



OFFICE OF THE AUDITOR GENERAL

National Audit Chamber Peer-Support Project 2017-2020

**Agreement on Provision of Advisors
by the
Office of the Auditor General of Kenya
to the
National Audit Chamber for the Republic
of South Sudan**

June 2017

1. BACKGROUND

South Sudan has immense development needs and is currently mired in a deep economic, political, security and humanitarian crisis. The government institutions are weak and there is an acute need to strengthen the accountability mechanisms to promote better utilization of the limited resources available. The National Audit Chamber (NAC) can through well selected audits, potentially play an important role in ensuring better Public Financial Management in South Sudan. It can also play an important role in the long-term state building process.

The NAC has requested for technical support by peers to meet its ambitious targets set in the Strategic plan 2016-2018. This has resulted in a joint agreement between the NAC, the INTOSAI Development Initiative (IDI) and the AFROSAI-E for 2017-2020. The goal 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.” The funding for the Cooperation is granted by the Norwegian Ministry of Foreign Affairs (MFA) to the IDI.

2. PROVISION OF ADVISORS

NAC has requested the Office of the Auditor General of the Republic of Kenya (OAG-K) to provide advisors for the regularity audit, performance audit and IT audit related activities of the project. Based on previous experience of support, NAC has underlined the need for on-the-job training. Support to execution, reporting and dissemination of audits is therefore a key element of the project.

By this Agreement, OAG-Kenya commits to provide resource persons for the Regularity, Performance and IT Audit component of the NAC peer-support project in the period June 2017 – April 2020: The Performance Audit Team, Regularity IT Audit Team and the Regularity Revenue Audit Team. The number of advisors is decided by OAG Kenya based on requests from NAC. Teams of NAC staff are established as focal points for the peer-support in the project. This Agreement outlines the expectations of the advisors.

3. ACTIVITIES OF THE ADVISORS

The project is for three years: June 2017 – April 2020. The actual progress and lessons learned of the activities starting in 2017, will determine the activities in the later years. The advisors are encouraged to propose necessary adjustments of the activities, especially those related to the annual meeting.

Key activities of the advisors are as follows:

- Plan and participate in three workshops throughout the audit process:
 - Pre-planning workshop, including establishment of teams, planning of the audit and knowledge raising of the area

A detailed work-plan for each of the areas is enclosed (Appendix I). Please note that this plan will be reviewed annually depending on actual progress.

5. EXPECTED RESULTS: REGULARITY REVENUE AUDIT ADVISORS

The advisors of the RA-Revenue audit team are expected to contribute to the following outcome, outputs and indicators of goal achievement:

Expected outcome and output	Team responsible	Activities	Time frame	Indicators of goal achievement
1 A relevant and enhanced regularity audit function in NAC				
1.1 Regularity audit of non-oil revenue collection by the Ministry of Finance executed, reported and disseminated to key stakeholders	RA-revenue team	Establishment of NAC-peer team, advise and training by peers at key stages throughout the audit (both in physical meetings, workshops, e-mail and phone), AFROSAI-E training, printing of report and dissemination workshop.	2017-19	1a) Number of project supported regularity audits where data collection is completed and a draft report produced by NAC. <u>Target:</u> all by the end of 2019.
1.4 Systematic knowledge-sharing among staff in NAC established related to Regularity Revenue Audit	Coordination team with inputs of RA-Revenue team	All activities related to the audits, internal distribution of knowledge in NAC both through workshops and electronic means.	2017-19	1b) Number of project supported regularity audits reported to the President and the Parliament. <u>Target:</u> 50 % by end of 2019. 1c) Finalization and approval of guidance related to audit of IFMIS and the consolidated financial statements. <u>Target:</u> Within the end of 2018.

A detailed work-plan for each of the areas is enclosed (appendix II). Please note that this plan will be reviewed annually depending on actual progress.

The IGAD/UNDP resource person currently supporting NAC in the relevant audit area will also be involved in the project activities. This will enable synergies between the two support mechanisms.

AFROSAI-E will ensure there is a contact person for the teams who can assist with technical inputs and updates on relevant AFROSAI-E events and products in the regularity and performance audit area.

8. EXPECTED QUALIFICATIONS OF ADVISORS

The following key skills are expected of the advisors:

- Strong advisory, communication and team-work skills
- Understanding and sensitivity for the political, cultural and economic complexity of South Sudan
- Strong general skills in regularity, IT or Performance Audit
- Experience in the audit of the relevant government area

9. MANAGEMENT AND COORDINATION OF THE TECHNICAL SUPPORT

All activities should be anchored and done in coordination with top management of OAG-Kenya, including a Deputy Auditor General and a Director. NAC will ensure this by involving OAG-Kenya in annual planning of activities and by consultations if there are major changes of plans during the year. NAC will also ensure OAG-Kenya is informed annually about the progress of the project and the achievements of the resource persons.

IDI will assist NAC in the dialogue with OAG-Kenya on general issues of engagement, including preparation of the advisors for the task and updating of progress.

The advisors will be engaging primarily with the NAC appointed team leader. The NAC team leader is responsible for ensuring the advisors are well utilized and that activities are progressing towards the agreed outputs. This includes setting final dates for workshops in a dialogue with the advisors and keep regular contact between workshops. The advisors are still expected to actively suggest how and when activities should be carried out.

10. LOGISTICAL ISSUES

Booking of flights, accommodation and conference facilities

IDI will make arrangements to bear all direct costs for the advisors in the project activities, including flights, hotel, per diem, conference facilities, travel insurance and telephone costs. The AFROSAI-E subsidization policy will be used for setting rates and conditions for per diems.

Security and meetings in South Sudan

12. AGREEMENT

As Partners we commit to work together to achieve the listed project outcomes and outputs.

We agree to the required resources and staff for full participation in the project.

We commit to the cooperation principles.

Nairobi 29th June 2017.

The Office of the Auditor General, Kenya

FCPA Edward R.O. Ouko, Auditor General -Kenya


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The National Audit Chamber, South Sudan

For/ **Amb. Steven K. Wundu, Auditor-General - South Sudan**


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The INTOSAI Development Initiative (IDI)

For/ **Mr. Einar Goerrissen, Director General - IDI**


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APPENDIX I: DETAILED ACTIVITY PLAN ADVISORS RA-IT TEAM (TO BE ADJUSTED ANNUALLY)

ACTIVITIES AND MILESTONES		TIME FRAME	PLANNED START DATE	PLANNED END DATE	Venue location	Duration working days
Regularity and it-audit of the IFMIS and closing of accounts by the MoFEP executed, reported and disseminated to key stakeholders		2017-18	May17	Dec18		
1.2.1	Participation in the AFROSAI E workshop on it-audit programme for new auditors	2 weeks	Apr.17	Apr.17	Johannesburg	5
1.2.2	Pre-planning workshop incl establishment of teams, planning of the audit, knowledge raising of the IFMIS and accounts systems and procedures, May or June 2017	1 week	May17	May17	Plan A: Juba Plan B: Nairobi	5
1.2.3	Regular peer support through e-mail and telephone	Weekly	May17	Sep.17		
1.2.4	Execution workshop	1 week	Sep.17	Oct17	Plan A: Juba Plan B: Nairobi	5
1.2.5	Participation in the AFROSAI E workshop on audit of IFMIS, 2 team members, 2-6 October	1 week	Oct.17	Oct.17	Johannesburg	5
1.2.6	Regular peer support through e-mail and telephone	Weekly	Oct17	Feb18		
1.2.7	Reporting workshop	1 week	Feb.18	Mar.18	Plan A: Juba Plan B: Nairobi	5
M	Milestone: Draft report sent for comments by the auditee					
				?		
1.2.8	Regular peer support through e-mail and telephone	Weekly	Apr.18	May.18		
1.2.9	Printing of final report and brochure with summary of findings for public distribution as hard-copy and online	1 week	May.18	June.18		
M	Milestone: Final report submitted to Parliament					
				?		

ACTIVITIES AND MILESTONES		TIME FRAME	PLANNED START DATE	PLANNED END DATE	Venue location	Duration working days
1.4.2	Annual workshop where all staff are updated on technical updates, key issues from AFROSAI E and other trainings, key issues from the ongoing audits, guidance on how to produce reader-friendly reports	1 day	Dec.17	Dec.17	Juba	1
1.4.3	Annual workshop where all staff are updated on technical updates, key issues from AFROSAI E and other trainings, key issues from the ongoing audits, guidance on how to produce reader-friendly reports	1 day	Dec.18	Dec.18	Juba	1
1.4.4	Annual workshop where all staff are updated on technical updates, key issues from AFROSAI E and other trainings, key issues from the ongoing audits, guidance on how to produce reader-friendly reports	1 day	Dec.19	Dec.19	Juba	1
1.4.5	In-house training and guidance by selected NAC mentors on how to produce clear and reader-friendly reports established	Continuously	Sep.17	Dec.19	Juba	
	Guidance material developed related to audit of IFMIS and the consolidated financial statements	2017-18	Dec.17	Dec.18		
1.5.1	Collect available guidance through AFROSAI-E and ODI-support to MoFEP in South Sudan	2017-18	Jun.17	Dec.18		
1.5.2	Develop and customize the guidance to NAC as a part of the audit process and the planned workshops on execution and reporting	2017-18	June.17	Dec.18		
1.5.3	Contact with other SAIs in the region with similar IFMIS system through AFROSAI E trainings and events	2017-18	Jun.17	Dec.18		
1.5.4	Printing of guidance and electronic distribution in NAC	2018	Aug.18	Dec.18		

ACTIVITIES AND MILESTONES				PLANNED START DATE	PLANNED END DATE	Venue location	Duration working days
Internal distribution of knowledge in NAC both through workshops and electronic means.							
1.4.1	Material of AFROSAI E and other trainings are distributed internally through e-mail and uploaded on the webpage	2017-19		May.17	Dec.19		
1.4.2	Annual workshop where all staff are updated on technical updates, key issues from AFROSAI E and other trainings, key issues from the ongoing audits, guidance on how to produce reader-friendly reports	1 day		Dec.17	Dec.17	Juba	1
1.4.3	Annual workshop where all staff are updated on technical updates, key issues from AFROSAI E and other trainings, key issues from the ongoing audits, guidance on how to produce reader-friendly reports	1 day		Dec.18	Dec.18	Juba	1
1.4.4	Annual workshop where all staff are updated on technical updates, key issues from AFROSAI E and other trainings, key issues from the ongoing audits, guidance on how to produce reader-friendly reports	1 day		Dec.19	Dec.19	Juba	1
1.4.5	In-house training and guidance by selected NAC mentors on how to produce clear and reader-friendly reports established	Continuously		Sep.17	Dec.19	Juba	

ACTIVITIES AND MILESTONES				TIME FRAME	PLANNED START DATE	PLANNED END DATE	Venue location	Duration working days
2.2.3	Execution workshop	1 week	Sep.17	O.17	Plan A: Juba Plan B: Nairobi	5		
2.2.4	Regular peer support through e-mail and telephone	Weekly	Oct.17	Oct.18				
2.2.5	Reporting workshop	1 week	Mai.18	Dec.18	Plan A: Juba Plan B: Nairobi	5		
2.2.6	Regular peer support through e-mail and telephone	Weekly	Dec.18	Mai.19				
2.2.7	Printing of final report and brochure with summary of findings for public distribution as hard-copy and online	1 week	May.19	Dec.19				
2.2.8	Dissemination workshop after the report is tabled for stakeholders incl auditee, PAC members, media, CSOs	1 day	May.19	Dec.19	Juba	1		
2.4	Performance audit skills acquired by selected staff are systematically shared with and transferred to other relevant NAC staff	2017-19	Jun.17	Dec.19		3		
2.4.1	Material of AFROSAI E and other trainings are distributed internally through e-mail and uploaded on the webpage	Continuously	Jun.17	Dec.19				
2.4.2	Annual workshop where all relevant staff are updated on PA technical updates, key issues from AFROSAI E and other trainings, key issues from the ongoing audits, guidance on how to produce reader-friendly reports	1 day	Jan.18	Feb.18	Juba	1		
2.4.3	Annual workshop where all relevant staff are updated on PA technical updates, key issues from AFROSAI E and other trainings, key issues from the ongoing audits, guidance on how to produce reader-friendly reports	1 day	Jan.19	Feb.19	Juba	1		
2.4.4	Annual workshop where all relevant staff are updated on PA technical updates, key issues from AFROSAI E and other trainings, key issues from the ongoing audits, guidance on how to produce reader-friendly reports	1 day	Jan.20	Feb.20	Juba	1		
2.5	Performance audit manual customized	2017-18	May.17	Dec.18				