

**OFFICE OF THE AUDITOR GENERAL
ICT Division**



promote public accountability for the benefit of our society...

STRATEGIC PLAN FOR 2019-2023

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Foreword

This strategic plan is prepared to support the corporate strategic plan developed at SAI level for the period 2019-2023. The activities and projects detailed in this documents are designed to support, as a means of input, in achieving the goals formulated in the OAG's strategic plan.

Since the achievement of the OAG's strategic goals is highly dependent in the achievement of activities of its organs, the ICT division is expected to commit itself for the implementation of the overall strategic plan of the OAG. Therefore, the ICT staff are required to shoulder their respective responsibilities and ensure tasks are always completed on or before the dates set in the implementation matrix. The ICT division may at any time revise this document, however, prior approval is required before making any changes to this document.

This strategic plan is approved for implementation during 2019-2023 calendar years.

Auditor General

Gherezghiher Ghebremedhin

List of Acronyms

ADB	African Development Fund
AFROSAI-E	African Organization for Supreme Audit Institutions – English Speaking Countries
AG	Auditor General
ASC	Audit Services Corporation
CBSS	College of Business and Social Sciences
ERCOE	Eritrean Centre for Organizational Excellence
EU	European Union
HRD	Human Resource Development
IDI	INTOSAI Development Initiative
INTOSAI	International Organization of Supreme Audit Institutions
IS	Information Systems
ISSAI	International Standards of Supreme Audit Institutions
MND	Ministry of National Development
MoF	Ministry of Finance
ONSPF	Office of the National Security and Police Forces
OAG	Office of the Auditor General
QART	Quality Assurance Review Team
QAU	Quality Assurance Unit
RCC	Resources Coordination Centre
SAI	Supreme Audit Institution
SMAP	Secretarial Science, Management, Accounting, and Pedagogy
UNDP	United Nations Development Program

Executive summary

The Office of the Auditor General (OAG) was established in May 1992 by Proclamation No. 23/1992 which was later repealed and replaced by Proclamation No. 37/1993. The mandate of the OAG was also spelled out in Legal Notice 14/1993 Article 2/25.

Its mandate spelled out in Legal notice no. 14/93 includes the following responsibilities:

- To audit or cause to audit all government institutions and parastatals
- To set audit standards and guidelines and conduct follow ups
- To provide any necessary advice to the Ministry of finance in preparing financial laws and regulations
- To impound books of accounts where there is suspect of fraud and crime
- To issue certificate of competence to private auditors and accountants

The Information Systems Audit Division was established to give important support to the core business of the OAG. This division is accountable directly to the Auditor General.

The ICT Strategic plan emanates from the OAG's strategic plan of 2019-2023. The main purpose of this strategic plan is to optimize IT infrastructure in the OAG. **Resource optimization** ensures that the appropriate capabilities are in place to execute the strategic plan and sufficient, appropriate and effective resources are provided. Resource optimization ensures that an integrated and economical IT infrastructure is provided, new technology is introduced as required by the business, and obsolete systems are updated or replaced. Because it recognizes the importance of people, in addition to hardware and software, it focuses on providing training, promoting retention and ensuring competence of key IT personnel.

1. Organizational History and Profile

The Office of the Auditor General was established during the Italian Colony named as “Controlere Generale Di Conti”. Its functions were to control the accounts and properties of Eritrea. During the British Administration the office was named as Office of the Auditor General and its functions were controlling of Government assets, revenue and expenditures. During the Federation Era (1950 – 1962) under the auspices of UN, the powers and duties of the office were defined by law (Regulation No. 137/1957).

The office became a branch office of the Office of the Auditor General of Ethiopia when Eritrea was forcefully annexed by Ethiopia in 1962. It was entrusted with auditing government accounts in Eritrea, Tigray and Gondar Provinces in Ethiopia. The branch office was later raised to a Northern Regional Office of the Auditor General and lasted up to the independence of Eritrea in 1991.

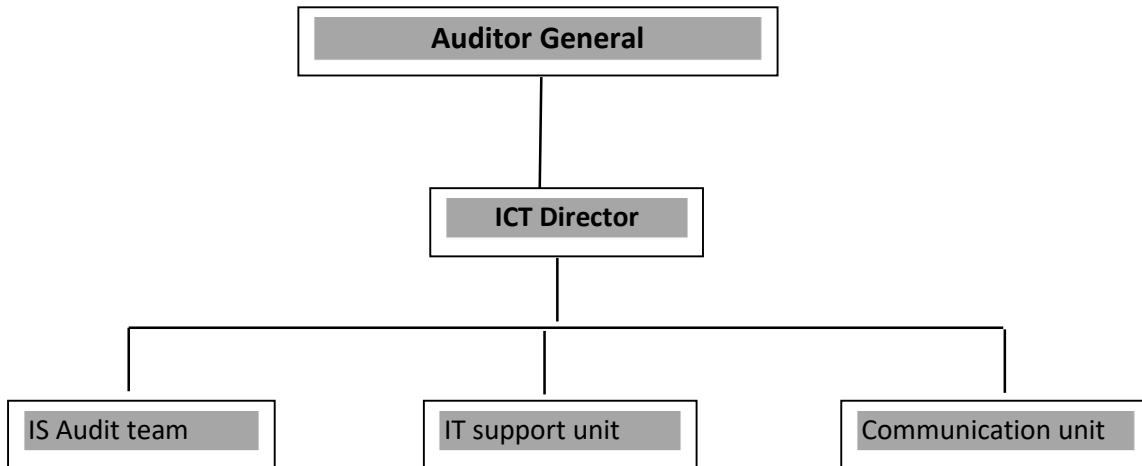
The ex – Northern Regional Office of the Auditor General was dissolved after Eritrea was liberated from Ethiopia and a new Office of the Auditor General (OAG), that become the Supreme Audit Institution in Eritrea, was first established by Proclamation No. 23/1992 in May 1992 which was later repealed and replaced by Proclamation No. 37/1993. The mandate of the OAG was spelled out in Legal Notice 14/1993 Article 2/25 which is to audit or cause to be audited all Government institutions and parastatals and State-owned enterprises. Parastatals and State-owned enterprises are being audited by the Audit Service Corporation (ASC) which provides its professional audit services on fee basis and works autonomously under the general supervisory control of the Auditor General. At present the audit clients served by the OAG are 177.

In 1992 the number of audit staff was about 20 but has been steadily growing in number since. The OAG has been facing a significant staff shortfall since the conflict with Ethiopia started in 1998. However, the audit coverage and the quality of service have shown growth and improvement from year to year. This improvement has been achieved as a result of the efforts performed by the OAG to develop the knowledge and skills of the existing auditors in accounting and auditing in partnership with AFROSAI-E and other governmental and international organizations. Currently, the OAG has 93 permanent staff, 4 National Service, 2 Contractual, in total 99 employees. Out of the total 66 are audit staff and the remaining 33 employees are members of administrative staff and IT staff. Refer to the organogram in diagram 1 to see the structure of the ICT.

The no war no peace situation with Ethiopia had affected the activities of the country including the activities of the OAG. Due to shortage of skilled manpower, the available audit clients could not be audited annually. As a result, the OAG has a great number of audit backlogs. To minimize the audit backlogs, the OAG has decided as a policy and priority to audit only the most recent two years of each budgetary unit and make a general review of the more distant years that have not been audited, unless it believes there is a need for full audit. This policy has been implemented since 2002.

The OAG has received funds from the government in the form of annual budget allocated by Ministry of Finance to carry out its audit activities. The OAG has also obtained some additional fund from development partners such as UNDP and European Union.

Diagram 1: IT Division Organogram



2. Mission, Vision and Core Values

The following are the Vision, Mission, and Core Values of the OAG:

Vision Statement

“To be an independent, transparent, and effective audit institution that promotes public accountability for the benefit of our society.”

Mission Statement

“To provide reasonable assurance in the management of public resources by our independent and objective public sector audit services.”

Core Values, Beliefs and Guiding Principles

“Integrity, Professionalism, Team work, Transparency, Innovation and Continuous Development.”

1. Integrity

The OAG staff members should be honest in performing their professional services and should have high personal discipline.

2. Professionalism

To provide consistently high-quality audit services, staff members are expected to maintain and develop high professional competence and expertise.

3. Team work

The OAG believes that cooperation among the staff members and collaboration with clients are vital indicators of success.

4. Transparency

The OAG should be transparent in its work. Regular communications should be made to the relevant stakeholders in the form of reports and briefings.

5. Innovation and Continuous development

The OAG will have to steer and encourage the staff creativity in audit methodologies, processes and procedures, and other institutional factors to fulfil its mission. The OAG has introduced mandatory Continuous Professional Development. This will demonstrate to our stakeholders that the OAG is continuing to develop staff knowledge for better audit services.

3. Goals and Objectives

The following five main strategic goals with their objectives, which are the pillars of the IT strategic plan have been identified to be implemented during 2019-2023:

No.	OAG Goal Statement	ICT Goal Statement	Objectives Statement
1	To enhance the independence of the OAG	To assist management in their effort to enhancing the independence of the OAG	1.1 To promote the OAG through website 1.2 To assist management in updating the Audit Legislation by providing with necessary materials via desktop research
2	To strengthen the Organizational and Management capacity of the OAG	To strengthen IT Support function	2.1 To prepare IT strategic document 2.2 To design effective Management Information System 2.3 To update the IT security policy 2.4 To automate the archives and logistical units of administration 2.5 To optimize IS infrastructure by networking, resource sharing,
3	To enhance the competency and productivity of human resources	To transform IT division as knowledge sharing platform of the OAG	3.1 To establish and implement an internal website of the OAG 3.2 To create knowledge sharing database 3.3 To open online and classroom education for OAG staff 3.4 To enhance OAG staff knowledge in Office and audit applications 3.5
4	To enhance the quality of audit services in order to increase the value of the OAG	To be a leading enabler for quality audit services	4.1 To establish IS Audit Function 4.2 To introduce Audit interrogation software 4.3 To introduce Audit management Software 4.4 To assist management in layout and binding of audit reports 4.5
5	To improve the communication process to upgrade the image of the OAG	To improve the communication process to upgrade the image of the OAG	5.1 To upgrade OAG Communication Policy 5.2 To enhance engagement with media and increase the awareness of the public 5.3 To design a mechanism for collecting feedback from stakeholders about the OAG

The above goals and their related objectives are directly linked to the vision and mission of the OAG and describe areas of directional change that will affect the value that the OAG creates for its stakeholders.

The ICT division will break down the Objectives into projects and activities and will monitor and evaluate the implementation of the projects/activities and the status of the Strategic Plan annually. However, It will require an adequate human and material resource from the Government of the State of Eritrea and the OAG.

Goal 1: To support management in enhancing the independence of the OAG

The Lima Declaration (1977) states that: -

‘Supreme Audit Institutions can accomplish their tasks objectively and effectively if they are independent of the audited entity and are protected against outside influence.’

Two objectives are formulated for this Goal.

1.1 To promote OAG through website

In the effort management is making to have strengthened legal frame work in line with international standards, the IT division should promote the OAG’s effort by launching a website where interested parties can access information about the OAG.

1.2 To assist management in updating the Audit Legislation by providing with necessary materials via desktop research

One of the main objectives of OAG is to update the Audit Legislation revised in 2010. Several development have undergone since 2010. The objective of the ICT division is, therefore, to assist management by downloading and providing the management with relevant publications, standards and other materials by conducting desktop research.

Goal 2: To strengthen IT Support function

The following objectives are set to achieve this goal:

2.1 To prepare IT strategic document

The corporate strategy has identified the objectives for enhancing the IS capacity of the OAG. Based on the identified objectives, it is important to prepare IT strategy for the entire strategic period of the OAG.

2.2 To design effective Management Information System

The flow of information within and without the OAG has been unstructured. This deficiency has caused the management to collect information from various functions of the OAG, where most of the time, lacks completeness. Therefore, the IS division will design an MIS to enable management to have easy and timely access to information.

2.3 To update the IT security policy

The IT security policy of the OAG was last updated in 2015. Several developments have occurred since then. An update for the security policy is important to include the new equipment that was installed during 2017-2018.

2.4 To automate the archives and logistical units of administration

The use of IT should contribute positively to the performance of the OAG, through appropriate implementation and operationalization of IT assets and alignment of IT with business needs. The archives and logistical support function of the OAG are using an outdated manual system which is exposed to security risks. Therefore, it is important to automate these two functions for effective and efficient service delivery.

2.5 To optimize IS infrastructure by networking, resource sharing

With the increase of users in the OAG, scarcity of resources is inevitable. Equipment such as printers and copiers as well as internet bandwidth should be shared to optimize the available resources. To ensure equitable distribution of these resources, the network infrastructure of the OAG will be maintained and expanded.

Goal 3: To transform ICT division as a knowledge sharing platform of the OAG

Knowledge is the most important asset in the OAG. There are a number of audit and non-audit manuals, standards, policies and guidelines that have been in use in the OAG. The senior and experienced auditors have been sharing their knowledge via a formal classroom training and workshop sessions. But this tradition has been costly due to scarcity of training function and time constraints. Therefore, the IS audit function should lead the role of knowledge sharing by creating a platform where staff can access reference materials via ICT facilities. The following objectives will be implemented to realize this goal:

3.1 To implement internal website of the OAG

Having internal website will facilitate a structured access to knowledge within the OAG. Via the internal website, staff will be able to gain information by simply logging to OAG's website. The division will work to establish a website for internal use by all staff members.

3.2 To create knowledge sharing database

The OAG has a number of documents including audit manuals, guidelines, policies and other publication materials. These materials although are available in the OAG library in hard copies, there are many staff members who are not aware of their existence. Creating a structured database system for the available and potential source of knowledge will facilitate easy sharing within the OAG?????

3.3 To open online and classroom education for OAG staff

Since the 90's, OAG has been working hard in becoming a learning organization. A number of OAG staff members have benefited from the academic and professional educational opportunities provided by the office. Technical competence of people is vital for smooth operation of IT facility. With

this objective, the OAG will work for professionalizing the IT staff to fill the apparent skill gap in the division.

3.4 To train OAG staff in Office and audit applications

OAG staff, (including the IT staff) are challenged with proper utilization of office application. Although Microsoft application has a number of functions pertinent to audit, very few auditors are actually using some of the features. With this objective, regular training in the use of MS Office applications will be delivered to all staff.

Goal 4: To be a leading enabler for quality audit services

Goal 4 of the corporate strategy has made a priority the delivery of quality audit services to its stakeholders. Information technology should be a leading enabler by supporting the core business in achieving the delivery of quality audit services. To achieve this goal, the following objectives are set:

4.1 To establish IT Audit function

An IT Audit function is one of the vital instruments in audit. In the OAG, there is only one IT Audit professional who has been mainly engaged in occasional IT Audits. With the increase in recruited staff, we have to train more people and establish formally the IT Audit function.

4.2 To introduce Audit interrogation software

The OAG is conducting its audits manually. Introducing interrogation software could reduce time spent in processing the sampling and data analysis manually. With this objective, the IS audit division will support the audit departments to have interrogation software and apply it in their daily works.

4.3 To introduce Audit management Software

Automating the audit management will alleviate the shortage of supervisors in the OAG. Currently all supervisor's position is vacant due to shortage of manpower and required experience. Proper application of Audit Management Software (AMS) will facilitate audit reviews and reduce unnecessary waste of paper, printing cartridges and address environmental concerns.

4.4 To assist management in layout and binding of audit reports

Quality audit reports is an issue to be addressed seriously. Content, presentation and layout of audit reports need improvement. To this effect, the IT division will train one or two staff members who will assist the audit department in improving the presentation of audit reports

Goal 5: To improve the communication process to upgrade the image of the OAG

The responsibility of communication function in the OAG rests at the IS Audit division. However, the communication practice have been limited in exchange of emails.

The OAG needs to have to update its communication policy and strategy to addresses internal and external stakeholders so as to boost its image and impact for the audit services it provides. The modern audit profession demands Supreme Audit Institutions to properly communicate with internal

and external stakeholders to make them understand the roles and responsibilities they are playing in promoting governance, transparency and accountability in the public sector.

5.1 To upgrade OAG Communication Policy

The OAG has a communication Policy and strategy based on its Vision, Mission and Core Values. That Communication Policy amplifies the communication strategy that should be with internal and external stakeholders based on the analysis conducted. However, the policy needs to be revised to upgrade the communication channels with the major external stakeholders such as the Office of the President, the Ministry of Finance, the Judiciary and others to establish strong work relationships. The Public should also be communicated to create positive awareness about the OAG role in increasing transparency of public spending and high quality of financial management.

Though the OAG is pursuing on an 'open door policy' with its internal stakeholders, it should also enhance its internal communication channels at all levels. It is vital that employees have a thorough understanding of the OAG and its functionality through various channels of communication to keep them informed of OAG's affairs and encourage them play their part in improving the quality of audit services.

5.2 To enhance engagement with media to increase the awareness of the public

The OAG should establish a framework that engages the media and the public and raise the level of awareness in government auditing and the roles and responsibilities of the OAG. To date, the OAG has had very limited but fruitful communication with the media. We also believe that we have constructed a trust with media practitioners and they have positive attitudes towards our audit works. We, therefore, need to cross the boundary of silence and come up with the necessary communication tools to explain to the public what we do and uplift OAG's image.

Dealing with the media is not just about generating publicity for a good cause. It is about helping the Eritrean public understand something specific about the works of the OAG. To this effect, the OAG should establish a framework that upgrades its communication strategy and strive for the implementation of the planned activities so that public confidence in the OAG can increase.

5.3 To design a mechanism for collecting feedback from stakeholders about the OAG

To be effective in its works, the OAG requires a feedback from its stakeholders. The whole idea of collecting feedback from stakeholders is to get information on audits conducted so as to enable it to assess its performance and adjust accordingly. It is a strategy to improve a professional practice leading to quality improvement interventions. However, it is important that the feedback should be provided on time if it is to have impact on the operations of the OAG. Therefore, to collect such feedback from its stakeholders, the OAG would need to design an appropriate mechanism so that it can take corrective measures for improving its performance.

4. Critical Success Factors

The following are the factors that are considered most critical factors for success in the implementation of the Strategic Plan.

- **Commitment by top management:**
Successful implementation of the Strategic Plan requires, among others, strong leadership, commitment, and participation by top management. The OAG has a committed top management that participates actively in the implementation of the Strategic Plan.
- **Staff retention:**
In order for the strategic plan to be implemented as planned, the retention of IT staff members is critical. To enable the OAG retain its staff, the following activities should be implemented:
 - The OAG should secure conducive work environment by improving workplace amenities
 - The OAG should upgrade the educational opportunities for ICT staff by exploring additional funds.
- **Securing adequate financial and human resources:**
Allocating the necessary financial, structural, time and human resources are vital to successfully implement the Strategic Plan. The Strategic plan is developed having the assumption that the OAG will allocate adequate human and material resources to IT division. While the regular recurrent and capital budget obtained from the government is the main financing source, the OAG will also be required to secure additional funds from development partners to implement the Plan successfully. To this effect, the OAG will try to continue the partnership it created with UNDP. The OAG should also approach potential development partners such as the EU, the ADB and others.
- **Change management:**
When new ideas or business reengineering and specially automating audit process are introduced to an organization, there are always forces and attitudes that are for and against the change. Therefore, we should be able to strengthen the forces for change and organize change advocates that can create awareness among those who oppose the change and bring them on board the change process. A change management team selected from all OAGs departments and divisions should be established. The team supervised by top management will ensure the implementation of desired changes phase by phase.

5. Change Management

Change management is closely linked to stakeholder engagement procedures. The identified areas of improvement and the desired change was based on a need's analysis conducted both internally and externally. In addition, the activities and the desired changes have been discussed among the main stakeholder of the OAG, the employees. Thus, the strategic plan has already got management and employees buy-in.

A change management team composed of all OAGs departments and divisions should be established. The team will be led by top management and will ensure that all desired changes are implemented phase by phase. The team should identify short term targets which will be presented as quick wins. The team will track progress of change activities and report the status to the Auditor General.

6. Monitoring and Evaluation

The monitoring and evaluation plan are expected to allow the ICT Division to work more effectively and efficiently towards achieving the goals and objectives. Based on the implementation matrix

designed for the five years activity plans, an operational plan for the ICT Division will be developed annually.

ICT Division will monitor its activities closely and prepare evidence based report for review by the M&E committee of the OAG.

6.1 Performance Measures

The IS Audit division Strategic Plan should be implemented, monitored and evaluated. To do this, we need to formulate Performance Measures to evaluate and communicate performance against the expected results. The Performance Measures encompass the indicators that can track the implementation of the Strategic Plan, help to measure the gaps encountered as compared to the targets set and measure the organizational effectiveness and operational efficiency, and improve service delivery. Performance measures also help to define and assess success. The IS Audit division has formulated a detailed Performance Measures. *Refer to annex 1 for the table of Performance Measures.*

6.2 Implementation Matrix

The division has prepared an Implementation Matrix that serves as a bridge between the strategic plan and operational plans. It has also identified the priorities from the activities to be undertaken to achieve the goals and objectives of the strategic plan.

In the implementation matrix, the required resources for implementing the projects, the people responsible for the projects, the success factors and risks involved for the whole strategic plan period are identified. *Refer to annex 2 for the implementation annex.*

