



ASSOCIATION FOR THE ADVANCEMENT OF BLACK ACCOUNTANTS OF SOUTHERN AFRICA

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21 January 2018

ATT: Ms Cindy Balie

Parliament St
Cape Town City Centre
Cape Town
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email: cbalie@parliament.gov.za

Dear Madam,

ABASA COMMENTARY: THE DRAFT PUBLIC AUDIT AMENDMENT BILL

Our letter here in refers :-

ABASA wishes to record its support to the proposed Public Audit Amendment Bill, and believes that successful implementation of this bill will greatly assist in improving accountability and governance within organs of the state. The specific proposal relating to the authorization of the Auditor-General to refer undesirable audit outcomes arising from an audit performed under the act, to an appropriate body for investigation, has our support.

We further wish to welcome the proposed amendments relating to the governance of the affairs of the Auditor-General's office, which relate to the establishment of a remuneration committee as articulated in the explanatory note of the draft bill.

Section 11(2)(c) of the BBBEE Act empowers the minister of trade and industry to provide a system for organs of state, public entities and other enterprises to prepare broad based black economic empowerment plans and to report on compliance with those plans.

The BBBEE Act, seen a service delivery policy instrument to facilitate the realisation of the human right to equality, when implemented accordingly by organs of state, does facilitate the protection of our democracy.

Furthermore, the published BBBEE Strategy, in section 3.5.7.1, specifies the tools to be used by state organs to facilitate BBBEE, needless to say that utilisation of which produces measureable outcomes. Our proposal therefore in this regard, is for an inclusion to the Auditor-General's audit report under section 20, the mandatory reporting on findings of the Auditor-General's assessment of measureable outputs by the organs of state in implementing and complying with the BBBEE Act, and from time to time, the issued applicable guideleines.

We submit first, that the BBBEE Act had to be introduced primarily given our history as a republic, and as such, wish to suggest a specific provision through this draft bill, that mandates the Auditor-General, as part of the Audit Report on the auditee, to draw conclusions on the outcomes of the auditee's compliance with BBBEE Act, and also on the Auditor-General's findings on the performance information presented by the auditee as evidence of implementing the BBBEE Act.

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Mbusiswa Ngcobo (President) Ashley Dicken (Vice-President) Gaisang Diale (Treasurer)
Khaya Sithole (General Secretary) Deona Allan (Executive Director)



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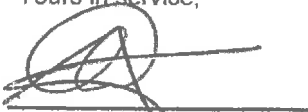
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Furthermore on the draft bill - page 8, section b(1B)(a), proposes that the Auditor-General must recover from the responsible accounting officer, accounting officers, accounting authority or accounting authorities, as the case maybe, any loss resulting from unauthorised, irregular, fruitless and wasteful expenditure, as defined in any applicable legislation relevant to the auditee, and any other losses suffered by the auditee, including – (i) money due to the State, which has not been collected; or (ii) money which has not been improperly paid. We wish to further propose an introduction in this section, qualifying category (iii) for recovery purposes, to read as such:- money paid against contracts issued in contravention of the BBBEE Act, and (iiii), to issue directives to public entities to recall licenses issued in contravention of the BBBEE Act.

We believe that the proposed additions will assist in enriching the audit reports of the Auditor-General by empowering the Auditor-General to also play a meaningful role in advancing the objectives of the BBBEE Act by reporting on audited performance information thereof, and ultimately this to assist in strengthening compliance and production of reliable performance information by organs of state in terms of their programs and projects aimed at advancing the objectives of the BBBEE Act.

Yours in service,



President: Mr M Ngcobo

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