



AUDITOR - GENERAL
SOUTH AFRICA



17 April 2018

Auditing to build public confidence

Briefing to the Portfolio Committee on review of the draft 2018-19 APP & Status of records review

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



- A. 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;
- B. To provide the committee with an overview of key areas of concern identified through a high-level risk assessment process.





Review of the 2018/19 draft Annual Performance Plan (APP)



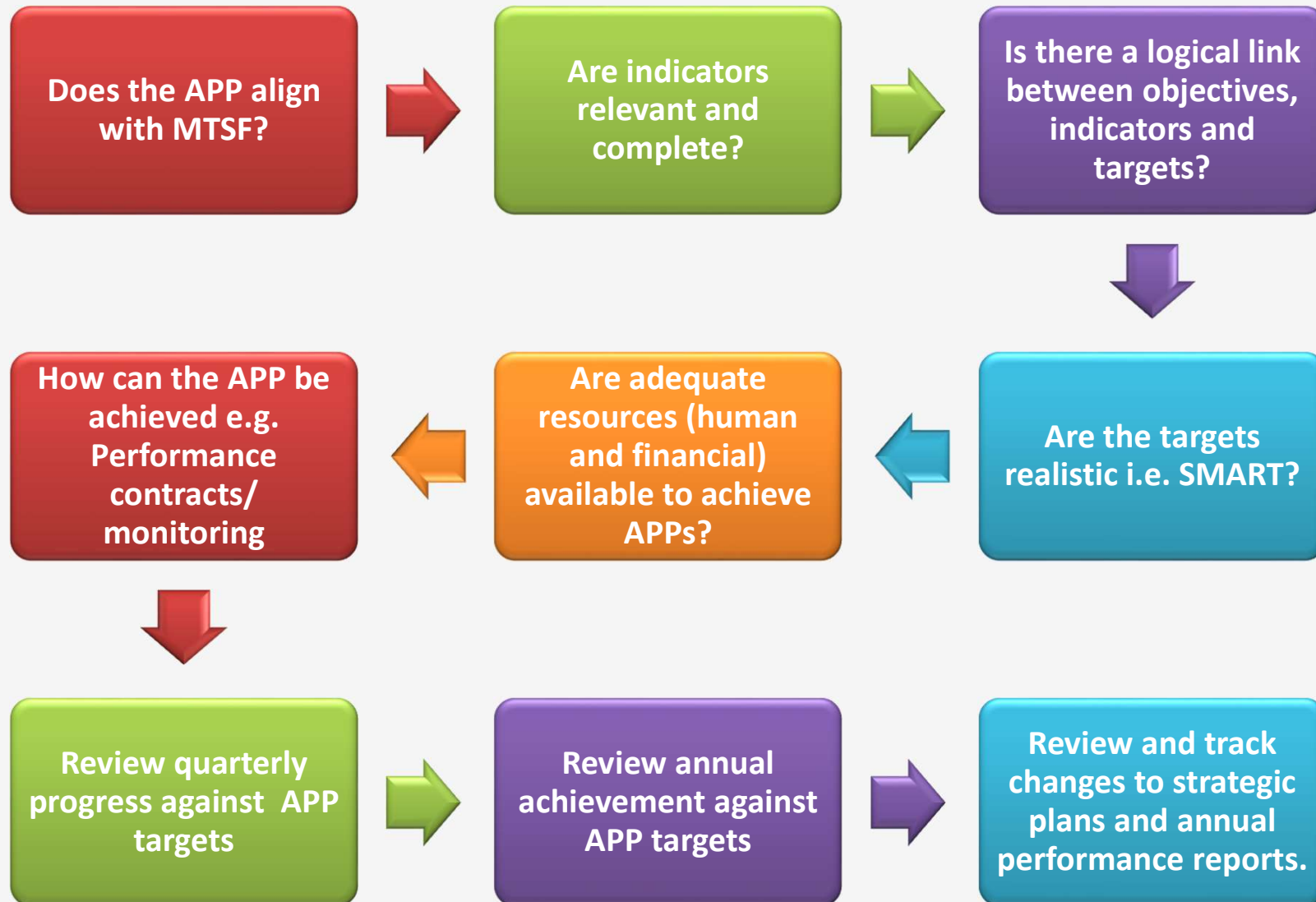
Role of AGSA in the review of draft 2018-19 APP



- The review was performed on the 2018/19 final draft APP and all findings was communicated to the department to ensure that the APP submitted to the Portfolio Committee is according to the relevant frameworks.
- Assessment of the measurability and relevance (**excluding consistency and presentation**) of the indicators and targets planned for each selected programme.



Key committee considerations when reviewing the APP



AGSA review of the draft 2018-19 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 2017-18 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 2017-18 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.



Review findings on draft 2018/19 APP



Department of Human Settlements	Measurability	Relevance
Programme 2: Human Settlements Policy, Strategy and Planning	Indicators not well - defined	No concerns
Programme 3: Programme Monitoring and Delivery support	Indicators not well - defined	No concerns



Programme: 2



Indicator no.	Indicator detail	Target	Auditor comments
1.1	Approved National Human Settlements Development Plan (HSDG funded)	Approved National Human Settlements Development Plan (HSDG funded)	The TID does not indicate the level of authority that is going to approve the National Human Settlements Development Plan (HSDG funded).
1.2	Number of Partnerships mobilized towards Human Settlements Development	18 partnerships mobilized towards human settlements development	The TID does not provide a clear explanation of the targeted stakeholders that the department intends to mobilize.
2.4	Percentage of projects under implementation assessed for policy compliance	5% of projects under implementation assessed for policy compliance	The indicator does not clearly indicate which projects and which policy these projects will be assessed for in terms of policy compliance.



Programme: 3



Indicator no.	Indicator detail	Target	Auditor comments
1.2	Support provided on the implementation of catalytic programme	Provide support on the implementation of catalytic programme	The TID for this indicator does not provide clarity on what the word “support” entail , therefore the indicator is not measurable and not well defined.
1.8	Support provided on the implementation of private affordable rental programme	Provide support on the implementation of private affordable rental programme	The TID is not clear in terms of the evidence for the target as it states progress report
1.9	Support provided on the implementation of Social Housing programme.	Provide support on the implementation of Social Housing programme.	The TID is not clear in terms of the evidence for the target as it states progress report
1.10	Support provided on the implementation of Community Residential Units	Provide support on the implementation of Community Residential Units	The TID is not clear in terms of the evidence for the target as it states progress report
1.14	Number of provinces supported in the delivery of housing opportunities to Military Veterans	Nine (9) Provinces supported in the delivery of 1000 housing opportunities to Military Veterans	The TID for this indicator does not provide clarity on what the word “support” entail , therefore the indicator is not measurable and not well defined.





Status of records review (high-level risk assessment)



Objectives of high-level risk assessment



Identify key areas of concern that may derail progress in the preparation of financial and performance reports and compliance with relevant legislation and consequential regression in audit outcome

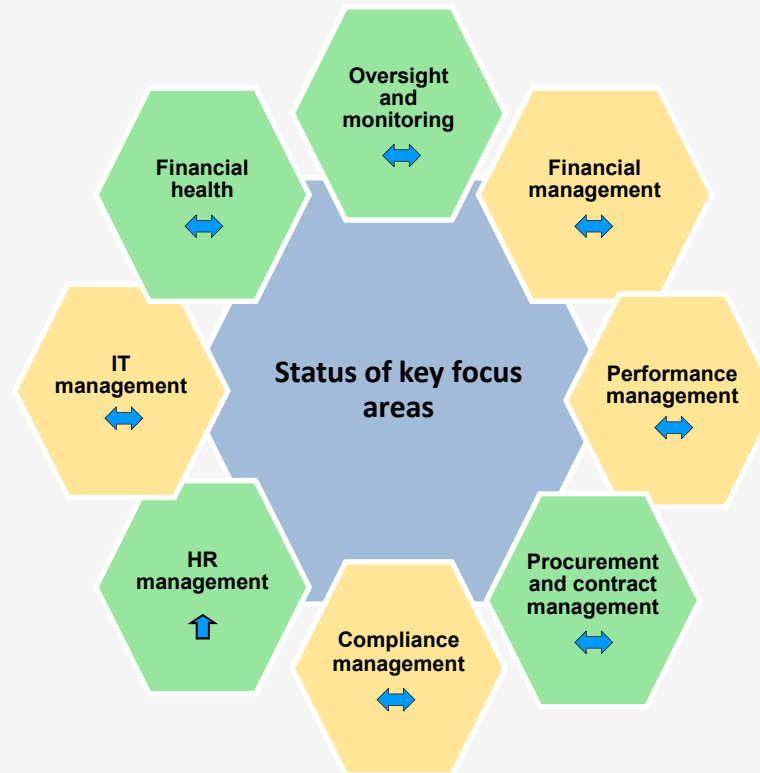
Provide our assessment of the status of key focus areas that we reviewed

Assess progress made in implementing action plans / follow through with commitments made in previous engagements

Identify matters that add value in putting measures and action plans in place well in advance to mitigating risks



Status of key focus areas



Good	The basics are in place as no concerns were identified.
Concerning	Concerns identified.
Intervention required	Level of concerns identified is an indicator that urgent intervention is required to prevent audit failure.

(Note: If a key focus area has not been reviewed it should be deleted from the graphic above)

↑	Improved
↔	Unchanged
↓	Regressed



Key matters for attention



We highlight the following matters relating to the key focus areas for attention:

Financial management

- Incorrect classification of financial assets in the financial statements;

Performance management

- Availability of sufficient appropriate audit evidence regarding the reported achievement on the number of title deeds eradicated;



Key matters for attention cont...



IT management

- Weak user-access management control environment;

Key service delivery matters

- The Department does not have customised sector indicators to ensure consistency between performance targets and indicators reported on at national and provincial level.



QUESTIONS

