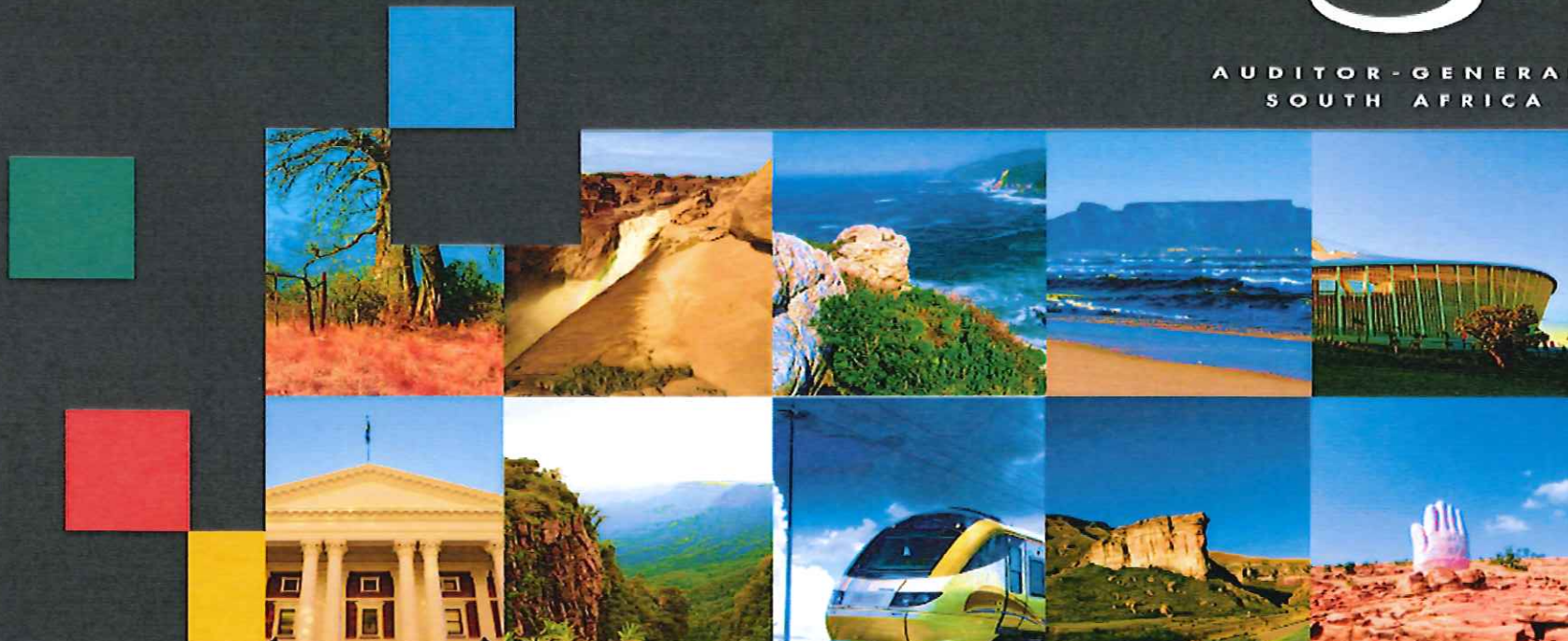160405 PCwomen

AUDITOR-GENERAL
SOUTH AFRICA

5 April 2016

Auditing to build public confidence

Briefing to the Portfolio Committee on review of the draft 2016-17 APP

Reputation promise/mission

The Auditor-General of South Africa 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.**
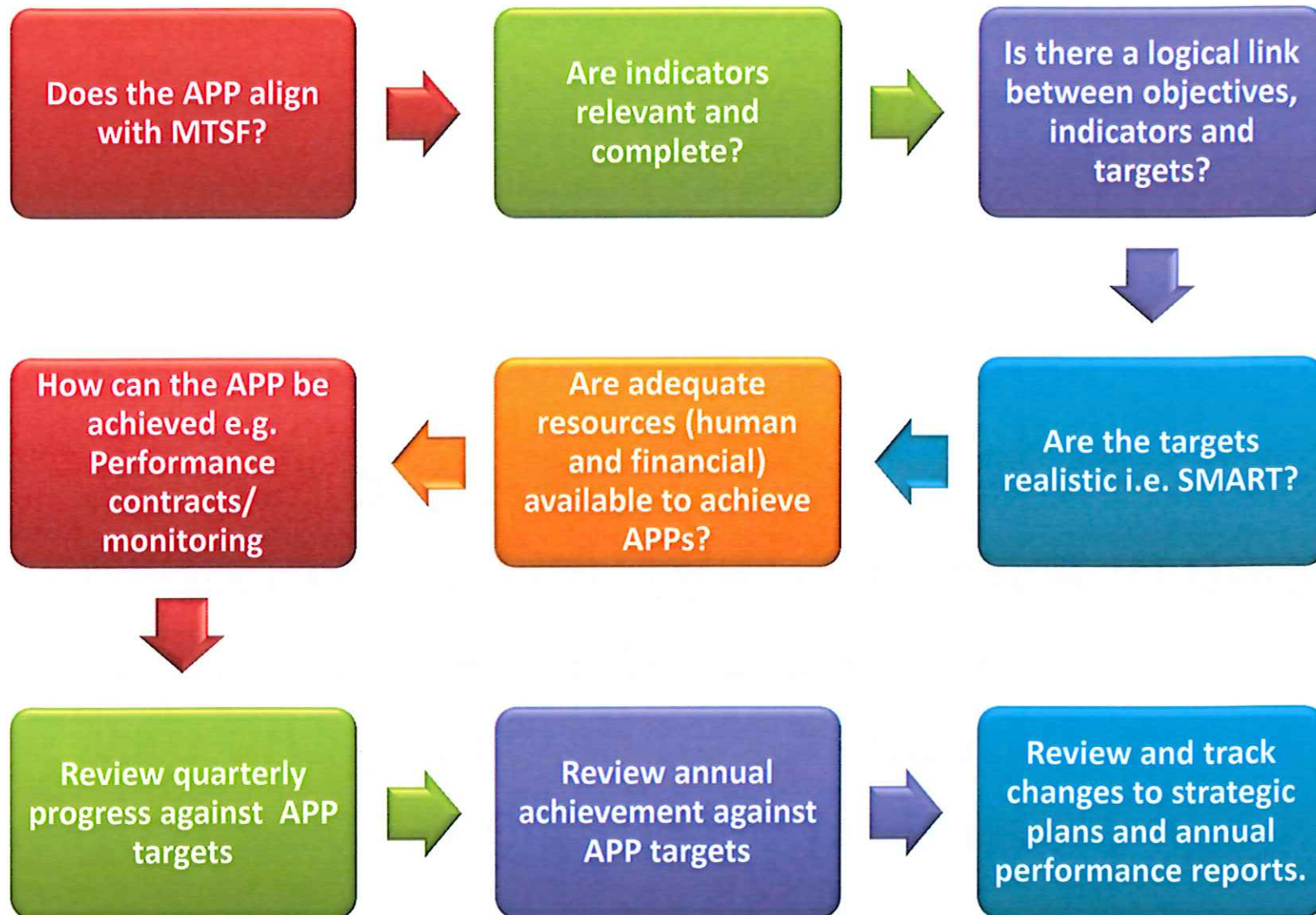
Purpose of the briefing

- To provide the portfolio committee (PC) with audit insights on the interim review of the department's draft annual performance plan (APP) in order to add value to oversight

Key committee considerations when reviewing the APP


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Does the APP align with MTSF?  →  Are indicators relevant and complete?  →  Is there a logical link between objectives, indicators and targets?
                                                                                          ↓
How can the APP be achieved e.g. Performance contracts/ monitoring  ←  Are adequate resources (human and financial) available to achieve APPs?  ←  Are the targets realistic i.e. SMART?
      ↓
Review quarterly progress against APP targets  →  Review annual achievement against APP targets  →  Review and track changes to strategic plans and annual performance reports.
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AGSA review of the draft 2016-17 APP

Review process

- Assessed the process followed by departments to prepare and submit strategic plans (if relevant) and APPs.
- Assessed the **measurability and relevance** of the final draft indicators and targets planned for selected programmes
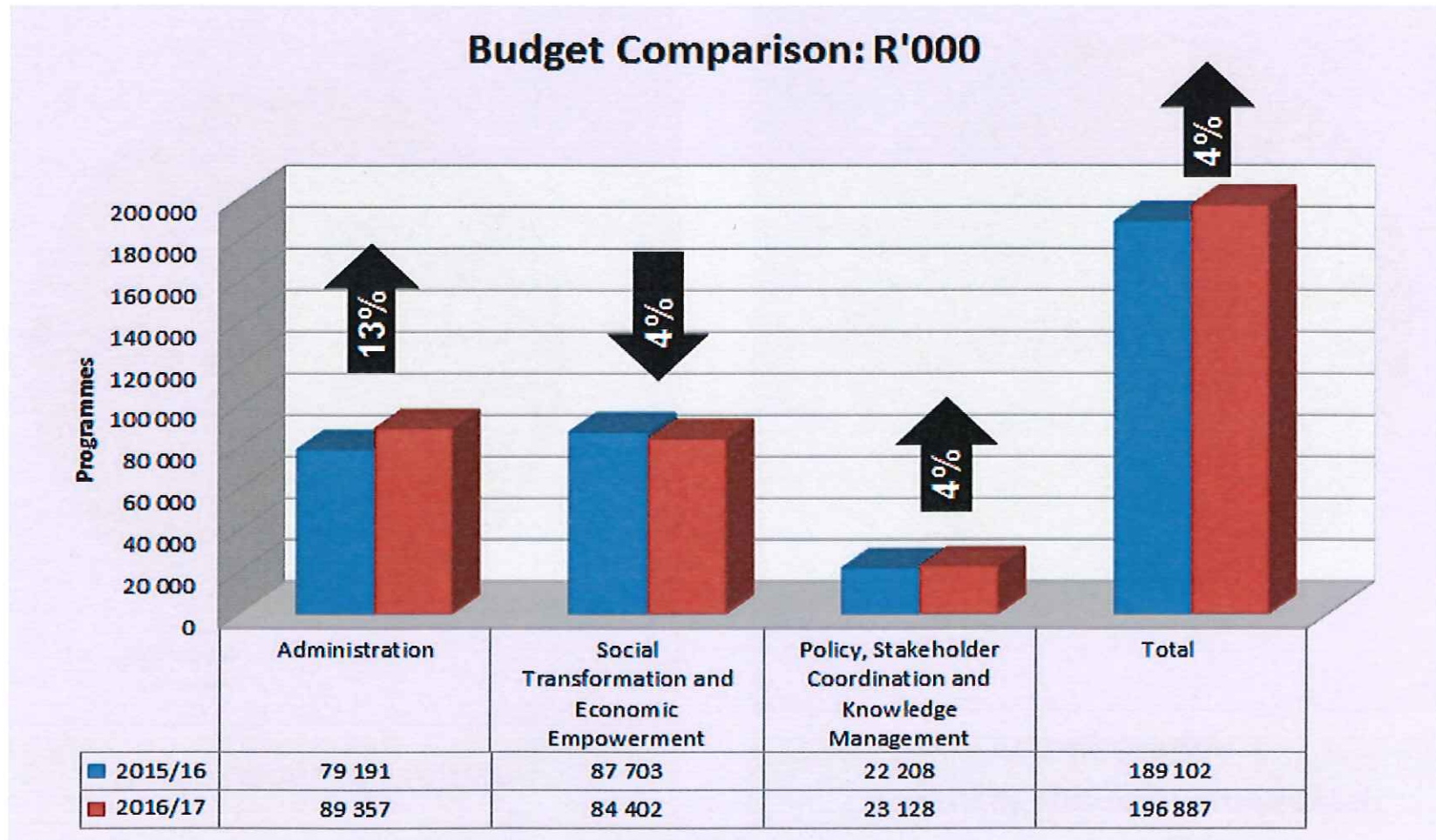
Reporting

- Findings from the review are communicated in the 2015-16 interim management report to enable changes to be made.
- Findings relevant to the interim review do not have an impact on the audit conclusion on usefulness or reliability of the selected programmes for the PFMA 2015-16 year end audit.

Criteria used to assess the draft APP

Measurability of indicators and targets

Relevance of indicators and targets

Indicators are well-defined

Indicators are verifiable

Targets are specific, measurable and time-bound.

Indicators and targets are relevant to the mandate and realisation of strategic goals and objectives.

Comparison between current year and prior year budget

Budget Comparison: R'000

	Administration	Social Transformation and Economic Empowerment	Policy, Stakeholder Coordination and Knowledge Management	Total
■ 2015/16	79 191	87 703	22 208	189 102
■ 2016/17	89 357	84 402	23 128	196 887

⬆ % Budget increase   ⬇ % Budget increase

Auditing to build public confidence

Budget analysis – Dept (cont.)

Economic classification

Department of Women

- Payments for capital assets 2%
- Transfers and subsidies to: 35%
- Current payments 63%
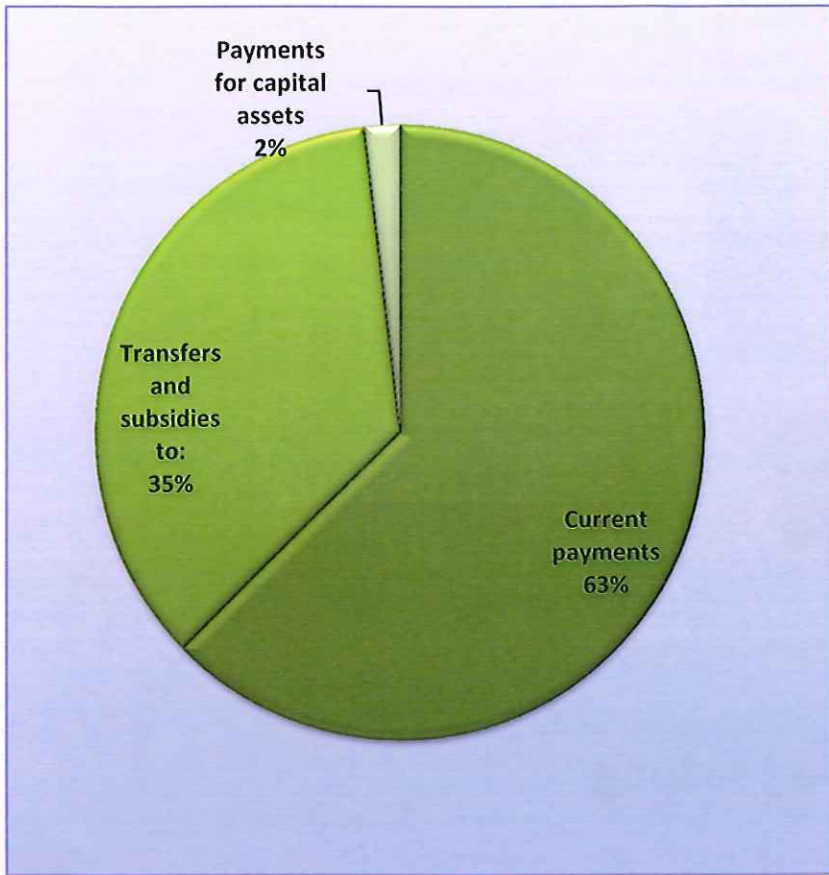
% budget spend on employee remuneration

- Employees cost 37%
- Remaining Budget 63%
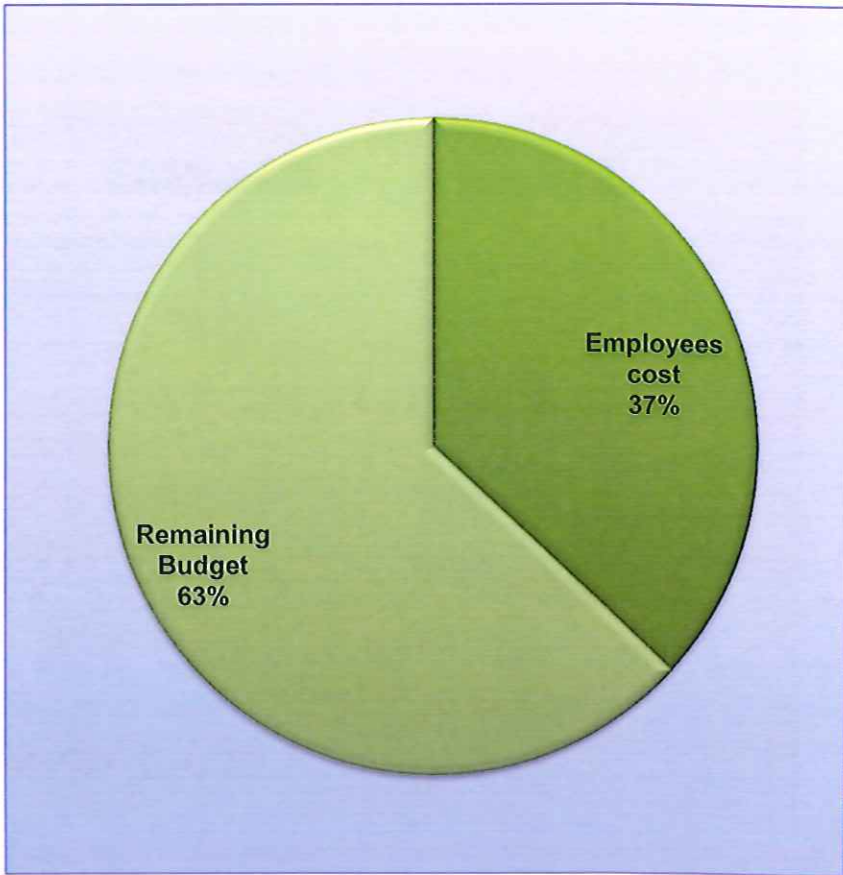
Review findings on draft 2016/17 APP

Auditee	Measurability	Relevance
Department of Women	X	

Measurability of targets
- Specific
- Measurable
- Timebound

Measurability of indicators
- Well defined
- Verifiable

Relevance
Indicators are ~~relev~~ant to mandate ~~a~~nd realisation of goals.

DOW 2016/17 APP review concerns raised

Concerns	Corrections
NDP outcomes 4 and 14 are not included in DoW Strategic Plan.	Management corrected the strategic plan to included the NDP outcome 4 and 14.
Core elements are not included in the second APP	Management have revised the Annual Performance Plan, the Core elements are now included.
No Alignment between Strategic Plan and Annual Performance Plan	Upon the second review of the AG it was noted that the is still no alignment.
Technical indicator description not included	Management subsequently included the technical indicator description in the draft strategic plan
Indicators not well defined	Upon our second review it was noted that management indicators relating to programme 3 have been rephrased and the TID are specific, but however for programme2 (2.1&2.2) the transformation mechanism/tools were not specified

DOW 2016/17 APP review concerns raised

Concerns	Corrections
Targets are not specific and measurable	Management included TID''s in the APP, but however it was noted that the TID for programme 2 are not specific.
Strategic outcome orientated goals are not written as a statement of intent that is specific, measurable, achievable, relevant and time bound (SMART)	Upon our second review it was noted management updated the wording of the strategic outcome-orientated goal for programme 3 to be SMART but however Programme 2 still needed changes.

QUESTIONS