NATIONAL AUDIT OFFICE

MALAWI

STRATEGIC PLAN
2009 - 2013

TABLE OF CONTENTS

Acronyms		2
Preface		3
Foreword		4
Executive summary		5
Diagramatic summary of goals and objectives		6
Introduction		7
Organisational history and profile		6
Vision, mission and core values		9
Critical success factors		10
Strategic goals and objectives		11
Goal 1:	To deliver high quality and timely audit services	11
Goal 2:	To have competent and motivated staff in place	11
Goal 3:	Acquire & maintain infrastructure, vehicles and equipment	11
Goal 4:	To promote effective communication systems	12
Goal 5:	To be a more independent institution	12
Annex 1:	Implementation matrix	13
Annex 2:	The strategic analysis	19
Annex 3:	Organization chart NAO	20

ACRONYMS

AA	Assistant Accountant
AAG	Assistant Auditor General
AG	Auditor General
AHRMO	Assistant Human Resource Management Officer
CA	Chief Auditor
CAATs	Computer Assisted Audit Techniques
CTO	Chief Training Officer
CSAP	Chief Systems Analyst Programmer
DAG	Deputy Auditor General
HRMO	Human Resource Management Officer
ICT	Information and Communication Technology
IDP	Institutional Development Project
IT	Information Technology
MIS	Management Information System
NAO	National Audit Office
ORT	Other Recurrent Transactions
OS	Office Superintendent
PA	Performance Audit/Principal Auditor
PAA	Public Audit Act
PHRMO	Principal Human Resource Management Officer
PRO	Public Relations Officer
SAI	Supreme Audit Institution
SCO	Senior Clerical Officer
US	Under Secretary

PREFACE



Strategic planning in the public sector seeks to improve efficiency and effectiveness in the delivery of services to the general public and other stakeholders. Clear and relevant plans, properly implemented, are key to the attainment of an institution's core objectives. Public service is about achieving specific and tangible outcomes that go towards attaining the national aspiration. Our citizens expect from us visible and positive outcomes that go towards improving their lives, and therefore we should not confuse activity with accomplishment.

Before developing the strategic plan, which is for a period of five (5) years (2009 to 2013), the National Audit Office made a self analysis and observed that its statutory requirement of producing quality and timely audit reports was not being met. Delays were the order of the day. In some instances, the Public Accounts Committee was meeting to discuss audit issues which were over five years old. If the Auditor General's reports are not produced on time, in my view accountability, transparency, and good governance may never be achieved as expected. This Strategic Plan therefore aims to address such short comings.

At the heart of this strategic plan is manpower development, acquisition of equipment and systems for auditing, management, and the development of modern audit tools.

Within a period of five (5) years, the National Audit Office intends to embark on comprehensive and strategic training that will lead to high level academic qualifications such as Post Graduate degrees and other professional qualifications. Recruitment of new and qualified staff will also be undertaken to increase the workforce. This will be necessary in order to manage the increasing government portfolio and budget. Further, the type of modern financial transactions are becoming more and more intricate, requiring increased knowledge in this area. Added to this is the sad fact that perpetrators of financial mischief are becoming increasingly imaginative and sophisticated. This also calls for highly skilled and qualified officers in the National Audit Office.

Furthermore, the concept of auditing, to which we are accustomed, will have to change. The traditional view of an auditor is a person who verifies whether money has been used for an improper purpose or not. Ordinarily, as long as money was not stolen or misappropriated, the auditor was happy. That will no longer be the case. The public auditor will hereafter be interested to know whether public funds were used efficiently and have achieved the public objective for which they were intended. This is the concept of performance audit, which will be added to the tasks of a modern public sector auditor. And this will require more skilled personnel.

For these and many other reasons, the National Audit Office needs to be strengthened in every significant and substantial way. It is therefore my hope that the National Audit Office will receive full support of the stakeholders when these reforms are being undertaken or implemented.

BRIGHT MSAKA, SC
Chief Secretary to the President and Cabinet

FOREWORD



There is increasing awareness among the public about government service delivery. The issue of a responsive and efficient public sector is also becoming more and more relevant. The Government of Malawi has initiated many reforms in the public sector to bring about improved delivery of services to the public. To meet such demand, policy makers need timely and reliable information about the performance of various government ministries, departments and institutions. The National Audit Office (NAO), as a Supreme Audit Institution of the country, plays a critical role in this regard.

In line with this growing demand in the public service, the NAO has developed a strategic plan to guide the office in the implementation of measures that will enhance good governance through timely production of reports. The plan covers a period of five years from 2009-2013, and places emphasis on the delivery of timely and quality audit services.

Through the Strategic Plan, the office aims to among other things, computerize audit services, increase audit coverage, enhance career and professional development, promote communication services, acquire reasonable equipment and assets and become a more independent institution. The office regards performance auditing which has received much attention in the recent past as one of its core business. The plan therefore takes care of all this aspect. Implementation of a strategic plan in particular, a plan that focuses on reforms calls for adequate financial and other resources. NAO will therefore gladly appreciate any support from stakeholders during the implementation of the plan.

R. A. KAMPANJE,
Auditor General

EXECUTIVE SUMMARY

INTRODUCTION

This document outlines the Strategic Plan for the National Audit Office for period 2009 to 2013. The plan will form the basis upon which all audit operations will be undertaken.

VISION, MISSION AND CORE VALUES

Vision statement

"To be an autonomous Supreme Audit Institution that effectively contributes to public accountability, transparency and good governance."

Mission statement

NAO exists: "To promote accountability, transparent administration and good governance in the public sector through the provision of quality audit services which assure the Nation that public resources are economically, efficiently and effectively applied."

Core values

The operating principles that will guide NAO and its staff are Professionalism, Integrity, Objectivity, Independence, Confidentiality, Continuous Professional Development and Open Communication.

CRITICAL SUCCESS FACTORS

The following elements are critical to the success of this plan; strategic leadership, financial resources, staff participation and support from external stakeholders.

STRATEGIC GOALS AND OBJECTIVES:

1. **To deliver high quality and timely audit services**

- Enhance audit methodology
- Strengthen the performance audit section
- Establish IT audit function
- Introduce audit management software
- Increase audit coverage

2. **To have competent and motivated staff in place**

- Plan, Develop & implement professional, career development and progression plan for management and staff
- Improve Management Information System
- Create a conducive working environment

3. **Acquire & maintain infrastructure, vehicles and equipment to effectively implement operational plans**

- Funding in line with the activity based budget
- Develop and implement maintenance plans
- Secure adequate infrastructure and equipment

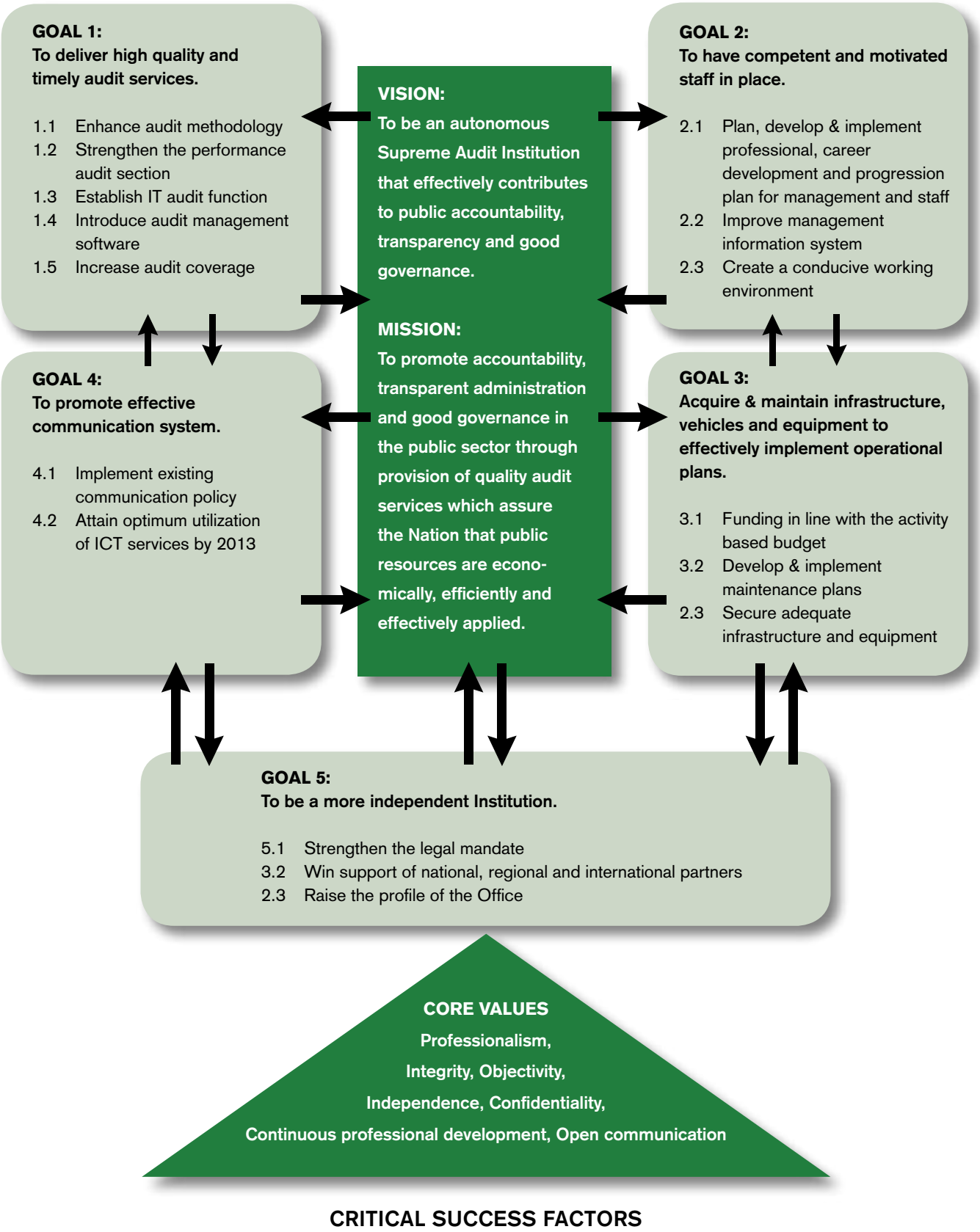
4. **To promote effective communication systems.**

- Implement existing Communication Policy
- Attain optimum utilization of ICT services by 2013

5. **To be a more independent institution**

- Strengthen the legal mandate
- Win support of national, regional and international partners
- Raise the profile of the office

DIAGRAMATIC SUMMARY OF GOALS AND OBJECTIVES



CRITICAL SUCCESS FACTORS

INTRODUCTION

National Audit Office (NAO) witnessed the passing of the Public Audit Act No.6 of 2003, which among other things, gives it independence in its operations and some additional roles and responsibilities. Prior to the Act, the operations of the NAO were governed by the Finance and Audit Act which placed it under the same umbrella with the Treasury.

In order to further give NAO an edge in the provision of quality audit services the office has developed a Strategic Plan.

This document outlines the Strategic Plan for the National Audit Office for period 2009 to 2013. The plan will form the pillars upon which all audit operations will be based and supersedes the 2005 to 2010 Strategic Plan which was not implemented. However, this plan has taken into consideration and incorporated some of the pertinent issues that were highlighted in that previous plan. The current Plan aims at addressing a number of challenges that continue to affect the performance of NAO, including the new challenges posed by the Public Audit Act No. 6 of 2003.

The principle pertaining to the effective implementation of the Strategic Plan is centered on collective action and participation in the implementation of work plans. As such, the development of the Strategic Plan has been a result of a highly consultative process involving a wide range of partici-pants both internally and externally.

The Strategic Plan thus represents a consensus about how NAO intends to achieve its core objectives. The Plan also includes innovative mechanisms that will facilitate the realization of the NAO's Vision, Mission and Core Values. Leadership support and commitment will, therefore, be of paramount importance for the successful implementation of this Strategic Plan.



ORGANISATIONAL HISTORY AND PROFILE

The Office of 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 Legislature 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 empowered the Auditor General to submit his/her 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.

The Audit Department was led by the expatriates until 1977 when the first Malawian Auditor General, Mr. G.G. Kukada, was appointed.

Since July 1964, Malawi was a one party state until 1994 when the first multiparty Government came into being. Due to several Constitutional reforms that took place, the establishment of the Office of the Auditor General which was under Section 85 changed to Section 184.

As indicated earlier the audit of public finances of Malawi were provided 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 No.6 of 2003 separated the Office of the Auditor General from the Ministry of Finance.

It is from this background that National Audit Office through this Strategic Plan intends to deliver high quality audits that meet international standards through enhanced audit methodology, ensure that competent and motivated staff are in place, enhance audit methodology, acquire infrastructure, motor vehicles and equipment, implement effective communication systems in order to effectively discharge its statutory duties and strengthen the legal mandate in order to effectively contribute to the public accountability, transparency and good governance in Malawi.

VISION, MISSION AND CORE VALUES

VISION STATEMENT

The purpose of the vision statement is to provide direction to the office in terms of focus in its operations. The vision of NAO reflects the consensus reached after wide consultations with both internal and external stakeholders. Thus, it provides a purpose and sense of shared destiny within NAO and external stakeholders in the promotion of good governance.

> "To be an autonomous Supreme Audit Institution that effectively contributes to public accountability, transparency and good governance."

MISSION STATEMENT

A mission statement is a brief and clear statement which outlines the reasons for our existence, the functions that we intend to fulfill, our primary customer-base and the methods through which we intend to fulfill this purpose.

> "To promote accountability, transparent administration and good governance in the public sector through the provision of quality audit services which assure the Nation that public resources are economically, efficiently and effectively applied."

CORE VALUES

In order to create a conducive environment and attitude for the successful implementation of the strategic plan, the office established operating principles which will guide the conduct of its business and define the way it perceives its clients.

In coming up with these principles we were guided by the Public Audit Act No. 6 of 2003, our in-depth knowledge of the working environment including the clients, and the system to be employed in order to achieve our role in promoting the principle of accountability of the government through the National Assembly.

The core values that will guide NAO's operations are as follows:

1. **Professionalism**
   It is expected that NAO members of staff will demonstrate professional competence and skill in the discharge of their duties.

2. **Integrity**
   NAO members of staff are required to conduct themselves beyond reproach and act in the best interest of the public.

3. **Objectivity**
   NAO staff will strive to ensure that all conclusions expressed in opinions and reports are exclusively based on evidence obtained in accordance with applicable auditing standards.

4. **Independence**
   NAO staff shall strive to discharge their duties independently and impartially in accordance with statutory requirements.

5. **Confidentiality**
   NAO staff must not disclose to third parties any information obtained in the course of work, except for the purposes of meeting the NAO's statutory responsibilities.

6. **Continuous Professional Development**
   The office shall endeavor to provide continuous training in order to update and improve the skills of its employees. It is also expected that members of staff will take a personal responsibility to develop themselves through continuing professional development programmes.

7. **Open Communication**
   NAO members of staff are encouraged to share their views and opinions on the management and organization of the office as a whole. Dealings with auditees will be transparent, open and honest.

CRITICAL SUCCESS FACTORS

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.

FINANCIAL RESOURCES

Most of the activities that have been prioritized for implementation will require funding. It is therefore assumed that the National Assembly will appropriate adequate funds as provided for under Section 17 of the Public Audit Act No. 6 of 2003 in order for NAO to efficiently and effectively implement the strategic plan.

STAFF PARTICIPATION

The implementation of the strategic plan is dependent on the participation of all staff. With open communication, ownership of the strategic plan will be encouraged.

SUPPORT FROM EXTERNAL STAKEHOLDERS

NAO is one of the key players in the accountability chain and all links in this chain are interdependent on each other hence the need for close cooperation with all stakeholders.

It is therefore desirous that NAO be provided with adequate support in order to properly discharge its mandate.



STRATEGIC GOALS AND OBJECTIVES

GOAL 1: TO DELIVER HIGH QUALITY AND TIMELY AUDIT SERVICES

Objective 1.1
Enhance audit methodology

NAO aims at improving audit methodology by formulating annual audit plans that will facilitate timely reporting to Parliament. It will effect the use of the developed Regularity Audit Manual, develop Performance Audit and IT audit manuals to enhance the methodology. The audit methodology will further be improved by learning from other SAIs through exchange visits. A quality assurance system will be established to ensure high quality audits.

Objective 1.2
Strengthen the Performance Audit function

Performance audit is one of the audit disciplines undertaken by NAO. In a modern society the measurement of effectiveness and efficiency along with economic performance gives a broad presentation of public expenditure. The performance audit unit needs to be well coordinated in order to discharge its functions effectively. Furthermore the office intends to increase the number of auditors in the sections, train more staff, develop performance audit manual and guidelines and put in place an evaluation mechanism.

Objective 1.3
Establish IT audit function

Government accounting and financial management systems have been computerized. It is important therefore that NAO has a clear strategy for auditing computerized accounting and financial management systems.

The office intends to create full IT audit capacity, develop IT audit manual and guidelines, acquire Computer Assisted Audit Tools, provide appropriate training and allocate adequate number of IT auditors. This will improve audit quality and enable the office to audit computerized systems.

Objective 1.4
Introduce audit management software.

Currently NAO uses the manual audit management system. The office intends to procure audit management software and train auditors in its use.

Objective 1.5
Increase audit coverage

Quality of audit work depends on a number of issues. One of which is drawing up and implementation of audit plans. The office intends to enhance annual planning of audit work, subcontract some audits and put in place a monitoring and evaluation mechanism on the planned activities. It is expected that this will assist the office in increasing audit coverage and meeting the statutory deadlines of submitting reports to the National Assembly.

GOAL 2: TO HAVE COMPETENT AND MOTIVATED STAFF IN PLACE

Objective 2.1
Plan, Develop & implement professional, career development and progression plan for management and staff

The office currently has an organization structure which has not been implemented due to bureaucracy. Consequently, NAO is functioning below the required human resource capacity and has accumulated significant audit backlog.

The office intends to fill the vacant positions in the organizational structure.

The office intends to enhance training secretariat that will be responsible for coordinating capacity building of staff as well as developing a training policy and training plan that will be implemented in ensuring that transfer and application of skills takes place.

Objective 2.2
Improve Management Information System (MIS)

An effective management information system is essential for timely and accurate decision making.

The office intends to conduct an assessment on management information requirement, automate MIS and train managers at all levels in MIS.

Objective 2.3
Create a conducive working environment

Members of staff are vital resources of any organization. NAO will ensure that the welfare and health of staff is prioritized to ensure optimum contribution to the operations of the office.

Furthermore the office intends to provide working manuals and instructions that regulate the working environment in NAO, sensitize staff on HIV/AIDS and refurbish the existing premises in the quest to improve the working environment.

NAO will establish a gender policy in line with the Government national gender policy to promote gender balance among auditors, managers, and all members of staff.

GOAL 3: ACQUIRE & MAINTAIN INFRASTRUCTURE, VEHICLES AND EQUIPMENT TO EFFECTIVELY IMPLEMENT OPERATIONAL PLANS

Objective 3.1
Funding in line with the activity based budget
The Government through National Assembly is the major source of funding for the operations of NAO. The office intends to discuss with Government through National Assembly to ensure adequate budgetary allocations to NAO in consistent with S17 of the Public Audit Act No.6 of 2003. This will enable the office to carry out its activities effectively.

The Strategic Plan will be the NAO guiding document to source additional funding from development partners. NAO will promote coordination among stakeholders.

Objective 3.2
Develop & implement maintenance plans
In order to obtain optimum benefit from the assets, a maintenance plan will be developed and implemented. This will ensure maximum utilization and that the serviceable assets are not left obsolete before their useful economic life.

Objective 3.3
Secure adequate infrastructure and equipment
NAO does not have adequate office accommodation. Currently in the regions, offices are shared with auditees. This compromises NAOs independence. Furthermore, NAO has insufficient office equipment and space for storage and training. NAO intends to acquire own office blocks as well as office equipment.

Audit functions require logistical support as such, the office intends to acquire new fleet of vehicles to effectively discharge its functions.

GOAL 4: TO PROMOTE EFFECTIVE COMMUNICATION SYSTEMS

Objective 4.1
Implement existing Communication Policy
Effective communication forms a back bone of an effective Government service delivery. In the implementation of the existing communication policy, the office shall recruit a Public Relations Officer, sensitize stakeholders on the existing policy and ensure that NAO maintains excellent communication and consultations between management, staff and the external stakeholders.

Objective 4.2
Attain optimum utilization of ICT services by 2013
The use of appropriate ICT will enhance activities of NAO. Currently, the ICT infrastructure is not serving to the optimum. In addition to the existing problems, the office expects to identify and address other problems upon conducting an ICT needs assessment.

GOAL 5: TO BE A MORE INDEPENDENT INSTITUTION

Objective 5.1
Strengthen the legal mandate
The International Organization of Supreme Audit Institutions (INTOSAI) adopted an International Standard of Supreme Audit Institutions, ISSAI, on the Independence of Supreme Audit Institutions, ISSAI # 10. The ISSAI # 10 – The Mexico Declaration on Independence - was adopted in 2007.

The Mexico Declaration on Independence recognizes eight core principles. Through the application of these principles, SAIs are expected to achieve the independence that is required to carry out their mandate.
(Website link:
http://www.intosai.org/blueline/upload/issai10mexikodekle.pdf)

The current legal frame work is generally supportive to NAO's good working environment. However, it does not sufficiently guarantee NAO's independence. There are some inconsistencies between the Constitution and the Public Audit Act No 6 of 2003. This raises a number of challenges to NAO especially when reporting to the National Assembly.

Consequently the Constitution and Public Audit Act No.6 of 2003 need to be amended.

The office intends to discuss with Government on the proposed amendment of the Constitution and the Public Audit Act as well as lobbying for approval of the amended Sections of the Constitution and the Public Audit Act with Parliament.

Objective 5.2
Win support of national, regional and international partners
The office acknowledges the need to have support of the national, regional and international partners in order for it to be an independent institution.

The office will therefore conduct workshops and seminars with various stakeholders to sensitize them on the need for the office to be an independent institution.

Objective 5.3
Raise the profile of the office
The office will use various public relations activities to sensitize stakeholders on its operations

ANNEX 1: IMPLEMENTATION MATRIX

No.	Goal	Objectives	Projects	Success Indicators	Year of Achievement	Funding Source	Responsible Person	Risk
1	To deliver high quality & timely audit services	Enhance audit methodology	Formulate annual audit plans that will facilitate timely reporting to Parliament	Work plans formulated	Ongoing	ORT/ Donor	DAG	Delays in formulating plans
			Effect the use of the Regularity Audit Manual	Regularity Audit Manual put into use	2009	ORT	DAG, Reg. Heads	Lack of commitment
			Establish Quality Assurance System	Quality Assurance Unit established	Dec 2009	ORT	DAG, Regional Heads	Lack of expertise
			Train auditors on Quality Assurance systems	Auditors trained	June 2010	ORT/ Donor	DAG, CTO	Financial constraints
			Encourage exchange visits with other SAIs	Visits made	On going	ORT	DAG, Regional Heads	Financial constraints
		Strengthen the performance audit section	Evaluate the productivity of performance Audit section	Reports tabled in Parliament	Ongoing	ORT	DAG,PA S/ head	Lack of commitment /expertise
			Develop Performance Audit Manual	Manuals and Guidelines developed	Jun-09	ORT/ Donor	DAG, PA S/ head	Lack of expertise & Finances
		Establish IT audit function	Allocate enough IT auditors	Auditors allocated	July, 2009	ORT	DAG	Lack of direction & expertise
			Develop IT Audit Manuals and Guidelines	IT Audit Manual in place	July, 2009	ORT/IDP	DAG, CSAP, IT Audit S/ Head	Lack of expertise & Finances
			Acquire CAATs	CAATs acquired	July, 2010	ORT/IDP	DAG, CSAP	Lack of expertise & Finances
			Provide general and specialized IT audit training	Auditors trained	Ongoing	ORT/IDP	DAG, CTO, CSAP, IT Audit S/head	Lack of Finances

No.	Goal	Objectives	Projects	Success Indicators	Year of Achievement	Funding Source	Responsible Person	Risk
		Introduce audit management software.	Procure audit management systems	Audit management systems procured	July, 2010	ORT/IDP	DAG, US, CSAP	Lack of expertise & Finances
			Train auditors on how to use audit management system	Auditors trained	July, 2010	ORT/IDP	DAG, US, CTO, CSAP	Lack of expertise & Finances
		Increase audit coverage	Adequate audit planning	Timely completion of audit	Ongoing	ORT	DAG	Delays & Lack of commitment from staff
			Subcontract audits (outsourcing)	More audits done	Ongoing	ORT	DAG	Financial constraints
2	To have competent and motivated staff in place	Plan, Develop & implement professional, career development and progression plan for management and staff	Implement current organization structure	Organization structure implemented	On going	ORT	US, PHRMO	Delays in implementation
			Enhance Training Secretariat	Training activities well coordinated	September, 2009	ORT & IDP	US, Regional & Dept. Heads.	Non availability of human resource
			Enhance training & professional development of members of staff	Increased formal competence of staff	On going	ORT	US/PHRMO	Financial constraints
			Develop training policy & training plan	Training policy & training plan developed	Dec. 2009	ORT/IDP	US, CTO	Non availability of competent personnel
			Implement training policy & training plan	Training policy and plan implemented	Ongoing	ORT/IDP	US, CTO	Financial constraints
			Train managers on management skills	Improved management skills	Ongoing	ORT/IDP	US, CTO & PHRMO	Financial constraints

No.	Goal	Objectives	Projects	Success Indicators	Year of Achievement	Funding Source	Responsible Person	Risk
		Improve Management Information System	Assess MIS requirements	Assessment report produced	Dec 2009	ORT/IDP	US, CSAP, PHRMO	Non availability of experts
			Automate MIS	Automated MIS developed	January, 2010 to March 2011	ORT/IDP	US, CSAP,	Delayed automation
			Train managers on automated MIS	Timely production of plans & reports	January, 2010 to June, 2010	ORT/IDP	US, CTO & CSAP	Financial constraints
		Create a conducive working environment	Provide adequate working manuals and instructions	Manuals and instructions provided	On going	ORT & Donor	US, PHRMO	Financial constraints
			Sensitize staff on HIV/AIDS & Nutrition support	Biannual sensitization meetings conducted & Support provided	On going	ORT & Donor	US, R/Heads & Dept. Heads	Non availability of staff
			Refurbish existing premises	Premises refurbished	Ongoing	ORT/IDP	US, PHRMO	Financial resources
			Improve Staff welfare services	Improved staff relationships	Ongoing	ORT	US, PHRMO	Lack of commitment
3	Acquire & maintain infrastructure, vehicles and equipment to effectively implement operational plans	Funding in line with the activity based budget	Discuss with Parliament on funding to be consistent with S17 of PAA	Improved funding	January, 2009 onwards	ORT	US	Lack of commitment
			Promote & coordinate dialogue with development partners	Improved funding	January, 2009 onwards	ORT	US	Lack of commitment

No.	Goal	Objectives	Projects	Success Indicators	Year of Achievement	Funding Source	Responsible Person	Risk
		Develop & implement maintenance plan	Maintain the current fleet of vehicles	Vehicles maintained	Ongoing	ORT	US PHRMO Reg. heads	Financial constraints
		Secure adequate infrastructure and equipment	Acquire additional vehicles	Vehicles acquired	Dec 2010	ORT / Treasury	US	Financial constraints
			Purchase of office equipment	Office equipment purchased	Ongoing	ORT/ Treasury/ Donor	US	Financial constraints
			Acquire office blocks	Office blocks acquired	By 2012	ORT	US	Financial constraints
4	To promote effective communi-cation systems	Implement existing Communication Policy	Establish PRO office	PRO office established	July, 2009	ORT	US & PHRMO	Delays in recruitment
			Sensitizing members of staff on the existing communication policy	Sensitization workshops conducted	Ongoing	ORT/IDP	US& PHRMO	Financial constraints
			Conduct quarterly management meetings	Meetings held	Ongoing	ORT	US, PHRMO	Preoccupation of members
			Conduct biannual staff meetings	Meetings held	Ongoing	ORT	US, Regional & Section Heads	Financial constraints
			Establish effective intranet and extranet systems	Effective intranet and extranet established	April, 2010	ORT/ Donor	US, CSAP	Lack of expertise & Finances
			Issuance of internal circulars	Effective communication	Ongoing	ORT	US, PHRMO Regional and Dept. heads	Lack of commitment

No.	Goal	Objectives	Projects	Success Indicators	Year of Achievement	Funding Source	Responsible Person	Risk
			Participation at various relevant forums	Reports from meetings	Ongoing	ORT	AG, US	Lack of finances & commitment
			Update the NAO website	Up to date NAO webpage available	March, 2009 Ongoing	ORT/ Donor	US & CSAP	Lack of expertise & Finances
			Establish an effective filing system	Effective filing system in place	Ongoing	ORT	US, CSAP & PHRMO	Lack of expertise
		Attain optimum utilization of ICT services by 2013	Conduct ICT needs assessment	Needs assessment report produced	July, 2009	ORT	US, CSAP	Lack of expertise & Finances
			Address the identified needs	Needs addressed	Ongoing	ORT	US, CSAP	Financial constraints
5	To be a more independent Institution	Strengthen the legal mandate	Discuss with Government on the proposed amendment of the Constitution and the Public Audit Act	Constitution and Public Audit Act amended as proposed	2009 to 2010	ORT / IDP	AG	Delays due to bureaucracy
			Lobby Parliament on the amendment of the Constitution & PAA	Amended Constitution and PAA approved	2009 to 2010	ORT / IDP	AG	Financial constraints

No.	Goal	Objectives	Projects	Success Indicators	Year of Achievement	Funding Source	Responsible Person	Risk
		Win support of national, regional and international partners	Workshops & seminars	Willingness of partners to support	Ongoing	ORT / IDP	AG	Non availability of members (preoccu-pation)
		Raise the profile of the office	Workshops & meetings with stakeholders	Increased NAO participation in forums conducive to independence	Ongoing	ORT / IDP	AG, DAG, US	Financial constraints
			Brochures, leaflets, web page, newsletter (PRO activities)	Increased awareness & positive public mention of NAO	Dec 2009	ORT / IDP	US, PRO	Financial constraints

ANNEX 2: THE STRATEGIC ANALYSIS

INTRODUCTION

This part of the Strategic Plan highlights the current situation of the NAO's operating environment both from the internal and external analysis point of view and outlines the drivers of change and challenges impacting on the office. The challenges were identified during strategic analysis stage.

The internal environment analysis was undertaken in order to determine NAO's strengths and weaknesses. Furthermore, an external environmental analysis was also undertaken to determine the opportunities and threats currently facing NAO. The issues were critically examined so as to isolate strategic issues from general operational issues, which could be addressed administratively.

In order to align this Strategic Plan with the Public Audit Act No.6 of 2003, NAO will strive to embark on the following tactical approaches:

- NAO will use its current strength to take advantage of the opportunities;
- Use current strengths to avoid threats;
- Overcome weaknesses by taking advantage of opportunities;
- Minimize weaknesses and avoid threats; and
- Take advantage of the provisions in the Public Audit Act No. 6 of 2003 to effectively implement its programmes.

RESULTS OF INTERNAL ENVIRONMENTAL ANALYSIS

The internal assessment of NAO has uncovered a number of strengths and weaknesses with respect to the role the office plays in promoting transparency and accountability which are pre-requisites to good governance. NAO's weaknesses were unanimously exposed because of staff members' openness and seriousness for their redress.

Strengths

- Well trained and experienced staff;
- Existence of legal framework;
- Institutional set up;
- Advice and guidance to Government.

Weaknesses

- Inadequate supervision;
- Weak linkage with other sectors;
- High staff turnover;
- Lack of human resource capacity;
- Poor logistical support;
- Unfilled posts; and
- Poor communication between management and staff.

EXTERNAL ENVIRONMENTAL ANALYSIS

NAO's external environment analysis revealed the following opportunities and threats:

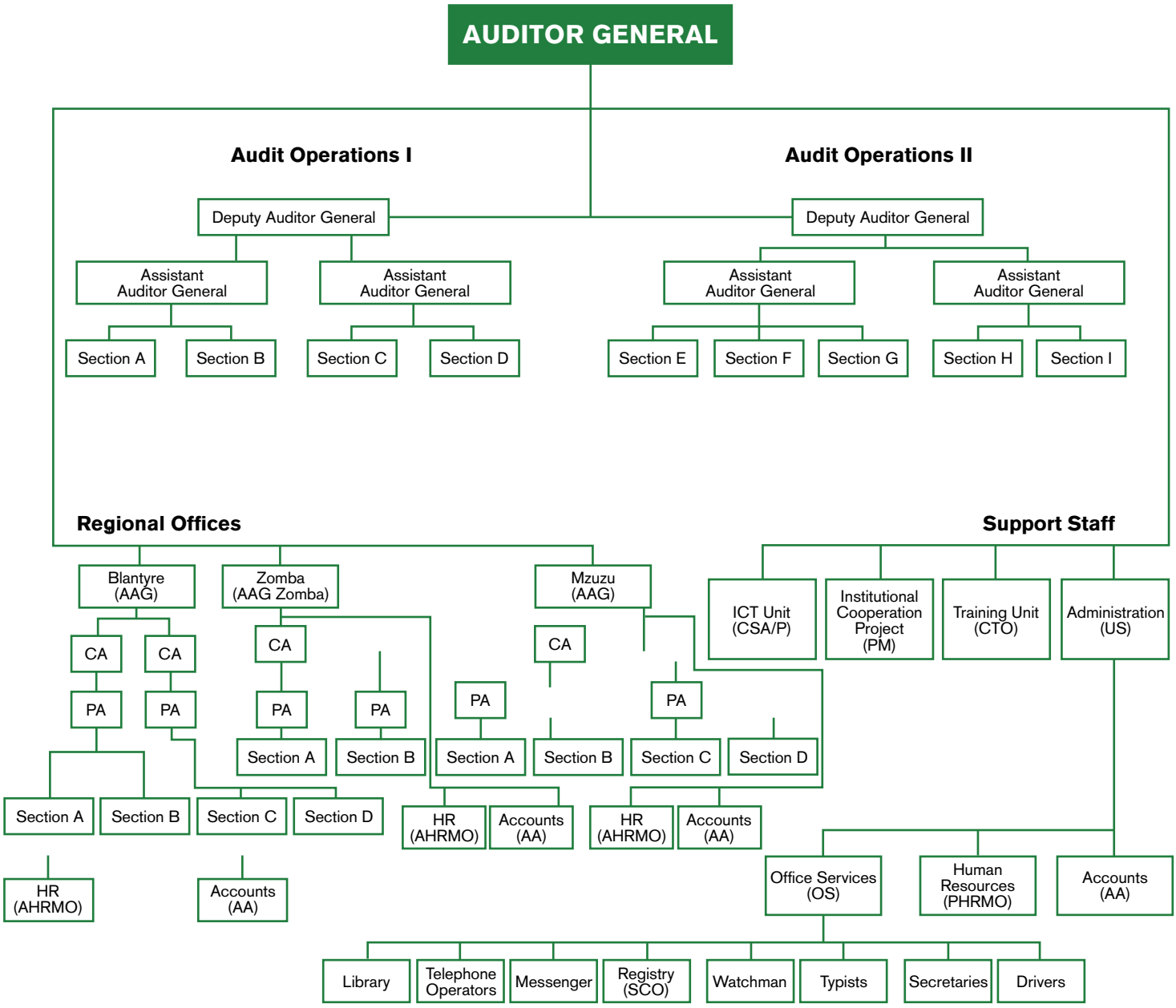
Opportunities

- Government funding;
- International donor backing;
- Political will and support;
- Availability of development structures; and
- Officers being trained by external stakeholders.

Threats

- Financial limitations;
- HIV/AIDS;
- Over reliance on external resources; and
- Unplanned audits.

ANNEX 3: ORGANIZATION CHART NAO



NATIONAL AUDIT OFFICE
PO Box 30045
Capital City
Lilongwe 3

Tel +265 (0) 177 0700
Fax +265 (0) 177 3071 / +265 (0) 177 6125 / +265 (0) 177 4138
www.nao.mw

