



## Office of the Auditor General of Uganda

Corporate Strategy 2016-21





# CONTENTS

<b>Glossary of acronyms</b>	<b>2</b>
<b>Foreword</b>	<b>3</b>
<b>Part One</b>	<b>4</b>
Introduction	4
Our vision, mission and core values	5
Our operational environment	5
Our achievements	7
<b>Part Two</b>	<b>10</b>
Our understanding and priorities	10
What we value and require	10
Performance assessment of the OAG	11
OAG way forward	13
<b>Part Three</b>	<b>15</b>
Strategy for 2016-21	15
Goal 1: Robust reporting	16
Goal 2: High quality audit	18
Goal 3: High performance	21
<b>Appendices</b>	<b>25</b>
Appendix One	26
Appendix Two	27

# Glossary of Acronyms

AFROSAI-E	African Organisation of English-speaking Supreme Audit Institutions
AAG/C	Assistant Auditor General Corporate Services
AAGA	Assistant Auditor General Audit
DP	Development Partner
GDP	Gross Domestic Product
GoU	Government of Uganda
ICT	Information and Communication strategy
ICPAU	Institute of Chartered Public Accountants of Uganda
IDI	Intosai Development Initiative
IFAC	International Federation of Accounts Committee
INTOSAI	International Organisation of Supreme Audit Institutions
ISSAI	International Standards for Supreme Audit Institutions
IT	Information Technology
MIS	Management Information System
OAG	Office of the Auditor General
PPP	Public Private Partnerships
PAC	Public Accounts Committee
QAAD	Quality Assurance Audit Development
QC	Quality Control
QA	Quality Assurance
QAC	Quality Assurance Committee
SORA	Shared Overall Risk Assessment
RAM	Regulatory Assurance Manual
SAI	Supreme Audit Institution
VFM	Volume for Money
WGEI	INTOSAI Working Group on Extractive Industries

# Foreword

The Office of the Auditor General (OAG) as a body corporate has the statutory function to conduct financial, value for money, specialised, investigations and other audits as provided for by the National Audit Act, 2008.

Our vision is 'To be an effective and efficient Supreme Audit Institution in promoting effective accountability'. In meeting our vision during the strategic period 2011-16, we have worked diligently to present quality audit reports to Parliament which facilitated oversight of public funds and promote accountability.

The focus for the next five years of our Corporate Strategy 2016-21, is to strengthen our current performance to deliver higher quality audit that meets external oversight and accountability requirements. We all understand that citizens want assurance that public resources are being managed and utilised effectively. Citizens are also looking for high standards of public sector conduct in line with good governance. Consequently, we are prioritising our work with the public sector to emphasise improving delivery of services and ensuring that resources are well spent and accounted for.

This strategy builds on our analysis of the challenging environment in which the public sector is operating and the feedback that we received from a wide range of external and internal stakeholders. As part of our analytical work, we initiated an independent and volitional assessment of the OAG's performance to enable the targeting of clear-sighted strategic areas for improvement. Our main strategic theme over the next five years is 'Enhancing public accountability and making a difference'. We will achieve this through three strategic goals; robust reporting that informs citizens; high quality audit designed to safeguard public resources, and high performance.

The Office shall constructively engage with Parliament, the wider public sector, other stakeholders and citizens in promoting accountability and good governance. The Office shall also build the capacity of its staff to enable them to deliver to their full potential and be instrumental in the improvement of public services and adding value. The Office will focus its energies, skills and knowledge in areas with risk to service delivery, value for money and communication of audit results. These efforts will enable us to manage our work more effectively, promote public sector good practice and opportunities for improvement in service delivery.

This Corporate Strategy 2016-21 outlines our commitment in strengthening our capability, knowledge and expertise to deliver quality audit services and products to Parliament and, public sector organisations, as well as to the citizens.



**John F S Muwanga**  
Auditor General

# Part One

## Introduction

- 1.1** The OAG was established as a corporate body through the enactment of the National Audit Act, 2008. The OAG is headed by the Auditor General who is appointed by the President with the approval of Parliament under Article 163 (1) of the Constitution of the Republic of Uganda.
- 1.2** The mandate of the Auditor General, under Article 163 (3) of the Constitution of the Republic of Uganda and detailed in Sections 13 (1) and 18 of the National Audit Act 2008, is to audit and report to Parliament on the accounts of all public offices, including the courts, central and local government administrations, universities and public institutions of like nature, and any public corporations or other bodies established by an Act of Parliament.
- 1.3** In delivering the mandate, the OAG conducts a range of financial, value for money, IT systems and other audits, as well as forensic investigations. During the five-year annual reporting period FY 2011/12-2014/15, the OAG completed 8,570 audits (see Paragraph 1.13), thus providing assurance and contributing to public service transparency and accountability through its substantial external audit and reporting to Parliament.
- 1.4** The OAG is represented on the Board of the Institute of Certified Public Accountants of Uganda, where it provides guidance and direction in the development of public-private sector accounting standards and financial management capability. The OAG is also a member of the International Organisation of Supreme Audit Institutions (INTOSAI), the African Organisation of Supreme Audit Institutions (AFROSAI) and the Pan-African Federation of Accountants. It is through our contributions and collaborative work with the Ugandan and international audit community that we are able to influence and be informed about new developments in external auditing and accountability.
- 1.5** The OAG operates from Audit House in Kampala, and nine regional branch offices, to audit and report on the public accounts of Uganda. The nine branch offices are located in Arua, Fort Portal, Gulu, Jinja, Kampala, Masaka, Mbale, Mbarara and Soroti. Two additional branch offices are to be established in Hoima and Moroto districts.

## Our vision, mission and core values

### 1.6 Our vision:

'To be an effective and efficient Supreme Audit Institution (SAI) in promoting effective public accountability'

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### Our mission:

'To audit and report to Parliament and thereby make an effective contribution to improving public accountability and value for money spent'

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### Our Core Values:

In carrying our responsibilities and work, we are committed to living by three core values:

**Integrity:** Being upright and honest

**Objectivity:** Showing impartiality and professional judgment,

**Professional competence:** Acting with diligence, proficiency and team spirit.

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## Our operational environment

- 1.7** The OAG delivers accountability through performing independent audit and informing Parliament and citizens about government activity and its use of public resources. Our range of audit activity is extensive, comprising financial audit, specialised and value for money audits, forensic investigations and IT systems audit. They include targeted priority audit sectors – for example – energy, oil, gas, public-private partnerships and the environment.
- 1.8** The Uganda Vision 2040 identifies a range of challenges in which government and the public sector operate. These challenges include; a weak private sector, underdeveloped human resources, inadequate infrastructure, small markets, lack of industrialisation, an underdeveloped services sector, and underdevelopment of agriculture. The Government has prioritised service delivery and value addition in its programme of work, all designed to aid job creation and propel Uganda to middle income status.
- 1.9** These background challenges underline the importance of our external audit designed to maximise the value obtained from public sector use of resources. We intend that our audit adds value, not only by providing assurance, but also by stimulating better decision-making leading to improved outcomes that culminate in a positive impact on citizens in line with the Uganda Vision 2040 and the Second National Development Plan (2015-20).

- 1.10** A range of Government priorities, which flow from the Vision 2040 and the Second National Development Plan, are aimed at increasing the size of the economy and expanding the revenue base through a combination of development and growth:
- Improving public sector management to deliver services efficiently and effectively;
  - A more independent and proactive judiciary;
  - Infrastructure and industrial investment to stimulate the economy and facilitate private sector growth with a focus on oil, energy, transport and ICT, as well as prioritisation of science and technology;
  - Land reform to meet planned urbanisation, infrastructure development and commercialisation of agriculture;
  - Reform of the education system and curriculum;
  - Delivery of a universal health insurance system; and
  - Review and strengthening of foreign policy to enhance collaboration in the East African Community, African Union and other regional blocs.
- 1.11** In summary, the Government's focus for this Parliamentary term is transport, energy, manufacturing and agriculture in tandem with job creation, service delivery and value addition. The Government is limited by having to manage a low tax base and low revenue streams combined with an increasing demand for services. These factors present challenges for public sector delivery, in an environment where there is an increasing focus on addressing poor financial management and corruption.
- 1.12** The uncertain global economy and fiscal pressure provide an added rationale for our external audit role in scrutinising government expenditure and the extent of public service delivery. As a key component of our strategic audit approach during 2016-21, it is our intention to target risks to delivery within government priority areas that are likely to absorb the greatest quantity of available public money.

## Our achievements

**1.13** The Corporate Strategy 2011-16 enabled us to continue forward momentum in the financial and operational independence of the OAG. The OAG's staff of 477 people ensured that our external audit covered 2,212 public organisations across central and local government and approximately ten value for money audits and six specialised audits. Currently, there is a one-year lower local government (sub-counties) audit backlog compared to four years at the beginning of the previous corporate strategy period. At the end of December 2015, and over the five-year period of the Corporate Plan 2011-16, the OAG achieved the following results:

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8,313	<b>Financial audits including:</b> <ul style="list-style-type: none"><li>• Consolidated Government of Uganda financial statements, central government ministries, departments, agencies, projects, public universities, Uganda missions abroad, commissions and national referral hospitals; and</li><li>• District local governments, municipal town councils, lower local governments, schools and tertiary institutions.</li></ul>
102	<b>Value for money and special audits,</b> which are independent examinations of the extent to which a public organisation has used its resources in carrying out its responsibilities in line with economy, efficiency and effectiveness.
140	<b>Forensic investigations and information systems audits</b> in a range of government organisations. Forensic auditors design their investigations to gather evidence to prove the existence of fraud and corruption.

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**Note:** 15 specialised audits completed in 2015 are not included in the above table. Specialised audits were not undertaken during 2011-14.

**1.14** Our overall performance for the previous Corporate Plan 2011-16 was built around four strategic objectives that led to the following achievements:

Objective	Achievements
<p>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</p>	<ul style="list-style-type: none"> <li>• Quality Assurance and Audit Development unit was established and equipped</li> <li>• Knowledge Management Resource centre established</li> <li>• Two external quality assurance reviews conducted</li> <li>• Partnership established with two SAIs: Sweden and Norway including attending annual international technical update conferences during the period</li> <li>• The Parliamentary Liaison Office was created to follow-up audit during oversight Committee meetings</li> <li>• Improved audit reporting by introducing crosscutting and key findings</li> <li>• A range of audit skills acquired in audit areas such as: Public Works, procurement, Budget, environment, gender, tax and revenue audits, oil and gas, PPPs, forensic audits</li> <li>• Implementation of International Standards of Supreme Audit Institutions (ISSAIs)</li> <li>• Methodologies for the audit of small entities were developed and implemented</li> <li>• Forensic Investigations and Information Technology Directorate established</li> <li>• Lower Local Government audit backlog was reduced from four years to one year</li> <li>• Commenced audit of secondary schools and tertiary institutions in addition to universities</li> </ul>
<p>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</p>	<ul style="list-style-type: none"> <li>• Parliamentary liaison was established to support Parliamentary oversight Committees and obtain feedback</li> <li>• Audit reports physically delivered to key stakeholders, and published online to all stakeholders</li> <li>• Extracts of key findings are annually produced alongside the annual report to Parliament.</li> <li>• Staff skilled in report writing</li> <li>• Communication policy developed</li> <li>• Press conferences held annually</li> <li>• Internal communication enhanced, for example, quarterly Information flyers, Closed User Group telephone system</li> <li>• At least one Corporate Social responsibility activity undertaken annually</li> <li>• Strengthened collaboration with the Inspectorate of Government, Public Procurement and Disposal Authority, Justice, Law and Order Sector Secretariat and other agencies to strengthen accountability and transparency in the use of public funds</li> </ul>

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3. To strengthen the financial and operational independence of the Office of the Auditor General
- Audit House and Regional offices of Mbale, Jinja and Mbarara completed, equipped and occupied
  - Completed the design and planning phase for two additional regional offices in Moroto and Hoima
  - Estates Unit established and staffed
  - Monitoring and evaluation system established
  - The Finance and Accounting manual was developed and disseminated
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4. To attain higher organisational performance
- External assessment undertaken of OAG performance against the International Standards for Supreme Audit Institutions and other established international good practices for external public auditing
  - Comprehensive training needs assessment for all staff was carried out
  - Supported staff in undertaking professional courses
  - OAG Staff Code of conduct was formulated and circulated to all members of staff
  - Human resource manual was finalised and approved
  - Relationships with Local and International Bodies have been established and maintained, for example, with WGEI, INTOSAI, AFROSAI-E, IDI, ICPA(U), IFAC
  - OAG is a member of the African Union Board of External Auditors to audit all African Union activities and projects. Additionally, the OAG is a member on the Board of External Auditors of the East African Community to audit all East African Community activities and projects
  - The Auditor General was the Vice Chairperson of the United Nations Independent Audit Advisory Committee until 31st December 2014
  - Internal Audit Charter was developed and approved
  - Internal Audit staff have been trained in fraud, value for money and quality assurance activities
  - Timely production of annual budgets
  - Records and Archives management policy was approved, disseminated and implemented
  - A Knowledge Management Office was established and operationalised
  - MIS Procurement process commenced after review of all OAG business processes
  - Data centre and building management services deployed in Audit House to ensure operational efficiency in communication and utilities
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# Part Two

## Our understanding and priorities

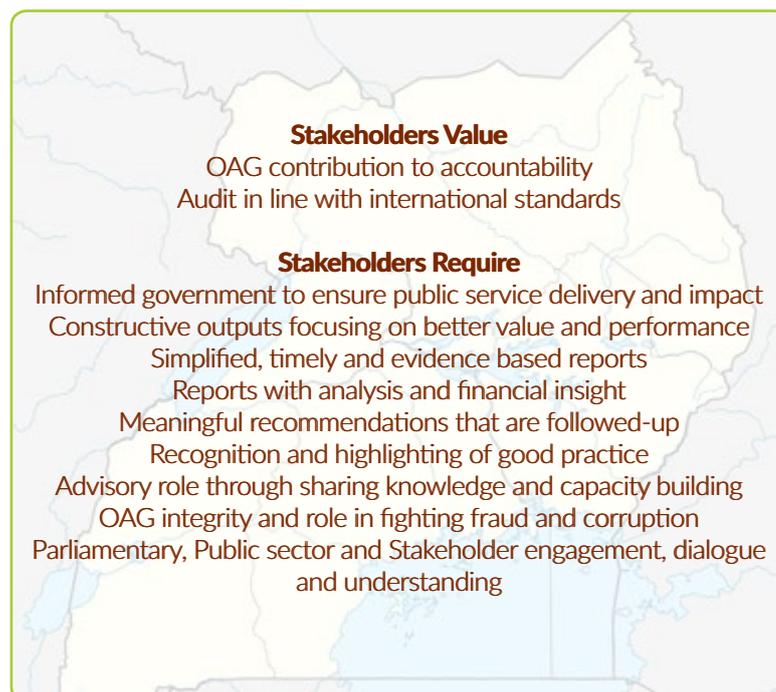
**2.1** In capturing an independent perspective of our performance, we consulted with stakeholders and assessed OAG performance using the INTOSAI Performance Measurement Framework. These efforts were designed to inform this corporate strategy, which will guide further developments in the quality and impact of OAG work.

## What we value and require

**2.2** Prior to development of this Corporate Strategy, we engaged with various stakeholders to understand their expectations and views on the OAG's contribution to public sector accountability, as detailed below:

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- |   |  |
|---|--|
| • Parliamentarians – including current and previous Members of Parliament     | • Institute of Certified Public Accountants of Uganda  |
| • Ministry of Finance, Planning and Economic Development high level officials | • Civil society representatives                        |
| • Government Accounting Officers  | • Development partners                                 |
| • Anti-corruption institutions  | • Media representatives                                |
|   | • OAG staff in the Kampala and regional branch offices |
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**2.3** A range of key messages emerged that related to what is valued about our work and expected improvements, as illustrated below:



**2.4** Specifically, all consulted stakeholders highlighted the importance of the OAG’s contribution to accountability and the extent to which we should become more visible. Undoubtedly, we can improve our audit and products to effectively communicate audit results to Parliament and other stakeholders. We can also do more to engage with our stakeholder groups – Parliamentarians, public and private sector, the media, Development Partners and civil society organisations – to drive improvements in public service delivery and performance.

## Performance assessment of the OAG

**2.5** A transformational initiative to assess the extent of the OAG’s contribution to stronger public financial management, good governance and accountability was undertaken during 2016. We set in motion an internationally coordinated assessment of the OAG using the INTOSAI Supreme Audit Institutions Performance Management Framework<sup>1</sup>.

The assessment covered eight areas that focus on the values and benefits of the OAG as an effective Supreme Audit Institution through:



1. Supreme Audit Institutions Performance Management Framework (approved Pilot Version 12 July 2013).

**2.6** INTOSAI foresees that conducting this assessment will contribute to capacity development through promoting the use of performance measurement and management, and identifying opportunities to strengthen Supreme Audit Institution performance – for example, by contributing to development of strategies and policies. Furthermore, the evaluative findings from additional tools were pertinent to the OAG’s strategic development insight:

- The AFROSAI-E Institutional Capacity Building Framework, which is used both for diagnostic assessment purposes and as a guideline for how to develop step-by-step a Supreme Audit Institution’s capacity; and
- INTOSAI’s Into-SAINT, which is an instrument used to analyse integrity risks and assess the maturity level of integrity management systems.

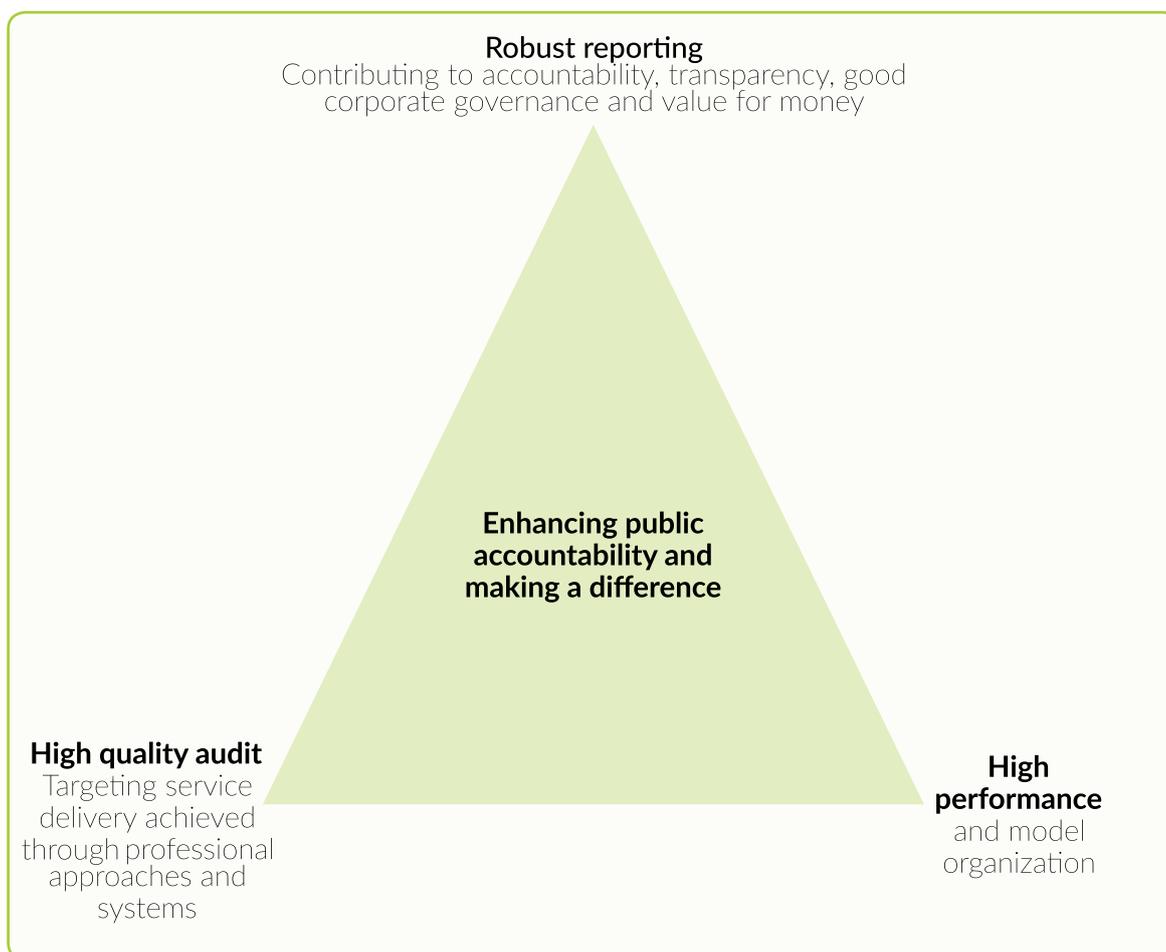
**2.7** The OAG’s review of external expectations combined with the findings that flow from the Supreme Audit Institutions Performance Management Framework assessment show that we have considerable strengths, particularly in relation to the extent of our independence and our audit reporting. Conversely, stakeholders’ views and the assessment findings point to clear areas for improvement, for example, in raising the standards and quality of OAG work and better supporting and managing staff to deliver.

## OAG way forward

**2.8** The proposals from the stakeholder engagement and performance assessment have provided a clear and objective basis for the work that the OAG has to do in demonstrating ongoing relevance to citizens. We therefore strive to improve our performance in this corporate strategy 2016-2021 in delivering the OAG's strategic theme "Enhancing Public Accountability and Making a Difference":

**2.9** We will utilise our audit insight and reporting to accomplish the strategic theme, which is intended to enable attainment of the OAG's vision and mission. The OAG strategic theme will be achieved through three strategic goals:

- **Robust reporting** – contributing to accountability, transparency, good corporate governance and value for money
- **High quality audit** – targeting service delivery achieved through professional approaches and systems
- **High performance** – be a model organisation with a culture that values people and systems leading to increased efficiency and effectiveness of performance, as well as leading by example.



**2.10** The OAG's three strategic goals are supported by a set of objectives that are designed to ensure delivery:

Goals	Objectives
<b>Robust reporting</b> that contributes to accountability, transparency good corporate governance and value for money	<ul style="list-style-type: none"><li>• Enhance the independence of OAG reporting</li><li>• Support Parliamentary oversight and scrutiny</li><li>• Convey information and audit results effectively</li></ul>
<b>High quality audit</b> targeting service delivery achieved through professional approaches and systems	<ul style="list-style-type: none"><li>• Manage the expanding range and emerging scope of audit work</li><li>• Ensure high quality, professional, risk-based and real-time audit</li><li>• Demonstrate impact and instill a culture of service delivery in our audit</li></ul>
<b>High performance</b> and model organisation	<ul style="list-style-type: none"><li>• Enhance financial and operational independence</li><li>• Be an influencing and collaborative organisation to raise the profile of the OAG through stakeholder engagement</li><li>• Ensure the highest ethical and professional standards in all of our work</li><li>• Manage and enable staff to deliver</li><li>• Continuously improve structures and systems to ensure better and efficient performance</li></ul>

The OAG is committed to ensuring delivery of this corporate strategy through an implementation plan with clear, achievable and quantifiable objectives and targets. We have established a monitoring and evaluation system to track and annually report progress against the Corporate Strategy 2016-21 and highlight key achievements. This will include regular reviews and reports to OAG management to measure key performance indicator progress (Appendix One).

# Part Three

## Strategy for 2016-21

- 3.1** We responded constructively to the strategic action areas identified during the five-year period of our Corporate Plan 2011-16 in developing OAG audit work, strengthening operational independence, improving communication and enhancing performance.
- 3.2** Continuous engagement with stakeholders points to the OAG's positive impact, however, we have room for further improvement. Our audit clients and stakeholders envisage enhanced levels of OAG support through identifying and reflecting good practice that contributes to achieving economic, efficient and effective public service delivery.
- 3.3** This strategy is designed to continue and build upon the OAG's good work during 2011-16, whilst at the same time recognising current and emerging environmental change and government challenges that lie ahead. The OAG will use its insight to report systemic problems that impact on value for money in service delivery. An important additional area of development will be OAG efforts to increase support to Parliament in strengthening service delivery that makes a difference to the lives of citizens.
- 3.4** The OAG strategic programme includes continuation of improvement activities already under way, as part of the Corporate Plan 2011-16, and a range of new initiatives designed to meet the needs of Parliamentarians, other stakeholders and our staff. We are committed to supporting public sector service delivery through developing OAG capacity and capability in value added reporting, auditing that contributes advice, guidance and knowledge, and improving performance to meet end-user needs. In the same way that the public sector is expected to deliver better value service delivery, the OAG should offer increased value to Parliament and audit clients. Despite the challenges over the course of the next five years, the OAG is determined to perform its role in contributing to public sector improvement with a key focus on service delivery and outcomes.
- 3.5** The OAG has made great strides in developing more competent and professional management as an essential process, and more efforts will be undertaken to cascade leadership and management responsibility throughout the OAG. The Office will promote and build a staff culture that values individual leadership and responsibility to ensure better OAG capability and performance.

- 3.6** Effective performance requires all staff to embed the OAG vision, mission, core values, strategic theme and goals in their work.

## Goal 1: Robust reporting

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### Goal 1: Robust reporting that contributes to accountability, transparency, good corporate Governance and value for money

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- 3.7** Public sector financial mismanagement is a risk when accountability and transparency mechanisms are weak or not working. The OAG's external audit is designed to assess and contribute to strengthening legal, financial and institutional frameworks that improve accountability and transparency. Further to the OAG's mandate, access to government information allows us to report on significant issues to Parliament, audit clients, other stakeholders and citizens. However, the OAG needs to develop more useful report products and demonstrate greater value and impact where its recommendations have been implemented. In consequence, the OAG is placing emphasis on the strengthening of financial management systems, evaluation of internal control systems, and identification of systemic weaknesses and making recommendations to address them. The OAG's additional products will raise the standard in disseminating and increasing knowledge about audit, governance, ethical norms and performance standards.

- 3.8** The OAG has taken on board stakeholder feedback to strengthen and improve service delivery through effective tools that will be designed in line with that feedback. During the course of the next five years, the OAG will:
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### **Objective 1: Enhance the independence of OAG reporting**

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- The OAG is committed to producing independent audit reports, which help strengthen public sector accountability, transparency, and good governance in line with sound financial management and value for money principles (i.e. economy, efficiency and effectiveness). The reports must be and be seen to be independent, impartial and objective with clear audit evidence, findings and recommendations.
  - OAG reports are intended to be credible drivers of change; accordingly, the Office will continue to report to Parliament on a range of crosscutting themes that tackle systemic issues impacting on citizen needs, service delivery, and the value delivered through using public resources.
  - The OAG's engagement with stakeholders shows that there is an opportunity to make better use of information and widen the scope of our report products to Parliament and other users. The Office will develop additional products designed to advise and guide public sector bodies in addressing systemic issues, for example, weaknesses in financial management and internal control systems that affect accountability and service delivery. This approach will help raise awareness of the risks of fraud and corruption, champion good governance and appropriate standards of conduct and build on OAG work to ensure that systems are in place and effective.
  - In line with the OAG's mandate, we shall audit the Treasury Memoranda as a high priority. In the absence of the Treasury Memoranda, we will continue to follow-up on the extent of implementation of OAG recommendations.
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### **Objective 2: Support Parliamentary oversight and scrutiny**

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- OAG audit reports are the basis for Parliamentary scrutiny of government expenditure and providing assurance to the public. In seeking to deliver positive change, the OAG is committed and ready to support Parliament in helping government address public financial management and service delivery challenges. Specifically, the OAG will inform and support the Public Accounts Committee, the Committee on Commissions, Statutory Authorities and State Enterprises, and the Local Government Accounts Committee in scrutinising public revenue and expenditure and driving improved service delivery.
  - The OAG will strengthen its Parliamentary Liaison Department to encourage and promote co-operation, knowledge and information sharing that can improve the established approaches for holding public sector organisations accountable and enhancing transparency to citizens. The OAG will also reach out to develop links with other Parliamentary Committees that can contribute to raising the quality and impact of our reporting, as well as adding value to our work.
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## Objective 3: Convey information and audit results effectively

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- The OAG's financial audit, value for money and other audit reporting enables Parliament to hold ministries, departments, agencies, local government and schools to account. In meeting the requirements of those with an interest in the economic and sound use of public money, we intend to improve OAG audit and other product dissemination to ensure consistency of presentation and greater understandability.
- We must communicate audit findings and recommendations more clearly and to a wider audience to increase OAG influence in improving public services and delivery. The OAG will review and refine reporting processes, practices and timeliness to better meet Parliamentary, audit client and stakeholder needs.
- The OAG will continue to develop and improve use of systems for reporting audit information and results that aid understanding and demonstrate impact. The Office will maintain a more user-focused website and publish regular online updates related to its activities, for example, new audit and other work-in-progress, as well as the latest publications.
- The OAG will carry out research and learn lessons to develop capabilities in using new audit result communication approaches and tools including enhanced online presentation, use of mobile technology and social media to increase accessibility.

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## Goal 2: High quality audit

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### Goal 2: High quality audit targeting service delivery achieved through professional approaches and systems

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- 3.9** In light of national priorities, increasing numbers of public sector bodies, emerging trends and meetings with stakeholders, OAG audit systems will be reviewed to enhance quality and impact. The OAG's core expertise in audit, accounting and financial management will be valuable in supporting and influencing the public sector policy reforms during the five-year period of this corporate strategy. Specifically, the OAG's audit approach will focus on but not be limited to:
- Arrangements for effective financial management and governance;
  - The extent to which service delivery is being improved or maintained, and outcomes are being met, within allocated funding streams; and
  - Maximising the contribution the OAG makes to clients through advice and guidance as well as reporting.

**3.10** The OAG's audit work is designed to provide transparency in the ways that the public sector delivers on government commitments. Whilst OAG staff deliver most of the annual programme of audit, private auditors are also engaged to support the Auditor General in delivering his function. As part of a broader spectrum of activities, the OAG will work closely with the Institute of Certified Public Accountants of Uganda to drive improvement in professionalism and public financial management.

**3.11** During the course of the next five years, the OAG will:

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### **Objective 1: Ensure high quality, professional, risk-based and real-time audit**

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- The OAG's audit includes financial, compliance, value for money, special, IT audits, as well as investigations. The Office strives to consistently apply good practices in accounting and audit. We will develop and regularly upgrade our audit approaches and methodologies in line with the national legal framework and International Standards.
  - The OAG intends to further develop strategic insight and IT capability to enhance risk-based approaches in conducting audit work. Additionally, the OAG will compare risk-based approaches with other model organisations to adopt lessons learned that are applicable to our environment.
  - In meeting stakeholder concerns, the OAG will review the financial implications of large-scale projects through real-time audit and it will include more quantitative and qualitative analysis, and good practice examples in reporting to Parliament. The OAG will also examine projects in their early stages to identify risks and challenges that need to be addressed to ensure successful implementation and completion of these projects.
  - The OAG is placing a greater emphasis on quality control and assurance to ensure relevant and useful audit reporting. We will work with peer institutions and external experts to review and support quality improvements of OAG audit products.
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## Objective 2: Manage the expanding range and emerging scope of audit work

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- The OAG intends to respond positively to an increasing work responsibility. Newly emerging clients present financial and operational challenges that need to be managed efficiently and effectively in ensuring consistent, timely audit reporting. Our approach will be to use OAG public sector audit knowledge, insight and tools to better scope our work. In meeting Parliamentary scrutiny requirements, the OAG will target crosscutting risk areas and systemic weaknesses that enable assessment of how public resources are managed to effectively deliver public services
- The objective of the OAG is to plan and demonstrate greater efficiency and thus add value in line with the public sector. The OAG will review managerial and administrative approaches to ensure that the skills of staff are efficiently and effectively enhanced and used in meeting increasing audit demand.
- We will make improvements in processes, allocation of staff and use of tools to ensure delivery of OAG work. Better relationships with clients will be key for OAG to focus and conduct audits more effectively.
- The OAG will liaise with other Supreme Audit Institutions to learn best international practice in the prioritisation, management and delivery of audit.

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## Objective 3: Demonstrate impact and instil a culture of service delivery in our audit

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- We have engaged with a range of external stakeholders to capture areas of concern that should be prioritised in the OAG's audit work programme. We will expand our engagement approach by developing new ways of public consultation that will enable the OAG to meet the concerns of citizens. The OAG will design its audit approach to focus on service user outcomes based on its understanding of the public sector environment.
- A key area of development will be learning for impact – we will research good practice impact approaches that will ensure OAG audit programme coverage leads to identifiable and quantifiable impact. The OAG will publish key impact messages across important issues that will add value to the work of the public sector.
- The OAG's staff will place impact delivery at the heart of their audit work – for example – through follow-up, particularly in achieving value for money, making a difference and ensuring that citizens can place reliance on the public sector.

## Goal 3: High performance

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### Goal 3: High performance and model organization

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- 3.12** The OAG appreciates and values the extent of its SAs independence in enabling fulfillment of its mandate. The OAG is mandated to report independently, but it is required to deliver an expanding audit responsibility within a limited financial envelope set by the Medium Term Expenditure Framework. Inevitably, this places a limiting influence over the design, development and delivery of the OAG audit programme scope and associated report outputs. For this reason, the OAG will continue to strive for enhanced functional independence necessary to fulfil mandated responsibilities and obligations in providing proper accountability for public funds and serving the interest of citizens.
- 3.13** The OAG offers absorbing and interesting work that impacts on the public sector and makes a difference to people. The OAG works closely with government bodies and other organisations to bring positive change and sustainable improvement. The OAG values its staff and invests in their welfare and training to build a responsible, professional and skilled workforce. The core commitment by staff is to lead by example in making the OAG a model organisation and rewarding place to work. In supporting the career development and progress of staff, the OAG is committed to improving the quality of performance management, assessment and appraisal.
- 3.14** The OAG invests in the professional development of staff to ensure that they are sufficiently empowered to engage and perform successfully with audit clients, as well as Parliament and other stakeholders. The OAG's vision and mission, government service delivery expectations and meetings with stakeholders point to the fact that the Office must improve and become better in the efficient and effective use of all its resources.
- 3.15** The OAG receives public resources to provide Parliament with independent information on government activities. The OAG's work also provides government with an independent assessment of the scope and quality of its achievements in varying audit areas. Additionally, the OAG informs citizens on the ways public resources are managed and the extent to which services are delivered, hence contributing to increased transparency and accountability. The effectiveness of OAG public audit work is dependent upon increasing financial and operational independence, as well as professional capability to analyse, evaluate, advise, support and improve public sector management.

**3.16** The OAG has developed systematic audit approaches supported by relevant and comprehensive manuals. The Office will continuously improve its processes to deliver its mandate. This will require a greater focus on quality methodologies for all OAG work, but also in administrative, management and performance activities.

**3.17** The Corporate Strategy provides a platform for a better performing OAG in line with its core values: integrity, objectivity and professional competence.

**3.18** During the course of the next five years, the OAG will:

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## Objective 1: Enhance financial and operational independence

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- The OAG will prioritise management and monitoring of its performance, particularly in relation to costs and staff, to ensure improved and more efficient ways of working, but with the backdrop that externally-driven factors in OAG work will bring additional costs. The OAG will work with and seek the support of Parliament, external partners and stakeholders to ensure that it is able to meet its accountability and reporting requirements on the basis of increased financial and operational independence, through initiatives such as review of OAG policies and enabling legislation.
  - The OAG will review its staff, planning, financing and performance arrangements to enable equitable work environments that ensure an effective client-focused approach. As part of these efforts, the OAG will review roles of its structures, including grading and pay arrangements for continuing staff and management of exiting staff, to ensure that it can attract and retain high quality, professional staff to meet increasing public audit challenges.
  - The OAG will review its structures and systems to drive efficiency through a greater management focus on the costs of audit and other operations, and time management initiatives.
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## Objective 2: Be an influencing and collaborative organisation to raise the profile of the OAG through stakeholder engagement

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- The OAG will place great importance on strengthening relationships with its stakeholders through creating closer links. The OAG will build more constructive engagement with audit clients, through effective and fruitful co-ordination.
- The OAG will continue its work with the local and international audit community through sharing staff skills, knowledge, and expertise in various events within the region and beyond. For example, the OAG has been acting as the Secretariat for and will continue to support, the INTOSAI Working Group on Extractive Industries. This is enabling Supreme Audit Institutions to support delivery of transparent oversight in extractive industries. The OAG will also take part in national and international audit, and accountability activities that will contribute to making a positive difference.
- The Office will raise awareness to ensure that the Parliament, public sector, press and citizens value the work of the OAG, particularly in respect of reported findings and recommendations. We intend to be more visible and corporately responsible in interacting with civil society, and the media. The OAG is keen to enhance co-operation and knowledge sharing through being a model organisation. The OAG will seek to raise the priority of audit approaches in the African region and beyond such that they are designed to create wider impact, for example, identifying and undertaking audits with a shared strategic interest, such as climate change, environmental impact, wealth and job creation.

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## Objective 3: Ensure the highest ethical and professional standards in all of our work

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- The OAG's staff understands the unique place of public sector external audit in making a significant contribution and staff are required to act with integrity, independence, objectivity, confidentiality, competence and respect. The OAG has developed a Code of Ethics that provides guidance to staff on professional conduct and it will be reviewed and disseminated regularly. The OAG will establish an integrity function that includes monitoring processes and reporting systems designed to support appropriate conduct and behavior.
- The OAG will survey its stakeholders and implement quality control monitoring arrangements and reviews that will enable it to report on the quality and impact of our professional work.

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## Objective 4: Manage and enable staff to deliver

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- The quality of staff undertaking and supporting audits and investigations is a key element in the success of the OAG. Our staff are required to work with a diverse range of public and private stakeholders with varying management and delivery priorities. Similarly, the people recruited by the OAG should reflect this diversity and multi-disciplinary skillset. The Office is committed to providing continuous development and training opportunities that update essential and professional skills.
- The OAG will ensure appropriate leadership and existence of trained, professional staff competent to contribute significantly to its work. Based on the OAG's strategic and operational needs and requirements, the Office will deliver continuous training and professional development to enhance staff capability to manage and undertake audit and other OAG work.
- The OAG is committed to strengthening institutional capacity and organisational culture. The Office will continue to win hearts, minds, change attitudes and culture of staff to enable them perform better – this will be achieved through more focused and creative management approaches aimed at enhancing staff motivation and providing incentives for good performance.
- The OAG increasing audit workload and pressures on delivery requires application of more flexible and innovative ways of managing the human resource and a commitment to their wellbeing. As a result, the OAG is committed to review and implement flexible organisational structures and systems to effectively deliver its mandate.
- The OAG will develop and implement comprehensive career development and training programmes to enable staff to deliver, and will continuously evaluate performance.

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## Objective 5: Improve structures and systems to ensure better and efficient performance

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- The OAG is implementing monitoring and evaluation mechanisms to enable regular assessment and reporting of its performance relating to strategic achievements, strengths, and areas for improvement. A key priority is the establishment of a management information system that will provide a holistic view of the OAG's performance, operations, potential risks and assessing the impact of its work.
  - In order to ensure delivery of expanding audit coverage, the OAG desires to improve the use of IT in bringing innovative and reliable solutions to support better and efficient performance. This is particularly critical in the OAG's branch offices, where there is an increasing workload and a need for remote working.
  - The OAG will prioritise the use of software tools in executing its work to enhance audit insight, information analysis and reporting
  - The OAG will enhance internal coordination and collaboration of its work to harness synergies across the Office through knowledge and information sharing.
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# APPENDICES

# Appendix One

## Performance measures

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Our Goal	Associated Key Performance Indicator(s)
<b>Robust reporting</b> that contributes to accountability, transparency good corporate governance and value for money	<ol style="list-style-type: none"><li>1. Increased confidence of the Parliament, stakeholders and citizens in the OAG's contributions to independent assurance, better public financial management and service delivery</li><li>2. Objective, transparent and effective reporting on the management and use of public resources that increases stakeholder confidence and benefits citizens</li><li>3. Recognition of the OAG as an influential and valued voice through expanding the range of OAG report outputs</li></ol>
<b>High quality audit</b> targeting service delivery achieved through professional approaches and systems	<ol style="list-style-type: none"><li>1. Greater efficiency through risk-based audit approaches in line with the ISSAIs and more balanced delivery of OAG reports</li><li>2. Demonstrating value and delivering positive outcomes through adoption and implementation of recommendations by Government.</li></ol>
<b>High performance</b> and model organization	<ol style="list-style-type: none"><li>1. Achieving independence as defined by INTOSAI (eight principles or pillars)</li><li>2. Improved risk management and internal control</li><li>3. Improvements in corporate structures leading to greater operational efficiency and better management of costs</li><li>4. Professionally trained and capable staff providing assurance on the Government's use of resources that leads to accountable public financial management</li><li>5. Improved staff capacity, management and development leading to efficient and quality productivity underpinned by rigorous and robust performance management, information and knowledge sharing</li><li>6. Wider and proactive communication, knowledge sharing and partnering with Parliament, stakeholders and citizens</li></ol>

# Appendix Two

## Corporate Strategy-Logical Framework

Goal 1: Robust reporting that contributes to accountability, transparency good corporate governance and value for money											
Strategic Objective	Task	Activity	Funding Source	Success Indicator(s)	Responsible Person	Activities to Mitigate Risk(s)	Implementation Period				
							2016-17	2017-18	2018-19	2019-20	2020-21
Provide robust audit reports	Enhance audit reporting	Developing report writing guidelines to effectively communicate audit results and other reports	GoU/ DP	Standardised quality reports	AAG/C	Policy directive on follow-up of use of guidelines					
		Skill staff on use of report writing guidelines	GoU	Skilled staff and improved reporting	AAG/C	Coordination with DAs Periodic review of report writing gaps					
		Prepare and improve report presentation	GoU	Reports that meet various stakeholders needs.	AAG/A	Train staff in report writing skills Quarterly Report on quality assurance					
		Report on a range of cross cutting themes and systemic issues	GoU	Thematic reporting	AAG/A	Obtain regular feedback from stakeholders					
			Engage Parliament and other stakeholders to identify audit themes	GoU	Implementation of audit recommendations	AAG/A	Engage respective stakeholders to access the Treasury Memoranda Plan audit of the Treasury Memoranda				
		Enhance the existing and develop new products for public sector management	Cross-discipline audit knowledge through advice and guidance with good practice examples addressing systemic issues	GoU	Contribution to improved accountability, transparency and governance	AAG/A	Define and schedule target deliverables				

Goal 1: Robust reporting that contributes to accountability, transparency good corporate governance and value for money											
Strategic Objective	Task	Activity	Funding Source	Success Indicator(s)	Responsible Person	Activities to Mitigate Risk(s)	Implementation Period				
							2016-17	2017-18	2018-19	2019-20	2020-21
Support Parliamentary oversight and scrutiny	Strengthen Parliamentary Liaison to support Oversight Committees	Define oversight expectations and develop Terms of Reference for Parliamentary Liaison to effectively support scrutiny	GoU/DP	Effective support to Parliament Oversight Committee.	AAG/C	Engage the Oversight Committees and the Clerk's office					
		Provide informative briefs to Parliamentary Committees and capture feedback from these committees	GoU	Improved OAG/ PAC reports	AAG/C	Regular briefs to Parliamentary Committees					
	Sensitise MPs and the Oversight Committee on their role in the accountability cycle	Coordination of staff to attend Committee Sessions	GoU	Effective Oversight	AAG/C	Communication of PACs discussion programme Staff assigned as per Committee schedules					
		Support Oversight Committees in development of their reports	GoU	Effective oversight	AAG/C	Coordination between PAC and OAG					
	Establish relationship with other Parliamentary Committees	Establish routine contacts and engagements with other Parliamentary committees	Support Oversight Committees in development of their reports	GoU	Effective Oversight	AAG/C	Hold briefing sessions and meetings				
			Establish routine contacts and engagements with other Parliamentary committees	GoU	Effective Oversight	AAG/C					

Goal 1: Robust reporting that contributes to accountability, transparency good corporate governance and value for money											
Strategic Objective	Task	Activity	Funding Source	Success Indicator(s)	Responsible Person	Activities to Mitigate Risk(s)	Implementation Period				
							2016-17	2017-18	2018-19	2019-20	2020-21
Convey information and audit results effectively	Effective dissemination of audit results	Streamline VFM audits to ensure continuous production of reports throughout the year.	GoU	Effective and regular communication of VFM reports	AAG/A	Plan VFM audits to ensure continuous production					
		Publish audit reports regularly during year as they are completed to maximise publicity and coverage	GoU	Effective communication of VFM reports	AAG/C	Publication within 30 days after authorisation					
		Improve on the user interface and enrich the content of the OAG web site	GoU	Increased access and transparency	AAG/C	Streamline responsibilities on updating website					
		Use other communication approaches (e.g. social media)	GoU	Improved communication	AAG/C	Seek approval and responsibilities of maintaining the social media account Approved communication strategy					

Goal 2: High quality audits targeting service delivery achieved through professional approaches and systems										
Strategic Objective	Task	Activity	Funding Source	Sources Indicator(s)	Responsible Person	Activities to Mitigate Risk(s)	Implementation Period			
							2016-17	2017-18	2018-19	2019-20
Ensure high quality, professional, risk-based and real-time audits	Establish efficient and effective approaches and processes that ensure high quality audits	Review existing audit methodologies and assess the adequacy in ensuring that high quality audits are met (RAM, team mate and other software tools)	GoU/ DP	Methodologies tailored to produce high quality audits	AAG-A/C	Put in place basis for review of the methodologies Assign responsible persons and hold meetings				
		Develop and/ or update strategies, manuals and guidelines for executing audits	GoU/ DP	Improved quality of audits	AAG-A/C	QAAD review of developed manuals and guidelines				
		Training of staff in the use of the guidelines and manuals	GoU/ DP	Improved quality of audits	AAG-A/C	Continuous review of staff training needs Organise workshops and relevant training to address gaps				
		Continuous training of staff on the application of the risk based approach	GoU	Improved quality of audits	AAG/C	Financial and technical resources				
		Implementation of the strategies, manuals and guidelines to quality standards	GoU	Quality audits and reports	AAG/A	Review implementation Management supervision				
		Monitor implementation of audit guidelines to ensure high quality audits	GoU/ DP	Quality audits and reports	AAG/C	Establish quality control responsibilities Perform Quality Assurance				
		Identify projects and entities to implement real time audits	GoU	Improved project delivery	AAG/A	Identify and implement pilot projects in the first two years and learn lessons Integration of real time audit concepts into all audit disciplines				
		Liaise with SAls to learn and apply lessons on real time audits	GoU	Skilled staff on real time audits and delivery of quality audits	AAG/A	Schedule liaison				
		Develop or customise quality assurance procedures and guidelines	GoU/ DP	Quality audits	AAG/C	Source funds Obtain technical expertise External Quality Assurance review on the QC manual				
		Build capacity and Implement the QA and QC manual	GoU/ DP	Skilled Staff to own the QC manual and QA procedures	AAG/C	Conduct QA reviews Regular QAC meetings held Follow-up implementation of QA recommendations				
Ensure Quality Assurance		Train Quality Assurance staff in VFM, TI, Forensics, Engineering, Environmental and other specialised audits	GoU/ DP	Improved quality audits	AAG/C	Source funding Appropriate retention policy Provide appropriate tools and equipment to staff Follow-up with staff to review implementation				
		Develop a framework for supervision of outsourced audits	GoU	Quality outsourced audits	AAG/C	Resource the secretariat				

Goal 2: High quality audits targeting service delivery achieved through professional approaches and systems										
Strategic Objective	Task	Activity	Funding Source	Sources Indicator(s)	Responsible Person	Activities to Mitigate Risk(s)	Implementation Period			
							2016-17	2017-18	2018-19	2019-20
Manage the expanding range and emerging scope of audit work	Partner with external experts and peers to provide additional Quality Assurance	Identify potential SAIs and engage AFROSAI-E in the external Quality Assurance reviews	GoU/DP	Improved quality reports	AAG/C	Develop a framework for partnership				
		Design and initiate external review programme	GoU/DP	Improved quality Audits	AAG-C	Prepare and implement programme schedules with clear responsibilities				
	Establish a plan for managing the existing and expanding range of audits	Apply lessons learnt from external reviews to improve audits	GoU/DP	Improved quality Audits	AAG-C	Discussion of quality review reports by QAC Follow-up on implementation of QAC action points				
		Benchmarking with other SAIs on Quality Assurance approaches	GoU /DP	Improved quality Audits	AAG-C	Identify SAIs for partnership Develop a framework and schedule for partnership				
	Develop capacity for undertaking emerging audits (PPPs, Energy, Public works, Impact studies, environment, revenue audits and others)	Establish and continuously review the audit database and associated costs	GoU	Effective management of audit activities	AAG/A	Design, Initiate and maintain a database with associated cost Strengthen coordination between audit and support services				
		Improve risk profiling of audits to capture crosscutting and systemic weaknesses	GoU	Improved audits addressing crosscutting and systemic weaknesses	AAG/A	Provide Quality Assurance on the risk profiling process Timely approval of improved Shared overall risk assessment (SORAs)				
	Manage the expanding range and emerging scope of audit work	Review audit processes to ensure efficiency and effectiveness	GoU	Improved delivery of audits	AAG/A	Establish a flexible staff utilisation plan with timelines to deliver audits Learn good practices from other SAIs on the application of the processes				
		Develop and update strategies, manuals and guidelines for executing emerging audits	GoU/ DP	Improved quality of emerging audits	AAG-A/C	QAAD review of developed manuals and guidelines				
		Identify skill gaps and plan for staff development in undertaking these emerging audits	GoU/DP	Improved staff performance in emerging audit areas	AAG/C	Continuously review staff training needs Organise workshops and relevant training to address the gaps				
		Learn from other SAIs and building capacity	GoU/ DP	Improved staff performance in emerging audit areas	AAG/A	Establish mechanisms to enhance information sharing and collaboration				
	Monitor development and implementation of strategies manuals and guidelines for emerging audits	GoU/ DP	Improved quality audits for emerging scope	AAG/C	Establish quality control responsibilities Perform Quality Assurance					

Goal 2: High quality audits targeting service delivery achieved through professional approaches and systems										
Strategic Objective	Task	Activity	Funding Source	Sources Indicator(s)	Responsible Person	Activities to Mitigate Risk(s)	Implementation Period			
							2016-17	2017-18	2018-19	2019-20
Demonstrate impact and instil a culture of service delivery in our audit	Measuring impact of audits	Establish a framework for measuring impact of OAG audits	GoU	The value of OAG work demonstrated	AAG/C	Development of staff skills for carrying out impact assessment				
		Carry out a baseline survey on the impact of the Office	GoU/DP	The value of OAG work demonstrated	AAG/C	Identifying the funding source and approval of the concept by Top Management				
	Conduct audits with high impact on service delivery	Train staff on the implementation of the framework	GoU/DP	Improved staff performance	AAG/C	Sensitise staff on importance of measuring impact				
		Engagement of stakeholders to identify audit areas or themes that have high impact	GoU	Quality audits which impact on service delivery	AAG/C	Continuous consultations with key stakeholders				
	Improve the follow-up of OAG work	Learn good practices from other SAIs and build capacity in measuring impact and reporting.	GoU/ DP	Improved performance of staff	AAG/A	Engage stakeholders to appreciate audit impact reporting Identify other SAIs for information sharing				
		Develop capacity for staff to undertake audits that measure impact and service delivery	GoU/DP	Impact-oriented audit work undertaken	AAG/A	Identify relevant training that for impact measurement and service delivery Organise workshops and relevant training to develop capacity of staff to measure impact Carry out surveys to measure impact of audit work				
		Review existing guidelines and audit approaches to integrate impact assessment in all audits	GoU/DP	Improved impact of audits	AAG/A	Ensure that periodic reviews of procedures are made Quality assurance to ensure integration.				
		Publish key impact messages across important issues	GoU	Demonstrate the value of the Office	AAG/C	Identify key impact messages Publish widely				
		Monitoring implementation of guidelines for impact assessment	GoU	Improved impact of audits	AAG/C	Strengthening quality control reviews Conduct Quality Assurance reviews				
		Use of teammate to follow-up the implementation of audit recommendations of previous audit	GoU	Use of teammate to follow-up the implementation of audit recommendations of previous audit	GoU	Improved impact of audit reports	AAG/A	Review and design procedures for following-up audit recommendations in teammate		
Follow-up of Public Accountability Committee recommendations through audit of the Treasury Memoranda	Measure the adoption of audit recommendations by Oversight Committees	GoU	Improved impact of audit reports	AAG/C	Design and update a database for all audit recommendations					
	To enhance follow-up of OAG recommendations by building strong relationships with law enforcement agencies	GoU	Improved impact of audit reports	AAG/C	Develop and implement a collaboration framework					
	Follow-up of Public Accountability Committee recommendations through audit of the Treasury Memoranda	GoU	Demonstrable impact of audit work	AAG/A	Design and agree procedures for audit of Treasury Memoranda					





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