



Primary focus areas: measurable objectives and medium-term output targets

Primary focus area (performance outcome)	Goal	Measure	Target 2007-08	Target 2008-09	Target 2009-10
1. Auditing					
1.1 Quality	Deliver audit conclusions that meet professional quality requirements for audit (Annexure 6)	Quality of auditing as determined by IRBA wrt international standards of auditing (ISA)	Excellent performance (C2 and C3): 75% Good performance (R1): 25% Poor performance (R2): 0%	Excellent performance (C2 and C3) :80% Good performance (R1): 20% Poor performance (R2) : 0%	Excellent performance (C2 and C3) :85% Good performance (R1): 15% Poor performance (R2) : 0%
Measurement process	<ul style="list-style-type: none"> Internal Quality Control conducts quality control assessment on audits Internal assessment reports are then compiled and used to determine frequency of future quality reviews IRBA conducts external quality reviews of audit reports and audit process annually 				
Tool	Quality control assessment				
1.2 Cost of auditing to government	1.2.1. Provide cost-effective public sector auditing	Exceed budgeted audit efficiency ratios	Additional 1% on the projected efficiency ratios of 33%	Additional 1% on the projected efficiency ratios of 35%	Additional 1% on the projected efficiency ratios of 35%
Measurement process	Calculated the additional 1% efficiency over and above the efficiency ratio as reflected in the projected income statement				

070522 seag



AUDITOR-GENERAL

Primary focus area (performance outcome)	Goal	Measure	Target 2007-08	Target 2008-09	Target 2009-10
Tool	Monthly variance report				
1.3 Timeliness of audit reports	Finalise audit reports within legislative deadlines for financial statements submitted on time (PFMA and MFMA: 2 months deadline)	Number (%) of audit reports finalised within legislative deadlines	100% achievement of all audit deadlines	100% achievement of all audit deadlines	100% achievement of all audit deadlines
Measurement process	AG introduced an audit tracking tool that is used to store and capture all audit information, including audit deadlines. The deadlines can then be tracked using the tool to ensure that deadlines are met.				
Tool	Audit tracking tool				
1.4 Auditing of performance information	Phasing-in of the auditing of performance information	% compliance with predetermined audit-coverage milestones as defined in section 7.1.1(d)	100% achievement of milestones set per annum	100% achievement of milestones set per annum	100% achievement of milestones set per annum
Measurement process	The AG will measure whether the project milestones as defined in section 7.1.1(d) have been met.				
Tool	Project progress report				



AUDITOR-GENERAL

Primary focus area (performance outcome)	Goal	Measure	Target 2007-08	Target 2008-09	Target 2009-10
1.5 Performance auditing	Expand the extent of performance audits	Ratio of performance audits to regularity audits	8%	10%	10%
Measurement process	Business units indicate the % of resources that will be allocated to performance audits separately from other audit activities, during annual budgeting. This information is then tracked throughout the year using an automated report from PeopleSoft (ICT system)				
Tool	Automated PeopleSoft report				
1.6 International auditing	Maintain international audits within reasonable norms	% audit income derived from international auditing	No more than 5% of total audit income	No more than 5% of total audit income	No more than 5% of total audit income
Measurement process	International resource allocation (budgeted) per annum may not exceed 5% of total audit income. This is tracked annually				
Tool	Calculation using PeopleSoft report				
2. Employment equity	Maximise AG's contribution to the national EE initiative	Achievement of affirmative action targets	80% from targeted groups 20% from non-targeted groups	80% from targeted groups 20% from non-targeted groups	80% from targeted groups 20% from non-targeted groups
Measurement process	Analysis per business unit with regard to compliance with set targets as outlined in the AG Employment Equity Plan. The Employment Equity Plan actions and timelines are predetermined to meet the requirements of the Employment Equity Act No. 55 of 1998.				



AUDITOR - GENERAL

Primary focus area (performance outcome)	Goal	Measure	Target 2007-08	Target 2008-09	Target 2009-10
Tool	Manual tracking and progress report				
3. Black economic empowerment	Maximise the AG 's contribution to BEE and capacity building, including a dedicated focus on broad-based BEE (Annexure 3)	% compliance with BEE criteria as determined by the AG	100% compliance with BEE criteria per annum	100% compliance with BEE criteria per annum	100% compliance with BEE criteria per annum
Measurement process	AG monitors that all procured goods and services, including audit contract work, comply with BEE criteria as determined by the AG				
Tool	Manual BEE compliance report				
4. Leadership	Enhance leadership effectiveness (reflected in the organisational culture)	Narrow the gap between desired culture and current culture	2 - 3% increase from baseline	2 - 3% increase from previous year	5% increase from previous year
Measurement process	Gaps between current and desired culture are to be established by assessing the culture and defining the desired culture through a series of assessments and best practices. The measurement will be on the % improvement from the baseline and this measure will be determined by conducting annual cultural surveys				
Tool	Annual culture surveys				



AUDITOR - GENERAL

Primary focus area (performance outcome)	Goal	Measure	Target 2007-08	Target 2008-09	Target 2009-10
5. Reputation	Improve the corporate reputation and branding of the AG in relation to all its stakeholders, internal and external (Annexure 7)	Reputation index	1% increase from baseline	1% increase from previous year	2% increase from previous year
Measurement process	The reputation index survey will be conducted on an annual basis by an independent and external party, to determine % improvements				
Tool	Independent surveys conducted by external firm				

Table 1: Primary focus areas: measurable objectives and medium-term output targets



AUDITOR-GENERA

Secondary focus area and medium-term targets

Secondary focus area (performance outcome)	Goal	Target 2007-08	Target 2008-09
People			
6. Learning and growth	Narrower skill gaps and development	Minimum 20 qualified audit professionals annually	Minimum 30 qualified audit professionals annually
Measurement process	AGP of those who were trained/certified during the year CIS		
Tool	Management Information System for Professionals		
7. Retention of staff	Retention of 12% AC personnel	12%	12%
Measurement process	Data on annual basis		



AUDITOR-GENERAL

Secondary focus area (performance outcome)	Goal	Measure	Target 2007-08	Target 2008-09	Target 2009-10
Tool	Automated tool that will provide staff turnover rate				
Process					
8. Operational excellence	All key business processes have reached a level of compliance and control w.r.t. capability maturity model	Level of maturity of business processes weighted in terms of importance	<p>Processes are standardised, documented and communicated through training. The organisation has infrastructure to support the environment: 25%</p> <p>Processes are standardised but communication has not been done. There is high reliance on the knowledge of the individuals: 75%</p> <p>No standard processes: 0%</p>	<p>Processes are standardised, documented and communicated through training. The organisation has infrastructure to support the environment: 50%</p> <p>Processes are standardised but communication has not been done. There is high reliance on the knowledge of the individuals: 50%</p> <p>No standard processes: 0%</p>	<p>Processes are standardised, documented and communicated through training. The organisation has infrastructure to support the environment: 100%</p> <p>Processes are standardised but communication has not been done. There is high reliance on the knowledge of the individuals: 0%</p> <p>No standard processes: 0%</p>
Measurement process	Internal auditors to determine the maturity levels of critical business processes with regard to the six maturity levels set for the AG. The result will indicate whether the focus should be on the improvement of controls (level 1 – 3) or performance (level 4 – 6). Please refer to annexure 4				



AUDITOR - GENERAL

Secondary focus area (performance outcome)	Goal	Measure	Target 2007-08	Target 2008-09	Target 2009-10
Tool	Final report from Internal Audit				
Financial performance					
9. 1.Efficiency gains	Exceed target on the budgeted efficiency gains as tabled in the projected income statement	% excess achievement of budgeted efficiency gains	Additional 3 % on projected efficiency gains	Additional 3 % on projected efficiency gains	Additional 3 % on projected efficiency gains
Measurement process	Calculate additional % efficiency gain on the projected income statement				
Tool	Analysis of the projected income statement				
9.2. Debt collection	Timely collection of cash from debtors	Debtors days outstanding	National and provincial not more than 30 days Local government not more than 90 days	National and provincial not more than 30 days Local government not more than 75 days	National and provincial not more than 30 days Local government not more than 60 days
Measurement process	The optimal cash flow will be measured by determining the age of debtors for the different tiers of government.				
Tool	Automated age analysis report				

Table 2: Key drivers: measurable objectives and medium-term output targets