



# PROJECT REPORT

## 2023

### NAC STRATEGIC CHANGE PROJECT 2020 – 2025



Norwegian Ministry  
of Foreign Affairs

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## List of Abbreviations

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AFDB	African Development Bank
AFROSAI-E	African Organisation of English-Speaking Supreme Audit Institutions
CPA	Certified Public Accountant
GOSS	Government of South Sudan
ICT	Information Communication Technology
IDI	INTOSAI Development Initiative
IMF RCF	International Monetary Fund Rapid Credit Facility
INTOSAI	International Organisation of Supreme Audit Institutions
ISSAI	International Standards of Supreme Audit Institutions
MFA	Ministry of Foreign Affairs
MOF	Ministry of Finance
MS 365	Microsoft 365
NAC	National Audit Chambers
OAGK	Office of the Auditor General of Kenya
OAGN	Office of the Auditor General of Norway
PAC	Public Accounts Committee
PEFA	Public Expenditure and Financial Accountability
PESA P	Professional Education for SAI Auditors Pilot
PFM	Public Financial Management
QC	Quality Control
R-ARCSS	Revitalized Agreement on the Resolution of Conflict in the Republic of South Sudan
SAI	Supreme Audit Institution
SCP	Strategic Change Project
WB	World Bank

# 1 Background

As a young state with a troubled history, South Sudan is faced with several economic, political, security and humanitarian challenges. The Revitalized Peace Agreement (R-ARCSS) of September 2018 provides for several steps to be taken to improve the situation, hereunder how to strengthen public financial management and the National Audit Chamber (NAC).

NAC has a Strategic Plan (SP) for 2019–2024 that includes strategies for how to meet the expectations of the R-ARCSS, deliver more and better audits and in general contribute to better public financial management in South Sudan.

The Government of South Sudan funds the NAC with about 150 staff and is expected to cover main needs of investments and operational costs. However, NAC operates in a highly unpredictable and challenging environment. Both government funds for salaries and audit operations as well as political support for a strong audit office are unpredictable, although starting to stabilize in the 4 last months of 2022. For NAC to successfully implement the strategic plan, both financial and technical support are needed.

The INTOSAI Development Initiative (IDI), the Office of the Auditor General of Kenya (OAGK) and AFROSAI-E have committed to jointly support the NAC in implementing key strategic priorities for 2020–2024. This includes support to core audits, a new legal framework, stronger internal governance, new ICT-systems, HR-management, professional development and training, stakeholder engagement and communication and general coordination with partners. This was formalized in a Cooperation agreement signed in August 2019.

Funding is provided by the Norwegian embassy (MFA Norway) in Juba, through a grant agreement with IDI. This was formalized in a signed agreement in October 2020, providing funding of 15 mill NOK for the period 2020–2023.

The overall objective of the project is *to enable NAC to successfully implement its strategic plan*. The result framework is therefore based on NAC's strategic plan 2019 – 2024. Figure 1 gives an overview of the Strategic plan.

## NAC VISION

To be recognized as a Centre of Audit Excellence by our Stakeholders.

## MISSION STATEMENT

To Audit and Report to the President and Parliament on the proper accounting and use of public resources to enhance effective accountability.

## STRATEGIC OUTCOMES

1. Public Account Committee follow-up on the audit reports.
2. Audit findings are covered in the media enabling interested stakeholders to engage in accountability.
3. Executive follow-up of audit findings.
4. Central government financial statements issued on time.
5. State government financial statements issued on time.
6. Improved compliance with rules and regulations.

## STRATEGIC OUTPUTS

1. Annual Financial and Compliance Audit report issued for Central Government including recommendations for compliance with key rules and regulations.
2. Audit reports of the Central Bank and government owned companies issued annually.
3. Audit report covering the States and Local Governments, including recommendations for issuing of financial statements and compliance with key rules and regulations.
4. Performance audit reports issued for the main sectors.
5. Special audit reports of donor funded projects.
6. Investigative audit reports in selected areas.
7. Annual NAC Activity report.
8. Annual seminar for the PAC presenting the main audit findings and status of previous year's recommendations.

## FOCUS AREAS

Strengthen NAC Independence.

Enhance the Quality and Impact of Audit Services.

Strengthen Internal Governance System and Structures.

Human Resources developed and Staff Welfare improved.

Strengthen Advocacy and Stakeholders Engagement.

## FOCUS AREAS



Shared vision



Integrity



Team work



Inspirational leadership



Making a difference

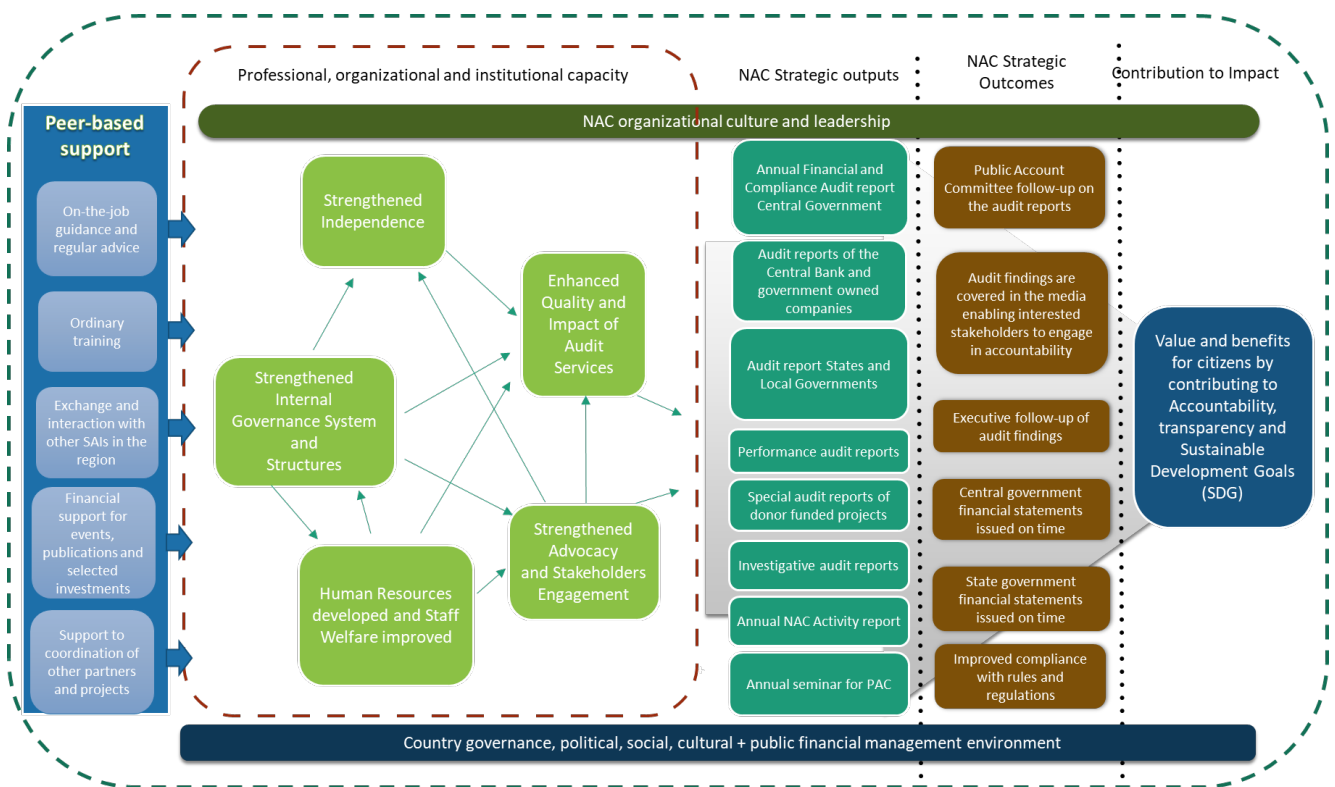
Figure 1: Overview of NAC's Strategic Plan 2019–2024

In line with NAC’s mission, the potential impact of the project is greater compliance with laws and regulations and stronger public financial management in South Sudan, which ultimately leads to better government services and improvements of the living conditions of citizens. The project shall as such contribute to Sustainable Development Goal 16 (Peace, Justice and Strong Institutions) especially, by building a more effective, accountable, and inclusive Supreme Audit Institution in South Sudan.

Figure 2 shows an illustration of the theory of change underlying the project design. Peer-based project deliverables are expected to

enable NAC to:

- meet its focus area goal formulations for professional, organizational and institutional capacity,
- produce its strategic outputs (audits), and,
- have an effect on the strategic outcomes defined for NAC’s work, and finally,
- contribute to greater public financial management, accountability, transparency and achievement of Sustainable Development Goals in South Sudan



**Figure 2:** Theory of change illustration

# 2 Summary of Results and Implementation Progress

## 2.1 2023 Performance highlights



Backlog financial audit 2011 to 2014 completed



1 performance audit report presented to the National Assembly



Compliance audits ongoing in 13 ministries



Annual activity report 2019-2023 prepared



Annual audit plan 2023-2024 prepared



Annual operational plan 2023-2024 prepared



NAC financial and compliance audit manuals updated



Performance appraisal system developed



Stakeholder engagements with auditees and the National Assembly held

## 2.2 NAC project results and impact so far in the strategic planning period

### 2.2.1 Project impact so far

#### Contribution to public sector reforms:

- Based on recommendations from the audit of IMF emergency funding supported through the project, the Government of South Sudan initiated the payment of salaries through bank accounts for civil servants. Previously, cash payments were made, which had significant risks, as pointed out in the audit.
- Project-supported stakeholder engagement with auditees has enabled a better understanding of the need for timely financial reporting. As a result, several ministries and agencies are implementing mechanisms to produce financial statements. NAC's dialogue with the Ministry of Finance during the audit of the financial statements backlog has also prompted the Ministry to encourage ministries to prepare timely financial records. A joint workshop with Ministry has been planned in Q2 2024 to train accountants in the Central Government on the preparation of financial statements.
- The project supported engagement with the Public Accounts Committee, which enabled them to better understand their own role and NAC's mandate. With support from NAC, the PAC was able to hold its first hearing in November 2023 on the performance audit of the roads sector and hold the Ministry of Transport accountable.

#### Quality of audit findings and recommendations

- Through SAI Kenya peer support, NAC auditors have been trained to undertake

audits in accordance with the International Standards of Supreme Audit Institutions (ISSAIs), which has led to significant improvement in audit processes and the quality of audit reports. This has strengthened NAC's credibility and status as the Supreme Audit Institution of South Sudan, and as such, donors like the IMF can rely on NAC to provide assurance on funds disbursed.

- Through the project's investment in ICT systems and tools, NAC has shifted from paper-based audits to digitalized audit processes that have strengthened internal review processes and improved data storage and security. This also has a positive impact on the quality of audit findings that will, in turn, be followed up by the National Assembly. Through these skills gained, NAC has also contributed to regional audits through the East African Community.

#### Professionalization

- The project has also contributed to the professionalization of NAC auditors through funding programs like CPA (Certified Public Accounts) and Professional Education for SAI auditors (PESA), which could have sustained benefits for the SAI and enhance its professional credibility.

### 2.2.1 Strategic Plan Implementation Status

The overall objective of the project is to enable NAC to implement its strategic plan for 2019–2024 successfully. Figure 3 gives a graphical overview of the status of NAC's planned objectives and strategic outputs so far in the strategic planning period.<sup>1</sup>

<sup>1</sup> When NAC is able to issue its own performance report, the progress of the expected results and indicators of the strategic plan is expected to be presented in more detail.



## Nac Strategic Plan Progress overview map

Version: February 2024

### NAC Strategic outcomes: Improved governance, accountability and transparency

Public Account Committee follow-up on the audit reports	Executive follow-up of audit findings	Central government financial statement issued on time	Central Bank and government owned companies issue their financial statements on time.	States and Local governments financial statements issued on time
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### NAC Strategic outputs: Execution of prioritized audits and reporting

1. Annual Financial and Compliance Audit report issued for Central Government including recommendations for compliance with key rules and regulations	2. Audit reports of the Central Bank and government owned companies issued annually	3. Audit report covering the States and Local Government including recommendations for issuing of financial statements and compliance with key rules and regulations	4. Performance audit reports issued for the main sectors	5. Special audit reports of donor funded	6. Investigative audit reports in selected areas	7. Annual NAC Activity (Performance) report	8. Annual seminar for the PAC presenting the main audit findings and status of previous year's recommendations
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<b>Focus area 1: Strengthen NAC Independence</b>	<b>Focus area 2: Enhance the Quality and impact of Audit Services</b>	<b>Focus area 3: Strengthening Governance System and Structure</b>		<b>Focus area 4: HR Development and Staff Welfare</b>	<b>Focus Area 5: Strengthen Advocacy and Stakeholders Engagement</b>	<b>Project management-Peer-support and Coordination other partners and projects</b>
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1.1 A reviewed Audit Act submitted to the Presidency, Parliament & Constitutional Review Commission and enacted.	2.1 Annual Overall Audit Plan (AAP) developed and are communicated with the auditees.	2.6 NAC participation in the most relevant regional trainings.	3.1 Annual operational planning (AOP), monitoring and reporting system implemented	3.7 ICT archive policy developed and implemented	4.1 Human Resource Policy and Strategy Reviewed and Implemented	5.1 Stakeholder engagement strategy established and in use	Project management NAC SCP
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1.2 Support for NAC financial and Administrative Independence among key stakeholders achieved.	2.2 NAC annual overall audit plans (AAP) are implemented	2.7 NAC holds its own Internal Technical update and shares experiences systematically.	3.2 Leadership and Management's skills strengthened	3.8 In-ternet in place in NAC for all staff	4.2 Annual Training plan for audit and non-audit staff in place and implemented	5.2 Public Relation (PR) and communication function in place	Coordination other partners and projects
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1.3 Rules & Regulation for the NAC Act established	2.3 AFROSAI-E Financial and Compliance Audit Manuals and A-SEAT tool customized and implemented, including quality control practices	2.8 Develop NAC database of past and on-going audits.	3.3 Operative Internal Audit unit in NAC	3.9 Organizational Structure reviewed, approved and implemented	4.3 Performance appraisal system developed and implemented.	5.3 NAC Website renewed and regularly updated	Mid-term evaluation
1.4 External audit of NAC operations	2.4 AFROSAI-E Performance Audit Manual (PAM) and A-SEAT tool customized and implemented, including quality control practices	2.9 Enhancing the Quality Control Unit by coaching the staff & External Quality Assurance peer review annually.	3.4 ICT-strategy reviewed and implemented	3.10 Assets and Financial management system improved	4.4 Establish senior management retention and succession plans.	5.4 National Professional Accountancy Organization (PAO) established	End-term evaluation
1.5 Sufficient NAC annual budgets to enable implementation of the SP sourced.	2.5 Available guidelines for audit of selected areas adopted and in use, including forensic audits, audit of environmental risks, procurements, IFMIS, petroleum, corporate governance.		3.5 ICT-unit established	3.11 Transport services sufficient for audit operations.	4.5 Staff remuneration at a comparable level with SAIs in the region	5.5 PAC is assisted by NAC to be able to monitor implementation of audit findings and recommendations.	
			3.6 All staff have sufficient ICT-hardware and software to do their job efficiently	3.12 NAC premises completed and maintained	4.6 Staff Saving Cooperative Credit Society (SACCO) established.	5.6 Regular dialogue with the Anti-Corruption Commission and the Prosecutor General established	
					4.7 A Professional Development programme established		

*Figure 3: Status of NAC strategic outputs and objectives as of the end of 2023. Color coding: Green = completed/ achieved for the year, Light green = ongoing/initiated, White = not started/ not achieved*

Figure 3 shows that NAC has embarked on several of the strategic priorities (marked in light green), and some priorities have been achieved for the period, such as developing and implementing an annual audit plan, developing an annual operational planning, and monitoring system, and implementing the stakeholder engagement strategy.

At the strategic outputs level, there has been significant progress in the last year. NAC completed the audit of the first set of backlog financial statements from 2011 to 2014. A performance audit on the roads sector was submitted to the Transitional National Legislative Assembly (TLNA), and two other audits in the education and housing sectors commenced. NAC also started compliance audits in 12 ministries on various subject matters, including procurement, collection of fees, etc., expected to be completed in Q2 2024. The scope of the ongoing audit of petroleum revenues was also increased to cover revenues from 2011 to 2023, with an expected completion target of May 2024. NAC completed the preparation of an activity report from 2019 to June 2023, which is planned to be presented to the TLNA and published on the website in Q1 2024. Progress in the completion of audits has been facilitated by the strengthened stakeholder engagement in 2023 with auditees and the Public Accounts Committee (PAC).

Within, the focus areas, NAC has continued to make progress. For example, NAC has published all completed audit reports on the website, which were submitted to the TLNA and have not been tabled for over 3 months. NAC is currently developing annual audit plans, which are monitored through the annual operational planning and monitoring system that is under implementation. With support from peers, NAC has updated its financial and compliance

audit manuals in line with the current auditing standards. All audits are currently undertaken and reviewed digitally through a customized audit tool based on Microsoft Teams. The 80 laptops that were supplied are in use with user support provided by the project-funded ICT advisor.

In terms of training and professional development, 5 NAC staff are undertaking a Certified Public Accounts course, whereas 10 staff are undertaking IDI's PESA programme. With peer support, a draft HR policy, performance appraisal template, and a code of ethics have been prepared and will be rolled out in 2024. NAC was also supported in the onboarding of 45 newly recruited staff. PAC of the National.

With one year of strategic plan implementation left, there is a risk that some of NAC's critical results will not be delivered. As shown in Figure 3, the audit of states and local governments is particularly at risk. However, there is a dialogue with the auditees, and a targeted stakeholder engagement has been planned for 2024 that will include the States and Local Governments to devise a strategy for the preparation of financial records for audit. The preparation of financial statements remains backlogged and as such, audits for the period after 2014 are yet to commence. The passing of the Audit Chamber bill has also faced significant delays due to specific sections requiring further review by the Ministry of Justice.

The lack of adequate and timely salaries remains a persistent issue not only for NAC but for the entire government and by the end of 2023, there were 5 months' salary arrears. This affects overall progress because staff of both NAC and the audited entities are unable to report to work consistently. The project however provided financial support for transport and meals for the audit team undertaking the financial audit, to enable timely completion of the audit.

Securing enhanced salary funds and consistent operational funding for audits is critical for NAC's success going forward.

Despite the challenges, there has been support delivered within all seven components in 2023 as shown in **Table 1** below:

Component	Progress and results assessment by the end of 2023
<p>C1: SOs Support achievement of key audit related outputs, such as backlog audits, CA, FA, petroleum sector and annual report</p>	<ul style="list-style-type: none"> <li>• Audit of backlog financial statements from 2011 to 2014 completed.</li> <li>• Performance audit on the roads sector submitted to Parliament and two audits in the housing and health sector commenced.'</li> <li>• Compliance audits on various subject matters commenced in 12 ministries.</li> <li>• Petroleum revenue audit ongoing with scope increased to 2023.</li> <li>• Annual activity report from July 2019 to June 2023 prepared.</li> </ul>
<p>C2: FA.1 Advice for revision of audit act and independence efforts</p>	<ul style="list-style-type: none"> <li>• Audit bill still awaiting passing in the TLNA</li> <li>• Advice provided for the publication of audit reports despite not being tabled in Parliament. (no specific provision in current law deterring this)</li> </ul>
<p>C3: FA.2 Strengthen audit processes and systems, finalize compliance audit manual and basic training of audit staff</p>	<ul style="list-style-type: none"> <li>• Audit advisor seconded from SAI Kenya and has provided on the job support and guidance to all NAC audits</li> <li>• Annual audit plan 2023-2024 developed and approved</li> <li>• FAM and CAM audit manuals updated</li> <li>• All audits performed and reviewed digitally through Microsoft Teams</li> <li>• Over 5 peer visits to Juba to provide on the job support and training to audits</li> <li>• Quality control training held for NAC supervisors</li> <li>• 4 performance audit staff undertook AFROSAI-E's performance audit 3 module course in Kampala</li> </ul>
<p>C4: FA.3 Strengthen strategic management and internal governance, including ICT-tools and internal reporting</p>	<ul style="list-style-type: none"> <li>• Annual operational plan developed</li> <li>• Operational planning and monitoring tool developed</li> <li>• All 80 laptops in use by staff</li> <li>• ICT advisor providing support and training to all staff especially special groups.</li> <li>• Internet provided for remote audits and at the new NAC building.</li> </ul>

C5: Support HR, training and professional development, including training plan	<ul style="list-style-type: none"> <li>• 10 staff registered for IDI PESA programme.</li> <li>• 5 staff undertaking CPA course</li> <li>• Draft HR policy developed with peer support</li> <li>• Performance appraisal tool developed</li> <li>• Code of ethics developed</li> <li>• Support to onboarding of 45 new recruits</li> </ul>
C6: Support stakeholder engagement, especially seminar with PAC	<ul style="list-style-type: none"> <li>• NAC website updated with audit reports</li> <li>• 2023 NAC newsletter published</li> <li>• NAC social media pages updated</li> <li>• Stakeholder engagements held with auditees and the Public Accounts Committee.</li> </ul>
C7: Project management and partner coordination	<ul style="list-style-type: none"> <li>• Bi-monthly peer update meetings held, with constant adjustment of activities.</li> <li>• Audit advisor commenced on 1st January 2023</li> <li>• Monthly project coordination team meetings led by NAC held.</li> <li>• NAC Deputy Auditor General participated in IDI Project Management workshop in Paris</li> </ul>

Execution of activities in 2023 was possible due to strong commitment from NAC staff and management, consistent presence of Audit and ICT advisors in Juba, increased peer travel to Juba, improved ICT skills of NAC staff and improved communication between NAC top management and the project team.

### 2.2.2 Deviations from the 2023 project plan

Some activities planned for 2023, were not started or did not progress as expected such as:

- The Ministry of Finance was expected to present two sets of backlog financial statements from 2011 to 2014 and 2015 to 2019, respectively, for audit in 2023. However, only accounts for 2011 to 2014 were presented, and as such, accounts for the period after 2014 remain unaudited.

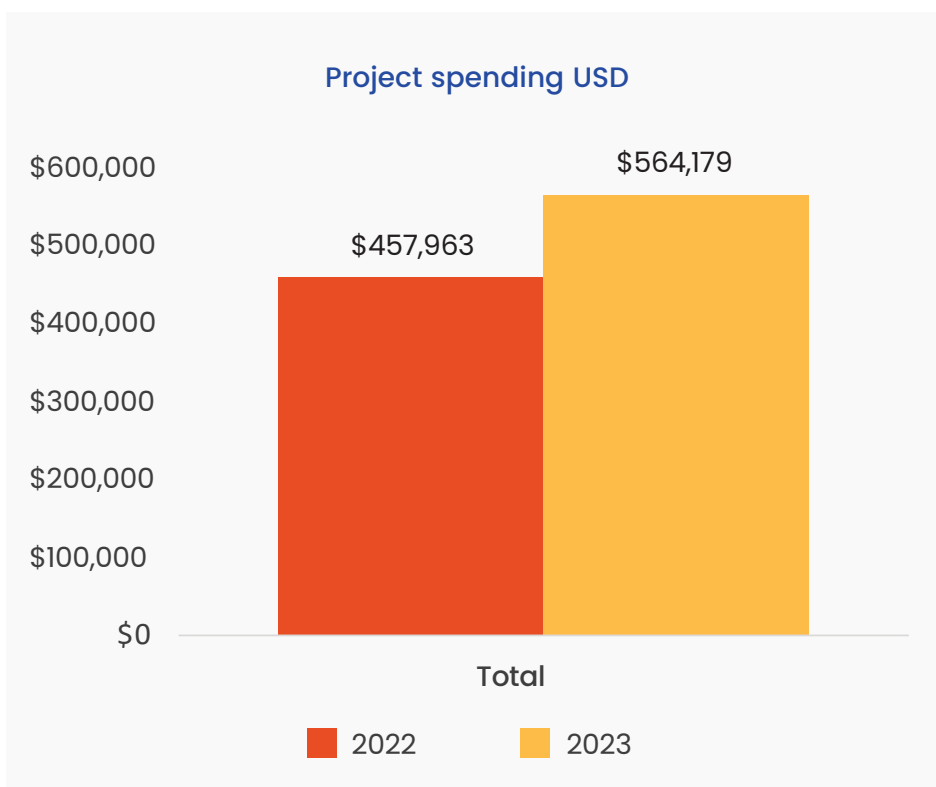
- The ongoing compliance audits were planned for completion by December 2023 however, due to challenges in obtaining information from auditees, the audit report will likely be completed by Q2 2024.
- The Audit Chamber bill is currently still in the TLNA and has taken longer than anticipated, which further delays NAC's journey to independence.
- The planned NAC management and leadership training program was not prioritized and, as such, was not held in 2023.

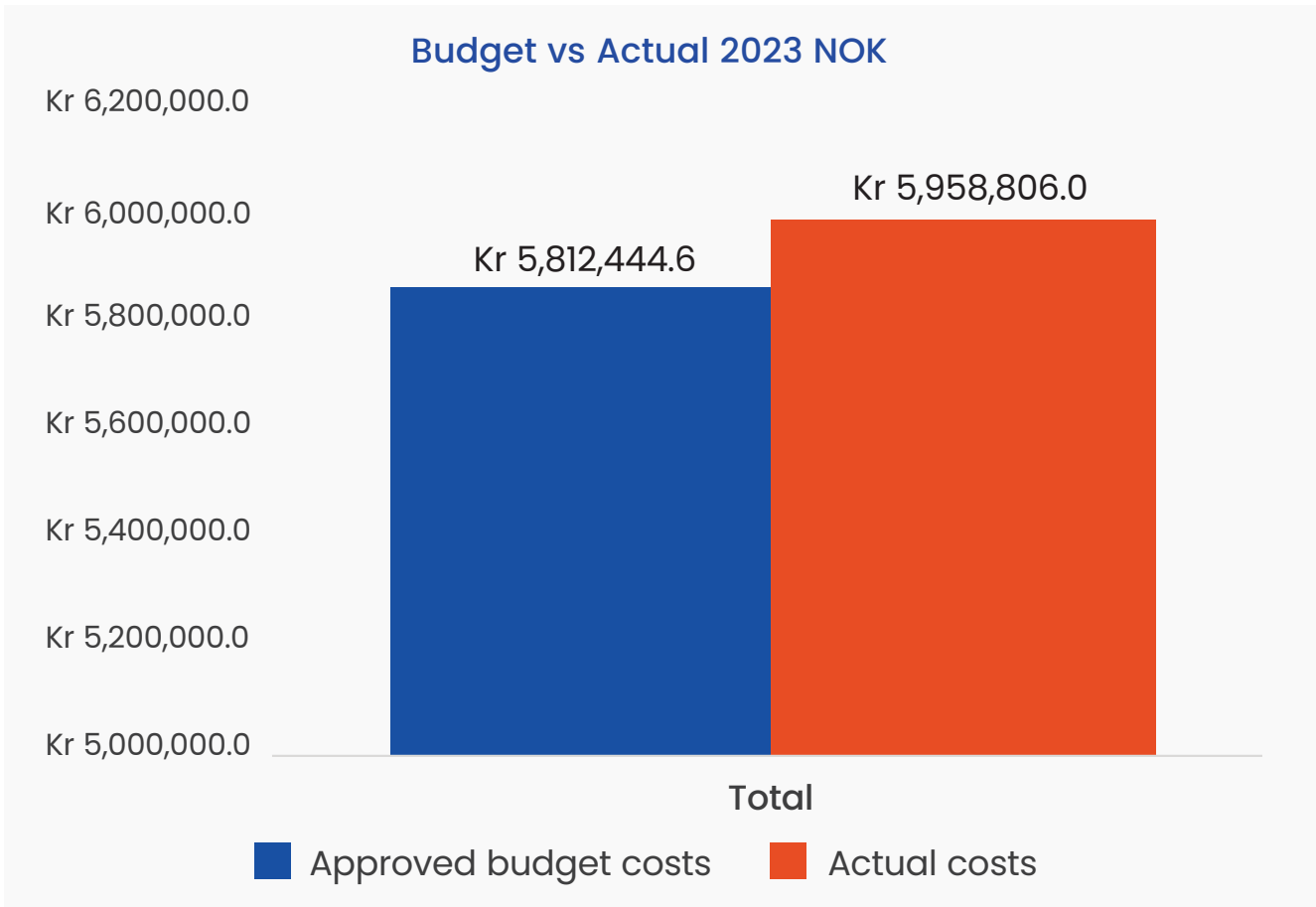
Generally, there has been improved cooperation from auditees regarding the provision of information. This has been due to the stakeholder engagement and training held in 2023, which will continue into 2024. Obtaining information from the Ministry of Finance, however, remains a challenge despite some progress.

### 2.3 Financial Performance Summary

Project spending in 2023 increased by 21% from 2022 to **NOK 5 958 806 (USD 564 179)** because of high hotel workshop costs, higher internet costs, increased peer travel to Juba, and a generally

weaker Norwegian Krone in comparison to the US Dollar. Below is a comparison of project spending between 2022 and 2023 in NOK and USD. These factors also resulted in a 3% expenditure above the approved 2023 budget of **NOK 5 812 444 (USD 550,368)**.

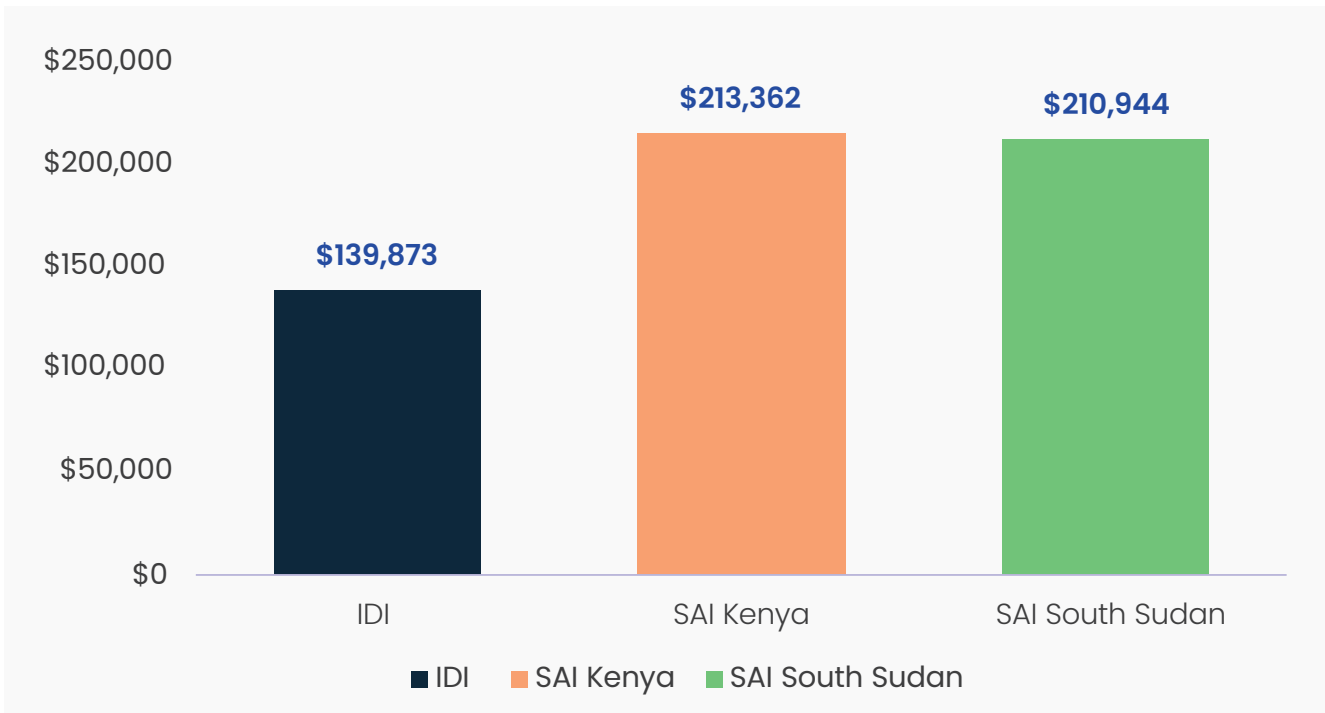




### 2.3.1 Expenditure by partner

In 2023, 37.8% of total costs were allocated to SAI Kenya majorly consisting of peer travel costs and the seconded audit advisor’s salary and travel costs. 37.3% of expenditure was allocated

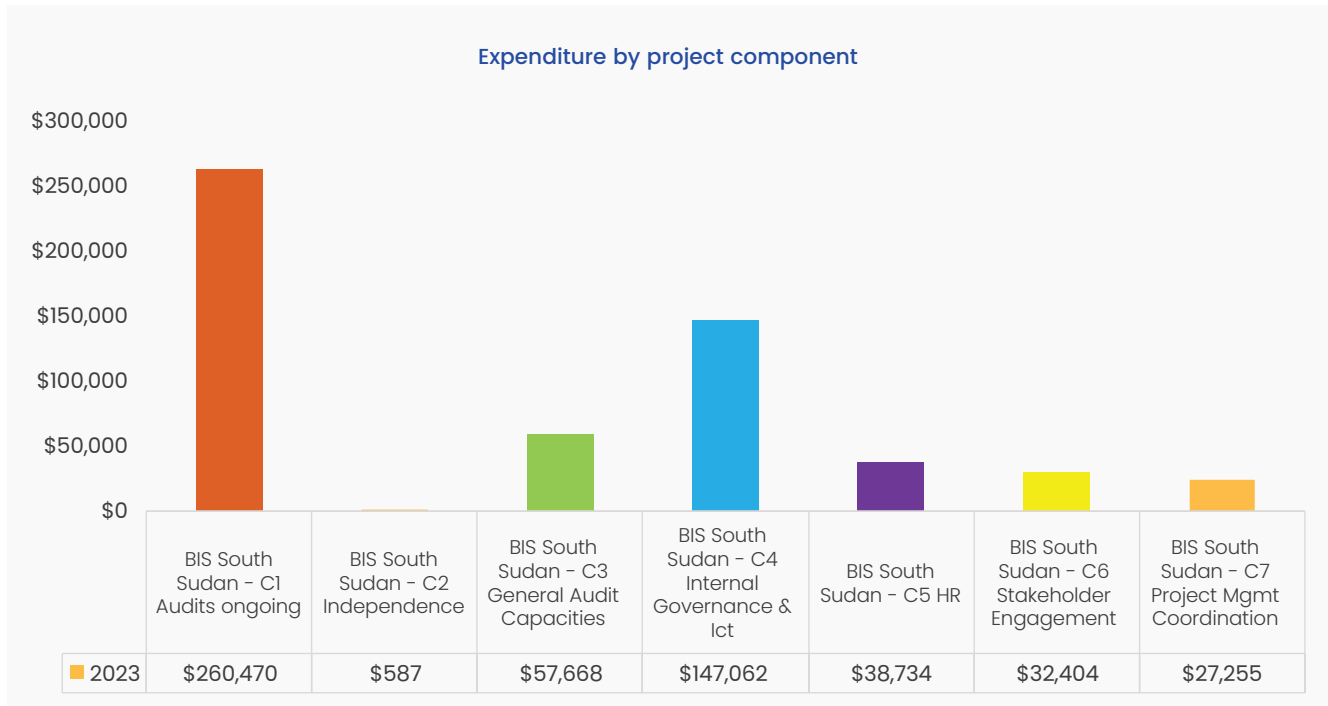
to NAC, mainly consisting of workshop expenses, travel to regional workshops, internet costs, ICT advisor costs, and licenses for Microsoft 365. The remaining 24.7% was allocated to IDI, mainly consisting of direct staff costs, overheads, and travel costs to Juba.



### 2.3.2 Expenditure by project component

In 2023, 46% of expenditure was on audit support

related activities whereas 26% was on internal governance activities. The rest of the funds were spent on other components as per the chart below.



### 2.4 Project execution risks update

The Revitalized Peace Agreement in South Sudan was extended for a further 24-month period starting in February 2023. During this time, the country aims to implement key provisions of the agreement, including drafting a new constitution and preparing for its first-ever elections. The extension aims to provide additional time for implementing crucial reforms and ensuring stability in the young nation.<sup>2</sup>

However, the overall economic situation remains challenging, which has significantly affected the NAC. According to NAC’s annual activity report for 2019–2023, only 22% of the allocated budget for the financial year 2022–2023 was received, which has led to insufficient funds for fuel and transportation within Juba and salary arrears of

over five months. This puts the prerequisites of stable NAC salaries and operational funding at risk.

Whereas the Public Accounts Committee was constituted in 2023, they have highlighted funding challenges and inadequate support to be able to execute their mandate. Additionally, there is a significant delay between the presentation of audit reports to the TLNA by the Auditor General and their tabling and subsequent presentation to the PAC for discussion. This has affected the number of audit reports reviewed by the PAC and the implementation of audit recommendations.

Despite efforts to sensitize stakeholders on the role of the NAC, there is still a challenge in obtaining audit information, especially from the Ministry of Finance, which handles most

<sup>2</sup> South Sudan Recommits to Revitalized Peace Agreement with 24-Month Extension, Security Council Emphasizes, Urging Country to Avoid Further Delays | UN Press



payments. This leads to lengthy audits, which sometimes suffer from insufficient evidence. There is, however, an overall improvement and progress in the responsiveness of auditees to audit requests.

### 2.4.1 Corruption risk

Corruption remains a high risk given the country's context. The 2023 corruption perception index report by Transparency International ranked South Sudan 177 out of 180 countries with a score of 13 out of 100. This score represents the perceived level of public sector corruption.<sup>3</sup>

In the NAC SCP, there hasn't been any exposure in the project so far, despite the direct disbursement of funds to the NAC's account for purposes such as travel per diems and student tuition fees. The NAC has put in place mechanisms to provide timely and accurate accountability for all funds disbursed so far. The project will, however, still ensure that all controls and guidelines are fully adhered to.

### 2.4.2 Risk Reduction Measures

Various planned risk-reducing measures have been taken in 2023, such as providing financial support to the backlog financial statements audit with meal and transport allowances through project funds. The audit advisor, on average, spent 8 days a month in Juba providing on-the-job support, which improved NAC's audit processes, including their interactions with auditees.

NAC prioritized stakeholder engagement in 2023, which is bearing fruit through improved auditee responsiveness to audit requests. This will continue in 2024 and will include more groups of stakeholders, such as the media, civil society, and the state and local governments. The project continued to engage other partners, such as the

World Bank, the European Union, and the African Development Bank, to mobilize support for the PAC. These risk-reducing measures need to be continued in 2024.

## 2.5 Lessons learned and implications for 2024

- Seeking a flexible approach from the donors when necessary is crucial in delivering audit results in cases where SAI staff cannot consistently report to work due to lack of transport. A flexible approach allows for alternatives to support SAI staff financially, especially where safeguards are in place to reduce corruption risk.
- In some cases, supporting the SAI in collaborating with other government institutions that may not be fulfilling their mandate is beneficial. For example, the SAI can be supported in collaborating with the Ministry of Finance in training accountants to prepare financial statements. This improves the quality of financial reporting without necessarily affecting the SAI's independence.
- Arranging targeted and customised stakeholder engagement sessions for high-level officials such as Undersecretaries, separate from other auditee staff, worked well in ensuring their attendance and engagement on critical issues throughout the sessions.
- It is possible to use the SAI's existing systems to develop simple digital tools for audit planning, operational planning and monitoring and to train champions within the SAI to drive the process with peer guidance. This ensures stronger accountability across both audit and non-audit directorates.

<sup>3</sup> <https://www.transparency.org/en/cpi/2023/index/ssd>

- It seems more effective to hold workshops with small groups of carefully selected staff in consultation with the SAI. This enables better participation and engagement during workshops and follow-ups. However, it is essential to ensure inclusiveness and the involvement of all targeted SAI staff in project activities.
- It is vital to have clearly defined roles and responsibilities for all Project Management Team (PMT) members to ensure accountability. All members of the PMT should have an active role in budget and work plan preparation, monitoring and reporting.
- Periodic reflective sessions for both the PMT and the peer teams are essential to collect lessons learned and enable an iterative approach to overall project management and support delivery.
- A full-time audit advisor or resident advisor to organize and coordinate audit peer support is an efficient model to ensure continuity and follow-up, especially since peers dedicate part-time in-kind support to the project.
- It is critical to ensure the NAC management approval and input is obtained before critical project activities are undertaken. This can be done during the monthly project management meetings.

# 3 Status of Results and Indicators

## 3.1 NAC Strategic Outcomes

NAC's Strategic outcomes represent the highest level of results. These were selected to fit the situation in South Sudan and how NAC, as a national accountability institution, can add value to the national development. Project support for NAC capacities and audit results are expected to lead to the NAC Strategic outcomes and improved Public Financial Management and ultimately benefit the citizens.

Progress has been made on following up on audit recommendations, with the PAC now active and having discussed one audit report. Although preparation of financial statements remains backlogged, audits of the backlogs have commenced. No audits of the states and local Governments have, however, been undertaken to date.

The status of the NAC Strategic outcomes indicators selected for the project is presented in **Appendix 1**.

The results indicators are assessed every two years through a SAI Performance Measurement Framework (SAI PMF) assessment. The last assessment was undertaken in 2022, and a new one will be undertaken in 2024 as part of the new strategic plan development process. As such, no measurement was undertaken in 2023.

## 3.2 NAC Strategic outputs: Execution of prioritized audits and reporting in public (project component 1)

On-the-job support to NAC's work to achieve the strategic outputs has a high priority for project support as these are core operations of NAC and where value and benefits to the society can directly be realized. Support will depend on specific audit assignments prioritized by NAC each year. The audits listed in the R-ARCSS have a high priority for support.

### 3.2.1 Resources allocated for support in 2023

In 2023, audit support was mainly provided by a team of seven peers from SAI Kenya. Two peers supported performance audits, whereas the other five peers supported compliance and financial audits. The full-time audit advisor seconded from SAI Kenya had the overall responsibility for coordination of the peer teams and ensuring consistent dialogue and communication with the NAC staff in Juba through physical visits and online support. The peers ensure support is provided in line with NAC's audit manuals and systems.

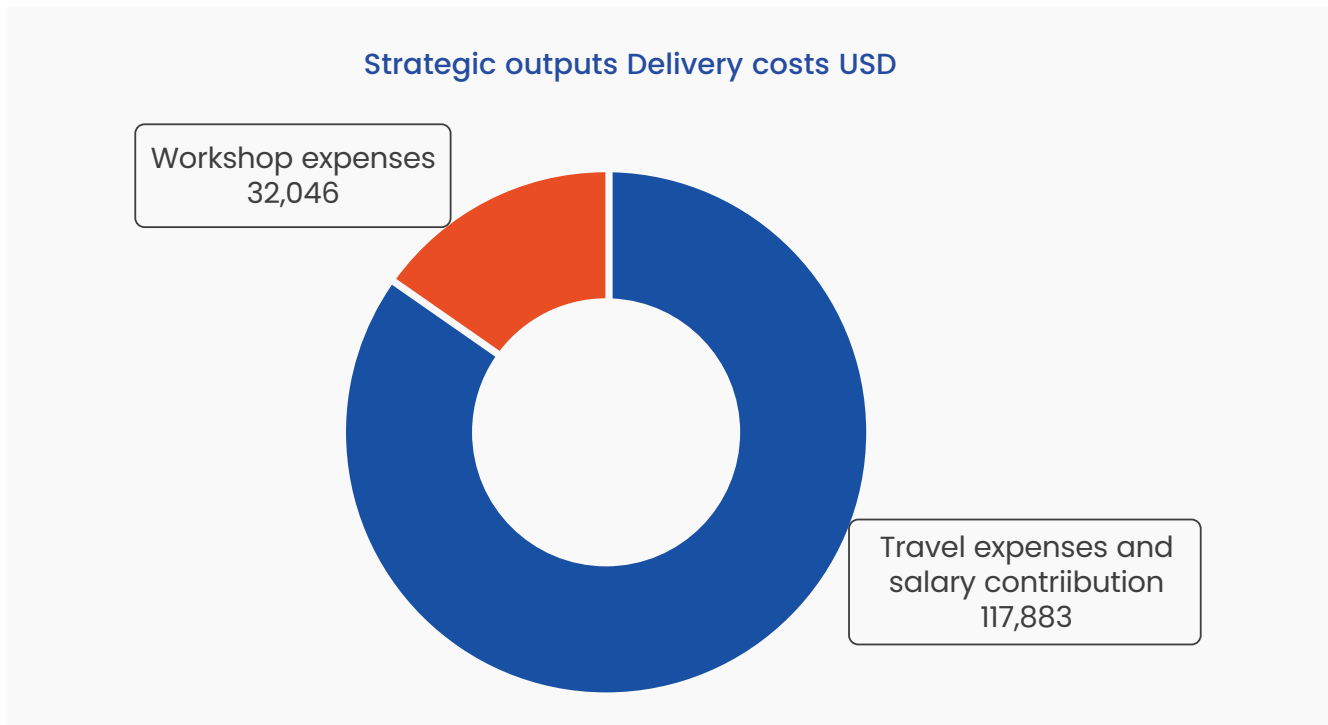
The person-days used for support in 2023 are shown in **Table 2** below:

Peer team	Number of in-kind person-days	Value of in-kind person-days (USD)	Value of in-kind person-days (NOK)
Performance audit peer team	100	48,174	506 000
Financial and compliance audit peer team	132	63,590	668 712
<b>TOTALS</b>	<b>232</b>	<b>112,304</b>	<b>1 175 312</b>

The in-kind person-day rate is estimated at NOK 5066 (USD 482), which is the estimated cost for IDI staff with similar experience and expertise to provide such support.

The financial resources used for delivery costs within this component in 2023 are as follows:

Total delivery costs of USD 209,911 (2 217 060 NOK) were spent mostly on travel expenses, including peer flights, accommodation in Juba, and per diems. Funds were also spent on salary contributions for OAG Kenya seconded staff.



### 3.2.2 Assessment of performance and results

In 2023, progress was made in undertaking several audits. NAC completed a performance audit on the roads sector that was submitted to Parliament and commenced on two new topics in the housing and education sectors. The Ministry of Finance submitted financial statements for the period from January 2011 to June 2014, which have been audited by NAC. The final report is expected to be submitted to the TLNA in Q1 2024. Compliance audits in 12 ministries are also on-going with an expected completion timeline of Q1 2024.

NAC also developed the annual activity report from July 2019 to June 2023 with peer support. The report has been approved by the AG and is currently awaiting printing before submission to the TLNA.

The main deviations from the 2023 plans were as follows:

- Audit of backlog financial statements from 2015 to 2019 not undertaken due to non-preparation by the MOF.
- Compliance audits not completed as planned due to delays in obtaining information from auditees.

As noted, the main challenge affecting the timely delivery of audit reports is the Ministry of Finance's delays in preparing consolidated financial statements and providing the required support and training to agencies to prepare their own financial statements.

Obtaining timely and quality information for audit is also challenging. However, with the presence of the audit advisor and regular physical visits and online engagements by the peer teams, the NAC audit teams will receive adequate advice on how to navigate these challenges.

**Appendix 1** presents the status of the expected results and related indicators that support NAC's delivery of strategic outputs.

The detailed progress and challenges for each strategic output are laid out in **Table 3** below:

NAC Strategic outputs	Planned project deliverables for 2023	Progress by end of 2023	Challenges to delivery
1. Annual Financial and Compliance Audit report issued for Central Government including recommendations for compliance with key rules and regulations	Completion of backlog financial audits from 2011 to 2019  Completion of compliance audits in 12 ministries	Audit of backlog financial statements from 2011 to June 2014 undertaken  Compliance audits commenced in 12 ministries and still ongoing	Delays in preparation of financial statements by the MOF.  Difficulties in obtaining timely and quality information from audits  High printing costs for delivery of reports to the TLNA and not fully covered under the project
2. Audit reports of the Central Bank and government owned companies issued annually	No support planned as the process is handled internally by NAC	Outsourced audits handled internally by NAC. No peer support established.	NA

<p>3. Audit report covering the States and Local Government including recommendations for issuing of financial statements and compliance with key rules and regulations</p>	<p>No support planned as the States and Local Governments have not prepared financial statements</p>	<p>No work undertaken in 2023</p>	<p>Lack of financial statements for audit</p>
<p>4. Performance audit reports issued for the main sectors</p>	<p>Completion of performance audit in the roads sector  Commencement of a performance audit in a new topic</p>	<p>Roads sector performance audit completed and submitted to Parliament and the President  2 performance audits commenced in the education and housing sectors</p>	<p>Information delays from the Ministries.  Capacity gaps within the PA team – need for more training on PA principles and execution.</p>
<p>5. Special audit reports of donor funded projects</p>	<p>No specific support planned except ensuring these audits are included in the NAC Annual overall audit plan, to ensure coordinated and optimal allocation of human resources.</p>	<p>Audits included in NAC’s annual audit plan 2023-2024</p>	<p>Obtaining information on all donor projects to be audited by NAC</p>
<p>6. Investigative audit reports in selected areas</p>	<p>No specific support planned under the project except advice for inclusion of these in the NAC Annual overall audit plan, to ensure human resources are allocated optimally and coordinated.</p>	<p>Audits included in NAC’s annual audit plan 2023-2024</p>	<p>Capacity gaps in forensic audit</p>

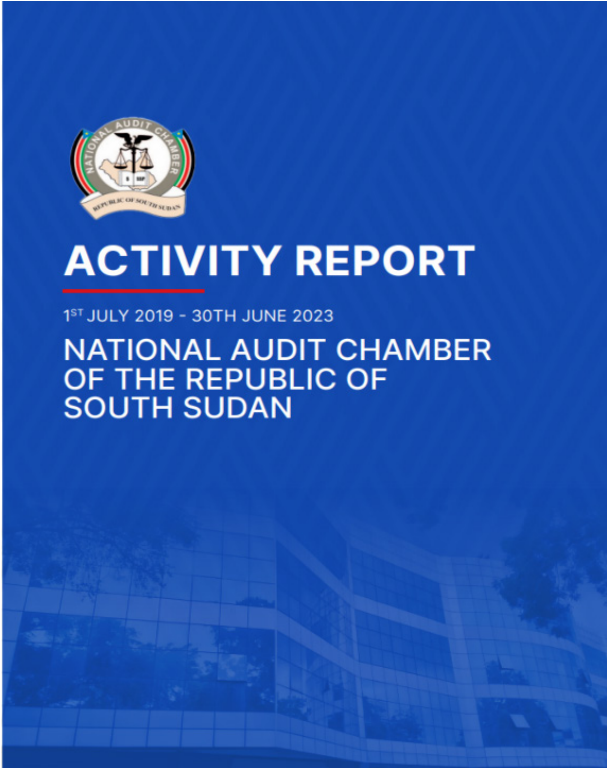
7. Annual NAC Activity (Performance) report	Completion of NAC annual activity report up to June 2023	NAC activity report from July 2019 to June 2023 prepared and approved by Auditor General. It will be submitted to the TLNA by Q1 2024.	Obtaining all the required information for the report is challenging.
8. Annual seminar for the PAC presenting the main audit findings and status of previous year's recommendations	Stakeholder engagement planned with the PAC	Two training workshops engagements held with the PAC in 2023.	Busy schedule of the PAC. It is challenging to agree on workshop dates so flexibility is required.

**Performance Audit Report of the Auditor General  
On Juba – Rumbek Road Construction**

Ministry of Roads and Bridges  
August 2023



**Picture 1:** Performance audit report on Juba Rumbek road



**Picture 2:** NAC Annual Activity Report

### 3.2.3 Status of support to audits planned under the Revitalised Agreement on the Resolution of Conflict in South Sudan (R-ARCSS)

Chapter 4 of the R-ARCSS provided for NAC to undertake specific audits, including the audit of all petroleum revenues.

A peer team from SAI Norway was set up to support NAC in undertaking audits of the petroleum sector. However due to reprioritization

and redistribution of resources within SAI Norway, the peers could not continue the support in 2023. This gap was, however, filled by the IDI project manager and the audit advisor, who provided peer support during the planning and execution.

Other audits, as per the agreement, have been planned and are being executed as part of NAC's financial and compliance audits in the various ministries.

The current status of the audits as per the R-ARCSS is provided in **Table 4** below:

Chapter and page	Agreement text	Project support plans	Progress by end of 2023
4.14.5, page 58	Audit and report on all public funds and financial dealings to relevant institutions generally, and in particular to the Transitional National Legislative Assembly (TNLA) and the State Assembly	Scaled up support to financial audit with the new audit advisor. Integration of selected compliance audits in the audit plan.	Ongoing in SO.1. Financial audit backlog commenced
4.8.1.14.10	Review and audit all oil revenues since 2011	Advice to the ongoing petroleum revenues audits	Audit of 95% petroleum revenues commenced and in execution stage. (combined with 4.8.1.14.5).
4.8.1.3	Identify, check and record all loans and contracts collateralized or guaranteed against oil within six months	Advice to the ongoing petroleum revenues audits	Part of ongoing revenue audit
4.8.1.14.5	Carry out an urgent audit of the Petroleum Sector	Advice to the ongoing petroleum revenues audits	Currently audit of petroleum revenues on-going and in the execution stage (combined with 4.8.1.14.10)



4.14.1	Ensure that government finances are managed responsibly, budget execution is enforced in accordance with the law, all government transactions and regularly audited and published	Integrated in support by financial and compliance peer team to SO.1, and guidance to audit overall planning in FA.2.	Ongoing process. A compliance audit on budgetary controls, disbursements and budgetary performance is included in the current annual audit plan.
4.14.6, page 58	The TNLA shall receive pending audit reports within six months of the start of the transition period	Integrated in FA.5 support by Stakeholder engagement peer team, including financial support for seminar for PAC if required	All completed audit reports submitted to Parliament

### 3.3 NAC Focus area 1: Strengthen NAC Independence (project component 2)

Establishing a legal framework granting independence as per International Standards for Supreme Audit Institutions is critical to ensure the effective execution of NAC’s mandate and its long-term stability. A revision of the Audit act is expected as per the R-ARCSS, especially to establish financial and organizational independence of NAC.

Furthermore, as for many SAIs the, there is a need to continuously secure and monitor de-facto independence for NAC. For instance, interference from the Executive in the functioning of the institution, obstacles to access to required audit data, and unavailability (lack of release) of NAC budgeted funds during the fiscal year.

The process of amending the Audit Chamber Act, has however taken longer than anticipated due to specific sections within the bill that required further review from the Ministry of Justice.

#### 3.3.1 Resources allocated for support.

A peer team of three IDI staff including two experts from IDI’s Independence workstream has been established to give advice to drafts of legislation and regulations, as well as stakeholder presentations.

Few person-days were used for this component in 2023, and no delivery costs were incurred as there were few developments and requests.

#### 3.3.2 Assessment of performance and results

In 2023, advice was provided to NAC to publish all audit reports that have been submitted to the TLNA and have not been tabled for at least 3 months. There was no specific provision with the current Audit Chamber Act deterring NAC from publishing these reports. The amendment bill however has clear provisions for this.

The main deviations from the 2023 plans were as follows:

- The planned stakeholder sensitization on the new NAC legal framework could not be undertaken as the Bill is still in the TLNA. The details of progress, challenges and support within each strategic objective of Focus area 1 are presented in **Table 5** below.

The status of expected results and related indicators for support to NAC’s Focus area 1 are presented in appendix 1.

NAC Strategic outputs	Planned project deliverables for 2023	Progress by end of 2023	Challenges to delivery
1.1 A reviewed Audit Act submitted to the Presidency, Parliament & Constitutional Review Commission and enacted.	Advice on how to revise the Constitution and Audit Act in line with INTOSAI P-1 and P-10 in the South Sudan context, through online contact and in one dedicated workshop.	Advice provided however Bill still at the TLNA	Bill not yet passed in the TLNA
1.2 Support for NAC financial and Administrative Independence among key stakeholders achieved.	Stakeholder sensitization on new legal framework	Advocating for passing of the Bill amongst other development partners in South Sudan	Slow progress of the Bill.
1.3 Rules & Regulation for the NAC Act established	No support planned in 2023	No support provided	Slow progress of the Bill.
1.4 External audit of NAC operations	Financial support and advice to the external audit of NAC financial statements	NAC decided to undertake the process internally and seek financing from the Ministry of Finance	High audit costs
1.5 Sufficient NAC annual budgets to enable implementation of the SP sourced.	Discussion with other partners to supplement project and Government funding	Discussions held with the European Union and the World Bank in Juba on possible support.	

### 3.4 NAC Focus area 2: Enhance the Quality and Impact of Audit services (project component 3)

The key objective in this area is to enable overall audit management and capacities in NAC. This means having an implemented annual audit plan and general staff training in compliance, financial, and performance audit methodology. Furthermore, quality control and quality assurance routines and skills are supported.

#### 3.4.1 Resources allocated for support.

A dedicated team led by the Audit advisor has been established to coordinate audit-related support overall and enable the successful strengthening of general audit capacities.

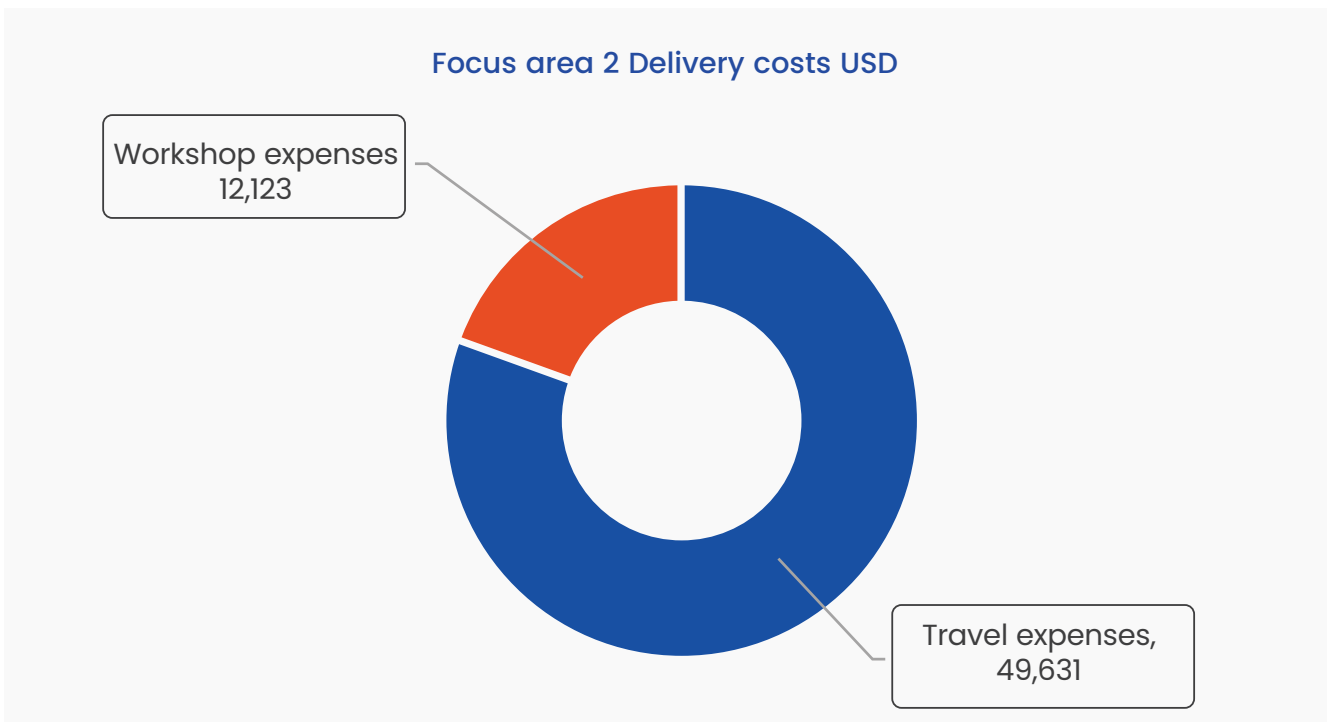
The person days used for support in 2023 are shown in **Table 6** below:

Staff resources	Days	Comments
IDI	11	
SAI Kenya audit advisor	40	Time spent on audit planning and general audit trainings in Juba
<b>Totals</b>	<b>51</b>	

The financial resources used for delivery costs within this component in 2023 are as follows:

Total delivery costs of USD 49,664 (524 194 NOK)

was spent mostly on travel expenses including peer flights, accommodation in Juba and per diems.



### 3.4.2 Assessment of performance and results

In 2023, support was provided for the development of an annual audit plan for the period July 2023 to June 2024, which is currently under implementation. General training on ISSAIs was combined with on-the-job support by the peer teams. Progress has however been made on the application of ISSAIs to NAC’s audits. With peer support, NAC’s financial and compliance manuals were also updated.

Digitalisation of the audit process remains a high priority and in 2023, most audits were performed and reviewed through a Microsoft Teams customized audit tool. NAC staff also participated in relevant regional trainings and workshops with funding from the project.

The main deviations from the 2023 plans were as follows:

- Fewer general trainings were held than planned because it was more efficient to incorporate them into the on-the job support.
- The implementation of AFROSAI-E’s audit tool (A-SEAT) was postponed to ensure that NAC staff build capacity in the use of basic digital tools before they can be upgraded to a more complex system.

The general capacity and skills of NAC staff however remains low especially at the review level. NAC has however embarked on several recruitment exercises to strengthen the audit resource pool and empower more skilled staff to take on supervision responsibilities.

The expected results and targets for support to NAC’s delivery of focus area 2 is presented in appendix 1.

Details of progress, challenges and support within each strategic objective of Focus area 2 are presented in **Table 7** below:

NAC Strategic outputs	Planned project deliverables for 2023	Progress by end of 2023	Challenges to delivery
2.1 Annual Overall Audit Plan (AAP) developed and are communicated with the auditees.	Support to the development of an annual audit plan 2023-2024	Annual audit plan developed and approved by the AG	Obtaining information on the audit population and assessment of staff competencies.
2.2 NAC annual overall audit plans (AAP) are implemented	Advice and support to execution of planned audits	Compliance audits commenced in 12 ministries and backlog financial audit from 2011 to 2014 completed	Difficulties in obtaining information from auditees Lack of financial statements Low internet quality affecting field work Transport challenges during field work

2.3 AFROSAI-E Financial and Compliance Audit Manuals and A-SEAT tool customized and implemented, including quality control practices	Update of manuals and general training and on the job support	Financial and compliance audit manuals updated with peer support  All audits performed in line with NAC audit manuals  Quality control training held for NAC supervisors_	Capacity challenges at the review level.  Limited financial audit knowledge amongst auditors due to lack of experience in undertaking financial audits
2.4 AFROSAI-E Performance Audit Manual (PAM) and A-SEAT tool customized and implemented, including quality control practices	Support to performance audits in line with NAC manual	Performance audits ongoing with peer support.  A-Seat implementation postponed  Performance audit unit established	Performance audit skills still require improvement amongst the team  Transport challenges during field work_
2.5 Available guidelines for audit of selected areas adopted and in use, including forensic audits, audit of environmental risks, procurements, IFMIS, petroleum, corporate governance.	No support planned in 2023	No work undertaken in 2023	NA.
2.6 NAC participation in the most relevant regional trainings.	Financial and logistical support	NAC staff participated in financial audit, extractive industries, and M&E workshops	Issues concerning per diem amounts

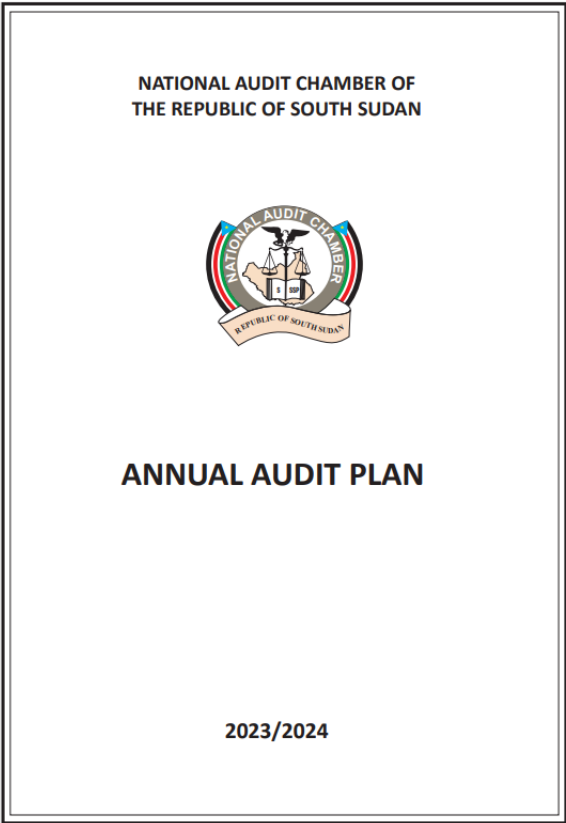
2.7 NAC holds its own Internal Technical update and shares experiences systematically.	No specific support planned but incorporated in the on-the-job support	Reflection sessions held at the conclusion of each audit on lessons learnt	NA
2.8 Develop NAC database of past and on-going audits.	No specific support planned but data collected during activity report process	Data on past NAC audits collected during NAC activity report process	Difficulties obtaining data
2.9 Enhancing the Quality Control Unit by coaching the staff & External Quality Assurance peer-review annually.	Quality control training and on the job guidance	Quality control training held for managers and support provided by the audit advisor to managers and reviewers	Limited capacity and skills at the reviewer level.



**Picture 3:** Workshop to customize NAC financial and compliance audit manuals



**Picture 4:** Compliance audit general training with SAI Kenya peer team



**Picture 5:** Annual audit plan 2023/24

### 3.5 NAC Focus area 3: Strengthen Internal Governance System and Structures (project component 4)

Effective strategic management and internal governance is fundamental for NAC to succeed in implementing the strategic plan. Strategic Management for SAIs involves policies, strategies and techniques intended to direct SAI top management and staff towards the continuous and holistic improvement of SAI performance in line with strategic outcomes and outputs. It does so by also explicitly factoring in the broader governance and political economy environment in which the SAI operates and the expectations of the key SAI stakeholders.

Support in this area includes a training programme and professional advice for the SAI leadership team to establish systems and practices for implementation of the strategic and operational plans, and good coordination

with partners.

ICT is regarded by NAC as an integrated part of internal governance. Support to revise ICT-strategies and assist in proper management of ICT-projects, including prioritizing needs, procurements, training and implementation is prioritized. These ICT-investments will however require proper ICT-management.

#### 3.5.1 Resources allocated for support.

Two peer teams have been established for this focus area. One peer team to support internal governance and strategic management in general consists of the IDI project manager, Audit advisor and the project coordinator from SAI Kenya, who possesses relevant strategic management experience.

The ICT peer team consists of the NAC ICT advisor, the ICT peer from SAI Kenya and the IDI project manager.

The person-days used for support in 2023 are shown in **Table 8** below:

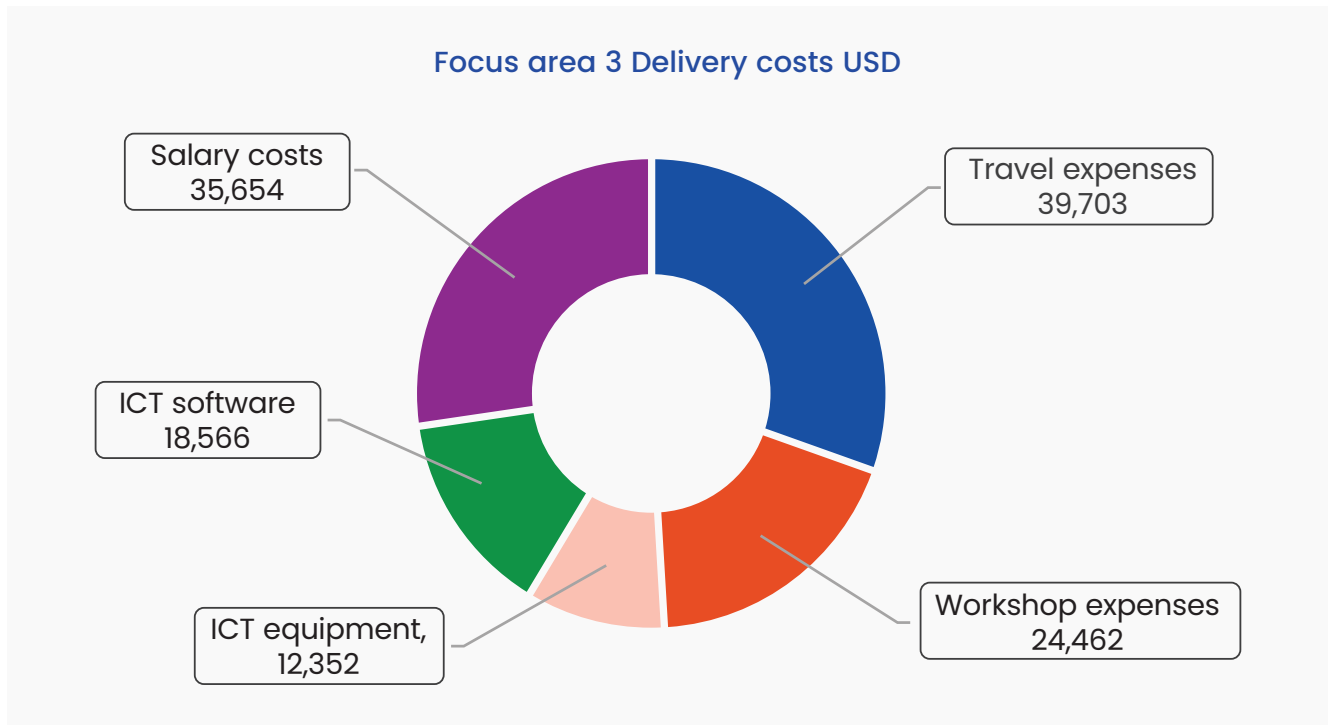
Staff resources	Days	Comments
IDI	22	Time spent on ICT an operational planning activities
Audit advisor	10	Support to operational planning
SAI Kenya in-kind estimates	30	
Totals	62	



The financial resources used for delivery costs within this component in 2023 are as follows:

Total delivery costs of USD 95,081 (1,380,824 NOK) was spent mostly on travel expenses including

peer flights, accommodation in Juba and per diems, IT equipment (Desktops to support financial management system installed by UNDP) and Microsoft 365 licenses.



### 3.5.2 Assessment of performance and results

In 2023, the AG approved the formation of an operational planning team with a role to ensure timely development, monitoring and reporting of the annual operation plan. With this team and peer support, NAC was supported in developing an annual operational planning covering all NAC’s planned audit and non-audit activities for the financial year. The plan is excel based and includes monitoring tools to enable quarterly monitoring of progress.

Regarding ICT, following the significant investment in ICT tools in 2022, the ICT advisor and the peers embarked on continuous training and support to staff on the use of laptops, Microsoft 365 and basic Microsoft office tools relevant for audit work. Special training sessions were held for NAC female staff.

The main deviations from the 2023 plans were as follows:






- The NAC management leadership training was not undertaken as it was not prioritized.
- Timely monitoring and reporting on the operation plan were not undertaken as planned
- The implementation of AFROSAI-E’s audit tool (A-SEAT) was postponed to ensure that NAC staff build capacity in the use of basic digital tools before they can upgraded to a more complex system.

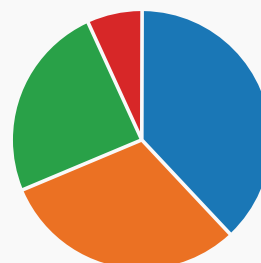
In the 2023 project survey, over 90% of NAC staff who responded stated that they have above-average skills in using digital tools and an understanding of ICT tools and found them helpful in their daily work, as per the pictures below from the survey.

## 6. Currently, how do you rate your skills in using these digital tools like laptops, Microsoft Teams etc.?

More Details


 Insights






	Very high	17
	Fairly high	14
	Average	11
	Fairly low	3
	Very low	0

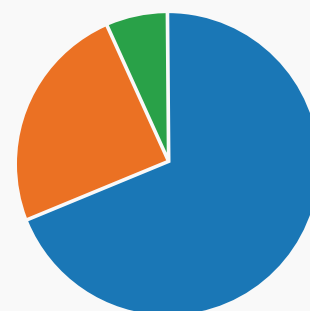


## 7. How helpful do you find these digital tools in your daily work?

More Details

 Insights

	Very helpful	31
	Fairly helpful	11
	Neither helpful nor unhelpful	3
	Fairly unhelpful	0
	Very unhelpful	0



The main challenge to the implementation of digitalisation, however, remains high-cost, low-quality internet in South Sudan.

**Appendix 1** presents the expected results and targets for supporting NAC's delivery of focus area 3.

Details of progress, challenges and support within each strategic objective of Focus area 3 are presented in the **Table 9** below:

NAC Strategic outputs	Planned project deliverables for 2023	Progress by end of 2023	Challenges to delivery
3.1 Annual operational planning (AOP), monitoring and reporting system implemented	Support to development, monitoring and reporting of annual operational planning	Annual operational plan developed and approved	Quarterly monitoring sessions with all units was not held as planned due to lack of timely updates of the tool.

3.2 Leadership and Management's skills strengthened	Support to leadership and management training	This was not held however NAC was invited to participate in IDI's Mastery programme for SAI leaders, which the AG was not able to attend.	Not prioritised amongst other activities
3.3 Operative Internal Audit unit in NAC	No support planned in 2023	Not started.	NA
3.4 ICT-strategy reviewed and implemented	Reviews to currently approved strategy if necessary  Support to audit teams by the ICT advisor	No reviews of the strategy undertaken  ICT advisor provided support to all NAC staff on the use of digital tools	High cost low quality internet
3.5 ICT-unit established	ICT advisor salary  Advice to ICT issues	ICT advisor salary covered by the project in 2023  ICT advisor and support staff supported to attend workshop in Kenya and Namibia for skills development.  Bi-weekly peer team meetings held to advise on any issues.  ICT advisor participation in project management team meetings	Lack of qualified ICT staff in NAC. Only 1 support staff so far appointed to the unit.
3.6 All staff have sufficient ICT-hardware and software to do their job efficiently	No additional procurement planned in 2023.  Contract management for ongoing services  Support and maintenance from ICT advisor	Support provided by the ICT advisor	Improper use of equipment by some staff.

3.7 ICT archive policy developed and implemented	No specific support planned because UNDP is supporting a similar activity	NA	NA
3.8 Internet in place in NAC for all staff	Financial support to fibre internet and mobile routers	Fibre internet extended to new NAC building and data for routers renewed	Unreliable high-cost internet
3.9 Organizational Structure reviewed, approved and implemented	No support planned in 2023 as this was already undertaken. Further reviews subject to new Audit Act	NA	Delay of new Audit Act and NAC organizational independence.
3.10 Assets and Financial management system improved	No specific support planned because UNDP is supporting a similar activity	Budget monitoring included in NAC operational planning tool	NA
3.11 Transport services sufficient for audit operations.	No support planned as this is implemented directly by NAC. There is also planned World Bank support.	NA	Limited vehicles to transport auditors for field work
3.12 NAC premises completed and maintained	No specific support planned.	Discussions with the Global Fund to support NAC with furniture. This is however a slow process	Delays in furniture delivery and overall completion of the building



**Picture 6.** Delivery of desktops to NAC Head office



ANNUAL OPERATIONAL PLAN 2023/2024

**Picture 7.** NAC Annual Operational Plan 2023/2024

### 3.6 NAC Focus area 4: Human resources developed and staff welfare improved (project component 5)

Strengthening NAC human resources is fundamental for successful implementation of the strategic plan. There is a general need for development of HR processes and staff professional development and training within NAC. The planned support to HR includes:

- Use and customization of regional resources for HR-management, such as a competency frameworks, HR-policies and recruitment practices developed by AFROSAI-E.
- Develop and implement a professional development programme linked to the regional and local accounting professional programmes and IDI's professionalization programme for SAI auditors (PESA).
- Coordinated, systematic and selective training of staff. This will be delivered by replicating some of SAI Kenya's ongoing trainings in Juba.

Included in NAC's HR-strategy are actions to raise gender, diversity and inclusion awareness and support to this will be done as a part of support to focus area 4. Gender and equal rights will also be integrated in both audits and internal governance support.

#### 3.6.1 Resources allocated for support

HR peer support in 2023 has been provided by the Assistant HR Director from SAI Kenya with support from the Audit advisor and the IDI Project manager.

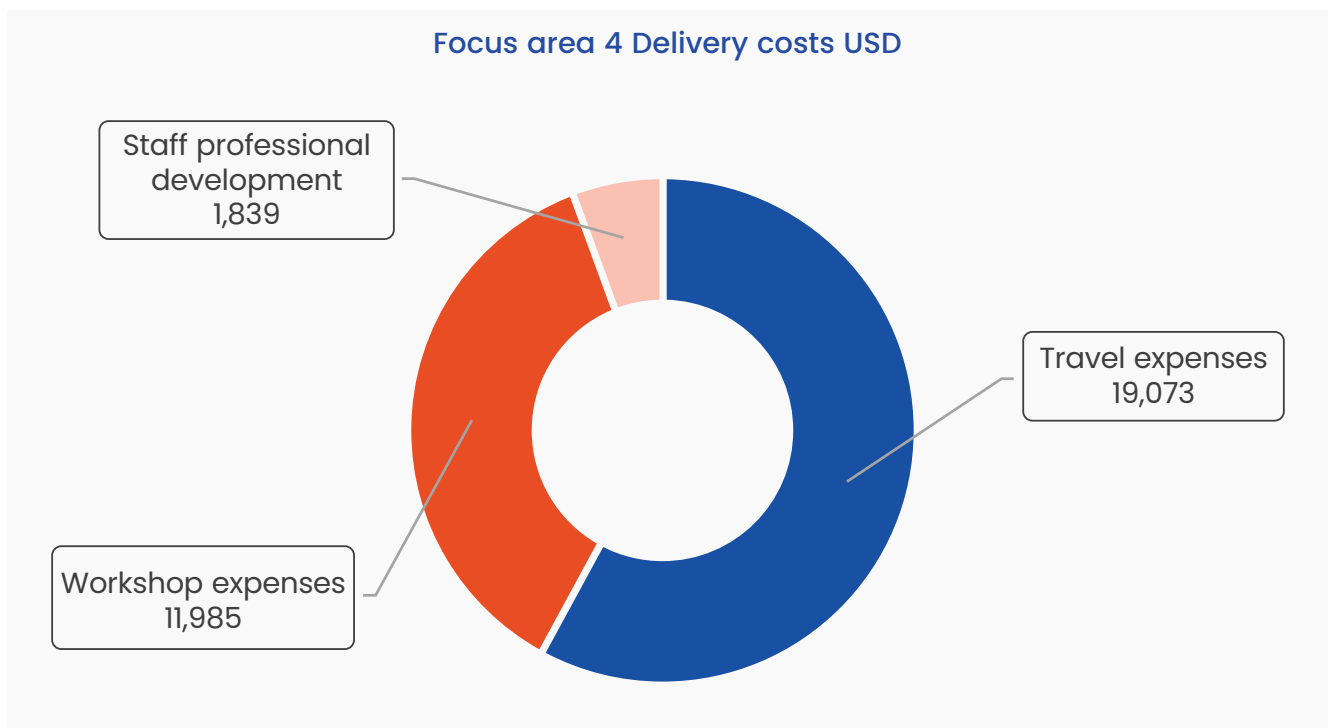
The person-days used for support in 2023 are shown in **Table 10** below:

Staff resources	Days	Comments
IDI	8	
SAI Kenya in-kind estimates	25	Support to HR policy, performance appraisal tool and code of ethics
Totals	33	

The financial resources used for delivery costs within this component in 2023 are as follows:

Total delivery costs of USD 32,888 (347 359 NOK) was spent mostly on travel expenses including

peer flights, accommodation in Juba and per diems and professional development costs on Certified Public Accountant course costs and IDI's PESA programme.



### 3.6.2 Assessment of performance and results

In 2023, support was provided to the development of an HR policy in preparation for the new Audit Act, which is currently under review by NAC management. A performance appraisal tool and code of conduct were also developed with peer support, which are planned to be implemented in 2024.

NAC recruited new staff in 2023 and both financial and technical support was provided to the onboarding process. Regarding professional development and training, financial support was provided to 6 staff under the Certified Public Accountants (CPA) programme and 10 staff undertaking IDI's PESA programme.

The main deviations from the 2023 plans were as follows:

- The HR policy was not approved as planned because NAC management advised that approval should be after the new Audit Act is in place.
- Implementation of the performance appraisal system was pushed to 2024.

One of the key challenges is that NAC lacks adequate HR staff and the current Director is seconded from the Ministry of Public service. There is also inadequate funding to implement all the required HR reforms as such, development partner support is critical in this area.

The expected results and targets for support to NAC's delivery of focus area 4 are presented in appendix 1.

Details of progress, challenges and support within each strategic objective of Focus area 4 are presented in **Table 11** below:

NAC Strategic outputs	Planned project deliverables for 2023	Progress by end of 2023	Challenges to delivery
4.1 Human Resource Policy and Strategy Reviewed and Implemented	Support to development of a revised HR policy	Draft HR policy developed and under NAC management review	Audit bill not yet passed. HR Director seconded from the Ministry of Public Service
4.2 Annual Training plan for audit and non-audit staff in place and implemented	Advice to updating training plan and financial support to trainings	Training plan updated. Financial support for NAC staff attending AFROSAI-E trainings	Non audit staff not prioritised
4.3 Performance appraisal system developed and implemented.	Advice and support to developing and implementing a performance appraisal system	Performance appraisal tool developed implementation pushed to 2024	Inadequate knowledge and skills on the use of performance appraisal tools and systems. Lack of clear supervisory roles within NAC.
4.4 Establish senior management retention and succession plans.	No support planned	NA	NA
4.5 Staff remuneration at a comparable level with SAIs in the region	No support planned	NA	NA
4.6 Staff Saving Cooperative Credit Society (SACCO) established.	No support planned	NA	NA

4.7 A Professional Development programme established	Support to ongoing professional development	Financial and technical support to 5 staff undertaking CPA and 10 staff undertaking PESA programme	NAC staff are not able to pass exams due to various challenges.
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**Picture 8:** Induction of new NAC staff October 2023



**Picture 9:** OAG Kenya HR peer presenting during the induction



### 3.7 NAC Focus area 5: Strengthen Advocacy and Stakeholders Engagement (project component 6)

NAC has developed a stakeholder engagement strategy, which forms the core for the support in this area. Peer-support will use the existing resources for stakeholder engagement, customized to the national context. Financial support will be provided to assist NAC in actively engaging stakeholders such as auditees, the

PAC, Civil society and the media. for a specific purpose. Support will include technical and financial assistance in planning and delivery of workshops.

#### 3.7.1 Resources allocated for support and activities in brief

Support to stakeholder engagement in 2023 was provided by the IDI project manager and the audit advisor.

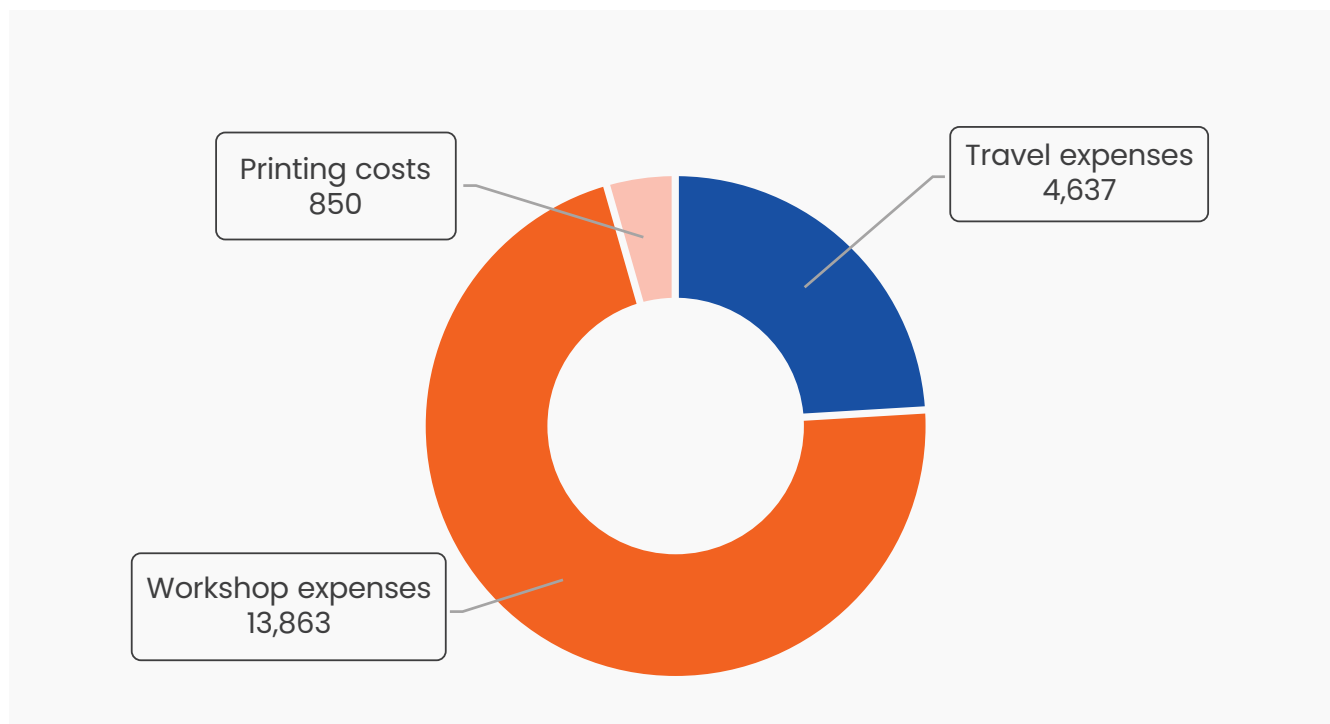
The person-days used for support in 2023 are shown in **Table 12** below:

Staff resources	Days	Comments
IDI	18	Support to preparation and delivery of workshops
Audit advisor	10	
Totals	28	

The financial resources used for delivery costs within this component in 2023 are as follows:

Total delivery costs of USD 19,350 (204 374 NOK)

was spent mostly on stakeholder engagement workshops and travel expenses including peer flights, accommodation in Juba and per diems.



The main activities carried out in 2023 for this component were as follows:

- Stakeholder engagement workshops with auditees and the PAC.
- Activation of website and social media pages.
- Published first annual newsletter.

### 3.7.2 Assessment of performance and results

In 2023, NAC prioritized stakeholder engagement with the auditees and the PAC. Engagements were held with Undersecretaries, Directors of Accounts, and Internal Audit on the need for timely and quality financial reporting, with reference to the relevant legal framework.

The engagements held with auditees and the PAC have had an impact in their understanding of NAC's role and their responsiveness to requests from NAC. This will continue to be prioritized in 2024.

NAC activated its website and social media

pages and made timely updates with audit reports and events. NAC also published an annual newsletter, that was shared with stakeholders.

The main deviations from the 2023 plans were as follows:

- An additional workshop which was planned for accountants in collaboration with the Ministry of Finance was postponed to 2024.
- Stakeholder engagement workshops with the media and civil society postponed to 2024.

The main challenge to implementation was the busy schedule of PAC members, which made it difficult to plan events. The Ministry of Finance, which is a key stakeholder was however unable to attend the auditee engagements.

The expected results and targets for support to NAC's delivery of focus area 5 are presented in appendix 1.

Details of progress, challenges and support within each strategic objective of Focus area 5 are presented in the **Table 13**:

NAC Strategic objective	Planned project deliverables	NAC Progress by end of 2021	Challenges
5.1 Stakeholder engagement strategy established and in use	Engagements with auditees, the PAC, Civil society and the media	Workshops held with the auditees and the PAC.	Busy schedule of the PAC.  Inadequate time to have engagements with the civil society and media
5.2 Public Relation (PR) and communication function in place	Advice to the Communications team in NAC	Advice provided for stakeholder engagement and communication.  Support provided to the development of newsletter	Lack of dedicated communications unit

5.3 NAC Website renewed and regularly updated	Advice to website updates Financial support to hosting fees	Advice provided and hosting fees paid ICT advisor supporting the updates to the website and all social media pages	NA
5.4 National Professional Accountancy Organization (PAO) established	No support planned	NA	NA
5.5 PAC is assisted by NAC to be able to monitor implementation of audit findings and recommendations	Advice for annual PAC training and financial support for event.	<u>Stakeholder engagement held with PAC and AG has had dialogue with the chairperson</u>  <u>Project team held meetings with PAC on possibilities for financial support</u>	<u>Audit reports not tabled in the TLNA</u>  <u>Lack of financial support to the PAC</u>
5.6 Regular dialogue with the Anti-Corruption Commission and the Prosecutor General established	No support planned	NA	<u>Not prioritized</u>



**Picture 10:** : Meeting with PAC members at the National Assembly Jan 2023



**Picture 11:** PAC Sensitization workshop August 2023



**Picture 12:** Sensitization workshop for Central Government Heads of Accounts and Undersecretaries Aug. 2023

### 3.8 Project management and coordination of other partners and projects (project component 7)

Project management involves:

- Regular planning, monitoring and reporting of project activities
- Establishing, informing, coordinating, building knowledge, and inspiring all peer teams, and ensure quality and interlinkages and synergies between supported areas are handled
- Handle logistical issues, such as travel and procurements
- Enhance project visibility such as through website articles
- Coordination of Steering Committee meetings

Coordination with other partners and projects involves:

- Dialogue with NAC on outstanding support needs, and assist NAC in presenting these to potential partners

- Be represented in Public Financial Management (PFM) coordination group for development partners in South Sudan

For coordination between projects and partners of NAC, the following mechanisms are planned:

- NAC Strategic plan and implementation matrix guides the scope and timing of external support
- The NAC Operational plan set every year guides the scope, budget, and timing of all external support
- Joint Annual meeting for all main partners to review achievements and set main plans
- Quarterly meetings for all main partners to adjust plans and coordinate
- Annual NAC Activity report can be used as a basis for project reports

### 3.8.1 Resources allocated and activities in brief

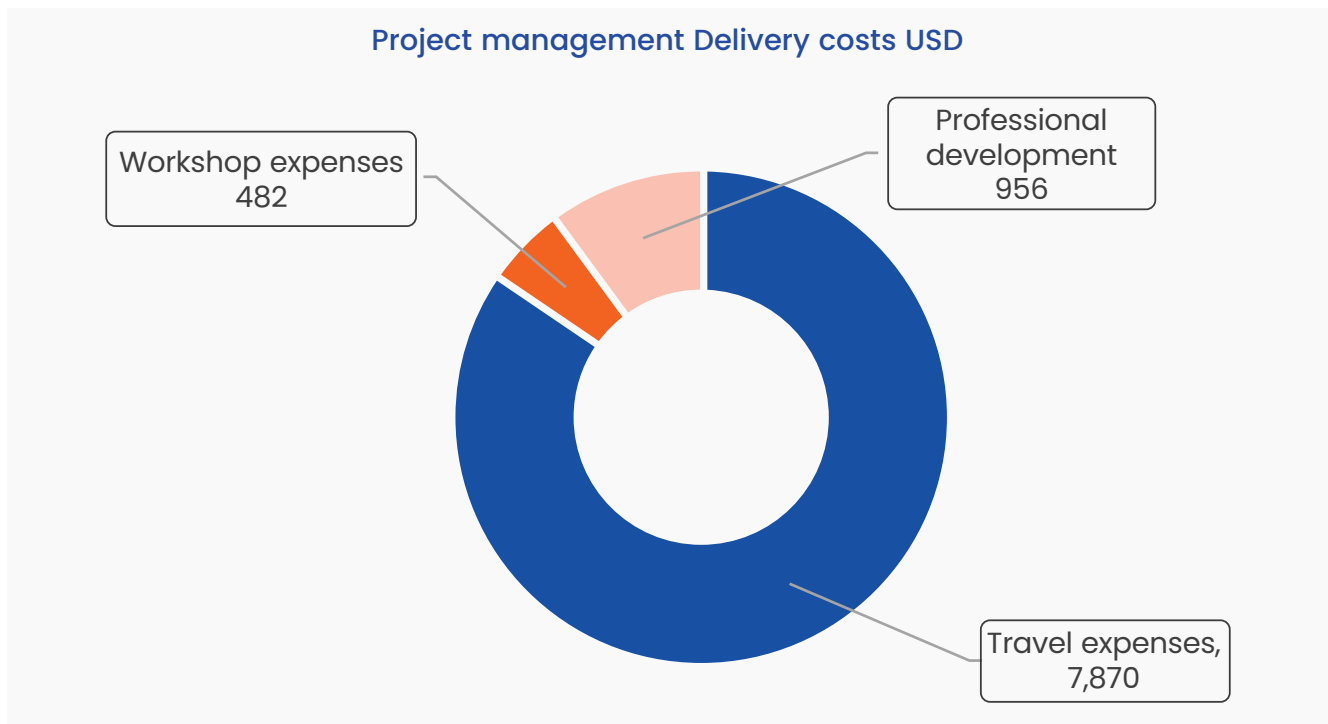
A project coordination team consisting of representatives of the four partners met monthly to:

- oversee and ensure good timing and progress of support
- monitor and follow-up on quality of support provided
- ensure synergies across areas of peer support

The person-days used for support in 2023 are shown in **Table 14** below:

Staff resources	Days	Comments
IDI	24	General project management and coordination
Audit advisor	10	Project coordination support
Totals	34	

The financial resources used for delivery costs within this component in 2023 amounting to USD 9,308 (98 308 NOK) was spent mostly on IDI travel expenses to Juba and project management professional development.



Key project management activities executed in 2023:

- Monthly project coordination meetings
- Working visits to Juba to follow up project implementation
- Use of MS Project for the NAC SCP to monitor and track project activities, milestones, resource usage and budgets.
- Annual meetings held with project partners and the donors
- Continuous communication of events and good developments to all partners
- Monitoring and update of tasks in the

project Teams area.

- Logistical support to procurements and events
- Participating in PFM coordination meetings regularly
- Giving feedback to other donor plans for support to NAC
- NAC DAG participated in a project management workshop in Paris organized by IDI

### 3.8.2 Project implementation and cross-cutting results

**Table 15** below presents the status of expected results and indicators for cross-cutting project implementation results.

Expected Results	No	Indicator Definition	Base-line (year)	Target / Actual	Targets and Actual Results (by calendar year)					Comments
					2020	2021	2022	2023	2024	
Agreed upon support is implemented	1	Percentage of agreed project deliverables in the annual plan completed during the year	N/A	T	N/A	70 %	75 %	80 %	85 %	Delays in obtaining information affected audit progress. NAC Bill delays affected some activities
				A	73 %	48%	65%	72%		
Wide participation of SAI staff	2	a) Annual number of SAI staff taking part in project funded trainings b) Female participation rate	a) 39 b) 12 % (2019)	T	N/A	a) 60 b) 15 %	a) 70 b) 20 %	a) 70 b) 25 %	a) 80 b) 25 %	Significant increase in staff participation in 2023
				A	a) 60 b) 20%	a) 89 b) 23%	a) 57 b) 20%	109 24%		

Quality and relevant support	3	Average SAI staff satisfaction and perceived project quality, on a 1-5 scale	N/A	T	N/A	3	3,5	4	4	47 annual survey respondents
				A	N/A	4,3 <sup>4</sup>	3,93	4.1		
Active coordination with donors and partners	4	Number of joint NAC-partner meetings covering e.g. policy dialogue and coordination taking place annually	1 (2019)	T	1	2	2	2	2	Meetings requested, but not prioritized by NAC
				A	1	0	0	0		
Effective delivery of the project	5	Overall conclusion of the evaluation of the project (Scale: programme objectives fully / mostly / partly / not met)	N/A	T	N/A	N/A	Partly	N/A	Mostly	Final evaluation in 2024.
				A	N/A	N/A	Partly			

The table above shows a good level of execution of project deliverables and good overall satisfaction with project implementation. However, there are weak results in terms of NAC coordination of partners and conducting joint meetings. Discussions were held between IDI and other partners as part of the PFM donor working group to share progress on the support to NAC.

In 2023, overall staff and female participation in project-funded events increased. The focus was to combine general training and on-the-job support. This worked efficiently and enabled audit teams to obtain feedback on working papers while understanding the general auditing principles.





**Picture 13:** NAC SCP Steering Committee meeting March 2023



**Picture 14:** NAC DAG Tombe Lukak presenting during project management workshop in Paris November 2023



**Picture 15:** Project management and ICT visit to Juba July 2023

# 4 Status of Prerequisites And Risk Assessment

The project has a high risk-profile due to the unstable situation and complex environment in South Sudan. There prerequisites for succeeding in this project are similar as the presumptions identified for NAC set in its strategic plan:

1. A stable and peaceful South Sudan that enjoys a vibrant and sustainable economy with a governance structure that fosters transparency and accountability.
2. Total political 'will' to implement the policy of zero tolerance to corruption and other malpractice.
3. Continued support and commitment to an independent Auditor General free from political interference.
4. Reasonable level of financial support from the Government of South Sudan to salaries of NAC staff and operations.
5. Continued financial and program assistance from Development Partners to aid in implementation of the Strategic Plan.
6. NAC continues to participate in international bodies, such as INTOSAI and AFROSAI-E.
7. An effective Public Accounts Committee in the South Sudan Legislature.
8. A culture of trust and co-operation amongst all nation-building institutions.

A fundamental pre-requisite of the project is also security in South Sudan for advisors, and a relatively stable South Sudan which allows collection of audit evidence in key central government Ministries in Juba, states and local governments and regular presence in the audit office by NAC staff .

#### 4.1 Status end of 2023

The situation in South Sudan continues to be highly challenging. In 2023, the economic situation remained bad due to high dependence on oil revenue and inadequate domestic tax collections. Global inflation from the war in Ukraine has also caused negative impacts.

In August 2022, the Peace Agreement was extended for a further 24 months starting February 2023. The extension was intended to allow for unification of the armed forces, creation of a new constitution, and time to prepare for elections.

The PAC is now active, and NAC held 2 training engagements with the members to improve their understanding of their mandate and how

they interface with the NAC. In 2023, one sitting was held by the PAC to discuss the performance audit on the roads sector.

Despite improved budget allocations and releases to NAC, the overall budget performance remains low as NAC receives less than 20% of their approved budget annually. This requires other partners to fill in these funding gaps to ensure that NAC operates effectively.

For risk management, the table in **Appendix 3** shows the most important risks and related control measures, updated by the end of 2023. The Project management team is responsible for ensuring that the measures are executed as planned.

# 5 Cross-Cutting issues: Gender Equality, Diversity, Inclusion, Conflict Sensitivity, Environment And Climate Change

## 5.1 Gender, Diversity, Inclusion

A Gender, Diversity, and Inclusion assessment was carried out in 2020 with the involvement of a team in NAC and facilitation by an international and South Sudanese consultant as well as peers from OAGK. The work was stimulating and created a lot of engagement. The progress of recommendations by the GDI analysis are shown in **Table 16** below:

Focus area and recommendations	GDI implementation status as per end of 2023
<p>Strategic outputs and Audit capacities</p> <ul style="list-style-type: none"> <li>• Training auditors on conducting GDI related audits</li> <li>• More equal representation of females in audit teams/workshops</li> <li>• Support for females to be appointed as team leaders</li> </ul>	<p>More females have taken part in general audit trainings and are part of the audit teams. 1 female leads the quality assurance unit and 2 females led audit teams in 2023.</p> <p>Female auditors part of selected team to undertake backlog financial audit</p> <p>Audit teams consist of audit staff of varying age groups and levels of experience</p>

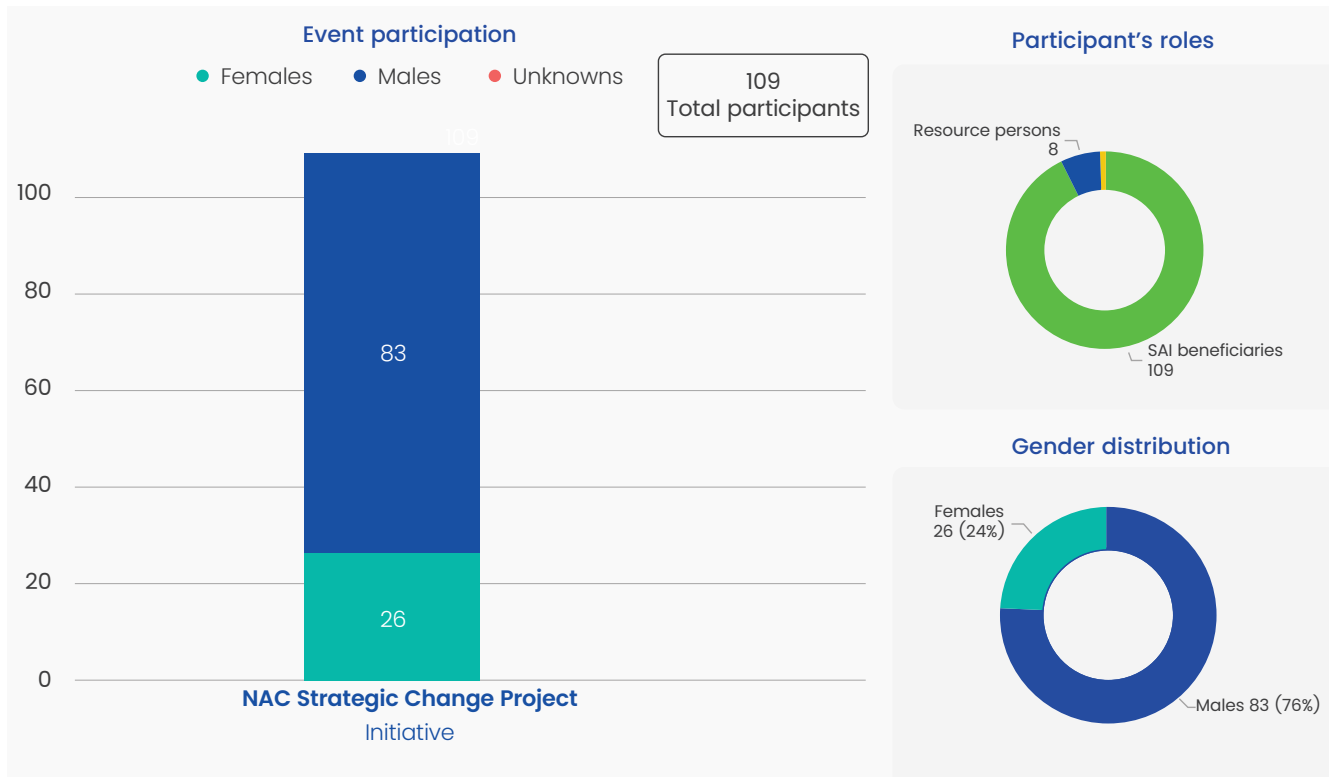
<p>FA.3 Internal Governance and ICT</p> <ul style="list-style-type: none"> <li>• Sensitization workshops for staff and leadership on relevance of GDI</li> <li>• Collect GDI disaggregated data annually</li> <li>• Develop GDI policy</li> <li>• Conduct midterm GDI assessment</li> <li>• Allocate budget to address GDI issues</li> <li>• Integrate GDI in NAC code of ethics</li> <li>• Use existing gender focal points</li> </ul>	<p>Staff sensitization on GDI not yet conducted.</p> <p>GDI data collected through operational planning and monitoring tool.</p> <p>GDI to be considered in new strategic plan from 2025.</p>
<p>FA.4 Human Resources</p> <ul style="list-style-type: none"> <li>• Recruitment of more diverse staff</li> <li>• Female staff participation in trainings</li> <li>• Quotas for women in promotion</li> <li>• Focal point position established</li> </ul>	<p>Female staff participated professional development programs like PESA</p> <p>Female staff participated in regional trainings</p> <p>Special ICT training held for female staff</p> <p>GDI focal point not yet appointed.</p> <p>Quotas for women in managerial positions not yet set.</p>
<p>FA.5 Communication and Stakeholder engagement</p> <ul style="list-style-type: none"> <li>• Identify opportunities to showcase NAC's work on gender</li> <li>• Identify partners in Government and Civil society to support NAC on GDI</li> </ul>	<p>Posting on NAC's website and social media on women's day recognizing NAC's women.</p>

A GDI indicator was developed in 2021, and a baseline assessment was undertaken. An assessment will be undertaken in 2024 as part

of the new strategic planning process. Table 17 below shows the annual performance against the targets.

No	Indicator Definition (SAI PMF)	Baseline (year)	Target / Actual	Targets and Actual Results (by calendar year)					Comments
				2020	2021	2022	2023	2024	
17	<b>SAI-GDI Indicator</b>	0 (2020)	T	N/A	N/A	Scoring 1 level higher than baseline	N/A	Scoring 1 level higher than baseline maintained	Not assessed in 2023.
			A	0	N/A	0			

**Picture 16** below shows the ratio of male to female participation in NAC events. On average the female participation rate is 24 %, which is lower than the total NAC female rate of about 33 %.



**Picture 16:** NAC Events Participation 2023

### 5.2 Environment and climate change

With the increased travel to Juba in 2023, there has been increased CO2-emissions. Whereas there is a need to balance both in person and online support, the South Sudan context requires significant on the ground presence to enable implementation of project activities.

### 5.3 Conflict sensitivity

The underlying political situation still requires a high degree of conflict sensitivity in South Sudan. Whereas progress has been made in army unification, the scheduled elections in December 2024 call for even greater sensitivity in 2024.

# 6 Financial Report

**Appendix 2** shows the financial report with detailed costs per partner and cost type, as well as revenues. The total costs in 2023 were 5 958 000 NOK (USD 564,179), a 21% increase from 2022 and 3% above the approved 2023 budget.

For NAC, there was increased spending on conference costs, ICT advisor costs, and internet and software license costs. For SAI Kenya, costs included audit advisor costs and travel costs to Juba.

In addition to the project financial costs, a significant contribution to the project has been in-kind, provided by resource persons from SAI Kenya. Whereas the direct costs of flights, accommodation and per diem are covered by the project, the salary costs for these resource persons are covered by SAI Kenya. The estimated value of the in-kind contribution was USD 137,659 (1 453 942 NOK) reflecting **287** person-days of contribution.

**Below is a summary of budget and actual costs in USD.**

## Budget and financial report - Norwegian embassy format

All amounts in USD

Name of the project: NAC Strategic Change Project

Project period funding: 2020 - 2023

### Summary

Budget item	Approved total budget	Total charged as expenses 2020-2023	2023 Budget	2023 Actuals	Deviation (amount)	Deviation (%)	Comments 2023
Project expenses - grant recipient. Costs directly related to the implementation of the project.	\$530,965	\$495,839	\$112,858	\$112,669	-\$189	0%	Less staff time allocated to the project within IDI
Project expenses - cooperating partner(s). Costs directly related to the implementation of the project. Costs for NAC, OAGK, AFROSAI-E and peer-SAI resource persons.	\$743,711	\$604,247	\$408,165	\$424,261	\$16,096	4%	More activity and peer travels to Juba than anticipated
Overheads and Adm staff costs	\$155,559	\$97,331	\$29,256	\$27,173	-\$2,083	-7%	
<b>Total expenses</b>	<b>\$1,430,235</b>	<b>\$1,197,417</b>	<b>\$550,280</b>	<b>\$564,103</b>	<b>\$13,823</b>	<b>3%</b>	
<b>Total expenses adjusted for inflation</b>	<b>\$1,513,459</b>	<b>\$1,208,684</b>	<b>\$550,280</b>	<b>\$564,198</b>	<b>\$13,918</b>	<b>3%</b>	
Grant recipient's own financial contribution and contributions from other sources (minus)	\$72,051	\$53,968	\$0	\$0	\$0	0%	
<b>Grant from MFA</b>	<b>\$1,441,407</b>	<b>\$1,143,544</b>	<b>\$550,280</b>	<b>\$564,198</b>	<b>\$13,918</b>	<b>3%</b>	



# Appendix I: Status of indicators

Strategic outcome indicators		Indicator	How to measure	Baseline 2018-19	2020		2021		2022		2023		Remarks
					Target	Actual	Target2	Actual3	Target4	Actuals	Target6	Actual7	
No	Strategic outcome Indicator												
1	Public Account Committee follow-up on the audit reports.	Whether a Committee of the Legislature examines the Audit Report on the annual budget within six months of its availability, and publish	Review content and timing of Parliament decisions	0	None	None	None	Meeting held	Not held	Meeting held	held	The PAC was established in 2023 and has so far deliberated on the performance audit report on the roads sector in November 2023	
2	Executive follow-up of audit findings.	Whether a formal, comprehensive, and timely response was made by the executive or the audited entity on audits for which follow-up was expected during the last three completed fiscal years.	PEFA2016 PI-30 dimension (iii).PEFA2016 PI-30 dimension (ir).	NA								No PEFA assessment has been undertaken in South Sudan since 2011	
3	Central government financial statement issued on time.	Whether GOSS consolidated financial statement (FS) is issued annually	Document existing.	Not issued	Not issued	Issued on time	Issued on time	Issued on time	Not issued	Not issued	Not issued	So far the Ministry of Finance has issued consolidated financial statements up to June 2014. A large backlog still remains	
4	Central Bank and government owned companies issue their financial statements on time.	Percentage of financial statements issued time for the Central Bank and government owned companies.	Number of FS issued.	0%	100%	100%	100%	100%	80%	100%	80%	The Central Bank audit is currently up to date including several other government owned entities that have provided financial statements for audit. NAC outsources these audits annually.	
5	States and Local governments financial statements issued on time.	Percentage of States and Local governments having issued financial statements (FS) annually	Number of FS issued.	0%	0%	20%	30%	40%	0%	50%	0%	No financial statements have been prepared by the States. Training is however planned under stakeholder engagement to facilitate the preparation of financial statements	

6	Improved compliance with PFM's rules and regulations.	World Bank CPIA Indicator on Quality of Budgetary and Financial Management	1	Not assessed	Not assessed	Not assessed	Strategic output indicators					
							Baseline 2018-19	2020		2021		2022
No	Strategic output	Indicator	How to measure	Target	Actual	Target2	Actual2	Target4	Actual3	Target6	Actual7	
1	Annual Financial and Compliance Audit reports issued for Central Government including recommendations for compliance	Percentage of Central-Government Ministries and agencies audited and entity level reports completed.	Count the number of financial & compliance reports completed.	30%	0	60%	0	70%	20%	80%	30%	So far compliance audits have been undertaken in several ministries and are still ongoing into 2024. The financial audit from January 2011 to June 2024 has been completed and plans to be published in 2024.
		Whether the NAC Audit report is issued to Parliament annually, including a compilation of all financial and compliance audit findings at entity level.	Availability of the report.	Yes	No	Yes	No	Yes	No	Yes	No	Consolidated audit reports for compliance audit will be issued in 2024. The financial audit report for the backlog to June 2024 will be issued in 2024.
		SAI-PMF indicator 11 Financial Audit Results.	Assessment	1	0	2	0	3	0	4	Not measured	Significant improvement expected in 2024 assessment
		SAI-PMF indicator 17 Compliance Audit Results.	Assessment	1	0	2	0	3	0	4	Not measured	Significant improvement expected in 2024 assessment
2	Audit reports of the Central Bank and government owned companies issued annually	Percentage of Central Bank and government owned companies audit reports issued annually.	Count the number of audit reports issued annually, among the entities who have prepared financial statements	100%	20%	100%	20%	100%	20%	100%	80%	The Central Bank audit is currently up to date including several other government owned entities that have provided financial statements for audit. NAC outsources these audits annually.

3	Audit reports of the States and Local Governments, including recommendations for issuing financial statements and compliance with key rules and regulations.	Percentage of States and Local governments where an annual audit report is issued.	Count the number of financial audit reports issued.	0%	10%	0	20%	0	30%	0%	40%	0%	States not preparing financial statements
4	Performance audit reports issued for the main sectors.	Performance audit reports submitted to Parliament annually	Count the number of performance audit reports issued	0	4	0	2	0	2	0	2	1	Audit report on the roads sector issued in 2023 and two audits currently ongoing
		SAI PMF indicator 14: performance audit results.	Assessment	0	1	0	1	0	2	0	2	1	
5	Special audit reports of donor funded projects.	Percentage audit reports issued for donor funded projects where NAC has agreed to audit.	Count special audit reports issued.	100%	100%		100%		100%	100%	100%	100%	NAC undertakes audits of donor funded projects through outsourced audit firms
6	Investigative audit reports in selected areas.	Percentage of investigative audits initiated that are completed and reported on time.	Count number of investigative audit reports issued.	100%	100%	0.2	100%		100%	100%	100%	100%	Audits undertaken on request
7	Annual NAC Activity (Performance) report	Whether the report is issued annually	Availability of the report yearly.	No	Yes	No	Yes	No	Yes	No	Yes	No	Activity report up to June 2023 completed and will be published in q2 2024
8	Annual seminar for the PAC presenting the main audit findings and status of previous year's recommendations.	Whether annual seminar is held.	Documentation of the seminar.	Not	Yes	No	Yes	No	Yes	No	Yes	Yes	2 stakeholder engagements held with the PAC in 2023

Focus area indicators

Focus Area	SAI PMF Indicator	Baseline 2018-19	2020		2021		2022		2023		Remarks
			Target	Actual	Target	Actual	Target	Actual	Target	Actual	
Focus area 1: Strengthen NAC Independence	SAI 1 – Independence of the SAI	3	4	Not measured	4	Not measured	4	3	4	Not measured	Assessment to be undertaken in 2024. Significant improvement in scores expected if the NAC Act is amended
	SAI 2 – Mandate of the SAI	4	4	Not measured	4	Not measured	4	4	4	Not measured	NAC mandate is sufficiently provided for in the legal framework
Focus area 2: Enhance quality and impact of audit services	SAI 7 – Overall audit planning	0	1	Not measured	2	Not measured	3	3	4	Not measured	Assessment to be undertaken in 2024. Significant improvement in scores expected because of improved overall audit planning process
	SAI-8: Audit coverage	0	1	Not measured	2	Not measured	3	0	4	Not measured	Assessment to be undertaken in 2024. Improved scores expected because of increase in the number of audits undertaken by NAC
	SAI-9: Financial Audit standards and quality management	0	1	Not measured	2	Not measured	3	0	4	Not measured	Assessment to be undertaken in 2024. Significant improvement in scores expected because of improved compliance with ISSAIs for financial audits
	SAI-10: Financial audit process	0	1	Not measured	2	Not measured	3	0	4	Not measured	Assessment to be undertaken in 2024. Significant improvement in scores expected because of improved compliance with ISSAIs for financial audits
	SAI-12: Performance Audit Standards and Quality Management	0	1	Not measured	2	Not measured	3	0	4	Not measured	Assessment to be undertaken in 2024. Significant improvement in scores expected because of improved compliance with ISSAIs for financial audits

	SAI 13 – Performance audit process	0	1	Not measured	2	Not measured	3	0	4	Not measured	Assessment to be undertaken in 2024. Significant improvement in scores expected because of improved compliance with ISSAIs for performance audit
	SAI 15: Compliance Audit Standards and Quality Management	0	1	Not measured	2	Not measured	3	1	4	Not measured	Assessment to be undertaken in 2024. Significant improvement in scores expected because of improved compliance with ISSAIs for compliance audit
	SAI 16 – Compliance audit process	0	1	Not measured	2	Not measured	3	3	4	Not measured	Assessment to be undertaken in 2024. Significant improvement in scores expected because of improved compliance with ISSAIs for compliance audit
	SAI 3 – Strategic planning cycle	0	1	Not measured	2	Not measured	3	2	4	Not measured	Assessment to be undertaken in 2024.
	SAI 4: Organizational Control Environment	0	1	Not measured	2	Not measured	3	0	4	Not measured	Assessment to be undertaken in 2024.
	SAI 6 – Leadership and internal communication	0	1	Not measured	2	Not measured	3	2	4	Not measured	Assessment to be undertaken in 2024.
	SAI 21 – Financial management assets and support services	0	1	Not measured	2	Not measured	3	2	4	Not measured	Assessment to be undertaken in 2024. Improvement expected to stronger assets management systems in place
	Focus area 3: Internal Governance system and structures										

Focus area 4: Human resources developed and staff welfare improved	SAI 22 – Human resources management	0	1	Not measured	2	Not measured	3	2	4	Not measured	Assessment to be undertaken in 2024.
	SAI 23 – Professional development and training	0	1	Not measured	2	Not measured	3	3	4	Not measured	Assessment to be undertaken in 2024.
Focus area 5: Strengthen advocacy and stakeholder engagement	SAI 24 – Communication with the Legislature, Executive and Judiciary	0	1	Not measured	2	Not measured	3	1	4	Not measured	Assessment to be undertaken in 2024.
	SAI 25 – Communication with the Media, Citizens and Civil Society Organizations	0	1	Not measured	2	Not measured	3	1	4	Not measured	Not measured Assessment to be undertaken in 2024.

## Appendix II: Financial report

See separate file.

### Appendix III: Risk assessment and control measures

Risk	Likelihood	Impact	Control measures planned	Control measures done	Residual risk
<b>Asset management of project financed equipment</b>	Medium	Medium	Marking the equipment; User agreements; ICT-policy for NAC ;Maintaince contracts; End-of year stock-take; Asset management tool in place	Marking the equipment; User agreements; ICT-policy for NAC ;Maintaince contracts; End-of year stock-take; Asset management tool in place	Low
<b>Inadequate Funding for salaries and other operations</b>	High	High	Mobilise additional donor funds for audit operations and critical investments ;Continuous dialogue with GOSS to provide funding through the National budget;- Support NAC in developing projects and coordinating with partners	Still difficult to mobilise funding for salaries and operational costs and the GOSS is still inconsistent with disbursements.	High
<b>Low ISSAI implementation and professionalisation</b>	Medium	Medium	Mechanisms to measure levels of ISSAI compliance e.g. SAI PMF; Development of customised manuals ;Expedite professional development of staff; Continued NAC involvement in Afrosai-E technical trainings on ISSAIs; Stronger working relationships with audit Peer teams	Professional development, audit advisor and peer support	Low

<b>Low SAI Impact</b>	High	High	Create synergies with CSOs in the governance and accountability sphere ;Strengthen the stakeholder engagement and communications department ;Facilitate NAC to select audit topics with great impact;Continuous sensitisation of key stakeholders e.g. Parliament ;Prioritising support to enable completion and publication of audits	Auditee and PAC sensitisation and mobilising financial support to the PAC to be able to discuss audit reports.	Medium
<b>Poor coordination of support to NAC</b>	Medium	Medium	Aligning annual work plans and support with other DPs involved ;Joint meetings with other providers of support	Aligning annual work plans and support with other DPs involved ;Joint meetings with other providers of support	Medium
<b>Quality and relevance of advice</b>	Medium	Medium	Training resource persons on sensitivity and country specific issues ;Regular meetings with resource persons ;Operationalising team contracts ;NAC annual surveys and regular dialogue with NAC on quality of support;Active use of retrospectives;Evaluation surveys of events;Emphasize personal qualifications of resource persons	Training resource persons on sensitivity and country specific issues ;Regular meetings with resource persons ;Operationalising team contracts ;NAC annual surveys and regular dialogue with NAC on quality of support;Active use of retrospectives;Evaluation surveys of events;Emphasize personal qualifications of resource persons	Low



<b>SAI credibility undermined</b>	Medium	Medium	Emphasize the use of the Code of ethics for all staff and during audits ;Continue dialogue on strengthening of NAC independence ;Create awareness of the risks amongst resource persons	Dialogue on NAC and independence and sensitisation of key stakeholders	Medium
<b>Security for resource persons</b>	Medium	Medium	Creating awareness of the risk amongst resource persons ;Plan for out of country when considered necessary;- Make key telephone numbers available;- Regular assessment of meeting venues safety and security;Use of IDI and Afrosai-E routines for crisis management ;Disseminate project handbook to all resource persons	Creating awareness of the risk amongst resource persons ;Plan for out of country when considered necessary;- Make key telephone numbers available;- Regular assessment of meeting venues safety and security;Use of IDI and Afrosai-E routines for crisis management ;Disseminate project handbook to all resource persons	Low
<b>Sustainability of the support</b>	Medium	Medium	Involvement of a greater number of NAC staff in all project activities ;Holistic support across all aspects;Strengthen internal governance systems to enable sustainable change	Involvement of NAC staff in project activities and ensuring they take lead on initiatives to enable continuity. Improvement of internal governance systems and prioritisation of new staff in training initiatives.	Medium

## Appendix IV Support projects and outstanding needs for support

NAC has identified several projects that seem necessary for the successful implementation of the Strategic plan for 2019–2024. Both ongoing and planned projects are listed below. The World Bank has also launched a PFM project in South Sudan through which NAC is a beneficiary and will receive support in audits, ICT, Stakeholder engagement etc.

Project title	Scope and expected results	Period	Budget	Financial donor	Implementing Partners
NAC Peer-support project	<ul style="list-style-type: none"> <li>• Regularity audit systems, process and reports</li> <li>• Performance audit systems, processes and reports</li> <li>• Management systems</li> <li>• Stakeholder engagement</li> <li>• Regional training</li> </ul>	2017–2020	1,3 mill NOK per year	RNE and IDI	IDI, AFROSAI-E, SAI Kenya, SAI Norway
Non-oil revenue mobilization and accountability (NORMA)	<ul style="list-style-type: none"> <li>• Regional events and training</li> <li>• Local trainings</li> </ul>	2017–2024	14.2 million USD (Entire project including other agencies)	ADB	UNDP

Project title	Scope and expected results	Period	Budget	Financial donor	Implementing Partners
NAC Strategic change project	<ul style="list-style-type: none"> <li>• Technical guidance for all focus areas and selected strategic outputs where peer support is preferable</li> <li>• Strategic change management</li> <li>• Coordination of support projects</li> <li>• Audit capacity and related strategic outputs</li> <li>• Independence and legal framework</li> </ul>	2020–2024	15 mill NOK for 2020–23	Norwegian embassy	IDI, AFROSAI-E, SAI Kenya, SAI Norway
World Bank	<ul style="list-style-type: none"> <li>• Support to regional trainings and events</li> <li>• Support to ICT equipment</li> <li>• Support to vehicles</li> </ul>	2022–2027	34 million USD (Entire PFM project including other agencies)	World Bank	

**SOUTH SUDAN NATIONAL AUDIT CHAMBER**

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