



## Our reputation promise/mission

The Auditor-General of South Africa (AGSA) has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, it exists to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence.

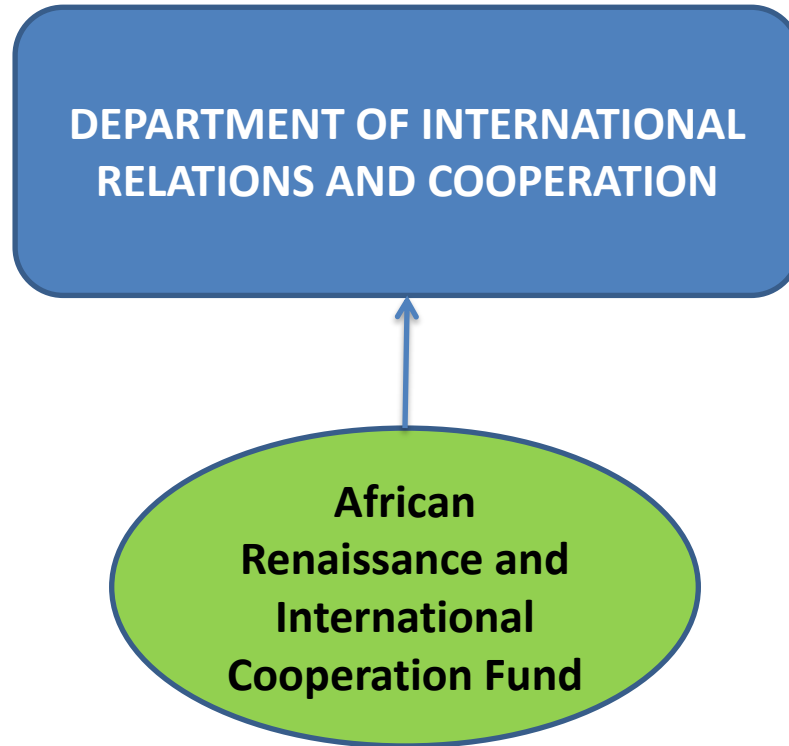


- 1 What is the status and progress of the audit outcomes of the International Relations portfolio?
- 2 What are the areas that should be focused on?
- 3 What vital actions should be taken?
- 4 What is the progress on the commitments and which key role players should take action?



# International Relations Portfolio

2012-13  
PFMA



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**1** What is the status and progress of the audit outcomes of International Relations portfolio?

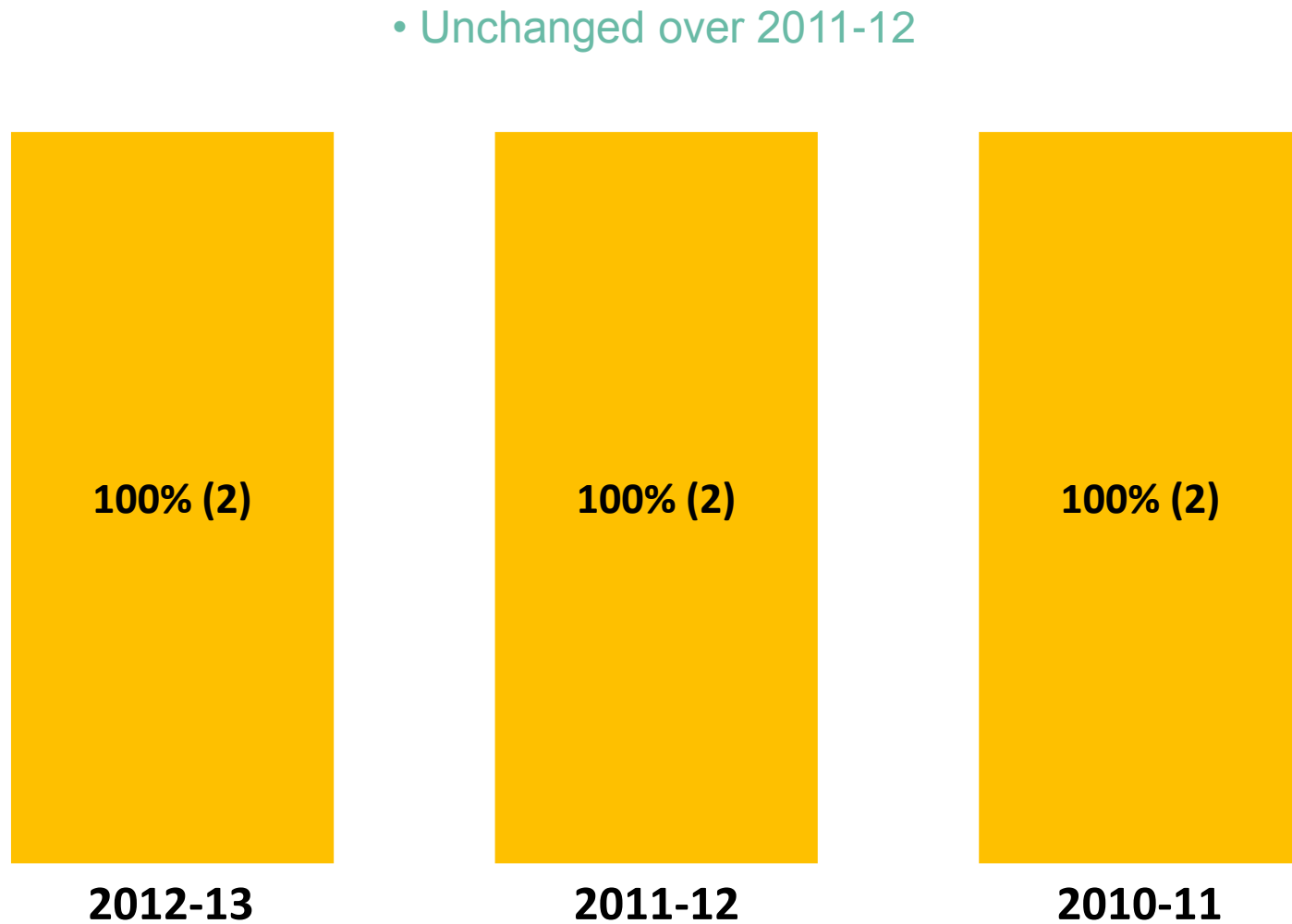
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# Audit outcomes over the past three years



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- Unqualified with no findings
- Unqualified with findings
- Qualified with findings
- Adverse or disclaimer with findings
- Audits outstanding



# Status of compliance with legislation

- There are material findings at **100%** of the auditees
- Net regression over 2011-12



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With no findings

With findings



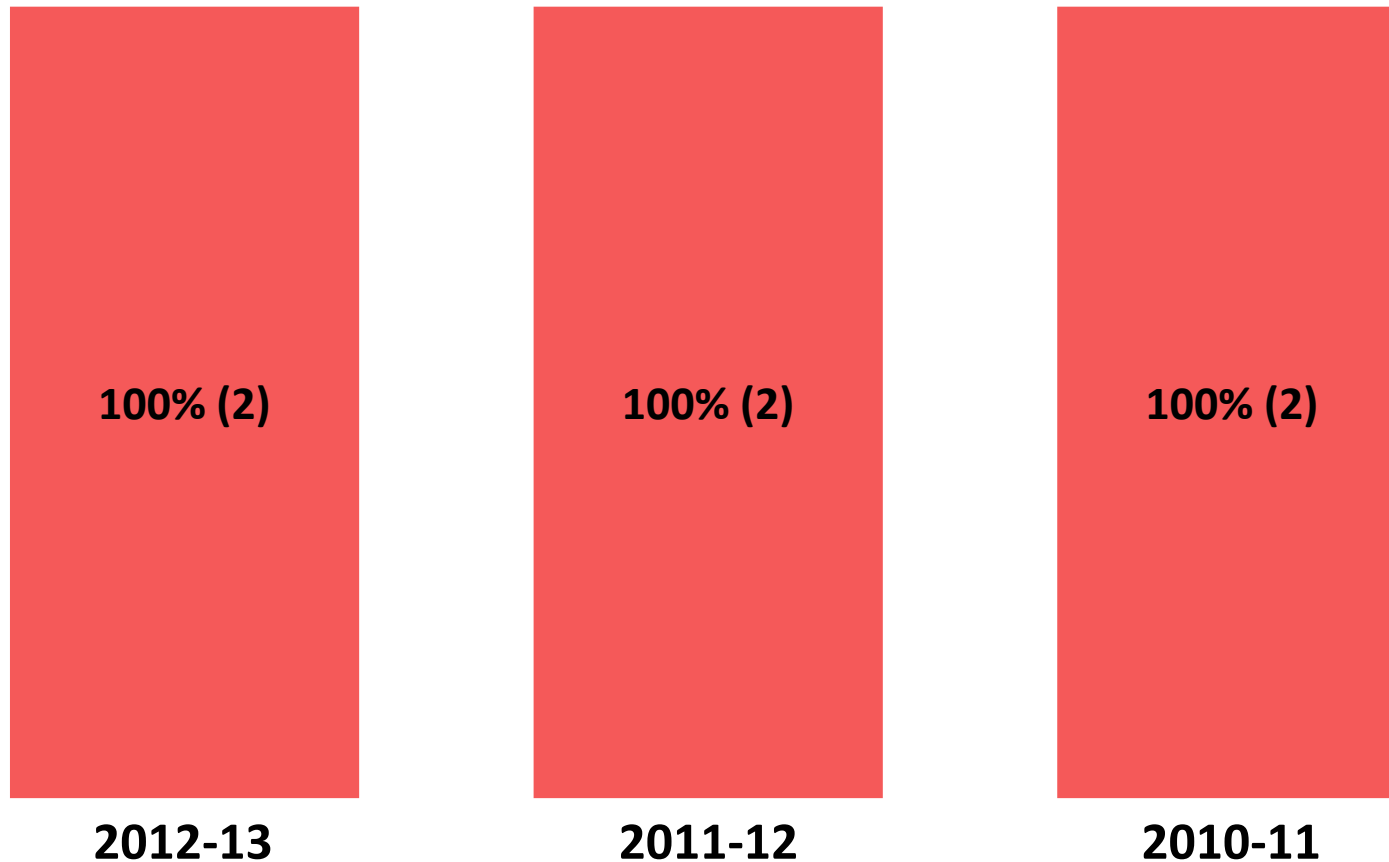
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# Quality of annual performance reports

- There are material findings on the performance reports of of the auditees

100%

- No change over 2011-12



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With no findings

With findings

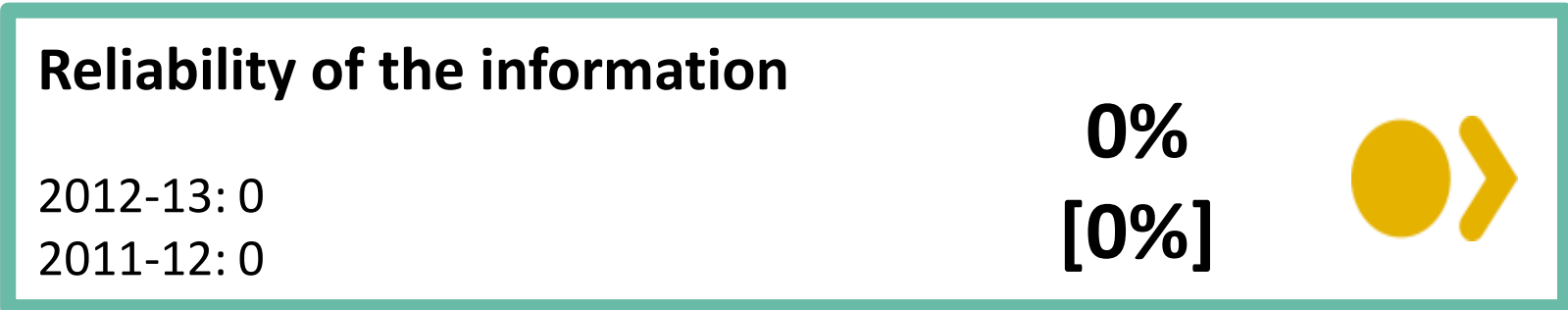
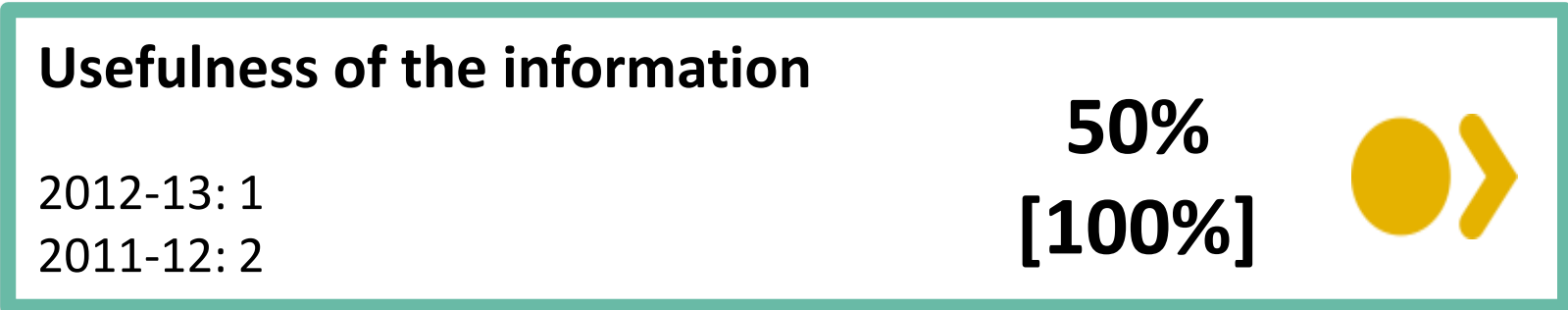
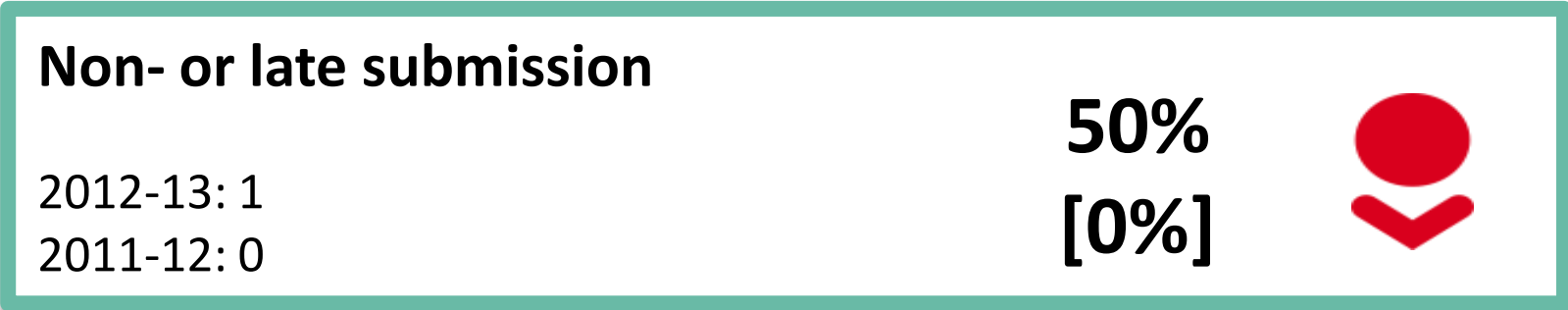


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# Findings on the quality of annual performance reports

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-  Improved
-  No change
-  Regressed
-  Prior year

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# Risk areas to receive attention

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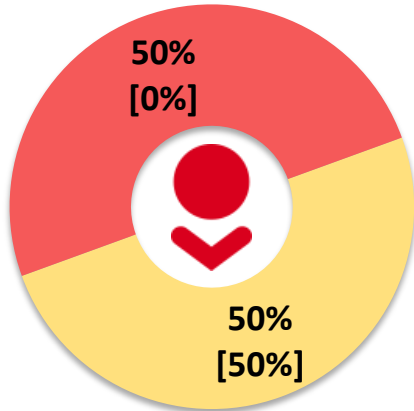
- With no findings
- With findings
- With material findings

- ▲ Improved
- ▶ Stagnant or little progress
- Regressed
- [ ] Prior year

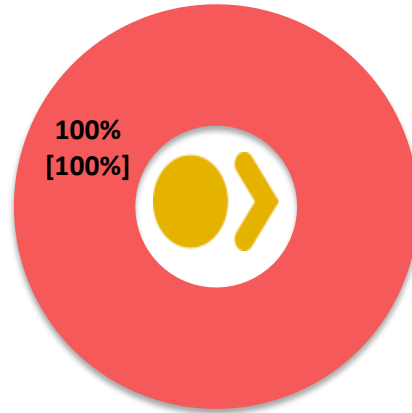


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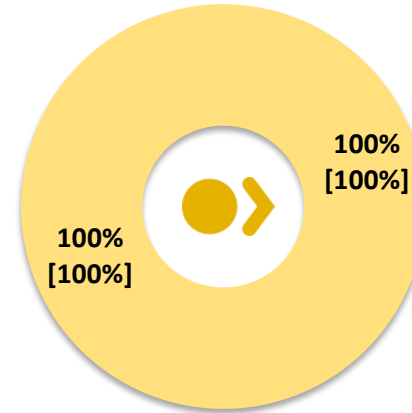
Supply chain management



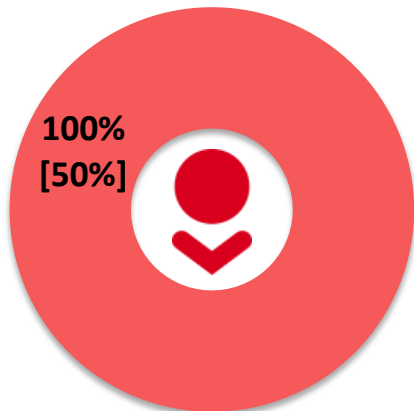
Quality of performance reports



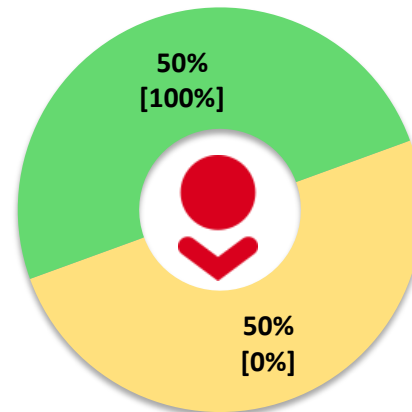
Information Technology Controls



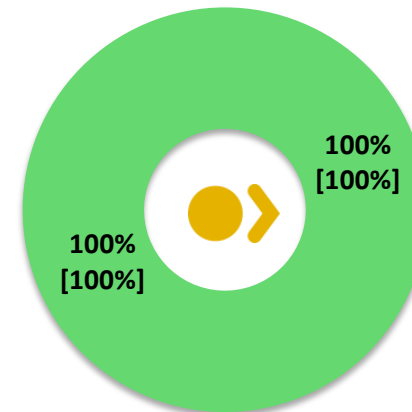
Quality of submitted financial statements



Human resource management



Financial Health

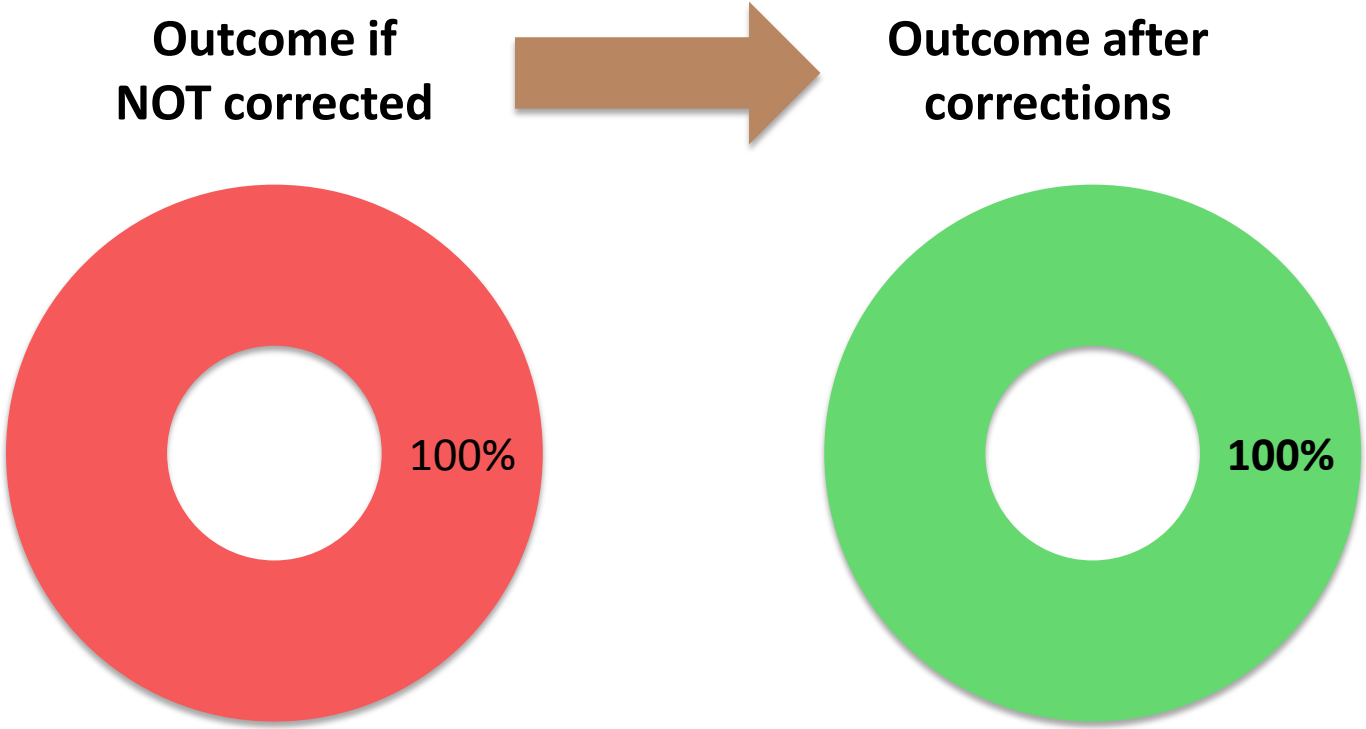


# Quality of submitted financial statements

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Both auditees were able to avoid qualifications due to the correction of material statements identified during the audit process

- Financially unqualified
- Financially qualified

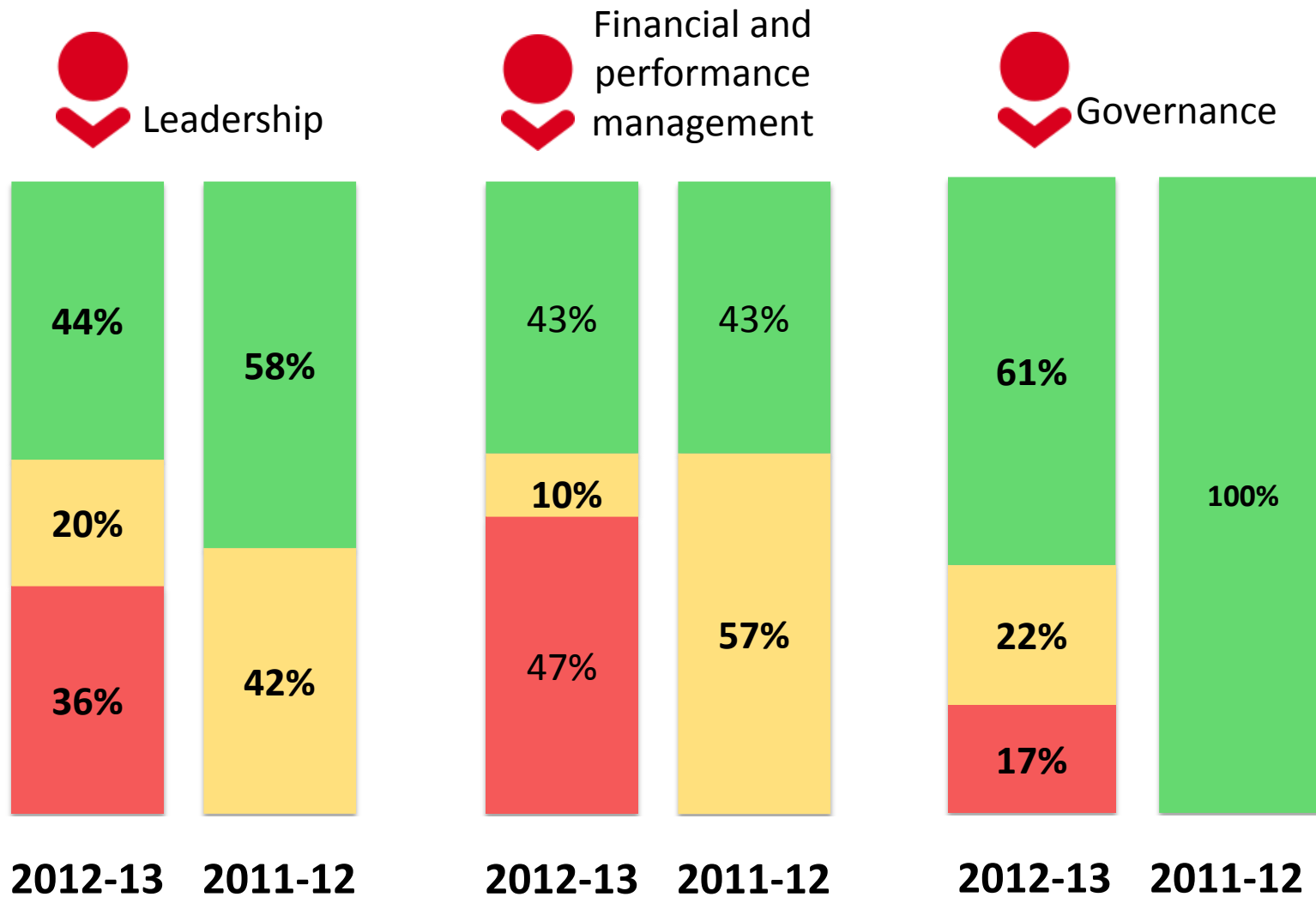


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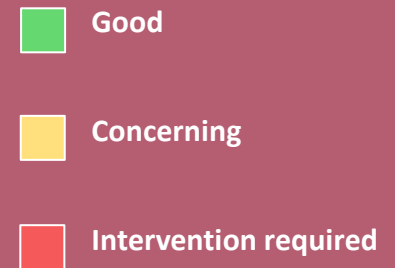


# Improving the drivers of key controls will improve audit outcomes ...

Improvement across all drivers of key controls



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## ... as will addressing the continuing widespread root causes

Implement controls to gather and monitor the information required for annual disclosure notes,

Review of annual performance plans needs to be strengthened to ensure that indicators and targets are SMART and compliance to performance management prescripts must be monitored

The performance of key monthly reconciliations and quarterly asset verification needs to be closely monitored

The review of annual financial statements needs to be enhanced to eliminate findings prior to submission for audit.

1

What is the status and progress of the audit outcomes of finance portfolio?

2

What are the areas that should be focused on?

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What vital actions should be taken?

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**What is the progress on the commitments and which key role players should take action?**





# Commitments obtained from the Department

- Enhanced performance and consequence management,
- Preparation of monthly reconciliations and asset verifications, incl. control to monitor information required for the preparation of disclosure notes,
- Detailed analysis of root cause for recurring asset issues despite new interventions being rolled out so that appropriate action can be taken, and
- Increase attention to root cause focused action plan.

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# Commitments requested from the Minister

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- An investigation be carried out to determine the root cause of all the non compliance matters reported on the ARF,
- Finalising the appointment of the CFO,
- A proper governance framework for the ARF and SADPA needs to be established, and
- Implementation of proper oversight mechanisms over ARF and SADPA, such as
  - Appointment process finalised prior to operating;
  - Policies and procedures compiled, approved and adherence monitored;
  - Terms of reference for all committees;
  - Risk assessment process and risk strategy; and
  - Mechanisms to fast track turnaround of aid request.



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# Commitments required from the PC chair

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- Assist in monitoring and assessing the outcomes of the investigation on matters reported on in the ARF,
- Enquire from the Department on when is the appointment of the CFO going to be finalised,
- Assist the Department , where possible, by providing guidance on appropriate governance framework for the ARF and SAPDA, and
- Meet the Audit Committee chair at least once a year with the view of ensuring that all assurance levels speak with the same voice.



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