## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreword by the Auditor General</td>
<td>5</td>
</tr>
<tr>
<td>Executive Summary</td>
<td>7</td>
</tr>
<tr>
<td><strong>Part One</strong></td>
<td></td>
</tr>
<tr>
<td>Introduction</td>
<td>10</td>
</tr>
<tr>
<td><strong>Part Two</strong></td>
<td></td>
</tr>
<tr>
<td>Situation analysis</td>
<td>13</td>
</tr>
<tr>
<td>Independence</td>
<td>13</td>
</tr>
<tr>
<td>OAG operations and staff management</td>
<td>13</td>
</tr>
<tr>
<td>OAG Communication</td>
<td>14</td>
</tr>
<tr>
<td>The quality and impact of OAG work</td>
<td>15</td>
</tr>
<tr>
<td><strong>Part Three</strong></td>
<td></td>
</tr>
<tr>
<td>Strategic Plan for the financial year 2011-12 to 2015-16</td>
<td>16</td>
</tr>
<tr>
<td>Vision, mission, core values and strategic objectives</td>
<td>16</td>
</tr>
<tr>
<td>Implementation of strategic objectives</td>
<td>17</td>
</tr>
<tr>
<td><strong>Part Four</strong></td>
<td></td>
</tr>
<tr>
<td>Monitoring and evaluation framework</td>
<td>22</td>
</tr>
</tbody>
</table>
Foreword by the Auditor General

In the development of all its corporate plans, the Office of the Auditor General (OAG) never loses sight of its core mandate, which is: to audit and report on the public accounts of Uganda and all public offices, including: courts, central and local government administrations, universities and public institutions of related nature (for instance, government aided primary and secondary schools, which are the latest addition to the schedule of the OAG), and any other public corporations, bodies or organisations established by an Act of Parliament. Accordingly, a high premium is put on the execution of that mandate in the design of the key implementation strategies of the corporate plans.

The Third Corporate Plan for the OAG for the period 1 July 2011 to 30 June 2016 is no exception; it builds on the achievements made by the Office over the last five years: 1 July 2006 to 30 June 2011. The development of the Third Corporate Plan was guided by the basic question as to how, through the diligent, proactive and resourceful execution of its core mandate, the OAG seeks to reposition itself to meet the emerging development challenges in Uganda. In response to that basic question, the OAG evaluated its strengths and took stock of the lessons learnt from its experience in executing the previous Corporate Plan, 2006-2011. Consequent upon that background, the OAG resolved: to uplift the quality and impact of audit work; to optimize the efficiency and effectiveness of internal and external communication; to strengthen the financial and operational independence of the OAG; and to attain higher organisational performance over the next five years.

The Uganda Government has cause to celebrate the emergence of a strong and independent OAG; for such a strategically built and placed OAG is a great resource for any modern state. It is in better position to provide Parliament and other stakeholders with timely high quality audit reports to facilitate better management, control and oversight of public funds and promote accountability. For instance, the elevation of the Department of value for money (VFM) to a Directorate has been catalytic to increased and sharper scrutiny of value for money service delivery practices and accountability levels in many more public projects and institutions.
It is indeed greatly appreciated that the OAG is now in a much stronger independent position and is better resourced in terms of financial and human resources so as to be able to protect public funds better. Yet every gain generates a challenge to be surmounted. The continued growth and expansion of the OAG has given rise to greater responsibilities and expectations amongst the different stakeholders who require of the Office, invariably, the highest standards in management; optimum effectiveness, efficiency and integrity of the members of staff; thorough investigative work and impeccable audit reports; and outstanding advancements in the latest developments in telecommunications and computer technology. Further, growth also means that the audit mandate too is expanding; then the emergence of new sectors in energy and oil calls for the acquisition of new specialized skills; while the increasing public demand for accountability cannot be ignored with impunity.

The growing assortment of specialized responsibilities assigned to the OAG, that continually feed new institutions for auditing into its expanding scope of remit; coupled with the high level stakeholder expectations of its outstanding performance, output and conduct, impel the OAG too to keep growing, expanding, and building capacity to match the great pressure put on it for interventions and excellence.

The Third Corporate Plan for the OAG is, therefore, not simply a whimsical or random shopping list; it is an informed set of proposals geared to uplifting the OAG to yet another level of attainment in the next five years, for greater leverages for the people of Uganda.

To this end, for the OAG to uphold and enhance its track record of being the exemplary custodian and most trustworthy steward of public funds; and, subsequently, to assert its mandate as the torchbearer and pacemaker in national development, it is imperative that the Office be enabled to continue building and consolidating its leading image as the apex of national financial management and the vanguard of the requisite developmental innovations and reforms. Further, the OAG should be amply resourced, at all times, so as to keep abreast of the latest developments in financial and value for money auditing as well as be in a position to deal with the tremendous challenges arising from growth and expansion in an increasingly technological era. This strategic direction will only be achieved contingent on the availability of the requisite resources, including: equipment (to facilitate keeping at the cutting edge of technological advancement), supplies (to enhance effectiveness and efficiency in management), funding (to realize the planned objectives, cater for all recurrent expenditures, research and all the planned capital expenditures), and staffing (capacity to attract, retain and motivate the highest calibre of human resources equipped with specialized knowledge and skills in a spectrum of technical fields).

Indeed, the Corporate Plan 2011 – 2016 promises to be yet another springboard for the Office of the Auditor General to swing and soar to greater heights in contribution to national development by safeguarding prudent financial management and impeccable accountability for public funds.

John F S Muwanga
Auditor General
Executive Summary

The Office of the Auditor General adopted the policy of producing a medium term Corporate Plan in the year 2003 when it developed its first three year Corporate Plan 2003-2006, followed by a five year Corporate Plan 2006-11. Both of the previous plans were successfully implemented with some challenges. During the previous Corporate Plan period 2006-11, the major achievements included: the enactment of the National Audit Act, 2008, development of staff terms and condition of service, growth of VFM department to a directorate, the approval of the new staff structure, and provision of a competitive salary structure; securing funds for the Audit House and the construction of three regional offices in Jinja, Mbale and Mbarara. These achievements strengthened the financial and operational independence of the OAG. The office was able to mobilise sufficient resources to facilitate its audit function, improved on the audit coverage, quality of audit reports as well as the timeliness in reporting in addition to attraction, retention and motivation of suitable staff. The challenges encountered included:

- The expanding audit mandate
- Emergence of new sectors like energy and oil which require specialised skills
- Increasing public demand for accountability
- Clearing Lower Local Government Audit back log
- Delayed follow up of audit recommendations

This Corporate Plan, 2011-16, shall focus on building on the achievements gained and addressing the challenges encountered during the previous Corporate Plan period 2005-11, and preparing the office for future challenges. The new corporate plan was, therefore, developed on the basis of four objectives as outlined below:

1. To improve the quality and impact of audit work to promote increased accountability, probity and transparency in the management of public funds.
2. To improve the efficiency and effectiveness of internal and external communications to raise the corporate image of the OAG among the key stakeholders.
3. To strengthen the financial and operational independence of the Office of the Auditor General.
4. To attain higher organisational performance.
This plan has four parts: Part 1 – Introduction; Part 2 – Situation Analysis; Part 3 – Strategic Plan for the financial year 2011-12 to 2015-16; Part 4 – Monitoring and evaluation framework.

**Strategies**

To achieve the above objectives, this Corporate Plan lays out strategies as summarised below:

**Improvement on Quality and impact of audit work**

There has been a commendable improvement in public demand for accountability as manifested in the increased media coverage of Parliamentary discussions of the Auditor General’s Report. This exerted enormous challenge on the Office of the Auditor General to ensure that the audit reports meet the expectations of the Government and civil society organisations and justify its impact on reducing the mismanagement of public resources. To address this challenge, the office shall focus on improving the quality and impact of audit work by ensuring comprehensiveness, timeliness of audit reports, clarity of the reports, reliability of the findings, objectivity, efficiency and effectiveness of audit recommendations and accessibility to stakeholders.

The strategic interventions shall include adopting a sector wide approach to auditing and reporting, improving the follow-up of OAG work, strengthening the quality assurance systems, quantifying the impacts arising from audit work to demonstrate the value of the OAG, improvement on collaborations of the office with other stakeholders in promoting public accountability. They shall also include: ensuring accessibility to audit reports by all stakeholders, adopting the real time audit approach to ensure timeliness, adopt effective and efficient audit approaches which meet relevant auditing and accounting standards and building the organisational capacity to carry out specialised audits in areas such as fraud, value for money, environmental audit, etcetera, as well as supporting staff professional development. The improvement of staff skills in the audit of the Energy Sector, Public works and development of skills for audit of Public-Private Partnerships shall be a key priority. The office shall also expand the use of a risk based audit approach throughout the office and adopt ISSAIs in the audit process. Efforts will also be directed towards improving the audit project management process to include the adoption of audit themes and Gantt charts.
Improvement on efficiency and effectiveness of internal and external communication

In this Corporate Plan period, the office will focus on standardizing the form and content of audit report to increase stakeholders’ readability and understanding; promote OAG corporate image and timeliness of accessibility of accurate and reliable information by staff and other stakeholders. The strategic interventions shall include: maintaining regular dialogue with Parliament, civil society organisations, government institutions and the media; production and dissemination of abridged versions of audit reports; improving on the user interface and enriching the content of the OAG website and intranet; diversification of communication channels for audit findings to reach a wider population; improving on OAG corporate social responsibility commitments and carrying out annual corporate image surveys.

Strengthening financial and operational independence

The Office shall continue with the implementation and monitoring performance of the National Audit Act 2008, improve staff accommodation and other infrastructure to ensure operational efficiency, provide the necessary logistical support to facilitate office operations, strengthen the legal unit, improve the quality of the budget and develop the OAG Financial and Accounting manual.

To attain higher organisational performance

In the previous Corporate Plan an appropriate staff structure was approved and its implementation is underway. Given the expanding audit workload in terms of numbers and types of audits, this Corporate Plan shall focus on enhancing staff performance as well as operational efficiency to strengthen the contribution of the office to the attainment of the National Development Plan goals through the promotion of accountability, transparency and value for money in the use of public funds. The strategic interventions will include: Developing and implementing a comprehensive organisational and staff capacity development program, introduction and rolling out of a robust staff performance management system, strengthening the internal control and quality assurance systems; promoting the use of IT in business processes, including: auditing, records, knowledge and information management, internal and external communication and other operational processes.
Part One

Introduction

1.1 This part presents a summary of the OAG mandate, purpose and a summary of the achievements during the previous Corporate Plan period 2006-2011

OAG Mandate and Purpose

1.2 The Auditor General’s mandate is established under Article 163(3) of the Constitution of the Republic of Uganda 1995 and the powers are enshrined in the National Audit Act 2008.

1.3 The OAG audits all the public accounts of Uganda including courts, central and local government, universities and public institutions of related nature, and any other public corporations established by an Act of Parliament. The OAG reports its findings to Parliament.

1.4 The audit clients face major challenges in maintaining effective financial management systems in their organisations. It is vital for these organisations to be in control of their costs, to manage their risks, to have adequate information about their performance and to understand how their services can be delivered most cost-effectively. The OAG, reporting to Parliament, has a unique role in helping public bodies to meet these challenges and providing assurance that the taxpayer’s money is being spent wisely.

1.5 The OAG is headed by an Auditor General appointed by the President with the approval of Parliament under Article 163(1) of the Constitution. With the amendment of the Constitution in 2005, the OAG was removed from the domain of the mainstream public service.

1.6 The Auditor General is deputised by the Assistant Auditor General and supported by the Chief Operating Officer. The OAG is organised into three financial audit Directorates – Central Government one, Central Government two and Local Authorities. The OAG has a separate Directorate for Value for Money and specialised audits and a Directorate of Support Services.

1.7 The OAG is a member of the International Organisation of Supreme Audit Institutions (INTOSAI) and the African Organisation of Supreme Audit Institutions (AFROSAI). In making the National Audit Act 2008, the OAG relied on the guiding principles and practices of these institutions.

Achievements during the previous Corporate Plan period 2006-2011

1.8 The strategic interventions during the previous Corporate Plan period as summarized within the six Corporate Plan objectives focused on the following areas; operation and financial independence; quality of budget, monitoring processes and management information system; attraction and retention of suitable staff; internal and external communication; quality of audit work and promoting accountability, probity and transparency in the management of public funds.
Financial and Operational Independence

1.9 The enactment of the National Audit Act, 2008 granted financial and operational independence to the Office of the Auditor General.

1.10 The Act gives the Auditor General autonomy to recruit, promote and discipline OAG staff and manage the budgetary process of the office. A major principle of the Act is for the OAG to operate as a body corporate and all the expenses incurred in the discharge of its functions are charged to the consolidated fund.

1.11 The Parliament of the Republic of Uganda appointed the Committee on Finance, Planning and Economic Development to oversee the governance issues of the Office of the Auditor General.

1.12 With support from the Government of Uganda and other development partners, mainly Financial Management and Accountability Program (FINMAP), two regional branch offices were constructed and commissioned in Jinja and Mbale municipalities, and Construction of one regional Office in Mbarara Municipality and the Audit House in Kampala is to commence in the FY 2011/12. This reduced the number of regional offices in rented premises from 50 per cent to 30 per cent.

1.13 In addition, the office equipped the entire 10 branch offices with 2 field vehicles each although there are some regions which require extra support due to their wide catchment area.

1.14 All staff was equipped with laptop computers and the office is gradually rolling out the use of automated audit tools.

Quality of budget, monitoring processes and management information system

1.15 The new staff structure approved during the Corporate Plan period under review provided for a Planning Unit which is responsible for coordinating planning, budgeting, monitoring and reporting process within the office. A senior Planner was recruited and an Economist was seconded by the Ministry of Finance, Planning and Economic Development under the FINMAP. The office is now able to produce and present a defensible budget to Parliament as well as preparing quarterly and annual reports to the Ministry of Finance, Planning and Economic Development.

1.16 However, the office was unable to develop a methodology for measuring the impact of its work and a robust management information system and they have been considered in the Corporate Plan 2011-2016

Attraction and retention of suitable staff

1.17 The office focused on the creation of a conducive environment that enables it to attract, retain and motivate suitable staff.

1.18 The office underwent a restructuring exercise which resulted into a new staff structure with four Directorates, four Departments and a total establishment of 482 posts compared to the previous structure which had only 383 posts.

1.19 In a related development, Parliament approved a competitive salary structure which has enabled the office to attract, retain and motivate suitable staff.
Internal and external communication

1.20 The office designed and installed an intranet which all staff can now access although accessibility in some regions is restricted by power supply shortages.

1.21 The new structure provided for a public relations office and a Senior Public Relations Officer was recruited who is responsible for ensuring efficient and effective internal and external communications. Bi-monthly bulletins are produced and available on the OAG Intranet. Official documents, such as audit reports, annual performance reports, Corporate Plans can now be accessed by the public on the OAG website.

1.22 Further efforts are required in communication with the media and other stakeholders which were given priority in this Corporate Plan.

Quality of audit work

1.23 There has been a tremendous improvement in the quality of financial and performance audit work. Financial audit manual was reviewed and staff inducted on its use. Through its capacity building programmes, the office currently has 83 certified accountants who constitute 32 per cent of the total audit staff.

1.24 With support from Japan International Cooperation Agency (JICA) and FINMAP, the office was able to introduce Teammate and currently 100 per cent of staff in central government and 50 per cent in local government are using the software in the audit process, which has enhanced adherence to the audit standards.

1.25 A Value for Money Department was created and by the end of the Corporate Plan period it was elevated to a Directorate with a total establishment of 48 members of staff. The office has been able to conduct and report on an average of 10 VFM reports annually.

1.26 The office was unable to establish quality assurance procedures due to staff constraints. However, a Quality Assurance Unit was established which shall be fully operationalised in the next Corporate Plan Period.

Promoting accountability, probity and transparency in the management of public funds

1.27 Audit reporting guidelines, including the form and content of the report, were developed although a formal report writing program was not established.

1.28 The office was unable to develop a methodology for quantifying the financial impact arising from the audit work and this is to be pursued under this corporate plan.

1.29 This Corporate Plan therefore, builds on the developments of the last plan outlined above and is also a product of wide consultations across the OAG and with our stakeholder community. The Corporate Plan sets out how the OAG intends to address the issues arising from these consultations.
Part Two

Situation analysis

2.1 This Part is an assessment of the current situation based on an analysis of delivery of the previous Corporate Plan, an analysis of strengths, weaknesses, opportunities and threats, an assessment of the OAG using the AFROSAI maturity model, an assessment of strategic risks and responses and consultations with OAG staff and other stakeholders.

Independence

2.2 The operational independence of the OAG has improved significantly since our last Corporate Plan in 2006. In particular, the passing of the National Audit Act 2008 was a major step in increasing the autonomy of the OAG and the resources it had available to do its job. The Act has strengthened the independence of the OAG in a number of other ways. It has protected the Auditor General from legal challenges, as has been tested in the courts. The Act has raised the profile of the work of the OAG with Parliament. The Act has consolidated the positive reputation of the OAG and its work continues to be seen as an essential part of the national and local public accountability regime.

2.3 The OAG acquired a significant increase in its resources during the last Corporate Plan. These resources have strengthened the financial independence of OAG operations. For example, funding for a new headquarters building was approved and it is currently under construction. Additional resources acquired during the last Corporate Plan have also enabled us to create a better, more independent infrastructure for our staff in terms of IT equipment, computer based audit tools, vehicles and regional accommodation.

2.4 The independence may be impaired due to new responsibilities and inadequate infrastructure.

OAG operations and staff management

2.5 The National Audit Act 2008 increased the responsibilities of OAG, which compelled the office to improve performance requirements and management of staff. In response, the OAG has improved its internal arrangements to facilitate the functioning of the new organisation. In particular, in 2011, with support from the UK National Audit Office, the office carried out a restructuring exercise resulting into a new staff structure which is being implemented.
2.6 During the previous Corporate Plan period, the OAG made significant progress in improving the way the office runs. For example, the OAG has:

- Introduced the new management structure, which includes a new post of Chief Operating Officer. We expect this structure to be fully put in place within this Corporate Plan period;
- Set up a risk register, monitored regularly by senior managers;
- Improved the way OAG presents its budget to Parliament for approval and how it reports on the appropriated funds for the year;
- Improved the capacity of the finance team and benefited from the computerised financial reporting arrangements (IFMS) introduced by the Ministry of Finance Planning and Economic Development.

2.7 The office recognised that there was need to set up policies for the management and development of staff. In particular, it significantly improved the pay rates of staff. This should be a significant factor in helping the office to recruit and retain high calibre people. The office now has an annual training plan to develop the skills of all staff. There has been a steady improvement in the number of professionally qualified staff over the last five years. The office has also reviewed and modernised the approach to human resource management. A new Human Resource manual has been drafted to address human resource issues.

2.8 The increased responsibilities and expansion of the office requires the OAG to surpass the current performance levels.

**OAG Communication**

2.9 Communication is a fundamental part of any effective Supreme Audit Institution (SAI). It is a core strategic imperative for the OAG. For the work of the OAG to have impact, and to justify funding, there is a need to communicate the findings clearly to Parliament, the audit entities, wider stakeholders and to the public in general. Equally, there is need to communicate effectively to staff. Communication is one of AFROSAI-E’s strategic imperatives. This emphasises that maintaining effective and efficient external and internal communication is paramount to the success of a Supreme Audit Institution.

2.10 There has been good progress in communicating with key stakeholders and the office now has a communications office. After the enactment of the National Audit Act 2008, there was need to communicate to key stakeholders on the implication of the Act on the OAG. OAG organised various workshops with key stakeholders to raise awareness of the new Act and seek comments on their expectations from the office. OAG also increased its interaction with the Parliamentary Public Accountability Committees.

2.11 For internal communication the main objective is for staff to be well informed so that they can make effective decisions at all times to contribute positively to the vision and mission of the OAG. Since the last Corporate Plan the office has implemented an organisation wide intranet. Now that all audit staff have their own computers, the intranet allows rapid and consistent dissemination of messages and guidance, in addition to the more traditional, paper based methods of communicating.
2.12 The effectiveness of internal and external communication remains a challenge.

**The quality and impact of OAG work**

2.13 Maintaining the quality of audit, and meeting relevant professional standards, is essential for the office to keep the confidence of the stakeholders and the audit entities. There has been notable progress in the last five years in bringing financial audits in line with international auditing standards. All audit staff in central government and half of those in local authorities use Teammate auditing software to complete audits rather than using paper based systems. The OAG has developed its IT audit capacity by increasing the number of Certified Information Systems Audit (CISA) qualified staff. A financial audit manual is in place. The office has also implemented a risk based audit methodology.

2.14 The OAG is constitutionally required to carry out Value for Money audits. During the last Corporate Plan period, the office was able to create a specific Value for Money Directorate. The office managed to train most of the members in Value for Money audit techniques. By the year which ended 30 June 2011, the office produced 28 Value for Money reports which have not been discussed by Parliament yet.

2.15 The changing demands of stakeholders and new auditing responsibilities create a challenge on the quality and impact of audit works.
Part Three

Strategic Plan for the financial year 2011 to 2016

Vision, mission, core values and strategic objectives

Vision

3.1 Our vision is:
“To be an effective and efficient Supreme Audit Institution (SAI) in promoting effective public accountability”

Mission

3.2 Our mission statement is;
“To audit and report to Parliament and thereby make an effective contribution to improving public accountability and value for money spent”

Core values

3.3 The Auditor General and the staff of the Office of the Auditor General in executing their responsibilities are committed to live by the core values of the office of:

- Integrity: Being upright and honest;
- Objectivity: Showing impartiality and professional judgement;
- Professional competence: To act with diligence, proficiency and team spirit.

Strategic Objectives

3.4 Based on the situation analysis set out in Part 2, the strategy of the OAG for 2011-16 is summarised in the following four objectives:

Objective 1 – To improve on the quality and impact of audit work so as to promote increased accountability, probity and transparency in the management of public funds

Objective 2 – To improve on the efficiency and effectiveness of internal and external communications to raise the profile of the OAG with staff and key stakeholders

Objective 3 – To strengthen the financial and operational independence of the Office of the Auditor General

Objective 4 – To attain higher organisational performance

3.5 The rest of this section of the Corporate Plan summarises how the OAG intends to implement these strategic objectives. To support this implementation, a comprehensive Strategic Action Plan of high level tasks and actions has been prepared. This Corporate Plan has been prepared in line with INTOSAI guidance, specifically ISSAI 20 Principles of transparency and accountability.
Implementation of strategic objectives

Objective 1: To improve the quality and impact of audit works so as to promote increased accountability, probity and transparency in the management of public funds

Component 1: Quality control, assurance, research and development

3.6 Despite the improvements achieved in the last Corporate Plan period, the office seeks to raise the quality of audit work farther. The office will take a range of measures aimed at improving audit efficiency and raising standards. The quality assurance team will be expanded and developed to provide central support, policy guidance and research on all aspects of financial auditing, accounting, Value For Money auditing and statistical support. The team will also be responsible for reviewing the quality of work, covering both audit in progress (hot review) and completed audits (cold review). Procedures will be based on INTOSAI standards. To further strengthen this process, the office intends to encourage external quality assurance from other SAIs as well as AFROSAI-E. The aim of this work is twofold: to ensure that audit is performed to required standard and to identify good practices for office wider adoption. The quality assurance team will maintain links with internal assurance and consulting services to mitigate potential risks within the audit functions.

Component 2: Impact of audit

3.7 A further important initiative for this Corporate Plan is to introduce an impact assessment process. The aim of such a process will be to review all audits and establish whether audited bodies have taken action to implement OAG recommendations. This process will assess the nature and extent of the impact, including any financial consequences. This will allow the office to aggregate the results and demonstrate the financial impact in comparison with the budget given by Parliament. As part of this work, government will be encouraged to improve the speed of releasing Treasury Memoranda.

3.8 To improve the reporting of audits, the office will streamline all audits and adopt the sector wide reporting approach based on sector audit strategies in line with the National Development Plan Priorities. The office will also set up a process where audit teams produce, at the end of each audit year, a briefing on the cross cutting issues arising from their respective audits for purposes of sharing experience.

3.9 Efforts will be made to improve staff skills in the audit of the Energy Sector and Works and develop skills for audit of Public-Private Partnerships. The office will also increase staff capacity in other new audit areas, such as: procurement, budgets, environment, and gender; and improve skills in IT audit.
Component 3: Specialised Audits (Forensic and investigations, IT audit, Gender, Environment and Fraud, etc.)

3.10 Fraud and corruption are significant challenges for public financial management. To improve the way the office deals with suspected cases of fraud, the office will set up a specialised audit Unit. A Fraud Reporting Officer responsible for passing on information to the fraud unit will be designated in all Directorates and Units. This unit will provide guidance to staff on actions to be taken where potential fraud is suspected and forward the information to the relevant authorities for further investigation (e.g. the Inspectorate of Government, CID, etc). The unit will be responsible for preparing fraud audit reports.

3.11 The energy sector will be given prominence and the office will enhance its capacity to effectively conduct audits in the sector. It is imperative that the OAG also, in turn, commits adequate resources to provide the requisite oversight role in energy investments so as to ensure that accountability exists at all stages of the planning, implementation, monitoring and evaluation of such projects.

Component 4: Audit methodology and standards

3.12 Despite the increased resources, the office faces a major challenge in delivering the number of audits for which it is responsible. A major reason for this is the additional responsibility including the audit of schools. This significantly increases the potential audit workload. Even before this increase, the office faced a challenge meeting the existing audit responsibilities because it is required to annually audit all the entities regardless of their size. There is therefore a need to manage the increasing audit burden better.

3.13 Efforts will be made to expand the use of risk based audit approach to cover all audits undertaken by the office.

3.14 The office will adopt the implementation of ISSAIs in all the audit processes in compliance with the recent development in the public sector audit.

3.15 The office will further review the methodology for the audit of small entities; improve supervision of outsourced audits; review existing manuals and develop new ones in new audit areas; develop collaborative arrangement to foster greater benefit from the work of other professional bodies; improve the use of outsourced services; expand the use of teammate in auditing; and focus audit annually using audit themes.

3.16 Improve the audit project management process to include the adoption of audit themes and use of Gantt charts.

Objective 2: To improve internal and external communications to raise the profile of the OAG with staff and key stakeholders

Component 1: External communication

3.17 There is need to build on the links of the office with Parliamentary committees. Little progress has been made in establishing regular and effective dialogue with the wider stakeholders, such as the audit clients (beyond routine contact through audits), civil society organisations, the donor community and the media. The office plans to improve external communication of this kind with the key stakeholders in the current Corporate Plan period.
3.18 The office further intends to standardize the form and content of audit reports to increase stakeholders’ readability and understanding and enhance the publishing of audit findings in terms of report style and publicity. In particular, it plans to disseminate audit reports more widely to encourage the adoption of good practice. In this Corporate Plan, the main objectives of external communication are to:

- Report to Parliament on a wide range of accountability issues, including the use of public resources;
- Engage more frequently with the audited organisations to encourage them to appreciate and implement the recommendations made;
- Keep all stakeholders (Parliament, audit entities and development partners) aware of the progress of audits and the findings through the media and the OAG website;
- Raise awareness of the public on the developments in the OAG to increase interest and knowledge in the activities of the OAG.

Component 2: Internal communication

3.19 As part of its internal communication, the office aims to establish mechanisms which will enable all staff to access timely, accurate and reliable information for effective decision making. This will include:

- creating an organisational culture that promotes open dialogue;
- establishing an atmosphere for timely sharing and exchange of knowledge;
- Enhancing internally based communication channels.

Component 3: Corporate image

3.20 The office will seek to demonstrate its continued commitment to corporate social responsibility, including engaging in a periodic perception survey, participation in appropriate events and better promotional activities.

Objective 3: To strengthen the financial and operational independence of the Auditor-General

Component 1: Operational independence

3.21 The National Audit Act is a vital foundation in the effective operation of the OAG. The office will need to keep the adequacy of the protections of the Act under review during this Corporate Plan period to ensure that the Auditor General’s independence and mandate is adequately maintained. There will be a need to ensure that any extra responsibilities given to the Auditor General are matched with adequate additional funding. The office will develop a mechanism of reviewing any case where the results of an audit may lead to litigation.

3.22 The completion and occupation of the new headquarters building is a major opportunity to improve the operation of the audit and corporate functions of the OAG. It will generate savings through better use of staff and reduction of rental payments. Despite the improvements to the infrastructure during the last Corporate Plan, there are still significant gaps, particularly at regional levels. We aim to address these gaps over this current Corporate Plan period, especially in relation to bettering the regional office buildings, acquisition of more vehicles for audit staff to travel long distances to meet the audit clients and ensuring more consistent availability of power supply.
Component 2: Financial independence

3.23 To maintain its financial independence, the office will annually prepare justification for provision of sufficient resources to match the audit responsibilities given to it by Parliament.

Objective 4: To attain higher organisational performance

Component 1: Staff training, development and performance management

3.24 To help staff deliver high performance, the office plans to adopt a range of measures to train and develop staff and utilize them to their best ability. The office will maintain a high quality training programme, including setting up a modern training facility and a formal training evaluation framework. The office plans to operationalize the human resources manual during this current Corporate Plan period. A key aspect of this undertaking will be the implementation of a more rigorous performance appraisal system. This will help the office to manage better and improve the performance of individuals and teams to maximise each member’s contribution towards the achievement of the OAG corporate goals. Ultimately, the office plans to link the appraisal system to a performance related reward system. The manual will include a streamlined process for promotion. To further motivate staff with potential to progress, the office is planning to streamline its secondment system.

Component 2: Enterprise risk management and internal control

3.26 The office intends to broaden the coverage of the internal audit unit in accordance with the national Charter for Internal Audit functions. This means it will include value for money audits of key OAG activities; risk management audits; management arrangements to ensure that objectives and values are achieved; and reviews of resource acquisition, deployment, utilisation and disposal. The office will train internal staff accordingly. The team will be encouraged to keep close links with the quality assurance team of the office to provide the required backup in mitigation of risks.

Component 3: Knowledge and information management

3.27 The management of knowledge is vital for teams to operate effectively. The office plans to improve its knowledge management by setting up a resource centre for this purpose. The office will also develop mechanisms for knowledge and skills transfer among staff, including the use of appropriate information technology.
3.28 The office plans to develop its management information system to provide more useful outputs on the progress and efficiency of work. This will allow the office to budget and monitor the cost of individual audits and ensure that the office operates cost-effectively.

Component 4: Information and communication technology development

3.29 As with any modern organisation, information and communication technology is essential for an effective working environment. The main aspects to this strategy will be:

- improving service delivery through decentralised network services and efficient power backup;
- using a data centre and building management services in the new headquarters building to ensure operational efficiency on communication and utilities;
- developing a robust management information system, human resource management system, inventory management system and fleet management system;
- building the capacity of technical staff with audit skills to enable them to support the audit function efficiently;
- Benchmarking the IT support operations with other SAIs.
Monitoring and evaluation framework

4.1 The office will implement the Strategic Action Plan by assigning responsibilities to relevant staff. These individual responsibilities will be supported by a further detailed action plan for each person. This will set out the outputs, budgets and delivery dates. Progress against planned outputs will be tracked monthly. Additionally, the office will organise annual conferences to review progress against the Corporate Plan to track achievements, address challenges, provide feedback to key stakeholders and receive feedback from them in order to draw plans for informed implementation in subsequent years. The information captured will be used to feed the monitoring and evaluation framework.