REPUBLIC OF RWANDA

Office of the Auditor General for State Finances

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Strategic Plan

October 2015

Table of Contents

List of Acronyms

ACCA:	Association of Chartered Certified Accountants
AFROSAI:	African Organisation of Supreme Audit Institutions
AG:	Auditor General
DAF:	Director of Administration and Finance
DAG:	Deputy Auditor General
DAPE:	Director of Audit of Public Enterprises
DCGA:	Director of Central Government Audits
DFID:	Department for International Development (UK)
DLGA:	Director of Local Government Audits
DPA:	Director of Project Audits
DPEA:	Director of Performance Audits
DPT:	Director for Professional Training
DQA:	Director of Quality Assurance
EDPRSII:	Economic Development and Poverty Reduction Strategy
ES:	Executive Summary
GBEs:	Government Business Enterprises
GFS:	Government Finance Statistics
ICPAR:	Institute of Certified Public Accountants of Rwanda
ICT:	Information Communication Technology
IFMS:	Integrated Financial Management System
IFRS:	International Financial Reporting Standards
IMF:	International Monetary Fund
INTOSAI:	International Organization of Supreme Audit Institutions
IPSAS:	International Public Sector Accounting Standards
ISA:	International Standards on Auditing
JIR:	Joint Implementation Review
KfW:	Kreditanstalt für Wiederaufbau/ German Development Cooperation
MDAs:	Ministries, Districts and Agencies
MIFOTRA:	Ministry of Public Service and Labour
MINECOFIN:	Ministry of Finance and Economic Planning
OAG:	Office of the Auditor General
PAC:	Public Accounts Committee

PEFA:	Public Expenditure and Financial Accountability
PFM:	Public Financial Management
PS:	Permanent Secretary
RMS:	Records Management System
RPPA:	Rwanda Public Procurement Authority
SAI:	Supreme Audit Institution
SP:	Strategic Plan
TA:	Technical Assistance

FOREWORD BY THE AUDITOR GENERAL

I have the honour to submit the three-year extension of the Strategic Plan [SP] of the Office of the Auditor General [OAG] for the years of 2015/16 -2017/2018. As we strive to execute our constitutional mandate, we must continue being innovative, efficient and effective in our operations. In an ever changing and competitive environment, it is not only imperative that we assess our current situation, set goals and develop organization capacity to reach these goals, but that we set the stage for the kind of change required to make OAG excel.

As the Auditor General, my task is to examine the government's financial operations and provide objective audit reports to Members of Parliament. Parliament uses these reports to hold the Government of Rwanda accountable for the stewardship and use of public funds in delivery of programmes and services to the people of Rwanda.

OAG is the Supreme Audit Institution for Rwanda [SAI] and is a member of the International Organization of Supreme Audit Institutions [INTOSAI] as well as being a member of the Africa Organization of Supreme Audit Institutions [AFROSAI]. Memberships to these international organizations have enabled OAG to benefit from sharing experience, building professional audit capacity and to benchmark itself with other SAIs.

OAG reports directly to Parliament as stipulated in Articles 183 and 184 of the Constitution of the Republic of Rwanda of 4 June 2003 as amended to-date. The Strategic Plan extension has included a program of activities to further strengthen the independence of OAG in line with internationally recognized best practices.

The current pressure on public finances presents significant opportunities to Government Business Enterprises (GBEs), Boards, Ministries, Districts and Agencies [MDAs] to deliver accessible and high quality services in a timely, efficient and economical manner within the laws of Rwanda. OAG will focus on the issues which bear most strongly on the use of resources across public institutions thus making both financial and performance audits very critical and priority areas.

The Strategic Plan extension outlines our intention to further build both our professional and institutional capacities as well as our capacity to be fully engaged with our stakeholders in a proactive manner so that OAG's knowledge and expertise drive efficiency and economic improvements in service delivery and to support our Parliament in its oversight role.

The core activities of OAG will continue to be in financial audit of MDAs, Boards, Government Business Enterprises (GBEs) and progressively increase performance audits and IT audits. In order to increase these audits, OAG internal capacity will further be enhanced through continued investment in audit automation and training of OAG staff.

I would like to thank the Government of Rwanda, our development partners and members of the INTOSAI for financial and technical assistance that they have been providing to OAG which, collectively, have enabled us to increase our capacity. As a result, it has increased significantly our audit coverage and improved quality of our audit services.

I look forward to renewing this partnership over the next three years as we intend to continue building our professional audit capacity so that OAG carries out the audits with lesser dependency on international consultants in the long run.

The Auditor General and all staff of OAG are dedicated to serving all our stakeholders and in particular our parliament and our nation in a professional manner consistent with our mission of "*promoting accountability, transparency and best practice in government operations as a means to good governance*" within the National Integrity Framework.

This three year extension Strategic Plan will be a guide to us both internally and externally as a useful reference for OAG and our development partners. We are greatly indebted to the Government of the Republic of Rwanda, our Parliament and the development partners for their support.

I would like to thank my staff who were deeply involved in developing the Strategic Plan extension. I am equally grateful to the development partners and the Government of Rwanda for their engagement and support towards this Plan. Finally, special thanks to the former Auditor General, Evelyn Kamagaju Rutagwenda for her immense efforts and contribution in building OAG and accountancy profession in Rwanda that is bearing fruits.

Together with and on behalf of OAG staff, I reiterate our commitment to successful implementation of this Strategic Plan.

October 2015
Obadiah Rwayitare Biraro
Auditor General

EXECUTIVE SUMMARY

ES 1: What is this Strategic Plan?

This Strategic Plan represents an extension and continuation of OAG's performance improvement programme that was detailed in its Strategic Plan for 2011 – 2016. This comprehensive and integrated set of reforms has been updated in 2015 in order to reflect more current priorities and proposals following a number of independent institutional and organisational reviews. These reviews set out a series of recommendations for implementation by OAG over the three financial years from July 2015 to June 2018.

The main building blocks of this Strategic Plan remain the existing five pillars, namely:-
1.   Enhancing the independence of OAG;
2.   Strengthening institutional capacity in line with its mandate;
3.   Building and strengthening professional audit capacity;
4.   Strengthening OAG's capacity to engage stakeholders effectively; and
5.   Oversight, coordination, implementation and monitoring of the Strategic Plan.

The main objective of these continued reforms is to firmly establish OAG as an acknowledged highly competent Supreme Audit Institution, fully able to deliver its mandate in line with international best practice.

ES 2: Objectives of the Strategic Plan and of the Pillars

a) Pillar 1: Enhancing the independence of OAG
The passing into law of the Audit Act in 2013 represented a significant step in establishing the independence of OAG. Further refinements to the legislation are desirable, together with greater flexibility and autonomy in OAG's management of its human and financial resources.

b) Pillar 2: Strengthening institutional capacity in line with its mandate
OAG will be restructured to provide for the introduction of new functions, as well as the strengthening of existing functions, such as internal audit, forensic audit, performance audit, communications, human resources, training and learning and information technology.

c) Pillar 3: Building and strengthening professional audit capacity

The main objective of this Pillar is to build a sustainable professional audit capacity for conducting audits including complex audit missions. The quality of audits will continue to be improved through adopting appropriate audit management techniques and enhancing the competencies of the audit staff with an ongoing focus of establishing a critical mass of professionally qualified auditors.

d) Pillar 4: Strengthening OAG's capacity to engage stakeholders effectively

The main objective of this Pillar is to build OAG's capacity for effective engagement and communication with its stakeholders in order to raise its profile and to demonstrate the results and benefits arising from highly effective OAG.

e) Pillar 5: Oversight, coordination, implementation and monitoring

Successful implementation of this Strategic Plan will require effective programme management skills and processes to plan, implement, monitor and report across a complex set of interdependent reform activities. At the centre of this Pillar will be the introduction of a comprehensive results framework which sets out the measures of success and the targets to be achieved.

ES 3: The Drivers of the Strategic Plan

Need to address staff turnover

The main challenge facing OAG is the difficulties in attracting and retaining high quality audit staff; high staff turnover is a continuing obstacle which mitigates against the OAG's intention to deploy qualified staff to conduct audits, in a sustained manner, which enables adequate audit coverage with a high degree of quality.

Need to develop adequate professional audit capacity

Although OAG has invested heavily on infrastructure and other support facilities, it is still short of professional audit capacity to conduct complex audit missions and this has necessitated contracting in professional firms paid for by the Development Partners. The approach to training in accountancy professional courses will be reviewed and enhanced with the intention of improving the pass rates achieved by the audit staff.

Need to continue with the automation of key audit processes

OAG's drive to deliver more effective and efficient audit services is reliant on the increased use of automated procedures and the use of information technology. Therefore, IT skills have to be upgraded in order to strengthen automation and standardization of the audit processes. Continued investment in maintaining and expanding the IT infrastructure is necessary.

Increasing demand for performance audits

Stakeholders are becoming more interested in holding government to account, to confirm that taxpayers' money is better spent, and the promised improvements in service delivery are achieved. Performance audit, with its focus on assessing value for money, is a key and growing feature of OAG's work.

Need for better communication with stakeholders

The work of the OAG is attracting more public interest as part of the growing interest in the accountability of government. The role of parliamentarians has become more visible through the workings of the Public Accounts Committee. There is potential to develop the interest of the media in the work of the OAG. A more comprehensive and effective communications strategy needs to be put in place to promote OAG, to more broadly and readily disseminate audit findings and recommendations and to stimulate public interest.

Need to establish a clear trajectory towards sustainability (the current trend is pointing to that direction)

OAG remains largely dependent technically and financially, on the support of Development Partners. It is acknowledged that OAG needs to move to a position of self sufficiency in the sense that it receives adequate funding from government and that it employs the necessary number of sufficiently skilled audit staff. Starting to implement an exit strategy for externally funded technical assistance and other recurrent costs, as part of an overall sustainability plan, is one of the innovations in this Strategic Plan.

ES 4: Oversight, coordination, implementation and monitoring of the Strategic Plan

The Auditor General, with the support of the Strategic Plan Technical Committee, will be responsible for the successful implementation of this Strategic Plan. Implementation of the proposed reforms to OAG forms an integral part of the wider public financial management an ex officio member of the Coordinating Forum that oversees the implementation of the national programme.

Development Partners are members of the Joint Coordinating Committee which is the main mechanism for OAG and Development Partner engagement. Each year, a joint review will be commissioned to assess and confirm progress to date. There will be reviews in 2016 and 2017 and a final review will be completed towards the end of the Strategic Plan's implementation period, in early 2018.

ES 5: Funding requirements

OAG's funding requirements over this Strategic Plan period is estimated at **US$19,480,439** (**See appendix B)** million, with Government providing **US$13,407,452** million (69%) and the Development Partners funding **US$6,072,987** million (31%) through the OAG's Sub Basket Fund.

Note that, for the amount of **US$6,072,987** only **US$ 3,669,746** (**See appendix B1)** is covered by the ceiling given by the Development Partners, and **US$ 2,403,241(See appendix B2)** is not covered by Development Partner.

ES 6: Risks and mitigation

There are three main risks to the successful implementation of this Strategic Plan.

Risk 1 is insufficient funding which affects adversely the likely sustainability of the gains made during the reform programme. There are several dimensions to this funding threat and these are:
1. Government may not meet the cost, in whole or in part, of the organisational restructuring and recruitment of additional staff due to budget constraints.
2. Government may not increase funding to match the gradual withdrawal of funding by Development Partners due to budget constraints.
3. Continued Development Partner funding is likely to undermine OAG's international ranking as a Level 3 Supreme Audit Institution
4. Unexpected withdrawal of Development Partner funding due to concerns that Government may not comply with partnership principles included in bilateral agreements.

Risk 2 is OAG's inability to recruit a sufficient number of high quality audit staff and to retain them post qualification.

Risk 3 is the lack of sufficient stakeholder support for OAG's increased emphasis on eliminating waste in the use of the State's finances through more effective auditing, including the commissioning of more effective performance audits.

The design of this Strategic Plan, and its implementation arrangements, mitigates these risks through the focus on improved communication by OAG within and outside Government. The proven track record of effective planning, coordination, monitoring and reporting will ensure that issues are addressed early and remedial action jointly with the rest of Government and with the Development Partners.

SECTION 1: INTRODUCTION

1.1 Background

The Office of the Auditor General of State Finances [OAG] is the Supreme Audit Institution [SAI] of Rwanda. The OAG was established in 1998 by Law no. 05/98 of 4th June 1998 and became the SAI of Rwanda in June 2003. It is headed by the Auditor General assisted by the Deputy Auditor General. The Office of the Auditor General is vested with legal personality.

In 2011, a five year strategic plan (SP) (2011/12-2015/16) was developed and, in 2014, there was mid-term review of the SP. The outcomes necessitated the need to extend the SP to better address OAG needs. Due to the ever changing and competitive environment, there was a need to re-assess our current situation, set goals and organizational capacity. This strategic plan extension is set against the above background and addresses among other issues; the mission of OAG, 5 strategic pillars and the required resources for the 3 years extension.

1.2: Legal Framework and Mandate

According to article 183 of the Constitution of the Republic of Rwanda as amended to-date, the responsibilities of the Auditor General include the following: "The Office of the Auditor General is an independent public institution responsible for the auditing of State Finances and Property".

1.3: Vision and Mission Statements, and its Core Values

The OAG's vision is "to promote an accountable, honest and effective Government administration". Its mission statement is "to promote accountability, transparency and best practice in government operations as a means to good governance" within the National Integrity Framework. The core values of the OAG are: Integrity; Objectivity; Independence; Accountability; Confidentiality; and Public interest.

The OAG's vision, mission and core values are built on the belief that those who are entrusted with public resources should be brought to account and are expected to use the resources transparently, efficiently, and there should be value for money within the laws of Rwanda.

1.4: Organizational Structure of OAG

Currently the Office is employing a total of 120 audit staff (excluding Auditor General and Deputy Auditor General) and 17 administrative and support staff. The OAG is currently organized into the following directorates:

a) **Directorate of Central Government Audits [DCGA]**

The directorate is responsible for auditing government ministries, departments and agencies.

b) Directorate of Audit of Public Enterprises [DAPE]

This directorate is responsible for the audit of government business enterprises [GBEs] sometimes referred to as public enterprises.

c) **Directorate of Local Government Audits [DLGA]**

This directorate is responsible for the audits of sub national (local) governments [Districts, and Kigali City Council] or sometimes referred to as local governments.

d) Directorate of Audits of Projects and Programmes [DAP]

This directorate is responsible for the audit of government and donor funded projects and programmes.

e) Directorate of Quality Assurance [DQA]

This directorate is responsible for preparing the annual report, quality control, legal affairs, Communications, research, planning, OAG Projects, and training.

f) Directorate of Administration and Finance [DAF]

This directorate is responsible for the budget, accounts, administration, and personnel matters of the OAG.

g) Directorate of Performance Audits [DPEA]

This directorate is responsible for conducting Value for Money Audits [VFM].

OAG has carried out a comprehensive organizational review in order to align its internal structures to its mandate as well as the public audit act.

1.5: Auditing environment in Rwanda

Reports of the AG to Parliament have identified several weaknesses in Rwanda's Public Financial Management [PFM] system. These weaknesses heavily impact on OAG's desired coverage and timely completion of audit assignments. They include among others the following key ones:-

a) There is a still lack of adequate capacity in accounting and financial management within the country which leads to significant bookkeeping weaknesses in boards, districts and Government Business Enterprises;

b) Most of the audited entities do not have effective internal audit units whilst some do not even have internal auditors;

c) Some audited bodies do not have audit committees while some have audit committees that are still ineffective;

d) Some audited public institutions have boards. However, they have not provided the necessary oversight role.

e) Some audited bodies do not prepare adequately for external audits as a consequence take a lot of time to be finalized;

d) Generally, internal controls in many audited bodies are still weak;

1.6: The Structure of the Strategic Plan

This Strategic Plan extension describes the background and rationale for the choice of the Strategic Actions, context, objectives and measurable deliverables, comprehensiveness and sequenced approach, responsibilities and co-ordination mechanisms as well as overall resource requirements and funding arrangements. It is the result of concerted and consolidated efforts, consultation and dialogue both within the OAG, a number of development partners and stakeholders, such as the MINECOFIN and PAC.

SECTION 2: THE STRATEGY

2.1: What is this Strategic Plan?

This Strategic Plan (SP) is an extension and expansion of the current Strategic Plan (2011-12 to 2015-16). The updating of the current plan at the end of only its fourth year of implementation is intended to take the opportunity to build on the recommendations of a number of recent diagnostic reviews of OAG[1], as well as to align the life of the new Strategic Plan (2015-16 to 2017-18) with the implementation of the Government's Economic Development and Poverty Reduction Strategy (EDPRSII) and the overall Public Financial Management Reform programme with which OAG's reform agenda is integrated. The design of this Plan has been informed by an updated SWOT analysis which is detailed in Annex A.

This SP is built around the existing five pillars for reform, namely:

1.   Further strengthening the independence of OAG;
2.   Strengthening institutional capacity in line with its mandate;
3.   Building and strengthening professional audit capacity;
4.   Strengthening OAG's capacity to engage stakeholders effectively; and
5.   Oversight, Coordination, implementation and monitoring pillar.

2.2: Overall Objective of the Strategic Plan

The overall objective of this three-year Strategic Plan *"is to embed the independence of OAG, build a sustained professional audit capacity, and lastly build institutional capacity for effective internal management and effective engagement with various stakeholders by June 2018"*. In delivering this objective, it will firmly establish OAG as a Level 3 Supreme Audit Institution as defined by AFROSAI-E (ICBF).

2.3: Pillar Specific Objectives

The specific objectives of each of the pillars are therefore:

a) Pillar 1: Further strengthening the independence of OAG

The main objective of this Pillar is to see that the provisions of OAG Public Audit Act are made fully operational in OAG's routine ways of working. Furthermore, the law provides for additional powers pre-requisite for OAG's independence, which if enacted, would further strengthen independence of the Office.

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[1] These reviews are: AFROSAI-E Quality Assurance Peer Review, Mid Term Evaluation (of the 2011-12 to 2015-16 Strategic Plan and the Institutional Review commissioned by OAG

However, though these measures are seen as desirable improvements, they will require continuous stakeholders' engagement for action.

b) Pillar 2: Strengthening institutional capacity in line with its mandate

The main objective of this Pillar is to strengthen institutional capacity in line with its mandate. This will be achieved by implementing the organisational restructuring recommended by the recent Institutional Review, continuing with improvements to the general management of the Office especially in relation to human resource management and the expansion and sustainability of the use of ICT.

c) Pillar 3: Building and strengthening professional audit capacity

The main objective of this Pillar is to build a sustainable professional audit capacity for conducting audits including complex audit missions. This will be achieved by implementing a set of human resource management measures (**including steps to enhance training and learning**) that will ensure adequacy of professional staff and minimize the impact of staff turnover; strengthening the Professional Training Unit; automating and standardizing audit processes; and continued strategic contracting, albeit on a reducing basis, with a heavy element of skills transfer during the planning, implementation and reporting of audits.

d) Pillar 4: Strengthening OAG's capacity to engage stakeholders effectively

The main objective of this Pillar is to build OAG's capacity for effective engagement and communication with its stakeholders in order to raise the profile and integrity of OAG. This will be achieved by building capacity for and improve communication with stakeholders; re-assess the nature and extent of the support to be provided to the Public Accounts Committee; and improve coordination with other government integrity agencies. The key identified stakeholders include PAC, audited bodies, MINECOFIN, Development Partners, audit firms, other government integrity bodies, the media and public.

e) Pillar 5: Oversight, coordination, implementation and monitoring

The main objective of this Pillar is to ensure that the SP is implemented effectively, it remains on track and there is improved coordination internally and externally so that the strategic objectives are ultimately achieved. This will be achieved by adopting a comprehensive results framework to monitor the SP implementation, continuing with the role of the Steering Committee (Joint Coordination Committee) and Technical Working Group, appointing a Project Officer; conducting an annual audit of the PFM Basket Sub-account for OAG; sustaining peer reviews; conducting a mid-term review of the SP in mid 2017; and conducting an end-of-project review in early 2018.

2.4: Strategic Pillar 1: Further strengthening the Independence of OAG

2.4.1: Context of the Pillar

Public Audit (OAG) Act was gazetted in November, 2013 and it should continuously enhance the independence of OAG. Further internal measures will be taken by OAG to ensure that this independence becomes fully operational as part of its routine ways of working. Although the passing of the Act was a major step forward, the recent AFROSAI-E Peer Review noted that further reforms are needed for OAG to become fully compliant with the AFROSAI-E Level 3 performance standard.

2.4.2: Strategic Actions of this Pillar & Sub-activities

The main objective of this Pillar is to ensure that the provisions of OAG Public Act become fully operational. In addition, OAG will engage strategic stakeholders to further strengthen its independence through: Putting in place -Statute Governing OAG staff and implementing proposed OAG structure.

Further strengthening of OAG's independence

The areas for further reform are as follows:

a) For the AG to have One non-renewable term (say 8 years), rather than 5 year term,

b) To amend article 12, article 18 and article 20 of the Public Audit Act in order to remove the contradiction to article 3. Since article 3 already gives the office administrative autonomy, it should be left to the office to determine salaries, make appointments and determine benefits of the office members and to deal with the required internal rules and regulations.

c) The Secretary General's appointment to be left entirely at the discretion of the AG

d) The salary and other benefits to be set by the AG, within the limits set by a Parliamentary budget appropriation.

2.5: Strategic Pillar 2: Strengthening institutional capacity in line with its mandate

2.5.1: Context of the Pillar

OAG has adequate office infrastructure and facilities and is well organized. OAG is headed by the AG, and supported by technical directors for different types of audit client institutions, and for support functions like finance and administration, and for quality assurance. The recommendations of the recent Institutional Review will be implemented and this will involve setting up new business units as well as increasing staffing numbers, as and when funding becomes available.

Also, further improvements need to be made in the management of the IT infrastructure to ensure sustainability and to provide for the increasing use of IT for both OAG's management systems as well as for the efficient and effective implementation of audits.

2.5.2: Strategic Actions of this Pillar & Sub-activities

The objective of this Pillar will be achieved through implementing seven strategic activities and several sub-activities as listed below:

I. Implement organisational restructuring of OAG

a) Establish the Internal Audit function

b) Establish IT and Forensic Audit Department

c) Strengthen the Training and Development Unit

d) Secretary General to have administrative oversight of following business units: Finance and Administration, ICT, HR, Training and Development, PR and Communications, Legal Services and Procurement.

II. Increase recruitment and improve staff retention

a) Recruit additional staff in line with the restructuring of OAG subject to budget availability

b) Implement approved HR policies and measures to help improve staff retention

III. Continue to strengthen the management of the ICT function

a) ICT Draft Strategy to be finalised and implemented

b) Complete IT policy and circulate to staff

c) Establish process for disposal of ICT equipment

IV. Continue with office automation

a) Ensure that TEAMMATE is being used to capture time recording. Re-align this timesheet related activity with audit automation activities. Introduce targets to ensure that the time recording informs management on appropriate decisions to take like resource allocations

b) Complete implementation of electronic records management

c) Ensure Road Map for e-records is integrated in planning and budgeting

d) Review the extent to which IDEA Software Champion Group is sustainable for lessons learned

e) Complete assessment of the impact of office automation on OAG audit methodology and working practices

f) Apply results of the impact assessment to inform decisions on future ICT investments, including the replacement of equipment and running costs such as funding of licences

g) As a result of the above (e) and (f)) update the ICT Strategy and include funding requirements in the ICT budget

V. Complete sustainability assessments of critical business areas (such as international TA, professional training costs and ICT costs) to ensure continuity of capacity and sufficiency of funding.

VI. Complete graduation/exit strategy for international TA
VII. Strengthen training and learning
a) Review provision for developing appropriate management and leadership skills

b) Implement relevant professional development opportunities for Performance Audit staff

2.6: Strategic Pillar 3: Building and strengthening professional audit capacity

2.6.1: Context of the Pillar

OAG has been beset, for several years, with the problem of high staff turnover as trained and skilled professional accountants leave for *"greener pastures"* elsewhere. Although this is not a unique problem to the OAG alone in Rwanda, the OAG continues to experience very high staff turnover despite its efforts in recent years to improve retention rates. As a consequence, OAG has to look to DPs to fund audit firms to supplement the available audit resources to increase the audit coverage.

2.6.2: Strategic Actions of the Pillar and Sub-activities

The main objective of this pillar is to up-scale professional audit capacity building of OAG so that, by June 2018, it has adequate professional audit capacity to conduct all audits of central ministries, agencies, local governments and performance audits by itself without technical assistance from audit firms that are funded by DPs. However, some contracting of consultants or audit firms where there are resource gaps or technical skills gaps, will continue.

The OAG will implement a set of sub-activities in each strategic activity as listed below.

I. Implement HR policies and practices to help improve staff retention
a) Implementation of changes relating to:

- Pay and incentives

 - Career paths

- Bonding of staff undergoing professional studies

- Approach to skills transfer by international TA and contracted-in audit firms

II. Strengthen management of training and learning

a) Review effectiveness of current training programmes and implement improvements, if necessary:

b) Continuous conducting of trainings in;

- Specialised areas (VFM, IT, Forensic)

- Professional courses like; ACCA, CIA, CPA (Rwanda and Kenya), CFE and CISA

- INTOSAI/AFROSAI

c) Ensure all programmes have clear objectives and key performance indicators in terms what is expected to be achieved and how results will be measured

d) Strengthen the Training and Development Unit (see pillar two above)

III. Continuous improvements to audit management and audit quality

a) Implement comprehensive performance assessment frameworks for each of the following audit clusters:

- Central government

- Sub national governments

- Government Business Enterprises

- Project and programmes

- Performance

IV. Continue with the contracting-in of audit firms

V. Implementation of a continuous audit quality improvement programme to achieve INTOSAI/AFROSAI audit standards on a sustainable basis

2.7: Strategic Pillar 4: Strengthening OAG's capacity to engage stakeholders effectively

2.7.1: Context of the Pillar

The identified key stakeholders are PAC; audited bodies; the media and the general public; audit firms; and also other integrity agencies of the State (namely: Prosecutor General; Office of the Ombudsman; Rwanda Public Procurement Authority; and the Anti-Corruption Commission)

2.7.2: Strategic Actions of the Pillar and Sub-activities

The objective of the Pillar is to develop OAG's capacity to engage its stakeholders in a professional manner in order to enhance its public image in contributing to greater accountability and excellent corporate governance. The objective of the Pillar will be achieved by OAG undertaking a series of activities and sub activities as listed below.

I. **Develop an Engagement Plan to guide interaction with the PAC**

a) Review the nature and extent of OAG support to PAC over the Strategic Plan period

b) Prepare an Engagement Plan, with objectives, targets and indicators and supported by indicative budgets

c) Discuss and agree with Chair of the PAC, and implement.

II. Strengthen communications with stakeholders

a) Agree Communication Strategy with clear objectives and key performance indicators;

b) Broaden and deepen OAG's engagement with the media and civil society through proactive briefings and regular exchanges of information;

c) Review the current disclosure /confidentiality policy with a view to putting more documents into the public domain on a more timely basis;

d) Upgrade the website and ensure ongoing revisions, including the potential use of social media tools.

2.8: Strategic Pillar 5: Oversight, implementation and monitoring of the Strategic Plan
2.8.1: Context

The SP is to be implemented during the next three years within an overall framework of the ongoing Public Financial Management (PFM) Reform Strategic Plan that is planned to end on 30 June 2018. OAG has been receiving financial support from the international community through a pooled funding arrangement, which largely provided technical assistance for audit and assurance services, which too will come to an end on 30 June 2018.

The objective of this Pillar is to provide for the internal oversight, coordination, implementation, and monitoring arrangements in OAG for the SP and for the use of OAG sub basket Fund. The AG or his representative, as an Ex-Officio member of the PFM Coordinating Forum, will continue to provide regular reports to the Forum. Furthermore, the implementation of the SP is mainstreamed with OAG directors taking responsibility for implementing various activities. The SP provides for various reviews, audit of the PFM Basket Sub-account for OAG that will be established for this purpose, and appointment of a Project Officer to help ensure activities are on track.

2.8.2: Strategic Actions for the Pillar and Sub-activities

The objective of the Pillar will be achieved by continuing with the established implementation, coordination and oversight framework for the SP; with the continued operation of the PFM Basket Sub-account for OAG. The key activities and sub-activities of the Pillar are listed below:

I. Strengthened management of the Strategic Plan

a) Appointment of a Project Officer

b) Put in place a comprehensive results framework for monitoring and reporting of the implementation of the SP. The framework will:

- Closely align annual work plans to SP objectives

- Align SP results framework with results frameworks adopted by DPs in support of the Basket Fund

c) Management Team responsibilities will align more closely with SP activities; with key results areas in the SP being linked to the key performance indicators (KPI's) of individual directors.

II. Complete independent reviews of performance

a) Annual reviews in 2016 and in 2017

b) Final review in last quarter FY2017-2018

SECTION 3: OVERSIGHT, COORDINATION, IMPLEMENTATION & SEQUENCING

3.1: Oversight of the Strategic Plan

Internally, within OAG, the oversight of the SP is provided by the AG, assisted by the technical support of the SP's Technical Committee (Technical Committee), chaired by the Deputy Auditor General with representation from all the directorate heads, legal advisor and SG. Externally, the Coordinating Forum for the PFM Strategic Plan will oversee the integration and coordination of the SP within the overall PFM reform programme.

3.2: Coordination of SP implementation
3.2.1: External Coordination

The AG, or a nominated representative, is an 'Observer' *member* of the national PFM Steering Committee. To ensure effective external coordination of the SP with that of the PFM Reform Strategy, the AG is responsible for coordinating implementation of the SP with external agencies and DPs. The AG will provide that strategic link between OAG's SP and the PFM Strategic Plan at the PFM Coordination Forum level. OAG's reporting on planning, progress and budget execution reports continue to be an integral part of the PFM Coordination meetings.

3.2.2: Internal Coordination

The SG is responsible to the AG for coordinating the implementation of the SP. The heads of directorates, Project Officer, legal advisor and SG, under the Chair of Deputy Auditor General, are members of the SP Technical Committee. This SP Technical Committee will meet on a monthly basis. It will be responsible for coordinating and monitoring implementation, and will also be responsible for resolving any technical issues at the technical level. The Project Officer, in collaboration with department heads and SG, will be responsible for preparing monthly, quarterly and annual reports on the progress of implementing the SP.

3.3: Implementation arrangements
3.3.1: Mainstreaming implementation

The implementation of the SP will be undertaken within the overall framework of the national PFM Reform Strategy. Progress reports on SP implementation will be provided to the PFM Coordinating Forum by OAG for noting as well as to the DPs.

Implementation of the SP is mainstreamed into OAG's routine business processes, with the heads of the directorates (the Directors) responsible for the planning, executing, management and reporting on their respective activities. This will also include budgeting, procurement planning, commitment and procurement.

To help ensure the effective implementation and monitoring of the SP, each Director produces regular progress reports in writing for the monthly meetings of the Technical Committee, and after such meetings the SG with the support of the Project Officer will prepare a consolidated, summary progress report for submission to the AG.

The Directors and other officers of OAG will draw on consultants (where needed) with a blend of both international and national who have specialist and relevant skills; the number of the consultants depends on the volume and complexity of reform activities. All the consultants are supervised by the immediate directors at first level, and coordinated by the SG.

3.3.2: Project Officer

The Project Officer, in supporting the SG, will help to ensure proper coordination, sequencing and facilitation of all reforms to ensure that objectives and targets envisaged are realised on time. In this capacity, the Project Officer will be supported by a dedicated Finance Officer. The Project Officer will provide a quality assurance role of the work of the external consultants contracted by OAG to assist with the SP implementation. He/she will assist the Directors with their regular reporting to the Technical Committee and will support the Secretary General in preparing the consolidated, monthly summary reports to the Auditor General.

The SG, as the accounting officer supported by the Project Officer and the Finance Officer (working within the Directorate of Administration and Finance) will use national systems for procurement, financial management and accounting.

3.3.3: Assignment of implementation responsibilities

The implementation of the SP is undertaken and managed by the SG, Directors and other officers of OAG with direct coordination and support of the Project Officer. In the tables below, and for each Strategic Activity, an overall leader is identified who may be assisted by other staff identified by a sub-activity.

This assignment of responsibilities will be reviewed periodically to ensure that it remains balanced and ensures implementation is on track to achieve the desired objectives. Set out below are the responsibilities:

Table 3.1: Strategic Pillar 1: Enhancing the Independence of OAG

Strategic Activity		Leadership and Sub activities	Line Officer
1.1	Operationalize the OAG Public Act	**Auditor General**	
		Approval of OAG new organisation structure and implement	
		Special statute for OAG staff gazetted	
1.2	Further strengthening of OAG's independence	**Auditor General**	Legal Advisor
		1.2.1 AG to have 1 non-renewable term (say 8 years)	
		1.2.2 Amend article 12, article 18 and article 20 of the Audit Act in order to remove the contradiction to article 3	
		1.2.3 SG's appointment at the discretion of the AG	
		1.2.4 Salary scales and other benefits to be set by the AG, within the limits set by a Parliamentary budget appropriation.	

Table 3.2: Strategic Pillar 2: Strengthening Institutional Capacity in line with its mandate

Strategic Activity		Leadership and Sub activities	Line Officer
2.1	Implement organisational restructuring of OAG	**Auditor General**	
		2.1.1 Establish the Internal Audit Department	SG
		2.1.2 Establish IT and Forensic Audit Department	SG
		2.1.3 Strengthen the Training and Development Unit	Director, QAD
		2.1.4 SG to have administrative oversight of following business units: Finance and Administration, ICT, HR, Training and Development, Legal Services and Procurement	Legal Advisor
2.2	Increase recruitment and improve staff retention	**Auditor General**	
		2.2.1 Recruit additional staff in line with the restructuring of OAG, subject to budget availability	SG & HRM
		2.2.2 Review the current HR policies and decide on those measures to be implemented to help improve staff retention	HRM
2.3	Continue to	**Secretary General**	

	strengthen the management of the ICT function	2.3.1 ICT Draft Strategy to be finalised and implemented	IT Manager
		2.3.2 Complete IT policy and circulate to staff	IT Manager
		2.3.3 Establish process for disposal of ICT equipment	IT Manager
2.4	Continue with office automation	**Secretary General**	
		2.4.1 Ensure that TEAMMATE is being used to capture time recording. Re-align this timesheet related activity with audit automation activities. Introduce targets to ensure that the time recording informs management decisions and resource allocations	Director, QAD
		2.4.2 Complete implementation of electronic records management	IT Manager
		2.4.3 Ensure Roadmap for e-records is integrated into planning & budgeting	IT Manager
		2.4.4 Review the extent to which the IDEA Software Champion Group is sustainable for lessons learned	Director, DCA
		2.4.5 Complete assessment of the impact of office automation on OAG audit methodology and working practices	Director, QAD
		2.4.6 Apply results of the impact assessment to inform decisions on future ICT investments, including the replacement of equipment and running costs such as funding of licences	IT Manager
		2.4.7 As a result of the above (2.4.4 & 2.4.6) update the ICT Strategy and include funding requirements in the ICT budget	IT Manager
2.5	Complete sustainability assessments of critical business areas	**Auditor General**	
		2.5.1 International Technical Assistance	SG
		2.5.2 Professional training	Directors, QAD & HRM
		2.5.3 ICT	IT Manager
2.6	Complete graduation/exit strategy for international TA	**Auditor General**	SG and Director, QAD
		Preparation of an exit strategy	
		Implementation of an exit strategy and challenges noted acted on accordingly	
2.7	Strengthen training and learning	**Secretary General**	
		2.7.1 Review provision for developing appropriate management and leadership skills	HRM
		2.7.2 Implement relevant professional development opportunities for Performance Audit staff	Directors, QAD & PAD

Table 3.3: Strategic Pillar 3: - Building & strengthening internal professional audit capacity for audits

Strategic Activity	Leadership and Sub activities	Line Officer
3.1 Update HR policies and practices to help improve staff retention	**Secretary General**	
	3.1.1 Review and implementation of changes relating to: - Pay and incentives - Career paths - Bonding of staff undergoing professional studies - Approach to skills transfer by international TA and contracted-in audit firms	Directors, QAD & HRM
3.2 Strengthen management of training and learning	**Secretary General**	
	3.2.1 Review effectiveness of current training programmes and implement improvements, if needed: - Standards - Specialised areas (VFM, IT, Forensic) - ACCA - INTOSAI/AFROSAI	Director, QAD
	3.2.2 Ensure all programmes have clear objectives and key performance indicators	Director, DLA
	3.2.3 Strengthen the Training and Development Unit	Director, QAD
3.3 Continuous improvements to audit management and audit quality	**Auditor General**	
	3.3.1 Implement comprehensive performance assessment frameworks for each of the following audit clusters: - Central government - Sub national governments - Government Business Enterprises - Project and programmes - Performance	Respective Directors in charge of each cluster
3.4 Continue with the contracting-in of audit firms	Auditor General	Director-QAD
	Recruitment and contracting an international audit firm	
3.5 Implementation of a continuous audit quality improvement programme	Auditor General	Director-QAD
	Assessment of quality gaps through review of audit files of completed assignments	
	Training in quality improvement	
	Participating in technical updates of AFROSAI-E	

Table 3.4: Strategic Pillar 4: Strengthening OAG's Capacity for Engaging Stakeholders Effectively

	Strategic Activity	**Leadership and Sub activities**	**Line Officer**
4.1	Develop an Engagement Plan to guide interaction with the PAC	Auditor General	
		4.1.1 Review the nature and extent of OAG support to PAC over the Strategic Plan period	Legal Advisor
		4.1.2 Prepare an Engagement Plan, with objectives, targets and indicators and supported by indicative budgets	Legal Advisor
		4.1.3 Discuss and agree with Chair of the PAC, and implement.	Legal Advisor
4.2	Strengthen communications with stakeholders	**Secretary General**	
		4.2.1 Agree Communication Strategy with clear objectives and key performance indicators	Director-DLA
		4.2.2 Broaden and deepen OAG's engagement with the media and civil society through proactive briefings and regular exchanges of information	Legal Advisor
		4.2.3 Review the current disclosure /confidentiality policy with a view to putting more documents into the public domain on a more timely basis	Legal Advisor
		4.2.4 Upgrade the website and ensure ongoing revisions, including the potential use of social media tools	IT Manager

Table 3.5: Strategic Pillar 5: Oversight, Coordination, Implementation & Monitoring the Strategic Plan

	Strategic Activity	**Leadership and Sub activities**	**Line Officer**
5.1	Strengthened management of the Strategic Plan	**Auditor General**	
		5.1.1 Appoint a Project Officer	HRM
		5.1.2 Put in place a comprehensive results framework for monitoring and reporting of the implementation of the Strategic Plan	SG/PO
		5.1.3 Align Management Team responsibilities more closely with SP activities; with key results areas in the SP being linked to the KPI's of individual directors.	DAG
5.2	Complete independent reviews of performance	**Secretary General**	
		5.2.1 Facilitate reviews in 2016 and 2017	SG
		5.2.2 Facilitate final review in last quarter FY2017-2018	SG

3.4: Sequencing implementation of the Strategic Plan

The implementation of the Strategic Plan will be spread over three years. The phasing and sequencing of the implementation activities have been informed by the necessity to maintain and sustain the reform momentum achieved to date, to continue to raise audit quality and to prepare for a structured and timely withdrawal of the DPs' technical and financial support. The outline timetable presented below reflects the following priorities:

Priority 1: To complete those tasks carried forward from the current SP, to broaden and deepen the quality of audits through the activities included in Pillar 3 and to start the restructuring of OAG as described in Pillar 2

Priority 2: To strengthen OAG's communication and engagement with its external stakeholders as set out in Pillar 4

Priority 3: To continue to lobby for the increased independence of OAG in line with the tasks described in Pillar 1.

Underpinning all of these three priorities is the need to strengthen the management and delivery of the SP and implementation of the relevant activities, as set out in Pillar 5 will start in the first year and continue to be refined and improved over the three years. The sequencing of the implementation will be reviewed annually to ensure that overall objectives of the Strategic Plan are met and kept on track. Set out below is an indicative sequencing of various activities of the Strategic Plan.

Table 3.6: Strategic Pillar 1: Enhancing the Independence of OAG

Activities	2015-16	2016-17	2017-18
Strategic Activity 1.1 - Operationalize the Public Audit Act			
Sub Activities:			
Approval of OAG new organisation structure and implement			
Special statute for OAG staff gazetted			
Strategic Activity 1.2 - Further strengthening of OAG's independence			
Sub Activities:			
1.2.1 AG to have 1 non-renewable term			
1.2.2 Amend article 12, article 18 and article 20 of the Audit Act in order to remove the contradiction to article 3			
1.2.3 SG's appointment at the discretion of the AG			
1.2.4 Salary scales and other benefits to be set by the AG, within the limits set by a Parliamentary budget appropriation.			

Table 3.7: Strategic Pillar 2: Strengthening Institutional Capacity in line with its mandate

Activities	2015-16	2016-17	2017-18
Strategic Activity 2.1 - Implement organisational restructuring of OAG			
Sub Activities:			
2.1.1 Establish the Internal Audit Department	▓	▓	
2.1.2 Establish IT (in 2015-16) and Forensic Audit Department(in 2017-18)	▓	▓	▓
2.1.3 Strengthen the Training and Development Unit	▓	▓	▓
2.1.4 SG to have administrative oversight of following business units: Finance and Administration, ICT, HR, Training and Development, PR and Communications (in 2017-18), Legal Services and Procurement	▓	▓	▓
Strategic Activity 2.2 - Increase recruitment and improve staff retention			
Sub Activities:			
2.2.1 Recruit additional staff in line with the restructuring of OAG, subject to budget availability	▓	▓	▓
2.2.2 Review the current HR policies and decide on those measures to be implemented to help improve staff retention	▓		
Strategic Activity 2.3 - Continue to strengthen the management of the ICT function			
Sub Activities:			
2.3.1 ICT Draft Strategy to be finalised and implemented	▓		
2.3.2 Complete IT policy and circulate to staff	▓		
2.3.3 Establish process for disposal of ICT equipment	▓		
Strategic Activity 2.4 - Continue with office automation			
Sub Activities:			
2.4.1 Ensure that TEAMMATE is being used to capture time recording. Re-align this timesheet related activity with audit automation activities. Introduce targets to ensure that the time recording informs management decisions and resource allocations	▓		
2.4.2 Complete implementation of electronic records management	▓		
2.4.3 Ensure Roadmap for e-records is integrated into planning & budgeting	▓		
2.4.4 Review the extent to which the IDEA Software Champion Group is sustainable for lessons learned	▓		
2.4.5 Complete assessment of the impact of office automation on OAG audit methodology and working practices		▓	
2.4.6 Apply results of the impact assessment to inform decisions on future ICT investments, including the replacement of equipment and running costs such as funding of licences		▓	

Activities			
2.4.7 As a result of the above (2.4.4 & 2.4.6) update the ICT Strategy and include funding requirements in the ICT budget			
Strategic Activity 2.5 - Complete sustainability assessments of critical business areas			
Sub Activities:			
2.5.1 International TA			
2.5.2 Professional training			
2.5.3 ICT			
Strategic Activity 2.6 - Complete graduation/exit strategy for international TA			
Preparation of exit strategy and implement			
Strategic Activity 2.7 - Strengthen training and learning			
Sub Activities:			
2.7.1 Review provision for developing appropriate management and leadership skills			
2.7.2 Implement relevant professional development opportunities for Performance Audit staff			

Table 3.8: Strategic Pillar 3: - Building & strengthening internal professional audit capacity for audits

Activities	2015-16	2016-17	2017-18
Strategic Activity 3.1 - Update HR policies and practices to help improve staff retention			
Sub Activities:			
3.1.1 Review and implementation of changes relating to: - Pay and incentives - Career paths - Bonding of staff undergoing professional studies - Approach to skills transfer by international TA and contracted-in audit firms			
Strategic Activity 3.2 - Strengthen management of training and learning			
Sub Activities:			
3.2.1 Review effectiveness of current training programmes and implement improvements, if necessary: - Standards - Specialised areas (VFM, IT, Forensic) - ACCA - INTOSAI/AFROSAI			
3.2.2 Ensure all programmes have clear objectives and key performance indicators			
3.2.3 Strengthen the Training and Development Unit			
Strategic Activity 3.3 – Continuous improvements to audit management and audit quality			
3.3.1 Implement comprehensive performance assessment frameworks for each of the following audit clusters: - Central government			

- Sub national governments - Government Business Enterprises - Project and programmes - Performance			
Strategic Activity 3.4 - Continue with the contracting-in of audit firms			
Recruitment and contracting of international audit firms			
Strategic Activity 3.5 - Implementation of a continuous audit quality improvement programme			
Assessing of quality gaps through review of audit files of completed assignments			
Training of staff in quality improvement			

Table 3.9: Strategic Pillar 4: Strengthening OAG's Capacity for Engaging Stakeholders Effectively

Activities	2015-16	2016-17	2017-18
Strategic Activity 4.1 - Develop an Engagement Plan to guide interaction with the PAC			
Sub Activities:			
4.1.1 Review the nature and extent of OAG support to PAC over the Strategic Plan period			
4.1.2 Prepare an Engagement Plan, with objectives, targets and indicators and supported by indicative budgets			
4.1.3 Discuss and agree with Chair of the PAC, and implement.			
Strategic Activity 4.2 - Strengthen communications with stakeholders			
Sub Activities:			
4.2.1 Agree Communication Strategy with clear objectives and key performance indicators			
4.2.2 Broaden and deepen OAG's engagement with the media and civil society through proactive briefings and regular exchanges of information			
4.2.3 Review the current disclosure /confidentiality policy with a view to putting more documents into the public domain on a more timely basis			
4.2.3 Upgrade the website and ensure ongoing revisions, including the potential use of social media tools			

Table 3.10: Strategic Pillar 5: Oversight, Coordination, Implementation & Monitoring the Strategic Plan

Activities	2015-16	2016-17	2017-18
Strategic Activity 5.1 - Strengthened management of the Strategic Plan			
Sub Activities:			
5.1.1 Appoint a Project Officer	▓		
5.1.2 Put in place a comprehensive results framework for monitoring and reporting of the implementation of the Strategic Plan	▓	▓	
5.1.3 Align Management Team responsibilities more closely with SP activities; with key results areas in the SP being linked to the KPI's of individual directors.	▓	▓	
Strategic Activity 5.2 - Complete independent reviews of performance			
Sub Activities:			
5.2.1 Mid-term review in last quarter of FY 2016-17		▓	
5.2.2 Final review in last quarter FY2017-2018			▓

SECTION 4: FUNDING, MANAGEMENT & COSTING

4.1: Funding

4.1.1: Summary

OAG's funding requirements over this Strategic Plan period is estimated at **USD19,480,439 million, with Government providing USD13,407,452million (69%) and the Development Partners funding USD6,072,987 million (31%) through the OAG's Sub Basket Fund.** GoR will provide for all personnel costs and related running costs; DPs will provide finance for infrastructure, ICT, capacity building and technical assistance.

Note that, for the amount of **US$6,072,987** only **US$ 3,669,746** (**See appendix B1)** is covered by the ceiling given by the Development Partners, and **US$ 2,403,241(See appendix B2)** is not covered by Development Partner.

4.1.2: PFM Basket Sub-account for OAG

Management of the DP funding will continue to be administered through the PFM Basket Sub-account for OAG [the Fund] managed directly by OAG and coordinated by the Single Project Implementation Unit located in MINECOFIN.

4.2: Management of the PFM Basket Sub-account for OAG
4.2.1: Availability of funds

On an annual basis, DPs in discussion with OAG through the Joint Coordinating Committee (JCC), will agree annual work plans for the next financial year. On the basis of these agreed work plans, the DPs will release a single lump payment to the Fund to cover the estimated costs of the agreed activities.

4.2.2: Responsibilities

AG has the overall responsibility for the funds of SP. However, the day to day responsibility of management of funds is delegated to SG as the accounting officer who will be responsible for maintaining accounts and proper internal controls and preparing financial reports in accordance with Article 21 of the Organic Budget Law No 37/2006 and article 9 and 11 of the Ministerial Order No 002/07 on Financial Regulations. AG and SG are supported by the DAF with a dedicated Finance Officer to ensure that the Fund is properly managed and accounted for on timely and regular basis. National systems for financial management, including procurement and reporting will continue to be used.

Appropriate controls including a full audit trail will be put in place to ensure accountability for the funds. In accordance with the Government's regulatory framework, AG and SG, through the DAF, will continue to ensure that proper books of account are maintained for the Fund account in accordance with the guidelines for the Fund's operations as set out in OAG's Financial Management Manual. An independent external audit of the Fund's transactions will be completed and a copy of the audit report shall be submitted to the DPs.

4.2.3: Procurement arrangements

Procurement of works, goods and services will continue to be in accordance with Government procurement legislation. To ensure value for money, procurement will be guided by a procurement plan to be developed once an annual budget has been appropriated. Further details on contracting and procurement arrangements are included in the Financial Management Manual of Government.

4.2.4: Responsibilities of the Director of Administration and Finance

The DAF, in consultation with the AG, SG and Project Officer, will prepare quarterly and annual financial statements on the Fund's transactions. In relation to the Fund, the DAF is responsible for ensuring:-

i. Close supervision of the Finance Officer;

ii. Ensuring availability and safe custody of funds;

iii. Disbursements of funds are made according to approved annual action plan, and established or approved procedures;

iv. Close working relationships and consultations with the development partners and obtain necessary clearances and approvals as may be appropriate before funds are disbursed;

v. Maintenance of proper books and accounting records for the Fund sufficient to provide reliable accounting reports;

vi. That all internal controls for the funds are functioning properly;

vii. Preparation and timely submission of regular financial monitoring reports and other reports as may be required from time to time on a timely basis; and

viii. Proper management of and reporting on the Fund.

The role of the Finance Officer is as follows:

i. Keeps OAG project's books of account and verify and post transactions

ii. Prepares, monitors execution of the budget and provides financial information for the OAG's project budget cycle

iii. Prepares monthly, quarterly and annual financial reports

iv. Be in touch with the Ministry of Finance for matters related to accounting of Project transactions

v. Preparing and filing of Project supporting documents

4.3: Costing the Strategic Plan

4.3.1: General

The costing of the SP includes those activities that are outside the normal functioning of OAG and excludes those activities funded directed by the GoR through annual appropriations.

4.3.2: GoR's contribution

The contribution of the Government will provide for those personnel and recurrent costs projected under the latest Medium Term Expenditure Framework which are presented in aggregate in Table 4.1 below:-

Table 4.1: MTEF forecasts for OAG

	FY2015-16	FY2016-17	FY2017-18	TOTAL
GoR funding in Frw (Billions)	2,716,413,840	3,424,040,640	3,512,910,960	**9,653,365,440**
Equivalent in USD (millions)	3,772,797	4,755,612	4,879,043	**13,407,452**

[Source: OAG MTEF]

4.3.3: Costing Summary of the Strategic Plan

Set out below, in Table 4.2, is the costing of the SP by pillar, main activity and year for which DP funding of **USD6,072,987** is required. The highlights of this costing profile are as follows:

a) *By Pillars:* the funding priorities in order of size of costs are sequenced as follows:

1. Pillar 3: - Building & strengthening internal professional audit capacity for audits, 63%

2. Pillar 2: Strengthening Institutional Capacity in line with its mandate, 26%

3. Pillar 4: Strengthening OAG's capacity for engaging stakeholders effectively, 6%.

4. Pillar 5: Oversight, coordination, implementation & monitoring of the SP, 5%

b) *By Activities:* In terms of activities, there are four strategic activities that account for **65%** of the funding requirements and they are:

1. Audit management and quality, 46% of total estimated costs

2. Office automation, 30%.

3. Continue with the contracting-in of audit firms 18%

4. Training and learning, 6%

The major type of costs relates to professional fees and related expenses, as well as tuition fees and related training costs.

Set out below is the summary of costs for implementing this SP.

Table 4.2: Summary of costs by Pillar (in US$000s)

Strategic Pillars and Activities	2015-16	2016-17	2017-18	Total
Strategic Pillar 1: Enhancing the Independence of OAG				
1.1 Further strengthening of OAG's independence	0	0	0	0
Sub total	*0*	*0*	*0*	*0*
Strategic Pillar 2: Strengthening Institutional Capacity in line with its mandate				
2.1 Implement organisational restructuring of OAG	0	0	0	0
2.2 Increase recruitment and improve staff retention	0	0	0	0
2.3 Continue to strengthen the management of the ICT function	0	0	0	0
2.4 Continue with office automation	439,500	521,100	224,600	1,185,200
2.5 Complete sustainability assessments of critical business areas	0	65,000	108,000	173,000
2.6 Complete graduation/exit strategy for international Technical Assistance	0	0	0	0
2.7 Strengthen training and learning	60,000	90,000	95,000	245,000
Sub total	*499,500*	*676,100*	*427,600*	*1,603,200*
Strategic Pillar 3: - Building & strengthening internal professional audit capacity for audits				
3.1 Update HR policies and practices to help improve staff retention	0	0	0	0
3.2 Strengthen management of training and learning	416,619	442,635	407,535	1,266,789
3.3 Continuous improvements to audit management and audit quality (Technical Assistance)	774,160	600,000	465,369	1,839,529

3.4 Continue with the contracting-in of audit firms	201,796	234,968	268,140	704,904
3.5 Implementation of a continuous audit quality improvement programme	0	0	0	0
Sub total	*1,392,575*	*1,277,603*	*1,141,044*	*3,811,222*
Strategic Pillar 4: Strengthening OAG's capacity for engaging stakeholders effectively				
4.1 Develop an Engagement Plan to guide interaction with the PAC	55,200	73,200	73,200	201,600
4.2 Strengthen communications with stakeholders	45,000	70,000	60,000	175,000
Sub total	*100,200*	*143,200*	*133,200*	*376,600*
Strategic Pillar 5: Oversight, coordination, implementation & monitoring of the SP				
5.1 Strengthened management of the SP	76,625	81,670	81,670	239,965
5.2 Complete independent reviews of performance	12,000	15,000	15,000	42,000
Sub total	*88,625*	*96,670*	*96,670*	*281,965*
TOTAL	**2,080,900**	**2,193,573**	**1,798,514**	**6,072,987**

A more detailed analysis of these cost estimates, by sub activity, is included at Annex B.

SECTION 5: MONITORING & EVALUATION, RISKS & MITIGATION MEASURES, REPORTING

5.1: Performance Monitoring

5.1.1: Performance monitoring by management – the OAG Technical Committee

The Technical Committee will meet monthly to review and monitor implementation of the SP – mainly from the perspective of activities and target outputs so that implementation issues are resolved promptly and ensure quality and timeliness. These monthly meetings will be facilitated by the Project Officer who, after such meetings, will prepare a consolidated and summary report for the AG. It is the responsibility of the Project Officer to prepare these progress reports, focusing on the activities of the SP and reflected in annual work plans, on a monthly basis for discussion by the Technical Committee.

5.1.2: Performance monitoring by the PFM Coordinating Forum

As a beneficiary member of the PFM Coordinating Forum, the AG will submit regular progress reports to the Single Project Implementation Unit in MINECOFIN on the implementation of the SP and the utilisation of OAG's sub Basket Fund. The purpose of this reporting is to help ensure that Government's PFM reforms are on track in supporting the delivery of its EDPRSII objectives.

5.1.3: Performance monitoring by DPs

Those DPs directly funding the SP implementation through OAG's sub Basket Fund are members of the Joint Coordination Committee (JCC) which is chaired by the AG. The JCC is the forum where progress of SP implementation is reviewed and budget/work plans are approved. At the national PFM reform programme, participating DPs are represented through their co-chair role of the PFM Coordinating Forum and of the Technical Working Group.

5.2: Performance Monitoring on the basis of Pillars and Strategic Actions

Performance monitoring of the SP will be undertaken on the basis of (a) progress in delivering the activities detailed in the annual Operational Plans and (b) the achievements made in delivering the target results set out in the Results Framework presented in Figure 5.1 below. In addition, the SP will also be subject to annual reviews to assess progress [Joint Implementation Review meetings] and approve next year's action plan. This will feed into the overall annual independent review of the PFM Reform Strategy and parallel to the Joint PFM Sector Review usually conducted in September/ October each year.

Annual Reviews will be undertaken in 2016 and 2017; an independent final review of the SP will be undertaken towards the end of the three year period. In between, peer reviews by INTOSAI will be conducted (in line with ordinary practice).

5.3: Indicators and targeted results by Pillar
Figure 5.1 below sets out the proposed Results Framework.

Figure 5.1: Results Framework

Indicators for SP Extension	Baseline end June 2015	Target end June 2016	Target end June 2017	Target end June 2018
Strategic Pillar 1: Enhanced independence of OAG				
1.1 OAG decides on its own organization structure	1.1.1 Changes in structure require approval of the Auditor General.		New structure being implemented	
1.2 OAG has approved and operational human resources policies and practices;	1.2.1 All HRM policies and practices set are still in draft form.	Approved		
1.3 OAG Staff Special Statute is promulgated, gazetted and operational;	1.3.1 Statute in draft form	Gazetted and operational		
1.4 AG's appointment is for a one fixed term.	1.4.1 AG appointed for 2 fixed terms of 5 years each			Gazetted and operational
1.5 % of OAG's annual budget funded by DPs	1.5.1 In 2014/15, DPs funded 41% of OAG's recurrent and development (capital) budget	36%	33%	29%

Indicators for SP Extension	Baseline end June 2015	Target end June 2016	Target end June 2017	Target end June 2018
Strategic Pillar 2: Strengthened institutional capacity				
2.1 Audit coverage, measured by: (a) annual number of Government ministries, other central budget agencies, government projects and programs, public enterprises (GBEs) including boards and local governments audited; (b) % of state consolidated expenditures audited in (a) above excluding expenditure not incorporated in state consolidated financial statements;	2.1.1 In 2014/15: (a) 131 (b) 81%	(a) 134 (b) 82%	(a) 140 (b) 83%	(a) 146 (b) 85%
2.2 Annual no. of audits outsourced to private audit firms and signed off by OAG on the basis of risk assessment and INTOSAI	2.2.1 In 2013/14: 18	10	12	14

Indicators for SP Extension	Baseline end June 2015	Target end June 2016	Target end June 2017	Target end June 2018
Strategic Pillar 3: Strengthened professional audit capacity				
3.1 No. of VFM audits produced and publicly available per annum in conformity with auditing standards	3.1.1 In 2014/15, 12 VFM audits published	12	13	14
3.2 Annual Quality Performance Review scores of audit files	3.2.1 In 2013/14, 76.5% met required standard	2014/15 score > 2013/14 (79%)	2015/16 score > 2014/15 (81%)	2016/17 score > 2015/16 (83%)
3.3 % of professionally qualified auditors not leaving OAG within the first four years of post-qualification	3.3.1 In 2014/15, 50%	50%	55%	60%
3.4 % pass rate in professional examinations	3.4.1 In 2014/15, 26.5%	29%	31%	33%
3.5 % of staff recruited annually compared with target numbers: (a) audit staff (b) managerial, technical (non audit) and administrative	3.5.1 In 2014/15, (a) 64% (b) 50%	(a) 91% (b) 100%	(a) 94% (b) 100%	(a) 96% (b) 100%
3.6 Total training hours for professional courses delivered per year per student	3.6.1 In 2014/15, Total training hours for any grade	120	120	120

Indicators for SP Extension	Baseline end June 2015	Target end June 2016	Target end June 2017	Target end June 2018
Strategic Pillar 4: Strengthened OAG capacity to engage stakeholders effectively				
4.1 Number of press releases and press conferences issued per annum on the results of audits and on recommendations to government	4.1.1 In 2014/15: (a) 0 number of press releases issued and (b) 0 number of press conferences organised by OAG	(a) 1 (a) 1	(a) 1 (b) 1	(a) 1 (b) 1
4.2 No. of OAG briefings and presentations of findings to the Chair and/or members of the PAC	4.2.1 In 2014/15, 15 OAG briefings and presentations made to PAC	10	7	5
4.3 Feedback from public inform of complaints of likely misuse of public funds and suggestions	4.3.1 In 2014/15, 8 complaints were received of likely misuse of public funds	10	12	15

Indicators for SP Extension	Baseline end June 2015	Target end June 2016	Target end June 2017	Target end June 2018
Strategic Pillar 5: Oversight, implementation & monitoring of the Strategic Plan				
5.1 Percentage of OAG annual Operational Plan / work plan activities completed	5.1.1 In 2014/15, 65% of planned activities completed in full	75%	80%	85%
5.2 Percentage of sub Basket Fund annual budget spent	5.2.1 In 2014/15, 65% of budget spent	75%	80%	85%
5.3 OAG receives clean audit opinion	5.3.1 In 2013/14, achieved	2014/15, achieved	2015/16, achieved	2016/17, achieved
5.4 Annual review scores	5.4.1 Annual Review score in October 2014 was an 'A'	At least 'A'	At least 'A'	At least 'A'

5.4: Risks & mitigation measures

Successful implementation of this SP will require close monitoring of several potential risks and the adoption of appropriate mitigation measures to reduce both the probability of their occurrence and their negative impact should they materialise. The main risks and the proposed approach to their mitigation are shown below.

Table 5.2: Risks and Mitigating Measures

Risks	Mitigation
1. Insufficient funding, resulting in challenges to sustainability:	
1.1 GoR may not provide the increased funding necessary to implement OAG's organisational restructuring and the recruitment of additional audit and non-audit staff due to budget constraints	1.1 Implementation of the restructuring and the recruitment of additional staff will be phased in line with the available funding. The continued improved performance of OAG should demonstrate the increased contribution of this Office to the overall management of public funds; increased budget allocations result in increased value for money. This message will form part of OAG's enhanced communication approach.
1.2 GoR may not provide the additional annual budget appropriations necessary to reflect the reducing funding by DPs and their eventual withdrawal of support due to budget constraints.	1.2 Expectations will be managed by OAG, with the support of DPs, through regular engagement with MINECOFIN and through the annual budget process as well as the AG's participation in the PFM Coordination Forum.
1.3 Continued dependence on DP funding will prevent OAG to reach AFROSAI-E Level 3.	1.3 More effective messaging by OAG to its stakeholders on the importance of achieving a **Level 3** rating in the context of public and investor confidence in GoR's financial management.
1.4 Unplanned withdrawal of DPs' funding due to concerns that GoR may not comply with agreed bilateral commitments.	1.4 DPs' engagement with GoR, through the PFM Coordination Forum, provides the mechanism for early discussion of any significant concerns that might arise

2. Inability to recruit a sufficient number of high quality audit staff and to retain them post qualification.	2. Proposed changes to OAG's human resource management policies and practices will make employment with the Office more attractive. Key to the approach will be the intended improvements to professional training and the intended improvement in pass rates
3. Lack of sufficient stakeholder support for OAG's increased emphasis on eliminating waste in the use of the State's finances through more effective auditing, including the commissioning of more effective performance audits	3. A more proactive media engagement and wider dissemination of OAG's impact, will enhance OAG's public image through greater understanding of its role and performance

5.5: Reporting by OAG

5.5.1: Quarterly reporting

OAG will prepare quarterly progress reports for consideration by the Joint Coordination Committee. Copies of these reports will be forwarded to the Single Project Implementation Unit in MINECOFIN for consolidation into the overall reporting on the performance of the national PFM Reform Strategy. These quarterly progress reports will comprise the following:

a) A narrative summary of achievements in delivering the work plans for each of the five Pillars, combined with an aggregate summary of actual spending against budget

b) A budget execution analysis showing actual spending against each budget line, analysed by sub activities within each Pillar.

5.5.2: Content of quarterly narrative report

The quarterly narrative report will contain the OAG's assessment of progress achieved in the period under review. It will provide feedback on the following:

a) The 'headline' achievements in the quarter, together with references to any major delays or constraints, across the whole of the SP implementation. This summary will include a judgement of whether the SP implementation is 'on track', or otherwise, in its prospects for delivering the target annual performance results (as set out in Figure 5.1 Results Framework above)

b) For each of the five Pillars:

i)   A brief summary of the achievements in the quarter

ii)   Reference to any areas of delay or issues of concern where implementation is not progressing as expected

iii)   Proposed key activities in next quarter together with intended remedial action to address problems referenced in ii) above

c) Summary, by Pillar, of actual spending in the quarter against budget, together with cumulative budget and spending data

d) Statement detailing funds received from DPs with details of the period end cash balance

e) Assessment of any significant changes in the risk assessment and mitigation strategy

f) Reporting against each of the indicators in the Results Framework whether progress to date is 'on track' or 'off track'.

5.5.3: Content of quarterly budget execution analysis report

This report will provide details of actual spending against budget for the quarter under review as well as cumulative to date. The data will be summarised by Pillar and detailed by strategic activity and sub activity within each Pillar. The following expenditure categories will be used: training, consulting services, goods and equipment and other services and charges.

Narrative explanations will be included where the variation between budget and actual spend (by Pillar and by strategic activity) is greater than a) 20%, where there is an 'under spend' or b) 10%, where there is an 'over spend'. Where a recommendation is made to re-allocate budgets between Pillars and/or strategic activities, there will be a detailed justification presented to the Joint Coordination Committee for its approval.

5.5.4: Annual reporting

The cumulative fourth quarter reports will provide the major part of the OAG's monitoring and reporting of SP implementation for the year under review. Two additional reports will be produced: Performance Results Report and financial statements for audit.

5.5.5: Performance results report

The fourth quarter's narrative report will be supplemented by a separate Performance Results Report which will detail the achievement, or otherwise, of each of the targets in OAG's Results Framework. For each target, the report will indicate its achievement using the following scale: achieved in full, achieved in part or not achieved.

Where performance falls short of full achievement, an explanation will be provided as to the reasons for the shortfall in performance and the proposed remedial action.

This detailed analysis will be prefaced by an assessment by the OAG as to the overall performance with SP implementation. Any significant issues constraining implementation, together with possible critical changes in the risk assessment and mitigation strategy, will be highlighted and necessary corrective action proposed for the Joint Coordination Committee's review and approval.

5.5.6: Financial statements for audit

OAG will prepare annual financial statements for the Sub Basket Fund and these will be subject to external audit with the results of the audit reported to the Joint Coordination Committee.

Annex A: SWOT Analysis

Strengths

Subject	Strength	How can OAG capitalize on the strength?
Legal Framework	a) The Organic Budget Law mandates the OAG to audit all public funds of Rwanda	b) Build Professional Audit Capacity c) Build Institutional Capacity
Mandate	a) Unlimited access to information b) Reporting to Parliament	a) Establish a database for all public institutions including donor funded projects and programs. b) Strengthen professional relationship with PAC c) Establish a plan for public entities that have never been audited for their audit; d) Continuous updating of relevant risk profile.
Audit Environment	a) Stakeholder support - Parliament; auditees, media and other stakeholders	a) Build OAG's capacity for engaging stakeholders effectively; b) Organize different fora for OAG stakeholders
Financial Audit	a) Existence of audit manual b) Trained and committed audit staff c) Affiliation to AFROSAI-E & IDI	a) Build professional audit and institutional capacity b) increase coverage; c) Continuous improvement of quality of audit reports issued
Performance Audit	a) Existence of audit manual b) Trained and committed audit staff c) Affiliation to AFROSAI-E & IDI	a) Build professional audit capacity for performance audits b) Increase performance audits, c) Continuous updating of the area watch list
Public Relation & Communication	a) Existence of Communication policy; b) Trained communication staff c) OAG website, newsletter and intranet	a) Build OAG's capacity for engaging stakeholders effectively b) Updating of the website; c) Publishing newsletter
HRM	a) Existence of trained, experienced and	a) Approve and implement HR Policy

| | committed staff | b) Annual assessment of training needs Annual assessment of training needs; |
| | b) Affiliation to AFROSAI-E and IDI | c) Continuous training |

Weaknesses

Area	Weakness	How to address it
Mandate	b) OAG mandate not well understood by some key stakeholders	a) OAG to organize workshops and produce brochures to inform Stakeholders of its mandate. b) Continuous engagement of the media.
Audit Environment	a) The public financial management system and accountability still weak; b) Accounting cadre in audited bodies lack capacity; c) SmartIFMS not successfully implemented	a) Re-direct audit to areas of high risks and outsource some work; b) Build professional audit capacity rapidly; c) Build IT skills and enhance audit automation process;
Financial Audit	a) Insufficient number of adequately trained auditors b) Absence of comprehensive list of entities and projects to be audited c) Limited skills in public financial management and Accounting.	a) Provide training in integrated audit software, CAATs and IS auditing. b) Continue to outsource some audits c) Introduce annual recruitment of graduates to factor in staff turnover. d) Establish training program in IPSAS, and public sector reporting e) Establish training in public sector auditing – INTOSAI standards etc
Performance Audit	a) Insufficient number of adequately trained auditors b) Limited number of performance audit assignments	a) Recruit staff in other domains other than in the field of accounting. b) Establish training plan in performance audits and adhere to it. c) auditing – INTOSAI standards

Public Relation & Communication	a) Website not regularly updated	a) All OAG staff made aware that they are ambassadors of the OAG;
	b) Lack of continuous training	b) Aggregate stakeholders into cluster and develop a communication strategy
	c) limited contact with stakeholders in particular media	
HRM	a) High staff turnover	a) Continue annual recruitment program to factor in staff turnover.
	b) Limited skills in specialized areas e.g. IS and performance audits	b) Continuous training to have more trained staff;
	c) Still gaps in performance management system	c) Strengthening performance appraisal system.
		d) Improve on career path

Opportunities

Area	Opportunity	How can the opportunities be exploited?
Legal Framework	a) There is an increased interest in the work of OAG – is part of the Governance Issues – transparency, accountability; and b) "anti – corruption stance"	Engagement of key stakeholders including the media
Audit Environment	a) GoR is establishing internal audit functions and Audit Committees for all MDAS; b) Increasing computerised accounting	a) Intensify professional training b) Provide training in auditing in a computerised environment c) Enhance audit Automation processes
Financial Audit	a Amendment of the Organic Law; b. Draft financial regulations.	a) Better understanding of amendments made in the OAG audit staff; b) Involvement of top management of auditees from start to the end;

		c) Increase involvement of accounting officer in the audit process.
Performance Audit	a) Increased demand for performance audit and there is technical assistance for this	a) Build professional audit capacity for performance audit b) Recruitment of more staff in PAD
Public Relation & Communication	a) Increasing awareness by our strategic stakeholders	a) Exploit the increasing awareness through strategic outreach
HRM	a) Financial assistance available for continued professional accountancy training (ACCA, CPA etc. b) Use available trainings avenues offered by our international stakeholders	a) Encourage staff to exploit the training facilities; b) Continue supporting financially all OAG staff in professional courses.

Threats

Area	Threats	How can the threats be prevented?
Legal framework	a) OAG's staffing dependent on approval by MIFOTRA b) OAG's budget does not go directly to parliament	a) Lobby for real independence; b). Push for amendment of impeding articles c) Continuous engagement of strategic stakeholders
Financial Audit	a) Underdeveloped financial management systems to the extent that some of the auditees do not maintain proper books of account and do not implement OAG recommendations. b) Unqualified accounting staff in audited entities	a) OAG to intensify own training and skills development to help auditees by making achievable recommendations
Performance Audit	a) Performance audits by require different specialist skills. b) Failure to understand or implement audit recommendations	a) Establish a database for resources with specialist skills to beef up OAG own audit capacity for performance audits; b) Proper follow up of implementation of our recommendations.
HRM	a) High staff turnover persist due to better terms outside; b) Lack of real financial and administrative autonomy to hire and retain well trained and experienced staff	a) Lobby for real independence; b) Approve and implement the proposal of OAG structure c) Continue Annual Graduate recruitment program Recruitment Program and lobby for more funding to ensure enough staff are recruited.

Annex B

OAG Strategic Plan Extension 2015 - 2018, Cost Estimates for Development Partners' funding and contribution of Government of Rwanda (Recurrent budget)

Pillars and Activities	Estimated costs			
	2015-16	**2016-17**	**2017-18**	**Total**
	USD	**USD**	**USD**	**USD**
Strategic Pillar 1: Enhancing the Independence of OAG				
Strategic Activity 1.1: Operationalize the Public Audit Act				
1.1.1 Approval of the proposed organisational structure and implement	**0**	**0**	**0**	**0**
1.1.2 Special staff statute being gazetted and put to use	**0**	**0**	**0**	**0**
Strategic Activity 1.2: Further strengthening of OAG's independence				
Sub Activities:				
1.2.1 AG to have a one long non-renewable term	**0**	**0**	**0**	**0**
1.2.2 Amend article 12, article 18 and article 20 of the OAG Public Act	**0**	**0**	**0**	**0**
1.2.3 SG's appointment at the discretion of the AG	**0**	**0**	**0**	**0**
1.2.4 Salary scales and other benefits to be set by the AG	**0**	**0**	**0**	**0**
Strategic Pillar 2: Strengthening Institutional Capacity in line with its mandate				
Strategic Activity 2.1 - Implement organisational restructuring of OAG				
Sub Activities:				
2.1.1 Establish the Internal Audit function	**0**	**0**	**0**	**0**

2.1.2 Establish IT and Forensic Audit Department	**0**	**0**	**0**	**0**
2.1.3 Strengthen the Training and Development Unit	**0**	**0**	**0**	**0**
2.1.4 SG oversight	**0**	**0**	**0**	**0**
Strategic Activity 2.2 - Increase recruitment and improve staff retention				
Sub Activities:				
2.2.1 Recruit additional staff in line with the restructuring of OAG	**0**	**0**	**0**	**0**
2.2.2 Review the current HR policies; decide on measures to improve staff retention	**0**	**0**	**0**	**0**
Strategic Activity 2.3 - Continue to strengthen the management of the ICT function				
Sub Activities:				
2.3.1 ICT Draft Strategy to be finalised and implemented	**0**	**0**	**0**	**0**
2.3.2 Complete IT policy and circulate to staff	**0**	**0**	**0**	**0**
2.3.3 Establish process for disposal of ICT equipment	**0**	**0**	**0**	**0**
Strategic Activity 2.4 - Continue with office automation				
Sub Activities:				
2.4.1 Use of TEAMMATE (maintenance of the IT infrastructure and licences)	62,500	121,600	68,600	252,700
2.4.2 Complete implementation of the electronic records management system	36,000	0	0	36,000
2.4.3 Ensure Roadmap for e-records is integrated into planning & budgeting	0	0	0	0
2.4.4 Use of IDEA Software (maintenance and licences)	6000	6000	6000	18,000
2.4.5 Complete assessment of the impact of office automation on OAG audit methodology and working practices	0	70,000	0	70,000
2.4.6 Apply results of the impact assessment to inform decisions on future ICT investments	0	60,000	58,000	118,000

56

2.4.7 Update the ICT Strategy and include funding requirements in the ICT budget	278,000	137,500	65,000	480,500
2.4.8 Feasibility study for optimisation of the entire network (LAN and WAN)	30,000			30,000
2.4.9 Implementation of the results for optimisation of the entire network (LAN and WAN)		70,000		70,000
2.4.10 Information Security and data encryption (sustainable solution)	0	50,000	0	50,000
2.4.11 Communication tools	27,000	6,000	27,000	60,000
Strategic Activity 2.5 - Complete sustainability assessments of critical business areas				
Sub Activities:				
2.5.1 International TA	0	65,000	108,000	173,000
2.5.2 Professional training				
2.5.3 ICT				
Strategic Activity 2.6 - Complete graduation/exit strategy for international TA				
Strategic Activity 2.7 - Strengthen training and learning				
Sub Activities:				
2.7.1 Review provision for developing appropriate management and leadership skills	0	30,000	35,000	65,000
2.7.2 Implement relevant professional development opportunities for Performance Audit staff	35000	35,000	35000	105,000
2.7.3 Corporate staff training	25,000	25,000	25,000	75,000
Strategic Pillar 3: - Building & strengthening internal professional audit capacity for audits				

Strategic Activity 3.1 - Update HR policies and practices to help improve staff retention				
Sub Activities:				
3.1.1 Implementation of retention strategy relating to:	0	0	0	0
- Pay and incentives				
- Career paths				
- Bonding of staff undergoing professional studies				
- Approach to skills transfer by international TA and contracted-in audit firms				
Strategic Activity 3.2 - Strengthen management of training and learning				
Sub Activities:				
3.2.1 Review effectiveness of current training programmes and implement improvements	0	15,000	0	15,000
3.2.2 Conducting professional training programs				
- Standards	30,000	30,000	30,000	90,000
- Specialised areas (VFM, IT, Forensic)	150,000	140,100	110,000	400,100
-ACCA, CPA, CIA,	149,401	170,317	170,317	490,035
- INTOSAI/AFROSAI	72,218	72,218	72,218	216,654
3.2.3 Ensure all programmes have clear objectives and key performance indicators	0	0	0	0
3.2.4 Strengthen the Training and Development Unit	15,000	15,000	25,000	55,000
Strategic Activity 3.3 - Continuing improvements to audit management and audit quality (TA)	722,160	600,000	465,369	1,787,529
Sub Activities:				

3.3.1TA for the following audit clusters:				
- Central government				
- Sub national governments				
- Government Business Enterprises				
- Project and programmes				
- Performance				
3.3.2 Purchase of staff van to assist up country audit missions	52,000			52,000
Strategic Activity 3.4 - Continue with the contracting-in of audit firms	201,796	234,968	268,140	704,904
Strategic Activity 3.5 - Implementation of a continuous audit quality improvement programme	0	0	0	0
Strategic Pillar 4: Strengthening OAG's Capacity for Engaging Stakeholders Effectively				
Strategic Activity 4.1 - Develop an Engagement Plan to guide interaction with the PAC				
Sub Activities:				
4.1.1 OAG support to PAC	0	18,000	18,000	36,000
4.1.2 Prepare an Engagement Plan, with objectives, targets and indicators and indicative budgets	0	0	0	0
4.1.3 Discuss and agree with Chair of the PAC, and implement	0	0	0	0
4.1.4 Salary of PAC consultant	55,200	55,200	55,200	165,600
Strategic Activity 4.2 - Strengthen communications with stakeholder				
Sub Activities:				

4.2.1 Agree Communication Strategy with clear objectives and key performance indicators	0	0	0	0
4.2.2 Broaden and deepen OAG's engagement with the media and civil society	20,000	30,000	35,000	85,000
4.2.5 Review the current disclosure /confidentiality policy	0	0	0	0
4.2.6 Upgrade the website	15,000	0	15,000	
4.2.7 Branded items (e.g Brochures, magazine etc)	25,000	25,000	25,000	75,000
Sub Activities:				
5.1.1 Appoint a Project Office and continued salary payment of a Finance Officer	51,625	56,670	56,670	164,965
5.1.2 Put in place a comprehensive results framework	0	0	0	0
5.1.3 Align Management Team responsibilities more closely with SP activities	0	0	0	0
5.1.4 Other charges (adverts for national and international tenders, bank charges)	25,000	25,000	25,000	75,000
Strategic Activity 5.2 - Complete independent reviews of performance				
Sub Activities:				
5.2.1 Mid-term review in last quarter of FY 2016-17	0	0	0	0
5.2.2 Final review in last quarter FY2017-2018				
5.2.3 Conduct annual audit of the funds of the SP	12,000	15,000	15,000	42,000
Total estimated costs from donors	**2,080,900**	**2,193573**	**1,798,514**	**6,072,987**
OAG organisation and management (GOR contributions-recurrent expenditure)	**3,772,797**	**4,755,612**	**4,879,043**	**13,407,452**
OVERALL TOTAL	**5,853,697**	**6,949,185**	**6,677,557**	**19,480,439**

Annex B1

OAG Strategic Plan Extension 2015 - 2018, Cost Estimates within the ceiling of Development Partners' funding

Pillars and Activities	Estimated costs			
	2015-16	**2016-17**	**2017-18**	**Total**
	USD	**USD**	**USD**	**USD**
Strategic Pillar 1: Enhancing the Independence of OAG				
Strategic Activity 1.1: Operationalize the public act				
1.1.1 Approval of the proposed organisational structure and implement	0	0	0	0
1.1.2 Special staff statute being gazetted and put to use	0	0	0	0
Strategic Activity 1.2: Further strengthening of OAG's independence	0	0	0	0
Sub Activities:	0	0	0	0
1.2.1 AG to have a one long non-renewable term	0	0	0	0
1.2.2 Amend article 12, article 18 and article 20 of the OAG Public Act	0	0	0	0
1.2.3 SG's appointment at the discretion of the AG	0	0	0	0
1.2.4 Salary scales and other benefits to be set by the AG				
Strategic Pillar 2: Strengthening Institutional Capacity in line with its mandate				
Strategic Activity 2.1 - Implement organisational restructuring of OAG				
Sub Activities:	0	0	0	0
2.1.1 Establish the Internal Audit function	0	0	0	0
2.1.2 Establish IT and Forensic Audit Department	0	0	0	0

2.1.3 Strengthen the Training and Development Unit	0	0	0	0
2.1.4 SG oversight				
Strategic Activity 2.2 - Increase recruitment and improve staff retention				
Sub Activities:	0	0	0	0
2.2.1 Recruit additional staff in line with the restructuring of OAG	0	0	0	0
2.2.2 Review the current HR policies; decide on measures to improve staff retention				
Strategic Activity 2.3 - Continue to strengthen the management of the ICT function				
Sub Activities:	0	0	0	0
2.3.1 ICT Draft Strategy to be finalised and implemented	0	0	0	0
2.3.2 Complete IT policy and circulate to staff				
2.3.3 Establish process for disposal of ICT equipment				
Strategic Activity 2.4 - Continue with office automation				
Sub Activities:				
2.4.1 Use of TEAMMATE (maintenance of the IT infrastructure and licences)	62,500	0	0	62,500
2.4.2 Complete implementation of the electronic records management system	36,000	0	0	36,000
2.4.4 Use of IDEA Software (maintenance and licences)	6,000	0	0	6,000
2.4.5 Complete assessment of the impact of office automation on OAG audit methodology and working practices	0	30,000	0	30,000
2.4.6 Apply results of the impact assessment to inform decisions on future ICT investments	0	60,000	58,000	118,000
2.4.7 Update the ICT Strategy and include funding requirements in the ICT budget	108,063	24,343	0	132,406
2.4.8 Feasibility study for optimisation of the entire network (LAN and WAN)	30,000			30,000

2.4.9 Implementation of the results for optimisation of the entire network (LAN and WAN)		70,000		70,000
2.4.8 Information Security and data encryption (sustainable solution)	0	35,000	0	35,000
2.4.9 Communication tool	0	0	0	
Strategic Activity 2.7 - Strengthen training and learning				
Sub Activities:				
2.7.1 Review provision for developing appropriate management and leadership skills	0	30,000	35,000	65,000
2.7.2 Implement relevant professional development opportunities for Performance Audit staff	0	0	0	0
2.7.3 Corporate staff training	0	18,000	25,000	43,000
Strategic Pillar 3: - Building & strengthening internal professional audit capacity for audits				
Strategic Activity 3.1 - Update HR policies and practices to help improve staff retention				
Sub Activities:	0	0	0	0
3.1.1 Implementation of retention strategy relating to:				
- Pay and incentives				
- Career paths				
- Bonding of staff undergoing professional studies				
- Approach to skills transfer by international TA and contracted-in audit firms				
Strategic Activity 3.2 - Strengthen management of training and learning				

Sub Activities:	0	0	0	0
3.2.1 Review effectiveness of current training programmes and implement improvements				
3.2.2 Conducting professional training programs	0	12,000	15,000	27,000
- Standards	5,350	10,700	20,000	36,050
- Specialised areas (VFM, IT, Forensic)	113,741	113,741	153,741	381,223
-ACCA, CPA, CIA,	72,218	72,218	72,218	216,654
- INTOSAI/AFROSAI	0	0	0	0
3.2.3 Ensure all programmes have clear objectives and key performance indicators				
3.2.4 Strengthen the Training and Development Unit		10,337	25,000	35,337
Strategic Activity 3.3 - Continuing improvements to audit management and audit quality (TA)	613,000	510,833	465,369	1,589,202
Sub Activities:				
3.3.1 TA for the following audit clusters:				
- Central government				
- Sub national governments				
- Government Business Enterprises				
- Project and programmes				
- Performance				
3.3.2 Purchase of staff van to assist up country audit missions	52,000	0	0	52,000
Strategic Activity 3.4 - Continue with the contracting-in of audit firms	0	108,655	109,998	218,653
Strategic Activity 3.5 - Implementation of a continuous audit quality improvement				

programme				
Strategic Pillar 4: Strengthening OAG's Capacity for Engaging Stakeholders Effectively				
Strategic Activity 4.1 - Develop an Engagement Plan to guide interaction with the PAC				
Sub Activities:	0	0	0	0
4.1.1 OAG support to PAC	0	0	0	0
4.1.2 Prepare an Engagement Plan, with objectives, targets and indicators and indicative budgets	0	0	0	0
4.1.3 Discuss and agree with Chair of the PAC, and implement	55,200	55,200	55,200	165,600
4.1.4 Salary of PAC consultant				
Strategic Activity 4.2 - Strengthen communications with stakeholder				
Sub Activities:				
4.2.1 Agree Communication Strategy with clear objectives and key performance indicators	0	15,000	15,000	30,000
4.2.2 Broaden and deepen OAG's engagement with the media and civil society	0	0	0	0
4.2.5 Review the current disclosure /confidentiality policy		0	0	0
4.2.6 Upgrade the website	0	10,000	20,000	30,000
4.2.7 Branded items (e.g Brochures, magazine etc)				
Strategic Pillar 5: Oversight, Coordination, Implementation & Monitoring the Strategic Plan				
Strategic Activity 5.1 - Strengthened management of the Strategic Plan				

Sub Activities:				
5.1.1 Appoint a Project Officer and continued salary payment of a Finance Officer	51,625	56,670	56,670	164,965
5.1.2 Put in place a comprehensive results framework	0	0	0	0
5.1.3 Align Management Team responsibilities more closely with SP activities	0	0	0	0
5.1.4 Other charges (adverts for national and international tenders, bank charges)	18,467	18,467	16,222	53,156
Strategic Activity 5.2 - Complete independent reviews of performance				
Sub Activities:				
5.2.1 Mid-term review in last quarter of FY 2016-17	0	0	0	0
5.2.2 Final review in last quarter FY2017-2018	0	0	0	0
5.2.3 Conduct annual audit of the funds of the SP	12,000	15,000	15,000	42,000
TOTAL ESTIMATED COSTS	**1,236,164**	**1,276,164**	**1,157,418**	**3,669,746**

Annex B2

OAG Strategic Plan Extension 2015 - 2018, Cost Estimates not covered by the ceiling of Development Partners' funding

Pillars and Activities	Estimated costs			
	2015-16	**2016-17**	**2017-18**	**Total**
	USD	**USD**	**USD**	**USD**
Strategic Activity 2.4 - Continue with office automation				
Sub Activities:				
2.4.1 Use of TEAMMATE (maintenance of the IT infrastructure and licences)	0	121,600	68,600	190,200
2.4.2 Complete implementation of the electronic records management system	0	0	0	0
2.4.3 Ensure Roadmap for e-records is integrated into planning & budgeting	0	0	0	0
2.4.4 Use of IDEA Software (maintenance and licences)	0	6,000	6,000	12,000
2.4.5 Complete assessment of the impact of office automation on OAG audit methodology and working practices	0	40,000	0	40,000
2.4.6 Apply results of the impact assessment to inform decisions on future ICT investments	0	0	0	0
2.4.7 Update the ICT Strategy and include funding requirements in the ICT budget	169,937	113,157	65,000	348,094
2.4.8 Information Security and data encryption (sustainable solution)		5,000		15,000
2.4.9 Communication tools	27,000	6,000	27,000	60,000
Strategic Activity 2.5 - Complete sustainability assessments of critical business areas				
Sub Activities:				

2.5.1 International TA		65,000	108,000	173,000
2.5.2 Professional training				
2.5.3 ICT				
Strategic Activity 2.6 - Complete graduation/exit strategy for international TA				
Strategic Activity 2.7 - Strengthen training and learning				
Sub Activities:				
2.7.1 Review provision for developing appropriate management and leadership skills	0	0	0	0
2.7.2 Implement relevant professional development opportunities for Performance Audit staff	35,000	35,000	35,000	105,000
2.7.3 Corporate staff training	25,000	7,000	0	32,000
Strategic Pillar 3: - Building & strengthening internal professional audit capacity for audits				
Strategic Activity 3.1 - Update HR policies and practices to help improve staff retention				
Sub Activities:				
3.1.1 Implementation of retention strategy relating to:	0	0	0	0
- Pay and incentives				
- Career paths				
- Bonding of staff undergoing professional studies				
- Approach to skills transfer by international TA and contracted-in audit firms				
Strategic Activity 3.2 - Strengthen management of training and learning				

Sub Activities:				
3.2.1 Review effectiveness of current training programmes and implement improvements	0	15,000	0	15,000
3.2.2 Conducting professional training programs				
- Standards	30,000	18,000	15,000	63,000
- Specialised areas (VFM, IT, Forensic)	44,650	129,400	90,000	364,050
-ACCA, CPA, CIA,	35,660	56,576	16,576	108,812
- INTOSAI/AFROSAI				
3.2.3 Ensure all programmes have clear objectives and key performance indicators	0	0	0	0
3.2.4 Strengthen the Training and Development Unit	15,000	4,663	0	19,663
Strategic Activity 3.3 - Continuing improvements to audit management and audit quality (TA)	109,160	89,167	0	198,327
Sub Activities:				
3.3.1TA for the following audit clusters:				
- Central government				
- Sub national governments				
- Government Business Enterprises				
- Project and programmes				
- Performance				
Strategic Activity 3.4 - Continue with the contracting-in of audit firms	201,796	126,313	158,142	486,251
Strategic Activity 3.5 - Implementation of a continuous audit quality improvement programme	0	0	0	

Strategic Pillar 4: Strengthening OAG's Capacity for Engaging Stakeholders Effectively				
Strategic Activity 4.1 - Develop an Engagement Plan to guide interaction with the PAC -				
Sub Activities:				
4.1.1 OAG support to PAC	0	18,000	18,000	36,000
4.1.2 Prepare an Engagement Plan, with objectives, targets and indicators and indicative budgets	0	0	0	0
4.1.3 Discuss and agree with Chair of the PAC, and implement	0	0	0	0
4.1.4 Salary of PAC consultant	0	0	0	0
Strategic Activity 4.2 - Strengthen communications with stakeholder				
Sub Activities:				
4.2.1 Agree Communication Strategy with clear objectives and key performance indicators				
4.2.2 Broaden and deepen OAG's engagement with the media and civil society	20,000	15,000	20,000	55,000
4.2.5 Review the current disclosure /confidentiality policy	0	0	0	0
4.2.6 Upgrade the website	0	15,000	0	15000
4.2.7 Branded items (e.g Brochures, magazine etc)	25,000	15,000	5,000	45,000
Strategic Pillar 5: Oversight, Coordination, Implementation & Monitoring the Strategic Plan -	0	0	0	0
Strategic Activity 5.1 - Strengthened management of the Strategic Plan				
Sub Activities:				

5.1.1 Appoint a Project Office and continued salary payment of a Finance Officer	0	0	0	0
5.1.2 Put in place a comprehensive results framework				
5.1.3 Align Management Team responsibilities more closely with SP activities	0	0	0	0
5.1.4 Other charges (adverts for national and international tenders, bank charges)	6,533	6,533	8,778	21,844
Strategic Activity 5.2 - Complete independent reviews of performance				
Sub Activities:				
5.2.1 Mid-term review in last quarter of FY 2016-17	0	0	0	0
5.2.2 Final review in last quarter FY2017-2018	0	0	0	0
5.2.3 Conduct annual audit of the funds of the SP	0	0	0	0
TOTAL ESTIMATED COSTS	**844,736**	**917,409**	**641,096**	**2,403,241**