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The Prize for 2021 – Review team comments on the flood control report from the SAI of Ghana

The review team will submit written comments on all nominated and assessed reports for the Prize for the best performance audit report in the AFROSAI-E region in 2021¹. These comment on reports will be presented to the respective SAI. The review team also makes a report on the qualities of the winning report, which is made public. Since the first performance audit report was awarded the Prize for 2008, 117 reports from 18 different countries have been considered in the competition.

1 The Prize – an 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 of 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 stipulated requirements – such as being published between 1 January and 31 December 2021. No assessment of the quality of the reports is made by the Secretariat.

2 The review team

The quality of the performance audit reports has been assessed by an international review team of seven members from the SAIs from Norway, the Netherlands, UK and Sweden (including the chairman from the Swedish SAI). At the end of the assessment work, a new member from the SAI of India joined the review team.

¹ 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.

Members of the review team are:

- Jeremy Weingard, Audit Principal, Practice and Quality, UK National Audit Office
- Laurens Wijtvliet, Auditor, the Netherlands Court of Audit
- Luuk Krijnen, Senior Audit Manager, the Netherlands Court of Audit
- Ingvild Gulbrandsen, Special Advisor, Office of the Auditor General Norway
- Geeta Menon, Director General, SAI of India
- Emma Wallin, Audit Director, Swedish National Audit Office
- Anders Berg, Audit Director, Swedish National Audit Office
- Jesper Antelius, Audit Manager, Swedish National Audit Office, Chair

The review team's work has been carried out solely by reading the reports. The reports have been assessed with reference to International Standards of Supreme Audit Institutions (ISSAI 300 and 3000) and their reflection in the AFROSAI-E model for quality assurance.

3 Nominated reports

Ten nominated audit reports passed the formal scrutiny of the AFROSAI-E secretariat, namely:

- Management of tax collection and administration from The Office of the Auditor General of Eritrea.
- Provision of flood control drains from the National Audit Office of Ghana.
- The distribution of medical supplies in Ghana from the National Audit Office of Ghana
- Enhancing road safety in Mauritius from the National Audit Office of Mauritius.
- The Controls of hygienic practices in food markets in the country from the National Audit Office of Tanzania
- Floods control measures in Tanzania from the National Audit Office of Tanzania.
- Cargo handling by the Gambia Ports Authority (GPA) from the National Audit Office of the Gambia.
- Provision of farm inputs (seed and fertilizer) to groundnut farmers from the National Audit Office of the Gambia.
- Monitoring the provision and distribution of agricultural production inputs to support the agricultural seasons in Sudan from the National Audit Chamber in Sudan.
- Quality of drinking water in Khartoum state from the National Audit Chamber in Sudan.

4 Quality criteria

The review team has used specified quality criteria for assessing strengths and weaknesses of the performance audit reports. The review team also assesses whether the winning report has a sufficient level of quality in relation to the ISSAIs as summarized below with AFROSAI-E comments²:

1. The audit approach must come out clearly in the report, to show how the performance audit approach is understood and used (ISSAI 3000/40).
2. Auditors should consider materiality in all stages of the audit process (ISSAI 300/33, 3000/83). AFROSAI-E emphasises reports that give added value, not only to financial, but also to social and/or political aspects of the subject matter.
3. The audit report should be comprehensive, convincing, timely, reader-friendly and balanced (ISSAI 300/38-39, 3000/116). This means that there has to be a clear link, with relevant explanations, between audit objective, audit questions, audit criteria, audit methodology, audit findings, audit conclusion and audit recommendations. AFROSAI-E accentuates these characteristics as specifically important for a good quality audit report. The aspects should be assessed using the relevant explanations from ISSAI 3000.
4. 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 underlines that audits should include an analysis of conditions connected to the principles of economy, efficiency and effectiveness. Audits should go further than merely testing compliance with existing legislation and regulations, thus providing new insights to the subject matter.
5. 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 stresses that audits should have conclusions that clearly correspond to the audit objective. Recommendations (if appropriate) should be constructive, addressing the accountable entity or entities, and must follow logically or analytically from the facts and arguments presented (ISSAI 3000/ 126- 127).

² The description of the Prize is given in the 2020 invitation letter from AFROSAI-E, also published on its website.

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. Production time is counted from the entry conference or start of the pre-study to the approval of the Auditor General by signing the final report. AFROSAI-E emphasises that audits should be timely and ideally not exceed a 12-month production time.

The quality criteria have been transformed by the review team into questions to help them make their selection effectively. The questions are based on the condition that the team has access to the audit reports only. Consequently, the assessment made by the review team does not cover every important aspect of quality, such as examining the underlying evidence base.

Each member of the review team carries out a separate initial assessment of each report. After this first phase the respective assessments are compiled, compared, and discussed within the review team. Finally, the review team selected a prize-winner.

5 Assessment

This year, ten nominated reports from six different SAIs were accepted by the Secretariat. The review team would like to acknowledge the hard work done by each of the auditors producing the ten competing reports on very important subjects. We also appreciate the Auditors General responsibility for their enhancement of the further development of performance auditing within the AFROSAI-E region. As ever, the review team had a vigorous discussion on the relative merits of the various reports. The judgement of the review team is unanimous.

The winner of the Prize for 2021 is a performance audit report from the National Audit Office of Ghana on Provision of flood control drains.

The winning report investigated the whole process of planning, implementing and maintenance of flood control drains in Ghana. The topic is material, with high social value and of clear interest to Parliament. The audit demonstrates ambitious and creative fieldwork, and a good and clear quantification of the shortfall in delivery of planned work. The identification of bottlenecks that lead to poor effectiveness could contribute to improvements in the provision of flood control drains and a better use of resources in Ghana. There is also a good description of the consequences of flood in the country, giving the reader a clear and convincing picture of the problems.

6 Comments on the report: Provision of flood control drains from the National Audit Office of Ghana

The audit approach comes out clearly in this audit report. The audit questions and assessment criteria are well adapted to the audit objective. The aim of the audit - to examine the whole process of planning, implementing and maintenance - is clear and seems relevant. The methods are well chosen, wisely combined and the sampling seems reasonable. This audit has an interesting use of observations and independent measurements as a method of data collection.

It is obvious that flooding is a societal problem in Ghana, but the audit report also illustrates that there are problems concerning efficiency and effectiveness. The problems remain despite investments and the consequences for human life and the economy are huge. The analysis that maintenance has been neglected which has increased the risk of flooding is convincing and will probably provide new insights and be useful to the parliament of Ghana.

The report contains several good examples of concluding overviews which makes it easier for the reader to get the big picture quickly. One example is the table containing audit questions, criteria, and sources, another example is the table illustrating key actors. The findings are also well summed up in tables which clearly illustrate the shortcomings.

The report is very concise and accessible which makes it reader-friendly. Detailed information on operational procedures is put in appendices. The report is well balanced in content, not too long and not too short but also in tone, giving credit where it is due. The conclusions are precise, and not just a summary of the findings and based on the consequences. The recommendations are well-designed and aimed precisely towards the found causes.

Areas to develop

The report would have been more convincing if it would have added a more explanatory approach in the analysis. The level of analysis is somewhat uneven and does not provide reasonable explanations to all the shortcomings. This would have made the quality of the audit report even higher and given more new insights into this issue. For example, some of the concerns are said to be a result of bad monitoring. The explanation is not entirely convincing, as monitoring can be a solution, but it is probably not the root cause here.

Although recommendations are logical, some of them are a little vague. For example, asking bodies to liaise with each other is easy to suggest but may still not lead to improvement.

The report is reader-friendly. Nevertheless, the structure would be easier to follow if the numbering and headlines followed the same system based on each chapter.

7 Overall comments on all the reports competing for the 2021 Prize

The quality of this years' entries is consistently high. This is remarkable considering the pandemic that has affected the conditions under which the work has been done. Performance audit is always challenging. Therefore, we see that some of the comments we made last year remain relevant this year.

The topics of the audits are highly material and relevant both for parliaments and for citizens, affecting the economy and the welfare of the population. All the audit reports concern societal problems that comprise economy and efficiency problems. The reports often have system-oriented perspectives involving all responsible actors, whether national, local, public, and sometimes even private. The motivations for the audits are in general clear. Many of the topics are derived from the sustainable development goals under Agenda 2030, which make them relevant also in a global perspective.

The fieldwork in the audits is often impressive: in some cases the audit is based on numerous interviews. The interviews are regularly combined with site visits and document reviews, which often seem to be a relevant methodology. Quite often there are good combinations of quantitative and qualitative methods. The reports could easily be improved through including more references, which would make the reports more transparent and reliable. There are examples of important findings that are hidden by too many details and sometimes the common thread disappears when the management's responses are presented in the report.

In general, the reports include lots of photographs. Photographs can be an effective method of illustrating problems. However, sometimes the image use can be improved. For one, it can be difficult for the reader who is not an expert on the topic to see what is deviant, since the reader might not know what the norm would look like. Secondly the framing or resolution of the photograph might not be good enough, which can make it difficult to identify the problem.

In general, the reports are a bit "front-loaded" and sometimes there are sections that could be placed in appendices, to make more room for the important sections and the analysis. The auditors have avoided simple compliance audit approaches. However, the analyses would benefit from paying more attention to the root causes of the findings and including more developed discussions on the overall conclusions. Some reports describe the consequences of the difference between the audit criteria and the present condition. Describing consequences makes it easier to assess how severe the findings are. Some reports also have an explanatory ambition. These reports often have more elaborated conclusions than the other reports.

Analyzing causes of the problems is an important part of performance audit and generally a prerequisite to drawing reasonable conclusions and developing relevant recommendations.

In some of the entries this year it seems like arguments between the audit team and the auditee about the audit criteria, have not been resolved at the time of publication, which can lead to problems in convincing the reader of findings and conclusions. The auditor shall, as part of planning and/or conducting the audit, discuss the audit criteria with the audited entity (ISSAI 3000/49) and maintain effective and proper communication of key aspects of the audit throughout the audit (ISSAI 3000/55). Although it is always the auditor's responsibility to ultimately select suitable audit criteria, these are important aspects for the smooth running and quality of the audit process.

The areas for development that the review team has identified are as follows:

- Develop conclusions based on your analysis of the findings. If possible, identify the causes and outline the consequences of the findings. This way the information on these causes will help in gaining the insight needed for useful recommendations.
- Explicitly refer to the sources you have used, so that the reader will know what reliance place on the evidence you present and the conclusions you draw.
- Review the use of images to get the most out of them.
- Focus, prioritize, and present details in order of importance– several audits are long and/or present so many detailed findings and recommendations that it is hard to identify what is truly important. The most material findings should be presented first. Information that is “nice to know” rather than “need to know” could be put in appendix. Recommendations can also be prioritized or ranked according to which ones would have the greatest impact, also taking feasibility into consideration.

Jesper Antelius

Chair of the review team