



Strategic Development Plan

2017 – 2022



Office of the Auditor-General for the Federation
Federal Republic of Nigeria

September 2017



Our Mission

To audit the nation's accounts in the most professional and transparent manner, ensuring value for money in government financial activities for the benefit of the Nigerian people.

Our Vision

To be a foremost audit institution, applying best professional practices towards fostering good governance and providing leadership to other Supreme Audit Institutions (SAIs)

Foreword

This five-year Strategic Plan sets out our direction for the immediate and medium term, and captures the full range of areas for our development. We as an office are clear on the need for a stronger Supreme Audit Institution for Nigeria, able to deliver the watchdog role with tangible results. We are also clear on the expectation that Nigerians have of all of us that are involved in the public sector governance and accountability framework. The plan has been prepared rightly at the early stages of my tenure and demonstrates to all of our staff, external stakeholders and development partners our commitment to achieving the urgent improvements required in the capacity and relevance of the office.

This Strategic Plan marks an important milestone in our institutional capacity building and points us toward becoming more effective in discharging our mandate under the Constitution of the Federal Republic of Nigeria. The launch of this plan is also further evidence of our determination to improve our performance as a Supreme Audit Institution whose activities touch the lives of all Nigerians. I therefore enjoin all audit and non-audit staff to become familiar with the contents of the plan and obtain clarity on how the plan affects them and how they can be involved.

The plan is a living document and will be improved upon as the various actions are implemented, and as we measure the impact of our development efforts. My staff and I are fully committed to achieving all of our objectives over the five-year period of the plan, and each action owner amongst my staff will be held accountable for progress against their actions. On my part, I will work hard to secure the resources needed for the timely execution of the plan, whilst also keeping a firm track on progress.

I would like to thank the UK Department for International Development for their invaluable assistance (both financial and technical) in ensuring that this Strategic Plan is developed, and I look forward to further support from them and other development partners as the plan is implemented. I would also like to enjoin all State Audit Offices across Nigeria to adopt as much of the plan as they can in their individual capacity building efforts.

Finally, I believe with the faithful execution of this Strategic Plan we will build an Audit Office that all Nigerians can be proud of. I therefore encourage all staff to deliver any actions assigned to them under the plan to the best of their ability, and as a way of contributing to the betterment of our great nation.

Mr. Anthony Mkpe Ayine, FCA
Auditor-General for the Federation

September 2017

2017- 2022

Acknowledgements

The following sources have been consulted in the preparation of this Strategic Development Plan:

- ◆ The AFROSAI-E Institutional Capacity Building Framework (ICBF)
- ◆ Working with Supreme Audit Institutions – DFID How to Note, 2005
- ◆ Good Practices in Supporting Supreme Audit Institutions - OECD
- ◆ Guide to Building capacity in Supreme Audit Institutions – INTOSAI Capacity Building Committee
- ◆ International Standards on Auditing (ISAs);
- ◆ The International Standards for Supreme Audit Institutions (ISSAIs);
- ◆ AFROSAI-E Implementing Guidelines for the INTOSAI Auditing Standards;
- ◆ INTOSAI Code of Ethics and Auditing Standards;
- ◆ International Public Sector Accounting Standards (IPSAS);
- ◆ International Financial Reporting Standards (IFRSs);
- ◆ Guidelines issued by the International Federation of Accountants;
- ◆ The INTOSAI IDI IT Audit manual, and
- ◆ The AFROSAI-E Regularity Audit Manual (RAM), as adapted for Nigeria.

Special thanks to the UK Department for International Development (DFID) for its support towards the preparation of this document, and in several other areas since 2015.

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Acronyms

AFROSAI-E	African Organization of English-Speaking Supreme Audit Institutions.
ASC	Audit Service Commission
CAATs	Computer-Assisted (Aided) Audit Techniques
CISA	Certified Information Systems Auditor
CoC&E	Code of Conduct and Ethics
CPD	Continuous Professional Development
GAAP	Generally Accepted Accounting Principles
HR	Human Resources
HRM	Human Resource Management
ICBF	Institutional Capacity Building Framework
IDA	International Development Association
IDI	INTOSAI Development Initiative
IFAC	International Federation of Accountants
INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
IS	Information Systems
ISA	International Standards on Audit
IT	Information Technology
MDAs	Ministries, Departments and Agencies
MTSS	Medium Term Sectoral Strategy
OAGF	Office of the Accountant General for the Federation
OAuGF	Office of the Auditor General for the Federation
OECD	Organisation for Economic Cooperation and Development
PAC	Public Accounts Committee
PFM	Public Financial Management
PMS	Performance Management System
QA	Quality Assurance
QC	Quality Control
RBA	Risk Based Auditing
SAI	Supreme Audit Institution

Executive Summary

The Office of the Auditor-General for the Federation (OAuGF) is the Supreme Audit Institution (SAI) and the foremost statutory accountability office of Nigeria. The Office is currently rated a '2' on a range of 1 to 5, based on the AFROSAI-E Institutional Capacity Building Framework, which means the Office is developing and is not yet well established. There is therefore extensive scope for the office to improve its capabilities and its performance to be able to properly fulfil its mandate.

The OAuGF has seen a number of new developments recently, and these have brought home the need for reforms. The political willingness to have a strong public audit function also now seems to be in place, and this presents an ideal opportunity to get the OAuGF working more effectively to hold public agencies to account. As the OAuGF has suffered decades of underinvestment, there is a need for extensive capacity building across all areas of endeavor. There is also a need for the reorientation of all staff (audit and non-audit), so that some of the behaviours picked up over many years can be reversed.

The previous Strategic Development Plan for the period 2013 to 2017 was implemented with minimal results, and the reasons for the lack of traction were examined at a senior management retreat held in Abuja in December 2016. It was determined that the previous SDP was too unwieldy and the process of its preparation was not sufficiently inclusive. This new five year Strategic Development Plan (SDP) has been prepared by the OAuGF and is deliberately set out in a simple and direct format to enable its implementation.

This plan captures all the areas for improvement within the OAuGF, the actions required within each of the five years, and the quick wins planned for the first year. The quick wins are targeted to boost the performance of the office in the immediate term, to enable the office meet its latest audit responsibilities, particularly around the implementation of International Public Sector Accounting Standards (IPSAS) by the Federal Government as from the 2016 financial year, and the implementation of major PFM automation (IPPIS, GIFMIS, TSA and others). The quick wins are also targeted to deliver early results that start to showcase the ability of the office to do impactful work.

A SWOT analysis has also been conducted to understand how risks to the delivery of the plan might be mitigated, and how to capitalise on the opportunities that exist. In addition to clear actions and initiatives, the plan also includes an implementation framework that will help ensure action owners report on progress regularly and are held accountable. An initial estimate of costs is also included, along with likely options for obtaining financing/resources.

Overall, there is an intention to conduct an appraisal of progress against the plan by 2018, through the application of the ICBF, and the target is for the OAuGF to be rated a solid '3' at the end of that exercise. A Benefits Realization plan is also to be implemented as from Year 2, to track all financial and non-financial impacts achieved as result of the work of the OAuGF and from the implementation of this strategic plan.

Introduction, mission and vision

The Office of the Auditor-General for the Federation (OAuGF) is the Supreme Audit Institution (SAI) and the foremost statutory accountability office of Nigeria. The functions of the Office are stated within the Constitution of the Federal Republic of Nigeria (1999, as amended), and include an annual examination of the Accounts of the Federal Government.

The Office has an approved staff complement of 2,594. It employs approximately 1,500 staff, of which over 1,000 are auditors and the remainder provide administrative support. Most of the staff are located in Abuja and the OAuGF also has offices in all of the states. Through its direct audit of MDAs, and its periodic checks of Government Agencies and Parastatals, the Office is responsible for providing an opinion on the full extent of Federal Government revenues and expenditures in each year (e.g. N3trillion in Revenue and N2.9trillion in Expenditure in 2014; and the N7.3trillion in budgeted expenditures for 2017).

The Office is at a critical point in its development. There is a need to reverse the effects of decades of under-investment in the audit function, and key recent events indicate that there is momentum and political will for the Office to be properly reformed. These key events include the initiation of a major anti-corruption agenda for Nigeria by the current administration, and an attendant push for public service reform and greater accountability of public agencies. The anti-corruption agenda has the support of Nigeria's development partners, and the UK Department for International Development (DFID) has been particularly key to the development of the OAuGF over the past two years.

This Strategic Plan is based on the African Organization of English Speaking Supreme Audit Institutions' Institutional Capacity Building Framework (AFROSAI-E ICBF). The AFROSAI-E ICBF measures performance of AFROSAI-E's members and consists of Five (5) development levels or domains with an Institutional perspective at each level. Level 1 represents the foundation level of an SAI with only rudimentary structures in place, whereas, level 5 represents a state of excellent performance in all areas that affect the workings of an SAI. The OAuGF is currently rated a '2' which means the Office is developing and is not yet well established. Through the execution of this plan, the OAuGF hopes to achieve a level 3 rating within the first two years of its deployment. Consequently, the Strategic Plan takes account of the five (5) domains of the ICBF, and has 5 broad strategic goals in line with the five domains, with clearly defined objectives, targets and measures/key performance indicators (KPIs).

The Mission and Vision of the Office remain unchanged from previous years, and the office is clear that its key challenges are not around the setting of direction or of objectives but are around the achievement of the set objectives.

The key challenge is the 'doing' or the 'delivery'.

Planning methodology and approach

Methodology

The planning process has been a follow-on from the recent rating of the OAuGF using the AFROSAI-E Institutional Capacity Building Framework. The rating process involved gathering quantitative and qualitative data to answer key questions on the extent to which a SAI has particular attributes, based on standards and methodology set by INTOSAI and AFROSAI-E. The questions were designed to obtain clarity on the extent to which these attributes exist at the OAuGF. The Table below sets out the key areas and excellence factors applied in evaluating the effectiveness of an SAI, as developed by the UK Department for International Development and as published by INTOSAI. The Table also aligns with the AFROSAI-E ICBF which forms the basis of the strategic planning process.

Key areas – INTOSAI		Excellence factors	AFROSAI-E ICBF Domains
1. Statutory position	Organisation	Excellence factors	Independence and Legal framework
2. Leadership and strategy 3. Governance	Management	Vision, strategy, priority setting, internal communication Accountability, proper conduct	Organization and management
4. Staff resources 5. Non-staff resources	Inputs	Recruitment and retention, qualifications and training Finance, office space, utilities and equipment, IT, corporate knowledge base	Human Resources
6. Audit methodology	Processes	Standardised approaches, relations with other auditors, quality assurance	Audit Standards and methodology
7. External relations 8. Achievement of results	Outcomes	Communication policy, reputation, working with audited bodies, working with PAC Timeliness, monitoring and follow-up	Communication and Stakeholder Management

Current state assessment methods

The OAuGF has engaged in a long period of consultation with key internal and external stakeholders to determine its current situation and areas of need. In addition to the ICBF assessment, other key steps undertaken as part of this consultation include retreats with the Public Accounts Committees of the National Assembly (PAC) in November 2015 and again in July 2017, a Strategic Planning retreat for senior management in December 2016, and the set up of various reform committees in February 2017 to assess progress and drive development actions across all areas of OAuGF activity. As part of this strategy, there remains a need for a comprehensive Training Needs Assessment. In the meantime, the Office is clear that there is a major skills gap and is already taking urgent steps to address the gap. The strategic goals and objectives of the Office are set out in the next chapter, based on the assessment of the Office's current state.

Synopsis of the current situation and areas of need

The OAuGF has a lot of work to do, and intends to move quickly. The Office has adopted the AFROSAI-E ICBF to drive its development. The five development activity areas within the ICBF are set out below, along with notes on the current state of the OAuGF.

Domains	Strengths and Weaknesses	Opportunities and threats
Independence and Legal Framework	The OAuGF currently lacks financial and operational independence and is at the mercy of the same entities on which it is to provide independent audit opinions and reports. The Office made progress in the area by proposing a new audit law and taking the Audit Bill through the legislative process. The bill however failed to gain presidential assent under the previous administration. The Audit Bill is once again being progressed through the current NASS, and has been passed by the House of Representatives	There is some consensus that the best way to get the bill passed is for the OAuGF to demonstrate its relevance through results (better audits, clearer financial and non-financial impacts, and better communication of audit reports/impacts to external stakeholders). An additional line of effort is to seek the input of the PACs of the National Assembly in pushing for the necessary change in statute.
Organisation and Management	The OAuGF remains a part of the wider Civil Service and subject to the same rules, regulations and processes. These rules, regulations and processes hinder the independence of the audit function and are not optimal for the functioning of an effective audit institution.	The OAuGF needs to replace its current civil service based operating model with one that will enable the performance of high quality audits. The Audit Bill is key to gaining the independence to make real changes in this area.
Human Resources	Decades of lost focus have had an impact on the OAuGF and there is a significant skills gap. At the same time, the MDAs to be audited are implementing automation across more and more aspects of financial management and are also implementing new reporting standards (IPSAS etc).	Intensive training is an urgent need for OAuGF staff. The training needs to cover audit skills, standards and methodology. It also needs to cover the re-orientation of audit staff to enable a change in behaviours that have been learnt over several decades
Audit Standards and Methodology		
Communication and Stakeholder Management	The Office is yet to achieve effective performance in this area. Its partnership and working arrangements with the PACs had been unproductive in previous years, however recent improvements have been achieved in this area. Better working with the PACs will be key to the development of the office. The Office also needs to get its messages out better and gain more relevance in the public domain. Progress has been made in this area, and the OAuGF currently publishing its annual audit report on its website.	Better awareness of the value the Office is bringing to accountability and better use of public funds will increase the likelihood of the Audit Bill being passed into law, and the likelihood that the OAuGF is in turn better funded. There are also development partners willing to support the ongoing OAuGF reforms.





















Our strategic goals and objectives





The goals and objectives of the OAuGF over the lifetime of this strategic plan are set out below.

Domains	Strategic goals	Strategic Objectives
Independence and Legal Framework.	To have operational, financial and administrative independence stipulated in the laws, and to ensure the independence of head of SAI and staff is guaranteed in the same law.	<ul style="list-style-type: none"> Strengthen the independence of the OAuGF in the following areas: legal status (Audit Law), resources, staffing, operations, access to information, reporting audit results, content and timing of audit reports, and an effective follow-up mechanism. Improve the Office's ability to recruit, train and retain the right people and skills
Organization and Management	To develop and implement sustainable organizational planning processes and structures, integrating both strategic and operational levels of organization with clearly defined roles & responsibilities to ensure both leadership and staff ownership	<ul style="list-style-type: none"> Improve the Office's infrastructure supporting the audit function Initiate the implementation of a Strategy for reforms, backed by an Action Plan
Human Resources	To develop and institutionalize an efficient, productive and incorruptible management and staff, ensuring effectiveness of HR policies and procedures based on Ethics and Integrity (ISSAI 30), Value and Benefits of SAIs (ISSAI 12). Leading by example (ISSAI 20), and Corruption prevention (ISSAI 5700).	<ul style="list-style-type: none"> Re-orient the Office/Audit staff, and improve the levels of adherence to the code of conduct and ethics Improve remuneration of audit staff Implement Performance Management Systems
Audit Standards and Methodology	To develop, implement and maintain appropriate up-to-date ISSAI compliant audit tools like manuals, guidelines and template in accordance with audit mandate to deliver quality audit services and SAI-PMF compliant	<ul style="list-style-type: none"> Implementation of modern risk based audit processes, backed by detailed manuals, guidelines and template Introduction and embedding of Quality Assurance as a key function
Communication and Stakeholder Management	To develop, implement and maintain an effective communications policy and strategy covering internal and external communication with various stakeholders like the NASS, CSOs, the media, etc.	<ul style="list-style-type: none"> Improve the systems and processes for Internal communications Better engagement with the full range of stakeholders, including PAC. Improve stakeholder understanding and acceptance of the Audit Office's remit

Current maturity level – The OAuGF Maturity Dashboard

The diagram below reflects our current assessment of institutional maturity at OAuGF, and the targets proposed for developing capacity in key areas over a five year horizon. The OAuGF is currently at Level 2 and the immediate target is to achieve Level 3 within a 2 year period.

DOMAIN	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Independence and Legal Framework.					
Organization and Management					
Human Resources					
Audit Standards and Methodology					
Communication and Stakeholder Management					

- Key:**
-  Current State – Level 2
 -  Target State – Level 3
 -  Target State – Level 4
 -  Target State – Level 5

The overarching strategy and action plan

The OAuGF does not have all of the resources required to develop its capabilities, and a key to unlocking the funding it needs is to prove its relevance to its immediate stakeholders and to Nigeria. If the Office is seen to be adding real value, the case for more funding from the Federal budget and for more support from development partners will be more compelling. However, in order to add value by submitting/publishing good quality reports, the Office needs well trained, well equipped and motivated staff to do the work and prepare the reports. It will take some time to achieve office-wide improvements in skills, capacity and methodology, and so the approach being executed is to focus efforts on training a selection of champions that can then train the rest of the office over time.

Areas of immediate focus within this strategy are therefore skewed towards training up a core of professionals, combined with the development and roll-out of new methodology and new quality assurance processes. The immediate tasks also include improving relations with key external stakeholders, the most important of which are the two PACs of the National Assembly.

The next sections of the plan set the priority actions for Year 1, and then the five year actions for each of the following ICBF domains upon which the strategy is based;

- Domain 1 - Independence and Legal Framework
- Domain 2 - Organization and Management
- Domain 3 - Human Resources
- Domain 4 - Audit Standards and Methodology
- Domain 5 - Communication and Stakeholder Management

For each of the domains, the plan sets out the Actions & Initiatives that are to be carried out, the indicators of success (i.e. the expected results), the risks to the achievement of our strategic objectives, and the action owners responsible for delivery.

The impacts achieved through improvements in the performance will be measured through a simple **Benefits realization Plan** that collates all financial and non-financial impacts achieved through audit for each calendar year as from 2018. The financial impacts are expected to include economies and savings identified through audit as well as losses, misappropriation etc prevented or identified in the course of audit. Non-financial impacts will include increases in effectiveness and efficiency across government that are attributable to the implementation of audit recommendations.

Outline of priority actions for Year 1 – 2017-2018

(quick wins)

Actions & Initiatives	Description
Mapping of existing OAuGF Reforms and initiatives; of OAuGF Stakeholders in the anti-corruption space; and of OAuGF relationships with donor agencies (Domain 5). The OAuGF has engaged with 16 stakeholders under this action, including the EFCC, ICPC, CCB, NEITI, OGP and several others.	<p>To understand the full range on ongoing capacity building efforts, take stock on progress and ensure all are captured within the 5 year strategy.</p> <p>To understand the scope that exists for the OAuGF to be more involved in ongoing anti-corruption initiatives, leveraging its relationship with external stakeholders</p> <p>To understand and better utilise the full range of development partnerships that are available</p>
A Strategy retreat with PAC and the development of a communications plan for key external stakeholders (Domain 5)	Retreat between the OAuGF and the Public Accounts Committees (PAC) of the National Assembly to foster a closer and more effective working relationship, and unpack issues that have led to inertia over several years. Quarterly retreats with PAC are recommended.
Publication and operationalization of the Quality Control & Assurance Manual, Regularity Audit Guide, and the Code of Conduct and ethics (Domain 4)	To improve the skills, competence and outputs of staff as soon as possible through the introduction and use of modern audit methods. There will be a launch workshop as part of efforts to re-orient the staff.
Publication and operationalization of the Code of Ethics and Conduct (Domain 3)	A workshop for all auditors to launch the Code of Ethics and Conduct, and to raise awareness, conduct re-orientation.
Successful completion of two IT audits (Domain 4)	IT audits of two major financial systems operated by the government, to enable the OAuGF improve its IT audit capabilities
IPSAS Implementation and operationalization of the Regularity Audit Guide. Training for senior management on Risk-based Audit Methodology (Domain 4)	<p>Training in new standards and methodology for all OAuGF audit staff, to start with train-the-trainer sessions and scale up to cover the office (up to 1000 staff).</p> <p>Coaching for management on the review of the audit working papers under the revised audit methodology.</p>
Successful completion of four performance audits (Domain 4)	Performance audits of four major topics affecting the lives of Nigerians, to enable the OAuGF demonstrate and improve its performance audit capabilities
Launch and roll-out of the OAuGF Strategic Development Plan (Domain 2)	A stakeholder engagement workshop to launch the SDP and achieve some re-orientation for audit staff
Training courses on Basic IT skills (Domain 3)	Basic training for all OAuGF staff with limited or no knowledge, and a separate refresher course for experienced staff.

Domain 1 - Independence and Legal Framework

Actions & Initiatives	Indicators of success			Risks	Action owner(s)
	Year 1	Years 2 to 3	Years 4 to 5		
Seek support of the Legislature and the Executive toward the enactment the Audit Bill.	Audit Law enacted	Full Implementation of the Audit Law	Appraisal of the Audit Law	Legislature and other stakeholders may not agree with the provisions of the bill and/or the intention to empower the Audit Office	TBD
Propose and obtain resources to implement provisions of the new Audit law (i.e. prepare a Resourcing plan based on the new law and the Strategic Plan, and source funding for the plan through a supplementary budget if necessary)	<p>Agreed budgetary provision within the 2018 budget for the take-off of all provisions within the Audit law</p> <p>Implementation of key elements of the Audit Law, including Inauguration of the Audit Service Commission (ASC)</p> <p>Formalization of terms of reference, annual work plan and KPIs for the ASC</p>	<p>Set-up of Audit Service Commission Secretariat and full staffing complement</p> <p>Review of activities of the ASC against set KPIs</p> <p>Review of resource requirements for the ASC, and achievement of additional resources where needed</p>	<p>Review of activities of the ASC against set KPIs</p> <p>Review of resource requirements for the ASC, and achievement of additional resources where needed</p>	OAuGF and the ASC may not be able to achieve the level of funding and resources required to operate effectively under the new Audit law	TBD

Domain 2 - Organization and Management 1/3

Actions & Initiatives	Indicators of success			Risks	Action owner(s)
	Year 1	Years 2 to 3	Years 4 to 5		
<p>Implement a new operational structure that includes corporate functions.</p> <p><i>(Refer to Appendix 1 for proposed corporate functions)</i></p>	<p>Approval of new structure and corporate functions</p> <p>Achievement of funding for the new functions</p> <p>Setting up of work plans, KPIs and performance assessment metrics for all the new roles/ functions</p>	<p>Full implementation of the new structure</p> <p>Filling of all vacancies in the new corporate functions</p> <p>Conduct of progress reviews and performance assessments at end of each year (For units and for individuals)</p>	<p>Achievement of 100% operational presence in the new corporate functions</p> <p>Conduct of progress reviews and performance assessments at end of each year (For units and for individuals)</p>	<p>Funding may not be available to fill the new roles and functions</p> <p>Matching of the right people/skills to functions may not be diligently conducted</p>	TBD
Develop a 5 year IT Strategy and Plan aligned with this Strategic Plan	<p>Preparation of a 5 year IT strategy and plan, building on the actions stated within this strategic plan.</p> <p>Inclusion of clear annual KPIs and performance assessment metrics within the IT Plan</p>	<p>Achievement of funding for all unfunded elements of the IT Strategy</p> <p>Roll-out of the IT plan</p> <p>Annual assessment of progress and performance in the implementation of the strategy</p> <p>Introduction of changes and enhancements to the IT plan as necessary</p>	<p>Achievement of funding for all unfunded elements of the IT Strategy</p> <p>Roll-out of the IT plan</p> <p>Annual assessment of progress and performance in the implementation of the strategy</p> <p>Introduction of changes and enhancements to the IT plan as necessary</p>	<p>Funding may not be available</p> <p>Weaknesses in design and procurement may lead to ineffective solutions being procured</p> <p>Staff training may not be diligent and thorough</p> <p>Significant numbers of staff may be unable to achieve the desired level of competence after IT training</p>	TBD

Domain 2 - Organization and Management 2/3

Actions & Initiatives	Indicators of success			Risks	Action owner(s)
	Year 1	Years 2 to 3	Years 4 to 5		
Procure and assign Laptops and internet connections for all audit staff	<p>An assessment of laptop requirements (number of units as well of hardware and software specifications, security etc)</p> <p>Achievement of funding for the required equipment</p> <p>Procurement and roll-out of equipment, and provision of training on the use of equipment</p>	<p>Annual assessment of needs (laptops/desktop and training)</p> <p>Additional procurement to meet identified needs</p>	<p>Annual assessment of needs (laptops/desktop/iPADs and training)</p> <p>Additional procurement to meet identified needs</p>	<p>Staff may fail to take adequate care of laptops, or fail to treat them as property of OAuGF</p> <p>Weaknesses in the specification and procurement process may lead to the acquisition of sub-standard or over-priced equipment</p>	TBD
Train all staff in the use of IT Equipment. i.e. Laptops/Desktops/ Tablets and the MS Office suite	Provision of training on the use of MS Office suite. (i.e. set a minimum number of training opportunities each year and roll them out as planned)	Provision of training on the use of MS Office suite. (i.e. set a minimum number of training opportunities each year and roll them out as planned)	Provision of training on the use of MS Office suite. (i.e. set a minimum number of training opportunities each year and roll them out as planned)	Significant numbers of staff may be unable to achieve the desired level of competence after training	TBD
Implement a corporate knowledge management system, with audit and non-audit functionality.	<i>Ensure this is fully covered within the 5 year IT Strategy noted above</i>	<i>Ensure this is fully covered within the 5 year IT Strategy noted above</i>	<i>Ensure this is fully covered within the 5 year IT Strategy noted above</i>		TBD

Domain 2 - Organization and Management 3/3

Actions & Initiatives	Indicators of success			Risks	Action owner(s)
	Year 1	Years 2 to 3	Years 4 to 5		
Reorientation of OAuGF staff based on the vision within this strategic plan.	Re-awakening of staff consciousness of the existing Vision Statement Rollout of annual programme to orient all staff on the Vision	Rollout of annual programme to orient all staff on the Vision	Review and re-launch of the Vision	Vision may not be well understood or properly communicated	TBD

Domain 3 - Human Resources 1/3

Actions & Initiatives	Indicators of success			Risks	Action owner(s)
	Year 1	Years 2 to 3	Years 4 to 5		
Introduce HR Policy and systems, in particular with regard to Recruitment, Performance Management, Attendance, Record Management, Payroll and Compensation management, Career Development etc	<p>Review of the existing HR policy, to include job descriptions and KPIs for all grades of staff</p> <p>Creation of performance measurement metrics for the process of implementing the HR policy and for all individual staff of the OAuGF</p> <p>Achievement of funding for the HR policy and all roles (new and old)</p> <p>Re-launch of the agreed HR Policy</p>	<p>Conduct of an annual progress review and performance measurement against HR policy (annual review of HR Unit and of individual staff)</p> <p>Review of the HR policy annually, to make enhancements as necessary and to re-launch the policy</p>	<p>Conduct of an annual progress review and performance measurement against HR policy (annual review of HR Unit and of individual staff)</p> <p>Review of the HR policy annually, to make enhancements as necessary and to re-launch the policy</p>	<p>Weaknesses in the design process may lead to ineffective or poorly designed HR policy</p> <p>Staff responsible for HR management may not have the necessary level of competence to drive the implementation of the policy</p>	TBD
Recruit new staff and fill vacancies within the new corporate functions	<p>Preparation of a comprehensive recruitment plan</p> <p>Execution of the recruitment plan and the filling of all posts</p> <p>Preparation of induction and training programmes for all staff</p>	<p>Confirmation of all filled posts and vacancies.</p> <p>Recruitment to fill all vacant posts</p>	<p>Confirmation of all filled posts and vacancies.</p> <p>Recruitment to fill all vacant posts</p>	Weaknesses in the recruitment process may lead to staff being assigned to or recruited for roles they are not able to perform effectively	TBD

Domain 3 - Human Resources 2/3

Actions & Initiatives	Indicators of success			Risks	Action owner(s)
	Year 1	Years 2 to 3	Years 4 to 5		
Introduce a funded programme of professional training for staff: ICAN/ACCA/CIMA, CFE, CISA, ANAN, etc	<p>Preparation of a professional training programme.</p> <p>Achievement of funding for the training programme</p> <p>Selection of candidates and funding of selected candidates for the approved professional training and certifications</p> <p>Conduct of an annual progress review and performance measurement against Training programme (HR Unit and individual staff)</p>	<p>Selection of candidates and funding of selected candidates for the approved professional training and certifications</p> <p>Annual review of the Training programme, introduction of enhancements as necessary and re-launch of the programme</p>	<p>Selection of candidates and funding of selected candidates for the approved professional training and certifications</p> <p>Conduct of an annual progress review and performance measurement against Training programme (HR Unit and individual staff)</p>	<p>Weaknesses in the process of selecting staff to participate in the professional training programme may lead to significant numbers of staff being unsuccessful in the achievement of the desired professional qualifications</p> <p>Staff may leave OAuGF once they achieve further professional qualifications</p>	TBD
Implement a training plan for all audit staff (focused on Accrual Accounting, IPSAS, ISA compliant Risk Based Audit, use of CAATs etc)	<p>Conduct of Training Needs Assessment</p> <p>Preparation of an agreed costed training plan for all audit staff</p> <p>Achievement of funding for the training plan</p> <p>Setting of KPIs and performance assessment metrics for all the training events</p> <p>Roll-out of all training events planned for the year.</p>	<p>Roll-out of all training events planned for the year.</p> <p>Conduct of annual progress reviews of the training plan</p>	<p>Roll-out of all training events planned for the year.</p> <p>Conduct of annual progress reviews of the training plan</p>	<p>Weaknesses in the design of training events and in the procurement of trainers/consultants may lead to an ineffective training plan and poor quality training events</p> <p>Significant numbers of staff may be unable to achieve the desired level of competence after training</p>	TBD

Domain 3 - Human Resources 3/3

Actions & Initiatives	Indicators of success			Risks	Action owner(s)
	Year 1	Years 2 to 3	Years 4 to 5		
Implement a training plan for all staff in performance management and in the use of IT systems.	Preparation of an agreed costed training plan for all staff Achievement of funding for the training plan	Roll-out of all training events planned for the year. Conduct of annual progress reviews of the training plan	Roll-out of all training events planned for the year. Conduct of annual progress reviews of the training plan	Weaknesses in the design and procurement process may lead to ineffective training plan and training events Significant numbers of staff may be unable to achieve the desired level of competence after training	TBD
Adopt a code of conduct and ensure all staff sign up to it.	Introduction of a code of Conduct for all OAuGF staff. Re-launch the code as part of a re-orientation exercise	Revision of Code of Conduct as necessary	Revision of Code of Conduct as necessary	Code of conduct may fail to achieve improvements in orientation if not taken seriously by staff. Deadlines for signing of Code of conduct may not be applied with rigour	TBD
Create a register for the monitoring of compliance with the code of conduct, and a disciplinary committee to address instances of non-compliance.	<i>Introduction of an annual Code of Conduct Register and a compliance monitoring system (including a disciplinary committee)</i>	<i>Review for 100% compliance with Code of Conduct</i>	<i>Review for 100% compliance with Code of Conduct</i>	Sanctions for non-compliance may not be sufficient to drive up compliance	TBD

Domain 4 - Audit Standards and Methodology 1/5

Actions & Initiatives	Indicators of success			Risks	Action owner(s)
	Year 1	Years 2 to 3	Years 4 to 5		
Introduce and implement a time recording system and engagement cost management system for auditors	<p>Achievement of funding for a time recording and engagement cost management system</p> <p>Procurement and launch of a time recording and engagement cost management system</p> <p>Roll-out of training to all staff on the use of the time recording and engagement cost management system</p>	<p>Quarterly and annual review of all engagements costs, and the tracking of costs to inform decision making</p> <p>Use of annual cost reports to inform resource requirements for the following year</p>	<p>Quarterly and annual review of all engagements costs, and the tracking of costs to inform decision making</p> <p>Use of annual cost reports to inform resource requirements for the following year</p>	Staff may not comply diligently with the requirement to use the time recording system	TBD
Staff may not comply diligently with the requirement to use the time recording system	<p>Conduct of a detailed review of office space requirements based on modern audit methods, requirements for the audit of IPSAS accounts and the new corporate structure</p> <p>Design and launch of a hot desking policy</p> <p>Achievement of funding to support the hot desking policy where appropriate (office re-configuration, new desks etc)</p>	Annual review of office space requirements and update of desk/ office space requirements	Annual review of office space requirements and update of desk/ office space requirements	Staff may be resistant to hot desking as they may be attached to 'own spaces'.	TBD

Domain 4 - Audit Standards and Methodology 2/5

Actions & Initiatives	Indicators of success			Risks	Action owner(s)
	Year 1	Years 2 to 3	Years 4 to 5		
Implement an electronic audit management system	No actions for year 1	Conduct of an options appraisal for the implementation of e-audit software Selection and procurement of e-audit software Implementation of e-audit on a pilot basis Provision of training in the selected e-audit software	Roll-out of e-audit to all audit teams in OAuGF Provision of training in the selected e-audit software	Significant numbers of staff may be unable to achieve the desired level of competence after training	TBD
Implement CAATs	No actions for year 1	Conduct of an options appraisal for the implementation of CAATs software Selection and procurement of CAATs software Implementation of CAATs on a pilot basis Provision of training in the selected CAATs software	Roll-out of CAATs to all audit teams in OAuGF Provision of training in the selected CAATs software	Significant numbers of staff may be unable to achieve the desired level of competence after training	TBD

Domain 4 - Audit Standards and Methodology 3/5

Actions & Initiatives	Indicators of success			Risks	Action owner(s)
	Year 1	Years 2 to 3	Years 4 to 5		
Implement a comprehensive range of audit manuals, including the design and implementation of an IT Audit Manual	Re-launch of the OAuGF Regularity and Performance Audit Manuals and launch of IT Audit Manual	Update and re-launch of both Financial and Performance audit manuals (update to be done in-house by OAuGF Technical experts)	Update and re-launch of both Financial and Performance audit manuals (update to be done in-house by OAuGF Technical experts)	Significant numbers of staff may be unable to achieve the desired level of competence after IT in-house training	TBD
Implement a rolling programme of training events on the application of the audit manuals	Design of a programme of training events aligned with the stages of the risk based financial audit (IPSAS Financial Statements)	Roll-out of a programme of training events aligned with the stages of the risk based financial audit (IPSAS Financial Statements)	Roll-out of a programme of training events aligned with the stages of the risk based financial audit (IPSAS Financial Statements)	Weaknesses in procurement may lead to poorly skilled service providers being engaged to deliver audit training.	TBD
	Procurement and roll-out of training services	Design of a programme of training events for other audit manuals Procurement and roll-out of other training events	Design of a programme of training events for other audit manuals Procurement and roll-out of other training events	Significant numbers of staff may be unable to achieve the desired level of competence after IT training	

Domain 4 - Audit Standards and Methodology 4/5

Actions & Initiatives	Indicators of success			Risks	Action owner(s)
	Year 1	Years 2 to 3	Years 4 to 5		
<p>Prepare and implement a project plan drawn up for the audit of the IPSAS stand-alone financial statements</p>	<p>Preparation of a project/work plan for the annual audit of all IPSAS Accounts.</p> <p>Agreement of the timelines/ milestones with auditees.</p> <p>Design and implementation of a framework for regular monitoring of actions against the plan, to ensure any slippages are identified and recovered as quickly as possible.</p> <p>Achievement of funding and other resources for the audits</p>	<p>Preparation of a project/work plan for the annual audit of all IPSAS Accounts.</p> <p>Agreement of the timelines / milestones with auditees.</p> <p>Regular monitoring of actions against the plan.</p>	<p>Preparation of a project/work plan for the annual audit of all IPSAS Accounts.</p> <p>Agreement of the timelines/ milestones with auditees.</p> <p>Regular monitoring of actions against the plan.</p>	<p>Weaknesses in competence may mean audits take significantly longer to deliver than estimated</p> <p>Weaknesses in competence on the auditees side may mean financial statements take significantly longer to deliver than estimated, and/or are in much poorer condition than expected</p>	TBD
<p>Introduce and Implement an electronic system for the collation and follow-up of audit recommendations and validation of financial and non-financial impacts achieved by OAuGF</p>	<p>Achievement of funding to procure a recommendation - monitoring system (if not designed internally)</p> <p>Design, procure and launch of a fit for purpose recommendations and impacts tracking electronic system (application)</p>	<p>Annual assessment of progress against recommendations and an annual collation of all financial and non-financial impacts achieved by OAuGF</p> <p>External validation of all impacts to be published</p>	<p>Annual assessment of progress against recommendations and an annual collation of all financial and non-financial impacts achieved by OAuGF</p> <p>External validation of all impacts to be published</p>	<p>Weaknesses in procurement may lead to poorly skilled service providers being engaged to support the design and roll-out of the recommendations and impacts tracking system.</p>	TBD

Domain 4 - Audit Standards and Methodology 5/5

Actions & Initiatives	Indicators of success			Risks	Action owner(s)
	Year 1	Years 2 to 3	Years 4 to 5		
Develop a Quality Control and Assurance Manual and Policy to cover all forms of audit	<p>Design and launch of a comprehensive Quality Control and Assurance manual, policy and programme</p> <p>Achievement of funding to execute the Quality Control and Assurance programme</p>	<p>Continued execution of the Quality Control and Assurance programme</p> <p>Collation of the results of all QC&A reviews in each year, and the application of measures to drive up quality where needed</p>	<p>Continued execution of the Quality Control and Assurance programme</p> <p>Collation of the results of all QC&A reviews in each year, and the application of measures to drive up quality where needed</p>	Weaknesses in procurement may lead to poorly skilled service providers being engaged to support the design and roll-out of the QC&A programme	TBD
Provide training to all staff on the QC&A Manual and Policy	Design and delivery of training to all audit staff on QC&A	Roll-out of an annual programme of QC&A training to all audit staff.	Roll-out of an annual programme of QC&A training to all audit staff.	<p>Weaknesses in procurement may lead to poorly skilled service providers being engaged to provide training in QC&A.</p> <p>Weaknesses in competence may mean significant numbers of staff are unable to meet QC&A requirements within the expected timeframe.</p>	TBD

Domain 5 - Communication and Stakeholder Management

1/2

Actions & Initiatives	Indicators of success			Risks	Action owner(s)
	Year 1	Years 2 to 3	Years 4 to 5		
Implement a communications policy and programme,	Appraisal and re-launch of existing communications policy and programme – with outreach to all relevant stakeholders Achievement of funding to execute the programme	Continued execution of the communications policy and programme Annual assessment to measure the effectiveness of the communications policy and plan. Annual review of the communications plan, and update as necessary.	Continued execution of the communications policy and programme Annual assessment to measure the effectiveness of the communications policy and plan. Annual review of the communications plan, and update as necessary.	Weaknesses in procurement may lead to poorly skilled service providers being engaged to support the appraisal and re-launch of the communications policy and plan.	TBD
Create public awareness of the Audit Bill/Act and its importance	Inclusion of awareness programme for the audit law within the OAuGF communications plan Determination of methods of measuring the impact of the awareness programmes	Roll-out of awareness programme for the new Audit law Conduct of periodic impact assessments of the programmes and refine the programme where necessary.	Roll-out of awareness programme for the new Audit law Conduct of periodic impact assessments of the programmes and refine the programme where necessary.	Execution of awareness programme may not be effective Funding may not be available	TBD

Domain 5 - Communication and Stakeholder Management

2/2

Actions & Initiatives	Indicators of success			Risks	Action owner(s)
	Year 1	Years 2 to 3	Years 4 to 5		
Expand the existing electronic internal communications system, and ensure all staff are trained in the functions and use of such a system.	<p>Design and launch (or re-launch) of an electronic internal communications system</p> <p>Achievement of funding for the new e-functions</p>	<p>Procurement and roll-out of the new systems</p> <p>Training of all staff in the use of the new systems</p> <p>Conduct of reviews of the effectiveness of the internal communications systems</p> <p>Introduction of improvements as necessary</p>	<p>Conduct of reviews of the effectiveness of the internal communications systems</p> <p>Introduction of improvements as necessary</p>	<p>Funding may not be available</p> <p>Weaknesses in design and procurement processes may lead to ineffective IT solutions being procured</p> <p>Staff training may not be diligent/thorough</p> <p>Staff may be slow to accept the use of the new systems (e.g. the use of oaugf.ng email address)</p>	TBD
Strengthen existing relationship/ collaboration with the PACs	Implementation of activities agreed with the PACs via the July 2017 retreat and set out in the September 2017 communique	Implementation of activities agreed with the PACs via the July 2017 retreat and set out in the September 2017 communique	Implementation of activities agreed with the PACs via the July 2017 retreat and set out in the September 2017 communique	Inability to secure adequate funding for the agreed actions	TBD

Strategy implementation and delivery framework

Action Owners	Role
Auditor General and Senior Management team 	<p>To oversee focus on delivery and assign resources</p> <p>To liaise with the full range of stakeholders on progress and the support/ input required. Stakeholders include Development Partners, PAC, FMoF etc</p>
Strategic Reform Implementation Committee – including all action owners	<p>Committee members are to take ownership of delivery of each action/ activity and report monthly on progress.</p>
 Implementation Teams – One dedicated team for each action	<p>Teams to support each action owner in the development and implementation of each of the actions</p>

Financing the plan – Estimates of key costs(not exhaustive)

Domain	Total	Year 1	Year 2-3	Year 4-5	Comments
Independence and Legal Framework.					
Passage of the Audit bill (retreats, workshops, awareness raising etc)	60,000,000	60,000,000			6 events at N10m each
Implementation of the new law (including set up of the ASC secretariat)	100,000,000		100,000,000		Job Descriptions, recruitment, facilities, equipment etc
					Hardware, software, training/coaching for the new roles etc
Organization and Management					
Corporate Re-structure (Operating model, Job descriptions, Training etc)	75,000,000		75,000,000		Consultancy to redesign the SAI corporate structure
Corporate Knowledge Management system	50,000,000		50,000,000		Software, roll-out and training of 1500 staff, & guidance manual
Time recording systems (Software, roll-out and training)	25,000,000		25,000,000		Software, roll-out and training of 1500 staff, & guidance manual
Human Resources					
Performance Management systems	100,000,000	25,000,000	75,000,000		Software, HR Manual, training and ongoing support- 1500 staff
Funded Professional certification training programme	225,000,000	45,000,000	90,000,000	90,000,000	30 staff per year, N1.5m per staff, over 5 years
Audit Standards and Methodology					
Training (IPSAS, ISAs, Accrual Accounting, IT Audit, CAATs, QC&A etc)	1,800,000,000	360,000,000	720,000,000	720,000,000	2 events per person/month, 1500 staff, over 5 years, at N10k per head
Pilot Audits	50,000,000	10,000,000	20,000,000	20,000,000	250k per team member, 10 audits/year, 4 staff/audit, over 5 years
Audit Management systems (software, piloting, roll-out, training)	300,000,000		200,000,000	100,000,000	\$1m for licences (at N300/\$), piloting, roll-out and office wide training
IT Hardware	180,000,000	36,000,000	72,000,000	72,000,000	Laptops for 1500 staff at \$400 per laptop
Publications and Printing	37,500,000	37,500,000			Five hard copy publications each for 1500 staff at N5k per copy
Communication and Stakeholder Management					
Comms Technical Assistance	25,000,000	10,000,000	15,000,000		Specialist Comms expert input (media management)
Comms initiatives and events	50,000,000	10,000,000	20,000,000	20,000,000	10 events at N5m per event (launch events, media roundtable etc)
Intranet and Website	75,000,000	15,000,000	30,000,000	30,000,000	Various enhancements to content, hardware, software and security
NGN	3,152,500,000	608,500,000	1,492,000,000	1,052,000,000	

Financing the plan – The resource gap and options for funding

The resource gap

The 2017 budget for the OAuGF is N2.78bn. If this amount were assumed to be adequate for the OAuGF's 'business as usual' operations, it means for the OAuGF to achieve its development objectives, there is already a resource gap of approximately N608m in 2017 and much more in subsequent years. Furthermore, with about 1500 staff on its payroll, the average annual salary at the OAuGF is approximately N1.27m pa.

The current OAuGF resource envelope (the 2017 Budget - NGN)

PERSONNEL - Staff salaries and wages	1,909,022,726
OVERHEAD - All running costs	784,230,795
CAPITAL - all equipment purchases	90,509,818
TOTAL - OAuGF budget for the year	2,783,763,339

How the OAuGF compares with two other example Offices (one involved in Accountability and the other in Anti-corruption)

The table below underscores the inadequacy of the current OAuGF annual budget in the context of its responsibilities and statutory functions.

Agency	2017 - Budget (NGN)	Points to note
OAuGF – Office of the Auditor-General for the Federation	2,783,763,339	Responsible for the audit opinion on the annual financial statements of the Federal Republic (2017 appropriation is N7,298bn). Role covers the financial and non-financial performance of all Federal MDAs and across all States, including the CCB and the OAGF below.
CCB - Code of Conduct Bureau	2,732,437,287	Responsible for monitoring compliance with the Code of conduct by Federal Civil servants. Has a similar annual budget to the OAuGF but the area of responsibility and activity is much smaller in comparison with the OAuGF.
OAGF - Office of the Accountant General for the Federation	4,533,360,264	Responsible for the annual financial statements of the Federal Republic. Role covers the financial reporting of all Federal MDAs including offices across all States of the Federation. Has double the OAuGF budget but the area of responsibility and activity is similar to those of the OAuGF.

Ongoing support from development partners

- **The UK Department for International Development (DFID)** has sponsored a number of inward training visits by experts from the UK National Audit Office (5 visits of two weeks each from 2015 to date). From Q1 of 2017, DFID has also funded two embedded advisers at the OAuGF (one full-time project manager for 12 months and a part time Technical Advisor). This Strategy document is one of the outputs from DFID's support.
- **AFROSAI-E** has co-sponsored a number of training events and pilot audits over the past three years.

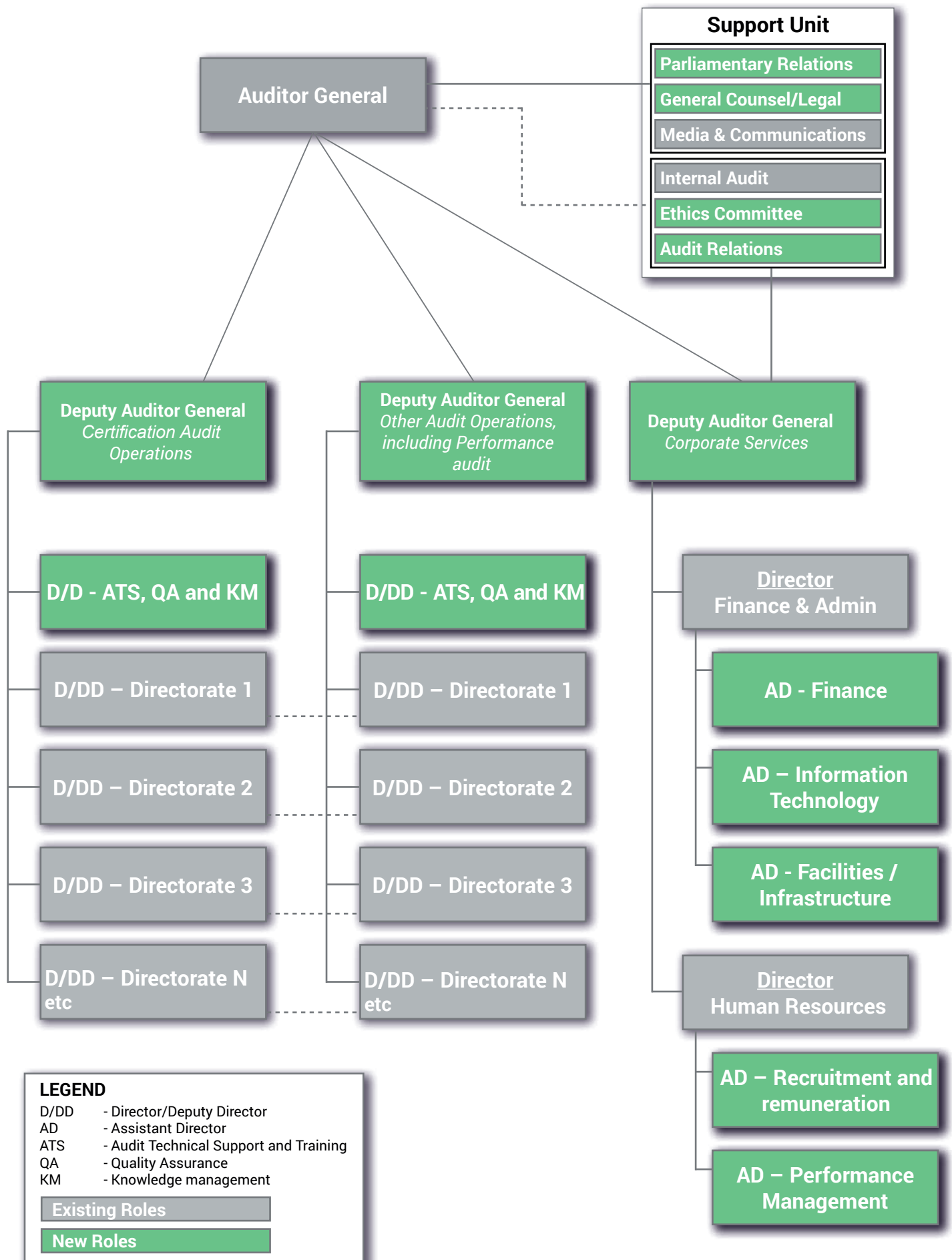
Options for funding and additional support

- The **World Bank** may be able to provide some support under the ERGP-2 programme but details are not yet firm.
- The OAuGF is seeking support from a number of other development partners, including the **African Development Bank, USAID** and **GIZ**.

General risks & mitigating actions

Risk	Likelihood (H/M/L)	Impact (H/M/L)	Mitigation
Champions of the reform process leave office or run out of steam, before the reforms are well embedded, causing a stall in progress.	H	H	Embedded Advisors (EAs) are to work closely with the key champions/counterparts (e.g. the AG and D/TAD) to identify junior to mid-career staff to shadow key senior staff nearing retirement. This will ensure proper succession planning, and that sufficient technical expertise is developed to enable the continued implementation of reform programs.
Resistance to reforms by the MDAs to be audited	H	H	Interactive sessions will be held with Accounting Officers from across the Federal service, to explain the impact and importance of the reforms and the new audit processes, and to clarify that henceforth audit will no longer be 'business as usual'
Inadequate support for the reforms by the NASS, and in particular, the two PACs.	M	H	A Strategic retreat was held with the PACs in July 2017, to explore the areas of challenge and causes of bottlenecks with the accountability process, and to agree steps towards improvement. A new communications policy is also being implemented to seek the participation and support of relevant NGOs and CSOs in helping the PACs and NASS fulfil their role.
Resistance to reforms or to new audit methods by staff	M	M	The EAs are to deliver targeted capacity building seminars and one-on-one sessions to ensure OAuGF staff understand the benefits of the reforms and do not feel threatened.
Lack of capacity in the OAuGF to manage new tools	H	H	Execution of targeted assistance and capacity development initiatives, in particular, inward secondments of technical experts
Lack of adequate resources to see reforms through	H	H	This SDP will be used to solicit financial support from development partners towards the medium and long term initiatives. There is however an immediate funding gap for the implementation of some of the quick wins identified for 2017 (Year 1).

Appendix 1 – Proposed organisational structure



Notes:



2017 – 2022
Strategic Development Plan

Office of the Auditor -General for the Federation
Federal Republic of Nigeria

September 2017