NATIONAL AUDIT OFFICE

STRATEGIC PLAN
2021 – 2025

July 2021

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FOREWORD

The call for a responsive and efficient public sector is becoming more and more relevant in forming a basis of reforms in the public sector that the Government of Malawi is undertaking to bring about improved service delivery. On the other hand, strong Public Financial Management (PFM) systems are essential for effective and sustainable economic management and public service delivery. PFM is instrumental for the expansion of economic growth and increase available resources as outlined in the Malawi Growth and Development Strategy III (MGDS III) and Malawi 2063 that have integrated the Sustainable Development Goals (SDGs) and Agenda 2063.

Comprehensive disclosure in a timely and systematic manner of all relevant information on management of public resources including those from taxes and extractive industries – their collection and use through a PFM system to pursue policy goals, are seen as key to ensuring accountability. As such, timely and reliable information about the performance of various Ministries, Departments and Agencies (MDAs) is eminent to policy makers.

National Audit Office (NAO) plays a critical role in Malawi in providing assurance on PFM. The Office exists to promote accountability, transparent administration and good governance in the public sector through the provision of quality and timely audit services, in order to assure the nation that public resources are economically, efficiently and effectively used. Furthermore, there are emerging issues with regard to public service delivery, which are having implication on delivery of audit services. These include among others; PFM Reporting Framework; growth of the extractive industry, increasing government portfolio and budget; perpetrators of financial mischief becoming increasingly imaginative and sophisticated in the use of information technology and systems; and demand for tangible and sustainable development in the country. This calls for maximum efficiency and effectiveness in the discharge of its mandate.

In order to meet the demands for a well-governed public service, NAO has developed its 2021-2025 Strategic Plan that outlines clear and relevant plans for the attainment of its strategic objectives and outcomes. In order to deliver value and benefits to the citizens within the period of five (5) years, NAO intends to: Increase stakeholders' confidence in government financial systems and ensure timely and quality audit services; Enhance value for money, environmental sustainability and integrity of IT systems in MDAs when implementing planned projects and programmes; increase stakeholders' confidence on proper utilization of public resources; enhance stakeholder engagement; and embark on improving organizational management and administrative process.

This Strategic Plan comes at a time when the Government of Malawi is implementing Public Service Reforms including public financial management reforms aimed at ensuring effective service delivery to the citizenry. It is, therefore, imperative that NAO adds the required value and contribute the relevant benefits to the citizenry if it has to stay relevant.

For these and many other reasons, National Audit Office needs to be strengthened in every significant and substantial way. It is, therefore, my hope that National Audit Office will receive full support from stakeholders when this Strategic Plan is being implemented.

Zanga-Zanga D. Chikhosi
SECRETARY TO THE PRESIDENT AND CABINET

PREFACE

Public sector auditing is a vital factor in making a difference to the lives of citizens. The auditing of government and public sector entities by NAO has a positive impact on trust in society because it focuses the minds of the custodians of public resources on how well those resources are utilized. Such awareness supports desirable values and underpins accountability mechanisms, which culminates in improved decisions. In this regard, my office promotes accountability, transparency, integrity and value for money in the management of public resources to all stakeholders. An independent, effective and credible NAO is, therefore, an essential component in a democratic system where accountability, transparency and integrity are indispensable parts of a stable democracy.

Increasing awareness among the public about government service delivery has led to Government of Malawi initiating many reforms in the public sector. This has called for the need to have an assurance on the strength of PFM systems to bring about improved delivery of services to the public. In addition, demand for timely and reliable information about the performance of various MDAs and institutions by policy makers has increased. In line with the above mentioned factors, NAO aims at reshaping and rebranding its image and architecture through this Strategic Plan to guide the office in the implementation of measures that will enhance good governance in public administration.

The Strategic Plan covers a period of five years from 2021 to 2025, and places emphasis on the enhanced independent status of NAO; increased stakeholders' confidence in government financial management systems; enhanced value for money, environmental sustainability and integrity of IT systems in the MDAs when implementing their planned projects and programmes; increase stakeholders' confidence on proper utilization of public resources; improved organizational management and administrative processes; improved information, communication (internal and external) and technology services; and enhance stakeholder engagement.

By addressing issues of independence of NAO, Malawi will be in line with United Nations Resolution A/69/228 of 2014 (building up on A/66/209 of 2011) on promoting the efficiency, accountability, effectiveness and transparency of public administration by strengthening Supreme Audit Institutions. In addition, the plan will, inter alia, aid in the increased audit coverage, timely and quality audits and a wider collaboration with all stakeholders such as Parliament, Public Accounts Committee, the media, law enforcement agencies, MDAs and Development Partners.

Implementation of a Strategic Plan, in particular, a plan that focuses on greater reforms, calls for adequate financial and other resources. NAO will, therefore, gladly appreciate any support from stakeholders during the implementation of the plan.

Thomas K.B. Makiwa
<u>ACTING AUDITOR GENERAL</u>

ABBREVIATIONS AND ACRONYMS

AG	: Auditor General
AFROSAI-E	: African Organisation of English-Speaking Supreme Audit Institutions
DHRMD	: Department of Human Resource Management and Development
GWAN	: Government Wide Area Network
ICT	: Information and Communication Technology
KPA	: Key Priority Area
KRAs	: Key Result Areas
MDA	: Ministries, Departments and Agencies
MGDS	: Malawi Growth and Development Strategy
OPC	: Office of the President and Cabinet
PAA	: Public Audit Act
PFMA	: Public Finance Management Act
PPDAA	: Public Procurement and Disposal of Assets Act
SDGs	: Sustainable Development Goals
SP	: Strategic Plan
UNDP	: United Nations Development Program
UNICEF	: United Nations Children's Fund

1.0   INTRODUCTION AND BACKGROUND

This Strategic Plan has been developed to provide the institution with a clear and focused direction in the implementation of its operations for the period 2021 to 2025. The development of this Plan follows the expiry of the 2015 – 2019 Strategic Plan, a situation that justified the need to put in place a successor tool that would effectively guide NAO in discharging its mandate.

The development of this Strategic Plan is an outcome of a highly consultative and participatory process involving members of staff and key stakeholders. The Plan articulates NAO's strategic focus in the next five years. Specifically, the Plan outlines the strategic context within which NAO operates, highlighting changes it is undergoing including the expectation to give the institution an autonomous status in its operations to enhance its independence in the discharge of its duties.

The Strategic Plan, by its nature, will serve as a decision making framework for NAO's top management in the next five years.

2.0   STRATEGIC OVERVIEW

2.1. Establishment of the National Audit Office

The Office of the Auditor General was established before Malawi became independent. Article 79 (4) of the Constitution of the Federation of Rhodesia and Nyasaland mandated the Auditor General of the Federation to submit his report on the public accounts of Nyasaland Protectorate (now Malawi) to the Legislative Council. During that period, the Colonial Regulations empowered the Auditor General to audit and inspect all public accounts of Government.

After Malawi attained its independence in July, 1964, the Constitution of the Federation of Rhodesia and Nyasaland was replaced by the Constitution of the Republic of Malawi. Section 85 of the new Constitution then empowered the Auditor General to submit his report to the National Assembly through the Minister of Finance. During that time, the Finance and Audit Ordinance 1963 replaced the Colonial Regulations that stipulated the rights and duties of the Auditor General. The Office of the Auditor General was also changed to Audit Department.

According to the Finance and Audit Ordinance 1963, the Auditor General was required to submit his report to the National Assembly through the Minister of Finance annually not later than nine months after the closure of each year.

The Finance and Audit Ordinance 1963, was revised to the Finance and Audit Act No. 44 of 1966 and came into operation on 1st January, 1967. In terms of Section 35 of the Act, the Auditor General, on behalf of the National Assembly, was required to examine and enquire into and audit the accounts of all controlling officers and receivers of revenue and all persons entrusted with the collection, receipt and custody or disposal of public monies and stores. The Auditor General was, under Section 43 (1) of the Act, required to submit his report to the Minister of Finance who in turn was mandated to table the report to the National Assembly in line with Section 44 of the Act.

Since July 1964, Malawi was a one party state until 1994 when the first multiparty Government came into being. Due to several cConstitutional reforms that took place, the establishment of the Office of the Auditor General which was under Section 85 changed to Section 184. Section 184 (1) of the Constitution provides that here shall be the office of the Auditor General who shall audit and report on the public accounts of Malawi, and shall exercise such other powers with relation to the public accounts and the accounts of public authorities and bodies as may be prescribed by an Act of Parliament, insofar as they are compatible with the principal duties of that office.

As elucidated above, the audit of public finances of Malawi were provided for in the Finance and Audit Act. It was, however, observed that the audit provisions in the Finance and Audit Act were largely outdated and did not reflect the Government's audit policies. The Government, therefore, decided to introduce the Public Audit Act in 2003 so that modern trends and international best practices are reflected. Consequently, the Public Audit Act was dedicated to public audit practice. The enactment of the Public Audit Act, 2003 separated the Office of the Auditor General from the Ministry of Finance and the name **Audit Department** was changed to **National Audit Office.**

Subsequently, amendments were made to the Public Audit Act of 2003, which is cited as Public Audit (Amendment) Act (2016) and was enacted in March 2018. The amendment provided for the Auditor General as the head of the NAO. It further provided for the enhancement of administrative, operational and financial independence of NAO.

As a matter of evolution of office bearers, the Audit Department was led by expatriates until 1977 when the first Malawian Auditor General, Mr. G.G. Kukada, was appointed. Since then, the Audit Department had experienced a trend of Malawian Auditors General. After Mr. G.G. Kukada, the following were appointed as Auditors General:

- Mr. J.N.T. Mpambachulu;

- Mr. M. Kamphambe Nkhoma;

- Mr. G.B. Chiwaula;

- Mr. H.B. Kalongonda;

- Mr. R.A. Kampanje; and

- Mr. S.D.L. Kamphasa, whose tenure of office ended in 2018. Since then, no Auditor General has been appointed.

2.2. NAO Governance and Management Structure

NAO is headed by the Auditor General who is responsible for auditing and reporting on the public accounts of the Republic of Malawi at least once a year to Parliament. The main function of the Office is, thus, to audit and report on public accounts of Malawi Government revenue collection and expenditure as appropriated by Parliament in order to bring about transparency and accountability in the management of public resources. Currently, the Office of the Auditor General is backstopped by senior executive management which include: Deputy Auditor General, Director of Specialized Audits and Director of Regularity Audits. The recommended and approved NAO organogram is as shown in Figure 1 below.
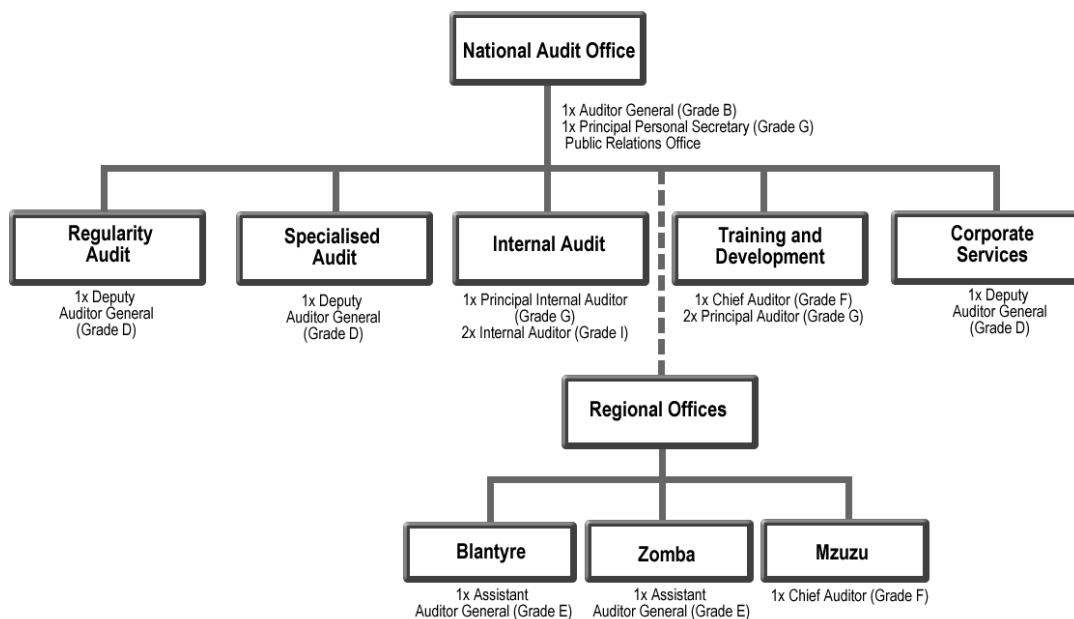
Figure 1: NAO Functional Organizational Structure

2.3. Vision, Mission and Core Values

2.3.1 Vision
An independent Supreme Audit Institution that promotes good governance.

2.3.2 Mission
To provide assurance on accountability, transparency, integrity and value for money in the management of public resources to all stakeholders through quality audits.

2.3.3 Core Values
NAO will be guided by the Core Values outlined below in implementing this Strategic Plan and all other activities. These core values will also shape the behavior standards of employees by which the institution will be measured by its stakeholders from outside in terms of behavioral aspects and performance.

2.3.3.1   Independence
NAO will ensure that audits are conducted independent of the parties that have and may have any interest in the MDAs that are being audited. It will further ensure that the audits are carried out freely and objectively in compliance with auditing standards.

2.3.3.2   Professionalism
NAO will ensure that it discharges its duties following ethical and standard procedures using highly qualified, competent and skilled staff across its establishment.

2.3.3.3   Integrity
NAO will at all times seek to:
- Act in good faith in the provision of audit services and all other day to day activities and display humility.

- Have a commitment to ethical behavior and focus on justice and fairness.

- Exercise care not to disclose confidential information.

2.3.3.4   Transparency and Accountability
NAO in the course of implementing this Strategic Plan will seek to:
- Take responsibility for its members' actions and act in a transparent manner.

- Create communication channels for stakeholder engagement.

2.3.3.5   Innovation

NAO will nurture and support creativity for its staff members and the development of new ideas, processes, products and services geared towards enhancing client focused audit services

2.3.3.6   Inclusiveness

NAO recognizes that stakeholder collaborations, partnerships and coordination efforts are the essential pre-requisites for achieving its vision and mission. To this end, it will ensure that inclusive partnerships that recognize the different and complementary roles of all stakeholders are established.

2.3.3.7   Confidentiality

NAO will embrace a balanced approach to disclosing audit information that is ready for public consumption without compromising its integrity.

2.4. CONSTITUTIONAL, LEGISLATIVE AND OTHER MANDATES

There are a number of legislative and other mandates that inform and guide the operations of public institutions including NAO. These include Constitutional mandates, legislative mandates which are enshrined in the specific Acts of Parliament, policies as well as international and regional obligations. NAO, apart from drawing its mandate from instruments that established it, is also obligated to comply with other Government Acts and Policies.

2.4.1   The Constitutional Mandate

The Constitution of the Republic of Malawi of 1994, as amended, is the supreme law of the land. The Constitution forms the legal foundation of a democratic Malawi and sets out the rights and duties of its citizens. It also defines the structure of Government within which there are several institutions serving in different sectors. Section 184 of the Constitution establishes the office of the Auditor General who shall audit and report on the public accounts of Malawi, and shall exercise such other powers in relation to the public accounts and the accounts of public authorities and bodies as may be prescribed by an Act of Parliament.

2.4.2   Legislative Mandate

NAO specifically derives its mandate from the Public Audit Act of 2003, amended in 2018. The Act establishes the NAO as a Supreme Audit institution. The Act also provides for the strengthening of audit practices in the public service, among other things. The purpose of the Public Audit Act is to give effect to the principle of accountability of Government to the public through the National Assembly.

2.4.3 Linkages with Other Acts and Policies
2.4.3.1 The Public Service Act of 1994

The Public Service Act of 1994 makes provision for the administration and management of the public Service. It calls for a public service that will deliver services to the public in an efficient and effective manner; that will be an instrument for generating and maintaining public confidence in government; that will be impartial, independent and permanent to continue undisrupted services regardless of the party which is in power and; that will be guided by public interest and welfare of the public in the delivery of services and design and implementation of policies and programs. The Public Service Act also calls for a public service that will achieve and maintain high levels of integrity and professional conduct of all public servants.

The Act provides for meritorious recruitment and advancement of staff; fairness in human resource management practices; and modernization of public service management practices in order to promote efficient delivery of public services and welfare of public servants within the boundaries of the law.

NAO will ensure that the implementation of its Strategic Plan and other programs is aligned to the provisions in the Public Service Act.

2.4.3.2   The Public Finance Management Act of 2003

The Public Finance Management Act (PFMA) (Cap. 37:02) of 2003 was enacted in order to foster and enhance effective and responsible economic and financial management by Government, including adherence to policy objectives; to provide accountability arrangements and compliance to those arrangements; to obligate Government to produce statements of proposed budget policy, confirmation of adherence to fiscal discipline, economic and fiscal statements, including economic and fiscal forecast and updates, and performance information. NAO considers the PFMA as the basis for transforming public sector institutions to enhance financial prudence and accountability. NAO will, thus, adhere to the provisions of this Act.

2.4.3.3   The Public Procurement and Disposal of Assets Act of 2016

The Public Procurement and Disposal of Assets Act (PPDAA) of 2016 replaced the Public Procurement Act of 2003 and was enacted to provide for the establishment of the Public Procurement and Disposal of Assets Authority which regulates, monitors and provides oversight over public procurement and disposal of public assets. The PPDAA also aims to "maximize economy and efficiency in public procurement and disposal of public assets to improve value for money." Part VIII of the Act focuses on the integrity of public servants in procurement processes and calls for, among other things, impartiality, avoiding conflict

of interest, avoiding any corrupt and fraudulent activities and keeping information regarding procurement processes confidential. The Act, therefore, is instrumental in preventing loss of public resources through unsystematic and unregulated procurement, poor decision-making, fraud and corruption by public servants. NAO recognizes the PPDAA as an essential instrument for enhancing public sector governance and utilization of public assets. It will, therefore, ensure that the provisions of this Act are adhered to.

2.4.3.4   The Malawi 2063

The Malawi 2063 (MW2063) is a long-term development vision and aspirations of the country. By 2063, Malawi aspires to be an industrialized upper middle-income country, which primarily finances its own development needs. MW2063 is anchored on three key pillars, namely: Agriculture Productivity and Commercialization; Industrialization; and Urbanization. The attainment of these three pillars will be catalyzed by seven enablers, namely: Mindset Change; Effective Governance System; Public Sector Performance; Private Sector Dynamism; Human Capital Development; Economic Infrastructure; and Environment sustainability.

National Audit Office (NAO) aims to contribute towards the achievement of Malawi 2063 through ensuring the attainment enabler on effective governance systems and institutions with strict adherence to the rule of law. Specifically, by implementing its mandate of public auditing to provide assurance on accountability, transparency, integrity and value for money in the management of public resources.   NAO is contributing towards good governance by making a difference to the lives of the citizenry and sound financial and economic management.

2.4.3.5   The Malawi Growth and Development Strategy III (MGDS III)

The Malawi Growth and Development Strategy III (MGDS III) is the medium term development framework for achieving the aspirations in the National Vision. The public service is the main driver for the design and implementation of the MGDS III and its efficiency and effectiveness is critical for the realization of the outcomes sought in the MGDS III. The MGDS III aims at achieving development outcomes that will contribute to the building of a productive, competitive and resilient nation. The MGDS III, therefore, calls for an efficient and effective public service that will spearhead implementation of policies and programs that will contribute to the realization of the sought development outcomes.

The services offered by NAO cut across all the Key Priority Areas (KPAs) and other development areas as all interventions are subject to audits. Thus, NAO's Strategic Plan subscribes and is aligned to all the KPA's of the MGDS III. The focus is mainly on ensuring that resources are utilized for the intended purposes and that they generate the required performance targets in order to attain sustainable development.

2.4.3.6   The Public Service Management Policy of 2018

The Public Service Management Policy of 2018 guides the governance and management of the Public Service to become a result oriented, efficient, dynamic and high performing institution that will deliver quality public services and facilitate achievement of strategic national development outcomes and aspirations outlined in the MGDS and national vision, respectively. It will spell out the guiding principles, the values and practices that will need to be inculcated and institutionalized for the desired Public Service to be established.

The public service includes all institutions that fall within the three branches of Government: the Executive, the Legislature and the Judiciary. These include ministries, departments and other government agencies that are created by relevant Acts of Parliament. NAO will ensure that relevant areas of the Public Service Management Policy are effectively domesticated in its programs and are adhered to.

2.4.3.7   The Public Sector Reforms Policy of 2018

The Public Sector Reforms Policy provides and outlines an agenda on public sector reforms, the institutionalization of the reforms as well as the management, monitoring and evaluation of the reforms.

The policy covers issues in the public sector that need to be addressed through reforms and are consequently taken as key priority areas in the reform process that will be pursued in the short to medium term. The PSR Policy is a living document, which will be subject to review every 5 years in tandem with the changes in the medium term development strategies (MGDS III) and global trends in public administration and development generally.

NAO will, thus, ensure compliance with the guiding principles provided by this policy when conducting various audits by identifying and implementing reform initiatives meant to improve service delivery.

2.4.4   Regional and International Agreements

2.4.4.1 Agenda 2063

Malawi is a signatory to the Agenda 2063, **"The Africa We Want,"** which aims at building upon the achievements and draw lessons from earlier strategic planning efforts at regional and sub-regional level, including the Lagos Plan of Action, the Abuja Treaty and the NEPAD, to address new and emerging issues in the continent over the short,

medium and long-term period. NAO will ensure that relevant thematic areas of the Agenda 2063 that have been domesticated are adequately audited in order to ensure accountability, transparency and good economic governance.

2.4.4.2   Sustainable Development Goals (SDGs)

The Sustainable Development Goals (SDGs) are a new universal set of goals, targets and indicators that UN member states are expected to use to frame their national development agendas/strategies over the next fifteen (15) years. The SDGs follow and expand on the Millennium Development Goals (MDGs) which were agreed by governments in 2001 and expired in 2015.

The SDGs are a comprehensive and ambitious set of goals intended not only to spur growth but also ensure that such growth is equitably shared so as to leave no one behind. They are aimed at creating a just society where resources are sustainably utilized in such a way that the lives and well-being of all citizens are safeguarded. Unlike the MDGs where environment was represented by a single goal, the SDGs have taken environment as a core element with at least one target in each of the 17 goals and close to half of the 169 targets relate to the environment. It is, therefore, unlikely that the SDGs can be achieved without environmental sustainability. The SDGs bind all nations in a pact that ensures upward movement of all countries at the bottom of the ladder through partnerships among themselves and with other first world countries in the development process.

The effective achievement of the SDGs at national level depends on the country having requisite capacity to domesticate and implement the 17 goals and targets in the relevant sectors of the economy. NAO as an institution will ensure that relevant goals, targets and indicators are identified and mainstreamed in its various programs. In addition, NAO endeavors to provide assurance on the implementation and achievement of goals which have been domesticated according to the national priorities.

3.0   OVERVIEW OF THE IMPLEMENTATION OF THE 2015 – 2019 STRATEGIC PLAN

3.1 Achievements, Challenges Encountered and Lessons Learned

The development of this Strategic Plan was informed by the previous plans and policies that NAO put in place to create a clear and more focused direction in the implementation of its mandate. The 2021 – 2025 Strategic Plan has been developed to assist NAO build on the achievements realized in the implementation of the previous frameworks including the 2015 – 2019 Strategic Plan and address the challenges that it

encountered during the period under review. A number of notable achievements have been documented but also challenges and lessons that were learnt in the process. Table 1 is a summary of some major achievements, challenges and lessons that were learned.

Table 1: Achievements, Challenges encountered and Lessons Learned

#	Achievements	Key Challenges Encountered	Lessons Learnt
1	Number of performance audit reports produced increased from 1 to 6	Staff capacity constraints in terms of numbers	Capacity building in emerging issues on sustainable development goals, extractive industries and environmental related issues requiring performance audit
		Financial constraints	Continue to lobby with GoM and/or DPs for more resources
		Delays in executing of audits and production of reports	Need to expedite the audits through proper planning in order to meet the demand for performance audit by various stakeholders
		Inadequate analytical and reporting writing skills	Need to critically review the whole government approach to audit reporting in performance auditing
2	Production of IT/IS audit reports increased from 1 to 5	Lack of adequate expertise and methodology	Use of methodology and combination with other audits
		Delays in reporting	Need to review and design an effective IT audit plan
3	Compliance with Annual Statutory audit deadlines	Late receipt of Financial statements from MDAs	Continuous engagement with Accountant General on the need to have F/S prepared on time
		High demand for ad hoc audits by Government	Sensitization of our clients on the audit calendar
		Failure to conduct debt and aid audits	Ensure that NAO has a section that audits Debt & Aid
			Develop capacity within NAO for auditing Debt &

			Aid
4	Development and updating of audit manuals	Difficult to mobilise ideas to input into the manual	Need to conduct joint planning sessions with other audit disciplines
		Lack of Research & Development Section	Need to institute the R&D Section at NAO
5	Increase in audit coverage from 40% to 84 %	Poor quality of audit work	Invest in Quality Control and Quality Assurance
			Review the AG's report framework
		Financial constraints	Continue to lobby with GoM and/or DPs for more resources
		Inadequate mobility	Continue to invest in fleet management
6	Timely reviews of pension files	Lack of supporting documents in the files	Continue to interact and sensitize HR officers from MDAs on this matter
		Enormous errors in computing the terminal benefits of the beneficiary	
7	Annual plans, budgets, performance contacts and quarterly reports produced and submitted to OPC timely.	Mobilising of data & information to compile the reports is a bit problematic	Need to sensitise lead officers on the need for such report (both for internal & external use)
8	Increase in staff recruited, trained and promoted.	Inadequate office space to accommodate additional staff	Need for a functional review to address current staff and job demand

4.0   STRATEGIC ANALYSIS

4.1   NAO's Key Result Areas (KRAs)

4.1.1   Financial Audits

The National Audit Office is responsible for auditing financial statements prepared by Government MDAs including Local Authorities, State Owned Enterprises (Parastatals), Donor funded projects as well as Treasury Funds.

Financial audit entails expressing an opinion as to whether or not the financial statements are prepared, in all material respects, in accordance with an identified/applicable financial framework and/or statutory requirements. Its role is primarily to provide an independent, external evaluation of accounting and internal control systems and of samples selected to form an opinion on whether:
- The financial statements, notes and paragraphs are a reasonable presentation of the results of activities for the year;
- Applicable internal control procedures necessary for sound financial management were in place; and
- All income, expenditure, assets and liabilities are recorded and accounted for

All this, means that financial audit entails the attestation of the correctness, truthfulness and fairness of an entity's financial statements. It is paramount for financial audits to be planned, conducted and reported on in a very well structured manner.

With an increase in information technology in most government operations, the National Audit Office is committed in this strategic period to automate all its audit operations through the usage of an audit management system.

There are also emerging new areas such as debt and aid audit, extractive industries audit as well as environmental audits, which the National Audit Office is committed to undertake in the next five years.

In this Strategic Plan, the National Audit Office is committed to increasing its audit coverage of parastatal audits. So far, the Office has just been conducting reviews of audits on Parastatals, which are conducted by the private audit firms on an outsourced arrangement as provided under Section 10 (1) of the PAA (2003). Moving forward, in this Strategic Plan, the office will gradually take over these audits.

The Office is, therefore, committed to training its staff in audit standards as well as auditing skills to ensure the high quality and expected timeliness of audits. The Office is also committed to strengthening its quality assurance function towards this very important goal.

The National Audit Office is also committed in the next five years to improving and cleaning up its registry to enable better storage and retrieval of audit reports.

Currently, MDAs are preparing financial statements of the individual votes and are audited separately. Although MDAs started preparing their own financial statements, NAO has challenges on staff capacity in terms of levels to ensure timely audit of financial statements. Furthermore, the introduction of other audit services such as extractive industries, environmental and public debt audits calls for the increase in staffing levels of financial auditors.

In order to effectively conduct the financial and compliance audits, NAO intends to re-examine its staffing profile to determine the right number of staff and appropriate staffing mix. As such, NAO plans to increase staffing levels from 126 to 200 financial and compliance auditors by 2025.

4.1.2   Compliance Audits

Compliance audit is an assessment of whether the provisions in the applicable laws, rules and regulations made thereunder and various orders and instructions issued by the competent authorities are being complied with. This audit by its very nature promotes consistent accountability, good governance and transparency.

Apart from the normal compliance audits of MDAs, local authorities, parastatals, Treasury Funds as well as Embassy audits, NAO is committed in the next five years to also focus on the following compliance audits: Debt and Aid; Environmental; Extractive industries; Public Financial Management systems; and Transversal audits.

Just as the case is for financial audits, it is also imperative that compliance audits be planned, conducted and reported on in a structured manner.

4.1.3   Performance Audits

This key result area focuses on ascertaining performance of government institutions including projects.

Performance audit is an audit of economy, efficiency and effectiveness with which the audited entity uses its resources to achieve its goals. In other words, it is an examination of whether government ministries or departments are "doing the right thing in the right and least expensive way
- Economy is defined as minimizing the cost of resources for an activity having regard to appropriate quality;
- Efficiency is the relationship between the output in terms of goods and services or other results and the resources used to produce them i.e. inputs; and
- Effectiveness refers to effects compared with goals and related to the resources used to achieve these goals.

The scope and timing of the audits are not predetermined and requires staff with multidisciplinary skills. The scope for value for money audit is wider as it covers diverse areas such as programmatic reviews, operational reviews and environment. The main focus is to look at the outcome of implemented projects and programmes. This is done by ascertaining the efficiency (spending well by looking at the relationship between the output from goods and services and the resources to produce them); effectiveness (spending wisely by looking at the relationship between the intended and actual results of public spending); and economy (spending less by minimizing the cost of resources used or required without compromising the standards).

In line with the objectives of *ISSAI 12: "the Value and Benefits of Supreme Audit Institutions – making a difference to the lives of citizens"*, performance audits give a leverage to NAO to demonstrate its relevance to the citizens as tax payers and other key stakeholders in promoting accountability, transparency and good governance. There have been emerging issues that require performance audit discipline and they include:

- Implementation of the Malawi Growth and Development Strategy III and Malawi 2063, which has been aligned with the Sustainable Development Goals and the African Union Agenda 2063. This has called for a need to establish and provide insight as to whether the implementation of the development plans has led to the desired outcomes and impacts;
- Extractive Industries covering solid minerals and oil extraction: These have called for the need to provide greater insight into the implemented activities along the Extractive Industry Value Chain;
- Environmental related issues such as solid and liquid waste management, forestry management, land and other natural resources management requiring performance audit approaches;
- Development Partners' need for ascertainment of value for money on the resources and technical support provided to the Malawi Government through various projects.

This has led to high demand for the Value for Money audits on the implemented projects and programmes in the MDAs.

In order to address the demand for the audits from various stakeholders in the next five years, NAO intends to strengthen capacity of the Performance Audit Function in terms of increasing staffing levels from 19 to 53 and other resources including enhancement of the methodology aspect for conducting the audit by automating the performance audit flow. It also intends to increase production of audit reports from 6 to at least 10 progressively on annual basis by the year 2025. Programmatic audits will be implemented that will ensure integration of the various audit disciplines to strengthen the reported audit observations. NAO also plans to decentralize the discipline to the regional offices. The decentralization of the discipline entails more staffing numbers and financial resources.

4.1.4 Information Technology/Information Systems Audits

Rapid growth in Information Technology (IT) has led to increased adoption of technology in supporting public service delivery. MDAs have adopted and become dependent on information technology/systems. The transition to computerized information systems has triggered a significant change in the environment in which the National Audit Office operates - both as an institution and how the office carries or intends to carry its mandate.

In 2019, at the International Congress of Supreme Audit Institutions (INCOSAI, 2019), a resolution was made for SAIs to make better and greater use of Information Technology in fulfilling their mandates by planning IT-specific audits, developing IT analytical skills and introducing IT techniques into the public audit practice.

The Office is, therefore, committed in this Strategic Plan to undertaking Information Systems audits and decentralize the discipline further to the regional offices. The decentralization will entail more staffing numbers, training and financial resources. Information Technology/Information Systems audit involves an evaluation of the management controls within an Information system infrastructure to determine if information systems:
• Safeguard assets;
• Maintain data integrity; and
• Operate efficiently and effectively to achieve the organization's goals.

In this regard, the Office is committed to performing the following IT/IS audits;
- Conduct stand-alone Information Systems Audits
- Conduct IS audits conjointly with Financial Audit especially in the Audit of Financial Statements produced in the Integrated Financial Information System (IFMIS).
- Conduct IS audits conjointly with Performance Audit

Some of the IT/IS systems the Office will focus on include:
- Integrated Financial Management Information System (IFMIS) (SAP-ERP) for Central Government hosted by the Accountant General's Department, under the Ministry of Finance;
- Integrated Financial Management Information System (IFMIS) (Serenic Navigator-ERP) for Local Government hosted by the Local Authorities;
- Human Resource Management Information System (HRMIS) in the Department of Human Resources, Management & Development;
- Automated System for Customs Data(ASYCUDA) in Malawi Revenue Authority;
- Malawi Traffic Information System (MALTIS) in the Ministry of Transport and Public Works;
- Secured Documented Issuance System (SDIS) in the Department of Immigration under Ministry of Homeland Security; and

- National Registration and Identification System (NRIS) hosted by the National Registration Bureau under the Ministry of Homeland Security.

The specialized nature of Information Technology/Information Systems Audit requires highly skilled and experienced staff. The office is, therefore, committed in the next five years to training its staff both theoretically and practically in the IT/IS audit. The office will ensure to have over 80% of the IT Audit staff obtaining a Certified Information Systems Audit (CISA) certificate by 2025. We are committed to having our staff practically trained on the IT/IS Champions programme run by AFROSAI-E. Further, the implementation of strategies under this key result area will take into account the Supreme Audit Institution – Information Technology Maturity Assessment (SAIITMA) action plans.

4.1.5   Forensic Audits

The increase of fraud, waste, and abuse in government systems and the current public concern over white-collar crime create a greater need for the development and carrying out of forensic audits in Malawi's public sector. The cost of fraud, waste, and abuse in the public sector is astronomical and negatively affects Malawi's socioeconomic well-being. Forensic audit and successful prosecution of the fraudsters in the public sector will deter the would-be criminals.

The most significant deterrent to criminal behavior is sure and even-handed justice with swift detection and apprehension, a speedy and impartial trial, and punishment that fits the crime.

The National Audit Office has identified forensic audit as one of the strategic imperatives in its 5-year Strategic Plan from 2021-2025. By carrying out effective forensic audits, the Government of Malawi will re-affirm its position in the fight against corruption, fraud, waste and abuse of resources. This will send a message to perpetrators that impunity in the management of public resources will not be tolerated.

In this strategic period, NAO intends to implement the following strategic forensic goals:

- Establish forensic audit unit by 2022;
- Have at least ten (10) qualified Certified Fraud Examiners by 2025;
- Conduct at least three (3) forensic audits each year by 2025; and
- Accredited forensic audit unit by 2025.

4.1.6 Corporate Services

The division provides policy guidance and leadership for the prudent use of resources and sound administration, financial & human resources as well as ICT services to ensure that the core functions are effective and efficiently executed.

The Division attains its goals through carrying out functions in the following sections: -
- Management and Administration;
- Quality Assurance and Methodology;
- Planning, Research and Development;
- Human Resource Management and Development;
- Finance and Accounting;
- Information and Communications Technology; and
- Public Relations Office.

4.1.6.1.1   Management and Administration

The Section is responsible for provision of administrative and management services for effective operations and implementation of programs. The section is also responsible for coordination of procurement of goods and services. In order to achieve the set objectives in the 2021-2025 Strategic Plan, the section intends to implement the following: -

- Strengthen internal control systems and risk management services by developing and implementing risk management framework and Internal Audit Charter.

- Improve working environment by constructing office complex at NAO headquarters, Mzuzu and Zomba. The section also plans to improve working environment through procurement of office furniture and equipment, motor vehicles and development of fleet management policy.

- Improve strategic and operational management processes through capacity building, development of policies aimed at streamlining of processes to achieve efficiency in office operations.

- Coordinate reform programmes and their implementation.

4.1.6.2 Quality Assurance and Methodology

As a Supreme Audit Institution, the National Audit Office is committed in the next five years to being a model organization in-line with *ISSAI 12 (The Value and Benefits of Supreme Audit Institutions – making a difference to the lives of citizens)*. The next five years will see NAO enhancing its audit methodology and in the process ensuring the quality of not only audit but also the operations it undertakes. This will be in keeping with NAO's mission, which is "*To provide assurance on accountability, transparency, integrity and value for money in the management of public resources to all stakeholders through quality audits*".

For the first time, the National Audit Office will dedicate a stand-alone section towards the goal of improving not only audit quality but also the quality of all operations including corporate services.

This new section will be responsible for Quality Control and Assurance and training in methodology.

Some of the functions and responsibilities include:
- Develop quality control policies and procedures, perform reviews of the Quality Control system and audit engagements which should include audit services as well as corporate services (Finance, Human Resources, Information and Communication Technology(ICT), Administration);
- Maintain a database of quality control reviews; and
- Train the rest of staff in audit standards and methodology

4.1.6.3 Planning, Research and Development

This section is responsible for designing and planning, monitoring and evaluating NAO programs. As of now, this function is not in force. Therefore, the section will also conduct evidence-based research on the new and existing policies, developments and methodologies for both audit and management services and operations. The section will also recommend to management on the adoption of best practices to achieve efficiency and effectives in the operations.

 Some of the functions and responsibilities of this function include:

- Strengthen planning, monitoring and evaluation of programs and projects. This will be achieved through the development a monitoring and evaluation framework, to track the implementation of results;
- Developing strategic plans, annual operational plans, development strategies and budgets;
- Monitoring and evaluating implementation of the plans;
- Monitoring and evaluate budget implementation;
- Develop monitoring strategies. Conducting research on topical issues;
- Evaluating and reviewing of the existing policies and develop new ones that positively respond to emerging issues; and
- Championing the development and review of strategic and operational plans;

4.1.6.4   Human Resource Management and Development

The section is responsible for the management of human resources by ensuring that it attracts, develops and retains appropriate and sufficient human resources for efficient

and effective performance. It focusses on the interpretation and implementation of terms and condition of service, disciplinary issues, recruitment and selection. It also processes and manages payroll.

To achieve the planned objectives in the 2021-2025 Strategic plan, the section has set the following programs among others: -

- Strengthen performance management systems by implementing performance appraisal system and conduct training needs assessment.
- Improve staffing levels by conducting a functional review that addresses the human resource structural gaps as spelt throughout this document, thereafter, recruit and promote staff.
- Improve social welfare services by implementing HIV/AIDS Workplace Policy, Gender Policy and welfare related activities.

4.1.6.4.1 Finance and Accounting Services

This section is responsible for management of revenue and expenditure accounts. It provides financial services and advice for prudent management of financial resources. It also maintains books of accounts, prepares financial reports, prepares annual budgets for the Auditor General's Office and processes its payroll and other recurrent transactional payments. To achieve the above, in the 2021-20255, the section has planned to enhance internal financial management services. This will be done through improved capacity building for finance personnel and compliance with Public Finance Management Act (PFMA), Treasury Desk instructions and Public Procurement and Disposal of Public Assets (PPDA) Act. The section will also develop a tool for monitoring and tracking expenditures.

4.1.6.5 Information Communication Technology

This section is responsible for the management of hardware and software systems and provision of user support. The ICT section is also responsible for the coordination, upgrade and maintenance of ICT's systems, equipment and e-communication strategy for the office.

In the 2021-2025 Strategic Plan, the section has set the following objectives to fulfil this mandate: -

- Improve ICT services, infrastructure and record management by among others procurement of ICT infrastructure, recruitment of ICT staff and digitize record management system.
- Automate NAO services by customizing audit management systems, design simple computer aided audit tools, and procurement and implementation of management information system.

Implementation of the strategies in this section will also consider the SAIITMA Action plans, which have been outlined in a separate ICT/IS strategy.

4.1.6.6 Public Relations and Stakeholder Engagement

Public relations office is responsible for developing of communication strategy and policy for both external and internal stakeholders. This office is key for stakeholder engagement with institutions such as Public Accounts Committee (PAC), AFROSAI-E, medial fraternity, civil society organizations and other international organizations.

In the 2021-2025 Strategic Plan, the section has set the following objectives to fulfil this mandate:

- Establish strategic relations with all NAO key stakeholders through development of Stakeholders' data base;
- Enhancing SAI-PAC, MDAs, Media and CSO relations and devise some memoranda of understanding;
- Public relations services enhanced through strengthening the capacity for the public relations office; and
- Improving SAI visibility by conducting public outreach and awareness on the roles and functions of the SAI.

4.2   SWOT Analysis

As part of reviewing the 2015 – 2019 Strategic Plan and enhancing its successor plan for the period 2021 – 2025, a SWOT Analysis was done focusing on each individual key result area separately. The SWOT Analysis in Table 2 below is a distillation of key issues on each of the key result areas from the internal and external environmental analyses into strengths and weaknesses which are internal factors and opportunities and threats which are external factors.

Table 2: Strengths, Weaknesses, Opportunities and Threats

Key Result Area	Strengths	Weaknesses	Opportunities	Threats
Financial Audits	Financial Audit Methodology in place	Lack of training in the methodology	Government Funding	Political interference
	Availability of qualified and competent staff	Confusion with Compliance audit	Donor Support	Manipulation of figures
		Inadequate Resources (vehicles, laptops, office equipment)	Technical support from AFROSAI-E, Professional bodies	
		No integration with IT audit		
		Lack of overall audit planning		
		Lack of follow up on audit reports		
		Lack of supervision and implementation of methodology		
		Lack of automation of audit procedures		
		Lack of training in ISSAI		
		Attitude change		
Compliance Audits	Methodology already developed	Lack of training in the methodology	Government Funding	Political Interference
	Competent staff (Qualified)	Lack of audit guidelines	Donor Support	Misconstrued as Internal Audit
		Lack of implementation of audit management	Technical support from AFROSAI-e, Professional	

		tools/ software	bodies	
		Lack of planning		
		Lack of follow up on audit reports		
		Lack of supervision and implementation of methodology		
		Lack of automation of audit procedures		
		Lack of training in ISSAI		
		Attitude change		
		Financial Constraint		
		Time constraint to do Financial and Compliance report combined		
Performance Audits	Availability of qualified and experienced staff	Inadequate PA to support demand for audit	Available trainers from AFROSAI-E	More emerging issues requiring PA approach
	Clear Performance Audit Methodologies in place	Inadequate skills in environmental and Extractive audits	High demand for PA	Inadequate deliberation of PA reports by PAC
	Supported by legal mandate	Inadequate multi-disciplinary academic base	Donor support can be explored	Big data implication on audits
		Inadequate vehicles		
		Inadequate research and		

		analytical skills		
		Inadequate trained facilitators		
		Financial constraints		
		Turnover of PA staff with other academic disciplines		
		Inadequate understanding of PA by clients		
IT/IS Audits	Management commitment	Limited understanding of the IT and ICT governance in Malawi	Support from external Partners e.g. AFROSAI-E	The 4th industrial revolution has led to a lot of cyber threats
	IS/IT Audit methodology(Manual) in place	Financial constraints	Good working relations with IT governance institutions such as DISTMIS and E-Government	Cyber security threats as IT is fast developing worldwide
	IT qualified staff (Some)	Lack of proper collaboration between IS and other audit disciplines such as Financial Audit		
		A few CISA qualified staff		
		Delays in reporting on audits		
		Lack of general auditing skills by most staff		
Forensic	Support from top	No dedicated	Strong	Misconception

Audits	management	staff to carry out forensic audits	support from cooperating donors	by stakeholders on the oversight role of oversight institutions such as the NAO
	Young energetic staff	Lack of operational framework for FA	Collaboration with other SAIs through the AFROSAI-E through joint training opportunities	
	One qualified Certified Fraud Examiner	Lack of Training Strategy for FA	Cordial relations with other stakeholders such as the ACB, FIA, MPS e.t.c	
	2 CISA Auditors	Limited hands on skills to conduct Digital Forensic audits	Support from the Public Accounts Committee	
	2 Qualified auditors (Msc. Cyber Security & Forensics)	Non availability of forensic audit architect, tools and infrastructure	Strong support from GIZ on the discipline	
	Existence of linkages between IT audits and forensic audits			
Corporate Services	Existence of Policies and System	Inadequate Staff	Public demand on NAO'S activities	Change of government policies
	Availability of Office Equipment	Poor retention strategy	Donor support	Political Interference
	Established PR office	Frequent postings of	Support from treasury	

		Common Service Staff		
	Support from management	Postings of Common Service Staff	Availability of Trainings Institutions	
	New Act provides room for autonomy	Lack of dedicated full time staff in PR		
		Poor infrastructure		
		Inadequate Structure set up – Admin		
		Inadequate HR skills and competencies		
		Absence of R&D section		
		Outdated Organogram		

4.3   Supreme Audit Institution – Information Technology Maturity Assessment (SAIITMA)

Considering that it is becoming increasingly important that the office becomes proficient in auditing information systems that help in delivery of public services as well as production of government accounts, NAO conducted an assessment using a model called Supreme Audit Institution – Information Technology Maturity Assessment (SAIITMA) to check its performance and report on the state of its institutional capacities related to information systems. The assessment based on the five pillars of institutional arrangements, inputs, processes, outputs and quality and optimization, revealed that the office is at its initial level of using ICT in its audit work. An action plan was drawn outlining strategies for implementing the recommendations of the results of the assessment that have been outlined in table 3.

The implementation of this strategic plan will consider the SAIITMA Action Plan in the implementation of IT related aspects, which concern internal administrative and managerial IT capacities and capabilities for conducting IT/IS audits.

TABLE 3: RESULTS OF THE SAIITMA				
PILLAR	LEVEL	AREA	KNOWN PROBLEM AREAS	DESIRED ACHIEVEMENTS
1 - Institutional Requirements	1.3	Legal Environment	During the last 3 years there have been cases of undue interference from the Executive branch regarding the SAI's budget proposal or access to financial resources due inadequate policies and Processes.	No cases of undue interference from the Executive branch regarding the SAI's budget proposal or access to financial resources by having in place desk instructions for the Implementation of the PAA. Section 17
1-Institutional Requirements	2.4	Geotechnologies	There is no technical infrastructure to maintain and operate the Geographic Information System (GIS) and meet the needs of the SAI	To acquire a technical infrastructure to maintain and operate the Geographic Information System (GIS) and meet the needs of the SAI.
1-Institutional Requirements	4.5	Geotechnologies	Metadata is not available and maintained for all layers of information (layers) of geographic data used in audits and other activities	To ensure availability and maintenance of metadata for all layers of information (layers) of geographic data used in audits and other activities
2, Inputs	2.1	Plan and Organize IT	The SAI has not defined its Information Architecture.	The SAI needs a defined Information Architecture.
2, Inputs	2.2	Plan and Organize IT	NAO has not defined the Technology Direction.	NAO needs an IT Strategy
2, Inputs	4.1	IT audit tools	The SAI has no adequate auditing software: CAATs (ACL, IDEA, Access ...) to ensure adequate IT audit support for financial, compliance and performance audits.	The SAI needs adequate auditing software: CAATs (ACL, IDEA, Access ...) to ensure adequate IT audit support for financial, compliance and performance audits.
2, Inputs	4.3	IT audit staff & training	There is no sufficient training for the Information Systems	There is need to have sufficient training for the Information

			audit.	Systems audit.
2, Inputs	5.2	IT audit tools	NAO has no adequate Information Systems auditing software to perform its technical audit tests:- hacking programs; vulnerability analysis tools; - digital forensic tools;	NAO has adequate Information Systems auditing software to perform its technical audit tests. - hacking programs; - vulnerability analysis tools; - digital forensic tools;
3-Processes	5.1 & 5.3	Deliver and Support	SAI does not manage the user service center (service desk), incidents, and problems due to Inadequate policies and processes, Inadequate IT infrastructure and lack of human and financial resources.	Establishment of policies and processes, procurement of IT infrastructure and, develop competence of personnel in service center desk
4-Output	3.4	Deliver and support	SAI does not ensure system security in a way that satisfies the business requirements for information system due to inadequate policies and processes, IT infrastructure and lack of human and financial resources.	SAI ensures system security in a way that satisfies the business requirements for information system due to inadequate policies and processes, IT infrastructure and lack of human and financial resources.
4-Output	5.1	Deliver and Support	The SAI does not manage data in a way that meets the business requirements for Information Systems due to inadequate policies and processes, IT infrastructure	The SAI manages data in a way that meets the business requirements for Information Systems due to inadequate policies and processes, IT infrastructure
4-Output	5.2	Deliver and Support	The SAI does not manage the physical environment in a way that meets the business requirements	The SAI manages the physical environment in a way that meets the business requirements due to

			due to lack of human and financial resources and inadequate infrastructure.	lack of human and financial resources and inadequate infrastructure.
4-Output	5.3	Deliver and Support	The SAI does not manage operations in a way that meets the business requirements for Information Systems to maintain data integrity due to inadequate policies and processes, IT infrastructure and lack of human and financial resources.	The SAI manages operations in a way that meets the business requirements for Information Systems to maintain data integrity due to inadequate policies and processes, IT infrastructure and lack of human and financial resources.
Pillar 5 - Quality and Optimization	1.2	Plan and Organize IT	NAO does not manage Information Systems human resources due to Inadequate policies and processes in line with sec 8A(1) of public Audit Act 2017 Amended	Implement the act requirement, to Recruit and retain IT human resources by having in place enabling policies and processes
Pillar 5 - Quality and Optimization	2.1	Plan and Organize IT	NAO does not adequately assess and manage Information Systems risks due to Inadequate policies and processes Lack of human and financial resources Inadequate IT infrastructure	NAO adequately assesses and manages Information Systems risks having in place adequate IT infrastructure, policies and processes, human and financial resources.
Pillar 5 - Quality and Optimization	2.4	Plan and Organize IT	NAO does not manage quality Management System in such a way that it satisfies the Information Systems business requirements due to lack of human and financial resources Inadequate policies and processes.	Implement and maintain an effective Quality Management System (QMS) within the information system.

Pillar 5 - Quality and Optimization	3.2	Monitor and Evaluate	NAO does not monitor and evaluate internal control due to Inadequate IT infrastructure, policies and processes, human and financial resources.	Implement a system of internal controls embedded in the framework of Information Systems processes.
Pillar 5 - Quality and Optimization	4.1	QM - Control - Monitoring	NAO does not have quality assurance function reports on the Information Systems audit function due to inadequate policies and Processes and Skill set	NAO'S quality assurance function should issue separate reports
Pillar 5 - Quality and Optimization	4.2, 4.3, 4.4, 5.1, 5.2	Big Data	NAO does not have necessary Policies and processes, hardware and Software for handling Big Data including Geo-technologies	Implement and maintain infrastructure and processes for use of Big data and from multiple relationships (Multi-relationship data) for Data Analysis, respecting spatial data models and structures
Pillar 5 - Quality and Optimization	5.3	Monitor and Evaluate	NAO does not provide Information Systems governance due to inadequate policies and processes	Implement an Information Systems governance framework integrated into the corporate governance that allows the Senior Management to have appropriate oversight

5.0   NAO's STRATEGIC DIRECTION

5.1   KRAs, Strategic Objectives, Strategic Outcomes, Outcome Targets and Related Outputs

The development of this medium-term strategic plan is based on five (5) KRA's that anchored the previous strategic plan but have been refined to reflect the true picture of the primary role of NAO on the ground. These were identified from its mandate as outlined in 4.1. Under each KRA, a strategic objective has been determined which states the intentions of NAO regarding what it would like to achieve and this has resulted in the determination of high level outcomes which are desired results that the institution would like to achieve by 2025 and sustained thereafter. The strategic outcomes which NAO has determined are the actual or intended changes in development conditions as a result of the interventions it will put in place to support their achievement.

This part of the report highlights the five (5) KRA's and aligns them to the strategic objectives and outcomes. The outcomes entail the options that will drive the strategic direction of NAO from 2021 to 2025. Each of the outcomes is then further unpacked in terms of outcome targets as milestones that will indicate how far NAO has gone with the implementation of the Strategic Plan and to check whether the intended results are being achieved.   Further, the related outputs that will assist the achievement of the outcome targets and ultimately the outcomes have been determined for each outcome target. The achievement of the outputs has been spread across into annual targets up to 2025.

The five Strategic Outcomes are as follows:
   (i) Increased stakeholders' confidence in Government financial management systems;
   (ii) Increased stakeholders' confidence in MDAs compliance with authorities;
   (iii)Improved resource utilization and service delivery in MDAs when implementing their planned projects and programmes;
   (iv)Increased stakeholders' confidence that MDAs Information Systems are operating effectively and efficiently; and
   (v) Improved organizational, management and administrative processes

Table 4 sets out the details on how the KRA's are aligned to the strategic objectives, outcomes, outcome targets and related outputs.

Table 4: Key Result Areas, Strategic objectives, Strategic Outcomes, Outcome Targets and Related Outputs

KEY RESULT AREA 1	FINANCIAL AUDITS						
Strategic Objective	To promote accountability and transparency in the management of public resources in MDAs						
No.	Strategic Outcome	Outcome Target	Related Output	Annual Output Targets				
				2021	2022	2023	2024	2025
1.0	Increased stakeholders' confidence in government financial management systems	1.1 Financial audit coverage in MDA's, Parastatals and Donor Funded Project increased from 80% to 100% by 2025	1.1.1 54 Financial audit of MDAs conducted	54 Financial audits conducted yearly	54 Financial audits conducted yearly	54 Financial audits conducted yearly	54 Financial audits conducted yearly	54 Financial audits conducted yearly
			1.1.2 23 Financial audits of Donor Funded Projects conducted	23 Financial audits on Donor Funded Projects	23 Financial audits on Donor Funded Projects	23 Financial audits on Donor Funded Projects	23 Financial audits on Donor Funded Projects	23 Financial audits on Donor Funded Projects
			1.1.3 35 Financial audits of local councils conducted	35 Financial audits of local councils conducted	35 Financial audits of local councils conducted	35 Financial audits of local councils conducted	35 Financial audits of local councils conducted	35 Financial audits of local councils conducted
			1.1.4 26	6	9 parastatal audits	12 parastatal	15 parastatal	18 parastatal

			parastatals to be audited by 2025	parastatal audits maintained	conducted annually	audits conducted annually	audits conducted annually	audits conducted Annually
			1.1.5 18 Treasury Funds audits conducted by 2025	18 Treasury Funds conducted annually	18 Treasury Funds conducted annually	18 Treasury Funds conducted annually	18 Treasury Funds conducted annually	18 Treasury Funds conducted annually
		1.2 Combined IS/Financial audits increased from 0% to 50% by 2025	1.2.1 24 combined IS/Financial audits by 2025	24 Financial IS audits conducted yearly	24 Financial IS audits conducted yearly	24 Financial audits conducted yearly	24 Financial IS audits conducted yearly	24 Financial IS audits conducted yearly
		1.3 Full implementation of Audit Management System by 2022	1.3.1 Implementation of Audit Management System by 2022	Customization of Audit Management System conducted	Audit management System rolled out			
		1.4 Improved quality of audit reports by 2025	1.4.1 50% of auditors trained in use of CAATs (ACL)by 2024		100% of auditors trained in CAATs	20% of auditors trained in CAATs	20% of auditors trained in CAATs	
			1.4.2 15 Auditors trained in Public Debt Audits by 2024		5 Auditors trained in Public Debt Audits	5 Auditors trained in Public Debt Audits	5 Auditors trained in Public Debt Audits	
			1.4.3 All	40% of	40% of auditors	20% of auditors		

			auditors trained in use of Audit Management Software by 2023	auditors trained in AMS	trained in AMS	trained in AMS		
			1.4.4 Organized assembly of final audit files	Revamp audit filling registry	Updating the registry	Updating the registry	Updating the registry	Updating the registry
			1.4.5 15 Auditors trained in Environmental Audit		5 Auditors trained Environmental Audits	5 Auditors trained Environmental Audits	5 Auditors trained Environmental Audits	
			1.4.6 15 Auditors trained in Extractive Industries Audit		5 Auditors trained in Extractive Industries Audits and pilot audit conducted	5 Auditors trained in Extractive Industries Audits	5 Auditors trained in Extractive Industries Audits	
		1.5Increased capacity building for Financial Auditors by 2025	1.5.1 40 Financial auditors trained in ACCA/CIMA/ICAM		10 Financial auditors trained in ACCA/CIMA/ICAM	10 Financial auditors trained in ACCA/CIMA/ICAM	10 Financial auditors trained in ACCA/CIMA/ICAM	10 Financial auditors trained in ACCA/CIMA/ICAM
			1.5.2 32 Financial auditors trained in other		8 Financial auditors trained in other academic disciplines e.g. PhD, MA ,BIS,BIT,	8 Financial auditors trained in other academic disciplines e.g.	8 Financial auditors trained in other academic disciplines e.g.	8 Financial auditors trained in other academic

			academic disciplines		BPSCM,BAAAIS, Fraud, Forensic, Cyber Security, EST	PhD, MA, BIS,BIT, BPSCM, BAAAIS, Fraud, Forensic, Cyber Security	PhD, MA ,BIS,BIT, BPSCM,BAAAIS , Fraud, Forensic, Cyber Security	disciplines e.g. PhD, MA BIS,BIT, BPSCM,BAA AIS, Fraud, Forensic, Cyber Security
			1.5.3 50 Financial auditors attend AFROSAI-E Technical Updates	10 Financial auditors attend AFROSAI-E Updates	10 Financial auditors attend AFROSAI-E Updates	10 Financial auditors attend AFROSAI-E Updates	10 Financial auditors attend AFROSAI-E Updates	10 Financial auditors attend AFROSAI-E Updates
			1.5.4 69 FA increased from 126 to 200 by 2021	69 Financial auditors recruited				

KEY RESULT AREA 2	COMPLIANCE AUDITS							
Strategic Objective	To ensure that the activities of MDAs are in compliance with the relevant authorities in the management of public resources							
No.	Strategic Outcome	Outcome Target	Related Output	Annual Output Targets				
				2021	2022	2023	2024	2025
2.0	Increased stakeholders' confidence in MDAs compliance	2.1 Compliance audit coverage in MDAs and	2.1.1 (54) compliance audit of MDAs conducted	(43) compliance audits conducted	(54) compliance audits conducted	(54) compliance audits conducted	(54) compliance audits conducted	(54) compliance audits conducted

with authorities	Donor Funded Project increased from 80% to 100% by 2025						
		2.1.2 (23) Compliance audits of Donor Funded Projects conducted	(23) Compliance audits on Donor Funded Projects conducted	(23) Compliance audits on Donor Funded Projects conducted	(23) Compliance audits on Donor Funded Projects conducted	(23) Compliance audits on Donor Funded Projects conducted	(23) Compliance audits on Donor Funded Projects conducted
		2.1.3 (35) compliance audits of local councils conducted	(35) compliance audits of local councils conducted	(35) compliance audits of local councils conducted	(35) compliance audits of local councils conducted	(35) compliance audits of local councils conducted	(35) compliance audits of local councils conducted
		2.1.4 (26) parastatals to be audited by 2025	(6) parastatal audits conducted	(9) parastatal audits conducted	(12) parastatal audits conducted	(15) parastatal audits conducted	(18) parastatal audits conducted
		2.1.5 (18) Treasury Funds conducted by 2025	(18) Treasury Funds conducted annually	(18) Treasury Funds conducted annually	(18) Treasury Funds conducted annually	(18) Treasury Funds conducted annually	(18) Treasury Funds conducted annually
		2.1.6 (20) Compliance audit of embassies conducted by	(5) Embassy Audits conducted annually	(8) Embassy Audits conducted annually	(12) Embassy Audits conducted annually	(15) Embassy Audits conducted annually	(20) Embassy Audits conducted annually

			2025				
			2.1.7 (5) Transversal audits conducted	(1) transversal audit conducted annually	(1) transversal audit conducted annually	(1) transversal audit conducted annually	(1) transversal audit conducted annually	(1) transversal audit conducted annually
			2.1.8 (2) Establishment Audits Conducted	(2) Establishment Audits Conducted	(2) Establishment Audits Conducted	(2) Establishment Audits Conducted	(2) Establishment Audits Conducted	(2) Establishment Audits Conducted
			2.1.9 (30,000) Pre audits of pensions and gratuities	(6000) pre-audits of pensions and gratuities conducted annually	(6000) pre-audits of pensions and gratuities conducted annually	(6000) pre-audits of pensions and gratuities conducted annually	(6000) pre-audits of pensions and gratuities conducted annually	(6000) pre-audits of pensions and gratuities conducted annually
			2.1.10 Audit of Salary Arrears Conducted on 200 files	Audits of Salary Arrears Conducted on 200 files	Audits of Salary Arrears Conducted on 200 files	Audits of Salary Arrears Conducted on 200 files	Audits of Salary Arrears Conducted on 200 files	Audits of Salary Arrears Conducted on 200 files
			2.1.11 1 Public debt audits	1 public debt conducted	1 public debt conducted	1 public debt conducted	1 public debt conducted	1 public debt conducted
			2.1.12 3 Public Financial Management System audit conducted		1 Public Financial management system audit conducted after every two years		1 Public Financial management system audit conducted after every two years	
			2.1.13 5 extractive	1 Extractive Industries	1 Extractive Industries audit	1 Extractive Industries audit	1 Extractive Industries audit	1 Extractive Industries

			audits conducted	audit conducted	conducted	conducted	conducted	audit conducted
			2.1.13 5 Environmental Audits conducted	1 Environmental Audit conducted	1 Environmental Audit conducted	1 Environmental Audit conducted	1 Environmental Audit conducted	1 Environmental Audit conducted

KEY RESULT AREA 3	PERFORMANCE AUDITS							
Strategic Objective	To ascertain value for money in the application of resources in MDAs when implementing their plans							

No.	Strategic Outcome	Outcome Target	Related Output	Annual Output Targets				
				2021	2022	2023	2024	2025
3.0	Improved resource utilization and service delivery in MDAs when implementing their planned projects and programmes	3.1 Performance audits coverage on implementation of MGDS III increased from 6 to 10 annually by 2025	3.1.1 27 Performance audits on implementation of MGDS III conducted	6 Performance audits conducted	4 Performance audits conducted	5 Performance audits conducted[1]	6 Performance audits conducted	7 Performance audits conducted
			3.1.2 4 PA for extractive industries conducted		1 PA for extractive industries conducted	1 PA for extractive industries conducted	1 PA for extractive industries conducted	1 PA for extractive industries conducted
			3.1.3 3 PA on Environmental Audits Conducted		1 PA Environmental Audit		1 PA Environmental Audit	
			3.1.4 8 Performance		2 PA on Donor Funded Projects	2 PA on Funded Programmes	2 PA on Funded	2 PA on Funded

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[1] Performance audits will be conducted on the successor plan of MGDS III from 2023 to 2025

			Audit on Donor Funded Programmes Conducted		conducted	conducted	Programmes conducted	Programmes conducted
			3.1.5 Follow-up Performance Audit conducted	Follow-up PA Audits conducted	Follow-up PA Audits conducted	Follow-up PA Audits conducted	Follow-up PA Audits conducted	Follow-up PA Audits conducted
		3.2 Performance Audit function strengthened by 2025	3.2.1 Number of Performance Auditors increased from 19 to at least 53 audit staff		Number of PA Auditors increased by at least 10 auditors	Number of PA Auditors increased by at least 12 auditors	Number of PA Auditors increased by at least 12 auditors	
			3.2.2 10 Performance Auditors trained in other academic disciplines (Bachelors and Masters)		8 PA auditors enrolled with training institutions	4 Performance Auditors trained	10 PA auditors enrolled with training institutions	6 Performance Auditors trained
			3.2.3 25 Performance Auditors trained in research and analytical skills		Engagement with Universities in Malawi on PA research and analytical skills requirements done	10 PA auditors trained in research and analytical skills	15 PA auditors trained in research and analytical skills	

			3.2.4 Performance Audit Manual and Performance Audit Flow updated		Updated Performance Audit Manual and Performance Audit Flow				
			3.2.5 Knowledge on application of ISSAIs for 43 Performance Auditors enhanced		19 PA auditors trained on application of ISSAIs when conducting PA audits	12 PA auditors trained on application of ISSAIs when conducting PA audits	12 PA auditors trained on application of ISSAIs when conducting PA audits	
			3.2.6 53 Performance Auditors Trained on the use of Audit Management system software		29 Performance Auditors Trained on the use of Audit Management system software	12 Performance Auditors Trained on the use of Audit Management system software	12 Performance Auditors Trained on the use of Audit Management system software	
			3.2.7 Audit guidelines for environmental and Extractive audits customized		Audit guidelines for Extractive audits customized	Audit guidelines for Environmental audit customized		
			3.2.8 8 Performance Auditors		2 PA auditors trained in the audit of	2 PA auditors trained in the audit of	2 PA auditors trained in the audit of	2 PA auditors trained in the audit of

			trained in the audit of Extractive Industries		Extractive Industries	Extractive Industries	Extractive Industries	Extractive Industries
			3.2.9 43 Performance Auditors trained in the audit of SGDs implementatio n		19 Auditors trained in the audit of SDGs implementation	12 PA Auditors trained in the audit of SDGs implementation	12 PA Auditors trained in the audit of SDGs implementation	
			3.2.10 8 Performance Auditors trained in audit of Environmental related issues		2 Performance Auditors trained in audit of Environmental related issues	2 Performance Auditors trained in audit of Environmental related issues	2 Performance Auditors trained in audit of Environmental related issues	2 Performance Auditors trained in audit of Environment al related issues
			3.2.11 Performance Auditors trained in the three module course increased	1 PA auditor trained in three module course	10 PA auditors trained in three module course	12 PA auditors trained in three module course	12 PA auditors trained in three module course	
			3.2.12 40 Performance auditors trained in professional courses	5 Performance auditors trained in professional courses	8 Performance auditors trained in professional courses	10 Performance auditors trained in professional courses	12 Performance auditors trained in professional courses	15 Performance auditors trained in professional courses

		3.3 Report production time reduced from 12 to 10 months by 2025	3.3.1 Maximum number of months taken to complete a pre-study reduced from 3 to 2 months	Maximum number of months taken to complete a pre-study reduced from 3 to 2 months	Pre-study conducted within 2 months			
			3.3.2 Maximum number of months taken to complete a main-study reduced from 9 to 8 months	Maximum number of months taken to complete a main-study reduced from 9 to 8 months	Main-study conducted within 8 months			
			3.3.3 Sector risk assessment reports updated by December annually	Sector risk assessment reports updated by December				
		3.4 ISSAI compliant Performance Audit Reports produced by 2025	3.4.1 ISSAI Compliance Assessment using an ISSAI Compliance Assessment Tool (ICAT) at the beginning, middle and end of the		ISSAI Compliance Assessment using ICAT conducted to establish base line on compliance		ISSAI Compliance Assessment using ICAT conducted	

			strategic plan period conducted				
			3.4.2 % of compliance with ISSAIs in conducting Performance Audits ISSAIs increased from baseline 50% to 100% by 2025		Baseline on compliance with ISSAIs established		Compliance with ISSAIs in conducting Performance Audits ISSAIs increased	Full compliance to ISSAIs in conducting and producing Performance audits achieved
			3.4.3 40 Performance Audit reports Peer reviewed in line with ISSAIs	Peer reviews on 6 performance audit reports conducted	Peer reviews on 7 performance audit reports conducted	Peer reviews on 8 performance audit reports conducted	Peer reviews on 9 performance audit reports conducted	Peer reviews on 10 performance audit reports conducted
			3.4.4 Supervision and review skills for 10 PA manager enhanced		5 PA managers trained in supervision and review	5 PA managers trained in supervision and review		
		3.5 Performance audit concepts diversified to financial IT/IS	3.5.1 30 financial auditors introduced to PA concepts			10 financial auditors introduced to PA concepts	10 financial auditors introduced to PA concepts	10 financial auditors introduced to PA concepts
			3.5.2 PA/IS		PA/IS audit	1 PA on	1 PA on	1 PA on

				integrated	Government Information Technology Systems conducted	Government Information Technology Systems conducted	Government Information Technology Systems conducted
auditors by 2025	audit integrated and 3 PA on Government ITS conducted						

KEY RESULT AREA 4	INFORMATION TECHNOLOGY/SYSTEMS AUDITS						
Strategic Objective	To ensure that Information technology/systems are safeguarding corporate assets, maintaining the integrity of stored and communicated data, support corporate objectives effectively						

No.	Strategic Outcome	Outcome Target	Related Output	Annual Output Targets				
				2021	2022	2023	2024	2025
4.0	Increased stakeholders' confidence that MDAs Information Systems are operating effectively and efficiently.	4.1 Increase IT/IS audit (stand alone IS audits) from 5 to 8 audits by 2025	4.1.1 Eight (8) IT/IS Audits conducted	Five (5) IT/IS Audits conducted	Six (6) IT/IS Audits conducted	Six (6) IT/IS Audits conducted	Seven (7) IT/IS Audits conducted	Eight (8) IT/IS Audits conducted
		4.2 Increase capacity Building for IT/IS auditors by 2025.	4.2.1 (10) IT/IS trained auditors for CISA increased from 2 to 10	(2) IT/IS auditors trained in CISA	(2) auditors trained in CISA	(2) auditors trained in CISA	(2) auditors trained in CISA	(2) auditors trained in CISA
			4.2. (11) IT/IS auditors champions increased from	(3) IT/IS auditors trained in IT audit	(4) IT/IS auditors trained in IT audit champions course	(4) IS auditors trained in IT audit champions course	(4) IT/IS auditors trained in IT audit champions	(4) IS auditors trained in IT audit

No.	Strategic Outcome	Outcome Target	Related Output	2021	2022	2023	2024	2025
			4 to 11	champions course			course	champions course
			4.2.4 (25) IT/IS Auditors trained on ISACA and ISSAI standards		(20) IT/IS Auditors trained on ISACA and ISSAI standards		(5) IT/IS Auditors trained on ISACA and ISSAI standards	
			4.2.5 (25) IT/IS Auditors Trained on the use of Audit Management system software		(20) IT/IS Auditors Trained on the use of Audit Management system software		(5) IT/IS Auditors Trained on the use of Audit Management system software	
			4.2. (6) IT/IS Auditors increased from 15 to 25 by 2025		(5) IT/IS auditors employed		(5) IT/IS auditors employed	
		4.3 High quality IT/IS audits achieved by 2025.	4.3.1 (5) pilot audits on champion program.	(1) Oracle Database audit using audit tool	(1) Network and Firewall security audit using audit tool	(1) SQL Database audit using audit tool	(1) Active Directory audit using audit tool	(1) Network and Firewall security audit using audit tool

KEY RESULT AREA 5	FORENSIC AUDITS							
Strategic Objective	To investigate complex fraud and abuse of public resources							
No.	Strategic Outcome	Outcome Target	Related Output	Annual Output Targets				
				2021	2022	2023	2024	2025

5	Increase stakeholder's confidence on proper utilization of public resources	5.1 Forensic audit Section established by 2022	5.1.1 Established forensic audit section		(10) Auditors allocated to the forensic audit section			
		5.2 Strengthen the forensic audit section by 2025	5.2.1 Train (20) auditors in forensic auditing by 2021	(20) auditors trained		(20) auditors trained		
			5.2.2 Number of Certified Fraud Examiners increased from 1 to 6 by 2025		(2) auditors qualified as certified fraud examiners		(3) auditors qualified as certified fraud examiners	
			5.2.3 Forensic Auditors trained for computer forensic by 2025		(4) Forensic auditors trained		(4) Forensic auditors trained	
			5.2.4 Conduct at least three (3) forensic audits by 2025	(1) Forensic audit conducted		(1) Forensic audit conducted		(1) Forensic audit conducted
			5.2.5 Attain					Certified

			Institutional forensic audit Accreditation by 2025					Forensic Investigation Profession (CFIP) attained

KEY RESULT AREA 6	CORPORATE SERVICES							
Strategic Objective	To improve organizational efficiency and effectiveness							

No.	Strategic Outcome	Outcome Target	Related Output	Annual Output Targets				
				2021	2022	2023	2024	2025
6.0	Improved organizational management and administrative processes	6.1 Enhanced Independent Status of NAO achieved by 2021	6.1.1 Section 184 of the Constitution amended to reflect the international best practices.	Engage stakeholders on the proposed amendment of Section 184 of the Constitution with the Parliament	Amendment bill drafted and passed			
			6.1.2 Amendments of PAA implemented.	New proposals of the amendment of the PAA (2017) drafted	Amendment bill drafted and passed	Desk instructions and regulations to the PAA drafted		
		6.2 Planning, monitoring and	6.2.1 Planning, Research and Development		Planning, R&D function established			

		evaluation of programs and projects strengthened from 60% to 80% by 2025	function Established					
			6.2.2 R&D framework developed and implemented		R&D framework developed	R&D framework implemented	R&D framework implemented	R&D framework reviewed
			6.2.3 Consolidated annual plans produced and implemented	1 Operational annual work plan produced and implemented	1 Operational annual work plan produced and implemented	1 Operational annual work plan produced and implemented	1 Operational annual work plan produced and implemented	1 Operational annual work plan produced and implemented
			6.2.4 M&E framework developed and implemented	M&E framework developed	M&E framework implemented	M&E framework implemented	M&E framework implemented	M&E framework reviewed
x			6.2.5 ICBF Assessment Report Produced	ICBF Assessment Report Produced	ICBF Assessment Report Produced	ICBF Assessment Report Produced	ICBF Assessment Report Produced	ICBF Assessment Report Produced
			6.2.6 SAI-PMF assessment Report produced	SAI-PMF assessment Report produced				SAI-PMF assessment Report produced
		6.3 Quality of audits enhanced by	6.3.1 QA, Methodology function	Stand-alone QA & Methodology	QA & Methodology officers trained			

		2025	established and strengthened	function established				
			6.3.2 Quality Assurance Reviews conducted by 2025	(1) Quality Assurance Review conducted	(1) Quality Assurance Review conducted	(1) Quality Assurance Review conducted	(1) Quality Assurance Review conducted	(1) Quality Assurance Review conducted
			6.3.3. 100% auditors trained in Financial Audit Methodology by 2022	75% of auditors trained in Financial Audit Methodology	25% of auditors trained in Financial Audit Methodology			
			6.3.4 Audit Guidelines developed by 2023	Audit guidelines on Regularity Audits developed	Audit guidelines on Extractive Industry developed	Audit guidelines on Debt and Aid developed		
			6.3.5 Quality Assurance Policy and Manual customized by 2021	Quality Assurance Policy and Manual customized	Quality Assurance Policy and Manual implemented	Quality Assurance Policy and Manual implemented	Quality Assurance Policy and Manual Reviewed and updated	Quality Assurance Policy and Manual Implemented
		6.4 Strategic and operational management processes enhanced	6.4.1 Management Development Programme for top, middle and		1 Management Development Programme for top, middle and operational managers		1 Management Development Programme for top, middle and operational managers	

		from 60% to 80% by 2025	operational managers conducted		conducted		conducted	
			6.4.2 58 AG's Reports produced	(9) AG's Reports produced annually	(10) AG's Reports produced annually	(13) AG's Reports produced annually	(13) AG's Reports produced annually	(13) AG's Reports produced annually
			6.4.3 5 Annual Performance report for NAO produced and submitted to Parliament	Annual Performance report for NAO produced and submitted to Parliament	Annual Performance report for NAO produced and submitted to Parliament	Annual Performance report for NAO produced and submitted to Parliament	Annual Performance report for NAO produced and submitted to Parliament	Annual Performance report for NAO produced and submitted to Parliament
			6.4.4 Reforms Agreement produced and progress reports submitted	Reforms Agreement produced and Progress report submitted to OPC	Progress report submitted to OPC	Progress report submitted to OPC	Progress report submitted to OPC	Progress report submitted to OPC
		6.5 Internal control, systems strengthened by 2025	6.5.1 Internal Audit Charter and Procedures developed and implemented		Internal Audit Charter and Procedures developed	Internal Audit Charter implemented	Internal Audit Charter implemented	Internal Audit Charter implemented
			6.5.2 Risk management framework	Risk management framework	Risk management framework implemented	Risk management framework	Risk management framework	Risk management framework

			developed and implemented	developed		implemented	implemented	implemented
			6.5.3 Risk management Policy and Procedures developed and implemented	Risk management policy developed	Risk management policy implemented	Risk management policy implemented	Risk management policy implemented	Risk management policy reviewed
		6.6 Internal financial management services enhanced by 100% by 2021	6.6.1 100% Compliance with PFMA, Treasury instructions and PPDA enhanced	100% Compliance with PFMA, Desk instructions and PPDA enhanced	100% Compliance with PFMA, Desk instructions and PPDA enhanced	100% Compliance with PFMA, Desk instructions and PPDA enhanced	100% Compliance with PFMA, Desk instructions and PPDA enhanced	100% Compliance with PFMA, Desk instructions and PPDA enhanced
			6.6.2 Capacity of Accounts Officers enhanced	Accounts Officers Trained	Accounts Officers Trained	Accounts Officers trained	Accounts Officers Trained	Accounts Officers Trained
		6.7 Working environment improved from 30% to 70% by 2025	6.7.1 Fleet management Policy and Procedures developed and implemented	Fleet management policy developed	Fleet management policy implemented	Fleet management policy implemented	Fleet management policy implemented	Fleet management policy reviewed
			6.7.2 10 Motor vehicles acquired and 31 vehicles maintained	(4) vehicles procured and 23 vehicles maintained	(23) vehicles maintained	(2) vehicles procured and 25 vehicles maintained	(2) vehicles procured and 27 vehicles maintained	(2) vehicles procured and 31 vehicles maintained
			6.7.3 2 Office complex	Plans for construction	Funds secured, Tenders floated	Construction of office started	50% of Office project work	100% of Office

			constructed and 4 offices maintained	of Zomba offices developed	and contract awarded	and 15% works completed	completed	project work completed
				Plans for construction of Lilongwe offices developed	Funds secured, Tenders floated and contract awarded	Construction of office started and 15% works completed	50% of Office project work completed	100% of Office project work completed
				4 offices maintained	4 offices maintained	4 offices maintained	4 offices maintained	4 offices maintained
		6.8Performance management systems Strengthened from 70% to 80% by 2025	6.8.1 Performance Management System implemented	Implementation of the Performance Management System	Implementation of the Performance Management System	Implementation of the Performance Management System	Implementation of the Performance Management System	Implementation of the Performance Management System
		6.9 Formalized professional training and development enhanced from 40% to 100% by 2022	6.9.1 Competency framework developed	Competency framework developed				
			6.9.2 Human Resource development plan developed	Training needs assessment conducted and Training plan	Training plan reviewed and implemented annually	Training plan reviewed and implemented annually	Training plan reviewed and implemented annually	Training plan reviewed and implemented annually

					developed and implemented			
			6.9.3 Training guidelines reviewed		Training guidelines reviewed			
		6.10 40 % of vacancies filled by 2025	6.10.1 40% of vacancies filled	5% of vacancies filled		15% of vacancies filled		25% of vacancies filled
			6.10.2 Strategic staffing initiated in accordance with ISSAI requirements	Functional review conducted	Recruitment plan developed	Recruitment plan implemented	Recruitment plan implemented	Recruitment plan reviewed
		6.11 100% of HR policies and guidelines customized with ISSAI requirements by 2022	6.11.1 HR policies and guidelines customized and implemented		HR policies and guidelines customized and implemented	HR policies and guidelines implemented	HR policies and guidelines implemented	HR policies and guidelines implemented
		6.12 Improved social welfare services from 60% to 85% by 2025	6.12.1 HIV/AIDS activities strengthened	Support to PLWA increased	Support to PLWA increased	Support to PLWA increased	Support to PLWA increased	Support to PLWA increased
				HIV/AIDS policy	HIV/AIDS policy implemented	HIV/AIDS policy implemented	HIV/AIDS policy	HIV/AIDS policy

				implemented			implemented	implemented
			6.12.2 Gender & activities strengthened	Gender mainstreaming policy implemented	Gender mainstreaming policy implemented	Gender mainstreaming policy implemented	Gender mainstreaming policy implemented	Gender policy reviewed
		6.13 ICT services, infrastructure and record management improved from 30% to 75% by 2025	6.13.1 45% of ICT infrastructure procured	10 % of ICT infrastructure procured	20% of ICT infrastructure procured	5% of ICT infrastructure procured	5% of ICT infrastructure procured	5% of ICT infrastructure procured
			6.13.2 Capacity of ICT function strengthened	Needs assessment conducted	Officers trained	Officers trained	Officers trained	Officers trained
						(10) ICT officers Recruited		(5) ICT officers Recruited
			6.13.3 Record management digitized	Record management digitized	Record management digitized	Record management digitized	Record management digitized	Record management digitized
			6.13.4 ICT services improved	Extranet and Intranet Services operationalized and improved	Extranet and Intranet Services improved	Extranet and Intranet Services improved	Extranet and Intranet Services improved	Extranet and Intranet Services improved
				ICT help desk formalised	ICT help desk operational	ICT help desk operational	ICT help desk operational	ICT help desk operational

				and operational				
			6.13.5 ICT Security enhanced	Disaster recovery plan developed	Disaster recovery plan implemented	Disaster recovery plan implemented	Disaster recovery plan implemented	Disaster recovery plan reviewed
				Centralized backups established	Centralized backups implemented	Centralized backups implemented	Centralized backups implemented	Centralized backups implemented
				Data encryption tools and antivirus procured and installed	Data encryption tools and anti-virus procured and installed	Data encryption tools and antivirus procured and installed	Data encryption tools and antivirus procured and installed	Data encryption tools and antivirus procured and installed
		6.14 NAO services automated by 2025	6.14.1 Audit services automated	Audit systems specifications designed and customized	Audit systems implemented	Audit systems implemented	Audit systems implemented	Audit systems reviewed
			6.14.2 3 Management information systems installed	3 Management information systems procured and installed	Management information systems implemented	Management information systems implemented	Management information systems implemented	Management information systems implemented
		6.15 Strategic relations with all NAO key stakeholders established by 2025	6.15.1 Stakeholders' data base established	Stakeholders' data base established	Communication strategy for keys stakeholders developed	communication strategy implemented	communication strategy implemented	communication strategy implemented
			6.15.2	PAC & MDAs	PAC & MDAs	PAC & MDAs	PAC & MDAs	PAC & MDAs

				engaged,	engaged,	engaged,	engaged,	engaged,
					Media and CSOs sensitized on NAO's role	Controlling officers sensitized on NAO's role		
		6.16 Public relations services enhanced by 2021	6.16.1 Capacity of Public Relations office strengthened	Needs assessment of the PROs office conducted	Recruitment of office bearers conducted	PRO fully developed and functional	PRO fully developed and functional	PRO fully developed and functional
			6.16.2 SAI visibility improved	Public awareness campaigns planned and designed	Public awareness campaigns introduced	Public awareness campaigns implemented	Public awareness campaigns implemented	Public awareness campaigns implemented
			6.16.3 Access to information to NAO staff having improved	Review of the internal communication strategy	Reviewed ICS implemented	Sensitization		
			6.16.4 internal communication among staff enhanced	Communication strategy implemented	Communication strategy implemented	Communication strategy implemented	Communication strategy implemented	Communication strategy reviewed and implemented
			6.16.4 Access of Auditor General's report improved	Auditor General's report template restructured	Auditor General's report translated in local languages	Auditor General's report translated in local languages	Auditor General's report translated in local languages	Auditor General's report translated in local

							languages
				AG's report produced in brochures	AG's report produced in brochures	AG's report produced in brochures	AG's report produced in brochures

5.2   The Results-Based logical Framework

This 2021 – 2025 SP focuses on results rather than processes that NAO aims to achieve during the Plan's implementation period and hopefully sustained beyond 2025. The desired results, herein called strategic outcomes, are summarized in Table 5 which acts as a quick monitoring and evaluation framework reflecting higher level outcome indicators, baselines and targets to be achieved.

The Results-Based Logical Framework presented below gives an outline of the KRA's that NAO will focus on, the expected desired outcomes on each KRA and the high level performance indicators that will be used to check progress in the implementation of the SP. The framework will basically be used for monitoring and evaluating the achievement of the results through the given outcome indicators and their means of verification.

Table 5: The Results-Based Logical Framework

Key Result Area 1	FINANCIAL AUDITS				
Expected Results/ Outcome	Performance Indicator			Sources and Means of verification	Risks
	Objectively verifiable indicators	Baseline 2021	Targets 2025		
1.0 Increased stakeholders' confidence in government financial management systems	Number of Financial audit reports of MDAs	43	54	Audit reports issued	Lack of commitment, financial constraint, capacity gaps(numbers and skills)
	Number of Financial audit reports of Donor Funded projects	23	23	Audit reports issued	Lack of commitment, financial constraint, capacity gaps(numbers and skills)
	Number of Financial audit reports of local councils	35	35	Audit reports issued	Lack of commitment, financial constraint, capacity gaps(numbers and skills)
	Number of parastatal audit reports	6	18	Audit reports issued	Lack of commitment, financial constraint, capacity gaps (numbers and

					skills)
	Number of Treasury Funds audit reports	18	18	Audit reports issued	Lack of commitment, financial constraint, capacity gaps(numbers and skills)
	Number of combined IT/IS andFinancial audits	0	24	Audit reports issued	Lack of commitment, financial constraint, capacity gaps(numbers and skills)
	Number of trained auditors in Audit Management Software	0	200	Review and Training Reports	Financial Constraint and commitment of staff
	Number of users of Audit Management Software	0	100%	Training Reports	Commitment of staff and financial constraint(licenses)
	Percentage of audits carried out using Audit Management Software	0	100%	Review Reports	Commitment of staff and financial constraints
	Number of Auditors trained in Public Debt Audits	5	20	Workshop Reports	Financial constraints and commitment of staff
	Number of Auditors trained in Environmental Audit	0	15	Workshop Reports	Financial constraints and commitment of staff
	Number of Auditors trained in Extractive Industries Audit	3	18	Workshop Reports	Financial constraints and commitment of staff
	Number of Auditors trained in Public Debt Audits	0	200	Workshop Reports	Financial constraints and commitment of staff
	Improved Final Audit Report Registry	0	1	Report Registry	Commitment of staff
Key Result Area 2	COMPLIANCE AUDITS				

2.0 Increased stakeholders' confidence in MDAs compliance with authorities.	Number of Compliance audit reports on MDAs	43	54	Audit Reports	Lack of commitment, financial constraint, capacity gaps(numbers and skills)
	Number of Compliance audit reports on Donor Funded Projects	27	27		Lack of commitment, financial constraint, capacity gaps(numbers and skills)
	Number of Compliance audit reports of Local Councils	35	35	Audit Reports	Lack of commitment, financial constraint, capacity gaps(numbers and skills)
	Number of Parastatal audit reports	9	26	Audit Reports	Lack of commitment, financial constraint, capacity gaps(numbers and skills)
	Number of Treasury Funds audit reports	18	18	Audit Reports	Lack of commitment, financial constraint, capacity gaps(numbers and skills)
	Number of Embassy audit reports	10	20	Audit Reports	Lack of commitment, financial constraint, capacity gaps(numbers and skills)
	Number of Transversal audit reports	0	5	Audit Reports	Lack of commitment, financial constraint, capacity gaps(numbers and skills)
	Number of Public Debts Audit reports	0	5	Audit Reports	Lack of commitment, financial constraint, capacity gaps(numbers and skills)

	Number of Public Financial Management System(PFMS) audit reports	0	3	Audit Reports	Lack of commitment, financial constraint, capacity gaps(numbers and skills)
	Number of Extractive industries audit reports	0	5	Audit Reports	Lack of commitment, financial constraint, capacity gaps(numbers and skills)
	Number of Environmental audit reports	0	5	Audit Reports	Lack of commitment, financial constraint, capacity gaps(numbers and skills)
	Number of files	6000	6000	Certificates	Capacity gaps
	Number of CAM compliant Reports	0	405	Review Report	Commitment of staff
	Number of follow-ups	0	405	Follow-ups Reports	Commitment of staff
	Engagements Letters /Entry Minutes	632	831	Copies of Engagement letters and Minutes	Commitment of staff
Key Result Area 3	**PERFORMANCE AUDITS**				
3.0 Improved resource utilization and service delivery in MDAs when implementing their planned projects and programmes	Number of Performance Audit Reports Undertaken	6	10	Performance audit reports issued	Delays in production of reports Financial Constraints Inadequate staff
	Number of Performance auditors allocated	19	53	Performance auditors allocated	Delays and failure to recruit
	Number of Performance Auditors trained in other academic disciplines	1	28	Performance Auditors trained in other academic disciplines	Financial constraints Failure/delays in enrollment
	Number of	8	25	Performance	Financial

	Performance auditors trained in research skills			Auditors trained in research skills	Constraints
	Updated Performance Audit Manual and Performance Audit Flow	1	1	Updated Performance Audit Manual and Performance Audit Flow	Delays in updating the manual Financial Constraints
	Number of Performance auditors trained in the application of ISSAIs	1	52	Performance auditors trained	Financial Constraints Lack of commitment
	Number of Performance Auditors Trained in the use of Audit Management Software	2	53	Trained Performance Auditors/Report	Audit Management Software becoming obsolete
	Number of specialized audit guidelines customized	1	2	Customized audit guidelines	Inadequate expertize Financial constraints Delays in customization
	Performance Auditors trained in the audit of Extractive Industries	4	8	Training report/Trained performance auditors	Financial Constraints
	Number of Performance Auditors trained in the audit of SGDs implementation	1	53	Training report/trained auditors	Inadequate expertise Financial constraints Delays in implementing the training
	Number of Performance Auditors trained in audit of	2	8	Training report	Financial constraints

	Environmental related issues				
	Number of Performance Auditors trained in the three module course increased	19	53	Training report/ trained auditors	Financial constraints Delays in recruitment
	Number of months taken to complete a pre-study reduced	3	2	Progress reports	Delays in production Delays in reviewing Pre-study memo Inadequate staff Financial constraints
	Number of months taken to complete a main-study	9	8	Progress reports	Delays in production Delays in reviewing Pre-study memo Inadequate staff Financial constraints
	Updated sector risk assessment reports	July	December	Updated sector risk assessment reports	Delays in conducting and producing SRA reports
	Number of ISSAI compliance assessment reports	0	3	ISSAI compliance assessment report	Inadequate expertise Financial constraints
	Percentage of PA audits compliant with ISSAIs	50%	100%	ISSAIs Compliance Assessment report	Inadequate expertise
	Number of Performance Audit reports Peer reviewed in line with ISSAIs	6	40	Review check list (WP 13 and 20)	Financial constraints
	Number of PA	3	10	Training	Financial

	managers trained in supervision and review			report	constraints Lack of commitment
	Number of financial auditors introduced to PA concepts	0	30	Training report	Financial constraints Lack of commitment
	Number of Performance audit reports on Government IT Systems	0	3	Performance audit reports	Financial constraints Lack of commitment Records/informatio n unavailability
Key Result Area 4	INFORMATION TECHNOLOGY/SYSTEMS AUDITS				
4.0 Increased stakeholders' confidence that MDAs information systems are operating effectively and efficiently	Number of IT/IS Audit conducted	5	8	Audit reports produced	Delays in Quality control process:- Reviewing and producing audit reports Lack of commitment
	No. of CISA	2	10	Certificate obtained (personal file)/ and training report	Resource constraint
	No. of IT audit Champions trained	4	11	Training report And Certificate	Resource constraint
	No. of pilot audits conducted.	6	11	Audit reports issued	Delays in review Insufficient number of adequately trained IS auditor
	No. of Forensic auditors trained.	4	8	Training report	Resource constraint Lack of commitment
	Engagement letters and	10	21	Engagement letters issued	Delays in reviews

	minutes			and minutes	
Key Result Area 5	**FORENSIC AUDITS**				
5.0 Increased stakeholders' confidence on proper utilization of public resources	Forensic audit section established	0	1	Allocated staff	Delay in establishing the section
	Number of officers trained	1	20	Training Report	Resource constraint
	Number of auditors certified	1	5	Certificate	Resource constraint
	No. of pilot audits conducted.	0	3	Audit reports issued	Delays in review. Insufficient number of adequately trained IS auditor.
	Institutional Accreditation Attained	0	1	CFIP accreditation	Lack of commitment

Resource constraint |
| | No. of auditors trained in forensic computing. | 4 | 12 | Training report | Resource constraint

Lack of commitment |
Key Result Area 6	**CORPORATE SERVICES**				
6.0 Improved organizational management and administrative processes	Section 184 of Constitution the amended	0	1	Draft Bill	Delays by legislature and executive
	PAA amended	1 (some amendment have been done)	1	Draft Bill	Delays by legislature and executive
	Planning, R & D function established	0	1		Delay in establishing
	Number of consolidated reports produced	1	1	Annual report	Delays in submission of reports
	Number of Quality Assurance Reviews conducted	0	5	Quality Assurance Reports	Financial constraints and Capacity gap
	Percentage of auditors trained in Audit Methodologies(Financial and	10	200	Workshop Reports	Financial constraints and commitment of staff

Compliance Audits)				
Developed Guidelines on Financial Audit, Compliance Audit, Extractive Industries and Debt &Aid	0	4	Guidelines	Financial constraint and capacity gaps
Number of senior staff trained in MDP	53	65	Training report	Lack of funds Poor planning
Number of AG's reports produced	3	13	AG's report	Delays on submission of documentation by MDAs
Number of annual performance reports issued to parliament	0	1	Report issued	Lack of commitment
Number of reforms agreement produced and submitted to OPC	1	1	Annual reforms report	Delays in submission of reports by sections or regional heads
Planning, monitoring and evaluation of programs and projects strengthened	0	1	M&E framework	Lack of expertise
	0	1	R&D framework	Lack of expertise
Internal control, systems and risk management	0	1	Risks management framework	Lack of expertise
	0	1	Internal control charter	Lack of expertise
Working environment improved from 30% to 70% by 2025	0	1	Fleet management policy	Lack of commitment
	0	1	Fleet Management software	Lack of funds
	2	2	Zomba and Lilongwe offices	Lack of funds Commitment from Govt/stakeholders

				constructed	to support the project
		4	4	All Offices maintained and equipment procured	Lack of funds
		0	10	10 motor vehicles procured	Lack of funds Delays in procurement processes
		21	31	29 vehicles maintained Service receipts/ invoice	Lack of funds
	Improved compliance in financial management	0	5	Unqualified audit reports	Archaic record management system / missing documents / poor filing
	Performance appraisal system adopted	0	1	Staffs appraised	Subject to NAO attaining independence status
	60 % of staff attain formalized professional training and development	40%	100%	Staffs trained Training reports	Lack of resources
	Number of staff recruited	265	404	Staffs recruited	Office space Delays in getting authority to recruit
	Number of strategic positions filled	9	20	Positions filled	Bureaucracy Financial resources Prevailing policy policies Lack of commitment
	Number of HR policies and guidelines customized	0	4	Policies customized	Expertise Commitment Financial resources
	Improved social welfare services from 60% to 85% by 2022	60%	85%	PLWAs supported	Unwillingness for staff to disclosure sero status
				Minutes of Welfare &	Unwillingness for staff to disclosure

				HIV committee meetings Sensitization report	sero status
				Gender-related issues resolved/ addressed	Non compliance
40% of ICT infrastructure procured	30	75	ICT Infrastructure procured	Lack of funds Disaster risk (Dilapidated buildings)
Needs for ICT functions identified (Needs assessment report)	4	14	staffs trained Staff recruited ICT equipment procured Training report	Delays granting authority to recruit Security of ICT equipment/data Resources
Digitized record management system operational	0%	100%	records digitized	Lack of resources

Delays in procurement |
| Improved ICT Services / internal communication | 30 | 70 | Users connected to extranet and intranet Issues resolved | Lack of resources

Delays in procurement |
| Enhanced ICT Security system | 25 | 80 | Disaster recovery plan Users protected Computers protected Centralized back up in use Encryption tools | Lack of resources

Lack of commitment, Security of ICT equipment/data |
| 100% of Audit services automated | 20 | 269 | Users Licenses in use systems implemented | Lack funds

Delays in procurement |
| 3 MIS installed | 0 | 3 | MIS in use | Lack of resources

Delays in |

					procurement
	Stakeholders data established	0	1	Database	Lack of resources Lack of commitment
	Number of stakeholders engaged, informed and educated			stakeholder	Lack of commitment
	Capacity of PRO strengthened	2	6	Recruited staff Training Report Office equipment CNA Report	Lack of funds Delays in granting authority to recruit
	SAI Visibility improved	50%	80%	Survey report Website visitors	Lack of commitment Lack of financial resources
	% of officers accessing to information	50%	80%	Satisfaction survey report	Lack of commitment Lack resources Inadequate infrastructure

6 .0 CRITICAL SUCCESS FACTORS

In determining strategic outcomes, outcome targets and related outputs to be achieved, NAO was aware that there are certain critical elements as enabling factors that must be made available for the desired results to be successfully attained and sustained. Basically, NAO considers these as *important assumptions* which must be put in place and observed in order to successfully realize the intended results from implementing the strategic plan.

CSFs may change overtime, hence the need for NAO to regularly observe them and make necessary adjustments to the set targets in relation to the CSFs depending upon the circumstances. The following CSFs will be assumed to be put in place in order to successfully implement the Strategic Plan and achieve the desired outcomes:

6.1   Strategic Leadership
Leadership is the driving force in the accomplishment of any organization's goals and objectives. It is, therefore, imperative that NAO leadership is proactive, visionary, inspiring, accommodative of other people's views and able to delegate responsibilities. This also includes commitment to see the implementation process through.

6.2   Administrative Independence
The administrative autonomy of the National Audit Office in determining the nature, scope and extent of audits as well as autonomy in recruitment of staff is key to the success of the implementation of the Strategic Plan.

6.3   Human and Financial Resources
Human resource is key and the driving force in the accomplishment of any organization's goals and objectives. NAO leadership shall, therefore, ensure that human resources are properly recruited, engaged, developed motivated and retained for the successful implementation of the Strategic Plan.

The implementation of the Strategic Plan will require financial resources. It is, therefore, anticipated that the National Assembly shall appropriate sufficient funds as provided for under Section 17 of the Public Audit Act, 2003 in order for NAO to efficiently and effectively implement the Strategic Plan.

6.4   Staff Involvement
The implementation of the Strategic Plan is dependent on the involvement of all staff. NAO management shall ensure all staff are involved in the implementation of the

Strategic Plan. With staff involvement, ownership of the Strategic Plan will be encouraged.

6.5 Support from External Stakeholders

NAO is one of the key players in the accountability chain and all links in this chain are interdependent, hence the need for close cooperation with all stakeholders. The achievement of the Strategic Plan will require financial and technical support from external stakeholders.

6.6 Good Infrastructure

Implementation of the Strategic Plan will require a conducive working environment. Good office infrastructure is paramount in this regard.

6.7 Real Time Access to Government Information Systems

Real time access to government information systems will not only enhance the audit process but also ensure ability of staff to follow the audit trail efficiently and effectively.

6.8 Coordination

The success of the Strategic Plan will depend on all departments rowing in the same direction.

7.0 RISKS AND MITIGATION MEASURES

Table 6: Risks and Mitigation Strategy

NO.	RISK	CONSEQUENCES	MITIGATION MEASURES
Operational Risks			
1.	Lack of commitment	Underperformance	Implement performance management system (rewards and sanctions)
2.	Capacity gaps (Numbers and Skills)	Underperformance	Recruit qualified staff and train existing staff
3.	Delays in production of reports	Failure to meet deadlines	Improved collaboration, ensure availability of funds
5.	Delays/failure to recruit	Work overload	Timely implementation of recruitment plan
7.	Delays in updating manual	Compromised quality of work	Periodic Update of manuals
8.	Staff turnover	Failure to meet deadlines	Improved motivation of staff
9.	Systems compatibility	Poor quality and failure to produce	Thorough needs assessment
10	AMS becoming obsolete	Incompatibility of the system requirements	Customization and regular update of the system
11	Poor record management	Missing documents	Enforcement of existing policies. Implementation of E-Registry
12	Unwillingness for staff to disclose sero-status	Failure for office to provide appropriate support	Enhance sensitization of staff
13	Disaster risk (Collapsing of office building)	Loss of life, property and data	Construction of new building and insurance for life and property. Have real time data backup system
Financial Risks			
1.	Inadequate funding	Failure to implement planned activities	Prioritization of activities and lobby development partners
2	Inflation	Cost overruns on planned activities	Prioritization of activities
Compliance Risks			
1.	Non Compliance with existing legal provisions and policies	Application of sanctions	Equip staff with knowledge of the legal provisions. Adequate staff supervision
2.	Delay by legislature	Delayed independence	Periodic Follow ups with

	and executive to amend the Constitution and effect the amended PAA	of the office	relevant authorities
3.	Delay in procurement process	Delayed implementation of programmes and cost overruns	Prioritization of activities
4.	Delays in granting authority to recruit	Failure to recruit	Use existing staff

8.0   IMPLEMENTATION, MONITORING AND EVALUATION

8.1   Strategic Plan Implementation Arrangements

The NAO is a Government subvented institution and as with all ministries and departments of this nature, the implementation of this Strategic Plan will largely be financed by Treasury through monthly subventions as is currently the funding practice. It is recognized that donors and other development partners play a very big role in support of NAO programs. It is thus envisaged that other sources of funding will come from NAO's development partners. However, the resources that it may get may not match all the needs of the organization and as such prioritization of key interventions will be defined by Management and promoted.

For successful implementation of this Strategic Plan, the following institutional arrangements will be instituted for efficient and effective tracking and evaluation on implementation progress. NAO Management will put in place the following:
- Constitute the Strategic Plan Implementation Committee (SPIC)
- Set up clear TORs for the SPIC to be chaired by the Director of Administration who will be reporting to Management;
- Appoint members of the Strategic Plan Implementation Committee; and
- The SPIC will appoint an appropriate officer to act as its secretariat with clearly stipulated TORs and to report on progress made.

In order to facilitate implementation of the Strategic Plan, a number of activities will be undertaken to raise its visibility. The activities will include the following:
- Launch this SP involving key government ministries and departments, development partners and other key stakeholders of NAO;

- Popularize the Plan through banners, brochures, calendars, website, Facebook, twitter, WhatsApp and diaries;

8.2   Monitoring and Evaluation

Monitoring and Evaluation (M&E) is a management tool that will ensure that NAO policies, programs and project results are achieved by measuring performance against plans and drawing lessons to inform future implementation efforts and effectiveness. NAO's results-based Strategic Plan underscores the importance of monitoring and evaluation as a tool for tracking implementation of programs that are directed at enhancing service delivery in the implementation audit programs.

8.2.1 Monitoring

Monitoring is the mechanism NAO will use to assess if it is achieving the strategic outcomes and targets set in this plan. Monitoring is a process that will provide regular feedback and early indications of whether interventions are making progress or not towards the intended objectives. The process will track actual performance against the planned strategic outcomes and targets and this will entail collecting reports on implementation, analyzing the reports against the planned outputs that will achieve the outcome targets.

8.2.2 Evaluation

Performance evaluation is very important as it entails comparing actual against expected results and the resultant impact. In the fast changing hospitality and tourism environment, some of the key assumptions in the Plan may dramatically change and affect implementation of the set outcome targets and the outputs that will achieve them. It is, therefore, in the course of evaluation that NAO will determine the effect of such changes and appropriate corrective actions taken.

An evaluation of the Plan will be undertaken in the mid-term in the fiscal year 2023 and at the end of the Strategic Plan implementation period in 2025. The mid-term evaluation will aim to quantify progress made in implementation and provide information to guide review of activities and strategies where necessary. Whilst the end-term evaluation will assess whether set outcomes and targets were achieved and document the effectiveness, impact and sustainability of NAO's programs. This will eventually inform the development of the next Strategic Plan.

The M&E function is effective if it has the requisite capacity in terms of resources and equipment. NAO will therefore ensure that all programs have a dedicated budget to facilitate M&E operations and capacity building. In line with principles of results based management, NAO will foster partnerships and collaboration with other relevant stakeholders to ensure effective transformation process. NAO will also develop and implement Information, Education and Communication Strategy (IEC) to facilitate feedback and sharing of information on programs being implemented.

8.3 Data Collection, Analysis and Reporting

A credible M&E system ought to be supported by accurate and reliable data on the variables that are being measured. Data will, therefore, be collected using appropriate data collection tools and survey methods. The data collected, for its diversified

businesses reported at each level will be subjected to quality checks and validation to ensure completeness, consistency, accuracy and reliability before releasing to the Board for decision making. Hence, NAO will ensure that there is adequate capacity to generate quality data.

8.4   Key Performance Indicators

The implementation of this Strategic Plan will be monitored based on selected high level outcome indicators which are reflected in the Results-Based Logical Framework shown as Table 4 above.

8.5   Review of the Strategic Plan

The review of the Strategic Plan will be done at the end of each financial year basing on the achievement of the output targets which constitute input into the Annual Work Plans prior to the budget development process to reflect cost estimates for the impending fiscal year. A full review of the Plan will be conducted at the end of the implementation period in 2025 when the plan will expire. However, a mid-term review will be conducted to incorporate new developments and emerging issues needing immediate attention.

APPENDICES

Appendix 1: Summary of the costs for the outputs

Key Result Area 1:	Financial Audits									
Strategic Outcome 1	Increased stakeholders' confidence in government financial management systems						Source of Funding			
Outcome Target 1.1	Financial audit coverage in MDA's, Parastatals and Donor Funded Project increased from 80% to 100% by 2025					Total Estimated Cost (TEC)				
Related Outputs	2021	2022	2023	2024	2025		GoM	DP	Other	Remarks
1.1.1 54 Financial audit of MDAs and Donor Funded Projects conducted	464,400,000	561,832,500	563,914,125	607,499,831	568,394,823	2,766,041,279	√			
1.1.2 23 donor funded projects audits conducted	95,450,000	96,082,500	96,746,625	138,843,956	98,176,154	**525,299,235**	√			
1.1.3 35 Financial audits of local councils conducted	301,000,000	301,875,000	302,793,750	303,758,438	304,771,359	**1,514,198,547**	√			
1.1.4 18 parastatals to be audited by 2025	24,600,000	53,325,000	49,815,000	61,177,275	75,739,556	**264,656,831**	√	√		
1.1.5 18 Treasury Funds audits conducted by 2025	73,800,000	74,250,000	74,722,500	75,218,625	75,739,556	**373,730,681**				
Outcome Target 1.2	Combined IS/Financial audits increased from 0% to 50% by 2025									
1.2.1 120 Combined IS/Financial audits increased from 0% to 50% by 2025	98,400,000	99,000,000	99,630,000	100,291,500	100,986,075	**498,307,575**	√	√		
Outcome Target 1.3	Full implementation of Audit Management System by 2020									

1.3.1 Implementation of Audit Management System by 2021	21,000,000	36,735,000	-	-	-	**57,735,000**	√	√		
Outcome Target 1.4	Improved quality of audit reports by 2025									
1.4.1 All auditors trained in use of CAATs (ACL)by 2022	21,350,000	21,375,000	21,401,250	21,406,000	21,410,000	**106,942,250**	√	√		
1.4.2 15 Auditors trained in Public Debt Audit by 2021	-	9,312,500	9,855,125	9,857,882	9,310,000	**38,335,507**	√	√		
1.4.3 All auditors trained in use of Audit Management Software by 2022	21,110,000	27,850,500	27,948,150	-	-	**76,908,650**	√	√		
1.4.4 Organized assembly of final audit files	7,810,000	-	-	-	-	**7,810,000**	√			
1.4.5 15 Auditors trained in Environmental Audit	-	7,012,500	7,935,750	8,062,538	-	**23,010,788**	√	√		
1.4.6 15 Auditors trained in Extractive Industries Audit	-	7,012,500	7,935,750	8,062,538	-	**23,010,788**	√	√		
Outcome Target 1.5	Increased capacity building for FA Auditors by 2025									
1.5.1 40 FA auditors trained in ACCA/CIMA/ICAM	-	9,800,000	69,800,000	69,800,000	69,800,000	**279,200,000**	√	√		
1.5.2 42 FA Auditors trained in other academic disciplines	-	40,800,000	-	76,000,000	-	**116,800,000**	√	√		
1.5.3 50 FA auditors attending AFROSAI-E Updates	15,940,000	22,596,000	24,640,875	25,453,969	29,372,670	**118,003,513**	√	√		

Key Result Area 2:	Compliance Audits									
Strategic Outcome 2	Increased stakeholders confidence in MDAs compliance with authorities							Source of Funding		
Outcome Target 2.1	Compliance audit coverage in MDAs and Donor Funded Project increased from 80% to 100% by 2025					Total Estimated Cost (TEC)				
Related Outputs	2021	2022	2023	2024	2025		GoM	DP	Other	Remarks
2.1.1 405 Compliance audit of MDAs conducted	369,800,000	465,750,000	467,167,500	468,655,875	470,218,669	2,241,592,044	√	√		
2.1.2 23 Compliance audit of Donor Funded Projects conducted	95,450,000	96,082,500	96,746,625	97,443,956	98,176,154	483,899,235	√	√		
2.1.3 35 Compliance audits of local councils conducted	301,000,000	301,875,000	302,793,750	303,758,438	304,771,359	1,514,198,547	√	√		
2.1.4 18 Parastatals audited by 2024	17,400,000	37,125,000	47,169,000	62,682,188	75,739,556	240,115,744	√	√		
2.1.5 90 Treasury Funds conducted by 2024	52,200,000	74,250,000	74,722,500	75,218,625	75,739,556	352,130,681	√	√		
2.1.6 100 Compliance audit of embassies	130,900,000	211,785,000	580,741,000	440,649,300	683,946,953	2,048,022,253	√	√		
2.1.7 5 Transversal audits conducted	126,000,000	126,405,000	126,830,250	127,276,763	127,745,600	634,257,613	√	√		
2.1.8 10 Establishment Audits Conducted	12,200,000	12,270,000	12,343,500	12,420,675	12,501,709	61,735,884	√	√		
2.1.8 30,000 Pre audits of pensions and gratuities	23,440,000	23,850,000	24,280,500	24,921,675	25,207,151	121,699,326	√	√		
2.1.9 10 Pre Audit of Compensations Conducted	12,820,000	10,770,000	14,091,500	13,545,075	13,811,329	65,037,904	√	√		

	2021	2022	2023	2024	2025	Total Estimated Cost (TEC)	GoM	DP	Other	Remarks
2.1.10 10 Audit of Salary Arrears Conducted	12,820,000	10,770,000	11,074,500	13,734,225	14,069,936	**62,468,661**	√	√		
2.1.11 5 Public debts audits	4,100,000	4,125,000	4,151,250	4,178,813	4,207,753	**20,762,816**	√	√		
2.1.12 3 Public Financial Management Processes audit conducted	-	27,500,000	-	27,500,000	-	**55,000,000**	√	√		
2.1.13 2 Standalone Extractive industries audits conducted	-	9,577,500.00	5,951,250.00	9,577,500	9,607,753	**34,714,003**	√	√		
2.1.14 5 Environmental Audits conducted	9,550,000	9,577,500	9,606,375	9,636,694	9,668,528	**48,039,097**	√	√		
Key Result Area 3	**Performance Audits**									
Strategic Outcome 3.0	**Improved resource allocation and service delivery in MDAs when implementing their planned projects and programmes**							Source of Funding		
Outcome Target 3.1	**Performance Audit coverage on Implementation of MGDS III conducted**					Total Estimated Cost (TEC)				
Related Outputs	**2021**	**2022**	**2023**	**2024**	**2025**		**GoM**	**DP**	**Other**	**Remarks**
3.1.1 27 Performance Audits on Implementation of MGDS III conducted	105,651,000	131,744,340	133,844,603	155,788,230	200,317,262	**727,345,434**	√	√		
3.1.2 2 Performance Audits on Extractive Industries Conducted		28,801,710	30,241,796	31,882,972	33,477,121	**124,403,598**	√	√		
3.1.3 3 Performance Audits on Environmental Audits Conducted	24,280,200	20,863,710	0	31,753,885	33,341,580	**110,239,375**	√	√		

3.1.4 8 Performance Audit on Donor Funded Programmes Conducted		57,603,420	60,483,591	55,083,420	66,683,159	**239,853,590**	√	√	
3.1.5 Follow-up Performance Audit conducted	73,890,400	89,019,630	101,805,512	95,256,840	133,572,954	**493,545,336**	√	√	
Outcome Target 3.2	**Performance Audit function strengthened by 2025**								
3.2.1 Number of Performance Auditors increased from 19 to at least 40 audit staff	0.00	0.00	0.00	0.00	0.00	**0.00**			
3.2.2 5 Performance Auditors trained in other academic disciplines	0.00	121,000,000	174,800,000	344,000,000	99,600,000	**739,400,000**	√	√	
3.2.4 Performance Auditors trained in research skills	704,000	15,709,200	22,428,200	0.00	0.00	**38,841,400**	√	√	
3.2.5 Performance Audit Manual and Performance Audit Flow updated	12,380,000					**12,380,000**	√	√	
3.2.6 Knowledge on application of ISSAIs For 39 Performance Auditors enhanced	13,080,000	9,213,200	9,633,200	15,969,860	15,933,200	**63,829,460**	√	√	
3.2.7 Performance Auditors Trained on the use of Audit Management system software		21,328,860	44,458,200	0.00		**65,787,060**	√	√	
3.2.8 Audit guidelines for environmental and Extractive audits customized		21,328,860	25,107,453	12,150,000		**58,586,313**	√	√	
3.2.9 8 Performance Auditors trained in		5,425,980	5,697,279	6,002,000	6,304,472	**23,429,731**	√	√	

the audit of Extractive Industries										
3.2.10 Performance Auditors trained in the audit of SGDs implementation	13,780,000	9,160,000	9,950,000	9,950,000	0.00	**42,840,000**	√	√		
3.2.11 8 Performance Auditors trained in audit of Environmental related issues	0.00	6,002,000	6,002,000	6,214,100	6,002,000	**24,220,100**	√	√		
3.2.12 24 Performance Auditors trained in the three module course increased	0.00	31,293,000	50,063,000	0.00	0.00	**81,356,000**	√	√		
3.2.13 40 Performance auditors trained in professional courses	15,930,000	19,050,000	20,520,000	23,470,000	24,790,000	**103,760,000**	√	√		
3.2.14 AFROSAI-E Technical Updates and refresher courses participated by Performance auditors	9,540,000	23,888,000	20,848,000	19,080,000	23,888,000	**97,244,000**	√	√		
Outcome Target 3.3	Report production time reduced from 12 to 10 months by 2025									
3.3.1 Maximum number of months taken to complete a pre-study reduced from 3 to 2 months	2,500,000	3,500,000	4,500,000	5,500,000	6,500,000	**22,500,000**	√	√		
3.3.2 Maximum number of months taken to complete a main-study reduced from 9 to 8 months	2,500,000	3,500,000	4,500,000	5,500,000	6,500,000	**22,500,000**	√	√		
3.3.3 Sector risk assessment reports	3,500,000	4,600,000	5,200,000	6,400,000	6,800,000	**26,500,000**	√	√		

Activity						Total					
updated by December annually											
Outcome Target 3.4	**ISSAI compliant Performance Audit Reports produced by 2025**										
3.4.1 ISSAI Compliance Assessment using an ISSAI Compliance Assessment Tool (ICAT) at the beginning, middle and end of the strategic plan period conducted		38,662,470			59,481,588	**98,144,058**	√	√			
3.4.2 % of compliance with ISSAIs in conducting Performance Audits ISSAIs increased from __to __ by	16,388,000	18,360,000	22,650,000	36,400,000	38,600,000	**132,398,00**	√	√			
3.4.3 40 Performance Audit reports Peer reviewed in line with ISSAIs	34,556,400	54,495,400	56,345,400	58,912,920	80,210,400	**284,520,520**	√	√			
3.4.4 Supervision and review skills for 10 PA manager enhanced		5,767,860	6,056,253			**11,824,113**	√	√			
3.4.5 Quality Assurance reviews on 10 PA reports conducted	5,493,200	5,767,860	6,056,253	6,359,066	6,701,704	**30,378,083**	√	√			
Outcome Target 3.5	**Performance audit concepts diversified to financial IT/IS auditors by 2025**										
3.5.1 60 financial auditors introduced to PA concepts			14,986,503	15,735,828	16,583,704	**47,306,035**	√	√			
3.5.2 PA/IS audit integrated and 3 PA on Government ITS			30,241,795.50	31,753,885.28	33,464,844	**95,460,525**	√	√			

conducted										
Key Result Area	Information Systems Audits									
Strategic Outcome 4	Increased stakeholders' confidence that MDAs Information Systems are operating effectively and efficiently.					**Total Estimated Cost (TEC)**	Source of Funding			
Outcome Target 4.1	Increased Compliance IS audit (stand alone IS audits) from 5 to 8 audits by 2025									
Related Outputs	2021	2022	2023	2024	2025		GoM	DDP	Other	Remarks
8 IS Audits conducted	32,720,000	64,092,000	67,296,600	70,661,430	74,194,501	**308,964,532**	√	√		
Outcome Target 4.2	Increase capacity Building for IS auditors by 2025.									
4.2.1 19 IS auditors trained for CISA	2,040,000	2,040,000	3,060,000	2,040,000	2,040,000	**11,220,000**	√	√		
4.2.2 12 IS auditors trained in IT audit champions course	21,008,000	21,864,000	29,712,000	29,712,000	29,712,000	**132,008,000**	√			
4.2.3 6 IS Auditors trained in other academic discipline	4,740,000	4,740,000	4,740,000	-	-	**14,220,000**	√			
4.2.4 All IS Auditors trained on ISACA and ISSAI standards	10,025,000	-	10,275,000	10,025,000	10,025,000	**40,350,000**	√			
4.2.5 All IS Auditors Trained on the use of Audit Management system software	10,025,000	10,025,000	10,275,000	10,025,000	10,275,000	**50,625,000**	√			
Outcome Target 4.3	High quality IS audits achieved by 2025.									
4.3.1 40 ISAM compliance audits by 2024 4.3.2 5pilot audits on champion program	22,653,000	41,793,000	43,882,650	46,076,782	48,380,622	**202,786,054**	√			
Outcome Target 4.4	Combined IS /Financial audit increased from 0% to 25% by 2024									

Related Outputs	2021	2022	2023	2024	2025		GoM	DP	Other	Remarks
4.4.1 121 IS/Financial audits conducted by 2024	112,800,000	118,440,000	124,362,000	130,580,100	137,109,105	623,291,205	√			
Key Result Area 5: FORENSIC AUDITS										
Strategic Outcome	Increase stakeholders' confidence in proper utilization of public resources									
Outcome Target:5.1	Forensic audit section established by 2022									
5.1.1 Establish Forensic Audit Section	-									
Outcome Target 5.2	Strengthen the forensic audit section by 2025									
5.2.1 Train 20 forensic auditors by 2021			8,400,000			8,400,000.00	√	√		
5.2.2 Number of certified fraud examiners increased from 1 to 6 by 2025		5,331,600.00		7,997,400		13,329,000	√	√		
5.2.3 Auditors trained in computer forensic auditing by 2025		140,000,000		140,000,000		280,000,000	√	√		
5.2.4 Conduct at least 3 forensic audits by 2025	6,000,000		6,040,000		6,040,000	18,080,000	√	√		
5.2.5 Attain institutional forensic audit accreditation by 2025					7,000,000	7,000,000	√	√		
Key Result Area 6:	Corporate Services									
Strategic Outcome 1	Improved organisational management and administrative processes									
Outcome Target:6.1	Section 184 of the Constitution amended to reflect the international best practices.									
Related Outputs	2021	2022	2023	2024	2025		GoM	DP	Other	Remarks

6.1. 1 Enhanced Independent Status of NAO achieved by 2021	8,150,000	-	-	-	-	8,150,000.00	√			
6.1.2 Amendments of PAA implemented	8,456,000	-	32,256,000	-	-	40,712,000.00				
Outcome Target 6.2	Planning, monitoring and evaluation of programs and projects strengthened from 60% to 80% by 2025									
6.2.1 Planning, Research and Development Function established	-	-	-	-	-	-				
6.2.2 Research & Development Framework reviewed	21,760,000	21,760,000	21,760,000	21,760,000	21,760,000	108,800,000	√			
6.2.3 Research and Development Activities	-	9,192,000	9,652,500	9,928,127	9,928,127	38,700,754	√			
6.2.4 Consolidated annual plans produced and implemented	27,700,000	27,700,000	27,700,000	27,700,000	27,700,000	138,500,000	√			
6.2.5 M&E framework developed and implemented	56,720,000	56,720,000	56,720,000	56,720,000	56,720,000	283,600,000	√			
6.2.6 ICBF Assessment Report Produced	8,800,000	8,800,000	8,800,000	8,800,000	8,800,000	44,000,000	√			
6.2.7 SAI-PMF assessment Report produced	8,056,000	-	-	-	8,056,000	16,112,000.00	√			
Outcome Target:6.3	Improved quality of audit reports by 2025									
6.3.1 QA Methodology function established and strengthened	6,790,000	6,790,000	-	-	-	13,580,000	√	√		

6.3.2 5 Quality Assurance Reviews conducted by 2024	23,332,000	23,412,000.00	23,492,000	23,572,000	23,652,000	**117,460,000**	√	√	
6.3.3 All auditors trained in Financial Audit Methodology	46,720,000.00	19,760,000.00	-	-	-	**66,480,000**	√	√	
6.3.4 Audit Guidelines developed by 2021	28,090,000	28,090,000	28,090,000	-	-	**84,270,000**	√	√	
6.3.5 Quality Assurance Policy and Manual customized by 2021	24,220,000	-	-	-	12,370,000	**36,590,000**	√	√	
Outcome Target 6.4	Strategic Operational and management processes enhanced from 60% to 80% by 2025								
6.4.1 Management & Development Programmes for senior managers conducted	-	49,056,000	-	49,296,000	-	**98,352,000.00**	√	√	
6.4.2 AG´s Reports produced	94,650,000	184,780,000	184,780,000	191,080,000	193,180,000	**848,470,000.00**	√	√	
6.4.3 Annual Performance Report submitted to Parliament	17,780,000	17,830,000.00	17,880,000	17,930,000	17,980,000	**89,400,000.00**	√	√	
6.4.4 Reforms Agreement produced annually	40,150,000	40,550,000	40,450,000	40,300,000	40,500,000	**201,950,000**	√	√	
Outcome Target 6.5	Internal control, systems and risk management services strengthened by 2025								
6.5.1 Internal Audit Charter and Procedures developed and implemented	-	11,590,000	7,340,000	7,450,000	7,400,000	**33,780,000**	√		

6.5.2 Risk management framework and Internal Audit Charter developed and implemented	12,200,000.00	16,400,000.00	16,400,000.00	12,200,000.00	12,480,000.00	**69,680,000**	√			
6.5.3 Risk management Policy and Procedures developed and implemented	12,100,000	12,115,000	12,130,000	12,145,000	12,160,000	**60,650,000**	√			
Outcome Target 6.6	Internal financial management services enhanced by 100% by 2021									
6.6.1 100% Compliance with PFMA, Treasury instructions and PPDA enhanced	27,920,000	27,194,000	27,244,000	27,244,000	27,344,000	**136,946,000**	√			
6.6.2 Capacity of Accounts officers enhanced	62,390,000	17,390,000	17,390,000	17,390,000	17,390,000	**131,950,000**	√			
Outcome Target 6.7	Working environment improved from 30% to 70% by 2025									
6.7.1 Fleet management Policy and Procedures developed and implemented	5,600,000	11,550,000	-	-	-	**17,150,000**	√			
6.7.2 10 Motor vehicles acquired and 29 vehicles maintained	297,500,000	69,000,000	219,600,000	263,600,000	275,500,000	**1,125,200,000**	√			
6.7.3 2 Office complex constructed and 4 offices maintained	324,900,000	14,234,300,000	10,660,000	10,660,000	10,660,000	**14,591,180,000**	√			
6.7.3.3 Land acquisition for NAO Blantyre and Mzuzu			70,000,000	70,000,000		**140,000,000**	√			

Offices											
Outcome Target 6.8	Performance management systems Strengthened from 70% to 80% by 2025										
6.8.1 New performance appraisal adopted and implemented	1,031,000.00	-	-	-	-	1,031,000.00	√				
Outcome Target 6.9	Formalized professional training and development enhanced from 40% to 100% by 2025										
6.9.1 Prioritized training needs assessment facilitated	7,560,000	-	-	-	-	7,560,000	√				
6.9.2 Training plan reviewed and implemented	5,959,000	63,705,000	63,705,000	63,705,000	63,705,000	260,779,000	√				
Outcome Target 6.10	65 % of staffing levels improved by 2025										
6.10.1 65% Recruitment of staff facilitated	6,743,000	-	2,306,000	2,306,000	2,306,000	13,661,000	√				
6.10.2 85% Staff promoted and posted	901,000	-	3,826,000	3,826,000	3,826,000	12,379,000	√				
6.10.3 Recruitment plan developed	-	10,280,000	-	-		10,280,000	√				
Outcome Target 6.11	100% of HR policies and guidelines customized with ISSAI requirements by 2022										
6.11.1 HR policies and guidelines implemented	-	5,980,000.00	-	-	-	5,980,000.00	√				
Outcome Target 6.12	Improved social welfare services from 60% to 85% by 2025										
6.12.1 Social wellfare services strengthened	282,000	10,280,000	-	-	-	10,562,000	√				
6.12.2 HIV/AIDS activities strengthened	2,560,000	8,980,000	8,980,000	8,980,000	8,980,000	38,480,000	√				
6.12.3 HIV/AIDS awareness to all	3,180,000	25,880,000	25,880,000	25,880,000	25,880,000	106,700,000	√				

officers conducted										
6.12.4 Gender activities strengthened	3,360,000	16,280,000	16,280,000	16,280,000	16,280,000	**68,480,000**	√			
Outcome Target:6.13	ICT services, infrastructure and record management improved from 30% to 75% by 2025									
6.13.1 ICT infrastructure procured	494,680,000	296,800,000	99,744,000	99,744,000	99,744,000	**1,090,712,000**	√	√		
6.13.2 Needs assessment conducted and ICT Officers trained	3,300,000	21,067,200	21,067,200	21,067,200	21,067,200	**87,568,800**	√	√		
6.3.3 Record management digitized	125,250,000	25,820,000	25,820,000	25,820,000	25,820,000	**228,530,000**	√	√		
6.13.4 Extranet and Intranet Services improved	14,100,000	9,400,000	9,400,000	9,400,000	9,400,000	**51,700,000**	√	√		
6.13.5 ICT help desk formalised and operational	10,350,000	23,504,000	23,504,000	23,504,000	23,504,000	**104,366,000**		√	√	
6.13.6 Disaster recovery plan implemented	5,256,000	23,700,000	23,700,000	23,700,000	23,700,000	**100,056,000**	√	√		
6.13.7 Centralised backups implemented	31,450,000	23,200,000	23,200,000	23,200,000	23,200,000	**124,250,000**	√	√		
6.13.8 Data encryption tools and antivirus procured and installed	25,600,000	25,400,000	25,400,000	25,400,000	25,400,000	**127,200,000**	√	√		
Outcome Target:6.14	NAO services automated by 2025									
6.14.1 Audit systems designed implemented	205,168,940	30,438,000	30,438,000	30,438,000	30,438,000	**326,920,940**	√			
6.14.2 Management information systems	305,784,800	62,100,000	62,100,000	23,700,000	23,700,000	**477,384,800**	√			

implemented										
Outcome Target:6.15	Strategic relations with all NAO key stakeholders established by 2025									
6.15.1 Stakeholder's data base established	5,920,000	41,120,000	41,120,000	41,120,000	41,120,000	**170,400,000**	√			
6.15.2 Stakeholders engaged, informed and educated	34,180,000	34,180,000	34,630,000	34,630,000	34,630,000	**172,250,000**	√			
6.15.3 Access to information to NAO staff having improved	-	-	4,930,000	-	-	**4,930,000**	√			
6.15.4 Internal Communication among staff enhanced	-	-	-	-	-	**-**	√			
6.15.5 Access to the AG's Report improved	42,250,000	42,250,000	42,250,000	42,250,000	42,250,000	**211,250,000**	√			
Outcome Target:6.16	Public relations services enhanced by 2021									
6.16.1 Capacity of Public Relations office strengthened	3,000,000.00	-	-	-	-	**3,000,000.00**	√			
6.16.2 SAI visibility improved	40,380,000	27,680,000	27,680,000	27,680,000	27,680,000	**151,100,000.00**	√			
GRAND TOTAL	**5,410,953,940**	**19,727,005,800**	**5,757,575,387**	**6,057,318,396**	**5,858,850,743**	**42,803,894,266**	√			

Appendix 2: List of Strategic Plan Development Technical Working Group Members

NO	NAME	POST/WORK STATION
1	Mr Charles Maseya	Director of Specialised Audit
2	Mr. L.A.C. Kampanje	Assistant Auditor General
3	Mr. T. Mponela	Assistant Auditor General
4	Mr. Eleck Wavikondo	Assistant Auditor General
5	Mr. A.S. Mwamlima	Department of Human Resources, Management & Development
6	Mr. G. M'banga	Chief Human Resources Management Officer
7	Mr Harold Masanda	Chief Human Resources Management Officer
8	Mr George Chikwana	Chief Auditor
9	Ms Caroline Buliani	Chief Auditor
10	Mr. Chimwemwe Ng'oma	Chief Auditor
11	Mr. W. Mwale	Chief Auditor
12	Ms Jika Mapila	Chief Auditor
13	Mrs Diana Kambona	Principal Human Resources Management Officer
15	Mr. Jatula Mkandawire	Principal Administrative Officer
16	Mr Andrew F. Mndalasini	Principal Auditor
18	Mr Frank Bita	Principal Auditor
19	Mr Lucius Kapolo	Chief Auditor
20	Mr Charles Matanje	Principal Accountant
21	Mr Mayeso Chembezi	IT Programmer
22	Ms Chifundo Chalunda	Auditor
23	Mrs Sophie Musa	Assistant Auditor

Appendix 3: List of Staff Members who participated in the Review of the 2015 – 2019 Strategic Plan at Lilongwe Hotel

NO	NAME	POST
1	Mr. Thomas K.B. Makiwa	Acting Auditor General
2	Mr. G. Pute	Director of Regularity Audit
3	Mr Charles Maseya	Director of Specialised Audit
4	Mr. L.A.C. Kampanje	Assistant Auditor General

5	Mr F.M. Chitanda	Assistant Auditor General
6	Mr. T. Mponela	Assistant Auditor General
7	Mr. A.S. Mwamlima	Department of Human Resources, Management & Development
8	Mr. G. M'banga	Chief Human Resources Management Officer
9	Mr. Eleck Wavikondo	Assistant Auditor General
10	Mrs Christina Chirambo	Assistant Auditor General
11	Ms Marie Ingabire	GIZ Consultant
12	Mr Harold Masanda	Chief Human Resources Management Officer
13	Mrs L. Mkandawire	Chief Auditor
14	Mr George Chikwana	Chief Auditor
15	Mrs Gertrude Chitimba	Chief Auditor
16	Ms Caroline Buliani	Chief Auditor
17	Mr William S.J.Chadza	Chief Auditor
18	Mr. Chimwemwe Ng'oma	Chief Auditor
19	Mr. W. Mwale	Chief Auditor
20	Mr. A. Chihana	Chief Auditor
21	Mr. Jonathan Chilombo	Chief Auditor
22	Mrs M. Munkhondya	Chief Auditor
23	Mr R. Kagwamminga	Public Relations Officer
24	Ms Jika Mapila (Mlewa Mrs)	Chief Auditor
25	Mrs Diana Kambona	Principal Human Resources Management Officer
26	Mr. Jatula Mkandawire	Principal Administrative Officer
27	Mr Andrew F. Mndalasini	Principal Auditor
28	Mrs Alice Chiwalo	Principal Auditor
29	Mr. Harrison Makwenda	Principal Auditor
30	Mr Frank Bita	Principal Auditor
31	Mr. Augustine Kalumbi	Principal Auditor
32	Mr. Thomas Manda	Principal Auditor
33	Mr. Anangisye Mwenitete	Principal Auditor
34	Mr Charles Matanje	Principal Auditor
35	Mr. Mayeso Chembezi	IT Programmer

36	Ms Chifundo Chalunda	Auditor
37	Mrs Tamala Lupwayi	Auditor
38	Mr Duncan Chipekwe	Auditor
39	Mrs Sophie Musa	Assistant Auditor
40	Mr Nonny Nkana	Assitant Auditor
41	Mr. Bon Kamphere	Auditor
42	Mr. Misheck Mtonga	Office Superintendent
43	Ms. Etta Manda (Chirwa)	Personal Assistant to the Auditor General
44	Mr. M. Rabson	Messenger

Appendix 4: List of Stakeholders Who were consulted

S/N	Institution & Designation
1	Public Accounts Committee, National Assembly.
2	The Clerk of Parliament, National Assembly.
3	The Secretary to Treasury.
4	The Secretary for Ministry of Economic Planning and Development.
5	The Solicitor General and Secretary for Ministry of Justice and Constitutional Affairs.
6	The Secretary for the Department of Human Resources Management and Development.
7	The Secretary to the President and Cabinet.
8	The Director, Policy Department, Office of the President and Cabinet.
9	The Principal Secretary for Public Service Reforms, Office of the vice president.
10	The Secretary to Civil Service Commission.
11	The Ombudsman, Office of the Ombudsman
12	The Director General, Anti-Corruption Bureau.
13	The Director General, Financial Intelligence Authority
14	The Inspector General, Malawi Police Services
15	The Accountant General
16	The Country Resident Manager, World Bank
17	The Team Leader, Strengthening Public and Economic Finance Management in Malawi (GIZ PFEMMW)
18	The Chief Executive Officer, Institute of Chartered Accountants in Malawi
19	The Chief Executive Officer, Malawi Accountants Board.
20	The Executive Director, Malawi Economic Justice Network
21	The Chief Executive Officer, African Organisation for English Speaking Supreme Audit Institutions
22	The Director General, INTOSAI DEVELOPMENT INITIATIVE.

Appendix 5: Reference materials consulted

S/N	Documents consulted
1	NAO 2015 – 2019 Strategic Plan
2	NAO Performance Contracts and Progress Reports for 2015 – 2018
3	The Constitution of the Republic of Malawi, 1994
4	The Public Service Act of 1994
5	The Public Finance Management Act No. 7 of 2003
6	The Public Procurement and Disposal of Assets Act No. 8 of 2017
7	The Malawi Growth and Development Strategy III (MGDS III)
8	The Public Service Reforms Policy
9	The Public Service Management Policy ,

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