

## **PART A: OVERVIEW OF DEPARTMENT**

### **I. STRATEGIC NOTE**

#### **1. Major Achievements for 2010**

- The Quality Assurance Manual of AFROSAI-E has been adopted.
- The Risk-Based Audit Methodology has been successfully applied for the first time in the audits of statutory bodies in accordance with the New Regularity Audit Manual of AFROSAI-E.
- Total number of financial statements received – 284.
- Total number audited – 244.
- Performance Audit training has been completed and 3 performance audits completed and tabled in the National Assembly.
- NAO is the first government agency that has prepared its financial statements on an accrual basis and fully compliant with IPSAS (International Public Sector Accounting Standards).
- NAO has prepared and submitted to MOFED model financial statements for use by the Ministries/Departments selected for introducing the preparation of financial statements by individual Ministries and Departments.
- The targets of our PBB have been fully achieved.

#### **2. Major Services to be provided for 2011-2013**

##### Programme 041: External Audit

- Audit and Assurances services to Ministries and Departments and the Rodrigues Regional Assembly.
- Audit of Statutory Bodies (90 Statutory Bodies of which MRA, NTC, MSA, CWA, CEB, etc).
- Audit of Special Funds (40 ).
- Audit of Local Authorities (133 Local Authorities of which Municipalities, District and Village Councils, etc).
- Performance Audits.

#### **3. Major Constraints and Challenges and how they are being addressed**

- Accounts of support Government units are being audited on a five-year rotation basis.
  - It would be desirable to have a minimum three-year basis rotation.
- The Quality Assurance Unit is not being set up properly as recommended by INTOSAI and AFROSAI-E because of lack of staff.
  - Proposal for new posts to staff the Unit not being acceded.
- The increasing computerisation of public sector organisations and systems is having a marked impact in the audit process.
  - Performing information systems audit is a risky task and needs additional competent staff and urgent capacity building.
- With the change in fiscal year, all government ministries and departments, statutory bodies, local authorities and Special Funds have the same fiscal year. To submit the Audit Report on the accounts of the government to the National Assembly within the expected 4 to 5 months time is in itself challenging. Now the Statutory Bodies (Accounts and Audit) Act has been amended to require the Director of Audit to submit his report on the Annual Report including the financial statements of statutory bodies within 5 months of receipt of the Annual Report. This is a very challenging task taking into consideration the increasing risk of businesses nowadays and the complexity of the international financial reporting standards. This challenge becomes more difficult with the limitation imposed in the number of staff.
- Staff retention in the auditor grade is becoming difficult. This year, 3 officers have already left.

**II. LIST OF PROGRAMMES, SUB-PROGRAMMES AND PRIORITY OBJECTIVES**

Programme 041: External Audit

Sub-Programme 04101: Audit and Assurance Services

- Provide our stakeholders with an independent assurance on the stewardship of public funds as appropriated by the National Assembly.

Sub-Programme 04102: Performance Audits

- To assess whether the entity is achieving economy, efficiency and effectiveness in the employment of available resources.

**III. SUMMARY OF FINANCIAL RESOURCES BY PROGRAMMES AND SUB-PROGRAMMES**

Code	Programmes and Sub-Programmes	Rs	Rs	Rs	Rs
		2010 Estimates	2011 Estimates	2012 Planned	2013 Planned
<b>041</b>	<b>External Audit</b>	<b>88,310,000</b>	<b>91,990,000</b>	<b>93,800,000</b>	<b>96,135,000</b>
04101	Audit and Assurance Services	80,175,000	83,250,000	84,850,000	86,975,000
04102	Performance Audit	8,135,000	8,740,000	8,950,000	9,160,000
	<b>Total</b>	<b>88,310,000</b>	<b>91,990,000</b>	<b>93,800,000</b>	<b>96,135,000</b>

**IV. SUMMARY OF STAFFING POSITIONS BY PROGRAMMES AND SUB-PROGRAMMES**

Code	Programmes	Total		% Distribution	
		In Post 2010	Funded 2011	2010	2011
<b>041</b>	<b>External Audit</b>	165	177	100%	100%
04101	Audit and Assurance Services	145	157	87.9%	88.7%
04102	Performance Audit	20	20	12.1%	11.3%
	<b>Total</b>	<b>165</b>	<b>177</b>	<b>100%</b>	<b>100%</b>

**PART B: SERVICES TO BE PROVIDED AND PERFORMANCE INFORMATION**

DELIVERY UNIT	SERVICES TO BE PROVIDED	PERFORMANCE				
		Service Standards (Indicators)	2010 Baseline	2011 Targets	2012 Targets	2013 Targets
<b>PROGRAMME 041: External Audit</b>						
<b>Outcome:</b> Deliver an external audit service that meets the expectations of Parliament and other stakeholders.						
<b>SUB-PROGRAMME 04101: Audit and Assurance Services</b>						
National Audit Office (NAO)	O1: Policy and Management Services.	P1: Preparation and/or update of PBB Strategic Plan.	-	June	June	June
		P2: % of PBB indicators that are met.	90%	90%	90%	90%
		P3: Projects and/or Programmes completed within time and budget.		75%	80%	85%
		P4: Date limit set or 5 working day rule met, whichever is the earliest, for following percent of requests as verified by Registry records or an alternative system.	90%	90%	95%	95%
	O2 :Audit and Assurances services to government Ministries and Departments.	P1: Timely submission of the annual Audit Report to the National Assembly.	2009 Report	2010 Report	2011 Report	2012 Report
	O3:Audit of Financial Statements of Statutory Bodies (90).	P1: Percentage of financial statements audited and certified within 5 months of submission.	75%	75%	75%	75%
O4: Audit of Financial Statements of Special Funds and Donor Agencies (>40).	P1: Percentage of submitted financial statements audited and certified.	75%	75%	75%	75%	
O5: Audit of Financial Statements of Local Authorities (133).	P1: Percentage of Financial Statements audited and certified	75%	75%	75%	75%	
<b>SUB-PROGRAMME 04102: Performance Audit</b>						
National Audit Office (NAO)	O1: Performance Audits.	P1: Number of Performance Audit Report issued.	3	4	5	5

**PART C: INPUTS - FINANCIAL RESOURCES****1. SUMMARY BY ECONOMIC CATEGORIES**

Code	Economic Categories	Rs	Rs	Rs	Rs
		2010 Estimates	2011 Estimates	2012 Planned	2013 Planned
21	Compensation of Employees	78,320,000	82,540,000	84,350,000	86,445,000
22	Goods and Services	9,710,000	9,170,000	9,170,000	9,410,000
24	Interest	-	-	-	-
25	Subsidies	-	-	-	-
26	Grants	280,000	280,000	280,000	280,000
27	Social Benefits	-	-	-	-
28	Other Expenses	-	-	-	-
31	Acquisition of Non-Financial Assets	-	-	-	-
32	Acquisition of Financial Assets	-	-	-	-
	<b>Total</b>	<b>88,310,000</b>	<b>91,990,000</b>	<b>93,800,000</b>	<b>96,135,000</b>

**2. SUMMARY FOR YEAR 2011**

Code	Programme	Rs	Rs	Rs	Rs
		Compensation of Employees [code 21]	Goods and Services [code 22]	Subsidies/ Grants [codes 25-28]	Acquisition of Assets [codes 31- 32]
041	External Audit	82,540,000	9,170,000	280,000	-
	<b>Total</b>	<b>82,540,000</b>	<b>9,170,000</b>	<b>280,000</b>	<b>-</b>

**Programme 041: External Audit****Sub-Programme 04101 : Audit and Assurance Services**

Item No.	Details	Rs	Rs	Rs	Rs
		2010 Estimates	2011 Estimates	2012 Planned	2013 Planned
<b>21</b>	<b>Compensation of Employees</b>	<b>70,355,000</b>	<b>73,950,000</b>	<b>75,550,000</b>	<b>77,435,000</b>
21110	Personal Emoluments	61,730,000	64,765,000	66,365,000	68,250,000
21111	Other Staff Costs	8,625,000	9,185,000	9,185,000	9,185,000
<b>22</b>	<b>Goods and Services</b>	<b>9,540,000</b>	<b>9,020,000</b>	<b>9,020,000</b>	<b>9,260,000</b>
22010	Cost of Utilities	1,535,000	1,515,000	1,515,000	1,515,000
22020	Fuel and Oil	25,000	25,000	25,000	25,000
22030	Rent	4,730,000	4,750,000	4,750,000	4,750,000
22040	Office Equipment and Furniture	785,000	270,000	270,000	510,000
22050	Office Expenses	90,000	85,000	85,000	85,000
22060	Maintenance	1,375,000	1,375,000	1,375,000	1,375,000
22100	Publications and Stationery	515,000	510,000	510,000	510,000
22120	Fees	415,000	420,000	420,000	420,000
22900	Other Goods and Services	70,000	70,000	70,000	70,000

**National Audit Office - continued**

Item No.	Details	Rs	Rs	Rs	Rs
		2010 Estimates	2011 Estimates	2012 Planned	2013 Planned
<b>26</b>	<b>Grants</b>	<b>280,000</b>	<b>280,000</b>	<b>280,000</b>	<b>280,000</b>
26210	Current Grant to International Organisations	280,000	280,000	280,000	280,000
	<i>of which</i>				
26210013	<i>Contribution to African Organisation of English Speaking Supreme Audit Institutions</i>	200,000	200,000	200,000	200,000
	<b>Total</b>	<b>80,175,000</b>	<b>83,250,000</b>	<b>84,850,000</b>	<b>86,975,000</b>
<b>Sub-Programme 04102: Performance Audit</b>					
<b>21</b>	<b>Compensation of Employees</b>	<b>7,965,000</b>	<b>8,590,000</b>	<b>8,800,000</b>	<b>9,010,000</b>
21110	Personal Emoluments	7,000,000	7,525,000	7,735,000	7,945,000
21111	Other Staff Costs	965,000	1,065,000	1,065,000	1,065,000
<b>22</b>	<b>Goods and Services</b>	<b>170,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>
22010	Cost of Utilities	10,000	10,000	10,000	10,000
22030	Rent	45,000	30,000	30,000	30,000
22100	Publications and Stationery	40,000	40,000	40,000	40,000
22120	Fees	75,000	70,000	70,000	70,000
	<b>Total</b>	<b>8,135,000</b>	<b>8,740,000</b>	<b>8,950,000</b>	<b>9,160,000</b>

**PART D: HUMAN RESOURCES****STAFFING POSITIONS BY PROGRAMMES AND SUB-PROGRAMMES**

Salary Code	Position Titles	In Post 2010	Funded Positions		
			2011	2012	2013
<b>Programme 041: External Audit</b>		<b>165</b>	<b>177</b>	<b>177</b>	<b>177</b>
<b>Sub-Programme 04101: Audit and Assurance Services</b>		<b>145</b>	<b>157</b>	<b>157</b>	<b>157</b>
01 00 96	Director of Audit	1	1	1	1
01 00 90	Deputy Director of Audit	2	2	2	2
01 75 82	Assistant Director of Audit	9	9	9	9
01 65 75	Principal Auditor	7	8	8	8
01 59 71	Senior Auditor	3	5	5	5
01 48 67	Auditor	33	37	37	37
01 75 81	Head, Examiner of Accounts Cadre	1	1	1	1
01 65 75	Deputy Head, Examiner of Accounts Cadre	-	1	1	1
01 60 71	Chief Examiner of Accounts	9	10	10	10
01 54 64	Principal Examiner of Accounts	11	11	11	11
01 48 59	Senior Examiner of Accounts	19	19	19	19
01 29 55	Examiner of Accounts	34	35	35	35
08 31 51	Senior Officer	1	2	2	2
01 41 55	Financial Operations Officer	1	1	1	1
01 29 49	Assistant Financial Operations Officer	1	1	1	1
08 29 49	Executive Officer	-	-	-	-
08 18 48	Officer	6	7	7	7
08 18 45	Clerical Officer / Higher clerical Officer	-	-	-	-
08 34 55	Confidential Secretary	1	1	1	1
08 17 44	Word Processing Operator	1	1	1	1
22 12 39	Receptionist/ Telephone Operator	-	-	-	-
24 27 37	Head Office Care Attendant	1	1	1	1
24 10 30	Office Care Attendant	2	2	2	2
24 13 36	Driver	2	2	2	2
<b>Sub-Programme 04102 : Performance Audit</b>		<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
01 75 82	Assistant Director of Audit	1	1	1	1
01 65 75	Principal Auditor	-	-	-	-
01 60 71	Chief Examiner of Accounts	1	1	1	1
01 59 71	Senior Auditor	3	3	3	3
01 48 67	Auditor	3	3	3	3
01 54 64	Principal Examiner of Accounts	3	3	3	3
01 48 59	Senior Examiner of Accounts	3	3	3	3
01 29 55	Examiner of Accounts	6	6	6	6
	<b>Total</b>	<b>165</b>	<b>177</b>	<b>177</b>	<b>177</b>