



**PFMA
2022-23**

Budgetary review and recommendations report (BRRR) **Portfolio Committee on Home Affairs**

10 October 2023



AUDITOR-GENERAL
SOUTH AFRICA



MISSION

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution 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.

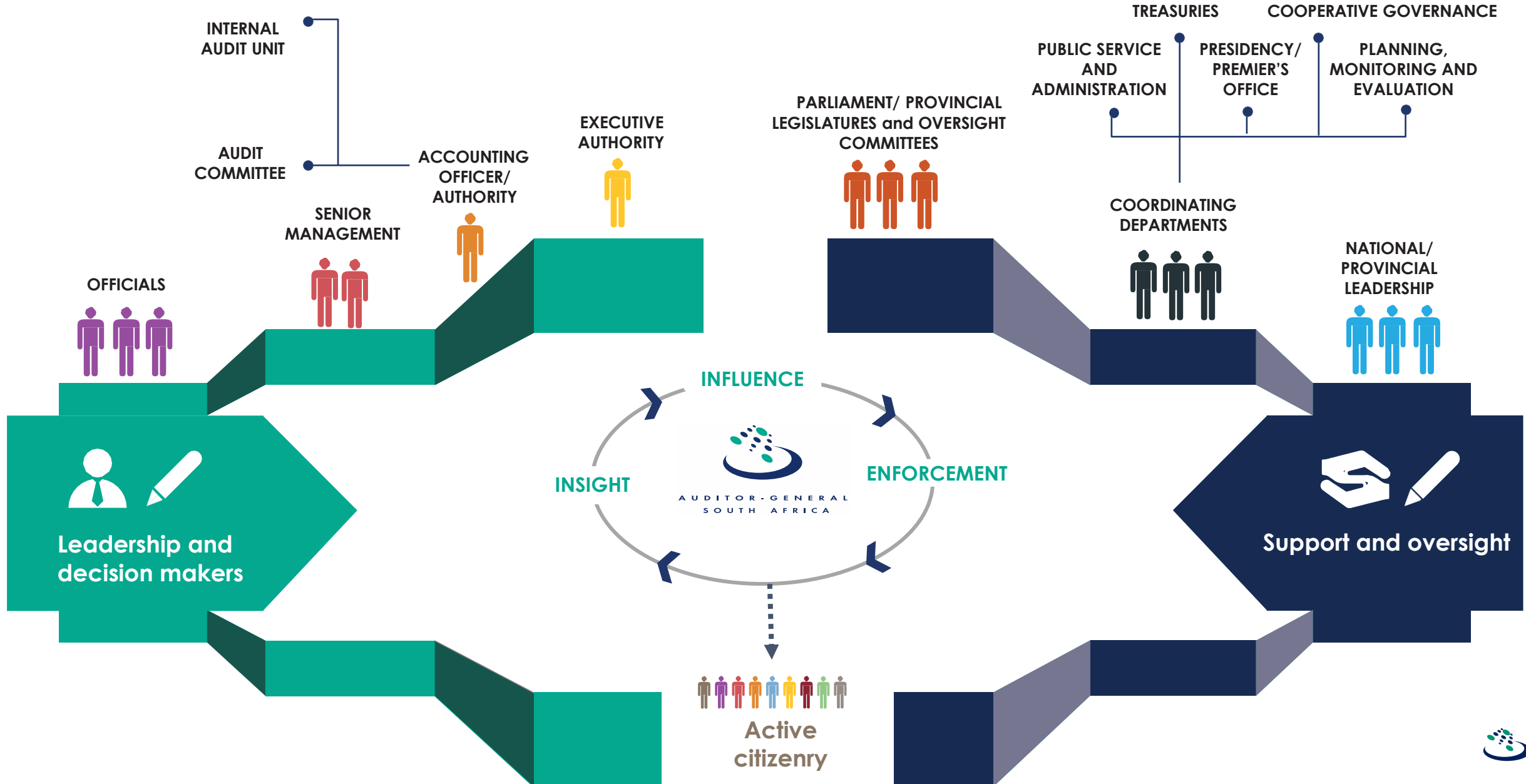


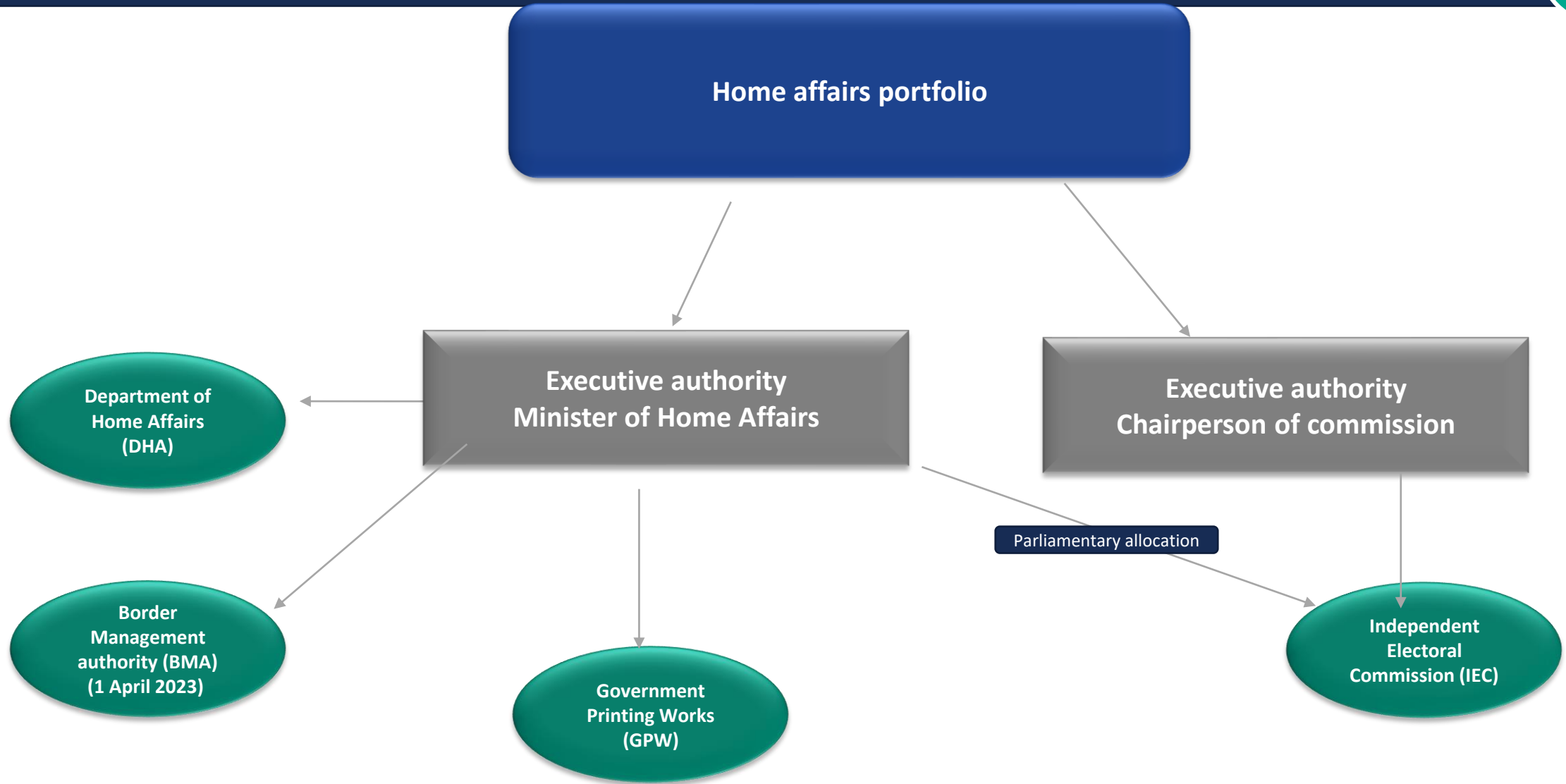
VISION

To be recognised by all our stakeholders as a relevant supreme audit institution that enhances public sector accountability.



All have a role to play in accountability ecosystem







Reflections on prior year recommendations



Monitor and regularly accelerate accountability improvements to serve the public good by following up with the executive authority and accounting officers on:



-  Progress on the implementation of audit action plans put in place to address the prior year material findings.
-  Provide oversight on the measures put in place to address material non-compliance on revenue management relating to collection of fines and Monitor the effectiveness of measures put in place to enforce and collect fines issued in terms of the Immigration Act. (DHA)
-  Intervention for collaboration and cooperation by other institutions for successful implementation and operation of BMA
-  Oversight and intervention in the DHA modernisation project and significant related deficiencies caused by the delays on the project.
-  Institute timely consequences management against officials who do not implement action plans (DHA)
-  Strengthen oversight and intervention at GPW based on 2021-22 audit outcomes to remediate limitation of scope / loss of data.

 Implemented

 In progress

 Not implemented

Recommendations from the review of the APP

-  As part of setting up structures to operationalise the BMA, it is important to already get the basics right from the start – this includes ensuring that the entity has appropriate capacity, skills and processes for effective strategic and performance planning.
-  Management should prepare the annual performance plan in accordance with the DPME revised framework for strategic plan- and annual performance plan to ensure that the indicators and targets meet the SMART criteria



Overall reflections on implementation of recommendations:

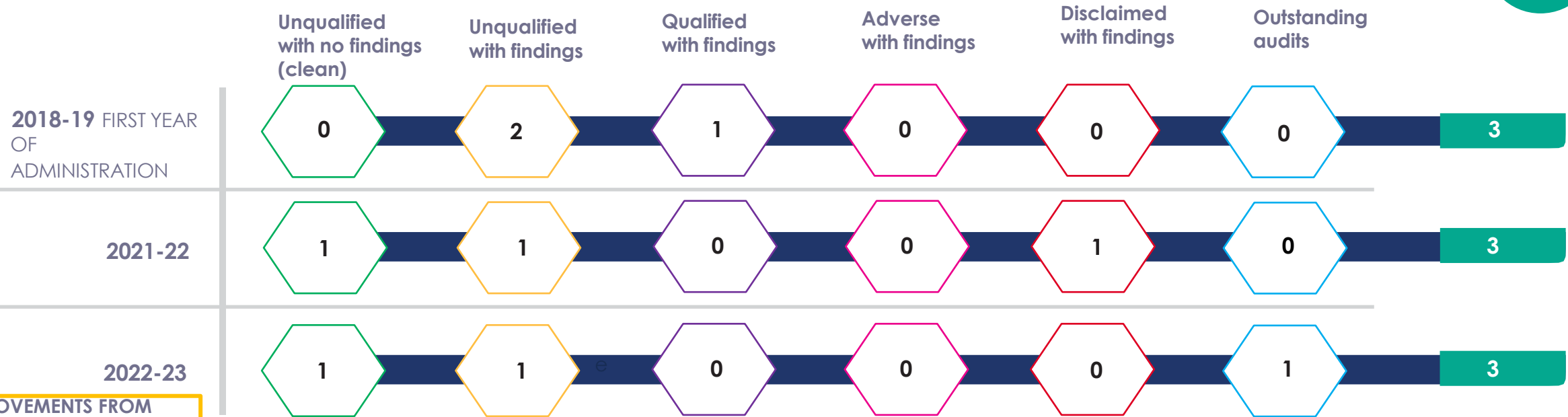
- There has been no progress on the prior year recommendations as the audit outcomes for DHA and GPW has remained stagnant. GPW has received a disclaimer of opinion for the past 3 years
- We commend IEC for continuously monitoring the design and implementation of action plans which resulted in the entity maintaining clean audit outcome



Overall Portfolio performance



Regression over administration term



MOVEMENTS FROM PREVIOUS YEAR:
 0 ↑ 0 ↓

FROM FIRST YEAR OF ADMINISTRATION:
 1 ↑ 1 ↓

IEC (2020-21 to 2022-23)

DHA (2018-19 to 2022-23)
 IEC (2018-19)

GPW (2018-19)

No auditees

GPW (2019-20 to 2021-22)

GPW (2022-23)
 GPW: The 2021-22 audit was finalized on 31 July 2023 which had an impact on the 2022-23 audit. The audit outcome for 2022-23 is outstanding as the audit commenced in August 2023 and we anticipate to finalise this audit end of October 2023.

- No significant improvement in the overall audit outcome as only one entity within the portfolio has maintained the clean audit.
- The portfolio is indicating an environment that is failing to implement robust financial management system that produce credible financial reporting.
- Compliance with laws and regulations is still a challenge for the portfolio.

- Drivers for sustained clean audits & improvement (IEC)**
- Effective audit actions plans
 - Improvement in the control environment especially around the review of the annual financial statements (AFS)
 - Effective in-year monitoring
 - Serious about preventative controls.

- Key contributors to stagnation in audit outcome: (DHA & GPW)**
- Ineffective audit action/ turnaround plans.
 - Review process and in year monitoring process not effective.



GPW 2021-22 Audit outcomes





Overview

1. The overall audit outcome of GPW for 2021-22 is a **disclaimer**, similarly to prior year.
2. This is attributed to the data loss which occurred in February 2021 and the second data loss which occurred in March 2022 which resulted in a loss of data of 6 months which was required to be recaptured.
3. The impact it has on the financial reporting is still ongoing, which has resulted in material limitation of scope on the audit informed by system data that was not reliable.



Overview continues

4. The manual process followed to recapture data into the system was not clearly documented and no clear controls were implemented to review the data captured.
5. The status of the **IT controls** continues to require intervention as GPW is in the process of recovering from the incident, slow progress has been made in implementing the ICT action plan which is depended on the execution of the ICT procurement plan



Annual financial statements (AFS)

The following AFS areas had material findings which led to the disclaimer however we seeing improvement on the list of qualifications from **10 to 8 line** items:

1. Trade and other receivables
2. Inventory
3. Trade payables (Comparative)
4. Property plant and equipment
5. Revenue from exchange transactions
6. Cost of Sales
7. Operating expenses (Comparative)
8. Statement of Cash flows



Compliance

1. Annual Financial Statements

- AFS not submitted within required timeframe section 40(1)(c)(i)
- AFS submitted not in accordance with prescribed framework (material misstatements not corrected and limitations) section 40(1)(a)and(b)

2. Revenue Management

- processes not implemented to provide for collection, recording and safeguarding of information about revenue TR7.2.1
- effective steps not taken to recover money due section 38(1)(c)(i)



Government Printing Works update (cont)

Compliance cont. & Financial health

3. Consequence Management

-investigations into irregular expenditure not performed section 38(1)(h)(iii)

4. Asset Management

-proper control systems not in place to ensure safeguarding and maintenance of assets TR10.1.1(a)

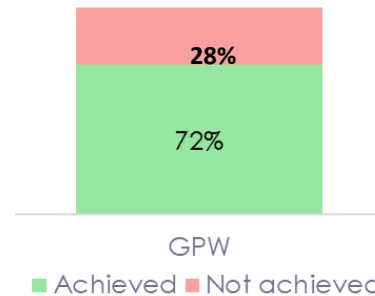
5. Financial health

Financial health was assessed as unfavourable due to a disclaimer opinion expressed and therefore the financial statements not reliable to perform a meaningful analysis.



AOPO

Achievement of annual targets as reported in annual performance report (all indicators) – 2021-22



Material misstatements were corrected on the APR for Branch Operations and Production which resulted in no findings in the audit report.



Root causes/ internal control

1. Inadequate business continuity plan and processes combined with a lack of adequate backup processes leading to the data loss of critical financial data.
2. The entity struggled to resolve the issues that contributed to the data loss event including inadequate backups, backup tapes test restores, Disaster Recovery and Business Continuity processes thus getting another loss during the year.
3. Entity did not have enough capacity to resolve IT issues with a speed required. There are still procurement process underway to fix root causes of system crash.
4. Aging and unsupported infrastructure



Root causes internal control continue

4. Slow response by management in investigating instances irregular expenditure.
5. Slow response by management in implementing the action plans to address prior year audit findings.
6. Daily controls not timely implemented
7. Management did not adequately review and monitor compliance with applicable laws and regulations
8. The process that was followed to clean the data within the resuscitated system before being re-used was not adequate



Portfolio performance and key observations



Programmes selected for audit

DHA

1. Citizen affairs
2. Institutional support and transfers

IEC

1. Electoral operations
2. Outreach

Quality of performance reports before and after audit



Findings corrected:

- Misstatements identified on the APR submitted for auditing were corrected.
- The material misstatements were on usefulness and reliability for IEC & for DHA on reliability.
- The lack of defined SOPs and policies led to APR submitted with errors (IEC).
- There were inadequate reviews to ensure that the reported achievements are supported by evidence (DHA)

We performed procedures to test whether:

- the indicators used for planning and reporting are complete by considering the core functions of the department as defined by its mandate, the prioritisation for delivery on those core functions and any applicable standardised indicators.
- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives;

We did not identify any findings in relations to the above.

Review of the 2023-24 APP

As part of the value add projects done by AGSA, the 2023/24 Draft annual performance plan (APP) for DHA and BMA were reviewed. Findings identified from the review performed were discussed with management and considered in the final APPs. The final APPs were also reviewed to verify whether the issues were resolved.

Department of Home Affairs

- The review of the 2023/24 Annual performance plan was done in collaboration with the internal audit. Internal audit reviewed programme 1 and programme 3. While the AGSA reviewed programme 2: Citizen Affairs. There were no findings identified from the review of the pro-active review of the APP.

Border Management Authority

- The APP for BMA was reviewed for the programme: BMA operations. The findings identified and communicated to management were subsequently updated the final APP.



Performance against targets (continued)

Key targets in medium-term strategic framework for portfolio

(information from MTSF and annual report)

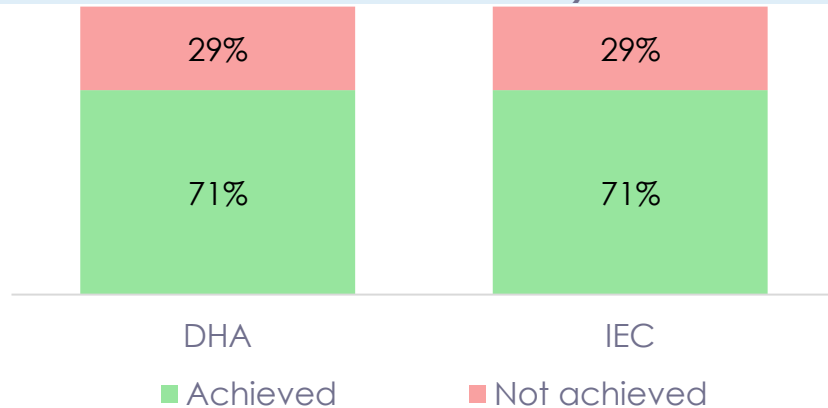
DHA

1. ABIS implemented by 2022/23
2. BMA operational by 2023/24 at 18 ports of entry, 6 segments of the land border law enforcement area and 1 community crossing point
3. BMA rolled-out to an additional 7 ports of entry and 1 additional segment of the land border law enforcement area by 2024
4. 100% of identified ports of entry equipped with biometric functionality by March 2024 (BMCS)
5. Implementation of a revised visa regime through 95% of visa applications adjudicated within 4 weeks of receipt of application by 2022/23

IEC

1. Number of face to face Civic and democracy education campaigns (CDE) events held per annum - 80 000 by March 2024
2. Number of registered voters reflected on the voters' roll as at 31 March each year - 2023/2024 26,900,000 voters
3. Election results declared within 7 days after Election Day
4. % of voters who turn out in local government elections - 58%

Achievement of annual targets as reported in annual performance report (all indicators) – 2022-23



Key targets not achieved include:

DHA:

- Modernisation project;
- Border management authority being fully operational
- Adjudication of critical skills visas

IEC:

- Number of registered voters reflected on the voters' roll

The reasons for non-achievement are included on slide 15.

From the allocated and approved budgets for the 2022-23 financial year DHA utilised the 94% and IEC 82% (Overall under-spending of budget)



Key performance targets not achieved – summarised information as disclosed in the annual report

Performance indicator	Target	Actual performance	Reason for non-achievement as per annual report
DHA			
ABIS in operation by 2022-23	ABIS phase 2 operational	Not achieved	ABIS phase 1 was delayed which impacted on the timelines for ABIS phase 2
Percentage (%) of critical skills visas per year adjudicated within 4 weeks for applications processed within the RSA.	95%	Not achieved	The ministerial report on visas and permits identified irregularities and corruption in the permit and visa process hence stringent measures were implemented to curb these practices, these measures however affected the turnaround times to finalise applications
Number of ports of entry, land border law enforcement area segments and community crossing points with incremental BMA rollout	BMA rolled out in phases along three segments of the land border law enforcement area (Border Guard)	Not achieved	Budget constraints for the recruitment of 60 Border Guards
	BMA rolled out at 46 ports of entry by incorporating frontline immigration, Port Health, Agriculture and Environmental functions into BMA	Not achieved	The policy departments which transferred functions to the BMA were not offering services across all 72 ports of entry due to capacity challenges and the BMA
IEC			
Number of registered voters as at 31 March each year	26 180 000	Not achieved	The variance is largely ascribed to the 2021/22 gap, which resulted in a reduced baseline and there being no voting station-based registration drives in 2022/23 owing to the period being a non-election period.

OVERVIEW

To find a sustainable solution to address structural and systematic challenges of the border security and control, the Border Management Authority (BMA) as a separate public entity was established on 1 April 2023

- BMA is responsible for border security, control, and coordination with other departments.
- The Department of Defence (DOD) and the South African Police Service (SAPS) continue to play a **key role to** support border security and control.

BMA key insights

For the year under review the BMA was a directorate within the DHA and its annual targets are contained in the annual plan of the DHA.

- Targets relating to operationalization of the BMA were not achieved.
- Only 221 border guards were appointed, against a 3-year target of 11 220 this represents a 1,97% on the required capacity.
- Key positions as per the approved organisational structure remains vacant as of July 2023.
- National Targeting Centre (NTC) is yet to be established as per proposed operational model. The NTC is expected to be the central risk management and intelligence hub for the border environment in South Africa and will assist in identifying and mitigating high-risk travelers, goods and conveyancers.

Root cause

- BMA was only allocated 50% of the budget proposals submitted to NT in next MTEF (2023-2025), which will affect its ability to executive its mandate effectively.
- Coordination between the BMA and other affected departments/ agencies has not been effective to ensure timeous transfer of functions.

Ripple effect (Possible impact)

- This is likely to cause delays in realising the entity's overall objective to curb non-integrated border management at the ports of entries and border lines as well as migration control.
- Weaknesses regarding the roll-out and operationalisation of the BMA, have a direct impact on the government's integrated justice process – as it will not be able to effectively address the safety and security concerns of the country and the related low prosecutions rate together with its impact of uncontrolled migration.

What needs to be done to address the challenges

- The BMA needs to re-evaluate its priorities in the next three years in line with the allocated funding.
- Minister is the Chairperson of the Inter-Ministerial Committee that tasked with monitoring establishment and operationalisation of the BMA – the committee will be used to drive optimal cooperation from other organs of state.

OVERVIEW

- Facilitation of movement of people into the country requires efficient VISA processing and adjudication systems. Efficient facilitation of movement requires timely processing and adjudication of VISA applications – timely approval of qualifying VISA applications and timely rejections of non-compliant applications.

DHA key insights

Foreign mission key observations

- For countries experiencing large volumes of applications, we noted delays in the VISA adjudications, which results in VISA applications being rejected because at the time of adjudication the purpose of the visit would have elapsed due **to delays at the mission.**
- Manual VISA labels were utilised for extended period (between 4 & 12 months) and manual labels should be utilised when there is an emergency where a printed visa label cannot be used and they are susceptible to fraud due to their nature.
- Ongoing implementation of the e-visa system which is aimed to be an efficient and secure system that will improve service delivery, security and turnaround times for issuance of visas to deserving clients, however we noted that the e-VISA system is not yet fully utilised applicants continue to utilise VFS.

IT projects

- **Automated Biometric Identification System (ABIS)**, meant to replace HANIS and cater for new biometric requirement, Phase 1 was delayed impacting the delivery of phase 2. When Go-live release 2 of Phase 1 was delayed due to database indexing that was erroneously initiated in production and the department reverted back to HANIS system as primary system.
- **The Branch Appointment Booking System (BABS)**: war on queues, enables booking of appointments, The approved phase of the project has been finalised and rolled out to 198 offices across the country.
- **The Biometrics Movement Control System (BMCS)**: current year millstone of rolling out BMCS to 34 ports of entry was achieved

Root causes

- Adjudications delays are due to missions that are not sufficiently capacitated on the VISA processing and adjudication.
- Delays in delivering computerised visa labels to the missions by DHA head office as well as the visa adjudication system breakdown resulting in missions issuing hand-written visa labels.
- VISA applications submitted through e-visa system takes long to be adjudicated and there are capacity constraints with regards to adjudication. They did not increase the capacity to cater for applications received through e-visa system

Ripple effect (Possible impact)

- This increases the risk of late approvals and approvals outside the prescripts of the legislation. Furthermore, these issues are unlikely to be effectively detected and corrected by management in a timeously.
- The delays may hamper the department's role in enabling movement of people.
- The delays are negatively impacting the department's ability to modernise its operations through the use of the biometric functions provided by ABIS. These delays also have a negative impact on the department's ability to provide these enhanced services to Departments within the IJS

What needs to be done to address the challenges

- Capacitate the missions and head office to be able to deal with the high volumes of visa applications received by the missions and those received through e-visa
- Timely delivering of computerised visa labels to the mission upon request
- ABIS project to be closely monitored by all assurance providers to ensure that the project is seen to its finality and that set deadlines are complied with in order to avoid losses to the state



ABIS (DHA)



In the current year, we continued to review progress in the department's modernisation programme – which is part of the department's flagship programme. The modernisation programme is a key enabler on building a capable state and critically important to drive improvement on security, business process efficiency and the provision of access to services.

Cause and Impact:

Phase 1 of ABIS was delayed and has impacted the timelines for Phase 2 due to the technical glitches that were experienced with ABIS systems.

The delays are negatively impacting on the department's ability to modernise its operations through the use of the biometric functions provided by ABIS.

The delays have a negative impact on the department's ability to provide these enhanced services to Departments within the IJS cluster that would benefit and enhance their operations by being able to access other biometric features other than fingerprints.

Actions/Recommendations:

It is recommended that the ABIS project be closely monitored by all assurance providers to ensure that the project is seen to finality and that set deadlines are complied with, to avoid losses to the state.

Management is advised to continue with the close monitoring of the ABIS project through the project governance structures set up. Furthermore, management is commended and advised to continue with the penalty regime that they have been implementing on non-delivery on agreed-upon timelines by the service provider.

Management is further advised to investigate other causes that contributed, other than the Service Provider's non-performance, to the delays that affected the go-live for Phase 1, release 1 and Phase 2 Release 2 and ensure that detailed mitigation plans are drawn to ensure that similar delays do not occur in the future or they are pre-empted and mitigated in time.



Material irregularities





We have long reported on **pervasive mismanagement/ leakage of public funds without consequences** and our **audit recommendations not receiving the required attention**, with little or no improvement noted in the status quo, leading to our relevance being questioned

Public outcry for increased **accountability and transparency**, saw calls from parliamentary oversight structures, civil society, organised labour, media and the public at large for the **AG to be empowered to hold accounting officers** entrusted with public funds **accountable for their actions**

Material irregularity

means any **non-compliance** with, or **contravention** of, legislation, **fraud, theft** or a **breach of a fiduciary duty** identified during an audit performed under the Public Audit Act that **resulted in or is likely to result in a material financial loss, the misuse or loss of a material public resource, or substantial harm to a public sector institution or the general public.**

If AO/AA does not appropriately deal with MIs, our expanded mandate allows us to:

1

Refer material irregularities to relevant public bodies for further investigation

2

Recommend actions to resolve material irregularities in audit report

Take binding remedial action for failure to implement recommendations

3

Issue certificate of debt for failure to implement remedial action if financial loss was involved

The MI process was implemented at the following auditees:

DHA; IEC; GPW



MATERIAL IRREGULARITIES



R238 m

▪ DHA

MI DESCRIPTION

Inability to collect monies due to the state from fines and penalties issued in terms of the immigration act. Which resulted in potential financial loss.

The department responded to the MI with proposed remedial actions, and the proposed remedial actions are being assessed to determine if they will address the MI.



ACTIONS TAKEN BY AUDITEES

Responded to the MI. Outlining the steps already taken and steps to be taken to address the MI.

Observations from MI process

We are currently in the process of assessing the proposed steps and plans by the Accounting officer.

The proposed remedial actions to collect monies due from fines and penalties and the strengthening of the border controls under assessment includes the following:

- Development of policies and procedures on fines and penalties
- Engagements with key stakeholders present at the ports of entries (Cross border road transport agency (CBRTA), Department of Transport, and Airports Company of South Africa (ACSA) to ensure compliance with the existing provisions of the Immigration Act, 2002
- Establishment of the BMA

Recommendations for portfolio committee

Portfolio committee should follow up with the department on the outcome of the assessment of the steps taken and or to be taken to address the MI.



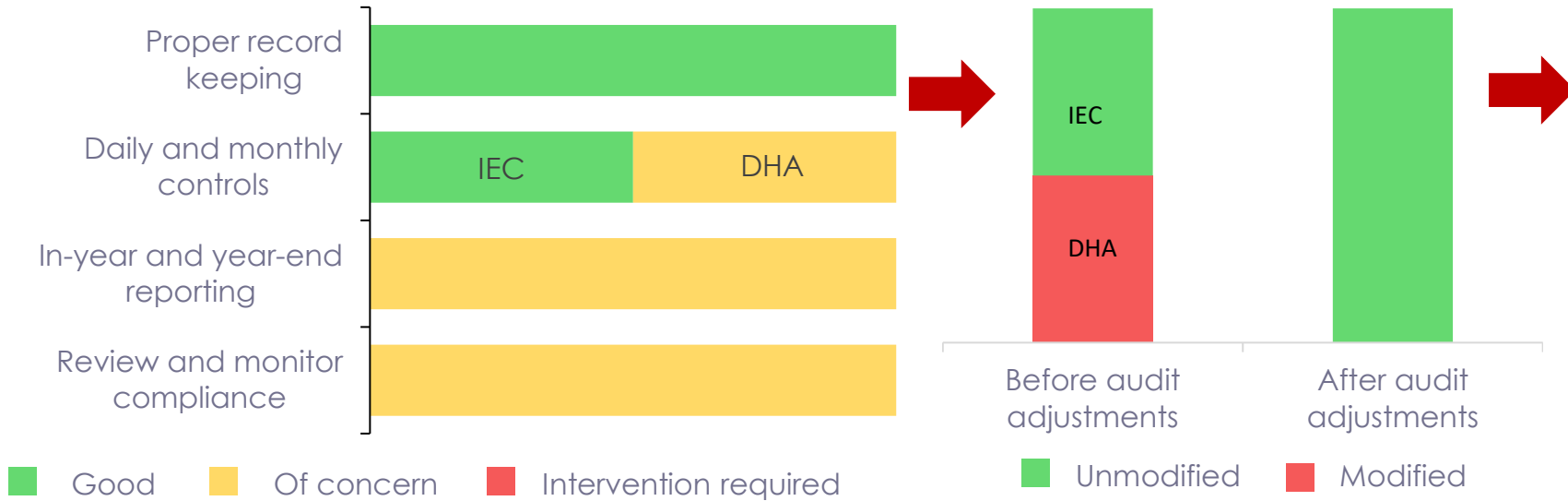


Financial management and compliance



Impact on quality of financial statements submitted for auditing

Financial management controls



Material adjustments which could lead to a qualification

- Accruals and payables not recognised (DHA)
- The misstatement was corrected, resulting in an unqualified audit opinion on the financial

Root cause

- The review processes put in place were not effective to identify the error.



Revenue



Expenditure



Debtors' impairment provision for DHA is at 90% of accrued departmental revenue.
Debt-collection period (after impairment) is at 35 days for DHA

Creditor-payment period :
DHA 29 days
IEC 39 days

Impact



DHA is failing to timeously collect money due to the department and incidentally significant amounts have been impaired (DHA) which also resulted in potential financial loss.

DHA is paying its suppliers within the legislated timelines of 30 days.

The IEC needs to reduce the number of days it takes to pay its suppliers.

There is no doubt whether auditees can continue as going concern



Compliance with key legislation



2022-23



● No material findings ● Material findings

IEC ↑

DHA →

2022-23

2021-22

Most common areas of non-compliance

	DHA	IEC
Procurement and Contract Management <ul style="list-style-type: none"> Mandatory IT goods not procured through SITA Awards made to bidders the submitted RFQ after closing date 	X	
Quality of financial statements <ul style="list-style-type: none"> Material adjustments to AFS 	X	
Revenue Management <ul style="list-style-type: none"> Effective steps taken to recover money due 	X	

Most common areas of non-compliance

	DHA	IEC
Procurement and Contract Management <ul style="list-style-type: none"> Mandatory IT goods not procured through SITA Awards made to bidders the submitted RFQ after closing date 	X	
Quality of financial statements <ul style="list-style-type: none"> Material adjustments to AFS 	X	
Revenue Management <ul style="list-style-type: none"> Effective steps taken to recover money due 	X	



Status of compliance with legislation on procurement and contract management



2022-23



IEC ↓

DHA →

● With no findings ● With findings ● With material findings

2022-23

2021-22

Details of procurement findings	2022-23		2021-22	
	DHA	IEC	DHA	IEC
Uncompetitive and unfair procurement processes: (IT goods not procured through SITA)	R0m	R0 m	R119m*	R0m
Employees doing business with the state	R13.3 m	R5 m	R434k	R0 m
Prohibited awards to other state officials	R0 m	R0m	R12K	R0 m
Awards to bidders that submitted RFQ after closing date	R0 m	R0 m	R 0m	R162k

*Contract amount, actual for the year R33m (material non-compliance)



National Treasury Instruction No. 4 of 2022/2023: **PFMA Compliance and Reporting Framework** (Instruction) which came into effect on **03 January 2023**, was issued in terms of section 76(1)(b), (e) and (f), (2)(e) and (4)(a) and (c) of the PFMA

Public objective of the Instruction note is to prescribe the **principles and compliance reporting requirements** for PFMA institutions to the Public Finance Management Act, 1999 regarding **unauthorised, irregular and fruitless and wasteful expenditure** (UIF&WE).

Framework

The new framework brought **significant changes** in relation to the disclosure of **irregular, and fruitless and wasteful expenditure** (IFWE). These changes are as follows:

1

Movement in the disclosure note of IFWE has been moved from annual financial statements to the annual report.

2

PFMA institutions will only disclose IFWE incurred in the current year, with a one-year comparative analysis.

3

Historical balances (i.e., opening balances) have been completely removed from the annual financial statements

Message to portfolio committee

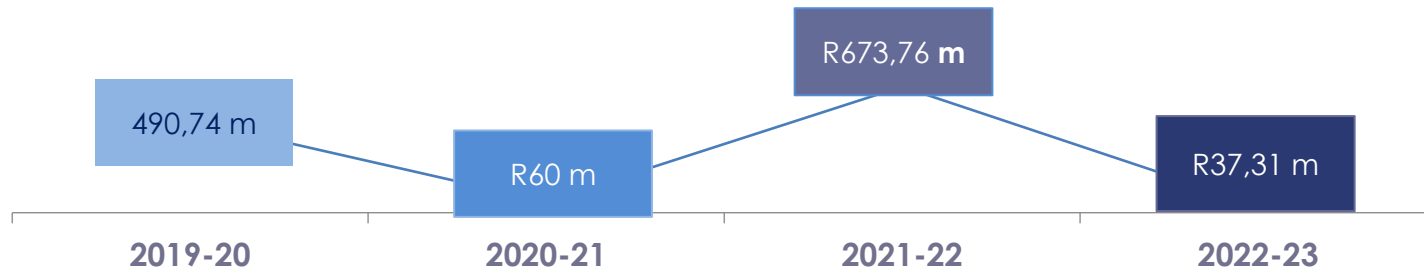
The change to **remove the disclosure of historical balances for IFWE** means that the **oversight structures may not be able to fully exercise their oversight roles**. Furthermore, **no audit assurance** will be provided on the additional disclosures that have been moved from the AFS

AGSA refined its audit approach to uphold transparency by continuing to audit the IFWE disclosure in the annual report

There is a clear messaging in the audit report on reliability of the IFWE disclosure in the annual report

The objective was to ensure that we could still be in a position to report to users of the AFS in cases where these historic balances of IFWE are not complete and accurate. This had no impact on the audit opinion.

Annual irregular expenditure



Top contributors

- R18 m IT goods not procured through SITA (DHA)
- R14 m Irregularities in ABIS procurement (DHA)
- R4 m Warehouse rental (IEC)



Irregular expenditure 2021-22

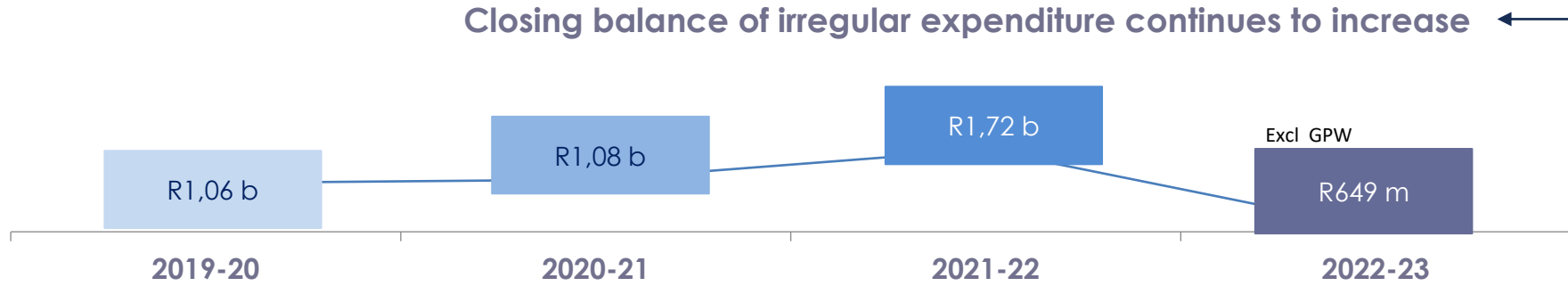
GPW figures for 2022-23 were not included – audit outstanding
2019-20 to 2021-22 relates to the whole portfolio

Impact of irregular expenditure incurred

The irregular expenditure of R32m for DHA is coming from prior year from multi-year contract that is continuing.
The R4m irregular expenditure incurred by IEC was due to expenditure incurred without a valid contract.



Closing balance of irregular expenditure continues to increase



The portfolio awaits condonation on high valued contracts. New and multiyear contracts irregular expenditure continues to be incurred. Current year figures excludes 2021-22 closing balance of R1.1 b relating to GPW and the 21-22 audit was finalised on 31 July 2023.

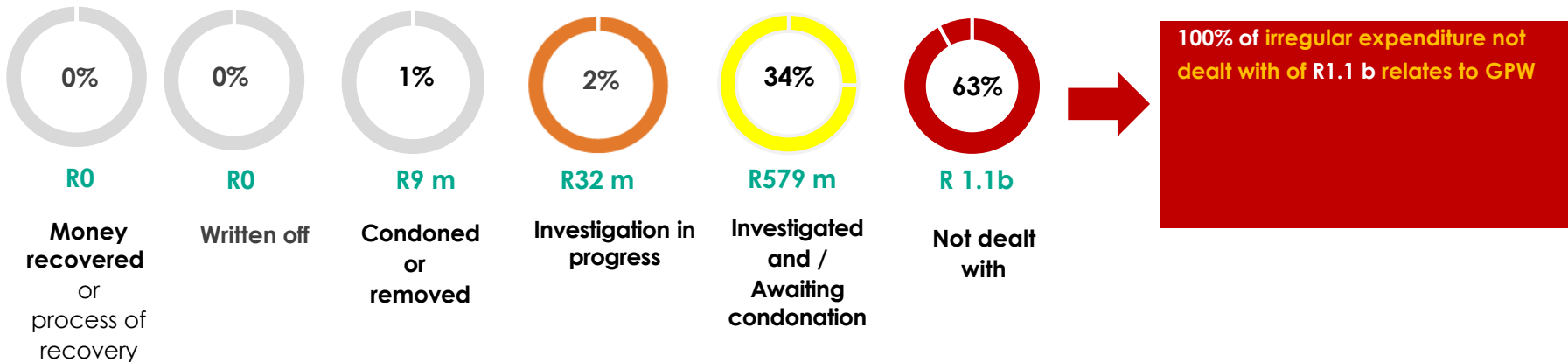
Reasons for prior year IE not dealt with:

- Investigated and awaiting condonement
 - DHA – R513 m
 - IEC - R66 m

DHA- Request for condonation sent to National treasury.
IEC- Request for condonation sent to National treasury.
- Investigation in progress
 - DHA – 32 m

Still to finalise criminal proceedings
- Not yet investigated GPW -R1.1b
Loss control committee was established in April 2023

How have auditees dealt with in the prior year irregular expenditure



Conclusions and recommendations



Root causes, recommendations and commitments

Key root causes

- Inadequate monitoring of implementation of action plans, as plans did not effectively address repeat audit findings relating to IT, annual financial statements and compliance with laws and regulation (DHA and GPW)
- Reviews performed were inadequate to detect and correct material errors in the AFS, and therefore material adjustments were made to the financial statements (DHA)
- No documented policies and procedures to guide the collection of fines and penalties issued in terms of the Immigration act,2002. (DHA)
- Inadequate business continuity plan and processes combined with a lack of adequate backup processes leading to the data loss of critical financial data (GPW)

Key recommendations

- **Executive authority** to influence optimal cooperation and support from other agencies/ departments through Cabinet on funding, capacitation and effective operationalization of the BMA
- **DHA management and executive authority** to continue with defined monitoring and oversight activities on DHA ABIS project – to ensure that the project milestones are achieved
- Regular monitoring and implementation of the action plans to improve GPW's ICT environment to ensure that adequate IT systems and related control measures are implemented in a timely manner.
- Capacitate IT division to ensure that critical skills are maintained and current recommendations are implemented (GPW & DHA)
- ICT directorate is capacitated to support ICT services and that the key ICT initiatives arising from the DHA strategic plans are executed and monitored within the DHA programme and project management processes. (DHA)



Overall message

Success would be attained when the portfolio is characterised by **robust financial management systems, credible financial and performance reporting, compliance with applicable legislation and commitment to ethical conduct by all**. In this regard:-

- The IEC is commended for maintaining their clean audit status;
- The department still has to improve internal controls on the preparation of annual performance reports and strengthening the compliance management systems.
- The GPW financial information remains unreliable due to continued impact of the systems crashes.

We noted positive progress in the **ABIS project** for the current financial year, however, continued adequate oversight is required to avoid reoccurrence of delays previously experience.

Most of the **performance targets** relating to operationalization of the BMA were not achieved (as per DHA APR). This is likely to cause delays and weaknesses in realising the entity's overall objective to curb the non-integrated border management at the ports of entries and border lines.

The **ICT environments** for DHA and GPW were found to have multiple IT security vulnerabilities due to unsupported/legacy systems which increases the risk of compromise in the network environments and may result in unexpected system crashes and cyber-attacks.

Commitments by Executive Authority

- Minister is the Chairperson of the Inter-Ministerial Committee that tasked with monitoring establishment and operationalisation of the BMA – the committee will be used to drive optimal cooperation from other organs of state.
- The modernisation project is one of the key projects being closely monitored by the Minister.
- To strengthen capacity of the DHA's ICT environment, the Minister is engaging with other another organ of state to seek support with skills and capacity.
- GPW: Minister to continue to monitor implementation of recommendation from the Ministerial review panel report on GPW (MRP)



THANK YOU



www.agsa.co.za



@AuditorGen_SA



Auditor-General of South Africa



Auditor-General of South Africa



AUDITOR-GENERAL
SOUTH AFRICA