

NATIONAL AUDIT OFFICE

TRAINING STRATEGY

2005-2010

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LIST OF ACRONYMS AND ABBREVIATIONS

ACCA-	Association of Chartered Certified Accountants
CIMA-	Certified Institute of Management Accountants
HR-	Human Resource
IFIMIS-	Integrated Financial Management Information System
IT-	Information Technology
INTOSAI-	International Organization of Supreme Audit Institutions
MCA-	Malawi College of Accountancy
NAO-	National Audit Office
PAEC-	Public Accountants Examination Council
SAI-	Supreme Audit Institution
SNAO-	Swedish National Audit Office

FOREWORD

The need for an official National Audit Office (NAO) Training Strategy has existed for a long period of time, but it has as of yet not been possible to formulate one. Through the initiative of the SNAO/ NAO Institutional Development Project, I am hereby pleased to present a NAO Training Strategy for the next five -year period. The Training Strategy will guide all training activities between now and 2010.

The strategy deals with the organization of training within the organization, and identifies critical training activities that need to be undertaken between now and 2010. It is envisaged that the proposed training activities will strengthen staff capabilities and staff satisfaction, in addition to improving the NAO's output and improve client satisfaction. To make this Strategy a living document, we shall aim to update it periodically.

Bearing in mind that human resources is the most important resource of any organization, we shall aim to commit a minimum of 5% of the NAOs operating costs to training and development of our staff. Such an investment is essential for staff and the NAO if we are to keep abreast with a rapidly changing world. Training needs to be well directed if it is to meet staff specific requirements and tie in with the corporate direction of NAO.

This document is a corporate statement of our belief in the value of training and development, and gives assurance to Parliament, our clients, our staff and other interested parties, that we intend to maximize the potential of our staff in carrying out our legal duties in a more efficient and effective manner.

For the individual, this document is a commitment of support for your training and development and encourages staff to focus their learning on key business areas.

The Training Strategy will be supplemented by Annual Training Plans which outline the training activities for that particular year.

H.B. Kalongonda
AUDITOR GENERAL

1. INTRODUCTION

1.1 Purposes of training

Human resources are the most dynamic and important of all the organization's resources. They need considerable attention from Management if they are to realize their full potential in their careers. It is therefore important that NAO plays a proper role in training and development of staff in various skills relevant to its workforce. This will in itself highly contribute to the achievement of its strategic objectives. The purpose of training includes, among others, the following:

- to develop skills, knowledge and professionalism of staff
- to provide specialized skills
- to induct new entrants to become familiarized with our organization
- to correct weaknesses and wayward attitudes identified during annual appraisals
- to prepare staff for promotions and new job positions

1.2 Why have a training strategy for the NAO

This Training Strategy is in essence a statement of direction regarding training in the NAO from top management. It constitutes a plan of action with commitment of resources and priorities. It is thus a stepping-stone for future developments of training in the NAO.

Developing and implementing a strategy is essentially a question about making important choices that commits resources and capabilities to achieve long-term goals.

The overall goal of this Strategy is to enhance the quality and quantity of training in the NAO, thus contributing to the development of the competence and capabilities of staff. This will in turn lead to a more effective and efficient organization that delivers high quality audits and contributes to accountability, transparency and good governance in Malawi.

To achieve this goal, this strategy must build on a shared vision of how we want to develop training in the NAO. It must involve both management and other members of staff, and should as far as possible be based on consensus.

In addition, the Training Strategy must lead to action if it is to be successful. Numerous good and ambitious strategies are developed, but fail to be implemented. We must thus ensure that this Strategy is known to all members of staff and that we together ensure that the Strategy guides us in all aspects of training in the NAO.

1.3 Training as part of the overall strategy for NAO

The scope of training and development activities depends on both the training policy of the organization, and how this policy is implemented. The Training Strategy therefore needs to be tied into the overall strategy for the NAO. The overall goals of the NAO can only be achieved through quality audit work that is planned and conducted in a professional manner.

In order to use the scarce resources in the most effective and efficient manner, the strategy must be tied very closely to the overall NAO Strategy. The overall NAO Strategy outlines a number of areas that are to be prioritized for the period 2005-2010. The training offered by the NAO should be designed in order to help the NAO achieve these strategic goals.

The Strategic Plan for 2005-2010 outlines the following Strategic Areas to be addressed:

1. Human Resource Capacity
2. Conditions of Service
3. Staff Turnover
4. Human Resource Development
5. Performance Management System
6. Communication and co-ordination
7. Information Technology
8. Performance Monitoring Systems
9. Institutionalized Meetings
10. Gender Balance and Equity
11. Information Sharing

Training, if properly planned and executed, will be a prime component in molding the NAO into the kind of institution it is to become in future years. If carried out successfully, it should directly impact on strategic goals such as human resource capacity and development as well as staff turnover. By prioritizing IT and Human Resource Development in the training activities for the forthcoming years, this strategy should also directly contribute to the fulfillment of the strategic goals.

1.4 Types of training

Training can be divided into a number of categories, which include but not limited to the following:

(i) Strategic Training (bringing about change)
The auditing profession is very dynamic, and is in constant change. In line with this, it is expected that NAO also will undergo considerable changes over the next years. Training in support of change management is thus essential.

(ii) Orientation
New entrants into the NAO need to be inducted in a number of aspects which include how NAO operates e.g. legally, professionally, conditions of services and government machinery in general.

(iii) Assistance in upgrading skills and qualifications
This consists of both short-term courses to upgrade practical skills and long-term courses to promote further education, leading to attainment of professional qualification.

(iv) Training in administrative functions within NAO
This targets both the administrative staff and other support staff such as accounts personnel, secretaries, HR staff and copy typists.

(v) Career development
Training needs to be given to staff that get promoted or switch to new positions within the organization. This is necessary to prepare them for the new posts or fields of work.

(vi) Special training
Complex assignments will demand not only specialist knowledge, but also real understanding of the basic principles of the work involved. Such tasks will require a high level of specialist skill. Based on the current composition of NAO staff and the tasks legally mandated to the NAO, there is need to develop specialized skills among staff in the following fields:

- IT auditing
- Specialized knowledge of IFMIS
- Forensic audit
- Accounting, finance, taxation, governance, accountability and performance
- Advanced statistical sampling methods
- Modern trends in public administration and management
- Performance auditing including Environmental auditing

National training alternatives should be used to promote specialist skills when such training is available. If unavailable, international courses could be used.

1.5 Advantages of having well-developed training

Well-developed and systematic training will potentially bring numerous benefits to NAO. Studies and literature identify, among others, the following benefits from comprehensive and high quality training:

- The provision of a pool of skilled manpower for the NAO
- The improvement of existing skills and development of new skills
- Increased knowledge and experience of staff
- Increased motivation of staff

- Improvement in job performance with resultant improvement in overall productivity
- Improved service delivery to clients, and higher client satisfaction
- Increased ability to adopt to a rapidly changing environment
- Improved reputation of the NAO as a competent and attractive employer
- Greater commitment of staff.

2.0 ORGANIZATION OF TRAINING

2.1 NAO Training Manager

Currently, the day-to-day activities concerning training are administered by a Training Officer, who combines this duty with the position of section head for an audit section. This is unfortunate as there is not enough time available to work on the training aspects.

Bearing this in mind, combined with a perceived increase in NAO training activities (partly as a natural consequence of the ongoing SNAO-NAO Institutional Cooperation Project), there is need for NAO to employ a full time Training Manager. The training manager will solely focus on training matters. On recruitment, the person will have some training experience as well as strong knowledge of the auditing profession. The establishment of a full time position as Training Manager the NAO is also in line with the proposal in the Training Report developed during phase I of the project by an external consultant.

In addition to the Training Manager, one person at each of the regional offices (Blantyre, Mzuzu and Zomba) will be appointed as training officers. Even though these members of staff will continue in their day-to-day jobs, they will have a special responsibility for carrying out local training initiatives at the regional offices, and will liaise closely with the Training Manager.

The roles of the Training Manager will include:

- identification of training needs among staff
- planning for training activities
- liaising with training institutions,
- arranging courses
- invigilation of tests
- a link between trainees, top management and the Training Committee
- liaise with regional training officers
- call, and participate in Training Committee meetings
- proposing names of staff for courses
- providing secretariat services to the Training Committee
- produce an annual training report
- responsible for production of training material for in-house courses

- administer system of bonding
- keep database of trained staff
- liaising with section heads on evaluating staff performance after training.

2.2 Role of Training Committee

In the new set up regarding training at the NAO, the Training Committee will continue to exist, but its role will be changed.

The NAO Training Committee shall consist of ten members including representations from the Regional Offices.

The role of the training committee will be to:

- consider training proposals
- selecting staff for training courses
- reporting to top management all matters relating to training
- review progress of trainees

With the appointment of a full time Training Manager, it will be the responsibility of the Training Manger to propose training courses as well as participants for courses. The Training Committee will however retain the power to evaluate, and make possible amendments to the proposals made by the Training Manager.

The final proposals made by the Training Committee will have to be endorsed by the Auditor General.

2.3 Time and Budget allocated to training

Time allocated for training can negatively impact on production, as staff will be unavailable for audit work. In addition, training is expensive, and investments in training will negatively affect the financing available to other activities. It is thus important to identify mechanisms that make training effective and beneficial to the NAO, while at the same time trying to minimize costs and time used on the specific training activities.

2.3.1 Time allocated to training

Various training activities are of various durations. This is highly dependent on among other things the type of training, (developing specialized skills and upgrading academic qualifications will take longer than other courses), the competence of the trainee, and the location and availability of courses.

To minimize the time spent on courses away from audit duties, it is envisaged that:

a) Short courses with duration of 2-days to 2-weeks will be prioritized
b) Emphasis will be put on "on the job training". Learning in the course of the daily audit work is a very effective learning tool, in addition to allowing daily tasks to be carried out.
c) As regards long-term courses, the number of staff that takes part in such courses shall be limited and determined by prevailing circumstances at any point in time.
d) The NAO shall strive to adhere to the principle of "Just –in- Time- Training", which indicates that staff shall only be trained and developed in new skills that they will use in their normal work just after completing the training (see 3.1)

It is however the ambition of the NAO that all members of staff shall be given the opportunity to undertake training annually. The organization will strive to ensure that each officer is given a minimum of 10 days annually to be used exclusively for training and upgrading of skills. In addition to this, selected officers will be chosen to undertake medium and long-term training initiatives.

2.3.2 Budget allocated to training

Currently, approximately 1.4% of the NAOs budgeted operating costs is spent on staff development activities against budgeted 5.6%. The NAO is however committed to offer its employees a wide range of high quality training initiatives with the goal of strengthening the competence and capacity of the organization.

This is particularly important in an environment where there are considerable changes in the audit profession, where the new Public Audit Act has given the NAO a wider mandate and new auditing responsibilities, where the NAO Strategic Plan for 2005-2010 has outlined a number of issues that are to be prioritized over the next years, and the fact that there are plans to recruit a large number of new auditors. The implication of this is that it is necessary to increase the budget allocation set aside for training activities. Based on the above, the NAO shall aim to allocate a minimum of 5% of the NAO operating budget to various training activities for members of staff. Funds so allocated shall actually be utilized for training by the close of the financial year.

In order to keep training as cost- efficient as possible, the NAO will do the following:

1) Carry out as much in-house training as possible. The trained trainers will carry out the courses in close liaison with the Training Manager. The aim is that between 50% and 75% of short and medium term courses should be carried out in-house.

2) Develop as much of the course material as possible in-house (using resources such as the internet and contacts with other SAIs). Again, the responsibility for this will rest with the Training Manager in liaison with the presenters.

3) In-house training shall always be conducted as cost efficient as possible with regards to the location of the activity. This means that most training should take place in, or

around, Lilongwe, Blantyre, Mzuzu and Zomba. Where financially beneficial, trainers shall visit the offices where courses will take place.

2.4 Reimbursement of costs associated with training

Bearing in mind the economic hardships that civil servants in general face, and the importance of training NAO staff, the NAO will as far as possible try to cover training expenses for members of staff. This will always be the case for short-term in-house activities and necessary specialist training, and in many cases also for other training activities.

For long-term training, the NAO will as far as possible finance various accounting and degree courses etc for a limited number of staff that have been selected on merit in a fair and transparent selection process. One prerequisite for this however, is that the participants sign bonding agreements prior to commencement of the course and that the course is of direct relevance to the NAO. If full coverage is impossible, due to financing constraints on the NAO, the participant and the NAO might agree on a solution where the costs of the course are shared between them.

2.5 Sources of funds for training activities

Most of the costs concerning training at the NAO will have to be covered over the NAOs budget allocation.

Currently, the SNAO/ NAO Institutional Cooperation Project does provide resources for training in a number of areas. These include Human Resources, IT, Development of Auditing Standards and Manuals, Performance Auditing, Parastatal Auditing, Audit Planning, Public Relations and monitoring of international developments in the field of auditing. It is also possible that the Cooperation Project will be expanded to encompass other activities. Efforts will be made to utilize the funds in the most efficient possible manner, and that the training activities will involve as many members of staff as possible.

In addition to this, efforts will be made to:

- Look for available resources from donors
- In a more proactive manner, utilize available training opportunities provided by other government institutions, INTOSAI, AFROSAI E etc

2.6 Training equipment and facilities

Training equipment and facilities will be the responsibility of the Training Manager.

Currently, the NAO has the following equipment and facilities that are of relevance for in-house training activities:

TV/Video screen
Personal Computers
Projector
Conference room (that can be used for training activities),and
One flip chart stand

There is no training equipment at any of the regional offices.

If the ambition to increase both the general level of training activities for the NAO, and the level of in-house training, there is a need to purchase additional equipment.

In the short term, NAO should have training equipment in the form of:

- One DVD player
- Four dustless boards (1 for each office)
- Three flip chart stands
- Audit manuals (to be developed by NAO/SNAO Project)
- 3 PCs with equipment to be used for training purposes
- Well stocked library

In the medium to long-term, it is necessary for the NAO to have an auditorium with capacity of up to 50 persons within the headquarters premises. Due to scarcity of resources, it is proposed that either the current project or some other donor should be requested to assist in construction of the auditorium.

2.7 Development of course materials

Having well developed and adequate course material is one of several factors which has bearings on the success of a training activity. Good course material is motivating for the participants in addition to being of great use when participants encounter the context of the training in their daily work.

With an increased level of in-house courses, there will thus also be increased demand of the NAO to develop its own course material. It will be the responsibility of the Training Manager together with the course presenter to develop course material.

When preparing training material one should bear the cost aspect in mind. With the development of electronic mediums such as the internet and e-mail, there is a wealth of information available at little or no cost. Staff presenting courses should use the internet and contacts with other SAIs to plan courses and to develop the course material.

For courses that are provided in-house, the NAO shall strive to provide the participants with well developed course material in addition to copies of slides etc that are used.

2.8 Training Reports

The Training Manager will prepare an Annual Training Report to be submitted to the Training Committee for approval and the Auditor General for endorsement.

The reports will contain, among others, overview of courses that have been undertaken, number and names of participants and the core objective of such courses, performance and pass rates of the participants, course evaluations, an evaluation of compliance between the training carried out and the priorities in the Training Strategy and an overview of the costs involved in training activities.

The Training Report shall be submitted to each member of the Training Committee no later than 10th July each financial year.

A copy of the Training Report shall be submitted to all regional offices and section heads.

3.0 PRINCIPLES GUIDING TRAINING IN THE NAO

3.1 Just-in-time training

The principle of "Just in Time Training" is a measure to maximize the value and benefit of training through ensuring that skills acquired through training activities are enforced through using the skills just after completing the training activity.

Staff who are trained in specialized fields will be identified and trained when assignments have been identified so that the trainees will embark on such assignments soon after the course. This will enable the trainees put the knowledge acquired to practical use and therefore concretize what they had learned.

The principle shall be applied to all training activities conducted by the NAO.
This is however particularly important for training in IT, where much of the knowledge and skills will be lost if not reinforced in practice.

3.2 On-the-job training

On-the-job training is particularly effective as it allows the trainee to learn in the environment where he/she later will apply the skills. Literature on training point out that on-the-job training tends to be the most effective training method, and should thus be

encouraged. In addition to being a very effective method of learning, it also ensures that work related to the NAO is being carried out simultaneously.

The NAO will in its training activities for the next years strive to incorporate the principle of "on-the-job training" in as many training activities as possible. This will for instance be the case in the introduction of new NAO Auditing Standards and Manuals.

In addition, on-the-job training will also continue to be an important part of informal training. Staff will be working in teams whose leaders are mostly Senior Auditors and Principal Auditors. The team leaders will provide coaching to their subordinates in the course of working on assignments. Thus, the team leaders will have the responsibility to inculcate in their staff the practical way of doing audit work in any audit area.

3.3 Induction courses

These courses are provided to new entrants into NAO. Courses will be conducted between six to twelve months after recruitment. These courses shall continue to be conducted by Staff Development Institute (SDI). NAO trainers shall also be required to lecture on specific audit areas. Trained trainers shall be prioritized for this.

Some of the areas which NAO staff have lectured at induction courses, and which also should be included in all induction courses are as follows:

- audit of pensions
- audit of donor funded projects
- introduction to forensic audit
- introduction to IT audit
- introduction to performance auditing
- introduction to parastatal audit
- audit of revenue
- audit of payroll and personal loans
- audit of expenditure

In addition, steps should be taken to include an introduction to the new NAO Auditing Standards and NAO Auditing Manuals that will be developed in the course of 2005/2006.

3.4 Procedures for applying for training

Applicants for training shall be required to fill a specially designed form (sample in appendix 1). The application form will be submitted first to the applicant's head of section and regional heads for endorsement before it goes to the Training Manager for scrutiny and recommendation to the Training Committee for decision.

3.5 Procedures for selecting candidates for training

The Training Manager shall be charged with the responsibility for proposing names of members of staff for various courses, based on the applicants:

- Profile
- Need for the particular course
- Potential for using the acquired skills in daily work (Principle of JiT Training)
- Submitted application
- Results of applicant's performance appraisal

To secure transparency in the selection process, it is the responsibility of the Training Committee to make the final selection of staff for placement on training courses. Overall endorsement will however be granted by the Auditor General.

The above criteria shall apply for both local courses and international courses, including invitations from regional bodies such as AFROSAI E or international organizations such as the INTOSAI Development Initiative (IDI).

For courses at Malawi College of Accountancy (MCA), the Training Manager shall propose candidates after having reviewed applications from staff. The proposals will have to be reviewed and approved by the Training Committee, and endorsed by the Auditor General. Provided that finances/support for such training remains, those accepted will be assisted by NAO for registration fees, tuition, examination, and annual subscription fees.

Students will be required to study a maximum of three subjects per semester. This means that for PAEC Diploma of twelve subjects, a student could complete it in four semesters, while for the ACCA Diploma of nine subjects, one could finish the programme in three semesters.

For those studying Technician levels and fail certain subjects, NAO will pay for the examination fees for three sittings, while a fourth sitting of the same subject will be born by the students themselves.

Likewise, for those studying the professional levels, NAO will pay for examination fees for three sittings while costs for a fourth sitting of the same subject will be met by the students themselves.

Depending on the availability of funds, NAO shall endeavor to place on full time attendance final level students.

NAO shall also endeavor to assist staff in upgrading their academic qualifications at the relevant training institutions.

3.6 Procedure for selecting training activities

The Training Manager is charged with the responsibility of keeping an overview of courses available in the market, and specialists in the NAO who are able to deliver high-quality courses on various subjects.

The Training Manager will propose various training activities that are to be decided upon by the Training Committee in consultation with the Training Manager.

3.7 Testing of participants

Having tests at the end of courses increases participation and commitment of the trainees.

It is thus a policy of the NAO, that for all types of courses, participants will be subjected to a test at the end. The objective is to obtain full commitment of the participants.

3.8 Trained trainers

The NAO currently has seven Trained Trainers. These members of staff have been trained in various fields of audit by different training institutions. One of the challenges regarding the Trained Trainers in the NAO is to give them opportunities to practice their skills. This is essential in order to retain and further develop the knowledge they have acquired in training.

It shall be the policy of the NAO that the organization has a minimum of at least fifteen trained trainers at any time. Each regional office shall have at least one trained trainer. Additionally, the NAO will increasingly use the trained trainers in the conduct of courses.

The advantage of using in-house trainers is that they already have intimate knowledge of what is involved in public sector auditing and how the NAO operates.

The role of the trained trainers shall include:

- prepare training materials and conduct research on their areas of teaching
- deliver lectures on specific audit areas during courses
- prepare and mark tests
- to liaise with training manager on areas that might require intervention
-

3.9 In-house Vs outsourced training

The NAO currently carries out relatively little formal training in-house. Most of the courses are carried out using local or international consultants or training providers.

In the forthcoming years, NAO aims to significantly increase both the amount of in-house training, and the proportion of training that is carried out in-house.

There are several reasons for this:

- In-house training activities are usually cheaper than using training institutions and consultants
- NAO has a number of trained trainers, that should be given the opportunity to use their training skills in delivering courses
- NAO is unique in the sense that it is the only organization in the country that carries out public sector auditing. Bearing in mind that this field (including compliance, performance and forensic auditing) is different from private sector auditing, it is our believe that NAO staff are in a better position to design and carry out activities in the various fields of public sector auditing
- Can be developed where appropriate local training is unavailable

Using in-house training for short and medium term courses should thus contribute to both the quality and cost efficiency of the training activities.

For long-term course and specialized courses, outsourcing will frequently be necessary. This is particularly so in areas where NAO lack the necessary skills such as IT and Performance Auditing.

The NAO will over the next three years aim to carry out between 50% and 75% of all short term and medium term training activities in-house.

3.10 Bonding

One of the problems facing a organization that commits itself to extensive training is that trained staff might leave for other employers shortly after completing the training. This is a particularly big problem in the public sector, as conditions of service are unfavorable.

The term “bonding” refers to an agreement between an institution and an individual, ensuring that he/she does not to leave employment for a specified period of time after the training. The government of Malawi has a system of bonding in place for the public sector, but it is not being effectively enforced.

The increased level of training in the NAO, combined with the need to retain high quality staff, makes it necessary to introduce and enforce a system of bonding within the NAO.

In the case of NAO, if staff undertake courses with duration of more than six months, they shall be required to sign a bond committing then not to leave the NAO for a minimum period of two years. The bonding agreement shall always be signed prior to the

commencement of the training activity. It will be the responsibility of the Training Manager to get the bonding agreement signed.

If however, an individual opts to leave for another employer, then he/ she shall be required to reimburse the NAO the equivalent of the cost of training provided to him/her. Alternatively, the new employer shall be approached to make good of the costs thereof.

A standardized bonding agreement is presented in appendix 2.

3.11 Staff performance appraisals

One of the key areas in the NAO Strategic Plan for 2005-2010 is to increase performance monitoring of staff. In addition, the NAO/SNAO Institutional Cooperation Project aims to develop a system of staff performance appraisals for all members of staff.

These appraisals will affect training in at least two ways:

a) They will identify skills needed to improve the performance of the individual members of staff
b) They will identify high performing staff that can be considered for promotion.

Based on the staff appraisals, it will thus be necessary to develop training initiatives to address the shortages identified in the appraisals, and provide training for members of staff that are identified for promotion

3.12 Evaluation of training activities

In order to continually improve the training offered by the NAO, participants shall evaluate all courses (both internal and external). A standardized evaluation form shall be used for all training activities (sample is in appendix 3)

The Training Manager will be responsible for summarizing the results of course evaluations and presenting them as part of the Annual Training Report.

4.0 TRAINING PRIORITIES (2005-2010)

When prioritizing the training activities for the period of 2005-2010, a number of sources have been used. The main sources are:

a) The Training Needs Survey conducted by a consultant, Frank Knight, during the first phase of the Institutional Cooperation Project
b) The strategic goals of the NAO Strategic Plan
c) The effects of the introduction of the new Public Audit Act

d) Activities and goals in the NAO/SNAO Cooperation Project
e) Developments in the Malawi Public Sector

The various prioritized activities are broken down into different categories, with proposed underlying training activities.

4.1 Information Technology

The use of information technology is on the increase in the public sector in Malawi. This encompasses increased use of IT in the NAOs clients. In addition, the introduction of IFMIS will mean that the whole public sector will move to an electronic system for accounting. Simultaneously, the training survey from phase 1 clearly illustrated, that members of staff felt they needed additional training in IT.

The increased computerization of the Malawi government places heavy demands on the NAO, and will require that the auditors over the next years will have to undertake systematic and widespread training within several areas of IT.

The NAO has, as a result of the increasing importance of IT and the relatively limited competence of NAO staff in IT, made this a priority for the next years. This has been underlined by among other things including IT as one of the Strategic Objectives of the new NAO Strategic Plan, by carrying out a large number of IT activities as part of the NAO/SNAO Institutional Cooperation Project and developing a NAO IT Strategy.

In the period 2005-2010 the following IT related training activities will be prioritized:

1) Basic courses in Microsoft Office Applications for members of staff (both at headquarters and regional offices)
2) Intermediate courses in Microsoft Office Applications for members of staff (both at headquarters and regional offices)
3) Basic courses in IT networking and IT security (back ups, viruses, using the internet etc)
4) Using IT in daily audit work (templates and automata ion of audit plans, programs, working papers, reports and correspondence)
5) IFMIS Training (arranged by Accountant General)
6) Orientation about computerized financial systems
7) Training in data extraction from clients and analysis in Excel
8) Using CAATs
9) Development of IT Audit manuals
10) Basic IT Audit training for members of staff (all financial and forensic auditors)
11) Specialized IT Audit training for limited number of staff

4.2 Financial Auditing

Financial auditing (including compliance auditing) will continue to be the core activity of the NAO over the next years. In the course of 2005/2006 an ambitious project will start in the NAO to develop a NAO Code of Ethics, NAO Auditing Standards and more detailed NAO Audit Manuals for the various audit fields. The purpose of this activity is to:

a) Increase the quality of NAO Audits
b) Ensure uniformity in audits by following same standards and guidelines
c) Guide and help auditors when performing audits
d) Increase efficiency of audits
e) Promote awareness to clients about how the NAO conducts its audits

With regards to financial auditing, a complete set of financial audit manuals will be developed in-house as part of the Institutional Cooperation Project. The manuals will in detail cover the planning, execution and reporting phase of financial audits. To ensure that the manuals are successfully understood, implemented and complied with by NAO staff, extensive training will be needed for all NAO Financial Auditors.

In the period 2005-2010 the following financial audit related training activities would be prioritized:

1) Introduction to NAO Auditing Standards and Code of Ethics (applicable to all audit types)
2) Introduction to financial audit manuals: Planning phase
3) Introduction to financial audit manuals: Execution Phase
4) Introduction to financial audit manuals: Reporting Phase
5) On the job training – using manuals in daily audit work

4.3 Performance Auditing

With the new Public Audit Act, the NAOs mandate was expanded to cover the audit of efficiency, effectiveness and economy, commonly known as Performance Auditing.

This is a new type of auditing in the NAO, and a discipline that requires considerable competence and training. A detailed audit manual for performance auditing will be introduced in the NAO as part of the NAO/SNAO Institutional Cooperation Project. In addition, report writing is particularly important in Performance Auditing. Specific courses in report writing will thus have to be carried out for NAO performance auditors.

In the period 2005-2010 the following Performance Audit related training activities would be prioritized:

1) Introduction to NAO Auditing Standards and Code of Ethics (applicable to all audit types)
2) Introduction to performance audit manuals: Planning phase

3) Introduction to performance audit manuals: Execution Phase
4) Introduction to performance audit manuals: Reporting Phase
5) On the job training – using manuals in daily audit work
6) Course in report writing

4.4 Investigative Auditing

Investigative auditing refers to specialized audits of suspected cases of fraud, corruption and misuse of government resources. The NAO has recently established a new section for investigative auditing that will be responsible for the audits of suspected irregularities in the public sector. With the increased level of fraud and corruption in Malawi, and the increased importance attached to curbing this problem, the NAO will be expected to increase both its efforts and skills in this field over the next period. Investigative auditing will form part of the Financial Audit Manuals, and all financial auditors will be expected to have basic knowledge of how to detect fraud and corruption, and how to report such cases. In addition the NAO will have to give the members of Investigative Audit Section specialized training in this field.

In the period 2005-2010 the following investigative audit related activities would be prioritized:

1) Training of Investigative Audit Specialists (preferably through cooperation with another SAI)
2) Induction course into investigative auditing (for all audit staff)

4.5 Parastatal Auditing

The new Public Audit Act also assigns the responsibility for the audit of parastatals to the NAO. This type of audits differs from the more common financial audits due to the fact that the accounting principles used differ. As part of the work to develop audit manuals for the NAO, separate manuals will be developed for parastatal auditing.

In the period 2005-2010 the following Parastatal Audit related training activities would be prioritized:

1) Introduction to NAO Auditing Standards and Code of Ethics (applicable to all audit types)
2) Introduction to parastatal audit manuals: Planning phase
3) Introduction to parastatal audit manuals: Execution Phase
4) Introduction to parastatal audit manuals: Reporting Phase
5) On the job training – using manuals in daily audit work

4.6 Other audit related training

There are also other audits related training needs, which do not neatly fit into the categories above, which must be addressed. One of these refers to the development of a more comprehensive and effective process for developing the NAO Annual Plan. This is addressed in the NAO/SNAO Project. Another issue, which applies to all aspects of auditing, is quality control. Having an effective quality control mechanism in the NAO will increase the quality and value of the audit work done.

In the period 2005-2010 training activities would be prioritized on the below audit related areas:

1) Annual audit work plan formulation
2) Training in quality control for all team leaders

4.7 Human Resource/Strategy

It the NAO is to evolve into a model organization, it is not enough to focus on technical audit skills. An efficient and effective organization is always characterized by sound support services in fields such as human resources, accounting etc. Based on the training survey, and the priorities identified in the Strategic Plan for the NAO and the NAO/SNAO Project, the following activities will be prioritized regarding Human Resources over the period 2005-2010.

1) Time Management
2) Performance appraisal techniques (both appraisers and appraises)
3) Team working skills
4) Contracting and procurement
5) Change management
6) Human Resource Management
7) Specific training for messengers, copy typists secretaries HR etc.

Not withstanding the above, there is need for NAO to identify officers with higher potential to upgrade their academic qualifications, particularly at Malawi Polytechnic. It is suggested that at least ten officers should be identified, some to upgrade to Diploma and others to Degree level.

5.0 CONCLUSION

The NAO Training Strategy is a product of various consultations within the NAO and samples of training strategies obtained from other SAIs. These consultations emphasized the need to ensure that the NAOs training strategy represents a broad consensus view of key areas for the strategy and the way forward to achieve them.

It was obvious that NAO could not achieve meaningful and sustainable progress in developing staff capacities unless stakeholders subscribe to the same ideas. In addition, the strategy will have credibility if all staff, regardless of grade, agree to the broad outlines of consensus and are part of the process.

It is hoped that all staff will find the strategy to be a useful tool to guide all future developments relating to training in the NAO.