

PART A: OVERVIEW OF DEPARTMENT**I. STRATEGIC NOTE****1. Major****Achievements for
2011**

- Three out of the four goals of the Strategic Plan 2007-11 completed, while goal 4 was 50% completed.
- New Strategic Plan 2011-20 adopted.
- The Risk-Based Audit Methodology refined based on snags encountered during the first application last year.
- 31 large and 15 small Ministries/Departments audited.
- 273 statutory bodies audited.
- 2 performance audits completed and tabled in the National Assembly.
- PBB targets fully achieved.

**2. Major Constraints
and Challenges
and how they are
being addressed**

- The volume of transactions and the complexity and associated risks of audit increased drastically. Consequently more person days are required.
 - Audit methodology will be reviewed and use of IT strengthened.
- Risk-Based Audit methodology recommended by INTOSAI and IFAC is new to staff and requires a shift in mindset in the way to carry out an audit. In addition, performance audit, being a new concept, is not well understood by auditees.
 - Capacity building will be carried out.
- Quality Assurance Unit has not been set up properly as recommended by INTOSAI and AFROSAI-E because of lack of staff.
 - This unit should be operated by very experienced staff.
- The increasing computerisation of public sector organisations and systems requires staff to be qualified in information systems audit.
 - Incentives and training are being provided to staff to sit for the CISA exams. Currently some 40 staff of all grades are preparing for the CISA exams in December 2011.

- 3. Strategic Direction 2012-2014**
- Focusing on “quality of service delivery”, the strategy of the NAO over the medium term is to :
 - Strengthen the independence of NAO.
 - Continuously improve on the quality of audit services provided.
 - Be a model organisation.
 - Have a motivated, skilled and productive workforce.
 - Promote a knowledge sharing culture at NAO.
 - Contribute in enhancing good governance in public sector.
 - Improve the quality of IT Operations and Support.

4. Priority Objectives and Major Services to be provided for 2012-2014

Programme 041: External Audit and Assurance Services

Sub-Programme 04101: Regularity Audit

Priority Objectives: • Submit Annual Audit Report to the National Assembly within the statutory date limit, preferably within 6 months of the close of the financial year

Major Services: • Examination and evaluation of financial records and expression of opinions on financial statements

- Audit of financial systems and transactions
- Audit of the probity and propriety of administrative decisions taken within the audited entity
- Audit of internal control and internal audit functions
- Quality assurance
- Monitoring of audit operations on sites
- Information systems audit

Sub-Programme 04102: Performance Audit

Priority Objectives: • To complete at least 3 performance audits each year.

Major Services: • Close monitoring of the performance of each team to ensure that each complete an audit within the time planned which should not exceed one year.

National Audit Office - *continued*

II. SUMMARY OF FINANCIAL RESOURCES BY PROGRAMMES AND SUB-PROGRAMMES

Code	Programmes and Sub-Programmes	Rs	Rs	Rs	Rs
		2011 Estimates	2012 Estimates	2013 Planned	2014 Planned
041	External Audit and Assurance Services	91,990,000	98,732,000	98,662,000	99,762,000
04101	Regularity Audit	83,250,000	89,342,000	89,297,000	89,872,000
04102	Performance Audit	8,740,000	9,390,000	9,365,000	9,890,000
	Total	91,990,000	98,732,000	98,662,000	99,762,000

III. SUMMARY OF FUNDED POSITIONS BY PROGRAMMES AND SUB-PROGRAMMES

Code	Programmes and Sub-Programmes	Total		% Distribution	
		In Post 2011	Funded 2012	2011	2012
041	External Audit and Assurance Services	178	183	100%	100%
04101	Regularity Audit	157	162	88.2%	88.5%
04102	Performance Audit	21	21	11.8%	11.5%
	Total	178	183	100%	100%

PART B: SERVICES TO BE PROVIDED AND PERFORMANCE INFORMATION

DELIVERY UNIT	SERVICES TO BE PROVIDED	PERFORMANCE				
		Service Standards (Indicators)	2010 Actual	2012 Targets	2013 Targets	2014 Targets
PROGRAMME 041: External Audit and Assurance Services						
Outcome: An external audit service that meets the expectations of Parliament and other stakeholders.						
SUB-PROGRAMME 04101: Regularity Audit						
National Audit Office (NAO)	S1: Policy and Management Services.	SS1: PBB Strategic Plan in line with guidelines submitted.	-	May	May	Apr
		SS2: % of requests acknowledged within 5 working days.	-	90%	95%	95%
	S2 :Audit and Assurances services to government Ministries and Departments and Rodrigues Regional Assembly.	SS1: Timely submission of the annual Audit Report to the National Assembly.	July 2009 Report	June 2011 Report	May 2012 Report	May 2013 Report
	S3:Audit of Financial Statements of Statutory Bodies (110).	SS1: Percentage of financial statements audited and certified within 6 months of submission.	81%	85%	85%	85%
	S4: Audit of Financial Statements of Special Funds and Donor Agencies (40).	SS1: Percentage of submitted financial statements audited and certified.	48%	60%	65%	70%
	S5: Audit of Financial Statements of Local Authorities (133).	SS1: Percentage of Financial Statements submitted, audited and certified.	100%	100%	100%	100%
SUB-PROGRAMME 04102: Performance Audit						
National Audit Office (NAO)	S1: Performance Audits.	SS1: Number of Performance Audit Report issued.	2 completed	5	5	5
			3 in progress			

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

Code	Economic Categories	Rs	Rs	Rs	Rs
		2011 Estimates	2012 Estimates	2013 Planned	2014 Planned
21	Compensation of Employees	82,540,000	87,272,000	87,762,000	89,362,000
22	Goods and Services	9,170,000	11,105,000	10,545,000	10,045,000
24	Interest	-	-	-	-
25	Subsidies	-	-	-	-
26	Grants	280,000	355,000	355,000	355,000
27	Social Benefits	-	-	-	-
28	Other Expenses	-	-	-	-
31	Acquisition of Non-Financial Assets	-	-	-	-
32	Acquisition of Financial Assets	-	-	-	-
	Total	91,990,000	98,732,000	98,662,000	99,762,000

2. SUMMARY FOR YEAR 2012

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 and Assurance Services	87,272,000	11,105,000	355,000	-
	Total	87,272,000	11,105,000	355,000	-

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

Item No.	Details	Rs	Rs	Rs	Rs
		2011 Estimates	2012 Estimates	2013 Planned	2014 Planned
21	Compensation of Employees	73,950,000	78,207,000	78,622,000	79,697,000
21110	Personal Emoluments	64,765,000	67,547,000	68,837,000	69,912,000
21111	Other Staff Costs	9,185,000	10,060,000	9,185,000	9,185,000
21210	Social Contributions	-	600,000	600,000	600,000
22	Goods and Services	9,020,000	10,780,000	10,320,000	9,820,000
22010	Cost of Utilities	1,515,000	1,475,000	1,400,000	1,400,000
22020	Fuel and Oil	25,000	25,000	25,000	25,000
22030	Rent	4,750,000	4,750,000	4,750,000	4,750,000
22040	Office Equipment and Furniture	270,000	825,000	450,000	450,000
22050	Office Expenses	85,000	85,000	90,000	85,000
22060	Maintenance	1,375,000	875,000	875,000	875,000
22100	Publications and Stationery	510,000	510,000	510,000	510,000
22120	Fees	420,000	2,155,000	1,540,000	1,640,000
22900	Other Goods and Services	70,000	80,000	680,000	85,000

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Item No.	Details	Rs	Rs	Rs	Rs
		2011 Estimates	2012 Estimates	2013 Planned	2014 Planned
26	Grants	280,000	355,000	355,000	355,000
26210	Current Grant to International Organisations	280,000	355,000	355,000	355,000
	<i>of which</i>				
26210012	<i>Contribution to African Organisation of Supreme Audit Institutions</i>	35,000	35,000	35,000	35,000
26210013	<i>Contribution to African Organisation of English Speaking Supreme Audit Institutions</i>	200,000	200,000	200,000	200,000
26210014	<i>Contribution to International Organisation of Supreme Audit Institutions</i>	25,000	20,000	20,000	20,000
26210015	<i>Contribution to Asian Organisation of Supreme Audit Institutions</i>	20,000	100,000	100,000	100,000
	Total	83,250,000	89,342,000	89,297,000	89,872,000
Sub-Programme 04102: Performance Audit					
21	Compensation of Employees	8,590,000	9,065,000	9,140,000	9,665,000
21110	Personal Emoluments	7,525,000	7,950,000	8,125,000	8,550,000
21111	Other Staff Costs	1,065,000	1,115,000	1,015,000	1,115,000
22	Goods and Services	150,000	325,000	225,000	225,000
22010	Cost of Utilities	10,000	10,000	10,000	10,000
22030	Rent	30,000	30,000	30,000	30,000
22100	Publications and Stationery	40,000	40,000	40,000	40,000
22120	Fees	70,000	245,000	145,000	145,000
	Total	8,740,000	9,390,000	9,365,000	9,890,000

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

Salary Code	Position Titles	In Post 2011	Funded Positions		
			2012	2013	2014
Programme 041: External Audit and Assurance Services		178	183	183	183
Sub-Programme 04101: Regularity Audit		157	162	162	162
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	8	9	9	9
01 59 71	Senior Auditor	5	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	11	11	11	11
01 54 64	Principal Examiner of Accounts	13	14	14	14
01 48 59	Senior Examiner of Accounts	19	19	19	19
01 29 55	Examiner of Accounts	33	36	36	36
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	-	-	-
08 18 48	Officer	7	7	7	7
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 } 24 13 31 }	Driver	2	2	2	2
Sub-Programme 04102 : Performance Audit		21	21	21	21
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
Total		178	183	183	183