

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

### **I. STRATEGIC NOTE**

#### **1. Major Achievements for 2009 (July-December)**

- The New Financial Audit Manual of AFROSAI-E has been adopted.
- The Risk-based Audit approach has been reformulated and applied and the new set of Audit Programmes for substantive tests has been integrated with the new audit methodology.
- Performance Audit training Stage 1 is nearly completed and planning for Stage2 initiated.

#### **2. Major Services to be provided (Outputs) for 2010-2012**

##### Programme 041: External Audit

- Report to National Assembly.
- Audit of Statutory Bodies (100 Statutory Bodies of which MRA, NTC, MSA, CWA, CEB, etc).
- Audit of Non Statutory Bodies (60 Non Statutory Bodies of which Beach Authority, Civil Service Family Protection Scheme Board, ICAC, NHRC, Financial Intelligence Unit, etc).
- Audit of Local Authorities (133 Local Authorities of which Municipalities, District and Village Councils, etc)
- Performance Audit Training.

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

- Accounts of small Government units are being carried out on a five-year rotation basis. It would have been desirable to have a minimum three-year basis rotation.  
Accounts of small Government units will have to be audited on a three-year rotation basis.
- The Quality Assurance Unit is not being able to operate properly as recommended by INTOSAI and AFROSAI-E guidelines because of lack of Supervisory staff.

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

#### Programme 041: External Audit

##### Sub-Programme 04101: Statutory and Regulatory Audit

- Provide our stakeholders with an objective report and reasonable assurance on the stewardship of public funds as appropriated by Parliament.

##### Sub-Programme 04102: Performance Audit

- To strengthen the capacity building of NAO on Performance Audit.

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

Code	Programmes and Sub-Programmes	Rs	Rs	Rs	Rs
		Jul-Dec 2009 Estimates	2010 Estimates	2011 Planned	2012 Planned
<b>041</b>	<b>External Audit</b>	<b>45,600,000</b>	<b>88,310,000</b>	<b>89,619,000</b>	<b>90,888,000</b>
04101	Statutory and Regulatory Audit	41,135,000	80,175,000	81,359,000	82,500,000
04102	Performance Audit	4,465,000	8,135,000	8,260,000	8,388,000
	<b>Total</b>	<b>45,600,000</b>	<b>88,310,000</b>	<b>89,619,000</b>	<b>90,888,000</b>

## IV. SUMMARY OF FUNDED POSITIONS BY PROGRAMMES AND SUB-PROGRAMMES

Code	Programmes	Total		% Distribution	
		2009 (Jul-Dec)	2010	2009 (Jul-Dec)	2010
<b>041</b>	<b>External Audit</b>	<b>186</b>	<b>190</b>	<b>100.0%</b>	<b>100.0%</b>
04101	Statutory & Regulatory Audit	165	169	88.7%	88.9%
04102	Performance Audit	21	21	11.3%	11.1%
	<b>Total Funded Positions</b>	<b>186</b>	<b>190</b>	<b>100%</b>	<b>100%</b>

**PART B: SERVICES TO BE PROVIDED (OUTPUTS) AND  
PERFORMANCE INFORMATION**

<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: Statutory and Regulatory Audit</b>						
<b>DELIVERY UNIT</b>	<b>SERVICES TO BE PROVIDED (Outputs)</b>	<b>PERFORMANCE</b>				
		<b>Service Standards (Indicators)</b>	<b>2009 Baseline</b>	<b>2010 Targets</b>	<b>2011 Targets</b>	<b>2012 Targets</b>
National Audit Office (NAO)	O1: Management of correspondence, requests and complaints.	P1: 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 (2010 to become a baseline).	-	90%	90%	95%
	O2: Delivery on PBB programmes / sub-programmes requirements that are funded through the 2010 PBB.	P1: % of PBB indicators that are met.	100%	90%	90%	90%
	O3 : Prepare and update an annual implementation Plan	P1: Annual Implementation Plan to implement the PBB after budget vote within months specified.	-	2	2	2
	O4: Report to National Assembly	P1: Timely submission of the annual Audit Report to the National Assembly	Nov	Apr	Apr	Apr
	O5: Audit of Statutory Bodies (100)	P1: Percentage of selected statutory bodies accounts audited and certified	80%	80%	80%	80%
	O6: Audit of non Statutory Bodies (60)	P1: Percentage of non statutory bodies accounts audited and certified	75%	75%	75%	75%
	O7: Audit of Local Authorities (133)	P1: Percentage of local authorities accounts audited and certified	75%	75%	75%	75%
<b>SUB-PROGRAMME 04102: Performance Audit</b>						
National Audit Office (NAO)	O1: Performance Audit Training	P1: Performance Audit Training completed by	-	May	-	-
		P2: Number of staff of NAO Performance Audit Training	-	18	-	-

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

Code	Economic Categories	Rs	Rs	Rs	Rs
		Jul-Dec 2009 Estimates	2010 Estimates	2011 Planned	2012 Planned
21	Compensation of Employees	40,515,000	78,320,000	79,564,000	80,833,000
22	Goods and Services	5,015,000	9,710,000	9,775,000	9,775,000
24	Interest	-	-	-	-
25	Subsidies	-	-	-	-
26	Grants	70,000	280,000	280,000	280,000
27	Social Benefits	-	-	-	-
28	Other Expense	-	-	-	-
31	Acquisition of Non-Financial Assets	-	-	-	-
32	Acquisition of Financial Assets	-	-	-	-
	<b>Total</b>	<b>45,600,000</b>	<b>88,310,000</b>	<b>89,619,000</b>	<b>90,888,000</b>

**2. SUMMARY FOR YEAR 2010**

Code	Programme	Rs	Rs	Rs	Rs
		Compensation of Employees	Goods and Services [code 22]	Subsidies/ Grants [codes 25-28]	Acquisition of Assets [codes 31- 32]
041	External Audit	78,320,000	9,710,000	280,000	-
	<b>Total</b>	<b>78,320,000</b>	<b>9,710,000</b>	<b>280,000</b>	<b>-</b>

**Programme 041: External Audit****Sub-Programme 04101 : Statutory and Regulatory Audit**

Item No.	Details	Rs	Rs	Rs	Rs
		Jul-Dec 2009 Estimates	2010 Estimates	2011 Planned	2012 Planned
<b>21</b>	<b>Compensation of Employees</b>	<b>36,100,000</b>	<b>70,355,000</b>	<b>71,474,000</b>	<b>72,615,000</b>
21110	Personal Emoluments	31,700,000	61,730,000	62,849,000	63,990,000
21111	Other Staff Costs	4,400,000	8,625,000	8,625,000	8,625,000
<b>22</b>	<b>Goods and Services</b>	<b>4,965,000</b>	<b>9,540,000</b>	<b>9,605,000</b>	<b>9,605,000</b>
22010	Cost of Utilities	870,000	1,535,000	1,535,000	1,535,000
22020	Fuel and Oil	15,000	25,000	25,000	25,000
22030	Rent	2,387,000	4,730,000	4,730,000	4,730,000
22040	Office Equipment and Furniture	100,000	785,000	785,000	785,000
22050	Office Expenses	73,000	90,000	90,000	90,000
22060	Maintenance	1,095,000	1,375,000	1,440,000	1,440,000
22100	Publications and Stationery	265,000	515,000	515,000	515,000
22120	Fees	100,000	415,000	415,000	415,000
22900	Other Goods and Services	60,000	70,000	70,000	70,000

**National Audit Office – continued**

Item No.	Details	Rs	Rs	Rs	Rs
		Jul-Dec 2009 Estimates	2010 Estimates	2011 Planned	2012 Planned
<b>26</b>	<b>Grants</b>	<b>70,000</b>	<b>280,000</b>	<b>280,000</b>	<b>280,000</b>
26210	Current Grant to International Organisations	70,000	280,000	280,000	280,000
26210013	<i>of which Contribution to African Organisation of English Speaking Supreme Audit Institutions</i>	-	200,000	200,000	200,000
	<b>Total</b>	<b>41,135,000</b>	<b>80,175,000</b>	<b>81,359,000</b>	<b>82,500,000</b>

**Sub-Programme 04102: Performance Audit**

Item No.	Details	Rs	Rs	Rs	Rs
		Jul-Dec 2009 Estimates	2010 Estimates	2011 Planned	2012 Planned
<b>21</b>	<b>Compensation of Employees</b>	<b>4,415,000</b>	<b>7,965,000</b>	<b>8,090,000</b>	<b>8,218,000</b>
21110	Personal Emoluments	3,780,000	7,000,000	7,125,000	7,253,000
21111	Other Staff Costs	635,000	965,000	965,000	965,000
<b>22</b>	<b>Goods and Services</b>	<b>50,000</b>	<b>170,000</b>	<b>170,000</b>	<b>170,000</b>
22010	Cost of Utilities	5,000	10,000	10,000	10,000
22030	Rent	20,000	45,000	45,000	45,000
22100	Publications and Stationery	25,000	40,000	40,000	40,000
22120	Fees	-	75,000	75,000	75,000
	<b>Total</b>	<b>4,465,000</b>	<b>8,135,000</b>	<b>8,260,000</b>	<b>8,388,000</b>

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

Salary Code	Position Titles	Funded Positions			
		2009 (Jul-Dec)	2010	2011	2012
<b>Programme 041: External Audit</b>		<b>186</b>	<b>190</b>	<b>190</b>	<b>190</b>
<b>Sub-Programme 04101: Statutory &amp; Regulatory Audit</b>		<b>165</b>	<b>169</b>	<b>169</b>	<b>169</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	6	7	7	7
01 59 71	Senior Auditor	4	5	5	5
01 48 67	Auditor	37	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	1
01 60 71	Chief Examiner of Accounts	9	10	10	10
01 54 64	Principal Examiner of Accounts	12	13	13	13
01 48 59	Senior Examiner of Accounts	19	19	19	19
01 29 55	Examiner of Accounts	45	45	45	45
08 31 51	Senior officer	-	-	-	-
01 41 55	Financial Operations Officer	-	1	1	1
01 29 49	Assistant Financial Operations Officer	-	1	1	1
08 29 49	Executive Officer	1	1	1	1
08 18 48	Officer	-	-	-	-
08 18 45	Clerical Officer / Higher clerical Officer	7	6	6	6
08 34 55	Confidential Secretary	3	3	3	3
08 17 44	Word Processing Operator	2	2	2	2
24 27 37	Head Office Care Attendant	1	1	1	1
24 10 30	Office Care Attendant	3	2	2	2
24 13 36	) Driver	2	2	2	2
24 13 31	)				
<b>Sub-Programme 04102 : Performance Audit</b>		<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>
01 75 82	Assistant Director of Audit	1	1	1	1
01 65 75	Principal Auditor	1	1	1	1
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 Funded Positions</b>		<b>186</b>	<b>190</b>	<b>190</b>	<b>190</b>