UNIVERSITY OF NAIROBI
INTERNAL AUDIT DEPARTMENT

STRATEGIC PLAN
2013-2018

JANUARY 2016

Internal Audit Department

TABLE OF CONTENTS

1.0 INTRODUCTION

Internal Audit is an independent, objective assurance and consulting activity designed to improve an organizations operations. It helps an organization achieve its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance.

1.1 Background

The Internal Audit department is composed of the central audit office, the Students Welfare Authority (SWA) audit office and all the college audit offices including the University Health services. The department evaluates risk exposure relating to the organization's governance, operation and information systems.

Following the approval of the revised University's strategic plan by the University of Nairobi council, the Internal Audit department revised its plan to cover the period 2013-2018

The plan lays out the strategic analysis of the operating environment of the department. The external environment of the University has continued to change. New opportunities and challenges have surfaced. In view of this the department has found it necessary to review the Strategic Plan and recast it for a further 3 years in line with the Corporate Strategic Plan.

In undertaking this exercise the department reviewed the immediate previous departmental strategic Plan the revised Corporate Strategic Plan, and relevant UON policy documents.

1.2 Challenges Facing the Department

- In view of the expansion of academic programmes and the limited financing from the government, the department is then faced with the challenge of ensuring that the limited resources are effectively and efficiently utilized.
- The department is faced with the challenge of sensitizing management to document and articulate all the policies and procedures and disseminate them to staff.
- Over-reliance on internal audit for the conduct of the basic procedures as opposed to systems audit, which is encompassing and adds more value to the organization.
- Keeping pace with the rapid technological changes.
- The increasing incidences of technology enabled fraud involving enormous amounts.

1.3 Need for change

The plan assumes the need for change is a genuine concern. As part of its endeavourer to offer the best services to the organization, the department has to embrace change.

2. VISION, MISSION AND CORE VALUES

The role of the department is to give assurance and consulting services to the university to support the achievement of its objectives

2.1. <u>Mandate:</u>

To provide independent, objective assurance and, consulting services designed to add value and improve the University of Nairobi's systems, operations, control and governance processes as a service to the University.

2.2. Vision

A department that commands respect for its exemplary professionalism.

2.3. Mission

To provide an objective appraisal of systems, improve the effectiveness of risk management and assist the management in establishing and maintaining policies and procedures that adequately protect the assets of the University.

2.4. Core Values

In the quest for timely provision of quality service, the department shall be guided by the following core values:

- **Freedom of thought and expression**. We shall promote and defend freedom of thought in all activities
- **Innovativeness and creativity**. Be creative and innovative in resource management
- **Good corporate governance**. Ensure openness, transparency and accountability in our processes
- **Team spirit and teamwork**. Foster a work environment characterized by team spirit and team work
- **Professionalism**. Maintain ethical behavior, professional etiquette and honesty
- **Quality customer service**. Provide quality service to our clients

The department endeavors to:

- Espouse the virtues of truth, integrity, honesty, tolerance, professionalism, teamwork and meritocracy.

- Uphold best practices and work ethics in the various professions.

- Uphold strict adherence to the Code of conduct for Public Universities.

- Be creative and innovative in resource management.

- Ensure openness, transparency and accountability in all its dealings and operations.

- Ensure that respect of the belief and values of others are upheld in all University community operations.

- Courageously champion positive change and take the lead in change management.

2.5.   Guiding Principles

The key guiding principles of the department are;

- Providing leadership in risk identification, assessment and mitigation.
- Commitment to excellence and professionalism.
- Engaging stakeholders

Emphasis on:

- Continuous professional development for audit staff
- Keep pace with changing technological developments

3.1   STRATEGIC ANALYSIS

Analysis of SWOT

3.1.2 *Strengths*

- i)   Strong management support
- ii)   Qualified and experienced staff
- iii) Fairly well staffed.
- iv)   Integrity of audit staff.
- v)   Auditors independence
- vi)   Decentralised audit offices to bring services closer to the clients.

3.1.2 *Weaknesses*

- i)   Pre-auditing of financial documents
- ii)   Inadequate ICT infrastructure /auditing skills
- iii) Un-coordinated professional staff development
- iv)   Inadequate budgetary allocations.
- v)   Challenges in staff motivation

3.1.3 *Opportunities*

- i)   Partnering with professional bodies
- ii)   Capacity for consultancy
- iii) Networking opportunities
- iv)   Pool of qualified auditors
- v)   Innovation and technological advances

3.1.4 *Threats*

- i)   Rapid technological advances
- ii)   Brain drain – staff exiting to other greener pastures.
- iii) Increasing incidence of technology enabled frauds
- iv)   Inaccurate perception of the internal audit function

4.0   STRATEGIC ISSUES, OBJECTIVES AND STRATEGIES.

4.1   Strategic Issues
The internal Audit department has identified the following 4 strategic issues for action in the year 2013/2018.

    i.   Governance, Leadership and Culture
    ii.   Resources, Facilities and Infrastructure
    iii.   Research Innovation and Technology
    iv.   Competitiveness and Image of the University

Objective and corresponding strategies:

4. 2   Governance, Leadership and Culture:
Objective 1: To support the university to manage efficiently.

Strategies
    i.   Review administrative structures and systems
    ii.   Create a culture of ownership and effective strategy and strategy execution
    iii.   Create mechanisms for entrenching the core values of the university among internal audit staff
    iv.   Enhance leadership capacity at all levels

The expected outcomes to be achieved are:

    i.   Improved efficiency and effectiveness
    ii.   Improved monitoring and evaluation
    iii.   Enhanced commitment and loyalty to the university
    iv.   Adherence to university policies, procedure and regulations

4.3   Resources, Facilities and Infrastructure
Objective 2: To support the university in safeguarding its resource base and enhance productivity

Strategies
    i.   Enhance controls that improve and safeguard   income generated from university assets and investments
    ii.   Evaluate and advice as appropriate on cost control and cost cutting measures undertaken by management
    iii.   Entrench the use of ICT in the internal audit functions
    iv.   Improve staff motivation and productivity

The expected outcomes to be achieved are:

    i.   Increased and sustainable financial performance;

    ii.   Effective use of ICT in provision of auditing services

    iii.   Motivated and satisfied workforce.

4.4   Research, Innovation and Technology
Objective 3: To support the university to create a conducive environment to facilitate research, innovation and technology

Strategies

    i.   Review the research infrastructure and grants management system

    ii.   Recommend where appropriate on best practices on management of grants funds

Expected Outcome

    i.   Increased satisfaction of researchers

    ii.   Faster processing of research documents

    iii.   Increased accountability of research funds

4.5   Competitiveness   and Image of the University
Objective 4: To enhance competitiveness and image of the university
Strategies

    i.   Attract, develop and maintain qualified staff

    ii.   Promote the image of the department internally and externally

    iii.   Promote partnerships with relevant professional bodies

    iv.   Maintain closer cooperation with auditee departments.

Expected Outcome

    i.   Improved Customer care

    ii.   Enhanced partnership with Auditee departments

    iii.   Enhanced management and leadership skills

5.0   IMPLEMENTATION, MONITORING AND EVALUATION FRAMEWORK

This chapter outlines how the departmental strategic plan will be cascaded to the colleges, the appropriate structures for its implementation, its funding and the monitoring and evaluation of the implementation process.

5.1   **Cascading the strategic plan**

This departmental strategic plan will be cascaded to all colleges.
The college auditors will plan how they intend to help the department achieve its objectives. All college audit offices will be expected to develop their annual audit plans as informed by this departmental strategic plan.

5.2   *Financing the Strategic Plan*
The strategic plan will be funded by the allocation from the university through the budgetary system.

5.3   **Institutionalizing the Strategic Plan**
This strategic plan is expected to be congruent with the systems and structures of the department and the university. Any inconsistencies identified will have to be rectified by reviewing the structure, the systems or the strategies.

5.4   *Monitoring and Evaluation*
Monitoring and evaluation is a key tool in the implementation of the strategic plan. It provides timely and quality information on performance to inform decision making. The monitoring and evaluation shall be the responsibility of the CIA who shall:

a) Develop the departmental strategic plan
b) harmonize corporate and departmental strategic plans
c) coordinate annual work plans
d) develop a reporting template and other monitoring and evaluation instruments
e) receive, analyze, summarize and consolidate reports from lower units for onward transmission to the management as per specific timelines
f) carry out annual, mid-term, end-term and ad-hoc evaluations and explain any significant variations in performance to the management
g) coordinate and help in drafting performance contracts for all levels and staff reporting on performance contract targets
h) coordinate performance evaluation
i) identify and track performance benchmarks
j) coordinate ISO 9001:2008 activities

6.   **ANNEXTURES**

6.1   *Governance, Leadership and Culture*

Strategic Objective I: **To support the university to manage efficiently**
Strategies
i.   Review administrative structures and systems
ii.   Create a culture of ownership and effective strategy and strategy execution
iii. Create mechanisms for entrenching the core values of the university among internal audit staff
iv.   Enhance leadership capacity at all levels

Expected Outcomes	Performance Indicators	Baseline	Targets	Timeframe	Responsibility
Improved efficiency and effectiveness	Level of compliance with service delivery charter	100%	100%	2016-2018	CIA DCIA ACIA
Improved monitoring and	Timely submission of quarterly reports	100%	100%	2016-2018	CIA DCIA

					ACIA
Enhanced commitment and loyalty to the department and the university	No. of times departmental and corporate values are communicated to all staff per year	-	Quarterly	2016-2018	CIA
	No. of times team building sessions are held by members in the entire department	-	1 per year for the whole departmen t	2016-2018	CIA DCIA
	No. of training forums organized by the department per year	-	1 per year	2016-2018	CIA DCIA
	No. of social forums for staff per year	-	1 per year	2016-2018	CIA DCIA
Adherence to University policies, procedures and regulations	Reduction in incidences of omissions/ commissions of errors and irregularities	Immediate and continuous	100%	2016-2018	Support from management and all UON staff

6.2. Resources, Facilities and Infrastructure

Objective 2: To support the university in safeguarding its resource base and enhance productivity

Strategies
  i.   Enhance controls that improve and safeguard   income generated from university assets and investments
  ii.   Evaluate and advice as appropriate on cost control and cost cutting measures undertaken by management
  iii. Entrench the use of ICT in the internal audit functions
  iv.   Improve staff motivation and productivity

Expected Outcomes	Performance Indicators	Baseline	Targets	Timeframe	Responsibility
Increased and sustainable financial performance	Utilization of allocated funds	100%	100%	2016-2018	CIA DCIA ACIA
	Compliance with budgetary allocations	100%	100%	2016-2018	CIA DCIA ACIA
Effective use of ICT in provision of	Staff to computer ratio	1:2	1:1	2016-2018	CIA DCIA

					ACIA
Motivated and satisfied workforce	Employee satisfaction index	85%	89%	2016-2018	CIA DCIA ACIA

6.3 Research Innovation and Consultancy

Objective 3: To support the university to create a conducive environment to facilitate Research Innovation and Technology

Strategies
i. Review the research infrastructure and grants management system
ii. Recommend where appropriate on best practices on management of grant funds

Expected Outcomes	Performance Indicators	Baseline	Targets	Timeframe	Responsibility
Increased satisfaction of researchers	Satisfaction index	-	50%	2016-2018	CIA DCIA ACIA
Faster processing of research and consultancy work	Turnaround time	-	15 days	2016/2018	CIA DCIA ACIA
Increased accountability of research funds	Reduction in No. of documents queried	-	40%	2016-2018	CIA DCIA ACIA

6.4 Competitiveness of the University

Strategic Objective 4: *To enhance competitiveness of the university*
Strategies
iii. Attract, develop and maintain qualified staff
iv. Promote the image of the department internally and externally
v. Ppromote partnerships with relevant professional bodies
vi. Maintain closer cooperation with auditee departments.

Expected Outcomes	Performance Indicators	Baseline	Targets	Timeframe	Responsibility
Improved Customer care	Customer Care index	82%	85%	2016-2018	CIA DCIA ACIA
Enhance partnership with Auditee departments	Departmental customer care satisfaction index	-	70%	2016-2018	CIA DCIA ACIA

Enhanced management and leadership skills	No. of relevant trainings per year	-	1 per year	2016-2018	CIA

WAY FORWARD

In the foregoing pages, the Internal Audit Department has outlined the direction it wishes to take, in order to ensure that the resources of the University, financial or otherwise are effectively safeguarded during the plan period.

The Department has structured this Strategic Plan, defining where and how it wishes to go. It has done this in the backdrop of its Strengths, Weaknesses, Opportunities and /threats and in the process also addressed its challenges. The Department has addressed these Challenges and outlined specific measures to surmount them.

It is notable that the University is operating in an environment where funding from the government has remained static while on the other hand its operations and programs have continued to expand year after year. Faced with this scenario therefore, the Department will be required to ensure that there is strict discipline in the utilization of resources. It should therefore assist the management to put in place strong Systems of Internal Control to safeguard its Resources.

For the plan to be operationalised, it must be tied to the budgetary process so that it is linked to the stringent financial controls, which have been put in place. A mechanism for continuous review must also be devised for it to remain relevant and accommodate recommendations for the developments of better Internal Controls as situations demand.

The Way Forward for the Department as recommended by this plan shall be to embrace the need for flexibility on its part, and co-operate with other relevant departments in observing the Policies, Rules, Regulations and Procedures established by the Management to ensure that resources are safeguarded and put to the most optimal use.