THE NATIONAL TREASURY AND ECONOMIC PLANNING

INTERNAL AUDITOR ~ GENERAL DEPARTMENT

STRATEGIC PLAN 2025~2028

Twathibitisha na Kushirikiana, Kuboresha Uwajibikaji

Vision

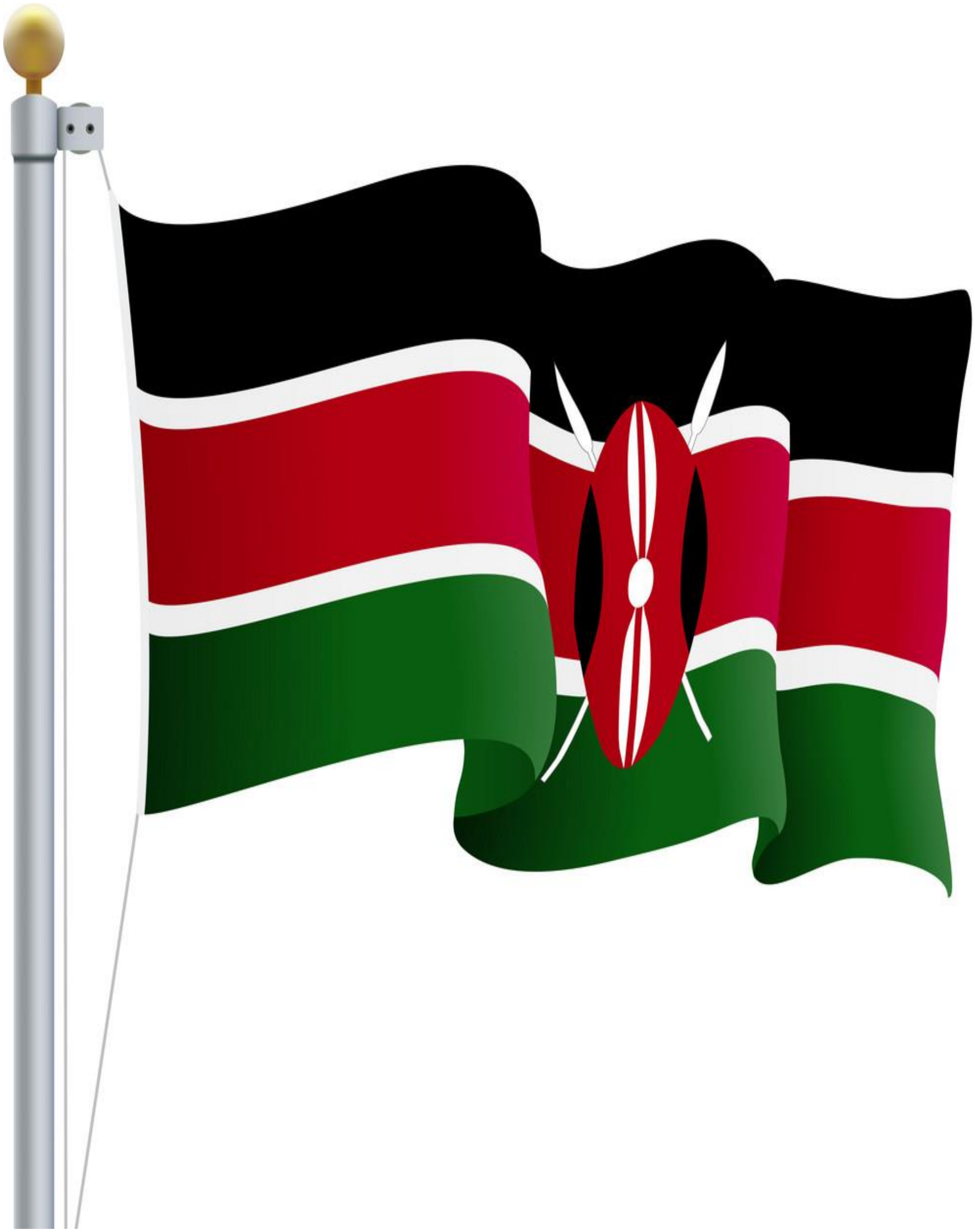
Excellent Value Addition to Management of Public Sector Entities

Mission

To Provide Robust Assurance and Advisory Services to Public Entities Through a Systematic Evaluation of Governance, Risk Management and Controls.

Core Values

Teamwork
Objectivity
Professionalism
Integrity
Competency
Confidentiality



FOREWORD

Since the establishment of the Internal Auditor General Department (IAGD) as the internal audit services provider for the National Government entities, the internal audit services rendered have become an integral component in public finance, risk management and corporate governance under Public Finance Management (PFM) Reform Strategy. This is in recognition that the Internal Auditor General is responsible for policy formulation and strategic direction of the internal audit function within the National Government entities. It is for this reason that the IAGD has developed its second-generation Strategic Plan (2025/26-2027/28) with a view to enhancing the gains made under the PFM reforms.

The PFM reforms have enabled continuous interactions with key stakeholders in the public and private sectors. This has led to the strengthening of governance processes, financial management, risk management and internal controls with immediate remedial actions that deters control weaknesses and fraud. Further, the department continues to deliver on capacity building for government officers in the public sector as well as inducting members of the audit committees in government entities. With the devolved system of government, there has been enhanced interactions for the department to offer support to the county governments in capacity building, policy formulation and audit review of their systems.

This Strategic Plan for 2025/26-2027/28 intends to address emerging issues and challenges facing internal audit services. Its successful implementation is expected to contribute immensely towards better management of resources while improving service delivery in the National Government Entities and County Governments.

To this end, the government through the National Treasury will continue to strengthen and offer support to the Internal Auditor General Department to effectively deliver on its mandate and function as enshrined in the PFM towards ensuring a better public service.

HON.FCPA JOHN MBADI NG'ONGO, EGH
CABINET SECRETARY/THE NATIONAL TREASURY AND ECONOMIC PLANNING

PREFACE

The Internal Auditor General Department (IAGD) is the Central Coordinating Agency of Internal Audit Services (CCA-IAS) in the Government of Kenya. In line with this role, the requirements of Public Finance Management Regulations and good practices in internal auditing, the IAGD has developed the second-Generation Strategic Plan for the Internal Audit Function covering a three (3) year period from 2025-2028 through a consultative process that included stakeholders and the department's internal experts under the PFMR program *"to Strengthen Governance for Enabling Service Delivery and Public Investments in Kenya"*.

IAGD referred to the Practice Guide *"Developing the Internal Audit Strategic Plan – Recommended Guidance"* issued by Institute of Internal Auditors and other international best practices to develop this Internal Audit Strategic plan.

In the current dispensation of emerging issues in the internal audit function, the quest to remain relevant and aligned with public sector organization's objectives, the IAGD has to adapt to the changing expectations for internal audit services by key stakeholders. Thus, an internal audit strategy is fundamental as it helps achieve the balance between cost and value, while making meaningful contributions to the organizations' overall framework of governance, risk management and internal controls.

This strategic plan is the means by which the internal audit departments' mandate, vision and mission will be pursued and it has been developed at a time when we are experiencing critical changes both in our external and internal operating environments. The aspirations of the Kenya Vision 2030 have propelled all players in the public sector to re-orient their approach towards capacity enhancement for effective service delivery.

The implementation of the key strategies made in this plan, will uphold transparency and accountability in rendering effective internal audit services. It will also support in improvement of PEFA score and levels of Internal Audit services as defined by IIA - *Internal Audit Capability Model*. It will give direction to public sector organizations' purpose and provide a pathway to achieve their objectives.

DR. CHRIS K. KIPTOO, CBS
PRINCIPAL SECRETARY/THE NATIONAL TREASURY

ACKNOWLEDGEMENT

On behalf of the IAGD, I'd like to express my sincere thanks to the Cabinet Secretary and the Principal Secretary, The National Treasury and all departmental heads for the invaluable support given to the department during this important process of developing this strategic plan. I would also like to express my gratitude to all development partners whom we have worked closely with, in all aspects of our work.

This strategic plan has been developed along the best international practices and standards and is benchmarked against the policies and procedures and the strategic initiatives of the National Treasury. The International Professional Practices Framework (IPPF) and Internal Audit Capability model of the Institute of Internal Auditors (IIA) have been very useful sources of guidance. This Strategic Plan has been developed at a time when we are experiencing critical changes both in our external and internal operating environments. The aspirations of the Kenya Vision 2030 have propelled all players in the public sector to re-orient their approach towards capacity enhancement for effective service delivery.

The Internal Auditor General department conducted the End- Term review of the 2021/22-2023/24 Strategic Plan. The review was guided by the overall Internal Auditor General Department Strategic Focus and the need to establish the strategic focus for the second-generation Strategic Plan for the department to fulfill the set Mandate. The review was based on agreed benchmarks, targets and outcomes as spelt out in the Strategic Plan implementation matrix and the monitoring and evaluation matrix.

This Strategy plan has been developed through a highly consultative process involving all Stakeholders and Special gratitude goes to the Principal Secretary Dr. Chris Kiptoo for providing leadership that guided the whole process. I wish to thank each and every individual who in one way or the other has been instrumental in contributing their share of knowledge that went into the development and production of this document.

CPA, DR. SAMMY KIMUNGUYI, CFE, CISA
INTERNAL AUDITOR - GENERAL

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ACRONYMS AND ABBREVIATIONS

AC : Audit Committee

ACFE : Association of Certified Fraud Examiners

BROP : Budget Review Outlook Paper

CAATs : Computer Assisted Audit Techniques

CROP : County Review Outlook Paper

CS : Cabinet Secretary

EQA : External Quality Assurance

FOD : Field Operations Division

G&RM : Governance and Risk Management Division

HIAU : Head of Internal Audit Unit

IA : Internal Audit

IAG : Internal Auditor General

IAGD : Internal Auditor General Department

IAS : Internal Audit Services

IAF : Internal Audit Function

IAU : Internal Audit Unit

IAMS : Internal Audit Management System

IA-CM : Internal Audit Capability Model

ICPAK : Institute of Certified Public Accountants of Kenya

IDEA : Interactive Data Extraction and Analysis

IIA : Institute of Internal Auditors

IPPF : International Professional Practices Framework

ISACA : Information System Audit and Control Association

ICT : Information Communication and Technology

IT : Information Technology

IRMF : Institutional Risk Management Framework

MDAs : Ministries, Departments and Agencies

MIS : Management Information System

MTER : Mid Term Evaluation and Review

M&E : Monitoring and Evaluation

PA : Performance Appraisal

PEFA : Public Expenditure and Financial Accountability

PESTEL : Political, Economic, Social, Technological, Environmental and Legal

PFMA : Public Finance Management Act

PFMR : Public Finance Management Regulation

PS : Principal Secretary

PSCK : Public Service Commission of Kenya

QA : Quality Assessment

QAIP : Quality Assurance and Improvement Programme

RIA : Regional Internal Auditor

RIAU : Regional Internal Audit Unit

RM : Risk Management

SA&QA : Special Audit and Quality Assurance Division

SCIA : Sub County Internal Auditor

SCIAU : Sub County Internal Audit Unit

SDIAG : Senior Deputy Internal Auditor General

SRC : Salaries and Remuneration Commission

SWOT : Strengths, Weaknesses, Opportunities and Threats

DEFINITION OF TERMS

Advisory Services: Advisory and related client service activities, the nature and scope of which are agreed with the client, are intended to add value and improve an organization's governance, risk management, and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation, and training.

Assurance Services: An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organization. Examples may include financial, performance, compliance, system security, and due diligence engagements.

Career Development Guidelines: A policy document that provides clearly defined career structures, well-defined job descriptions and specifications, standards for recruitment, training, advancement, career planning, and succession management.

Evaluation: Refers to a systematic and objective assessment of ongoing or completed activities. The aim is to determine the relevance and level of achievement of activity objectives, effectiveness, efficiency, impact and sustainability. Evaluations also feed lessons learnt into the decision-making process.

Emerging Issues: This refers to recent occurrences /events /phenomena which might impact the sector negatively or positively. They include environmental, policy, legal, technological, economic, political, social and cultural.

Monitoring: Is a continuous assessment that aims at providing all stakeholders with early detailed information on the progress or delay of the ongoing assessed activities. It is an oversight of the activity's implementation stage.

Public Financial Management Reforms: These are reforms aimed at strengthening Public Finance Management (PFM) systems to enhance effectiveness of the budget processes, improve transparency and deployment of Public Private Partnership arrangements in funding infrastructural projects, among others.

Risk: The possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and likelihood.

Value for Money (VFM) Audits: To give assurance on prudent utilization of public resources and establish whether funds have been used economically, efficiently and effectively.

EXECUTIVE SUMMARY

This Strategic Plan provides a roadmap for the medium-term direction of the Internal Auditor General Department (IAGD) to improve service delivery to its stakeholders. This strategy plan covers the period 2025-2028. It is designed to be practical, feasible, and easily implementable in view of the status of strengths, weaknesses, opportunities, and threats in the IAGD. It delineates the priorities of the IAGD to continue providing an adequate level of assurance to its stakeholders. The Strategic Plan is flexible and would be updated at least annually to take into account the changes in circumstances.

The process of developing the strategic plan was consultative, participatory, and took consideration of the guidelines for the preparation of the fifth-Generation strategic plan (2025-2028) provided by The National Treasury.

This Strategic Plan aims to ensure the effective performance of Internal Auditors in IAGD Headquarters, Internal Audit Units (IAUs) in MDAs and Regions. Further, this Strategic Plan shall ensure that the activities of IAGD Services are conducted in consonance with the prevailing rules and regulations that conform to Global Internal Auditing Standards (GIAS 2024). This would ensure that the activities of IAGD are carried out in a consistent manner, adequately recorded and documented. It is envisaged that implementation of this Strategic Plan will also bring about required capacity development of IAGD for both Headquarters and IAUs in various agencies.

Therefore, various qualitative and quantitative key performance indicators have been defined in the plan and the envisioned strategic outcome corresponding to the same have been included as elaborated hereunder.

	Strategic Outcomes and Key Performance Indicators			
S/No	**Key Performance Indicator**	**Sub-Indicator**	**Frequency/ Timeline**	**Outcome**
1	Capacity building of staff	1.1 Training of Internal Auditors	Semi Annually	Updated knowledge of Internal auditors on Internal Audit fundamentals, ethics, soft skills, technology, sampling, and analysis
		1.2 Internal Audit Conference	Annually	Annual IA operational strategy developed based on focus area in public sector and common key risk parameter for IAUs established

Strategic Outcomes and Key Performance Indicators				
S/No	**Key Performance Indicator**	**Sub-Indicator**	**Frequency/ Timeline**	**Outcome**
		1.3 Overseas Exposure visits of IAs	A minimum of one batch annually comprising of at least 3 Internal Auditors	IAs conversant with international best practices
		1.4 International Certification in Internal Audit or any area associated with this function	At least two Internal Auditors annually	Increased number of qualified IAs in relevant professional certification
		1.5 Continuous Professional Development	At least 80 hours annually for each auditor	Relevant knowledge and skills updated
2	Resource Management	2.1 Increase IA coverage	Based on the need of relevant stakeholders, budgetary allocation, and availability of human resource Based on the need of relevant stakeholders, budgetary allocation, and availability of human resource	Increased coverage of Internal Audit services in government Agencies
		2.2 Adequate resource for additional IAUs & fill vacant positions	Reduce total vacancy by at least 10% every year	IAUs are adequately staffed
		2.3 Standardize Risk Based Internal Audit	For every engagement	Risk based audits uniformly practiced in all IAUs
3	Use of Modern audit techniques and technologies	3.1 Implementation of IAMS	Effective from the first financial year	Effectiveness of IAS enhanced
		3.2 Training of IA staff on the IAMS	Before Implementation of IAMS and refresher training as necessary.	Effectiveness of IAS enhanced
		3.3 Use of Data Analytics in Audit	By the end of second year of implementation of IA strategic plan followed by every IA engagement	Quality of IA delivery enhanced

	Strategic Outcomes and Key Performance Indicators			
S/No	**Key Performance Indicator**	**Sub-Indicator**	**Frequency/ Timeline**	**Outcome**
4	Quality Assurance & Improvement Program (QAIP) and Performance monitoring	4.1 Random Checks of Audit Engagements to ensure audit quality	Periodically (in accordance with QAIP guideline)	Errors in audit works minimized
		4.2 Internal Quality assurance/ assessment of IAU by IAG	At least once at each IAU in every year (in accordance with QAIP guideline)	IA process conforms to Internal Auditing standards
		4.3 External Assessment	Once in every five years.	IA-CM level improved
		4.4 Review and update Internal Audit Charter	Within six months of implementation of this strategic plan	IA function improved
5	Improve interaction and coordination with stakeholders	5.1 Create platform for effective information sharing related to IA services	By end of first year of the implementation of this strategic plan	Stakeholders well informed
		5.2 Establish strategic partnerships & coordination with stakeholders	Periodically	Enhanced relationship with stakeholders

Implementation Arrangement

Implementation of the Strategic Plan would be done under the guidance and supervision of the Internal Auditor-General (IAG) for which HIAUs are required to provide full support and cooperation. Complete execution of the plan will be subject to adequate funding and support provided by the National Treasury and the MDAs. The Strategic Plan will be periodically reviewed and updated by IAG. Factors influencing the frequency of review may include:

- Changes in the IAGD’s strategy.
- Changes in the Internal Audit Standards.
- Degree of the various host organizations’ growth.
- Degree to which the host organization and its senior management rely upon the internal audit activity’s independent assessment and/or support regarding the management of their risks.
- Significant change in the availability of the internal audit activity’s resources.

- Significant change in laws and/or significant changes to organisational policies and procedures.
- Degree of change in the host organisations' control environment.
- Evaluation of how the internal audit activity has qualitatively or quantitatively delivered on the strategic plan.
- Results of internal/external assessments of the internal audit activity.

A work plan has been prepared aligning the strategies to be implemented in the year 2025- 2028.

CHAPTER ONE

INTRODUCTION

Overview

This chapter provides an overview of the Internal Auditor Generals Department's (IAGD) background and details the key guiding policies that support the National Development Agenda, including the Constitution of Kenya, Kenya's Vision 2030, the Fourth Medium Term Plan (2025-2028), the Bottom-up Economic Transformation Agenda (BETA), as well as relevant sector laws and policies. It further describes the process undertaken by the Department to develop its 2025–2028 Strategic Plan.

1.1 Strategy as an Imperative for Organization Success

The development of this Strategic Plan 2025 - 28 was informed by the end-term evaluation of the Strategic Plan (2021/22-2023/24) which offered valuable insights into key milestones, gaps, challenges, lessons learned, and emerging issues.

The plan addresses the challenges identified during the end-term evaluation and incorporates the lessons learnt to inform the planning phase of the strategic plan 2025 - 28 as well as the feedback received from various institutions and other stakeholders.

The general objectives of the IAGD are to provide assurance to an entity regarding the management of key risks while offering independent and objective advice and counsel that aims to assist management in discharging their duties and responsibilities.

The primary objectives of developing this strategic plan was to: define a clear vision for IAGD future, identify key areas for growth, allocate resources effectively, set achievable goals, and develop strategies to navigate challenges, ultimately aiming to achieve long-term success by aligning actions with the organization's mission and values; this included analyzing the current situation, identifying opportunities and threats, and formulating plans to capitalize on strengths and mitigate weaknesses through processes like SWOT analysis and PESTEL .

This Strategic Plan is aligned to the Constitution of Kenya, Vision 2030, the Fourth Medium Term Plan (2025-2028), the Bottom-Up Economic Transformation Agenda (BETA) and Sector Laws and policies.

1.2 Context of the Strategic Plan

The development of this Strategic Plan took place within the context of constrains posed by the austerity measures implemented by the national government and other likely factors and implications such as climate change, global shocks, as well as priorities under Bottom-Up Economic Transformation Agenda (BETA) and proposed ways in which the Internal Auditor General Department will mitigate the adverse effects as well as how to embrace and make strategic use of the positive effects.

a. The Constitution of Kenya

The Constitution of Kenya 2010, under Chapter 12 on Public Finance outlines the functions of the NT&EP. Article 225 establishes the NT&EP through an Act of Parliament under which the Public Finance Management Act, 2012 was enacted. The NT&EP fits into the broader framework of public governance created by the Constitution of Kenya. In addition, the values and principles prescribed under the Constitution must guide the operations of the NT&EP as a public entity. Fundamental rights under the constitution create obligations for the NT&EP and expectations among the stakeholders. In this regard the NT&EP plays a key role in the implementation of the principles of public participation, rule of law. Equity, social justice, inclusiveness, equality, good governance, integrity, transparency, accountability; and sustainable development, and the right to fair administrative justice and the right to access information, among others.

The IAGD being a Department under the NT&EP fits into the above broader framework of public governance created by the constitution by virtue of being an independent review function set up as a Department within the National Treasury as provided for, under **Article 225** of the **Constitution of Kenya, Section 73** of the **Public Finance Management Act 2012** and its attendant **Regulations, 2015.**

b. Kenya Vision 2030

Kenya Vision 2030 is a long-term development blueprint aimed at transforming Kenya into "a newly industrialized, middle-income country providing a high quality of life to all its citizens in a clean and secure environment". The vision's goal is to create a secure and prosperous country by the year 2030. This blueprint has three pillars, namely, Economic, Social, and Political governance. These pillars are relevant to NT&EP given that it has the overall responsibility for the attainment of the Vision, public finance management, and development planning. The overall responsibility of public finance is of interest to the IAGD based on its mandate under section 73 of the PFM Act, 2012.

c. Fourth Medium Term Plan MTP IV

The Medium-Term Plan is a successive five-year plan that implements the Kenya Vision 2030 which is a development blueprint. The MTP IV (2023-27) contains five sectors namely: Finance and Production Economy; Infrastructure; Environment and Natural Resource; Social Sector; and Governance and Public Administration with the core pillars in Agriculture; Micro, Small and Medium Enterprise (MSME) Economy; Housing and Settlement; Healthcare; and Digital Superhighway and Creative Economy. The IAGD's role in ensuring the successful implementation of the core pillars continues to review the objectives of the MTP IV in line with the sectors.

d. Bottom - Up Transformation Agenda (BETA)

The focus of BETA is on managing the cost of living through well-functioning markets to enhance productivity, availability and affordability of goods and services for all citizens. The IAGD Strategic Plan (2025-2028) is aligned to the NT&EP Strategic Plan (2023-2028) and BETA and has therefore incorporated strategies and activities that aim to achieve their respective objectives.

e. Sector Policies and Laws

The preparation of this strategic plan (2025-27) considered relevant laws and policies governing the mandate of the Department. These include the Public Finance Management Act, 2012; Public Procurement and Assets Disposal Act, 2015; Global Internal Audit Standards (GIAS); Human Resource Policy Manual, 2016; and various Acts governing public sector institutions, among others. These laws and policies form the foundation of the IAGD's operations and have guided the development of this plan.

1.3 History of IAGD

The Internal Audit System existed in Government before independence but was discontinued following the 1962 Economic Commission Report. It was reintroduced in 1984 due to significant mismanagement of public resources and ineffective internal controls.

In 1995, the Internal Audit Directorate was reorganized and renamed the Audit Inspectorate, clustering auditors in units for inspections. This approach proved costly and ineffective, prompting a restructuring in 1997 that centralized and integrated the Internal Audit Function into management.

Initially established by the Government Financial Management Act of 2004 to serve all management levels, the Internal Audit Directorate's the role evolved after the Constitution of Kenya, 2010, emphasized prudent financial management, leading to the Public Finance Management Act, 2012 Section 73, which formalized the requirement for internal audit arrangements and created the Internal Auditor General Department.

1.4 Strategic Planning Process

In unveiling the development of the Internal Audit Department Strategic Plan (2025-2028), the Internal Auditor General (IAG) established a Strategic Planning Steering Committee vide a letter **Ref: NT/IAG/SP/GEN/104/(8)** In the letter, the IAG provided the Terms of Reference with a clear road map and timelines. Further, the IAG appointed a Steering Committee to spearhead the development of the Strategic Plan (2025-2028), having reviewed the lapsed Strategic Plan (2021/22-2023/24). The Key Result Areas (KRAs) were developed based on the end-term evaluation of the Strategic Plan (2021/22-2023/24), which provided insights into the strategic issues and goals. Additionally, stakeholder input was incorporated during the development of the zero draft. Stakeholders included top management and heads of Internal Audit Units in the Ministries, Departments and Agencies (MDAs).

The technical team held a workshop between 03/03/2025 and 08/03/2023 that culminated in a draft Strategic Plan (2025-2028).

CHAPTER TWO

STRATEGIC DIRECTION

Overview

This Chapter highlights the Mandate, Functions, Mission and Vision of the Internal Auditor General Department.

This Strategic Plan presents the desired strategic direction of the Internal Auditor General Department (IAGD) for the three years 1st July 2025 to 30th June, 2028.

The Internal Auditor General Department has made major strides in creating an enabling environment to respond to its core mandate as stipulated in the Public Finance Management Act (PFMA) 2012 and Regulations, 2015.

2.1 Mandate of Internal Auditor – General Department

Internal Audit is a function set up as a Department within The National Treasury as provided for, under **Article 225** of the **Constitution of Kenya,** the **Public Finance Management Act 2012** and the **Public Finance Management Regulations (PFMR) 2015**.

The Internal Auditor's mandate is to.

a) Review and evaluate budgetary performance, financial management, transparency and accountability mechanisms and processes in national government entities, including Parliament and Judiciary.
b) Have a duty to give reasonable assurance through the audit committee on the state of risk management, controls and governance within the organization; and
c) Review the effectiveness of the financial and non-financial performance management systems of the entities.

The Department's functions are articulated in the **PFMR 2015 Regulation 164** as follows:

a) Advising the Cabinet Secretary and the Principal Secretary on emerging issues in Internal Auditing.
b) Developing and implementing the use of innovative approaches in performing independent assessment of systems, controls and efficiencies guided by professional standards.
c) Supporting the entities efforts to achieve their objectives.

d) Promoting National Government-wide risk management and provide the management with consulting services to improve the overall National Government operations.
e) Providing capacity building for both levels of governments including developing curriculum, training materials and undertake training for Audit committees.
f) Reporting annually to the National Treasury on the Internal Audit Function performance.

The general objectives of the IAGD are to provide assurance to public entity regarding the management of key risks while offering independent and objective advice and counsel that aims to assist management in discharging their duties and responsibilities.

Vision, Mission and Core Values

2.2 Vision

"Excellent value addition to management of public sector entities"

2.3 Mission

"To provide robust assurance and advisory services to Public Entities through a systematic evaluation of Governance, Risk Management and Controls".

2.4 Strategic Goals

The attainment of the IAGD strategic direction for FYs 2025/2028 is structured around three (3) strategic goals each with corresponding departmental objectives, all geared towards attaining the overall vision and mission.

This strategy direction is built upon three (3) strategic goals that bring together common thematic areas that are similarly aligned.

The strategic goals enable:

a) Logical flow and alignment in the definition of strategic objectives, so that common specific strategic objectives are grouped together under appropriate goals.
b) Ease of defining and reporting on tasks and activities to be undertaken in implementing this plan.
c) Facilitating monitoring and evaluation, and implementation of the strategy as owners can be assigned to each goal and activities easily tracked.

d) The definition of the organization structure that is aligned to the specific strategic objectives ensuring that the Department's functions are organized in a manner that promotes attainment of the strategic direction.

The three (3) strategic goals include:

a) Strengthened institutional capacity.
b) Enhanced internal audit assurance and advisory services.
c) Strengthened IAGD's strategic position and resource allocation.

2.5 Core Values

Implementation of the IAGD Strategic Plan will be guided by a clique of fundamental values that will shape the culture to achieve leadership in quality service delivery. The Core Values, which as outlined below, are abbreviated as **TOPICC.**

Teamwork: Internal auditors shall embrace teamwork and commitment through collaborative efforts of all actors and stakeholders to achieve collective goals.

Objectivity: Internal auditors maintain an impartial and unbiased attitude when performing internal audit services and making decisions.

Professionalism: Internal auditors apply due professional care in planning and performing internal audit services.

Integrity: Internal auditors demonstrate integrity in their work and behaviour.

Competency: Internal auditors apply the knowledge, skills, and abilities to fulfil their roles and responsibilities successfully

Confidentiality: Internal auditors use and protect information appropriately.

2.6 Quality Policy Statement

The Department is dedicated to upholding the utmost standards of excellence across all its activities. This quality policy statement reflects unwavering commitment to excellence and serves as a guiding framework for its operations and decision-making. Acknowledging the significant responsibility entrusted in providing assurance and advisory services to MDAs, the Department is steadfast in its commitment to maintaining excellence in every aspect of its work within Public Finance Management System.

To fulfil this commitment, the IAGD pledges to:

a) Pursue excellence by providing assurance and advisory services to all its customers in a responsible, timely, and accountable manner.
b) Implement robust risk management framework that will secure

and create value to all stakeholders.

c) Foster integrity, transparency and accountability by adherence to applicable statutory and regulatory requirements.
d) Invest in the development and well-being of its employees, providing them with the necessary resources, training, and support in their roles to contribute effectively to the vision and mission
e) Promote public participation and stakeholder collaboration, including other government Agencies.

This Policy shall be communicated to all staff and relevant interested parties for shared understanding of the quality concerns. Management shall develop staff capacity, monitor and periodically review the policy to consider changes in practice for continual improvement of the quality management. By adhering to the Quality Policy Statement IAGD will endeavour to uphold its core values to strengthen the nation's financial management.

CHAPTER THREE

SITUATION AND STAKEHOLDER ANALYSIS

Overview

This chapter entails a review of the external and internal environment that may affect the implementation of this strategic plan. The chapter also contains stakeholder analysis and IAGD key achievements. The aim of situation analysis is to identify key internal and external factors that are important to achieve the desired strategy.

The chapter presents a review of an appreciation of the risks, benefits of the Department's previous strategic plan which entails key achievements, challenges faced, and lessons learnt. In addition, it provides an analysis of the Strengths, Weaknesses, Opportunities and Threats (SWOT); Political, Economic, Social, Technological, Environmental and Legal (PESTEL) and the Stakeholders Analysis.

3.1 The External Environment

Continued political stability in the country and in the region, Government and external partner's commitment in supporting implementation of policies, developmement priorities and digital economy will significantly foster the implementation of this plan.

Overall economic growth shall play a crucial role in the implementation of this plan. Economic growth will determine the availability of resources to implement the planned activities and priority programs.

Opportunities and Threats

The implementation of this strategic plan will be faced with several threats. However, amid these threats there exists number of opportunities that IAGD can leverage upon to deliver its mandate. A summary of opportunities and threats are illustrated in ***Table 1:***

Table 1: SWOT Analysis

SWOT	Analysis	Strategic Implications & Response
Opportunities	Adoption of IPPF 2024 on improving the relevance and quality of the audit.	Domestication of IPPF 2024
	Regional and global networking.	The Department needs to identify internal audit best practices through global networking and adapt to the emerging trends
	Stakeholders' knowledge on internal audit's role and capabilities.	Maintain and updated Department's website
		Display the Department service charter in strategic places.
	Propose development and amendments of laws /regulations/manuals	Enhance assurance, advice, insights and oversight on financial and non-financial management through developed internal audit guidelines/policies and procedures.
	Improved perception of the IAGD function and services by the public/stakeholders.	Continuous capacity building of internal auditors
	Stakeholders' evolving expectations.	Continuously scanning the environment's emerging expectations.
	Strengthened stakeholder engagement	Implementation/promulgation of the communication strategies on IAGD.
	Collaboration with other assurance providers.	Promote development and implementation of stakeholder collaboration frameworks.
	Adoption of Zero Fault audit Campaign.	Promote development and implementation of IRMPF by MDAs
		Adoption/Leverage on Computer Aided Audit Techniques
		Development of audit and recommendation follow up mechanism.
		Promote establishment and implementation of the Public

SWOT	Analysis	Strategic Implications & Response
		Finance Management Standing Committees.
		Strengthen the Ministerial Audit Committees.
Threats	Insufficient resources. (human and financial)	Mobilize for enhanced resource allocation.
	High turnover of trained personnel	Improve terms and conditions to be comparable with peers in the profession.
		Improved work environment
	Increased expectation and expectation gap by the stakeholders.	Sensitization of stakeholders on IAGD functions.
		Create forums to engage stakeholders
	Impairment of IA Independence.	Proactive engagement with management and advocacy for the operation of the laws.
	Weak internal audit governing structures	Sensitization of the AO on the need of implementing the audit recommendation.
		Enhance functional audit committees and advocate for an apex audit committee at TNT to ensure full implementation of the audit recommendations.
	Limited scope	Improving the IA reporting to the existing standards
	Emerging and changing risks	Scan the environment for emerging risks and entrench repositioning to cope with the emerging risks.
		Upscale and conduct training on the emerging and changing risks landscape.

SWOT	Analysis	Strategic Implications & Response
	Inadequate risk management by MDAs.	Continuous support from the MDAs to adopt and implement the IRMPF.
		Enhance assurance on risk management
	Career stagnation High Staff turn over	Review the career progression guidelines.

3.2 Internal Environment

Well trained and experienced personnel combined with leveraging Information Communication Technologies and data analytics will be key to effective implementation of this strategic plan. IAGD will use Government owned staff training facilities such as the Kenya School of Government to minimize high costs of training staff.

However, Inadequate funding, lack of a robust succession management planning, inadequate personnel, obsolete equipment as well as ICT infrastructure might negatively impact the implementation of the plan.

A summary of strengths and weaknesses presented by this strategic plan were reviewed and itemized as described in **Table *2:***

Table 2: SWOT Analysis

SWOT	Analysis	Strategic Implications & Response
Strengths	Legal mandate of the IAGD	The IAGD's mandate is clearly spelt out in Section 73 (3) PFMA, 2012 and PFMR, 2015 Regulation164
	Defined internal audit vision, mission, values, and charter	Clear strategic direction that communicates the mandate of IAGD
	Recognition of IAGD by senior management.	There is good will and support from management towards internal audit initiatives.
		Lobby for additional resources
	Qualified, knowledgeable and experienced staff.	Delivery of IAGD mandate through provision of quality audit services in public sector

SWOT	Analysis	Strategic Implications & Response
	Individual staff training and Continuous Professional Development.	Enhanced capacity building hence improvement in service delivery.
	Computer Aided Audit Tools: i.e. IDEA and Team mate.	Increased efficiency and effectiveness in the audit process.
	Improved staff knowledge, skill and capabilities.	
	Subscription to Professional bodies i.e. IIA, ICPAK, ISACA and ACFE.	Provision of capacity building programs.
	Established Internal and External quality assurance and improvement program (QAIP)	Alignment of the QIAP to the IPPF - GIAS, 2024.
		Quality Assessments carried out in MDAs to ensure compliance with IPPF standards.
Weaknesses	Lack of independent budget lines for Internal Audit Departments	Lobby for IA funding
	Non operationalization of IAGD Professional Code of Ethics.	Operationalize the IAGD Professional Code of Ethics.
	Inadequate follow up mechanisms on audit reports and recommendation.	Conduct follow up audits to track implementation status of audit recommendations
		Functional audit committees.
		Adoption of Team-Mate as an Audit management tool.
	Outdated scheme of service	Review the career progression guidelines to address succession management.
	Skill gaps in technical areas.	Scan the environment for skills gap and build capacity in specialized audit areas.

SWOT	Analysis	Strategic Implications & Response
	Internal audit Risk assessments not mapped to organization's strategy.	Capacity build internal auditors on risk-based audit plans.
		Review the manuals/procedures on Risk Based Auditing.
	Failure to identify emerging risks in good time.	Leverage on technology as a continuous auditing tool.
	Timely provision of insights and foresight on emerging risks	Management to take up the role of RM and advocate for appointment of RM coordinator.
	Inadequate knowledge sharing program.	Review the gaps on existing knowledge sharing platforms
		Develop and implement a mentorship program
	Inadequate relationships with other Regulators and oversight agencies.	Develop and implement collaborative frameworks

PESTEL Analysis

Political, Economic, Social, Technological, Environmental and Legal (PESTEL) analysis was undertaken against the external factors that may influence the implementation of this strategy. ***Table 3:*** represents the results of PESTEL Analysis.

Table 3: PESTEL Analysis

Category	Issue	Strategic Implication
Political	❖ Political instability. ❖ Political interference ❖ Change in Government policies. ❖ Impunity	❖ Impaired independence and scope of work. ❖ Limits the audit function. ❖ Poor service delivery.
Economic	❖ Budget cuts ❖ Delayed disbursements of funds ❖ Change in Government policies.	❖ Poor service delivery ❖ Non - compliance with the laws/regulations
Social	❖ Dynamic customer expectations ❖ Negative Ethnicity ❖ Age disparities ❖ Pandemic	❖ Negative reputation ❖ Impaired independence and assurance ❖ Restricts performance
Technology	❖ Technological innovation and advancements. ❖ Rapid change in government systems ❖ Obsolete IT Equipment	❖ Leverage on IT ❖ Develop a strategy for assurance of the government information systems. ❖ Improved performance arising from use of CAATs. ❖ Insufficient funds to meet escalating costs in upgrading technology
Environmental	❖ Climate change. ❖ Rapid change in climate change policies	❖ Adverse environmental changes hamper accomplishment of planned audit activities. ❖ Enhance capacity to provide assurance on ESG.
Legal	❖ Gaps in existing legal frameworks ❖ Changes in legal regulations and policies.	❖ Ambiguity in placement of the internal audit function. ❖ Impaired audit function. ❖ Litigations

3.3 Analysis of Past Performance

The IAGD reviewed its past performance in the implementation of the previous cycle of the strategic plan. In the analysis, key achievements, challenges, emerging issues and lessons learned were noted as shown in **Table 4.**

Table 4: Key Achievement, Challenges, Emerging Issues and Lessons Learnt

GOAL 1	**KEY ACHIEVEMENT**
Strengthen the internal audit institutional capacity.	❖ Orientation and induction of 118 newly recruited officers. ❖ Training of 570 internal auditors ❖ Enhanced budgetary allocation by KSh.240million. ❖ Annual payment of annual subscriptions to professional bodies for all officers who are members of the professional bodies. ❖ Conducted three internal quality assessments. ❖ Conducted one External assessments and Implementation of QA recommendations. ❖ Sponsored over 250 officers who attended conferences for Continuous Professional Development. ❖ Acquisition of Teammate +. ❖ Proposed re-organization of the Internal Auditor General Department to a Department in the National Treasury. ❖ Engaged PSCK to address succession management gaps. ❖ Issued three periodic consolidated internal audit reports. ❖ Developed the departmental service charter. Reviewed the National Government Internal Audit Manual and Accepted Government Auditing Standards
GOAL 2	❖ **KEY ACHIEVEMENT**
Enhance assurance and consulting services on Governance, Risk Management and Controls.	❖ Sensitize all internal auditors to subscribe to IPPF standards and Ethics and Anti-Corruption Commission Act. ❖ Reviewed Audit Committee remunerations. ❖ Developed Risk management policy framework guidelines and tools for MDAs. ❖ Conducted 750 value for money audits. ❖ Spear headed the establishment and operationalization of audit committee. ❖ Conducted training for audit committee members. ❖ Sensitize MDAs management on their role in managing risks and developing IRMF. ❖ Promote development of IRMF in MDAs and Counties. ❖ Conducted IFMIS training for 280 internal auditors. ❖ Procured a departmental server to host teammate software.

<table>
<tr><td></td><td colspan="2">❖ Develop departmental risk management policy framework.
❖ Developed of Internal Quality assessment program.
❖ Spearheaded the establishment and operationalization of the PFM standing committees in MDAs.</td></tr>
<tr><td>GOAL 3</td><td colspan="2">❖ KEY ACHIEVEMENT</td></tr>
<tr><td>Strengthening the department’s strategic position and resource allocation</td><td colspan="2">❖ Advocated for establishment and operationalization of Audit Committee in MDAs.
❖ Developed a communication strategy.
❖ Officers are certified in CIA and Risk management courses.
❖ Enhanced budgetary allocation by KSh.240million.
❖ Sensitize stakeholders on governance processes.
❖ Develop a budget based on the needs analysis of the IAGD</td></tr>
<tr><td>GOAL 4</td><td colspan="2">❖ KEY ACHIEVEMENT</td></tr>
<tr><td>Improve coordination and impactful interactions with stakeholders.</td><td colspan="2">❖ Development of a communication strategy.
❖ Held a consultative meeting with the National Treasury Departments and departments on Zero faulty audit.
❖ Held a consultative meeting with the Chief of staff and Head of Public Services on the functions of internal audit and support required.
❖ Held a consultative meeting with the Parliamentary Committees on public finance and Budget.
❖ Enhanced follow up of the audit recommendations through PFM standing committees.</td></tr>
<tr><td>CHALLENGES</td><td>LESSONS LEARNT</td><td>EMERGING ISSUES</td></tr>
<tr><td>The following hampered the implementation of the strategic plan.
Policy:
❖ Delay in approving the Career Guidelines by the Public Service Commission.
❖ Delay in approving the Career Guidelines and advertising declared posts; and</td><td>❖ Effective monitoring and evaluation is critical in tracking implementation of the Strategic Plan activities hence the need to adequately support the M&E function.
❖ Alignment of planning and budget allocation is critical in ensuring that SP activities are adequately funded.</td><td>The following emerging issues affected successful implementation of the Plan:
❖ Technological advancement in the ICT sector presents opportunities to leverage ICT innovations in the conduct of business as well as risks relating to governance and data security.
❖ Proliferation of fake news on social media platforms, which have a wider audience and faster response time.</td></tr>
</table>

Legal ❖ Lack of an internal audit bill to regulate the internal audit professionals in the country. **Financial** ❖ The underperformance of the economy due to global shocks led to unfavorable financial market conditions. ❖ Budgetary constraints during the implementation of the SP which affected funding of the key departmental activities and requisite human resources and skills to deliver the services under Strategic Plan. ❖ Budget cuts affected the implementation of training programs and roll out of the performance appraisal system to the field stations. **Institutional and Operational** ❖ Poor internet connectivity in the	❖ Adequate costing of the strategies should be done before approval of the strategic plan; Stakeholders' sensitization is important for attainment of the deliverables, leveraging technology and quick adoption before the landscape changes. ❖ Teamwork is key for effective service delivery. ❖ Undertake extensive and adequate training of staff. ❖ Enhancement of the current feedback mechanisms to inform on sharing of information and efficacy of stakeholder engagements. ❖ The use of technology in service delivery became very critical. ❖ Alignment of planning and budget allocation is critical in ensuring that SP activities are adequately funded. ❖ Appropriate ICT Structure and governance framework has a	❖ Technological advancement in the ICT sector presents opportunities to leverage ICT innovations in the conduct of business as well as risks relating to governance and data security. ❖ Inadequate ICT organizational structure and governance structure to effectively handle the Technological advancement in the ICT sector. ❖ Training needs assessment to identify and systematically inform areas of skills enhancement, prioritization and associated capacity building interventions. ❖

National Treasury and field stations. ❖ Delay in the disbursement of AIEs to Sub County Internal audit units coupled with inadequate AIE funding which strains the operation at the NSCTs. ❖ Lack of internet connectivity in some areas in the field stations. ❖ Inadequate staffing levels ❖ HIS downtime to conduct staff performance appraisal. ❖ Mapping of the staff to their Vote in the HIS; and ❖ Resistance to adopt new or emerging technologies; and ❖ Obsolete existing ICT infrastructure, Existing Local Area Network, Data Centre and other hardware that have reached the end of life.	positive impact on delivery of services and mainstreaming ICT technologies. ❖ The dynamic ICT sector will require a more agile capacity building approach to ensure sustainability of the automation of her business processes. ❖ Stakeholders' engagement at all levels to ensure buy-in and ownership of automation initiatives. ❖	

3.5 Priority Activities for the 2025-2028 Plan Period

To enable IAGD to deliver on the mandate as per the Executive Order No. 1 of 2025, the Medium-Term Plan IV and Bottom-Up Economic Transformation

Agenda, the following activities will be prioritized in the 2nd Generation Strategic Plan period having not been achieved in the prior years is summarized in **Table 5**

Table 5: Priority Activities for the 2025-2028 Plan Period

	Strategic Goals	Key Activities for 2025-28
1	Strengthened institutional capacity.	i. Development of career progression guidelines for approval by PSC and Implementation ii. Capacity building of internal auditors
2	Enhanced internal audit assurance and advisory services and	i. Implementation of the International Professional Practices Framework. ii. Operationalization of the Ministerial Audit Committees. iii. Promote and support development of risk management in National Government Entities.
3	Strengthened IAGD's strategic position and resource allocation	i. Elevation of IAG department to a Directorate ii. Engagement of development partners for enhanced resources.

3.4 Stakeholder Analysis

The successful implementation of this strategic plan will require concerted efforts from all partners and stakeholders through mutually beneficial collaborations.

Stakeholder analysis is a process of systematically gathering and analyzing qualitative information to determine stakeholders' interest to be considered in this strategic plan.

Analysis of stakeholders who are critical in the implementation of this Strategic Plan are summarized in **Table 6**

Table 6: Stakeholder Analysis.

Stakeholder	Stakeholders' expectations from organization	IAGD'S expectation from the stakeholder
Staff	❖ Conducive work environment. ❖ Training and skill development. ❖ Continuous career progression. ❖ Fair appraisal. ❖ Developing internal audit policies and guidelines	❖ Adherence to Code of Conduct and national values. ❖ Delivering on the mandate.
Ministries, Departments and Agencies (MDAs)	❖ Quality assurance and advisory insight and foresights. ❖ Adequate staffing in the IAU of the MDAs and capacity building. ❖ Developing internal audit policies and guidelines. ❖ Adherence to the professional code of conduct.	❖ Provisions of timely information of audit engagement. ❖ Timely implementation of audit recommendations ❖ Compliance with the laws and regulations ❖ Provision of resources for IA activities. ❖ Delivering on the mandate ❖ Establish robust Governance, Risk management and Internal Controls
The National Treasury - Principal Secretary and Cabinet Secretary	❖ Quality assurance and advisory insight and foresights. on GRC. ❖ Timely annual audit reports.	❖ Policy direction ❖ Provision of adequate resources.

Stakeholder	**Stakeholders' expectations from organization**	**IAGD'S expectation from the stakeholder**
	❖ Advise on emerging issues in internal auditing	
Audit Committee	❖ Timely quality audit reports and Capacity building ❖ Provision of Secretariat services	❖ Oversight the Internal audit function and the Governance Risk Management and Controls in MDAs. ❖ Delivery on mandate.
County Governments	❖ Capacity building of internal auditors ❖ Developing internal audit policies and guidelines.	❖ Enhanced collaboration ❖ Provision of budgets for the capacity building initiatives. ❖ Support the IAF. ❖ Delivering on the mandate
Development Partners	❖ Timely reporting on utilization of the budget they support ❖ Efficient utilization of the resources from the partners. ❖ To provide assurance through timely audit reports on projects.	❖ Timely release of funds ❖ Provide requisite resources for the audit review as per the financing agreement.
Auditor General	❖ Collaboration and partnership	❖ Implementation of the collaboration framework
Parliament	❖ Assurance on Governance Risk Management and Controls	❖ Provision of adequate of resources

Stakeholder	Stakeholders' expectations from organization	IAGD'S expectation from the stakeholder
		❖ Enactment of laws and regulations to support the IAF.
Citizens	❖ Assurance on accountability and transparency	❖ Provision of information
External Quality Assessors	❖ Cooperation in undertaking assessments. ❖ Timely implementation of assessments' recommendations	❖ Independence and objectivity on assessments. ❖ Timely communication of assessment results.
Professional bodies	❖ Adhere to professional standards ❖ Contribution to growth of the profession. ❖ Annual subscriptions and participation in CPDs activities.	❖ Certification ❖ Reviewed professional standards. ❖ Craft a framework to support professions. ❖ Advocate for enactment of laws that support members' welfare.
State Corporations	❖ Quality assurance and advisory on Governance Risk Management and Controls ❖ Capacity building	❖ Compliance with laws and regulations. ❖ Resource the IAF
PSASB	❖ Development of Internal Audit procedures.	❖ Adoption and implementation of

Stakeholder	Stakeholders' expectations from organization	IAGD'S expectation from the stakeholder
		the set Internal Audit procedures.

CHAPTER FOUR

STRATEGIC ISSUES, GOALS AND KEY RESULT AREAS

Overview

This chapter outlines strategic issues, strategic goals and the key result areas identified by the IAGD, which are critical to its mission, services, stakeholder engagement and overall operations. It underpins the formulation of strategic goals, directly addressing these pivotal issues to achieve IAGD's vision.

4.1 Strategic Issues

Strategic Issues are the important questions, topics, and challenges that the IAGD must respond to strategically to stay ahead and relevant in the ever-changing operational environment as it pursues its vision and delivers its mission. The challenges faced during the Strategic Plan implementation period 2021/2022 to 2023/24 are as follows:

1. Inadequate professional development and career management.
2. Weak compliance and governance, risk management and controls in the public sector entities.
3. Inadequate resourcing and strategic positioning of the IAGD.

4.2 Strategic Goals

The attainment of the IAGD strategic direction for FY 2025/2026 to 2027/2028 is structured around three (3) strategic goals each with corresponding strategic objectives, all geared towards attaining the overall vision and mission.

This strategy direction is built upon three (3) strategic goals namely:

a) Strengthened institutional capacity.
b) Enhanced internal audit assurance and advisory services and
c) Strengthened IAGD's strategic position and resource allocation.

The strategic goals enable efficient and effective coordination and management of the following IAGD's divisions as depicted in figure 1:

a) Special Audits and Quality Assurance Division.
b) Field Operations Division and
c) Governance and Risk Management Division.

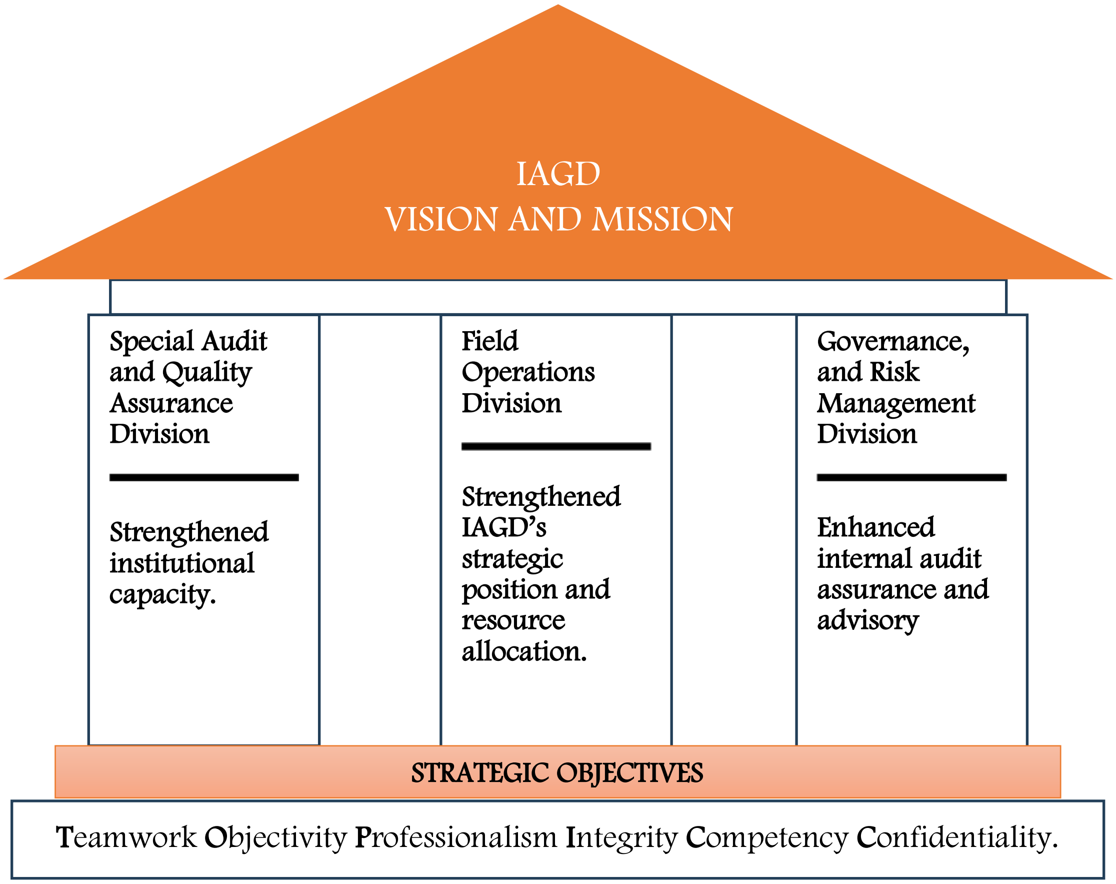

Figure 1:IAGD Strategic Pillars

4.3 Key Result Areas

Key Result Areas (KRAs) are the critical performance areas in which the IAGD must excel in, to realize its mission and deliver value to stakeholders. They are therefore the pillars of excellence which IAGD will seek to focus on during the plan period. The summarized Strategic Issues and Goals have been mapped to corresponding KRAs as captured in ***Table 7.***

Table 7: Strategic Issues, Goals and KRAs

No.	Strategic Issue	Strategic Goals	Key Result Area
1	Inadequate Professional Development and Career Management	Strengthened institutional capacity	KRA 1: Implementation of career progression guidelines
2	Weak compliance and governance management in the public sector entities	Enhanced internal audit assurance and advisory services	KRA 2: Implementation of the International Professional Practices Framework.
			KRA 3: Strengthened Audit Committee oversight in the Public Sector
			KRA 4: Strengthened risk management in the Public Sector Entities.
3	Inadequate resourcing and strategic positioning of the IAGD	Strengthened IAGD's strategic position and resource allocation.	KRA 5: Elevation of IAG department to a Directorate

CHAPTER FIVE

STRATEGIC OBJECTIVES AND STRATEGIES

Introduction

This chapter outlines Strategic Objectives that IAGD shall pursue with appropriate Strategic Choices for realisation of the objectives.

5.1 Strategic Objectives

This Strategic Plan sets out IAGD's strategic objectives guided by the strategic goals and the KRAs. Additionally, it presents three-year projections for the formulated strategic objectives as presented in ***Table 8:*** *Outcomes- Annual Projections* for each of the five key result areas.

Table 8: Outcomes – Annual Projections

			Projections		
Strategic Objective	**Outcome**	**Outcome Indicator**	**Year 1**	**Year 2**	**Year 3**
KRA 1: Implementation of career progression guidelines					
To improve Proficiency and Professionalism of internal auditors.	Developed career progression guideline	Approved career progression guideline	50%	25%	25%
	Improved proficiency and professionalism of Internal Auditor	Percentage of auditors trained.			

			Projections		
Strategic Objective	**Outcome**	**Outcome Indicator**	**Year 1**	**Year 2**	**Year 3**
	Certification of Internal Auditors in both professional and promotional courses	Percentage of certifications			100%
	Improved compliance with the IPPF	Scores on compliance with IPPF; (internal and external assessments)			
	Improved career progression and retention of the audit staff	Number of IA promoted and retained within the department			
	Onboarding of new and specialized skills audit staff	• Number of new audit staff • Number of audit staff with specialized skills.			
KRA 2: Implementation of the International Professional Practices Framework.					
To enhance efficiency and effectiveness in assurance and advisory services in the Public Sector Entities	Quality audit reports	Internal quality assessment scores External quality assessment scores	75%	80%	85%
	Enhanced adoption of technology in Internal Audit processes	• Number of MDAs/Regions using Teammate • Number of MDAs/Regions using IDEA	8	42	53
	Continuous IT audits	Number of IT audits conducted			
	Increased participation in continuous professional development on emerging issues	Additional number of auditors participating in professional development programs			
	Enhanced conformance with the IPPF	Internal and external quality assessment scores	75%	85%	90%
	Implementation of quality assurance and improvement programmes	Percentage of implementation of IQA s recommendations	75%	85%	90%
		Percentage of implementation of EQA s recommendations	75%	85%	90%

			Projections		
Strategic Objective	**Outcome**	**Outcome Indicator**	**Year 1**	**Year 2**	**Year 3**
KRA 3: Strengthened Audit Committee oversight in the Public Sector					
Operationalization of the Ministerial Audit Committee	Effective internal audit function	Percentage of Internal Audit reports tabled for discussion	100%	100%	100%
	Effective Audit Committees	Percentage of recommendations adopted by MAC	75%	85%	90%
		Percentage of recommendations implemented by management	75%	85%	90%
KRA 4: Strengthened risk management in the Public Sector Entities.					
Promote and support risk management in MDAs	Enhanced capacity to National Government entities to develop Risk Management Policy Framework	Number of National Government entities supported on development of the framework	5	29	53
	Effective risk management strategies in National Government entities	Number of National Government entities which have implemented Risk Management Policy Framework			
KRA 5: Elevation of IAG department to a directorate					
To strategically position Internal Audit to influence policy and resource allocation	Enhanced independence of the Internal Audit	Existence of an independent budget line		1	
	Enhanced resources	Increased budget		10%	15%
		Number of staff onboarded		100	200
	Enhanced policy review	Number of policies developed in collaboration with Internal Audit		4	8
		Number of policies triggered by Internal Audits		4	8

			Projections		
Strategic Objective	**Outcome**	**Outcome Indicator**	**Year 1**	**Year 2**	**Year 3**
	Programs implementation through the support of development partners	Number of programs implemented through the support of development partners		2	4
	Increased budget support from development partners	Percentage of development partners' contributions to the budget			

5.2 Strategic Choices

The IAGD has formulated strategies to actualize the strategic objectives as highlighted in **table 9**

Table 9: Strategic Choices

KRA	Strategic Objective(s)	Strategies
KRA 1: Implementation of career progression guidelines	1.1 To improve Proficiency and Professionalism of internal auditors.	1.1.1 Develop and implement career progression guidelines for Internal Auditors to meet the current developments in internal auditing
		1.1.2 Develop and implement training programs for Internal Auditors
		1.1.3 Automation of Internal Audit processes
		1.1.4 Undertake continuous research and development on emerging issues/trends in Internal Audit profession
		1.1.5 Bench marking with other stakeholders on Internal Audit Matters
		1.1.6 Review, develop and implement Internal Audit manuals and circulars/advisories to align to the GIAS.
KRA 2: Implementation of the International Professional Practices Framework (IPPF)	2.1 To enhance efficiency and effectiveness in assurance and advisory services in the Public Sector Entities	2.1.1 Leveraging on Technology to provide assurance and advisory services in the Public Sector Entities
		2.1.2 Implement quality Assessment & Improvement Program.
		2.1.3 Enhance compliance with IPPF
KRA 3: Strengthened audit committee oversight in the Public Sector	3.1 Operationalization of the Ministerial Audit Committees	3.1.1 Promote establishment and operationalization of Ministerial Audit Committees.
		3.1.2 Enhance the effectiveness of the Ministerial Audit Committees.
		3.1.3 Advocate for the review of the Audit Committee laws and guidelines
KRA 3: Strengthened risk management in the Public Sector Entities.	4.1 Promote and support risk management in National Government entities.	4.1.1 Enhance advisory services in risk management in the National Government Entities

KRA 5: Elevation of IAG department to a Directorate.	5.1 To strategically position Internal Audit to influence policy and resource allocation	5.1.1 Enhance positioning of the HIAU
		5.1.2 Enhance financial autonomy for the Internal Audit Functions in MDAs.
		5.1.3 Enhance collaboration with development partners

CHAPTER SIX

IMPLEMENTATION AND COORDINATION FRAMEWORK

Introduction

This chapter covers the strategic intent and provides the implementation plan, coordination and risk management frameworks expected to assist the IAGD achieve its strategic goals.

6.1 Implementation Plan and Matrix

The implementation of the strategic plan will be undertaken by the Internal Auditor-General (IAG) who shall provide oversight and take a lead role in implementation plan and policy dialogue with key stakeholders as elaborated in ***Appendix I: Implementation Matrix***

The IAG will form a Strategic Plan Implementation Team that will coordinate the implementation and enhance capacity building efforts. In the implementation of the plan, the roles will be delegated and some of the activities will require support and coordination with internal audit stakeholders.

The review of the SP will be on an annual rolling and mid-term basis to ensure the implementation is on track. While reporting on the SP, the team will additionally report on the status of the Annual Work Plan, budget and Performance Contract. The report will be forwarded by the IAG to the PS/NT and periodically to the CS/NT.

6.2 Annual Work Plan

Each year the IAGD will extract annual activities and targets from the implementation plan & matrix, further the divisions will cascade the IAGD's Annual Work Plan to their respective Annual Work Plans as highlighted in ***Appendix II: Annual Work Plan for the Implementation of the Strategic Plan 2025-2028.***

6.3 Coordination Framework

6.3.1 IAGD Organizational Structure

The organizational structure is meant to support the successful implementation of this strategic plan, including the IAGD's vision and mission.

The organizational structure will ensure that IAGD undertakes its functions as outlined by regulations 163 to 171 of the PFMR, 2015. IAGD shall operate as an independent, objective assurance and advisory service provider, fully aligned to the strategic objectives as defined in the three (3) strategic goals that will enhance effective governance and decision making.

The hierarchal organization structure will reflect the internal audit workflow and delegation of responsibilities as depicted in ***Figure 2.***

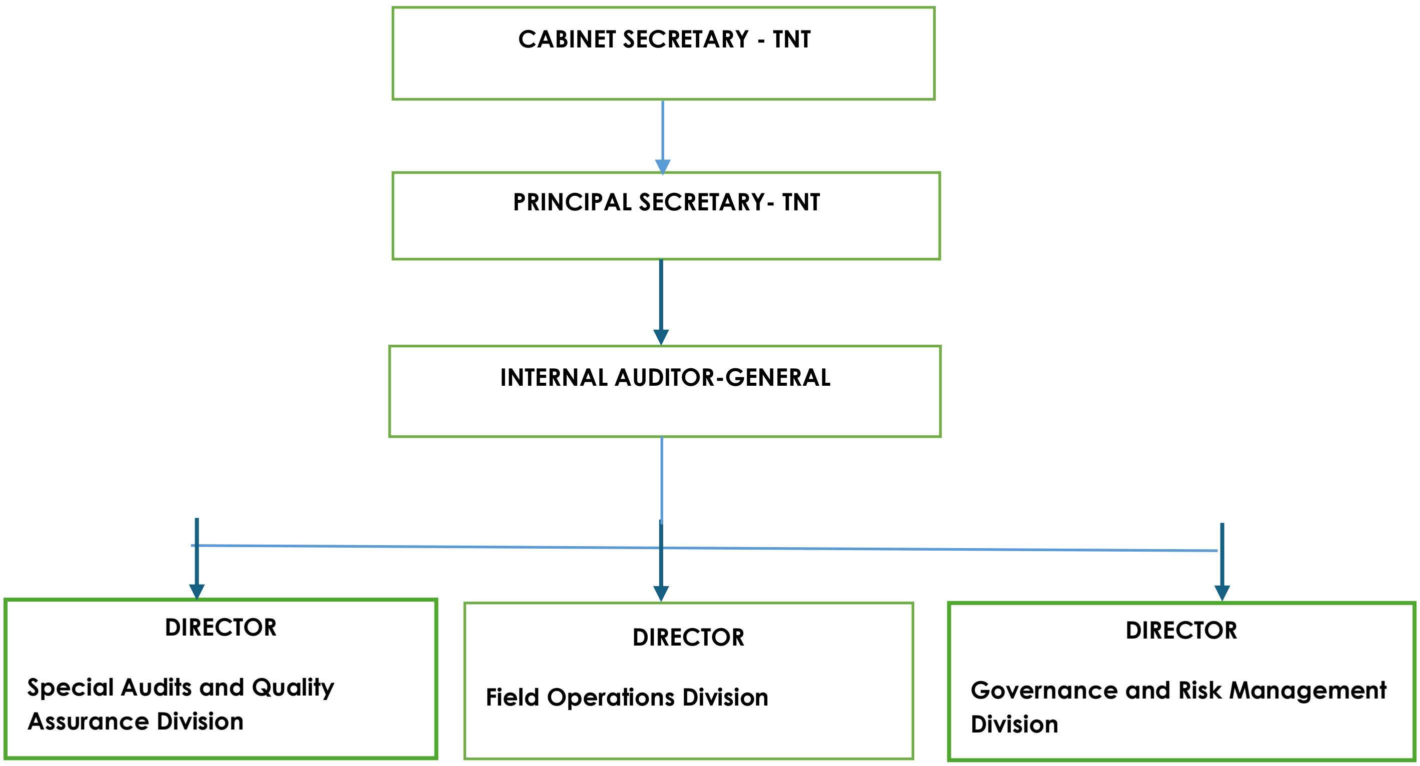

Figure 2: IAGD's Organizational Structure

6.3.2 Staff Establishment

IAGD has an approved staff establishment of nine hundred and twenty (920) internal auditors. The staff in-post is four hundred and forty-one (441) against the approved staff establishment resulting to a variance of four hundred and seventy-nine (479) staff, representing approximately fifty-two percent (52%) understaffing which impacts on service delivery as depicted in ***Table 10.***

Table 10: **Staff Establishment**

No	Designations	Approved Total Establishment	Total in Post.	Optimal/Proposed Establishment	Variance (Optimal – In –post)
1	Internal Auditor General (JG U/CSG 3)	1	1	1	0
2	Director Internal Auditor General (JG T/CSG 4)	3	2	4	-2
3	Senior Deputy Internal Auditor General (JG S/CSG 5)	6	48	60	-12
4	Deputy Internal Auditor General (JG R/CSG 6)	79	33	80	-47
5	Assistant Internal Auditor General (JG P/CSG 7)	130	137	132	5
6	Principal Internal Auditor (JG N/CSG 8)	171	50	171	-121
7	Senior Internal Auditor (JG L/CSG 9)	203	34	203	-169
8	Internal Auditor I/II (JG J & K/CSG 10/11)	269	113	269	-156
	Total	**862**	**418**	**920**	**-502**

IAGD proposes to recruit, develop and retain high quality manpower as per the proposed staff establishment that will be enhanced through continuous capacity building and relevant training for skill development.

The staff will be deployed at the IAGD headquarters as Secretariat, MDAs, Regions and Sub County internal audit units as illustrated in ***Table 11*** showing the distribution that will enhance service delivery with an optimal staffing level.

Table 11: **IAGD Proposed Staff Distribution *Internal Auditors***

No	Designation	CSG	HQs	Ministries	State Departments	Regions And Sub Counties	Total
1	Internal Auditor General	3	1	0	0	0	1
2	Director Internal Audit	4	4	0	0	0	4
3	Senior Deputy Internal Auditor General	5	8	22	30	0	60
4	Deputy Internal Auditor General	6	10	20	41	9	80
5	Assistant Internal Auditor General	7	16	20	37	47	132
6	Principal Internal Auditor	8		21	93	56	171
7	Senior Internal Auditor	9		50	50	90	203
8	Internal Auditor I/II	10/11		22	58	161	269
	TOTAL		**39**	**185**	**279**	**363**	**920**

6.4 Risk Management Framework

Risk management is a systematic process of identifying, assessing, analyzing and setting response mechanisms for risk exposures that may affect the IAGD's ability to achieve its objectives. The key risk events are as documented in **table 12.**

Table 12: Risk Management Framework

S/No.	Strategic objective	Risk	Risk Likelihood	Severity	Overall risk level	Mitigation measures
1.	To improve Proficiency and Professionalism of internal auditors.	Failure to attain Continuous Professional development	3 - High	3-High	9 - High	Train internal auditors on change management culture
		Ineffective mentorship and coaching	2-Medium	2-Medium	4-Medium	Develop a framework on coaching & mentorship
		Unethical practices by internal auditors.	2- Medium	3-High	6-High	• Employ sanctions for culpable auditors. • Sensitization on internal auditors on professional ethics
		Missing out on key auditable areas	3- Medium	4- High	6- High	• Conduct feasibility study on auditable areas. • Report on mapping on auditable areas.
2.	To enhance efficiency and effectiveness in assurance and advisory services	Ineffective Audit Committees	2- Medium	3 - High	6 - High	• Sensitization on the roles of MACs • Advocate for the review of the Audit Committee laws and guidelines

S/No.	Strategic objective	Risk	Risk Likelihood	Severity	Overall risk level	Mitigation measures
	in the public sector entities	Missing out on key organization risk in risk-based audit planning	2 - Medium	3 - High	6 - High	• Conduct annual risk assessments aligned with entity strategic objectives. • Capacity build internal auditors on risk-based planning • Develop and implement standardized audit planning process.
3.	To operationalize MACs	Ineffective follow up on audit recommendations	2- Medium	3 - High	6 - High	• Institutionalize follow up audit mechanisms • Capacity building of Ministerial Audit Committees • Regular follow up audits on status of the implementation of audit recommendations •
4.	To promote and support Risk Management in MDAs	Failure to identify key risks of an organization/entity	2 - High	3 - High	6 - High	• Implementation of capacity building Programmes • Risk awareness campaign among the management.
		Resistance from implementers (MDAs) on adoption on risk management practice	3 - High	3 - High	9 - High	Capacity building of management on development and implementation of risk management policy framework
5.	To strategically position Internal Audit to influence policy and	Lack of top management support to Internal Audit function	2-High	3 -High	6 - High	• Sensitization on the mandate and the usefulness of the internal audit function to management.

S/No.	Strategic objective	Risk	Risk Likelihood	Severity	Overall risk level	Mitigation measures
	resource allocation					• Advocate for review of the internal audit legal framework.
		Ineffective internal audit function	2 - Medium	3 - High	6 - High	• Capacity building of internal auditors on policy review • Continuous sensitization of the MDAs on the need for effective Ministerial Audit Committees

CHAPTER SEVEN

RESOURCE REQUIREMENT AND MOBILIZATION STRATEGIES

Overview

To implement the Strategic Plan, there is a need for resources and strategies for mobilizing the resources. This chapter deals with financial resources for the implementation of the Strategic Plan over the next three years.

7.1 Financial Requirements

Resource needs were assessed based on the strategic objectives and planned activities for IAGD implementation. Table 13 summarizes the required financial resources amounting to approximately **Kshs. 3,542 million** spread over the three-year implementation period.

Table 13: Financial Resource Requirements

Cost Item	Projected Resource Requirements (Millions)			
	2025/26	2026/27	2027/28	Total
KRA 1	95	130	122	347
KRA 2	32.5	62.5	32.5	127.5
KRA 3	36	8.5	8	52.5
KRA 4	5	5	5	15
KRA 5	9	10	12	31
Administrative Cost	903	946	1121	2969
TOTAL	**1,080**	**1,162**	**1,300**	**3,542**

In disaggregating the projected resource requirements, the activities under KRAs are treated as development resource requirements necessary to support the IAGD to achieve the planned annual activities in the Strategic Plan.

These are aligned to the budget in the Medium – Term Expenditure Framework (MTEF) and provide the overall resource framework for achievement of the IGAD's KRAs. The Administrative Costs comprise the Personnel Emoluments, Operations and Maintenance Costs necessary to support implementation of the Strategic Plan and the overall functions of IAGD.

Table 14: ***Resource Gaps***

Financial year	Estimated financial requirements (Kshs. Millions)	Estimated allocations (Kshs. Millions)	Variance (Kshs. Millions)
2025/26	1,080	861	219
2026/27	1,162	1038	124
2027/28	1,300	1082	218

7.2 Resource Mobilization Strategies

Successful implementation of the strategic plan will heavily rely on availability and efficient utilization of resources. Resource mobilization for assured financial sustainability will be pursued during the strategic plan implementation.

IAGD resource mobilization strategies will include:

1. Lobbying and having detailed proposals to justify additional resource allocation from the National Treasury.
2. Lobby for a budget line for the Internal Audit Functions in the MDAs
3. Drawing synergies with development partners to support implementation of major programs with requisite timeframes and milestones to be achieved.
4. Leverage on offering IAS to other stakeholders at a fee on an outsourcing model that will enhance capacity to deliver on set assignments.
5. Enhance collaboration with development partners to attract additional resource support.

7.3 Resource Management

The Department will employ the following measures to ensure optimal use of available resources. The following resource management measures will be prioritized:

a) Utilize the internal audit budget effectively
b) Improve the cost of programs and activities to enhance efficiency in management of internal audit budget.

c) Ensure proper maintenance of the Department's facilities, equipment and vehicles.
d) Enhance paperless communication through leveraging ICT platforms and electronic mode of communication such as emails and conducting virtual meetings.
e) Monitor utilization of available resources.

CHAPTER EIGHT

MONITORING, EVALUATION, LEARNING & REPORTING FRAMEWORK

8.1 Monitoring Framework

Monitoring is imperative to ensure that the implementation of the Strategic Plan is as envisaged and in the event of any divergence appropriate and corrective action is taken in a timely manner.

Monitoring is a continuous function that entails collection and analysis of data on specific indicators to establish the progress on achievement of internal audit objectives.

It will measure the effectiveness of internal audit function during the implementation of the strategic plan.

The Monitoring and Evaluation Team will spearhead the monitoring and implementation of the work plans against set targets.

8.2 Performance Standards

Key Performance Indicators identified at the outcome, output and efficiency level will be applied in tracking performance of the Strategic Plan. The performance of internal audit will be measured through internal assessment which will be undertaken once every financial year.

8.3 Evaluation Framework

Evaluation will involve a structured and objective process which will assess the level and extent of achievement of the strategic objectives and attainment of the strategic goals along the respective Key Result Areas (KRAs).

This will involve tracking progress, performance measurement and assessment of internal audit impact over time.

The assessment will analyse the outcome indicators as outlined ***Table 15.***

Table 15: Evaluation Framework

KRA	Outcome	Outcome Indicator	Baseline		Target	
			Value	Year	Mid-Term	End-Term
KRA 1: Implementation of career progression guidelines	Developed career guidelines	Career progression guidelines	0	30.06.2025	50%	100%
	Improved proficiency and professionalism of internal auditors	Number of auditors trained	150	30.06.2025	200	441
	Certification of internal auditors in both professional and promotional courses	Number of certifications	370	30.06.2025	200	441
	Improved compliance to the IPPF	Scores on compliance with GIAS	30%	30.06.2025	70%	100%
	Improved career progression and retention of audit staff	Number of Internal auditors promoted	336	30.06.2025	50	200
	Onboarding of new and specialized skills audit staff	Number of audit staff with specialized skills	0	30.06.2025	50	100
		Number of new audit staff	32	30.06.2025	139	479
	Quality audit reports	Internal quality assessment scores	70%	30.06.2025	75%	85%

	Enhanced adoption of technology in IA processes	External quality assessment scores	55%	30.06.2025	75%	85%
		Number of MDAs and Regions generating audit reports using IDEA	22	30.06.2025	42	53
	Increased participation in continuous professional development on emerging issues	Number of MDAs and Regions generating audit reports using Team - Mate	10	30.06.2025	42	53
		Number of IT Audits conducted	5	30.06.2025	30	53
		Additional number of auditors participating in development programs	20	30.06.2025	30	53
KRA 2: Implementation of the International Professional Practices Framework	Enhanced conformity with IPPF	Internal and external quality assessment scores	62%	30.06.2025	75%	85%
	Full implementation of quality assurance and improvement programmes	Percentage of implementation of IQAs recommendations	70%	30.06.2025	75%	85%
		Percentage of implementation of EQAs recommendations	70%	30.06.2025	75%	85%
KRA 3: Strengthened audit committee oversight in the Public Sector.	Effective audit committees	Number of internal audit reports tabled for discussion	80%	30.06.2025	100%	100%
	Effective internal audit function	Number of recommendations adopted by the audit committee			75%	90%

		Number of recommendations implemented by management	60%	30.06.2025	75%	90%
KRA 4: Strengthened risk management in the Public Sector Entities.	Enhanced capacity of National Government Entities to develop RMF	Number of National Government Entities supported on development of the framework	24	30.06.2025	29	53
	Effective risk management strategies in National Government Entities	Number of National Government Entities which have implemented the RMF	28	30.06.2025	29	53
KRA 5: Elevation of IAG Department to a Directorate	Enhanced independence of the internal audit function	Existence of independent budget line	0	30.06.2025	1	1
	Enhanced resources	Increased budget	5%	30.06.2025	10%	15%
		Number of staff onboarded	32	30.06.2025	100	200
		Number of policies developed in collaboration with internal audit	1	30.06.2025	4	8
	Enhanced policy review	Number of programs implemented through the support of development partners	1	30.06.2025	2	4
		Percentage of development partners contributions in the budget		30.06.2025	10%	25%

The IAG will operationalize regular internal assessment of audit processes. There will also be independent external assessment of the effectiveness of internal audit function.

8.3.1 Mid Term Evaluation

IAGD will conduct Mid-term evaluation of this Strategic Plan to examine the progress and to what extent the plan is achieving the set targets and make modifications to ensure the set objectives are realized within the strategic plan period. This will be spearheaded by the strategic plan implementation team and the recommendations made will be used to improve the implementation process. The achievements gained will also be considered.

8.3.2 End Term Evaluation

IAGD will conduct end-term evaluation to take stock of the overall implementation of the Strategic Plan. The achievements, challenges and recommendations will assist in drawing conclusions, distilling lessons learned and building a knowledge base to inform future planning and decision making.

8.4 Reporting Framework and Feedback Mechanism

This entails mechanisms for reporting on the implementation of the strategic plan. IAGD will prepare quarterly progress reports, annual progress reports and evaluation reports for the strategic plan as per the PFMR 2015.

Table 16: Evaluation Reporting template

EVALUATION REPORT TEMPLATE										
			Baseline		Mid-term evaluation		End of Plan Evaluation Period		Remarks	Corrective action
KRA	**Outcome**	**Outcome Indicator**	**Value**	**Year**	**Target**	**Achievement**	**Target**	**Actual**		
KRA1										
KRA2										
KRA3										
KRA4										
KRA5										

APPENDICES

Appendix I: Implementation Matrix

Strategy	Key Activities	Expected Output	Output Indicators	Target for 3 Years	Annual Targets			Budget (Kshs. 'Mn')			Responsibility	
					2025/2026	2026/2027	2027/2028	2025/2026	2026/2027	2027/2028	Lead	Support
Strategic issue: Inadequate Professional Development and Career Management **Strategic goal 1: Strengthened institutional capacity** **KRA1: Implementation of career progression guidelines.** **Outcome:** • **Developed career progression guideline** • **Improved proficiency and professionalism of Internal Auditor** • **Certification of Internal Auditors in both professional and promotional courses** • **Improved compliance to the IPPF** • **Improved career progression and retention of the audit staff** • **Onboarding of new and specialized skills audit staff** • **Enhanced adoption of technology in IA processes** • **Increased participation in continuous professional development on emerging issues** **Strategic Objective 1.1: To improve Proficiency and Professionalism of Internal Auditors.**												
1.1.1. Develop career progression guidelines for Internal Auditors to meet the current developments in internal auditing.	1.1.1.1 Development of the internal audit career progression guidelines	Report on the mapped required skills.	Number of reports	1	1			0	0	0	**IAG**	**Dir. SA&QA**
		Job group description report	Number of reports	1		1		0	0	0		
		Career progression guidelines developed	Guidelines submitted for approval	1	1			0	0	0		

Strategy	Key Activities	Expected Output	Output Indicators	Target for 3 Years	Annual Targets			Budget (Kshs. 'Mn')			Responsibility	
					2025/2026	2026/2027	2027/2028	2025/2026	2026/2027	2027/2028	Lead	Support
	1.1.1.2 Holding consultative meetings with the relevant stakeholders to fast-track approval of the IA career guidelines	Approved career progression guidelines	Letters of engagement Minutes of the meeting. Follow-up with the PSCK					0	0	0		
1.1.2. Enhance training programs for Internal Auditors	1.1.2.1 Undertake internal auditors' skills gap and training needs assessment	Report on training needs assessment	Number of reports	1			1	0	0	0	**IAG**	**Dir. G&RM, FO**
	1.1.2.2 Develop and implement training programs for internal auditors and TOTs	Training programs – • CPD/promotion • Teammate • Risk Management • MACs	Number of programs	3		3		0	0	2		
		Internal Auditors on developed programs	Number of Auditors/ ToTs trained	64	20	22	22	5	5	5		
		Certification of Internal Auditors in both	No of internal auditors certified in	30	10	10	10	1	1	1		

Strategy	Key Activities	Expected Output	Output Indicators	Target for 3 Years	Annual Targets			Budget (Kshs. 'Mn')			Responsibility	
					2025/2026	2026/2027	2027/2028	2025/2026	2026/2027	2027/2028	Lead	Support
		professional and promotional courses	profession courses									
1.1.3 Automation of the internal audit processes	1.1.3.1 Procure IT hardware and software	Upgraded IT hardware and software	Number of laptops issued	550	200	200	150	30	30	25	**IAG**	**Director, SA&QA**
			Number of Team-Mate+ licenses issued	400				0	0	0		
	1.1.3.2 Capacity build on use of technologies	Trained staff in the use of technologies	Number of staff trained on Teammate +	441	41	200	200	6	30	30		
			Number of staff trained on IDEA	441	40	40	40	6	6	6		
	1.1.3.3 Maintenance of software licences	Renewed software licenses	Number of renewed software licenses	452	452	452	452	36	38	28		
	1.1.3.4 Undertake cyber security audits of the	Cyber security systems audit report	No. of cyber security systems	2		1	1		1	1		

Strategy	Key Activities	Expected Output	Output Indicators	Target for 3 Years	Annual Targets			Budget (Kshs. 'Mn')			Responsibility	
					2025/2026	2026/2027	2027/2028	2025/2026	2026/2027	2027/2028	Lead	Support
	Internal Audit Systems by ICTA		audit reports									
1.1.4. Undertake Continuous Research and Development on emerging issues/trends in internal audit profession	1.1.4.1 Conduct research on emerging issues in internal audit profession	Concept notes development and research reports	Number of concept notes developed and research reports	2		1	1	0	0	0	**IAG**	**Director, SA &QA**
1.1.5. Bench Marking with other Stakeholders on internal audit issues	1.1.5.1 Map out key stakeholders, area of engagement and develop terms of reference for benchmarking	Report on key stakeholders and areas earmarked for bench marking	Number of reports	2		1	1	0	0	0	**IAG**	**Director, FO**
	1.1.5.2 Convene/undertake bench marking forums/conferences	Report on bench marking forums/conferences	Number of reports	2		1	1	0	0	0		
			Number of on benchmarking reports	2		1	1	0	15	15		
1.1.6. Review, develop and implement IA	1.1.6.1 Update and disseminate of the Internal Audit manuals	Audit manuals and circulars/ advisories aligned to GIAS	Number of manuals issued	1	1			6	0	0	**IAG**	**Director, SA & QA**

Strategy	Key Activities	Expected Output	Output Indicators	Target for 3 Years	Annual Targets			Budget (Kshs. 'Mn')			Responsibility	
					2025/2026	2026/2027	2027/2028	2025/2026	2026/2027	2027/2028	Lead	Support
manuals and circulars/ advisories to align with the GIAS.	and circulars/ advisories in line with the GIAS		Number of circulars/ advisories issued	4	2	2		0	0	0		
	1.1.6.2 Issue advisories in line with GIAS	Advisories Issued	Number of advisories issued	2	1	1		0	0	0		
Strategic issue: Weak Compliance and Governance Management in the Public Sector Entities **Strategic goal 2: Enhanced internal audit assurance and advisory services** **KRA 2: Implementation of the International Professional Practices Framework** **Outcome:** • **Enhanced conformance with the IPPF** • **Implementation of quality assurance and improvement programmes** **Strategic Objective 2.1: To enhance efficiency and effectiveness in assurance and advisory services in the public sector entities**												
2.1.1. Leveraging on Technology to provide assurance and advisory services in the Public Sector Entities	2.1.1.1 Undertake audit assurance and advisory services using the CAATs and audit soft wares (Teammate and IDEA)	MDAs and regions that conduct audits using CAATs and audit software	No. of MDAs and regions using technology to generate reports	53	8	25	20	0	0	0	**IAG**	**Director, SA & QA**
	2.1.1.2 Undertake VFM/Special audits in the public sector entities	VFM /special audit conducted using CAATs	No. of audit reports	15	5	5	5	25	25	25	**IAG**	
	2.1.1.3 Undertake VFM audits for Kenya's Foreign missions	VFM audits for foreign missions conducted using CAATs and audit software	No. of audit reports	110	55	0	55	150	0	150		

Strategy	Key Activities	Expected Output	Output Indicators	Target for 3 Years	Annual Targets			Budget (Kshs. 'Mn')			Responsibility	
					2025/2026	2026/2027	2027/2028	2025/2026	2026/2027	2027/2028	Lead	Support
2.1.2. Implementation of quality Assessment & Improvement Program.	2.1.2.1 Develop and implement quality assessment tools	Approved quality assessment tools for MDAs and regions	Number of quality assessment tools	2		2		0	0	0	**IAG**	**Director, SA &QA**
	2.1.2.2 Undertake both internal and external quality assessments (IQA/EQA) for MDAs and Regions	IQA and EQA Reports for MDAs and Regions	Number of reports	4	1	2	1	10	40	10	**IAG**	**Director FO**
2.1.3. Enhance compliance with by the Internal auditors on IPPF	2.1.3.1 Sensitize and capacity build Internal Auditors on IPPF	Internal Auditors trained on IPPF	Number of Internal Auditors trained	441	150	150	141	22.5	22.5	22.5	**IAG**	**Director, SA & QA**
Strategic issue: Weak compliance and governance management in the public sector entities **Strategic goal 2: Enhanced internal audit assurance and advisory services** **KRA 3: Strengthened audit committee oversight in the Public Sector** **Outcome:** • **Effective internal audit function** • **Effective Audit Committees** **Strategic Objective 3.1: Operationalization of the Ministerial Audit Committees.**												
3.1.1. Promote establishment and operationalization	3.1.1.1 Sensitize MDAs on establishment and	Establishment of MAC	Number of MACs established	22	11	6	5	0	0	0	**IAG**	**Director, G&RM**

Strategy	Key Activities	Expected Output	Output Indicators	Target for 3 Years	Annual Targets			Budget (Kshs. 'Mn')			Responsibility	
					2025/2026	2026/2027	2027/2028	2025/2026	2026/2027	2027/2028	Lead	Support
of Ministerial Audit Committees	operationalization of MACs	Functional MAC	Number of functional MACs	22	7	10	5	0	0	0		
	3.1.1.2 Undertake training and capacity building of MACs	MAC trained	Number of MACs trained	22	7	10	15	6	6.5	8		
3.1.2. Enhance effectiveness of the Ministerial Audit Committees	3.1.2.1 Develop and disseminate MAC monitoring and evaluation tool	Developed monitoring tools	Number of tools developed	1	1			0	0	0		
	3.1.2.1 Monitoring and evaluation of MACs	Reports on effectiveness of MACs	Number of reports	66	22	22	22	0	0	0		
3.1.3. Advocate for the review of the Audit Committee laws and guidelines	3.1.3.1 Hold Consultative meetings with relevant stakeholders on proposed MAC reviews	Report on the meeting and minutes	Number of reports and minutes	2		2		0	2	0	**IAG**	**Director, G&RM**
	3.1.3.2 Advocate for amendments of AC laws	Report/ Proposal document for amendment	Number of proposals	1	1			30	0	0		
Strategic issue: Inadequate resourcing and strategic positioning of the IAGD												

Strategy	Key Activities	Expected Output	Output Indicators	Target for 3 Years	Annual Targets			Budget (Kshs. 'Mn')			Responsibility	
					2025/2026	2026/2027	2027/2028	2025/2026	2026/2027	2027/2028	Lead	Support
Strategic goal 3: Enhanced internal audit assurance and advisory services **KRA 4: Strengthened risk management in the Public Sector Entities.** **Outcome:** • **Enhanced capacity to National Government entities to develop Risk Management Policy Framework** • **Effective risk management strategies in National Government entities** **Strategic Objective 4.1: To promote and support risk management in MDAs**												
4.1.1. Enhance advisory on risk management in National Government entities.	4.1.1.1 Support the development and implementation of entity specific IRMPF	Training reports on IRMPF	Number of IRMPF training reports	15	5	5	5	5	5	5	**IAG**	**Director G&RM**
	4.1.1.2 Conduct a survey of implementation of IRMPF in by MDAs.	MDAs with developed IRMPF	Number of MDAs that have developed IRMPF	15	5	5	5	0	0	0		
Strategic issue: Inadequate resourcing and strategic positioning of the IAGD **Strategic goal 3: Strengthened IAGD's strategic position and resource allocation.** **KRA 5: Elevation of IAG department to a Directorate** **Outcome:** • **Enhanced independence of the Internal Audit** • **Enhanced resources** • **Enhanced policy review** **Strategic Objective 5.1: To strategically position Internal Audit to influence policy and resource allocation**												
5.1.1. Enhance positioning of the HIAU	5.1.1.1 Advocate for elevation of HIAUs	HIAUs elevated	Number of elevated HIAUs	22		7	15	0	0	0	**IAG**	**Director, FO**

Strategy	Key Activities	Expected Output	Output Indicators	Target for 3 Years	Annual Targets			Budget (Kshs. 'Mn')			Responsibility	
					2025/2026	2026/2027	2027/2028	2025/2026	2026/2027	2027/2028	Lead	Support
5.1.2. Enhance financial autonomy for the Internal Audit Functions in MDAs	5.1.2.1 Advocate for a budget line for the Internal Audit Functions in the MDAs	Budget lines for MDAs	Number of MDAs Internal Audit Functions with budget lines	52		26	26	0	0	0		
5.1.3. Enhance collaboration with development partners	5.1.3.1 Develop proposals for enhanced resources from the development partners.	Increased budget support	Percentage budget increment	25%	10%	10%	5%	9	10	12	**IAG**	**Director, FO, G & RM, and SA & QA**

Appendix II: Work Plan for the Implementation of the Strategic Plan 2025-2028

S/No	Task Name/Key Activities		Quarter											
			1	2	3	**4**	5	6	7	**8**	9	10	11	**12**
1	**To Improve Proficiency and Professionalism of Internal Auditors**													
1.1	Development of the internal audit career progression guidelines		1											
1.2	Hold consultative meetings with the relevant stakeholders to fast-track approval of the Internal Audit career guidelines		2											
1.3	Undertake IA's skills gaps and training need assessment					1								
1.4	Develop training programmes for Internal Auditors and ToTs			1				1				1		
1.5	Undertake training for ToTs on the training programs					20				20				20
1.6	Procure IT hardware and software	IT hardware Equipment (laptops)		200				200				150		
		Software licences for Internal Auditors		400										
1.7	Train/capacity build internal auditors on:	Use of audit software (Teammate)			41				200				200	
		Data Analytics audit software (IDEA)				40				40				40
1.8	Undertake cyber security audits of the Internal Audit systems									1				1
1.9	Conduct research on emerging issues in internal audit profession									1				1
1.10	Map out key stakeholders, area of engagement and develop terms of reference for benchmarking			1										
1.11	Convene/undertake bench marking forums/conferences					1				1				1
1.12	Update and disseminate Internal Audit manuals and circulars/ advisories in line with the GIAS and issue advisories on the standards		1				1						1	
2	**To enhance efficiency and effectiveness in assurance and advisory services in the Public Sector Entities**													
2.1	Undertake audit assurance and advisory services using the CAATs and audit soft wares (Teammate and IDEA)		Throughout the plan period											
2.2	Undertake Value for Money (VFM)/ Special audits in the public sector entities		Throughout the plan period											
2.3	Undertake VFM audits for Kenya's Foreign Missions				55								55	
2.4	Develop and implement quality assessment tools		1											
2.5	Undertake both internal and external quality assessments (IQA/EQA) for MDAs and Regions		1						2				1	
2.6	Sensitize and capacity build Internal Auditors on IPPF					150				150				141
3	**Operationalization of the Ministerial Audit Committees (MACs)**													
3.1	Sensitize MDAs on establishment and operationalization of MACs			7				10				5		
3.2	Undertake training and capacity building of MACs				7				10				5	
3.3	Develop and disseminate MAC monitoring and evaluation tool					22								
3.4	Develop proposal for amendment of the Ministerial Audit Committee laws/guidelines and hold consultative meetings to advocate for the amendments		1						1				1	
4	**To promote and support risk management in MDAs**													
4.1	Support development and implementation of Entity specific Institutional Risk Management Policy Framework (IRMPF)		2	2	2	2	2	2	2	2	2	2	2	2
4.2	Conduct a survey on implementation of IRMPF in by MDAs.					1				1				1
5	**To strategically position internal audit to influence policy and resource allocation**													
5.1	Advocate for elevation of Heads of Internal Audit Units (HIAUs)		Throughout the plan period											
5.2	Advocate for a budget line for the Internal Audit Functions in the MDAs		Throughout the plan period											
5.3	Develop proposals for enhanced resources from the development partners.					2				2				2