



NATIONAL YOUTH DEVELOPMENT AGENCY
OUR YOUTH. OUR FUTURE.

NYDA AUDIT COMMITTEE REPORT 2020/21 FY

**Presented by Committee Chairperson:
Ms Ayanda Mafuleka**



Purpose & Responsibility

This report seeks to provide the Portfolio Committee with the Audit Committee's overview of the audit report for 2020/21 financial year, Committee recommendations and Management action plans

The NYDA Audit Committee was appointed in November 2020 and has in 2020/21 financial year, held three (3) meetings. Upon appointment, the Committee reviewed the terms of reference (Committee Charter) in line with the requirements of the Treasury Regulations as well as its responsibility towards ICT Governance.

□ Overview of the 2020/21 Audit Report

The NYDA received 07th unqualified audit opinion with insignificant findings.

The issues raised relate to drivers of internal control in the organisation, which were rated yellow stated below.

- a. Human Resource Management
- b. Information Communication and Technology



The table below indicate the number of findings in each audit area, which the Agency has managed to reduce in total from thirteen (13) in 2019/20 FY and to nine (09) in 2020/21 FY

Audit Area	No. of findings 2020/21	No. findings in 2019 / 2020
Annual Financial Statements	4	5
Annual Performance Report	1	2
Supply Chain Management	0	1
Internal Controls	2	2
Information Technology	2	1
Compliance with laws and Regulations	0	1
Governance	0	1
Total Findings	9	13

□ Annual Financial statements

The following non-material adjustments were undertaken with regard to Annual Financial Statements

- a. The provision in accounts receivable had to be split as there were some receivables from non-exchange
- b. Adjustment of income statements, relating to an item with expired license which affected intangible assets as well as the laptops that had to be removed from the asset register
- c. Other income, relating to funds from lawyers that had to be reallocated to legal expenses

There were no irregular nor fruitless or wasteful expenditure incurred.



☐ Compliance

There were no major compliance issues.

☐ Annual Performance Information Report

The Agency managed to achieve 96 % of its annual targets, with only one target outstanding. There were no major misstatements with regard to annual performance information report.



RISK MANAGEMENT

- ❑ The NYDA has effective Risk Management systems in place. The regulatory universe was reviewed, indicating the legislations that the Agency should prioritise in the current financial year as well as emerging legislations. Appropriate framework is in place to ensure compliance with the regulatory requirements applicable to the Agency.
- ❑ The Strategic Risk Register for 2021/22 financial year accentuated updated twelve (12) strategic risks in line with revised Annual Performance Plan



□ LITIGATIONS

The Agency has good systems in place to deal with litigations and whistle blowers matters. The Internal Audit provide quarterly reports to the Committee deliberated through in-committee sessions.

The Committee recommended that the litigation register should in future include, prospects of success and financial implications



CONTROLS IN ICT GOVERNANCE

- ❑ The Agency ICT Governance has indicated a stable environment with regard to controls in ICT. There are approved ICT Policies and Frameworks that aligned with industry practices as well as perimeter defence techniques that have been implemented to protect internal and external environment.



ICT Findings

The reported findings in ICT related mainly to the Agency's legacy systems. Management have resolved not to fund existing legacy systems and to rather fast track the implementation of the Enterprise Resource Planning (ERP) system which went live at the Agency in July 2021



Action Plans

Management is confident that the implementation of the ERP and the design and internal control of the system will take the organisation to green status on ICT.

Internal audit would conduct an ICT review of the ERP system and external audit will conduct their review in the 2022 audit cycle.



Challenges & Audit Committee Recommendations

Like most organisations, the Agency had a difficult year, however managed to achieve higher performance and seventh successive unqualified audit opinion.

The Committee is generally pleased with how the NYDA is conducting its business, and has however made the following recommendations:



❑ **Challenges & Audit Committee Recommendations**

- a. Management to consider reviewing the targets as they seem to be set low.
- b. The Agency consider relooking into the vision and the mission statements of the Agency in the future, as they both have no reference to economy, while the core mandate of the Agency speaks to upliftment of Youth towards economic participation.



❑ **Challenges & Audit Committee Recommendations**

- c. The Agency should ensure compliance with the POPI act. The ICT report should indicate regular POPIA assessment, gap analysis, as well as the strategy to mitigate risks



CONCLUSION

The Committee is generally pleased with how the NYDA is conducting its business, the Agency seems to function in a highly controlled environment with adequate risk management systems.



THANK YOU!!!

