

Bulletin



THE REPUBLIC OF UGANDA

Office of the Auditor General

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CONFIDENCE: THE KEY TO PERFORMING TO PROFESSIONAL STANDARDS

By Keto Nyapendi Kayemba (Mrs.); Ag. Director (CG)/Accounting Officer



When I was in the United States in 2003, I was on a panel of auditors to brief the Government Accountability Office on audit in developing coun-



Ag. Auditor General discussing a report with the Accounting Officer of the Ministry of Gender, Labour and Social Development

tries. One of the questions time, that has haunted me I was asked at question

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EDITORIAL

By F. Akyaire

As I remarked in the last issue obtaining articles for publication in our bulletin remains a challenge. In fact the communication work group has a vision to make its bulletin have a bigger circulation than it is today and for that matter widen the scope of content and give the bulletin a name of identity. If this dream has to come true then we should lay strategies to encourage contribution of articles. One of the strategies, management is considering is to have a reward system for excellent articles and other contributions as a token of appreciation.

Communication is one of the strategic pillars in the OAG five year corporate plan 2006-2011 and it has been identified as a critical success factor for the office. For that matter Top management appointed Mr. Joseph Ewama, Assistant Director of Audit to be the Head of the Communication Work Group. Allow me therefore to welcome Mr. Ewama to the Communication Work Group and wish him the best as he steers the group to greater heights.

A WORD FROM THE ACTING AUDITOR GENERAL



I would like to take this opportunity to congratulate all staff for having successfully completed the year 2006 and wish you a prosperous 2007.

During the past year, the office undertook a number of projects in line with its strategic objectives. The most

salient of these is the Audit Bill that seeks to transform the OAG into an autonomous institution. Following intensive scrutiny of the draft bill in a workshop by staff and top management, the bill has now been forwarded to cabinet for further action.

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CONFIDENCE: THE KEY TO PERFORMING TO PROFESSIONAL STANDARDS

for some time, was: "why does the western world not believe in the quality of our audits and therefore end up calling upon only the big four to audit their funds - thus contributing to the haemorrhage of funds from Africa". I could not answer the question at that time.

Through the years, I have thought about the moment when I failed to answer the question because of some fear in me and I have not been comfortable. It however slowly dawned on me that it was a question of confidence. My lack of confidence in the office as a professional institution with staff that can deliver to international standards.

I know that we have through the years tried to build this thing called confidence in the office and I believe we can now say, that we have it. Confidence is built through hard work by: (1) Acquiring knowledge through reading and then (2) Translating that knowledge into activity in such a way as to conform to given theory. This is the acquisition of experience. In this way we bring the standard of work to the practiced international standards.

In Uganda we know the standards. In a number of instances we have even read more than our colleagues in the West, but do we practice what we learn? We have 48 qualified accountants in the OAG and other officers from various disciplines with knowledge in

audit and accounting. I believe our staff are able to produce to international standards and in fact we have performed to International Standards. We have conducted our audits in the best way possible.

I am therefore hereby stating that let us have the confidence in ourselves as an institution as we have over the last fifteen years been building this confidence. We can and we are performing to international standards. Let us improve the operationalisation of our knowledge to ensure that ALL our audits meet international standards. In this way the International community will have confidence that our audit reports can provide the necessary assurance they need over the utilisation of their funds. It will further enable them to give us the independence we need to choose who to contract to carry out our audits, at all. Ultimately, instead of funds flowing only to the big 4 internationally recognised forms, some will remain within the economy.

Sometimes these days when I engage with staff in team meetings, I feel so proud when I realise that there is a lot of awareness and a marked improvement in the need to conform to IFRS's and ISA'. It is remarkable. I urge you all to just check a few of our audits, you will be proud too.

Let us embrace the Audit Management Software (AMS), it is a major step that will enable us demonstrate our abilities further.

We can and we are performing to international standards.

A WORD FROM THE ACTING AUDITOR GENERAL

It is expected that by close of the financial year, the draft bill will have been presented to Parliament for eventual enactment into law.

Secondly, I want generally to comment on the implementation of our corporate plan 2006/2011. The speed at which it is being implemented gives me great hope that in 5 years this office will be transformed into a supreme audit institution every one would want to see for the enhancement of public accountability.

I thank all the sub-committees for the job each is doing to ensure that the corporate plan is fully implemented. However, it is important for us to share success and challenges as we steer the corporate plan and indeed any other information that is beneficial to our audit operations and therefore I want to urge you to support the communication workgroup with articles in this endeavour.

May I once again wish you a happy new year, I want to end with a quotation by Jim Stovall "you need to be aware of what others are doing, applaud their efforts, acknowledge their successes and encourage them in their pursuits. When we all help one another every body wins".

G. Singh
Ag. AUDITOR GENERAL

INTERNATIONAL FINANCIAL REPORTING STANDARDS AND THE AUDITOR IN THE OFFICE OF THE AUDITOR GENERAL



*Monday Godwin Bob
Senior Auditor*

What are IFRSs?

International Financial Reporting Standards (IFRSs) are a set of accounting standards that have been developed and issued by International Accounting Standards Board (IASB) to help harmonise the financial reporting requirements of entities across the world since the world has become a global village. IFRSs have in fact replaced the commonly known International Accounting Standards (IASs) since 2004 and the local GAAPs of various nations in the international economic groupings like the EU. Both new IFRSs and old IAS are now commonly referred to as IFRSs.

The move to develop IFRSs has been catalysed and supported by many International organisations like the European Union (EU), International Federation of Accountants Organisation for Economic Cooperation and Development (OECD) and the International Organisation of Securities Commissions (IOSCO). These organisations require high quality, transparent and comparable information in the financial statements of the reporting entities which can only be attained under the use and guidance of high quality, understandable and enforceable global accounting standards (IFRSs).

The move to develop IFRSs has also been accelerated by the desire to have robust standards required to mitigate the scandalous and fraudulent financial acts that have of recent hit the accounting profession. The financial scandals of the Daimler Benz, Enron, Parmalat and

Worldcom, to mention but a few, are still fresh in the minds of the millennium accountant.

Does the Auditor in the OAG need knowledge of IFRSs?

If I could be given an opportunity to answer the above question on behalf of all Auditors in the OAG, I would absolutely say YES and add that, the Auditor in OAG needs knowledge of these Standards more than any other person.

The auditing work right from audit planning, execution to report writing needs knowledge of IFRSs especially when the reporting entities have prepared their financial statements in accordance with International Standards.

IFRSs are one of the many auditing tools required by the Auditor in carrying out his/her audit work. IFRSs act as a reference point of the Auditor. Remember you the Auditor you are checking the correctness of management assertions used in the preparation of financial statements.

There is a latent link between IFRSs and ISAs (International Standards on Auditing). We are all aware that International Standards of Auditing require us to plan and conduct our audits in accordance with these standards (ISAs). It is therefore important to know that compliance with ISAs require full knowledge of IFRSs.

Continued Professional Development (CPD) programme also requires

qualified accountants to keep abreast with current developments and many of which come along with changes in IFRSs.

Most of the Auditors in OAG are professional students and as a professional student one needs full understanding of the IFRSs not only for exam purposes, but also in your day to day work. Besides, the ACCA's Code of Ethics (professional competence) applies to both the student and qualified Accountants equally.

Where can the Auditor in the OAG find this knowledge?

The Auditor can access information about IFRSs from ACCA professional and student magazines, visiting the ACCA, IFAC, IASB websites, attending CPD workshops and conferences, text book materials, OAG library, brainstorming and reading the OAG Newsletter.

Conclusion

The ever changing international financial reporting environment necessitates the development and issue of robust IFRSs to deal with situations promptly in order to increase the "truth and fairness" of financial statements. It is the work of the auditor to ensure that financial statements have been prepared in accordance with the standards and report on the assertions made by management whilst preparing these statements.

I intend to discuss in specific terms in every issue of this Newsletter at least one IFRS and I hope you will keep a close eye on this page.

Keep an eye on new IFRS



UPDATE ON OAG'S CAPACITY BUILDING INITIATIVES

By Ashok Ghosh , Technical Advisor

The purpose of this paper is to provide a brief update on the OAG's capacity building initiatives with which I have been associated . It is hoped that this would assist in developing a proper appreciation of the developments that have taken place and their respective significance in relation to OAG's future programmes.

It has been a great privilege for me to work closely with OAG top management and a large number of OAG colleagues in the following areas

- A. Auditing in the IFMS environment
- B. Information system audits
- C. IT strategic plan and IT infrastructure
- D. Implementation of TeamMate software and risk-based financial/regularity audit methodology
- E. Manuals and guidance
- F. Training

Brief updates on the each of the above components are given below. For each of these components (a) the developments have been described in brief, (b) the key performance indicators have been mentioned - this would help to evaluate the performance in these areas , (c) the significance for OAG's future programme and way forward and (d) the risks, have been indicated

A. AUDITING IN THE IFMS ENVIRONMENT

With the implementation of the sophisticated IT based accounting system IFMS by GoU , there was a urgent need to develop capacity and skills and techniques for conducting OAG's mandated audits in the paperless automated electronic environment of IFMS.

Accordingly , an audit interface with IFMS was created , which enables OAG auditors - even from their respective offices - to access data from all modules of the IFMS system. The ability to see all the transactions on a day to day basis

and download selected data for further analysis using CAATs software, significantly increases the efficiency of the audit planning and execution process.

Key performance indicators - Capacity for auditing in IT environments

- OAG's audit requirements were followed up IFMS authorities
- The IFMS audit interface was created
- IFMS passwords were issued to OAG pilot site and rollout site audit teams
- Techniques and procedures for accessing and downloading IFMS data were developed and documented
- IDEA and ACL software were procured
- OAG IFMS site auditors and members of the IT core group were imparted training on in using the interface and CAATs

Significance for OAG's future programmes

It will not be an exaggeration to state that the ability to access electronically, the entire Government's financial data by the Office of the Auditor General is a uniquely advantageous facility which is not possessed by the auditor general's offices in most of other countries.

According to International Standards on Auditing 500 Section 25, *"auditors should make use of CAATs when opportunities exist. When the information is in electronic form, the auditor may carry out certain of the audit procedures described below through CAATs."*

The continued use of the IFMS interface and CAATs and similar arrangements with other auditees will increase the efficiency of the audit planning and testing processes. *Use of CAATs/ data analysis software like IDEA/ACL will also be needed in value for money (VFM) auditing which involves corre-*

lating data regarding financial and operational performances of the audited entities.

Now that the procedures and techniques have been developed, it would be necessary to ensure that these techniques are used by larger number of OAG auditors . Otherwise OAG staff may face difficulties in performing their audits in the complex IT environments such as that of the IFMS and those of the major parastatals. For this purpose an active role may kindly be played by the members of the management cadre of OAG by taking personal interest in ensuring that these tools and techniques are effectively used on a continual basis.

B. INFORMATION SYSTEM AUDITING

According to the auditing standards , when an auditee is using a computer based accounting system, the financial audit procedures should include a review of the IT controls. Specialised training and skills are necessary to review the complex IT based controls relating to IT security, network, database, applications etc.

According to International Standards on Auditing 500 Sections 93- 95 :

"The auditor should obtain an understanding of how the entity has responded to risks arising from IT. The use of IT affects the way that control activities are implemented. The auditor considers whether the entity has responded adequately to the risks arising from IT by establishing effective general IT-controls and application controls. From the auditor's perspective, controls over IT systems are effective when they maintain the integrity of information and the security of the data such systems process."

Key performance indicators - Capacity in IT Audits

- An IT audit core group was established
- Detailed manuals were developed on (a) preliminary review of IT controls and (b) Audit of advanced IT systems
- A large number of OAG personnel underwent training in the theory and practice of information system auditing
- A comprehensive post-implementation audit review of the complex IFMS system was successfully completed by OAG IT audit specialist group
- Most of the recommendations made in the IFMS audit report were accepted by the Accountant General

Significance for OAG's future programmes

Since 99% of OAG's auditees use computerized accounting systems, review of IT system controls will be a constant requirement. Not reviewing IT controls during a financial audit would result in non-compliance with international standards on auditing.

Information System auditing is a specialized area for which sustainable in-house capacity will need to be nurtured. For this purpose, as it is the practice followed by other SAIs, specialists IT auditors need to be appointed who will be engaged on a full time basis in IT auditing work including CAATs support. General auditors would also need to develop skills and knowledge on fundamentals of IT auditing

C. IT STRATEGIC PLAN AND ICT INFRASTRUCTURE

Providing training to OAG staff in advanced techniques like the CAATs, sampling, use of IFMS audit interface etc. would not be sufficient unless the OAG staff were provided with appropriate tools for applying these techniques. Accordingly we developed a comprehensive IT strategic plan for OAG which covered creation of an IT infrastructure, procurement of hardware and software tools and training of staff.

The IT strategic plan was approved and adopted by OAG top management and then it was accepted by the donors for providing substantial funding assistance to implement it. With the financial assistance provided by the donors, the

OAG IT project was implemented to create a state-of-the-art ICT infrastructure which includes a wide area network, a large number of desktop and laptop computers and printers, software tools like TeamMate, IDEA, ACL, Adobe Acrobat, Microsoft VISIO flowcharting software etc.

Key performance indicators - IT Strategic Plan/Infrastructure

- IT strategic plan was developed and adopted by OAG top management
- OAG web site was created
- Proposals for obtaining financial support from donors were prepared
- Financial assistance was received from donors for implementing the IT strategic plan
- OAG IT project was successfully implemented and an IT infrastructure comprising OAG network, computers, printers etc. was created
- A large number of software tools were procured
- IT manager and other IT staff were appointed

Significance for OAG's future programmes

The OAG is now in a very comfortable position as far as application of IT is concerned inasmuch as it possesses a fairly advanced IT infrastructure and all the tools necessary to implement its future programmes as per its Corporate Plan. However, it needs to be ensured that this infrastructure is properly maintained and it is used optimally to meet OAG's corporate and strategic objectives.

D. IMPLEMENTATION OF TEAMMATE SOFTWARE AND RISK-BASED AUDIT METHODOLOGY

The TeamMate audit management software is used by many Offices of Auditors General across the world (e.g. Denmark, UK, Canada, India, Costa Rica, South Africa, Mauritius etc.) for its proven capacity to enhance efficiency and effectiveness of the audit process. OAG initially procured 30 licenses of TeamMate and then 170 copies with funding from donors under the IT assistance project.

- However in order to use TeamMate, an audit office needs to develop its own methodology and documented audit steps, procedures and programmes

and templates which are inserted into the TeamMate to create a TeamMate programme library.

- It was quite a challenging task to develop the risk-based audit methodology based on the International Standards on Auditing and to develop a comprehensive set of audit procedure, programmes, ICQs and templates under the TeamMate library.

Additional tasks relating to the customization TeamMate software itself were as follows:

- customization of the TeamMate templates
- development of the structure of the TeamMate library

In a unique initiative, our work in this area was peer reviewed by a leading SAI like the NAO UK which found the methodology and programme to be appropriate and fit for use

Subsequently four pilot audits using the Teammate software and programme library were successfully completed.

Key performance indicators - TeamMate and risk-based audit methodology

- TeamMate software was selected for OAG after detailed evaluation
- TeamMate licenses were procured with funding assistance from donors
- OAG's Risk-based financial/regularity audit methodology was developed
- Detailed TeamMate programme library was developed
- The TeamMate software was customized for OAG's use
- TeamMate champion group was formed
- TeamMate champions were extensively trained in the use of the software and the methodology
- OAG methodology and TeamMate programme library were successfully peer reviewed by NAO UK
- Pilot audits were completed using TeamMate library

Significance for OAG's future programmes

Just as the IFMS is not about IT but it is mainly about efficient financial management in Government, similarly TeamMate and CAATs are not about IT but about enhancing the efficiency and effectiveness of the audit process itself.

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PERFORMANCE AUDIT

$$3E + E + 2E = 7E$$

Overview

There is a global shift in trend in public audit, away from financial and regularity audits to performance audit. This audit focuses on value addition that is, do projects/undertaking add value to the people/beneficiaries.

Definition of Performance Audit (PA)

INTOSAI defines PA as being concerned with the audit of economy, efficiency and effectiveness and it embraces:-

- Audit of the economy of administrative activities in accordance with sound administrative principles, practices and management policies.
- Audit of efficiency of utilisation of human, financial, and other resources, including examination of information systems, performance measures and monitoring arrangements and procedures followed by audit entities for remedying identified deficiencies; and
- Audit of the effectiveness of performance in relation to the achievement of the objectives of the audited entity and audit of actual impact of activities compared with the intended impact.

The E's Simplified

Economy

Least cost for an undertaking without compromising quality and quantity.

Efficiency

The relationship between goods and services produced and resources used to produce them. An efficient undertaking produces maximum output for a given set of resource inputs or minimises inputs for a given quantity and quality of service provided.

Effectiveness

Is how well a programme or an activity is achieving its established goals or objectives.

NB: Should ensure there are no time overruns.

By Richard Patrick Aturai
Auditor



Environment

After centuries of unfettered industrial activity, concerns to limit economic growth in view of appalling effects on the natural environment have been raised. Kyoto protocol is a case in point. Sustainable development, which means meeting the needs of the present generations without compromising the ability of future generations meeting their own, is the catch word.

This being a compliance issue, adherence to environmental regulations policies and standards set by environmental bodies like NEMA should be reviewed. This therefore implies that some element of regularity audit takes place in PA.

Besides the 4E's above, a performance auditor should also be conscious of the 2 E's below:-

Equity

This refers to fairness and impartiality in use of public funds. The 4E's above might be met in a project, but other parameters must be considered. For example, are selection procedures for beneficiaries of funds fair i.e. void of influence peddling? Are all regions catered for, etc?

Ethics

This refers to qualities of honesty and integrity in personal conduct and devotion to duty as manager of public funds. For example, ethical issues can arise when managers of funds deliberately delay release of funds so as to solicit for 'kitu kidogo'. Findings on equity and ethical aspects should be included in the report only when the infringement of the standards of equity and ethics impacts on the performance

adversely, and that evidence is concrete.

When all government projects are well executed in relation to the 6E's above, ceteris paribus, there will be an improvement in people's economic welfare. Thingan, 1982 defines welfare as a state of mind which reflects human happiness and satisfaction. Auditors need to carry out beneficiary surveys as a way of seeking peoples' perceptions as to whether or not projects undertaken have been of benefit to them. PA remember, is people centric in approach. In a nutshell, well executed projects (6E's above taken into account), can bring human happiness and satisfaction.

i.e. Happiness and satisfaction =
Economic Welfare
∴ 6 E's + Economic Welfare = 7E's

Assessment of E's

Assessment of E's is basically done by use of criteria (benchmarks) set prior to performance audit. It is on the basis of the set criteria that the E's can be said to have been met or not. Findings are based on comparison of what should be against what actually exists.

Issues to bear in mind when setting criteria: -

- Criteria should be reasonable and attainable.
- Does the criteria set enable answers to questions in form of 'Yes' 'No' etc?
- Discuss criteria with entity. This enhances acceptability of findings and recommendations that the auditor will come up with later.
- Should be based on good practice i.e. what should be: the good practice can be national or international.
- If nature of undertaking is new or complex, seek services of a consultant/expert of repute in the related field. Institutional consultancy is preferable to individual consultancy. Consultancy too enhances acceptability by the legislature, media and public.

- Criteria can be derived from:
 - Enabling and related legislation.
 - Audit entity policies and guidelines.
 - Other SAI's. These however should be reasonable and attainable considering the local conditions.
- Entities/Auditees may sometimes not agree with criteria. Disagreements should be solved by means below: -
 - Discussions with the audit entity's head (Accounting Officers) on areas of dispute.
 - Request for suggestive alternative criteria may be made to the entity.

NB: Set a time for their responses. The alternatives put forth should be examined by AG with reference to audit objectives. Adopting their suggested criteria should be based on

merit. Disagreements by AG on the alternatives suggested by entity should be based on transparent reasons and should be documented. The AG therefore retains the criteria (s) he set, but can only communicate to the entity why.

- All efforts to solve disagreements must be documented.

Other General Aspects in PA

- Help of experts may be needed to help a performance auditor reach his/her conclusions and therefore make recommendations. Although the performance auditor may use the work of an expert as audit evidence, s/he retains full responsibility for the conclusions in the report.
- Evidence in PA is persuasive rather than conclusive, hence the need for:-
 - Thorough documentation photography is equally essential.

- Taking the audit entity along so that they own up to the recommendations, thereby making the report effective.
- Help of experts is essential, but a performance auditor too needs to be abreast with topical issues related to the task at hand. A lot of reading (research) is needed.
- In PA, audit objectives can be updated during the course of audit. This happens when the auditor gets to know more facts about the task at hand during audit.

Audit objectives, findings and recommendations must be congruent with each other. Recommendations made should be geared towards improvement (value addition). This reinforces the adage of an auditor being a watchdog and not a bloodhound.

TECHNICAL UPDATE

HAVE YOU TAKEN NOTE OF ISA 610? EXTERNAL AUDITOR'S ASSESSMENT AND RELIANCE ON THE WORK OF INTERNAL AUDIT TO DETERMINE THE LEVEL OF AUDIT WORK

By Makanga Chris. *Principal Auditor (LG)*

Internal Audit

Internal Audit is an appraisal activity established by management for the review of accounting and internal control systems as a service to the entity. It reviews, monitors and makes recommendations for the improvement of systems. The internal auditor works as a Control of Internal Controls by reviewing all aspects of the organization's internal controls. It has been established that organizations with an internal audit function usually have much more sound internal control systems than those that do not have it.

Relevance to External Auditors

In some instances it has been observed that the work of External auditors and Internal auditors is uncoordinated, and conflicts in reporting arise. Where the internal audit function exists and carries out audit activities, the external auditor can make use of such an internal audit function to minimize resources that would be spent on doing work where internal audit has al-

ready examined the records and issued reports to management and other stakeholders. International Auditing Standard 610 provides guidance to external auditors' reliance on the work of internal auditors. Although the work of external and internal auditors may have different objectives, the means of achieving those objectives are often similar and internal audit work may be used to allow modification to the nature, timing and extent of external audit procedures.

ISA 610 requires that external auditors have to obtain an understanding of the internal audit function to assist in planning and development of an effective audit approach. The evaluation of internal audit will have an effect on the external auditor's assessment of the control environment and audit risk dealt with under ISA 400. External audit should assess the internal audit function in aspects such as the following:

- Organizational status of internal audit; whether internal audit reports to the highest level of management, is free of operating responsibility, and can communicate freely with the external auditor.
- Scope of work and whether management acts on internal audit reports.
- Technical competence in terms of experience and professional qualifications.
- Due professional care: whether work is properly planned, supervised, reviewed and documented.
- Level of audit risk inherent in areas to be tested or information to be obtained, materiality of items to be tested (ISA 320), level of judgment required, specialist skills of internal audit and sufficiency of complementary evidence.

Where weaknesses are established in the operation of the internal audit function, the external auditor should inform management and suggest possible ways of improvement.



STAFF PERFORMANCE APPRAISAL:

A TOOL FOR HUMAN RESOURCE EFFICIENCY

By *Wambete B. (Mrs.); Principal Personnel Officer*

Introduction:

Performance Appraisal is the assessment of the performance of an individual in relation to the objectives, activities, outputs and targets of a particular unit/branch/division/directorate/organisation over a specific period of time. It involves taking stock of an individual's past performance and planning what can be done to improve future performance.

For the appraisal to be objective, it is essential that the appraiser clearly understands the appraisee's job description and job specification and properly knows the appraisee through work supervision of at least three months.

In the Public Service, this requires each individual to agree with his/her supervisor on what is to be achieved within a financial year which then forms the individual performance plan. The plan indicates key results areas, targets and performance indicators.

Periodic performance reviews are then carried out basing on the plan. Such reviews provide an opportunity for the appraiser and appraisee to dialogue and obtain feedback.

The current Public Service open performance appraisal scheme emphasises the importance of planning, coaching, counselling, mentoring as well as monitoring and evaluation.

Principles:

- A well designed and implemented individual job performance plan signals that varying levels of performance will be recognised.
- Every employee must have an individual job performance plan, and a learning plan which show clear links to the unit/branch/division/directorate and ultimately the organisation's overall goals.

- Employees who understand the expected results, impact and behaviour are more likely to achieve higher levels of performance and/or adjust behaviours.
- A job performance plan includes;
 - key responsibilities, performance commitments, deliverables, measures and timelines.
 - Documentation of performance, strengths, areas requiring improvement and supports provided to the employee.
 - A learning plan supporting performance commitments and career development goals.
 - Agreement and signatures of both the employee and the manager.

Key requirements for successful implementation of a performance plan and learning plan

- Every employee must; clearly understand the connection between organisational goals and individual contributions. The connection has to be described to employees in a way that makes sense and meaning to them.
- Ensure that organisational goals are communicated to and understood by employees. This helps to answer the question, how do my individual efforts contribute to the overall organisational direction and goals?
- Think of the performance plan as a roadmap that charts where you want to go, how you will get there and how you will know when you have arrived at your destination.
- Document on an ongoing basis, the status of performance commitments.
- Adjust the plan as required, based on changes in organisational priorities and related individual tasks or deliverables.

What you need to plan successfully

- Attitude** - Genuine interest in performance improvement and persistence in monitoring success.
- Boundaries** - Knowledge of limits e.g authorities and capability, resources and/or skills
- Client** - Know your clients and consider their point of view/their issues.
- Direction** - Organisational direction as indicated in the overall / Directorate/Division/Branch/ Unit plans, your role and/or job description.

How managers can assist staff

- ✘ Communicating a clear vision of organisational/unit goals and the implications of these goals on the employee.
- ✘ Sharing their own performance commitments and showing how employee's commitments can flow from these.
- ✘ Considering the previous period review and learning plan and identifying those initiatives or items that need to be carried forward and
- ✘ Ensuring that the employee's job description is current.

How staff can identify their performance objectives

- Reviewing key job responsibilities and how they can contribute to achieving unit/organisational goals.
- Considering the previous period review and learning plan and identifying those items to carry forward.
- Identifying performance commitments for the upcoming year, including tasks and projects already given; and
- Determining any competency gaps that need to be addressed.

Look out for guidelines for managing poor performers in the next bulletin!



IS PURCHASING A STRATEGIC FUNCTION?

By Williams Kibedi, Procurement Officer

This question has stimulated a great deal of debate but I believe a discussion on purchasing as a strategy that actually brings increased value to an organisation has been ignored.

George Steiner a professor of management defined Strategy as; "what top management does that is of great importance to the organisation". However, despite the profession's high profile and growing influence many purchases are still excluded from major complex projects. In some cases this may be explained by the fact that they do not have the right skills and experi-

ence, but in other it has more to do with established practice and lack of solid relationship between the procurement function and the rest of the organisation.

The question of purchasers being in the boardroom has now more than ever gained weight. A task force set up by Tony Blair has recommended that all large spending public sector organisations appoint their top buyers to the board. The sustainable procurement task force was set up by the Prime Minister last year to examine how the public sector's £150 billion budget for goods and services can be used in a way that achieves value for money on a whole life basis, while accruing benefits to the organisation, society, the

economy and the environment.

I will wager that if you were to explain to the average Scottish taxpayer that the procurement professionals working for their devolved government played no part in procuring their new Parliament building in Edinburgh which ended up costing £431 million 10 times the original budget - they were stunned. Yet that was exactly what happened in the case of Holy Road which opened its doors three years later.

It is therefore evident that a lot of organisation resources have been lost due to failure to recognise the procurement function in the Boardroom.



WHAT TYPE OF LEADER ARE YOU?

By Mr. Kavubu Kanya, Senior Principal Auditor

These quotations from different writers on leadership may enable you to decide what type of leader you are: -

- ❖ Good leadership consists of doing less and doing more, Lao Tzu.
- ❖ The effective leader is aware of the importance of small actions (Tao Te Ching, Chapter 63)
- ❖ Power comes through co-operation, independence through service, and a greater self through selflessness. (Tao Te Ching, Chapter 39).
- ❖ Good leaders serve followers, just as good followers serve. A relationship of service goes both ways and benefits both. But to truly be of service is even more difficult for the leader than the follower (Tao Te Ching, Chapter 61).
- ❖ There is a difference between wanting significant leadership and wanting a leader. The craving for a hero is very dangerous, both for the putative hero and for his followers. (Marshall and Molly Sashkin, Chapter 4).
- ❖ Every one must decide whether or not to act. Understanding how things happen will help make clear the right decision. (Tao Te Ching, Chapter 73).
- ❖ Some leaders look but do not see how things happen. Understanding how things happen makes the right actions obvious. Effective leaders understand the consequences of actions. (Tao Te Ching, Chapter 73 & 74).
- ❖ Change: what is flexible survives? What is unchanging dies? (Tao Te Ching, Chapter 76).
- ❖ Goals: A journey of a thousand miles begins with a single step (Tao Te Ching, Chapter 64).
- ❖ Team work: Leaders and followers are part of a single whole; strength comes from this unity (Tao Te Ching, Chapter 87).
- ❖ Culture: Leaders instil three values - compassion, sharing and equality (Tao Te Ching, Chapter 87).
- ❖ People do not change and improve by listening to scholars. Good leaders are the best teachers, for they need followers to teach and to serve. (Tao Te Ching, Chapter 19 & 27).
- ❖ The fundamental principle works regardless of our wishes or preference. Effective leaders do not put on a show of being great but, knowing how things work, they can achieve great things. (Tao Te Ching, Chapter 5 & 34).
- ❖ Effective leaders are neither micromanagers who maintain control nor gamblers trying to beat the odds. Rather, their strong sense of control enables them to share power and control. (Marshall and Molly Sashkin, Chapter 6).

These quotations are from The Tao of Leadership by John Heider (New York: Bantam Books 1986). That book is based on the Tao Te Ching. The Tao is about 2,500 years old and is traditionally ascribed to Lao Tzu, considered the founder of Taoism, one of the major religions of the East. The Tao is composed of eighty-one short sections, or chapters.

Heider interpreted the Tao in his book Tao of Leadership.



HOW TO LET GO OF THE PAST

By Monica Nakityo, Examiner of Accounts

In order to begin moving on and letting go of the past you first have to take responsibility for what happened. I am not asking you to accept the blame – I am just asking you to accept that you did have a role in what happened and that what happened did in fact happen.

If you seem stuck over a break up with a boyfriend or girlfriend – accept that the relationship did come to an end and that you did have a role in how it went and how it ended. Let's face it – if you were not there it would never have happened. Do not try to figure out what you did wrong in the past – instead focus on what you could do right next time. Learn from your past – it is a great teacher. Look at the mistakes that were made and focus on what you can do to improve it the next time round. If you lost a job – do not say that you did nothing wrong. Do not blame everybody else and say – “they did this to me”. They did not do anything to you. They may have done something that had an impact on you – but you also played a role to some level. Focus on what you can do the next time to keep a job and make a great impression. Right about now I get this question: “*Yeah, Monica – but she/he just kept away from me and laid me off – he/she wanted to accomplish a few things to settle. What role did I play? How did*

I make that happen? You chose to cling to that relationship. You chose to get comfortable and not look for cause of him/her settling without you. You chose not to improve your skills and strive to do better. These are acts that you have to take responsibility for. Understand, I am not saying accept the blame. Now the next time you get a good partner you could strive to be better. You will not get comfortable and take things for granted. You will not ignore an opportunity to improve your relationship.

That relationship that ended, that job that was lost, the loved one who passed away – it is all in the past.

These are some of the lessons that come from that experience. Every past event, pleasant or not – teaches us something which if we understand can better prepare us for the future. Do not focus on what went wrong – focus on what you can do right the next time. The best way to do this is to think about what you want next and then apply what you learned.

Hey let's face it – the past is in the past. It is not what is happening now. It does not exist today. That relationship that ended, that job that was lost, the loved one who passed away – it is all in the

past. Those things and people do not exist today. You exist today – and your present life exists today. These are the things you need to focus on.

In order to leave the past in the past – start shifting your focus to the things that need attention today. If you lost a job and do not have work – focus on finding a new job. Remember the lessons learned from the past experience and get out there and start looking for the next thing. Take care of what needs to be done today. If you are in debt because you lost some money in the past – then focus on what needs to be done now – making some additional money so you can get out of debt.

If a relationship ended – then what do you want now? Another relationship – then get out there and start meeting new people. If a loved one passed away – then focus on what you need to do today – on your own and begin building a new life. I am not being harsh – I just want to show you that once you shift your focus to the present moment – your mind will automatically let go of the past. There will be times that your mind will drift back into the past – that is what it knows so that is where it goes. When this happens you can simply say to yourself – that is in the past – I am here now and I am focusing on my new life now.

(Continued from page 5) UPDATE ON OAG'S CAPACITY BUILDING INITIATIVES

The TeamMate initiative is very important to achieving OAG's corporate objectives and for properly adapting itself to its new status as an independent entity. This is because a proper use of TeamMate and the risk -based audit methodology will enable OAG staff to work *smartly to accomplish more with less*. Use of the methodology and TeamMate will not only ensure adherence

to international standards, but will actively assist OAG to make more efficient use of resources and produce better quality of audit reports

E. MANUALS AND GUIDANCE

A number of manuals and guidelines were developed in order to provide OAG staff with the proper guidance on using the new techniques

Key performance indicators

Following manuals were developed

- Preliminary Review of IT Controls (Chapter in the audit manual)
- Advanced IT audit manual
- IFMS audit interface manual
- Computer Assisted Audit Techniques (CAATs) training manual
- Guidance on Audit sampling
- TeamMate audit programme library

Mathematics of a happy life.

Contributed by Norah Katumba

Ministry of Finance, Planning and Economic Development

A small truth to make life 100%.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26

HARD WORK

$$H + A + R + D + W + O + R + K$$

$$8 + 1 + 18 + 4 + 23 + 15 + 18 + 11 = 98\%$$

KNOWLEDGE

$$K + N + O + W + L + E + D + G + E$$

$$11 + 14 + 15 + 23 + 12 + 5 + 4 + 7 + 5 = 96\%$$

LOVE

$$L + O + V + E$$

$$12 + 15 + 22 + 5 = 54\%$$

LUCK

$$L + U + C + K$$

$$12 + 21 + 3 + 11 = 47\%$$

Don't most of us think this is the most important??? Then what make 100%?

MONEY

$$M + O + N + E + Y$$

$$13 + 15 + 14 + 5 + 25 = 72\%$$

LEADERSHIP? . . . No !!!

$$L + E + A + D + E + R + S + H + I + P$$

$$12 + 5 + 1 + 4 + 5 + 18 + 19 + 8 + 9 + 16 = 89\%$$

Every problem has a solution, only if we perhaps change our attitude.

To go to the top to that 100%, what we really need to go further . . . a bit more . . .

ATTITUDE

$$A + T + T + I + T + U + D + E$$

$$1 + 20 + 20 + 9 + 20 + 21 + 4 + 5 = 100\%$$

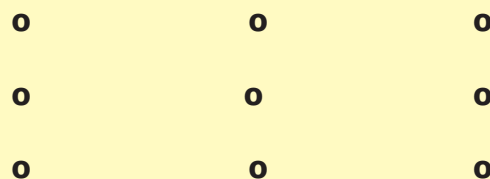
It is your attitude towards life and work that makes our life 100% !!!

Attitude is everything: change your attitude . . . and you change your life.

Now that you know the answers . . . what will you do about it?

The least you can do is to share this message with those you care about.

PUZZLE



Draw a path joining the dot once. If you succeed share it with a friend.

(Continued from page 10) UPDATE ON OAG'S CAPACITY BUILDING INITIATIVES

Significance for OAG's future programmes

It needs to be ensured that the manuals and guidelines which have been developed are actually used by OAG staff in performance of their work.

F. TRAINING

Since 2003 , a number of training programme, workshops, seminars on diverse IT and methodology related topics have been held which were attended by a large numbers of OAG staff

and managers .

As a result a number of OAG staff has developed skills and knowledge in using advanced techniques like CAATs, sampling. IT audits, IFMS functionality, use of IFMS audit interface, TeamMate etc. etc. (the training figures are given in the attached document)

Key performance indicators

During 2004-2006

- A number of standard training modules and courses on diverse

subjects have been developed and delivered

- A total of 27 training courses , workshops , seminars etc. were held
- A total of 492 participants attended these training events
- A total of 2368 training man-days were achieved
- 90% of the training and seminars were organized in-house

This article will be continued in the next issue.



IS YOUR WORK HURTING YOUR MARRIAGE?

By Agnes M. Kiyuba, *Stenographer Secretary*

Helpful Tips

Workaholism puts a marriage at risk. Spouses of workaholics

often feel estranged from their mates and express less affection.

Before the dawn of laptops, cell phones and other electronic gadgets, leaving work at the office was not as difficult as it is in today's world.

You don't have to be a workaholic to have your work negatively impact your marriage.

Tips to Prevent Work From Hurting Your Marriage:

- Understand the importance of drawing a line between work and home.
- Make sure that you do not use the master bedroom for your home office. The master bedroom should be off limits to computers and televisions!

- When you first arrive home from work, give your spouse a big hug and kiss. Then spend some time talking together about how the day went.

Do not do anything else till you do this

- Do not use your work schedule as an excuse to avoid doing your share of the household chores.
- Try to do one thing at a time.
- Turn off your landline phone, cell phone, and other electronic devices that could interrupt you from spending time with your spouse and children.
- Find a way to unwind from the office before you walk through the door at home.
 - ❑ Sit in your car for 10 minutes a block away.
 - ❑ Stop at a park to jog or walk.
 - ❑ Work out a gym for a few minutes
 - ❑ Listen to an audio book or music

- If you work at home, make sure that you have some sort of a buffer zone between your home office and the rest of your home.

- ❑ A door
- ❑ A shelf with plants or books
- ❑ A screen
- ❑ Hanging beads
- ❑ A curtain or drape

- Stick to your scheduled work hours. It is not fair to your spouse or your kids to work longer than expected.

- Sure, there may be times when you have to work longer than you planned. Just don't make the extra work hours a daily occurrence. If your work schedule will temporarily include longer hours for a while, make sure that you have at least one night during the week, and one day during the weekend to spend time together.

CONGRATULATORY MESSAGES

The CWG and the entire staff wish to congratulate the following persons upon their various achievements. We wish them the very best.

A. Professional Qualifications

1. Monday Godwin
2. Kuteesa N.T. (Mrs.)
3. Baleke Florence Businge(Mrs)
4. Oryema Charles
5. Serubiri Swizen
6. Okitoi Simon Peter
7. Kalanda Iga Sam

B. Fellow of the Chartered Certified Accountants FCCA

1. Keto Nyapendi Kayemba (Mrs.) (FCCA)
2. Fredrick Akyaire (FCCA)
3. Nyachwo Patricia Iga (FCCA)
4. Aliwa Edward Mutai (FCCA)
5. Bantu James (FCCA)
6. Ddamulira David (FCCA)
7. Kasigwa Gerald (FCCA)
8. Kimuli Anthony (FCCA)

C. Master of Business Administration

1. Hirya Joseph
2. Aliwa Edward Mutai
3. Akol Edward

D. Holy Matrimony

Sam Basuula

E. Retirement

The following persons retired. We thank them for their dedicated service and wish them the best in their retirement.

- ☞ Imaryo Zadok - Principal Auditor
- ☞ Kiryowa Livingstone - Senior Auditor
- ☞ Kayoga I. - Auditor
- ☞ Wanzala S.- Office Attendant



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