

Memorandum



TO: AUDIT COMMITTEE

FROM: ACTING CHIEF INTERNAL AUDIT OFFICER

SUBJECT: INTERNAL AUDIT THREE YEAR ROLLING AND ANNUAL AUDIT PLAN FYE 2023/2024

TYPE OF MEMORANDUM:

Information Memorandum		Decision Memorandum	
<i>(Tick ✓ the applicable block. If you have selected the 'Decision Memorandum' also tick ✓ the applicable option of relevance to your submission)</i>		1. Strategy Endorsement	
		2. Commercial Options	
		3. Approval	⊗

1. Purpose

1.1 The purpose of this memorandum is to request the Audit Committee to approve the proposed audit projects for the financial year 2023/2024 as indicated in the audit plan.

2. Background and Discussion

2.1 The primary objective of the Internal Audit Function is to provide a value adding assurance and consulting services to ensure that adequate measures and procedures are in place for sound economic, effective and efficient management as required by the Public Finance Management Act (PFMA) and King IV. Internal Audit will conduct audits to assist management in ensuring the effectiveness of the organisation's system of Internal Controls, Risk Management and Governance.

The purpose of the risk-based internal audit plan is to enable the Internal Audit Function to effectively allocate its financial and human resources to meet the expectations of its key stakeholders which include amongst others the Executive Management Team under the leadership of the Chief Internal Audit Officer and the Audit Committee to achieve their objectives by providing an independent and objective assessment of RAF governance system, risk management and internal control processes.

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3. Consultation

3.1 In developing this plan, a risk based strategic approach has been adopted which takes into account the results of the RAF risk assessment conducted by Enterprise Risk Management Unit together with Management and the Board as well as subsequent discussions with the relevant officials for inputs. towards the development of Internal I Audit plan.

4. Legal Implications

4.1 None.

5. Communication Implications

5.1 None.

6. Financial Implications

6.1 None.

7. Attachments

7.1 Internal Audit Three Year Rolling and Annual Audit Plan FYE 2023/2024.

8. Recommendations

8.1 It is hereby requested that the Audit Committee approves the proposed audit projects as indicated in attached Audit Plan for FYE 2023/2024.

I hereby confirm that relevant and applicable RAF Policies, procurement processes, PFMA and its Regulations, including any other regulatory requirements, shall be complied with.

Prepared by:



F.Fikeni (May 10, 2023 14:49 GMT+2)

Ms. Fikiswa Fikeni

Acting Chief Internal Audit Officer

Date: 10 May 2023

Supported by:



Collins Letsoalo (May 21, 2023 23:35 GMT+2)

Mr. Collins Letsoalo

Chief Executive Officer

Date:

SUBJECT: INTERNAL AUDIT THREE YEAR ROLLING AND ANNUAL AUDIT PLAN FYE 2023/2024

Recommendations

It is hereby requested that the Audit Committee approves the proposed audit projects as indicated in attached Audit Plan for FYE 2023/2024.

Approved by:

Mr. Hilmi Daniels

Chairperson of the Audit Committee

Date:

Comments:

**Road Accident Fund
INTERNAL AUDIT COVERAGE PLAN
MAY 2023**

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RAF ANNUAL INTERNAL AUDIT COVERAGE PLAN FOR FINANCIAL YEAR 2023/24

1. INTRODUCTION

The objective of the internal audit planning process is to determine what audit activities should be scheduled for a specific period and to help ensure that competent audit staff is assigned to relevant priority audit assignments. The principles and procedures discussed in this document have been developed to provide a process for fulfilling these objectives.

The primary objective of the Internal Audit Function is to provide value adding assurance and consulting services to ensure that adequate measures and procedures are in place for sound economic, effective and efficient management as required by the Public Finance Management Act (PFMA) and King IV. Internal Audit will conduct audits to assist management in ensuring the effectiveness of the organisation's system of Internal Controls, Risk Management and Governance.

The Internal Audit process seeks to provide reasonable assurance regarding management's assertions that the Fund's key objectives are achieved, operations are effective and efficient, financial and performance information produced is reliable, and activities are performed in compliance with applicable laws and regulations. Internal Audit will proactively partner with management on the execution of internal audits, consulting reviews and special projects, in order to maximise value added contributions. Internal Audit create value by utilising an integrated audit approach using well trained and knowledgeable staff, total quality management principles, teamwork, innovation and world-class audit tools and techniques.

2. PURPOSE

The purpose of the risk-based Internal Audit plan is to enable the Internal Audit Function to effectively allocate its financial and human resources to meet the expectations of its key stakeholders which include amongst others the Executive Management team under the leadership of the Chief Internal Audit Officer and the Audit Committee to achieve their objectives by providing an independent and objective assessment of the RAF governance system, risk management and internal control processes.

3. VISION STATEMENT

To be recognised throughout the organisation for the provision of excellent value adding assurance and consulting services in line with applicable standards and regulations.

4. MISSION STATEMENT

To provide an independent objective, assurance and consulting services that enhance the Governance system, risk management and internal control processes.

5. THE ROLE OF INTERNAL AUDIT

The Institute of Internal Auditors defines internal auditing as: “an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”

The Internal Audit function, evaluate and contribute to the improvement of the governance system, risk management and internal control processes of the organisation. Typical input/responsibilities of the Internal Audit function include the following, amongst others:

a) Governance

The Internal Audit Function assists management in achieving its goals by evaluating the process through which:

- i) Goals and values are established and communicated;
- ii) The accomplishment of goals is monitored; and
- iii) Accountability is ensured and corporate values are preserved.

b) Risk Management

The Internal Audit function assists management in identifying, evaluating and assessing significant organisational risks during its audit assignments and provide assurance on the effectiveness of related internal controls. Furthermore, the Internal Audit Function will evaluate the risk management processes of the RAF for efficiency and effectiveness.

c) Internal Controls

Internal Audit evaluates whether the controls, which management relies on to manage risks to acceptable levels, are appropriate and functioning as intended (i.e. are the controls effective yet efficient) and develop recommendations for enhancement or improvement.

6. STRATEGIC APPROACH

In developing this plan, a risk based strategic approach has been adopted which takes into account the strategic outcomes as well as key performance areas as articulated in the Strategic plan, the eight strategic risks as documented in approved 2023-24 strategic risk register as well as discussions with Management.

This approach involves a focus on understanding the work of each business area within respective departments and identifying risks associated with that focus area.

The following factors were considered in compiling the internal audit plan:

- a) Audit universe that was developed as part of Internal audit 's understanding of key business unit activities and risk assessment results;
- b) Risk assessment reports from the Enterprise Risk Management unit;
- c) Results from previous internal audit assignments.
- d) Auditor-General South Africa (AGSA) audit and management reports as well inputs;
- e) Performance against the predetermined objectives of business units;
- f) Media reports;
- g) Changes in the legislative environment;
- h) Management inputs;
- i) Key priority projects such as the Organisation Structure Review (OSR), Project Bokamoso etc; and
- j) Other relevant factors.

7. RAF STRATEGIC PRIORITIES

The current key strategic outcomes that RAF is pursuing as directed by the 2020-25 Strategic plan are:

- i) A transformed and sustainable RAF;
- ii) System modernisation;
- iii) Improved governance and strengthened control environment; and
- iv) Improved Claimant Focus.

To give effect to and drive behaviour towards the strategic outcomes above, the Board set forth the following priorities for the 2020/2025 strategic planning period:

- a. Amendment of RAF Legislation and applicable Regulations;
- b. Claims validated and verified within 60 days;
- c. Claims processed within 120 days;
- d. Development of medical treatment protocols and RAF Medical Tariffs;
- e. Implementation of the Integrated Claims Management System;
- f. Improvement of organisational culture;
- g. Improvement of SCM processes and efficiencies;
- h. Investigating the increasing liability;
- i. Reviewing the RAF funding model and debt restructuring strategies;
- j. Reducing the average age of old claims;
- k. Reducing legal costs;
- l. Reducing medical costs; and
- m. Improving the rehabilitation network.

8. STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS

As part of the strategic planning process, the team undertook an analysis of the strengths, weaknesses, opportunities and threats facing the services rendered by the Internal Audit function. The outcome from this exercise is as follows:

Strengths

The Internal Audit function has a substantial number of strengths upon which we leverage on to provide value added assurance and advisory services as detailed below:

- We have an embedded risk-based approach to internal audit both in terms of the internal audit plan and bespoke advice and consultancy assignments;
- Good organisational knowledge, due to the skill mix and experience across the team;
- High quality audit reports with an appropriate level of professional judgement based on facts and evidence;
- Independence and objectivity is maintained in line with the audit standards thereby increasing the confidence that stakeholders have in the work performed by Internal Audit;
- Usage and application of Data Analytics which provides greater assurance and enhances efficiency;

- Usage of technology such as such as laptops which enables Internal Audit employees to work from any location including home;
- Empowering management with Control Self-Assessment capabilities by sharing audit best practice, procedures and providing guidance to perform own continuous evaluation which improves the quality of audit outcomes; and
- Collaboration with other assurance providers (risk management functions, compliance, forensic, AGSA etc) throughout the year is maintained to avoid duplication of efforts and attain the best value from work performed.
- Provision of proactive assurance where Internal Audit is called upon by management to provide inputs on key business processes and associated policies prior implementation.

Weakness

Weakness that could negatively affect the effective delivery of the Internal Audit mandate is:

- There is a limited number of IT Audit personnel when compared to the amount of assurance and advisory initiatives that require integration of operational and IT Audit skills. This challenge is being addressed in the interim by seconding operational auditors to the IT audit team and coaching non-IT audit team members on IT Audit assignments including training of non-IT auditors on data analytics in order for them to gain basic to intermediate IT audit skills. To address this matter in the long term, a Senior Manager: IT Audit and two IT Auditor positions were added to the new Internal Audit structure which will be filled once the Organisational Structure Review project implementation has been completed.

Opportunities

There are several opportunities which Internal Audit can tap into in order to improve the efficiency and effectiveness of the audit process as well as the quality of assurance and advisory services that we offer to management as detailed below:

- Maximising of training and development opportunities to strengthen skills in areas such as cyber security and penetration testing which in turn will reduce reliance on service providers for these types of scarce skills;

- Take up a more proactive involvement in key RAF projects to advise on risk mitigation;
- Enhancing the use of data analytics by all non-IT auditors; and
- Continuous education for stakeholders on internal audit's role and capabilities and utilisation of forensic results/red flags during audits.
- Embrace and attain skills in new technologies such as cloud computing to enable the offering effective assurance and advisory services on key priority projects.

Possible Threats

The following threats that could hinder the effective execution of Internal Audit's mandate were identified:

- Budget cuts which may impact on the ability to provide a sufficiently resourced internal audit department and erode the control environment across the organisation;
- ICT failures as all audit working papers are held electronically (operations systems);
- Emerging and changing risks that are linked to transformation projects such as the ICT infrastructure refresh and project Bokamoso where new technologies like cloud computing are being adopted. (i.e. information and cybersecurity, cloud, etc.); and
- The absence of Audit Management Tool due the contract coming to an end and slow procurement processes, which may lead to the following:
 - Inefficiencies in the audit process.
 - This increases the time required to prepare manually driven audit files for sharing Internal Audit work with other assurance providers, e.g. Auditor General South Africa.
- Although Internal Audit is utilising the SAP BI tool owned by ICT to perform data analysis, the amount of training needed for the unit to get acquainted to the tool reduces the function's ability to roll out the tool to non-IT Auditors. In addition, the tool has continuous monitoring limitation which inhibit internal audit in performing some of the value-adding work that it intends to perform. To address this risk, we included the procurement of a data analytics tool that is specifically designed to perform Internal Audit work in the 2023-24 demand management plan.

- Management action plans or corrective actions to audit reports or queries might not be received timely due to competing priorities that require management attention. This might inhibit the timely issuing of audit reports and a lost or delayed opportunity for management to implement corrective actions to mitigate identified risks before they materialise.

9. KEY PRIORITIES FOR THE INTERNAL AUDIT FUNCTION

To ensure continuous improvement of Internal Audit's effectiveness and thus the value it provides to its diverse stakeholders and client groups, the department has identified the following as key priorities for the current Strategic Internal Audit Planning cycle:

- a) Develop resource planning to ensure that the team is appropriately structured to deliver on the increasing risk focused demands on the service.
- b) Ensure that all staff members in the team are appropriately qualified and have a broad range of experience.
- c) Clearly align the work of internal audit to RAF strategic direction and transformation process.
- d) Keep up to date with the changing landscape at the RAF and adapt the way in which internal audit services are delivered accordingly.
- e) Maintain efficient and high-quality work which meets customer expectations and internal auditing standards.
- f) Continue to elevate the profile and the value added by internal audit across RAF and with external customers.
- g) Ensure that adequate IT audit capacity is available within the team.
- h) Embrace the digital strategy through the maximisation of IT hardware and software opportunities.
- i) Strengthen the integration with the Enterprise Risk Management Unit services to enhance auditor knowledge and experience to ensure delivery of cohesive risk management and assurance service to the RAF.
- j) Strengthen the integration with the Fraud and Investigation Department (FID) to enhance auditor vigilance to fraud and corruption red flags during the execution of assurance and consulting activities.

10. IA KEY PERFORMANCE INDICATORS (KPIs) TO MONITOR THE INTERNAL AUDIT PLAN EXECUTION

Internal Audit will utilise the following KPIs to periodically monitor and assess its performance against both the strategic as well as the annual internal audit plans as approved by the Audit Committee.

NO	PERFORMANCE INDICATOR	PERFORMANCE TARGET	TIME FRAME
1	Risk-based Internal audit plan tabled for inputs and approval at Audit Committee (AC) meeting before the starting of the financial year.	Approval of Internal audit plan by the audit committee.	30 April 2023
2	Number of audit reports retracted.	No retraction of audit report	Quarterly
3	Number of audit engagements completed relative to the approved annual plan.	100%	31 March 2024
4	Number of consulting services on all strategic projects and Ad-hoc requests as a value-added service.	5 Consulting/Ad-hoc projects per annum	Annually
5	Reviewed policies and procedures applicable to Internal Audit Department.	Internal Audit Charter, Audit Methodology approved by the Audit Committee.	31 March 2023
6	Internal QAR file rating on all files selected for QAR.	Generally, conforms for 100% of audit files selected for review.	Quarterly
7	Rating obtained on Customer Satisfactory Survey.	Achieve an average rating of >3<3.5 from clients	Quarterly

Internal Audit will report back to the Audit Committee on quarterly basis on its performance against the above stated qualitative and quantitative KPIs. Also, given Internal Audit's administrative reporting relationship with Chief Internal Audit Officer (CEO), the department will where appropriate, participate in key initiatives undertaken by the CEO for measuring and/or enhancing customer service and/or staff engagement in far as such involvement does not compromise the independence of the function.

11. INDEPENDENT EXTERNAL ASSESSMENT OF THE INTERNAL AUDIT FUNCTION

In addition to the measures outlined above, IIA Standards require Internal Audit departments to undergo a periodic independent assessment of the IA function every five years. Internal Audit was quality assured in May 2021 by an independent external quality assurance assessor and obtained a **Generally Conforms** rating in compliance with the IIA Standards and Code of Ethics.

12. THE EIGHT RAF STRATEGIC RISKS

R1 – Claims Management Risk <u>The risk that the RAF may not be able to deliver on its mandate thus impacting on customer experience.</u> Impact Rating: 4.20 Likelihood Rating: 3.60 Risk Rating: 15.12 Control Rating/Effectiveness: 1.4 (Weak)	R2 - Fraud and Corruption Risk <u>The risk that the RAF may be vulnerable to Fraud and Corruption</u> Impact Rating: 3.60 Likelihood Rating: 4.20 Risk Rating: 15.12 Control Rating/Effectiveness: 1.80 (Weak)	R3 - Information and Communication Technology Risk <u>The risk that the RAF may be unable to adopt new technologies to support business operations.</u> Impact Rating: 4.00 Likelihood Rating: 3.60 Risk Rating: 14.40 Control Rating/Effectiveness: 1.80 (Weak)	R4 - Regulatory Framework Risk <u>The risk that the RAF Act may not enable efficiencies as envisaged by the new RAF operating model.</u> Impact Rating: 3.80 Likelihood Rating: 3.60 Risk Rating: 13.68 Control Rating/Effectiveness: 2.40 (Needs Improvement)
<p>Over the years, the RAF experienced growth in the number of newly registered claims due to the increasing number of motor vehicle accidents on the South African roads as well as the increased awareness about the RAF existence and benefits. The organisation has struggled to settle the lodged claims within the prescribed 120 days due to (i) the prevailing financial constraints that continue to hinder the reduction of open claims, (ii) delays in collecting outstanding information, (iii) delays in appointing medical experts to examine claimants; and (iv) delays in completion of Statutory Medical Reports (SMRs).</p> <p>The delays in settlement of claims further exposes the RAF to more complications in finalising claims due to (i) Unavailability of witnesses to corroborate events of how the accident occurred; (ii) Landscape changing and roads being improved in areas where the</p>	<p>The RAF operates in an environment that is targeted by fraudsters, both internally and externally. The typical cases relate to fictitious accident claims, collusion between internal staff, plaintiff attorneys, doctors, theft of information and inflated claims, etc. This is despite the measures implemented to prevent, deter, and detect both internal and external fraud.</p>	<p>The Fund relies heavily on ICT systems to deliver on its mandate. The information systems that support the core business of the RAF are currently inadequate, fragmented and involve a lot of manual interventions. There is no capacity for a single view of information especially within the Claims Management Environment.</p> <p>ICT is considered a strategic imperative for the RAF particularly as it relates to improved customer experience which is depended upon an efficient claims processing system. Cyber security risks remain an increasing global challenge and this is also relevant to the RAF given the legacy systems which are no longer supported and may compromise ICT security.</p>	<p>The achievement of the RAF key outcomes and the ultimate sustainability of its business are significantly reliant on the legislative framework in which it operates. There are still operational inefficiencies which necessitate a review of the current RAF Act and Regulations.</p> <p>The risk of delays in obtaining approval (political risk and parliamentary processes) and subsequent implementation (constitutionality and legal challenges) of the proposed new amendments will remain. Furthermore, non-compliance with the compliance universe may lead to reputational damage, criminal sanctions, and penalties.</p>

<p>R1 – Claims Management Risk</p> <p><u>The risk that the RAF may not be able to deliver on its mandate thus impacting on customer experience.</u></p> <p>Impact Rating: 4.20 Likelihood Rating: 3.60 Risk Rating: 15.12 Control Rating/Effectiveness: 1.4 (Weak)</p>	<p>R2 - Fraud and Corruption Risk</p> <p><u>The risk that the RAF may be vulnerable to Fraud and Corruption</u></p> <p>Impact Rating: 3.60 Likelihood Rating: 4.20 Risk Rating: 15.12 Control Rating/Effectiveness: 1.80 (Weak)</p>	<p>R3 - Information and Communication Technology Risk</p> <p><u>The risk that the RAF may be unable to adopt new technologies to support business operations.</u></p> <p>Impact Rating: 4.00 Likelihood Rating: 3.60 Risk Rating: 14.40 Control Rating/Effectiveness: 1.80 (Weak)</p>	<p>R4 - Regulatory Framework Risk</p> <p><u>The risk that the RAF Act may not enable efficiencies as envisaged by the new RAF operating model.</u></p> <p>Impact Rating: 3.80 Likelihood Rating: 3.60 Risk Rating: 13.68 Control Rating/Effectiveness: 2.40 (Needs Improvement)</p>
<p>accident occurred; (iii) Old medico-legal reports being refreshed in preparation for trial, (iv) increase in legal costs and liability as a result of the same claim being set down for trial on different occasions and (v) attorneys delaying to submit their legal cost bills to enable the RAF to fully finalise the claim..</p>			
<p>R5 - Financial Sustainability Risk</p> <p><u>The risk that the RAF may not be able to meet its financial obligations because of its unsustainable funding model.</u></p> <p>Impact Rating: 4.00 Likelihood Rating: 3.20 Risk Rating: 12.80 Control Rating/Effectiveness: 2.20 (Needs Improvement)</p>	<p>R6 - Reputational Risk</p> <p><u>The risk that the RAF may suffer reputational damage due to stakeholder pressure, negative media reports; and inability to proactively respond to material stakeholder concerns and issues.</u></p> <p>Impact Rating: 3.20 Likelihood Rating: 3.80 Risk Rating: 12.16 Control Rating/Effectiveness: 2.40 (Needs Improvement)</p>	<p>R7 - Governance and Leadership Risk</p> <p><u>The risk that the RAF may not adhere to the principles of good corporate governance in directing the organisational transformation.</u></p> <p>Impact Rating: 3.20 Likelihood Rating: 2.60 Risk Rating: 8.32 Control Rating/Effectiveness: 3.00 (Good)</p>	<p>R8 - People Management Risk</p> <p><u>The risk that the RAF may fail to attract, recruit, and retain specialised skills to ensure optimal staffing levels, productivity, and organisational performance in line with the new conceptual and operating model.</u></p> <p>Impact Rating: 3.20 Likelihood Rating: 2.4 Risk Rating: 7.68 Control Rating/Effectiveness: 2.60 (Need Improvement)</p>

R1 – Claims Management Risk <u>The risk that the RAF may not be able to deliver on its mandate thus impacting on customer experience.</u> Impact Rating: 4.20 Likelihood Rating: 3.60 Risk Rating: 15.12 Control Rating/Effectiveness: 1.4 (Weak)	R2 - Fraud and Corruption Risk <u>The risk that the RAF may be vulnerable to Fraud and Corruption</u> Impact Rating: 3.60 Likelihood Rating: 4.20 Risk Rating: 15.12 Control Rating/Effectiveness: 1.80 (Weak)	R3 - Information and Communication Technology Risk <u>The risk that the RAF may be unable to adopt new technologies to support business operations.</u> Impact Rating: 4.00 Likelihood Rating: 3.60 Risk Rating: 14.40 Control Rating/Effectiveness: 1.80 (Weak)	R4 - Regulatory Framework Risk <u>The risk that the RAF Act may not enable efficiencies as envisaged by the new RAF operating model.</u> Impact Rating: 3.80 Likelihood Rating: 3.60 Risk Rating: 13.68 Control Rating/Effectiveness: 2.40 (Needs Improvement)
<p>The RAF fuel levy is determined with little regard for the main drivers of the RAF's claims expenditure, i.e., the number of accidents on the roads, number of vehicles driven, the volume and quantum of the benefits payable by the RAF, and various other economic factors like the inherent inflation of the benefit levels.</p> <p>The average monthly fuel levy revenue received by the RAF is not sufficient to meet the RAF's financial obligations. The prevailing disconnects between the fuel levy awarded by government and the RAF's operational cash requirements are the primary cause of the cash constraints currently experienced by the RAF. Consequently, a backlog of Requested but not yet paid (RNYP) claims has accumulated over time, representing a liability to the RAF.</p>	<p>To the extent that the Claims environment is still characterised by a high number of claims and writs, the RAF will be exposed to reputational risks. The RAF is still struggling to settle claims within 120 days due to various operational and legislative reasons. As a result, the number of service delivery complaints increased in proportion with delays in finalising claims and payments.</p>	<p>The Board is accountable to attain the governance outcomes of an ethical culture, satisfactory performance, and effective control within the organisation, as well as legitimacy with stakeholders. Core governance principles as outlined in the King IV report on corporate governance are crucial in ensuring the integrity and efficiency of the organisation and for enhancing the credibility and reputation of the RAF</p>	<p>Due to the implementation of the Organisational structure and digitisation, the RAF may experience decline in productivity in the short term. The transformational changes may also result in employees' low morale and disengagement. The introduction of digitalisation, AI and robotics may further result in reduced staffing levels which may result in resistance from employees and organised labour.</p>

13. RISK-BASED INTERNAL AUDIT PLAN APPROACH

In compiling this Risk-based Internal Audit Coverage Plan, Internal Audit mapped the audit areas against the strategic key risks identified against the four strategic outcomes as defined in the Strategic Plan. This was done in order to ensure that Internal Audit not only considered a complete risk universe within the RAF, but also align its focus to the strategic themes within the organisation.

The format applied in the process was to engage with each Executive in order to identify the Strategic/Business issues, and Operational elements for mapping against the:

- a) Focus of Management (1st line of defence);
- b) Focus of other Internal assurance providers (2nd line of defence);
- c) Focus of independent Internal assurance providers (3rd line of defence from Internal Audit);
- d) Focus of independent External assurance providers (4th line of defence from External Audit); and
- e) Focus of oversight structures (Board and its Committees).

This model is to be further matured through the efforts of the Combined Assurance function within the RAF which resides in the Chief Governance Officer's portfolio.

Once all factors feeding into risk-based internal audit coverage plan have been considered, the available internal audit resource capacity (human, working tools and financial resources) gets assessed using a systematic process to allocate planned audits in terms of skills required; period of audit and man-hours required. The annual risk-based internal audit plan is supported by the Executive Management team and gets approved by the Audit Committee prior to the start of each financial year. The delivery of the annual risk-based internal audit plan helps to create a culture of accountability, ensures that risk management processes are embedded within operations and contributes to RAF's governance framework.

14. DETAILED 2023/24 YEARLY RISK- BASED AUDIT PLAN

The detailed breakdown of the risk-based audits to be performed, and the respective quarters in which they will be performed as well as the proposed time in hours is depicted in the table below:

#	Area of Audit	Nature of the Review	In-House/ Co-Source	AG	Integrated Audit	High-Level Audit Scope	Starting period	Hours	Reporting Quarter				
									Apr-Jun Quarter 1	Jul-Sept Quarter 2	Oct - Dec Quarter 3	Jan-Mar Quarter 4	
	Executive Portfolio - Chief Strategy and Transformation Officer <i>Strategic risks:</i>							14750					
	<ul style="list-style-type: none"> • The risk that the RAF may not be able to deliver on its mandate thus impacting on customer experience. (High) • The risk that the RAF may be vulnerable to Fraud and Corruption. (High) • The risk that the RAF may be unable to adopt new technologies to support business operations. (Medium) • The risk that the RAF Act may not enable efficiencies as envisaged by the new RAF operating model. (Medium) 								1	2	3	7	
1	Annual Performance Plan	Assurance	In-House	-	-	Review the preparation of APP indicators and targets against the SMART (specific, measurable, attainable, relevant and timebound) Criteria for 2024/25 financial year.	Q4		250	-	-	-	X
2	Performance Information Audit (Q4 of 2022/2023)	Assurance	In-House	-	X	Review the reliability, accuracy, and completeness of quarterly performance information reporting by business on the seven strategic objectives of the organization through data analytics and manual testing.	Q1		450	X	-	-	-
3	Performance Information Audit (Q1 of 2023/2024)	Assurance	In-House	-	X		Q2		450	-	X	-	-
4	Performance Information Audit (Q2 of 2023/2024)	Assurance	In-House	-	X		Q3	450	-	-	X	-	
5	Performance Information Audit (Q3 of 2023/2024)	Assurance	In-House	-	X		Q4	450	-	-	-	X	

#	Area of Audit	Nature of the Review	In-House/ Co-Source	AG	Integrated Audit	High-Level Audit Scope	Starting period	Hours	Reporting Quarter			
									Apr-Jun Quarter 1	Jul-Sept Quarter 2	Oct - Dec Quarter 3	Jan-Mar Quarter 4
6	Validation of claims reported on PI (Q1 of 2023/2024)	Assurance	In-House	-	X	Based on the quarterly reported Performance Information results, review the accuracy and completeness of reported claims results by physical inspection of sampled claim files and match o information captured in the claims system.	Q2	800	-	X	-	-
7	Validation of claims reported on PI (Q2 of 2023/2024)	Assurance	In-House	-	X		Q3	800	-	-	X	-
8	Validation of claims reported on PI (Q3 of 2023/2024)	Assurance	In-House	-	X		Q3	800	-	-	-	X
9	ICT Security Review	Assurance	Co-Source	X	X	<ul style="list-style-type: none"> • Review the adequacy and effectiveness of the following ICT Security controls around the network and key systems as would be informed by emerging risks and security trends. Aspects that will be covered include: <ul style="list-style-type: none"> ○ Vulnerability management process; ○ ICT security incident response. ○ Antivirus and Antimalware management process. ○ Penetration testing. ○ Data Loss/ Leakage Prevention (DLP). ○ Disk encryption amongst others, etc. 	Q3	1500	-	-	-	X
10	General Controls Review (SAP, Claims, Domain controller)	Assurance	In-House	X	-	Review the General controls implemented around Claims, SAP and Active Directory. The controls to be tested include user access control, program and infrastructure change management, IT continuity and disaster recovery, operating systems and databases amongst others.	Q2	1200	-	-	X	-
11	SAP Basis	Assurance	Co-Source	X	-	Assess the adequacy and effectiveness of key controls that are configured on the SAP BASIS environment.	Q3	800	-	-		X

#	Area of Audit	Nature of the Review	In-House/ Co-Source	AG	Integrated Audit	High-Level Audit Scope	Starting period	Hours	Reporting Quarter			
									Apr-Jun Quarter 1	Jul-Sept Quarter 2	Oct - Dec Quarter 3	Jan-Mar Quarter 4
12	New Integrated Claims Management System (Project Bokamoso) *Note: Progress reports on a quarterly basis to be provided. Final report to issue in Q4	Assurance/ Consulting	Co-Source	X	X	<ul style="list-style-type: none"> Participate in the various stages of system development lifecycle in a consulting/advisory capacity as per the project plan and as may be required by the business. Perform a pre-implementation review of the new Claims Management System covering aspects such as functionality, application controls, and completeness of data migrated etc. before the system is rolled out into production. 	Q1	6000	X	X	X	X
13	ICT Governance Processes	Assurance	In-House	X	-	Assess the adequacy and effectiveness of ICT Governance processes such as ICT Structure, alignment of strategic risks to tactical risks, ICT budget management, ICT project management, compliance etc.	Q3	800	-	-		X
Executive Portfolio - Chief Corporate Support Officer <i>Strategic risk: The risk that the RAF may fail to recruit and retain specialised skills to ensure optimal staffing levels, productivity and organisational performance. (Low)</i>								1200	1	0	1	0
14	Annual Performance Bonus	Assurance	In-House	-	-	Review the validity, accuracy and completeness of bonus payments	Q3	600	-	-	X	-
15	Annual Salary Adjustments	Assurance	In-House	-	-	Review the validity, accuracy and completeness of annual salary adjustment payment.	Q1	600	X	-	-	-
Executive Portfolio - Chief Claims Officer Strategic risks: <ul style="list-style-type: none"> The risk that the RAF may not be able to deliver on its mandate thus impacting on customer experience. (High) The risk that the RAF may be vulnerable to Fraud and Corruption. (High) The risk that the RAF may be unable to adopt new technologies to support business operations. (Medium) The risk that the RAF Act may not enable efficiencies as envisaged by the new RAF operating model. (Medium) 								8400	0	1	2	2

#	Area of Audit	Nature of the Review	In-House/ Co-Source	AG	Integrated Audit	High-Level Audit Scope	Starting period	Hours	Reporting Quarter			
									Apr-Jun Quarter 1	Jul-Sept Quarter 2	Oct - Dec Quarter 3	Jan-Mar Quarter 4
16	Onboarding Management (including Pre-assessment, Registration, Validation and Verification etc)	Assurance	In-House	X	X	Review the adequacy as well as effectiveness of onboarding controls from Claims Receipting, Pre-Assessment, Compliance Check, Validation and Verification, Exception Handling, Quality Assurance, and Estimate Quotation.	Q2	1700	-	X	-	-
17	Product Adjudication and Offer Management (LOS, LOE and Funeral claims)	Assurance	In-House	X	X	Review adequacy and effectiveness of key controls around the adjudication and management of offers with a focus LOS, LOE and Funeral claim products.	Q2	1500	-	-	X	-
18	Medical Management (covering aspects such as Undertakings, Injury Assessment, Medical Advisory etc)	Assurance	Co-Source	X	X	Review the adequacy and effectiveness of key controls around the medical management value chain including the identification and assessment of serious injuries, application of medical protocols and tariffs, medical advisory etc.	Q3	1700	-	-	-	X
19	Claims Investigation (Actuarial management, QA, approval, Exception handling and accident investigation)	Assurance	In-House	X	X	Review adequacy and effectiveness of key controls around the Claims investigation process. This includes Actuarial management, QA, approval, Exception handling and accident investigation.	Q2	1500	-	-	X	-
20	Central Archiving Filing System (CAFS)	Assurance	In-House	X	X	Review the adequacy and effectiveness of Central Archiving Filing System (CAFS) to ensure proper record keeping and safeguarding of information.	Q3	2000	-	-	-	X
Executive Portfolio - Chief Governance Officer Strategic risk: <ul style="list-style-type: none"> The risk that the RAF may not adhere to the principles of good corporate governance in directing the organisational transformation. (Low). The risk that the RAF may be vulnerable to Fraud and Corruption (High) 								5400	0	1	2	0

#	Area of Audit	Nature of the Review	In-House/ Co-Source	AG	Integrated Audit	High-Level Audit Scope	Starting period	Hours	Reporting Quarter			
									Apr-Jun Quarter 1	Jul-Sept Quarter 2	Oct - Dec Quarter 3	Jan-Mar Quarter 4
21	Enterprise Risk Management	Assurance	Outsource	-	-	Review the design and effectiveness of risk management process to assess whether the organisational key strategic risks are adequately being managed.	Q2	1400	-	X	-	-
22	Business Continuity Management	Assurance	Outsource	-	-	<ul style="list-style-type: none"> Review the adequacy of business continuity structures and plans. Assess the agility and responsiveness of the Fund's Business Continuity management process in enabling the continuity of key business processes in the event of unplanned business interruption. 	Q3	1600	-	-	X	-
23	Litigation Management (including summonses and writs management)	Assurance	In-House	X	X	Review the adequacy as well as the effectiveness of Litigation Management process including: <ul style="list-style-type: none"> Litigation intervention/Management plan including the development of Legal Cost Contribution guidelines to proactively settle cost; and Management of court orders and writs (capital payments) and monitoring of default judgments. 	Q2	2400	-	-	X	-
Executive Portfolio - Chief Financial Officer <i>Strategic risk: The risk that the RAF may not be able to meet its financial obligations because of its unsustainable funding model. (Medium)</i> <i>The risk that the RAF may be vulnerable to Fraud and Corruption. (Critical)</i>								3202	1	0	1	1
24	Annual Financial Statements Review	Advisory	Outsource	-	-	<ul style="list-style-type: none"> Review the accuracy, validity and completeness of the Annual Financial Statements. Review of the AFS for compliance with the applicable GRAP standards. 	Q1	252	X	-	-	-
25	Supply Chain Management Including BBBEE Spent and	Assurance	In-House	-	-	<ul style="list-style-type: none"> Confirm the existence, approval and implementation of Supply Chain Management Policies and Procedures and the Delegations of Authority (DoA). 	Q3	1550	-	-	-	X

#	Area of Audit	Nature of the Review	In-House/ Co-Source	AG	Integrated Audit	High-Level Audit Scope	Starting period	Hours	Reporting Quarter			
									Apr-Jun Quarter 1	Jul-Sept Quarter 2	Oct - Dec Quarter 3	Jan-Mar Quarter 4
	Contract management activities					<ul style="list-style-type: none"> Review adequacy and effectiveness of internal controls to prevent or detect fraud and corruption during procurement process. Review the time it takes to complete procurement of goods and service through tender's process and what cause the delay on the conclusion of tender. 						
26	Financial Control and Monitoring Review	Assurance	Co-Source	-	-	Review effectiveness and adequacy of the controls over financial processes and sub-processes to identify errors, anomalies and potential compliance issues amongst others. The review will cover key finance processes including but not limited to debtors, creditors, payments, processing of journals etc.	Q2	1400	-	-	X	-
Executive Portfolio - Chief Investment Officer <i>Strategic risk: The risk that the RAF may not be able to meet its financial obligations because of its unsustainable funding model. (Medium)</i> <i>The risk that the RAF may be vulnerable to Fraud and Corruption. (High)</i>								1200	0	0	1	0
27	Treasury Management (Payments)	Assurance	Co-Source	-	-	Review of the effectiveness and adequacy of the controls over cash flow management, forecasting and the claims payment process in reducing claims payment backlog,	Q2	1200	-	-	X	-
Executive Portfolio - Chief Executive Officer <i>Strategic risk: The risk that the RAF may not adhere to the principles of good corporate governance in directing the organisational transformation. (Low).</i>								1100	0	1	1	0
28	Security Management Services Review	Assurance	In- House	-	-	Review the adequacy and effectiveness of key controls around Physical and related security management processes.	Q3	550	-	-	X	-
29	Corporate Social Responsibility	Assurance	In-House	-	-	<ul style="list-style-type: none"> Review of the Corporate Social Responsibility (CSR) Strategy/ Framework which clearly defines the CSR's objectives; 	Q2	550	-	X	-	-

#	Area of Audit	Nature of the Review	In-House/ Co-Source	AG	Integrated Audit	High-Level Audit Scope	Starting period	Hours	Reporting Quarter			
									Apr-Jun Quarter 1	Jul-Sept Quarter 2	Oct - Dec Quarter 3	Jan-Mar Quarter 4
						<ul style="list-style-type: none"> Verify if the defined strategy objectives for CSR are achieved and periodically reported to the relevant committees; Review the CSR budget and major expenditure items; Review the authorisation and disbursements of the CSR funds from finance to ensure timely disbursements of funds by CSR; and Review of the CSR structure to verify if it supports the strategy and will ensure achievement of the CSR's objectives. 						
Total number of audits per quarter									3	5	11	10
Total Planned Audit Hours before Follow-Ups and Adhoc								35252				
FOLLOW-UP/ Q.A/ AD-HOCS												
30	Internal Audit and AGSA findings follow-up (tracking process)	Assurance	In-House	X	X	Follow-up of internal audit and AGSA reports issued during the previous financial year to review the status of implementation of agreed action plan.	Q1 - Q4	2347	X	X	X	X
31	Internal Quality Assessment	Assurance	In-House	-	-	Review completed audit project files to ensure that they meet the internal audit methodology requirements which is in line with the IIA Standards.	Q1 - Q4	1223	X	X	X	X
32	Management/ Adhoc Requests	Advisory	In-House	-	X	The scope will be determined in agreement with management at the time of the request	Q1 - Q4	3521	X	X	X	X

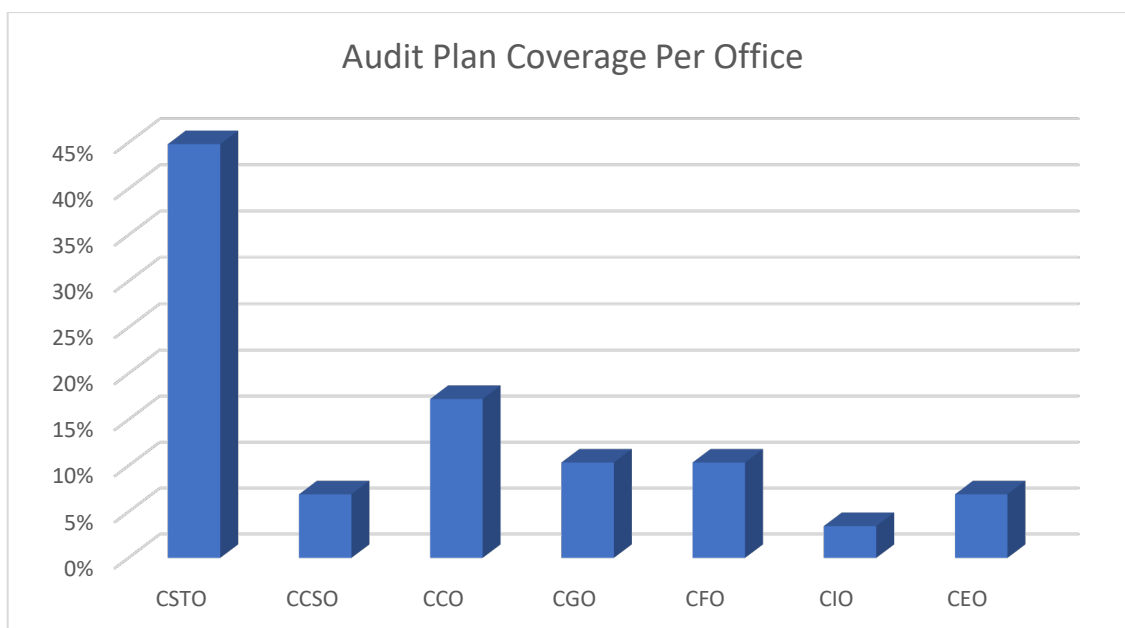
#	Area of Audit	Nature of the Review	In-House/ Co-Source	AG Reliance	Integrated Audit	High-Level Audit Scope	Starting period	Hours	Reporting Quarter			
									Apr-Jun Quarter 1	Jul-Sept Quarter 2	Oct - Dec Quarter 3	Jan-Mar Quarter 4
Total Planned Audit Hours including Follow Ups and Adhoc								42343				

15. INTERNAL AUDIT COVERAGE PLAN BREAKDOWN PER OFFICE AND AUDIT ACTIVITY TYPE

Internal Audit applied the functional business structure of the RAF to visually map the residual risk exposure. Having then followed the internal audit approach to the plan as described above, we mapped the suggested coverage against each of the business areas. This was done to ensure that:

- Internal Audit will focus on the critical and high-risk areas/business activities of the Fund;
- Internal Audit will focus on the key priorities/strategies as required; and
- That the set skill and resources of internal audit are adequate to cover the assurance and/or advisory components required in each business area.

Below is the Internal Audit Coverage Plan per Business unit for 2023/24. It should be noted that the percentage allocation below excludes Adhoc reviews and follow up of previous audit findings which forms part of the plan.



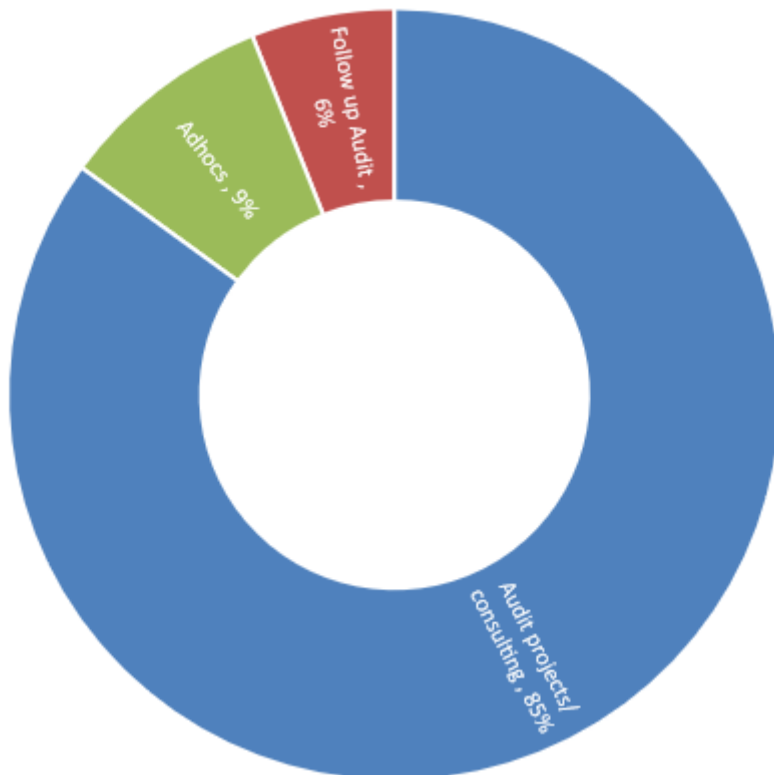
The audit plan is further summarised as depicted below:

The determination of the number of audits to be covered in each business unit (as depicted in the graph above) was derived from the RAF strategic risk register for 2023/2024. The rationale behind the coverage for each business unit is depicted in the table below:

Executive Portfolio	Strategic risks	Number of Audits	% of Planned audits per the 2023/24 Internal Audit plan
Chief Strategy and Transformation Officer (CSTO)	<ul style="list-style-type: none"> • <i>The risk that the RAF may not be able to deliver on its mandate thus impacting on customer experience. (High)</i> • <i>The risk that the RAF may be vulnerable to Fraud and Corruption. (High)</i> • <i>The risk that the RAF may be unable to adopt new technologies to support business operations. (Medium)</i> • <i>The risk that the RAF Act may not enable efficiencies as envisaged by the new RAF operating model. (High)</i> 	13	45%
Chief Claims Officer (CCO)	<ul style="list-style-type: none"> • <i>The risk that the RAF may not be able to deliver on its mandate thus impacting on customer experience. (Critical)</i> • <i>The risk that the RAF may be vulnerable to Fraud and Corruption. (Critical)</i> • <i>The risk that the RAF may be unable to adopt new technologies to support business operations. (Medium)</i> • <i>The risk that the RAF Act may not enable efficiencies as envisaged by the new RAF operating model.)</i> 	5	17%
Chief Financial Officer (CFO)	<ul style="list-style-type: none"> • <i>The risk that the RAF may not be able to meet its financial obligations because of its unsustainable funding model. (Medium)</i> • <i>The risk that the RAF may be vulnerable to Fraud and Corruption. (High)</i> 	3	10%
Chief Corporate Support Officer (CCSO)	<ul style="list-style-type: none"> • <i>The risk that the RAF may fail to recruit and retain specialised skills to ensure optimal staffing levels, productivity and organisational performance. (Low)</i> 	2	7%
Chief Governance Officer (CGO)	<ul style="list-style-type: none"> • <i>The risk that the RAF may be vulnerable to Fraud and Corruption (High)</i> • <i>The risk that the RAF may not adhere to the principles of good corporate governance in directing the organisational transformation. (Low).</i> 	3	10%
Chief Investment Officer	<ul style="list-style-type: none"> • <i>The risk that the RAF may not be able to meet its financial obligations because of its unsustainable funding model. (Medium)</i> • <i>The risk that the RAF may be vulnerable to Fraud and Corruption. (High)</i> 	1	3%
Chief Executive Officer (CEO)	<ul style="list-style-type: none"> • <i>The risk that the RAF may not adhere to the principles of good corporate governance in directing the organisational transformation. (Low).</i> 	2	7%

The time and resources of the Internal Audit function is split between planned assurance/consulting reviews, Adhoc management requests and follow- up on prior findings as depicted below.

Time Allocation per Audit Activity



16. THREE YEAR ROLLING STRATEGIC INTERNAL AUDIT PLAN FOR THE PERIOD 2024-2026 (AUDIT UNIVERSE)

We set out in this section a list of proposed areas for internal audit focus for the next three financial years (2023/24 – 2025/26). Internal Audit's plan of work remains flexible and will change as per the approval of the Audit Committee, Management, and new business developments at the time of audit. The audit areas below are indicative and are based on the current strategic risk register of 2023-24 financial year. A three-year rolling internal audit plan will be maintained and updated according to the annual strategic and operational risk assessments.

Strategic Risks	RAF Objective	2023/2024 APP Target	Proposed Area of Audit	Frequency when the audit is conducted (Annually/ 2 nd Year/ 3 rd Year/ New - *)	Last Review			2023/24	2024/25	2025/26
					Internal Audit	Other Assurance Providers				
STRATEGY AND TRANSFORMATION										
Strategy			No	Assurance Reviews						
<ul style="list-style-type: none"> The risk that the RAF may not be able to deliver on its mandate thus impacting on customer experience. (Critical) The risk that the RAF may be vulnerable to Fraud and Corruption. (Critical) The risk that the RAF may be unable to adopt new technologies to support business operations. (Medium) The risk that the RAF Act may not enable efficiencies as 	<ul style="list-style-type: none"> A Transformed and Sustainable RAF Improve Governance to Strengthen control environment. 	<ul style="list-style-type: none"> Year 3 Business Operating model initiatives implemented. 	1.	Annual Performance Plan	Annually	2022/2023	None	X	X	X
			2.	Performance Information Audit including Validation of Claims Reported on PI Validation of Performance Information Report	Annually	2022/2023	None	X	X	X
			3.	Validation of Performance Information Report	Annually	2022/2023	None	X	X	X

Strategic Risks	RAF Objective	2023/2024 APP Target	Proposed Area of Audit		Frequency when the audit is conducted (Annually/ 2 nd Year/ 3 rd Year/ New - *)	Last Review				
						Internal Audit	Other Assurance Providers	2023/24	2024/25	2025/26
envisaged by the new RAF operating model. (Medium)										
Information and Technology			Assurance and/or planned Consulting Reviews							
<ul style="list-style-type: none"> The risk that the RAF may not be able to deliver on its mandate thus impacting on customer experience. (Critical) The risk that the RAF may be vulnerable to Fraud and Corruption. (Critical) The risk that the RAF may be unable to adopt new technologies to support business operations. (Medium) The risk that the RAF Act may not enable efficiencies as envisaged by the new RAF operating model. (Medium) 	<ul style="list-style-type: none"> System Modernisation Improve Governance to Strengthen control environment. 	Release 1 of ICMS	4.	ICT Security Review	2 nd Year	2021/2022	None	X		X
			5.	Control Self-Assessment Review		2019/2020	None		X	
			6.	Networks Review	2 nd Year	2022/2023	None		X	
			7.	IT Maturity Assessment		2015/2016	None			
			8.	ICT Project Governance Review		2022/2023	None		X	
			9.	General Controls Review (SAP, Claims, Domain controller)	Annually	2022/2023	None	X	X	X
			10.	Enterprise Architecture Review		New	None		X	
			11.	Claims Application Controls Review (to be performed as part of operational audits)	Annually	2022/2023	None	X	X	X
			12.	Interface Review	2 nd Year	2022/2023	None		X	
			13.	SAP Basis	2 nd Year	2021/2022	None	X		X
			14.	New Integrated Claims Management System	Annually	New	None	X	X	X
			15.	SAP Procure to Pay	2 nd Year	2021/2022	None		X	
			16.	Re-Design of Claims Management System		2021/2022	None			
			17.	SAP HR and Payroll	3 rd Year	2021/2022	None		X	
			18.	Infrastructure Review: Cloud computing, Citrix, Hosting, SLAs)		2018/2019	None		X	
			19.	ICT Governance processes	Annually	2022/2023	None	X	X	X

Strategic Risks	RAF Objective	2023/2024 APP Target	Proposed Area of Audit		Frequency when the audit is conducted (Annually/ 2 nd Year/ 3 rd Year/ New - *)	Last Review				
						Internal Audit	Other Assurance Providers	2023/24	2024/25	2025/26
			20.	Software License Review	3 rd Year	2021/2022	None		X	
CHIEF CORPORATE SUPPORT OFFICER										
Human Capital			Assurance and/or planned Consulting Reviews							
The risk that the RAF may fail to recruit and retain specialised skills to ensure optimal staffing levels, productivity and organisational performance. (Low)	Improved claimant focus	<ul style="list-style-type: none"> 60% implementation of the organisational structure Year 2 implementation of the Skills Audit Report Outcomes 	20.	Learning and Development including Bursary Application and Management	3 rd Year	2018/2019	2018/2019-Compliance		X	
			21.	Annual Salary Adjustment	Annually	2018/2019	None	X	X	X
			22.	Intern and Learner Process	3 rd Year	2018/2019	None		X	
			23.	Dispute Resolution	3 rd Year	2018/2019	None		X	
			24.	Grievance Procedure	3 rd Year	2018/2019	None		X	
			25.	Collective Bargaining	3 rd Year	2016/2017	None		X	
			26.	Recruitment and Selection and Employment Equity	3 rd Year	2018/2019	2020/2021 - Compliance		X	
			27.	Leave Management	3 rd Year	2022/2023	None			X
			28.	Skills Development	3 rd Year	New				X
			29.	Organisational Design	*	New	None			
			30.	Talent Management	3 rd Year	2019/2020	None		X	
			31.	Performance Management	3 rd Year	2019/2020	None		X	
			32.	Employee Wellness	3 rd Year	2018/2019	2022/2023 - Compliance			X
33.	Annual Performance Bonus	Annually	2022/2023	None		X	X			

Strategic Risks	RAF Objective	2023/2024 APP Target	Proposed Area of Audit	Frequency when the audit is conducted (Annually/ 2 nd Year/ 3 rd Year/ New - *)	Last Review			2023/24	2024/25	2025/26
					Internal Audit	Other Assurance Providers				
Facilities Management			Assurance and/or planned Consulting Reviews							
	Improved claimant focus		34.	Business Support	3 rd Year	2019/2020	None		X	
			35.	Space and Projects	3 rd Year	2018/2019	None		X	
			36.	Facilities Management	3 rd Year	2013/2014	None		X	
			37.	Building Maintenance	3 rd Year	2018/2019	None			X
			38.	Occupational Health and Safety	3 rd Year	2018/2019	2022/2023 Compliance			X
Corporate Communication			Assurance and/or planned Consulting Reviews							
The risk that the RAF may suffer reputational damage due to stakeholder pressure, negative media reports; and inability to proactively respond to material stakeholder concerns and issues. (Medium) .	Improved claimant focus	85% of 2023/24 Stakeholder Management Strategy initiatives implemented	39.	Internal Communication		2018/2019	None		X	
			40.	Social and Digital Media Management		2018/2019	None		X	
			41.	Campaign Management		New Process	None		X	
			42.	Brand Development Research and Business Analysis		New Process	None		X	
			43.	Public Relations		2021/2022	None			X
			44.	Language Services ad Publications		New Process	None			X
			45.	Graphic Design and Copywriting and Editing		New Process	None		X	
Customer Experience			Assurance and/or planned Consulting Reviews							
	Improved claimant focus		46.	Call Centre	3 rd Year	2022/2023	None			
			47.	Customer Interaction Management, Customer Experience and Self Service		New Process	None		X	

Strategic Risks	RAF Objective	2023/2024 APP Target	Proposed Area of Audit	Frequency when the audit is conducted (Annually/ 2 nd Year/ 3 rd Year/ New - *)	Last Review			2023/24	2024/25	2025/26
					Internal Audit	Other Assurance Providers				
CHIEF CLAIMS OFFICER										
Claims			Assurance and/or planned Consulting Reviews							
<ul style="list-style-type: none"> The risk that the RAF may not be able to deliver on its mandate thus impacting on customer experience. (High) The risk that the RAF may be vulnerable to Fraud and Corruption. (High) The risk that the RAF may be unable to adopt new technologies to support business operations. (Medium) The risk that the RAF Act may not enable efficiencies as envisaged by the new RAF operating model. (Medium) 	<ul style="list-style-type: none"> A Transformed and sustainable RAF Improve Governance to Strengthen control environment 	<ul style="list-style-type: none"> RAF Business Operating Model Implemented 10% Claims processed within 120 days. 80% of claims validated and verified within 60 days. 20% reduction of open claims Reduction of legal costs by 55% Reduced medical costs - RAF Medical Tariffs by 	48.	Onboarding Management (including Pre-assessment, Registration, Validation and Verification etc)	Yearly	2022/2023	None	X	X	X
			49.	Merits Management	Yearly	2022/2023	None	X	X	X
			50.	Product Adjudication (GD, LOS, LOE, Past Medical expenses, Future medical claims, Funeral claims)	Yearly	2020/2021	None	X	X	X
			51.	Medical Management (covering aspects such as Undertakings, Injury Assessment, Medical Advisory etc)	Yearly	2022/23	None	X	X	X
			52.	Claims Investigation (Actuarial management, QA, approval, Exception handling and accident investigation)	Yearly	New	None	X		X
			53.	Offer Management (Including Payment Request, Legal Management, Health Care medical claims, Approval and Exception Handling)	Yearly	2022/2023	None		X	
			54.	Legal Cost	2 nd Year	2020/2021	2022/2023 – Risk/ Compliance Management		X	
			55.	Supplier Claims	2 nd Year	2022/23	None		X	
			56.	Central Archiving Filing System (CAFS)	3 rd Year	2022/2023	None			X

Strategic Risks	RAF Objective	2023/2024 APP Target	Proposed Area of Audit		Frequency when the audit is conducted (Annually/ 2 nd Year/ 3 rd Year/ New - *)	Last Review				
						Internal Audit	Other Assurance Providers	2023/24	2024/25	2025/26
		20% implemented								
Chief Governance Officer			Assurance Reviews							
<ul style="list-style-type: none"> The risk that the RAF may be vulnerable to Fraud and Corruption (High) The risk that the RAF may not adhere to the principles of good corporate governance in directing the organisational transformation. (Low). 	<ul style="list-style-type: none"> Improve Governance to Strengthen control environment 	<ul style="list-style-type: none"> Clean Audit 60% reduction of Audit Findings Report on the status and operations of the Ethics Committee submitted to the DoT 	57.	Litigation Management (including summonses and writs management)	New	2022/23	None		X	
			58.	Enterprise Risk Management Review	2 nd Year	2021/2022	None	X		X
			59.	Ethics Management Review	3 rd Year	2022/2023	None			X
			60.	Business Continuity Management Review	3 rd Year	2020/2021	None	X		
			61.	Fraud investigation management	2 nd Year	2022/2023	None		X	
			62.	Management of Policies		2018/2019	None			X
			63.	Management of Legal/litigation costs	2 nd Year	2022/23			X	
			64.	Management of Board Committee/s	3 rd Year	2019/2020	None		X	
Chief Financial Officer			Assurance reviews and/or Planned Consulting reviews							
<ul style="list-style-type: none"> The risk that the RAF may not be able to meet its financial obligations because 	<ul style="list-style-type: none"> A Transformed and Sustainable RAF. 	<ul style="list-style-type: none"> Report on cases of fruitless and wasteful expenditure 	65.	Actuarial management	3 rd Year	2019/2020	None		X	
			66.	Salaries and Payroll management	2 nd Year	2022/2023	None		X	
			67.	Annual Financial Statements Review	Annually	2022/2023	None	X	X	X

Strategic Risks	RAF Objective	2023/2024 APP Target	Proposed Area of Audit		Frequency when the audit is conducted (Annually/ 2 nd Year/ 3 rd Year/ New - *)	Last Review				
						Internal Audit	Other Assurance Providers	2023/24	2024/25	2025/26
<ul style="list-style-type: none"> of its unsustainable funding model. (Medium) The risk that the RAF may be vulnerable to Fraud and Corruption. (High) 	<ul style="list-style-type: none"> Improved governance and strengthened control environment 	<ul style="list-style-type: none"> Report on cases of irregular expenditure Report on steps taken to ensure compliance with the 30-day payment requirement 	68.	Supply Chain Management and Contract management activities (Including SAP Application Controls Review)	Annually	2022/2023	None	X	X	X
			69.	Logistics Management (Fleet, Travel and Stores) Disposal Management Asset Management Document Management		2019/2020	None			X
			70.	Budget Management	3 rd Year	2022/2023	None			X
CHIEF INVESTMENT OFFICER										
<ul style="list-style-type: none"> The risk that the RAF may not be able to meet its financial obligations because of its unsustainable funding model. (Medium) 	<ul style="list-style-type: none"> A Transformed and Sustainable RAF. 	Asset and Liability Strategy initiatives implemented	71	Treasury Management	3 rd Year	2013/2014	None	X		
CHIEF EXECUTIVE OFFICER										
<ul style="list-style-type: none"> The risk that the RAF may not adhere to the principles of good corporate governance in 	Improved governance and strengthened control environment		72.	Security Management Services Review	2 nd Year	New	None	X		X
			73.	Corporate Social Responsibility		2015/2016	None	X		

Strategic Risks	RAF Objective	2023/2024 APP Target	Proposed Area of Audit		Frequency when the audit is conducted (Annually/ 2 nd Year/ 3 rd Year/ New - *)	Last Review				
						Internal Audit	Other Assurance Providers	2023/24	2024/25	2025/26
directing the organisational transformation. (Low).										

17. STATEMENT ON CONTROL ENVIRONMENT

In accordance with King IV principle 15, Internal Audit Department will provide an overall statement quarterly and annually based on the outcome of audit reviews regarding the effectiveness of the organisation's governance, risk management and control processes to the Board.

18. CO-ORDINATION WITH OTHER ASSURANCE PROVIDERS

In developing this risk-based internal audit plan, Internal Audit consulted with other internal assurance providers through the Combined Assurance Forum and AGSA to ensure that the 2023/2024 operational assurance plans support or complement each other. This ensures that duplication of work and audit fatigue is eliminated. The audit schedule has been shared with other assurance providers through the Combined Assurance Forum. We will continue our discussion with the other assurance providers as the year progresses and adjust the internal audit plan (any amendment to internal audit plan to be approved by the Audit Committee), where necessary.

19. AUDITOR GENERAL RELIANCE ON THE WORK OF INTERNAL AUDIT

Internal Audit meets with the Auditor General to discuss and obtain views on the Internal Audit Plan and which audit projects/area of reviews will the Auditor General place reliance on. In the past, the Auditor General usually place reliance on ICT Audit related projects and utilise Performance Information Audit, Claims Expenditure related reviews and Supply Chain Management for risk assessment purposes.

COMPILED BY

F. Fikeni

F. Fikeni (May 10, 2023 14:49 GMT+2)

.....
MS. FIKISWA FIKENI
ACTING CHIEF INTERNAL AUDIT OFFICER

May 10, 2023

.....
DATE

SUPPORTED BY

.....
MR. COLLINS LETSOALO
CHIEF EXECUTIVE OFFICE

.....
DATE

APPROVED BY

.....
MR. HILMI DANIELS
CHAIRPERSON OF THE AUDIT COMMITTEE

.....
DATE

Delegation of Authority



I, **Collins Letsoalo**, in terms of the Road Accident Fund Delegation of Powers and Functions Policy, and by virtue of the Powers vested in me or Functions assigned to me as the holder of the position **Chief Executive Officer**, hereby delegate to **Fikiswa Fikeni** (the "DOA") the following Powers and, or, Functions associated with position: **Chief Internal Audit Officer position**.

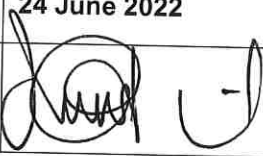
- **All Powers and, or, Functions associated with Chief Internal Audit Officer position.**

The Powers and Functions must be exercised according to all applicable policies of the RAF and is subject to the following express limitations and conditions:


- **No limitations and conditions.**

This Delegation is effective from **15 June 2022 until further notice**.

Employee Delegating:

Name and surname:	Collins Letsoalo
Position or title:	Chief Executive Officer
Date:	24 June 2022
Signature:	

Employee accepting Delegation:

Name and surname:	Fikiswa Fikeni
Position or title:	Acting Chief Internal Audit Officer
Date:	Jun 27, 2022
Signature:	 <small>F.Fikeni (Jun 27, 2022 15:19 GMT+2)</small>

Centurion: 420 Witch-hazel Avenue Eco Glades 2 Centurion 0046 | Private Bag X178 Centurion 0046
T +27 12 621 1600 | www.raf.co.za

Board Members: Ms Thembelihle Msibi (Chairperson), Dr Nomonde Mabuya-Moloele (Vice Chairperson), Mr Hilmi Daniels, Ms Lorraine Francois, Mr Khotso Mothobi, Mr Moses Nyama, Dr Maria Peenze, Mr Thulani Tshabalala, Mr Bosa Ramantsi (Director-General's Representative)






DOA - Fikiswa Fikeni ACIAO,dated 27 June 22

Final Audit Report

2022-06-27

Created:	2022-06-27
By:	Kelebogile Mathiba (Kelebogilem@raf.co.za)
Status:	Signed
Transaction ID:	CBJCHBCAABAA6lipJ79dYPqjiYNWDoHeivgO9cbikED

"DOA - Fikiswa Fikeni ACIAO,dated 27 June 22" History

-  Document created by Kelebogile Mathiba (Kelebogilem@raf.co.za)
2022-06-27 - 11:53:04 AM GMT- IP address: 41.0.19.212
-  Document emailed to fikiswaf@raf.co.za for signature
2022-06-27 - 11:53:55 AM GMT
-  Email viewed by fikiswaf@raf.co.za
2022-06-27 - 11:59:18 AM GMT- IP address: 41.0.19.212
-  Document e-signed by F.Fikeni (fikiswaf@raf.co.za)
Signature Date: 2022-06-27 - 1:19:14 PM GMT - Time Source: server- IP address: 41.13.106.214
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2022-06-27 - 1:19:14 PM GMT







Memo - Internal Audit Annual Audit Plan FYE 2023_2024, dated 10 May 2023

Final Audit Report

2023-05-10

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"Memo - Internal Audit Annual Audit Plan FYE 2023_2024, dated 10 May 2023" History

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-  Signer fikiswaf@raf.co.za entered name at signing as F.Fikeni
2023-05-10 - 12:49:29 PM GMT- IP address: 41.13.110.46
-  Document e-signed by F.Fikeni (fikiswaf@raf.co.za)
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Memo - Internal Audit Annual Audit Plan FYE 2023_2024, dated 10 May 2023

Final Audit Report

2023-05-21

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"Memo - Internal Audit Annual Audit Plan FYE 2023_2024, dated 10 May 2023" History

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-  Email viewed by Collins Letsoalo (collinsl@raf.co.za)
2023-05-21 - 9:34:45 PM GMT- IP address: 41.13.84.19
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