



REPUBLIC OF MALAWI

**STRATEGIC PLAN FOR THE INTERNAL AUDIT SERVICE
IN CENTRAL GOVERNMENT
2016-2021**

DRAFT

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ACRONYMS AND ABBREVIATIONS

ARIC	Audit Recommendation Implementation Committee
CAATs	Computer Assisted Audit Techniques
CIAU	Central Internal Audit Unit
DPs	Development Partners
ERM	Enterprise-wide Risk Management
HRMIS	Human Resource Management Information System
IAS	Internal Audit Service
IAUs	Internal Audit Units
ICT	Information Communication Technology
IFMIS	Integrated Financial Management Information System
IIA	Institute of Internal Auditors
IIAM	Institute of Internal Auditors Malawi
IPPF	International Professional Practices Framework
MDAs	Ministries, Departments and Agencies
MGDS	Malawi Growth and Development Strategy
MoFED	Ministry of Finance, Economic Planning and Development
MoU	Memorandum of Understanding
NAO	National Audit Office
OPC	Office of the President and Cabinet
ORT	Other Recurrent Transactions
RBIA	Risk Based Internal Audit
ST	Secretary to the Treasury
SWOT	Strengths, Weakness, Opportunities and Threats (A strategic analysis model)
TNA	Training Needs Assessment

FOREWORD

Since its establishment in 2003, the Internal Audit Service in Central Government of Malawi is increasingly being recognized as an important component of corporate governance and the Public Finance and Economic Management (PFEM) program. It is for this reason that this Ministry oversaw the development of the first strategic plan for the Internal Audit Service in 2010 with a view of consolidating the gains that were made in its early stages of establishment.

To date, all ministries have Internal Audit Units that work closely with Controlling Officers. It is pleasing to note that the constant interaction between Internal Auditors and Controlling Officers has significantly contributed to the strengthening of internal controls and their placement in ministries has provided an immediate referral point for ad-hoc assignments involving control weaknesses and fraud.

The Strategic Plan for 2016-2017 intends to build on these and other successes as well as attempt to address the challenges facing the Internal Audit Service. Specifically, its successful implementation is expected to significantly contribute towards better management of resources, reduced corruption and improved service delivery in Central Government.

I would like to thank all Development Partners and other stakeholders for the support that was rendered to the Internal Audit Service over the period of the previous strategic plan and I urge them to also support the implementation of this Strategic Plan. This Ministry will continue supporting the Internal Audit Service in its quest to become a leading and high-performing internal audit activity in the public sector.

Lastly, I urge all Internal Auditors in Central Government to work hard and with dedication in implementing the Strategic Plan.

Ben Botolo

SECRETARY TO THE TREASURY

PREFACE

The Strategic Plan details priorities of the Internal Audit Service in Central Government of Malawi. The IAS consists of the Central Internal Audit Unit which is a department under the Ministry responsible for Finance and Internal Audit Units which are in various Ministries, Departments and Agencies.

It builds on the achievements that were made in implementing the previous Plan that ran from 2010 to 2015. Notably, we adopted and successfully rolled-out the Risk- Based Internal Audit (RBIA) approach in all Internal Audit Units which has resulted in more focus on critical issues of ministries and optimal use of internal audit resources. We also extended audit coverage beyond financial audits to Information, Communication Technology and investigations. Further, an Internal Audit Charter was approved in 2011 and an approval to develop legal framework for Internal Audit was granted. It is my expectation that the legal framework will be finalized during the period of this strategic plan.

During the 2016- 2021 period, our main focus is on increasing audit coverage by undertaking a variety of audit assignments. This will include the rolling-out of continuous audits of the Integrated Financial Management Information System (IFMIS) which will assist Controlling Officers to timely detect and correct erroneous and potential fraudulent transactions. This focus area will be supported by strategies that aimed at improving human resource capacity, internal audit infrastructure, internal audit governance arrangements and communication with key stakeholders.

The development of the Strategic Plan was coordinated by a Taskforce and it involved consultation with key stakeholders, analysis of the strategic environment, and review of the relevant literature including the previous strategic plan. Thereafter, we organized a validation meeting that was attended by officials from Government, the Institute of Internal Auditors Malawi and Development Partners, among others.

I sincerely thank all the people who participated in the development process. I also extend my gratitude to the Ministry of Finance, Economic Planning and Development and the GIZ- PFEM for providing technical and financial support.

Dickson Chasambira

ACTING DIRECTOR

EXECUTIVE SUMMARY

INTRODUCTION

This Strategic Plan provides a roadmap for strengthening Internal Audit Service (IAS) and improving service delivery to its stakeholders from 2016 to 2021.

The IAS consists of the Central Internal Audit Unit (CIAU) which is domiciled in the Ministry responsible for Finance and Internal Audit Units (IAUs) in Ministries, Departments and Agencies (MDAs).

STRATEGIC DIRECTION

VISION STATEMENT

“To be an independent, leading and high-performing internal audit activity in the public sector respected for the impact of its work”.

MISSION STATEMENT

“To provide risk-based and objective assurance, advice, and insight on governance, risk management and control processes in order to improve public service delivery.”

CORE VALUES

The core values that will guide the delivery of services to our clients are integrity; service excellence and quality improvement; confidentiality; and accountability.

STRATEGIC OUTCOMES AND OUTCOME TARGETS

- 1. Improved internal oversight over management of public resources**
 - 1.1. Audit coverage increased to 75% of budgeted resources of MDAs
 - 1.2. Scope of internal audit extended to other assurance and consulting areas by 2018

- 1.3. Resolution of internal audit findings increased to 80%
- 1.4. Audit Committees resumed by 2018
- 1.5. Risk-based audits enhanced by 2021
- 1.6. Enterprise-wide Risk Management implemented in all MDAs by 2021
- 1.7. Quality rating of internal audit work improved to level four of the Internal Audit Capability Model
- 1.8. Internal audit best practices adopted in public institutions by 2021
- 2. Improved capacity of human resources**
 - 2.1. Vacancy rate reduced to 20%
 - 2.2. All Internal Auditors appropriately trained
 - 2.3. Human resource management and development guidelines developed and reviewed by 2021
- 3. Improved internal audit governance processes**
 - 3.1. Legal and regulatory frameworks developed and reviewed by 2018
 - 3.2. IAS restructured by 2018
- 4. Strengthened internal audit infrastructure**
 - 4.1. Internal audit activities automated by 2018
 - 4.2. Availability of non-human resources increased by 2021
- 5. Improved interaction and coordination with stakeholders**
 - 5.1. Public information for the IAS accessed by all stakeholders
 - 5.2. Strategic partnerships established by 2021

IMPLEMENTATION ARRANGEMENT

Implementation of the Plan will require about MK3.9 billion (US\$5.2 million) which is expected to be financed by both Government and Development Partners (DPs). CIAU will monitor its implementation and also conduct mid-term and final evaluations.

1. INTRODUCTION

1.1. BACKGROUND

The Government of Malawi created the Internal Audit Service (IAS) in July 2003. The IAS consists of the CIAU which is domiciled in the Ministry of Finance, Economic Planning and Development (MoFED) and IAUs in MDAs. The CIAU directs, coordinates and supervises all internal audit activities in Government while IAUs undertake a variety of assurance and consulting activities that are aimed at improving operations of their respective MDAs.

This Strategic Plan provides a roadmap for strengthening the IAS and improving service delivery to its stakeholders over the next 5 years. It will also enable the IAS to properly allocate its resources among competing demands.

1.2. DEFINITION OF INTERNAL AUDITING

It is an independent, objective assurance and consulting activity designed to add value and improve organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. 'Institute of Internal Auditors Inc, (2015)'

1.3. MANDATE

The Internal Audit charter, which was approved by the Minister of Finance in 2011, provides the purpose, authority and responsibility of the IAS in Government in providing independent assurance and consulting services on governance, risk management and control processes to support the achievement of Government's objectives.

1.4. OUR STAKEHOLDERS

Key IAS stakeholders include MoFED, audit committees, controlling officers, staff of MDAs, the Office of President and Cabinet (OPC), and National Audit office (NAO). Other stakeholders include law enforcement agencies, assurance and review bodies, professional bodies and the DPs.

1.5. OUR VALUE- ADDING SERVICES

Internal audit adds value to the operations of Government and its various stakeholders through provision of the following key services:

OPERATIONAL AUDIT ENGAGEMENTS

Audit engagements that evaluate activities of MDAs or programs in order to determine their adequacy, effectiveness and efficiency in meeting set objectives.

COMPLIANCE AUDIT ENGAGEMENTS

Audit engagements that evaluate compliance risks and their mitigation plans in order to ensure that MDAs are fostering ethical behavior and do not expose Government to legal or regulatory liability.

FINANCIAL AUDIT ENGAGEMENTS

Audit engagements that evaluate accounting and financial reporting processes in order to ensure that financial transactions are complete and accurately reflected in financial reports.

ICT AUDIT ENGAGEMENTS

Audit engagements that evaluate the adequacy and effectiveness of controls in responding to Information Communication Technology (ICT) risks relating to reliability and integrity of information, effectiveness and efficiency of operations, safeguarding of assets and compliance with ICT laws and regulations.

INVESTIGATIONS

Engagements that are independent and responsive to fraud and other unethical or inappropriate behavior in MDAs.

ADVISORY ENGAGEMENTS

Independent, objective and insightful consulting services to help management improve governance, risk management and controls in MDAs.

2. STRATEGIC PLANNING PROCESS

In coming up with this strategic plan, the IAS reviewed its previous strategic plan and analyzed the strategic environment. It also consulted various stakeholders on their expectations from the IAS and reviewed other literature and statistical data in order to align the IAS strategies with aspirations of Government and the profession of internal auditing. The results of this process are summarized in subsequent sections.

2.1. REVIEW OF THE 2010-2015 STRATEGIC PLAN FOR IAS

The previous IAS strategic plan was reviewed in terms of achievement of objectives. Out of the 19 objectives that were in the strategic plan, 10 were fully achieved, 8 were partially achieved and 1 was not achieved. The objectives which were either partially or not achieved were carried forward to this strategic plan.

Appendix 1 contains a summary of the review against the objectives and key issues of the review are provided below:

ACHIEVEMENTS

- a) Risk- Based Internal Audit (RBIA) approach was adopted and rolled-out to all IAUs resulting in more focus on critical issues of MDAs and optimal use of internal audit resources;
- b) ICT auditing was institutionalized and a computerized data extraction and interrogation tool was procured. ICT audits of the Integrated Financial Management Information System (IFMIS) and Human Resource Management Information System (HRMIS) were piloted;
- c) Audit coverage extended to investigations and advisory services;
- d) Audit Charter was developed and approved;

- e) Approval to develop legal framework for Internal Audit was granted and an Internal Audit Policy and the Legal framework were drafted;
 - f) Audit Committees were re-organized to consist of members who are not public officers and their Charter was approved;
 - g) Additional 32 Internal Auditors were recruited and a new IAU established at National Statistical Office in order to meet increased demand from stakeholders;
 - h) Improved mixture of knowledgeable, skilled and experienced Internal Auditors; and
 - i) Increased cooperation with and influence on the Institute of Internal Auditors Malawi (IIAM).
- e) Improved automation of internal audit activities and use of Computer Assisted Audit Techniques (CAATs) are necessary for effective and efficient conduct of audits; and
 - f) Availability of good infrastructure such as offices, vehicles and computer equipment facilitate achievement of strategies.

2.2. STRATEGIC ANALYSIS

A comprehensive consultative process was conducted to study the strategic environment for IAS. A SWOT analysis was used to identify critical issues to the attainment of our strategic objectives and key results are summarized below:

CHALLENGES

- a) Persistent high vacancy rate of around 50%;
- b) Low budget and funding levels to IAS;
- c) Implementation of audit recommendations remains low;
- d) Continued changes in placement of CIAU between MoFED and OPC which is associated with changes in roles of IAS;
- e) Absence of formal risk management process in Government; and
- f) Poor coordination with other public sector internal audit arrangements.

LESSONS LEARNT

- a) Coordination with key stakeholders hinges on better communication;
- b) Functional independent audit committees are critical for IAS's independence and impact of its work;
- c) Adequate, skilled and dedicated Internal Auditors are vital for the delivery of internal audit services;
- d) Adequate financial resources from Government and Development Partners are key for the successful implementation of strategies;

STRENGTHS

- a) Legal backing to establish and operate an IAS for all ministries exists through PFMA 2003;
- b) Purpose, authority and responsibility of IAS provided in Internal Audit Charter;
- c) Purpose, authority and responsibility of Audit Committees provided in Audit Committee Charter;
- d) Independence of IAS arrangement through organizational and reporting structure;
- e) Some well-trained, certified and experienced staff exist in the IAS;
- f) Enhanced understanding and use of RBIA approach in internal audit engagements; and
- g) Usage of up-to-date version of computerized auditing tools in audit assignments.

WEAKNESSES

- a) The purpose, authority and responsibility of IAS not provided in any legal instrument;
- b) Inactiveness of Audit Committees which negatively affect the impact of IAS;
- c) Concentration of knowledge and skills in modern internal auditing techniques in few Internal Auditors; and
- d) High vacancy rate at both CIAU and IAUs.

OPPORTUNITIES

- a) Increased recognition of internal auditing as an important tool in public financial management and Government's reform;
- b) Increased demand for internal auditing by Controlling Officers;
- c) Willingness of management and development partners to support IAS;
- d) Availability of IIAM to support professional development of internal auditing; and
- e) Availability of off-the-shelf ICT solutions which can help in automating the IAS.

THREATS

- a) Reluctance by some Controlling Officers to change the traditional view of auditing which creates difficulty in positioning internal audit in a more progressive role;
- b) Low rate of implementation of audit recommendations by management which impacts on the effectiveness of IAS;
- c) Emerging and changing risks which increase the skill gaps of Internal Auditors
- d) Discontinuance or reduction of assistance from Development Partners;
- e) Low remuneration in Government which leads to loss of skilled Internal Auditors;
- f) Prevailing Government's Policy on restricting recruitment which may increase vacancy levels in IAS;
- g) Absence of ERM which negatively impact on full implementation of RBIA;
- h) Declining work ethics in the public service which may negatively affect professionalism of Internal Auditors and public officers; and
- i) Inadequate funding for IAS largely caused by absence of ring-fencing mechanisms of approved budgets.

2.3. ALIGNMENT WITH GOVERNMENT'S AND OTHER STRATEGIES

Apart from the previous strategic plan, other literature that was reviewed included MoFED strategic plan, Public Finance and Economic Management reform, Malawi Growth and Development Strategy II (MGDS II), Public Service Reform and the International Professional Practices Framework (IPPF). These and other literature helped to shape the vision, mission, values and the design of the strategic goals, objectives and activities.

The subsequent paragraphs summarize main issues depicted from some of the literature:

STRATEGIC PLAN OF MINISTRY OF FINANCE AND MALAWI GROWTH AND DEVELOPMENT STRATEGY II

The IAS recognizes its responsibility to advance the aspirations of the Ministry and Government. Although the IAS will play a role in all the key result areas of MoFED strategic plan and MGDS II, the strategic plan will significantly contribute to the attainment of sound public financial management being pursued by MoFED and to issues of economic and corporate governance in the MGDS II.

PUBLIC SERVICE REFORM

The strategic plan includes reform areas in internal audit that were recommended by the Public Service Reform Commission. They include the placement of Internal Auditors in all MDAs to enable real time detection of infringement of public financial management rules; refocusing audit programmes to key controls, IFMIS internal controls and bank reconciliations; and ensuring effective functionality of Independent Audit Committees.

INTERNATIONAL PROFESSIONAL PRACTICES FRAMEWORK

The development of this strategic plan took into account the IPPF which is the conceptual framework that organizes authoritative guidance promulgated by the Institute of Internal Auditors (IIA). It contributed to the shaping of the IAS's vision and mission and some of strategic goals are aimed at ensuring full compliance with the IPPF.

2.4. THE WAY FORWARD

Having considered results of the review of the previous strategic plan, the strategic analysis, and the review of relevant literature, the strategic approach hinges on improving our internal oversight responsibilities on public resources; developing staff and organizational capacity; strengthening operational and financial independence and developing partnerships.

In line with the approach, the following will be the strategic outcomes:

- a) Improved internal oversight over management of public resources
- b) Improved capacity of human resources
- c) Improved internal audit governance processes
- d) Strengthened internal audit infrastructure
- e) Improved interaction and coordination with stakeholders

The ten (10) priority areas within the outcomes are as follows:

- a) Enactment of an Internal audit bill and approval of the internal audit policy
- b) Procurement and implementation of continuous monitoring software for IFMIS and HRMIS
- c) Conducting extensive operational, compliance, financial and ICT audits; and investigations

- d) Procurement and implementation of an integrated audit management software
- e) Creation of a website and production of newsletter
- f) Recruitment and promotion of Internal Auditors
- g) Introduction of training laboratory, library and a team of internal trainers to support on- the job training
- h) Conducting periodic internal quality assessments of IAUs
- i) Review of the IAS organizational structure
- j) Increasing the number of Certified Internal Auditors

3. VISION, MISSION AND VALUES

3.1. VISION STATEMENT

“To be an independent, leading and high-performing internal audit activity in the public sector respected for the impact of its work”.

3.2. MISSION STATEMENT

“To provide risk-based and objective assurance, advice, and insight on governance, risk management and control processes in order to improve public service delivery.”

3.3. CORE VALUES

The following core values will guide the delivery of services to our clients:

INTEGRITY

We are committed to the highest level of ethical conduct in the performance of our work

SERVICE EXCELLENCY AND QUALITY IMPROVEMENT

We deliver unquestionable stakeholder value and satisfaction by continuously improving the quality of our services.

CONFIDENTIALITY

We strive to consistently maintain confidentiality in all circumstances as required by professional standards.

ACCOUNTABILITY

We willingly accept responsibility for our actions and take ownership of the work assigned to us.

4. STRATEGIC OUTCOMES, OUTCOME TARGETS AND OUTPUTS

4.1. STRATEGIC OUTCOME 1: IMPROVED INTERNAL OVERSIGHT OVER MANAGEMENT OF PUBLIC RESOURCES

OUTCOME TARGET 1.1: AUDIT COVERAGE INCREASED TO 75% OF BUDGETED RESOURCES IN MDAS

Audit coverage by IAS, which is mainly on public finances, has been perpetually low partly attributed to human resource and financial capacity constraints.

Strategic Outputs:

- a) Operational audits conducted
- b) Compliance audits conducted
- c) Financial audits, including reviews of reconciliation, conducted
- d) Continuous audits of IFMIS and HRMIS conducted

OUTCOME TARGET 1.2: SCOPE OF INTERNAL AUDIT EXTENDED TO OTHER ASSURANCE AND CONSULTING AREAS BY 2018

Over the years, IAUs have been mostly conducting audits that provide assurance on financial management processes to the exclusion of other areas such as risk management and governance. In addition, advisory services have mainly been demand driven.

Strategic Outputs:

- a) Efficiency studies and value for money audits on key Government processes conducted
- b) ICT audits conducted
- c) Fraud and investigative audits conducted
- d) Audits of governance processes conducted
- e) Audits of risk management processes conducted

f) Consulting and advisory services undertaken

OUTCOME TARGET 1.3: RESOLUTION OF INTERNAL AUDIT FINDINGS INCREASED TO 80%

Resolution of internal audit findings by management remain a challenge and the problem has been compounded by the inactiveness of Independent Audit Committees in recent past.

Strategic Outputs:

- a) Follow-up audits conducted by IAUs and CIAU
- b) Monitoring tools on resolution of audit findings and implementation of audit recommendations reviewed
- c) Outstanding audit findings escalated to Audit Committees
- d) Establishment of Audit Recommendation Implementation Committees (ARIC) in MDAs championed

OUTCOME TARGET 1.4: AUDIT COMMITTEES RESUMED BY 2018

In order to improve on the independence and effectiveness of Audit Committees, Government introduced Audit Committees whose members are not public servants. These Committees became operational in December 2014 but became inactive from June 2015.

Strategic Outputs:

- a) Resumption of Audit Committees' activities discussed with the Chief Secretary to the Government and the Secretary to the Treasury (ST)
- b) Funding for Audit Committees' activities secured from key stakeholders
- c) Training of Committees' members conducted
- d) Meetings of Audit Committees facilitated
- e) Audit Committee secretariat with adequate resources established

f) Audit Committee Charter reviewed

g) Handbook and operations manual for Audit Committees developed

h) Performance reporting framework and tools for the Audit Committees developed

i) Performance of Audit Committees assessed

OUTCOME TARGET 1.5: RISK-BASED AUDITS ENHANCED BY 2021

RBIA approach has been adopted in all IAUs. However, risks evolve over time and new risks emerge which require continuous monitoring of the risks and changes in auditing techniques.

Strategic Outputs

- a) Annual guidance on planning risk-based audit assignments to IAUs provided
- b) Rolling risk-based audit plans developed
- c) Evaluation on implementation of RBIA approach in IAUs conducted
- d) Study tours on RBIA approach conducted for continuous improvement
- e) On the job-training on RBIA conducted in IAUs by a team of internal trainers

OUTCOME TARGET 1.6: ERM IMPLEMENTED IN ALL MDAs BY 2021

Following the awareness of ERM to Controlling Officers during the past five years, the IAS will facilitate implementation of ERM in MDAs.

Strategic Output:

- a) Establishment of Taskforce on ERM facilitated and completed
- b) Hiring of a consultant to support implementation of ERM facilitated and completed
- c) ERM rolled-out in all ministries
- d) Internal Auditors trained in ERM to assist MDAs in its implementation.
- e) Staff of MDAs trained in ERM

OUTCOME TARGET 1.7: QUALITY RATING OF INTERNAL AUDIT WORK IMPROVED TO LEVEL FOUR OF THE INTERNAL AUDIT CAPABILITY MODEL

The International Standards for the Professional Practice of Internal Auditing, which were adopted by the IAS, require the implementation of Quality Assurance Improvement Programme. The external assessment of 2010 rated the IAS at level two¹. Although a lot of improvements were made over the last five years, the IAS needs to implement additional initiatives to acquire level four (Managed) status.

Strategic Outputs:

- a) Periodic internal quality assessments of IAUs conducted at least once every two years
- b) External quality assessment of IAS conducted at least once every five years.
- c) Quality checks conducted on all audit assignments
- d) Annual performance appraisals of IAUs conducted
- e) Quality and performance assessment tools reviewed consistent with internal auditing standards

OUTCOME TARGET 1.8: INTERNAL AUDIT BEST PRACTICES ADOPTED IN PUBLIC INSTITUTIONS BY 2021

The ST is mandated to set and propagate policies, practices and procedures that safeguard public resources including those on internal audit. The IAS will endeavour to support the oversight and monitoring roles of the ST by promoting the use of best practices in internal auditing in the public service in order to improve the management of public resources.

¹ The level two (on a three rating scale) that was used in 2010 is equated to level two (on a five rating scale) of the Internal Audit Capability Model of which level one is the worst and level five is the best.

Strategic Outputs:

- a) Use of RBIA in public service advocated
- b) Adoption of IPPF in public service advocated
- c) Establishment of Audit Committees in public service advocated
- d) Establishment of ERM in public service advocated
- e) Right placement of Internal Audit Functions in public service advocated
- f) Data base of headline statistics on Internal Audit in the public service established

4.2. STRATEGIC OUTCOME 2: IMPROVED CAPACITY OF HUMAN RESOURCES

OUTCOME TARGET 2.1: VACANCY RATE REDUCED TO 20%

In order for the IAS to deliver effectively and efficiently, it requires adequate Internal Auditors. Since its existence, CIAU has been experiencing problems of high vacancy rate and retention of skilled Internal Auditors.

Strategic Outputs:

- a) Recruitment of Internal Auditors initiated and completed
- b) Promotion and deployment of staff initiated and completed
- c) Internal reward system introduced
- d) HIV and AIDS issues mainstreamed

OUTCOME TARGET 2.2: ALL INTERNAL AUDITORS APPROPRIATELY TRAINED

In order to maintain service excellence in audit operations, CIAU is committed to provide adequate and appropriate training to its staff.

Strategic Outputs:

- a) Training in degree programs conducted in line with Training Needs Assessment (TNA)

- b) Training in masters degree programs conducted in line with TNA
- c) Auditors with relevant professional certifications increased to 30% of filled posts
- d) Workshops in RBIA, ICT investigative audit and other areas attended in line with TNA
- e) Staff exchange programs with national and international organizations in Fraud investigations, ICT and Performance audit introduced
- f) Membership to professional bodies and subscriptions to periodicals increased
- g) Training laboratory and library to support on the job training introduced
- h) Training of Trainers to support on- the job training conducted
- i) Performance assessment of staff conducted

OUTCOME TARGET 2.3: HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT GUIDELINES DEVELOPED AND REVIEWED BY 2021

Human resource guidelines will be developed, and reviewed to provide a systematic, objective and evidence-based approach of dealing with staff capacity challenges.

Strategic Outputs:

- a) Human Resource Development plan developed
- b) Training guidelines reviewed
- c) TNA conducted
- d) Training plans developed and implemented

4.3. STRATEGIC OUTCOME 3: IMPROVED INTERNAL AUDIT GOVERNANCE PROCESSES

OUTCOME TARGET 3.1: LEGAL AND REGULATORY FRAMEWORKS DEVELOPED AND REVIEWED BY 2018

The IAS operates based on a weak legal framework. Over the past years, the IAS facilitated the drafting of the Internal Audit Bill

and an Internal Audit Policy which is expected to precede the enactment of the Internal Audit Bill.

Strategic Outputs:

- a) Internal audit policy approved
- b) Internal audit bill enacted
- c) Internal audit charter reviewed
- d) Internal audit manual reviewed

OUTCOME TARGET 3.2: INTERNAL AUDIT SERVICE RESTRUCTURED BY 2018

Over the years, there has been increased and varying demands for internal audit services. This has largely been attributed to Government reforms and changes in the Internal Audit profession. As such, the IAS needs to reposition itself in order to meet the varying demands of its key stakeholder.

Strategic Outputs:

- a) Functional review to improve IAS reporting and operating structures initiated and completed
- b) Revision of job descriptions initiated and completed

4.4. STRATEGIC OUTCOME 4: STRENGTHENED INTERNAL AUDIT INFRASTRUCTURE

OUTCOME TARGET 4.1: INTERNAL AUDIT ACTIVITIES AUTOMATED BY 2018

Government is computerizing most of its functional systems. In order to effectively deliver on its mandate, IAS needs to reposition itself to the current developments by, among others, automating its services.

Strategic Outputs:

- a) Automation strategy for IAS developed
- b) IAUs networked through a shared server for information sharing

- c) Integrated audit management software solution procured and installed to increase productivity and efficiency
- d) Internal Auditors trained in integrated audit management software solution
- e) Software and hardware equipment for continuous auditing procured and installed
- f) Internal Auditors trained in continuous auditing software
- g) Access rights to all major e-government systems granted to Internal Auditors for continuous auditing
- h) User licenses for data interrogation software procured

4.5. STRATEGIC OUTCOME 5: IMPROVED INTERACTION AND COORDINATION WITH STAKEHOLDERS

OUTCOME TARGET 5.1: PUBLIC INFORMATION FOR THE INTERNAL AUDIT SERVICE ACCESSED BY ALL STAKEHOLDERS

In a quest to ease access to public information relating to the IAS, CIAU will devise a communication platform to market the IAS and relay audit-related issues to its stakeholders.

Strategic Outputs:

- a) Communication strategy on marketing and disseminating Internal Audit information developed
- b) Internal audit website created
- c) Internal Audit newsletter produced

OUTCOME TARGET 4.2: AVAILABILITY OF NON-HUMAN RESOURCES INCREASED BY 2021

The success of this plan will largely depend on availability of adequate non-human resources such as finances, transport and assets. During the past five years, such resources were inadequate which negatively affected delivery of internal audit services as well as full implementation of the 2010-2015 strategic plan. Notably, there was low funding to IAUs and inadequate computers and motor vehicles.

Strategic Outputs:

- a) Funding for IAS from Government increased
- b) Creation of a Budget Vote for IAS negotiated and completed in order to safeguard against under-funding of internal audit operations
- c) Support to internal audit from DPs negotiated and received
- d) Motor vehicles procured and maintained
- e) Office equipment and furniture procured and maintained

OUTCOME TARGET 5.2: STRATEGIC PARTNERSHIPS ESTABLISHED BY 2021

The IAS will enhance existing partnerships and develop new ones with national and international institutions on matters of common interest.

Strategic Outputs:

- a) Memorandum of Understanding (MoU) with other control actors signed
- b) Joint forum with public sector Internal Audit Functions and other control actors established and sustained
- c) Meetings of relevant professional bodies attended

5. IMPLEMENTATION OF THE STRATEGIC PLAN

5.1. WORKPLAN AND FINANCING ARRANGEMENT

The strategic plan will be implemented over a 5-year period and will require about MK3.9 billion (US\$5.2 million). The budget is expected to be financed by both Government and DPs.

Appendix 2 contains the work plan while **Appendix 3** contains the budget estimate and expected financing arrangements.

5.2. STRATEGIC RISKS AND MITIGATION MEASURES

The implementation of the plan faces the following key strategic risks:

- a) Low funding levels for IAS from Government
- b) Discontinuance or reduction of assistance from DPs
- c) Continued Government's freeze on new recruitment
- d) Loss of skilled and competent staff
- e) Limitation of internal audit operations in Government caused by ease of revision of Circular and other regulations that established the IAS

Appendix 4 contains details of the risks and the mitigation measures.

5.3. MONITORING AND EVALUATION

CIAU will monitor the implementation of the plan on an annual basis and conduct mid-term and final evaluations at two-and-half years and five years respectively.

APPENDIX 1: PROGRESS MADE AGAINST 2010-2015 STRATEGIC OBJECTIVES

OBJECTIVES IN 2010-2015 STRATEGIC PLAN	STATUS	REMARKS/ COMMENTS	LINK TO 2016-2021 OUTCOME TARGETS
Goal 1: Partner with stakeholders to provide overall assurance on risk management, internal control and governance processes			
1.1 Re-orientate Internal Audit services to increase the emphasis upon business risks and mitigating controls	Achieved	RBIA was adopted by the IAS and rolled-out to all IAUs. All Internal Auditors were trained and some undertook pilot audits to transfer knowledge into skills	
1.2 Promote awareness of risk management	Partially achieved	Awareness meeting for Controlling Officers was conducted and it was agreed that ERM should be piloted in some MDAs. Further, other key stakeholder require orientation.	1.6
1.3 Implement IT audit services	Achieved	A dedicated ICT audit team was established and IDEA auditing tool was procured to assist in interrogating computerized data. All auditors were trained in ICT and CAATs. Auditing of IFMIS and HRMIS was piloted.	
1.4 Extend internal audit coverage to other assurance and consulting areas	Partially achieved	Audit coverage was extended to investigations and advisory services. Other areas such as Value-for-Money, environmental and social audits not yet institutionalized.	1.2
1.5 Provide overall (entity-level) assurance	Achieved	IAS produces annual reports on its performance which include overall opinion on adequacy and effectiveness of Government's processes based on audit work	
Goal 2: Ensure the availability of sufficient and competent internal audit management and staff			
2.1 Stabilize internal audit staffing resources	Partially achieved	Human Resource Development plan for the IAS was developed. 32 Internal Auditors were recruited to stabilize the staffing level at around 50% annually but this level remains very low	2.1
2.2 Ensure that all internal audit staff are appropriately and adequately trained	Achieved	In line with the TNA, all Internal Auditors were extensively trained. Currently, 14% possess masters degrees and 37% possess first degrees	
2.3 Maintain levels of the knowledge and skills of audit managers and auditors	Achieved	All Internal Auditors attended relevant short-term trainings and workshops. Some participated in study tours and others attended national and international conferences	
Goal 3: High quality internal audit arrangements and outputs			
3.1 Strengthen continuous quality checks of audit services and products	Achieved	Continuous quality reviews are embedded in the audit process and CIAU conducts post-audit reviews of audit assignments of IAUs.	
3.2 Maintain programme of periodic quality assessments	Partially Achieved	Internal and external Internal Audit Quality Assurance and Improvement Programs were developed but are yet to be institutionalized	1.7

OBJECTIVES IN 2010-2015 STRATEGIC PLAN	STATUS	REMARKS/ COMMENTS	LINK TO 2016-2021 OUTCOME TARGETS
Goal 4: Strengthened Internal Audit infrastructure			
4.1 Strengthen CIAU	Achieved	CIAU was re-structured to have sections that were responsive to the strategic direction and provide linkage to activities of IAUs	
4.1 Ensure the availability of adequate resources	Partially achieved	Transport issues were addressed by procurement of 2 motor vehicles for CIAU but 1 was damaged. Computer equipment was procured and distributed to IAUs but is not adequate. Budget for IAUs increased but funding remains low at 52% as of 2014/2015 Financial Year.	4.2
Goal 5: Improved internal audit performance reporting			
5.1 Improve processes for internal audit performance data collection and analysis	Achieved	Headline statistics are collected and analyzed regularly	
5.2 Improve processes for reporting internal audit performance	Achieved	Performance of IAS is reported bi-annually and that of Audit Committees is scheduled for quarterly.	
5.3 Implement 'balanced scorecard' performance reporting approach for all stakeholders	Partially achieved	A Balanced scorecard to monitor performance of IAS was developed but is yet to be implemented	1.7
Goal 6: Improved coordination with stakeholders			
6.1 Raise the profile of the internal audit service	Not achieved	Communication strategy, website and newsletter were not developed	5.1
6.2 Institutionalize processes for partnering with stakeholders	Achieved	Processes for regular liaison with stakeholders during audit planning, execution and reporting were developed and implemented. In addition, liaison with NAO in training and conduct of assignments was improved	
Goal 7: Improved governance			
7.1 Refine and accelerate improvements to the internal audit legal and policy framework	Partially Achieved	IA charter and manual were developed and approved. Internal Audit Policy and Legal provisions were drafted	3.1
7.2 Audit committees operating fully	Partially Achieved	Audit Committees were re-organized to consist of members who are not public officers and their Charter was developed and approved. However the committees have been inactive towards the end of the strategic plan.	1.4

APPENDIX 2 : WORKPLAN

NO.	OUTCOME/OUTCOME TARGET/ OUTPUT	OUTPUT TARGET	PERFORMANCE INDICATOR	TIMING
1.0	IMPROVED INTERNAL OVERSIGHT OVER MANAGEMENT OF PUBLIC RESOURCES			
1.1	Audit Coverage Increased to 75% of Budgeted Resources in MDAs			
1.1.1	Operational audits conducted	80 audit reports issued	Number of Audit reports	Jul 16- Jun 21
1.1.2	Compliance audits conducted	80 audit reports issued	Number of Audit reports	Jul 16- Jun 21
1.1.3	Financial audits conducted	120 audit reports issued	Number of Audit reports	Jul 16- Jun 21
1.1.4	Continuous audits of IFMIS and HRMIS conducted	48 audit reports issued	Number of Audit reports	Jul 17- Jun 21
1.2	Scope of Internal Audit Extended to Other Assurance and Consulting Areas by 2018			
1.2.1	Efficiency studies and value for money audits conducted	4 audit reports issued	Number of Audit reports	Jul 17- Jun 21
1.2.2	ICT audits conducted	20 audit reports issued	Number of Audit reports	Jul 17- Jun 21
1.2.3	Fraud and investigative audits conducted	80 audit reports issued	Number of Audit reports	Jul 16- Jun 21
1.2.4	Audits of governance processes conducted	15 audit reports issued	Number of Audit reports	Jul 18- Jun 21
1.2.5	Audits of risk management processes	6 audit reports issued	Number of Audit reports	Jul 19- Jun 21
1.2.6	Consulting and advisory services undertaken	30 advisory reports issued	Number of Advisory reports	Jul 16- Jun 21
1.3	Resolution of Audit Findings Increased to 80%			
1.3.1	Follow-up audits conducted	80% of audit findings followed-up	% audit findings	Jul 16- Jun 21
1.3.2	Monitoring tools on resolution of audit findings and implementation of audit recommendations reviewed	2 monitoring tools reviewed	Number of tools	Jul 17- Jun 18
1.3.3	Outstanding audit findings escalated to Audit Committees	100% of outstanding findings escalated	% of audit findings	Jul 18- Jun 21
1.3.4	ARICs championed in MDAs	18 ARICs established	Number of ARICs	Jul 17- Jun 18
1.4	Audit Committees Resumed by 2018			
1.4.1	Resumption of Audit Committees' activities discussed with the Chief Secretary and ST	4 meetings with Chief Secretary & ST held	Number of meetings	Jul 17- Dec 17
1.4.2	Funding for Audit Committees' activities secured	K276 million funding secured	Amount of funds	Jul 17- Jun 18
1.4.3	Training of Committees' members conducted	6 training reports issued	Number of reports	Jan 18- Jun 21
1.4.4	Meetings of Audit Committees facilitated	14 quarterly meetings held	Number of meetings	Jan 18- Jun 21
1.4.5	Audit Committee secretariat established	Secretariat established	Organogram	Jul 17- Dec 17
1.4.6	Audit Committee Charter reviewed	Charter approved	Charter	Jul 17- Dec 17
1.4.7	Handbook and operations manual for Audit Committees developed	Handbook & manual approved	Handbook & manual	Jul 17- Dec 17
1.4.8	Performance reporting framework and tools for Audit	Framework & tools approved	Framework & tools	Jul 17- Dec 17

NO.	OUTCOME/OUTCOME TARGET/ OUTPUT	OUTPUT TARGET	PERFORMANCE INDICATOR	TIMING
	Committees developed			
1.4.9	Performance of Audit Committees assessed	3 performance assessments done	Number of assessments	Jan 18- Jun 21
1.5	Risk- Based Audits Enhanced by 2021			
1.5.1	Annual guidance on planning risk-based audits provided	5 guidance circulars provided	Circulars	Jul 16- Jun 21
1.5.2	Rolling risk-based audit plans developed	5 consolidated plans developed	Number of plans	Jul 16- Jun 21
1.5.3	Evaluation of RBIA approach in IAUs conducted	1 evaluation done	Evaluation report	Jul 18- Jun 19
1.5.4	Study tours on RBIA approach conducted	2 study tours done	Reports on study tour	Jul 16- Jun 21
1.5.5	On the job-training on RBIA conducted	All IAUs supported	% IAUs supported	Jul 16- Jun 21
1.6	ERM implemented in all MDAs by 2021			
1.6.1	Establishment of Taskforce on ERM completed	Taskforce set	Appointment letter	Jan 18- Jun 18
1.6.2	Hiring of ERM consultant completed	Consultant hired	Consultancy contract	Jan 18- Jun 18
1.6.3	ERM rolled-out in all ministries	Risk registers developed in all ministries	% of ministries with risk registers	Jul 10- Jun 21
1.6.4	Internal Auditors trained in ERM	All Internal Auditors trained	Number of auditors	Jan 17- Jun 17
1.6.5	Staff of MDAs trained in ERM	All staff trained	% ministries with trained staff	Jul 18- Jun 19
1.7	Quality Rating of Internal Audit Work Improved to Level Four of Internal Audit Capability Model			
1.7.1	Periodic internal quality assessments of IAUs conducted	37 IAUs assessed	Number of IAUs	Jul 16- Jun 21
1.7.2	External quality assessment of IAS conducted	IAS externally assessed	Quality assessment reports	Jul 18- Jun 19
1.7.3	Quality checks conducted on all audit assignments	Quality checks done on all audit assignments	% audit assignments	Jul 17- Jun 21
1.7.4	Annual performance appraisals of IAUs conducted	5 appraisals done	Annual performance report	Jul 16- Jun 21
1.7.5	Quality and performance assessment tools reviewed consistent with internal auditing standards	4 assessment tools reviewed	Number of tools	Jul 16- Jun 17
1.8	Internal Audit Best Practices Adopted in All Public Institutions by 2021			
1.8.1	Use of RBIA approach advocated in public service	50 public institutions reached	Number of institutions	Jul 20- Jun 21
1.8.2	Adoption of IPPF advocated in public service	50 public institutions reached	Number of institutions	Jul 20- Jun 21
1.8.3	Audit Committees advocated in public service	50 public institutions reached	Number of institutions	Jul 20- Jun 21
1.8.4	ERM advocated in public service	50 public institutions reached	Number of institutions	Jul 20- Jun 21
1.8.5	Right placement of Internal Audit Functions advocated in public service	50 public institutions reached	Number of institutions	Jul 20- Jun 21
1.8.6	Data base of headline statistics on Internal Audit Functions in public service established	Database created	Database	Jan 18- Jun 18
2.0	IMPROVED CAPACITY OF HUMAN RESOURCES			
2.1	Vacancy Rate Reduced to 20%			
2.1.1	Recruitment of Internal Auditors initiated and completed	81 Internal Auditors recruited	Number of auditors	Jul 16- Jun 21
2.1.2	Promotion of staff initiated and completed	60 Internal Auditors promoted	Number of auditors	Jul 16- Jun 21
2.1.3	Internal reward system introduced	4 reward functions held	Number of reward functions	Jul 16- Jun 21

NO.	OUTCOME/OUTCOME TARGET/ OUTPUT	OUTPUT TARGET	PERFORMANCE INDICATOR	TIMING
2.1.4	HIV and AIDS issues mainstreamed	2% ORT budgeted for HIV& AIDS	% of ORT budget	Jul 16- Jun 21
2.2	All Internal Auditors Appropriately Trained			
2.2.1	Training in degree programs conducted in line with TNA	100 % Internal Auditors trained	% auditors trained based on TNA results	Jul 16- Jun 21
2.2.2	Training in masters degree programs conducted	18 Internal Auditors trained	Number of auditors trained	Jul 16- Jun 21
2.2.3	Auditors with relevant professional certifications increased to 30% of filled posts	30% Internal Auditors certified	% auditors with certifications	Jul 16- Jun 21
2.2.4	Workshops in RBIA, ICT investigative audit and other areas attended	100% workshops held based on TNA results	% of workshops conducted based on TNA results	Jul 16- Jun 21
2.2.5	Staff exchange programs with national and international organizations in Fraud investigations, ICT and Performance audit introduced	Staff exchange programs in investigations, ICT and performance audits agreed	Areas in which exchange programs are introduced	Jul 16- Jun 21
2.2.6	Membership to professional bodies and subscriptions to periodicals increased	50% Internal Auditors& 3 periodicals paid-for	% Internal Auditors& number of periodicals	Jul 16- Jun 21
2.2.7	Training laboratory and Resource Centre introduced	Training laboratory& Resource Centre operational	Training laboratory& Resource Centre	Jul 17- Jun 18
2.2.8	Training of Trainers to support on the job training conducted	2 trainings conducted	Number of trainings	Jul 17- Jun 21
2.2.9	Performance assessment of staff conducted	All staff assessed annually	% staff	Jul 17- Jun 21
2.3	Human Resource Management and Development Guidelines Developed and Reviewed by 2021			
2.3.1	Human Resource Development plan developed	Plan developed	Plan	Jul 17- Jun 18
2.3.2	Training guidelines reviewed	Guidelines reviewed	Reviewed guidelines	Jul 17- Jun 18
2.3.3	TNA conducted	1 TNA conducted	Number of TNAs	Jul 17- Jun 18
2.3.4	Training plans developed and implemented	4 training plans developed	Number of training plans	Jul 16- Jun 21
3.0	IMPROVED INTERNAL AUDIT GOVERNANCE PROCESSES			
3.1	Legal and Regulatory Frameworks Developed and Reviewed by 2018			
3.1.1	Internal Audit Policy approved	Policy approved	Approved Policy	Jul 16- Jun 17
3.1.2	Internal audit bill enacted	Bill enacted	Internal Audit Act	Jul 17- Jun 18
3.1.3	Internal audit charter reviewed	Charter approved	Charter	Jul 17- Jun 18
3.1.4	Internal audit manual reviewed	Manual reviewed	Manual	Jul 17- Jun 18
3.2	Internal Audit Service Restructured by 2018			
3.2.1	Functional review for IAS initiated and completed	Functional review done	Approved functional review	Jul 17- Jun 18
3.2.2	Revision of job descriptions initiated and completed	Job descriptions done	Approved job descriptions	Jul 17- Jun 18
4.0	STRENGTHENED INTERNAL AUDIT INFRASTRUCTURE			
4.1	Internal Audit Activities Automated by 2018			
4.1.1	Automation strategy for IAS developed	Automation strategy done	Automation strategy	Jul 17- Jun 18
4.1.2	IAUs networked through a shared server	100% IAUs networked	% of IAUs	Jul 17- Dec 18

NO.	OUTCOME/OUTCOME TARGET/ OUTPUT	OUTPUT TARGET	PERFORMANCE INDICATOR	TIMING
4.1.3	Integrated audit management software solution procured and installed	Integrated audit management software solution installed	Integrated audit management software	Jul 17- Jun 18
4.1.4	Internal Auditors trained in integrated audit management software	100% Internal Auditors trained	% of Internal Auditors	Jul 17- Jun 18
4.1.5	Software and hardware equipment for continuous auditing procured and installed	Continuous auditing tools installed	Contract sign-off	Jul 16- Jun 17
4.1.6	Internal Auditors trained in continuous auditing software	36 Internal Auditors trained	Number of auditors	Jul 16- Jun 17
4.1.7	Access rights to all major e-government systems granted to Internal Auditors for continuous auditing	36 access rights secured	Number of Internal Auditors with access rights	Jul 16- Jun 18
4.1.8	User licenses for data interrogation software procured	License fees paid annually	Payment for user license	Jul 16- Jun 21
4.2	Availability of Non-Human Resources Increased by 2021			
4.2.1	Funding for IAS from Government increased	Funding levels increased to 90% of budget	% Internal Audit budget funded	Jul 16- Jun 21
4.2.2	Creation of a Budget Vote for IAS completed	Budget vote created	Budget document	Jul 17- Jun 18
4.2.3	Support to internal audit from DPs received	Support agreements reached	Number of support agreement	Jul 16- Jun 21
4.2.4	Motor vehicles procured and maintained	5 motor vehicles procured	Number of vehicles	Jul 16- Jun 21
4.2.5	Office equipment and furniture procured and maintained	100% of identified office equipment& furniture procured	% of office equipment& furniture procured	Jul 16- Jun 21
5.0	IMPROVED INTERACTION AND COORDINATION WITH STAKEHOLDERS			
5.1	Public Information for the Internal Audit Service Accessed by All Stakeholders			
5.1.1	Communication strategy on marketing and disseminating Internal Audit information developed	Communication strategy developed	Communication strategy	Jul 17- Jun 18
5.1.2	Internal audit website created	Website created	Website	Jul 17- Jun 18
5.1.3	Internal Audit newsletter produced	Newsletter produced	Newsletter	Jul 16- Jun 17
5.2	Strategic Partnerships Established by 2021			
5.2.1	MoU with other control actors signed	3 MoU signed	MoU	Jul 16- Jun 21
5.2.2	Joint forum with public sector Internal Audit Functions established	Joint forum established	Terms of Reference of the Forum	Jul 17- Jun 18
5.2.3	Meetings of relevant professional bodies attended	100% meetings attended	% meetings	Jul 16- Jun 21

APPENDIX 3: BUDGET ESTIMATE AND FINANCING ARRANGEMENT

NO.	OUTCOME/OUTCOME TARGET/ OUTPUT	BUDGET (MK)		PLANNED FUNDING SOURCE
		(MK)	(US\$)	
TOTAL FOR IMPLEMENTING THE STRATEGIC PLAN		3 930 575 000	5 235 433	
1.0	IMPROVED INTERNAL OVERSIGHT OVER MANAGEMENT OF PUBLIC RESOURCES	1 742 505 000	2 318 007	
1.1	Audit Coverage Increased to 75% of Budgeted Resources in MDAs	613 360 000	817 813	ORT& DPs
1.2	Scope of Internal Audit Extended to Other Assurance and Consulting Areas by 2018	302 450 000	403 267	ORT& DPs
1.3	Resolution of Audit Findings Increased to 80%	251 690 000	330 253	ORT& DPs
1.4	Audit Committees Resumed by 2018	276 155 000	368 207	ORT& DPs
1.5	Risk- Based Audits Enhanced by 2021	133 825 000	178 433	ORT& DPs
1.6	ERM implemented in all MDAs by 2021	64 075 000	85 433	DPs
1.7	Quality Rating of Internal Audit Work Improved to Level Four of Internal Audit Capability Model	69 325 000	92 433	ORT& DPs
1.8	Internal Audit Best Practices Adopted in All Public Institutions by 2021	31 625 000	42 167	ORT
2.0	IMPROVED CAPACITY OF HUMAN RESOURCES	1 056 825 000	1 409 100	
2.1	Vacancy Rate Reduced to 20%	32 800 000	43 733	ORT
2.2	All Internal Auditors Appropriately Trained	995 850 000	1 327 800	ORT& DPs
2.3	Human Resource Management and Development Guidelines Developed and Reviewed by 2021	28 175 000	37 567	ORT& DPs
3.0	IMPROVED INTERNAL AUDIT GOVERNANCE PROCESSES	48 250 000	64 333	
3.1	Legal and Regulatory Frameworks Developed and Reviewed by 2018	37 500 000	50 000	ORT& DPs
3.2	Internal Audit Service Restructured by 2018	10 750 000	14 333	ORT& DPs
4.0	STRENGTHENED INTERNAL AUDIT INFRASTRUCTURE	980 220 000	1 306 960	
4.1	Internal Audit Activities Automated by 2018	577 915 000	770 553	ORT& DPs
4.2	Availability of Non-Human Resources Increased by 2021	402 305 000	536 407	ORT& DPs
5.0	IMPROVED INTERACTION AND COORDINATION WITH STAKEHOLDERS	102 775 000	137 033	
5.1	Public Information for the Internal Audit Service Accessed by All Stakeholders	53 600 000	71 467	ORT& DPs
5.2	Strategic Partnerships Established by 2021	49 175 000	65 567	ORT& DPs

APPENDIX 4: STRATEGIC RISK MATRIX

NO	RISK DESCRIPTION			MITIGATION MEASURE	RESPONSIBILITY	MAIN LINKAGE WITH STRATEGIC OUTCOME
	EVENT	CAUSE	IMPACT			
1	Low funding levels for IAS from Government	Management prioritizing other activities in MDAs	Failure to implement audit and other strategic activities for IAS	a) Increased use of CAATs b) Improved marketing of IAS to show its value c) Improved communication with relevant Government Offices	a) Director of CIAU b) ST c) Chief Secretary d) Controlling Officers	Strategic Outcome 1, 2, 3, 4 and 5
2	Discontinuance or reduction of assistance from Development Partners	Phasing out of completed projects, in which IAS was being financed, by Development Partners	Failure to implement audit and other strategic activities for IAS	Develop new concepts for seeking support from Development Partners	a) Director CIAU b) ST	Strategic Outcome 1, 2, 3, 4 and 5
3	Continued Government's freeze on new recruitment	Government's policy direction	Persistent low staffing levels for auditing and implementation of strategic plan	a) Discussion with DHMRD on IAS recruitment issues b) Increased use of CAATs	a) Director CIAU b) ST	Strategic outcome 2
4	Loss of skilled and competent staff	Low and standardized remuneration in Government	Persistent low staffing levels for auditing and implementation of strategic plan	Implementation of non-monetary incentive schemes	a) Director of CIAU b) ST	Strategic outcome 2
5	Limitation of internal audit operations in Government	Ease of revision of Circular and other regulations that established the IAS	Failure to implement audit and other strategic activities for IAS	a) Expedite the legislation of IAS b) Improved marketing of IAS to show its value	a) Director of CIAU b) ST	Strategic outcome 4