

National Audit Chamber Peer-support Project 2017-2020

Report Oct 2018 - Sept 2019

Final version adjusted after annual meeting December 2019

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	3
2	Overall status of goal achievement	5
3	Progress and goal achievement per expected outcome	7
3.1	A relevant and enhanced regularity audit function in NAC	7
3.2	A relevant and enhanced performance audit function in NAC.....	9
3.3	Core audit management and HR systems in place in NAC.....	10
3.4	Key stakeholders are familiar with NAC's function, audit findings and how reports can be utilized12	
3.5	NAC is developing in line with the ISSAIs and international best practices.....	14
3.6	NAC's capacity development is strategically managed and well-coordinated	15
4	Updated risk assessment	17
5	Financial status.....	18
	Appendix 1 Status of each expected output in the project.....	20
	Appendix 2 Risk assessment	27

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 cooperating partners in the project, and two SAIs as resource-person partners. 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. Resource persons are provided by the Office of the Auditor General of Kenya (OAGK) and OAG Norway.

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 AFROSAI-E, the Office of the Auditor General of Kenya (OAGK) and OAG Norway.

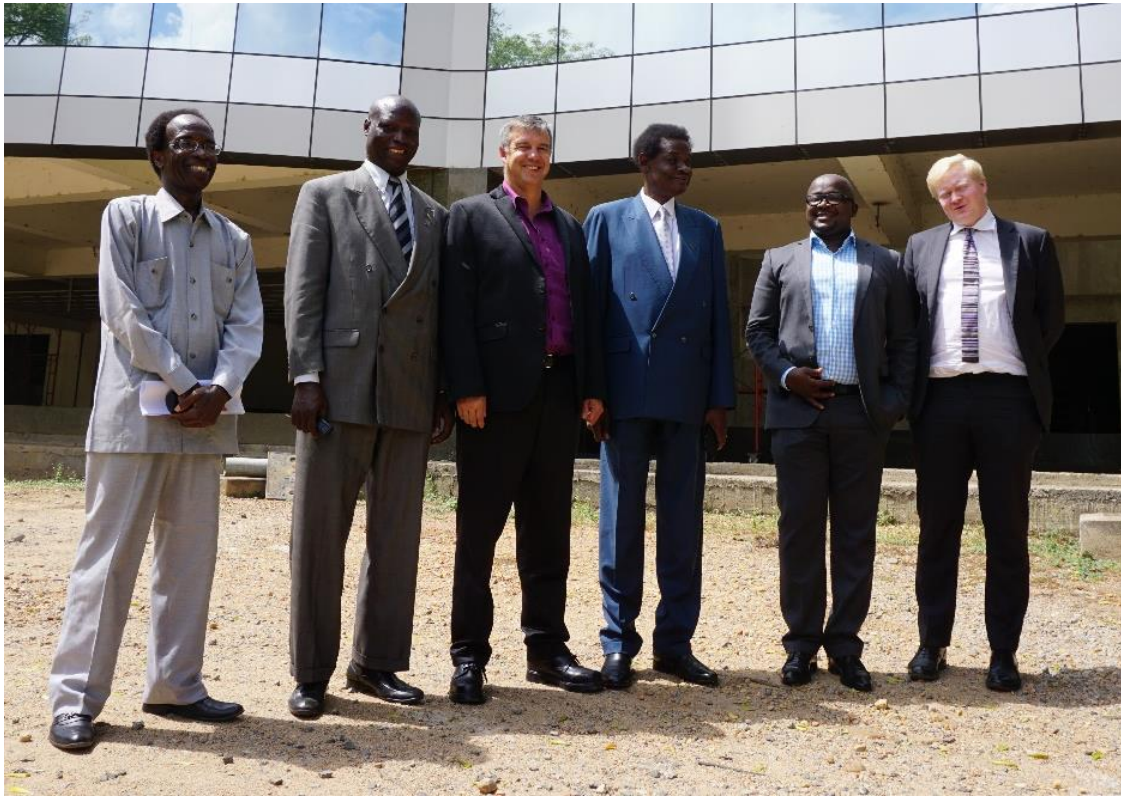
Advice to execution, reporting and dissemination of audits is a key part of the project. Three audits were initiated in 2017 while another three were planned to be initiated in 2018. These audits have been selected by NAC based on materiality, added value of external technical support and likelihood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



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

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. A major achievement by October 2019 is that four Performance audit reports and one Special audit report on IFMIS are in process of design and printing. However, the actual reporting to the President and Parliament of the audits is yet not achieved. NAC plans to submit these reports to the Parliament and the President once the reports are finalised and printed. If these five reports are submitted before year’s end, the project target will be met, and there may be an impact of the project beyond maintaining NAC capacities if the reports receive attention by stakeholders and are acted upon.

When it comes to maintaining the capacity in NAC, indicator 2 in table 1 shows that the staff turnover for 2018-19 has increased from 9 % in 2018 to 18 % in 2019 (from 15 to 28 persons). By the end of September 2018 the total number of staff were 160, while reduced to 153 in September 2019. Most of the staff turnover continues to be junior support staff leaving due to the tough living conditions. Irregular salaries over the latest year continue to be one factor which has contributed to the turnover leading staff to move to better paid sectors. This is a government wide problem.

Table 1 Status of overall indicators of goal achievement by 30 Sept 2019

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 (of a total of 9/6) ¹	0 %	0 %	0 %		By the end of October 2019 four Performance audit reports and one Special audit report on IFMIS are in process of design and printing.
2. Staff turnover among auditors and managers in NAC 2017-18.	Less than 10% annually	0 %	9%	18%		An increase of turnover from 2018 to 2019 is largely due to poor salaries and delay in payment and job motivation.

In general, the progress of the project has been reasonable in 2019. NAC staff and advisors have done an extra effort to finalize the project initiated audit reports, as well as NAC’s first report of its own performance – the NAC activity report. These achievements are noteworthy as many SAIs in the

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

region have struggled to finalize performance audit reports, and many are not reporting annually about their own performance.

Another strong achievement in 2019 has been the development and launch of the new strategic plan. The plan has been driven forward by NAC's own managers and is truly result oriented. It is a strong fundament for strategic improvements over the next years, and for NAC to play a key role as envisaged in the peace agreement of September 2018.

Some planned activities have not been executed, such as the annual internal sharing of knowledge within NAC, quality control support and initiation of new audits. These activities have not been executed due to other priorities in NAC and challenges in regular project communication. At the same time NAC has built a strong fundament for its audit capacity, by customizing and finalizing the Financial Audit Manual and the Performance Audit Manual. The audit of the IFMIS system guideline has been developed, and will be useful for audits in this area in many years ahead. NAC has also been able to develop clear plans for HR and stakeholder engagement in line with regional best practice during 2019. The project is therefore assumed to have contributed to strengthening of key capacities in NAC in 2018-19, although many staff have not received their salaries and to a limited degree worked full time.

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

The initiated regularity audits of the IFMIS system and the collection of customs have been completed in 2019. While the IFMIS audit report is ready for printing, the customs report will be compiled with other similar reports on non-oil revenue in December 2019 and then sent for printing. The NAC team and advisors mainly achieved this through dedicated work during first half of 2019. The reports were sent for comments by the Ministries in May 2019. By October the Ministries have not provided comments, and NAC has decided they will then be submitted to the Parliament and President without their comments.

NAC has developed an Activity report of its own performance for 2005-2018, where also general challenges of lack of financial statements and financial data are reported to Parliament.

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

Assessment of goal achievement

Goal achievement depend on reports being submitted to the President and Parliament, and this seems within reach before the project end. For NAC the audit of IFMIS System and the non-oil revenue audit has been paramount, as they have enabled NAC and the Ministry of Finance and Planning to understand and know why the Ministry have not produced audited financial statement since 2011.

Indicator	Target	Status 30th Sept, 2019	Comments
1a) Number of project supported regularity audits where data collection is completed, and a draft report is produced by NAC.	100 % by end of 2019	100 %	Two reports. Additional audits initiated in 2019, but these are not yet due.
1b) Number of project supported regularity audits reported to the President and the Parliament.	50 % by end of 2019	0 %	Reports have been finalized as management letters. They have been delayed by lack of access to data.
1c) Finalization and approval of guidance related to audit of IFMIS and the consolidated financial statements.	By end of 2018	Version 1 developed	Waiting for management approval



Picture 2 Report writing workshop in Juba February 2019

3.2 A relevant and enhanced performance audit function in NAC

Progress compared to the plans

The key planned outputs related to the performance audit function 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

Of the five planned performance audits, three have been completed, one is ongoing and a final one not yet initiated. The performance audits of Local content of the petroleum sector, the Constituency Development Fund and waste management by the Juba city council are in the design and printing process. The Juba Teaching hospital supported by SAI Kenya before the project period is also in the design and printing process.

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

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

Assessment of goal achievement

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

Indicator	Target	Status 30th Sept, 2019	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	75 %	Local content, CDF and Juba city council. Juba University in 2020.
2b) Number of project supported performance audits reported to the President and the Parliament.	50 % by end of 2019	0 %	Draft audit reports have been developed, but final approval, printing and launch remains.
2c) Finalization and approval of the NAC Performance Audit Manual.	By end of 2018	Approved Sept 2019	

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

The NAC Activity report was intended to be covering only the last year, and then issued annually. NAC management decided in 2019 to clear the backlog for this report by reporting on all the years 2005 to 2018. The final report is quite comprehensive including both audit work carried out as well how the institution has been sought built and developed during the extremely difficult years since independence.

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

NAC has the 4th best HR strategy in AFROSAI-E

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



Picture 1 Strategic planning workshop in Juba December 2018

Assessment of goal achievement

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

Outcome	Indicator	Target	Status 30th Sept, 2019	Comments
3 - Core audit management and HR systems in place in NAC	3a) Establishment and use of an annual audit plan for NAC.	By end of 2018	Plan set in both 2018 and 2019	Implementation challenging due to lack of operational funds and salaries
	3b) Annual SAI Activity Report produced and disseminated.	By end of 2018	Partially	Expected end of 2019, in larger version

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 2018 NAC was supported through the Management Development Programme to develop a stakeholder relations strategy. The strategy was finalized in 2019, and the stakeholder analysis was a key fundament for the new strategic plan. However, actual sensitization and communication with stakeholders have to a limited extent been executed. The launch of the strategic plan was important and involved many stakeholders. However, planned sensitizations of key accounting officers and MPs in mid-2019 were postponed due to an uncertain political situation.



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

Assessment of goal achievement

Sensitization of stakeholders is critical in a young nation as South Sudan, to ensure NAC's role is understood and respected. In spite of plans for various stakeholder engagement, NAC has not been able to execute these. This means the goals of more informed and supportive stakeholders have probably to a little extent been achieved during 2019. For NAC to succeed with its new strategic plan, it will be critical to engage stakeholders in key Ministries and the Parliament, and establish strong communication practices with the wider public and civil society.

Outcome	Indicator	Target	Status 30th Sept, 2019	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 2018-19, NAC has sent delegates to several relevant trainings and events:

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

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

Assessment of goal achievement

NAC have been represented at all major AFROSAI-E events in the reporting period. This 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, 2019	Comments
5 - NAC is developing in line with the ISSAIs and international best practices	5a) Number of NAC staff and managers who have completed project supported AFROSAI-E trainings.	All NAC representatives at AFROSAI-E trainings complete the trainings in terms of participation and expected deliveries	Partially met	MDPs projects almost completed for all managers. Final certificates not yet issued.

Outcome	Indicator	Target	Status 30th Sept, 2019	Comments
	5b) Sharing of knowledge and experiences from trainings and workshops carried out annually in seminars involving most NAC	Annual seminars for 2017-19 carried out	Partially	NAC Annual Workshop done in Dec 2017, but not in 2018-19, planned to be held by December 2019

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

Progress compared to the plans

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

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

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

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

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

Assessment of goal achievement

NAC's capacity development 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 and 2019. This means the goal of active coordination has not been met, and implementation of planned

project activities are slower than they need to be. This must be addressed in a new project in 2020, through better internet, technical tools of NAC management, better routines and by more physical presence in Juba of the advisors.

There is an ambition of female representation in project activities. As the indicator shows in the table below, the target has not been met in 2018-19. Almost 30 % of NAC staff are female (47 of 153), but it has been challenging to select relevant female candidates for project activities, given the fact that most of the female candidate are at the entry point of their employment and lacking enough experience for the projects works. However, efforts are being made to include them in the project teams during the audit works. There is a need to establish better professional development for all NAC staff, and with a special gender focus, to ensure a better gender representation in the various activities.

Outcome	Indicator	Target	Status 30th Sept, 2019	Comments
6 - NAC's capacity development is strategically managed and well-coordinated	6a) Annual meetings involving all relevant DPs carried out.	Annual meetings for 2017-19 carried out	OK	More DPs attended in 2018 than in 2017
	6b) Percentage of female NAC participants in project activities	20 %	12 % (approx.) (as of October - Sept 2018)	Despite NAC's ambition to increase female participation in the project activities by September 2019, female participation, however remained unchanged by September 2019.

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 2019, the risk factor with high rate previously - “Delays in implementation of planned activities” – is regarded as medium risk. This is related to greater progress of the ongoing audits. However, NAC still faces fundamental challenges of execution of activities due to delayed salaries and lack of operational funds. There is a need to ensure more funds for NAC operations either through the Government or Development Partners. To address the risk of delays, there is also a need to continually seek better communication routines and tools for regular contact between the advisors and the NAC team leaders.

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

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, but has not been prioritized in 2019. This must be better addressed in the new project.

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 needs to 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 2018-Sept 2019 and the status of risks by 30th September 2019.

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 2017-19. Please note the following:

- The total expenses for the project since start in May 2017 and up to September 2019 is 368 000 USD compare to a total budget of 460 000 USD for 2017-2020. Figure 1 shows that among the outcomes, the highest share of costs are related to coordination and project management. These costs include IDI salary costs also used for the other outcomes. A high share of costs have also been for management systems, related to a high activity for this in 2018. Then follows, regularity audit, regional events and performance audit. A minor share has been spent on stakeholder relations, related to few designated events for this purpose.
- For 2019, it is expected that the total spending is about 146 000 USD, compare to a budget of 165 600 USD. The underspending is mainly related to some planned events not expected to be held, such as quality control support. For the rest of 2019 it is expected spending for the annual meeting, design and printing of reports and a NAC Technical update.
- The budget for 2020 is in total of 58 000 USD. The costs are mainly for an external evaluation, some audit support, report launch and project closing. *The 2020 budget needs to be finalized after the annual meeting when activities are agreed for 2020.*

Table 2 Financial status overview (USD)²

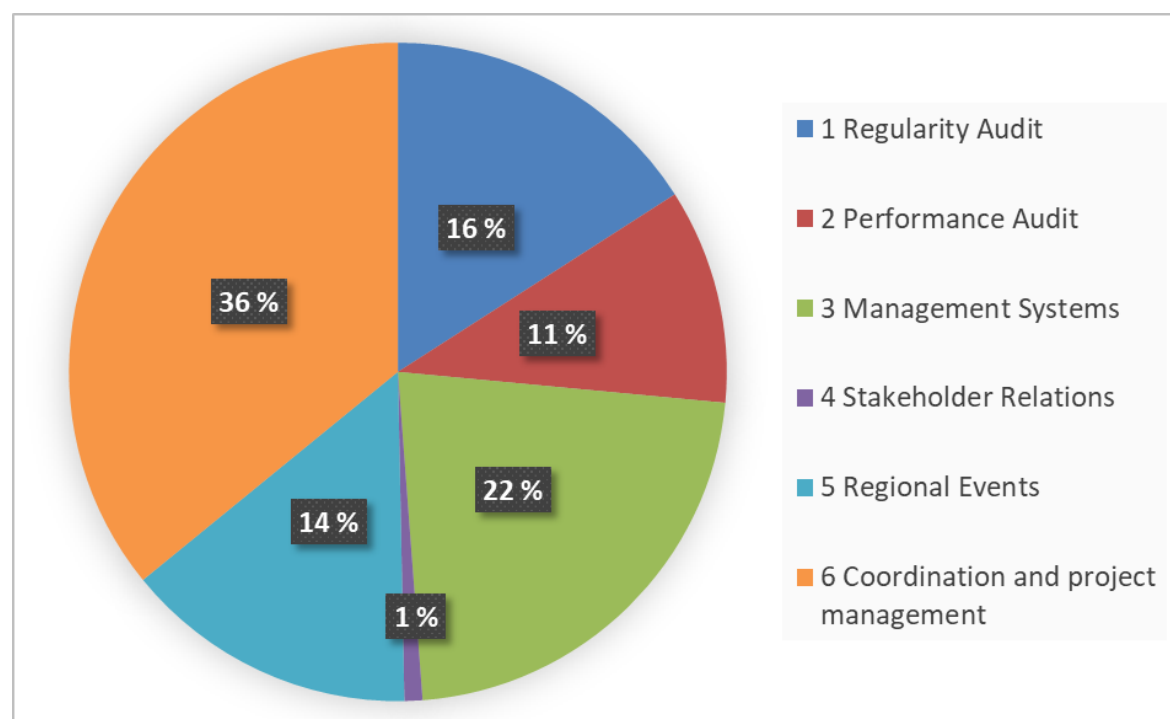
	Approved total budget	Total charged as expenses	Approved budget for the period	Total charged as expenses for the period	Budget next period	Expected expenses whole year	Expected variance	Budget next period
Period	2017-2020	2017 - Sept 2019	2019, revised	Jan-Sept 2019	Oct-Dec 2019	2019	2019	2020
Project expenses for IDI and resource person partners	\$162 197	\$164 908	\$ 75 000	\$74 782	\$18 000	\$92 782	\$20 782	\$50 629
Project expenses for NAC and AFROSAI-E	\$267 555	\$183 583	\$ 87 500	\$30 614	\$12 000	\$42 614	\$-41 386	\$5 179
NAC	\$254 907	\$167 019		\$22 967	\$9 600	\$32 567	\$-	\$2 425
AFROSAI-E	\$12 648	\$16 564		\$7 647	\$2 400	\$10 047	\$-	\$2 754
Overheads	\$29 376	\$19 885	\$ 10 000	\$9 847	\$1 200	\$11 047	\$1 447	\$2 592
Total expenses	\$459 129	\$368 377	\$ 172 500	\$115 244	\$31 200	\$146 444	\$-19 156	\$58 400
IDI's own financial contribution	\$99 129	\$13 133	\$ 47 500	\$-	\$26 444	\$26 444	\$-19 156	\$58 400
Grant from MFA	\$360 000	\$360 000	\$ 125 000	\$120 000	\$-	\$120 000	\$ -	\$ -

² Average NOK – USD rate of 0,12 applied all years.

Table 3 Expenses per outcome (USD)

Outcome	Expenses 2017	Expenses 2018	Expenses Jan-Sept 2019	Total expenses 2017-19
1 Regularity Audit	\$ 33 073	-	\$ 25 657	\$ 58 730
2 Performance Audit	\$ 19 377	\$ 3 397	\$ 16 183	\$ 38 958
3 Management Systems	\$ 8 315	\$ 56 883	\$ 17 031	\$ 82 230
4 Stakeholder Relations	-	\$ 891	\$ 2 375	\$ 3 267
5 Regional Events	\$ 25 830	\$ 23 849	\$ 3 508	\$ 53 186
6 Coordination and project management	\$ 38 577	\$ 42 941	\$ 50 964	\$ 132 481
Grand Total	\$ 125 172	\$ 127 961	\$ 115 718	\$ 368 851

Figure 1 Share of total expenses 2017-19 per outcome³



³ The outcome coordination and project management includes IDI salary costs used on the other outcomes.

Appendix 1 Status of each expected output in the project

Status of each expected output in the project by 30th September 2019

No	Expected output	Responsible	Time frame	Status	Comments
Outcome 1 A relevant and enhanced regularity audit function in NAC					
1.1	Regularity audit of non-oil revenue collection by the Min of Finance executed, reported and disseminated to key stakeholders	NAC RA-revenue team & OAGK advisors	2017-19	Partially completed	<p>Audit planning and data collection completed.</p> <p>Originally the team is to be deployed in the Customs Department; however, some difficulties were encountered on where to accommodate the team. These challenge was reported to the Undersecretary of the Ministry of Finance and Planning, these challenges were resolved following the establishment of the South Sudan Revenue Authority, whereby the Customs and Taxations Department were merged under the Revenue Authority as (Customs and Taxation Divisions.</p> <p>The Non-Oil Audit Team was later on managed to carry non- oil revenue collections by both the Taxation and Customs Divisions. Draft Management letter were issued to the Banks involved in the revenue collection and final reports will be issued before end of November 2019. Combine Reports is also expected to be issued before year end.</p>
1.2	Regularity and IT-audit of the IFMIS and closing of accounts by the Min of Finance executed, reported and disseminated to key stakeholders	NAC RA-IT team & OAGK+OAGN advisors	2017-18	Partially completed	<p>Audit planning and data collection completed</p> <p>Audit Team deployed to the Ministry of Finance and Planning.</p> <p>The team encountered some challenges of slow response of providing the needed information. These challenges were partially handled.</p> <p>Progress report on the work of the team was prepared and shared with IDI and the advisors.</p> <p>Draft Management Letter was issued to the Ministry of Finance, however, no response is coming from the Ministry of Finance and Planning. Hence, following repeated follow-up letters to the 1st Undersecretary of the Ministry, NAC decided to close the audit and issue the final Management Letter by November 2019, A follow-up Report will be compiled for IFMIS Audit and reported to the Parliament.</p>

No	Expected output	Responsible	Time frame	Status	Comments
1.3	Regularity and IT-audit of the passport system and revenue collection by the Min of Interior executed, reported and disseminated to key stakeholders	NAC RA-IT team & OAGK+OAGN advisors	2018-19	Expected to start in November 2019	Challenges encountering the Regularity audit of non-oil revenue collection team in 1.1 above, made it difficult for the team to complete their work and move to the It- audit of the passport in the Ministry of Interior. As the Non-Oil Team are finalizing their audit in the Taxation and Customs Divisions, they will be move to start audit in the Passports Department in November 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 difficulties in constantly sharing knowledge among themselves and the other auditors due to operational difficulties.
1.5	Guidance material developed in relation to audit of IFMIS and the consolidated financial statements	NAC RA-IT team & OAGK+OAGN advisors	2017-19	Ongoing	IFMIS Team and the Kenyan Advisors in October, held an IFMIS Guideline Workshiop in Juba in October 2019 to develop IFMIS Audit Guideline for South Sudan. The guideline has been presented for management's approval.
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,	NAC PA-team & OAGK advisors	2017-18	Close to completion	<p>Audit planning and data collection for Juba City Council completed</p> <p>Audit Team deployed to Juba City Council in 2018</p> <p>Pre- study report completed and shared with IDI and advisors in 2018. The audit is decided to focus on waste management.</p>

No	Expected output	Responsible	Time frame	Status	Comments
	reported and disseminated to key stakeholders				<p>Draft audit report prepared and being shared with IDI and advisors for comments, and discussed in workshop in Juba in February 2019.</p> <p>Final Audit Report prepared and shared with IDI, advisors and cleared by NAC and being sent for design and printing. Report expected to be issued in December 2019.</p>
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	Expected to start in November 2019.	As Performance audit team has already completed its assignment in the Juba City Council, arrangements are currently under way to move the audit of efficiency of Juba University by November 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	Completed	Draft reports sent to the relevant auditees for comments in August 2018. Comments were received from the auditee and reports shared with IDI and currently sent for design and printing.
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 challenges in constantly sharing knowledge among themselves and the other auditors due to operational difficulties.
2.5	Performance audit manual customized	NAC PA-team & OAGK advisors	2017-18	Completed	Draft terms of reference shared by IDI. Workshop was held in Juba in September 2019. Manual was customized pending final design and printing..

No	Expected output	Responsible	Time frame	Status	Comments
2.6	Performance audit of environment in the oil sector completed, printed, reported and disseminated	NAC PA-team & OAGK advisors	2019	Not yet started	Due to delay of other audits, this audit was not started in the project period. This audit is intended in the new Strategic Change Project 2020-2024.
Outcome 3 Core audit management and HR-systems in place in NAC					
3.1	Overall annual audit plan and system for monitoring, reporting and quality control developed and implemented in NAC	NAC Management support and stakeholder relations teams & AFROSAI-E advisors	2017-19	Ongoing	<p>Planning workshop held in Pretoria –South Africa, with the help of AFROSAI-E advisors</p> <p>A follow up and awareness workshop was held in Juba, where the teams’ activities and plans were presented</p> <p>Some team members attended AFROSAI-E Annual Update meeting and the Refresher Workshop.</p> <p>Final Overall Annual Audit Plan 2018/2019 and 2019/2019 were finalized, signed by the AG and will be implemented in October 2018 and 2019 respectively.</p> <p>System for monitoring, reporting and quality control not yet completed.</p>
3.2	Annual SAI Activity Report produced and disseminated	NAC Management support and stakeholder relations teams & AFROSAI-E advisors	2017-18	Completed	<p>Planning workshop held in Pretoria –South Africa, with the help of AFROSAI-E advisors</p> <p>A follow up and awareness workshop was held in Juba, where the teams’ activities and plans were presented</p> <p>Some team members attended the AFROSAI-E Annual Update meeting and the Refresher Workshop and 2 Management Development Program in Uganda and Kenya.</p> <p>100% of the draft report is completed and being sent to design and printing. The Report is expected to be issued by December 2019..</p>
3.3	NAC Human Resource Manual customized and executed	NAC Management support and stakeholder relations teams &	2019	Completed	<p>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.</p> <p>Human Resource Strategy developed with the Assistance of AFROSAI-E. Completed HR Strategy is being sent to design and printing. Strategy expected to be operational by December 2019.</p>

No	Expected output	Responsible	Time frame	Status	Comments
	NAC Strategis Plan (SP) 2020 – 2024 developed and launched.	AFROSAI-E advisors NAC Management support and stakeholder relations teams & AFROSAI-E advisors	2019	Completed	<p>Effort are underway to customize the HR Manuel using Technical Assistance from African Development Bank, this is expected to be done by December 2019.</p> <p>Although not originally planned in the Peer-Project, NAC and IDI recognized the importance of developing this Strategy will significantly inform NAC's long term and short term plans for the coming five years of the Revitalized Agreement of the Resolution of Conflict in the Republic of South Sudan.</p> <p>The SP was completed and launched in June 2019 and is currently being used as basis for developing the Strategic Change Project 2020-2024.</p> <p>A process led by DAG Tombe and involving a large number of managers in NAC. Was initiated as a project in August 2018, addressed in workshops in Juba in Dec 2018 and April 2019, and finally launched in June 2019 with various stakeholders present.</p>
Outcome 4 Key stakeholders are familiar with NAC's function and how reports can be utilized					
4.1	Key auditees sensitized on NAC function, standards, operations and findings	NAC Management support and stakeholder relations teams & AFROSAI-E advisors	2017-19	Ongoing	<p>Planning workshop held in Pretoria –South Africa, with the help of AFROSAI-E advisors</p> <p>A follow up and awareness workshop was held in Juba, whereby, the activities of the different teams, since the last planning meeting and the teams' activity plans were presented.</p> <p>Some team members attended the AFROSAI-E Annual Update meeting and the Refresher Workshop</p> <p>Stakeholder awareness and sensitizations sessions and materials were shared with audited entities during NAC Audit Entrance and Exit meetings.</p> <p>Stakeholders Strategy developed with the Assistance of AFROSAI-E and expected to be sent for design and printing by November 2019.</p>

No	Expected output	Responsible	Time frame	Status	Comments
4.2	PAC sensitized on NAC function, standards and operations and how audit reports can be handled by PAC	NAC Management support and stakeholder relations teams & AFROSAI-E advisors	2017-19	Ongoing	NAC participated with a presentation during Parliamentary and other stakeholders organized workshops on the role of NAC as an oversight institution. Parliament business schedules and recesses make it difficult to coordinate sensitization workshops with PAC. .
Outcome 5 NAC is updated on international standards and best-practices					
5.1	NAC management and staff are contributing to regional SAI development, take part in knowledge sharing, are updated on current developments of standards and best practices and maintains network with SAIs in the region	Coordination team	2017-19	Ongoing	<p>In 2017-19, NAC attended the Afrosai-e Technical and Refresher Workshops and Governing Board meetings.</p> <p>In 2017, NAC attended the Development of Accountancy in Fragile and Conflict affected states of the IFAC in Johannesburg- South Africa</p> <p>In 2018, NAC attended the Strategic operation and risk Management workshop if Afrosi-e in Pretoria-South Africa.</p> <p>In 2019, NAC attended AFROSAI-E HR-workshop and communications workshop.</p>
Outcome 6 NAC's capacity development is strategically managed and well-coordinated					
6.1	NAC ensures capacity development support is in line with its prioritized	Coordination team	2017-2020	Ongoing	<p>Coordinated with the World Bank, the African Development Bank and the Royal Norwegian Embassy in Juba.</p> <p>Contact with the African Development Bank materialized by providing some funds for training, workshops and technical assistance.</p>

No	Expected output	Responsible	Time frame	Status	Comments
	needs by establishing a system for coordination of donor support				<p>World Bank supports NAC in outsourcing auditors to audit World bank Projects. Audit Reports of the World Bank Projects for the financial years 2018/19 were completed and reports issued.</p> <p>Royal Norwegian Embassy in Juba supports NAC funding the reimbursable for the NAC outsources auditors (Deloitte). For the audit of financial years 2013,2013,2015,2016 and 2017. Bank of South Sudan Bank for the financial years 2015, 2015 and 2016 were completed, issued and forwarded to the Parliament. Reports for financial years 2016 and 2017 are to commence in November 2019.</p>
6.2	Lessons learned of the project identified	Coordination team	2020	Initiated	External evaluator selected in October 2019.

Appendix 2 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 30 th Sept 2018	Control measures planned and executed 2018-19	Risk assessment by 30 th Sept 2019	Control measures planned 2019-2020
Delays in implementation of planned activities	<ul style="list-style-type: none"> - Audit data not available as expected - Staff not available as assumed - Ambitions of activities not adapted to the competency levels of staff involved - Lack of funds or cars for fieldwork - Electricity break-down and unstable internet 	<ul style="list-style-type: none"> - Joint process for setting and agreeing on project activities and ambition levels - Flexibility and annual adjustment of plans - Regular communication on phone and e-mail - Mobilize other DPs to support operational and infrastructure costs 	NAC , IDI and AFROSAI-E	<p>Regular communication on phone and e-mail in the Coordination team.</p> <p>Plans for a DP workshop developed to source funds for NAC operational and infrastructure costs.</p> <p>AfDB has become a new partner of NAC and government has allocated more operational funds for 2018-19.</p>	High risk.	<p>Regular Coordination meetings. <u>Responsible:</u> NAC and IDI Status: Partly done</p> <p>More regular phone meetings between advisors and NAC team leaders. <u>Responsible:</u> NAC and IDI Status: Partly done</p> <p>Internet bundles to be provided for each team leader in NAC. <u>Responsible:</u> NAC Status: Done</p>	Medium risk.	<p>Regular Coordination meetings. <u>Responsible:</u> NAC and IDI</p> <p>To be addressed in the new Strategic Change project</p>
Relevance and quality of advises	<ul style="list-style-type: none"> - The complex South Sudan situation - Communication challenges 	<ul style="list-style-type: none"> - Emphasizing personal qualifications of resource persons - Training resource persons in sensitivity 	IDI and AFROSAI-E	Required resource persons were selected from SAI Kenya and AFROSAI-E, in	Medium risk.	Resource persons need to be acquainted more about the sensitivity	Medium risk.	To be addressed in the new Strategic Change project

Risk factor	Risk sub-factors	Planned control measures 2017-18	Responsible (main in bold)	Control measures taken October 2017-September 2018	Risk assessment by 30 th Sept 2018	Control measures planned and executed 2018-19	Risk assessment by 30 th Sept 2019	Control measures planned 2019-2020
	between advisors and NAC staff	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		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.		aspects of South Sudan and PFM system. <u>Responsible:</u> IDI Status: Partly done		
Activities not coordinated both within the project and with other supporters of NAC	- Several providers of peers involved - Lack of information sharing systems in the SAI - Lack of information sharing between DPs	- Active use of mechanisms for internal coordination: Joint steering committee, annual meeting, regular phone meetings - Invite other providers to NAC for the annual meeting	NAC	All discussions related to technical support and assistance to NAC with development partners are informed by sharing the Cooperation Agreement. Only areas not covered by the Agreement are discussed with the DPs.	Medium risk	More regular coordination meetings between NAC and IDI, and AFROSAI-E if available. <u>Responsible:</u> NAC and IDI Status: Not done Quarterly coordination meeting with all peers. <u>Responsible:</u> IDI	Medium risk.	To be addressed in the new Strategic Change project

Risk factor	Risk sub-factors	Planned control measures 2017-18	Responsible (main in bold)	Control measures taken October 2017-September 2018	Risk assessment by 30 th Sept 2018	Control measures planned and executed 2018-19	Risk assessment by 30 th Sept 2019	Control measures planned 2019-2020
				For purposes of synergizing support to NAC; some DPs are invited to attend the annual meeting.		Status: Partly done		
No impact	<ul style="list-style-type: none"> - Audit results not followed-up by Parliament or the Executive - Strengthening of the SAI meet significant resistance among influential elites 	<ul style="list-style-type: none"> - Sensitization of key stakeholders as a part of the project 	NAC and AFROSAI-E	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 Status: Not done	High risk	To be addressed in the new Strategic Change project Key to continue and scale-up systematic sensitization of key stakeholders. <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 30 th Sept 2018	Control measures planned and executed 2018-19	Risk assessment by 30 th Sept 2019	Control measures planned 2019-2020
Little sustainability of the support	<ul style="list-style-type: none"> - Renewed war - Unexpected change of AG or managers of the SAI 	<p>Sustainability risks related to the overall national situation in South Sudan can not be addressed, but sustainability is sought enhanced by:</p> <ul style="list-style-type: none"> - Involvement of a great number of NAC staff - Holistic approach in terms of both support to auditing, management quality control, reporting and dissemination – interlinked processes and systems 	NAC , IDI and AFROSAI-E	<p>Position of the international and donor community in general towards developmental support to South Sudan has also negatively affected support to the NAC.</p> <p>Sharing of knowledge not systematic in NAC I 2018.</p>	Medium	<p>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</p> <p>Status: Partly done. Shift to Juba, but not all staff and knowledge sharing.</p>	Medium risk	To be addressed in the new Strategic Change project, with greater country presence and involvement of staff.
Credibility of the SAI undermined	<ul style="list-style-type: none"> - Political conflict in South Sudan where the SAI is discredited as linked to the current government - Staff of the SAI involved in corruption 	<ul style="list-style-type: none"> - Assessment of the risk in the annual meeting - Support to active use of the code of ethics as a part of the audit process - Creating awareness of the risk among the resource persons 	NAC , IDI and AFROSAI-E	NAC continue to demonstrate its relevance and professional independence to the stakeholders; by exhibiting its non-partisan character and	Medium risk	<p>Support to active use of the code of ethics as a part of the audit process. <u>Responsible:</u> NAC</p> <p>Creating awareness of the risk among the</p>	Medium risk	To be addressed in the new Strategic Change project with similar measures.

Risk factor	Risk sub-factors	Planned control measures 2017-18	Responsible (main in bold)	Control measures taken October 2017-September 2018	Risk assessment by 30 th Sept 2018	Control measures planned and executed 2018-19	Risk assessment by 30 th Sept 2019	Control measures planned 2019-2020
				<p>disassociation from any forms of corrupt practices.</p> <p>Some stakeholders in the MDA received sensitization and awareness sessions that made them to understand the importance and the role of NAC.</p> <p>Resource persons have not been sensitized in this area in 2018, but was in 2017.</p>		<p>resource persons. <u>Responsible:</u> IDI</p> <p>Status: Not done as intended</p>		
Security for resource persons	<p>- Insecurity in Juba especially, but also some risk at other venues</p>	<p>- Regular assessment of which location is safe for meetings – plan for out-of-country in the current situation</p> <p>- Creating awareness of the risk among the resource persons</p>	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	<p>Low risk with activities out-of-country.</p> <p>Medium risk if activities in Juba.</p>	<p>Travel to Juba only under specific conditions and with proper preparedness. <u>Responsible:</u> IDI</p> <p>Status: Done</p>	Medium as activities in Juba	Travel to Juba only under specific conditions and with proper preparedness. <u>Responsible:</u> 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 30 th Sept 2018	Control measures planned and executed 2018-19	Risk assessment by 30 th Sept 2019	Control measures planned 2019-2020
		- Use of the IDI and AFROSAI-E routines for crisis management		other experts were already deployed and working with NAC (IGAD experts from Uganda SAI).				

