THE STATE OF ERITREA
OFFICE OF THE AUDITOR GENERAL

promote public accountability for the beneift of our society...

Strategic Plan

FOR 2019-2023

OFFICE OF THE AUDITOR GENERAL

Strategic Plan

FOR 2019-2023

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FOREWORD

This is the second five years cycle of the OAG Strategic Plan that encompasses the years 2019-2023. This Strategic Plan emphasizes improvements in areas where the OAG lags and illustrates the tremendous efforts we require to implement the directional changes we aspire to reach where the OAG wants to be in the coming five years. This strategic plan has articulated the vision, mission and core values of the OAG. The Goals and Objectives that describe how it intends to achieve its vision and fulfil its mission in the coming five years are formulated too. It also expresses the determination of the OAG to fulfil the expectations of its stakeholders and the value it creates through persistent undertakings. It is indeed a roadmap to initiate its activities for quality audit services that contributes to further enhance accountability and transparency in the Financial Management System in Eritrea.

In the past few years, the OAG has made numerous progress in terms of strengthening its organizational capability and delivering modest audit services to the Government of the State of Eritrea and the public at large. This was witnessed by significant improvements in the management of public resources in the Eritrean public sector entities.

One of the major requirements for the OAG to successfully accomplish its tasks of examining whether public funds are spent economically, efficiently, and effectively (in compliance with the existing rules and regulations) is strengthening the technical and professional qualification and moral integrity of its staff. Its current audit methods must also be based on the updated INTOSAI Standards. Therefore, it is crucial for the OAG to equip its employees with the necessary knowledge and capacity if it is to perform its activities to the required standard. That is why this strategic plan document emphasizes the efforts required to produce quality audit reports.

To pursue this effort further, the OAG in the recent past, gave opportunities for its staff participate in numerous technical and professional training events organized by our regional organization, AFROSAI E, and IDI. With the already initiated programs to train staff in the profession, some staff members were able to qualify in ACCA professional qualification and Senior Managers secured their MScs in Audit Management and Consultancy through distance learning. Most importantly, on-the-job training and continuous training interventions on recent audit methodologies and approaches for all levels of employees were given prominence to enable them to do the job properly.

To date, the OAG has managed to own Certified Financial and Compliance Audit trainers, Quality Assurance Review experts and an IT Audit expert. It also managed to customize AFROSAI E Financial and Compliance Audit Manuals and Quality Assurance Handbook with our domestic resources to fit our working environment. In addition, recently, a significant number of our auditors were trained in Performance Auditing through the assistance of AFROSAI E. This has prepared the ground for establishing a Performance Audit Unit in our SAI. The OAG also succeeded in improving its relations with its Major Stakeholders and Development Partners who have been providing it with considerable support for strengthening its human and material infrastructure.

However, the past years have not been without challenges. The burning constraints have been the scarcity of human and material resources. These have hindered the OAG to fulfil its mandate fully and have left it with enumerable audit backlogs in its works. This is because it has been heavily dependent on the Executive for human resources and budget allocations. Recently, the Government of the State of Eritrea has promised and is committed to close the gap in human and material requirements of the OAG. I would like to take this opportunity to thank the Government of the State of Eritrea for its unreserved support and encouragement for our SAI and express my sincere thanks for development partners for providing the OAG with additional financial and technical assistance for implementing its on-going projects. I will also call upon on all to support the OAG in implementing the projects initiated in this Strategic Plan document.

My sincere appreciation goes to all staff members of the OAG for playing their part in the preparation of this document and am confident they will be committed as usual for its implementation. Of course, our Strategic Planning Team deserves the greatest appreciation and thanks for its commitment in preparing this document.

AFROSAI-E and the IDI have been on the side of the OAG in preparing and printing this document. Our stakeholders from the government institutions have also extended their support through additional inputs and comments. I would like to express my sincere appreciation to all.

I am confident that this Strategic Plan will contribute to enhancing OAG's performance and will lead to the fulfilment of the expectations of its stakeholders.

Gherezgiher Ghebremedhin
Auditor General

ACRONYMS

ADB	African Development Fund
AFROSAI-E	African Organization for Supreme Audit Institutions – English Speaking Countries
AG	Auditor General
ASC	Audit Services Corporation
CBE	College of Business and Economics
ERCOE	Eritrean Centre for Organizational Excellence
EU	European Union
HRD	Human Resource Development
IDI	INTOSAI Development Initiative
INTOSAI	International Organization of Supreme Audit Institutions
IS	Information Systems
ISSAI	International Standards of Supreme Audit Institutions
MND	Ministry of National Development
MoF	Ministry of Finance
ONSPF	Office of the National Security and Police Forces
OAG	Office of the Auditor General
QART	Quality Assurance Review Team
QAU	Quality Assurance Unit
RCC	Resources Coordination Centre
SAI	Supreme Audit Institution
SMAP	Secretarial Science, Management, Accounting, and Pedagogy
UNDP	United Nations Development Program

EXECUTIVE SUMMARY

The OAG was established in May 1992 by Proclamation No. 23/1992 which was later repealed and replaced by Proclamation No. 37/1993. The mandate of the OAG was also spelled out in Legal Notice 14/1993 Article 2/25. This was further strengthened by the Constitution, which states that an Audit Legislation be prepared. Based on this, the OAG drafted an Audit Legislation in 2003 and was revisited in 2010. Though the Draft Audit Legislation was submitted to the concerned authorities, it is not yet approved. However, the OAG has been conducting its activities based on the Draft Audit Legislation.

One of the major requirements for the OAG to successfully discharge its mandate is to strengthen the technical and professional qualifications and moral integrity of its staff. Its current audit methods must also be based on the updated INTOSAI Standards. Therefore, it is crucial for the OAG to equip its employees with the necessary knowledge and capacity to meet the expectation of its stakeholders.

The first cycle of the OAG strategic plan served from 2007 to 2011. Although the second cycle of the strategic plan should have been prepared and implemented starting 2012, due to staff constraint the OAG did not make it and has been performing it's works based on annual operational plans. A Strategic Planning Team (SPT) was established in June 2017 to prepare the second cycle Strategic Plan that encompasses the years 2019-2023.

The strategic plan focuses on capacity development of the OAG to enable the office to discharge its mandate in accordance to the expectation of its stakeholders. It emphasizes improvements in areas where the OAG lags and illustrates the tremendous efforts we require to implement the directional changes we aspire to reach where the OAG wants to be in the coming five years.

In this strategic plan, the vision, mission and core values of the OAG are formulated. Goals and objectives were set from a thorough needs analysis conducted. They focus on establishment of systems, human resource development, modernization of audit techniques, and engagement with OAG's stakeholders. The goals and objectives are designed to reflect the expectation of internal and external stakeholders of the OAG and meet the modern audit engagement of a SAI as required by international standards.

1 | ORGANIZATIONAL HISTORY AND PROFILE

The Office of the Auditor General was established during the Italian Colony named as "Controlere Generale Di Conti". Its functions were to control the accounts and properties of Eritrea. During the British Administration, the office was named as Office of the Auditor General and its functions were controlling of Government assets, revenue and expenditures. During the Federation Era (1950 – 1962) under the auspices of UN, the powers and duties of the office were defined by law (Regulation No. 137/1957).

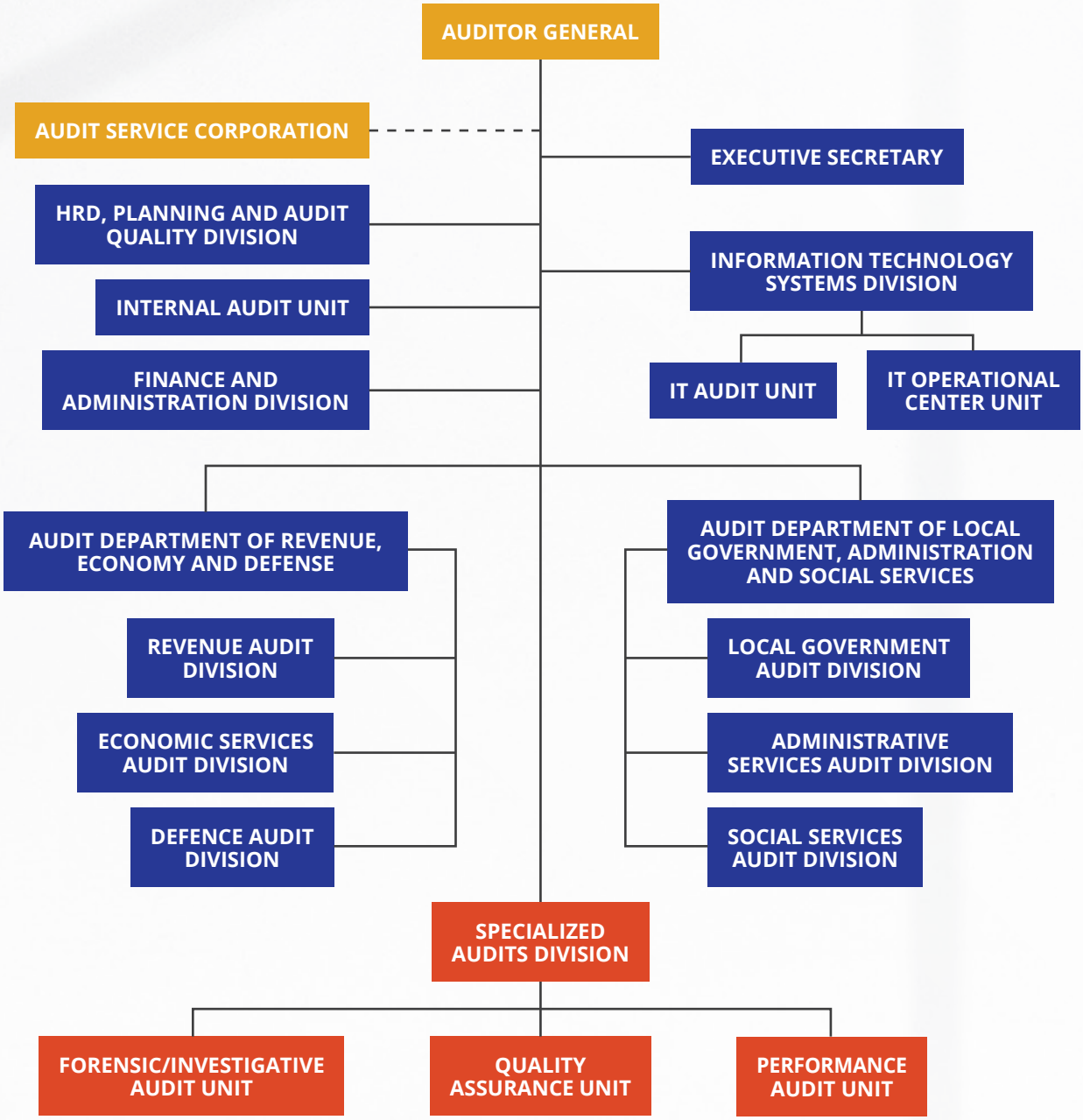
The office became a branch office of the Office of the Auditor General of Ethiopia when Eritrea was forcefully annexed by Ethiopia in 1962. It was entrusted with auditing government accounts in Eritrea, Tigray and Gondar Provinces in Ethiopia. The branch office was later raised to a Northern Regional Office of the Auditor General and lasted up to the independence of Eritrea in 1991.

The ex – Northern Regional Office of the Auditor General was dissolved after Eritrea was liberated from Ethiopia and a new Office of the Auditor General (OAG), that become the Supreme Audit Institution in Eritrea, was first established by Proclamation No. 23/1992 in May 1992 which was later repealed and replaced by Proclamation No. 37/1993. The mandate of the OAG was spelled out in Legal Notice 14/1993 Article 2/25 which is to audit or cause to be audited all Government institutions and parastatals and State-owned enterprises. Parastatals and State-owned enterprises are being audited by the Audit Service Corporation (ASC) which provides its professional audit services on fee basis and works autonomously under the general supervisory control of the Auditor General. At present the audit clients served by the OAG are 177.

In 1992 the number of audit staff was about 20 but has been steadily growing in number since. The OAG has been facing a significant staff shortfall since the conflict with Ethiopia started in 1998. However, the audit coverage and the quality of service have shown growth and improvement from year to year. This improvement has been achieved as a result of the efforts performed by the OAG to develop the knowledge and skills of the existing auditors in accounting and auditing in partnership with AFROSAI-E and other governmental and international organizations. Currently, the OAG has 93 permanent staff, 4 National Service, 2 Contractual, in total 99 employees. Out of the total 66 are audit staff and the remaining 33 employees are members of administrative and IT staff. (Please refer to the organogram in diagram 1 to see the structure of the OAG.)

The no-war-no peace situation with Ethiopia had affected the activities of the country including the activities of the OAG. Due to shortage of skilled manpower, the available audit clients could not be audited annually. As a result, the OAG has a great number of audit backlogs. To minimize the audit backlogs, the OAG has decided as a policy and priority to audit only the most recent two years of each budgetary unit and make a general review of the more distant years that have not been audited unless it believes there is a need for full audit. This policy has been implemented since 2002.

The OAG has received funds from the government in the form of annual budget allocated by the Ministry of Finance to carry out its audit activities. The OAG has also obtained some additional fund from development partners such as UNDP and European Union.


AUDITOR GENERAL
AUDIT SERVICE CORPORATION
EXECUTIVE SECRETARY
HRD, PLANNING AND AUDIT QUALITY DIVISION
INFORMATION TECHNOLOGY SYSTEMS DIVISION
INTERNAL AUDIT UNIT
FINANCE AND ADMINISTRATION DIVISION
IT AUDIT UNIT
IT OPERATIONAL CENTER UNIT
AUDIT DEPARTMENT OF REVENUE, ECONOMY AND DEFENSE
AUDIT DEPARTMENT OF LOCAL GOVERNMENT, ADMINISTRATION AND SOCIAL SERVICES
REVENUE AUDIT DIVISION
LOCAL GOVERNMENT AUDIT DIVISION
ECONOMIC SERVICES AUDIT DIVISION
ADMINISTRATIVE SERVICES AUDIT DIVISION
DEFENCE AUDIT DIVISION
SOCIAL SERVICES AUDIT DIVISION
SPECIALIZED AUDITS DIVISION
FORENSIC/INVESTIGATIVE AUDIT UNIT
QUALITY ASSURANCE UNIT
PERFORMANCE AUDIT UNIT

2 | MISSION, VISION AND CORE VALUES

The following are the Vision, Mission, and Core Values of the OAG:

Vision Statement

"To be an independent, transparent, and effective audit institution that promotes public accountability for the benefit of our society."

Mission Statement

"To provide reasonable assurance in the management of public resources by our independent and objective public sector audit services."

Core Values, Beliefs and Guiding Principles

"Integrity, Professionalism, Team work, Transparency, Innovation and Continuous Development."

INTEGRITY

The OAG staff members should be honest in performing their professional services and should have high personal discipline.

PROFESSIONALISM

To provide consistently high-quality audit services, staff members are expected to develop and maintain high professional competence and expertise.

TEAM WORK

The OAG believes that cooperation among the staff members and collaboration with clients are vital indicators of success.

TRANSPARENCY

The OAG should be transparent in its work. Regular communications should be made to the relevant stakeholders in the form of reports, briefings and other means.

INNOVATION AND CONTINUOUS DEVELOPMENT

The OAG will have to steer and encourage the staff creativity in audit methodologies, processes and procedures, and other institutional factors to fulfil its mission. The OAG has introduced mandatory Continuous Professional Development. This will demonstrate to our stakeholders that the OAG is continuing to develop staff knowledge for better audit services.

3 | GOALS AND OBJECTIVES

The following five main strategic goals with their objectives, are the pillars of this strategic plan to be implemented during 2019-2023:

1 To enhance the independence of the OAG

The Lima Declaration (1977) states that: -

'Supreme Audit Institutions can accomplish their tasks objectively and effectively if they are independent of the audited entity and are protected against outside influence.'

The OAG was established in May 1992 by Proclamation No. 23/1992 which was later repealed and replaced by Proclamation No. 37/1993. The mandate of the OAG was also spelled out in Legal Notice 14/1993 Article 2/25. In addition, the Constitution also states that an Audit Legislation be prepared. Based on this provision, the OAG drafted an Audit Legislation in 2003 and was revisited in 2010. Though the Draft Audit Legislation was submitted to the concerned authorities for approval, it is not yet approved.

In the Draft Audit Legislation, the pre-requisites for independent Supreme Audit Institution (SAI) are enumerated. Therefore, to secure its full independence, the OAG has planned to work for the achievement of two main objectives. These are:

1.1 - TO HAVE THE AUDIT LEGISLATION APPROVED

The OAG requires a strengthened legal frame work in line with international standards that will enable it to secure its full independence in terms of organizational, financial, human resources and other pre-requisites necessary for a modern audit office. Having in place an approved Audit Legislation is an international pre-requisite for a Supreme Audit Institution (SAI). The OAG has been lacking certain important components of independence that are included in the Draft Audit Legislation like dependence on the Ministry of Finance for budget allocation, and dependence on the Civil Service Administration for human resource to mention some. Therefore, it becomes crucial that the OAG lobbies to the relevant authorities for the approval of the Draft Law and gets it enacted.

1.2 - TO HAVE AN OVERSIGHT BODY TO FOLLOW UP THE WORK OF THE OAG

In order to fully execute its mandate, the OAG requires an Oversight Body that is entrusted with following up its activities specifically, the implementation of its audit recommendations. It is a normal practice to have a Public Accounts Committee (PAC) from the members of the National Assembly to oversee the activities of the Office of the Auditor General.

In our case, in the absence of a functional National Assembly, this cannot be practical. However, it is possible to have a Body that looks into the works and reports of the OAG and supports for enforcing the implementation of its audit recommendations. The OAG will work to convince the relevant authorities for the establishment of an Oversight Body.

2 To strengthen the organization and management capacity of the OAG

The OAG should establish policies and procedures that can promote the quality of its audit works. Therefore, it is vital that it upgrades and strengthens its organizational capacity and managerial capability.

In this sense, the OAG can fulfil the expectations of its stakeholders and the public at large. The following objectives are set to achieve this goal:

2.1 - TO IMPROVE MECHANISMS THAT UPLIFT THE PERFORMANCE OF THE OAG

Given the environment we are working in and the ways we have been motivating our staff, it has become a tradition that leaders and staff members work very hard to fulfil the expectations of the office. In line with other efforts, to achieve such objectives, we need to design systems that optimize the use of our resources through meticulous planning and implementation. The OAG should also have an effective delegating system to hold managers at all levels to account for their actions in a manner that promotes a culture of quality in OAG's work. Designing systems for job specification, job rotation and succession procedures that are compliant with professional standards and national laws and regulations are vital too.

In line with the above-mentioned systems we need to further establish systems and policies that enhance the organizational and management capability of the OAG such as a Monitoring and Evaluation System, a Management Information System and design an Internal Control System based on International Standards. To strengthen the current Strategic Plan, it is vital that the OAG prepares related strategies for diverse areas such as IT Audit, Human Resources and Finance and Administration to facilitate the overall strategic plan of the OAG.

Having systems and strategies in place alone will not increase the performance of the OAG; adequate human resource is crucial for increased performance. The OAG is still understaffed as a result of which significant backlog is still prevailing. Transport facilities and budget constraints are also some of the challenges the OAG is facing.

To accomplish the above objective, above all, the organizational and management structure of the OAG needs to be updated. Tremendous efforts are required to cultivate an all-encompassing, diversified and inclusive management type in terms of competency, age, gender, etc.

2.2 - TO DEVELOP A PERFORMANCE MANAGEMENT SYSTEM

The OAG has always been striving to improve its performance management practices to make sure that further development is registered in fulfilling its Mission. Our work outputs should be aligned with our strategy and business values and ethics.

The employees need to see the relationship between their own objectives and OAG's business objectives. Members of management at all levels have the responsibility to assist employees in their divisions to agree on specific result areas and provide the necessary performance coaching to achieve the desired objectives. We need to establish means to measure the progress registered, exchanging the feedback among employees, reviewing the progress and intervening to improve the progress needed. Therefore, having Performance Management System in the OAG is of paramount importance.

2.3 - TO HAVE AN ESTABLISHED PROCESS FOR MANAGING CHANGE

The business landscape of our time is characterized by rapid change brought about due to technological, economic, political and social changes. It is vital that SAIs develop their capabilities to adapt and steer change to their advantage. Because change management and strategy are two sides of the same coin, in this second cycle of our strategic planning, the OAG has been proactive in anticipating change that is inevitable with introducing a new Strategic Plan. Staff have been involved in its preparation. To implement the SP the process entails a wide range of involvement of all employees in our office to reach the desired position from where we are now. Therefore, we will have to establish a change management team that clearly plans a systematic approach on how the process of change will have to proceed by leading staff members on all areas including communications plans, coaching and training and resistance management plans.

2.4 - TO ENHANCE IT SUPPORT FUNCTIONS

The OAG should use IT as a significant factor in the future business plans and as a fundamental business tool. The use of IT should contribute positively to the performance of the OAG through appropriate implementation and operationalization of IT assets and alignment of IT with business needs. In realizing this contribution, an IT strategy plan aligned with the overall strategy of the OAG should be prepared. In addition, we will need to update the existing IT security policy to address recent changes in Information assets of the OAG. Audit Management Software (such as Teammate) and Audit Interrogation Software (such as IDEA or ACL) should be implemented to improve strategic and operational capabilities of the OAG. To enable optimal use in managing its audit and administrative information sharing, the existing Local Area Network (LAN) infrastructure should be enhanced.

2.5 - TO ESTABLISH THE PROFESSIONAL ACCOUNTANCY BODY IN ERITREA

In Eritrea, there has not been a professional body that regulates the professional accountants. There have not been adequate number of professional accountants who could enable Eritrea to establish the professional accountancy body either. In the absence of such a professional body, the OAG has been issuing certificate of competence and regulating the activities of practising professional accountants and auditors. That is why the OAG, since 1998, has been sponsoring young accounting graduates for their ACCA studies. To date, the critical mass of professional accountants required to establish the Institute of Certified Accountants has been attained. However, the institute has not yet come into reality.

Certified Public Accountants render accounting or auditing services for the public and are held responsible for their professional services and opinions. That is why it becomes appropriate for governments to regulate the profession by means of licensing system for accountants. This can be done either by establishing a professional accountancy body that regulates the profession or through other relevant means.

Under the leadership of the OAG, the by-law for the establishment of a Professional Accounting Body is already drafted by the professional accountants themselves though, it may require continuous revisiting. It is, therefore, important that the OAG together with the professional accountants should work for establishing the Eritrean Institute of Certified Public Accountants in the coming five years.

3 To enhance the competency and productivity of human resources

Audit is one of the demanding and knowledge-based professions. That is why the OAG requires adequate, competent, professionally developed and dependable human resource to deliver quality audit services that fulfil the expectations of its stakeholders. To obtain and retain an optimal professional staffing level and carry out its mandate to the expected standard, the OAG has set out the following objectives: -

3.1 - TO UPGRADE AND RETAIN THE HUMAN RESOURCE OF THE OAG

The number and quality of audit staff we have in the OAG does not commensurate with the number of Government institutions that the OAG is mandated to audit. As a result, we have been encountered by substantial audit backlogs and have had to outsource some of the work. There is need to increase the workforce of the OAG to effectively and efficiently conduct our audits. There is a commitment from the Government of the State of Eritrea to raise the level of human resource of the OAG to enable it to audit all Government institutions and projects annually.

Until the OAG has the required capacity, the OAG should upgrade its staff members' technical and professional competencies to enable it, at least, review the audit assignments conducted by others. Our auditors should also be familiar with diverse accounting systems and audit procedures.

In addition, the OAG should be able to retain its capable staff members. We believe that the Government needs to accord OAG staff with a special treatment in the determination of salary scale. Remuneration differential is the most common and effective motivating factor for all staff members of the OAG.

3.2 - TO IMPROVE THE STAFF DEVELOPMENT AND TRAINING POLICIES

The OAG recognizes the role of its staff in achieving its objectives successfully. It is also aware of the fact that to maintain a committed and competent workforce, it needs to make sure that adequate training is provided to its staff at all levels. For this reason, the OAG has been implementing a training policy that provides opportunities that assist its staff members to enhance their technical skills and professional competences. Staff are encouraged to develop their skills and talents to enable them progress within the OAG and reach their full potential.

The OAG is committed to developing a strong learning culture, in which everyone is able to achieve his/her personal and organizational objectives. The training and development policies should also be aligned to the strategic and operational objectives of the OAG and should support to increase job satisfaction and career development. However, the current staff development and training policies require revisiting.

3.3 - TO INTRODUCE A SYSTEM THAT IDENTIFIES THE TECHNICAL AND MANAGERIAL SKILL GAPS OF EMPLOYEES AND ADDRESS THEM THROUGH TRAINING.

To ensure relevant training and development activities are developed, managed and delivered with due regard to fairness and equity, the OAG should undertake an annual Training Needs Analysis that identifies the technical and managerial gaps among its staff. The gaps that are identified through the training needs analysis process should also be prioritized to help deliver training packages relevant to the current and future needs of the OAG. The identified needs could be addressed by providing induction course, in-house training, on-the job training that includes coaching and mentoring, on-line-distance learning, external training and participating in various relevant workshops.

The OAG has been investing a huge amount of money in training its human capital. With the fund we get from the Government and our Development Partners, our young staff members and accountants from different government institutions have been given the opportunities to go for their ACCA studies and a significant number have been successful in securing their professional qualifications.

We should pursue the scheme for professional qualification in ACCA, CPA and other professional studies to enable OAG staff be members of recognized professional accounting organizations. Our efforts for professionalizing the OAG will support strengthening accountability, transparency and Good Governance in the Eritrean public sector. In this sense, our efforts are aligned with the AFRICAN Professionalization Initiative underway of which AFROSAI-E is playing a leading role.

Our staff will also require additional training to help them upgrade their managerial capacity. This can be done by enrolling them in the program of MSc in Audit Management and Consultancy and other disciplines that boost their managerial capabilities.

We will aggressively pursue the trainings in Financial, Compliance and Performance Audits and explore other relevant courses for our staff. The courses could include diverse certification programs such as Certified Information Systems Auditor (CISA), Certified Fraud Examiner (CFE), Certified Internal Auditor (CIA) courses etc.

In OAG, the use of internet connectivity and Local Area Network (LAN) need also to be established and upgraded. We should put great emphasis on Information Technology and IT audit Training to meet the challenges faced by Governments and SAIs. Nowadays, Cybercrimes have become common global challenges. So, to protect ourselves from such attacks, we should be able to strengthen our cyber security systems in collaborating with other SAIs in our region by providing our audit staff the required training in IT.

3.4 - TO ESTABLISH A SYSTEM THAT EVALUATES AND FOLLOW UPS TRAININGS CONDUCTED

Training the most valuable asset, the employees, is a corner stone for the OAG. However, the impact of training conducted should be measured periodically. This could be done by setting action plans and assessing the performance. In brief, we should have a system that evaluates the value of trainings given to our staff.

3.5 - TO STRENGTHEN THE EXISTING OAG MOTIVATION SYSTEM

Improving staff motivation to increase productivity and creating a healthy and safe work environment is critical for a successful work result. From our experience, extrinsic motivation is not the only means. The intrinsic aspect of compensation has also more importance for employees who are committed to the fulfilment of their organization's mission. Establishing employees' welfare system is also one of the necessary conditions for motivating staff and achieving work objectives. This includes various services, facilities and amenities provided to employees for their betterment. Welfare measures create a culture of work commitment in organizations and society which ensure higher productivity and greater job satisfaction for employees.

In the OAG, there is need to improve the available canteen services and rest rooms for further comfort of our staff. Providing education opportunities for employees has been one of the areas where the OAG has been known for. We have to pursue on such opportunities to motivate staff. We will also need to introduce a child welfare system. We will work for introducing the other aspects of welfare such as having uniforms, common fund, decent work facilities etc.

3.6 - TO ASSIST IN BUILDING-UP INTERNAL AUDIT CAPACITY WITHIN GOVERNMENT

Internal audit as a function is compulsory in the Eritrean public sector institutions. The work of internal audit is complimentary to that of the OAG. Therefore, it is important for the OAG to come forward for assisting government institutions in establishing and strengthening internal audit functions through various means.

4 To enhance the quality of audit services to increase the value of the OAG

The OAG should deliver quality audit services to its stakeholders. To provide the required quality audit services, it needs improvement in the approach audits are conducted based on International Auditing Standards for Supreme Audit Institutions (ISSAIs) and best practice, strengthen the supervisory mechanism of audits, timely and scheduled close follow ups of audit recommendations implementation and keep on motivating staff for additional commitment. To achieve this goal, the following objectives are set:

4.1 - TO ESTABLISH A PERFORMANCE AUDIT AND IT AUDIT FUNCTIONS AND PERMANENT QUALITY ASSURANCE UNIT

The OAG has not been able to institute a PA Unit to do the economy, efficiency and effectiveness aspect of audit due to the constraint it has had in human resource. However, in 2017 we have been encouraged by the Government that we will be provided with adequate human resource. So, in that year, we managed to train a substantial number of auditors in Performance Audit through the assistance from AFROSAI E. The next step is to establish functional unit from the trained auditors.

An IT Audit function is also one of the vital instruments in audit. The OAG has not yet established an IT Audit function. Practically, it has one professional IT Audit auditor who has been mainly engaged in occasional IT Audits. With the increase in recruited staff, we have to train more people and establish formally the IT Audit function.

To further enhance the quality of audit reports, the OAG would also need to establish a permanent Quality Assurance Unit (QAU) though we have had a QART that works on a part-time basis. In the OAG, instituting a full time QAU is also dictated by the availability of human resource.

4.2 - TO STRENGTHEN AND OPTIMISE THE INFORMATION SYSTEMS (IS) FUNCTION

Currently the OAG has two IT experts, this is not sufficient to fulfil the minimum requirement specified in AFROSAI-E Institutional Capacity Building Framework (ICBF) that states that SAIs need to have IT function with at least one IT person for every 30 staff members. Therefore, we are looking forward to recruiting more staff members in the near future and the IT experts must increase accordingly; because we need separate experts for hardware, software, network support and data base administration. In addition, we will have to enhance the IS knowledge of our staff to cope with the dynamic IT environment and enable them properly to understand and work with emerging IT developments. This also demands continuous training in the field.

4.3 - TO ENHANCE ADHERENCE TO ISSAIS AND INCREASE AUDIT COVERAGE

Improving the quality of audits and audit coverage in the OAG encompasses various aspects. Primarily, we should implement fully AFROSAI E and INTOSAI guidance by following the ISSAIs.

From our experience, we have been encountering delays in completing audit engagements resulting in audit back-logs. This is mainly due to incompetence of our staff in understanding and completing the relevant audit working papers. Therefore, we should conduct continuous and adequate training of staff in risk-based audit, and the practical implementation of the relevant Audit Working Papers to enable us enhancing the quality of our audits.

Close supervision and coaching are vital for both quality and increase in audit coverage. The periodic review of AFROSAI E QAR Team and Peer Review from our sister SAIs in the region will add an impetus for our efforts.

SAI annual report based on INTOSAI SAI-PMF (Supreme Audit Institutions Performance Measurement Framework) should be conducted to monitor the impact of the above activities.

4.4 - TO STRENGTHEN THE SUPERVISORY MECHANISM OF AUDITS

In the OAG, among others, those charged with supervising the audits have been providing guidance and direction to field staff, ensuring the objectives of the approved work program are carried out. In addition, senior auditors have been supervising their staff to ensure audit findings are supported by sufficient evidence. However, they have not been sufficient, effective, and systematized. Therefore, we need to establish an efficient mechanism to ensure that supervision is conducted adequately, and efficient management of budget time is carried out. These factors will enable to produce quality audit reports.

4.5 - TO ESTABLISH A MONITORING MECHANISM ON AUDIT RECOMMENDATIONS

The implementation of audit recommendations by auditees is a cornerstone for improvement in the financial management system of public sector institutions. The discrepancies and weaknesses identified are largely explained in the management letter issued by the OAG. They are normally agreed that corrective actions will be taken by management of auditees. OAG Management should make sure that the recommendations are actually implemented. It is only during the start of the next audit assignment that our auditors try to find out whether the prior year audit recommendations are implemented. Therefore, to make sure that corrective measures have been taken by audit entities' management, the OAG should put in place a system that follows up the implementation of audit recommendations every time.

5 To enhance the OAG's public image by improving communication with stakeholders

The OAG needs to have a comprehensive communication policy and strategy that addresses internal and external stakeholders so as to boost its image and impact for the audit services it provides. In the OAG, we have had a tradition that advocates 'keep low profile.' However, the modern audit profession demands Supreme Audit Institutions to properly communicate with internal and external stakeholders to make them understand the roles and responsibilities they are playing in promoting governance, transparency and accountability in the public sector. Communicating all stakeholders will also help in successful implementation of OAG's initiatives for changes. Therefore, the OAG has formulated the following objectives to realize Goal 5.

5.1 - TO UPGRADE OAG COMMUNICATION POLICY

The OAG has a communication Policy and strategy based on its Vision, Mission and Core Values. That Communication Policy amplifies the communication strategy that should be with internal and external stakeholders based on the analysis conducted. However, the policy needs to be revised to upgrade the communication channels with the major external stakeholders such as the Office of the President, the Ministry of Finance and Judiciary to establish strong work relationship. The Public should also be communicated to create positive awareness about the OAG role in increasing transparency of public spending and high quality of financial management.

Though the OAG is pursuing on an 'open door policy' with its internal stakeholders, it should also enhance its internal communication channels at all levels. It is vital that employees have a thorough understanding of the OAG and its functionality through various channels of communication to keep them informed of OAG's affairs and encourage them play their part in improving the quality of audit services.

5.2 - TO ENHANCE ENGAGEMENT WITH MEDIA TO INCREASE THE AWARENESS OF THE PUBLIC

The OAG should establish a framework that engages the media and the public and raise the level of awareness in government auditing and the roles and responsibilities of the OAG. To date, the OAG has had very limited but fruitful communication with the media. We also believe that we have constructed a trust with media practitioners and they have positive attitudes towards our audit works. We, therefore, need to cross the boundary of silence and come up with the necessary communication tools to explain to the public what we do and uplift OAG's image.

Dealing with the media is not just about generating publicity for a good cause. It is about helping the Eritrean public understand something specific about the works of the OAG. To this effect, the OAG should establish a framework that upgrades its communication strategy and strive for the implementation of what has been planned so that public confidence in the OAG can increase.

5.3 - TO DESIGN A MECHANISM FOR COLLECTING FEEDBACK FROM STAKEHOLDERS ABOUT THE OAG

To be effective in its works, the OAG requires a feedback from its stakeholders. The whole idea of collecting feedback from stakeholders is to get information on audits conducted so as to enable it to assess its performance and adjust accordingly. It is a strategy to improve a professional practice leading to quality improvement interventions. However, it is important that the feedback should be provided on time if it is to have impact on the operations of the OAG. Therefore, to collect such feedback from its stakeholders, the OAG would need to design an appropriate mechanism so that it can take corrective measures for improving its performance.

4 | CRITICAL SUCCESS FACTORS

The following are the factors that are considered most critical factors for success in the implementation of the Strategic Plan.

Commitment by top management

Successful implementation of the Strategic Plan requires, among others, strong leadership, commitment, and participation by top management. The OAG has a committed top management that participates actively in the implementation of the Strategic Plan.

Staff retention

In order for the strategic plan to be implemented as planned, the retention of staff members is critical. To enable the OAG retain its staff, the following activities should be implemented:

- The OAG needs to request the Government for remuneration differential for OAG staff.
- The OAG should secure conducive work environment by improving workplace amenities
- The OAG should upgrade the educational opportunities for its staff by exploring additional funds.

Securing adequate financial and human resources

Allocating the necessary financial, structural, time and human resources are vital to successfully implement the Strategic Plan. The Strategic plan is developed having the assumption that the government will allocate adequate human and material resources to the OAG. While the regular recurrent and capital budget obtained from the government is the main financing source, the OAG will also be required to secure additional funds from development partners to implement the Strategic Plan successfully. To this effect, the OAG will try to continue the partnership it created with UNDP. It has also signed a new cooperation agreement with IDI-AFROSAI-E and this cooperation agreement is expected to reinforce the available technical and financial resources. The OAG should also approach potential development partners such as the EU, the ADB and others.

Change management

When new ideas or business reengineering process are introduced to an organization, there are always forces and attitudes that are for and against the change. Therefore, we should be able to strengthen the forces for change and organize change advocates that can create awareness among those who oppose the change and bring them on board the change process. A change management team selected from all OAGs departments and divisions should be established. The team supervised by top management will ensure the implementation of desired changes phase by phase.

5 | CHANGE MANAGEMENT

Change management is closely linked to stakeholder engagement procedures. The identified areas of improvement and the desired change was based on a need's analysis conducted both internally and externally. In addition, the activities and the desired changes have been discussed among the main stakeholder of the OAG, the employees. Thus, the strategic plan has already got management and employees buy-in.

A change management team composed of all OAGs departments and divisions should be established. The team will be led by top management and will ensure that all desired changes are implemented phase by phase. The team should identify short term targets which will be presented as quick wins. The team will track progress of change activities and report the status to the Auditor General.

6 | MONITORING AND EVALUATION

The monitoring and evaluation plan are expected to allow the OAG to work more effectively and efficiently towards achieving the goals and objectives. The strategic plan team will continue to serve as the monitoring and evaluation team. Based on the implementation matrix designed for the five years activity plans, an operational plan will be prepared annually. The team will, therefore, monitor the status of implementation constantly.

It is important to plan for programme evaluation prior to implementation since it will typically require additional data collection that may only be done periodically. The technical committee of the OAG is tasked with the preparation of an evaluation plan which will be used as a tool for bi-annual evaluation of programs and activities. The monitoring and evaluation team will report its findings directly to the Auditor General.

6.1 Performance Measures

The OAG Strategic Plan should be implemented, monitored and evaluated. To do this, we need to formulate Performance Measures to evaluate and communicate performance against the expected results. The Performance Measures encompass the indicators that can track the implementation of the Strategic Plan, help to measure the gaps encountered as compared to the targets set and measure the organizational effectiveness and operational efficiency, monitor the progress and improve service delivery. Performance measures also help to define and assess success. The OAG with the consent of the relevant stakeholders has formulated a detailed Performance Measures. (Please refer to annex 3 for the table of Performance Measures.)

6.2 Implementation Matrix

The OAG prepared an Implementation Matrix that serves as a bridge between the strategic plan and operational plans. It has also identified the priorities from the activities to be undertaken to achieve the goals and objectives of the strategic plan.

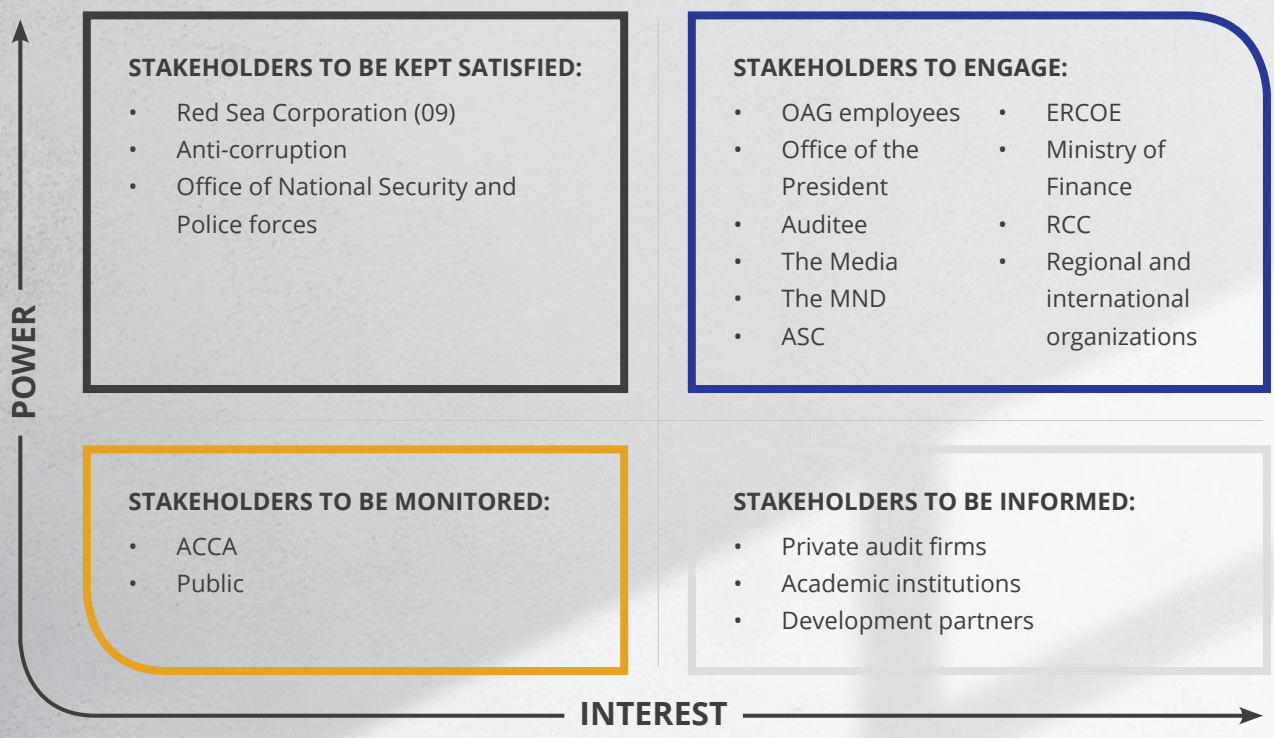
In the implementation matrix, the required resources for implementing the projects, the people responsible for the projects, the success factors and risks involved for the whole strategic plan period are identified.

(Refer to annex 4 for the implementation annex.)

APPENDICES

ANNEX 1

Results of Stakeholder Analysis



OAG EMPLOYEES: The employees of the OAG are the main and most relevant internal stakeholders of the SAI. This group is legitimate with a significant contribution and influence. Due to low incentive offer (salary and other security packages) however, their willingness needs to be worked out. If this group can come successfully on board, it can have significant impact on the value adding role of the SAI.

OFFICE OF THE PRESIDENT: Due to the inactive status of the parliament, the Office of the President is the highest authority in the country. This group is in charge of approving the SAI's budget, HR and other in-kind resources. In addition, the implementation of the constitution and related audit legislation is highly dependent on the power of this office. The appropriate action to be taken against the auditees who are reluctant to implement the SAI's recommendation depends on this stakeholder's willingness to give attention to the work of the SAI. If this stakeholder can be aligned with the SAI, the value adding role of the SAI will be effective.

AUDITEE: Auditees are the reason for existence of the OAG. These legitimate stakeholders are the main institutionalized external stakeholder of the SAI. Although their willingness to contribute and influence is low, if they can be fully engaged, the value of the SAI in contributing to the wellbeing of the citizens will be effective.

THE MEDIA: This legitimate stakeholder could have been the main non-institutionalized external stakeholder of the SAI. Due to lack of knowledge about the SAI's activities, their willingness to contribute and influence has been low. However, proper engagement of Media will have considerable effect in building on the reputation of SAI and support the value adding role of the SAI.

THE OFFICE OF NATIONAL SECURITY AND POLICE FORCES: The contribution of this stakeholder is medium due to the one-way relationship, where the ONSPF presents cases that need audit service. However, the OAG should also present the ONSPF with cases that need to be investigated, because the legitimacy, willingness and influence of this stakeholder is unquestionable. Thus, the OAG should boost the existing relationship to make the ONSPF a partner.

THE MINISTRY OF FINANCE: It is one of the important strategic partners with high legitimacy, contribution and influence but with medium willingness. The Ministry is in charge of budget control and budget execution of all budgetary units of the government. In addition, it is also in charge of setting the accounting and reporting framework of the government. In addition, the Ministry is one of the significant audit clients of the OAG.

AUDIT SERVICE CORPORATION: The ASC is an autonomous audit firm who is tasked with providing audit service to parastatals and public enterprises. Although it can be considered as part of the OAG, it is established as a private firm which generates its own income by charging its client audit fee for the services it provides. In terms of contribution and legitimacy the institution is high but its influence and willingness in the OAG is lower.

ACADEMIC INSTITUTIONS: The academic institutions such as the CBE and SMAP are the main source of manpower for the OAG. These institutions should be well informed about the affairs of the OAG.

THE MINISTRY OF NATIONAL DEVELOPMENT: The MND is the highest authority for coordinating the bilateral cooperation in the country. It is a stakeholder with high legitimacy, willingness and influence. If this Ministry can be properly positioned, it can have significant contribution towards the successful implementation of OAG's strategic plan.

RESOURCE COORDINATOR CENTRE: Currently, the RCC is the highest authority in Eritrea to assign graduates to all government institutions in Eritrea. The legitimacy, contribution and influence of this institute is high but it`s willingness has been medium.

ERITREAN CENTRE FOR ORGANIZATIONAL EXCELLENCE (ERCOE): This stakeholder is mandated with enhancing the governance and accountability of government institutions. Although the relationship the OAG have had with ERCOE has been limited, partnering with this stakeholder is vital for the 'value adding role' of the OAG

REGIONAL AND INTERNATIONAL ORGANIZATIONS: The AFROSAI-E and IDI has been supporting the OAG in building its capacity. These stakeholders have to be engaged to make them a strategic partner of the OAG.

ANNEX 2
Results of Gap Analysis

Identified domain	Areas of improvement	Cause	Preferred future position
DOMAIN 1 Independence and Legal Framework	Recruitment of employee is centralized at the Civil Service Administration (CSA) office.	The National Assembly is not functional. Thus, it is dependent on the executive for human resource	Mandate to recruit own staff, have adequate and competent staff, etc.
	The OAG is also dependent to the Ministry of Finance for its annual budgets.	The National Assembly is not functional. Thus, it is dependent on the executive for human resource.	Budget allocation from National Assembly (NA).
	The OAG is reporting to the Head of state, the Office of the President (OP) of the State of Eritrea.	The National Assembly is not functional. Thus, it is reporting to the executive.	The OAG should report to the National Assembly.
	The OAG has been preparing its performance report for internal consumption only.	Failure to modify content and presentation of report and reluctance to send the report to external stakeholders.	It should report on its performance to the OP annually.
DOMAIN 2 Organization and Management	Although annual work plans are prepared based on the strategic plan, they are not clearly linked and referred to the particular objective on the strategic plan.	Although annual work plans are prepared based on the strategic plan, they are not clearly linked and referred to the particular objective on the strategic plan.	Annual work plan needs to be linked to objectives spelled out in the SP.
	Some employees were not aware of the existence of the SP.	Some employees were not aware of the existence of the SP.	All Employees should be taken on board in the preparation and implementation of the SP and be familiar with it.
	OAG's service is always late in timeliness and sometimes weak in materiality of findings (this observation was assessed by the SPT as misinterpretation in the concept of materiality).	OAG's service is always late in timeliness and sometimes weak in materiality of findings (this observation was assessed by the SPT as misinterpretation in the concept of materiality).	There is a need to improve the way audits are conducted focusing on materiality.
	Efficiency of auditors is noted as weak. Lack of expertise, tools and shortage of skilled human resource in IT and HR.	Efficiency of auditors is noted as weak. Lack of expertise, tools and shortage of skilled human resource in IT and HR.	Improved capacity of auditors through continuous training. Improved IT tools, competent staff in IT and HR.

Identified domain	Areas of improvement	Cause	Preferred future position
DOMAIN 2 Organization and Management	Non-presence of performance audit (PA) function	lack of skilled human resource	PA functions need to be established.
	Lack of financial projections, lack of Management Information System (MIS), poor lighting in the OAG offices, lack of change management system	Lack of human resource, work overload management, and budget constraint	There should be proper projections in our annual financial plans, have an MIS in place, introduce change management system in the OAG
	No rewarding and sanctioning mechanisms for its employees.	OAG does not have mandate to increase or sanction the salary of its employees. This is closely associated with limitation of independence.	Though the OAG is not able to motivate or sanction its staff in terms of money, hence other options should be explored.
	The staff development policy needs to be revisited.	Inadequate human resource. All those at management level are always overloaded with their regular jobs and additional assignments.	The policy should be revised every time.
	Poorly equipped training and meeting rooms	Budget constraint	The OAG would need to properly equip its meeting room.
	Lack of documented monitoring and evaluation system for strategic and annual plans.	Lack of proper documentation	The OAG should document its monitoring and evaluation system in the implementation of its SP.
	There is no change management policy	Work overload on the staff at management level	It needs to have change management policy
	There is no strategic plan for IS audit and other audits	work overload on the staff at management level	OAG should have SP for IS audit and other support functions.
	There is no documented internal control system built on international standards	work overload on the staff at management level	The OAG would need to have ICS.
	The Time recording system does not track cost of audits	Wrong perception on the importance of tracking audit costs by management.	Though the OAG does not function on charge-out rates for its audits, for the purpose of statistics, it would need to have documented those costs.
	There is need for Improvement in organizational management including Finance, General service, secretarial work, other facilities etc.	Inadequate human resource and work overload on the staff at management level	OAG should practically improve those areas.
	Overall staff dissatisfaction in the remuneration mechanisms	OAG is dependent on the GoE for its salary and should be abide by the regulation of the CSA.	The OAG should continuously be engaged with the relevant authorities to have a salary scale above the Civil Service Administration salary scale.

Identified domain	Areas of improvement	Cause	Preferred future position
DOMAIN 3 Human Resources	There is lack of staff performance appraisal systems (PAS).	Due to its limitation on applying sanction and rewarding mechanism PAS has been thought as futile exercise by management	The OAG should introduce PAS
	Unavailability of documented systems to identify technical and management skill gaps	Lack of consideration from management	It has to have a well-documented system for continuously identifying the gaps in technical and managerial levels of its staff.
	The Recruitment policy is not documented	Lack of awareness in documenting the policy	This should be documented properly.
	The HR policy does not include incentives, retention, job rotation, welfare programs and others	The OAG is dependent on the CSA for staff recruitment, incentives, and welfare. However, for job rotation there is no legitimate reason for not fulfilling this aspect	The OAG should revise its relevant policies in this aspect.
	Revision of HR Development Programs which includes training programs, CPD, on the job training policies etc.	Inadequate human resource and work overload on the HR division	The OAG should revise its policies related to these areas.
	HR annual development plans are not aligned with specific objective in strategic plan	Inadequate human resource and work overload on the HR division	HR annual plans need to be linked to objectives in the SP.
	The training policy is not annually updated including identification of full time and part time trainers	Inadequate human resource and work overload on the HR division	The OAG should revisit its Training policy.
	There is no information and experience sharing platforms	Inadequate human resource and work overload on the HR division	The OAG should pave the ground for information and experience sharing.

Identified domain	Areas of improvement	Cause	Preferred future position
DOMAIN 4 Audit Standards and Methodology	Unavailability of Performance audit function	Shortage of adequate and skilled human resource	The OAG should establish PA function
	Unavailability of full time Quality Assurance function	Shortage of adequate and skilled human resource	It needs a full-time QAR team.
	The presentation of annual audit plans does not include different stakeholders' expectations, clients' budgets and others in summary page	Overdependence on the old system for planning	The OAG should strive to include those aspects.
	The OAG training programs do not emanate from the audit manuals	Inadequate human resource and work overload on the HR division	The OAG programs would need to originate from the audit manuals where possible.
	The QAR function is not regularly implemented.	Shortage of adequate and skilled human resource	This should be implemented regularly.
	The QAR policy and QA manual do not include performance audit area	Currently, there is no PA function in the OAG	The policy and manual for QAR should include PA function.
	The OAG has not been reviewed by peer organizations from AFROSAI E members and others.	AFROSAI-E has been conducting regular QAR. However due to inadequate audit documentation and financial recording systems, the OAG has been reluctant in inviting external auditors and peer SAIs.	The OAG would need to get prepared for peer reviews.
	The OAG has not introduced electronic Audit Working Papers and CAATs	Shortage of adequate and skilled human resource as well as limitation of budget	It needs to introduce those packages.
	There is no Tracking System for the level of implementation of audit recommendations communicated to the audit clients, the Office of the President and the MoF	Shortage of adequate and skilled human resource, and management weakness	It should have a system in place.

Identified domain	Areas of improvement	Cause	Preferred future position
DOMAIN 5 Communication and Stakeholder Management	Weakness to conduct ad hoc meeting with Ministry of finance and oversight body	Unavailability of established system	The OAG would need to have an arranged meeting with the MoF and other oversight bodies where applicable.
	Weakness in seeking feedback from audit clients and other stakeholders on value adding of the OAG	Unavailability of established system	The OAG should have a system that enables it to collect feedback on its performance from major stakeholders.
	Weakness in promoting SAI to the public and other stakeholders.	Poor stakeholder engagement practices	The OAG would need to go for introducing its activities to the public and other stakeholders.
	Weakness in creating awareness among top management of client organizations	Poor stakeholder engagement practices	The OAG should be able to capture the attention of management of audit clients that will help the implementation of its audit recommendations.
	The communication policy does not include how to communicate with main stakeholders such as the Office of the President, Judiciary, anti-corruption institutions, media, academic institutions, international organizations etc....	Poor stakeholder engagement practices	The OAG must upgrade its communication policy and have details on how to communicate with the main stakeholders and other relevant institutions.
	There is no program as to how to communicate with the MoF.	Poor communication practices	The OAG must establish a program to communicate with the MoF.
	The OAG does not reports on its performance including budget coverage of annual audits	Failure to prepare SAI performance report is management weakness	The OAG must report on its own performance. The report must include the budget years and the amount of fee that should have been charged.
	There is no fixed time for submitting the annual reports.	Over dependence on old system	The OAG must have a time frame for submitting its reports to the OP.
	There is no scheduled system to follow-up the implementation of audit recommendations (2 years for RA and 3 years for PA).	Unavailability of system	The OAG must establish a system for following up the implementation of audit recommendations.

ANNEX 3

Performance Measures

No.	Goal Statement	Objectives Statement	Unit of measure	Baseline	Target	Source of data	Measure owner
1	To enhance the independence of the OAG	1.1 To have the audit Legislation approved 1.2 To have an Oversight Body to follow up the work of the OAG	Approved audit Legislation Established body	0	5	AG	SPT
2	To strengthen the Organizational and Management capacity of the OAG	Objectives 2.1: To improve and design mechanisms that uplift the performance of the OAG	Improved performance	Level 2	Level 3	Documents	SPT
		Objective 2.2 To develop and implement staff Performance appraisal system	Audit Coverage	20%	60%	Documents and reports	Admin and Finance
		Objective 2.3: To have established process to manage change	No of staff who are change advocates	0	5	Documents and reports	SPT
		Objective 2.4: To enhance the IT support function	degree of application of IT on audit	1	5	IS Audit Division	SPT
		Objective 2.5: To establish the Professional Accountancy Body in Eritrea	Established body	0	5	AG	SPT
3	To have adequate, competent and productive work force	3.1 To upgrade the human resource of the OAG	Audit coverage	20%	60%	Archives	SPT
		3.2 To upgrade the staff development and training policies	Updated policy document	2	5	HRD	SPT
		3.3 To design a system for identifying gaps among staff and improve the technical, managerial and professional skills and competences	No. of staff trained annually	Low	Medium	HRD	SPT
		3.4 To establish system that evaluates, and follows-up result of trainings conducted	No. of report per year	0	1	HRD	SPT

No.	Goal Statement	Objectives Statement	Unit of measure	Baseline	Target	Source of data	Measure owner
		3.5 To introduce a mechanism that motivates staff and a system that enhance the welfare of employees	No. of staff motivated	10%	70%	Finance and Administration Division	SPT
		3.6 To assist in building-up Internal Audit capacity within government	Number of IA staff	0-1	3	HRD	SPT
4	To provide quality audit services to increase the value of the OAG	4.1 To establish a performance audit function, IS audit function and full time Quality Assurance Review team	Number of PA performed per year	0	4	Archives	SPT
			Number of QAR performed per year	0	5	QART	SPT
			Number of IT audit performed per year	0	5	IS Audit team	SPT
		4.2 To strengthen and optimize the Information Systems (IS) function	No. of IT professionals	2	4	IS Audit division	SPT
		4.3 To enhance the quality of audits and coverage by following the ISSAIs and introducing modern techniques	Audit coverage	20%	60%	Archives	SPT
		4.4 To strengthen the supervisory mechanism of audits	Quality and coverage of audits	20%	60%	Archives	SPT
		4.5 To establish a system for following up audit recommendations	No. of audit recommendations implemented	1	5	Archives	SPT
5	To enhance the OAG's public image by improving communication with stakeholders.	5.1 To upgrade OAG Communication Policy	No. of stakeholders reached	20%	70%	Communication Officer/AG	SPT
		5.2 To engage the media and other stakeholders to increase the awareness of the public	Time allocated to prepare the document	Low	Medium	Communication Officer	SPT
		5.3 To design a mechanism for collecting feedback from stakeholders about the OAG	Report on OAG image	0	5	Communication Officer	SPT

ANNEX 4
Implementation Matrix

Key Activities/projects	Success Indicators	Risks	Time line					Responsibility
			2019	2020	2021	2022	2023	
Goal 1	**To establish the independence of the OAG**							
Objective 1.1	**To have the draft audit Legislation approved**							
1.1.1 Revisit the Draft Audit Legislation	Revised draft Audit Legislation	None	Jun-19					Technical Committee
1.1.2 Lobby to have the Draft Audit Legislation approved by the GoE	Approved Audit Legislation	Legislation may not be approved	On-going	On-going	On-going	On-going	On-going	AG
Objective 1.2	**To establish an oversight body to follow up the work of the OAG**							
1.2.1 Request Government to establish oversight body that will follow up implementation of audit recommendation	a. Established body b. Follow-up and action for audit recommendations	The body may not be established	On-going	On-going	On-going	On-going	On-going	AG
Goal 2	**To strengthen the Organizational and Management capacity of the OAG**							
Objective 2.1	**To enhance and design mechanisms that uplift the performance of the OAG**							
2.1.1 Solicit office management training with partners	a. Number of training delivered by partners b. Number of staff trained	Budget constraints	Oct-19					HRD
2.1.2 Report on performance of the OAG	Number of SAI performance reports distributed	Time Constraint			Apr-21			Communication
2.1.3 Design a guideline on the process and stages of planning in the OAG	a. Approved guideline document b. Adherence to guideline in preparing plans	Resistance to change	Jan-19					Technical Committee
2.1.5 Design a system or policy for monitoring and evaluating the strategic and operational plans	a. Documented system and policy b. Monitoring and evaluation reports per year	Resource Constraint	Feb.-19					Technical committee

Key Activities/projects	Success Indicators	Risks	Time line					Responsibility
			2019	2020	2021	2022	2023	
2.1.6 To design an MIS to exchange messages on time	a. Documented MIS b. Means of communication c. No of feedback obtained	Resource Constraint		May-20				Technical committee
2.1.7 To improve the delegation system	Application and implementation of proper delegation	None	Jan-19					Technical committee
2.1.8 Design a system for job rotation and succession procedures	a. Documented system b. No. of staff upgraded/promoted	Time Constraint				Jul-22		Technical committee
2.1.9 Update the job description of the OAG	Distributed job description of each employee	Time Constraint	Mar-19					Technical committee
2.1.10 Design ISSAIs based internal control system	OAG IC document implemented	Time Constraint/ manpower			Mar-21			Technical committee
2.1.11 Develop strategic plans for IT Audit, HRM, and Finance and Administration divisions	Documented strategic plans	Time Constraint/ manpower		Jun-20				a. Respective divisions b. Technical Committee
2.1.12 Improve and renovate the canteen services, bathrooms, and Office building	Functional and comfortable facilities	Budget constraint				Dec-21		Finance and Administration
2.1.13 Reinforce the financial management system to include cash forecasts, budget follow-ups, quarterly reports	a. Detailed guideline on FM documented and implemented b. Availability of Complete financial information	Shortage of skill to apply the designed system			Jul-21			Technical committee
2.1.14 Design logistical management process to ensure effective support function	Effectiveness of logistical support	Shortage of skill to apply the designed system				Mar-22		Finance and Administration/ IT
2.1.15 Establish a robust archiving system and digitalizes audit files	Audit files in soft copy	Time Constraint/ manpower		Aug. 2020				Archives/ IT
2.1.16 Revise the code of ethics	Approved code of ethics signed by each employee	None	Feb-19					HRD

Key Activities/projects	Success Indicators	Risks	Time line					Responsibility
			2019	2020	2021	2022	2023	
Objective 2.2	**To develop Performance Appraisal system**							
2.2.1 Have a system for coaching and mentoring staff at all levels	a. Number of hours spend on coaching per week b. Number of staff attended coaching sessions	Time Constraint			Mar-21			Technical committee
2.2.2 design and Implement performance management system	a. Designed system b. Number of staff appraised, and feedback given	Time Constraint/ manpower				Jul-22		Technical committee
2.2.3 Design feedback system to measure the progress registered	a. Designed system b. Documented feedback analysis report	Time Constraint/ manpower			Nov-21			Technical committee
Objective 2.3	**To have an established process for Managing Change**							
2.3.1 Establish Change management team	No of staff in the change management team	Shortage of manpower	Feb-19					AG
2.3.2 Develop and implement a change management policy	a. Documented change management policy b. Number of changes made based on policy c. Staff attitude d. Number of changes made violating policy	Time Constraint	Oct-19					Change management team
Objective 2.4	**To enhance the IT support function**							
2.4.1 Prepare IT strategy	Approved strategy document	Time Constraint	May-19					IT
2.4.2 Prepare IT audit strategy	Approved strategy document	Time Constraint	Nov-19					IT
2.4.3 Strengthen the LAN to be used for information and equipment sharing	Number of staff connected to LAN	Time Constraint/ manpower		Feb-20				IT
2.4.4 Introduce audit interrogation software on daily audit work	Number of audit teams using interrogation software	Resistance to change					Mar-23	IT/Audit departments
2.4.5 Introduce audit management software such as teammate	Number of audits completed using EWP	Resistance to change					May 2023	IT/Audit departments

Key Activities/projects	Success Indicators	Risks	Time line					Responsibility
			2019	2020	2021	2022	2023	
2.4.6 Update the IT security policy	a) Approved and documented policy document b) Number of staff trained in the policy c) Number of reduction in IT incidents	Time Constraint	Mar-19					IT
Objective 2.5	**to establish professional Accountancy body in Eritrea**							
2.5.1 Organize annual CPD	Number of professionals attended	Budget constraint	Every year	Every year	Every year	Every year	Every year	HRD
2.5.2 update By-laws	Revised document	Time constraint				Aug-22		
Goal 3	**To have adequate, competent and productive work force**							
Objective 3.1	**To upgrade and retain the human resource of the OAG**							
3.1.1. Recruit additional staff,	Number of new employees per year	Change of government policy	Every year	Every year	Every year	Every year	Every year	AG
3.1.2 Request additional budget and facilities.	Percentage of annual increase in budget	Request may not be approved	Every year	Every year	Every year	Every year	Every year	Finance and Admin
3.1.3 Fill the vacant position of supervisors and team leaders	a. Vacant positions filled b. No. of reports issued	staff competence					April-23	Audit department heads
3.1.4 Have a mechanism to assess the quality of staff work	a. Number of files reviewed b. Number of recommendations in QAR report c. ICBF level improved	Unavailability of reward and sanction mechanism	Every year	Every year	Every year	Every year	Every year	QAU
3.1.5 Request the government to make remuneration differential for audit staff and qualified accountants	a. Improved government salary scale b. Percentage of salary increase for audit staff and qualified accountants	Request may not be approved					June-23	AG
Objective 3.2	**To improve the staff development and training policies**							
3.2.1. To improve the staff development and training policies of the OAG	Updated policy document	Time Constraint	Aug-19					HRD
3.2.2 Design staff development and training programs for effective training	Approved and implemented program	Time Constraint		Mar-20				HRD

Key Activities/projects	Success Indicators	Risks	Time line					Responsibility
			2019	2020	2021	2022	2023	
Objective 3.3	**To design a system for identifying gaps among staff and improve the technical, managerial and professional skills and competences**							
3.3.1 Design an annual training needs analysis of employees	Training needs analysis report	Time Constraint	Every year	Every year	Every year	Every year	Every year	HRD
3.3.2. Prioritize the needs to deliver training	Approved list of priorities	Time Constraint	Every year	Every year	Every year	Every year	Every year	HRD
3.3.3 Prepare annual in-house, distance and classroom training packages for various levels of OAG staff	a. Approved training packages b. Number of staff trained	Time Constraint	Every year	Every year	Every year	Every year	Every year	HRD
3.3.4 Enrol adequate number of auditors in professional studies such as ACCA, CPA, CISA, CFA, CIA	a. Number of staff enrolled b. Pass rate c. No. of qualified staff	Budget Constraint		Apr-20			Mar-23	HRD
3.3.5 Enrol senior managers for post graduate studies	a. Number of staff enrolled b. Pass rate	Budget Constraint		Apr-20			Mar-23	HRD
3.3.6 Enrol staff in public sector professional studies	a. Number of staff enrolled b. Pass rate	Budget Constraint				May -22		HRD
Objective 3.4	**To establish a system that evaluates, and follow-ups result of trainings conducted**							
3.4.1 Design an evaluation and follow up system for trainings conducted	Rigorous annual evaluation report at SAI level	Time Constraint	Jun-19					HRD
3.4.2 Assess the performance and impact of trainings	a. No. of audit reports issued b. Quality of audit reports c. ICBF level improved	Time Constraint	Every year	Every year	Every year	Every year	Every year	HRD
Objective 3.5	**To introduce a mechanism that motivates staff and a system that enhances the welfare of employees**							
3.5.1 Design a policy for motivating staff	Approved and documented policy	Government policy may contradict with the designed policy			Feb-21			Technical Committee
3.5.2 Pursue on providing educational opportunities for employees	a. New line of educational opportunities b. No of staff benefited from educational opportunities c. Staff level of satisfaction	Budget Constraint/ unavailability of local colleges	Every year	Every year	Every year	Every year	Every year	

Key Activities/projects	Success Indicators	Risks	Time line					Responsibility
			2019	2020	2021	2022	2023	
3.5.3 Introduces child welfare system by preparing day care resources	a. Functional day care b. No of employee using the facility c. Improvement in adherence of working hours	Budget Constraint					Mar-23	
3.5.4 Improve the working conditions by enhancing equipment, transportation, facilities, amenities etc.	a. Transportation facility b. Laptop-auditor ratio c. Other facilities	Budget Constraint				Nov-22		
3.5.5 Introduce uniforms for all OAG staff	Number of uniforms distributed	Budget Constraint					Jun-23	
Objective 3.6	**To assist in building-up Internal Audit capacity within government**							
3.6.1 Training of IA	Number of trainees	Budget Constraint			Sep-21			HRD
3.6.2 Upgrade of IA manual	Manual distributed to stakeholders	Budget Constraint			July-21			HRD
Goal 4	**To provide quality audit services to increase the value of the OAG**							
Objective 4.1	**To establish a performance audit and IT audit functions and permanent Quality Assurance Unit**							
4.1.1. Establish fully equipped Performance Audit function (prepare laptops, office, and others)	a. No. of PA reports per year b. Percentage of PA audit reports from total audits c. Number of total PA staff	Resource constraint	Jan-19					Top management
4.1.2. Establish Quality Assurance Review Unit on permanent basis (prepare laptops, office, and others)	a. Number of QAR staff b. Number of files reviewed per year	Shortage of skilled manpower			Jul-21			Top management
4.1.3 Establish functional IS Audit function	a. Number of IS audit staff b. Number of IS audits per year	Shortage of skilled manpower				Apr-22		AG/ Amanuel
Objective 4.2	**To strengthen information technology to make optimum use of it**							
4.2.1 Strengthen IT support function by hiring additional staff, provision of training	a. Number of professionals in IT b. IT/Audit staff ratio	Shortage of skilled manpower			Feb-21			AG/ Amanuel

Key Activities/projects	Success Indicators	Risks	Time line					Responsibility
			2019	2020	2021	2022	2023	
Objective 4.3	**To enhance the quality of audits and coverage by following the ISSAIs and introducing modern techniques**							
4.3.1. Customize and implement AFROSAI-E manuals	a. Number of staff attended in roll-out program b. No. of audits issued	Time /manpower Constraint	May-19					Technical committee
4.3.2. Provide continuous training on audit working papers	a. Number of trainings per year b. Staff trained per year	Time /manpower Constraint	Every year	Every year	Every year	Every year	Every year	HRD
4.3.3 Design and implement a system for supervision and evaluating all audit assignment to ensure adherence to budgeted time	a. No of audits completed within agreed time budget b. No. of evaluation reports per year c. Supervision reports (WP)	Time /manpower Constraint		Jun-20				Technical committee
4.3.4 Improve communication system among audit teams' supervisors and corporate staff	No. of meetings per year at all levels	Time /manpower Constraint		Jun-20				AG/DAGs
4.3.5 Invite/conduct external audits and peer reviews	a. External audit of accounts b. Peer review reports	a) Budget constraint b) Low quality books of account c) Low quality audit files			Mar-21			AG/ Admin
Objective 4.4	**To strengthen the supervisory mechanism of audits**							
4.4.1 Reengineer the audit process to reduce time budgets for individual audits	a. Audit guideline and policy document b. No. of audit reports	Time /manpower Constraint			Apr-21			Technical committee
4.4.2 Address audit back-logs effectively	Number of back-logs reduced	Time /manpower Constraint				Dec-22		Audit Departments
Objective 4.5	**To establish a system for following up audit recommendations**							
4.5.1 Establish a system for following up audit recommendation	a. Established system b. Follow-up report	Time Constraint/ manpower	Oct-19					Technical committee

Key Activities/projects	Success Indicators	Risks	Time line					Responsibility
			2019	2020	2021	2022	2023	
4.5.2. Establish ad-hoc committee with MoF for following up of audit recommendations	a. Established committee b. Number of audit recommendations implemented	lack of willingness by MoF		Nov-20				AG
4.5.3. Engage Audit clients for implementing recommendations (such as conducting seminars)	a. Number of meetings b. Number of stakeholders attended	Time Constraint	Every year	Every year	Every year	Every year	Every year	AG/ DAGs
Goal 5	**To enhance the OAG's public image by improving communication with stakeholders.**							
Objective 5.1	**To upgrade OAG Communication Policy**							
5.1.1. Review and upgrade the communication policy	Approved policy	Time Constraint/ manpower		Apr-20				Communication
5.1.2. Redesign annual reports	Format and content of annual reports	Time Constraint / manpower		Feb-20				Technical committee
Objective 5.2	**To engage with the media and other stakeholders to increase the awareness of the public**							
5.2.1 prepare stakeholder engagement strategy document	a. Approved strategy document b. Number of stakeholders reached	Time Constraint/ manpower	Jan-19					Communication
5.2.2. Prepare and publish audit and PFM related articles	a. Number of articles prepared b. Number of articles published	a. Time Constraint/ manpower b. Articles may not be published				Dec-22		Communication
5.2.3. Produce Annual SAI performance Report and disseminate to all concerned stakeholders	a. Number of reports distributed b. Survey reports on stakeholders' attitude	Time Constraint/ manpower		Mar-20				Communication
5.2.4 Publish semi-annually (annual) OAG magazine	Number of copies printed and distributed	Time Constraint/ manpower b) Magazine may not be published					Feb-23	Communication
Objective 5.3	**To design a mechanism for collecting feedback from stakeholders about the OAG**							
Design a system for collecting feedback from stakeholders	a. Feedback analysis report	Time Constraint/ manpower		Jul-20				Technical committee

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