



PFMA
| 2017-18

Briefing to Joint Standing Committee on Financial
Management of Parliament
31 October 2018



AUDITOR - GENERAL
SOUTH AFRICA

Reputation promise

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



Role of the AGSA in the reporting process

Our role as the AGSA is to reflect on the audit work performed to assist the parliamentary oversight committee in its oversight role of assessing the performance of the Parliament of the Republic of South Africa.



1

Our focus



Icons used in this report as explained as follows:

The overall audit outcomes are indicated as follows:

-  Unqualified with no findings
-  Unqualified with findings
-  Qualified with findings
-  Adverse with findings
-  Disclaimed with findings
-  Audits outstanding

Movement over the previous year is depicted as follows:

-  Improved
-  Unchanged Movement of 5% or less:  slight improvement  slight regression
-  Regressed



2

The 2017-18 audit outcomes



ACCOUNTABILITY = PLAN + DO + CHECK + ACT



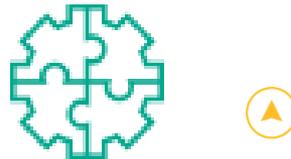
Parliament snapshot (2017-18)



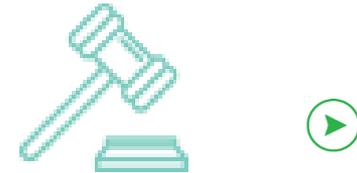
Clean audit



Quality financial statements



Quality performance reports



No findings on compliance with legislation



Irregular expenditure:
R339 000
(2016-17: R528 000)

Audit outcomes of Parliament over four years



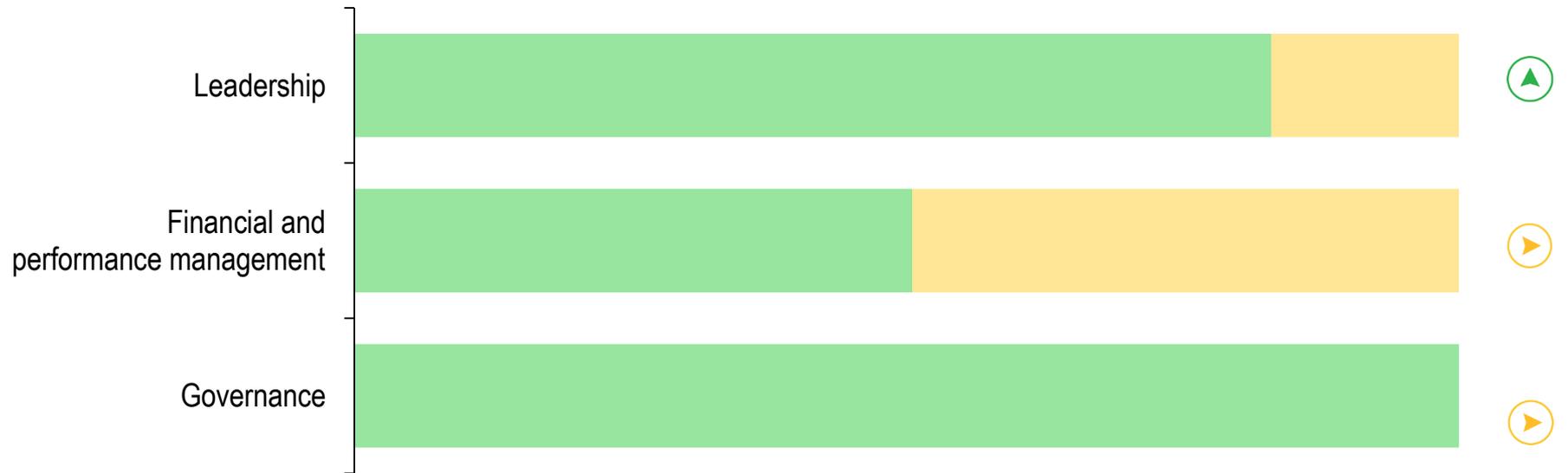
2017-18

2016-17

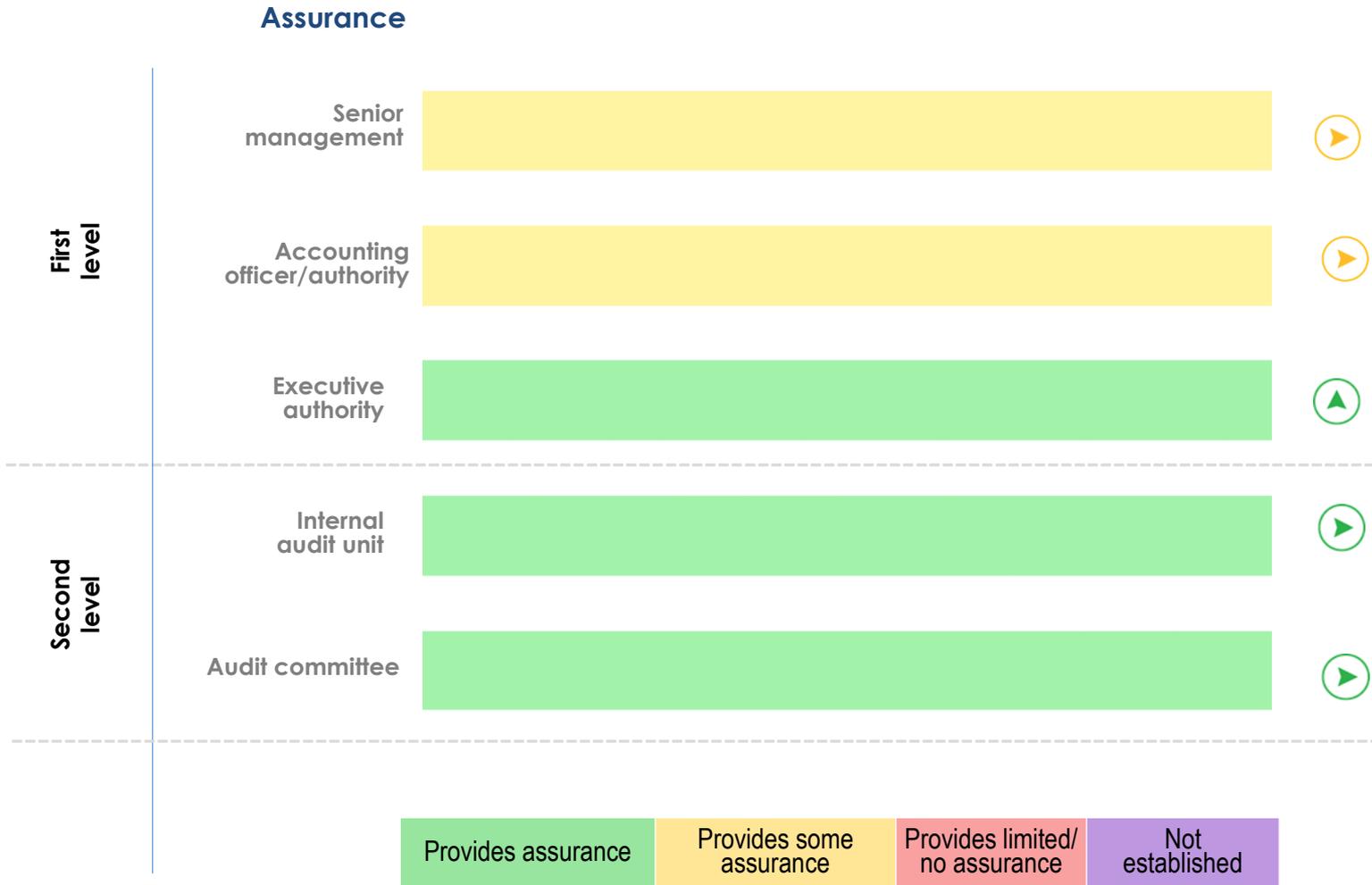
2015-16

2014-15

Status of internal control



Assurance provided



3

Financial health and financial management



Financial health



Key concerns identified

- There is continuous decrease in Parliament's in cash and cash equivalents as a result of Parliament utilising its retained earnings to fund the shortfalls of the budget. This will not be sustainable in the longer term. In addition, a net liability position continued to be realised (i.e. total liabilities exceeded total assets) although this was mainly caused by the provisions relating to direct charges (i.e. provisions for which the funding will be received directly from Treasury). Parliament should furthermore closely monitor its expenditure as an operating deficit (i.e. expenditure exceeding revenue) continued to be realised during the year under review.

- Two or less unfavourable indicators
- More than two unfavourable indicators
- Significant doubt that operations can continue in future and/or auditee received a disclaimed or adverse opinion, which meant that the financial statements were not reliable enough for analyses





Status of records review

Objectives

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 mitigate risks

Reflections

- Below are our observations of the implementation of the Status of Records Review objectives at Parliament as at 31 March 2018:
 - The assessment provides management with insightful information that allowed them to timely address matters that required their attention.
 - Secretary to Parliament agree that this process is assisting in highlighting critical issues for their attention prior to finalisation of financial statements and performance reporting.
 - The Secretary to Parliament provided us with commitments to address the matters raised.





CORRUPTION

C

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A

MONOPOLY

DISCRETION

ACCOUNTABILITY



#AGSA

#AntiCorruption



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