National Audit Chamber Peer-support Project 2017-2020

Report Oct 2017 - Sept 2018

Version 2.11.2018 submitted to MFA Norway

Cooperation partners: NAC, IDI and AFROSAI-E

Resource person partners: OAG Kenya and OAG Norway

Financial support: Ministry of Foreign Affairs, Norway

Contents

1 Introduction

The National Audit Chamber of South Sudan (NAC), the INTOSAI Development Initiative (IDI) and AFROSAI-E have a Cooperation agreement from May 2017 – April 2020.

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." There are 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

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.

Funding for the cooperation is provided by the Ministry of Foreign Affairs of Norway in addition to IDI basket funds and in-kind contributions from the Office of the Auditor General of Kenya (OAGK) and OAG Norway.

Advice to execution, reporting and dissemination of audits is a key part of the project. Three audits were initiated in 2017 while another three were planned to be initiated in 2018. These audits have been selected by NAC based on materiality, added value of external technical support and likelihood of completion. NAC has previously 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.

The project also includes support to NAC participation in AFROSAI-E events and trainings. This includes both the annual AFROSAI-E Governing Board and technical update, but also specific trainings relevant for the selected audits.

NAC's performance and impact are 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.

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 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 is also provided and linked to the sensitization of key stakeholders.

A steering committee is established where the partners of the project are represented, including the financial donor and providers of resource persons. The committee is led by the AG of NAC. It will meet annually to approve the annual report and plans for the project. The steering committee can also meet ad-hoc to discuss the support project and be consulted on emerging issues.

The structure of this report is changed compare to the report presented for May – September 2017. This report is structured along the expected outcomes mainly. The change of structure has been done based on the decision of the Steering Committee in the annual meeting of 14th November 2017 in Nairobi.
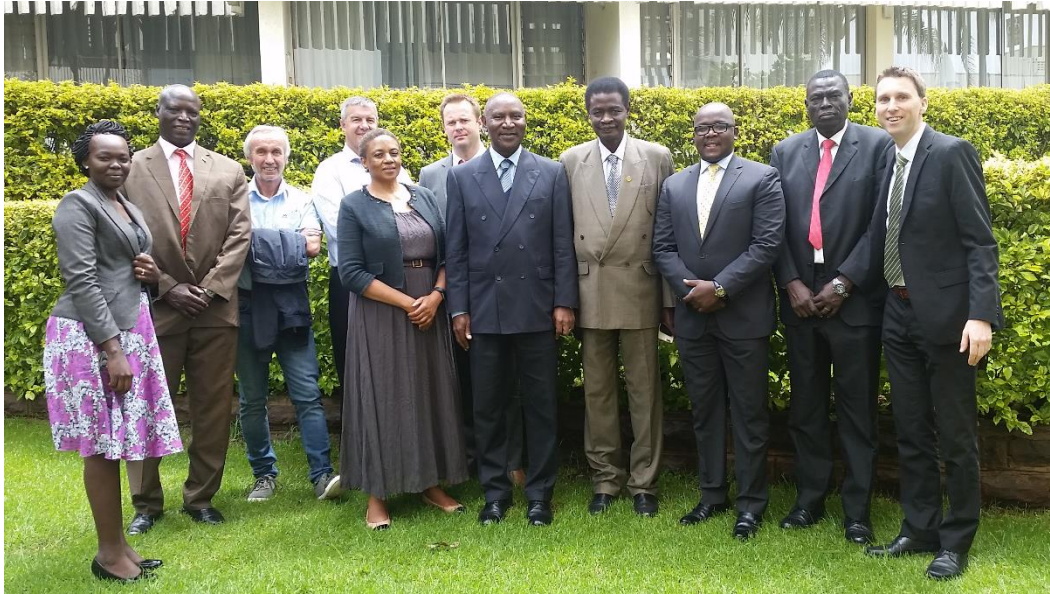
Picture 1 Annual meeting in Nairobi November 2017

2   Overall status 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 of overall indicators of goal achievement are shown in table 1. As the table shows, the actual reporting to the President and Parliament of the supported audits is yet not achieved. This is related to both factors outside and within NAC and the cooperating partners' control. The factors outside of the project's control are lack of data access in some Ministries, lack of operational funds for NAC, unstable telephone connections and a general challenging political environment. Some factors within the control of the project are related to non-utilization of internet funds and limited contact between the NAC team and advisors between workshops. These issues have been addressed in 2018 with some effect. Despite these challenges there is progress for several of the audits, and it seems possible to achieve the target of submission of several audits by the end of 2019 given concerted effort for this in the coming year. The impact of the NAC and partly the project on improving PFM systems in South Sudan will rely on the audits to be finalized and reported.

When it comes to maintaining the capacity in NAC, indicator 2 in table 1 shows that the staff turnover for 2017-18 is 9 % (15 of 160 staff in total). This means there has been an increasing turnover in 2018 compare to 2017. Most of the staff turnover are junior staff leaving and persons going for studies and not expected to return to NAC. The majority of the turnover are among support staff – none are key audit staff. Irregular salaries over the latest year is one factor which has contributed to the turnover.

Table 1 Status of overall indicators of goal achievement by 30 Sept 2018

| 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 %	0 %			
2. Staff turnover among auditors and managers in NAC 2017-18.	Less than 10% annually	0 %	9%			15 of 160 staff left NAC in the period 2017-18.

In general, the progress of the project has been slower in 2018 than planned. Several planned activities have not been executed and ongoing audits are delayed. Nevertheless, the project is assumed to have contributed to the maintenance and strengthening of key capacities in NAC. Through the support NAC has in 2017-2018 initiated audit work and got increased competencies in critical areas of the PFM system, such as of the IFMIS system and collection of non-oil revenue. A key achievement in 2018 is that two performance audits have been submitted to the auditees for comments. Furthermore, the support to core management systems has enabled NAC to amongst

others have an annual audit plan in place. This is key capacity for an audit office, to enable it to select the most relevant audits.

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 for the reporting period related to the regularity audit function are:

- Regularity audit of non-oil revenue collection 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 non-oil revenue are ongoing, but behind schedule. The process of collecting data and developing a draft report has been challenging. Since the inception of the IFMIS audit team, the Auditor General has urged the Ministry to work hard to produce the backlog financial statements for audit purposes. Still the requested data are not yet available. For the planned NAC guidance on auditing of the IFMIS, some material has been collected, but it has not yet been properly compiled.

The audit teams and the advisors met for data collection workshop in November 2017, but have had little contact during the 1st half of 2018. Advisors can get phone calls refunded by the project and NAC has been offered support to increased internet connection. There has been increasing contact and exchange of documents in 2nd half of 2018. See details in the table in appendix 1.

Assessment of goal achievement

There is currently low goal achievement as none of the regularity audits are completed with a report submitted to the President and Parliament. It can still be argued that the project activities have contributed to more relevant regularity audits by NAC, through the guidance on audits of both the IFMIS system and non-oil revenue collection. These areas are of high importance for the PFM system in South Sudan and NAC must build competencies in these areas to stay relevant. Achieving the audit of IFMIS System and the non-oil revenue audit is of paramount to NAC, for by completing this audit NAC and the Ministry of Finance and Planning will be able to understand and know why the Ministry have not producing audited financial statement since 2011.

Indicator	Target	Status 30th Sept, 2018	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	0 %	See appendix 1 giving the status of expected outputs.

Indicator	Target	Status 30th Sept, 2018	Comments
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.
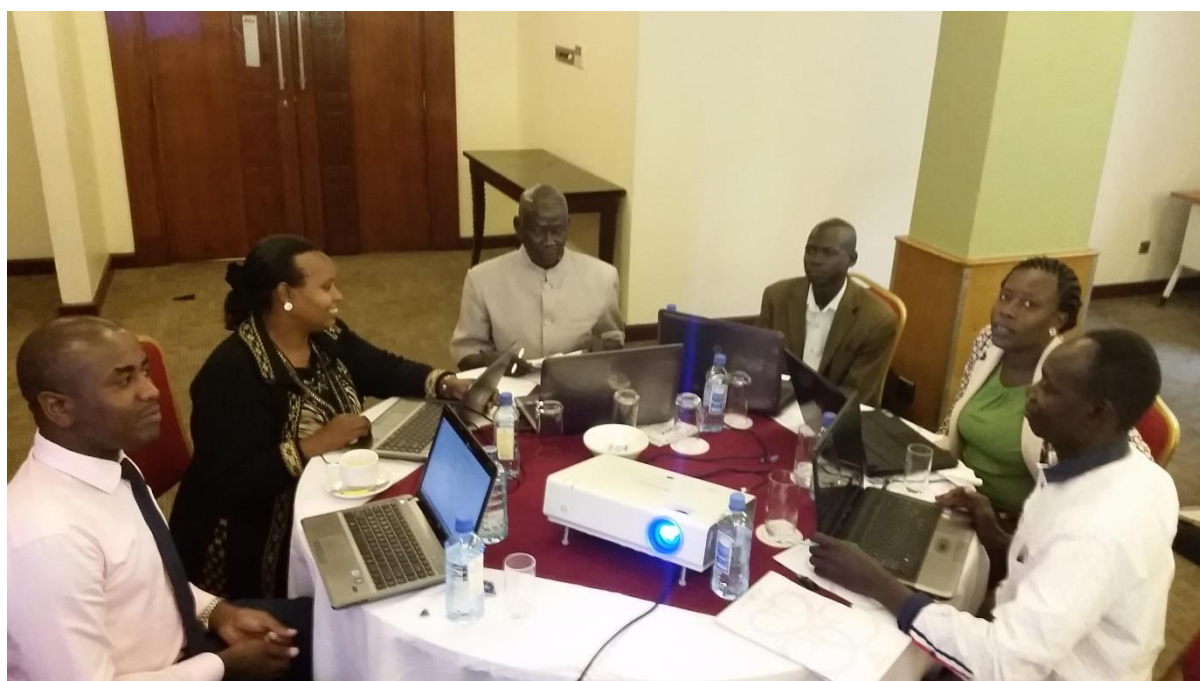
Picture 2 Data collection workshop in Nairobi November 2017

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 are:

- 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

There has been progress in three performance audits in the reporting period. The performance audits of local content and the Constituency Development Fund has finally been concluded in NAC and shared with the auditees for their comments. The performance audit of the efficiency of waste management of the Juba city council has been progressing in 2018 and a draft report developed. This report is being improved before it can be shared with the auditee for their comments.

Performance audits of Juba University and environmental management in the oil sector are planned. For these audits to be successfully executed as a part of the project, it will be critical to finalize the current audits and start them in early 2019.

The performance audit manual and systematic sharing of knowledge in NAC have not been progressing in the first-half of 2018, but is expected to be worked on in December 2018. NAC representatives have participated in competency raising seminars and trainings, such as the AFROSAI-E technical update and refresher and AFROSAI-E data analysis training in Khartoum. It will be important to ensure this knowledge is shared and institutionalized through a NAC PA technical update planned in December 2018.

Assessment of goal achievement

There is some goal achievement as two performance audits are completed with a draft report submitted to the auditee for comments. 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. This process with the auditee is expected to lead to specific actions identified for improvements on how these areas are managed. 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 30th Sept, 2018	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	50 %	Local content and CDF audits
2b) Number of project supported performance audits reported to the President and the Parliament.	50 % by end of 2019	0 %	
2c) Finalization and approval of the NAC Performance Audit Manual.	By end of 2018	Not completed	Planned process in late 2018

3.3   Core audit management and HR systems in place in NAC

Progress compared to the plans

The main expected outputs are:

- 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 have been worked on through a customized management development programme for NAC in 2018, involving 16 managers. Two workshops have been conducted and support has been provided online in between. NAC has in 2018 also decided to revise their operational and strategic plans. Support to these outputs has also been included in the management development programme as well as through participation in an AFROSAI-E workshop on Strategic and operational planning and Risk Management.

The NAC Annual Audit Plan 2018/2019 is finalised and approved by the Auditor General in Sept 2018. Implementation will begin by October 2018. Several of the other supported outputs are almost completed:

- More than 80% of NAC Annual Operational Plan 2018/2019 is completed; the draft is currently being finalized by the relevant team and their advisors in Afrosai-e.
- More than 70% of NAC Annual Performance Report 2018/2019 is completed, the draft is currently being finalized by the relevant team and their advisors in Afrosai-e/IDI.
- The process of developing the new Strategic Plan 2019/2023 started in September 2018 and a first draft is expected in November.

The quality control procedures have also been developed by NAC in 2018, but to a lesser extent been guided through the project. This is an area where additional support will be required in 2019 in combination with guidance for implementation of the core management systems developed.
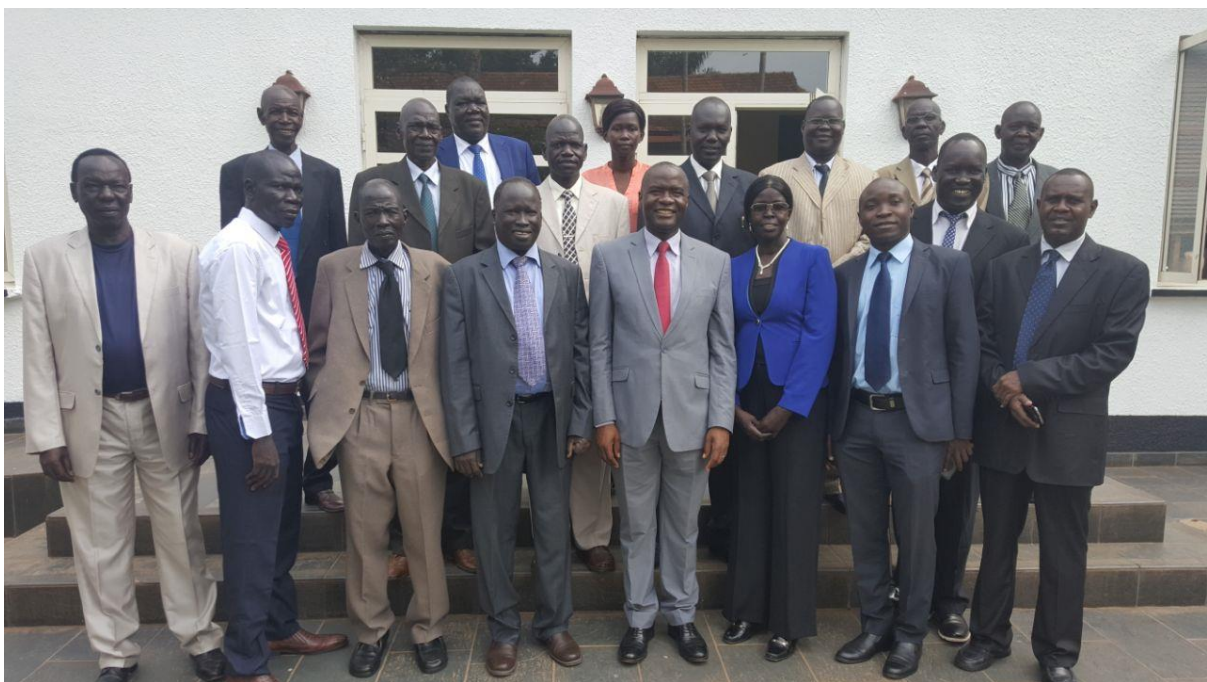
Picture 3 Management Development Programme workshop in Entebbe February 2018

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 impact on outcome 1, 2 and 4. Still, actual implementation and use of the plans and system for reporting in 2019 will be a key indicator of whether managers have got improved management skills and relevant systems have been developed.

Outcome	Indicator	Target	Status 30th Sept, 2018	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	Met	
	3b) Annual SAI Performance report produced and disseminated.	By end of 2018	Partially	Expected to be done

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 are:

- 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 the reporting period NAC participated in 3 workshops related to Public Financial Management Accountability and Transparency and Role of the Oversight Institutions. NAC has also continued to disseminated the role of NAC to the entities in audit Entry and Exist meetings.

In 2018 NAC has been supported through the Management Development Programme to develop a stakeholder relations strategy. The draft is being finalized with inputs of the AFROSAI-E advisors.

Assessment of goal achievement

In 2018 a new Parliament has been set with a large number of representatives. There have also been several changes in the ministries. It can be assumed that many of the key stakeholders are not fully familiar with NAC's function, procedures and potential value. Goal achievement relies on actual sensitization being carried out in 2019, as implementation of key elements of the new stakeholder relations strategy.

Outcome	Indicator	Target	Status 30th Sept, 2018	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 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, related to sensitization in 2017	New Parliament. Not done systematically as intended yet.

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 is 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 2017-18, NAC has sent delegates to several relevant trainings and events:

- AFROSAI-E Technical Update and Refresher workshop
- IFAC Workshop on Development of Accountancy in Fragile and Conflic affected states
- Strategic Review and Governing Board Meeting AFROSAI-E

In 2018 it has been planned to attend also AFROPAC or SADCOPAC meetings, but NAC has not received invitations for these.

Assessment of goal achievement

NAC have been represented at all major AFROSAI-E events in the reporting period. This enables NAC to both get updated on professional development and regional issues, as well as to contribute to this in the region. This enables NAC to take good decisions on for instance updating of audit manuals as well as selection of audit topics. For NAC to fully benefit from the trainings and achieve the goal, it will be key to ensure knowledge from the regional trainings are shared systematically and key decisions on updating NAC procedures taken.

Outcome	Indicator	Target	Status 30th Sept, 2018	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	MDP not yet completed, but other trainings completed.
	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. Planned in Dec 2018.

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 was a major activity. Unfortunately, only the WB sent a representative for the meeting. NAC has still 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 from March to August 2018. The consequence is that coordination and thus progress of the project has suffered in mid-2018.

NAC has had challenges of both the internet and the telephone connection. In 2018 one of the reliable service provider (VIVACELL) company was shut down, hence, it created a serious trafic jam in the remaining service providers companies the MTN and ZAIN, particularly, the international calls.

NAC's struggling to have stable internet was partially solve by World bank's assistance to support NAC with 4 months internet bill during the audit from the period July to October 2018. This is expected to be continued up to January 2019. It should be mentioned here that, these internet facility is only available for those NAC staff in the headquarter, project team members who are localed in the verious field institution will not be able to access this internet facility.

The bundle solution where the project is expected to pays for internet connection for the team leaders has not yet been established, due to the fact that NAC cannot finance buying the internet devices and the bundles. In this regard, NAC proposed reciving and advance from IDI to pocuere these devices and bundles and account for that on monthly bases.

Assessment of goal achievement

NAC's capacity development is to some extent being strategically managed through one focal point and by conducting annual meetings for all DPs. This is critical 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 in 2018. This means the goal of active coordination has not been met. This must be addressed in 2019.

There is an ambition of female representation in project activities. As the indicator shows in the table below, the target has not been met in 2017-2018. Almost 30 % of NAC staff are female (47 of 160), but it has been challenging to select relevant female candidates for project activities.

Outcome	Indicator	Target	Status 30th Sept, 2018	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	Despite inviting more than 8 DPs in the Planned Annual meeting in November 2017, only the World Bank representative attended.
	6b) Percentage of female NAC participants in project activities	20 %	13 % (as of October - Sept 2018)	The baseline and what is a realistic target needs to be revised.

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 2018, a major 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 Development Partners.

In terms of stimulating more regular contact between the advisors and the NAC team leaders, IDI and NAC must be continually facilitate this. NAC needs to find a practical solution for the bundle arrangement planned in the project. IDI has made an agreement with the advisors on compensation for phone calls, but in practice there has not been many calls.

Another 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. 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.

At the medium risk level, the risk factors of "Relevance and quality of advices". This was planned to be addressed by inviting external experts to the workshops where resource persons and NAC team members meet. Coordination within the project partners and peers is also a risk at medium level which must be better addressed in the next year.

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

The table in appendix 3 shows more in detail the control measures in the period October 2017-Sept 2018 and the status of risks by 30th September 2018.

5   Financial status

Table 2 shows an overview of the expenses and budget per partner. Table 3 shows the expenses per outcome. Figure 1 illustrates the share per outcome 2017-18. Please note the following:

- The total expenses for the project since start in May 2017 and up to September 2018 is 220 000 USD compare to a total budget of 460 000 USD for 2017-2020. As figure 4 shows, the major spending so far is in the area of management systems, related to a high activity for this in 2018. Then follows coordination and project management, regularity audit, regional events and performance audit. A minor share has been spent on stakeholder relations, related to few designated events so far.

- For 2018, it is expected that the total spending is about 140 000 USD, compare to a budget of 215 000 USD. The underspending is mainly related to the lack of progress of the audits. This is reflected in table 3, which shows there has been no spending to regularity audit in 2018.

- For the rest of 2018 it is expected spending for a reporting and audit manual development workshop in performance audit. Reporting workshops in regularity audit are planned in 2019, as it is not realistic before then.

- The budget for 2019 is in total of 160 000 USD. *The 2019 budget needs to be finalized after the annual meeting when activities are agreed for 2019.*

Table 2 Financial status overview (USD)

	Approved total budget	Total charged as expenses	Approved budget for the period	Total charged as expenses for the period	Budget next period	Expected expenses whole year	Expected variance	Budget next period
Period	*2017-2020*	*May 2017 - Sept 2018*	*2018*	*Jan-Sept 2018*	*Oct-Dec 2018*	*2018*	*2018*	*2019*
Project expenses for IDI and resource person partners	162 197	69 227	55 561	24 823	13 687	38 510	17 051	45 426
Project expenses for NAC and AFROSAI-E	267 555	139 570	158 635	68 565	31 581	100 146	58 489	112 404
NAC	254 907	135 534	146 421	65 531	27 032	92 563	53 858	92 489
AFROSAI-E	12 648	4 036	12 214	3 034	4 549	7 583	4 631	12 280
Overheads	29 376	10 891	9 600	5 066	2 400	7 466	2 134	9 600
Total expenses	**459 129**	**219 687**	**223 796**	**98 454**	**47 668**	**146 122**	**77 674**	**167 430**
IDI's own financial contribution	99 129	25 449	98 796	21 122	-	21 122	77 674	42 430
Grant from MFA	**360 000**	**120 000**	**125 000**	**-**	**125 000**	**125 000**	**0**	**125 000**

Table 3 Expenses per outcome (USD)

Outcome	Expenses 2017	Budget 2018	Expenses Jan-Sept 2018	Variance 2018	Total expenses 2017-18
1 Regularity Audit	46 177	45 122	-	45 122	46 177
2 Performance Audit	28 871	35 938	8 656	27 282	37 527
3 Management Systems	8 315	49 060	94 365	-45 305	102 680
4 Stakeholder Relations	-	5 910	1 120	4 790	1 120
5 Regional Events	27 401	37 060	17 721	19 339	45 122
6 Coordination and project management	39 667	50 706	19 453	31 253	59 121
Grand Total	**150 431**	**223 796**	**141 315**	**82 481**	**291 746**

Figure 1 Share of total expenses 2017-18 per outcome
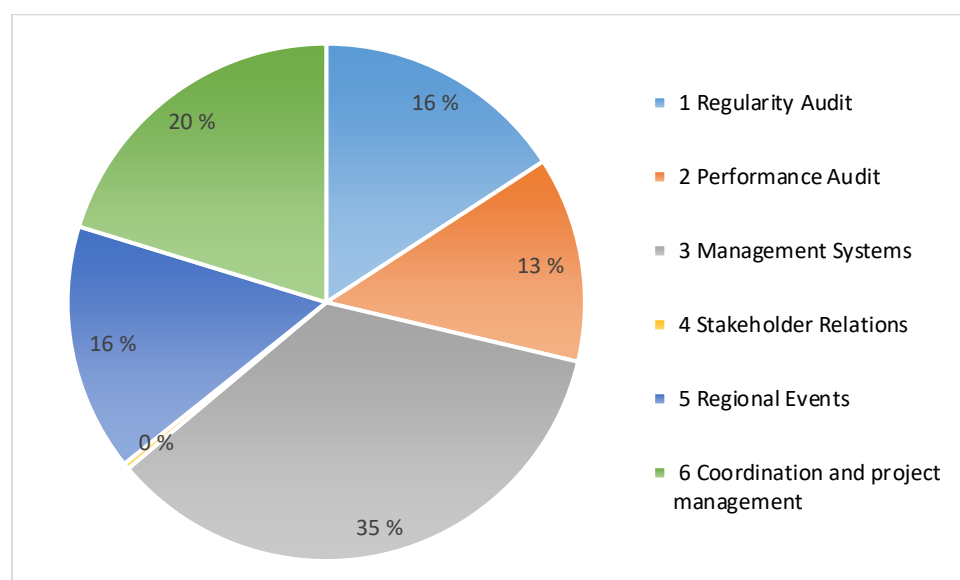
Appendix 1 Status of each expected output in the project

Status of each expected output in the project by 30th September 2018

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 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 is still been handle by them. The Audit Team was later on deployed to the Department of Taxation where they have started the initial planning working on auditing the non-oil revenue.
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. The team encountered some challenges of slow response of providing the needed information. These challenges are currently being handled by the new ministry team. Progress report on the work of the team was prepared and shared with IDI and the advisors. Internet connectivity and telephone communication between the team and the advisors were serious challenges during the reporting year.
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 yet started	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

No	Expected output	Responsible	Time frame	Status	Comments
	disseminated to key stakeholders				the Ministry of Interior. This output is expected to move to 2019.
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 encountering 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	2017-18	Ongoing	NAC IFMIS team has developed some material and is being shared 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 completed Audit Team deployed to Juba City Council Pre- study report completed and shared with IDI and advisors. The audit is decided to focus on waste management. Draft audit report prepared and being shared with IDI and advisors for comments.
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	As Performance audit team has not yet competed it assignment in the Juba City Council, it makes it difficult for the team to complete their work and move to the audit of efficiency of Juba University. This output is expected to move to 2019.
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 sent to the relevant auditees for comments in August 2018.

No	Expected output	Responsible	Time frame	Status	Comments
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 encountering 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	Not yet started	Draft terms of reference shared by IDI. Date to fix for the workshop by the end of 2018.
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 2018
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	Planning workshop held in Pretoria – South Africa, with the help of AFROSAI-E advisors A follow up and awareness workshop was held in Juba, where the teams' activities and plans were presented Some team members attended AFROSAI-E Annual Update meeting and the Refresher Workshop. Final Overall Annual Audit Plan 2018/2019 finalized, singed by the AG and will be implemented in October 2018. System for monitoring, reporting and quality control not yet completed.
3.2	Annual SAI Performance report produced and disseminated	NAC Management support and stakeholder relations teams & AFROSAI-E advisors	2017-18	Ongoing	Planning workshop held in Pretoria – South Africa, with the help of AFROSAI-E advisors A follow up and awareness workshop was held in Juba, where the teams' activities and plans were presented Some team members attended the AFROSAI-E Annual Update meeting and the Refresher Workshop and 2 Management Development Program in Uganda and Kenya.

No	Expected output	Responsible	Time frame	Status	Comments
					60% of the draft report is completed and is currently being finalized by the team and the advisors.
3.3	NAC Human Resource Manual customized and executed	NAC Management support and stakeholder relations teams & AFROSAI-E advisors	Not set	started	Discussed during the Customized NAC Management Development Program in Uganda and Kenya. NAC is looking how to develop and improve its human resource department, hence, customize the manual and implement it.
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	Planning workshop held in Pretoria – South Africa, with the help of AFROSAI-E advisors

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.

Some team members attended the AFROSAI-E Annual Update meeting and the Refresher Workshop

Stakeholder awareness and sensitizations sessions and materials were shared with audited entities during NAC Audit Entrance and Exit meetings. |
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 Parliamentary and other stakeholders organized workshops on the role of NAC as an oversight institution. Workshop attended by South Sudan Parliamentarian and other stakeholders, including 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	Coordination team	2017-19	Ongoing	NAC attended AFROSAI-E Governing Board meeting in Kigali, Rwanda in May 2018

No	Expected output	Responsible	Time frame	Status	Comments
	sharing, are updated on current developments of standards and best practices and maintains network with SAIs in the region				NAC attended the Afrosai-e Technical and Refresher Workshops in Pretoria, November 2018
					NAC attended Data collection Workshop in Nairobi-Kenya
					NAC attended 2 Management Development Pogrograms in Uganda and Nairobi in February 201and August 2018 respectively.
					NAC attended the Development of Accountancy in Fragile and Conflict affected states of the IFAC in Johannesburg- South Africa
					NAC attended the Strategic operation and risk Management workshop if Afrosi-e in Pretoria-South Africa
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	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, particularly developing NAC website.
					World Bank supports NAC in outsourcing auditors to audit World bank Projects.
					Royal Norwegian Embassy in Juba supports NAC id funding the reimbursable for the NAC outsources auditors (Deloitte). For the audit of financial years 2013,2013,2015,2016 and 2017.
6.2	Lessons learned of the project identified	Coordination team	2020	Not yet started	

Appendix 2 List of activities Oct 2017 – Sept 2018

The main activities implemented in the period October 2017 to September 2018 have been:

- Afrosa-e Technical Update workshop in South Africa from the period 31 October, 2017 to November 03, 2017, attended by 3 NAC participants.
- Afrosa-e Refresher workshop in South Africa from the period 6-10 November 2017, attended by 5 NAC participants.
- IDI/NAC/AFROSAI-and OAGK Annual Meeting from the period of 13-14 November, 2017 attended by 8 participants from the previousely mention institutions and a pericipant from the World Bank, other invited stakeholders did not attended the meeting.
- Data Collection Workshop organised in Nairobi, Kenya from the period 13-17 November, 2017 attended by 12 participants from NAC.
- Management Development Program MDP organised in Entebi Uganda from the period 12-16 February, 2018 attended by 16 particiants from NAC.
- IFAC Workshop on Development of Accountancy in Fragile and Conflic affected states organised in Johansburge, South Africa from the period 25-29 March, 2018 attended by 2 participants from NAC, the AG and the DAG.
- Cource in performace Audit Data Analysis, khartoum, Sudan, March 11-15, 2018.
- 2018 Strategic Review and 15th Governing Board Meeting organised in Kigali Rwanda from the period 7-10 May, 2018 attended by 2 NAC participants, AG & DAG.
- Afrosai-e Customized Management Development Program for South Sudan organised in Nairobi, Kenya from the period 13-17 August attended by 16 NAC participants.
- Strategic Operation and Risk Management Workshop organised by Afrosa-e in Pretoria, South Africa from the period 17-21 September, 2018 attended by 2 participants from NAC
- The draft Perfromance Audit reports of the Constituency Development Fund (CDF) and Local content, were sent to the Transitional National Legislative Assembly TNLA and the Ministry of Petroleum respectively for their comments, resonses not yet received.
- NAC Annual Audit Plan 2018/2019 finalised and signed in September 2018 by the Auditor General. Implementation to begin by October 2018.
- More that 80% of NAC Annual Operational Plan 2018/2019 is completed, the draft is currently being finalized by the relevant team and their advisors in Afrosai-e.
- More that 70% of NAC Annual Performance Report 2018/2019 is completed, the draft is currently being finalized by the relevant team and their advisors in Afrosai-e.
- The process of NAC new Strategic Plan 2019/2023 has started during the Management Development Program MDP held in Nairobi in September 2018 and is moving as planned.
- More that 80% of NAC Stakeholder Relation Stragegy 2018/2019 is completed, the draft is currently being finalized by the relevant team and their advisors in Afrosai-e.
- Due to the slow response from the auditeed the IFMIS and Non-Oil Revenue teams in the Ministry of Finance and Planning and newly establishe Revenue Authority is progressing slowly, and is currenty making some headway with the current new Deputy Minister, Undersecretary and newly appointed Commissioner General of South Sudan revenue Authority. We hope NAC will report a substantial progress in the next annual meeting.

Appendix 3 Risk assessment

Risk factor	Risk sub-factors	Planned control measures 2017-18	Responsible (main in bold)	Control measures taken October 2017-September 2018	Risk assessment by 30th Sept 2018	Control measures planned 2018-19
Delays in implementation of planned activities	- 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	- 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	Regular communication on phone and e-mail in the Coordination team. Plans for a DP workshop developed to source funds for NAC operational and infrastructure costs. AfDB has become a new partner of NAC and government has allocated more operational funds for 2018-19.	High risk.	Regular Coordination meetings. Responsible: NAC and IDI More regular phone meetings between advisors and NAC team leaders. Responsible: NAC and IDI Internet bundles to be provided for each team leder in NAC. Responsible: NAC
Relevance and quality of advises	- The complex South Sudan situation - Communication challenges between advisors and NAC staff	- 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 advices	**IDI** and AFROSAI-E	Required resource persons were selected from SAI Kenya and AFROSAI-E, in addition to, making use of the IGAD CSSOs deployed to NAC. Risks and roles of advisors vs NAC staff addressed in Audit Planning workshop in June 2017. Training in PFM-system in SS not done.	Medium risk. .	Resource persons need to be acquainted more about the sensitivity aspects of South Sudan and PFM system. Responsible: IDI
Activities not coordinated	- Several providers of peers involved	- Active use of mechanisms for internal	**NAC**	All discussions related to technical support and assistance	Medium risk	More regular coordination meetings between NAC and IDI,

Risk factor	Risk sub-factors	Planned control measures 2017-18	Responsible (main in bold)	Control measures taken October 2017-September 2018	Risk assessment by 30th Sept 2018	Control measures planned 2018-19
both within the project and with other supporters of NAC	- Lack of information sharing systems in the SAI - Lack of information sharing between DPs	coordination: Joint steering committee, annual meeting, regular phone meetings - Invite other providers to NAC for the annual meeting		to NAC with development partners are informed by sharing the Cooperation Agreement. Only areas not covered by the Agreement are discussed with the DPs. For purposes of synergizing support to NAC; some DPs are invited to attend the annual meeting.		and AFROSAI-E if available. <u>Responsible:</u> NAC and IDI Quarterly coordination meeting with all peers. <u>Responsible:</u> IDI
No impact	- Audit results not followed-up by Parliament or the Executive - Strengthening of the SAI meet significant resistance among influential elites	- Sensitization of key stakeholders as a part of the project	**NAC** and AFROSAI-E	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.	High risk	Continue and scale-up systematic sensitization of key stakeholders. <u>Responsible:</u> NAC
Little sustainability of the support	- 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: - Involvement of a great number of NAC staff	**NAC**, IDI and AFROSAI-E	Position of the international and donor community in general towards developmental support to South Sudan has 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

Risk factor	Risk sub-factors	Planned control measures 2017-18	Responsible (main in bold)	Control measures taken October 2017-September 2018	Risk assessment by 30th Sept 2018	Control measures planned 2018-19
		- Holistic approach in terms of both support to auditing, management quality control, reporting and dissemination – interlinked processes and systems		Sharing of knowledge not systematic in NAC I 2018.	Medium	
Credibility of the SAI undermined	- Political conflict in South Sudan where the SAI is discredited as linked to the current government - Staff of the SAI involved in corruption	- 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. Resource persons have not been sensitized in this area in 2018, but was in 2017.	Medium	Support to active use of the code of ethics as a part of the audit process. Responsible: NAC Creating awareness of the risk among the resource persons. Responsible: IDI
Security for resource persons	- Insecurity in Juba especially, but also some risk at other venues	- 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	**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	Low risk with activities out-of-country.	Travel to Juba only under specific conditions and with proper preparedness. Responsible: IDI

Risk factor	Risk sub-factors	Planned control measures 2017-18	Responsible (main in bold)	Control measures taken October 2017-September 2018	Risk assessment by 30th Sept 2018	Control measures planned 2018-19
		- Use of the IDI and AFROSAI-E routines for crisis management		with NAC (IGAD experts from Uganda SAI).	Medium risk if activities in Juba.	