

# 2018 AFROSAI-E Prize – Jury Report

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This jury report on *the Prize for the best performance audit report in the AFROSAI-E region in 2018*<sup>1</sup> is focused on the qualities of the winning report. This report is made public. The jury also submits written comments on all other nominated and assessed reports. These comment reports will be presented to the respective SAI, and will not be made public. Since the first performance audit report was awarded the prize for 2008, 89 reports from 17 different SAIs have been considered in the competition.

## 1. The Prize - introduction

The purpose of the Prize is to promote the development of performance audit within the AFROSAI-E region by sharing experiences and benchmarking good practices in performance audit, but also to highlight the efforts made by performance auditors.

This year each SAI within the AFROSAI-E region was invited to nominate two reports. At the AFROSAI-E Secretariat, formal scrutiny of the nominated reports was undertaken to make sure the reports fulfilled the requirements stipulated – such as being published between 1 January – 31 December 2018. No assessment of the quality is made by the Secretariat.

## 2. The jury

The quality of the performance audit reports has been assessed by an international jury of four members: one member each from SAI Netherlands, SAI Norway and SAI UK, and chairman from SAI Sweden. All the members of the jury are from a SAI involved in bilateral co-operation with members of AFROSAI-E. Members of the jury are:

- *Lise Styrk Hansen*, Office of the Auditor General Norway, Assistant Director General
- *Alice de Haan*, the Netherlands Court of Audit, Audit Manager Performance Audit<sup>2</sup>
- *Jeremy Weingard*, UK National Audit Office, Audit Principal, Practice and Quality
- *Göran Hyltander*, Swedish National Audit Office, Director, Chair

The jury's work has been carried out solely by reading the reports. The reports have been assessed with reference to *International Standards for Supreme Audit Institutions (ISSAI)* and their reflection in the AFROSAI-E model for quality assurance.

## 3. Nominated reports

Eleven nominated audit reports passed the formal scrutiny at the AFROSAI-E Secretariat, namely:

- PERFORMANCE AUDIT REPORT on REGULATION OF MUNICIPAL SOLID WASTE IN BOTSWANA from the Auditor General of Botswana,
- PERFORMANCE AUDIT REPORT on CONTROL OF FOOT AND MOUTH DISEASE from the Auditor General of Botswana,
- PERFORMANCE AUDIT REPORT on STORAGE AND DISTRIBUTION OF DRUGS BY CENTRAL MEDICAL STORE from the National Audit Office of Gambia,
- PERFORMANCE AUDIT on MOVING TOWARDS SUSTAINABLE ARTISANAL FISHERY from the National Audit Office of Mauritius,
- PERFORMANCE AUDIT REPORT on COASTAL MANAGEMENT from the Auditor General of Namibia,

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<sup>1</sup> “The prize for the best performance audit report in the AFROSAI-E region” was launched in 2008 by the organization with support from the Swedish National Audit Office

<sup>2</sup> Assisted by Diny van Est, the Netherlands Court of Audit, Expert Performance Audit and Innovative Methods

- PERFORMANCE AUDIT on GENDER BASED VIOLENCE from the Auditor General of Namibia,
- PERFORMANCE AUDIT on PRODUCTION OF SEWAGE SERVICES IN URBAN AREAS from the National Audit Office of Tanzania,
- PERFORMANCE AUDIT on PROVISION OF SUPPORT SERVICES FOR SMALL AND MEDIUM ENTERPRISES from the National Audit Office of Tanzania,
- VALUE FOR MONEY REPORT on MANAGEMENT OF WETLANDS IN UGANDA from the Auditor General of Uganda,
- PERFORMANCE AUDIT REPORT on PREPAREDNESS IN THE PREVENTION AND CONTROL OF CATTLE DISEASES from the Auditor General of Zimbabwe,
- PERFORMANCE AUDIT REPORT on MANAGEMENT OF ENTITIES OWNING RADIATING EMITTING DEVICES from the Auditor General of Zimbabwe,

#### 4. Quality Criteria

Quality criteria are used by the jury when assessing strengths and weaknesses of the performance audit reports. The jury assesses if the winning report has a sufficient level of quality in relation to the ISSAIs as summarised below with AFROSAI-E comments<sup>3</sup>:

- ✓ a) Auditors should consider materiality in all stages of the audit process. (ISSAI 300:33, 3000:83). AFROSAI-E emphasizes reports that give added value, not only to financial, but also social and/or political aspects of the subject matter.
- ✓ b) The audit report should be comprehensive, convincing, timely, reader-friendly and balanced. (ISSAI 300 38-39, 3000:116). AFROSAI-E emphasizes these characteristics as specifically important for a good quality audit report. The aspects should be assessed using the relevant explanations from ISSAI 3000.
- ✓ c) In performance audit, the auditors' report their findings on the economy and efficiency (of the use of resources) and the effectiveness with which objectives are met. (ISSAI 300:11, 300:39, 3000:17-20, 3100). The audits should provide new information, knowledge, value and analysis or insights. (ISSAI 300:10). AFROSAI-E emphasizes that audits should include an analysis of conditions connected to the principles of economy, efficiency and effectiveness. Audits should go further than merely compliance with existing legislation and regulations, thus providing new insights to the subject matter.
- ✓ d) The report should include conclusions in response to the audit objectives and questions. If relevant and allowed by the SAI mandate, auditors should seek to provide constructive recommendations that are likely to contribute significantly to addressing the weaknesses or problems identified by the audit (ISSAI 300:38-40, 3000:106). AFROSAI-E emphasizes that audits should have conclusions that clearly respond to the audit objective. Recommendations (if appropriate) should be constructive, addressing the accountable entity, and be possible to accomplish.
- ✓ e) The Production time counted from the entry conference or start of the pre-study to the approval of the Auditor General by signing the final report. In addition to the requirements from ISSAIs, AFROSAI-E wants to promote effective audit processes, thus the requirement of production time has been added to the quality requirements. AFROSAI-E emphasizes that audits should be timely and ideally not exceed a 12-month production time.

The quality criteria have been transformed by the jury into questions for making the selection efficiently. The questions are based on the condition that the jury has access to the audit reports only. Hence, the assessment made by the jury does not cover every important aspect of quality, such as examining the underlying evidence base. Each member of the jury carries out a separate initial assessment of each report. After this first phase the respective assessments are compiled, compared and discussed within the jury. Finally the jury selects a prize-winner.

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<sup>3</sup> The description of the Prize is given in the 2018 invitation letter from AFROSAI-E, also published on its website.

## 5. Assessment

This year, the eleventh year of the Prize, eleven nominated reports from seven different SAIs were accepted by the Secretariat. The jury would like to acknowledge the hard work done by each of the auditors producing the eleven competing reports. We also acknowledge the Auditors General responsibility for their enhancement of the further development of performance auditing within the AFROSAI-E region.

The competition has become stronger and stronger. The assessment this year was more difficult than ever. Many very good reports were competing. This year's submissions are generally on level of continued good quality of the performance audits produced. The judgement of the jury is unanimous.

The winner of the Prize for 2018 is a performance audit report from the SAI Mauritius:

*PERFORMANCE AUDIT on MOVING TOWARDS SUSTAINABLE ARTISANAL FISHERY from the National Audit Office of Mauritius, carried out by the audit team Mr. Veejay Hauradhun and Mrs. Maheshwaree Aubeeluck.*

### **Comments on the winning report from SAI Mauritius** MOVING TOWARDS SUSTAINABLE ARTISANAL FISHERY

The audit from SAI Mauritius is well-motivated with a convincing analysis of risks, and it is clearly material in the conservation field. The audit is also timely given the recent fall in production, plus indications of a misused subsidy system. The auditors consulted a good range of stakeholders and applied audit questions that seem to cover the whole range of activities carried out by the ministry to achieve the objective. There is good congruence between audit objective, audit questions and criteria, plus a good description of limitations of the sampling strategy for the choice of fishing posts to visit. It was good to see that the audit criteria draw on sources beyond government regulations and legislation. Appendix 1 contains a good overview of how audit questions are designed to address the main components of sustainability. Each audit question is answered in congruence with the audit objective. The presentation of findings in three different levels of aggregation is very effective. The report is well-designed, with the auditors exhibiting a very good awareness of the pitfalls and unintended consequences of the current system. The analysis wisely considers both the available resources and procedures used by the auditees. The recommendations follow on closely from the audit findings. The report is short but full of relevant information and easy to read. The report is of clear value for Parliament.

For future audits it would generally be beneficial to try to strengthen the congruence in content between the findings and the conclusions/recommendations. In this report it seems that the conclusion give the auditee a little too much credit, as the findings suggest that most schemes are badly designed and/or badly executed and two of the recommendations seem to be a bit too weak in wording in relation to the findings made. A possible area of development in coming audits in similar fields may be to further explore measures that have worked elsewhere, as artisanal fishery in sensitive areas exists in many countries (especially given the involvement of EU, UN and others). Another area of development in coming audits may be to increase the amount of quantitative data to support the findings.

## **Overall comments on all the reports competing for the 2018 Prize**

The general quality of the reports has stabilised at a quite high level. After jury members had prepared their individual shortlists, the jury found that seven out of eleven reports were shortlisted. We feel that this high number shows that many reports were of a comparably high standard. This year we also welcomed two newcomers – the SAI of Gambia and the SAI of Zimbabwe - which entered with good quality reports to compete for the Prize.

All reports were of good performance audit quality and comprehensive in approach, producing clear findings and relevant recommendations. Conclusions were sometimes more in the nature of summarised findings than a judgement reached by reasoning. An increasing number of audits use the audit evidence to produce further analysis, but there is plenty of scope for more of this kind of work. Most of the reports were based on compliance-styled audits. Most of these audits produced very good and relevant findings, but Parliaments would also welcome reports that take a more analytical perspective and give clear reasons for the violation of rules and regulation. The whole chain of accountability was quite often addressed, but in quite a lot of cases the SAI addressed the report to agencies and departments only, which sometimes creates a gap in accountability. Confirmation from the auditee was more common this year; all report included comments, quite often at a subchapter-level. Four reports included external quality check, which is an increase since last year. All reports were well structured and well written, but a few reports were far too long (up to 140 pages), to be easily digested by Parliamentarians. The jury believe that it ought to be possible to increase the quality of writing to reduce the number of pages and allowing some quite important technical information being available on request or on line.

More reports than last year used evaluative criteria based on international sources of good/best practice, rather than drawing purely on compliance with public sector regulations. Such criteria give the SAI a better opportunity to assess/recommend relevant measures. Areas for development are quite similar to last year, including:

- improving the analysis of collected data, compiling and comparing to identify patterns and trends, and presenting the findings on a more general level, rather than including stand-alone examples of poor non-compliance,
- clarifying whether the chosen sample sizes allow one to draw statistically significant conclusions,
- making more use of the often deep knowledge that the auditors acquire during their audit, including more audit of local implementation, so as to identify the reasons for shortcomings, defaults and noncompliance and, where relevant, recommend improvements of the systems in place,
- analysing and making recommendations on how the auditees might make a more efficient and effective use of the available resources and also estimating how much more resource would be needed to implement the proposals made in reports, so as to avoid unrealistic recommendations,
- applying knowledge acquired during the performance audit to also scrutinise the effectiveness of controls against corruption in areas such as procurement and distribution of grants, as well as identifying risks for and indications of factual irregularities and corruption.

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On behalf of the Jury

Göran Hyltander  
Chairman of the Jury