

# GSP II Reflection Learning Sharing

## Oversight accountability

### Capacity Development for Internal Audit Units

#### Introduction

This project fact sheet reflects on the development and roll-out of the Capacity Development Programme offered to the Internal Audit Units, Senior Officials and Oversight body members of Steve Tshwete and the Local Municipalities of Chris Hani, Amathole and Ehlanzeni during July, August and September 2021. The report further articulates next steps to roll out the programme in a sustainable and effective manner.

#### Diagnostic Analysis

A GiZ study, commissioned early in 2020 to assess the capacities of Internal Audit (“IA”) units of its eight partner municipalities, identified that most IA units did not have an approved Quality Assurance Improvement Programme (“QAIP”) in place. It further identified that most IA units did not conduct periodic assessments to evaluate conformance with the Definition of Internal Auditing, the Code of Ethics and the Standards.

The report recommended that Chief Audit Executives (“CAEs”) implement QAIPs to demonstrate professionalism, value and commitment to quality. Further, that CAEs leverage IA capabilities at Provincial and National Treasury when planning and conducting periodic assessments.

#### Project Description

The objective of the project was to develop and deliver a QAIP capacity development programme to the Internal Audit units, Senior Officials and Oversight bodies of the Steve Tshwete Local Municipality and the municipalities falling under the Amathole, Ehlanzeni and Chris Hani District Municipalities. After completion of the inception report and finalisation of the scope, the project was conducted in five distinct phases:



#### Overview of Project

The capacity development programme was rolled out from June to September 2021 as follows:

SCOPE OF WORK	DELIVERABLES	FOLIO OF EVIDENCE
Inception report	Inception report including scope of work of project plan approved on 31 may 2021	POE#1
Objective 1: Equip officials with the skills, knowledge & expertise required to meet the Standards.		
Generic QAIP & implementation Guidelines	Generic QAIP & implementation guidelines, including peer-to-peer review mechanism presented on 28 June 2021	POE#2
Objective 2: Develop 7 workshop guidelines for practitioners & officials alike in order for them to support municipal performance & improved audit outcomes Phase 2: Design capacity development programme including finalisation of training material		
Capacity Development Programme	Capacity building programme including training material for internal audit units, senior officials & oversight bodies presented on 28 June 2021	POE#3
Objective 3: Promote conformance with Internal Audit Standards for improved performance & effectiveness Phase 3: Roll out the capacity Development Programme (implementation) in the three District Municipalities & Steve Tshwete		
Workshops	Reflection reports, survey results, attendance registers & evaluation forms: 3x QAIP workshops (one in each district municipality) were held for Internal Auditors: Ehlanzeni: 21-23 July 2021 Chris hani: 3-5 August 2021 Amathole/Steve Tshwete: 10-12 August 2021	POE#4
	3x Workshops(one in each district municipality) were held for Senior Officials & oversight body members: Ehlanzeni (2 hours): 20 July 2021 Chris hani (2.5 hours): 29 July 2021 Amathole/Steve Tshwete (2.5 hours): 12 August 2021	POE#5
Objective 4: To foster peer learning & support amongst municipalities for mutual support & continued professional development Phase 4: Facilitate Customisation of QAIPs & implementation plans		
Customisation of generic QAIPs & Implementation Guidelines	Once-on-One engagements (8 hours each) with CAEs in the 8 GSP-partner municipalities Facilitating the customisation of generic QAIPs & implementation guidelines	POE#6 (at date of report)
Objective 5: Project Close-out report		
Project Fact Sheet	Key aspects of the project captured on 2 pages in line with a request from GIZ	POE#7
Clode out report	Close out report with recommendations for roll-out and institutionalisation of the Capacity Development Programme presented to the Steering Committee on 21 September 2021	POE#8

## Interventions



### 3X3 DAY WORKSHOPS

Topic: How to develop & implement the QAIP  
Participants: CAEs & IAs  
Objectives:

- Have a general understanding of the mandatory & recommended of a QAIP
- Understand the model for the quality assessment process: apply & use the related tools of the Quality Assessment Manual published by the IIA to identify areas of focus for a QAIP
- Design the ongoing quality assessment of internal Audit Process
- Design a periodic assessment related to the Governance segment of IAA
- Formulate a periodic internal; assessment/ self assessment of the Internal Audit Activity
- Develop metrics & design reports of results for your QAIP

Timing:  
Ehlanzeni: 21-23 July 2021  
Chris hani: 3-5 August 2021  
Amathole/ Steve Tshwete: 10-12 August 2021  
8X1 DAY CAE MENTORSHIP ENGAGEMENT  
Purpose: Customise QAIP & implementation guidelines; Participants: CAE & expert  
Timing: September 2021

### 3X3 1/2 DAY WORKSHOPS

Topic: Understanding roles & responsibilities of Senior Management & oversight bodies in terms of the QAIP

Participants: CFO, Accounting Officer, other senior officials, Audit Committee & MPAC members

- Objectives:
- Attain an awareness of the mandatory & recommended guidance relating to a QAIP
  - Understand the roles & responsibilities of Senior Management & Oversight Bodies
  - Understand the requirements of Standard 1320 reporting
  - Effectively communicate expectation to enable the development of an effective iAA strategy

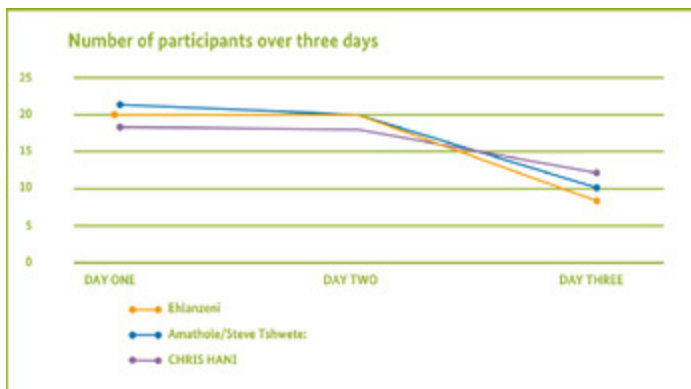
Timing:  
Ehlanzeni: 20 July 2021  
Chris hani: 29 July 2021  
Amathole/ Steve Tshwete: 12 August 2021

## Outcomes

The 3-day QAIP workshops for Internal Auditors and the 2½-hour workshops for Senior Officials and Oversight bodies were generally well attended, well received and met the workshop objectives.

## Number of Participants

The chart shows high numbers on day 1 and 2 of the 3-day workshops and declining numbers on day 3.



The chart shows fair to strong representation for the oversight training.



## Knowledge Products

KNOWLEDGE PRODUCT	POE REFERENCE NUMBER
Generic Quality Assurance and Improvement Programme and implementation guidelines	#2
QAIP Training Material:	#3
<ul style="list-style-type: none"> <li>▪ Internal Auditors</li> <li>▪ Senior Officials and Oversight bodies</li> </ul>	
Customised QAIP and implementation guidelines	#6
Recorded training sessions:	#9
<ul style="list-style-type: none"> <li>▪ Internal Auditors</li> <li>▪ Senior Officials and Oversight bodies</li> </ul>	
Project Fact Sheet	#7
Close out report	#8

## Links to knowledge products

The knowledge products provided to GIZ will be hosted by NT and links for download will be available to practitioners.

## Duration

Start: 23rd April 2021  
Completion: 30th September 2021

## Location

Mpumalanga and Eastern Cape

## Reflection: Project Success

ELEMENT	OVERSIGHT BODIES AND SENIOR OFFICIALS	INTERNAL AUDIT UNITS
1. Informative pre-workshop sessions	A pre-workshop survey was completed by senior officials and oversight. An average of 30% of the participants completed the survey and confirmed by either strongly agreeing or agreeing that core elements of the QAIP are in place.	A sample of CAEs were interviewed early in the project to validate the focus areas for the QAIP training.
2. Workshops well attended	The workshops were generally well attended.	Attendance was excellent on the first two days.
3. Active participation	Participants were encouraged to utilise the chat box functionality of Teams to pose questions, and complete polls and evaluation feedback during and at the end of each workshop. Engagement especially by members of the Oversight Bodies was encouraging.	Participants played an active role in all workshop activities and were encouraged to present feedback after breakout sessions.
4. Adequate level of awareness / understanding	Eight polls were taken in each workshop to gauge participants' understanding and awareness of concepts explained during the workshop. On average 30% of participants responded to the polls and 81% of the responses were correct.	Understanding was gauged through the active questioning and discussion by participants.
5. Good balance between theoretical and practical application	The content of the workshops was well received, with a good balance between theoretical concepts and the practical application thereof.	The content of the workshops was well received, with a good balance between theoretical concepts and the practical application thereof.
4. Adequate level of awareness / understanding	Eight polls were taken in each workshop to gauge participants' understanding and awareness of concepts explained during the workshop. On average 30% of participants responded to the polls and 81% of the responses were correct.	Understanding was gauged through the active questioning and discussion by participants.
6. Appropriate workshop duration	A 2½-hour workshop was ideal to encourage active participation and uninterrupted attendance.	The majority of attendees were of the view that the workshop duration was appropriate.
7. Participant feedback	An average of 28% of the participants completed the survey, 100% either agreed or strongly agreed that the workshop was well facilitated, relevant, useful, met the workshop objectives and that they would recommend the QAIP workshop to other municipalities.	An average of 31% of the participants completed the survey. 100% of the respondents either agreed (28%) or strongly agreed (72%) that the workshop assisted them in gaining a better understanding of the mandatory and recommended guidance in the IPPF relating to the establishment of a QAIP as well as designing and implementing periodic internal assessments and self-assessments.
8. Additional value-add	The use of technology to manage questions and assess participants' level of understanding and awareness was well received by participants and contributes to the ease in navigating online platforms.	We have undertaken to issue, on request, CPD certificates of attendance to Internal Auditors registered with the IIA

## 3-Day Workshop Respondent Comments

“

- I wish we could have it over and over, on the topics. Let's continue doing this
- The workshop/training was very impactful to my team and it has improved our capabilities in terms of adding quality to the nature of working papers and reports
- The three-day training exceeded my expectations and it has indeed provided some very concrete and easy to follow tools

”

## 2½-hour workshop Respondent Comments

“

“It should be done regularly”

“Thank you for the very insightful presentation and indeed it was an eye opener to the Internal Audit Activity”

“Thank you, session was well prepared and presented”

“Thought the use of technology was brilliant, the quiz section”

”

## 2½-hour workshop Respondent Comments

CHALLENGES	OVERSIGHT BODIES AND SENIOR MANAGEMENT	INTERNAL AUDIT UNITS
1. Project Co-ordination	The coordination of the training sessions was challenging due to: <ul style="list-style-type: none"> <li>▪ the absence of complete lists</li> <li>▪ lack of positional authority by CAEs at District Municipalities to drive attendance and mobilise participation of local municipalities;</li> <li>▪ the non-availability of municipal officials or failure to respond to multiple emails for various reasons</li> <li>▪ and the use of personal email addresses for official business.</li> </ul>	
2. Compromised monitoring of attendance	There is no evidence corroborating attendance by representatives from Raymond Mhlaba, Ngqushwa, Enoch Mgijima and Bushbuckridge local municipalities.	Attendance was excellent on the first two days.
2. Compromised monitoring of attendance	There is no evidence corroborating attendance by representatives from Raymond Mhlaba, Ngqushwa, Enoch Mgijima and Bushbuckridge local municipalities.	Attendance was excellent on the first two days.
3. Declining attendance	N/a	Although attendance was excellent on the first two days, it dropped by at least 50% on day three across all the Internal Audit workshops.
4. Unforeseen absenteeism	N/a	Two CAEs could not attend the QAIP workshop due to ill health. Our expert was therefore required to spend additional time on QAIP concepts covered in the workshops during the customisation sessions.
5. Inadequate customisation of QAIP	N/a	The initial engagements revealed various degrees of customisation of the QAIP by the CAEs.
Disconnect between stakeholders	The strategic role and independence of Internal Audit was discussed at length.	Although the QAIP three-day workshop deals with the IIA Standards in sufficient detail, there appears to be a lack of understanding on the part of CAEs (and Oversight bodies) of the required focus and nature of internal auditing.

## Lessons learnt and recommendations

LESSON LEARNT FROM CHALLENGES	SUGGESTION FOR IMPROVEMENT
1. Provincial Treasury Officials as Co-Sponsor (Project Co-ordination)	Appropriate Provincial Treasury Officials are best placed to socialise the capacity development programme at a municipal level including the upfront engagement, co-ordination and mobilisation of workshop participants.
2. Accurate identification of attendees using pre-workshop registration (Compromised monitoring of attendance)	Participants should complete an online registration form. The online attendance register can then be reconciled to the Teams attendance register for completeness.
3. Nomination of alternate representative to attend training / workshops (Unforeseen absenteeism)	Where an official is unable to attend a training session previously confirmed, the official should elect an appropriate representative to attend the workshop.
4. Face to face training for Internal Audit Units (Declining attendance)	While the Senior official and Oversight Body training workshop is suitable for virtual training, the three-day QAIP training for internal auditors should be rolled out as off-site, in-contact sessions to facilitate consistent attendance, participation and learning. Training should not be offered on Fridays as attendance is poor.
5. Extended project duration required to enable meaningful mentoring of CAEs on QAIP customisation (Inadequate customisation of QAIP by CAEs at time of engagement)	The customisation of the QAIP is a process requiring more than one engagement post workshop. Its impact would be greater if 6-8 months after training is allowed for CAEs to conduct high level internal assessments to sufficiently identify areas for improvement, incorporate improvement plans into the generic QAIP and meet with the trainer/mentor for validation of approach and content. Our expert has committed to continue further engagements with the CAEs after completion of the project.
6. Focus and nature of internal audit (Disconnect between stakeholders)	Much of the internal audit plan focuses on statutory reviews and validation and verification of performance information. To improve operational efficiency and ultimately service delivery, consideration should be given to developing additional training programmes that address operational audits and the establishment of combined assurance policy frameworks.

## Recommendations for scaling

We recommend that National Treasury endorses the capacity development programme and works closely with the Mpumalanga and Eastern Cape Provincial Treasuries to initially roll out the customisation phase of the project, which was limited to the eight (8) GSP-partner municipalities, to the remaining participants (12 municipalities). To institutionalise capability, we have recommended that a service provider be appointed, to conduct assessments of the QAIPs at the 12 municipalities, incorporating the CAEs who successfully completed the programme in the assessment team, and make necessary recommendations for process improvements. We have further recommended that the duration of the capacity development programme be extended to at least one (1) year after commencement to sufficiently assess the impact of the intervention. After assessing the impact of the programme, considering lessons learnt and addressing recommendations, we recommend that National Treasury rolls out the training in all spheres of government by employing the various implementing agents.

## Conclusion

The Capacity Development Programme has been delivered successfully and met all the objectives determined at the commencement of the project. We draw attention to the lessons learnt, challenges and associated recommendations, which if addressed, will result in a sustainable capacity development programme.

The Governance Support Programme (GSP II) is a Technical Cooperation programme co-steered at national level in a partnership between the Department of Cooperative Governance (DCoG), the National Treasury (NT), the Department of Public Service and Administration (DPSA), the Department of Planning, Monitoring and Evaluation (DPME), and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the latter responsible for the implementation of the German development contributions on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). The programme was co-financed by the United States Agency for International Development (USAID) and the Department for International Development of the United Kingdom (DFID).

The GSP II provided technical, policy and process advice to support the South African public sector. The programme strengthened capacity for local government planning, financial management and oversight and was executed in the Provinces of Mpumalanga and Eastern Cape.

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