

Audit Office Regulations, 2019

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IT is hereby notified that the Audit Office Board has, with the concurrence of the Minister of Finance, in terms of section 31 of the Audit Office Act [*Chapter 22:18*], made the following regulations: —

PART I

PRELIMINARY

Title

1. These regulations may be cited as the Audit Office Regulations, 2019.

Interpretation

2. In these regulations—
 - “Act” means the Audit Office Act [*Chapter 22:18*];
 - “External Auditor” means any external auditor appointed in terms of section 99;

“misconduct” means any unacceptable or improper behaviour by a member employed in the Audit Office;

“Public Accountants and Auditors Board” means the Public Accountants and Auditors Board established in terms of section 4 of the Public Accountants and Auditors Act [*Chapter 27:12*].

Application

3. These regulations shall apply to—

- (a) members of the Audit Office;
- (b) Constitutional entities, Ministries and public entities;
- (c) statutory funds and organisations that receive or were funded through budgetary appropriations;
- (d) persons engaged by the Auditor-General for the purpose of discharging the duties of the Auditor-General in terms of the Constitution and the Act.

PART II

CORPORATE OVERSIGHT BY BOARD

Notification of vacancy on Board

4. (1) In the event of a vacancy in the position of Chairperson of the Board, the Auditor-General shall within seven days communicate the vacancy to the President, who shall appoint a Chairperson in accordance with paragraph 5 of the First Schedule to the Act.

(2) In the event of a vacancy in the position of a member of the Board, the Chairperson shall notify the Auditor-General, who shall, within seven days communicate the vacancy to the President, who shall appoint a member in accordance with paragraph 5 of the First Schedule to the Act.

Notification of end of tenure of member of Board

5. The Chairperson shall notify the President of the impending end of the tenure of office of a member of the Board six months before the end of such tenure.

Removal of members from offices

6. (1) The President may on the recommendation by the Board require a member to vacate his or her office if the President is satisfied that—

- (a) the member has been absent, without the permission of the Board, from two consecutive meetings of the Board of which he or she was given at least seven days' notice, and that there was no just cause for the member's absence;
- (b) the member—
 - (i) has been guilty of misconduct as a member; or
 - (ii) has failed to comply with the conditions of his or her office fixed by the President in terms of subparagraph (1) of paragraph 3 to the First Schedule of the Act; or
 - (iii) is mentally or physically incapable of efficiently performing his or her duties as a member.

(2) The President may suspend from office a member against whom criminal proceedings are instituted for an offence in respect of which a sentence of imprisonment without the option of a fine may be imposed and whilst that member is so suspended he or she shall not carry out any duties that were required of him or her as a member.

Terms and scope of activities for committees of Board

7. The Board shall—

- (a) determine the terms of reference for its committees; and
- (b) establish a system to regularly monitor the performance of its committees established under paragraph 7(1) to the First Schedule of the Act.

Conflict of interest

8. (1) In addition to the provisions of section 34 of the Public Entities and Corporate Governance Act [*Chapter 10:31*], if a member of the Board or of a committee of the Board or a spouse of such member—

- (a) tenders for or acquires or holds a direct interest or indirect pecuniary interest in a contract with the Audit Office; or

- (b) knowingly acquires or holds a direct or indirect pecuniary interest in a company or association of persons applying to enter into a contract with the Audit Office; or
- (c) owns immovable property or holds a right in immovable property or a direct or indirect pecuniary interest in a company or association of persons which results in his or her private interest coming or appearing to come into conflict with his or her duties as a member;

the member shall forthwith disclose the fact to the Board or to the committee, as the case may be.

(2) A member referred to in subsection (1) shall take no part in the consideration or discussion of, or vote on, any question before the Board or the committee, as the case may be, which relates to any contract, right, immovable property or interest referred to in that subsection.

Corporate governance

9. (1) The Board shall ensure the practice of good corporate governance by the Audit Office and ensure the overall performance of the Audit Office in terms of the Public Entities and Corporate Governance Act [*Chapter 10:31*]

(2) The Board shall formulate policies for the administration and management of the Audit Office and cause communication channels to be established within the Audit Office, to ensure timely and effective circulation of its decisions and policies to all levels of the Audit Office.

(3) The Board shall carry out activities that promote and secure the constitutional mandate of the Auditor-General to ensure accountable and transparent financial management of national resources.

(4) The Board shall include in its activities promotion of continuing education of all stakeholders on the relevance and necessity for an Audit Office which is administratively, financially and functionally independent.

(5) The Board may establish links with individuals, organisations and associations in and outside the country on terms that the Board considers appropriate to ensure—

- (a) the promotion of effective and efficient administration of the Audit Office; and
- (b) the due performance of auditing activities by the Audit Office in accordance with internationally recognised best practices.

Delegation by Board

10. (1) In line with the objectives of securing the greatest degree of devolution of decision making and consistency with good administration, as specified in section 16 of the Act, the Board shall exercise its power of delegation through the Auditor-General.

(2) All communications between the Board and the Audit Office shall be made through the Auditor-General.

Corporate communication

11. (1) The Board shall establish procedures that ensure effective and efficient communication within the Audit Office and externally with stakeholders of the Audit Office.

(2) Appropriate communication facilities and tools may be used to enhance communication.

Strategic planning

12. (1) In addition to the Public Entities and Corporate Governance Act [*Chapter 10:31*], the Board shall ensure that the programmes, operations and activities of the Audit Office are underpinned by a process of strategic planning.

(2) A strategic plan of the Audit Office shall be developed and implemented for particular periods as determined by the Board from time to time.

(3) The Board shall ensure that in the development of the strategic plan—

- (a) due regard is given to the requirements of the Constitution, the Act and other relevant laws and programmes of Government, public sector entities and the expectations of stakeholders in financial management and accountability processes in the country;

(b) inputs are sought from management, other staff of the Audit Office and other stakeholders.

(4) Annual Plans of the Audit Office shall be derived from the strategic plan to guide its programmes and operations.

(5) The Board may cause a strategic plan to be reviewed at any time during the course of its implementation life cycle and revised to reflect changes occasioned by new developments or an emerging trend consistent with the framework of the Audit Office's mandate and the strategic plan or best practice.

Performance management

13. (1) The Board shall ensure that a performance management system is operational in the Audit Office to ensure that organisational, departmental, sub-departmental, team and staff level targets are set, monitored and achieved effectively and efficiently.

(2) The performance management system shall ensure that—

- (a) job descriptions of officers and staff of the Audit Office are consistent with, and contribute to, the established organisational goals in the strategic plan; and
- (b) performance targets that are consistent with staff job descriptions and established organisational goals are set for each staff, team and department; and
- (c) performance appraisals are undertaken to ensure continuous improvements in staff and organisational performance and capacity development; and
- (d) appropriate performance rewards are defined and administered to ensure improved staff motivation and performance.

Performance monitoring

14. The Board shall develop a system to coordinate, monitor and evaluate the effectiveness and efficiency of implementation of the strategic plan, including—

- (a) quarterly management and operations reports to be submitted by the Auditor-General to the Board during the course of the financial year;

- (b) mid-year and annual performance reviews of the Audit Office;
- (c) independent reviews, where necessary, to be conducted by persons appointed by the Board to confirm or determine the continuing relevance and the realisation of the objectives in the strategic plan.

Levels of performance management

15. The Auditor-General shall ensure that the performance management system of the Audit Office cascades down through departments, teams and to individual staff level.

Awards for long service and meritorious performance

16. The Board —

- (a) shall institute long service awards for; and
- (b) may institute awards to recognise and reward meritorious and exceptional performance by members of the Audit Office.

Non-performance

17. Members who fail to meet their agreed performance targets may be subject to appropriate remedial action, including disciplinary measures as may be specified in the Audit Office Code of Ethics and Professional Conduct.

Risk management

18. The Board shall ensure that a risk management system is implemented by the Audit Office to identify, evaluate and mitigate risks that challenge the achievement of the objectives of the Audit Office while enabling the Audit Office to take advantage of opportunities that arise from the exercise of its legal mandate.

Internal control

19. The Board shall ensure that internal control policies and procedures are established and implemented by the Audit Office to mitigate identified risks and to ensure that the objectives of the Audit Office are achieved.

Status of risks and internal controls report

20. The status of risk management and internal control in the Audit Office shall be included in periodic management and operations reports submitted by the Auditor-General to the Board.

PART III

ADMINISTRATION OF AUDIT OFFICE

Decentralisation of Audit Office operations

21. (1) The Board may approve a programme of decentralisation of the operations of the Audit Office in any province.

(2) Members of the Audit Office who are appointed as heads of provincial offices shall be functionally and administratively responsible to the Auditor-General in the performance of their duties.

Documentation of organisational structure

22. (1) Departments established by the Board in terms of section 17 of the Act shall be documented in an organisational structure and communicated to all members of the Audit Office.

(2) The documented organisational structure shall comprise a diagrammatic representation of the structure and a written description of the scope of operations and activities of the departments as well as their reporting relationships.

Review of organisational structure

23. The Auditor-General may make recommendations to the Board for a review of the structure if he or she considers that in view of the prevailing circumstances a revised organisational structure will enhance achievement of the goals of the Audit Office.

Scope of operations of departments of Audit Office

24. The Board shall ensure that the scope of operations and activities of established departments of the Audit Office incorporates—

- (a) the responsibilities conferred on the Auditor-General by the Constitution and the Act;
- (b) administrative and support structures required for the effective and efficient performance of the functions and responsibilities of the Audit Office.

Reporting to Auditor-General

25. All departments of the Audit Office shall have a reporting line to the Auditor-General.

Department of administration

26. The Department of Administration established by section 18 of the Act shall be headed by a Deputy Auditor-General who shall report functionally and administratively to the Auditor-General.

Classification of posts

27. Posts within the Audit Office shall be classified using a standard criteria based on training, qualification and experience as approved by the Board.

Qualifications and disqualifications for posts

28. (1) A person does not qualify for a position in the Audit Office unless that person possesses the requisite training, qualification and experience as specified in a Scheme of Service of the Audit Office.

(2) The Board shall not appoint a person to the Audit Office who—

- (a) has benefited from a voluntary retirement scheme implemented by the Board; or
- (b) has been dismissed or called upon to resign from the Audit Office arising from disciplinary procedures or otherwise, within a period of two years preceding the proposed appointment;

unless the Board expressly approves such appointment in writing.

(3) The Board shall not appoint a person to the Audit Office who—

- (a) has been convicted of an offence relating to fraud or dishonesty; or
- (b) has been convicted of a criminal offence for which he or she has been sentenced to and served a term of imprisonment.

Grades and salaries structure

29. The Board shall approve a grades and salaries structure for the Audit Office that ensures fair and equitable relativities between grades and posts within the Audit Office.

Recruitment

30. (1) The Board shall approve staff establishment for grades and positions within the Audit Office.

(2) The staff establishment shall be reviewed by the Board periodically to ensure that it remains appropriate to the workload and skills and competency requirements of the Audit Office in order to discharge its mandate effectively and efficiently.

(3) The Board shall approve a Scheme of Service for the Audit Office which shall specify the following—

- (a) recruitment and placement policies;
- (b) entry requirements into various grades of the Audit Office;
- (c) the career path, development and progression in the Audit Office;
- (d) job descriptions for key positions in the Audit Office; and
- (e) performance expectations.

(4) Vacancies in the Audit Office shall be filled in accordance with the Scheme of Service either by promotion, recruitment or appointment.

(5) The Board shall take into consideration the Constitution, international conventions, protocols and treaties ratified by the Republic of Zimbabwe that seek to promote justice, fairness and human dignity especially on gender and matters of persons with disability when recruiting to fill a vacant position in the Audit Office.

Career progression

31. (1) The approved classification of posts shall be included in a Scheme of Service that shows the entry posts for new entrants to the Audit Office and how members of the Audit Office will progress from one post to another.

(2) All members of the Audit Office may rise from their entry grade to as high as their training, qualifications, experience and performance would enable them to.

Human resource capacity development

32. (1) The Board shall formulate policies that promote the effective organisation and development of training programmes in the Audit Office at all levels.

(2) The human resource capacity development policies should be aimed at ensuring that modern technologies, standards and best practices in management, accounting, auditing and information and communication technology are used in the work of the Audit Office.

Continuous professional development

33. (1) The Audit Office shall develop and implement a programme that provides for continuous professional development of its members.

(2) The Audit Office, through its human resource capacity development programmes, may provide opportunities for its members to obtain and maintain their professional associations and competencies.

Conditions of service

34. (1) The Board shall establish posts below the position of Auditor-General in the Audit Office and determine the human resource competency and skills mix required by the Audit Office to perform and support the range of auditing activities mandated under these Regulations.

(2) The Board shall determine and, in consultation with the Minister of Finance, approve conditions of service of members of the Audit Office.

(3) The Board, in performing its functions shall, among other things, take into consideration the oversight responsibilities and advisory roles that the Audit Office is required to undertake in the public sector to ensure the recruitment and retention of trained and competent officers.

Place and hours of work

35. Members of the Audit Office shall work at such places and on such days and for such hours as the Auditor-General, by administrative directive shall determine within the framework of the Conditions of Service approved by the Board.

Promotion of staff welfare

36. The Board may approve proposed schemes that promote the welfare of staff.

Occupation or work for remuneration outside Audit Office

37. Any member of the Audit Office who wishes to engage in an occupation or work for remuneration outside the Audit Office which comes into or appears to come into conflict with his or her duties as a member of the Audit Office, shall obtain the written permission of the Board to do so, through the Auditor-General.

Code of ethics and professional conduct

38. (1) In addition to the principles of good corporate governance for public entities as specified in the second schedule to the Public Entities and Corporate Governance Act [Chapter 10:31], the Audit Office may develop for approval by the Board a Code of Ethics and Professional Conduct applicable to all members of the Audit Office.

(2) The Code referred to in subsection (1) shall adhere to the requirements of the Labour Act [Chapter 28:01], and conform with the guidelines provided by the International Organisation of Supreme Audit Institutions and any other international accounting and auditing bodies.

(3) The Code referred to in subsection (1) shall be administered by the Board who shall ensure that it is kept up to date and implemented effectively across the Audit Office.

Exemption from liability

39. No liability shall attach to the Board or any committee thereof, or to a member of the Board or any member of a committee or any member of the Audit Office for any loss or damage sustained by any person as a result of the *bona fide* exercise or performance by the Board or any committee thereof or any member of the Audit Office, of any power or duty conferred or imposed upon the Board or any member of the Audit Office by this Act:

Provided that the provisions of this section shall not be construed so as to prevent any person from recovering by action in any competent court compensation for any loss or damages sustained by him or her which was caused by negligence.

Prudent use of Audit Office resources

40. The Board shall ensure that—

- (a) the system of financial management and internal controls established for the Audit Office is maintained and complied with;
- (b) resources entrusted to them are economically, efficiently and effectively applied in a transparent manner towards the achievement of approved goals and objectives of the Audit Office;
- (c) assets of the Audit Office are safeguarded against losses of any kind including abuse, fraud, wilful or accidental wastage and destruction.

Unauthorised use of Audit Office resources

41. (1) Members who use Audit Office resources for unauthorised purposes shall be subjected to the disciplinary procedures of the Audit Office.

(2) Any costs incurred by members, resulting from such disciplinary proceedings, shall not be indemnified by the Audit Office.

Insurance of Audit Office assets

42. The Board shall, annually, review the insurance cover of the assets of the Audit Office to ensure that the cover reflects changes in the assets profile of the Audit Office.

Insurance of staff members (including injury on duty and death)

43. (1) The Board shall ensure that appropriate insurance cover is maintained in respect of work related injury and death of members of the Audit Office.

(2) The insurance cover referred to in subsection (1) shall be non-contributory.

Qualifications for contract appointment

44. A person may qualify for appointment under contract by the Board if he or she possesses qualifications, experience, skills and competencies that are required in the Audit Office.

Terms and conditions for contract appointments

45. The terms and conditions for contract employees shall be specified in the conditions of service of the Audit Office.

Gratuity for contract appointees

46. The Board may approve the payment of a gratuity to contract appointees upon recommendations from the Auditor-General.

Cession of salary, allowances or other remuneration

47. (1) Where a member of the Audit Office or an entitled person decides to cede his or her salary, allowances or other remuneration to the Audit Office, the person shall be required to give that cession in writing.

(2) All cessions or request for cession of salary, allowances or other remuneration shall be brought to the attention of the Board as soon as is practicable.

Transfers

48. (1) Any member of the Audit Office may be transferred from the post which he or she occupies to any other post within the Audit Office:

Provided that—

- (a) the member shall not suffer a reduction in his or her pensionable emoluments without his or her consent;
- (b) a member who has been transferred to or is employed in a post which is of a higher or lower grade than his or her own grade without a change in pensionable emoluments shall be transferred to a post to which his or her pensionable emoluments are appropriate as soon as a vacancy occurs for which he or she is considered suitable;
- (c) a member who has been transferred to or is employed in a post which is of a higher grade than his or her own grade or which is regarded or converted to a post of a higher grade than his or her own grade shall not, by reason only

of such transfer or employment, be entitled to the higher pensionable emoluments applicable to the post.

(2) The period of a transfer and all necessary information relating to the transfer shall be specified in a transfer letter and delivered promptly to the relevant member.

(3) No transfer shall be used as a punitive measure except pursuant to disciplinary proceedings in compliance with the Code of Ethics and Professional Conduct.

(4) Every transfer shall be planned to minimise discomfort to the member concerned and his or her family.

(5) Notice of a transfer shall be communicated to the affected member of the Audit Office no less than 30 days before the expected date of assumption of duty at the new post or such shorter notice period as may be agreed with the member being transferred.

(6) Failure of a member to obey an instruction regarding transfer shall be treated as an act of misconduct in terms of the Code of Ethics and Professional Conduct.

Transfer expenses

49. The following expenses shall be reimbursed to a member who is required to transfer in the interest of the Audit Office—

- (a) where accommodation is not provided on transfer and the member, his or her family or both are required to live in a hotel or any rented accommodation temporarily, proved meals and accommodation shall be at the full rate for the first 30 days, at half rate for the next 30 days and thereafter at the member's expense unless otherwise directed by the Auditor-General, with the concurrence of the Board;
- (b) where accommodation is not provided on transfer and the member, his or her family or both, make private arrangements in this regard, the cost of the meals shall be at unproved rates;
- (c) where the member is obliged to move with his or her household effects there shall be paid in accordance with such rules governing such movement as are approved

by the Board, and at different rates depending on the marital status of the member —

- (i) the cost of moving such effects; and
- (ii) a disturbance allowance; and
- (iii) the cost of storage of the member's belongings for periods of up to 30 days before and 30 days after the transfer.

Secondment to other entities

50. (1) Members of the Audit Office may be seconded to other constitutional entities, Ministries and public entities within or outside the country where their services are required, for a period not exceeding three years.

(2) Where the services of a seconded member of the Audit Office is required for a further period in excess of the three-year period referred to in subsection (1), such service may be extended for a further period not exceeding three years, with the approval of the Board.

(3) Members seconded to Ministries or any of the entities referred to in subsection (1) shall remain employees of the Audit Office.

(4) When the member returns to the Audit Office he or she shall not be engaged in an audit of that Ministry or entity to which he or she was seconded to, for a period of not less than three years.

Secondment to Audit Office

51. (1) Employees of other constitutional entities, Ministries and public entities may be seconded to the Audit Office with the approval of the Board for a period not exceeding three years.

(2) At the end of the period of secondment referred to in subsection (1), such period may be renewed for a further three-year period, with the approval of that Ministry or entity.

Secondment for practical training

52. (1) The Auditor-General may second members of the Audit Office to firms registered with the Public Accountants and Auditors Board or other recognised professional bodies for practical training.

(2) The Auditor-General may second members of the Audit Office to other Supreme Audit Institutions for practical training or under a professional exchange programme.

(3) The exchange programme referred to in subsection (2) may involve members of other Supreme Audit Institutions being seconded to the Audit Office.

(4) Members seconded for practical training shall sign an undertaking to return to the employment of the Audit Office after the training period.

Appointments to Audit Office

53. (1) Where a person is appointed to the Audit Office from a Constitutional entity, Ministry or a public entity, such person shall resign his or her previous post in order to take up appointment in the Audit Office.

(2) A member referred to in subsection (1) shall not audit the entity he or she was employed by for a period of not less than three years from the date of assuming appointment in the Audit Office.

Appointments to other Government entities

54. Where a member of the Audit Office is appointed to a constitutional entity, Ministry or a public entity he or she shall cease to be a member of the Audit Office.

PART IV

AUDITS

Entities, Ministries, funds subject to Audit

55. (1) Every —

- (a) constitutional entity, Ministry, public entity;
- (b) statutory fund and organization that receives or was funded through budgetary appropriations;

shall be subject to external auditing by the Auditor-General.

(2) The Auditor-General shall maintain a register of every constitutional entity, Ministry, public entity or statutory fund and organizations subject to audit by him or her.

Types of audits

56. The range of external auditing activities that may be undertaken by the Auditor-General shall include but shall not be limited to the following—

- (a) compliance and regularity audits;
- (b) financial audits;
- (c) performance audits;
- (d) specialised audits, including but not limited to—
 - (i) information systems audits;
 - (ii) procurement audits;
 - (iii) management audits;
 - (iv) forensic audits;
 - (v) environmental audits.

Risk assessment

57. (1) The Auditor-General may undertake an assessment of risks to identify entities, funds and areas of highest risk in order to ensure that high risk areas receive sufficient audit focus.

(2) Any risk assessment undertaken shall not absolve the Auditor-General from his or her duty to ensure that all constitutional entities, Ministries, public entities or statutory funds and other organisations are subject to audit and that appropriate disclosures are made in respect of any entities not subject to audit.

Strategic audit planning

58. (1) The Auditor-General shall develop a strategic planning framework for his or her audits to ensure that sufficient and adequate coverage is given to all constitutional entities, Ministries, public entities or statutory funds and organisations subject to audit.

(2) The Auditor-General has sole discretion in developing the plans and is not to be subject to the influence or direction from anyone or anything, except the requirements under the Act, in relation to—

- (a) whether or not a particular audit is to be conducted;
 - (b) the way in which a particular audit is to be conducted;
- or

(c) the priority to be given to any particular matter.

Annual audit planning

59. An annual planning process shall be undertaken to ensure that an effective and efficient audit plan is implemented annually, based on the Auditor-General's assessment of risks in the management and operations of the entities and funds subject to audit.

Operational planning

60. Each audit assignment commissioned by the Auditor-General shall be planned, performed, reported on and followed up in accordance with guidelines provided by the Auditor-General.

Persons contracted to audit

61. (1) The Audit Office shall maintain a register of individuals and audit firms eligible for appointment by the Auditor-General to carry out audits on his or her behalf under section 9 of the Act.

(2) The Audit Office, in consultation with the Public Accountants and Auditors Board, shall classify individuals and audit firms in the register by grade and size, and the category of audited organisations for which an individual or an audit firm will be eligible to bid to audit.

(3) The Audit Office shall periodically conduct inspection of the premises, facilities and staffing levels indicated in the register for verification and validation purposes.

(4) Individuals or audit firms may be appointed by the Auditor-General to assist the Audit Office to carry out its audits for a minimum of one financial year, which is renewable for a maximum of four financial years, subject to satisfactory performance.

(5) Individuals or audit firms appointed by the Auditor-General to carry out work on his or her behalf shall be issued with terms of reference and guidelines for the conduct and reporting on audits assigned to them by the Auditor-General.

(6) The Board shall cause the Audit Office to establish procedures to ensure that individuals or audit firms appointed by the Auditor-General to carry out audits on his or her behalf, comply with the terms of reference and guidelines issued for the audit.

Method of contracting

62. (1) The Auditor-General, after consultation with the Board, shall determine the method of contracting individuals and audit firms to undertake audits as appropriate for each assignment.

(2) The Auditor-General in collaboration with the Public Accountants and Auditors Board shall ensure that individuals or audit firms that conduct audits on behalf of the Auditor-General are subject to quality assurance checks and practice reviews by the Public Accountants and Auditors Board.

Obligations of contracted individuals and audit firms

63. Individuals and audit firms engaged by the Auditor-General to undertake audits shall comply with the terms and conditions specified in their contract.

Authority of contracted individuals and audit firms

64. An individual or an audit firm engaged to undertake audits on behalf of the Auditor-General shall have full and unfettered access to records, documents, accounts and persons employed by the respective audit client.

Confidentiality of contracted individuals and audit firms

65. An individual or an audit firm engaged to undertake audits on behalf of the Auditor-General shall observe confidentially obligations imposed by the Audit Office and the accountancy and auditing profession.

Limitation on services provided by contracted individuals or audit firms

66. (1) A contracted individual or audit firm shall not provide services to the client beyond the scope and objectives of its terms of reference and guidance provided by the Auditor-General

(2) A contracted individual or audit firm shall not provide consulting services for the entities they are engaged to audit for a period of three years following the end of such audit.

Framework for services and fees

67. The Auditor-General may agree a framework for services and fees for contracted audits with the Public Accountants and Auditors Board.

Auditing standards

68. (1) The Auditor-General shall determine the appropriate auditing standards that should be complied with in planning, performing and reporting on audits commissioned by him or her.

(2) In making the determination in terms of subsection (1), the Auditor-General shall be guided by the standards and guidelines published by—

- (a) the International Organization of Supreme Audit Institutions (INTOSAI);
- (b) the International Federation of Accountants (IFAC); and
- (c) the Public Accountants and Auditors' Board.

Quality control and review

69. (1) The Auditor-General shall ensure that all audits are carried out at a consistently high level of quality in all dimensions of the audit process in accordance with international standards.

(2) The Auditor-General shall establish policies, systems and procedures that encourage actions leading to high quality and discourage or prevent actions that might impair quality and these quality controls should be developed and implemented with respect to all phases of the audit process.

(3) The Auditor-General shall arrange periodic independent external quality reviews of the Audit Office in conformance with the guidelines of the African Organisation of Supreme Audit Institutions and such reviews may accordingly be carried out.

(4) The Auditor-General may collaborate with the Public Accountants and Auditors Board in its quality assurance programmes.

Timing of audits

70. (1) The Audit Office may undertake —

- (a) interim audits at any time before the end of the financial year.
- (b) final audits after the end of the financial year.

(2) A management letter shall be issued at the end of interim and final audits.

(3) A performance audit may be commenced at any time if the Auditor-General considers that there is sufficient basis to undertake the audit.

(4) A special audit may be undertaken at any time that the Auditor-General considers appropriate.

Engagement letter

71. The Auditor-General shall issue an engagement letter at the commencement of an audit.

Audit observations and responses

72. (1) Audit Observations made by audit teams appointed by the Auditor-General shall be documented and formally brought to the attention of the audit client.

(2) A formal response shall be sought from the audit client to all observations raised during the course of an audit.

Management letters

73. A management letter shall be issued by the Auditor-General to an audit client within 30 days of completion of an audit.

Responses by audit clients

74. An audit client shall respond to a request for—

- (a) comments on any management letter or draft report; or
- (b) information, or
- (c) a response to a document;

issued by the Auditor-General or an officer authorised by him or her, within the time frame specified in the request:

Provided that such time frame is reasonable taking into account the circumstances.

Reminders

75. Any person who fails to respond to a request by the Auditor-General for information or for a comment on or for a response to a document after a reminder has been furnished to such person shall be deemed to have failed to provide the requested information, comment or response.

Record of officers who do not respond to requests for information

76. (1) The Auditor-General shall maintain a record of persons of audited organisations who fail to respond to requests for information as required by section 8(1)(a) of the Act.

(2) The Auditor-General shall make a report on this record to Parliament in the Auditor-General's annual report.

Register of audit assignments

77. The Auditor-General shall maintain a database of all audit assignments undertaken by the Audit Office or contracted individuals or audit firms.

Record of audit work and outputs

78. The Auditor-General shall implement a system that ensures sufficient documentation in relation to audits undertaken, to support the results of such audits.

Collaboration with internal auditors

79. (1) The Audit Office shall collaborate with internal audit units of constitutional entities, Ministries and public entities that are subject to audit by the Auditor-General, with the objective of minimizing duplications, improving the effectiveness and efficiency of audit resources and enhancing the value of audits to clients.

(2) The collaboration referred to in subsection (1) may include, but shall not be limited to sharing of Planning and Risk Assessment Information.

(3) During the process of an audit, the Audit Office shall undertake an assessment of the internal audit function of the audit client, to determine whether the Audit Office is able to rely on the work of the internal audit function, to improve the efficiency and effectiveness of the audit.

(4) Where the assessment by the Audit Office in terms of subsection (3) concludes that reliance on the work of the internal audit unit concerned is not possible, the Audit Office shall state the reasons therefor in a report and make appropriate recommendations for improvement of the internal audit function.

(5) Members of the Audit office and internal auditors shall co-ordinate the timing of their field work so as to maximise professional collaboration.

(6) The internal auditor shall submit a copy of an internal audit report he or she issues to the Auditor-General.

(7) The Audit Office may give copies of its reports on an entity to that entity's internal auditor.

Access to reports of other reviewers

80. The Auditor-General may request and where such request is made shall be given a copy of reports of reviews undertaken by any other entity or organisation of an entity subject to audit by the Auditor-General.

Content of Auditor-General's annual report

81. In addition to the reporting requirements of section 10(2) of the Act, the Auditor-General may include in his or her annual report—

- (a) his or her opinion on the truth and fairness of the public accounts of the entities so audited;
- (b) any significant findings and recommendations which he or she considers should be brought to the notice of Parliament including—
 - (i) any act or omission by any officer relating to the probity, regularity or economy, efficiency and effectiveness with which public moneys and resources have been managed;
 - (ii) any deficiencies which have been identified in the internal control system of any public entity;
 - (iii) details of essential records that have not been maintained or the rules and procedures applied that have been insufficient to safeguard and control public assets, to secure an effective check on the assessment, collection and proper allocation of revenue and to ensure that expenditures have been made only as authorised;
 - (iv) any money that has been expended without due regard to economy or efficiency.

Status of implementation of previous recommendations

82. (1) The Auditor-General shall include in his or her annual report the extent to which recommendations contained in his or her reports in previous years have been implemented by accounting officers.

(2) This may be based on information received from the Audit Client and any additional work which the Auditor-General considers necessary.

Comments on accountability reports issued to parliament

83. The Auditor-General may comment, as appropriate, in his or her annual report, on any accountability report issued to Parliament by an entity that is subject to audit by the Auditor-General.

Presentation of reports

84. After submitting his or her annual report to the Minister of Finance or an appropriate Minister, as the case may be, the Auditor-General may give copies of his or her annual report to the Speaker of National Assembly and any other person that he or she considers appropriate.

Publication of reports as public documents

85. (1) When the annual report or any other reports of the Auditor-General are tabled in Parliament, the reports become public documents and the Auditor-General may cause such reports to be published on the Audit Office website and to make printed copies available on request on payment of a fee.

(2) The Auditor-General may hold a session to brief the public and the media on the salient issues contained in his or her report.

Public Accounts Committee memorandum

86. (1) The Auditor-General may prepare a memorandum of the salient issues in his or her report for the Public Accounts Committee of Parliament to guide the committee in their consideration of the report.

(2) The Auditor-General or his or her staff may also provide a verbal report to the Public Accounts Committee and advise them in the course of their consideration of reports from the Auditor-General.

PART V

FINANCES OF AUDIT OFFICE

Annual budget estimates

87. The Audit Office shall prepare and submit to the Board for approval annual budget estimates of revenue and expenditure for an ensuing year.

Approval of budget estimates by board

88. The Board shall approve the budget estimates of the Audit Office and submit it to the Minister of Finance to be included in the national budget for submission to Parliament for approval.

Supplementary estimates

89. (1) If it becomes necessary during the course of a financial year that the Audit Office will require supplementary appropriations to enable it to perform its mandate either because its annual appropriation has become inadequate or that an expenditure has arisen which was not in the original appropriation the Board shall make a representation to the Minister of Finance for supplementary funds.

(2) It shall be the responsibility of the Minister of Finance whenever it receives a request for supplementary funding from the Audit Office to explore options for supplementing the appropriation to the Audit Office including requesting for supplementary appropriation from Parliament.

Mode of financial releases to Audit Office

90. Financial releases of the approved budget of the Audit Office shall be made to the Audit Office based on a cash requirement schedule approved by the Board and submitted to the Minister of Finance.

Bank accounts

91. Bank accounts of the Audit Office shall be opened and operated by the Audit Office with the approval of the Board.

Operational funds of Audit Office

92. The Board may approve the maintenance of an operational fund by the Audit Office to enable the Audit Office to deal with

operational issues that require immediate access to funds and a high level of confidentiality.

Operations reports to board

93. The Auditor-General shall submit half-yearly reports to the Board on the management of operational funds of the Audit Office.

Revolving funds of Audit Office

94. (1) The Board may approve the establishment of revolving funds to provide loans and advances to members of the Audit Office.

(2) The Board shall approve the establishment of systems and procedures to ensure that loans and advances made out of a revolving fund are fully recovered.

(3) The Audit Office shall submit half-yearly reports to the Board on the management of revolving funds of the Audit Office.

Investments of Audit Office

95. Any proceeds of an investment, including interest and realised capital gains, and all moneys received from the realisation, sale or conversion of securities, shall be treated as moneys accruing to the Audit Office.

Accounts of Audit Office

96. The Auditor-General shall ensure that the accounts maintained by the Audit Office conform to the requirements of the Public Finance Management Act [Chapter 22:19] and appropriate internationally accepted accounting standards.

Assets of Audit Office

97. (1) The Auditor-General shall establish asset management procedures and systems which enable the Audit Office to meet its service delivery requirements in order to—

- (a) maximise the service potential of assets by ensuring that they are appropriately used and maintained;
- (b) reduce the demand for new assets through demand management techniques;
- (c) achieve greater value for money in the acquisition, use and disposal of assets;

- (d) reduce unnecessary acquisition of assets through acquisition management techniques;
 - (e) clearly define responsibility, accounting and reporting requirements; and
 - (f) support the effective, efficient, economical and transparent use of the Audit Office's assets.
- (2) The Auditor-General shall ensure that proper internal controls exist for the custody and use of assets and that—
- (a) assets are acquired in accordance with the provisions of the Public Procurement and Disposal of Public Assets Act [*Chapter 22:23*];
 - (b) preventive mechanisms are in place to eliminate theft, losses, wastage and misuse; and
 - (c) stock levels are at an optimum and economical level.
- (3) The Board shall ensure that all assets of the Audit Office are classified, coded and appropriately marked to facilitate effective assets management.
- (4) The Audit Office shall maintain a register of assets and submit an annual report of assets to the Board.

Internal audit of Audit Office

98. (1) The Board shall ensure the establishment of an internal audit department within the Audit Office.

(2) The head of the internal audit department shall be appointed by the Board.

(3) The head of the internal audit department shall report functionally to the Board through an audit committee and administratively to the Auditor-General.

External audit of Audit Office

99. (1) An External Auditor required to be appointed by the Board in terms of subsection (3) of section 28 of the Act shall be appointed not later than the end of the financial year that is subject to audit.

(2) The auditor appointed to audit the Audit Office shall be appointed to audit a minimum of one financial year and a maximum of four financial years.

(3) The fees in respect of the audit of the Audit Office shall be borne out of the annual budget of the Audit Office.

(4) The External Auditor shall not be engaged on other Audit Office assignments whilst the External Auditor is still engaged to audit the Audit Office.

(5) A member of —

- (a) the Board; or
- (b) a committee of the Board; or
- (c) an audit firm;

who has an interest in an audit firm shall not be appointed to audit the Audit Office.

Procedures for audit of Audit Office

100. The External Auditor of the Audit Office shall, in the conduct of the audit, use the same procedures prescribed by these regulations and any guidelines issued for audit by the Auditor-General for the audit of public institutions.

Report of audit of Audit Office

101. The External Auditor shall issue a management letter and a report at the end of an audit of the Audit Office to—

- (a) the Board; and
- (b) the Auditor-General; and
- (c) The Minister of Finance.

Membership of Audit Committee of Audit Office

102. A member of the Audit Office appointed to the Board may not be appointed as a member of the Audit Committee of the Audit Office.

