

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

### **I. STRATEGIC NOTE**

#### **1. Major Achievements for 2012**

- 5 performance audits completed and tabled in the National Assembly.
- All the 20 activities programmed for 2011, which were included in the 2011-2013 Strategic Plan, are on track for completion by December 2012.
- Of the 117 large and 160 small audits in respect of Ministries/Departments/Units, 116 large and 139 small audits have been completed.
- 199 audits in respect of Statutory Bodies/Local Authorities completed against 232 planned.

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

- The volume of transactions and the complexity as well as associated risks of audit increased drastically.
  - Audit methodology will be reviewed.
  - Additional staff being recruited for interim audits to be carried out.
- Risk Audit Methodology recommended by INTOSAI and IFAC to be adopted but requires a shift in mindset of staff.
  - Capacity building will be conducted.
- Quality Assurance Unit has just been set up as recommended by INTOSAI and AFROSAI-E and needs to be effective.
  - Training is being organised in-house.
  - Guidance will also be sought from external experienced coach.
- The increasing computerisation of public sector organisations and systems requires staff to be qualified in information systems audit.
  - The staff are being trained and are sitting for the Certified Information Systems Auditor (CISA) examinations.

#### **3. Strategic Direction 2013-2015**

- The strategy of the NAO over the medium term is to :
  - Continuously improve the quality of audit services delivered.
  - Contribute in enhancing good governance in public sector.
  - Follow-up on audit recommendations in previous year for prompt and effective implementation.

**4. Priority Objectives and Major Services to be provided for 2013-2015**

**Programme 041: External Audit and Assurance Services**

***Sub-Programme 04101: Regularity Audit***

Priority Objective: 

- Submit Annual Audit Report to the National Assembly within the statutory date limit, preferably within 6 months after the end 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
- Information system audits
- Interim audits to address implementation of recommendations in previous audit reports.

***Sub-Programme 04102: Performance Audit***

Priority Objective: 

- To complete at least 3 performance audits each year

Major Services: 

- Evaluate whether the entity is making use of its resources in the most economical, efficient and effective way.

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

Code	Programmes and Sub-Programmes	Rs	Rs	Rs	Rs
		2012 Estimates	2013 Estimates	2014 Planned	2015 Planned
<b>041</b>	<b>External Audit and Assurance Services</b>	<b>98,732,000</b>	<b>120,312,000</b>	<b>122,232,000</b>	<b>123,532,000</b>
04101	Regularity Audit	89,342,000	108,928,000	110,533,000	111,613,000
04102	Performance Audit	9,390,000	11,384,000	11,699,000	11,919,000
	<b>Total</b>	<b>98,732,000</b>	<b>120,312,000</b>	<b>122,232,000</b>	<b>123,532,000</b>

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

Code	Programmes and Sub-Programmes	Total		% Distribution	
		In Post 2012	Funded 2013	2012	2013
<b>041</b>	<b>External Audit and Assurance Services</b>	<b>180</b>	<b>200</b>	<b>100%</b>	<b>100%</b>
04101	Regularity Audit	159	179	88%	90%
04102	Performance Audit	21	21	12%	11%
	<b>Total</b>	<b>180</b>	<b>200</b>	<b>100%</b>	<b>100%</b>

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

<b>PROGRAMME 041: External Audit and Assurance Services</b>						
<b>Outcome :</b> An external audit service that meets the expectations of the National Assembly and other stakeholders						
<b>Outcome Indicator</b>			<b>2011 Actual</b>	<b>2013 Target</b>	<b>2015 Target</b>	<b>2022 Target</b>
% of recommendations in Audit Reports implemented			40	60	70	95
<b>DELIVERY UNITS</b>	<b>SERVICES TO BE PROVIDED</b>	<b>PERFORMANCE</b>				
		<b>Service Standards (Indicators)</b>	<b>2011 Actual</b>	<b>2013 Targets</b>	<b>2014 Targets</b>	<b>2015 Targets</b>
<b>SUB-PROGRAMME 04101: Regularity Audit</b>						
National Audit Office (NAO)	S1: Policy and Management Services.	SS1: PBB Strategic Plan updated and aligned with ESTP Outcome Framework	-	May	May	May
		SS2: % of requests acknowledged within 5 working days	90%	95%	95%	96%
	S2 :Interim Audits in Ministries, Departments , Rodrigues Regional Assembly, Statutory Bodies and Local Authorities.	SS1: Timely submission of the management letters to auditees	-	September	September	September
		SS2: Follow up on recommendations in management letters.	-	November	November	November
	S3 :Audits and Assurances services to Ministries and Departments and Rodrigues Regional Assembly.	SS1: Timely submission of the annual Audit Report to the National Assembly.	July - 2010 Report	June - 2012 Report	June - 2013 Report	June - 2014 Report
	S4:Audits of financial statements of Statutory Bodies .	SS1: Percentage of submitted financial statements audited and certified within 6 months of submission.	75%	80%	85%	90%
	S5: Audit of Financial Statements of Special Funds and Donor Agencies .	SS1: Percentage of submitted financial statements audited and certified.	78%	80%	85%	90%
S6: Audit of Financial Statements of Local Authorities .	SS1: Percentage of financial statements submitted audited and certified	100%	100%	100%	100%	
<b>SUB-PROGRAMME 04102: Performance Audit</b>						
National Audit Office (NAO)	S1: Performance Audits.	SS1: Number of Performance Audit Report issued annually.	5	5	5	5

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

Code	Economic Categories	Rs	Rs	Rs	Rs
		2012 Estimates	2013 Estimates	2014 Planned	2015 Planned
21	Compensation of Employees	87,272,000	107,685,000	109,990,000	111,260,000
22	Goods and Services	11,105,000	12,292,000	11,907,000	11,937,000
24	Interest	-	-	-	-
25	Subsidies	-	-	-	-
26	Grants	355,000	335,000	335,000	335,000
27	Social Benefits	-	-	-	-
28	Other Expense	-	-	-	-
31	Acquisition of Non-Financial Assets	-	-	-	-
32	Acquisition of Financial Assets	-	-	-	-
	<b>Total</b>	<b>98,732,000</b>	<b>120,312,000</b>	<b>122,232,000</b>	<b>123,532,000</b>

**2. SUMMARY FOR YEAR 2013**

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	107,685,000	12,292,000	335,000	-
	<b>Total</b>	<b>107,685,000</b>	<b>12,292,000</b>	<b>335,000</b>	<b>-</b>

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

Item No.	Details	Rs	Rs	Rs	Rs
		2012 Estimates	2013 Estimates	2014 Planned	2015 Planned
<b>21</b>	<b>Compensation of Employees</b>	<b>78,207,000</b>	<b>96,620,000</b>	<b>98,610,000</b>	<b>99,660,000</b>
21110	Personal Emoluments	67,547,000	84,985,000	86,975,000	88,025,000
21111	Other Staff Costs	10,060,000	10,985,000	10,985,000	10,985,000
21210	Social Contributions	600,000	650,000	650,000	650,000
<b>22</b>	<b>Goods and Services</b>	<b>10,780,000</b>	<b>11,973,000</b>	<b>11,588,000</b>	<b>11,618,000</b>
22010	Cost of Utilities	1,475,000	1,585,000	1,585,000	1,585,000
22020	Fuel and Oil	25,000	45,000	45,000	45,000
22030	Rent	4,750,000	4,790,000	4,790,000	4,790,000
22040	Office Equipment and Furniture	825,000	825,000	875,000	875,000
22050	Office Expenses	85,000	83,000	83,000	83,000
22060	Maintenance	875,000	800,000	825,000	825,000
22100	Publications and Stationery	510,000	435,000	435,000	435,000
22120	Fees	2,155,000	1,860,000	1,870,000	1,870,000
22180	Overseas Travel (Mission and Capacity Building)	-	1,000,000	1,030,000	1,060,000
22900	Other Goods and Services	80,000	550,000	50,000	50,000

**National Audit Office - continued**

Item No.	Details	Rs	Rs	Rs	Rs
		2012 Estimates	2013 Estimates	2014 Planned	2015 Planned
<b>26</b>	<b>Grants</b>	<b>355,000</b>	<b>335,000</b>	<b>335,000</b>	<b>335,000</b>
26210	Current Grant to International Organisations	355,000	335,000	335,000	335,000
	<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	185,000	185,000	185,000
26210014	<i>Contribution to International Organisation of Supreme Audit Institutions</i>	20,000	20,000	20,000	20,000
26210015	<i>Contribution to Asian Organisation of Supreme Audit Institutions</i>	100,000	95,000	95,000	95,000
	<b>Total</b>	<b>89,342,000</b>	<b>108,928,000</b>	<b>110,533,000</b>	<b>111,613,000</b>
<b>Sub-Programme 04102: Performance Audit</b>					
<b>21</b>	<b>Compensation of Employees</b>	<b>9,065,000</b>	<b>11,065,000</b>	<b>11,380,000</b>	<b>11,600,000</b>
21110	Personal Emoluments	7,950,000	9,925,000	10,240,000	10,460,000
21111	Other Staff Costs	1,115,000	1,140,000	1,140,000	1,140,000
<b>22</b>	<b>Goods and Services</b>	<b>325,000</b>	<b>319,000</b>	<b>319,000</b>	<b>319,000</b>
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	34,000	34,000	34,000
22120	Fees	245,000	245,000	245,000	245,000
	<b>Total</b>	<b>9,390,000</b>	<b>11,384,000</b>	<b>11,699,000</b>	<b>11,919,000</b>

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

Salary Code	Position Titles	In Post 2012	Funded Positions		
			2013	2014	2015
<b>Programme 041: External Audit and Assurance Services</b>		<b>180</b>	<b>200</b>	<b>200</b>	<b>200</b>
<b>Sub-Programme 04101: Regularity Audit</b>		<b>159</b>	<b>179</b>	<b>179</b>	<b>179</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	8	8	8	8
01 65 75	Principal Auditor	9	9	9	9
01 59 71	Senior Auditor	5	15	15	15
01 48 67	Auditor	37	27	27	27
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	15	15	15
01 54 64	Principal Examiner of Accounts	14	14	14	14
01 48 59	Senior Examiner of Accounts	19	19	19	19
01 29 55	Examiner of Accounts	36	51	51	51
01 41 55	Financial Operations Officer	1	1	1	1
01 29 49	Assistant Financial Operations Officer	-	-	-	-
08 31 51	Senior Officer	1	2	2	2
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	1	1	1	1
<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</b>		<b>180</b>	<b>200</b>	<b>200</b>	<b>200</b>