



**Republic of the Sudan
National Audit Chamber**



**The Strategic Capacity Building
Corporate Plan
2014-2018**

National Audit Chamber

7/22/2014

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Foreword by the Auditor General

In an era of rising need for good governance, transparency and the fight against corruption, the National Audit Chamber (NAC) must be able to effectively and efficiently respond to greater pressure, responsibilities and increasing expectations from its various stakeholders. The NAC plays a vital role in holding the government accountable to the legislatures and the public for its stewardship of public funds and in helping ensure transparency of government operations. The NAC will be required to exhibit the highest standards in management, effectiveness, efficiency and integrity in carrying out its mandate through the application of the highest professional standards and the utilization of modern communication and information systems technology. It also means that the NAC has to fulfil its mandate as effectively as possible in an environment marked by limited resources, constant changes and emerging challenges.

This first formal strategic plan represents the bridge between where the NAC stands today and its mission. It outlines what the NAC plans to achieve in the next five years, what resources it will need and how it will make use of them in order to carry out its mandate.

To this end the NAC must be adequately resourced so as to be able to play that role. Therefore, the achievement of this strategic capacity building plan is contingent on the availability of adequate resources that will enable the NAC to meet its four strategic objectives.



Eltahir A. I. Malik, FCCA
Auditor General

Part one

Introduction

This part presents a summary of the NAC historical background, mandate, purpose and summary of recent developments.

National Audit Chamber: History and evolution

The National Audit Chamber (NAC) was established in 1920 as an audit department under the finance secretary. In 1933, the first Act for auditing was enacted, whereby an independent audit department was established headed by an auditor general. The 1955 temporary constitution for the Republic of the Sudan set aside a special part for the auditor general and guaranteed its independence and, subordination to the parliament and the supreme council. The 1970 Auditor General Act replaced and updated the 1933 Act determining the rights and duties of the NAC. This was followed by the 1986 Act which introduced performance audit in addition to financial audit. The last and final update was the 2007 Act that widely empowered the NAC and brought its legislation substantially into line with international best practices.

National Audit Chamber: Mandate and purpose

The Auditor General's mandate is established under the 2005 Constitution of the Republic of the Sudan and the powers are enshrined in the National Audit Chamber Act 2007 as described in the previous paragraph.

The NAC audits all government entities, including:

- the Presidency of the Republic;
- the National Legislature;
- the Council of Ministers;
- the National Judiciary;
- the National Audit Chamber;
- Ministries and units and their affiliated agencies;
- the armed forces;
- the police and National Security entities;
- companies in which the government capital or other funding contributions is 20 per cent or more;
- the Central Bank of Sudan and the specialized banks and banks in which the state contributes 20 per cent or more;
- the cooperative sector, the People's bodies and voluntary organizations determined by the Auditor General at the request of the registrar of the voluntary public work;
- humanitarian or any other entity private or public the president of the republic assigns the NAC to audit its accounts;

- state governments and legislative councils and all the facilities of those governments and counterpart of the above.

The above audit clients face major challenges in maintaining effective financial management systems in their organizations. It is vital for these organizations to be in control of their costs, to manage their risks, to have adequate information about their performance and to understand how their services can be delivered most cost-effectively. The NAC, reporting to Parliament, has a unique role in helping public bodies meet these challenges and providing assurance that the taxpayer's money is being spent wisely.

The NAC key facts:

The NAC:

- is headed by an Auditor General appointed by the President with the approval of parliament under the 2005 Constitution;
- the Auditor General is assisted by three Deputies. Deputy Auditor General for Quality Assurance and Development, Deputy Auditor General for National Government, States and Administration, and Deputy Auditor General for Corporations and Companies (Appendix 2: NAC Organizational Structure);
- employs 887 staff including 45 support cadres and the remainder being auditors classified from entry grade 1 to the highest grade 14. There are 264 at grade 8, 218 grade seven and 161 grade five. The rest are spread evenly across the other grades. ;
- has 18 regional offices based in each state - responsible for the audit of the States and local government authorities;
- annually carries out some 600 individual audit; composed of the following sectors; **National Government:** Sovereign sector, Defence, Intelligence and Interior sector, Health, Environment and Sustainable Development sector, Finance and Zakat sector, Economic sector and Service sector; **Corporations and Companies:** Commercial sector, Industrial sector, Transport, Energy and Mining sector, Agricultural sector, Banks and Financial Institutions sector, Diversified and funded projects sector;
- in November 2013 provided the National Assembly with 36 summary reports, 6 of them are performance reports. The reports are grouped and titled in a manner that will allow them to have impacts and enhance the understanding of the recipients of the holistic and other aspects of the financial and nonfinancial parts of the reports (see Annex 2);
- is a member of the International Organization of Supreme Audit Institutions (INTOSAI), the Arab Organization of Supreme Audit Institutions (ARBOSAI) and the African Organization of Supreme Audit Institutions (AFROSAI); and
- in carrying out its audit, relies on the standards and guiding principles and practices of these international institutions as well as accounting and auditing standards and practices in Sudan.

Recent developments

The NAC has succeeded in the last two years in achieving the following:

National Audit Chamber
Strategic Capacity Building Corporate Plan
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- New units established during 2012 include, IT Audit, Quality Assurance and International Organizations;
- Trained 30 audit staff in IT Audit;
- Carried out quality assurance audit at the SAI and financial audit levels;
- Developed financial, performance and regularity audit manuals (these were financed through the technical assistance programme provided by the Sudan Multi Donor Trust Fund, administered by the World Bank); and
- Established links with key donor organizations including the World Bank, UNDP and DFID.

Part Two

Analysis of current situation

In order to develop this Corporate Plan we carried out an assessment of the current operating situation in terms of the NAC's strength, weaknesses, gaps and constraints. Appendix 1 shows the results of our SWOT Analysis where we analysed our strengths, weaknesses, opportunities and threats.

Independence

The 2007 Act, fully mandates the NAC to audit all government ministries departments, units, corporations and state owned enterprises and those where the government holdings is 20 per cent or more. The functional independence of the NAC in terms of the scope of its work and audit plans is fully maintained. However, financial and operational aspects of that independence are in need of attention.

The quality of the NAC's work, for example, may be impaired due to inadequate pay packages making it difficult to recruit and retain adequately qualified staff.

Its independence may be threatened because it does not have its own offices capable of housing its entire staff and so is dependent on the hospitality and good will of clients.

Visits to auditees are sometimes inhibited by the lack of vehicles; particularly in remote areas of the country.

Article 39 of the NAC 2007 Act states that the NAC should have an independent budget, prepared by the Auditor General and approved by the President of the Republic as a single figure within the state budget. However, the budget allocation is usually limited and not fully provided. Without a reasonable and predictable budget the NAC is unable to deliver the service the Parliament and citizens of Sudan expect.

The current legislation is broadly consistent with international best practices and INTOSAI declarations but there are still some anomalies which need to be progressively addressed - particularly around issues of pre-audit and the NAC being responsible for auditing itself.

NAC operations and staff management

Inadequate staff number, weak management and technical skills, poor management structures, and an absence of effective performance measurements and staff appraisal systems are all weaknesses that significantly hinder the ability of the NAC to carry out smoothly and effectively its broad responsibilities reflected by its mandate.

The NAC is keen to address these weaknesses and constraints within this Corporate Planning period. Serious action must be taken to review the current operational structure and set up policies for the management and development of staff. In particular, it is important to seek ways of progressively improving the pay rates of the staff. This will be a significant factor in helping the NAC to recruit and retain high calibre individuals. The NAC has now begun an intensive and continuous annual training plan to develop the skills of all staff and to redress the fact that in recent years there has been little improvement in the number of local trained, professional staff. To counter this, the NAC is now encouraging and rewarding all staff who

register for the local professional qualification and is seeking to provide financial support for those who opt to pursue an internationally recognised professional qualification, such as the ACCA.

The NAC is now thinking to introduce a new approach to human resource management through bilateral cooperation with other SAIs who possess long standing experience and good practice.

The NAC's current headquarters is an old building with inadequate office space and poorly equipped offices. This is a major obstacle that is negatively impacting on staff and management productivity. The NAC has made several attempts at securing better office facilities but so far these have been unsuccessful due to a lack of financing.

Other operational impediments include poor administrative services, absence of scheduling and time recording systems, and poor planning, supervision and tracking of audit work.

NAC Communication

Communication is a fundamental part of any effective Supreme Audit Institution (SAI). It is a core strategic imperative for the NAC. For the work of the NAC to have impact, and to justify funding there is a need to communicate the findings clearly to the National Assembly, government audit entities, wider stakeholders and to the public in general. There is equally a need to communicate effectively to staff. This emphasizes that maintaining effective and efficient external and internal communication is paramount to the success of a Supreme Audit Institution.

Although the NAC has good relations with the National Assembly, and its committees, and with the Presidency of the Republic, during this Corporate Plan period, the NAC will strive to improve this communication and extend it further to embrace other key stakeholders.

For internal communication, the main objective is for staff to be well informed so that they can make effective decisions at all times and contribute ever more positively to the vision and mission of the NAC. Since the beginning of this year, the NAC has succeeded in helping each staff member acquire a laptop in order to benefit from the NAC internet service. Now all audit staff have their own computers, the internet allows rapid and consistent dissemination of messages and guidance, in addition to the more traditional, paper based methods of communication.

The quality and impact of NAC work

Maintaining the quality of audit, and meeting relevant professional standards, is essential for the NAC to keep the confidence of its stakeholders and the audit entities. There has been notable progress in NAC-wide intensive training since last year covered the areas of: internal control; risk based audit; audit planning; and report writing skills. The NAC has developed for the first time its IT audit capacity by training 30 of its staff on computer audit and encouraging them to take the (CISA) examinations to qualify as Certified Information Systems Auditors. Financial, regularity and performance audit manuals are in place and the NAC has started organisation wide training on the implementation of a risk based audit methodology.

Although the NAC is constitutionally required to carry out performance audit the overwhelming majority of all audits carried out to date are financial. During this Corporate Plan period the NAC will increase efforts to strengthen its performance

audit capability. Towards this end the NAC has started training around 30 of its staff in performance audit techniques. The NAC is seeking the help of other SAIs who have had long standing experience in this area and through bilateral cooperation and agreement will be able to train NAC staff and create a specific Performance Audit Directorate.

The changing demands of stakeholders and the positive public expectations on the role of the NAC in fighting fraud and corruption create a challenge on the quality and impact of audit work.

Part Three

Strategic plan for the period 2014 to 2018

Vision, Mission, Core Values and Strategic Objectives

Vision

3.1 Our vision is:

"To be effective and efficient in promoting transparency and effective public accountability".

Mission

3.2 Our mission is:

"To carry out the audit of the revenues and expenditure of the state and public sector entities in accordance with our constitutional and legal mandate, with professionalism, integrity and independence in order to evaluate financial performance, help the legislatures improve its financial oversight role and strengthen transparency and accountability".

Core Values

3.3 Our core values are:

"The Auditor General and the staff of the NAC in carrying out their responsibilities are committed to comply with the NAC's core values of:

- Integrity: Being upright and honest;
- Objectivity: Showing impartiality and professional judgment; and
- Professional competence: Acting with diligence, proficiency and team spirit.

Strategic Objectives

3.4 Based on the analysis of the current situation set out in Part 2, the strategy of the NAC for 2014 - 2018 is summarized in the following four objectives:

- **Objective 1** - To improve the quality, efficiency and impact of audit work so as to promote increased accountability, probity and transparency in the management of public funds and enable the National Assembly and State Legislative apparatuses to carry out their functions effectively and efficiently.
- **Objective 2** - To attain higher institutional performance.
- **Objective 3** - To enhance, strengthen and sustain the NAC's independence.
- **Objective 4** - To improve internal and external communications to raise the profile of the NAC with staff and key stakeholders.

3.5 The rest of this part of the Corporate Plan summarizes how the NAC intends to implement these strategic objectives. To support this implementation, a Comprehensive Strategic Action Plan of high level tasks and actions is set out in Appendix 4. This Corporate Plan has been prepared in line with INTOSAI guidance, especially ISSAI 20 *Principles of transparency and accountability*.

Objective (1): To improve the quality, efficiency and impact of audit work so as to promote increased accountability, probity and transparency in the management of public funds and enable the National Assembly and states legislative apparatuses to carry out their functions effectively and efficiently

Component 1: Quality control, assurance, research and development

The NAC will adopt a range of measures aimed at improving the quality of audits and raising standards. The newly established quality assurance team will be expanded and developed to provide central support, policy guidance and research on all aspects of financial auditing, accounting, performance auditing and statistical support. The team will also be responsible for reviewing the quality of work, covering both audits in progress and completed audits. Procedures will be based on INTOSAI Standards. To further strengthen this process, the NAC intends to encourage external quality assurance from other SAIs as well as AFROSAI-E and INTOSAI bodies such as the IDI.

To achieve these aims the NAC will:

- Increase the number of staff in the Quality Assurance Unit from 4-12 by the end of 2018;
- Update the financial, compliance and performance audit manuals to reflect the ISSAIs approved by INCOSAI in Beijing in October 2013; and introduce appropriate templates and notes relevant to the Sudanese accounting environment;
- Train all Directors and Lead Auditors on best QA practices;
- Ensure that at least 10 per cent of audits will be reviewed by the QA department annually;
- Produce an annual QA report within 3 months of the delivery of the annual audit reports to the National Assembly;
- Provide annual training to audit teams on the key findings from the annual quality review and issue a financial audit guidance note where necessary to update the financial audit manual; and
- Seek, in 2017, a full SAI Performance Measurement Framework assessment and make the results publicly available.

Component 2: Efficiency of audits

The NAC seeks to be a national leader in its use of its resources. It needs constantly to be checking that it is delivering all its activities as efficiently as possible and offering the citizens of Sudan value for money in everything it does. It also has a very wide mandate which includes the audit of all organisations in which the Government has a 20 per cent stake or more and all local authorities. The volume of these audits

means that the NAC is unable to audit all on a timely basis - even with the foreshadowed increase in staffing.

To achieve this end the NAC will:

- Progressively develop a time-recording and staff scheduling system so that it knows what staff are doing with their time and can better monitor the delivery of each audit against time and budget by 2015;
- Seek to have all Khartoum staff co-located in one building so that better use can be made of staff time by 2018;
- Develop a defensible, risk-based, approach to deciding which organisations in which the Government has more than a 20 per cent stake and which local authorities should be audited directly by the NAC and which ones should be outsourced to private audit firms - operating on the principle that those most at risk need to be audited by NAC but others can be outsourced by 2014.

Component 3: Impact of audit

A further important initiative for this Corporate Plan is to introduce an impact assessment process. The aim of such a process will be to review all audits and establish whether audited bodies have taken action to implement NAC recommendations. This process will assess the nature and extent of the impact, including any financial consequences. This will allow the NAC to aggregate the results and demonstrate the extent of its financial impact when compared with the budget approved by the parliament.

The NAC will:

- Nominate a member of staff in the QA Department who will have lead responsibility for recording all recommendations made by the NAC and producing an annual report to the National Assembly on:
 - the extent to which these recommendations have been implemented, highlighting major areas of non-compliance by auditees by 2014;
 - progress on cases where audit findings have been referred to the judiciary by 2014; and
 - examples of where the implementations of NAC recommendations have had demonstrable and provable financial impacts by 2015.

Component 3: Forensic audit and fraud investigation

Fraud and corruption are significant challenges for public financial management and the NAC plans to improve its capacity to identify and deal with suspected cases of fraud.

The NAC will:

- Strengthen the capacity of the existing specialized forensic audit unit of 4 staff who are responsible for oversight of the NAC's anti-fraud and anti-corruption work so that by the end of 2015 they will prepare additional fraud audit reports and the an Annual Fraud Report; and
- Train audit staff in the unit on modern forensic and investigative audits and provide guidance to staff across the NAC on actions to be taken where potential fraud is suspected.

Objective (2): To attain higher institutional performance

Component 1: Staff training, development and performance management

In order to help staff deliver a high performance, the NAC plans to adopt a range of measures to train and develop staff and utilize them to the best of their ability.

The NAC will implement a high quality training programme, including setting up a modern training facility and introducing a formal training evaluation framework.

In addition to a major effort to strengthen performance auditing, the NAC will seek to improve staff skills in such specialized audit areas as: IT audits, privatizations; the energy sector: dams and roads construction; as well as the audit of government owned enterprises and private partnership including banking and insurance industry.

The NAC plans to establish a Human Resource Management unit with operational responsibility for personnel practices, training and staff appraisal. This unit will establish a HR strategy, operationalize the human resources manual, and update job descriptions. A key aspect of this undertaking will be the implementation of a more rigorous performance appraisal system. This will help the NAC to manage better and improve the performance of individuals and teams to maximize each member's contribution towards the achievement of the NAC corporate goals. Ultimately, the NAC plans to link the appraisal system to a performance related reward system.

To these ends the NAC will:

- Continue to strengthen its professionalization programme aiming to have 25 or 30 per cent of staff with a recognized professional financial accounting and auditing qualification or working towards acquiring such a qualification by 2018. It will do this by paying the registrations costs and examination fees of NAC staff seeking to obtain the Sudanese Council of Certified Accountants accredited qualification;
- Ensure that all NAC staff undertake a minimum of 5 days approved internal and/or external continuous professional training each year;
- Create a Human Resources Unit and develop a HR strategy by mid-2015;
- Develop and implement by the end of 2014 an annual staff appraisal system linked to assess staff performance and training;
- Develop, and adopt an organizational Human Resources manual based on INTOSAI good practices;
- Continue to roll out financial audit training to all staff so that by the mid of 2015 everyone understands how to use a risk based approach with a clear focus on planning and carrying out high quality financial audits using the International Auditing Standards for Supreme Audit Institutions (ISSAIs);
- Introduce performance auditing:
 - Develop and begin training a team of 30 performance auditors by the end of 2014;
 - Rollout the AFROSAI-e performance audit training program and adopt its Performance Audit Flow methodology;
 - Produce by the end of 2018, 20 performance audits per year - at least eight of which will relate to States issues;

- Prepare auditees, the National Assembly, and the press to receive, respond to and act upon performance audit reports; and
- Develop the capacity of the Quality Assurance Unit to quality review performance audits.
- Conduct an on-going programme of training in IT Audit and in specialized audit areas such as privatization, the energy sector: dams and roads construction; as well as the audit of government owned enterprises and private partnership including banking and insurance industry;
- Strengthen the IT audit skills of the core team established recently and spread that to include all NAC audit staff in the future;
- Ensure that all staff being promoted or recently promoted have management training of no less than 5 days classroom based plus at least one year of mentoring by an experienced colleague;
- Rollout the AFROSAI-e Management Development Programme (MDP) for all management grade staff by the end of 2018; and
- Ensure that affiliations with local and international professional bodies are maintained, and knowledge of these contacts shared with relevant staff.

Component 2: Information and communication technology development

To cope with technological development, information and communication technology is essential for an effective working environment within the NAC. It is essential that all: staff are networked; data is stored securely; staff have access to email; an intranet is used to facilitate communication and knowledge sharing internally; and an internet exists for key stakeholders to access information on the NAC and its audits.

The NAC will:

- Enhance the Local Area Network at headquarters and build a Wide Area Network to link state offices to headquarters by the end of 2015;
- Re-build the Data Centre in accordance with standard specifications and international best practices and acquire adequate personal computing devices (desktops, laptops, printers etc.);
- Implement appropriate communication and collaboration systems, namely internal email by end of 2014 and video conferencing between the states offices and headquarters by the end of 2015;
- Develop a robust management information system, human resource management system, inventory management system and build the capacity of technical IT staff at headquarters and states levels by 2015;
- Develop an internal Intranet and a knowledge repository to improve internal communication and facilitate knowledge sharing of methodologies, standards and best practices by 2018;
- Progressively install separate and secure IT hardware and software so that the State Offices can be networked and linked to the Headquarters, staff can carry out their work securely and information can be shared among auditors quickly and effectively;

- Acquire and use an appropriate audit software by mid-2016;
- Enhance the design and contents of the NAC website and assign a full time Webmaster to maintain it by 2014; and
- Benchmark the IT support operations with other SAIs by the end of 2018.

Objective (3): To enhance, strengthen and sustain the NAC's independence

Component 1: Operational independence

During the planning cycle the NAC will:

- Develop a fully-costed proposal to present to Parliament to ensure that NAC staff in Khartoum are located in one place and staff in the States are located in their own separate properly serviced accommodation;
- Acquire sufficient vehicles fleet, and provide maintenance and proper management of these vehicles in order to conduct efficiently the necessary field audit work including the audit of local government;

Component 2: Financial independence and other legislative clarification

To maintain the NAC's financial independence it is vital that the NAC is able to present its annual budget to the Presidency and Parliament for scrutiny. That budget should show what it needs to perform its legal mandate and be properly justified. However, once this budget has been approved by the Presidency and the Parliament the NAC needs to be provided with a single budget figure and this is the amount which should be provided to the organisation in full.

The NAC will seek a review of its legislation to:

- Clarify the funding mechanism to ensure compliance with international best practices;
- Remove clauses which relate to pre-audit work and which can be dealt with more effectively via an enhanced risk based financial and compliance audit;
- Clarify the procedures for appointing an independent external auditor to audit the NAC; and
- Exempt NAC from the Public Service Act in order to obtain powers to recruit, remunerate, promote and retrench own staff.

Component 3: Corporate Governance

The NAC will complete its restructuring process, including reviewing its functional areas, and assess how the new arrangements are working.

The NAC will:

- By the end of 2014, complete an organizational and staffing review to ensure that it has the most effective staffing profile to achieve its objectives and that it has all the key corporate and other functions associated with a modern SAI.

Objective (4)

To improve internal and external communications to raise the profile of the NAC with staff and key stakeholders

Component 1: Internal communication

As part of its internal communication, the NAC aims to establish mechanisms which will enable all staff to access timely accurate and reliable information for effective decision making. As part of this the NAC will seek to foster an organizational culture that promotes open dialogue and encourages the timely sharing and exchange of knowledge.

The NAC will:

- Ensure that all major manuals and other documents will be available in Arabic (electronically and printed copies) by 2014;
- Ensure by the end of 2015 that all staff are connected via email and that they have access to an intranet by 2018;
- Develop by 2018 an annual innovations award to celebrate staff innovations which have:
 - Helped improve the performance of the NAC;
 - Helped improve the reputation of the NAC;
 - Led to beneficial impact on the lives of citizens; and/or
 - Resulted in financial impacts.

Component 2: External communication

There is a need to strengthen and sustain the links of the NAC with the National Assembly (Parliament), State Assemblies and subcommittees at both levels. Little progress has been made in establishing regular and effective dialogue with the wider stakeholders, such as the audit clients (beyond routine contact through audits), civil society organizations, the donor community and the media. The NAC plans to improve external communication of this kind with key stakeholders in the current Corporate Planning period.

The NAC will:

- Establish a press and external communications office to manage external relations by the end of 2015;
- Disseminate audit reports more widely through NAC website to encourage the adoption of good practice, starting from 2014;
- Encourage and enable state audit offices to enhance communication and cooperation between the audit office, the auditees and the state assembly;
- Starting from 2015, convene an annual meeting of development partners to share key messages emerging from audits, outline NAC plans, discuss how development partners might be best able to support individual Ministries in dealing with weaknesses and seek feedback on ways the NAC might improve its engagement with the development community;

- Convene an annual conference of all NAC staff every three years to disseminate key messages and updates on professional topics of interest and encourage interaction and knowledge sharing amongst the different groups and offices;
- Convene Annual Accountability Seminars with other key stakeholders, to examine and discuss broad issues associated with improving oversight and the management of public finances and resources;
- Work closely with the Ministry of Finance to support its efforts to introduce IPSAS and to help strengthen internal audit; and
- Raise awareness of the public on the developments in the NAC to increase interest and knowledge in the activities of the NAC.

Component 3: Corporate image

The NAC will seek to demonstrate its continued commitment to corporate social responsibility, including engaging in a periodic perception survey, participation in appropriate external events and better promotion of its activities.

The NAC will:

- Work with Higher Education Institutions, especially Departments of Management, Accounting and Economics to ensure that undergraduate students understand the role of the NAC;
- Work closely to support key national agencies with complimentary agendas - in particular the Sudanese Council of Certified Accountants;
- Ensure that all documents, letters, reports and other publications produced by the NAC conform to a common branding or house style by end of 2015.

Part Four

Monitoring and evaluation

The NAC will implement the strategic action plan (set out in Appendix 4) by assigning responsibilities to relevant staff. These individual responsibilities will be supported by a further detailed action plan for each person. This will set out the outputs, budgets and delivery dates.

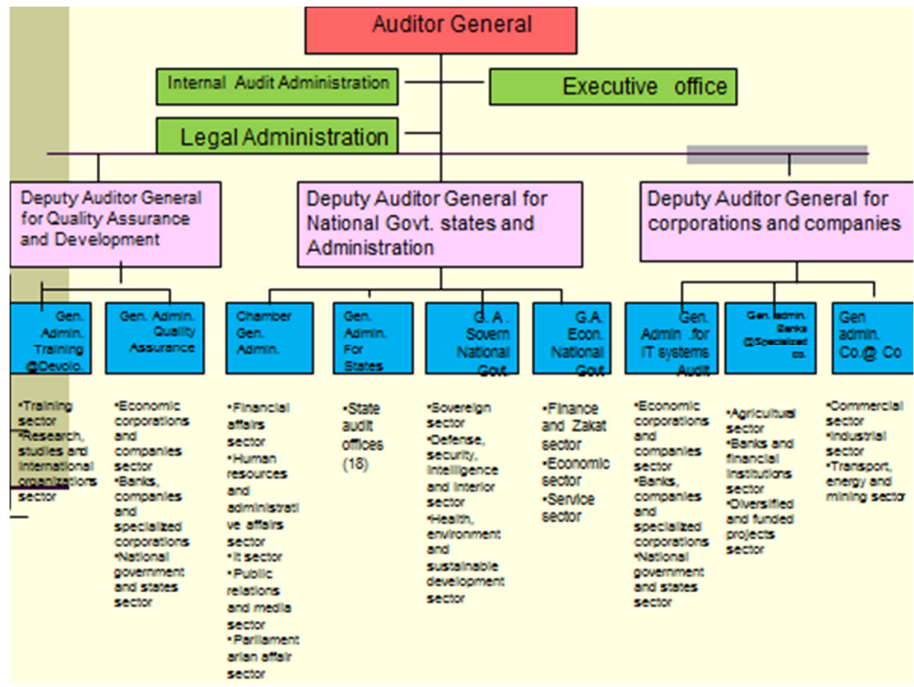
Progress against planned outputs will be tracked monthly by the leadership team. The NAC, during its annual conference, will review progress against the Corporate Plan to track achievements, address challenges, provide feedback to key stakeholders and receive feedback from them in order to draw up plans for informed implementation in subsequent years.

Appendix 1:

Strategic Analysis, SWOT

<p>Strengths</p> <ul style="list-style-type: none"> • Constitutional mandate • Committed senior management • Encouragement and support from the head of state • Good relationship with the parliament and its committees • Establishment of quality assurance unit • Development of audit manuals • Development of training strategy • Development of corporate strategy • Positive public image following the release of annual audit reports • Government funding • Technical assistance from World Bank and UNDP • Membership of INTOSAI, ARBOSAI and AFROSAI-E (application for membership is submitted) 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Scarcity of resources • Low staff skills and an inappropriate performance appraisal system • Inadequate operational independence • Lack of IT specialists • Lack of IT systems, tools and skills • Dealing with weak PFM systems • Dealing with weak internal controls and internal audit systems • Lack of familiarity with International Accounting and Auditing Standards • Poor work environment • Weak linkage with local and states governments
<p>Opportunities</p> <ul style="list-style-type: none"> • Growing public awareness against corruption and reliance and expectation on the NAC to take the lead in fighting it • Increased focus on the role of the audit in the efficient use of public fund and decreased resources following the split of South Sudan and the resultant loss of significant oil revenue • Expected increase in technical assistance from the World Bank and UNDP • Expected funding from other major donor following the development of NAC first Corporate Plan 	<p>Threats</p> <ul style="list-style-type: none"> • Inability to recruit, attract and retain qualified staff because of weak pay structure • High turnover among the few who qualify themselves professionally under the current pay structure • Little and insufficient funding will cripple and hinder the NAC from implementing its strategic objectives • The current work environment adversely affect morale and reduce productivity of staff

Appendix 2:
NAC Organizational Structure



Appendix 3

External funding requirements

The Government of Sudan are currently operating in difficult times. Following the peace settlement of 2005, some 70 per cent of oil revenues have been transferred to South Sudan. The country is currently embarking on a major economic programme of re-structuring to create new or additional sources of foreign exchange and to encourage import substitution industries. In the short-term this means that external international development funding is being sought to speed up the development of the NAC and to bridge funding shortfalls.

The Presidency and National Assembly have indicated their continued commitment to the NAC by approving a budget increase of 100 % in 2014 which will enable the NAC to:

- Increase its staff headcount
- Acquire core IT equipment; and
- Access further temporary office space to house all of the Khartoum based staff.

However, to address internal capacity weaknesses and to move forward over the next few years, external support is vital.

Funding is sought for:

Technical co-operation inputs in the following areas:

- Develop a functioning human resource management capability;
- Develop a performance appraisal system and train all management grade staff on its implementation.
- Conduct a full organisational staff review to provide an independent view on the staffing required to implement the NAC mandate;
- Introduce performance auditing;
- Rapidly increase the numbers of NAC staff able to access the intensive financial audit training and seek a professional qualification;
- Delivery of management training for current and newly promoted audit managers and directors;
- Conduct progressive I.T. audit training to improve the skills and expertise of IT auditors.
- Support for the National Assembly - including a study tour to Westminster;
- Specialised training in areas such as audit of extractive industries, procurement, forensic audit.

Capital assistance is sought in the following areas:

- Acquisition and upgrading of office facilities in the States and in Khartoum;
- Vehicles and running costs to enable audit staff to carry out field audit work and visit auditees;
- IT hardware and software to create a networked office including Headquarters and the States.