

# BARBADOS AUDIT OFFICE

## STRATEGIC PLAN

2012 – 2016

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### *INTRODUCTION*

The authority establishing the office and functions of the Auditor General is set out in Section 113 of the Constitution of Barbados. The statutory duty of the Auditor General as provided in the Constitution is to conduct audits and examinations in order to report on how well ministries, departments, statutory bodies and other Government controlled entities have managed their affairs and complied with rules, regulations and directives. Accordingly the subjects of legislative audits are varied and address the following:

- ! Whether expenditures have been made in accordance with the wishes of Parliament,
- ! The fairness in the presentation of financial statements of various Government agencies,
- ! The quality of financial management and control within Government,
- ! Whether existing procedures are effective in managing the assessment, collection and proper classification of Government revenues,
- ! Constraints to the effective management of government resources
- ! Instances where expenditures have been made without due regard to economy or efficiency

The Audit Office currently has a staff compliment of 74 persons headed by the Auditor General. Sixty- five officers are directly involved in auditing.

The Financial Management and Audit Act 2007-11 also outlines the functions and responsibilities of the Audit Office and requires the Auditor General to submit a report annually to the Speaker of the House of Assembly. This Annual Report shall contain the results of the audit examinations, along with any failure to observe enactments or other laws of Barbados.

The vision, mission and core values of the Office reflect this role as follows: -

### ***VISION***

*To be recognized as a model public sector institution known for its independence, professionalism and credibility.*

### ***MISSION***

*To contribute to public accountability by providing assurance and information to Parliament and the people of Barbados about the effectiveness of public sector financial management and use of resources.*

### ***CORE VALUES***

***We will uphold the following values in the performance of our work:***

- Independence:** ! Providing audit services in an objective and fair manner
- Integrity:** ! Exhibiting the highest standards of ethical behavior
- Professionalism:** ! Our work reflects our commitment and is consistently of a high standard
- Learning and Innovation:** ! Continually seeking improved ways of performing our work

### ***OUR GOALS, OBJECTIVES, GENERAL STRATEGIES, AND ACTION PLANS***

The Audit Office is seeking to function as a role model for public sector institutions by setting high standards for its management and products. Meeting these standards will maintain the Office's integrity and validate its recommendations that focus on improving the operations and services of Government agencies.

The Office provides two principal services. Firstly, it issues independent opinions on Government financial reports. Secondly, it conducts performance and compliance audits on public sector operations.

Government has changed its basis of accounting from cash to an accrual one the accrual basis of accounting is more complex than the cash basis, and requires a more rigorous examination of policies, standards and assumptions made by the audit entity before an audit opinion can be made. There have been considerable shortcomings the recent financial statements by the Government resulting in the Office not being able to express an opinion on these statements. Our continuing review of the financial activities of Government would indicate that some of the issues raised are unlikely to be resolved in the near future and special attention will have to be given to the continuing review of many of the areas highlighted.

With respect to the second principal service, the Office will continue to focus on conducting performance auditing, targeting high risk areas. The small nature of the society, the expression of the public's concern about wastage and poor service delivery in state enterprises and the information gained by our auditors provides the genesis of many of our performance audits. In addition some heads of Departments are requesting the assistance of the Office in reviewing their activities. The Office must therefore have a trained cadre of staff to conduct these audits.

The preparation of this strategic plan has been influenced by such factors as the desire of management to improve the Office's operations, the increased expectations of Parliament and the public about its work. The plan summarized in this document provides the foundation for positive change within our operations, and provides a road map for the future of the Office.

## **BARBADOS AUDIT OFFICE: STRATEGIC PLAN 2012-2016 – (STRATEGIC GOALS & OBJECTIVES)**

### **VISION**

To be recognized as a model public sector institution known for its independence, professionalism and credibility

### **MISSION**

To contribute to public accountability by providing assurance and information to Parliament and the people of Barbados about the effectiveness of public sector financial management and use of resources

**GOAL 1** Focus audits on matters offering the greatest potential for contribution to improved performance and accountability in the public service

**Objectives** Conduct audits related to the needs and interests of stakeholders  
 Conduct Office-wide, risk-based planning and approach for audits  
 Promote improvements in the relationships between the Office and PAC in order to increase the utilization of our reports

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**GOAL 2** Improve the quality of the audit process

**Objectives** Build performance standards into our practices.  
 Put in place a quality control and quality assurance system for audit activities  
 Exchange experience through further broadening and developing of bilateral cooperation with other supreme audit institutions on different levels.  
 Provide high quality and timely audit reports that include practical recommendations  
 Improve the strategic planning and implementation process  
 Exchange experience through further broadening and developing of bilateral cooperation with other supreme audit institutions

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**GOAL 3** Ensure that there is the required skill, expertise and resources to enable the Office to effectively fulfill its mandate

**Objectives** Develop the competencies and capabilities of staff through continuous training  
 promote an appraisal and evaluation system with clear rules for professional and career development  
 Establish a structured audit rotation program that broadens the experiences and capabilities of staff.  
 Secure adequate staffing levels

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**GOAL 4** Establish and maintain an effective and efficient information system. Including acquisition of appropriate hardware & software.

**Objectives** Improve the Office's internal information system.  
 Improve the Office's external communications  
 Establishment of pension's manual  
 Acquisition of Audit Management Software

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**PROPOSED STRATEGIES FOR ACHIEVING GOALS & OBJECTIVES**

<b>GOAL 1</b>	<b><i>FOCUS AUDITS ON MATTERS OFFERING THE GREATEST POTENTIAL FOR CONTRIBUTION TO IMPROVED PERFORMANCE AND ACCOUNTABILITY IN THE PUBLIC SERVICE</i></b>
<b>Objective 1.1</b>	<b>Conduct audits related to the needs and interests of stakeholders</b>
Proposed	! Consider for examination matters of significance alluded to by key stakeholders ! Strive to listen to and understand the points of view of our auditees and, where appropriate, reflect these in our findings

Strategies	! Monitor the extent to which recommendations have been implemented
<b>Objective 1.2</b>	<b>Conduct Office-wide, risk-based planning and scheduling for audits</b>
Proposed Strategies	! Consider a number of risk factors when selecting which programs to audit in a particular audit period ! Prioritization of audits into classes based on risk assessments
<b>Objective 1.3</b>	<b>Promote improvements in the relationships between the Office and PAC in order to increase the utilization of our reports</b>
Proposed Strategies	! Seek to enhance the Office's dialogue and relationship with the Public Accounts Committee ! Assist PAC with formulating strategies for the interviewing of witnesses ! Conduct audits suggested by PAC
<b>GOAL 2</b>	<b>IMPROVE THE QUALITY OF THE AUDIT PROCESS</b>
<b>Objective 2.1</b>	<b>Build performance standards into our practices</b>
Proposed Strategies	! Apply professional audit standards, methodology, and practices consistently across the Office ! Update audit manuals for compliance with ISSAIs ! Develop and introduce comprehensive audit management software into the Office
<b>Objective 2.2</b>	<b>Put in place a quality control and quality assurance system for audit activities</b>
Proposed Strategies	! Conduct annual quality assurance reviews on Financial & Value- for- Money Audits ! Develop a quality control mechanism in audit management software ! Train staff in the use of the quality review templates ! Improve current templates
<b>Objective 2.3</b>	<b>Exchange experience through further broadening and developing of bilateral cooperation with other supreme audit institutions on different levels</b>
Proposed Strategies	Conduct parallel or cooperative audits Obtain VFM & compliance manuals from other jurisdictions for review
<b>Objective 2.4</b>	<b>Provide high quality and timely audit reports that include practical recommendations</b>
Proposed Strategies	! Improved monitoring of timeliness and quality of audit work ! Allocate sufficient resources to financial & performance audits ! Devote a significant percentage to performance auditing and to administrative and other developmental activities
<b>Objective 2.5</b>	<b>Improve the strategic planning and implementation process</b>
Proposed Strategies	! Provide senior staff with training in strategic planning ! Revise strategic plan annually ! Develop annual operational plans Monitor implementation process of plans against goals

<b>Objective 2.6</b>	<b>Exchange experience through further broadening and developing of bilateral cooperation with other supreme audit institutions</b>
Proposed Strategies	<ul style="list-style-type: none"> <li>! Conduct parallel or cooperative audits</li> <li>! Exchange information &amp; visits with other SAIs</li> </ul>
<b>GOAL 3</b>	<b><i>ENSURE THAT THERE IS THE REQUIRED SKILL, EXPERTISE AND RESOURCES TO ENABLE THE OFFICE TO EFFECTIVELY FULFILL ITS MANDATE</i></b>
<b>Objective 3.1</b>	<b>Develop the competencies and capabilities of staff through continuous training</b>
Proposed Strategies	<ul style="list-style-type: none"> <li>! Establishment of section or post(s) within Office with responsibility for training</li> <li>! Conduct a comprehensive review of the Office's professional development needs, and prepare a plan for the acquisition of training to meet these needs</li> <li>! Establish a systematic training program that would entail the transfer and application of knowledge and skills to all Audit officers</li> </ul>
<b>Objective 3.2</b>	<b>Establish an appraisal and evaluation system with clear rules for professional and career development</b>
Proposed Strategies	<ul style="list-style-type: none"> <li>! Introduce the Performance Review and Development System as a developmental tool</li> <li>! Develop assessment model for advancement in Office</li> </ul>
<b>Objective 3.3</b>	<b>Establish a structured program that enables new staffers to become productive auditors equipped with the requisite skills and competencies</b>
Proposed Strategies	<ul style="list-style-type: none"> <li>! Introduce an induction system for staff entering the Office</li> <li>! Develop training material for entry level staff</li> </ul>
<b>Objective 3.4</b>	3.1 Secure adequate staffing levels
Proposed Strategies	Work with personnel Administration Division to fill vacancies in the Office
<b>GOAL 4</b>	<b><i>ESTABLISH AND MAINTAIN AN EFFECTIVE AND EFFICIENT COMMUNICATION/INFORMATION SYSTEM</i></b>
<b>Objective 4.1</b>	Improve the Office's internal communications
Proposed Strategies	<ul style="list-style-type: none"> <li>! Establish and maintain a modern, up-to-date intranet system</li> <li>! Establish/maintain an information system that allows easy access to relevant information in a timely manner</li> <li>! Continuous improvement and updating of computers and other IT equipment</li> <li>! Ensure that all relevant information is communicated in a timely manner</li> </ul>
<b>Objective 4.2</b>	<b>Improve the Office's external communications</b>
Proposed Strategies	<ul style="list-style-type: none"> <li>! Enable members of the public to have access to the information and reports of the Office, and have the ability to provide feedback</li> <li>! Modernization and maintenance of an accessible, useful and up-to-date official web site</li> </ul>
<b>Objective 4.3</b>	<b>Develop Pensions Manual</b>

Proposed Strategies	Recruit former pension experts to assist with preparing pensions manual
<b>Objective 4.4</b>	<b>4.1 Acquisition of Audit Management Software</b>
Proposed Strategies	<ul style="list-style-type: none"> <li>! Secure funding for Development of Audit Management Software</li> <li>! Source software developer</li> <li>! Develop software</li> </ul>