



KIRIBATI AUDIT OFFICE

STRATEGIC PLAN

2022 - 2026

July 2023

A transparent, accountable, ethical, and effective Kiribati public sector through

Our vision 'to become an independent and professional national audit institution making positive impacts for the benefits of Kiribati and its people'.

FOREWORD



This Strategic Plan 2022-2026 presents the strategic development direction of our Kiribati Audit Office (KAO) for the next five years. It articulates our vision, mission, strategic objectives, and strategies, as well as the operational plan for the achievement of this Strategic Plan.

The purpose of the Strategic Plan is to guide KAO and its leadership, management and staff, as well as its stakeholders and partners towards the achievement of its organizational goals, strategic outcomes and actions, which will contribute towards achieving our mission and vision within the next five years in the most economical, effective, and efficient manner.

The Strategic Plan is being developed following a review of the previous Strategic Plan 2016-2019 for lessons learnt and priority development needs, a review of the available literature (documentary evidence), and consultations with staff and stakeholders. The PASAI's (Pacific Association of Supreme Audit Institutions) performance assessment of the KAO identified a number of gaps that must be addressed for KAO to be able to effectively perform its role as a Supreme Audit Institution (SAI). It identified that only 3 (out of a total of 22) areas were performed well (rated 2 or 3 (out of 4)) - while the other 18 areas were assessed as 0 or 1 (not performed or weak). Areas needing major development include organizational control environment, overall audit planning, financial audit standard and quality management, financial audit process, performance audit standards and quality management, performance audit process, compliance audit standards and quality management, financial management, assets and support services, and communication with the legislature, executive and judiciary. We take into account these invaluable assessments and continue to learn the lessons from the implementation of the previous Strategic Plan - to inform how to improve on our efforts and performances.

This Strategic Plan presents our planned efforts in what we need to do – to develop and strength our performance as a SAI. We aim to achieve our vision and mission through these three goals of: improving quality and value-adding auditing; strengthening our independence and capability as a Supreme Audit Institution; and enhancing our strategic influences through positive engagement and partnerships.

This Strategic Plan further stipulates the strategic objectives, strategies and actions to contribute to the achievement of these goals. They focus on our strategic development needs and priorities of improving financial auditing; strengthening compliance and performance auditing; introducing information technology and environmental auditing; strengthening our independence and capacity; and enhancing our strategic influences.

We aim to work with you, to achieve these strategic development aspirations for the performance of our public role as the national audit office and hence contributing to the overall outcome of '*a transparent, accountable, ethical, and effective Kiribati public sector*'. As such, included in this Strategic Plan are our planned efforts to build and strengthen our partnerships and engagement with our key stakeholders.

We trust that with your support and collaboration in this journey, we can make positive progress towards the achievement of this Strategic Plan and to make a positive impact for Kiribati and its citizens.

Kam rabwa.

A handwritten signature in blue ink, appearing to read 'Eriati Tauma Manaima'. The signature is stylized and fluid.

Eriati Tauma Manaima.
Auditor General

SUMMARY: STRATEGIC PLAN 2022-2026

Our Vision

“To become an independent and professional national audit institution making positive impacts for the benefits of Kiribati and its people.”

Our mission

“To provide quality and professional auditing and assurance services to all public entities and Parliament for enhanced transparency, accountability, governance, and economic use of public resources.”

Our impact and overall outcome

“A transparent, accountable, ethical, and effective Kiribati public sector.”

Our principles

- **Accountability** – serving and guaranteeing the public interest. Government has a responsibility to ensure public accountability, demonstrated through ensuring that we execute our role in accordance with the laws and good governance principles.
- **Transparency** – scrutinizing public spending for Parliament and publishing audit reports for public knowledge which promote transparency and public accountability.
- **Independence** – Our independence is essential to the conducting of our roles in an apolitical, impartial, ethical, professional, effective, and efficient manner. It requires us performing our role without fear and favour and conducting ourselves at all times in a manner consistent with our independence.
- **Professionalism** – maintaining the credibility of, and public confidence in us requires that we must always conduct ourselves in a professional and ethical manner. It is about protecting the integrity of our office, where all staff adhere to the highest standards of behaviours and to benchmark our work against international standards and best practices.
- **Collaboration and engagement** – collaboration, partnerships, and alliances are essential for the effective and efficient performances of work and services and for promoting inclusivity and equality in our approaches.
- **Excellence and continuous improvement** – We strive to be the best in what we do by continually looking for ways to improve ourselves through innovation, learning and development. We value our employees, and we endeavour to bring out the best in people by providing an enabling environment where they are able to utilise their potentials.

Overall goals

1. Improving quality and value-adding auditing.
2. Strengthening our independence and capability as a Supreme Audit Institution.
3. Enhancing our strategic influences through positive engagement and partnerships.

Strategic objectives

- | | | |
|--|---|---|
| 1.1. Quality and timely conduct and submission of financial audits for all public entities enhanced. | 2.1. The independence and governance of the KAO strengthened. | 3.1. Relationships with public entities for cooperation and better understanding of the KAO's roles and obligations strengthened. |
| 1.2. Quality and scope of compliance audits across the public sector strengthened. | 2.2. The KAO's human resource and operational capacity improved. | 3.2. Timely and more informed Parliament and select committees' discussions and actions on audit findings enhanced. |
| 1.3. The timely conduct of quality performance, ICT and environmental audits enabled. | 2.3. The KAO's policy, planning and operating systems strengthened. | 3.3. Positive relationships with local, regional, and global organisations for mutual support, learning and cooperation on fostering good governance. |
| 1.4. Implementation of audit recommendations by clients improved. | 2.4. Best practices and standards adopted and implemented. | 3.4. To raise public awareness of the KAO's roles and work. |

Performance targets

- 50% increase in the public confidence in the KAO.
- 35% of citizens with responses that audit reports and findings presented and debated in Parliament and published in the media and other platforms help them to become better informed about public spending and use of other public resources.
- 35% of citizens with responses that published audit reports and findings influenced their views and help them to become more engaged with public policy issues and matters.
- 35% increase in the overall assessment ratings of KAO performance.
- 35% of financial audit reports that meet statutory requirements and standards.
- 35% of compliance audit reports that meet statutory requirements and standards.
- 35% of performance audit reports that meet statutory requirements and standards.
- 35% of ICT audit reports that meet statutory requirements and meet the standards.
- 85% of audit reports submitted to, and discussed by, the Parliament.
- 50% of public entities satisfied with audits.
- 50% of public entities indicated that the audits help improve their organisational systems and performances.
- 60% of reports and recommendations endorsed by the Public Accounts Committee.
- 50% of recommendations that are either fully implemented or in the process of being implemented within two years.
- 60% of recommendations, excluding those no longer applicable, that are fully implemented within five years.
- 20% of audit findings referred for further investigations by the police.
- 20% of audit findings referred undergoing prosecution.

Table of contents

FOREWORD	I
SUMMARY: STRATEGIC PLAN 2022-2026	II
1. OUR STRATEGIC ISSUES, CHALLENGES AND PRIORITIES	1
1.1. Key strategic development issues and challenges	1
1.2. Strategic development priorities	1
2. OUR GOALS, STRATEGIC OBJECTIVES AND STRATEGIES	2
2.1. Goals	2
i) Improving quality and value-adding auditing	2
ii) Strengthening our independence and capability as a Supreme Audit Institution	2
iii) Enhancing our strategic influences through positive engagement and partnerships	3
2.2. Strategic objectives	3
2.3. Key strategies	4
2.4. Theory of change & results and resources framework	5
3. OUR OPERATIONAL PLAN	5
3.1. Activity implementation plan and costing	5
3.2. Governance and implementation arrangements	5
3.3. Resourcing and funding	6
3.4. Human resource capacity to implement the Strategic Plan	7
3.5. Monitoring and evaluation	8
ANNEXES	10
A. Theory of change	10
B. Results and resources framework	11
C. Implementation plan	14
D. Strategic Plan 2022-2026 budget	28
E. Monitoring and evaluation framework	30
F. Situational analysis	35

Acronyms

ADB	Asia Development Bank
AG	Auditor General
DFAT	Department of Foreign Affairs and Trade (Australia)
GDP	Gross Domestic Product
HR	Human Resource
IAS	International Accounting Standards
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standard
INTOSAI	International Organization of Supreme Audit Institution
IPSAS	International Public Sector Accounting Standard
IPSAS	International Public Sector Accounting Standard
ISSAI	International Standard for Supreme Audit Institution
KAO	Kiribati Audit Office
KDP	Kiribati Development Plan
MOU	Memorandum of Understanding
OP	Operational Plan
PAC	Public Account Committee
PASAI	Pacific Association of Supreme Audit
PMS	Performance Management System
SAI	Supreme Audit Institution
SOE	State Owned Enterprise
SP	Strategic Plan
SWOT	Strengths, Weaknesses, Opportunities and Threats
UNDP	United Nations Development Programme

1. OUR STRATEGIC ISSUES, CHALLENGES AND PRIORITIES

This Strategic Plan 2022-2026 addresses the key strategic development issues, challenges and priorities of our organisation, the Kiribati Audit Office (KAO). We acknowledge in this document the key issues and challenges that we face throughout our journey in the fulfilment of our vision, mission, and goals - and it is vital that we highlight these for the alignment of our planned efforts and resourcing towards addressing these strategic issues, challenges, and priorities. The situational analysis in [Annex F](#) provides a detailed discussion of these key issues, challenges, and priorities, which are summarised in the following sections.

1.1. Key strategic development issues and challenges

-  **Independence** – the KAO needs to have independence to effectively fulfill its constitutional role as the Kiribati National Audit Office. This is however an ongoing challenge given executive interference, lack of financial autonomy, limited authority to recruit/hire its own staff, and lack of sufficient legal protection against any interference with KAO's independence.
-  **Governance** – the required governance and operational systems (planning, policy, working systems, procedures, and processes) are not yet fully developed at a level consistent with accepted and recognised standards of a Supreme Audit Institution (SAI). These systems provide the enabling environment for staff to effectively perform their roles and for KAO to become a credible and capable SAI.
-  **Capacity** – the KAO must have the required capacity (human, financial and physical resources) to achieve and maintain its independence and to be able to produce quality, timely and value-adding auditing as its core function/mandate. The lack of sufficient qualified and competent staff is an ongoing challenge with the achievement of having a professional audit workforce remains a priority development need in the short-term, medium-term, and long-term.
-  **Relevance and value-adding** – KAO needs to build its public credibility and profile to remain relevant contributing and adding value to Kiribati's governance and democratic system through making positive impacts on improved accountability, transparency, and value for money. KAO needs to build and strengthen its strategic and operational links to Parliament and other key stakeholders, partners, and the public at large.

1.2. Strategic development priorities

To respond to the above key strategic issues and challenges, we have identified our strategic priorities as follows.

-  **Improving financial auditing** – we need to improve beyond the 65% current financial audit coverage including improving the quality and timely completion and submission of audit reports and findings. This is about the fulfilment of our constitutional mandate and obligation to audit all public accounts of Kiribati, and we aim to work collaboratively with public entities and other organisations (private sector, regional and international development agencies) in the fulfilment of this obligation.
-  **Strengthening compliance and performance auditing** – we want to scale-up and improve the quality and timely completion of our compliance and performance auditing services across the public sector. This will help improve our overall contributions towards the achievement of a transparent, accountable, ethical, and effective Kiribati public sector.
-  **Introducing ICT and environmental auditing** – we aim to introduce these types of audits into our public sector which means we will build our capacity and performances in these areas. We will seek additional

resources or reallocated existing resources to enable the development of these areas as well as the support of partners and other SAIs in our journey with the introduction and institutionalisation of these new types of auditing work.

🏗️ **Strengthening our independence and capacity** – we will implement actions to strengthen our independence and capacity as a SAI across our various work and service areas. We will adopt and implement policy, legislative and institutional reforms that are needed as well as strengthening our monitoring and evaluating of how we are progressing in our performances and productivity. We know we need to build our capacity to become professional and competent auditors and we aim to work with other entities in how we make some real tangible and breakthrough results.

🏗️ **Enhancing our strategic influences** – we aim to enhance our engagement with our key stakeholders, mainly the Parliament, select committees, public sector entities and the public for us to increase and maintain our influences, relevance, and impact. We will build and strengthen partnerships in the joint delivery of auditing services and to seek collaborative support for improving our work systems, processes, approaches, and capacities.

2. OUR GOALS, STRATEGIC OBJECTIVES AND STRATEGIES

2.1. Goals

The following goals will contribute to the achievement of the above vision and mission. Through the achievement of its vision, mission and goals, the KAO intended to contribute to the overall outcome of having '**A transparent, accountable, ethical and effective Kiribati public sector**'.

i) Improving quality and value-adding auditing

Goal 1 is about fulfilling KAO's core mandate through the provisions of high-quality and timely auditing services and products that are adding value to the public sector – to help improve public sector performances, good governance, public accountability, transparency. Value-adding auditing helps prevent and mitigate risks, fraudulent behaviours, and corruption in the public sector and society. It is about providing value-adding insights derived from audits that contributes towards ensuring an accountable and responsive government and a professional, ethical, and trusted public sector. To fulfil its mandate and statutory obligations, KAO will continue to assess its value through continued relevance and quality of its work that builds the credibility of the Audit Office, public confidence in the government and public sector, and to benefit the people of Kiribati through well-informed audit products. This means that the KAO needs to strengthen the timely and quality performance of financial audits covering all public entities. At the same time, it needs to improve the quality and scope of compliance audits across the public sector. Performance, ICT and environmental audits should be introduced, and implementation of audit recommendations are other areas needing improvement. Actions are identified in this Strategic Plan and its Operational/Implementation Plan to address these priority development areas and hence contributing to the achievement of Goal 1.

ii) Strengthening our independence and capability as a Supreme Audit Institution

Goal 2 is about developing and strengthening the independence, credibility, and capability of the KAO as a SAI. The fulfilment of the KAO's mandate depends fundamentally on having the required capability and competence as a SAI. The 2020 PASAI Assessment found that KAO is performing at the lowest level across most domains of its core functional areas with most key features barely functioning or not well established. This speaks for a great need to focus on developing the capacity of KAO across all areas of its core functional and administrative and support areas. Capacities include having the powers (to be independent but also able to influence); competencies (having the right people); financial resources and assets; and systems (policies, plans, procedures, methodologies, information, technology, etc.) required for the staff

to be able to effectively perform their roles and duties. The fact that only 28% of KAO staff hold some tertiary qualifications is an indication that having a capable and professional workforce remains a challenge, and that aiming to recruit and retain qualified staff with the required skills, experiences and talents is a critical and priority part of strengthening the human resource capability of the office. At the same time, developing KAO's capacity in having well-developed, robust, and sustainable governance, policy, planning, financial and asset management, and all key operating systems and procedures is an ongoing need. The strengthening of all these institutional areas of the KAO requires the adoption of best practices benchmarked against accepted and recognised standards at the global level.

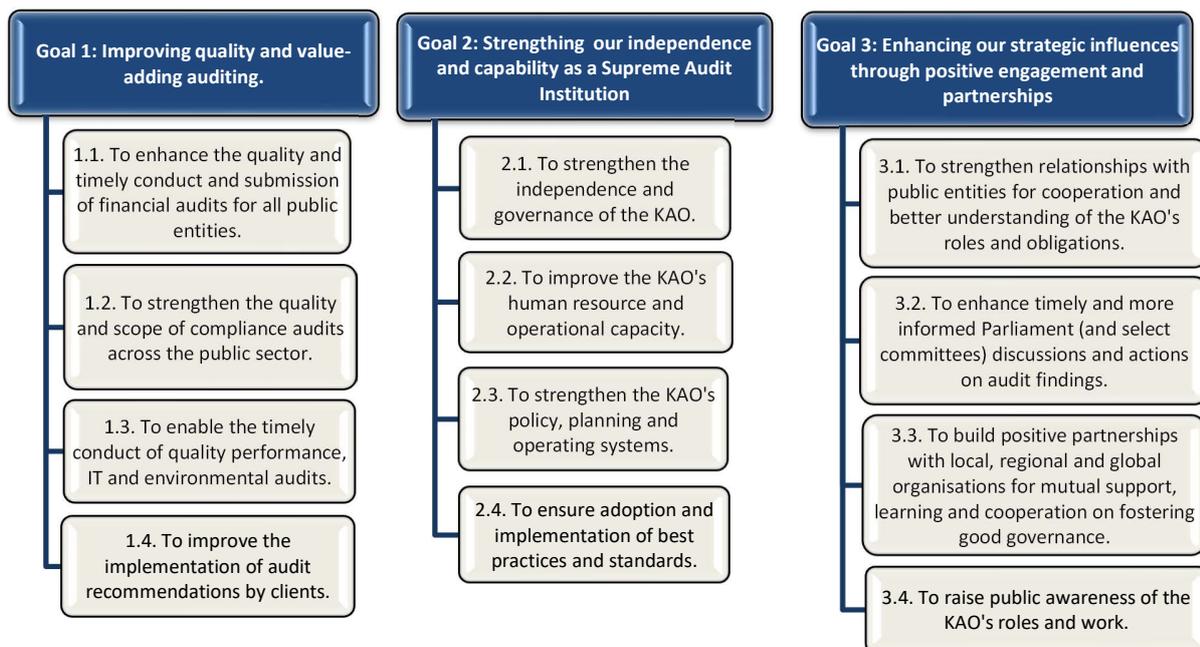
iii) Enhancing our strategic influences through positive engagement and partnerships

For the KAO to make an impact on the public sector and citizens at large, it needs to strategically influence (the public sector entities, Government, and citizens (through Parliament)) beyond just completing and submitting audit reports. To do this, it needs to be consciously aware of such influences and impacts; to have the formal policies, plans, processes, and capacities in place to do it; and to regularly assess what influences and impacts it has made or contributed to; and to seek feedback and reflect on how it can improve itself. To impact on public accountability, transparency and good governance, public entities including Parliament and the public at large must understand, support, and respect the role of the KAO, and that all entities cooperate with KAO in the fulfillment of its statutory requirements as a SAI. The KAO reports to Parliament, and it is essential that in the performance of this statutory requirement, it seeks to contribute to timely and more informed Parliament discussions and actions that contributing towards holding government accountable for its performances. This requires the KAO engaging more effectively with public entities, Parliament, and other key stakeholders, and to raise public awareness of the importance of its roles and work to Kiribati's democratic systems. At the same time, the KAO is trying to cope with a large audit portfolio that is considered beyond its current capacities. It is important that KAO seeks to work in partnership with other organisations (e.g., private and regional audit organisations) on how it can improve its performance and to achieve its goals and objectives set out in this Strategic Plan.

2.2. Strategic objectives

Figure 1 outlines the strategic objectives that will contribute to the achievement of the above-stated goals:

Figure 1: KAO strategic objectives to achieve the goals



2.3. Key strategies

Figure 2 outlines the strategies that will contribute to the achievement of the above strategic objectives:

Figure 2: KAO strategies to achieve the strategic objectives

<p>1.1. To enhance the quality and timely conduct and submission of financial audits for all public entities.</p>	<p>1.1.1. To improve financial audit planning. 1.1.2. To ensure that auditors and clients understand the financial audit requirements. 1.1.3. To complete and submit audit reports within the required timelines and the reports are of high-quality. 1.1.4. To conduct regular reviews of financial audit work and address areas needing improvement</p>
<p>1.2. To strengthen the quality and scope of compliance audits across the public sector.</p>	<p>1.2.1. To ensure compliance audit policies, procedures, methodologies, and guidelines are in place. 1.2.2. To develop compliance audit planning. 1.2.3. To ensure auditors and clients understand the compliance audit requirements. 1.2.4. To improve the scope and quality of audit reports and their timely completion and submission. 1.2.5. To carry out regular reviews of compliance audit work and address areas needing improvement.</p>
<p>1.3. To enable the timely conduct of quality performance, ICT and environmental audits.</p>	<p>1.3.1. To develop performance, ICT & environmental audit policies, procedures, methodologies, & guidelines. 1.3.2. To develop performance, ICT & environmental audit planning. 1.3.3. To ensure auditors and clients understand the performance, ICT & environmental audit requirements. 1.3.4. To conduct performance, ICT & environmental audits and that the audits meet the requirements. 1.3.5. To regularly review performance, ITC & environmental audit work and address needed improvements.</p>
<p>1.4. To improve the implementation of audit recommendations by clients.</p>	<p>1.4.1. To take stock of audit recommendations with outstanding implementation. 1.4.2. To develop policies, procedures and mechanisms for follow-up of recommendations with clients, and how to deal with cases of non-compliance and/or failure to implement audit recommendations. 1.4.3. To update and maintain the database on audit recommendations. 1.4.4. To strengthen the implementation of actions needed to facilitate improvements with the implementation of audit recommendations.</p>
<p>2.1. To strengthen the independence and governance of the KAO.</p>	<p>2.1.1. To identify barriers and risks affecting the independence of the KAO and implement actions to strengthen the KAO's independence. 2.1.2. To assess the current situation and implement actions to strengthen the governance of KAO.</p>
<p>2.2. To develop the KAO's human resource and operational capacity.</p>	<p>2.2.1. To assess the KAO human resource (HR) capacity and implement actions to address gaps. 2.2.2. To ensure that all required HR management (HRM) policies and procedures of the KAO are in place. 2.2.3. To monitor and evaluate the implementation of the KAO HR Strategic Plan. 2.2.4. To establish and institutionalize the Chartered Accountant Programme for Staff</p>
<p>2.3. To strengthen the KAO's policy, planning and operating systems.</p>	<p>2.3.1. To conduct a policy and planning audit of the KAO. 2.3.2. To ensure that all the required policies, plans, strategies, and procedures for all functional, work and operational areas of KAO are in place and used by staff and clients. 2.3.3. To ensure that all the required operating systems are in place. 2.3.4. To strengthen the KAO infrastructure and office capacity.</p>
<p>2.4. To ensure adoption and implementation of best practices and standards.</p>	<p>2.4.1. To conduct a mapping and benchmarking of current audit systems (policies, procedures, methodologies, etc.) against international best practices and standards. 2.4.2. To conduct a mapping and benchmarking of all other systems (i.e. non-audit) (e.g. HR, policy, planning, IT, administration) against international best practices and standards. 2.4.3. To address gaps and priorities in adopting and implementing best practices and standards.</p>
<p>3.1. To strengthen relationships with public entities for cooperation and better understanding of the KAO's roles and obligations.</p>	<p>3.1.1. To assess existing mechanisms used to establish, develop and maintain relationships between KAO and public entities. 3.1.2. To identify ways (e.g. through public sector auditors forum or CEO Forum) to strengthen mechanisms for developing and maintaining relationships with different public entities. 3.1.3. To seek feedback on ways for KAO to improve itself and its engagement with public entities.</p>
<p>3.2. To enhance timely and more informed Parliament and select committees' discussions and actions on audit findings.</p>	<p>3.2.1. To ensure timely and quality submission of reports, findings and other information to Parliament. 3.2.2. To ensure the provisions of timely and quality briefings, advice and opinions to the Public Accounts Committees and other select committees. 3.2.3. To strengthen timely responses and actions required on feedback and recommendations received.</p>
<p>3.3. To build positive partnerships with local, regional, and global organisations for mutual support, learning and cooperation on fostering good governance.</p>	<p>3.3.1. To identify all key partnerships of KAO and formalise these partnerships through Memoranda of Understanding, Service Agreements, Letters of Agreement, and other mechanisms. 3.3.2. To develop and implement a policy and procedures on outsourcing of audit and other services. 3.3.3. To seek feedback on ways for KAO to improve itself and its engagement with its partners.</p>
<p>3.4. To raise public awareness of the KAO's roles and work.</p>	<p>3.4.1. To develop and implement a Communication Strategy. 3.4.2. To enhance visibility of the KAO's roles and work. 3.4.3. To seek feedback on KAO work and implement relevant actions to improve KAO public image.</p>

2.4. Theory of change & results and resources framework

The Theory of Change in [Annex A](#) shows the linkages between the vision, mission, strategic objectives, strategies and indicative activities ([Annex C](#)), as well as the assumptions about what will be required to achieve the vision, mission and objectives through the implementation of the activities. It presents a logical framework about the change expected to happen if this Strategic Plan is implemented within its 5-year period of 2022-2026. The results & resources framework is provided in [Annex B](#).

3. OUR OPERATIONAL PLAN

3.1. Activity implementation plan and costing

The Activity Implementation Plan (with costing) is provided in [Annex C](#) and is a core element of the Operational Plan (OP) and the Strategic Plan (SP).

To ensure that the SP becomes institutionalized in the Kiribati Audit Office (KAO) organisational systems and processes, the SP and its OP must be integrated in the KAO annual work plans and budget preparations, reviews and evaluation processes and mechanisms, as well as developmental initiatives and programs.

Maintaining flexibility with the implementation of the OP is important for continuous learning and improvements. The Activity Implementation Plan should be treated as a rolling plan that is regularly reviewed, revised, and adapted to ensure relevancy and taking into consideration lessons learnt from previous years' implementation experiences and progress.

3.2. Governance and implementation arrangements

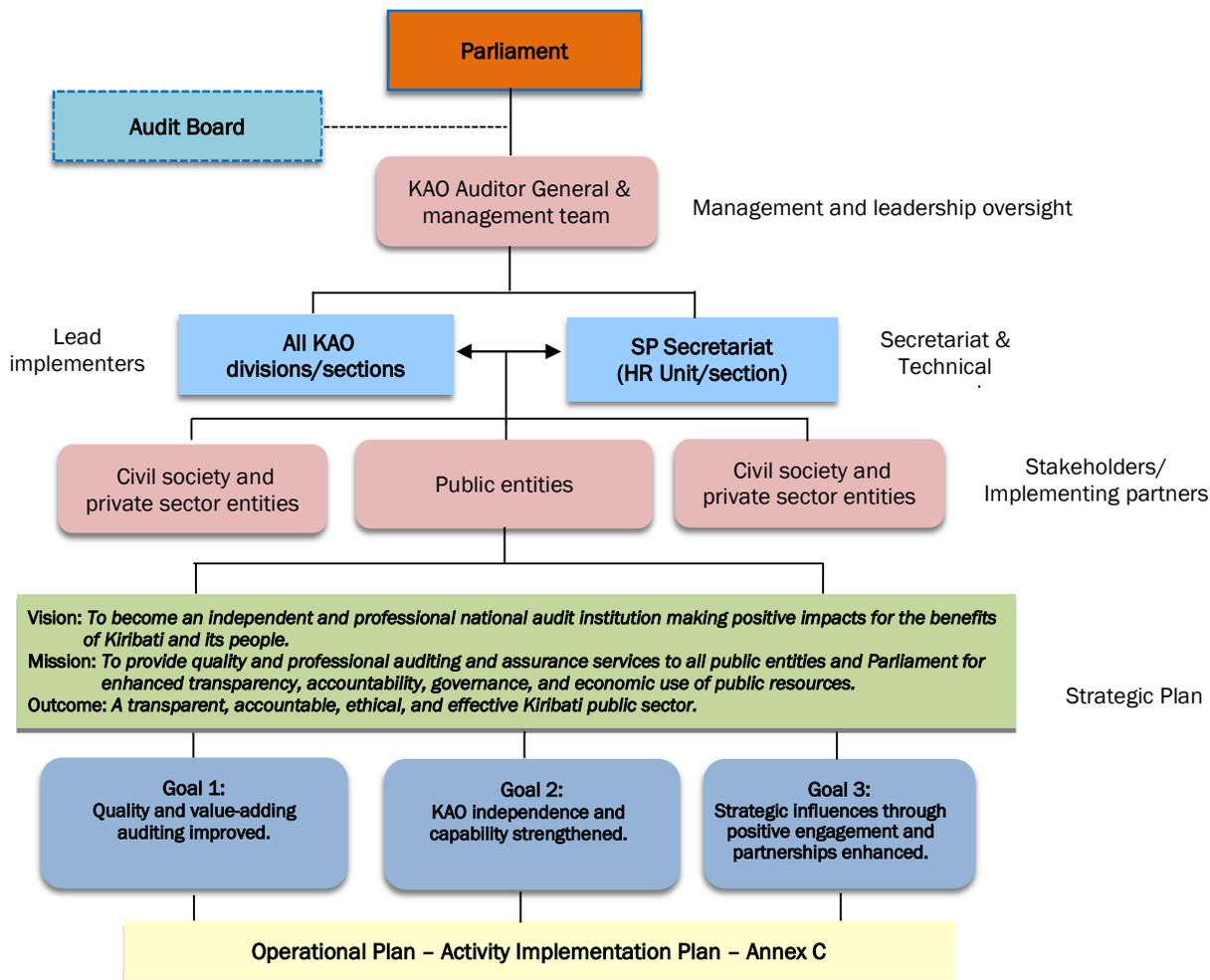
Leadership commitment is essential for the effective and efficient implementation of the SP. This leadership commitment and drive remains with the Audit Board, Auditor General and KAO management team. An integral part of the leadership process is ensuring that all staff are involved in the implementation of their SP, and this requires ensuring that everyone is on board, which require staff having a shared understanding and ownership of the SP and are able to provide regular inputs into the implementation processes during the lifespan of the SP. This means that the leadership must ensure that staff have a consistent/shared understanding of the vision, mission, goals, objectives, strategies, performance indicators, activities, and the changes anticipated to take place and to achieve under the SP and that they fully understand how the performance of their roles contributes to the achievement of the SP. This involves giving clear directions on who is responsible for implementing each of the actions/activities outlined in the OP and how those actions/activities contribute to the achievement of the strategic objectives, goals, mission, vision and overall outcome or impact. At the same time, key stakeholders and partners need to be aware of the KAO SP and how the SP contributes to the overall outcome of **'a transparent, accountable, ethical and effective Kiribati public sector'**, and how their roles, collaboration and support to the KAO can contribute to a shared realisation of this outcome.

To facilitate and monitor/track the implementation process, the KAO needs to put into place a clearly articulated governance and implementation arrangements for the SP. The KAO Audit Board, Auditor General and management team provides strategic leadership, governance, and monitoring oversight on the adoption and implementation of the SP and its OP. The KAO Performance Management System (PMS) needs alignment to the SP and OP – where there is a clear identification in the divisional/sectional and individual staff work and performance plans their contributions and achievements of the SP and OP.

A specific unit/section in the KAO should perform the secretariat role for the SP, which is the focal point that coordinate the SP implementation process. This unit/section is responsible for following up with

divisions/sections the implementation status of their allocated responsibilities/activities of the SP and OP and provides monitoring and evaluation reports to the Audit Board, Auditor General and management team on the SP and OP implementation. It is proposed that the Human Resource unit/section takes up this role. Incorporating the above, the SP governance and implementation structure is in Figure 3:

Figure 3: KAO Strategic Plan 2022-2016 governance and implementation structure



3.3. Resourcing and funding

[Annex D](#) outlines the budget for the SP adoption and implementation during its 5 years lifespan:

The Government leadership support and budget allocation should be sought on the implementation of the SP. Financing options available to implement the SP include:

- Reallocation of existing funded outputs and activities.
- Cost recoveries.
- Financial and technical assistances sought from bilateral and multi-lateral arrangements with development partners – at the national, regional, and global levels.

Technical and financial support through bilateral and multilateral assistances are to be solicited to enable the implementation of the SP – especially with supporting the implementation of major development reform initiatives proposed under the SP.

3.4. Human resource capacity to implement the Strategic Plan

It is important that the KAO considers its human resource (HR) capacity to implement and deliver on its Strategic Plan. As such, incorporated into the Strategic Plan’s Implementation Plan (in [Annex C](#)) are strategies and activities aimed at developing and strengthening the HR and operational capacity of the KAO. The KAO needs to conduct a proper assessment of its HR needs which inform the development of a Capacity (Professional Development and Training) Development Plan/Strategy for the office. As part of developing and strengthening the HR capacity of the KAO, it is important to consider the following aspects as part of its ongoing efforts to build, develop and strengthen such capacity:

- Identify and forecast the HR capacity needs of the KAO to deliver on its corporate vision, mission, outcome(s) and objectives. Priority HR needs should be identified to be achieved on annual basis, 3-5 years, 10 years, and so on.
- Build and develop the notion of a learning working environment or learning organisation or workplace in the KAO.
- Develop a staff Professional Development Action Plan considering an indicative list of capacity requirements identified in Table 1 below.
- Liaise with relevant organisations/partners (local, region and global) on professional development opportunities for staff.
- Ensure that a proper recruitment and selection process is conducted for all positions while remain open to bringing in certain expertise (on temporary/contractual/consultancy basis) when the need arises.
- Salary increases for staff based on the implementation of a proper Performance Management System (PMS) that is clearly linked to the strategic plan, corporate plan, annual plan, and budget. Salary increases are subject to the KAO’s overall performance improvement, affordability to pay and sustain personnel costs, and the threshold policy on resource allocation.
- Include in Job Descriptions (JDs) and performance contracts of senior management and middle-management responsibilities and obligations to ensure there is staff training and development as well as succession planning and management in their respective divisions, sections or units.

Table 1: KAO staff capacity development needs

Area	Capacity development areas - required competencies
Leadership and management	<ul style="list-style-type: none"> • Ability to articulate a clear vision • Ability to mobilise staff towards achievement of the vision • Understanding of the core business • Transformational change and change management • Vertical, horizontal, and integrated management • People management • Succession planning and management • Financial management • Business process management and analysis • Change catalysts • System management

Auditing (different areas – financial, compliance, performance, ICT, environmental)	<ul style="list-style-type: none"> • Auditing skills – qualified auditors • Analytical skills • Problem solving skills • Professionalism • Report writing skills • Emotional intelligence • Critical thinking • Business acumen • Communication skills • Collaboration and teamwork • Risk analysis and control assessment • Work independently
Financial Management, Assets and Support Services	<ul style="list-style-type: none"> • Understanding of finance • Financial management • Planning and effective use of Assets and Infrastructure • Accounting
ICT	<ul style="list-style-type: none"> • Computing and information and communication technology applicable to insurance business and operation • Hardware and software applications for the insurance field • Knowledge management and information security
HRM	<ul style="list-style-type: none"> • Understanding of HRM systems – re underlying principles, policies, procedures and practices and how these can be applied to insurance business setting. • Development, implementation, monitoring and evaluation of HRM systems, policies and procedures
Administration	<ul style="list-style-type: none"> • Records keeping • Information Management • Office management • Office support • Operating systems, policies, and procedures • Security – people, physical assets, and knowledge.
All (across)	<ul style="list-style-type: none"> • Communication • Customer Service • Report writing • Public Relations • Planning and Policy development • Business development • Business system analysis and development

3.5. Monitoring and evaluation

The Monitoring and Evaluation (M&E) framework of this SP is provided in [Annex E](#) which included key performance indicators at the outcome and output levels across the whole Strategic Plan - from the macro to the meso levels – and across the different goals and strategic objectives. The M&E framework further identifies key risks involved with the implementation of the SP and relevant remedies to address those risks. M&E activities are subject to the Government and contributing development partners' policies and guidelines on M&E. M&E will be led by facilitated by the Secretariat (see Figure 3) with strategic oversight provided by the KAO Audit Board, Auditor General and management team.

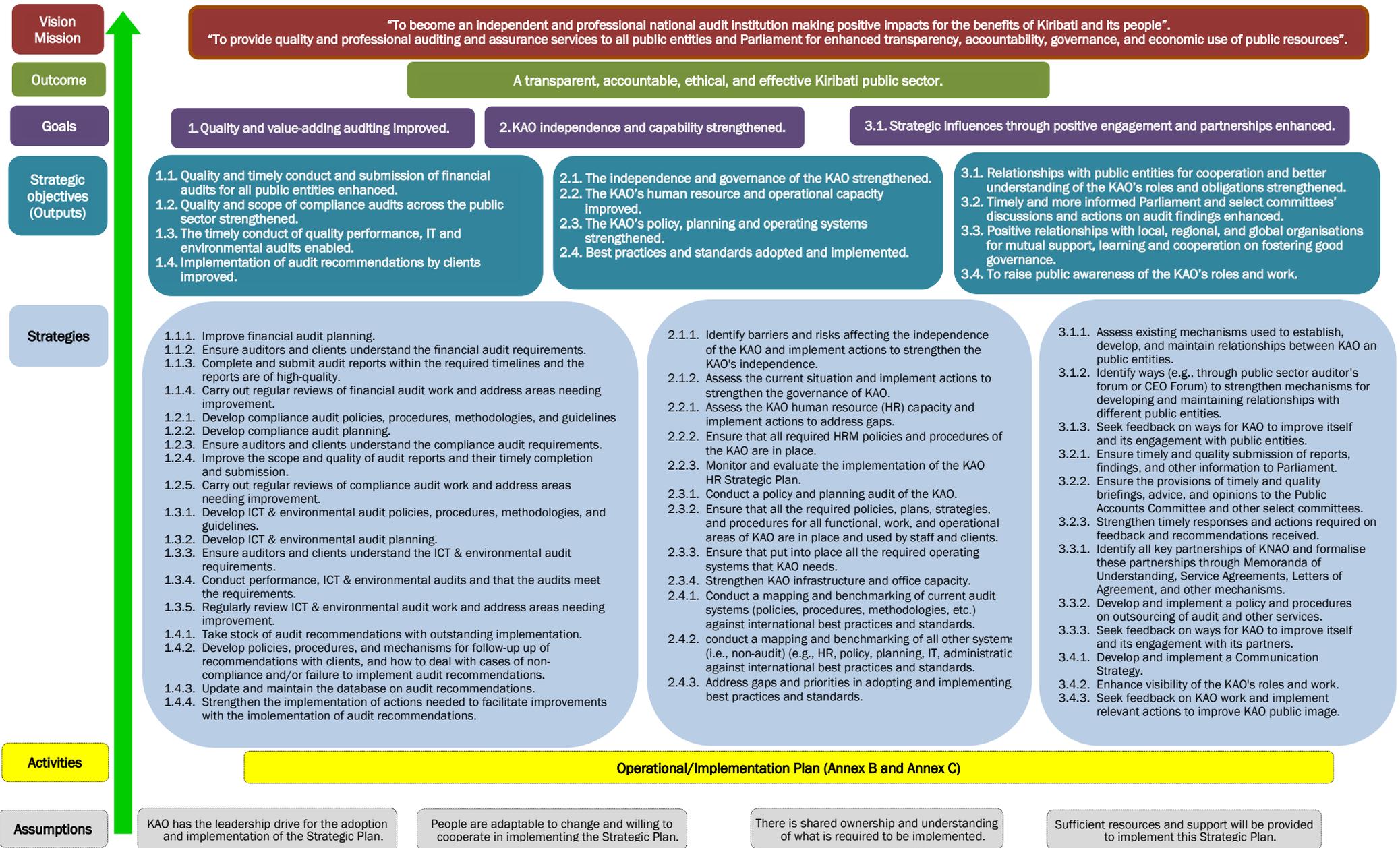
Improvements in implementation and in the development of follow-up or subsequent operational plan/activity implementation plan requires the sharing of data/information on the progress of implementation and lessons learned during the implementation processes. The collection and maintenance of reliable/accurate M&E data and information is fundamental for the preparation of

evidence-based reports documenting implementation progress of the SP and informing how to improve further progress.

- **Annual work plan and budget:** the KAO annual work plan and budget will serve as the primary reference documents for the purpose of monitoring the achievement of results. The KAO Auditor General and management with support of its stakeholders and partners are tasked with the responsibility of ensuring implementation of the SP. As such, it is important to ensure alignment of the annual work plan and budget for this SP and OP to the KAO overall planning, policy, and budgetary processes.
- **Sixth monthly and annual reporting:** Sixth monthly and annual reports need preparation by the Secretariat. Reports need to be submitted to the Audit Board and KAO management on a regular basis to inform them about achievements made, and to highlight progress, issues, challenges, and lessons learnt. Reports should include updated information and narrative summary of results achieved against the OP, lessons learnt and way forward.
- **Annual reviews:** Based on the above reports, annual reviews should be conducted in the fourth quarter of the year or shortly after, to assess progress made against the SP and to review the OP/Activity Implementation Plan for the following year. In the last year of the SP, this review will also be a final assessment. This review is driven by the KAO and should involve all key stakeholders for feedback. The review must focus on the extent to which progress is being made on the SP. Any changes to the OP/Activity Implementation Plan based on available resources and lessons learnt should be considered at meetings of the KAO management team and Audit Board.
- **Mid-term and completion reviews/evaluation:** Ongoing improvements and maintaining momentum in the implementation of the SP require regular independent evaluation to assess progress and to map the way forward. The implementation of the SP is a complex area because of the required institutional changes that need to happen. As such, ongoing reflections through reviews and evaluations are critical for feedback and ongoing improvements.

ANNEXES

A. Theory of change



B. Results and resources framework

Vision: To become an independent and professional national audit institution making positive impacts for the benefits of Kiribati and its people.				
Mission: To provide quality and professional auditing and assurance services to all public entities and Parliament for enhanced transparency, accountability, governance, and economic use of public resources.				
Outcome: A transparent, accountable, ethical and effective Kiribati public sector.				
Outcome indicators:		Indicators & Targets (2026) (continued):		
Baseline (2022):				
<ul style="list-style-type: none"> - 17% overall assessment ratings of KAO performance. - 65% of audit reports submitted, and discussed by, the Parliament. - Baselines on other indicators not available 		<ul style="list-style-type: none"> - 35% of financial audit reports that meet statutory requirements and standards. - 35% of compliance audit reports that meet statutory requirements and standards. - 35% of performance audit reports that meet statutory requirements and standards. - 35% of ICT audit reports that meet statutory requirements and meet the standards. - 85% of audit reports submitted to, and discussed by, the Parliament. - 50% of public entities are satisfied with audits. - 50% of public entities indicated that the audits help improve their organisational systems and performances. - 60% of reports and recommendations are endorsed by the Public Accounts Committee. - 50% of recommendations that are either fully implemented or in the process of being implemented within two years. - 60% of recommendations, excluding those no longer applicable, that are fully implemented within five years. - 20% of audit findings are referred for further investigations by the police. - 20% of audit findings are referred for undergoing prosecution. 		
Indicators & Targets (2026):				
<ul style="list-style-type: none"> - 50% Increase in the public confidence in the KAO. - 35% of citizens with responses that audit reports and findings presented and debated in Parliament published in the media and other platforms help them to become better informed about public spending and use of other public resources. - 35% of citizens with responses that published audit reports and findings influenced their views and help them to become more engaged with public policy issues and matters. - 35% Increase in the overall assessment ratings of KAO performance. 				
GOALS	OBJECTIVES	OUTPUTS	INDICATORS AND TARGETS	(AUD\$) *
1. Quality and value-adding auditing improved	1.1. Quality and timely conduct and submission of financial audits for all public entities.	<ul style="list-style-type: none"> - Financial audit plan - M&E reports. - Issues reports/papers submitted to management. - Financial audit reports, procedures, methodologies, and guidelines. - Financial audit requirements located with all public entities. - Training package and training reports. - Stocktake reports. - Assessment reports. - TA reports. - Independent reviews. - Compliance audit policies, procedures, methodologies, and guidelines. - Compliance audit plan. - Compliance audit requirements documented and located with all public entities. - Expert reviews/reports. - Performance, IT & Environmental Audit policies, procedures, methodologies, and guidelines. - Performance, IT & environmental Audit requirements documented and located in all public entities. - Feedback analysis reports. - Communication correspondences. - Policies, procedures, and mechanisms on follow-up of audit recommendations implementation. - Awareness and training package and reports. - Database developed, maintained, and updated. - Reports based on data/information from the database. - KAO management papers and decisions. - Communication correspondences on the outstanding cases. - Follow-up agreements. 	Baseline (2022): <ul style="list-style-type: none"> - N/A Indicators & Targets (2026): <ul style="list-style-type: none"> - 100% of financial audit plans are in place. - 50% compliance with financial audit requirements are in place. - 25% improvement in the timely submission and quality of scope/coverage, quality, and timely submission of financial audits. - Regular reviews of financial audit work (annual review). - 50% compliance audit policies, procedures, methodologies, and guidelines are in place. - 100% of compliance audit plans are in place. - 25% compliance with compliance audit requirements - 25% improvement in the scope/coverage, quality, and timely submission of compliance audits. - Regular reviews of compliance audit work (annual review). - 50% of performance, ICT & environmental audit policies, procedures, methodologies, and guidelines are in place. - 100% of performance, ICT & environmental audit plans are in place. - 25% compliance with performance, ICT & environmental audit requirements. - 25% improvement in the quality and timely submission of performance, ICT & environmental audits. - Regular reviews of performance, ICT & environmental audit work (annual review). - 100% stocktake of audit recommendations with outstanding implementation are in place. - 50% of policies, procedures, and mechanisms for follow-up of recommendations with clients, and how to deal with cases of non-compliance and/or failure to implement audit recommendations in place. - Database on audit recommendations is (80%) up to date. - 60% of actions needed to facilitate improvements with the implementation of audit recommendations developed and implemented are being undertaken. 	\$1,250,000.00
	1.1.1. To improve financial audit planning.			
	1.1.2. To ensure that auditors and clients understand the financial audit requirements.			
	1.1.3. To complete and submit audit reports within the required timelines and the reports are of high-quality.			
	1.1.4. To conduct regular reviews of financial audit work and address areas needing improvement.			
	1.2. Quality and scope of compliance audits across the public sector. Strengthened.			
	1.2.1. To ensure compliance audit policies, procedures, methodologies, and guidelines are in place.			
	1.2.2. To develop compliance audit planning.			
	1.2.3. To ensure auditors and clients understand the compliance audit requirements.			
	1.2.4. To improve the scope and quality of audit reports and their timely completion and submission.			
	1.2.5. To carry out regular reviews of compliance audit work and address areas needing improvement.			
	1.3. Timely and quality Performance, ICT, and environmental audits enabled.			
	1.3.1. To develop performance, ICT & environmental audit policies, procedures, methodologies, and guidelines.			
	1.3.2. To develop performance, ICT & environmental audit planning.			
1.3.3. To ensure auditors and clients understand the Performance, ICT & environmental audit requirements.				
1.3.4. To conduct Performance, ICT & environmental audits and that the audits meet the requirements.				
1.3.5. To regularly review performance, ICT & environmental audit work and address areas needing improvement.				
1.4. Implementation of audit recommendations by clients improved.				
1.4.1. To take stock of audit recommendations with outstanding implementation.				
1.4.2. To develop policies, procedures, and mechanisms for follow-up of recommendations with clients, and how to deal with cases of non-compliance and/or failure to implement audit recommendations.				
1.4.3. To update and maintain the database on audit recommendations.				
1.4.4. To strengthen the implementation of actions needed to facilitate improvements with the implementation of audit recommendations.				

GOALS	OBJECTIVES	OUTPUTS	INDICATORS AND TARGETS	(AUD\$) *
<p>2. KAO independence and capability as a Supreme Audit Institution strengthened.</p>	<p><u>2.1. The independence and governance of the KAO strengthened.</u> 2.1.1. To identify barriers and risks affecting the independence of the KAO and implement actions to strengthen the KAO's independence. 2.1.2. To assess the current situation and implement actions to strengthen the governance of KAO. <u>2.2: KAO's human resource and operational capacity developed and strengthened.</u> 2.2.1. To assess the KAO human resource (HR) capacity and implement actions to address gaps. 2.2.2. To ensure that all required HR management (HRM) policies and procedures of the KAO are in place. 2.2.3. To monitor and evaluate the implementation of the KAO HR Strategic Plan. <u>2.3. KAO's policy, planning and operating systems strengthened.</u> 2.3.1. To conduct a policy and planning audit of the KAO. 2.3.2. To ensure that all the required policies, plans, strategies, and procedures for all functional, work, and operational areas of KAO are in place and used by staff and clients. 2.3.3. To ensure that all the required operating systems are in place. 2.3.4. To strengthen the KAO infrastructure and office capacity. <u>2.4. Best practices and standards adopted and implemented.</u> 2.4.1. To conduct a mapping and benchmarking of current audit systems (policies, procedures, methodologies, etc.) against international best practices and standards. 2.4.2. To conduct a mapping and benchmarking of all other systems (i.e., non-audit) (e.g., HR, policy, planning, ICT, administration) against international best practices and standards of non-compliance and/or failure to implement audit recommendations. 2.4.3. To address gaps and priorities in adopting and implementing best practices and standards.</p>	<ul style="list-style-type: none"> - Assessment reports - Action plans. - M&E reports. - Implementation reports. - HR capacity assessment report. - Revised/new HR Strategy and action plan. - Staff capacity (professional and training) development plan/strategy. - HRM policies, procedures, and guidelines. - Awareness and training package and training reports. - M&E framework for the KAO HR Strategic Plan. - Policy audit report and prioritisation of policy development/formulation requirements. - Policies, plans, strategies, and procedures located with staff and clients. - Report on the required operating systems. - Reports to management team on strengthening the KAO infrastructure and office capacity. - Mapping and benchmarking report on audit systems (policies, procedures, methodologies, etc.) against international best practices and standards. - Gaps and needs analysis on mapping and benchmarking of audit systems. - Mapping and benchmarking report on all other systems (policies, procedures, methodologies, etc. on HR, policy, planning, IT, administration, and office support services) against international best practices and standards. - Gaps and needs analysis on mapping and benchmarking of the above systems. - TA/Expert review reports. 	<p>Baseline (2022): - N/A Indicators & Targets (2026): - 100% of barriers and risks affecting KAO's independence and actions to address those barriers and risks identified. - 100% of an assessment of the current governance of KAO completed with actions to address the key issues identified and implemented completed. - 100% assessment of the HR capacity and actions identified to address gaps conducted/completed. - 50% of HR policies and procedures are in place. - M&E reports on the KAO HR Strategic Plan. - 50% increase in HR capacity of KAO. - 100% of an audit of KAO's policy and planning conducted/completed. - 50% of the required policies, plans, strategies, and procedures for all functional, work, and operational areas of KAO are in place and used by staff and clients. - 50% of required operating systems are in place. - 100% of a mapping/benchmarking of current audit systems (policies, procedures, methodologies, etc) against international best practices and standards conducted/completed. - 100% of a mapping/benchmarking of all other systems (i.e., non-audit) (e.g., HR, policy, planning, ICT, administration) against international best practices and standards of non-compliance and/or failure to implement audit recommendations conducted/completed. - 40% of gaps and priorities in adopting and implementing best practices and standards are being addressed.</p>	<p>\$790,000.00</p>

GOALS	OBJECTIVES	OUTPUTS	INDICATORS AND TARGETS	(AUD\$) *
<p>3. KAO strategic influences through positive engagement and partnerships enhanced.</p> <p>4.</p>	<p>3.1. Relationships with public entities for cooperation and better understanding of the KAO's roles and obligations strengthened.</p> <p>3.1.1. To assess existing mechanisms used to establish, develop, and maintain relationships between KAO and public entities.</p> <p>3.1.2. To identify ways (e.g., through public sector auditor forum or CEO Forum) to strengthen mechanisms for developing and maintaining relationships with different public entities.</p> <p>3.1.3. To seek feedback on ways for KAO to improve itself and its engagement with public entities.</p> <p>3.2: Timely and more informed Parliament and select committees' discussions and actions on audit findings strengthened.</p> <p>3.2.1. To ensure timely and quality submission of reports, findings, and other information to Parliament.</p> <p>3.2.2. To ensure the provisions of timely and quality briefings, advice, and opinions to the Public Accounts Committee and other select committees.</p> <p>3.2.3. To strengthen timely responses and actions required on feedback and recommendations received.</p> <p>3.3: Positive partnerships with local, regional, and global organisations for mutual support, learning and cooperation on fostering good governance. built and strengthened.</p> <p>3.3.1. To identify all key partnerships of KAO and formalise these partnerships through Memoranda of Understanding, Service Agreements, Letters of Agreement, and other mechanisms.</p> <p>3.3.2. To develop and implement a policy and procedures on outsourcing of audit and other services.</p> <p>3.3.3. To seek feedback on ways for KAO to improve itself and its engagement with its partners.</p> <p>3.4. Public awareness of the KAO's roles and work raised.</p> <p>3.4.1. To develop and implement a Communication Strategy.</p> <p>3.4.2. To enhance visibility of the KAO's roles and work.</p> <p>3.4.3. To seek feedback on KAO work and implement relevant actions to improve KAO public image.</p>	<ul style="list-style-type: none"> - Mapping and assessment report on existing mechanisms used to establish, develop, and maintain relationships between KAO and public entities. - Communication and partnership strategy. - Reports on dialogues and communication. - Reports on awareness. - Training package and training reports. - M&E reports. - Feedback system in place. - Implementation reports. - Analyses/reports to management. - Policies, procedures, guidelines, and standards directing, guiding, and governing KAO interactions/engagement with the Parliament, Public Accounts Committee and other select committees. - Analyses/reports generated from the feedback system. - Checklist of feedback and recommendations received with regular monitoring and evaluation of those completed/actioned, not yet completed/actioned (outstanding), etc., and with explanatory notes for implementation status developed and used. - Analyses/ reports on mapping and stock take of the key local, regional, and global organisations that are integral partners to KAO and its work, including a stock take of the nature, purpose, and status of the partnerships. - Partnerships assessments. - Policy, procedures, and guidelines for outsourcing of audit services. - Reports on annual forum with partners as an open discussion platform on how auditing as a service, profession, discipline, field, or community of practice could be improved for Kiribati and the public sector in particular. - Reports to management on progress of implementation of these objectives. - Reports on awareness and promotion activities. - Findings/reports on regular/annual public surveys to gauge the public perception about the KAO. 	<p>Baseline (2022):</p> <p>- N/A</p> <p>Indicators & Targets (2026):</p> <p>3.1.1. 100% assessment of existing mechanisms used to establish, develop, and maintain relationships between KAO and public entities conducted/completed.</p> <p>3.1.2. 50% identification and adoption of ways (e.g., through public sector auditor forum or CEO Forum) to strengthen mechanisms for developing and maintaining relationships with different public entities.</p> <p>3.1.3. 50% feedback on ways for KAO to improve itself and its engagement with public entities are being considered.</p> <p>3.2.1. 70% of reports, findings, and other information to Parliament are submitted on time and are of high-quality.</p> <p>3.2.2. 70% of briefings, advice, and opinions to the Public Accounts Committee and other select committees are provided on time and are of high-quality.</p> <p>3.2.3. 70% of responses and actions required on feedback and recommendations received are provided on time and are assessed as of high-quality.</p> <p>3.3.1. 100% of key partnerships identified and formalised.</p> <p>3.3.2. 50% of policy and procedures on outsourcing of audit and other key related services in place.</p> <p>3.3.3. 50% of feedback on ways for KAO to improve itself and its engagement with partners considered.</p> <p>3.4.1. 100% of the Communication Strategy developed and is in place.</p> <p>3.4.2. 60% improved visibility of KAO's roles and work.</p> <p>3.4.3. 60% feedback on ways for KAO to improve its public image sought and with relevant actions implemented.</p>	<p>\$1,200,000.00</p>
TOTAL				\$3,240,000.00
* See Annexes A – E for the details on implementation activities, budget, and costings.				

C. Implementation plan

Vision: To become a world class independent national audit institution making positive impacts for the benefits of Kiribati and its people.																							
Mission: To provide quality and professional auditing and assurance services to all public entities and Parliament for enhanced transparency, accountability, governance, and economic use of public resources.																							
Outcome: A transparent, accountable, ethical, and effective Kiribati public sector.																							
Strategic Objectives, Strategies and Actions	Year 1		Year 2				Year 3				Year 4				Year 5				Expected outputs	Responsible (Lead)*	Implementing partners	Budget (AUD\$)	Inputs and Budget Descriptions
	Q3	Q4	2023		2024		2025		2026		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4					
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4					
Goal 1: Quality and value-adding auditing improved.																							
Strategic objective 1.1. To enhance the quality and timely conduct and submission of financial audits for all public entities.																							
1.1.1. To improve financial audit planning.																							
1.1.1.1. Develop SAI Kiribati 5 years strategic financial audit plan.	x	x																	Financial audit plan.	Principal Auditors	Public entities	70,000	TA if needed
1.1.1.2. Pilot the 5 years strategic financial audit plan.		x	x	x															M&E reports on pilot.	Principal Auditors	Public entities		covered under 1.1.1.1.1 above
1.1.1.3. Implement and monitor the implementation of financial audit plan.					x														M&E reports.	Principal Auditors	Public entities		covered under existing resources
1.1.1.4. Identify and address issues/factors impacting on the effective and efficient implementation of the financial audit plan.				x	x	x	x	x	x	x	x	x	x	x	x	x	x		Issues reports/papers submitted to management.	Principal Auditors	Public entities		covered under existing resources
1.1.2. To ensure that auditors and clients understand the financial audit requirements.																							
1.1.2.1. Document as part of the KAO policies and procedures the financial audit requirements (policies, procedures, standards, etc.).					x	x													Financial audit policies, procedures, methodologies, and guidelines.	HR Unit	Public entities	70,000	TA if needed
1.1.2.2. Issue the financial audit requirements to all public entities and including Parliament and relevant select committees.							x			x									Financial audit requirements located with all public entities.	HR Unit	Public entities		covered under existing resources
1.1.2.3. Conduct training and awareness on the financial audit requirements.			x			x				x									Training package and training reports.	HR Unit	Public entities	100,000	Awareness and training costs, TA costs if needed
1.1.2.4. Monitor and evaluate the effectiveness of the financial audit requirement and use findings to inform needed improvements.		x			x	x	x	x	x	x	x	x	x	x	x	x			M&E reports.	HR Unit	Public entities		
1.1.3. To complete and submit audit reports within the required timelines and the reports are of high-quality.																							
1.1.3.1. Carry out a stock take of required financial audits (with special attention to the outstanding ones) to be completed within the required timeline.		x	x			x	x			x	x								Stocktake reports.	Principal Auditors	Public entities		covered under existing resources

1.1.3.2. Assess the quality of audits reports and their status of meeting the requirements (timeline, standards, etc.)		x		x		x		x		x		x		x		x		x	Assessment reports.	Principal Auditors	Public entities	50,000	TA costs if TA is needed		
1.1.3.3. Seek support including obtaining expert advice to assist with improving audit reports and how to deal with significant or complex matters when required.	x		x		x		x		x		x		x		x		x		TA reports.	Principal Auditors	Public entities		covered under 1.1.3.2		
1.1.4. To carry out regular reviews of financial audit work and address areas needing improvement.																									
1.1.4.1. Seek feedback on the quality of audit reports.		x		x		x		x		x		x		x		x		x	Feedback reports.	Principal Auditors	Public entities	50,000	TA costs if TA is needed		
1.1.4.2. Seek independent expert reviews of financial audit work to identify areas needing improvement.		x		x		x		x		x		x		x		x		x	Independent reviews.	Principal Auditors	Public entities		covered under 1.1.4.1		
Indicative budget for Strategic Objective 1.1.																								340,000	
Strategic objective 1.2: To strengthen the quality and scope of compliance audits across the public sector.																									
1.2.1. To ensure compliance audit policies, procedures, methodologies, and guidelines are in place. effectiveness, coverage, and impact.																									
1.2.1.1. To assess the KAO's current and required capacities for compliance audits and identify what is needed to be in place and strengthened to improve the quality and scope of compliance audits.	x	x																	Assessment reports.	Principal Auditors	Public entities	100,000	TA inputs if needed		
1.2.1.2. To develop policies, procedures, methodologies, and guidelines for compliance audits.	x	x	x																Compliance audit policies, procedures, methodologies, and guidelines.	Principal Auditors	Public entities		covered under 1.2.1.1.		
1.2.1.3. Seek technical assistances or expert advice for the effective conduct of 1.2.1.1 and 1.2.1.2.	x	x	x																TA reports/reviews.	Principal Auditors	Public entities		covered under 1.2.1.1.		
1.2.2. To develop compliance audit planning.																									
1.2.2.1. Develop SAI Kiribati 5 years strategic compliance audit plan.			x	x															Compliance audit plan.	Principal Auditors	Public entities	70,000	TA if needed		
1.2.2.2. Pilot the 5 years strategic compliance audit plan.					x	x													M&E reports on pilot	Principal Auditors					
1.2.2.3. Implement and monitor the implementation of performance audit plan.						x	x	x	x		x	x	x		x	x	x		M&E reports.	Principal Auditors	Public entities		TA if needed, costs covered under 1.2.1.1.		
1.2.2.4. Identify and address issues/factors impacting on the effective and efficient implementation of the compliance audit plan.					x				x					x				x	Issues reports/papers submitted to management.	Principal Auditors	Public entities		TA if needed, costs covered under 1.2.1.1.		
1.2.3. To ensure auditors and clients understand the compliance audit requirements.																									
1.2.3.1. Document as part of the KAO policies and procedures the compliance audit requirements.	x																		Compliance audit requirements documented.	Principal Auditors	Public entities		covered under 1.2.1.1.		
1.2.3.2. Issue the compliance audit requirements to all public entities and including Parliament and relevant select committees.		x			x			x					x					x	Compliance audit requirements located with all public entities.	Principal Auditors	Public entities		covered under existing resources.		

2.1.1. To identify barriers and risks affecting the independence of the KAO and implement actions to strengthen the KAO's independence.																					
2.1.1.1. Using the 2020 PASAI Performance of KAO Report, carry out a proper assessment to identify the key barriers and risks of having an independent KAO.			x	x												Assessment report.	Management team	Public entities	100,000	TA inputs if needed	
2.1.1.2. Utilise the findings from 2.1.1.1 develop an action plan outlining what needs to be adopted and actioned.					x	x										Action plan.	Management team	Public entities		TA if needed, costs covered under 2.1.1.1.	
2.1.1.3. Monitor and evaluate the status of the independence of the KAO to enable itself to perform its roles effectively.		x				x				x					x	M&E reports.	Management team	Public entities		TA if needed, costs covered under 2.1.1.1.	
2.1.2. To assess the current situation and implement actions to strengthen the governance of KAO.																					
2.1.2.1. Assess the effectiveness of the current governance mechanisms of the KAO.		x			x				x						x	Assessment report.	Management team	Public entities		TA if needed, costs covered under 2.1.1.1.	
2.1.2.2. Based on findings from 2.1.2.2, adopt and implement the required mechanisms that will help strengthen the governance of the KAO.	x				x				x						x	Implementation report.	Management team	Public entities		TA if needed, costs covered under 2.1.1.1.	
2.1.2.3. Monitor and evaluate the status of the effectiveness of the governance of the KAO to enable itself to perform its roles effectively.		x				x				x					x	M&E reports.	Management team	Public entities		TA if needed, costs covered under 2.1.1.1.	
Indicative budget for Strategic Objective 2.1.																					
100,000																					
Strategic objective 2.2: To develop the KAO's human resource and operational capacity																					
2.2.1. To assess the KAO human resource (HR) capacity and implement actions to address gaps.																					
2.2.1.1. Carry out a comprehensive and independent assessment of the HR capacity of the KAO.			x													HR capacity assessment report.	HR Unit	Public entities	100,000	TA inputs if needed	
2.2.1.2. Use the findings of the assessment conducted under 2.2.1, to inform the KAO HR Strategy and action plan.				x			x								x	Revised/new HR Strategy and action plan.	HR Unit	Public entities		TA if needed, costs covered under 2.1.1.1.	
2.2.1.3. Implement key HR capacity priorities as per findings from 2.2.1.1				x				x							x	Revised/new HR Strategy and action plan.	HR Unit	Public entities	200,000	Lump sum allocation to support capacity development priorities.	
2.2.1.4. As part of 2.2.1.1 and 2.2.1.2, identify the staff capacity (including professional development and training) needs and seek opportunities to address those needs.					x			x	x						x	x	Staff capacity (professional and training) development plan/strategy.	HR Unit	Public entities		covered under 2.2.1.1 and 2.2.1.2.
2.2.2. To ensure that all required HR management (HRM) policies and procedures of the KAO are in place.																					
2.2.2.1. Based on the assessment conducted under 2.2.1.1, develop all the required HRM policies, procedures, and guidelines.					x	x										HRM policies, procedures, and guidelines.	HR Unit	Public entities		TA if needed, costs covered under 2.1.1.1.	
2.2.2.2. Conduct awareness and training on the HRM policies, procedures, and guidelines.							x								x	Awareness and training package and training reports.	HR Unit	Public entities	70,000	Awareness and training costs,	

3.2.1.3. Monitor and evaluate (based on policies, procedures, guidelines, and standards to assess how well KAO is performing its obligations to Parliament and to inform needed improvements.			x		x		x		x		x		x		x		x		x		x		M&E reports.	Principal Auditors	Public entities	70,000	TA if needed	
3.2.2. To ensure the provisions of timely and quality briefings, advice, and opinions to the Public Accounts Committee and other select committees.																												
3.2.2.1. Include in 3.2.1.1 above, how KAO should provide timely and quality briefings, advice, and opinions to the Public Accounts Committee and other select committees.	x	x																						Reports to management.	Principal Auditors	Public entities, Parliament, select committees.		TA if needed, costs covered under 2.3.2
3.2.2.2. Include as part of 3.2.1.3 above, the monitoring and evaluation of how well KAO is providing timely and quality briefings, advice, and opinions to the Public Accounts Committee and other select committees, and what is needed for improvement.		x		x		x		x		x		x		x		x		x		x		x		M&E reports.	Principal Auditors	Public entities, Parliament, select committees.		TA if needed, costs covered under 2.3.3
3.2.2.3. As part of 3.2.2.2, seek regular feedback from the committees on ways KAO could improve its performance in providing briefings, advice, and opinions.		x		x		x		x		x		x		x		x		x		x		x		Reports to management.	Principal Auditors	Public entities, Parliament, select committees.		covered under existing resources.
3.2.3. To strengthen timely responses and actions required on feedback and recommendations received.																												
3.2.3.1. Improve timely and quality responses of the KAO to inquiries, requests and other communication from Parliament and select committees as a way of building confidence of, and engagement with, Parliament and select committees.																								Reports to management on inquiries, requests, and other communications.	Principal Auditors	Public entities, Parliament, select committees.	100,000	TA inputs if needed
3.2.3.2. As part of the feedback system developed under 3.1.3.2 above, include a module/component that captures feedback and recommendations solicited/obtained from Parliament and select committees.	x																							Reports generated from the feedback system.	Principal Auditors	Public entities, Parliament, select committees.		TA inputs if needed, covered under 3.1.3.2
3.2.3.3. Incorporate as part of 3.2.3.2 a checklist of feedback and recommendations received with regular monitoring and evaluation of those completed/actioned, not yet completed/actioned (outstanding), etc., and with explanatory notes for implementation status.	x																							Checklist developed and used.	Principal Auditors	Public entities, Parliament, select committees.		TA inputs if needed, covered under 3.1.3.2
3.2.3.4. Analyse the information obtained from the feedback system and use it to inform how the KAO could improve itself and the ways it is working and engaging with Parliament and select committees.		x		x				x																Analyses/reports.	Principal Auditors	Public entities, Parliament, select committees.		TA inputs if needed, covered under 3.1.3.2
Indicative Budget for Strategic Objective 3.2.																												
170,000																												
Strategic objective 3.3: To build positive partnerships with local, regional, and global organisations for mutual support, learning and cooperation on fostering good governance.																												
3.3.1. To identify all key partnerships of KAO and formalise these partnerships through Memoranda of Understanding, Service Agreements, Letters of Agreement, and other mechanisms.																												
3.3.1.1. Conduct a mapping of all the key local, regional, and global organisations that are integral partners to KAO and its work,	x																							Mapping and stock take report.	HR Unit & Administration Unit	Public entities, private sector auditing firms,	100,000	TA inputs if needed

3.4.1.2. Implement the Communication Strategy.	x																	Implementation reports.	HR Unit & Administration Unit	auditing and related areas.	200,000	lump sum estimate for implementation of the Strategy.																							
3.4.1.3. Monitor and evaluate the effectiveness of the Communication Strategy including its implementation.		x		x		x		x		x		x		x		x		M&E reports.	HR Unit & Administration Unit			TA inputs if needed, covered under 3.1.1.1.																							
3.4.2. To enhance visibility of the KAO's roles and work.																																													
3.4.2.1. Guided by the communication strategy developed under 3.4.1 and implemented under 3.4.1.2 above, carry out awareness and promotion activities (multimedia - social media, local media, regional and global media, website, newspaper articles, etc.) on the KAO's roles and work.	x		x		x		x		x		x		x		x			Reports on awareness and promotion activities.	HR Unit & Administration Unit	Public entities, private sector auditing firms, regional and global organisations working in the space of auditing and related areas.	200,000	lump sum estimate for awareness and promotion activities.																							
3.4.2.2. Utilise public forums to communicate effective messages and to convey the right information about KAO's roles and work.	x																	Reports on awareness and promotion activities.	HR Unit & Administration Unit				covered under 3.4.2.1																						
3.4.2.3. Monitor and evaluate the visibility of the KAO's work whether it is improving or not, and how to further improve on current communication efforts.		x		x		x		x		x		x		x				M&E reports.	HR Unit & Administration Unit				covered under 3.4.2.1																						
3.4.3. To seek feedback on KAO work and implement relevant actions to improve KAO public image.																																													
3.4.3.1. Guided by the information obtained from the implementation of the Communication Strategy, analyse information/feedback received from the public to assess how KAO's image currently sits in terms of the public perception.	x				x					x								Analysis/reports.	HR Unit & Administration Unit	Public entities, private sector auditing firms, regional and global organisations working in the space of auditing and related areas. Public	50,000	TA inputs if needed																							
3.4.3.2. Conduct a regular (annual) public survey to gauge the public perception about the KAO.		x				x												Survey findings/reports.	HR Unit & Administration Unit			50,000	TA inputs if needed																						
3.4.3.3. Use the information/feedback received from 3.4.3.1 and 3.4.3.2 to identify relevant actions that needs to be implemented to raise KAO's public profile and image.				x														Reports on awareness and promotion activities.	HR Unit & Administration Unit				Covered under 3.4.3.2.																						
Indicative Budget for Strategic Objective 3.4.																																									500,000				
Indicative Budget for Goal 3.																																											1,200,000		
Grand Total																																												3,734,000	
* KAO needs to confirm (as part of their management and staff meeting discussions) internal divisions/sections/units and individual managers and staff who will have direct responsibility for implementation and achievement of the different strategies and objectives.																																													

D. Strategic Plan 2022-2026 budget

Goals, objectives, and strategies	2022	2023	2024	2025	2026	Total
Goal 1: Quality and value-adding auditing improved.						
Strategic objective 1.1. To enhance the quality and timely conduct and submission of financial audits for all public entities.						
1.1.1. To improve financial audit planning.	14,000	14,000	14,000	14,000	14,000	70,000
1.1.2. To ensure that auditors and clients understand the financial audit requirements.	70,000	40,000	20,000	20,000	20,000	170,000
1.1.3. To complete and submit audit reports within the required timelines and the reports are of high-quality.	10,000	10,000	10,000	10,000	10,000	50,000
1.1.4. To conduct regular reviews of financial audit work and address areas needing improvement.	10,000	10,000	10,000	10,000	10,000	50,000
Indicative budget for Strategic Objective 1.1.	104,000	74,000	54,000	54,000	54,000	340,000
Strategic objective 1.2: To strengthen the quality and scope of compliance audits across the public sector.						
1.2.1. To ensure compliance audit policies, procedures, methodologies, and guidelines are in place.	30,000	10,000	10,000	10,000	10,000	70,000
1.2.2. To develop compliance audit planning.	30,000	10,000	10,000	10,000	10,000	70,000
1.2.3. To ensure auditors and clients understand the compliance audit requirements.	20,000	20,000	20,000	20,000	10,000	90,000
1.2.4. To improve the scope and quality of audit reports and their timely completion and submission.	10,000		10,000			20,000
1.2.5. To conduct regular reviews of compliance audit work and address areas needing improvement.		10,000		10,000		20,000
Total Indicative Budget for Strategic Objective 1.2.	90,000	50,000	50,000	50,000	30,000	270,000
Strategic objective 1.3. To enable the conduct of performance, ICT, and environmental audits.						
1.3.1. To develop performance, ICT & environmental audit policies, procedures, methodologies, and guidelines.	50,000					50,000
1.3.2. To develop performance, ICT & environmental audit planning.	10,000	10,000	10,000	10,000	10,000	50,000
1.3.3. To ensure auditors and clients understand the Performance, ICT & environmental audit requirements.	20,000	20,000	20,000	20,000	20,000	100,000
1.3.4. To conduct Performance, ICT & environmental audits and that the audits meet the requirements.	20,000	20,000	20,000	20,000	20,000	100,000
1.3.5. To regularly review performance, ICT & environmental audit work and address areas needing improvement.	20,000	20,000	20,000	20,000	20,000	100,000
Indicative Budget for Strategic Objective 1.3.	120,000	70,000	70,000	70,000	70,000	400,000
Strategic Objective 1.4. To improve the implementation of audit recommendations by clients.						
1.4.1. To take stock of audit recommendations with outstanding implementation.	20,000	20,000	20,000	20,000	20,000	100,000
1.4.2. To develop policies, procedures, and mechanisms for follow-up of recommendations with clients, and how to deal with cases of non-compliance and/or failure to implement audit recommendations.	50,000					50,000
1.4.3. To update and maintain the database on audit recommendations.	20,000		10,000		10,000	40,000
1.4.4. To strengthen the implementation of actions needed to facilitate improvements with the implementation of audit recommendations.	10,000	10,000	10,000	10,000	10,000	50,000
Indicative Budget for Strategic Objective 1.4.	100,000	30,000	40,000	30,000	40,000	240,000
Indicative Budget for Goal 1.	415,000	215,000	190,000	195,000	165,000	1,250,000
Goal 2: KAO independence and capability strengthened.						
Strategic objective 2.1. To strengthen the independence and governance of the KAO.						
2.1.1. To identify barriers and risks affecting the independence of the KAO and implement actions to strengthen the KAO's independence.	10,000	10,000	10,000	10,000	10,000	50,000
2.1.2. To assess the current situation and implement actions to strengthen the governance of KAO.	10,000	10,000	10,000	10,000	10,000	50,000
Indicative budget for Strategic Objective 2.1.	20,000	20,000	20,000	20,000	20,000	100,000
Strategic objective 2.2: To develop the KAO's human resource and operational capacity						
2.2.1. To assess the KAO human resource (HR) capacity and implement actions to address gaps.	50,000	30,000	20,000			100,000
2.2.2. To ensure that all required HR management (HRM) policies and procedures of the KAO are in place.	40,000	40,000	40,000	40,000	40,000	200,000
2.2.3. To monitor and evaluate the implementation of the KAO HR Strategic Plan.	44,000	34,000	14,000	14,000	14,000	120,000
2.2.3. To establish and institutionalize the Chartered Accountants programme for staff.	0	64,000	0	500,000	0	564,000
Total Indicative Budget for Strategic Objective 2.2.	134,000	168,000	74,000	554,000	54,000	980,000
Strategic objective 2.3. To strengthen the KAO's policy, planning and operating systems.						

2.3.1. To conduct a policy and planning audit of the KAO.	50,000					50,000
2.3.2. To ensure that all the required policies, plans, strategies, and procedures for all functional, work, and operational areas of KAO are in place and used by staff and clients.	50,000					50,000
2.3.3. To ensure that all the required operating systems are in place.		20,000	20,000	20,000	10,000	70,000
Indicative Budget for Strategic Objective 2.3.	100,000	20,000	20,000	20,000	10,000	170,000
Strategic Objective 2.4. To ensure adoption and implementation of best practices and standards.						
2.4.1. To conduct a mapping and benchmarking of current audit systems (policies, procedures, methodologies, etc.) against international best practices and standards.	30,000					30,000
2.4.2. To conduct a mapping and benchmarking of all other systems (i.e., non-audit) (e.g., HR, policy, planning, ICT, administration) against international best practices and standards of non-compliance and/or failure to implement audit recommendations.	30,000					30,000
2.4.3. To address gaps and priorities in adopting and implementing best practices and standards.		10,000	10,000	10,000	10,000	40,000
Indicative Budget for Strategic Objective 2.4.	60,000	10,000	10,000	10,000	10,000	100,000
Indicative Budget for Goal 2.	314,000	154,000	124,000	104,000	94,000	1,354,000
Goal 3: Strategic influences through positive engagement and partnerships enhanced.						
Strategic objective 3.1. To strengthen relationships with public entities for cooperation and better understanding of the KAO's roles and obligations.						
3.1.1. To assess existing mechanisms used to establish, develop, and maintain relationships between KAO and public entities.	64,000	24,000	19,000	19,000	14,000	140,000
3.1.2. To identify ways (e.g., through public sector auditor forum or CEO Forum) to strengthen mechanisms adopted for developing and maintaining relationships with different public entities.	20,000	20,000	20,000	20,000	20,000	100,000
3.1.3. To seek feedback on ways for KAO to improve itself and its engagement with public entities.	30,000	10,000		10,000		50,000
Indicative budget for Strategic Objective 3.1.	114,000	54,000	39,000	49,000	34,000	290,000
Strategic objective 3.2: To enhance timely and more informed Parliament and select committees' discussions and actions on audit findings.						
3.2.1. To ensure timely and quality submission of reports, findings, and other information to Parliament.	20,000	15,000	15,000	10,000	10,000	70,000
3.2.2. To ensure the provisions of timely and quality briefings, advice, and opinions to the Public Accounts Committee and other select committees.	20,000	15,000	15,000	15,000	10,000	75,000
3.2.3. To strengthen timely responses and actions required on feedback and recommendations received.	5,000	5,000	5,000	5,000	5,000	25,000
Total Indicative Budget for Strategic Objective 3.2.	45,000	35,000	35,000	30,000	25,000	170,000
Strategic objective 3.3: To build positive partnerships with local, regional, and global organisations for mutual support, learning and cooperation on fostering good governance.						
3.3.1. To identify all key partnerships of KAO and formalise these partnerships through Memoranda of Understanding, Service Agreements, Letters of Agreement, and other mechanisms.	64,000	34,000	34,000	24,000	14,000	170,000
3.3.2. To develop and implement a policy and procedures on outsourcing of audit and other services.	7,000	5,000	4,000	4,000		20,000
3.3.3. To seek feedback on ways for KAO to improve itself and its engagement with its partners	10,000	10,000	10,000	10,000	10,000	50,000
Indicative Budget for Strategic Objective 3.3.	81,000	49,000	48,000	38,000	24,000	240,000
Strategic Objective 3.4. To raise public awareness of the KAO's roles and work.						
3.4.1. To develop and implement a Communication Strategy.	40,000	40,000	40,000	40,000	40,000	200,000
3.4.2. To enhance visibility of the KAO's roles and work.	40,000	40,000	40,000	40,000	40,000	200,000
3.4.3. To seek feedback on KAO work and implement relevant actions to improve KAO public image.	20,000	20,000	20,000	20,000	20,000	100,000
Indicative Budget for Strategic Objective 3.4.	100,000	100,000	100,000	100,000	100,000	500,000
Indicative Budget for Goal 3.	340,000	238,000	222,000	217,000	183,000	1,200,000
Grand Total	1,069,000	671,000	536,000	1,016,000	442,000	3,804,000

E. Monitoring and evaluation framework

Indicators	Baselines (2022)	Targets				Means of verification	Risks	Strategies to manage risks
		2023	2024	2025	2026			
<p>Vision: To become an independent and professional national audit institution making positive impacts for the benefits of Kiribati and its people.</p> <p>Mission: To provide quality and professional auditing and assurance services to all public entities and Parliament for enhanced transparency, accountability, governance, and economic use of public resources.</p> <p>Outcome: A transparent, accountable, ethical, and effective Kiribati public sector.</p> <p>Goals:</p> <ol style="list-style-type: none"> 1. Improving quality and value-adding auditing. 2. Strengthening our independence and capability as a Supreme Audit Institution. 3. Enhancing our strategic influences through positive engagement and partnerships. 								
Outcome level								
1. Increase in the public confidence in the KAO.	NA	20%	30%	40%	50%	Public survey.	<ul style="list-style-type: none"> • Limited attention including resources given to measure these indicators. • Slow development in KAO capacity to support performance improvement expectations. • Limited commitment towards adoption and implementation of the SP. 	<ul style="list-style-type: none"> • Support the leadership of the KAO to lead the implementation of the SP. • Treat the SP as a living document which is to be continuously review and refined based on implementation progress and learnings. • Seek technical assistances to provide the necessary support for the implementation of the SP.
2. % of citizens with responses that audit reports and findings presented and debated in Parliament published in the media and other platforms help them to become better informed about public spending and use of other public resources.	NA	10%	25%	30%	35%			
3. % of citizens with responses that published audit reports and findings influenced their views and help them to become more engaged with public policy issues and matters.	NA	10%	25%	30%	35%			
4. % increase in the overall assessment ratings of KAO performance.	17%*	20%	25%	30%	35%	PASAI assessment.		
5. % of financial audit reports that meet statutory requirements and standards.	0	10%	25%	30%	35%			
6. % of compliance audit reports that meet statutory requirements and standards.	0	10%	25%	30%	35%			
7. % of performance audit reports that meet statutory requirements and standards.	0	10%	25%	30%	35%			
8. % of ICT audit reports that meet statutory requirements and meet the standards.	0	10%	25%	30%	35%			
9. % of audit reports submitted to, and discussed by, the Parliament.	65%	70%	75%	80%	85%	PASAI assessment survey, feedback system.		
10. % of public entities satisfied with audits.	NA	20%	30%	40%	50%			
11. % of public entities indicated that the audits help improve their organisational systems and performances.	NA	20%	30%	40%	50%			
12. % of reports and recommendations endorsed by the Public Accounts Committee.	NA	20%	30%	50%	60%	Feedback system,		

13. % of recommendations that are either fully implemented or in the process of being implemented within two years.	NA	10%	25%	30%	50%	Administrative records.			
14. % of recommendations, excluding those no longer applicable, that are fully implemented within five years.	NA	20%	30%	50%	60%				
15. % of audit findings referred for further investigations by the police.	NA	5%	10%	15%	20%				
16. % of audit findings referred undergoing prosecution.	NA	5%	10%	15%	20%				
Output level									
Goal 1: Quality and value-adding auditing improved.									
Strategic objective 1.1. To enhance the quality and timely conduct and submission of financial audits for all public entities.						Administrative records. PASAI assessments. Feedback from clients.		<ul style="list-style-type: none"> Limited resources allocated towards improvements of these areas. Slow development in KAO capacity to support performance improvement expectations. Limited commitment towards adoption and implementation of the SP. 	
1.1.1. Financial audit plans are in place.	NA	100%	100%	100%	100%				<ul style="list-style-type: none"> Support the leadership of the KAO to lead the implementation of the SP. Treat the SP as a living document which is to be continuously review and refined based on implementation progress and learnings.
1.1.2. Compliance with financial audit requirements	NA	20%	30%	40%	50%				
1.1.3. Improvement in the timely submission and quality of scope/coverage, quality, and timely submission of financial audits.	NA	10%	15%	20%	25%				
1.1.4. Regular reviews of financial audit work.	NA	Annual review	Annual review	Annual review	Annual review				
Strategic objective 1.2: To strengthen the quality and scope of compliance audits across the public sector.									<ul style="list-style-type: none"> Seek technical assistances to provide the necessary support for the implementation of the SP.
1.2.1. Compliance audit policies, procedures, methodologies, and guidelines are in place.	NA	20%	30%	40%	50%				
1.2.2. Compliance audit plans are in place.	NA	100%	100%	100%	100%				
1.2.3. Compliance with compliance audit requirements.	NA	10%	15%	20%	25%				
1.2.4. Improvement in the scope/coverage, quality, and timely submission of compliance audits.	NA	10%	15%	20%	25%				
1.2.5. Regular reviews of compliance audit work.	NA	Annual review	Annual review	Annual review	Annual review				
Strategic objective 1.3. To enable the conduct of performance, ICT, and environmental audits.									
1.3.1. Performance, ICT & environmental audit policies, procedures, methodologies, and guidelines are in place.	NA	20%	30%	40%	50%				
1.3.2. Performance, ICT & environmental audit plans are in place.	NA	100%	100%	100%	100%				
1.3.3. Compliance with performance, ICT & environmental audit requirements.	NA	10%	15%	20%	25%				
1.3.4. Improvement in the quality and timely submission of performance, ICT & environmental audits.	NA	10%	15%	20%	25%				

1.3.1. Regular reviews of performance, ICT & environmental audit work.	NA	Annual review	Annual review	Annual review	Annual review			
Strategic Objective 1.4. To improve the implementation of audit recommendations by clients.								
1.4.1. Stocktake of audit recommendations with outstanding implementation are in place.	NA	100%	100%	100%	100%			
1.4.2. Policies, procedures, and mechanisms for follow-up up of recommendations with clients, and how to deal with cases of non-compliance and/or failure to implement audit recommendations are in place.	NA	20%	30%	40%	50%			
1.4.3. Database on audit recommendations is up to date.	NA	50%	60%	70%	80%			
1.4.4. Actions needed to facilitate improvements with the implementation of audit recommendations developed and implemented are being undertaken.	NA	30%	40%	50%	60%			
Goal 2: KAO independence and capability strengthened.								
Strategic objective 2.1. To strengthen the independence and governance of the KAO								
2.1.1. Barriers and risks affecting KAO's independence and actions to address those barriers and risks identified.	NA	100%	100%	100%	100%			
2.1.2. Assessment of the current governance of KAO completed with actions to address the key issues identified and implemented.	NA	100%	100%	100%	100%			
Strategic objective 2.2: To develop the KAO's human resource and operational capacity								
2.2.1. Assessment of the HR capacity and actions identified to address gaps conducted/completed.	NA	100%	100%	100%	100%			
2.2.2. HR policies and procedures are in place.	NA	20%	30%	40%	50%			
2.2.3. M&E reports on the KAO HR Strategic Plan.	NA	Annual review	Annual review	Annual review	Annual review			
2.2.4. Increase in HR capacity of KAO.	28%**	30%	35%	40%	50%			
Strategic objective 2.3. To strengthen the KAO's policy, planning and operating systems.								
2.3.1. Audit of KAO's policy and planning conducted/completed.	NA				100%			
2.3.2. Required policies, plans, strategies, and procedures for all functional, work, and operational areas of KAO are in place and used by staff and clients.	NA				50%			
2.3.3. Required operating systems are in place.	NA				50%			
						Administrative records. PASAI assessments. Feedback from clients.	<ul style="list-style-type: none"> Limited resources allocated towards improvements of these areas. Slow development in KAO capacity to support performance improvement expectations. Limited commitment towards adoption and implementation of the SP. 	<ul style="list-style-type: none"> Support the leadership of the KAO to lead the implementation of the SP. Treat the SP as a living document which is to be continuously review and refined based on implementation progress and learnings. Seek technical assistances to provide the necessary support for the implementation of the SP.

<u>Strategic Objective 2.4. To ensure adoption and implementation of best practices and standards.</u>									
2.4.1. Mapping/benchmarking of current audit systems (policies, procedures, methodologies, etc.) against international best practices and standards conducted/completed.	NA					100%			
2.4.2. Mapping/benchmarking of all other systems (i.e., non-audit) (e.g., HR, policy, planning, ICT, administration) against international best practices and standards of non-compliance and/or failure to implement audit recommendations conducted/completed.	NA					100%			
2.4.3. Gaps and priorities in adopting and implementing best practices and standards are being addressed.	NA					40%			
Goal 3: Strategic influences through positive engagement and partnerships enhanced.									
<u>Strategic objective 3.1. To strengthen relationships with public entities for cooperation and better understanding of the KAO's roles and obligations.</u>									
3.1.1. Assessment of existing mechanisms used to establish, develop, and maintain relationships between KAO and public entities conducted/completed.	NA					100%			
3.1.2. Ways (e.g., through public sector auditor forum or CEO Forum) to strengthen mechanisms for developing and maintaining relationships with different public entities identified and adopted.	NA					50%			
3.1.3. Feedback on ways for KAO to improve itself and its engagement with public entities sought and considered.	NA					50%			
<u>Strategic objective 3.2: To enhance timely and more informed Parliament and select committees' discussions and actions on audit findings.</u>									
3.2.1. Reports, findings, and other information to Parliament are submitted on time and are of high-quality.	NA	30%	40%	50%	70%				
3.2.2. Briefings, advice, and opinions to the Public Accounts Committee and other select committees are provided on time and are of high-quality.	NA	30%	40%	50%	70%				
3.2.3. Responses and actions required on feedback and recommendations received are provided on time and are assessed as of high-quality.	NA	30%	40%	50%	70%				
							Administrative records. PASAI assessments. Feedback from clients.	<ul style="list-style-type: none"> Limited resources allocated towards improvements of these areas. Slow development in KAO capacity to support performance improvement expectations. Limited commitment towards adoption and implementation of the SP. 	<ul style="list-style-type: none"> Support the leadership of the KAO to lead the implementation of the SP. Treat the SP as a living document which is to be continuously review and refined based on implementation progress and learnings. Seek technical assistances to provide the necessary support for the implementation of the SP.

Strategic objective 3.3: To build positive partnerships with local, regional, and global organisations for mutual support, learning and cooperation on fostering good governance.								
3.3.1. Key partnerships identified and formalised.	NA				100%			
3.3.2. Policy and procedures on outsourcing of audit and other key related services are in place.	NA				50%			
3.3.3. Feedback on ways for KAO to improve itself and its engagement with partners sought and considered.	NA				50%			
Strategic Objective 3.4. To raise public awareness of the KAO's roles and work.								
3.4.1. Communication Strategy developed and is in place.	NA				100%			
3.4.2. Improved visibility of KAO's roles and work.	NA	20%	30%	50%	60%			
3.4.3. Feedback on ways for KAO to improve its public image sought and with relevant actions implemented.	NA	20%	30%	50%	60%			

NA - not available * only 3 (out of 18 areas) received an assessment rating of 2 or 3 (out of 4) in the 2020 PASAI assessment report.

F. Situational analysis

1. Kiribati and its development status

Our country, the Republic of Kiribati, located in the central Pacific, is a sovereign island developing state, who gained independence from the United Kingdom in 1979. It is made up of 33 atolls (32 are low lying and 21 are inhabited) dispersed over 3.5 million km² of ocean and 811km² of land area. The country is divided into three main island groups: Gilbert Islands, Line Islands, and Phoenix Islands. The total population is 120,740,¹ 90% of which live in the Gilbert Islands group, with around half of the population living in South Tarawa (where the capital situates), which is one of the most densely populated areas in the world.

Kiribati's system of government is a blend of both the British and American systems of government. The President is the Head of State and is also the Head of Government who is elected following nominations from amongst the 46-member parliament. The (national) parliament (*Maneaba ni Maungatabu*) comprised of 44 elected members, one nominated member (from the Banaban community in Rabi, Fiji Islands) and one ex-officio member (the Attorney General). The President appoints his/her own Cabinet, which is composed of the President, Vice President, Attorney General, and up to 10 ministers. The governance of the islands is shared between the central government and local government which is consisted of (20) island councils and (3) town/urban councils.

As an 'island nation' (also known as 'a nation of water'), Kiribati is one of the most geographically dispersed, remote, and vulnerable countries in the world. It is classified as a low-income country and a least developed countries in terms of development status. It has few natural resources since the depletion of phosphate mines which was the country's major source of income until 1980. Economic activities remain limited, driven mainly by subsistence fisheries and copra, public sector, and service industry. Table 1 summarises Kiribati's development performances based on some of the key global development indicators.

Table 2: Kiribati national development performance

National Performance indicators	Kiribati's status/rank
GDP per capita (US\$)	• US\$1,654 (World Bank, 2020) ²
Classification by income level	• Low-income country (World Bank, 2020)
Gross National Income per capita	• US\$2,960 (World Bank, 2020)
Human Development Index (HDI)	• 134 (out of 189 countries) (Human Development Report 2020) ³
Multidimensionally poor population	• 19.8% (2018) (Human Development Report 2020)

2. National Kiribati Audit Office

The KAO is established under the (1979) Kiribati Constitution. Its mandate is to audit and to report annually on the Public Accounts of Kiribati and all departments, offices, courts, and authorities of Government. This includes the accounts of state-owned enterprises (SOEs) (or public bodies) and development projects and carry out special and ICT (information and communication technology) audits.

¹ 2021 estimate by the Secretariat of the Pacific Community (SPC) based on the 2005 census and an annual population of 1.7% - see <https://sdd.spc.int/ki>, accessed 5 April 2022.

² Classifications range from low, lower-middle, upper-middle, and high incomes, based on Gross National Income per capita. See <https://datahelpdesk.worldbank.org>, accessed 5 April 2022.

³ See <https://hdr.undp.org/sites/default/files/Country-Profiles/KIR.pdf>, accessed 5 April 2022.

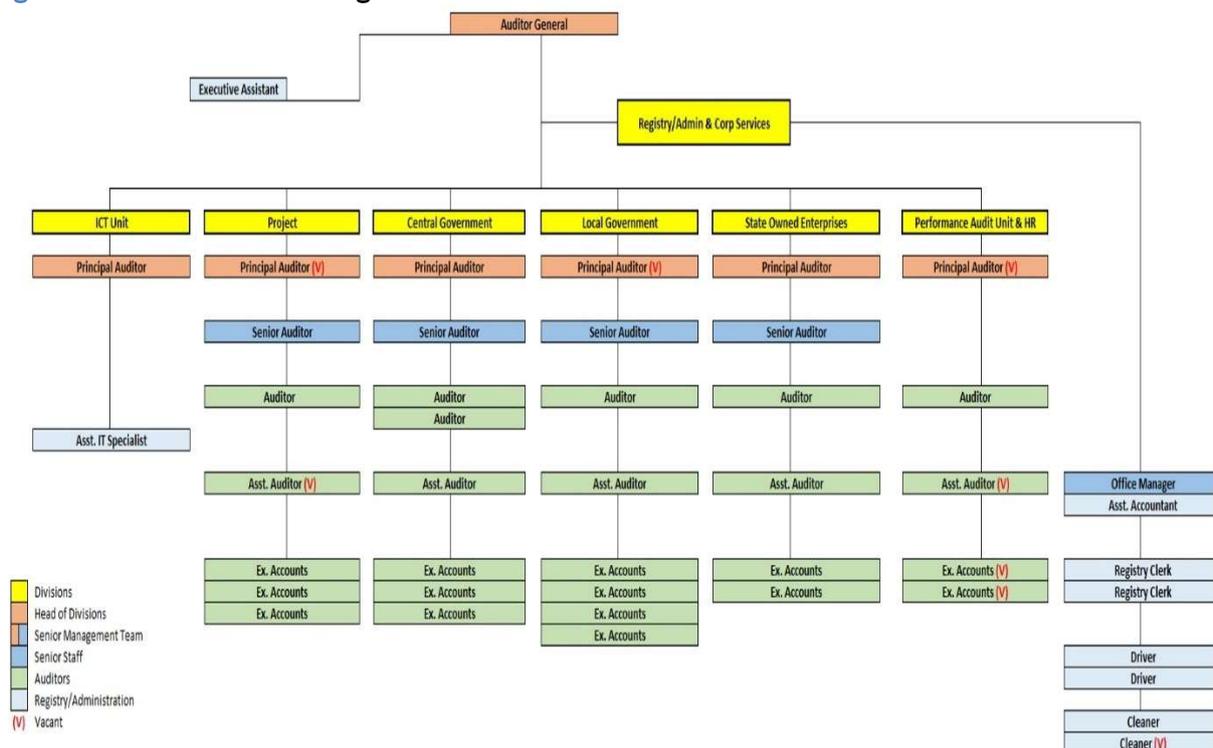
The performance of these roles is reinforced and operationalised under Section 37 of the Finance (Control and Audit) Act, and the Kiribati Audit Office Act 2017.

The Auditor General is appointed by the President. Section 114 (4) of the Constitution gives the Auditor General complete independence in the discharge of his/her statutory functions without interference or restriction from the executive government. Any attempt to violate the Auditor General’s independence will become the subject of a report to the *Maneabani Maungatabu* (Parliament) in accordance with Section 41 of the Finance (Control and Audit) Act.

The KAO’s core functions ranges from financial, performance, compliance, ICT, and environmental auditing services - across a portfolio covering 20 government ministries, 23 SOEs, 23 island councils, 3 missions, and around 9 development projects. However, of the four key types of audits (financial, compliance, performance, and ICT) practiced by SAs worldwide, only financial and compliance audits are currently carried out in Kiribati. The KAO aimed to introduce performance, ICT as well as environmental audits and it is considering actions to develop the take up of these types of audits across the public sector.

The KAO consists of a total of around 47 staff including the Auditor General – 39 auditing staff and 8 administrative and support staff (see Figure 1). The organisation is structured into seven main divisions: central government (ministries); local government (island and town councils); SOEs; projects; performance audit; ICT; and registry/administration & corporate services. The six core functional divisions are headed by a Principal Auditor while the registry/administration & corporate services division is headed by an office manager.

Figure 1: Kiribati Audit Office’s organisational structure



3. Strategic linkages

The KAO contributes to the achievement of the Government's development aspirations for Kiribati as articulated in the Kiribati 20-year Vision (2016-2036) and Kiribati Development Plan (KDP) 2020-2030. The Kiribati 20-year Vision (KV20) is the long-term development plan with a vision of: 'Kiribati to become *'a wealthy, healthy and peaceful nation with the people at the centre of it all'*. KV20 is anchored on four pillars: wealth; peace and security; infrastructure; and governance. The governance pillar in which the KAO Strategic Plan directly contributes to aims to:

Create a corruption-free society by strengthening national and local traditional governance policy and legislative frameworks; fostering and strengthening the integrity and independence of institutions mandated to promote good governance and eliminate corruption; strengthen strategic partnerships and institutionalise anticorruption and good governance principles in the public service and education systems in Kiribati.

The KV20 is operationalised through the KDP (medium-term plan) and Strategic Plans of government ministries/agencies. The KDP 2020-2030 further reiterates the government vision of *'a wealthy, healthy and peaceful nation'*. It outlines six key priority areas for Kiribati's development in the medium-term, which are: harnessing our human wealth; growing our economic wealth and leaving no-one behind; improving our health; protecting our environment and strengthening resilience; good governance; and developing our infrastructure.

Governance or good governance is a cross-cutting area and although it is being identified as a key pillar and key priority area in both the KV20 and KDP, it is applicable to all pillars and priority areas of these long-term and medium-term development plans of the government for Kiribati. Under KDP key priority area 5: good governance, it specifically stated that:

Good governance is based on the principle of accountability and transparency. It is a critical pillar in protecting the fundamental rights and freedoms of the people of Kiribati... Governance permeates all levels of society starting from the three arms of Government (Parliament, Executive and Judiciary) down to grassroots communities. A democratic system of government is a government of the people, by the people and for the people. It is essential that our people are well informed on the Government's public expenditure and legal obligations to national, regional, and international treaties and conventions. The three arms of Government are expected to provide an effective and efficient service to the public, to be transparent and accountable in the use of public monies and to provide an enabling and conducive environment to the wellbeing and happiness of our people. The Government of Kiribati aims for a corrupt-free society through the strengthening of its legislative and regulatory frameworks and the enforcement of and compliance to such frameworks, which also includes enhancing institutional independence to promote good governance and eliminate corruption.

The above strategic directions set out in the KV20 and KDP provide the overarching development linkages for the KAO Strategic Plan. They underscore the valuable contribution of the KAO towards ensuring that good governance is achieved, maintained, and sustained in Kiribati's key governance institutions across all levels. KAO as the Supreme Audit Institution (SAI) has a direct contribution to good governance as a key pillar and development priority under the KV20 and KDP, Kiribati's key national development plans and policies.

This Strategic Plan is also anchored on the common goals, principles, standards, and best practices of Supreme Audit Institutions (SAIs) in the region and at the global level.

4. Our strengths, weaknesses, opportunities, and threats

To map the strategic development direction for the KAO, it is important that we fully understand KAO's current situation as an organisation in terms its key strengths, weaknesses, opportunities, and threats (SWOT). The SWOT analysis of the KAO is summarised in Figure 2:

Figure 2: Kiribati Audit Office SWOT Analysis

<p style="text-align: center;"><u>STRENGTHS</u></p> <ul style="list-style-type: none"> • Mandate defined under the Constitution. • Financial audit coverage of 65%, based on standards and risk-based approach. • Moderate performance audit quality. • Mostly timely submission of financial audit reports. • Published annual audit report. • Quality control and archiving processes defined. • Communicating audit results with the Public Accounts Committee (PAC). • Head of SAI experienced and well respected. 	<p style="text-align: center;"><u>WEAKNESSES</u></p> <ul style="list-style-type: none"> • Performance auditing is limited. • SAI does not make separate audit reports public, only summaries. • Limited compliance and performance audit coverage. • Poor recruitment and selection processes. • Lack of sufficient competent staff. • Limited engagement with the media. • ICT and environmental auditing not yet taken up by the SAI.
<p style="text-align: center;"><u>OPPORTUNITIES</u></p> <ul style="list-style-type: none"> • Public Accounts Committee interested in having more performance audits. • Donors have basic confidence in the national Public Financial Management system, including the SAI. • New International Financial Management Information System (IFMIS) rolled out. • New Anti-Corruption Commission keen to partner with SAI. • Technical support may be available from PASAI and other regional and global organisations. 	<p style="text-align: center;"><u>THREATS</u></p> <ul style="list-style-type: none"> • Executive interference – ruling part is worried that performance audits may question its policies and service delivery. • Ministry of /finance is closely involved in setting the SAI budget. • SAI staff that are not professionally qualified may try to block moves to professionalise the SAI. • The country’s state of emergency due to the recent natural disaster and Covid-19 affecting performances.

a) Strengths

The KAO is a constitutional authority in the Republic of Kiribati. As such, it has the legal mandate required under the supreme law of Kiribati to audit and report on all public accounts of the country. This gives special and higher authoritative powers to the Auditor General to perform his/her roles and functions as set out in Kiribati’s supreme law. The Constitution further prescribes that ‘in the exercise of his functions under this section, the Auditor General shall not be subject to the direction or control of any other person or authority’. This signifies the need for the Auditor General and his office (delegates) to have independence so that it can conduct its roles and functions in an effective, efficient, apolitical, impartial, ethical, and professional manner. Kiribati has adopted a modern democratic system of government, and the Auditor General and his/her office (as an integral part of this system) has a fundamental role to contribute towards the development and maintenance of democratic and good governance principles and practices in the Kiribati’s governance system.

The KAO is a core ‘checks and balances’ of government and is the public watchdog for public accountability for Kiribati. It has a fundamental role to serve and protect the public interest by checking that the government and its institutions are spending and using public monies wisely and responsibly, which will help with preventing corruption and unethical behaviours, as well as upholding the integrity of the state/government system. These requirements for the audit office (of any government) if performed effectively and efficiently, and widely understood by the public, provide the public trust and confidence that their government has due diligence systems and processes in place for public transparency and accountability, to safeguard the integrity of the government system, and that the government is conducting itself in accordance with good governance and democratic practices. The stakeholder consultation confirmed that stakeholders have a high regard, respect, and expectation of the KAO to perform its role and to meet its functional requirements as part of Kiribati’s democratic governance system.

Our other strengths include having in place systems, planning and methodologies, as well resources (human, office support, computing, finance, stationeries, etc.) which enable the office and staff to perform its basic audit functions spanning across a large portfolios of government ministries and

departments, state-owned enterprises/public bodies, local councils, and development programs/projects. The fact that the audit office/organisation exists and has the resources to continuously function and to maintain its existence and contribution signify that this is a strength of the KAO that needs to be highlighted. One of the key strengths highlighted in the 2020 KAO Performance Report conducted by the Pacific Association of Supreme Audit Institutions (PASAI) is that KAO 'has a very good coverage of financial statements that were received to be audited', 'has managed to submit their financial audit reports to legislature and publish them on their website within the stipulated time', and has 'good coverage and timely submission and publication of financial audit reports' that are 'facilitated by the fact that KAO's legal framework clearly defines its reporting responsibilities and timelines'. These strengths need to be promoted for continuous momentum and to encourage positive progress and ongoing improvements.

b) Weaknesses

The KAO has identified key weaknesses with its organisation as summarised in Figure 2 above, which are also highlighted in the 2020 PASAI KAO Performance Report. KAO's performance and ongoing development are shaped by the context in which it operates, that context has strengths, weaknesses, opportunities, and threats influencing and shaping how KAO functions and performs as a SAI. For instance, the overall public financial management system in which KAO operates (and as a part of) is weak and is affecting the timeliness and quality of financial statements (and other key information) available to be audited. The consultation highlighted the need to strengthen financial management capacity and accounting systems across various public sector organisations as quality audits depend on having in place good financial management and accounting systems. According to the above 2020 PASAI KAO Performance Report the KAO 'is performing at the lowest level across most domains where most of the key features are not established or barely functioning with a few areas at the development level'. This means that the organisation needs development and strengthening across all areas of its organisation in terms of its operating systems, policies, structures procedures and processes, and capacities across all functional and work areas. Key weaknesses identified include:

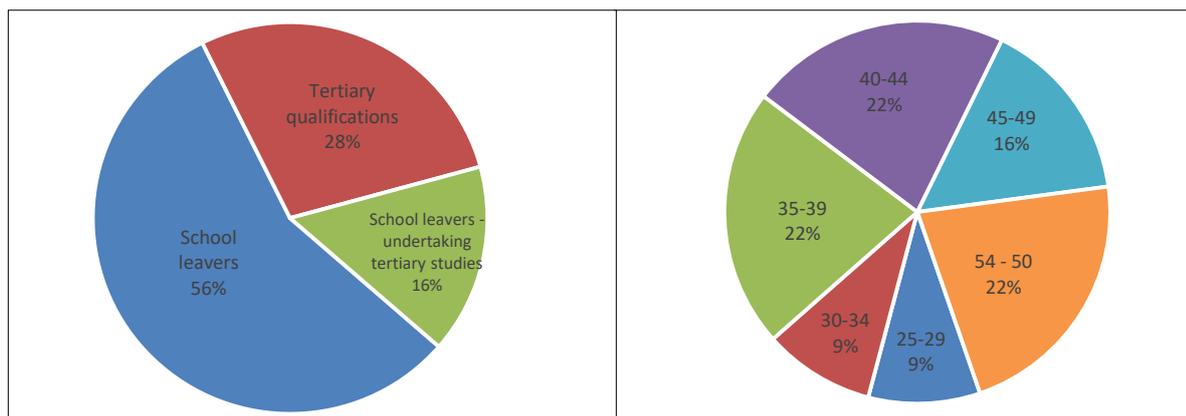
- KAO has not conducted any performance, environmental and ICT audit activities. While there is a good coverage of financial audits, coverage of compliance audits is low.
- The quality of financial and compliance audit reports reviewed is not in line with ISSAIs (International Standards for Supreme Audit Institution).
- Audit manuals are outdated, and staff are not trained in ISSAIs prescribed audit methodologies.
- Limited internal control, quality assurance and internal governance systems and audit planning.
- Absence of having in place a systematic and structured follow-up mechanisms for auditors to plan, implement and report on follow-up actions.
- Limited staff capacities which are influenced by the country's weaker educational system and is contributing to the non-performance of other audit functions and low calibre of having a qualified and professional audit workforce in-country and including the KAO.

Other weaknesses (see Figure 2) include the lack of budget utilisation;⁴ limited staff training; ineffectiveness and inefficiencies with internal office operational systems (e.g., records and information (files/registry) management, computers malfunctioning, correspondences handling, timely payment of fees and funds recovery, and procurement); and difficulties with conducting timely audits for remote island offices. Having in place policies and standard operating procedures and guidelines covering technical and administrative functions is another area of weakness. Proper planning and resource management including staff management, human resource management and financial management are other areas highlighted as needing improvements. The consultation further highlighted weaknesses in the working infrastructure of the KAO which affect the effective and efficient staff work performances and morale.

⁴ While KAO identified limited budget allocation and budget cuts as a weakness, the PASAI 2020 KAO Performance Report highlighted that the approved annual budget of the KAO has never fully utilised.

All these weaknesses are attributed to capacity limitations of the KAO in terms of having sufficient qualified and experienced staff with the required skills and experiences to perform core and supporting roles of the Office. Figure 3 shows that this remains a challenge for KAO; only 28% of staff have tertiary qualifications while a total of 56% of staff are school leavers (i.e., those who completed secondary schools) without any formal qualifications at the tertiary level. Auditing is a specialised field and having the basic qualification is needed for staff to become competent in this field. Also, the KAO workforce has an aging population with most staff (38%) at the ages of 45 years old and above. Discussions with staff highlighted that turnover of qualified staff (those with the relevant qualifications and experiences) is an ongoing issue for the KAO.

Figure 3: KAO current workforce age and qualifications



c) Opportunities

The KAO is presented with various opportunities which it must seize and utilise to help improve and strengthen its internal systems and capacities as well as the performance of its core roles and functions. These (as identified in Figure 2 above) include financial assistances/support from development partners (global and regional); availability of training (academic and specialised) for staff; and affiliations with key international audit institutions (providing technical support and assistances as well as training). As a small island nation with limited domestic technical capacities, the availability of ongoing financial and technical support to KAO is important for the development, strengthening and improvement of its organisational systems, policies, procedures, and capacities. Other opportunities include projects implemented to help improve awareness of KAO; IT applications and tools and office facilities; availability of printing facilities; public awareness; and appropriate customer services.

Other potential opportunities highlighted in the 2020 KAO Performance Report that KAO will need to consider include having more opportunities to interact with stakeholders, partners and citizens for inputs and feedback on KAO's work; developing skills in auditing and non-auditing areas (financial, leadership, management, etc.) including developing soft skills which can help staff with performing their roles more effective and efficient; diversifying the recruitment process; and strengthening human resource practices for improving the caliber of the KAO workforce.

d) Threats

Several threats continue to impact on the ability and capacity of the KAO to perform its role and functions in an effective and efficient manner. Some of the factors contributing to these threats are systemic issues concerning the environment and system in which KAO operates as an organisation. Raised in the 2020 KAO Performance Report and during the (staff and stakeholder) consultation is the lack of independence of the KAO which attributed mainly to limited independence of the Head of KAO (or the Auditor General), as well as the lack of financial independence/autonomy of KAO. In the above 2020 Performance Report, the overall independence of KAO was assessed as 2 (out of 4), which is at the

moderate level. Other attributing factors include a lack of legal protection against any interference with KAO's independence while carrying out its duties; the KAO not free to propose its own budget directly to the legislature; and the conditions of the appointment/reappointment of the Auditor General not stipulated in the legislation. There are cases in the past years where the Auditor General was removed from office through ways that compromised the KAO's independence.

Other threats identified include power interruption and internet activity problems affecting staff work productivity; staff turnover;⁵ access limitations to client records/information and missing correspondences (affecting quality and timely audits); lack of confidence with outsourcing audit functions; delays with submission of financial statements and audit recommendations; and late payments of audit fees by clients. These are systemic matters that affect staff productivity and performance. The KAO is part of the government structure and Kiribati's society, and as such, threats to the government's overall financial and governance systems also pose threats to KAO and how it performs its functions and duties in an independent, professional, and effective manner. The unfolding impact of Covid-19 on the global economy and public services worldwide including Kiribati necessitates the need to rethink the ways audit institutions operate given the many risks on human and financial resources, limitations in connectivity and communications, and difficulties in delivering on mandates. It is important that KAO adapts to these ongoing changing dynamics in its operating environment to maintain its relevance and improve on its performances.

5. Learnings from the implementation of the previous strategic plan 2016-2019

A review of the previous Strategic Plan (SP 2016-2019) was conducted to inform the development of the next SP. A detailed assessment of the status of the implementation of the SP 2016-2019 is provided in [Appendix 1](#). The KAO was provided with this template (in Appendix 1) to complete for the Review and to provide the assessment information as per the last three columns of the template. Based on this assessment provided by KAO, the overall concluding assessment is that the implementation of the previous SP was limited, with only two (out of a total of 39) performance indicators assessed as partially achieved while the other 37 performance indicators were not achieved. The 39 performance indicators corresponded to the SP 2016-2019 goals of: enhance efficiency in the production of audited public annual accounts; strengthening staff capacity building; improve quality of audit service and Institutional capacity development; and improve KAO Infrastructure. There were 13 objectives identified under these four goals (see Appendix 1). The review/assessment comments provided by the KAO were mostly 'no records', and 'unable to answer'. These overall review/assessment findings of the SP 2016-2019 can suggest the following overall learnings:

- The SP 2016-2019 was not a living document where the KAO could refer to it regularly to guide its strategic planning and development initiatives and for mapping and measuring performances.
- The monitoring and evaluation process of the SP 2016-2019 was absent as shown by the comments of 'no records' or 'unable to answer'.
- The responses from KAO on its assessment of its SP indicate that KAO could not conduct a self-reflection or judgement about where it is as an organisation in terms of its overall performance across the different work areas and organisational systems and processes. This is a capacity limitation.
- Understanding and ownership of the SP 2016-2019 might be an issue. Discussions with KAO staff indicated that this SP was developed under the previous leadership of the KAO and most of the staff who were with the KAO during this SP have left the office. When asked about their assessment of this SP, the AG and some of the staff stated they could not provide an assessment as this SP was developed under the previous management and they are fairly new to the office. Staff turnover appeared as a critical issue.

⁵ Staff turnover was identified in the 2020 KAO Performance Report by PASAI as a key factor to the under-utilisation of the KAO budget.

6. Key development issues and areas

The assessment carried out by PASAI (detailed in the 2020 KAO Performance Report), review of the available documentary evidence, and (staff and stakeholder) consultation show that the KAO needs to develop a number of its organisational systems (re policies, structures, operational procedures, processes and systems, capacities, etc.) to strengthen and improve its performances as the SAI in Kiribati. Figure 4 below reiterated the performance assessments/ratings of KAO as a SAI across a total of 22 areas required for the KAO to have independence and legal framework; internal governance and ethics; audit quality and reporting; financial management, assets & support services; human resources and training; and communication and stakeholder management.

Figure 4 shows that KAO is performing well in only two areas (mandate and financial audit results) - given an assessment rating of 3 (out of 4). However, a total of 18 (out of 22) (or 84%) areas are assessed as either 0 or 1 (out of 4) - with 10 areas (or 45%) receiving an assessment of zero. Only 3 areas received an assessment rating of 2 and 3 (out of 4). Areas rated 0 (i.e., not yet in place) include 'organisational control environment', 'overall audit planning', 'financial audit standard and quality management', 'financial audit process', performance audit standards and quality management', 'performance audit process', 'compliance audit standards and quality management', 'financial management, assets and support services', and communication with the legislature, executive and judiciary'. The KAO does not outsource any audit work to external parties. Areas assessed as 1 (out of 4) include audit coverage; compliance audit process; compliance audit results; strategic planning cycle; leadership and internal communication; human resources management; professional development and training; and communication with media, citizens, and civil society organisations.

These organisational areas of KAO as a SAI are interrelated and mutually reinforcing.⁶ As such, all of them need to be developed and strengthened concurrently and in an integrated manner. They present the KAO's strategic priority areas for development - informing the strategic development areas of this Strategic Plan and its focus for the next five years.

Figure 4: Assessment of Kiribati Audit Office's Performance

Source: 2020 PASAI KAO Performance Report



⁶ For example, improving quality audit requires effective leadership and human resource management practices and having in place clear and robust guiding policies and procedures that are based on recognised international standards and practices.

Appendix 1: KNAO Strategic Plan 2016-2019 REVIEW

Key Performance Indicators	Verifiable Indicators	Means of Verification	Review questions	What was implemented (Evidence)? Challenges and/or what was achieved (success)	Implementation status (rate) ⁷
Goal 1 To enhance efficiency in the production of audited public annual accounts (Output 5.4.1)					
Objective 1.1 To enhance timely submission of audited public account report to parliament and other stakeholders					
1.1.1 To complete and submit all audit report to parliament within the year of receipt of financial statements.	• 85% audit reports completed and submitted to Parliament.	KNAO Database on completed audit reports.	• Has KNAO met the 85% target?	• No records, unable to answer	0/4
1.1.2 To improve Audit Planning of all audit engagements.	• Consistent improvement in context of Audit reports.	ditto	• Are Audit reports consistent in context. What is the improvement over the years?	• No records, unable to answer	
1.1.3 To fully acquaint Clients with the importance of fulfilling the requirements of the audit arrangement letter.	• More than 95% clients submit their responses to audit queries.	Annual Audit Report on Government Annual Account.	• Is the 95% target being met? What is the evidence to confirm if this is being met?	• No record, unable to answers	
1.1.4 To carry out regular review of audit work (one to one basis) and provide, if possible, instant training.	• 60% of Working Papers properly reviewed.	Audit WP Box File.	• Is the 60% target being met? Evidence?	• No records, unable to answer	
1.1.5 To strengthen the existing Entry and Exit Meeting with Clients.	• 85% no. of meeting conducted.	KNAO Database on completed audit reports.	• Is the 85% target being met? Evidence?	• No records, unable to answer	
1.1.6 Regular briefing to PAC members.	• 100% attendance.	ditto	• Is the 100% target being met? Evidence?	• No records, unable to answer	
Objective 1.2 To provide sustainable effective supports and monitoring of Audit Team					
1.2.1 To provide sustainable working tools and materials.	• 75% access to working tools (Laptops, etc.).	Asset Register.	• Is the 75% target being met? Evidence?	• No records, unable to answer	0/4
1.2.2 To provide reliable transport for AT to arrive on time at their workplaces.	• 5% delayed on drop off.	Driver's logbook.	• Is the 5% target being met? Evidence?	• No records, unable to answer	
1.2.3 To perform a regular review of division's plan and individual time management portfolio.	• 100% individual outputs reviewed.	Audit WP and Time sheet/ Divisional plan.	• Is the 100% target being met? Evidence?	• No records, unable to answer	
Objective 1.3: To increase the audit coverage of remote auditee.					
1.3.1 Conduct full audit of remote island councils and missions	• No of Island Council and Missions Audit report completed annually.	KNAO Database	• What is the number of island councils and missions with completed audit reports annually?	• No records, unable to answer	0/4
Objective 1.4 To improve consistent implementation of audit recommendation by clients					
1.4.1 To provide highly reliable information system infrastructure and power back up.	• 95% accessibility to website by clients	KNAO website	• Is the 95% being met. What is the evidence?	• No records, unable to answer	0/4
1.4.2 To maximize following up of recommendations with clients.	• 95% Implementation of recommendations by client		• Is the 95% being met. What is the evidence?	• No records, unable to answer	
1.4.3 To include in the current audit report previous recommendations still outstanding.	• ditto			• No records, unable to answer	
1.4.4 To maintain and update Database on Audit recommendations and to provide effective communication with clients.	• ditto	KNAO records		• No records, unable to answer	
Goal 2 Strengthening staff capacity building					
Objective 2. 1: To maximize audit training opportunities both internal and external					
2.1.1 To conduct regular in-house audit training	• 50% training coverage	KNAO record.	• is the 50% training coverage met? What is the evidence?	• No record	0/4

⁷ Using a rating of 0 – 5: 5– fully achieved (100%); 3 – partially achieved (60%); and 0 – not achieved. Rate between 0-5 (0, 1, 2, 3, 4, and 5) can be selected to indicate a fair assessment of the level of achievement.

2.1.2 Attending overseas twinning audit training programs (iCISA, Malaysia, PASAI)	<ul style="list-style-type: none"> 80% (4/5) attendance at funded trainings courses and 40% (2/5) locally funded trainings. 	Report from PIF.	<ul style="list-style-type: none"> Is the 80% being met? What is the evidence? 	<ul style="list-style-type: none"> No records 	
2.1.3 Attending local short term training programs (Accounting packages, registry skills, etc).	<ul style="list-style-type: none"> 50:50. 	KNAO record.	<ul style="list-style-type: none"> Is the 50:50 met? If not, what is the status? 	<ul style="list-style-type: none"> No records 	
Objective 2. 2: Maximize number of qualified and Professional Qualification staff holders.					
2.2.1. To increase number of academically and/or professionally qualified staff.	<ul style="list-style-type: none"> Increase proficiency to 70%. 	KNAO Record	<ul style="list-style-type: none"> is the 70% increase proficiency being met? What is the evidence? 	<ul style="list-style-type: none"> No records 	0/4
2.2.2 To support all staff to pursue professional qualification	<ul style="list-style-type: none"> Increase by 5% per annum. 		<ul style="list-style-type: none"> is the 5% increase being met? Evidence? 	<ul style="list-style-type: none"> No records 	
Objective 2. 3: To continuously review current audit methodologies and adopting best audit practices					
2.3.1 To conduct a review and update SAS Methodologies and training to public including Island Councils.	<ul style="list-style-type: none"> Fully Implement the current SAS methodologies / Four Island Councils are trained per annum. 	KNAO record	<ul style="list-style-type: none"> Are the current SAS methodologies fully implemented? Are the four island councils trained annually? 	<ul style="list-style-type: none"> Not fully implemented 	2/4
2.3.2. Attending relevant overseas audit seminars or training for exposure to other best audit practices adopted by other SAI.	<ul style="list-style-type: none"> Attendance of 2 staff at regional training program and 2 for fully funded external training program. 		<ul style="list-style-type: none"> Are 2 staff provided with regional training and 2 for external training being met? Evidence? 	<ul style="list-style-type: none"> No records 	
Objective 2.4: To provide comprehensive audit training on Performance Auditing					
2.4.1 To increase twinning training arrangement program on PA and other audit streams.	<ul style="list-style-type: none"> No. of completed audit reports on Development Partner's projects (World Bank, PIPA). 	KNAO records	<ul style="list-style-type: none"> What is the number of completed audit reports on Development Partners' projects? 	<ul style="list-style-type: none"> No twinning known 	0/4
2.4.2 Attending INTOSAI Performance Audit Standard Subcommittee meetings, including ACAG.	<ul style="list-style-type: none"> 100% Attendance. 	KNAO Audit report 2012	<ul style="list-style-type: none"> Is the 100% attendance being met? 	<ul style="list-style-type: none"> Unknown 	
Goal 3: Improve quality of audit service and Institutional capacity development					
Objective 3.1 To reconsider a separate Audit Act (drafted in 1996) and align with international interventions					
3.1.1 To form up a Review Committee to revisit and make any necessary amendments to the drafted Audit Bill, 1996.	<ul style="list-style-type: none"> Reviewed 2016 and Enacted 2017. 	INTOSAI/ KNAO records	<ul style="list-style-type: none"> Has the Audit Act been amended and when? 	<ul style="list-style-type: none"> No amendment known 	0/4
3.1.2 To draft regulation to support the Bill.			<ul style="list-style-type: none"> Are regulations in place? Need a copy. 	<ul style="list-style-type: none"> No regulations known 	
Objective 3.2 To revise the audit manual in order to align it with FR 11, FAM and PAM					
3.2.1 Conduct a review on the FR11, FAM and PAM	<ul style="list-style-type: none"> No. of completed financial and performance audit reports. 	KNAO Records	<ul style="list-style-type: none"> What is the number of completed financial and performance audit reports? 	<ul style="list-style-type: none"> no records 	0/4
3.2.2 Conduct pilot training on revised Audit Manual	<ul style="list-style-type: none"> Increase no. of high-quality reports. 		<ul style="list-style-type: none"> What is the increase in the number of high-quality reports? 	<ul style="list-style-type: none"> no records 	
3.2.3 To have the Audit Manual easily accessible for use by staff	<ul style="list-style-type: none"> Full access to Audit manual. 		<ul style="list-style-type: none"> Do staff full access to the Audit Manual? What is the evidence that they? 	<ul style="list-style-type: none"> no records 	
Objective 3.3: To effectively adopt and comply with International Auditing and Accounting Standards.					
3.3.1 Conduct Training on requirement for ISSAI, IAS, IFRS, IPSAS	<ul style="list-style-type: none"> Fully compliant with requirements. 	KNAO Audit report	<ul style="list-style-type: none"> Is there a full compliant with the requirements for ISAAI, etc.? 	<ul style="list-style-type: none"> Partly comply 	2/4
3.3.2 Attend iCAT training, Seminars, Conference	<ul style="list-style-type: none"> Reduce gap between current practice with International Standards 	KNAO record	<ul style="list-style-type: none"> what is the current gap now – compared to before? Evidence? 	<ul style="list-style-type: none"> No proper assessment. 	
Objective 3.4 To strengthen ICT Audit Section					
3.4.1 - Improve and support KNAO IT Strategic plan (appendix 2)	<ul style="list-style-type: none"> No. of IT Audit reports produced on Public IT System annually. 	KNAO records	<ul style="list-style-type: none"> What is the number of IT Audit reports produced annually? Evidence? 	<ul style="list-style-type: none"> no records 	0/4
3.4.2 Attending meeting/seminar/Training of INTOSAI Working Group on IT Audit	<ul style="list-style-type: none"> 80% Attendance. 		<ul style="list-style-type: none"> Is the 80% attendance being met? Evidence? 	<ul style="list-style-type: none"> no records 	
Objective 3.5 To improve relationship with all stakeholders					
3.5.1) Promote and advocate (Citizenship Engagement) Public Awareness on Audit reports and statutory functions	<ul style="list-style-type: none"> Generate 3% increase of third-party informant and to correct 	KNAO records	<ul style="list-style-type: none"> Is the 3% being generated? And has public perception been corrected? What is that perception? Evidence? 	<ul style="list-style-type: none"> No records 	0/4

	public perception on KNAO's structure.				
3.5.2) Improve and sustain KNAO website (www.knao.gov.ki)	<ul style="list-style-type: none"> 85% accessibility of KNAO's audit reports, etc., by all stakeholders. 	ditto	<ul style="list-style-type: none"> Is the 85% accessibility being met? If not, what is the status? Evidence? 	<ul style="list-style-type: none"> No records 	
3.5.3) Produce annual KNAO performance measurement report (ISSAI compliant)	<ul style="list-style-type: none"> Eradicate stakeholders' mistrust on KNAO's work. 	ditto	<ul style="list-style-type: none"> Is stakeholders' mistrust on KNAO's work being eradicated? Evidence? 	<ul style="list-style-type: none"> No records 	
Goal 4: To improve KNAO Infrastructure					
Objective 4. 1: To have one office building, including a board and training room for all staff					
4.1.1) To seek funding assistance for KNAO Office building, from Gok Other Gov't Expenses and the use of non-renewable energy sources.	<ul style="list-style-type: none"> Enhance flow of information and reduce complaints from customers. 		<ul style="list-style-type: none"> Is the flow of information enhanced? Evidence? - Are the complaints from customers reduced? How much? Evidence? 	<ul style="list-style-type: none"> no records 	0/4
4.1.2) To have security access to office and to provide fire extinguisher.	<ul style="list-style-type: none"> To make KNAO's work more efficient and cost effective. 		<ul style="list-style-type: none"> Is KNAO's work more efficient and cost effective. In what it is? How do we know this is the case? Evidence? 	<ul style="list-style-type: none"> no records 	
4.1.3) To acquire a power back up, power surge.	<ul style="list-style-type: none"> 100% safe and security to KNAO office. - 10% Reduction in energy consumption. 		<ul style="list-style-type: none"> Does the KNAO office 100% safe? - Is there a 10% reduction in energy consumption? Evidence? 	<ul style="list-style-type: none"> no records 	
4.1.4) To provide each staff with good working space, table and chairs and counter including facilities for customers.	<ul style="list-style-type: none"> 70% reduction in absenteeism and customers complaints kept at a minimum at 1% pa. 		<ul style="list-style-type: none"> Is there a 70% reduction in absenteeism? Evidence? - Are customers complaints kept at a 1% p.a. minimum? Evidence? 	<ul style="list-style-type: none"> no records 	