



National Audit Chamber Peer-support Project 2017-2020

Report May-Sept 2017

Final version - adjusted after Annual meeting 2017

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Cooperation partners: NAC, IDI and AFROSAI-E

Resource person partners: OAG Kenya and OAG Norway

Financial support: Ministry of Foreign Affairs, Norway

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Photo 1 Three audit teams and advisors met in Nairobi in June 2017 to plan the audits. Advisors and auditors discussed their different roles as well as the risks of the project. All teams developed draft audit plans and working papers.

1. Background

The National Audit Chamber of South Sudan (NAC), the INTOSAI Development Initiative (IDI) and AFROSAI-E signed a Cooperation agreement on 9th May 2017. Funding for project activities were provided by the Ministry of Foreign Affairs of Norway, by an agreement with IDI signed 31st July 2017. The Office of the Auditor General of Kenya (OAGK) and OAG Norway are providing resource persons for the project activities IDI is responsible for. An agreement with OAG Kenya was signed on 29th June 2017 and with OAG Norway 29th May 2017. The agreements came following a Planning phase from January to April 2017, involving a planning workshop in Nairobi including all the parties and the WB.

The overall objective of the project is 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.” Depending on how the challenging situation in South Sudan develops, maintenance of the capacity of the audit office may be the most realistic ambition.

The duration of the project is three years: May 2017 – April 2020. The actual progress and lessons learned of the activities initiated in 2017, will determine the activities in the following years. All the expected outcomes and outputs are linked to the NAC strategic development plan 2016-18.

Advice to execution, reporting and dissemination of audits is a key part of the project. NAC has during the last years adopted various audit manuals and participated in trainings in various areas. However, the NAC needs tailored support to implement the manuals and utilize the obtained knowledge in the organization. NAC has therefore underlined the need for on-the-job training. Support linked to the execution of specific audits will enable NAC to build capacity related to their core activities.

Three audits will be initiated in 2017 while another three will be initiated in 2018. These audits have been selected by NAC based on materiality, added value of external technical support and likelihood of completion. Each audit involves the following standard activities:

- Pre-planning workshop including establishment of teams, planning of the audit and obtaining of sector knowledge
- Regular contact and feedback on e-mail and telephone
- Execution or data collection workshop
- Reporting workshop
- Printing of report for Parliament and leaflet with summary of findings for public distribution
- Dissemination workshop after the report is tabled for stakeholders including auditee, PAC members, media, CSOs

The project also includes support to NAC participation in AFROSAI-E events. This includes both annual AFROSAI-E events where NAC participation is relevant, but also specific trainings relevant for the selected audits.

NAC’s performance and impact is dependent on key stakeholders, especially the ministries and Parliament. The project therefore includes activities to sensitize key auditees and the Public Accounts Committee (PAC) on NAC’s function, auditing standards, operations, recent findings and how audit reports can be handled. This sensitization is regarded to be important to prepare for a stronger role of NAC in a more stable situation in South Sudan.

To ensure the various knowledge acquired in the audit process and through trainings are spread and institutionalized internally in NAC, the project also includes support to management systems and an annual knowledge sharing workshop for all staff. The management support will focus on establishing an overall annual audit plan and system for monitoring, reporting and quality control in NAC. Advice for development and dissemination of the annual SAI Performance report will also be provided, and linked to the sensitization of key stakeholders.

There are three main partners in the project. NAC is the main partner responsible for execution of activities. IDI is primarily responsible for the funds and coordination of peer-support. AFROSAI-E is a key provider of technical support through the Management support and Stakeholder relations team and various AFROSAI-E events.

A steering committee is established where each of the three partners are represented. The committee is led by the NAC representative. It will meet annually to approve the annual report and plans for the project. Monitoring of the project is done as a part of the annual reporting and meeting. The steering committee can also meet ad-hoc to discuss the support project and be consulted on emerging issues.

The annual meeting is the main decision forum for the collaboration. Key items on the agenda include the assessment of the achievements in the past year and planning for the next year. The approved report and the plan should be available by 30th November, in order for partners to incorporate it in their upcoming year's work plan. The text to the annual report as well as a draft work plan for next year should be prepared by NAC in due course before the annual meeting.

To ensure smooth coordination of activities, there is a "Coordination team" which meets (through phone) every second week, to adjust plans and settle emerging issues. AFROSAI-E participates in the Coordination team meetings when necessary based on request from NAC and/or IDI.

The NAC is in the driving seat in the implementation of activities and have the following key responsibilities:

- Integrate the project-related activities with the rest of the plans for the office, and ensure plans are linked to the NAC's Strategic Plan for enhancing sustainability
- Actively monitor and follow-up on the execution of activities, milestones and expected outputs in the programme
- Ensure the availability of adequate staff including continuity in the activities covered by the project
- Prepare, for each annual meeting, a summary of progress of activities and performance compare to the indicators. This information could be provided as an integrated part of the SAI performance report of NAC.
- The text to the annual report as well as a draft work plan for next year should be prepared by NAC in due course before the annual meeting.
- Invite IDI and AFROSAI-E for annual meetings, and include also other partners of NAC in a seminar related to the annual meeting
- Share relevant plans, reports and agreements with other development partners
- Develop Terms of References (ToRs) for specific project activities, such as workshops



Photo 2 An agreement with OAG Kenya was signed in Nairobi in June 2017. OAG Kenya is providing five resource persons in the areas of regularity, ICT and performance audit.

The IDI is responsible for the project grant including the following key responsibilities:

- Project management, including financial management and reporting to MFA Norway
- Mobilize, provide and coordinate resource persons – maintain a dialogue with the SAIs providing in-kind support
- Provide support and guidance to NAC in the overall management of the project, including guidance on ToRs for specific project activities
- Arrange and pay for logistics

AFROSAI-E is responsible for providing technical support in several areas. They will invite NAC to regional events and trainings as provided for in the agreement and as agreed in the annual meeting: AFROSAI-E will

- Be advisors for the management and stakeholder relations team.
- Ensure NAC is invited to AFROSAI-E events and trainings

2. Status of indicators of goal achievement

The Overall Project goal is 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 and comments to the overall indicators of goal achievement are shown in table 1.

Table 1 Status of overall indicators of goal achievement by 30 Sept 2017

Indicator	Target	Status by				Comments
		30. Sep 2017	30. Sep 2018	30. Sep 2019	30. Apr 2020	
1. Percentage of project supported audit reports finalized and reported to the President and Parliament by NAC	50 % by the end of 2019	0 %				Too early in the project period to expect goal achievement in terms of audit reports.
2. Staff turnover among auditors and managers in NAC 2017-19.	Less than 10% annually	0 %				So far in 2017 the NAC human resource department has registered no staff turnover. However, in 2016 there were five (5) cases of staff leaving NAC; who went to the camps in Uganda due to the July 2016 event.

In addition to the two overall indicators of goal achievement, there are indicators for each of the six outcomes in the project (14 in total). The status of these indicators is shown in appendix 1.

By 30th Sept 2017, the target has not been met for any of the indicators related to each outcome. The scoring of the indicators are much related to completion of outputs. As none of the expected outputs have been met by 30th Sept 2017, the targets of the indicators are not met either. *This is as expected as almost all of the outputs are planned to be completed in either 2018, 2019 or 2020.*

3. Implementation of activities and status of planned outputs

Table 2 below shows the status of each planned output and the main activities related to each output so far in 2017. The main activities implemented in the period May to September 2017 have been:

- Audit planning workshop for the 3 audit teams in Nairobi and subsequent audit activities by the teams in Juba
- Feedback to the Performance Audit reports of the Constituency Development Fund (CDF) and Local content, mainly by e-mail
- Participation in regional events by NAC management and staff, such as the AFROSAI-E Governing Board in Kenya and the Conference of Illicit Financial Flows in Cameroon
- Planning and delivery of training workshop for the NAC Management and Stakeholder relations team (Pretoria) and subsequent activities by the sub-teams in Juba
- Audit planning, quality control, SAI reporting and stakeholder relations workshop, for all NAC managers in Juba
- Regular Coordination team telephone meetings

Some of the planned activities in May to September 2017 have not been implemented:

- Regular contact by e-mail and telephone between advisors and NAC audit team members have not taken place as expected. NAC is struggling to have stable internet. A bundle solution where the project pays for internet connection for the team leaders has not yet been established.
- NAC participation in the AFROSAI-E trainings related to Extractive industries, IT-audit, local government audit and SAI Performance reporting has been canceled. This is partly because the deadline for application to these events were not met and because NAC at some point cancelled international travels as NAC find it challenging to send staff abroad without ensuring per diems. This challenge has now been handled through arrangement of travel insurance and by providing per diem for dinners (instead of organizing dinners at events).
- NAC participation in the AFROSAI Governing Board and the annual SAI-PAC conference in 2017 was cancelled, for same reasons as for the AFROSAI-E trainings.
- Coaching on implementation of quality control systems was planned for September and October, but has been postponed to December

These cancellations and delays may not have any major consequence for the expected outputs and outcomes of the project as long as the issues are addressed in the coming year. *In 2018 it will be key to ensure more frequent contact between advisors and NAC team leaders, and ensure NAC participation in regional trainings and meetings supporting the implementation of ongoing processes in Juba.*

As Table 2 shows, none of the expected outputs have been met by 30th September 2017. This is as expected because almost all of the outputs are planned to be completed in either 2018, 2019 or 2020. The only output expected to be completed in 2017, is the finalization of the Performance audit reports of Local content and the Constituency development fund (2.3). *A great effort will be required for the rest of 2017 to meet this output in 2017.*

To ensure the overall goal achievement of the project, several audits have to be completed and reported in 2018. It will also be key to guide on the actual implementation of management systems developed.

Table 2 Status of each expected output in the project by 30th September 2017

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	Ongoing	Audit planning and data collection started Audit Team deployed to the relevant ministry
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	Ongoing	Audit planning and data collection started Audit Team deployed to the relevant ministry
1.3	Regularity and IT-audit of the passport system and revenue collection by the Min of Interior executed, reported and disseminated to key stakeholders	NAC RA-IT team & OAGK+OAGN advisors	2018-19	Not yet started	Not relevant in 2017
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	Ongoing	Established team members are constantly sharing knowledge among themselves and the other auditors
1.5	Guidance material developed in relation to audit of IFMIS and the consolidated financial statements	NAC RA-IT team & OAGK+OAGN advisors	2017-18	Not yet started	To be developed jointly with the OAGK-advisors
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	Ongoing	Audit planning and data collection for Juba City Council started Audit Team deployed to Juba City Council
2.2	Performance audit of the efficiency of the Juba University executed, reported and disseminated to key stakeholders	NAC PA-team & OAGK advisors	2018-19	Not yet started	Not relevant in 2017

No	Expected output	Responsible	Time frame	Status	Comments
2.3	Performance audit of local content and Constituency development fund completed, printed, reported and disseminated	NAC PA LC&CDF team & IDI advisor	2017	Ongoing	Draft reports under review by team members and IDI
2.4	Systematic knowledge-sharing among staff in NAC established related to performance audit	Coordination team with inputs of PA-team	2017-19	Ongoing	Established team members are constantly sharing knowledge among themselves and the other auditors
2.5	Performance audit manual customized	NAC PA-team & OAGK advisors	2017-18	Not yet started	To be planned in 2018. Need for a designated workshop.
2.6	Performance audit of environment in the oil sector completed, printed, reported and disseminated	NAC PA-team & OAGK advisors	2019	Not yet started	Not relevant in 2017
Outcome 3 Core audit management and HR-systems in place in NAC					
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	<p>Planning workshop held in Pretoria –South Africa, with the help of AFROSAI-E advisors</p> <p>A follow up and awareness workshop was held in Juba, where the teams’ activities and plans were presented</p> <p>Some team members will attend AFROSAI-E Annual Update meeting and the Refresher Workshop</p>
3.2	Annual SAI Performance report produced and disseminated	NAC Management support and stakeholder relations teams & AFROSAI-E advisors	2017-18	Ongoing	<p>Planning workshop held in Pretoria –South Africa, with the help of AFROSAI-E advisors</p> <p>A follow up and awareness workshop was held in Juba, where the teams’ activities and plans were presented</p> <p>Some team members will attend the AFROSAI-E Annual Update meeting and the Refresher Workshop</p>
3.3	NAC Human Resource Manual customized and executed	NAC Management support and stakeholder relations teams & AFROSAI-E advisors	Not set	Not yet started	Not relevant in 2017

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	2017-18	Ongoing	<p>Planning workshop held in Pretoria –South Africa, with the help of AFROSAI-E advisors</p> <p>A follow up and awareness workshop was held in Juba, whereby, the activities of the different teams, since the last planning meeting and the teams' activity plans were presented.</p> <p>Some team members will attend the AFROSAI-E Annual Update meeting and the Refresher Workshop</p> <p>Stakeholder awareness and sensitizations sessions and materials were shared with more than five audited entities during NAC Audit Entrance and Exit meetings.</p>
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	2017-9	Ongoing	NAC participated with a presentation during a UNDP/ Parliament workshop on the role of NAC as an oversight institution. Workshop attended by South Sudan Parliament leadership, including all Parliament Standing Committees.
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 with SAIs in the region	Coordination team	2017-19	Ongoing	<p>NAC attended AFROSAI-E Governing Board meeting in Nairobi</p> <p>NAC attended the Illicit Financial Flow Conference in Cameroon</p> <p>NAC attended SAI PMF Workshop in Pretoria-South Africa</p> <p>NAC attended Core Audit Management System and Stakeholders Relation Workshop in Pretoria- South Africa</p>
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	Ongoing	DPs invited for meeting mid November 2017
6.2	Lessons learned of the project identified	Coordination team	2020	Not yet started	

4. Updated risk assessment

Seven general risk factors were identified when the project was established:

1. Delays in implementation of planned activities
2. Relevance and quality of advises
3. Activities not coordinated both within the project and with other supporters of NAC
4. No impact
5. Sustainability of the support
6. Credibility of the SAI undermined
7. Security for resource persons

By 30th September 2017, the risk factor with high rate currently is “Delays in implementation of planned activities”. This is related to the ongoing audits where collection of data and communication between advisors and audit teams are the key challenges. NAC also faces fundamental challenges of execution of activities due to delayed salaries and lack of operational funds. This risk has been discussed regularly in the Coordination meetings. There is a need to ensure more funds for NAC operations either through the Government or new agreements with Development Partners (DPs). IDI will assist NAC in communicating this need in the annual seminar for DPs.

In terms of stimulating more regular contact between the advisors and the NAC team leaders, IDI and NAC must be continually stimulating this. NAC needs to find a practical solution for the bundle arrangement planned in the project. IDI can make an agreement with the advisors on compensation for phone calls.

At the medium risk level, the risk factors of “Relevance and quality of advices”. This will be addressed by inviting external experts to the workshops where resource persons and NAC team members meet. IDI will take the initiative to regularly share relevant material and reports among resource persons.

The “sustainability of the support” is also a medium risk given the ongoing political crisis in South Sudan. This is mainly outside the control of the project partners.

The table in appendix 2 shows more in detail the control measures in the period May-Sept 2017 and the status of risks by 30th September 2017.



Photo 3 NAC arranged a one-day seminar for all its managers in Juba in September 2017. The seminar was used to inform and discuss procedures for annual audit planning, quality control, reporting and stakeholder relations. An introduction to the Cooperation agreement was also provided to ensure ownership of all managers.

5. Financial status

Table 3 shows an overview of the expenses and budget per partner for 2017. Table 4 shows the expenses in the reporting period per outcome. Please note the following:

- The total expenses for May-Sept 2017 are USD 63 000 (NOK 500 000). For the rest of 2017, a spending of approximately of 82 000 USD (NOK 650 000) is expected. This means the variance compare to the approved budget for 2017 will be about USD 36 500 underspending (300 000 NOK).
- Cancellation of some planned activities May-Oct is the main explanation for the lower expenses than expected for the whole of 2017 compare to budget (see chapter 3 for details of activities). A reduced USD-NOK exchange rate in 2017 than budgeted also contributes to lower costs.
- For 2017, IDI will seek to utilize the MFA budgeted grant fully before IDI's own contribution is utilized, as stated in the application for the grant.
- There is an uncertainty related to the budget for the rest of 2017. Some activities, especially related to outcome 3 and 4 in December, are not yet confirmed.
- The budget for 2018 can be increased due to unspent funds in 2017.
- A disbursement of 600 000 NOK has been received from MFA in mid-2017.

Table 3 Financial overview of expenses and budget rest of the year (USD)

	Approved total budget	Total charged as expenses	Approved budget for the period	Total charged as expenses for the period	Variance	Variance in %	Budget next period	Expected variance
	2017-2020	May-Sept 2017	2017	May-Sept 2017	May-Sept 2017	May-Sept 2017	Oct-Dec 2017	2017
Costs for IDI and resource person partners	171 094	20 556	43 136	20 556	-22 580	-52 %	25 687	3 108
Costs for NAC and AFROSAI-E	282 231	39 422	131 164	39 422	-91 742	-70 %	52 700	-39 042
NAC	268 889	39 422	123 239	39 422	-83 817	-68 %	48 844	-34 973
AFROSAI-E	13 342	-	7 924	-	-7 924	-100 %	3 856	-4 068
Overheads	30 987	3 378	7 747	3 378	-4 369	-56 %	3 771	-597
Total expenses	484 313	63 356	182 046	63 356	-118 690	-65 %	82 159	-36 531
IDI's own financial contribution	104 566	-	55 464	-	-		18 933	-36 531
Grant from MFA	379 747	63 356	126 582	63 356	-63 226	-0	63 226	0

Table 4 Expenses per outcome May to September 2017 (USD)

Partner and cost type	1. Regularity Audit	2. Performance Audit	3. Management Systems	4. Stakeholder relations	5. Regional Events	6. Coordination	Grand Total
IDI	6 596	3 826				13 512	23 934
Travel costs	3 402	2 066					5 468
Activity costs	1 602	1 406					3 008
Personnel costs	1 591	355				13 512	15 458
NAC	6 596	3 826				13 512	23 934
Travel costs	4 477	4 477	2 866		4 653		16 474
Activity costs	10 482	7 902	2 374		2 191		22 948
							0
AFROSAI-E							
Grand Total	6 596	3 826				13 512	23 934

Appendix 1 Status of indicators for each outcome

Colour coding:

- Green: target met
- Orange: target partly met
- Red: target not met
- Blue: target not yet due

Outcome	Indicator	Target	Status 30th Sept, 2017	Comments
1 - A relevant and enhanced regularity audit function in NAC	1a) Number of project supported regularity audits where data collection is completed and a draft report produced by NAC.	100 % by end of 2019	0%	See Table 2 giving the status of expected outputs.
	1b) Number of project supported regularity audits reported to the President and the Parliament.	50 % by end of 2019	0%	As above.
	1c) Finalization and approval of guidance related to audit of IFMIS and the consolidated financial statements.	By end of 2018	Not yet started	As above.
2 - A relevant and enhanced performance audit function in NAC	2a) Number of project supported performance audits where data collection is completed and a draft report produced by NAC.	100% by end of 2019	0%	As above.
	2b) Number of project supported performance audits reported to the President and the Parliament.	50 % by end of 2019	0%	As above.
	2c) Finalization and approval of the NAC Performance Audit Manual.	By end of 2018	Not completed	As above.

Outcome	Indicator	Target	Status 30th Sept, 2017	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	Not met	As above.
	3b) Annual SAI Performance report produced and disseminated.	By end of 2018	Not met	As above.
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	Not done systematically as intended yet, 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	Not done systematically as intended yet, but relevant activities carried out.
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	Not met	No trainings attended in 2017
	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	Not carried out yet	Could be in Dec 2017

Outcome	Indicator	Target	Status 30th Sept, 2017	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	Not carried out yet	Planned in Nov 2017
	6b) Percentage of female NAC participants in project activities	20 %	13% (as of May - Sept 2017)	The baseline and what is a realistic target needs to be clarified.

Appendix 2 Risk assessment table

Risk factor	Risk sub-factors	Planned control measures	Responsible (main in bold)	Control measures taken May-Oct 2017	Risk assessment by 30 th Sept 2017	Control measures planned
Delays in implementation of planned activities	<ul style="list-style-type: none"> - Audit data not available as expected - Staff not available as assumed - Ambitions of activities not adapted to the competency levels of staff involved - Lack of funds or cars for fieldwork - Electricity break-down and unstable internet 	<ul style="list-style-type: none"> - Joint process for setting and agreeing on project activities and ambition levels - Flexibility and annual adjustment of plans - Regular communication on phone and e-mail - Mobilize other DPs to support operational and infrastructure costs 	NAC , IDI and AFROSAI-E	<p>Regular communication on phone and e-mail in the Coordination team.</p> <p>Plans for a DP workshop developed to source funds for NAC operational and infrastructure costs.</p>	High risk.	<p>Regular Coordination meetings. <u>Responsible:</u> NAC and IDI</p> <p>More regular phone meetings between advisors and NAC team leaders. <u>Responsible:</u> NAC and IDI</p> <p>Internet bundles to be provided for each team leader in NAC. <u>Responsible:</u> NAC</p>
Relevance and quality of advises	<ul style="list-style-type: none"> - The complex South Sudan situation - Communication challenges between advisors and NAC staff 	<ul style="list-style-type: none"> - Emphasizing personal qualifications of resource persons - Training resource persons in sensitivity as well as the country specific PFM-system - Seek to adapt the guidance material to the context - Regular dialogue with NAC on how to ensure relevance and quality of advises 	IDI and AFROSAI-E	<p>Limited influence over selection of resource persons, but personal qualifications emphasized.</p> <p>Required resource persons were selected from SAI Kenya and AFROSAI-E, in addition to, making use of the IGAD CSSOs deployed to NAC.</p> <p>Risks and roles of advisors vs NAC staff addressed in Audit Planning workshop in June 2017.</p> <p>Training in PFM-system in SS not done.</p>	Medium risk.	<p>Resource persons need to be acquainted more about the sensitivity aspects of South Sudan and PFM system. <u>Responsible:</u> IDI</p>

Risk factor	Risk sub-factors	Planned control measures	Responsible (main in bold)	Control measures taken May-Oct 2017	Risk assessment by 30 th Sept 2017	Control measures planned
Activities not coordinated both within the project and with other supporters of NAC	<ul style="list-style-type: none"> - Several providers of peers involved - Lack of information sharing systems in the SAI - Lack of information sharing between DPs 	<ul style="list-style-type: none"> - Active use of mechanisms for internal coordination: Joint steering committee, annual meeting, regular phone meetings - Invite other providers to NAC for the annual meeting 	NAC	<p>All discussions related to technical support and assistance to NAC with development partners are informed by sharing the Cooperation Agreement. Only areas not covered by the Agreement are discussed with the DPs.</p> <p>For purposes of synergizing support to NAC; some DPs are invited to attend the annual meeting.</p>	Low risk	
No impact	<ul style="list-style-type: none"> - Audit results not followed-up by Parliament or the Executive - Strengthening of the SAI meet significant resistance among influential elites 	<ul style="list-style-type: none"> - Sensitization of key stakeholders as a part of the project 	NAC and AFROSAI-E	<p>To sensitize the executive and the parliament about the importance of follow up and implementation of the audit results, NAC introduced participation of the DAGs in the Entrance and exist audit meeting whereby sensitization materials about the role and functions of NAC are presented and shared with the auditees senior management and staff.</p> <p>NAC actively participated in a workshop organized for the leadership of the Transitional National Legislative Assembly and the parliamentarians by TNLA/UNDP; whereby NAC</p>	Low risk	

Risk factor	Risk sub-factors	Planned control measures	Responsible (main in bold)	Control measures taken May-Oct 2017	Risk assessment by 30 th Sept 2017	Control measures planned
				presented a paper about the role of NAC as an Oversight Institution.		
Little sustainability of the support	<ul style="list-style-type: none"> - Renewed war - Unexpected change of AG or managers of the SAI 	Sustainability risks related to the overall national situation in South Sudan can not be addressed, but sustainability is sought enhanced by: <ul style="list-style-type: none"> - Involvement of a great number of NAC staff - Holistic approach in terms of both support to auditing, management quality control, reporting and dissemination – interlinked processes and systems 	NAC , IDI and AFROSAI-E	Position of the international and donor community in general towards developmental support to south Sudan also negatively affected support to the NAC	Medium	Involvement of a large number of NAC staff in the project related activities in Juba. Ensure regular workshops for all staff in Juba where knowledge is shared. Ensure knowledge is shared to staff electronically. <u>Responsible:</u> NAC
Credibility of the SAI undermined	<ul style="list-style-type: none"> - Political conflict in South Sudan where the SAI is discredited as linked to the current government - Staff of the SAI involved in corruption 	<ul style="list-style-type: none"> - Assessment of the risk in the annual meeting - Support to active use of the code of ethics as a part of the audit process - Creating awareness of the risk among the resource persons 	NAC , IDI and AFROSAI-E	NAC continue to demonstrate its relevance and professional independence to the stakeholders; by exhibiting its non-partisan character and disassociation from any forms of corrupt practices. Some stakeholders in the MDA received sensitization and awareness sessions that made them to understand the importance and the role of NAC.	Medium	Support to active use of the code of ethics as a part of the audit process. <u>Responsible:</u> NAC Creating awareness of the risk among the resource persons. <u>Responsible:</u> IDI

Risk factor	Risk sub-factors	Planned control measures	Responsible (main in bold)	Control measures taken May-Oct 2017	Risk assessment by 30 th Sept 2017	Control measures planned
Security for resource persons	- Insecurity in Juba especially, but also some risk at other venues	<ul style="list-style-type: none"> - Regular assessment of which location is safe for meetings – plan for out-of-country in the current situation - Creating awareness of the risk among the resource persons - Use of the IDI and AFROSAI-E routines for crisis management 	IDI and AFROSAI-E	Juba not regarded as secure by IDI for resource persons in 2017. NAC is of opinion that, although insecurity is unpredictable in South Sudan, this cannot justify not sending resource person to Juba, as other experts were already deployed and working with NAC (IGAD experts from Uganda SAI).	Low risk with activities out-of-country. Relative and manageable risk	

Appendix 3 Financial reports in NOK

Financial overview of expenses and budget next period

Period: Expenses May-September 2017. Budget Oct-Dec 2017.

Currency: NOK (Norwegian kroner)

Table 5 Financial overview of expenses and budget next period. Norwegian kroner (NOK).

	Approved total budget	Total charged as expenses	Approved budget for the period	Total charged as expenses for the period	Variance	Variance in %	Budget next period	Expected variance
	2017-2020	May-Sept 2017	2017	May-Sept 2017	May-Sept 2017	May-Sept 2017	Oct-Dec 2017	2017
Costs for IDI and resource person partners	1 351 645	162 394	340 774	162 394	-178 379	-52 %	202 930	24 550
Costs for NAC and AFROSAI-E	2 229 627	311 433	1 036 193	311 433	-724 759	-70 %	416 330	- 308 429
NAC	2 124 227	311 433	973 590	311 433	-662 157	-68 %	385 868	- 276 289
AFROSAI-E	105 400	-	62 603	-	- 62 603	-100 %	30 462	-32 140
Overheads	244 800	26 687	61 200	26 687	- 34 513	-56 %	29 794	-4 719
Total expenses	3 826 071	500 514	1 438 166	500 514	-937 652	-65 %	649 054	- 288 598
IDI's own financial contribution	- 826 071	-	- 438 166	-	438 166		- 149 568	288 598
Grant from MFA	3 000 000	500 514	1 000 000	500 514	-499 486	-50 %	499 486	

Expenses per outcome

Period: May-September 2017

Currency: NOK (Norwegian kroner)

Partner and cost type	1. Regularity Audit	2. Performance Audit	3. Management Systems	4. Stakeholder relations	5. Regional Events	6. Coordination	Grand Total
IDI	52 106	30 227				106 748	189 081
Travel costs	26 878	16 319					43 197
Activity costs	12 656	11 107					23 763
Personnel costs	12 572	2 801				106 748	122 121
NAC	118 176	97 793	41 400		54 064		311 433
Travel costs	35 371	35 371	22 644		36 755		130 141
Activity costs	82 805	62 422	18 756		17 309		181 293
AFROSAI-E	0	0	0	0	0	0	0
Grand Total	170 282	128 020	41 400		54 064	106 748	500 514