Republic of Zambia

OFFICE OF THE AUDITOR GENERAL

2022 - 2026 STRATEGIC PLAN

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2022-2026
STRATEGIC PLAN

Prepared by:
Office of the Auditor General in collaboration with
Management Development Division (MDD)
Cabinet Office
LUSAKA

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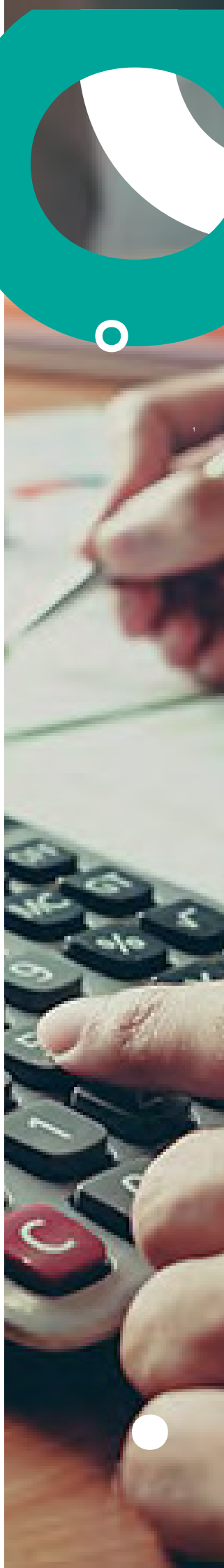

Office of the Auditor General in collaboration with
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TABLE OF CONTENTS

ACRONYMS iii
FOREWORD iv
ACKNOWLEDGEMENTS v
EXECUTIVE SUMMARY vi

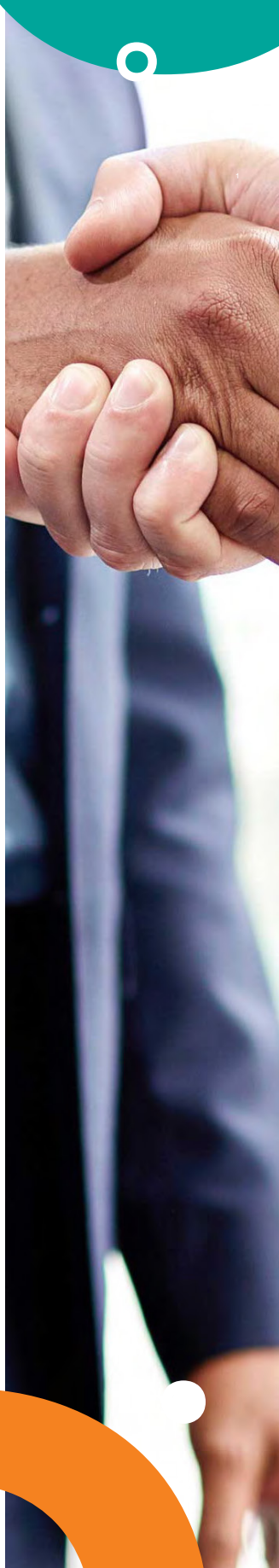
1. INTRODUCTION 1
1.1 Background 1
1.2 Specific Functions 1
1.3 Operational Structure 1
1.4 Strategic Operational Linkages 2
1.5 Rationale for Developing the 2022 – 2026 Strategic Plan 2
1.6 Methodology 2

2. ENVIRONMENTAL ANALYSIS 4
2.1 External Environmental Analysis 4
2.2 Internal Analysis 9

3. STRATEGIC DIRECTION 15
3.1. Vision 16
3.2. Mission Statement 16
3.3. Core Values 17
3.4. Strategic Themes and Strategic Results 18
3.4.1 Stakeholder Management Excellence 18
3.4.2 Operational Efficiency 18
3.4.3 Audit Service Excellence 18
3.4.4 Strategic Objectives, Intended Results, Measures, Targets and Strategies 18

4. ENABLING FACTORS 24
4.1. Pre – Conditions 24
4.1.1. Support from the leadership 24
4.1.2. Competent, Committed and Motivated staff 24
4.1.3. Robust Monitoring and Evaluation system in place 24
4.1.4. Appropriate, adequate tools and equipment 24
4.1.5. Ownership of the strategic plan by the members of staff 25
4.2. Assumptions 25
4.2.1. Adequate and timely financial resources 25
4.2.2. Political Goodwill 25
4.2.3. Political stability 25

4.2.4. Continued support from the stakeholders 25
4.2.5. Enabling legal framework 26
4.2.6. Timely operationalisation of the Organisational Structure 26
5. THEORY OF CHANGE 26
6. PLAN IMPLEMENTATION 28
6.1. RISK MANAGEMENT 28
6.2. MONITORING AND EVALUATION 28
APPENDIX I: OFFICE OF THE AUDITOR GENERAL
2022 TO 2026 BALANCED SCORECARD 30



ACRONYMS

AMS	Audit Management System
AFROSAI	African Organisation of Supreme Audit Institutions
AFROSAI-E	African Organisation of English Speaking Supreme Audit Institutions
ACC	Anti-Corruption Commission
BSC	Balanced Scorecard
CAATs	Computer Aided Audit Techniques
CPs	Cooperating Partners
CSC	Civil Service Commission
CSOs	Civil Society Organisations
DEC	Drug Enforcement Commission
8NDP	Eighth National Development Plan
IA	Institutional Assessment
ICBF	Institutional Capacity Building Framework
ICT	Information Communication Technology
IDI	INTOSAI Development Initiative
INTOSAI	International Organisation of Supreme Audit Institutions
ISSAIs	International Standards of Supreme Audit Institutions
M&E	Monitoring and Evaluation
MDD	Management Development Division
MoFNP	Ministry of Finance and National Planning
MPAs	Ministries, Provinces and Agencies
MTEF	Medium Term Expenditure Framework
NGOs	Non-Governmental Organizations
OAG	Office of the Auditor General
OD	Organisation Development
PESTEL	Political, Economic, Social, Technological, Enviromental and Legal
PSMD	Public Service Management Division
SAIs	Supreme Audit Institutions
SWOT	Strengths Weaknesses Opportunities Threats
SZI	Smart Zambia Institute

FOREWORD

I have the pleasure to present the 2022 to 2026 Strategic Plan for the Office of the Auditor General (OAG). This Plan provides a strategic framework for improved delivery of credible, independent, timely and quality audit services. The primary objective of the Plan is to provide direction in the implementation of the mandate for the OAG. The development of this Plan was guided by Government priorities as espoused in the Eighth National Development Plan (8NDP), the Medium Term Expenditure Framework (MTEF) paper and other relevant national plans and policies.

In accordance with the Constitution (Amendment) Act No. 2 of 2016, the Office through this Plan will promote the prudent use of public resources for national development and wellbeing of citizens. The Office will remain committed to promoting transparency and accountability in the management of public resources.

The Strategic Plan outlines the priorities of the Office for the period 2022 to 2026. It is my sincere hope and trust that my Office will continue receiving the much needed support from all our esteemed stakeholders for its effective and efficient implementation.

I therefore implore all members of staff in the OAG to remain committed in the execution of their duties to ensure successful implementation of the 2022 to 2026 Strategic Plan.

Dr. Ron M. Mwambwa, FCMA, FZICA, CGMA, CFE

Acting Auditor General

ACKNOWLEDGEMENTS

The development of this Strategic Plan would not have been possible without the technical support from the Management Development Division under Cabinet Office, the Cooperating Partners and other stakeholders. I am grateful for their support.

I would also like to thank all members of staff for their commitment and valuable contributions during the consultative process and in particular, the Core Team that spearheaded the entire strategic planning process which resulted in the development of the 2022 to 2026 Strategic Plan.

I am confident that all officers will remain committed to duty to ensure that the targets set in the Strategic Plan are realised. I therefore wish the Office success in the implementation of this Strategic Plan.

Stella C. Nyonda (Mrs)

Acting Deputy Auditor General - Corporate Services Division

EXECUTIVE SUMMARY

The Office of the Auditor General (OAG) is a public institution responsible for providing audit services to Ministries, Provinces and Agencies (MPAs) as well as private institutions which receive government subvention in any financial year. The Office plays an oversight role in the use of public resources appropriated by Parliament or raised by Government. OAG draws its mandate from the Constitution (Amendment) Act No. 2 of 2016 under Article 250.

The Evaluation of the OAG Strategic Plan for the period 2017 to 2021 was conducted by NIRAS Sweden AB consultancy firm. The average performance of the Office was 56%. The Office engaged Management Development Division (MDD) - Cabinet Office to provide technical support to develop the 2022 to 2026 Strategic Plan. This took a consultative process involving stakeholders namely: management, staff, clients and other stakeholders. The stakeholders were engaged to provide feedback on the performance of the Office and to suggest areas for improvement.

The development of the 2022 to 2026 Strategic Plan was necessitated by the expiry of the 2017 to 2021 Strategic Plan and the need to refocus national priorities including improving transparency and accountability for enhanced public service delivery and growth in the economy as outlined in the Eighth National Development Plan. To address the challenges faced by the Office during the implementation of the 2017 to 2021 Strategic Plan, there is need for new and innovative strategies. Against this background, OAG's strategic direction for the period 2022 to 2026 is illustrated in the following statements:

Vision

"An independent and credible audit institution promoting transparency and accountability in the management of public resources for the well-being of the citizenry".

Mission

"To provide timely quality audit services to promote transparency and accountability in the management of public resources".

Core values

Core-Values:

To provide timely quality audit services, OAG shall uphold the values of Integrity, Objectivity, Excellence, Professionalism, Confidentiality and Team Work.

Strategic Themes

To realise its Vision, the OAG identified three (3) strategic themes or areas of focus:

i. Stakeholder Management Excellence;

ii. Operational Efficiency; and

iii. Audit Service Excellence.

Objectives

In the next five (5) years, OAG will pursue the following objectives:

i. Improve audit services;

ii. Improve stakeholder engagement;

iii. Enhance resource mobilization and management;

iv. Improve operational systems and procedures;

v. Enhance human capital; and

vi. Improve infrastructure, tools and equipment.

Key Strategies

Among the key strategies to realise the objectives are:

- Strengthen the Monitoring and Evaluation mechanisms;
- Increase audit coverage;
- Develop and implement a Stakeholder Management Plan;
- Develop and implement a Resource Mobilisation Strategy;
- Enhance the legal framework;
- Develop and implement a Service Delivery Charter;
- Finalise and operationalise a Risk Management Policy;
- Develop and automate requisite operational systems;

- Develop and implement a staff Capacity Building Programme;
- Develop and implement a Staff Welfare Plan;
- Develop and implement programmes to promote a positive work culture;
- Develop and implement an ICT audit Strategy; and
- Develop and implement an infrastructure/furniture/equipment replacement plan.

1. INTRODUCTION

1.1 Background

The Office of the Auditor General (OAG) is a public institution responsible for providing audit services to Ministries, Provinces and Agencies (MPAs) as well as private institutions which receive government subvention in any financial year. The Office plays an oversight role in the use of public resources appropriated by Parliament or raised by Government.

1.2 Specific Functions

The functions of OAG as provided for under Article 250 of the Constitution (Amendment) Act No. 2 of 2016 are as follows:

a) audit the accounts of State organs, State institutions, provincial administration and local authorities; and institutions financed from public funds;
b) audit the accounts that relate to the stocks, shares and stores of the Government;
c) conduct financial and value for money audits, including forensic audits and any other type of audit, in respect of a project that involves the use of public funds;
d) ascertain that money appropriated by Parliament or raised by the Government and disbursed has been applied for the purpose for which it was appropriated or raised; was expended in conformity with the authority that governs it; and was expended economically, efficiently and effectively; and
e) recommend to the Director of Public Prosecutions or a law enforcement agency any matter within the competence of the Auditor General, that may require to be prosecuted.

1.3 Operational Structure

The OAG is headed by the Auditor General who is assisted by two (2) Deputy Auditors General in charge of the Audit Division and Corporate Services Division. There are nine (9) directorates, of which six (6) are under the Audit Division and three (3) under the Corporate Services Division as follows:

a) Audit Division

i. Ministerial Appropriation Audit Directorate;
ii. Provincial Appropriation Audit Directorate;
iii. Local Authorities Audit Directorate;
iv. Revenue Audit Directorate;

v. Public Debt and Investment Directorate; and
vi. Specialised Audits Directorate.

b) Corporate Services Division

i. Planning and Information Directorate;
ii. Human Resource and Administration Directorate; and
iii. Finance Directorate.

The office currently has a presence in all provincial headquarters. However, the operations are required to be decentralized progressively to the districts as provided for under Article 249 (2) of the Constitution (Amendment) Act No. 2 of 2016.

1.4 Strategic Operational Linkages

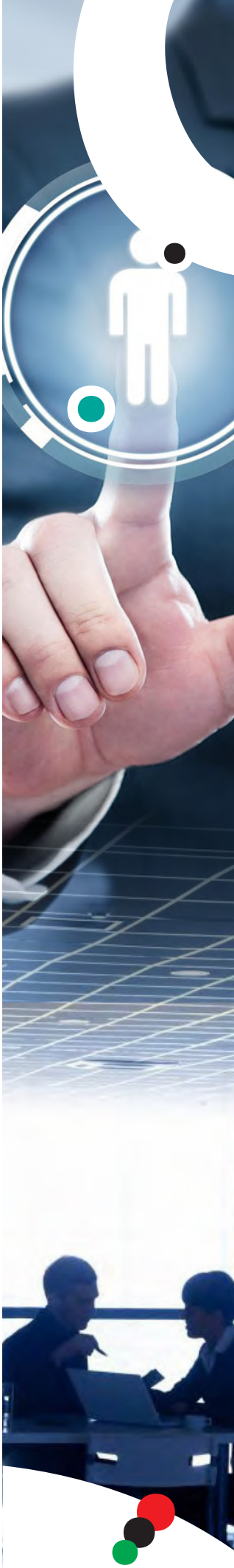
In executing its functions, the OAG closely collaborates with institutions such as, the National Assembly, National Prosecution Authority, Drug Enforcement Commission (DEC), Anti-Corruption Commission (ACC), Ministries, Provinces and Agencies (MPAs). The OAG also values strategic alliances with stakeholders which include, the Cooperating Partners (CPs), Civil Society Organisations (CSOs) and Supreme Audit Institutions. The OAG is affiliated to the International Organisation of Supreme Audit Institutions (INTOSAI), African Organisation of Supreme Audit Institutions (AFROSAI) and African Organisation of English-Speaking Supreme Audit Institutions (AFROSAI-E).

1.5 Rationale for Developing the 2022 – 2026 Strategic Plan

The development of the 2022 to 2026 Strategic Plan was necessitated by the expiry of the 2017 to 2021 Strategic Plan and the need to refocus national priorities including improving transparency and accountability for enhanced public service delivery and growth in the economy as outlined in the Eighth National Development Plan. The challenges faced by the Office during the implementation of the 2017 to 2021 Strategic Plan also called for new and innovative strategies in order to address them.

1.6 Methodology

The strategic planning approach used to develop the 2022 to 2026 Strategic Plan is called an integrated Institutional Assessment/Organisation Development – Balanced Scorecard (IA/OD-BSC). The IA/OD BSC is a two-phased approach that takes into consideration a critical analysis of the OAG's operations including its achievements and challenges with proposed recommendations for improved performance. The Strategic Plan was developed with technical support from Management Development Division of Cabinet Office and spearheaded by a Core Team composed of members of staff from all the Departments in the Office of the Auditor General.



METHODOLOGY

The first phase is known as the Institutional Assessment (IA). This phase involves conducting an internal capability assessment to establish OAG's distinctive competencies, as well as, analysing the macro-environment. The various tools applied were the McKinsey 7s Model; Lewin's Simple Change Management Model; Objective and Problem Trees; Strengths, Weaknesses, Opportunities and Threats (SWOT); and Political, Economic, Social, Technological, Environmental and Legal (PESTEL) Analyses.

In addition, the Supreme Audit Institutions Performance Measurement Framework (SAI-PMF) was used to inform the Institutional Assessment. The SAI-PMF uses International Standards for Supreme Audit Institutions (ISSAIs) and other established internal good practices for external public audits. The SAI- PMF focused on six (6) thematic areas namely Independence and Legal Framework; Internal Governance and Ethics; Audit Quality and Reporting; Financial Management, Assets and Support Services; Human Resources and Training; and Communication and Stakeholder Engagement.

Further, various stakeholders, both primary and secondary were engaged to solicit for information on the current and future outlook of the Office and to suggest areas of focus to enhance the execution of the OAG's mandate in the next strategic plan.

The second phase is known as the Organisation Development (OD) and this involves determining the strategic direction of an organisation. The information collected from the Institutional Assessment facilitated the Organisational Development process of determining the strategic direction for the OAG for the period 2022 – 2026 in relation to its Vision, Mission, Core Values, Strategic Themes and Strategic Objectives. In mapping out the strategic direction, the approach applied the Balanced Scorecard (BSC) principles. The BSC is a strategic planning and performance management system which takes a holistic approach in mapping the strategic direction and provides a framework for measuring the performance of an institution. The Strategic Plan was validated by various stakeholders including the INTOSAI Development Initiative (IDI) and was approved by Senior Management of the OAG.

2. ENVIRONMENTAL ANALYSIS

2.1 External Environmental Analysis

The analysis of the OAG's external environment focused on Political, Economic, Social, Technological, Environmental and Legal (PESTEL) developments that had or may have an impact on the operations of the Office. The analysis also included taking into account stakeholders' interests and clients' needs.

2.1.1 PESTEL Analysis

a. **Political**

The President in his Speech during the ceremonial opening of the 1st Session of the 13th National Assembly, emphasised and committed to providing support to strengthen the operations of oversight and governance institutions through the review of policy and legal frameworks as well as increased funding.

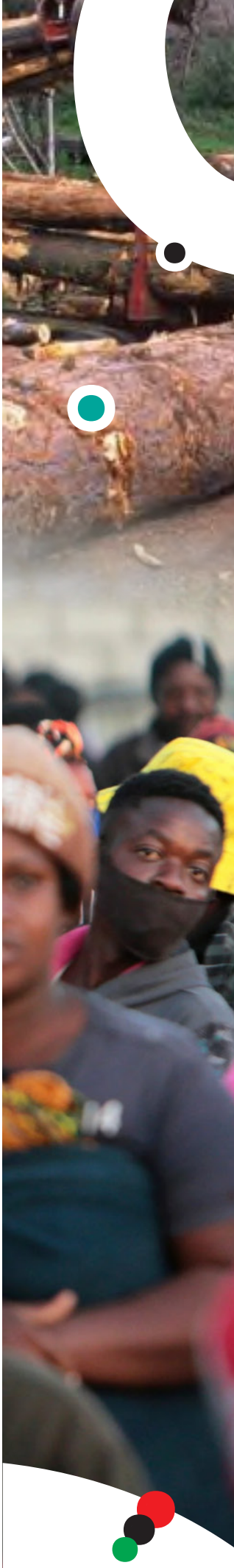
To optimise this opportunity, the Office will leverage on what was stated in the speech to review the policy and legal frameworks and lobby for increased funding.

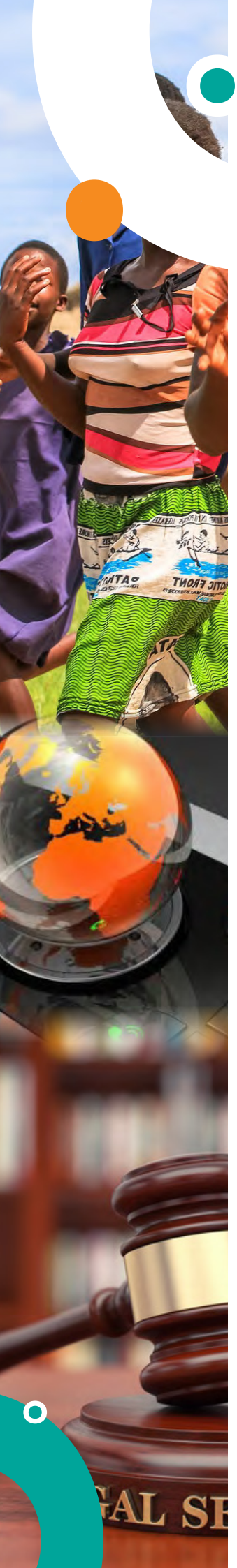
In addition, the President pointed out the need to accelerate implementation of decentralisation of functions from Central Government to the Local Authorities with matching resources. When actualised, this will demand for an increase in audit coverage. The Office will expedite the operationalisation of the newly approved structure to ensure that the number of staff is adequate for the execution of its mandate.

b. **Economic**

The exchange rates fluctuated from 9.93 ZMW/US$ in January 2017 to a peak of 22.69 ZMW/US$ in July 2021 and subsequently closing at 16.67 ZMW/US$ in December 2021. In addition, the inflation rate increased from 6.3% in January 2017 to 16.4% in December 2021.

This negatively affected the Office in that it increased the cost of operations. To mitigate this, the Office will rationalise the available resources by streamlining programme planning.





c. **Social**

The Outbreak of COVID 19 negatively affected the operations of the Office as follows:

i. Delayed completion of assignment due to illness, restriction in travelling, slow provision of information resulting from work rotations; and

ii. Limitation in scope and coverage due to restriction in travelling.

On the other hand, the COVID 19 outbreak and restrictions provided the Office an opportunity to explore other efficient ways of delivering services.

The Office will take the following measures to mitigate the negative impact and to optimise the positive impact:

i. Invest in ICT infrastructure, equipment and capacity building of end users;
ii. Automate the audit process;
iii. Explore the use of virtual platforms for conducting remote audits; and
iv. Strengthen adherence to Covid-19 health guidelines.

d. **Technology**

Increased uptake of accounting packages by clients has resulted in timely and improved access to accounting information for audit purposes. The Office will therefore expedite the rolling out of the automated Audit Management System (AMS) and strengthen the implementation of Computer Aided Audit Techniques (CAATs).

On the other hand, increased uptake of accounting packages by clients has resulted in increased demand for ICT tools and skills among staff. The Office will therefore build ICT skills in staff and invest in ICT tools.

e. **Legal Developments**

i. Public Finance Management Act No. 1 of 2018

The enactment of the Public Finance Management Act No. 1 of 2018 provides among others the framework for the administration of public resources which has enhanced the criteria for auditing government institutions.

Further, the Act allows the Auditor General to secure services of agents or specialist consultants. The Office will leverage on the provisions of the Act to fully execute its mandate.

ii. Enactment of the Cyber Security and Cyber Crimes Act No. 2 of 2021

The Act provides for among others, the collection and preservation of evidence of computer and network related crime and admission in criminal matters of electronic evidence. The Act allows for electronic evidence obtained during the audit to be admissible in the Courts of Law.

The Office will leverage on the provision of the Act to provide electronic evidence.

iii. The Local Government Act No.2 of 2019

The enactment of the Local Government Act No. 2 of 2019 provides for the extension of the mandate of the Office. Section 44 and 45 of the Act provides for auditing of all local authorities and certification of accounts annually. However, the full execution of this mandate may be impeded by the inadequate staff in the Office.

The Office will take advantage of the approved structure to ensure that it is expeditiously operationalised to address the challenge of inadequate staff.

iv. Public Procurement Act No. 8 of 2020

The Act provides for among others, a framework to enhance transparency and value for money and accountability in public procurement. The Act has enhanced the criteria for auditing government institutions relating to public procurements of goods and services.

The Office will leverage on the provisions of the Act to fully execute its mandate.

2.1.2 Stakeholder and Client Analysis

a) Clients and their needs

An analysis of the clients' needs was undertaken. Clients are individuals/ groups of individuals/institutions, the Office was primarily created to provide a service to in order to meet their needs.

The following are the clients of the OAG:

i. Government Ministries,
ii. Provincial Administration Offices,
iii. Parastatals,
iv. Statutory bodies,
v. Public Banks,
vi. Public Hospitals,
vii. Commissions, and
viii. Local Authorities.

The following client needs were identified:

i. Certification of Financial Statements; and
ii. Conducting of various audits which include Compliance, Performance and Environmental, Forensic and Information Technology (IT) Audits.

b) Stakeholders and their interests

In addition to clients and their needs, an analysis of the stakeholders and their interests was undertaken. Stakeholders are individuals/groups of individuals/institutions that have an interest/stake/claim in the operations of the OAG and are affected by decisions made by the OAG. The stakeholder analysis identified the stakeholders and their areas of interest as presented below:

i. Parliament

Parliament is interested in the OAGs timely production of quality and value adding audit reports.

ii. Judiciary

The Judiciary is concerned with the correct interpretation of laws to promote transparency and accountability.

iii. Government Ministries

Government ministries are concerned with the timely certification of accounts; prudent utilisation of funds; verification of the implementation of PAC recommendations; correct application of the law; and participation in legal reforms to enhance accountability.

iv. **Law Enforcement Agencies**

Law Enforcement Agencies are interested in collaborating with the OAG in matters pertaining to the following:

- information on fraud and corruption related audit issues;
- information on fraud and money laundering related audit issues; and
- recommendations of prosecutable cases cited in the Audit Reports.

v. **Civil Society Organizations (CSOs), Non-Governmental Organizations (NGOs) and the General Public**

The CSOs, NGOs and the general public are concerned with the timely production of quality audit reports.

vi. **Media**

The Media are interested in collaborating with the Office in the dissemination of audit findings to the public.

vii. **Cooperating Partners**

The Cooperating Partners are concerned with the Office promoting accountability and transparency in the use of public funds and the prudent utilisation of funds appropriated to the Office.

viii. **Local and International Professional Bodies**

The local and international professional bodies are interested in their members adhering to professional standards set by the respective bodies.

ix. **International Public Auditing Institutions**

The international public auditing institutions are interested in the Office adhering to international auditing standards, principles and guidelines which entail collaboration on information sharing and tools development.

x. **Academic Institutions**

The academic institutions are interested in collaborating with the Office on the following:

- Collaboration on audits;
- Provision of technical support related to performance audits;
- Provision of information for academic research;
- Provision of subject matter specialists;

- Collaboration on curricular development; and
- Collaboration on career development.

xi. Research Institutions

The Research Institutions are interested in collaborating with the Office on the presentation of audit findings.

2.2 Internal Analysis

2.2.1 Past Performance

The Evaluation of the OAG Strategic Plan for the period 2017 to 2021 was conducted by NIRAS Sweden AB consultancy firm which was sponsored by the Swedish embassy. The average performance of the Office was 56%. Table 1 shows the summary of OAG's performance with respect to the strategic objectives in the 2017 to 2021 Strategic Plan.

Table 1: Summary of Performance

2018 – 2021 Strategic Objectives	% Completed Activities	% Partially Completed Activitites	% Not Completed/ rescheduled Activities
Strategic objective 1	38	10	52
Strategic objective 2	50	20	30
Strategic objective 3	67	20	13
Strategic objective 4	69	12	19
Average Performance	**56**	**15.5**	**28.5**

***The implementation of the 2017 – 2021 Strategic Plan commenced in 2018**

a. Challenges

The following were the challenges highlighted in the evaluation report:

i. Delays in operationalization of the State Audit Commission Act No. 27 of 2016 and the Public Audit Act No. 29 of 2016;

ii. Intermittent funding;

iii. Inadequate institutional capacity with respect to number of staff and appropriate competencies to generate, analyse and use monitoring (financial and performance) data as a function of good planning and management;

iv. The budget of the OAG is determined by the MoFNP in the same way as all other public entities that receive Government funding. However, different Government stakeholders noted that it is not appropriate for an auditee (i.e., the MoFNP) to have a say on the OAG Budget; International Standards for Supreme Auditing Institutions (ISSAIs) require that the budget should be determined by an independent body like Parliament.

v. OAG has no control of Human Resource matters such as recruitment and separation of staff. This can only be done with consultation and approval of the Civil Service Commission. This impacts on the number of staff who are recruited.

vi. The auditees highlighted that there was inadequate stakeholder involvement in the audit process and noted that the work of OAG was about compliance rather than understanding the circumstances in which they work or operate.

In addition to the above challenges identified by the consultant, the Office experienced the following:

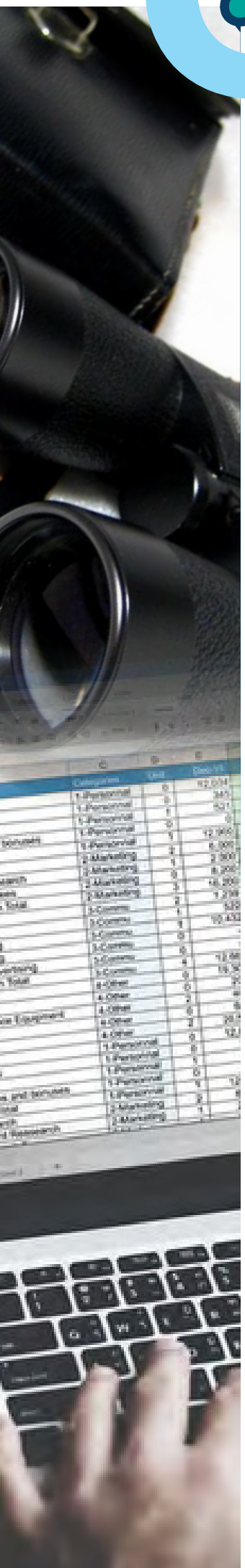
- inadequate office infrastructure;
- inadequate transport; and
- Inadequate ICT equipment such as laptops.

b. Recommendations

The following recommendations were made in the evaluation report

i. The Swedish Embassy, the EU, other possible donors and the OAG should agree on a new financing model of complementary external support.

ii. Partners' commitment to ongoing financial support of the external audit is not enough. It must be matched by the intensified dialogue between relevant negotiating actors (e.g., MoF, MNDP and the Public Service Commission, backed by high-level Cooperating Partners' efforts) to secure Government commitment to systemic policy reform.



iii. The Office and its partners should allocate resources for developing an automated system for monitoring, evaluation and learning (MEL).

iv. The OAG should take the new Strategic Plan as an opportunity to develop a single, consolidated financial plan to clarify and diversify funding. The new Strategic Plan may serve as a platform to mobilize and harmonize external financial support.

v. The OAG should consider setting up a platform to coordinate dialogue between PFM stakeholders and facilitate collaborative decision-making prior to and after the audit process.

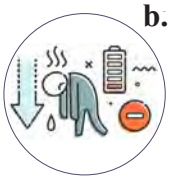
2.2.2 Institutional Capability Assessment

The Institutional Capability Assessment conducted provided an in-depth analysis of the OAG's status internally. The Internal analysis identified a number of gaps and provided appropriate interventions as input into the preparation for the 2022 – 2026 Strategic Plan. Based on the MCkinsey's 7s Model of assessment, it was established that the Office had challenges in the seven areas relating to the Strategy, Structure, Systems, Staff, Skills, Shared values and Style of leadership and management. The identified challenges will need to be addressed for OAG to effectively implement its Strategic Plan. Further, a SWOT analysis was conducted. The analysis identified factors within the Office in respect of Strengths and Weaknesses that would facilitate or hinder the implementation of the identified interventions. In addition, the analysis identified factors outside OAG in respect of Opportunities and Threats that would facilitate or hinder the implementation of the identified interventions. The analysis revealed the following: -

a. Strengths

The strengths that OAG has and the optimisation measures are presented below:

S/N	Strengths	Optimisation Measures
1	Support from management to strengthen institutional planning, engage MOF and PSMD for Treasury Authority and increased funding, enhance capacity to develop systems, undertake leadership and management capacity development programmes	Continuously engage management for continued support
2	Availability of Competent staff to develop systems, strengthen institutional planning, prioritise filling of vacant positions, develop and implement a resource mobilisation plan.	Involve the relevant competent and skilled staff to provide inputs in the processes, develop systems, develop and implement a resource mobilisation plan.
3	Availability of facilities to support the implementation of a mechanism for officers to upgrade competencies.	Utilize facilities to support the implementation of a mechanism for officers to upgrade competencies.
4	Supportive Policy for staff development.	Review and prioritise the training needs in line with the Policy.
5	Availability of an Integrity Committee.	Involve the Integrity Committee during the implementation of the plan to inculcate core values in members of staff.



b. Weaknesses

Despite having the strengths highlighted above, OAG identified some weaknesses which may negatively affect performance if not addressed. The following are the weaknesses and mitigation measures:

S/N	Weaknesses	Mitigation Measures
	Lack of a dedicated M&E unit.	Engage MDD for review of the Organisation structure to include an M&E unit.
	Resistance to change.	Develop and implement a robust change management programme.

c. Opportunities

The analysis also identified a number of opportunities that the OAG could leverage on from the external environment. The following are some of the opportunities and the respective optimisation measures:

S/N	Opportunities	Optimisation Measures
1	Availability of training institutions	Engage training institutions on tailor made skills development programmes, leadership programmes and ICT capacity building programmes
2	Availability of technical support from Smart Zambia Institute (SZI), MDD and Ministry of Finance and National Planning (MoFNP).	Engage SZI, MDD and MoFNP for technical support
3	Good working relationship with MoFNP and PSMD	• Leverage on the existing good working relationship with MoFNP and PSMD to expedite the implementation of the newly approved structure • Engage the Treasury for increased funding.
4	Good working relationships with other Supreme Audit Institutions and international bodies to which the OAG is affiliated.	Leverage on good working relationships with other Supreme Audit Institutions and affiliated international bodies to improve the quality of audits conducted.
5	Cordial working relationships with PSMD and CSC.	Leverage on the existing cordial working relationships with PSMD and CSC to receive timely feedback on human resource matters.
6	Availability of political will to support the operations of oversight institutions.	Leverage on the political will to lobby for increased funding for operations and staff compliment.
7	Availability of Institutions offering long-term training.	Engage relevant Training Institutions on long-term training opportunities.
8	Availability of support from Cooperating Partners, professional bodies and international organizations.	Engage cooperating partners, professional bodies and international organizations for support.
9	Availability of leadership training programmes within other Supreme Audit Institutions and international bodies to which the OAG is affiliated.	Engage other Supreme Audit Institutions and international bodies to which the OAG is affiliated for leadership training programmes.

d. Threats

In addition to the opportunities, some threats were identified from the negative developments in the external environment and mitigation measures have been provided. The following are the threats and accompanying mitigation measures:

S/N	Threats	Mitigation Measures
1	Non-approval of Treasury Authority for vacant positions.	Continuously engage PSMD and the Treasury to obtain Treasury Authority.
2	Withdrawal of support from Cooperating Partners.	Continue engaging Cooperating Partners for support.
3	Inadequate and delayed funding	Continue engaging MoFNP for timely and adequate funding.

3 STRATEGIC DIRECTION

The Office of the Auditor General's strategic direction is drawn from the Eighth National Development Plan 2022 - 2026 under Strategic Development Area 4: Good Governance Environment, Development Outcome 1: Improved Policy and Governance Environment. This entails the Office scaling up interventions that promote prudent utilisation of public resources.

The Office will therefore strengthen transparency and accountability mechanisms that will aid institutions to enhance audit and risk management.

Following the analysis of the internal and external environments within which OAG has been and may be expected to operate in the next five (5) years, key strategic issues were identified which formed part of the basis of the Strategic Direction. The following were some of the key strategic issues identified:

- **i.** Clients' negative perception that OAG relies on media and grapevine for audits;
- **ii.** Inadequate understanding of clients on the review of operations Audit;
- **iii.** Delay in the provision of responses to audit queries;
- **iv.** Inadequate professionalism by some audit officers;
- **v.** Limited audit coverage;
- **vi.** Inadequate specialized auditors on teams;
- **vii.** Inadequate financial resources;
- **viii.** Inadequate office tools and equipment;
- **ix.** Inadequate numbers of staff;
- **x.** Inadequate office accommodation and institutional infrastructure;
- **xi.** Inadequate ICT infrastructure and systems;
- **xii.** Ineffective internal and external communication;
- **xiii.** Inadequate collaboration between the Office and the internal audit functions in the various Ministries Provinces and Spending Agencies;
- **xiv.** Inadequate leadership and management skills;
- **xv.** Inadequate stakeholder involvement in the Public Financial Management cycle audit process;

xvi. Inadequate follow-up of recommendations and recurring audit queries;
xvii. Unresponsive organizational structure; and
xviii. Inadequate systems.

The Office has therefore set out an operational framework to guide the execution of its mandate. The framework will guide the OAG's programs, decision-making and resource allocation during the period 2022 – 2026 as follows:

3.1 Vision

OAG's Vision is: ***"An independent and credible audit institution promoting transparency and accountability in the management of public resources for the well-being of the citizenry".***

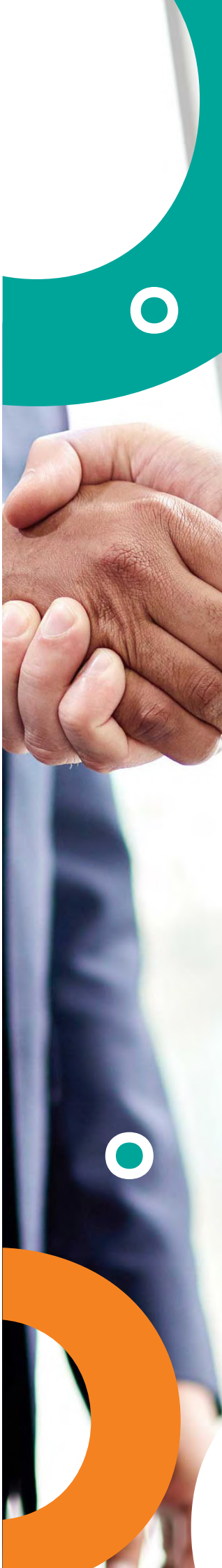
This vision firmly depicts the OAG's strategic position and enforces the aspiration of top management to reach level 5 of the AFROSAI -E Institutional Capacity Building Framework (ICBF).

The vision calls for the OAG to be a financially and administratively independent institution as required by INTOSAI-P 1 (LIMA declaration) and provided for in the Constitution of Zambia (Amendment) Act No. 2 of 2016.

In addition, being "Credible" calls for the OAG to enforce professionalism and ethical behaviour as it executes its mandate which should culminate (impact) in the promotion of transparent, timely and objective reporting. This will result in the efficient and effective management of public resources for national development and wellbeing of the citizenry.

3.2 Mission Statement

To realise the vision and achieve the strategic results, OAG commits itself to the following mission statement: ***"To provide timely quality audit services to promote transparency and accountability in the management of public resources".***



3.3 Core Values

The operations of OAG and conduct of staff for the strategic plan period will be anchored on the following six (6) core values which we espouse:

Integrity	We adhere to ethical standards and act honestly and conduct ourselves in a manner that is beyond reproach.
Objectivity	We serve our clients in an impartial and unbiased manner to produce reliable audits.
Excellence	We are diligent and innovative in our work to deliver high quality audit services. We also promote professional career development for all staff to acquire requisite knowledge and skills necessary to perform their role and responsibilities to the highest standard.
Team-work	We value and work together with all members of staff taking into consideration cultural and ethnic values and respect in order achieve set goals. We also collaborative with various stakeholders to execute our mandate effectively.
Confidentiality	We are trustworthy by not revealing or disclosing privileged information to unauthorized persons.
Professionalism	We exhibit competence, skill, good judgment, conduct and behavior.

3.4 Strategic Themes and Strategic Results

To realise its Vision, the OAG has identified the following three (3) areas of focus (themes) and associated strategic results:

a) **Stakeholder Management Excellence** resulting in ***effective stakeholder collaboration;***
b) **Operational Efficiency** resulting in ***efficient service delivery; and***
c) **Audit Service Excellence** resulting in ***high quality audit services.***

3.4.1 Stakeholder Management Excellence

This entails having strong linkages with all stakeholders in the auditing process. This will be attained through developing and implementing platforms for timely, effective and coordinated engagement of stakeholders.

3.4.2 Operational Efficiency

To achieve operational efficiency, the Office will improve institutional infrastructure (Physical and ICT) and enhance human capital to achieve efficiency and effectiveness of services. Further, the Office requires adequate financial resources which will be achieved through undertaking resources mobilisation initiatives and managing internal controls.

3.4.3 Audit Service Excellence

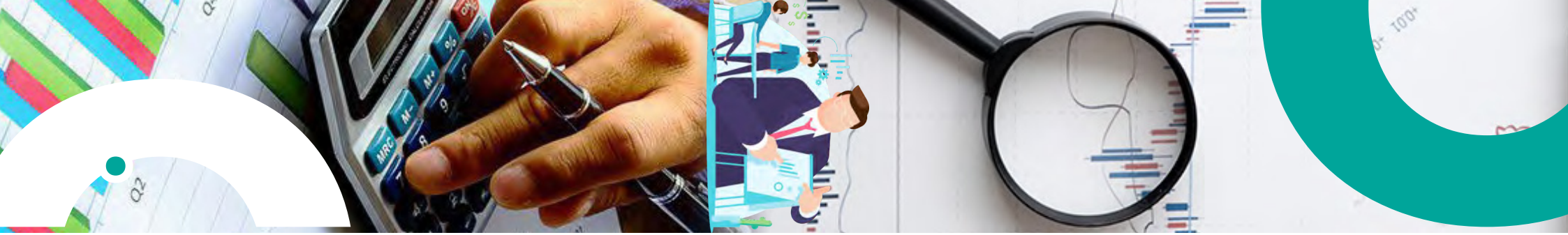
This entails performing impactful audits which demonstrate the OAG's relevance to the lives of citizens.

3.4.4 Strategic Objectives, Intended Results, Measures, Targets and Strategies

In the next five (5) years, OAG commits to implement six (6) strategic objectives with their associated intended results, measures, targets and strategies (initiatives). The strategic objectives demonstrate the continuous improvements that the Office will need to make to achieve the desired results in the areas of focus as follows:

S/N	Strategic Objective	Strategic Objective Description
1	Improve audit services	Improving auditing services will entail the office producing quality audit reports on a timely basis. This will be achieved through; • adequate planning and allocation of resources; • consistent supervision and review of audit work throughout the audit process; • encouraging professional scepticism; and • having in place a competent and ethical workforce.
2	Improve stakeholder engagement	This will involve identifying, mapping and prioritising the stakeholders in order to meet their expectations Through this objective, best tactics for effective communication with stakeholders will be established. Effective utilisation of resources will be upheld to ensure stakeholder confidence and continued support. This will be achieved through consultation, communication, negotiation, objective compromise and relationship building.
3	Enhance Resource Mobilization and Management	The resource mobilisation will entail initiating activities for securing additional financial resources to supplement the Government funding. This will involve engaging Cooperating Partners who support governance institutions. In addition, the legal frameworks will be enhanced to support the mobilisation of resources. The management of resources will entail spending the resources in a prudent manner to ensure achievement of the strategic objectives and meet the expectations of the stakeholders.

S/N	Strategic Objective	Strategic Objective Description
4	Improve operational systems and procedures	This will entail executing assignments in an optimal way to achieve high quality outputs using the operational systems and procedures in place through the automation of the audit process, updating of all procedural audit manuals and ensuring that staff are up to date with skills and competencies in relation to the systems in place.
5	Enhance Human Capital	Enhancing Human Capital will require the Office to undertake the following: **i.** Capacitate the employees with skills and knowledge to enable them execute their job responsibilities in a competent, professional and objective manner; **ii.** Ensure that the staff well-being is taken care of to enable them execute their job responsibilities in an effective and efficient manner; **iii.** Ensure that the employees exhibit the required work culture in the discharge of their job responsibilities; and **iv.** Promote innovation among the employees
6	Improve in-frastructure, tools and equipment	Through this Objective, the Office will focus on creating a conducive environment for all staff. This will entail continuous institutional assessment and enhancement of the Office infrastructure, equipment, furniture and motor vehicles in order to ensure that all staff have access to adequate and appropriate infrastructure, tools and equipment.



The detailed 2022 to 2026 OAG Strategic Plan log frame is shown below

Strategic Themes, Strategic Results, Strategic Objectives, Intended Results, Measures, Targets and Strategies (Initiatives)

Strategic Themes:	Audit Service Excellence		Stakeholder Management Excellence	Operational proficiency
Strategic Results:	High quality audit services		Effective Stakeholder Collaboration	Efficient Service Delivery
Strategic Objective 1: Improve audit services				
Intended Results	**Measures**	**Baseline 2021**	**Targets**	**Strategies/Initiatives**
Appropriate reporting on public resources	Percentage revenue audited	100%	100% revenue audited of the national budget annually	• Strengthen the Monitoring and Evaluation mechanisms • Increase audit coverage
	Percentage expenditure audited	47%	100% of expenditure audited of the national budget annually	
	Percentage clients audited	66%	80% of clients audited by 2026	
	Percentage sector audited	52%	80% of sectors audited by 2026	
Appropriate utilisation of public resources	Percentage feedback on recommendations	Nil	70% of positive feedback on the impact of recommendations annually	
	Percentage Parliamentary Committees recommendations followed up	Nil	100 of Parliamentary Committees recommendations followed up annually	

Strategic Objective 2: Improve stakeholder engagement				
Intended Results	**Measures**	**Baseline 2021**	**Targets**	**Strategies/Initiatives**
Increased Understanding of OAG mandate	Percentage awareness levels on OAG mandate	Nil	85% awareness levels on OAG mandate bi- annually	• Develop and implement a Stakeholder Management Plan • Strengthen implementation of the Communication Strategy
Increased Stakeholder Satisfaction	Percentage stakeholder feedback	Nil	85% positive stakeholder feedback bi- annually	
Strategic Objective 3: Enhance Resource Mobilization and Management				
Intended Results	**Measures**	**Baseline 2021**	**Targets**	**Strategies/Initiatives**
Increased financial resources	Percentage financial	Nil	10% increase in the financial base annually	• Develop and implement a Resource mobilisation Strategy • Enhance the legal framework
Strategic Objective 4: Improve operational systems and procedures				
Intended Results	**Measures**	**Baseline 2021**	**Targets**	**Strategies/Initiatives**
Increased efficiency and effectiveness	Standard of service delivery	Nil	85% of Service delivered according to the Service Delivery Charter annually	• Develop and implement a Service Delivery Charter • Finalise and operationalise a risk management policy • Develop and automate requisite operational systems • Develop and implement an ICT strategy

Strategic Objective 5: Enhance Human Capital				
Intended Results	**Measures**	**Baseline 2021**	**Targets**	**Strategies/Initiatives**
Improved Performance	Percentage individual set targets attained	Nil	100% individual set targets attained annually	• Develop and implement a retention Plan • Develop and implement a succession Plan • Develop and implement a staff Capacity Building Programme • Develop and implement a Staff Welfare Plan • Develop and implement a human resource strategy
Positive work culture	Percentage feedback on work culture	Nil	80% positive feedback on work culture annually	• Develop and implement a programmes to promote a positive work culture
Strategic Objective 6: Improve infrastructure, tools and equipment				
Intended Results	**Measures**	**Baseline 2021**	**Targets**	**Strategies/Initiatives**
Conducive work environment	Percentage staff satisfaction on work environment	Nil	65% staff satisfaction on work environment quarterly	• Develop and implement procurement plans • Develop and implement an ICT audit Strategy • Develop and implement an infrastructure/furniture/equipment replacement plan

Refer to Appendix I for OAG 2022 to 2026 Balanced Scorecard.

4. ENABLING FACTORS

The successful implementation of this Strategic Plan is, to a large extent, dependent on the following pre-conditions and assumptions:

4.1 Pre – Conditions

Pre-conditions are the critical success factors that OAG will need to put in place to ensure the successful implementation of the 2022 - 2026 Strategic Plan. The following are the pre-conditions:

4.1.1 Support from the leadership

A top management that walks the talk through driving the vision and ensuring that the set goals and targets are met. In addition, management will lobby for financial support from both the Government and Cooperating Partners.

4.1.2 Competent, Committed and Motivated staff

The core values of the OAG demand staff to be professional and skilled. These core values will be complemented with a high level of commitment in order to meet the objectives and targets set in the Strategic Plan. Staff motivation will be a valuable catalyst to drive the strategic direction of OAG.

4.1.3 Robust Monitoring and Evaluation system in place

Monitoring and Evaluation (M&E) system will enable management to remedy problems that will be incurred in achieving set indicators and targets as the strategic plan is being implemented through execution of recommendations being provided.

A robust M&E system will entail developing an implementation plan with indicators that will be implemented through annual work plans and effectively monitoring the set targets by the dedicated staff with appropriate and adequate competencies.

4.1.4 Appropriate, adequate tools and equipment

This entails the acquisition of relevant tools and equipment such as motor vehicles and computers.

4.1.5 Ownership of the strategic plan by the members of staff

The office will need to ensure that all members of staff take keen interest in familiarising themselves with the strategic plan in order to appreciate their role in the achievement of the set goals, targets and objectives.

4.2 Assumptions

These are critical success factors outside the control of the Office that should prevail for the successful implementation of the Plan. The following are the assumptions:

4.2.1 Adequate and timely financial resources

This will entail the OAG having the financial resources required to fully implement the targets as set out in the plan. In addition, there will be need to ensure that the funds are funded on a timely basis.

4.2.2 Political Goodwill

The OAG will be supported by the Government through increased funding and budgetary allocation as well as other administrative support such as increased structural provisions. In addition, the OAG budgetary requirements will be supported by Parliament during the budget debates.

4.2.3 Political stability

There will be a peaceful and a stable political environment at national level to support the operations of the OAG.

4.2.4 Continued support from the stakeholders

The stakeholders will continue supporting the Office to achieve its strategic objectives. The Office anticipates to receive support from its stakeholders through collaborative activities; financial and technical support; and continuous engagements on enhancing public financial management.

The support will help the Office in ensuring that it executes its mandate in a timely and effective manner as well as ensure that the expectations of the stakeholders are met.

4.2.5 Enabling legal framework

This will entail the operationalisation of requisite legal instruments to support effective implementation of the Plan.

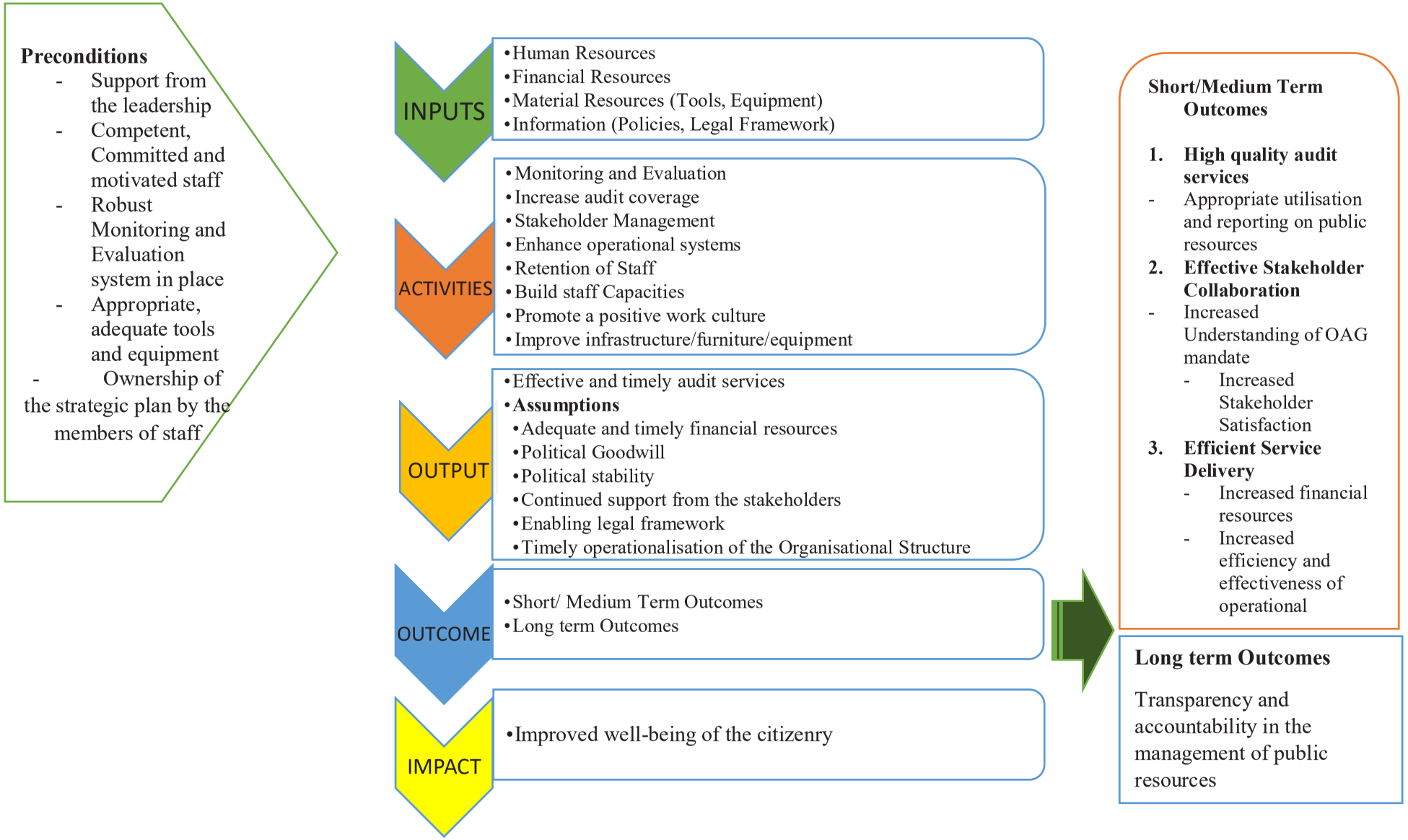
4.2.6 Timely operationalisation of the Organisational Structure

This will entail the operationalisation of the newly approved organisational structure through obtaining Treasury Authority as well as obtaining any additional variations to the structure necessary for the achievement of the plan.

5. THEORY OF CHANGE

The operational framework is premised on the Theory of Change (TOC) Model. The model explains how the strategies/ interventions are expected to lead to the intended Results (Outputs, Outcomes and Impacts). According to INTOSAI-P-12, SAIs are expected to add value to society through the impact of the audit work they conduct.

The Theory of Change below therefore demonstrates how the capacities of the OAG can result into the expected impact of improved well-being of the citizenry. The TOC illustrates how the Preconditions and Assumptions identify and link the presumed relationships between Inputs, processes and their immediate Outputs, intermediate strategic Outcomes and how all these will lead to attaining the overall Long Term Result of transparency and accountability in the management of public resources.


Preconditions
- Support from the leadership
- Competent, Committed and motivated staff
- Robust Monitoring and Evaluation system in place
- Appropriate, adequate tools and equipment
- Ownership of the strategic plan by the members of staff
INPUTS
•Human Resources
•Financial Resources
•Material Resources (Tools, Equipment)
•Information (Policies, Legal Framework)
ACTIVITIES
•Monitoring and Evaluation
•Increase audit coverage
•Stakeholder Management
•Enhance operational systems
•Retention of Staff
•Build staff Capacities
•Promote a positive work culture
•Improve infrastructure/furniture/equipment
OUTPUT
•Effective and timely audit services
•Assumptions
•Adequate and timely financial resources
•Political Goodwill
•Political stability
•Continued support from the stakeholders
•Enabling legal framework
•Timely operationalisation of the Organisational Structure
OUTCOME
•Short/ Medium Term Outcomes
•Long term Outcomes
IMPACT
•Improved well-being of the citizenry
Short/Medium Term Outcomes
1. High quality audit services
- Appropriate utilisation and reporting on public resources
2. Effective Stakeholder Collaboration
- Increased Understanding of OAG mandate
- Increased Stakeholder Satisfaction
3. Efficient Service Delivery
- Increased financial resources
- Increased efficiency and effectiveness of operational
Long term Outcomes
Transparency and accountability in the management of public resources

6 IMPLEMENTATION PLAN

To operationalise the Strategic Plan, a costed Implementation (Operational) Plan will be broken down into annual work plans and individual work plans, with SMART targets and schedules of activities, taking into account available resources.

The Planning and Information Directorate will be responsible for the development and implementation of the Operational Plan as well as submission of progress reports to Management by December every year. The Operational Plan will be the basis for monitoring and evaluating the performance of OAG at three (3) levels, namely; Individual, Departmental and Institutional.

6.1 RISK MANAGEMENT

The OAG will ensure timely identification of risks which will be efficiently managed during the implementation of the 2022 - 2026 Strategic Plan. The pre-conditions, assumptions and other factors that may affect the successful implementation of the plan will be monitored regularly.

A risk management framework/system will, therefore, be put in place to ensure proper management of risks.

6.2 MONITORING AND EVALUATION

Monitoring and Evaluation (M&E) of the Strategic plan will be vital for effective implementation and ascertaining its impact. The M&E framework will be developed to track progress and evaluate performance against set strategic results, strategic objectives, intended results and targets as well as institute corrective measures timely. The M&E will be done at individual, departmental and institutional levels. Accordingly, quarterly and annual progress reports on the implementation of the Plan will be coordinated by the Planning and Information Directorate. The Directorate will ensure that all Directorates prepare progress reports and submit to Management for consideration.

At individual level, the Performance Management System will be strengthened to monitor and evaluate the performance on a continuous basis. At Directorate level, M&E will be carried out on a quarterly basis while at Institutional level it will be carried out annually.

A mid-term review will be undertaken midway through the implementation of the Plan. The review will identify challenges, if any, encountered during implementation and recommend appropriate measures for addressing the challenges where necessary. Consequently, a terminal review will be undertaken at the end of the Plan period to determine the full extent of implementation and the overall impact. The terminal review will inform the preparation of the next Strategic Plan.

APPENDIX I: OFFICE OF THE AUDITOR GENERAL 2022 TO 2026 BALANCED SCORECARD

OFFICE OF THE AUDITOR GENERAL 2022 – 2026 BALANCED SCORECARD

Vision	To be an independent and credible audit institution promoting transparency and accountability in the management of public resources for the well-being of the citizenry
Values	Confidentiality, Professionalism, Team work, Objectivity, Integrity, Excellence
Strategic Theme	Audit Service Excellence / Stakeholder Management Excellence / Operational proficiency
Strategic Results	High quality audit services / Effective Stakeholder Collaboration / Efficient Service Delivery
Mission	To provide timely quality audit services to promote transparency and accountability in the management of public resources

STRATEGIC OBJECTIVES AND STRATEGY MAPS		Measures	Targets	Strategies
Customer	Improve audit services ⇔ Improve stakeholder engagement	• Percentage revenue audited • Percentage expenditure audited • Percentage clients audited • Percentage sector audited • Percentage feedback on recommendations • Percentage Parliamentary Committees recommendation followed up • Percentage awareness levels on OAG mandate • Percentage stakeholder feedback	• % of revenue audited of the national budget annually • % of expenditure audited of the national budget annually • % of clients audited by 2026 • % r of sectors audited by 2026 • % of positive feedback on the quality of audit recommendations annually • % of Parliamentary Committees' recommendations followed up annually • % awareness levels on OAG mandate bi-annually • % positive stakeholder feedback bi- annually	• Strengthen the Monitoring and Evaluation mechanisms • Increase audit coverage • Develop and implement a Stakeholder Management Plan • Strengthen implementation of the Communication Strategy
Finance/ Stewardship	Enhance resource mobilization and management	Percentage financial base	• % increase in the financial base	• Develop and implement a Resource Mobilisation Strategy • Enhance the legal framework
Internal Processes	Improve operational systems and procedures	• Standard of service delivery	• % of Service delivered according to the service delivery charter annually	• Develop and implement a Service Delivery Charter • Finalise and operationalise a risk management policy • Develop and automate requisite operational systems • Develop and implement an ICT strategy
Organisation Capacity	Enhance Human Capital / Improve infrastructure, tools and equipment	• Percentage individual set targets attained • Percentage feedback on work culture • Percentage staff satisfaction on work environment	• % individual set targets attained annually • % positive feedback on work culture annually • % staff satisfaction on work environment quarterly	• Develop and implement a retention Plan • Develop and implement a succession Plan • Develop and implement a staff Capacity Building Programme • Develop and implement a Staff Welfare Plan • Develop and implement a human resource strategy • Develop and implement a programmes to promote a positive work culture • Develop and implement procurement plans

Shorthorn Printers Ltd.

Office of the Auditor General
Stand No. 7951
Haile Selassie Avenue
Longacres
P.O. Box 50071
Lusaka, Zambia

E-mail: auditorg@ago.gov.zm
www.ago.gov.zm
Telephone: +260 211 252611/ 252772
Fax: +260 211 250349