National Audit Chamber Peer-support Project 2017-2020

Final report

Version by 28 September 2020 for the Norwegian embassy

Contents

1 Introduction

The National Audit Chamber of South Sudan (NAC), the INTOSAI Development Initiative (IDI) and AFROSAI-E have had a cooperation agreement from May 2017 to April 2020. The Office of the Auditor General of Kenya (OAGK) and Norway (OAGN) have been key partners to the project providing resource persons.

The overall objective of the project has been to "Maintain and strengthen key audit-related capacities in NAC, to prepare NAC to play a strong role in the reform efforts of the Government of South Sudan to improve and sustain Public Financial Management Administration and accounting systems." There were six expected outcomes of the project:

1. A relevant and enhanced regularity audit function in NAC
2. A relevant and enhanced performance audit function in NAC
3. Core audit management and HR systems in place in NAC
4. Key stakeholders are familiar with NAC's function, audit findings and how reports can be utilized
5. NAC is developing in line with the ISSAIs and international best practices
6. NAC's capacity development is strategically managed and well-coordinated

NAC has been the main partner responsible for execution of activities. IDI has been primarily responsible for the funds and management of peer-support by the other partners. A steering committee led by the Auditor General has had the overall governance of the project.

Funding has been provided by the Ministry of Foreign Affairs of Norway in addition to IDI basket funds and in-kind contributions from AFROSAI-E, OAGK and OAGN.

Advice to execution, reporting and dissemination of audits has been a key part of the project. The project has also included support to introduction of new audit manuals, sharing of knowledge in the organization, participation in various AFROSAI-E events and trainings, stakeholder events, management development, and NAC's own performance reporting.

An external evaluation of the project was conducted in 2020 by AB Professional. The findings of the evaluation are included in the report, and the action plan for its recommendations presented in appendix 2.

This report includes activities and results up to 11 September 2020 when the partners had an ad-hoc Steering committee meeting to discuss this report and sum up lessons learned of the project. The agreement period was originally up to end of April 2020. The report also includes the period May to September 2020 as there has been important efforts in this period to finalize some of the key planned outputs of the project.

There has been a good cooperative spirit and reasonable progress in the challenging situation 2017-2019. On this background, the parties have agreed to enter a second phase of the Peer-support project – the "NAC Strategic Change project 2020-2024". This was formalized in a Cooperation agreement signed in August 2019. An application for funding of the Norwegian embassy was submitted in October 2019, and revised versions in April and September 2020.

Picture 1 Steering Committee for the Annual meeting in Juba December 2018, outside NAC new headquarter building

2 Overall assessment of project implementation and results

2.1 Project implementation

In general, a large part of planned activities have been implemented in spite of a very challenging country situation. Support has been conducted in all the main areas, with the audits and management development as key priorities. Peers and NAC auditors were working in collaboration and met at key stages of the audit cycle for both regularity and performance audits. A larger management development programme was conducted jointly with SAI Somalia. This enabled NAC managers to develop core SAI plans, such as the annual audit and operational plan. It also enabled NAC to develop its first report of its own performance – the NAC activity report. NAC has also in the project period been able to participate in key regional events, and thereby taking into account new international standards and developments. Finally, NAC has been able, through the project, to keep an open and regular dialogue with development partners through an annual joint meeting.

There were however several delays in implementation of activities. The audits were delayed and less audits than planned were supported in the project period. However, the delays are mainly related to external factors outside the control of the project, such as lack of access of data in the Ministries and lack of operational funds for transport.

During the project period some activities were added through decisions in the Steering Committee. Customization of the compliance and financial audit manuals were added as a key priority by the Steering Committee in end of 2018, in line with new NAC priorities. Furthermore, the project supported development and launch of the new strategic plan, following NAC's priority of this. The plan was driven forward by NAC's own managers and is truly result oriented. It is a strong fundament for strategic improvements over the next years, and for NAC to play a key role as envisaged in the peace agreement R-ARCSS.

Some planned activities have not been executed, such as the annual internal sharing of knowledge within NAC, quality control support, seminars for stakeholders and initiation of new audits. These activities have not been executed due to other priorities in NAC and challenges in regular project communication.

According to the evaluation, the peers from IDI, AFROSAI-E, SAI Kenya and SAI Norway have provided excellent support and continued support from the present peers would be of great value. There has been a good cooperative spirit among the partners during all the years, including the overall project governance of Steering Committee. Project coordination has in periods been challenging, due to amongst others lack of regular communication. In a next phase of the project this is a key area to improve on, through enhanced internet and ict-systems in NAC as well as project management routines and Juba presence by the project advisors.

2.2 Project results

The Overall Project goal was to "Maintain and strengthen key audit-related capacities in NAC, to prepare NAC to play a strong role in the reform efforts of the Government of South Sudan as well as to improve and sustain Public Financial Management Administration and Accounting Systems."

The status of overall indicators of goal achievement are shown in table 1. While the target of submission of audit reports to the Parliament and President has not been met, a major achievement is that four Performance audit reports and one Special audit report on IFMIS have been completed and printed. The actual reporting to the President and Parliament is planned by NAC when the Transitional National Legislative Assembly (TNLA) meets.

When it comes to the objective of maintaining the capacity in NAC, the available figures on turnover indicates that the target has not been met. The staff turnover has probably increased in the period among auditors and managers. Many staff have not received regular salaries in the period, and have not been regularly in the office. This means that NAC's capacity has not been maintained in the period as intended. However, it should be pointed out that this has to a large extent been due to factors beyond the project control and is a government wide problem. Irregular payment of salaries and increasing inflation have prompted staff to move to better paid sectors.

Table 1 Status of overall indicators of goal achievement by 30 August 2020

Indicator	Target	Status by				Comments
		30. Sep 2017	30. Sep 2018	30. Sep 2019	30. Aug 2020	
1. Percentage of project supported audit reports finalized and reported to the President and Parliament by NAC	50 % by the end of 2019 (of a total of 9/6)[1]	0 %	0 %	0 %	0 %	Four Performance audit reports and one Special audit report on IFMIS are printed, but not submitted as the TNLA** has not been met yet.
2. Staff turnover among auditors and managers in NAC.	Less than 10% annually	0 %	9 %*	18 %*	NA	Turnover figures not fully reliable, but clear indication of higher turnover than target in the period. Also many staff have not reported regularly although employed, due to lack of salaries.

* The turnover figures are not measured in line with the definition of the indicator. While the indicator was supposed to measure turnover among auditors and managers, the figure reported here is turnover among all staff. In practice this has been the most feasible way to calculate the turnover rate. Also, the figure should ideally have been calculated on the basis of the average number of employees per year as the deviator for the equation. Instead the number of employees at the end of the period has been used for the deviator.

** The Transitional National Legislative Assembly

In spite of the lack of goal achievement as measured by the two major indicators, there has been many achievements that demonstrates results related to the objective of maintaining and strengthening key audit-related capacities in NAC. The following achievements should thus be highlighted:

• Completion of audits in areas of high importance, such as the audit of IFMIS, Local content[2] of the petroleum sector, the Constituency Development Fund and the Juba city council

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[1] The number of project supported audits in total can be counted in two ways: 1) All audits planned supported, which is five performance audits and four regularity audits (nine in total), or 2) All audits actually initiated in the project period, which is four performance audits and two regularity audits (six in total). Additionally four pilot financial audits of the new manual have been planned, but not yet initiated by Sept 2019.

[2] The World Bank's oil, gas and mining unit defines local content as " the share of employment—or of sales to the sector—locally supplied at each stage of the supply chain." While being coined "local" content, policies in

- Training and customization of new up-to date financial and compliance audit manuals, preparing NAC to conduct annual audits in line with international standards
- Management development training which resulted in key plans and strategies developed, such as the new strategic plan, stakeholder engagement strategy and HR-strategy.
- Completion of the first NAC activity report, showing its performance since 2005.

As stated in the external evaluation, "even if many of the project supported audits and NAC systems are delayed, the results so far are good considering the challenging situation of the NAC." The project is therefore assumed to have contributed to strengthening of key capacities in NAC during the period 2017-2020, although the audits are not yet reported and some auditors have left the office. Through the work of customizing audit manuals and trainings related to these, NAC has built a strong fundament for its future audits. The guidelines for auditing the IFMIS system has been developed, and will be useful for audits in this area in many years ahead. NAC has also been able to develop plans for HR and stakeholder engagement in line with regional best practice, which gives the relatively young institution a solid basis for further development of these capacities in the years to come.

2.3   Project impact

Impact can be defined as an effect on the society and citizens. For SAIs, an impact can occur when audits are reported, public financial management and service delivery are improved changing the lives of citizens.

As the audits supported in the project have not yet been submitted to Parliament and President, the project have probably not yet had much impact. Some impact may have occurred through the auditors engagement with the auditees and submission of audit findings through management letters. If the reports are released in public, deliberated in Parliament and their findings follow-up, impact can be demonstrated. This is to be followed-up through the second phase of the project.

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this context usually refer to increases of national participation in the supply chain rather than focusing on subnational or municipal level. That's why they are sometimes also named national content policies. Source: www.extractiveshub.org

2.4 Key lessons learned

The project was the first Bilateral project led by IDI under the new bilateral policy, and many lessons learned have been identified through the project reports as well as the external evaluation. The main lessons learned are presented here, while all recommendations of the evaluation can be seen in appendix 2.

a. A project design with support to high prioritized audits works well, and is a good starting point for building capacity in other areas critical for successful audit execution and results.

b. Government funding to NAC operational funds and salary payments is unstable. If auditors are not paid regularly and regular audit operations to a limited extent are funded by government, agreed project activities will be delayed. Support to NAC's budget mobilization of resources and stakeholder engagement should be prioritized in project support.

c. Distance based support to NAC is challenging, such as to facilitate online contact between peers in Kenya and Juba. This requires reliable internet connections and a follow up from both staff and advisors to communicate regularly. Dedicated support to internal coordination and monitoring and use of ict-tools for communication by NAC as well as more Juba presence are important to ensure better utilization of available peer support.

d. Dealing with NAC's constant challenges and adjusting project plans thereafter requires flexible project management with frequent contact between IDIs project leader and NAC leadership.

e. The peer partners IDI, AFROSAI-E, OAGK and OAGN can collectively ensure comprehensive support to NAC. Strong and active project management and regular coordination among peers is critical to ensure synergies between supported areas and relevant support. This requires establishing good routines for regular meetings and sharing of plans and reports. Peer partners need to be informed in due course on dates for events.

f. NAC want to conduct financial and compliance audit in line with ISSAIs, but building the competence of staff to apply new methodology takes long time. A large degree of on-site on-the-job support is required. A few selected controls and working papers should be prioritized for the first audits to ensure quality and avoid confusion.

g. Project expected results and indicators should be set at different levels, so reporting can take into account that not all results are within project control. Indicators and targets need to be set as realistic as possible, taking into account an unstable country situation.

h. Gender equality should be planned and integrated in the project from the beginning, considering an indicator measuring actual progress in SAI actions of gender equality.

3 Progress and goal achievement per expected outcome

3.1 A relevant and enhanced regularity audit function in NAC

Progress compared to the plans
The key expected outputs related to the regularity audit function were:

- Regularity audit of non-oil revenue collection (customs) by the Min of Finance executed, reported and disseminated to key stakeholders
- Regularity and IT-audit of the IFMIS and closing of accounts by the Min of Finance executed, reported and disseminated to key stakeholders
- Regularity and IT-audit of the passport system and revenue collection by the Min of Interior executed, reported and disseminated to key stakeholders
- Systematic knowledge-sharing among NAC staff established in relation to regularity and IT-audit
- Guidance material developed in relation to audit of IFMIS and the consolidated financial statements

The initiated regularity audits of the IFMIS system and the collection of customs were completed in 2019. While the IFMIS audit report has been printed, the customs report will be compiled with other similar reports on non-oil revenue and then sent for printing.

NAC has decided it can't submit a financial audit report to Parliament and the President as long as there are no government financial statements. To inform Parliament and the President about the lack of financial statement, NAC has included this challenge in their Activity report of their own performance for 2005-2018.

The NAC guidance on auditing of the IFMIS is developed with support of a Kenyan and Norwegian advisor utilizing material developed by AFROSAI-E. The guidance describes the system in South Sudan, as well as key risks and controls to carry out during audits. NAC has still a challenge in getting full access to the system and need to continue its effort to get full access as it is supposed to have.

In addition to the planned outputs, the project agreed to support NAC in customization and training of a financial and compliance audit manuals. The financial audit manual has been finalized and printed. The compliance audit manual is in a pilot version.

Assessment of goal achievement
Goal achievement has not been achieved as targeted as the final reports have not been submitted to the President and Parliament. However, for NAC the audit of IFMIS System and the non-oil revenue audit has been paramount, as they have enabled NAC and the Ministry of Finance and Planning to understand and know why the Ministry have not produced audited financial statement since 2011.

Indicator	Target	Status Sept 2020	Comments
1a) Number of project supported regularity audits where data collection is completed, and a draft report is produced by NAC.	100 % by end of 2019	100 %	Two reports. Additional audits initiated in 2019, but these are not yet due.

Indicator	Target	Status Sept 2020	Comments
1b) Number of project supported regularity audits reported to the President and the Parliament.	50 % by end of 2019	0 %	Awaiting TPNU to meet.
1c) Finalization and approval of guidance related to audit of IFMIS and the consolidated financial statements.	By end of 2018	Version 1 developed 2019	Done, but not on time.

Picture 2 Report writing workshop in Juba February 2019

3.2   A relevant and enhanced performance audit function in NAC

Progress compared to the plans

The key planned outputs related to the performance audit function were:

- Performance audit of the efficiency of service delivery by the Juba city council executed, reported and disseminated to key stakeholders
- Performance audit of the efficiency of the Juba University executed, reported and disseminated to key stakeholders
- Performance audit of local content and Constituency development fund completed, printed, reported and disseminated
- Systematic knowledge-sharing among staff in NAC established related to performance audit
- Performance audit manual customized

- Performance audit of environment in the oil sector completed, printed, reported and disseminated

Of the five planned performance audits, four have been completed and a final one not yet initiated. The performance audits of Local content of the petroleum sector, the Constituency Development Fund, service delivery by the Juba city council and the Juba Teaching hospital have been printed.

The pre-study of the performance audits of Juba University was started in September 2019, and will be going on in 2020. The planned audit of the environmental management in the oil sector is yet to be initiated, and need to be considered by NAC if it should still be prioritized.

The performance audit manual has been finalized and the electronic tool PA-flow customized. The intended sharing of knowledge in NAC by an annual seminar has not been executed by NAC as planned.

Assessment of goal achievement

There is some goal achievement as four performance audits are completed and ready for submission to the Parliament and President. The audits are done in areas of importance for the government of South Sudan and will contribute to a relevant performance audit function in NAC. NAC received much positive feedback for its recommendations about the Constituency Development Fund, and this process with the auditee will hopefully lead to actions in the areas recommended for improvements. It will still be critical to have the reports submitted to and tabled in Parliament for impact and accountability. See the indicators below.

Indicator	Target	Status Sept 2020	Comments
2a) Number of project supported performance audits where data collection is completed and a draft report produced by NAC.	100 % by end of 2019	100 %	Local content, CDF and Juba city council. Juba University in 2020.
2b) Number of project supported performance audits reported to the President and the Parliament.	50 % by end of 2019	0 %	Audit reports have been printed, but submission remains.
2c) Finalization and approval of the NAC Performance Audit Manual.	By end of 2018	Approved Sept 2019	Done, but later than planned.

3.3 Core audit management and HR systems in place in NAC

Progress compared to the plans
The main expected outputs were:

- Overall annual audit plan and system for monitoring and reporting developed and implemented in NAC
- Quality control system and practices developed and implemented in NAC

- Annual SAI Performance report produced and disseminated
- NAC Human Resource Manual customized and executed

These outputs were mainly been worked on through a customized management development programme for NAC in 2018, involving 16 managers. This led NAC to revise their operational and strategic plans, as well as to develop an improved annual audit plan, a stakeholder engagement strategy and a human resource strategy. The strategic plan was a major achievement by NAC and got a lot of positive support by stakeholders when launched in June.

The NAC Activity report has been developed covering all the years 2005 to 2018. The final report is quite comprehensive including both audit work carried out as well how the instutiton has been sought built and developed during the extremely difficult years since independence.

The quality control procedures have mainly been developed by NAC through the customization of the audit manuals. However, the partners have not been able to establish the planned support to quality control practices. This needs to be addressed in 2020 and onwards in the new planned project.

> **NAC has the 4th best HR strategy in AFROSAI-E**
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> This was announced in Cape Town October during the technical updates workshop of the English Speaking African Supreme Audit institutions. The South Sudan delegation was led by the Auditor General, Ambassador Steven Wondu. The HR-strategy was developed by a team in NAC led by DAG Tombe Lukak.

Picture 1 Strategic planning workshop in Juba December 2018

Assessment of goal achievement

Through the customized Management Development Programme many of the desired outputs NAC requested for through the project have been developed. Also, through the programme a majority of NAC managers have got increased management awareness in general, which increase their ability to successfully use and implement the plans. This is expected to positively contribute to achievement of outcome 1, 2 and 4. Still, actual implementation and use of the plans and system for reporting in the years to come will be a key indicator of whether managers have got improved management skills and relevant systems have been developed.

Outcome	Indicator	Target	Status Sept 2020	Comments
3 - Core audit management and HR systems in place in NAC	3a) Establishment and use of an annual audit plan for NAC.	By end of 2018	Plan set in both 2018 and 2019	Implementation challenging due to lack of operational funds and salaries
	3b) Annual SAI Activity Report produced and disseminated.	By end of 2018	Printed in mid-2020	Submission when TNLA meets

3.4 Key stakeholders are familiar with NAC's function, audit findings and how reports can be utilized

Progress compared to the plans

The main expected outputs related to stakeholder engagement were:

- Key auditees sensitized on NAC function, standards, operations and findings
- PAC sensitized on NAC function, standards and operations and how audit reports can be handled by PAC

In mid-2017 NAC sensitized members of the PAC in Parliament, as well selected Ministries through audit related meetings and workshops where NAC was invited to participate. In 2018 NAC was supported through the Management Development Programme to develop a stakeholder relations strategy. The strategy was finalized in 2019, and the stakeholder analysis was a key fundament for the new strategic plan. However, actual sensitization and communication with stakeholders have to a limited extent been executed. The launch of the strategic plan was important and involved many stakeholders. However, planned sensitizations of key accounting officers and MPs in mid-2019 were postponed due to an uncertain political situation.

Picture 3 Launch of the new NAC Strategic plan June 2019 – a key stakeholder event

Assessment of goal achievement

Sensitization of stakeholders is critical in a young nation as South Sudan, to ensure NAC's role is understood and respected. In spite of plans for various stakeholder engagement, NAC has not been able to execute these. This means the goals of more informed and supportive stakeholders have to a little extent been achieved. For NAC to succeed with its new strategic plan, it will be critical to engage stakeholders in key Ministries and the Parliament, and regular communication with the wider public and civil society.

Outcome	Indicator	Target	Status Sept 2020	Comments
4 - Key stakeholders are familiar with NAC's function, audit findings and how reports can be utilized	4a) Number of key auditees sensitized on the NAC functions.	3 Ministries by the end of 2018.	Partially, related to sensitization in 2017	Not done systematically as intended, but relevant activities carried out.
	4b) Percentage of PAC members sensitized on the NAC functions and how audit reports can be handled.	80 % of PAC members by end of 2018.	Partially, related to sensitization in 2017	New Parliament. Not done systematically as intended.

3.5 NAC is developing in line with the ISSAIs and international best practices

Progress compared to the plans

Through support to participation in various regional trainings and events, it was expected that NAC management and staff are contributing to regional SAI development, take part in knowledge sharing, are updated on current developments of standards and best practices and maintains network with SAIs in the region.

In 2017-19, NAC has sent delegates to several relevant trainings and events:

- AFROSAI-E Technical Update and Refresher workshop; a general update and training for SAI managers and key auditors in various topics, including new audit manuals and tools for the region
- Strategic Review and Governing Board Meeting AFROSAI-E; an annual seminar for top managers of each SAI in the region. Professionalization was a topic this year.
- INCOSAI in Moscow; a congress for all SAIs in INTOSAI held every third year. ISSAIs are approved and major SAI developments adressed.
- AFROSAI-E HR-training: a new training developed using the updated regional HR-handbook.
- AFROSAI-E communications training, using regional experiences to communicate effectively with SAI and stakeholders.
- AFROSAI-E operational planning training

In 2019 it was planned to attend also AFROPAC or SADCOPAC meetings, but NAC did not receive invitations for these. AfDB funded NAC's participation in most of the events, while the project covered costs for the AFROSAI-E trainings. The AFROSAI-E trainings were assumed well fit with the project outcomes and initiated activities in the management development programme.

Assessment of goal achievement

NAC have been represented at all major AFROSAI-E events in the reporting period. This has enabled NAC to both get updated on professional development and regional issues, as well as to contribute to this in the region. This has enabled NAC to take more informed decisions on for instance updating of audit manuals as well as selection of audit topics. NAC could have benefitted more from the trainings if the knowledge from the regional trainings were shared internally more systematically as planned.

Outcome	Indicator	Target	Status Sept 2020	Comments
5 - NAC is developing in line with the ISSAIs and international best practices	5a) Number of NAC staff and managers who have completed project supported AFROSAI-E trainings.	All NAC representatives at AFROSAI-E trainings complete the trainings in terms of participation and expected deliveries	Partially met	MDPs projects almost completed for all managers. Final certificates not yet issued.

Outcome	Indicator	Target	Status Sept 2020	Comments
	5b) Sharing of knowledge and experiences from trainings and workshops carried out annually in seminars involving most NAC	Annual seminars for 2017-19 carried out	Partially	NAC Annual Workshop done in Dec 2017, but not in 2018-19.

3.6   NAC's capacity development is strategically managed and well-coordinated

Progress compared to the plans

The plan is to ensure NAC's capacity development support is in line with its prioritized needs by establishing a system for coordination of donor support. The meeting in Nairobi in November 2017 where all major donors were invited to coordinate and consider new support to NAC started a new way of engaging openly with donors. A similar event was held in December 2018 and December 2019, with greater participation – including both WB, DFID and UNMISS.

NAC got new support in 2018 through the AfDB, and the WB continues to provide support for audit of donor-funded projects.

The coordination of the project through bi-weekly meetings was not carried out as planned, especially in 2019. The consequence was that coordination and thus progress of the project suffered in 2019.

NAC has had challenges of top managers partly on leave, and for a period the focal point responsibility was shifted.

The electricity and internet have been unstable in the whole project period. A bundle solution where the project pays for internet connection for the team leaders was established in first part of 2019. This worked fairly well, but NAC did not renew the arrangement, as internet Airtime proved to be expensive and very difficult for the staff to afford in light of their meager salaries and its irregular payments. The WB has continued to provide a limited access internet in the headquarter, which is very difficult to the team members to access.

Assessment of goal achievement

NAC's capacity development has to some extent been strategically managed through one focal point and by conducting annual meetings for all DPs. This is important for NAC to maintain good relations with development partners, to be a candidate for scaled-up support when the general donor-government relations improve in South Sudan.

For the peer-support project, regular coordination meetings have not taken place as intended. This must be addressed in a new project in 2020, through better internet, technical tools of NAC management, better routines and by more physical presence in Juba of the advisors.

There has been an ambition of female representation in project activities. As the indicator shows in the table below, the target has not been met in 2018-19. Almost 30 % of NAC staff are female (47 of 153), but it has been challenging to select relevant female candidates for project activities, given the fact that most of the female candidate are at the entry point of their employment and lacking enough experience for the projects works. However, efforts are being made to include them in the

project teams during the audit works. There is a need to establish better professional development for all NAC staff, and with a special gender focus, to ensure a better gender representation in the various activities.

Outcome	Indicator	Target	Status Sept 2020	Comments
6 - NAC's capacity development is strategically managed and well-coordinated	6a) Annual meetings involving all relevant DPs carried out.	Annual meetings for 2017-19 carried out	OK	More DPs attended in 2018 and 2019 than in 2017. 5 DPs attended Sept 2020 online.
	6b) Percentage of female NAC participants in project activities	20 %	12 % (approx.)	Despite NAC's ambition to increase female participation in the project activities, female participation has been below the target.

4   Project sustainability and risk factors

4.1   Sustainability

The project has included support to systems and documents expected to have a long-lasting importance for NAC. This includes the establishment of audit manuals, the annual audit planning approach, the strategic plan, HR strategy and stakeholder engagement strategy. As all these products have been developing with the involvement of a larger part of NAC staff and management, they have got a solid institutional anchoring. However, these systems are vulnerable if a larger share of staff are replaced or there is a long period of instability in South Sudan where NAC is unable to operate.

A strategy in the project has been to strengthen the relationship between NAC, AFROSAI-E and a neighboring SAI. This was intended to enable a new long-term peer-cooperation for NAC after the completion of this project. This has succeeded as OAGK has committed to take a stronger role in the next project. This ensures a strong partnership between two neighboring SAIs and will contribute to sustained collaboration.

4.2   Risk management

Seven general risk factors were identified when the project was established, and these have appeared highly relevant throughout the project period. The risk for "Delays in implementation of planned activities" has been high related to delays in the ongoing audits especially. To address the risk of delays, there is also a need to continually seek better communication practices and tools for regular contact between the advisors and the NAC team leaders.

A major risk is "no impact". Given the instable political situation and conflictual climate, there is a risk that Parliament will not be effective and able to act upon audit findings. There is also a risk that Parliament will not prioritize the audit reports although they are received. Given the different reports of misuse of government funds over the last years, there is also a risk that strengthening of the SAI will meet significant resistance and may be undermined.

The risk factors of "Relevance and quality of advices" has been at medium level during the project period. This was planned to be addressed by inviting external experts to the workshops where resource persons and NAC team members meet, but has not been prioritized as much as intended in the project. This must be better addressed in the new project.

The "sustainability of the support" continues to be a risk given the ongoing political situation in South Sudan. This is mainly outside the control of the project partners, but needs to be addressed by ensuring systematic sharing of knowledge within NAC.

4.3   Follow-up

In general NAC continues to face fundamental challenges of execution of activities due to delayed salaries and lack of operational funds. There is a need to ensure more funds for NAC operations either through the Government or Development Partners. This is also a key recommendation of the evaluation report.

In addition, the following areas in particular needs follow-up in the new project:

- Strategic change management, enabling successful implementation of strategic plan. This includes establishing system of annual planning, quarterly reporting and regular follow-up.
- Presentation of completed audit report findings. This means support to presentation of reports to members of PAC and other stakeholders.

- Utilization of introduced financial and compliance audit manuals. This involves on-the-job guidance to audits as well as general trainings.
- Continuation of the initiated performance audit of the Juba University, and use of the performance audit manual.
- Quality control procedures and practices. The procedures are set in the new audit manuals, but managers and staff need training and guidance to put these into practice.

4.4 Gender equality, environment and climate change

Gender and equal rights were planned taken into consideration in several ways:

- NAC will be encouraged to consider this by selecting members of the audit teams
- SAIs providing in-kind support will be encouraged to take this into account
- NAC will be encouraged to take this into account when selecting the specific audit questions for the performance audits (gender issues could be relevant for the performance audit of the Juba city council)

An indicator related to gender was established covering percentage of female NAC participants in project activities (see chapter 3.6). This indicator shows that there has been less women available in NAC for project activities than assumed. Almost 30 % of NAC staff are female (47 of 153), but it has been challenging to select relevant female candidates for project activities, given the fact that most of the female candidate are at the entry point of their employment. In a new project there is a need to establish better professional development for all NAC staff, and with a special gender focus, to ensure a better gender representation in the various activities. As recommended by the evaluation, there should also be a proper gender analysis in the beginning of the project, to be used for systematic work in this area in NAC going forward.

In terms of environment and climate change, this has been included in the scope of the performance audit of the Juba city council as it focus on waste management. The audit of the environmental risks in the oil sector is intended to be carried out in 2020.

Furthermore, through support to internet and distance-based communication, have reduced the need for travel and thus CO_2-emissions. This type of support needs to be scaled-up in a new project, to enable distance-based communication to work better.

5 Financial report

Table 2 shows an overview of the expenses and budget per partner. Figure 1 illustrates the share per outcome 2017-20.
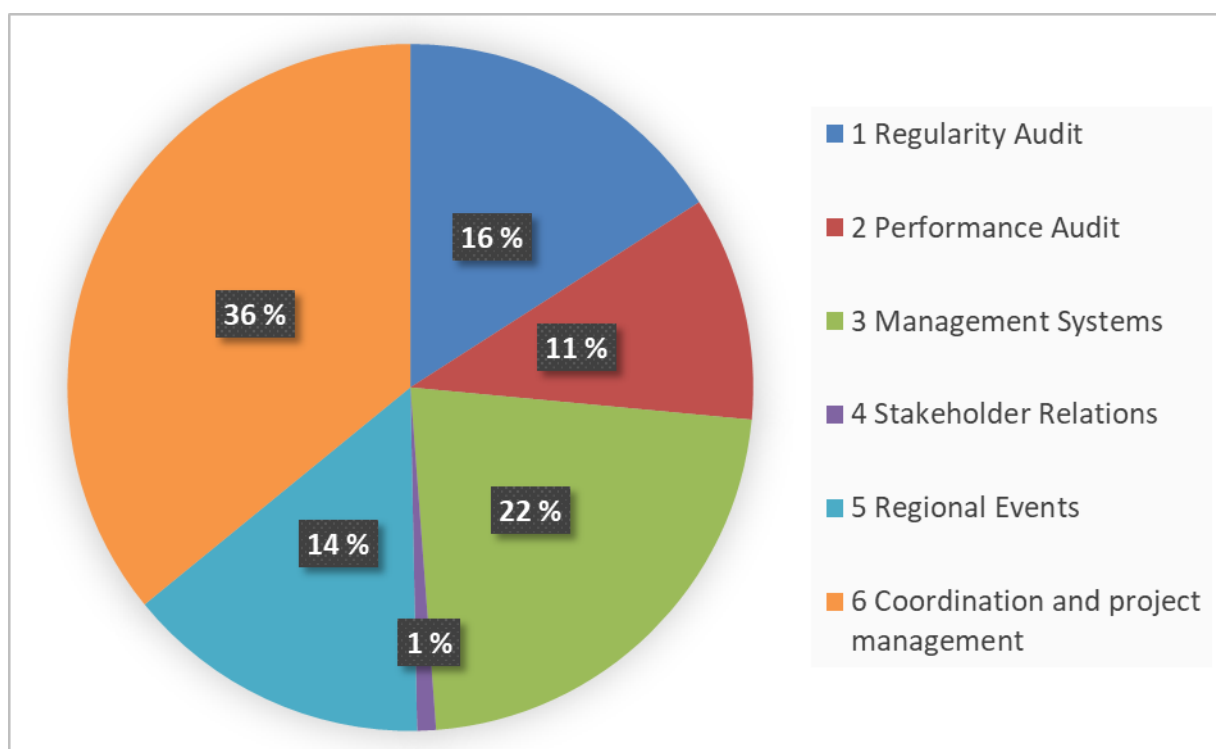
The total expenses for the project since start in May 2017 and up to September 2020 is NOK 3,77 mill compare to a total budget of NOK 3,83 mill for 2017-2020. The costs of the grant recipient and peer partners have been higher than budgeted, due to more person days spent on the project than assumed and more travel to Juba by peers. There have been less costs for NAC travels due to costs covered by AfDB in 2019 and less events organized by NAC in Juba than planned. AFROSAI-E costs have been 30 percent higher than budgeted, but the share of total project expenses is only 4 %. Please see detailed financial report in appendix 3.

Figure 1 shows that among the outcomes, the highest share of costs is related to coordination and project management. These costs include IDI salary which is also used for the other outcomes. A high share of costs has also been for management systems, related to a high activity for this in 2018. Then follows, regularity audit, regional events and performance audit. A minor share has been spent on stakeholder relations, related to few designated events for this purpose.

Table 2 Financial status overview (NOK)

Item	Approved total budget		Total charged as expenses		Variance		Variance in %
Period	*2017-2020*		*2017 - 2020*		*Total budget vs expenses*		*Total budget vs expenses*
Project expenses – grant recipient. Costs directly related to the implementation of the project. Costs for IDI and resource person partners.	kr	1 352 000	kr	1 778 000	kr	426 000	32 %
Project expenses – cooperating partner(s). Costs directly related to the implementation of the project. Costs for NAC and AFROSAI-E.	kr	2 230 000	kr	1 725 000	-kr	505 000	-23 %
NAC	kr	2 124 000	kr	1 587 000	-kr	537 000	-25 %
AFROSAI-E	kr	105 000	kr	138 000	kr	33 000	31 %
Overheads	kr	245 000	kr	270 000	kr	25 000	10 %
Total expenses	**kr**	**3 826 000**	**kr**	**3 774 000**	**-kr**	**52 000**	**-1 %**
Grant receipient's own financial contribution and contributions from other sources (minus)	kr	826 000	kr	773 557	-kr	52 443	-6 %
Grant from MFA	**kr**	**3 000 000**	**kr**	**3 000 000**	**kr**	**-**	**0 %**

Figure 1 Share of total expenses 2017-20 per outcome[3]

Legend:
- 1 Regularity Audit
- 2 Performance Audit
- 3 Management Systems
- 4 Stakeholder Relations
- 5 Regional Events
- 6 Coordination and project management

Pie chart values: 16 %, 11 %, 22 %, 1 %, 14 %, 36 %

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[3] "Coordination and project management" includes IDI salary costs used on all the other outcomes.

Appendix 1 Status of each expected output in the project

Status of each expected output in the project by end of August 2020

No	Expected output	Responsible	Time frame	Status	Comments
Outcome 1 A relevant and enhanced regularity audit function in NAC					
1.1	Regularity audit of non-oil revenue collection by the Min of Finance executed, reported and disseminated to key stakeholders	NAC RA-revenue team & OAGK advisors	2017-19	Partially completed	Audit planning and data collection completed. Originally the team is to be deployed in the Customs Department; however, some difficulties were encountered on where to accommodate the team. These challenge was reported to the Undersecretary of the Ministry of Finance and Planning, these challenges were resolved following the establishment of the South Sudan Revenue Authority, whereby the Customs and Taxations Department were merged under the Revenue Authority as (Customs and Taxation Divisions. The Non-Oil Audit Team was later on managed to carry non- oil revenue collections by both the Taxation and Customs Divisions. Draft Management letter were issued to the Banks involved in the revenue collection and final reports will be issued before end of November 2019. Combine Reports is expected to be issued in 2020.
1.2	Regularity and IT-audit of the IFMIS and closing of accounts by the Min of Finance executed, reported and disseminated to key stakeholders	NAC RA-IT team & OAGK+OAGN advisors	2017-18	Partially completed	Audit report printed and ready for submission to Parliament and the President. The Management Letter was issued to the Ministry of Finance, but no response came. Hence, following repeated follow-up letters to the 1ˢᵗ Undersecretary of the Ministry, NAC decided to close the audit and issue the final Management Letter by November 2019.
1.3	Regularity and IT-audit of the passport system and revenue collection by the Min of Interior executed, reported and	NAC RA-IT team & OAGK+OAGN advisors	2018-19	Not implemented	Challenges encountering the Regularity audit of non-oil revenue collection team in 1.1 above, made it difficult for the team to complete their work and move to the It- audit of the passport in the Ministry of Interior. As the Non-Oil Team are finalizing their audit in the Taxation and Customs Divisions, they will be move to start audit in the Passports Department.

No	Expected output	Responsible	Time frame	Status	Comments
	disseminated to key stakeholders				
1.4	Systematic knowledge-sharing among NAC staff established in relation to regularity and IT-audit	Coordination team with inputs of RA-IT team & RA revenue team	2017-19	Partially implemented	Annual seminar in NAC not implemented as intended. Established team members are encountering difficulties in constantly sharing knowledge among themselves and the other auditors due to operational difficulties.
1.5	Guidance material developed in relation to audit of IFMIS and the consolidated financial statements	NAC RA-IT team & OAGK+OAGN advisors	2017-19	Completed	IFMIS Team and the peers have developed a guideline.
Outcome 2 A relevant and enhanced performance audit function in NAC					
2.1	Performance audit of the efficiency of service delivery by the Juba city council executed, reported and disseminated to key stakeholders	NAC PA-team & OAGK advisors	2017-18	Close to completion	Final Audit Report printed. Awaiting TPNU to meet, enabling submission.
2.2	Performance audit of the efficiency of the Juba University executed, reported and	NAC PA-team & OAGK advisors	2018-19	Initiated	Pre-study completed, but main study put on hold by NAC management due to other assignments prioritized.

No	Expected output	Responsible	Time frame	Status	Comments
	disseminated to key stakeholders				
2.3	Performance audit of local content and Constituency development fund completed, printed, reported and disseminated	NAC PA LC&CDF team & IDI advisor	2017	Completed	Audit reports printed. To be submitted when TPNU meets.
2.4	Systematic knowledge-sharing among staff in NAC established related to performance audit	Coordination team with inputs of PA-team	2017-19	Partially implemented	Annual seminar in NAC not implemented as intended. Established team members are encountering challenges in constantly sharing knowledge among themselves and the other auditors due to operational difficulties.
2.5	Performance audit manual customized	NAC PA-team & OAGK advisors	2017-18	Completed	Manual finalized.
2.6	Performance audit of environment in the oil sector completed, printed, reported and disseminated	NAC PA-team & OAGK advisors	2019	Not yet started	Due to delay of other audits, this audit was not started in the project period. This audit is intended in the new Strategic Change Project 2020-2024.
Outcome 3 Core audit management and HR-systems in place in NAC					

No	Expected output	Responsible	Time frame	Status	Comments
3.1	Overall annual audit plan and system for monitoring, reporting and quality control developed and implemented in NAC	NAC Management support and stakeholder relations teams & AFROSAI-E advisors	2017-19	Ongoing	Annual audit plans developed for 2018/2019 and 2019/2020. System for monitoring, reporting and quality control not yet completed.
3.2	Annual SAI Activity Report produced and disseminated	NAC Management support and stakeholder relations teams & AFROSAI-E advisors	2017-18	Completed	Report printed. To be submitted when TPNU meets.
3.3	NAC Human Resource Manual customized and executed	NAC Management support and stakeholder relations teams & AFROSAI-E advisors	2019	Completed	Human Resource Strategy developed and printed.
	NAC Strategic Plan (SP) 2020 – 2024 developed and launched.	NAC Management support and stakeholder relations teams & AFROSAI-E advisors	2019	Completed	Although not originally planned in the Peer-Project, NAC and IDI recognized the importance of developing this Strategy will significantly inform NAC's long term and short term plans for the coming five years of the Revitalized Agreement of the Resolution of Conflict in the Republic of South Sudan. The SP was completed and launched in June 2019 and is currently being used as basis for developing the Strategic Change Project 2020-2024

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No	Expected output	Responsible	Time frame	Status	Comments
Outcome 4 Key stakeholders are familiar with NAC's function and how reports can be utilized					
4.1	Key auditees sensitized on NAC function, standards, operations and findings	NAC Management support and stakeholder relations teams & AFROSAI-E advisors	2017-19	Initiated	Stakeholder awareness and sensitizations sessions and materials were shared with audited entities during NAC Audit Entrance and Exit meetings. Stakeholders Strategy developed with the Assistance of AFROSAI-E and printed.
4.2	PAC sensitized on NAC function, standards and operations and how audit reports can be handled by PAC	NAC Management support and stakeholder relations teams & AFROSAI-E advisors	2017-19	Partly done	NAC participated with a presentation during Parliamentary and other stakeholders organized workshops on the role of NAC as an oversight institution. Parliament business schedules and recesses make it difficult to coordinate sensitization workshops with PAC. .
Outcome 5 NAC is updated on international standards and best-practices					
5.1	NAC management and staff are contributing to regional SAI development, take part in knowledge sharing, are updated on current developments of standards and best practices and maintains network	Coordination team	2017-19	Completed	In 2017-19, NAC attended the Afrosai-e Technical and Refresher Workshops and Governing Board meetings. In 2017, NAC attended the Development of Accountancy in Fragile and Conflict affected states of the IFAC in Johannesburg- South Africa In 2018, NAC attended the Strategic operation and risk Management workshop if Afrosi-e in Pretoria-South Africa. In 2019, NAC attended AFROSAI-E HR-workshop and communications workshop.

No	Expected output	Responsible	Time frame	Status	Comments
	with SAIs in the region				
Outcome 6 NAC's capacity development is strategically managed and well-coordinated					
6.1	NAC ensures capacity development support is in line with its prioritized needs by establishing a system for coordination of donor support	Coordination team	2017-2020	Completed	Coordinated with the World Bank, the African Development Bank and the Royal Norwegian Embassy in Juba.

Contact with the African Development Bank materialized by providing some funds for training, workshops and technical assistance.

World Bank supports NAC in outsourcing auditors to audit World bank Projects. Audit Reports of the World Bank Projects for the financial years 2018/19 were completed and reports issued.

Royal Norwegian Embassy in Juba supports NAC funding the reimbursable for the NAC outsources auditors (Deloitte). For the audit of financial years 2013,2013,2015,2016 and 2017. Bank of South Sudan Bank for the financial years 2015, 2015 and 2016 were completed, issued and forwarded to the Parliament. Reports for financial years 2016 and 2017 are to commence in November 2019. |
| **6.2** | Lessons learned of the project identified | Coordination team | 2020 | Completed | External evaluator selected in October 2019. |

Appendix 2 Evaluation recommendations action plan

The table below lists all recommendations, IDI's response and intended actions. Of the 25 recommendations, 14 are regarded as closed, while 11 have outstanding actions intended to be addressed during the rest of 2020 and early 2021.

Recommendation	IDI response	Actions	Time expected done	Status
Priority 1 recommendations				
1. For the proposed second phase of the Peer-support project – the NAC Strategic Change project 2020-2024, a customized ToC should be specified.	Agreed. New project has a customized ToC, with the NAC strategic plan as the main elements. Its assumptions may need to be considered.	Review ToC in project document, especially assumptions.	Sept 2020	Closed
2. For the proposed second phase of the Peer-support project – the "NAC Strategic Change project 2020-2024" the Results Framework should be further developed. The Results Framework including expected impact, outcomes and outputs must be based on a realistic risk assessment. The overall indicators of goal achievement should be carefully selected to reflect the success of the project. The measurement should be done in accordance with the definitions of indicators and targets. The figures that are used in the reporting should be validated.	Agreed. New project has a result framework using NAC strategic plan and separates project contribution. Need to establish good routines for reporting correctly. This can be done related to the first annual project report.	Review result framework in project document, considering especially what strategic outputs are realistic. Routines for measurement of indicators to be improved during annual reporting process, and set in a project management routine.	Jan 2021	Open
3. The proposed second phase of the Peer-support project should be conditional upon full continuous funding from the Government of South Sudan for all staff, adequate office space and transport and other operational costs.	Disagree. IDI thinks stopping the collaboration isn't desirable for efforts to enhance accountability and transparency in the country. IDI will suggest that support be reviewed regularly and if not in place, it should trigger a dialogue with the SAI, MoF (or other entity responsible for SAI funding) and key donors. We believe it would be	The project plans can include an annual assessment of whether these conditions are in place, and actions to be taken to raise the situation with government.	Aug 2020	Closed

Recommendation	IDI response	Actions	Time expected done	Status
	better to explore whether this could become a condition or trigger for future donor funding or loan agreements, so it is really taken seriously.			
4. The NAC should make use of competencies in change management, organizational development, results-based management (RBM), process development and time management in the implementation of its Strategic Plan.	Agree to a large extent. This is incorporated as part of the support in component 4, on strategic change management.	No particular actions.		<mark>Closed</mark>
5. The NAC stakeholders' engagement strategy 2019-2014 should be reviewed after one year.	Disagree to review the strategy, but agree to review the plans annually as a part of support in component 6. For NAC it is important to limit the number of tasks not linked to auditing. A strategy can work as a skeleton for several years. However, the prioritized actions should be reviewed every year.	No particular actions, except for annual review of the stakeholder engagement plans and strengthening plans for ensuring sufficient salaries and operational funding.		<mark>Closed</mark>
6. The importance of gender equality should be advocated with emphasis. Performance indicators need to be defined more precisely and applied consistently. The Strategic Plan 2019-2024 should be reviewed based on a proper gender analysis and an addendum added. This should also be considered in the SAI's operational plan ensure that gender mainstreaming and equity is fully addressed.	Agree, but this has to be balanced with NAC's many priorities.	Gender analysis incl recommendations on gender indicator.	Oct 2020	Open
7. For the proposed second phase of the Peer-support project – the "NAC Strategic Change project 2020-2024", project	Agree. This will require robust internet and ict-tools for NAC management, and training in the use of those.	Apply bi-weekly Coordination team meetings.	Dec 2020	Open

Recommendation	IDI response	Actions	Time expected done	Status
management should be strengthened and more proactive through regular contacts every week between IDIs project leader and NAC leadership.		Procure ict-tools and internet necessary for NAC management to communicate.		
8. The responsibilities within the project organisation for *Monitoring,* Evaluation, and Learning should be clarified.	Agree.	Develop a short overview of project management routines for NAC as well as other project partners clarifying this.	Oct 2020	Open
9. NAC should develop routines for internal management enabling better integration of projects in daily operations. That should be a component in the second phase of the Peer-support project – the "NAC Strategic Change project 2020-2024.	Agree.	Develop a short overview of project management routines for NAC as well as other project partners clarifying this.	Dec 2020	Open
10. One of the expected outputs of the Peer-support Project was "*System for monitoring, reporting and quality control developed and implemented in NAC*". As this work has not started yet it should be prioritised in the proposed second phase of the Peer-support project.	Agree. This is already a part of component 4 in the new project plans.			<mark>Closed</mark>
11. Enhancing a strong Quality control function by advocating for adequate staffing and coaching the staff is important in the proposed second phase of the Peer-support project – the "NAC Strategic Change project 2020-2024".	Agree. This is already a part of component 3 in the new project plans.			<mark>Closed</mark>
12. Annual external Quality Assurance peer review will increase the standard of the audit reports in an early part of the	Agree. An annual QA of the audit report can be considered, but annual quality assurance review of institutional aspects	Revise project plans to ensure QA well captured.	Aug 2020	<mark>Closed</mark>

Recommendation	IDI response	Actions	Time expected done	Status
process. The reviews should include both institutional and engagement reviews.	will be too frequent. Better to do the AFROSAI-E routine of every third year.			
13. For the proposed second phase of the Peer-support project – the "NAC Strategic Change project 2020-2024", adequate expertise should be engaged for (among others) organisational development and development of internal and external processes.	Agree. Peers with these skills are important, especially for component 4.	Staff peer teams with experienced persons in organizational development and similar knowledge.	Dec 2020	Open
14. The division of roles and responsibilities together with governance procedures within the Project should be reviewed and further clarified. The roles, tasks, responsibilities and mandates should be well defined and documented for each partner as well as the component leaders and other key actors. Generic description of governance processes should be customised and documented.	Agree. This is partly set in the Cooperation agreement, and further detailed in the project document. There are also plans to develop financial routines.	Develop a short overview of project management routines for NAC as well as other project partners clarifying this. Develop financial routines for the project.	Dec 2020	Open
15. The proposed second phase of the Peer-support project – the "NAC Strategic Change project 2020-2024" should be focusing on a limited number of concrete objectives and deliverables.	Agree in principle, but this is a bit tricky given the five year horizon and the link to the NAC strategic plan. The mechanisms intended is to set concrete objectives and deliverables annually, to ensure it is realistic.	No particular action, except for the planned annual revision of plans.		Closed
16. The partners should arrange an analysis of the use and benefits of NAC outputs in the past and the results framework of any new support project designed accordingly.	Agree. This is included in the final report of the peer-support project, and discussed with NAC management. A more deeper analysis can be done in the mid-term review of the project.	Include this analysis in the final project report.	Sept 2020	Closed

Recommendation	IDI response	Actions	Time expected done	Status
17. The NAC strategic objectives that all staff have sufficient ICT hardware and software to do their job efficiently should be a prioritized part of the proposed second phase of the Peer-support project – the "NAC Strategic Change project 2020-2024".	Agree.	Expedite support to ict in the revised project plans.	Aug 2020	<mark>Closed</mark>
18. It is important that synergies between support projects are used and that overlaps, and duplications continue to be avoided through good coordination between the initiatives. Thus, the "NAC Strategic Change project 2020-2024" should be aligned with the ongoing GEMS project and other projects that are planned or already ongoing to avoid overlapping.	Agree. IDI has joined the PFM coordination group in South Sudan to ensure such synergies.	Establish contact with the GEMS and UNDP to ensure synergies and coordination	Oct 2020	Open
19. In the proposed second phase of the Peer-support project – the "NAC Strategic Change project 2020-2024" it should be considered to include an ongoing evaluation of the project that continuously provides feedback to the project management and facilitates the learning process.	Agree. A mid-term review is already planned for.	No particular action.		<mark>Closed</mark>
Priority 2				
20. When project planning is based on very uncertain conditions and assumptions it should be considered to plan for more than one scenario and develop Results Frameworks for different scenarios.	Partly agree. The result framework is linked to the NAC Strategic plan, and that is a fundamental principle for IDI when supporting a SAI. Unless NAC intends to revise the SP, this part of the result framework should not be revised.	Clarify assumptions and link these to the result framework with scenarios.	Sept 2020	Open

Recommendation	IDI response	Actions	Time expected done	Status
	However, the assumptions for the results should be clarified and linked to the expected results.			
21. The selection of indicators needs to be carefully done to really reflect the results of a programme or project.	Agree. Indicators are carefully selected using NAC strategic plan work, and IDI's indicators.	Consider adding a gender indicator	Oct 2020	Closed
22. Targets should be at a realistic level considering the risk assessment.	Agree. Targets can be reviewed to take this into account, but NAC strategic plan targets have to be decided by NAC.	Offer support to NAC to revise strategic plan targets.	2021	Open
23. In other future projects of similar size and complexity, it should be considered to include an ongoing evaluation of the project that continuously provides feedback to the project management and facilitates the learning process.	Agree. This has already been planned in the new bilateral project with SAI Madagascar.	IDI will consider this in new projects.		Closed.
24. Distance communication technology should be extensively used in line with the global response to climate change.	Agree.	Expedite ict-support to NAC (covered in another point).		Closed
25. Lessons learnt from the partnership should continue to be systematically documented for wider dissemination within IDI or INTOSAI more generally.	Agreed. This can be done as a part of IDI and AFROSAI-E's PAP-APP programme, where such sharing is part of the strategies.	Share an article or similar from the NAC peer-support project globally.	Dec 2020	Open

Appendix 3 : Detailed financial report

See separate file.