to the need for SAIs to deliberately push for professionalisation of staff. This will ensure that they not only retain staff, but also attract professional staff because of the enhanced professional environment.

One way to achieve such a professionalised environment is implementing a structured practical experience programme in the SAI that would ideally count toward staff meeting professional body requirements for registration. Indeed, most SAIs with less than 10% of professionalised audit staff are not accredited by any professional accountancy body for the practical experience they provide. AFROSAI-E continues to offer support to SAIs on structuring the practical experience already available in the workplace. This should result in closer monitoring of the professional development of staff and prime the SAI for accreditation by a professional accountancy body.

Although only five SAIs (19%) indicated no relationship with a PAO, mostly because there was not one in the country, those who have do not seem to be harnessing the positive outcomes such a relationship can yield. Most SAIs lacked clear points of collaboration with the local PAO – therefore contributing to slow progress in their professionalisation journey. SAIs that could make progress on their professionalisation journey took advantage of their relationship with professional accountancy bodies and communicated regularly through an established process. This is evidence that management, and not just the establishment, of key stakeholder relationships has a positive outcome in encouraging a more professionalised environment.

In addressing the challenge of professionalisation, SAIs must be assisted to implement appropriate paths of achieving professionalisation, especially where a SAI has not selected or determined a specific path for its professionalisation. The Secretariat aims to assist SAIs in implementing the INTOSAI Capacity Building Committee guide: Developing Pathways for the Professional Development of Auditors in a Supreme Audit Institution in 2021. This will ensure that the most appropriate professionalisation path that is responsive and realistic to the context of the SAI is implemented.

Professional development requires an adequate financial investment to realise the gains that it can provide – including better delivery on the audit mandate. Currently, 65% of SAIs spend less than 2% of the available budget on professional development. This is due to financial constraints and is particularly the case for SAIs with fewer staff. Despite a stand-alone training department not necessarily being financially feasible for smaller offices, there is however still a need to invest in the training and development of staff. SAIs should consider creative ways that lead to the desired outcomes, without necessarily following the traditional route.

AFROSAI-E advocates that SAIs have professional development processes in place which ensure that staff development is coordinated and meets long-term ambitions. This aspect was included as one of the new questions in the HR Domain, to ensure that this is tracked going forward. Although several SAIs have indicated they have processes in place – this was often with reference to having a training plan, policy or strategy. Often, implementation of the same documents seemed to lack or did not include all areas. This included the induction of staff, providing structured learning and practical experience opportunities, mentoring and coaching, support in professional examinations, secondment opportunities, and other related processes ensuring that staff have the best possible chance to become professionals.

AFROSAI-E continues to be a partner to the African Professionalisation Initiative (API). The approach that this initiative takes, i.e. professionalisation of the country's public sector accountancy and auditing, could be an avenue that SAIs take advantage of – especially those with significant resource constraints. This approach will use economies of scale for such an initiative, while having a positive impact on the entire public financial management cycle in that specific country.

3.4 PEER SUPPORT

3.4.1 Accelerated Peer Support Partnership Programme (PAP-APP)

In 2018, we partnered with the IDI to support the SAIs of Eritrea, Zimbabwe, The Gambia, and Sierra Leone – as part of the Global Call for Proposals Tier 2. The Phase 1 support implemented from 2018–20 clarified strategic priorities and operational plans and used these to establish long-term and scaled-up support of capacity development.

The Phase 1 outcomes focused on improving Domain 2, which is based on organisational planning processes and their implementation, thus integrating both strategic and operational levels of the organisation. The outcomes covered management tools related to the areas of leadership.

In 2020, SAI Sierra Leone and SAI Zimbabwe entered a Phase 1 extension to allow for finalisation of their 2021–2025 strategies, and to establish long-term technical and financial support.

SAI The Gambia signed a transitional Corporation Agreement to source support to audit COVID-19 relief funds and other areas as a new multi-year, multi-component project. By the end of 2020, donor collaboration was ongoing with the World Bank for additional long-term support of the SAI in performance auditing and quality assurance.

SAI Eritrea completed a paper that included the Implementation Plan and Cooperation Agreement, which they shared with the partners for review. SAI Eritrea had not received the funding commitment by the end of 2020, which has delayed implementation of Phase 2 support.

The tables below present the Phase One outcomes. The second table shows how the support influenced specific questions under Organisation and Management. It is encouraging that 67% of the indicators were met, 25% partially met, and only 8% were not met.

In respect of the specific ICBF scores on organisation and management, all four SAIs did well, except in terms of linking the operational plan to the available budget and having adequate resources to cover all the functions and types of audits that will be carried out.

TABLE 3: Indicators agreed with the SAIs, and the status thereof by the end of 2020.

SAI Outcome	SAI Eritrea	SAI The Gambia	SAI Sierra Leone	SAI Zimbabwe
1. Strengthened strategic management: Indicator: SAIs have well developed strategic plans and link them to their annual operational planning.	Met: Strategic plan, 2020 operational plan, and M&E processes in place	Met: Strategic plans, 2020 operational plan, and M&E processes in place	Partially met: By end of year, ASSL was finalising their 2021–2025 strategic plan	Partially met: Effective and coordinated. By the end of 2020, OAG was yet to finalise the 2021–2025 strategic plan
2. Effective and coordinated external support for capacity development established Indicator: The SAI has established capacity-development support agreements enabling implementation of the strategic plan	Not met: Donor negotiation still ongoing	Met: Key donor partnership established	Partially met: Establishing partnerships with key donors is an ongoing process	Met: Key donor partnership established
3. The SAI leads by example in the areas of gender inclusion and diversity Indicator: The SAIs strategic management plans contain effective strategies related to gender, inclusion and diversity	Met: Gender equity plans and policies included in 2020 operational plan	Met: Gender equity plans and policies included in strategic and operational plans	Met: Gender equity incorporated in the strategic plan. Female representation in key processes and decision-making	Met: Gender equity plans and policies in development. Female representation in key processes and decision-making

TABLE 4: Average scores for Organisation & Management areas related to Accelerated Support

Organisation & Management	Average score for the four SAIs
The SAI developed and implemented a strategic plan designed to strengthen its institutional environment and contribute towards the achievement of SDGs and Agenda 2063, and which are based on: • needs assessments; and • gap analyses and risk assessment.	3
The strategic planning process ensures the involvement and high-level ownership of all SAI staff, from top leadership down to the rest of the staff – as well as other key stakeholders.	3
The SAI has developed and implemented an annual operational plan based on its strategic plan.	3
The operational plan is linked to the approved budget and there is evidence to prove that all planned activities have been allocated adequate resources and cover all the functions and types of audits that will be carried out.	2,88
The SAI has implemented a system for monitoring and evaluation of the annual operational plan.	2,96

The Phase Two support partnership will enable SAIs to achieve key strategic goals and objectives through well coordinated, peer-based, capacity-development support. It engages with development partners to mobilise long-term capacity-development support. We anticipate seeing a continuous improvement in ICBF scores for all SAIs receiving accelerated support.

3.4.2 Support Programmes with South Sudan and Somalia

The South Sudan Cooperation Agreement focused on providing support to implement key strategic priorities for 2017–2020, especially in the areas of auditing, stakeholder relations and planning, quality control and reporting. The programme received support from several donor organisations and peer partners, such as the Royal Norwegian Embassy, SAI Kenya, and SAI Norway.

There are two overall indicators of goal achievement for the project:

- Percentage of project-supported audit reports finalised and reported to the president and parliament by NAC.
- Staff turnover among auditors and managers in 2017–2019.

We also signed an agreement with IDI to support SAI Somalia for the period of 2018–2020. Support to the SAI was focused on implementing goals 1, 2 and 6 of their six strategic goals:

- Goal 1: Timely, relevant and high-quality audit reports, in line with international standards.
- Goal 2: Strengthening internal governance for efficient and effective audit services.
- Goal 6: Amend the old legal framework that OAGS currently operates under.

The support is provided as a combination of technical peer support and logistical support to key events and training. Peers come from the IDI, AFROSAI-E and SAI Uganda.

CHAPTER 4: INDEPENDENCE AND LEGAL FRAMEWORK

Domain 1 – 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 publishing and disseminating 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.

4.1 PROGRESS IN 2020

The consolidated domain average increased slightly from 3.11 in 2019 to 3.17 in 2020. It is concerning that there is a significant difference between the average scores of SAIs below level 3 and the SAIs above level 3.

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

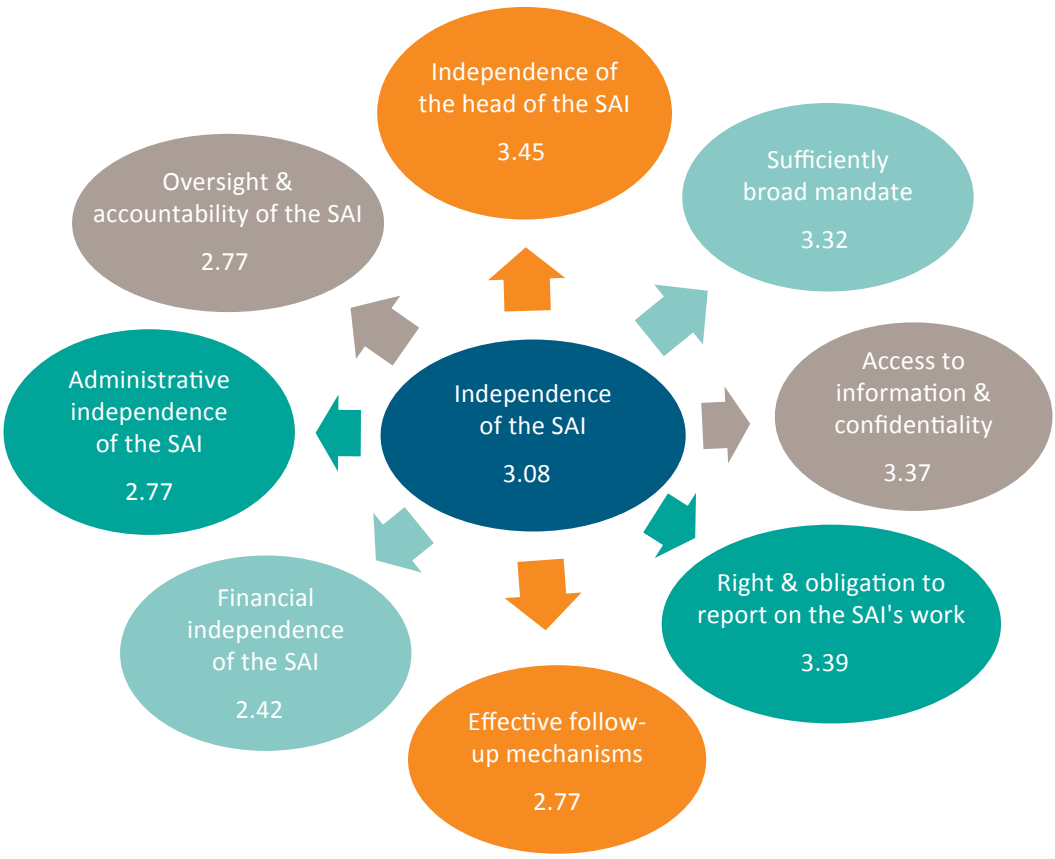
No of SAIs	Average score
12 SAIs below level 3	2.62
14 SAIs above level 3	3.63

It appears that SAIs who struggle with independence, have multiple elements which require change before they can improve their scores.

THOSE SAIs WHO ARE ALREADY ON LEVEL 3 ARE FARING WELL IN ALL NINE ELEMENTS – HENCE THE HIGH AVERAGE SCORE OF 3.63.

Figure 3 below shows the schematic representation of the nine elements and average scores per element.

FIGURE 3: The average ICBF scores of the nine elements under the Independence and Legal Framework domain



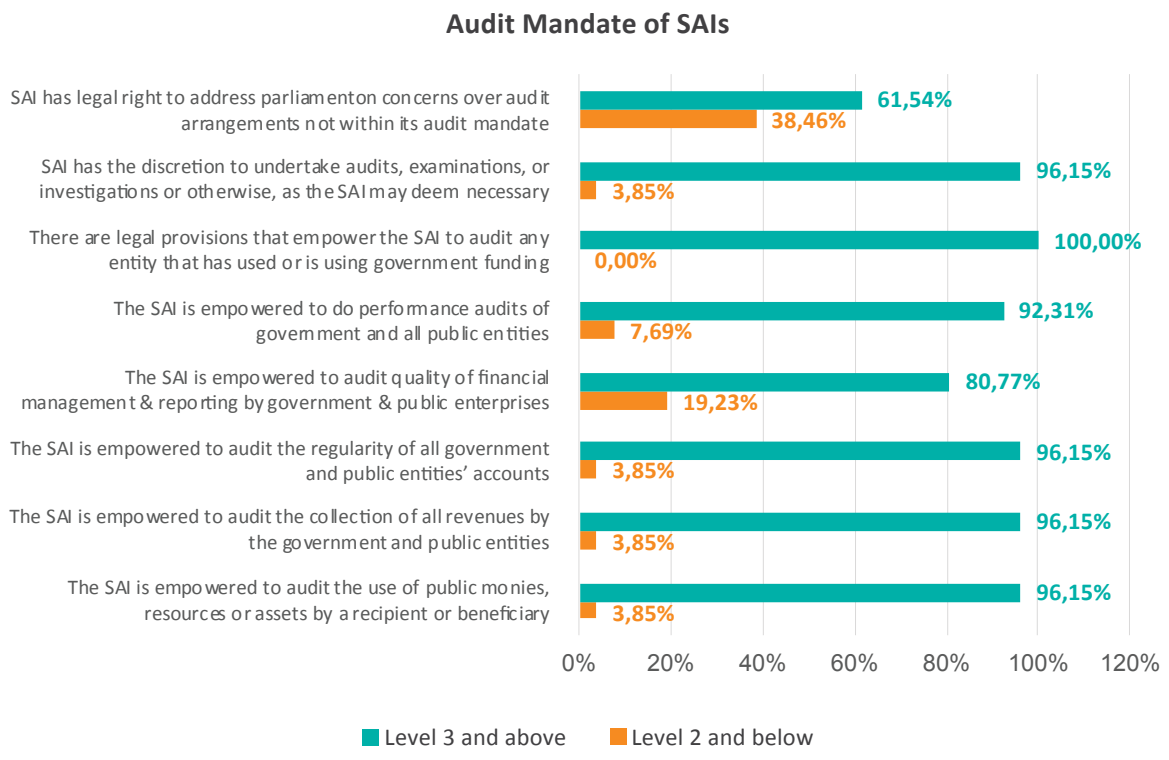
The following aspects are analysed further:

- Mandate of the SAIs.
- The role of SAI Boards/Commissions.
- Financial independence.
- Administrative independence.

4.1.1 Mandate of SAIs

The principles of INTOSAI-P1, P10 and the United Nations (UN) resolution A/66/209 state that a SAI should have a sufficiently broad audit mandate and full discretion to audit and report on the outcomes of the audit services it delivers. As such, the audit mandate of the SAI should be enshrined in the principal laws of the state, such as the country's constitution and/or appropriate legal framework.

FIGURE 4: Audit mandate of SAIs



As shown in Figure 4, most SAIs have appropriate legal authority over their audit mandate and many have the legal right to address parliament or relevant committees regarding concerns they may have about the execution of their audit mandate. However, almost 40% do not have the legal right to address parliament or its committees. This limits the interaction between the Auditor-General and the executive, as well as the ability to provide adequate assurance on public finance management.

Most SAIs are 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, as required by ISSAI 100-400. However, many SAIs are unable to audit the security agencies, military ordinances and related resources.

4.1.2 The Role of SAI Boards/Commissions

SAI independence could be impacted where a Board/ Commission is established to oversee administrative operations of the SAIs. This legal arrangement may enhance or limit the power of the Head of the SAI to independently execute his/her mandate, depending on the type of board in operation.

Independence can be negatively impacted when the oversight functions of the Board/Commission overlap with the required powers of the Head of the SAI.

In the region there are three different types of boards, with distinct functions and responsibilities. Of the 26 members, the legislation of nine SAIs requires them to receive oversight directions from Boards/Commissions on behalf of parliament or the executive.

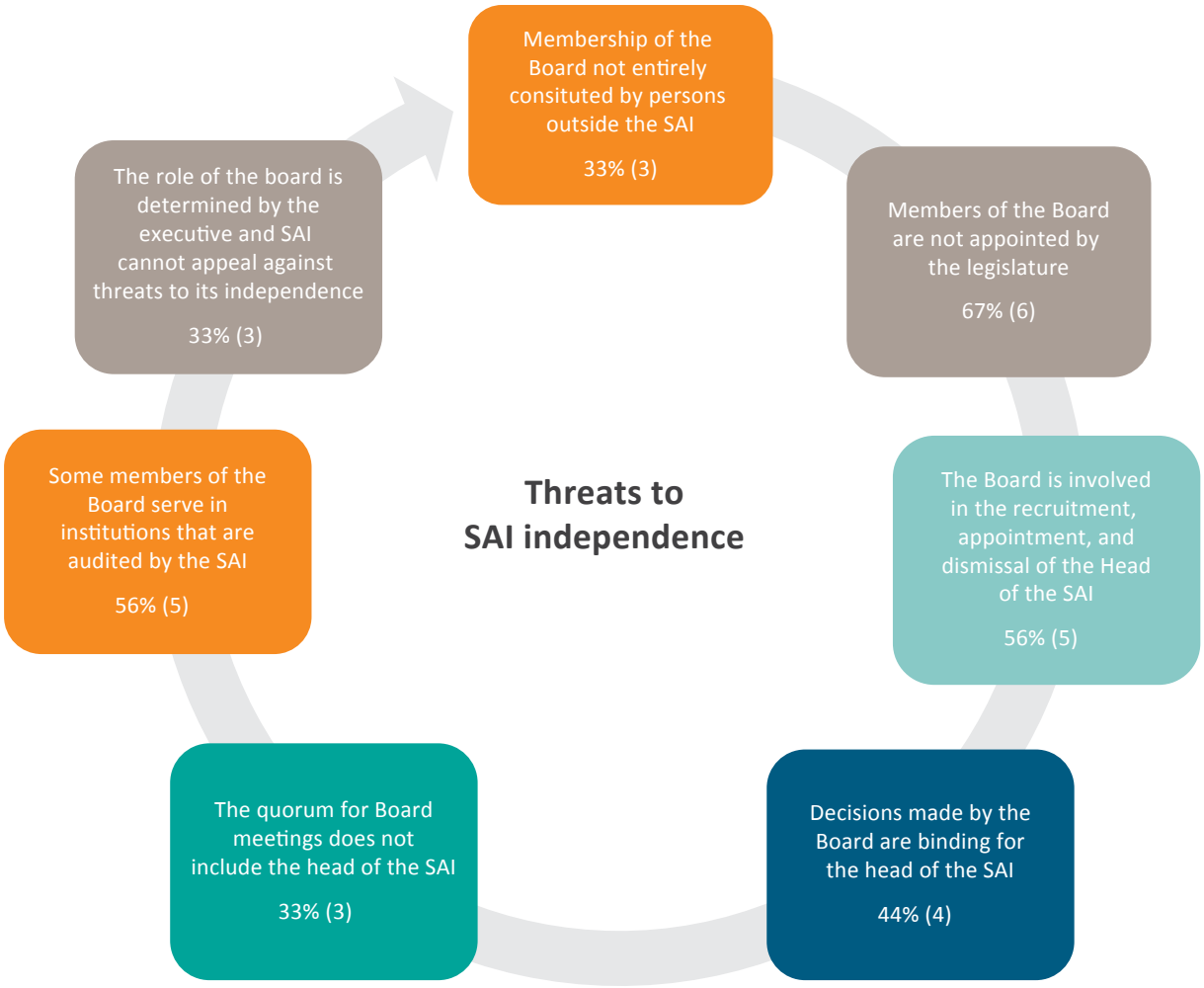
Table 6 below shows that of the nine SAIs, one had a parliamentary type advisory board, two had advisory boards appointed by the executive, and the remaining six SAI boards are appointed by the executive. Of the six with Executive Boards, two are chaired by the head of the SAI. However, in three cases where the legislation makes provision for the establishment of a Board/Commission, the SAI indicated that the board members were either not appointed or not capacitated for long time periods.

TABLE 6: Types and functional responsibilities of Boards

Type of Board/ Commission	Functions and Responsibilities	Number of SAIs
Parliamentary Advisory Board	• Board appointed by parliament. • Constituted by both selected members of parliament and outside representatives of professional institutions. • Provides overall oversight on behalf of parliament.	1
Advisory Board	• Appointed by MOF and chaired by the Auditor-General or an external person. • Constituted by professional members from within and outside government – with the following functional responsibilities: – Advise the Auditor-General on the appointment, remuneration conditions of service and benefits of SAI staff, excluding those of the Auditor-General. – Advise on the SAI budget plan, the effectiveness of the internal controls and on any other matter relating to auditing.	2
Executive Board	• Constituted by members from professional institutions and chaired by a retired judge and government officials. • The Board is appointed by the executive arm of government. • Powers include: – Appointing all SAI staff, other than the Auditor-General. – Exercising disciplinary control over SAI staff, including suspending or removing any of them. – Advising the Auditor-General on the administration of the SAI. – Establishing policies and/or regulations by statutory instrument, prescribing the terms and conditions of service for staff with approval of the executive arm of government.	6

The nine SAIs were also asked to respond to questions addressing the functions and roles of the boards. Figure five below shows scores for seven of the questions.

FIGURE 5: The extent to which SAI Boards threaten SAI independence

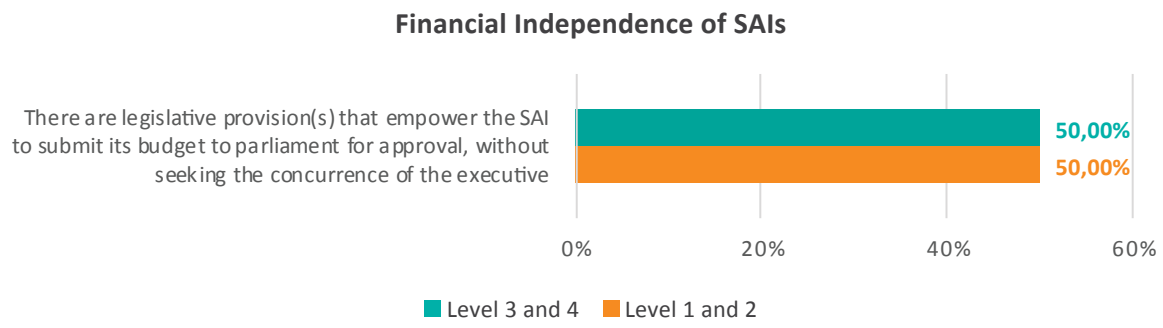


While the emergence of SAI boards/commissions was a welcome innovation to promote the principles of SAI independence, there are concerns that the associated roles and responsibilities are threats to the independence of the SAI and to the head of the SAI. SAIs should continue to engage key stakeholders to review laws that could threaten to the operationalisation of SAI independence.

4.1.3 Financial Independence

According to INTOSAI-P10 and INTOSAI GUID 9030, the SAI legal frameworks should be based on the need to minimise undue influence by the executive over the allocation and approval of the budget, including classification, disbursement and use of funds. These issues were reported on in the last report. They should be emphasised again in this year's report as they express the SAIs' independence in practical and concrete terms – especially during the COVID-19 pandemic.

FIGURE 6: Financial independence of SAIs



Of the SAIs, 50% (2019: 54%) indicated there are legislative provision(s) that empower them to submit their budgets to parliament for approval. This is without seeking the concurrence of the executive, which does not participate in the preparation, approval, release, and execution of their budget. However, the other 50% indicated that the practice is for the executive to actively participate in the preparation, approval, and execution of their budgets and that their budgets are treated just like any government ministry, department or state agency. This negatively affected their financial independence.

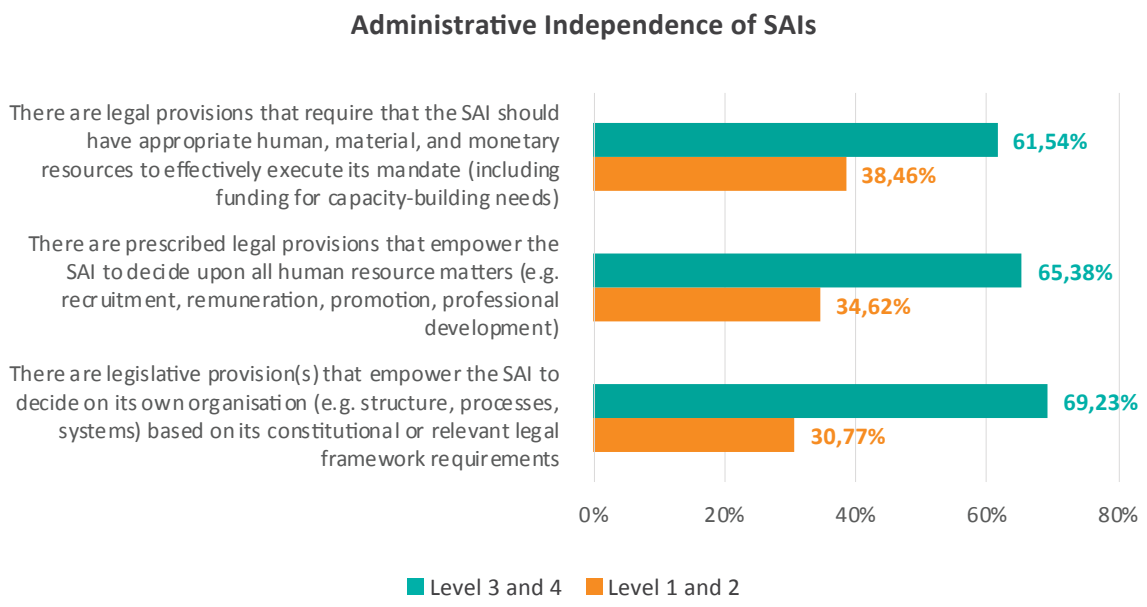
To compound the problem, 58% (2019: 62%) of SAIs cannot apply directly to parliament for the necessary financial means, if deemed necessary. In practice, SAIs from a parliamentary representativity perspective and/or which are part of the public service or Ministry of Finance, are most affected.

4.1.4 Administrative Independence

Administrative independence is one of the elements critical in the assessment of the managerial autonomy of the SAI. The legal frameworks of SAIs should be based on the need to minimise undue influence by the executive on the selection, recruitment, training, promotion, discipline, and remuneration of staff – as well as the selection, scoping and reporting of audit issues.

INTOSAI-P1, 10 and 20 expect SAIs to be legally conferred with managerial autonomy over their resources and to account for the utilisation of the same. In other words, the SAI should be given discretion to self-organise and manage its own operations, as well as be empowered to enforce its own policies and decisions in accordance with the law. The SAI should be free to determine the organisation of its office, including personnel and contract management systems and the policies and procedures for the acquisition or disposal of material. The figure below shows the average scores of the SAIs for administrative independence.

FIGURE 7: Administrative independence of SAIs



Most SAIs have sufficient administrative independence to effectively execute their mandates, with 69% (2019: 77%) of SAIs empowered to decide on their own organisation (e.g. structure, processes, systems) based on their constitutional or other relevant legal frameworks. In practice, this decreases to 65% when it comes to determining all HR matters such as recruitment, remuneration, promotion, professional development, and discipline. Only 62% have sufficient human, material, and monetary resources to effectively execute their mandate. Consequently, the extent to which SAIs can exercise their managerial autonomy is significantly constrained by the absence of financial independence. As reported in 2019, SAIs that are under the Public Service Commission often encounter major constraints in the execution of their human-resource development initiatives.

When it comes to the submission of the SAIs own annual performance report and external auditors:

- Sixty-two percent indicated they annually submit separate reports on their performance to parliament.
- Fifty-four percent have their external auditors appointed by parliament and the remainder still audit themselves.

4.2 CONCLUSION

Many SAIs still encounter challenges in the operationalisation of their legal frameworks – especially since the COVID-19 pandemic.

There are also other constraints to effective operationalisation of the SAI legal mandates, which include:

- Absence of political will in the operationalisation of the legal frameworks.
- Threats to SAI independence through the role and responsibilities of SAI Boards/Commissions.
- Constraints in terms of financial independence.
- Constraints in terms of administrative independence.

The ability of SAIs to become model public organisations by leading through example is impacted by the extent to which they are afforded the legal right to establish appropriate governance and accountability systems and structures in the execution of their mandates.

Inadequate financial independence then negatively affects the ability of the SAIs to appoint qualified auditors and perform high-quality audit services to promote transparency and accountability.

CHAPTER 5: ORGANISATION AND MANAGEMENT

Domain 2, Organisation and Management, covers 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.

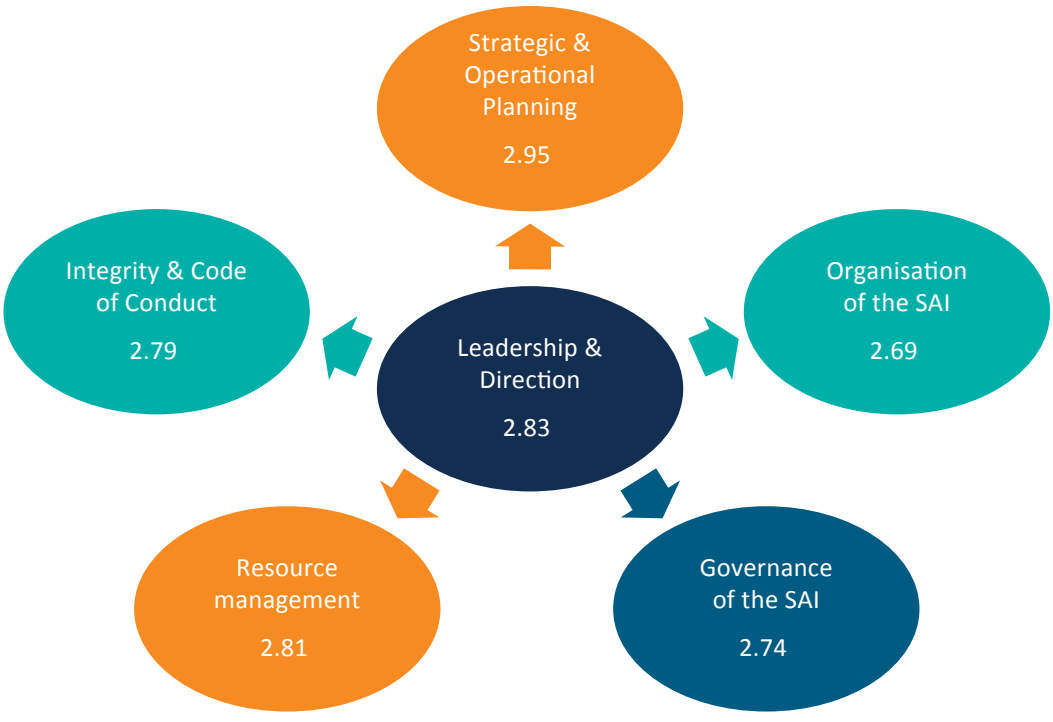
The head of the SAI, who retains overall responsibility for the system of quality control, is expected to establish appropriate organisational policies, structures, systems and processes to:

- 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 utilisation of resources in the public sector.
- Manage the SAIs own resources efficiently and effectively and to avoid waste.
- Account to the public, media and parliament for the resources committed to the SAI.

5.1 PROGRESS IN 2020

Figure 8 below is a diagrammatic representation of the six elements and average scores.

FIGURE 8: Six Organisation and Management domain elements and scores



Overall, there has been a marginal decrease in the average score from 2.85 in 2019 to 2.82 in 2020, and three SAIs dropped below level three.

To further analyse the development, the following themes have been selected:

- Leadership direction and governance.
- Strategic and operational planning.
- Organisation and resource management.
- Monitoring and evaluation mechanisms.
- Integrity and code of ethics.
- Culture and values assessments (CVAs).

5.1.1 Leadership Direction and Governance

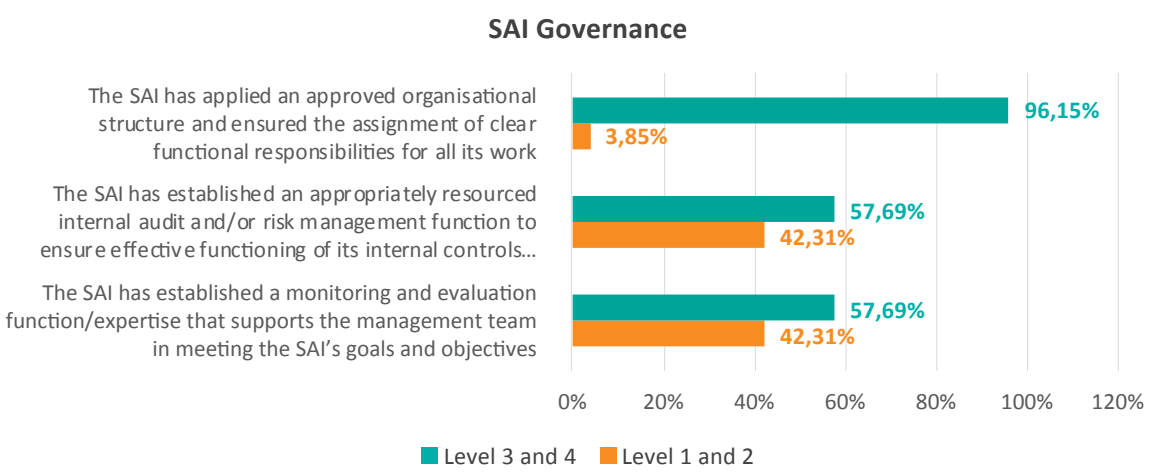
Under leadership and direction, the following responses were captured:

- Twenty SAIs where the leadership and their relevant committees hold regular decision-making meetings, and actions were being tracked, followed up, and actioned.
- Eighteen SAIs indicated they had established mechanisms to regularly measure the extent to which top and senior management set appropriate tone at the top by demonstrating organisational values in their own behaviours.

It is concerning to note that:

- Nine SAIs had not established quality management systems.
- Eight SAIs are to establish mechanisms to regularly measure the extent to which SAI leadership teams set appropriate tone at the top.
- There are inadequate resources for the internal audit and monitoring and evaluation functions.
- Forty-two percent responded they had not established appropriately resourced internal and/or risk management functions.

FIGURE 9: Governance of the SAI



As reported in 2019, 96% of SAIs indicated they had implemented appropriate structures, policies, systems and procedures to ensure that their managers and staff carry out audits in accordance with international standards and other requirements. However, as shown in Figure 9, it is concerning that 42% of SAIs score levels 1 and 2 – indicating they had not established appropriately resourced internal and/or risk management functions.

Twenty-five SAIs applied approved organisational structures and ensured the assignment of clear functional responsibilities for all their work. This is an improvement of three SAIs compared with 2019, which reported 22 SAIs. In 17 of the SAIs the governance structures of human resources fall under Public Commissions or some government agencies, while 9 SAIs are overseen by Boards of Commission as reported elsewhere in this report. To ensure effective good corporate governance, SAIs are encouraged to continue engaging the executive and other key stakeholders to improve their governance structures and systems.

5.1.2 Strategic and Operational Planning

Good strategic management practices supported by strategic and operational plans are essential preconditions for demonstrating the value and benefits of SAIs to citizens.

FIGURE 10: Strategic and Operational planning in SAIs

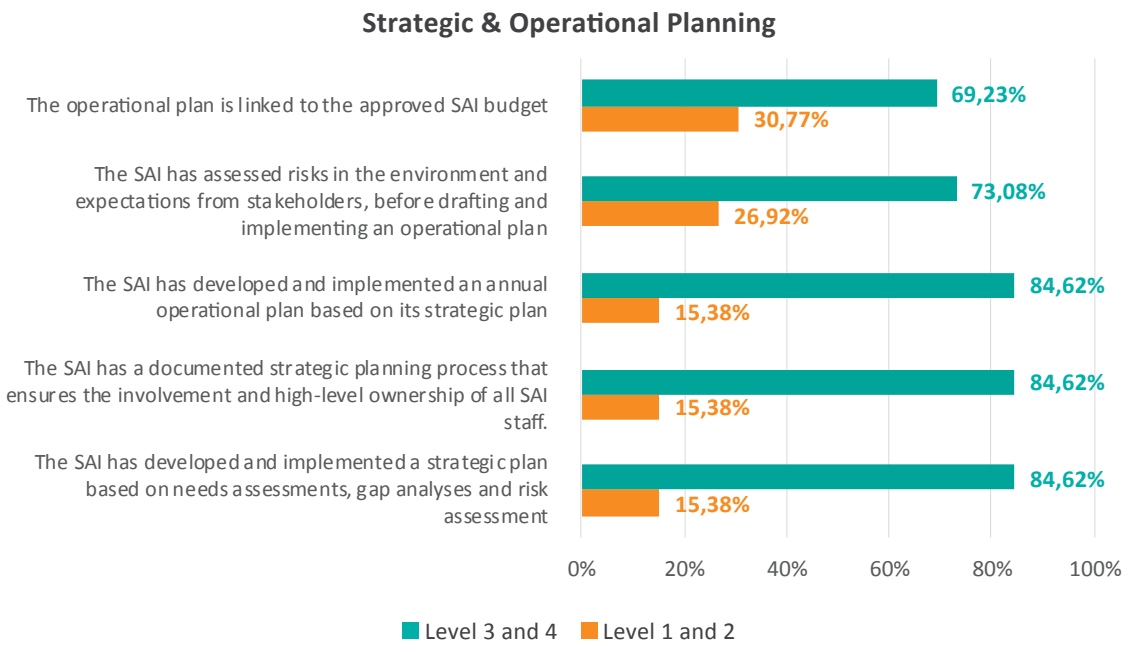


Figure 10 shows that strategic and operational planning is performing well, with 85% of SAIs having:

- developed and implemented a strategic plan based on needs assessments, gap analysis and risk assessment, to strengthen the institutional environment and contribute to the achievement of SDGs and Agenda 2063 goals.
- documented strategic planning processes that ensure involvement and high-level ownership of staff and key stakeholders.
- documented operational plans linked to their strategic plans.

It is, however, important to continue doing regular risk and integrity assessments and to document stakeholder expectations and feedback.

The alignment of operational plans to the approved budget and being monitored and evaluated in accordance with a performance management system was, however, lower at 69%. External factors such as the COVID-19 pandemic which led to the withholding and/or late release of budgetary allocations were identified as exacerbating factors in 2020.

5.1.3 Organisation and Resource Management of the SAI

Organisation and resource management involves assessing development plans, quality control policies and other operational management functions of the SAI. In general, SAIs have these in place, but there is room for improvement.

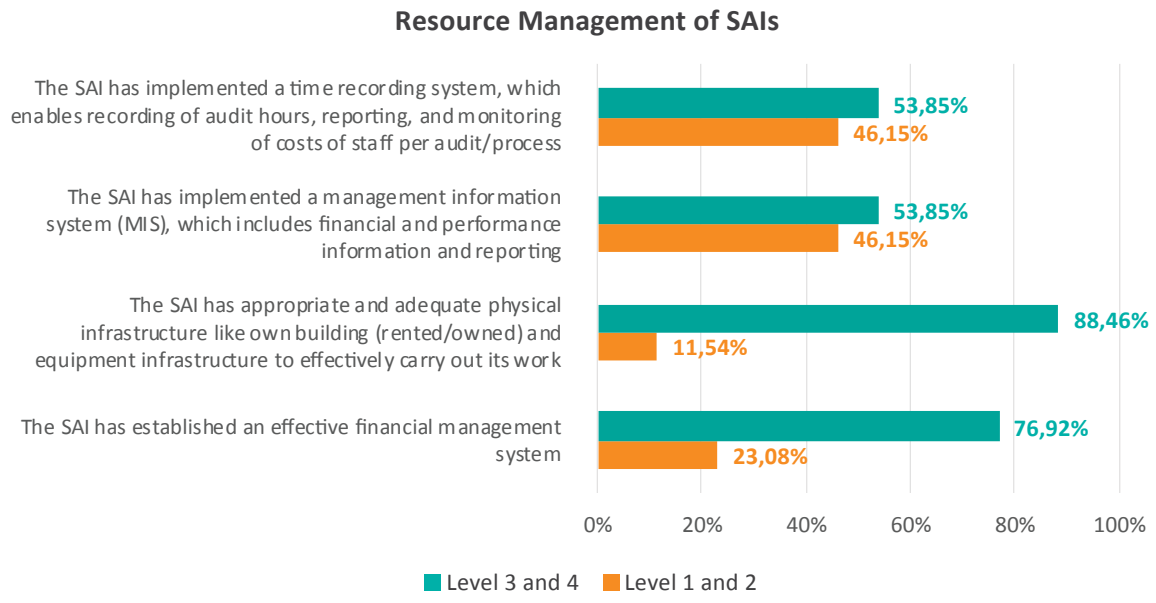
For instance:

- Sixty-nine percent indicated that they developed and implemented quality control policies and other relevant measures to ensure that all SAI work is carried out in accordance with international standards and other requirements. However, in comparison with other related quality control questions, there appear to be instances of over rating in this area.
- Eighty-eight percent have established performance audit unit/functions with full-time dedicated staff.
- Fifty-four percent have established an organisational development (OD) plan/policy to address issues identified during quality reviews and other relevant institutional strengthening reviews.
- Sixty-two percent had appropriately resourced ICT support functions that are responsible for all the hardware, software and network support functions of the SAIs.
- Seventy-seven percent scored level 3 and above in terms of establishment of effective financial management systems supported by relevant approved manuals, rules and regulations that promote financial transparency and accountability. However, there is concern that 20% scored 2 and below.
- Half of the SAIs have established risk management functions.

Figure 11 below shows that in terms of availability of management information and time recording systems, these are weak as 46% of SAIs were yet to establish:

- Management information systems (MIS), which include financial and performance reporting.
- Time recording systems to record audit hours, reporting and monitoring of costs of staff.

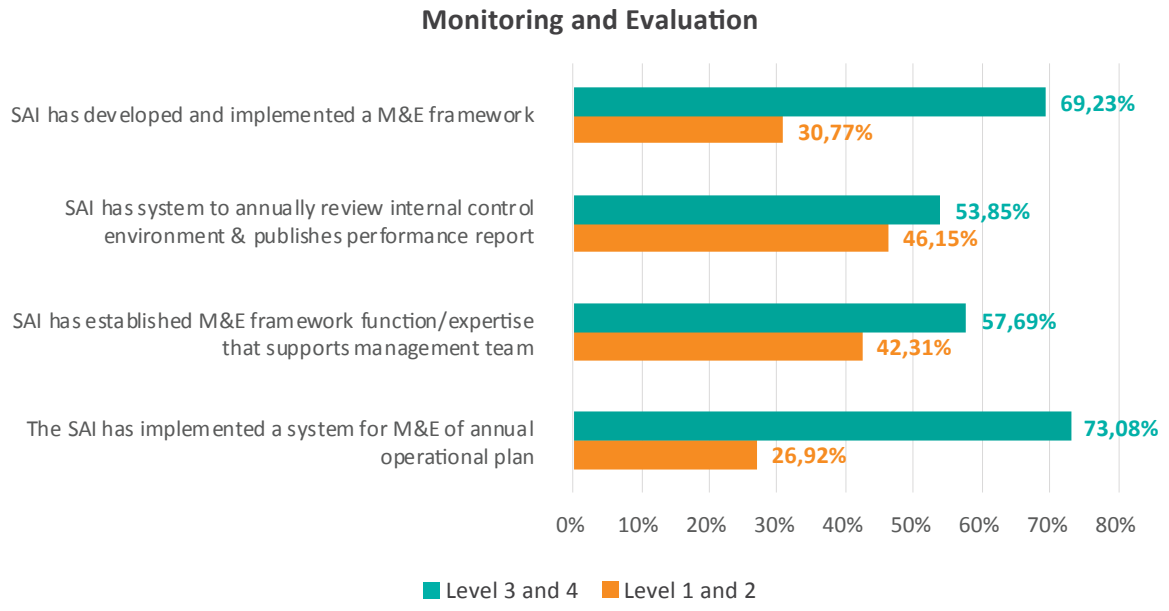
FIGURE 11: Resource Management of SAIs



5.1.4 Monitoring and Evaluation Mechanisms

To ensure the achievement of planned activities, monitoring and evaluation of programmes should be continuous. The purpose of this element is to assess the extent to which SAIs have established monitoring and evaluation mechanisms.

FIGURE 12: Monitoring and Evaluation systems of SAIs



A monitoring and evaluation mechanism has been developed and implemented by 69% of SAIs to provide input on the achievement of strategic goals and objectives, as well as input into the next strategic planning phase (Figure 12). In this regard, there is close correlation between monitoring the strategic and operational plans. However, a significant number of SAIs are on level 2 and below when it comes to the establishment of monitoring and evaluation function/ expertise supporting the management team – to ensure the achievement of their strategic goals and objectives.

As reported in 2019, there are still challenges related to the annual review of the internal control environment, with only 57% at level 3 and above.

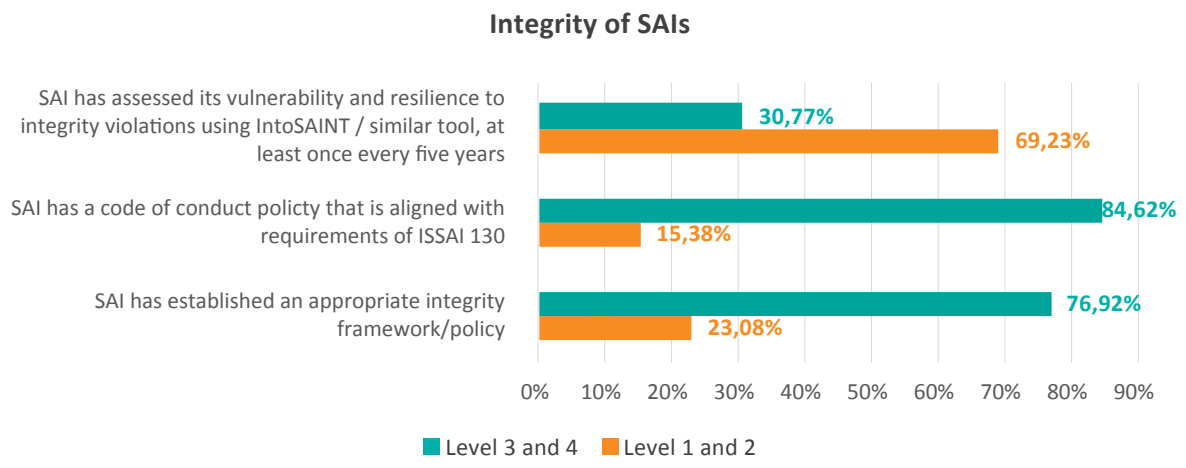
SAIs with low scores in MIS, indicated they must prioritise the development and implementation of relevant capacity-building initiatives.

5.1.5 Integrity and Code of Conduct

SAIs play a vital role in the integrity control system of countries that are part of the necessary checks and balances in the public sector and public financial management system. Therefore, the integrity systems in SAIs are an essential condition for the effective and appropriate execution of their mandates – and ultimately their organisational image.

According to ISSAI 130, SAIs should establish policies and procedures designed to provide them with reasonable assurance that the SAI, including all personnel and any parties contracted to carry out work on their behalf, comply with relevant ethical requirements. Figure 13 below shows the level of assessment by SAIs of their own vulnerability and resilience in respect of integrity violations using the IntoSAINT or a similar tool.

FIGURE 13: Integrity and SAI code of ethics



Two areas are doing well, as shown in Figure 13 above:

- Appropriate integrity policies and a code of conduct to facilitate and strengthen integrity management control systems.
- Established codes of ethics that are aligned with the requirements of ISSAI 130.

The biggest weakness is the failure to regularly assess vulnerabilities and resilience in relation to integrity violations using the IntoSAINT and similar tools. The Secretariat will continue to roll out the IntoSAINT and SAINT tools to support SAIs in strengthening their integrity control systems – including the use of the cultural values assessment tool.

5.1.6 Culture and Values Assessments (CVA)

The Culture and Organisational Assessment is a valuable tool to assess organisational culture and effectiveness.

This intervention supports SAIs to:

- Identify and address issues that negatively impact culture and performance.
- Determine the collective personal values of staff and if they are living the current organisational values.

The CVA is particularly useful when developing or reviewing the strategic plan, as it helps to set new core values, develop a code of conduct, and cultivate a culture of integrity and performance.

In 2020, three virtual CVAs were done for SAI Liberia, Sierra Leone and Zambia. Despite the COVID-19 lockdown restrictions, SAIs were committed to the process and staff recognised the value of the assessment and eagerly participated, as could be seen in the high participation figures.

5.2 CONCLUSION

SAIs continued to make satisfactory progress in the development of strategic and operational plans, setting up good corporate governance structures and documenting other relevant internal control polices. However, to strengthen organisation and management there is a need to prioritise the establishment of quality management systems, risk management and monitoring and evaluation systems.

SAIs should have staff that are responsible for the:

- Development and implementation of risk management and monitoring and evaluation policies/frameworks.
- Monitoring of the strategy and operational plan.
- Drafting of annual reports on the SAIs' performance.

As reported in 2019, SAIs should prioritise the establishment of an internal ICT support function and increase capacity to conduct IS audits. It is expected that building ICT and IS audit capacity will improve scores in other domains.

Our priority to assist 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 – remains relevant during the 2020–2024 strategic period.

CHAPTER 6: HUMAN RESOURCES

Domain 3 – Human Resources covers the management of staff in terms of the development and implementation of:

- HR Strategy aligned with the SAIs strategic and annual operational plan.
- HR Planning and implementation of the Integrated Competency Framework for SAIs.
- Training and professional development.
- Recruitment, induction, performance management, staff wellness, retention, succession and exit policies.

6.1 PROGRESS IN 2020

HR employee life cycle

A SAI is incomplete without its most valuable asset – its staff. Staff as the backbone are continually working to fulfil the strategic objectives and mandate. When a new staff member joins, they start investing their time and skills, thereby beginning the employee lifecycle. The employee life cycle is the stages before joining, during employment, and upon resignation. Through these the SAI has the central task of creating an employee journey that is rewarding and for ensuring that staff maintain high productivity, commitment and engagement. Figure 14 below compares the 2019 and 2020 scores in terms of regional performance in the various stages of the employee life cycle.

FIGURE 14: Human resources employee life cycle

	2019	2020
1	2.76	2.81 ▲
2	2.88	2.65 ▼
3	3.11	3.08 ▼
4	2.84	3.00 ▲
5	2.92	2.88 ▼
6	2.34	2.54 ▲
7	2.53	2.65 ▲
8	2.26	2.38 ▲
9	2.38	2.62 ▲

The domain average dropped from 2.64 in 2019 to 2.57 in 2020. The year 2020 had many challenges for SAIs – especially in terms of managing Human Resources and implementing HR Initiatives. SAIs had to deal with the COVID-19 coronavirus pandemic by mandating or encouraging staff to work from home. This forced SAIs to develop new and additional HR policies and processes, as working from home became the "new normal".

The HR divisions were also responsible for managing the physical and emotional well-being of staff in this difficult period. This placed an additional burden on HR Practitioners as they were expected to implement various health and safety processes and initiatives based on country-specific regulations to ensure a safe and COVID-19-compliant working environment.

Three areas are analysed in more detail:

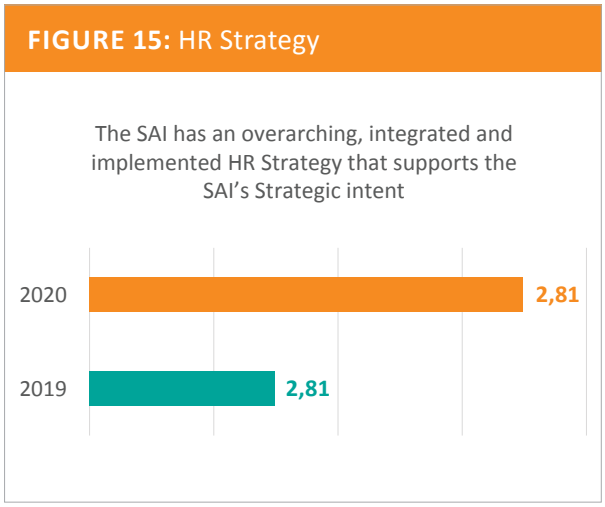
- HR Strategy.
- Staff wellness policy.
- Training unit/function.

6.1.1 Human Resources Strategy

Figure 15 shows that in general, SAIs are performing slightly better on the HR strategy with an improvement from 2.76 in 2019 compared to 2.81 in 2020.

Of the SAIs, 69% are now at level 3 and above and reported that they have an overarching HR strategy in place. However, they are experiencing challenges in terms of implementation of HR Strategies following a difficult year.

FIGURE 15: HR Strategy

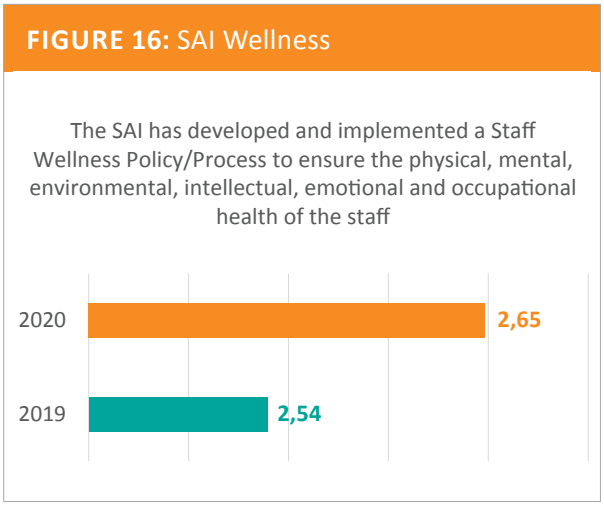


Twenty-three SAIs have HR staff employed full-time and the number of HR Staff in the region increased from 245 in 2019 to 268 in 2020.

6.1.2 Staff Wellness Policy

Staff wellness was one of the main themes of the 2019 Regional HR Workshop and it is encouraging to see that HR Practitioners developed and implemented a Staff Wellness Policy. This improved the average score for all SAIs from 2.54 in 2019 to 2.65 in 2020, with 61% now on level 3 and above (Figure 16).

FIGURE 16: SAI Wellness



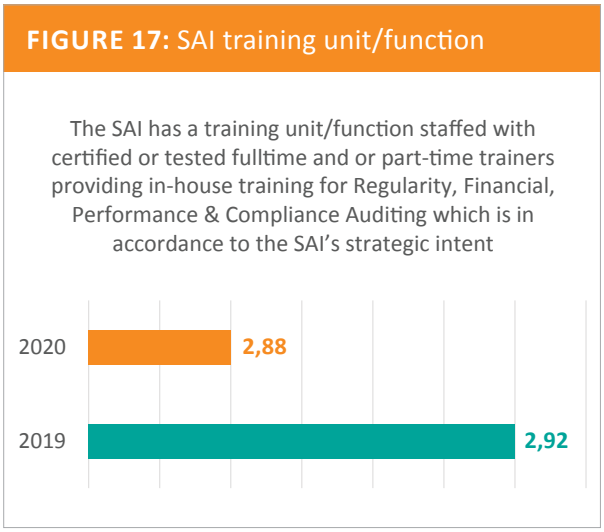
COVID-19 also placed emphasis on Staff Wellness, with SAIs implementing various health and safety processes and initiatives based on country-specific COVID-19 health and safety regulations.

6.1.3 Training Unit/Function

SAIs are still experiencing challenges in terms of establishing a fully functional training function, and there was a decrease from 2.76 in 2019 to 2.62 in 2020, with 57% of SAIs scoring level 3 and above (Figure 17).

There is also still a significant challenge relating to the systems for monitoring the return on investment on training, as only 33% of SAIs have the necessary systems in place. This questions the effectiveness and efficiency of the training units at SAIs.

FIGURE 17: SAI training unit/function



6.1.4 Other HR areas

Table 7 below shows that across the region the scores of the following improved since 2019:

TABLE 7: Scores in HR policies

HR Policy	2019	2020
Recognition Policy	2.34	2.54
Performance Management Policy	2.84	3.00
Exit Policy	2.38	2.62
Integrated Competency Framework*	2.61	2.65

*Nine SAIs have fully adopted the AFROSAI-E Integrated Competency Framework and are actively integrating the framework with various HR practices (recruitment, performance management and training). However, there is still scope for improvement in terms of the following areas:

- Retention and Succession Policy.
- Resource planning and leadership development.

6.1.5 New ICBF questions

Four new ICBF questions were included in 2020 on:

- The development and implementation of a gender policy, ensuring equal and fair opportunities, and ensuring protection of staff from all forms of harassment and gender stereotyping.
- The adequacy of resources to manage, develop and implement all HR Activities, interventions, and processes.
- The implementation of a job rotation policy.
- The development and implementation of a professional development process for auditors, which is aligned to the needs/mandate of the SAI and which incorporates academic entry requirements, structured on-the-job learning, and continual professional development.

Gender Policy: Fifty percent of the SAIs do not have a Gender Policy. Eight reported implementing a Gender Policy but improvement is still required, while five SAIs have implemented the policy to full satisfaction.

Many SAIs reported that as a public institution, they use the National Gender Policy, while others do not have a gender policy but gender harassment and stereotyping are covered in their Code of Ethics.

The baseline score for the question is 2.46.

The SAI has adequate resources to manage, develop and implement all HR activities, interventions, and processes in the SAI: Only six SAIs reported having adequate resources in their HR Department. HR staff in many SAIs are rotated across the public-sector entities. This means that often once the HR Practitioners are trained and get to know the SAI operations, they are transferred to another public-sector department.

Many SAIs reported budget constraints in appointing HR staff. On the positive side, the number of HR staff in the region increased from 245 in 2019 to 268 in 2020.

The baseline score for the question is 2.81.

Job Rotation Policy: Thirty percent of the SAIs do not have a formal job rotation policy, with 53% reporting that they had implemented a job rotation policy. Some SAIs indicated they do not have a formal rotation policy, but that the practice of rotation is adopted.

The baseline score for the question is 2.81.

Professional development process for SAI auditors: Fourteen SAIs reported having a professional development process for their auditors. The comments, however, indicate that not all aspects of a professional development process are being implemented. The SAIs have indicated the availability of a training and development plan, policy or strategy. However, there is no indication that these cover all aspects of professional development adequately – especially when verified against other elements such as financial support for the professional development process or the levels of professionalisation in the SAIs.

The baseline score is 2.85.

6.2 CONCLUSION

The current main challenges are doing proper resource planning, retaining high-performing audit staff and addressing the shortage of qualified staff for HR and Training functions.

Our priority is to assist to:

- Improve relations with the Public Service Commission to ensure a greater appreciation for the unique requirements of a SAI and the importance of its independence.
- Budget adequately for training, staff wellness programmes, and recognition interventions.
- Focus on gender equality and become gender responsive organisations.
- Ensure adequate resources to manage, develop and implement all HR activities, interventions, and processes in the SAI.

COVID-19 placed new demands on the workforce and is directing SAIs to rethink managing human resources, especially on:

- Training and development.
- Performance management.
- Recruitment and induction.
- Professional development, complemented with online technology.
- Finding new ways of articulating and implementing HR Policies and procedures.
- Having a renewed focus on building emotional wellness and change resilience of staff.

CHAPTER 7: AUDIT STANDARDS AND METHODOLOGY

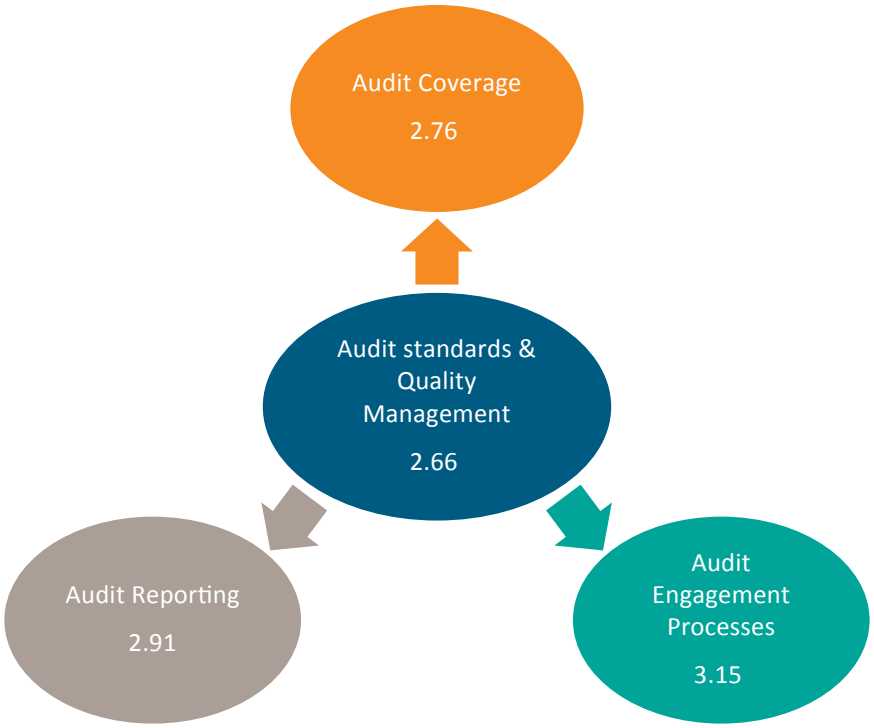
Domain 4 – Audit Standards and Methodology covers all audit types as per the ISSAIs and includes:

- 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 control measures and quality assurance (internal and external).
- Audit techniques, for example electronic working papers and computer-assisted audit techniques.

7.1 PROGRESS IN 2020

The assessment of the audit standards and methodology covers four elements of the domain. Figure 18 below shows the diagrammatic representation of the elements and average scores of the SAIs over the 12-month period.

Figure 18: Four elements of the Audit Standards & Methodology domain



The key element under the Audit Standards and Methodology domain is audit standards and quality management, which has the lowest average score of 2.66, and which is followed by the audit coverage element with 2.76.

The overall domain self-assessment score marginally decreased from 2.89 to 2.72 in 2020. Within this domain, eight SAIs scored domain averages of level 3 and above, nine at level 2.5 to 2.99, and the other nine SAIs scored below level 2.5. Only six countries (Liberia, Mauritius, Seychelles, South Africa, Sudan and Tanzania) registered increases in their domain average scores for 2020.

The decrease in the domain average scores was also reflected by a significant reduction in the number of audits completed within the planned timeframes. This is

despite the increased number of full-time financial audit capacity staff from 10 932 in 2019 to 11 288 in 2020. For example, while the total number of planned financial and/or combined audits was 29 786, only 10 202 audits were completed within the planned time and the finalisation of the balance was delayed.

The decreases could be attributed to the COVID-19 situation, which led to the reduction of productivity and development in the Audit Standards and Methodology domain. Secondly, the domain questions for the 2020 survey were significantly reviewed and revised to reflect the changes in audit standards.

To further analyse the development within the domain, six themes were selected:

- Annual overall audit plans and audit coverage.
- Quality management system of the SAI.
- Financial, compliance and information systems audits.
- Audit of integrated financial management systems.
- Performance audits.
- Audit engagement reporting.

7.1.1 Annual overall audit plans and audit coverage

The Annual Overall Audit Plan (AOAP) enables the SAI to mitigate identified and emerging risks into its strategic, business and audit plans. A comprehensive AOAP is a vital tool that enables a SAI to be responsive to the associated risks in an uncertain and dynamic environment. Figure 19 below shows the SAI average scores as they relate to the development and implementation of the AOAP.

FIGURE 19: Annual Overall Audit Plan - SAI average scores

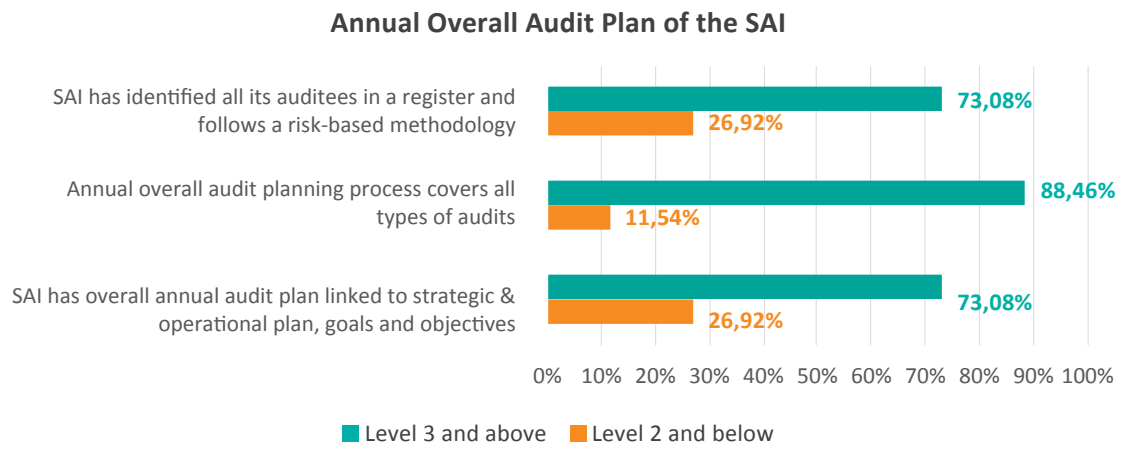


Figure 19 shows that of the SAIs, 73% scored level 3 and above in relation to having an annual overall audit plan aligned to their approved operational plan and budget resources for all types of planned audits. Similarly, the same number of SAIs indicated they had identified all their auditees and recorded them in a register. Furthermore, 88% indicated that their AOAPs cover all types of audits under their audit mandates, and they use a risk-based methodology in the management of their audits. The remaining SAIs on level 2 have set targets to address implementation or pointed to the existence of divisional or sub-plans.

For audit coverage only 68 % indicated that their AOAPs have clear statements of audit coverage.

The SAI scores are discussed as follows:

- Fifty-four percent of the SAIs score level 3 and above, indicating that the SAIs' financial and/or compliance audits covers 100% of the national budget expenditures. Eight SAIs covers 75% or less of the national budget expenditures. It is, however, concerning that four SAIs indicated they could only cover less than 50% of the national budget expenditures. The main reasons given by SAIs in their comments include capacity constraints and limited financial resources.
- Sixty-two percent of SAIs scored level 3 and above when it comes to the development and implementation of plans that address financial audit backlogs in SAI AOAPs. The absence of comprehensive AOAPs that address the issue of backlogs by the other 10 SAIs is concerning. There is a need to continue to capacitate SAIs to develop and implement comprehensive AOAPs that are aligned to strategic and operational plans.
- It is encouraging that 88% of the SAIs have adopted a risk-based audit methodology in the management of all their audits. The remaining three SAIs should be encouraged to adopt the risk-based audit methodology.

Another area requiring attention is the outsourcing or contracting out of audits when SAIs may still be building the needed capacity to take over the audits they are empowered by law to audit. There is a large weakness in this area because only 10 SAIs scored level 3 and above indicating they had established policies and procedures for the management of contracted out audits. Furthermore, contracted out audits need attention by the SAIs since only 42.3 % have established mechanisms for carrying out quality assurance reviews on such audits and 38.46% have established policies and procedures on contracted out audits.

7.1.2 Quality Management System of the SAI

The SAIs quality management system (QMS) is critical for ensuring the delivery of quality audit services that promote transparency and accountability for the benefit of the citizenry. It is expressed as the SAIs goals and aspirations, policies, processes, documented information, and resources needed to implement and maintain the QMS to ensure the production of high-quality audit services. As such, robust quality management systems (QMS) should be aligned to the SAIs purpose and strategic direction (ISSAI 140; ISO9001:2015).

The following are the responses by SAIs when it comes to the development and implementation of quality management systems – with 62% indicating that:

- They had developed and implemented appropriate systems for engagement quality control for reports for all types of audits.
- Their quality control management system is regularly reviewed by an independent reviewer. Most SAIs have been reviewed by AFROSAI-E in the last three years.

Our continued efforts to strengthen quality management systems of SAIs has resulted in 18 SAIs developing and implementing quality control policies. This has led to SAIs issuing audit reports that are appropriate based on the circumstances. As a result, 75% of SAIs scored levels 3 and above, indicating that their quality control monitoring measures for all audit types clearly specify the requirements for the planning of types of reviews – including nature, scope and frequency. However, 35% of SAIs had not established adequately resourced quality assurance functions that carry out all types of reviews in line with the requirements of ISSAIs.

Furthermore, there are still weaknesses around implementing procedures to ensure quality over contracted out audits by the SAIs. Currently, only 11 SAIs have implemented procedures to ensure quality control over contracted out audits. Going forward, we will continue to support the strengthening of quality management systems of the SAIs by developing an internal quality management manual template and a guideline on contracted out audits.

7.1.3 Financial, Compliance and Information Systems Audit

All 26 SAIs are legally empowered to carry out financial, compliance and/or combined audits. Since the launch of the FAM and CAM in 2017 to replace the Regularity Audit Manual (RAM), SAIs have made great improvements in implementing the FAM and CAM methodologies. Twenty-two SAIs mentioned they have adopted the FAM and CAM. Seventeen SAIs have customised manuals to fit their own contexts and environments. We have continued to integrate IS audits into the financial and compliance audits. This has been illustrated by 53% of the SAIs auditing Integrated Financial Management Information Systems (IFMIS) as part of their financial audits. The integration has helped improve audit efficiencies as result of eliminating duplicated efforts.

For information systems audits, 12 (46%) of the SAIs indicated they had developed Information Systems (IS) audit strategies which ensure that IS audit supports FA/CA/PA or is conducted as CA/PA. On the other hand, 18 (69%) of the SAIs indicated they audited more than 50% of the country's critical information systems. SAIs are encouraged to ensure that all critical information systems are audited annually. Given the increased automation in countries, SAIs also need to work on their utilisation of computer-assisted audit techniques (CAATs). Currently, only 10 (38%) are making effective use of appropriate CAATS to support their audit work.

7.1.4 Audit of Integrated Financial Management Systems

Most countries have implemented the Integrated Financial Management Information Systems (IFMIS) to record and consolidate financial statements for Ministries, Provinces and Government Spending Agencies (MPSAs). These information systems are critical to government because of the nature of transactions, data stored, operational efficiency they bring to governments and amount spent on implementing/maintaining these systems. A central team of IS auditors normally audits the centralised system and controls. It is critical that they share the findings with the financial and compliance auditors who audit MPSAs.

Twenty-two member countries record financial transactions on an Integrated Financial Management System (IFMIS). Of the 22 SAIs, eight do not audit the IFMIS annually.

7.1.5 Performance Audit

It is good to note that over 24 member SAIs are empowered to conduct Performance Audits (PAs). This is a representation of over 92.31 % scoring level 3 and above – with only two SAIs at level 2 and below. This is because a PA is not explicitly stated within these two SAI mandates. We will continue to fast-track the two SAIs and help them realise their full audit mandates in addition to their continued PA

within the existing legal framework, despite the challenge.

In 2020, the SAIs collectively reported 704 Performance Auditors employed full-time. This stresses the need for SAIs to prioritise different competencies for the recruited PA staff and ensure the recruitment of qualified staff with multidisciplinary backgrounds. While all SAIs said they had prioritised the need for different competencies, all scored themselves level 2 and below, with no SAI scoring level 3 and above. This means issues related to career path within the SAI, motivation, and professionalisation of the Performance Auditor remain critical in comparison with Regularity Auditors and could be a potential staff retention issue/challenge for the SAI.

We are pleased to note that over 88% (23) of the SAIs have customised their manuals or developed manuals that are compliant with relevant ISSAIs. This represents a total of 21 SAIs by 2020. A total of 110 PA reports were produced in the region during 2020, despite the COVID-19 challenges. Seven SAIs finalised their reporting within two months of the year end, and six SAIs within eight months. Eight SAIs took 12 to 24 months, with only one SAI taking longer than 24 months to complete. This is a considerable improvement in the production time compared to previous years, despite the challenges of COVID-19 in 2020. Fifteen of these SAIs tabled their report within two months of the AG's signature – with two SAIs taking more than 12 months to do so. The SAIs are encouraged to continuously engage their internal processes for better efficiency regarding tabling procedures and the publication of audit outcomes.

7.1.6 Audit engagement reporting

It is important for both the SAI and its clients to fully document the engagement processes and tools, as well as the audit engagement communication for all types of audit engagements. For example, 16 SAIs indicated they had established mechanisms to ensure that all audit recommendations issued address the relevant root causes and are implementable. Only 16 SAIs had scores of levels 3 and above.

Some of the responses under this element include:

- Twenty-three SAIs stated 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. On the other hand, 15 SAIs had scores of levels 3 and above, showing they had established practices for evaluating materiality in determining if audit follow-ups require new additional audit(s)
- Twenty-one SAIs responded that they provided individual (financial, compliance and performance) 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 subject to regulation in their personal capacity by a professional accountancy organisation and/or independent regulator.

There seem to have been several instances of over rating in the audit engagement reporting element of this domain. For example, very few SAIs in the region who had staff at the level of "engagement partners" had authority to sign audit reports, because the legal frameworks require the head of the SAI to sign such reports. Also, several SAIs do not provide individual audit opinions on ministries because the Treasury only produces one formal set of financial statements at national level. Going forward, we will continue to support member SAIs in building the needed capacity to effectively establish relevant and adequate mechanisms that ensure effective audit engagement processes.

7.2 CONCLUSION

The self-assessment average score for the Audit Standards and Methodology domain marginally decreased from 2.89 to 2.72 in 2020. Only eight of the SAIs scored level 3 and above compared to ten in 2019. Of the 26 member SAIs, only six countries (Liberia, Mauritius, Seychelles, South Africa, Sudan and Tanzania) registered increases in their domain average scores for 2020. However, we have noted overscoring as some SAIs are still using the RAM, which has not been updated to account for changes in the standards and audit engagement reporting elements.

The decrease in the domain average scores was also reflected by a significant reduction in the number of audits completed within the planned timeframes – despite the increased number of full-time financial audit staff capacity. Furthermore, the region had planned to complete 29 786 financial and compliance audits during the period. Of these only 10 202 audits were completed, while 18 807 audits were outstanding, which will lead to an increase in the audit backlog. However, 110 PA reports were produced in the region during 2020, compared to 86 in 2019.

Many SAIs commented that the COVID-19 pandemic contributed to delays in the timely completion of audits, because they encountered challenges in terms of technology infrastructure and remote working procedures. Furthermore, the significant review and revision of the domain questions for the 2020 survey to reflect the changes in audit standards,

resulted in new questions being added in the domain. With increased capacity building and training interventions, the SAI scores will likely improve in the following years.

Key issues under this domain include:

- To increase the capacity to improve the audit coverage, SAIs should continue to engage parliament and other stakeholders to allocate more resources for the acquisition of the required audit tools and hiring of relevant audit staff.
- The establishment of annual overall audit plans that are linked to the SAIs' operational plans continue to be a capacity gap in the region. From a resource allocation and utilisation perspective, the AOAP allows for the optimisation of financial, human and other resources, as well as keeping track of achieving planned audit outcomes in view of a SAIs operational plan objectives. To effectively support the execution of their strategic and operational plans, SAIs should annually develop and implement comprehensive AOAPs, which would enable them to be responsive to the associated risks.
- There are still capacity gaps in the establishment of robust quality management systems in the region. To ensure effective promotion of transparency and accountability in the public sector, SAIs should continue to prioritise the establishment of robust quality management systems.
- Only 53% of the SAIs audit their countries' Integrated Financial Management Information Systems (IFMIS) as part of their financial audits. Because of the increasing number of financial statements audited from IFMIS, it is critical for SAIs to ensure that these centralised systems and controls are audited annually. Furthermore, SAIs should continue to prioritise the need to increase the number of their IS auditors.

CHAPTER 8: COMMUNICATION & STAKEHOLDER MANAGEMENT

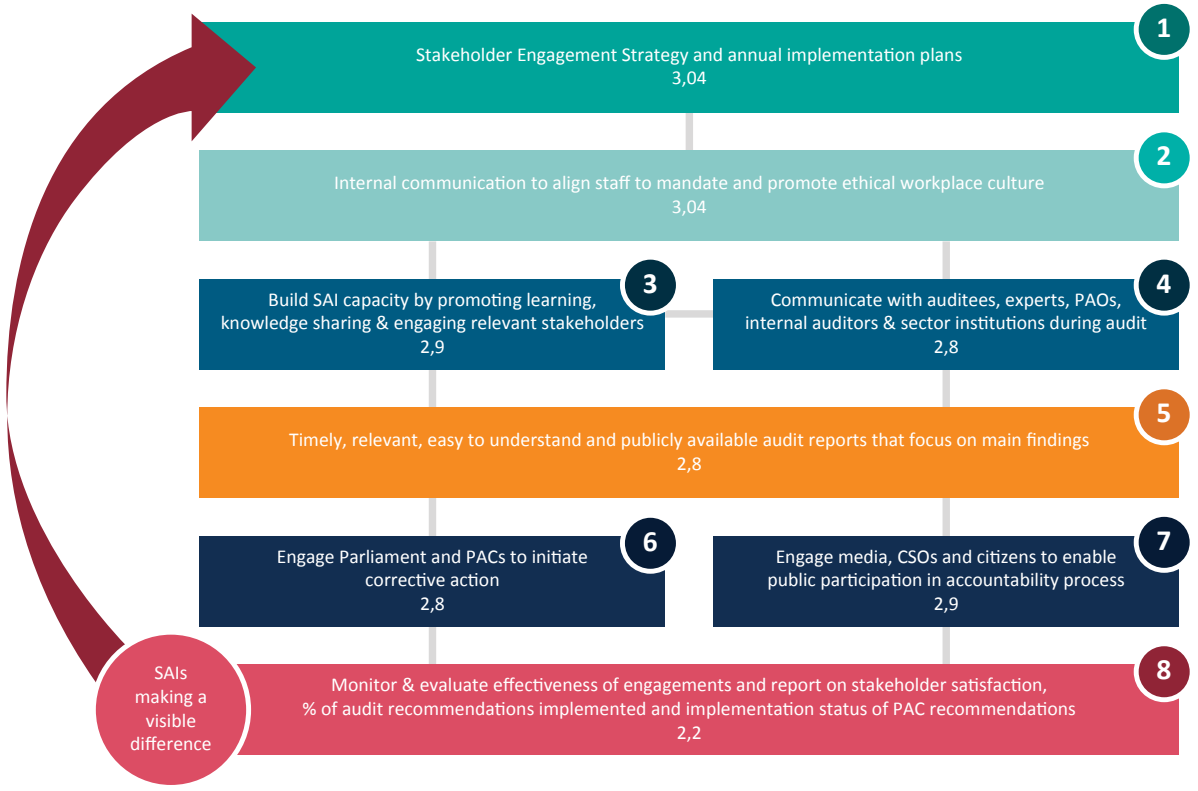
Domain 5 – Communication and Stakeholder Management covers internal and external communication by the SAI.

8.1 PROGRESS IN 2020

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

Figure 20 below contextualises how the eight different elements in domain 5 work together to support this accountability process. In grouping together the questions that relate to each of these eight process areas and looking at the aggregated regional score for each grouping, the picture becomes clearer on whether SAIs are having the desired impact with their audit reports and stakeholder engagements.

FIGURE 20: The different elements of domain 5 in context



1. The first step of the process is to have stakeholder engagement strategies and plans to operationalise them. These strategies are based on stakeholder analysis and prioritising actions needed to facilitate effective engagements. This area is stable across the region, with an aggregate 3.04 level scoring. (INTOSAI-P12 principle 6)

2. To effectively implement the SAIs mission, vision and Strategic and Operational Plan, staff must understand their individual role in contributing to the organisation's targets. Internal communication to drive a high performance and ethical workplace culture is essential. This area scores highly across the region at 3.04. (INTOSAI-P12 principle 10 and 11)

3. SAIs need to build their capacity and be responsive to changing environments to effectively fulfil their audit mandate. SAIs in the region have an aggregate **2.9** score on promoting knowledge sharing and engaging with relevant public entities, academic institutions and the international community. (INTOSAI-P12 principle 5 and 12)
4. During the audit process, SAIs have structured engagements with auditees, internal auditors, sector institutions and Professional Accountancy Organisations (PAOs). The region is nearly stable in this area, with an aggregate **2.8** score. (INTOSAI-P12 principle 2)
5. The results of all the SAIs' efforts are encapsulated in their audit report. User-friendly, timely and publicly available audit reports that highlight the main audit findings are the primary tool for the SAI to have an audit impact. The regional aggregate score in this area is **2.8**.
6. SAIs engage with parliament and the Public Accounts Committee to enable those charged with public-sector governance to discharge their responsibilities in responding to audit findings and recommendations and taking appropriate corrective action. The regional score in this area is **2.8**. (INTOSAI-P12 principle 3)
7. Through engagements with media, civil society organisations and citizens, SAIs promote their mandate, demonstrate their value and benefits and, critically, enable the public to hold government and public-sector entities accountable. With an aggregate **2.9** score, the region appears to be progressing well in this area. (INTOSAI-P12 principle 4 and 6)
8. The outcomes of the above seven areas are measured by assessing stakeholder satisfaction that the SAI is adding value, monitoring and evaluating the effectiveness of the SAIs' engagements with stakeholders, and reporting publicly on the SAIs' performance in these areas. It is therefore concerning to note that the region scores an aggregate **2.2** in this area. This implies that while SAIs consider their audit reports to have impact and their engagements with stakeholders to be effective, the outcomes do not yet reflect that to the same degree. (INTOSAI-P12 principle 7 and 8)

Measuring the effectiveness of stakeholder engagement efforts is critical to closing the loop on the accountability process. It enables SAIs to adapt their strategies and plans as needed, and to achieve the desired outcomes. With this area lagging, SAIs need to prioritise further development efforts to strengthen capacity.

8.2 DETAILED ANALYSIS OF 2020 RESULTS

The regional aggregate score of 2.77 is lower than in 2019 (2.81). This paints a realistic picture of the impact that COVID-19 has had for SAIs in terms of them effectively implementing their stakeholder engagement strategies. The restrictions around the pandemic meant fewer stakeholder engagements could take place and this was particularly difficult for SAIs that did not have established relationships with stakeholders.

Almost all SAIs (92%) have stakeholder engagement strategies aligned to the SAIs vision, mission and mandate, while 81% have communication plans to implement these strategic goals. However, only 57% have implemented a system to monitor and evaluate the effectiveness of their strategy and plans.

8.2.1 Engagement during the audit process

Questions relating to engagement with auditees and other relevant institutions as part of the audit process were previously part of domain 4. As of 2020, we have included these elements in domain 5.

SAIs are progressing well, with 85% having an audit engagement strategy to communicate with auditees during the audit process. Elements related to engagement with experts, sector institutions and internal auditors during the audit process, are close to achieving an average level 3 across the region. However, an area that is lagging is engagement with professional accountancy organisations, with only 58% of SAIs reporting regular communication with these bodies.

8.2.2 Public reporting on audit outcomes

We expanded on our range of questions relating to reporting on annual audit outcomes. Audit reports are the SAIs' primary tool to facilitate accountability and effective oversight.

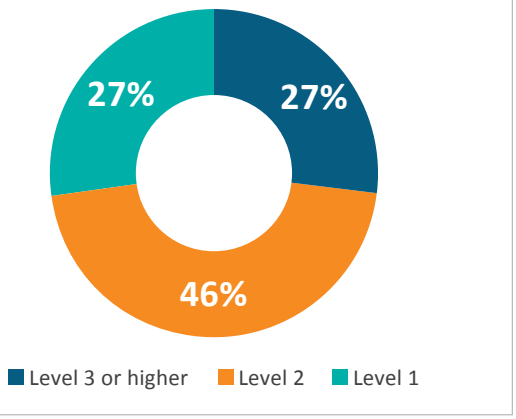
User-friendly reports that are timely, relevant, focused on the main findings and that all readers can easily understand, are therefore fundamentally important for the SAI to enable positive change. Four SAIs in the region published graphic, citizen-centric audit reports in 2020-21 and several SAIs have published summary reports to increase readability. However, while 73% of SAIs scored level 3 or higher, the comments show that SAIs are over-estimating progress. It is gratifying to note the efforts to simplify audit messages for citizens.

Seventy-three percent of SAIs reported that they have implemented plans to strengthen relations with their Public Accounts Committees (PACs). However, as shown in Figure 21:

- Only 27% found that most of their audit recommendations are implemented within two years.
- Forty-six percent have indicated that only half of their audit recommendations are implemented in two years.
- The remaining 27% have an implementation rate of less than 30%.

It is therefore important to consider that while the quality of audit report readability is improving and SAIs are engaging PACs regularly, the desired outcome of having greater audit impact is not yet fully realised. Furthermore, SAIs need to prioritise the establishment of effective follow-up mechanisms, as only 58% of the SAIs have such mechanisms for all types of audit (financial, compliance and performance) recommendations, as well as those made by the legislature.

FIGURE 21: Audit recommendations implemented after 2 years



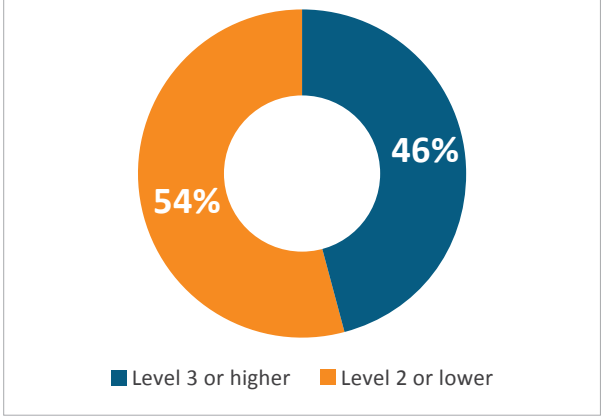
8.2.3 Promotion of the SAI and audit outcomes

By engaging the media, Civil Society Organisations (CSOs) and citizens directly, SAIs can demonstrate their value and benefits by helping the public to participate in the accountability process.

It is gratifying to note that 88% of SAIs show that they regularly engage with the media through press conferences, media workshops and responding to enquiries.

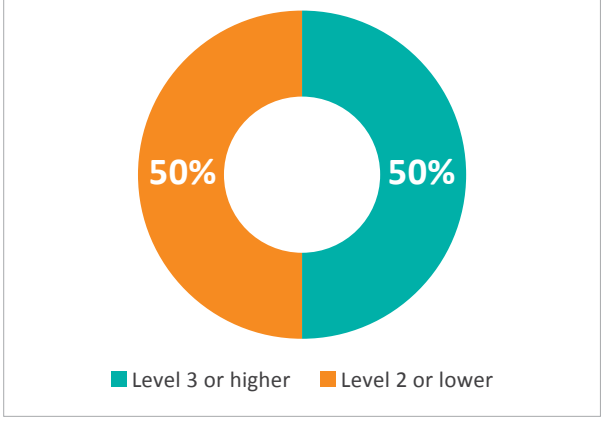
An area that still requires further development is engagements with CSOs, with more than half SAIs not yet having plans and channels in place to do so (Figure 22).

FIGURE 22: Regular communication with CSOs



We included a new question to determine if SAIs have channels in place to enable the public to give input to or participate in the audit process – without compromising its independence. In Figure23 we see that 50% of SAIs have put structures in place for citizen participation. These include hotlines, social media, and mobile applications to gather citizen input. It is also notable that in several instances, SAIs have collaborated with CSOs to simplify their audit messages and to produce citizen-centric publications. The value of these collaborative efforts to reach citizens is apparent and will be the focus of future development work in the region.

FIGURE 23: Citizen input/ participation in audit process



8.2.4 Public reporting on own performance

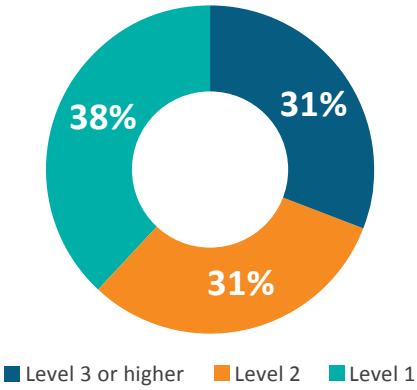
As shown in Figure 24, only eight SAIs have reached level 3, in terms of reporting on stakeholder satisfaction that the SAI is adding value.

Full stakeholder satisfaction is a measurement criterion for achieving level 4 on most ICBF questions. Therefore, assessing stakeholder satisfaction is a critical indicator for credibility and correlation with scoring across the rest of the questionnaire.

It should be noted that across the region, this is the lowest aggregate scored ICBF question at 1.9. To improve on this, efforts are required to develop mechanisms and capacity to assess stakeholder satisfaction annually. SAIs should also consider assessment methods to document stakeholder satisfaction – without relying solely on annual surveys.

It is pleasing, however, to note that 65% of SAIs are reporting on the outcomes of their stakeholder engagements in their annual performance report.

FIGURE 24: SAI reports annually on stakeholder satisfaction



8.3 CONCLUSION

There is reason to be optimistic on overall progress of this domain.

The self-assessment scores show increased confidence of SAIs to have targeted and structured engagements with their stakeholders. We are also seeing a growing trend of SAIs developing citizen-centric audit reports to get their audit messages across more effectively.

Initial scepticism of the value of directly engaging Civil Society Organisations and citizens has given way to a strong movement to strengthen these relations and engagement platforms – which is encouraging to see. However, SAIs are not monitoring and evaluating the effectiveness of the engagements or assessing the satisfaction of their stakeholders to the same degree. It is important that there be a stronger correlation between the perceived effectiveness of SAI stakeholder engagements, and the outcomes in terms of the accountability cycle. SAIs should focus on setting measurable targets to achieve through their engagement activities, continuously monitor and evaluate the effectiveness, and adapt their strategies and plans when necessary.

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 Organization 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 control
SAI	Supreme Audit Institution
SAINT	Self-Assessment INTegrity
SDG	Sustainable development goal

AFROSAI-E

2020

STATE OF THE REGION

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