



Promoting a culture of accountability

AGSA STRATEGIC PLAN & BUDGET 2024-27

AGSA ENGAGEMENT WITH SCOAG –
NOVEMBER 2023



AUDITOR - GENERAL
SOUTH AFRICA

Our vision, mission and values

VISION

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



MISSION

The Auditor-General 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



Our values underpin the culture of our organisation, build on the principles of mutual respect, trust, courage and ethical behaviour.



**WE CARE FOR
EACH OTHER**



**WE BUILD
TRUST**



**WE DO THE
RIGHT THING**



**WE EXCELL IN
ALL WE DO**

AGENDA / PURPOSE OF THE ENGAGEMENT

1. Consultation on the 2024-27 AGSA draft strategic plan and budget

2. Consultation on the 2024 auditor-general audit directive

3. Feedback by the AG on dealing with matters emanating from the work of the State Capture Commission.



OUR STRATEGY

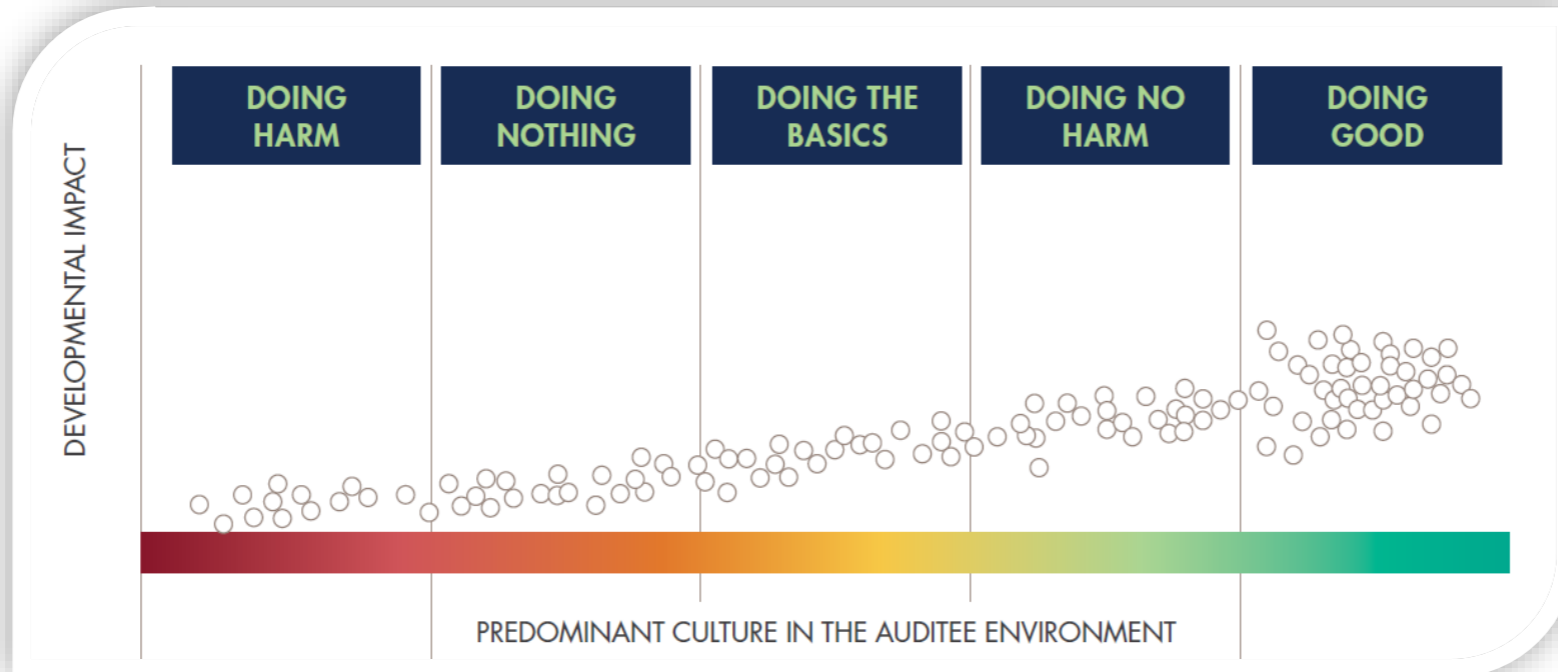
#CULTURESHIFT2030 – STRATEGIC ASPIRATION

What we aspire to:

To have stronger, more direct and consistent impact on improving the lived reality of South Africans

How we aim to achieve it:

By sustainably and efficiently shifting public sector culture through insight, influence and enforcement





Chapter 3: Section 41
*All organs of state must provide **effective, transparent, accountable and coherent government** for the Republic as a whole*

Chapter 9
*AGSA's mandate: **Strengthen constitutional democracy** in the Republic*

The value and benefits of supreme audit institutions (SAIs): **Making a difference to the lives of citizens**

Local, provincial and national **government audit insights**

#CULTURESHIFT - STRATEGIC GOALS

Sustainably

Acquire, develop and maintain the quantity, quality and configuration of people, resources and capabilities to safely achieve and sustain our desired levels of impact.

Efficiently

Unlock latent capacity in the existing resource base and our people and lower the cost and effort with which we derive each marginal unit of quality, insight, influence and enforcement.

Shift public sector culture

Move a critical mass of auditees towards organisational cultures characterised by transparency, integrity and accountability.

Insight

Generate audit insights that illuminate understanding, drive action and yield results

Influence

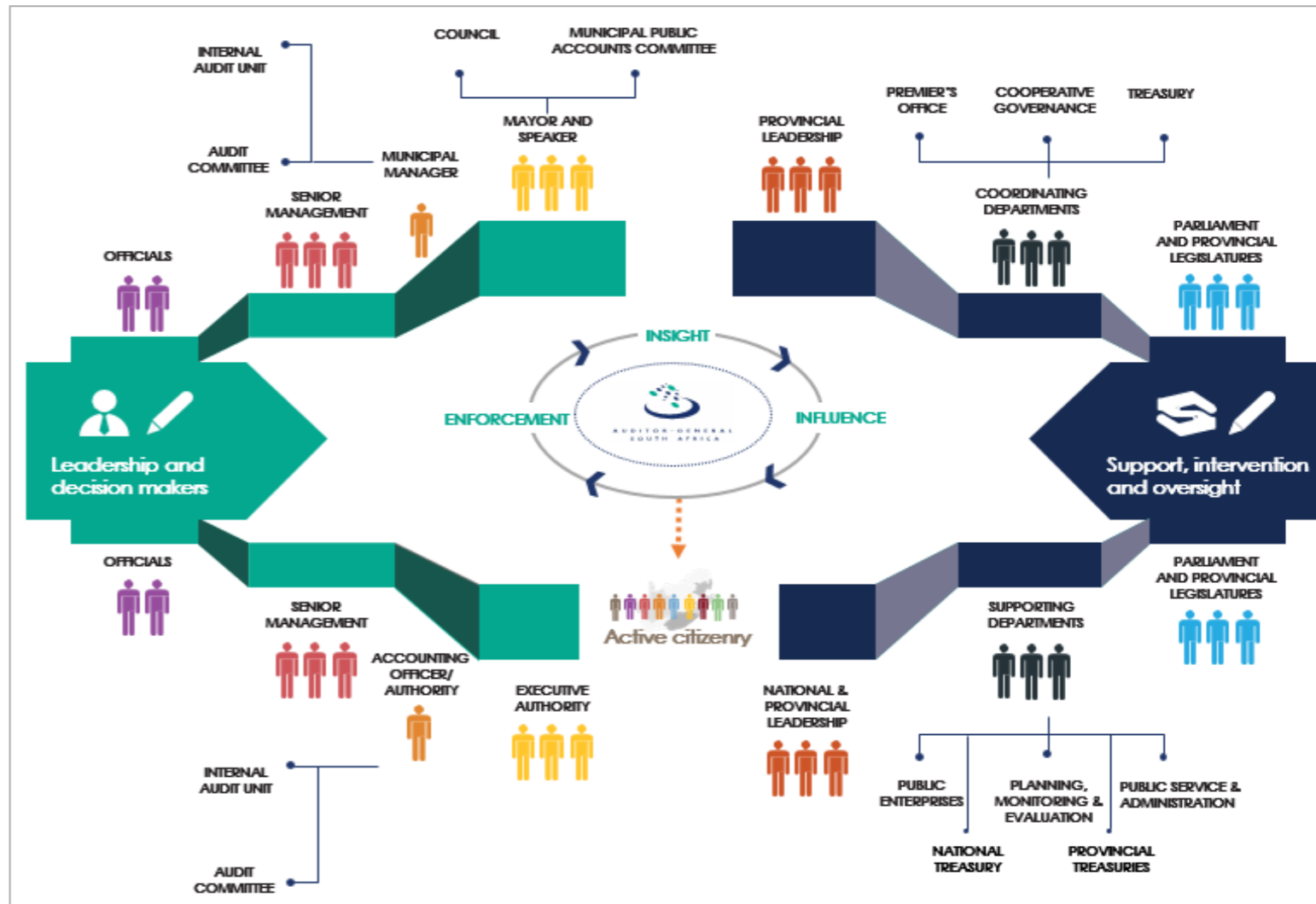
Move stakeholders from mere awareness of our messaging to action on and advocacy of our messaging.

Enforcement

Apply powers to directly and indirectly recover resources lost to the state and taxpayers, and ensure application of consequences for wrongdoing

Accountability ecosystem

- Broad-based, effective **network of stakeholders that drive and deepen public sector accountability.**
- Each play a part in **driving principles of public sector performance, transparency, accountability and integrity.**
- **Collectively bear responsibility** for ensuring that all stakeholders in the national system of governance contribute to resolving the weaknesses in public institutions.



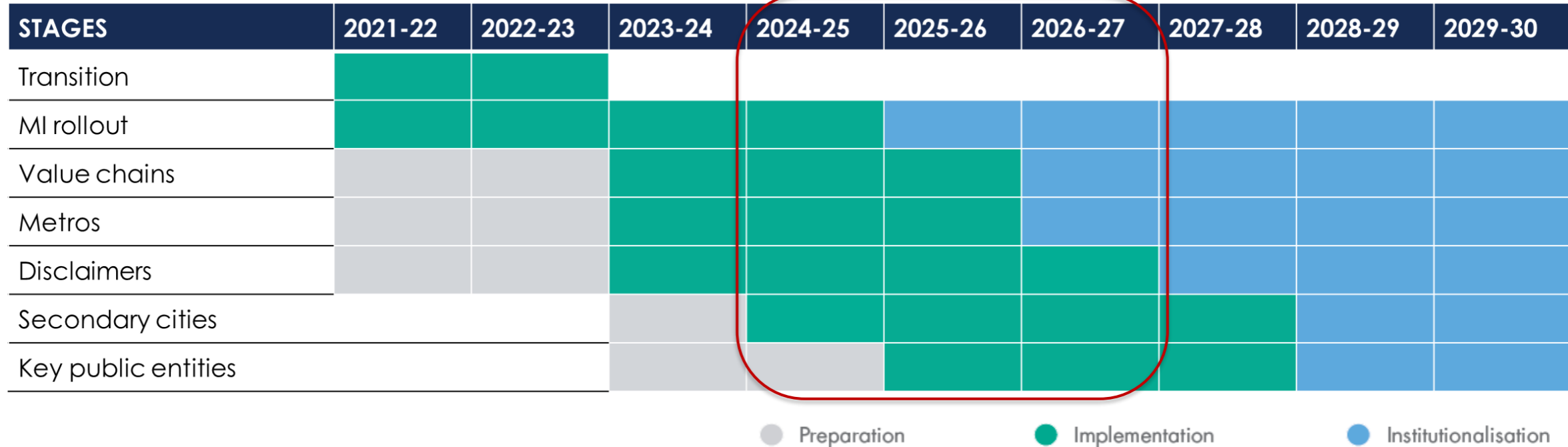


OUR STRATEGIC COMMITMENTS: 2024-27

SHIFTING PUBLIC SECTOR CULTURE

Strategic Goal Objective:

Move a critical mass of auditees towards organisational cultures that are predominated by behaviours that reflect performance, transparency, integrity and accountability.



As we continue to implement our strategy in the above sectors, we will focus on the following:

- Utilising our **audit insights** to help auditees **identify the root causes of financial management and performance challenges**.
- Providing auditees with **insightful, targeted recommendations** on how they can solve for these challenges.

Strategic goal objective:

Generate insights that illuminate understanding, drive action and yield results

What will guide our audit work in these upcoming years, as we implement #cultureshift2030, is our **multi-year audit plan (MYAP)**.

The benefits of MYAP:

- Anchors our work on a **long-term audit planning** approach;
- Allows our audit work to deal with the **full spectrum of intergovernmental value chains** and performance relationships;
- Ensures that the audit insights we provide every year stitch together in a manner that tells an **integrated, value-adding performance and accountability story**;
- The insights and audit recommendations we provide can build on each other and, if engaged with properly, create incremental performance improvements that can be tracked over time;
- Provides clear **focus, transparency and alignment between our audit teams**, and allows them to plan in a more systematic and integrated manner.

We will also continue to leverage the following approaches and instruments in our Insights work:

- Using **multidisciplinary teams** on audits. This allows us to harness a diversity of skills and expertise to achieve complex audit objectives and navigate the complexities of an environment associated with high expenditure and audit risk.
- **Strengthening our audit data analytics by acquiring appropriate tools**, e.g. transforming and analysing vast volumes of data, advanced analytics, and other techniques.
- Leveraging the **use of dashboards to visualise auditees' business** in a succinct and complete way to perform enhanced data analytics and to identify key risks.

Strategic goal objective:

Move stakeholders from mere awareness of our messaging to action on and advocacy thereof

In addition to the extraction of high-quality insights, we also intend to drive targeted influence efforts, with auditees and other key stakeholders, to ensure that these insights are well understood and utilised to improve the performance of auditees.

These stakeholder engagement efforts will remain **focused on driving impact** and change in line with our strategy, taking into consideration environmental insights, platform selections and key messages targeted/relevant for each stakeholder.

Other key commitments in the Influence area will include:

- Growing an **effective accountability ecosystem** and reporting on it as we progress.
- Continued **strengthening and leveraging of enabling partnerships**, with key stakeholders such as civil society organisations, academia and industry bodies.
- Getting a **deeper understanding of all our key stakeholders**, including how they view the national audit office and what their needs and expectations of us are. This is in order to ensure that, as we continue to do our audit work and deliver audit products, we are doing so in a manner that adequately responds to these stakeholder requirements (**audit relevance**).

Strategic goal objective:

To directly or indirectly recover resources lost to the State and taxpayers and ensure the application of consequences for wrongdoing.

- Our enforcement mandate (as promulgated by amendments to the Public Audit Act (PAA), that became effective on 1 April 2019, has allowed us to expand our participation in the accountability processes of government.
- It is a tool that helps us to **ensure that accounting officers recover financial losses, prevent any further loss and ensure consequence management** where we have identified material irregularities.
- The material irregularity (MI) process should **trigger accounting officers to focus on making the necessary corrections and improvements to their financial management systems**, in order to avoid the recurrence of transgressions and any ongoing performance, transparency, accountability and integrity issues.
- In the coming financial period, we aim to **implement the MI process fully, across all of our auditees**. Furthermore, we will shift our focus on enhancing the impact and defining the effectiveness of our powers.

INTERNAL PRIORITIES & PERFORMANCE TARGETS:
2024-27



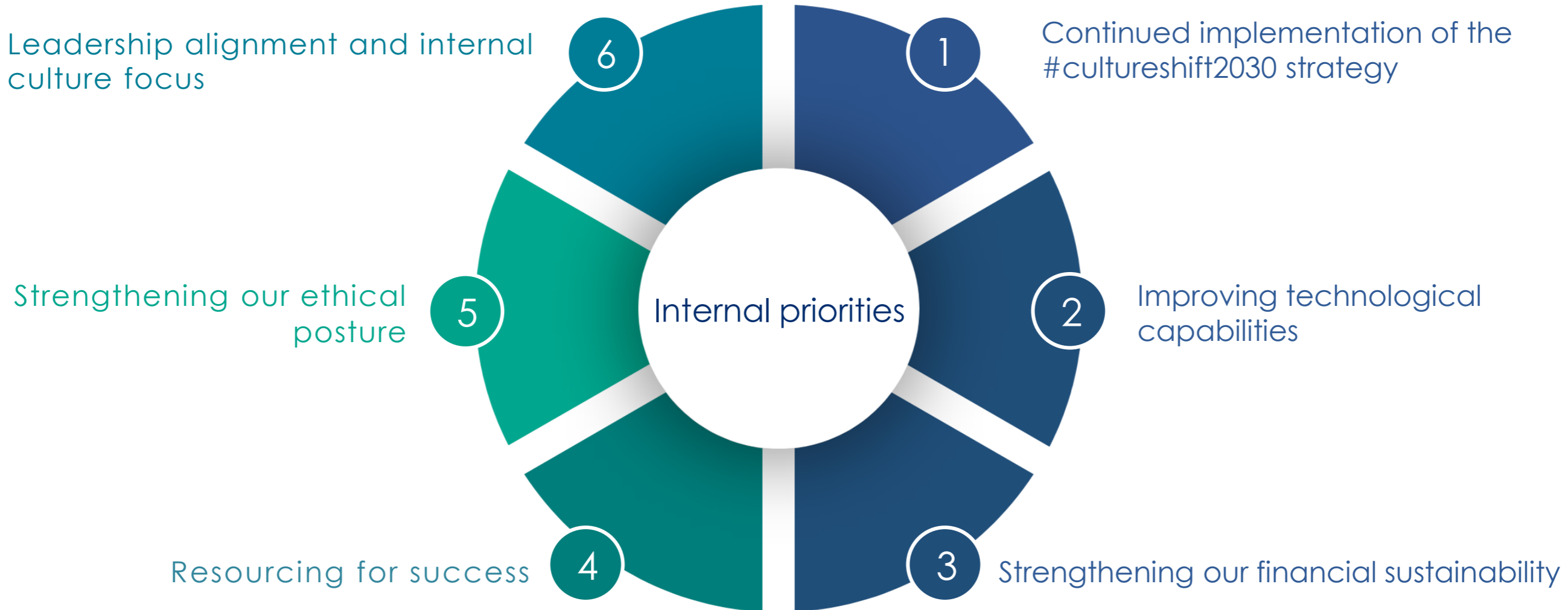
OUR INTERNAL OPERATING ENVIRONMENT

In this strategic plan and budget, we have given focus to a detailed **analysis of our internal operating environment**. This is to ensure that, as we implement our strategy:

- We continually identify and leverage on our strengths as an organisation;
- Address our weakness (close any operational gaps);
- Seize identified opportunities; and
- Eliminate or, at least, minimise/manage our threats (as informed by our internal risk management processes).

The **outcomes of the internal operating environment analysis** then **determine our internal operating priorities** as an organisation.

LONG-TERM OPERATIONAL PRIORITIES



STRATEGIC GOAL 1: SHIFT PUBLIC SECTOR CULTURE

Targeted outcome	Key performance indicator	Targets		
		2024-25	2025-26	2026-27
Favourable assessment of overall performance of the organisation and its delivery of #cultureshift2030 strategy	Assessment of overall performance by the AG	Favourable assessment	Favourable assessment	Favourable assessment

Key Initiatives



1. Introduce disclaimer auditees and key public entities into the culture shift continuum plotting, per the strategy's implementation timeline.
2. Integrate the audit methodology into the broader integrated culture shift framework.

STRATEGIC GOAL 2: INSIGHT

Targeted outcome	Key performance indicator	Targets		
		2024-25	2025-26	2026-27
Illuminate auditee understanding	Deliver audit insights per the multi-year audit plan (MYAP)	Produce all planned insights reports per the MYAP and share insights with relevant stakeholders	Produce all planned insights reports per the MYAP and share insights with relevant stakeholders	Produce all planned insights reports per the MYAP and share insights with relevant stakeholders
Drive auditee action	Percentage of the AGSA recommendations implemented	30%	30%	35%



Key Initiatives

1. Explore and develop a model for specialised out-of-cycle services and products.
2. Explore the feasibility of developing insights-based products that can be made available to various stakeholders.

STRATEGIC GOAL 3: INFLUENCE

Targeted outcome	Key performance indicator	Targets		
		2024-25	2025-26	2026-27
Effective accountability ecosystem	Accountability ecosystem activeness and effectiveness for targeted auditee segments	Implement actions to improve performance of the system	5% Improvement on baseline rating	implement actions to improve performance of the system
Develop and leverage enabling partnerships	Percentage achievement of outcomes targeted in stakeholder programme	75%	75% – 80%	80% – 100%

Key Initiatives



1. Develop, agree and implement a protocol with accountability ecosystem members for real-time reporting and their timeous response to obstructionist behaviour, pushback and threats.
2. Leverage culture shift coalition partnerships to drive aspects of our strategic initiatives.

STRATEGIC GOAL 4: ENFORCEMENT

Targeted outcome	Key performance indicator	Targets		
		2024-25	2025-26	2026-27
Implementation of MIs across all auditees	% of auditees MI process in full implementation at	100%	n/a	n/a
Demonstrated effectiveness of the MI process	Auditor-general's assessment of effectiveness of MI system	Favourable assessment	Favourable assessment	Favourable assessment



Key Initiatives

1. Improve the MI process based on the end-to-end review.
2. Continue to improve the participation of public bodies in the process.

STRATEGIC GOAL 5: SUSTAINABLY

Targeted outcome	Key performance indicator	Targets		
		2024-25	2025-26	2026-27
Deliver audits timeously	% of audits completed within legislated timelines % of audits completed within legislated timeline	90% - 100%	90% - 100%	90% - 100%
Ensure quality of our audits	% adherence to quality standards	80% - 90% (C1, C1#, C2 & C3)	80% - 90% (C1, C1#, C2 & C3)	85% - 90% (C1, C1#, C2 & C3)
	Evaluation of the effectiveness of the AGSAs system of quality management by the AG	Reasonable assurance obtained	Reasonable assurance obtained	Reasonable assurance obtained
Maintain good governance, high ethical standards and robust risk management	Ethics maturity level	Maintain AA	Maintain AA	Maintain AA
	External audit opinion	Clean audit	Clean audit	Clean audit

STRATEGIC GOAL 5: SUSTAINABLY continued...

Targeted outcome	Key performance indicator	Targets		
		2024-25	2025-26	2026-27
Maintain financial sustainability	Net surplus	1% – 4%	1% – 4%	1% – 4%
	Cash safety margin	2-3 months	2-3 months	2-3 months
Healthy and safe employees, with high morale	Culture index	2% increase on baseline	2.5% increase on 2024-25	2.5% increase on 2025-26



Key Initiatives

1. Implement the organisation's finance strategy.
2. Develop and implement internal culture improvement initiatives.

STRATEGIC GOAL 6: EFFICIENTLY

Targeted outcome	Key performance indicator	Targets		
		2024-25	2025-26	2026-27
Improved staff productivity	Improved efficiency and productivity	2.5% increase on baseline	5% increase on baseline	10% increase on baseline
Efficient audit processes	Implementation of audit software project plan	Implementation as per the plan for 2024-25	Implementation as per the plan for 2025-26	Implementation as per the plan for 2026-27



Key Initiatives

1. Implement the audit software programme.
2. Implement productivity improvement initiatives.
3. Review and finalise the organisation's operating model.

OUR BUDGET (2024-25)



We will optimise access to resources required to fulfil our mandate

Current funding model	Compliance		
	2022-23	2023-24	2024-25
Self-funding	Yes	Yes	Yes
Mark up factor	Yes	Yes	Yes
No capping on tariffs	Yes	Yes	Yes
Tariff increase in line with salary increase	Yes	Yes	Yes

Funding principles and key performance indicators	2022-23 Actual	2023-24 Budget	2024-25 Budget
Own hours %	76%	81%	82%
CWC %	18%	15%	14%
S&T %	4%	4%	4%
Gross profit %	34%	40%	42%
Overheads %	32%	37%	38%
Surplus/deficit %	5.7%	1.4%	3.1%

1. The current funding model was confirmed by Scoag in 2008. Since then, all principles and the key financial indicators have been consistently met.
2. However, some of the desired surpluses have not translated into cash, resulting in a backlog in major capex and infrastructure projects.
3. Our budgeted cash cover for 2024-25 is an average of 2-3 months, in line with our blue strategic target of **2-3** months



- In line with the #cultureshift2030 strategy, we have reviewed our funding model to consider pricing our services based on the value of insights (messages) we provide to our auditees and other stakeholders, instead of salaries and volume of recovered hours only.
- The industry view as it relates to the audit profession has digitised its audits and business model to ensure the delivery of cost-effective audits in an efficient manner. This necessitates a move from a pricing strategy that is based only on an hourly bases to fixed and value-based pricing.
- The organisation is driving a strategy to improve operational processes, technology and audit methodology with the aim to improve audit efficiencies and business processes i.e. leverage on technology by automating our business processes and audit process.
- Considering the investments of about R1,6 billion to be made in digital transformation capital projects aimed at achieving operational efficiencies, it is imperative to ensure that the immediate reduction of audit fees is not pursued.
- The priority lies in allocating the savings derived from these efficiencies towards investing and capital raising before considering any reduction in audit fees. The savings can be transferred to auditees once the payback of capital and major investments has been finalised.
- This in no way means that the audit fees of our auditees will be increased but the focus will be on realising efficiencies to increase our surplus margins. We will be requesting SCOAG, on an annual basis, to approve the retention of net surplus in line with the PAA for reinvestment in digital transformation capital projects.
- Whilst our funding model has been financially sound to fund operations and minor capex projects in the past, it has however been unable to fund major capex projects. The proposals above will address this challenge.

(R million)	Actual	Budget	Forecast	Budget
	2022-23	2023-24	2023-24	2024-25
Audit income	4 583	4 569	4 894	5 166
- Own hours	3 487	3 720	3 935	4 253
- Contract work	1 096	849	959	913
Direct costs	3 016	2 750	2 910	3 006
Gross profit	1 567	1 819	1 984	2 160
Other income	104	83	83	116
Overhead expenses	1 452	1 837	1 991	2 118
Net surplus/(deficit)	219	65	76	158
Appropriation – PAA	44	-	-	-
Net surplus/(deficit)	263	65	76	158

- The proposed budget for 2024-25 is a carefully considered plan that balances the need for our financial independence and fiscal prudence. We are committed to delivering on our strategic objectives effectively and efficiently while maintaining financial sustainability. The cost optimization initiatives that are underway include investments in automation and tools to drive the costs down.
- The budgeted revenue for 2024-25 is expected to grow by 5.5% compared to the 2023-24 revised forecast, which aligns with the projected inflation (CPI) of between 4% and 6%. However, if we compare the 2024-25 budget with the 2023-24 budget, the increase is 13% and this growth is underpinned by two primary factors: an increase in recoverable hours by 8% and an 5% inflationary increase in charge-out rates is in line with the average projected inflation rate (CPI) of between 4% and 6%. The growth in recoverable hours, is mainly driven by new audits, take back of hours on work that is outsourced to audit private firms, the increase of scope and audit risk.
- Overhead expenses are projected to grow by 6% compared to 2023-24 revised forecast, however, the growth is 15% compared to the 2023-24 budget due to strategic initiatives, including digitisation and automation of our processes, material irregularity processes, and support for the #cultureshift2030 strategic vision. We will capitalise some of these costs when the projects are implemented to mitigate pressure on the income statement. Excluding investments in digital and automation, the growth from 2023-24 budget to 2024-25 budget is 5%, aligning perfectly with the projected inflation rate of 4% to 6%. The cost optimization initiatives currently underway are key to our financial sustainability.



Description	Budget 2023-24	Budget 2024-25
	R million	
Motor vehicles	2	2
Furniture and equipment	5	6
Computer equipment	102	174
Computer software	237	339
Leasehold improvement	5	14
Total	351	535

- The year-on-year capital expenditure increase is mainly driven by investment in computer software and hardware in support of the improvement in ICT infrastructure and systems (digitisation and automation).
- The 2024-25 budgeted surplus is not sufficient to cover the capital expenditure and we will need to draw from our reserves, which will have a negative impact on our cash cover going forward. We are developing the funding plan and cost optimisation plan to manage this process to ensure the financial health of the organisation is preserved.



A close-up photograph of two hands, one darker-skinned and one lighter-skinned, clasped together in a firm grip. The hands are positioned in the center-right of the frame. The background is a soft, out-of-focus light brown color. The image is partially overlaid by a dark blue circular graphic on the left and a grey semi-circular graphic on the right.

KEY UPDATES TO THE 2023-24 AUDIT CYCLE AUDITOR-GENERAL DIRECTIVE

To consult Scoag on the key updates to the auditor-general directive for the 2023-24 audit cycle in line with section 13 of the Public Audit Act (PAA)

LEGISLATIVE REQUIREMENTS

PAA section 13

The auditor-general (AG) must, after consulting the oversight mechanism, **determine the standards, frequency, nature and scope of audits.**

In planning for the **2023-24 audits**, some changes have been made to improve the audit of the relevance and presentation & disclosure of performance information, as well updates to the criteria to perform a financial statements review engagement.

These changes have impacted the directive and form the basis of this Scoag consultation (as required by the PAA (Section 13)).

KEY CHANGES TO THE AUDIT DIRECTIVE

Audit of reported performance against predetermined objectives (nature & scope)



Additional criteria phased in for 2023-24

Audit of financial statements (nature & scope)



Alignment of the final criteria for AFS review engagements

Further considerations:

1. No further significant updates have been made to the directive.
2. All other updates are considered editorial and/or minor updates and will not be dealt with in this slide. Refer to attached draft track changes document for the detail changes.

Key Changes:

The following **phased in criteria** are included in ANNEXURE A for full implementation from 2023-24:

- **Performance indicators are complete** considering the mandated core functions, the prioritisation for delivery on those core functions and standardised indicators; and
- The **overall presentation** of the performance information in the annual performance report is **comparable and understandable**.

Inclusion of the bolded areas to align the final AFS review criteria: The level of assurance provided may be reasonable (an opinion) or limited (a conclusion) as predetermined by the AGSA based on the following:

- Requirements of legislation applicable to the auditee **and the users of the auditee's financial statements**.
- A history **of good financial reporting controls which prevent material misstatements of the financial statements**.

A close-up photograph of two hands, one darker-skinned and one lighter-skinned, clasped together in a firm grip. The hands are positioned in the center-right of the frame, with the fingers interlaced. The background is a soft, out-of-focus light brown color. The image is partially overlaid by a dark blue circular graphic on the left and a grey semi-circular graphic on the right.

STATUS UPDATE TO SCOAG –
AGSA RESPONSE TO STATE CAPTURE COMMISSION

BACKGROUND AND INTRODUCTION

- ❑ The publication of the State Capture Commission (SCC) reports was a watershed moment in the fight against corruption and, identifying the key governance weaknesses in both the public and private sectors.
- ❑ The commission's report highlighted the role of the public sector auditor in identifying and preventing fraud, corruption and other forms of impropriety.
- ❑ When the report was received, I commissioned a team to analyse the observations, findings and recommendations of the commission with the intent of identifying areas of enhancements in our audit work to enable the audit teams to have a better line of sight of the indicators of capture.
- ❑ The team considered the various parts of the report in the planning and execution of the audit of all departments and entities covered by the work of the commission.
- ❑ The outcome of this work culminated into an implementation plan articulating the responses and actions to enhance our strategies as part of our continuous drive to have a more direct, stronger and consistent impact on improving the lives of South Africans in line with our #cultureshift2030 strategy.

The purpose of the presentation is:

- ❑ To provide Standing Committee of Auditor-General (Scoag) with a high-level overview of the progress made to date on the commitments in the AGSA's response plan to the State Capture Commission reports
- ❑ The slides that follow outline the status of the implementation of initiatives by the AGSA in response to the findings, observations and recommendations from the Zondo commission reports.

Key audit guidance

- ❑ Commenced with enhancing our audit procedures and guidance in auditing areas of governance, procurement process, material irregularities and other areas that were prone to abuse as identified by the Zondo commission.
- ❑ Insights on human resource management (HRM) continuously shared with role-players in the accountability ecosystem, who have the power to influence HRM the public sector.

Training

- ❑ Conducted training and awareness sessions based on lessons learnt from the commission reports, to support and capacitate our audit team in execution of audits.
- ❑ Training material was updated to include specific fraud risks/red flags that emanated from the State Capture Commission reports.

Scoping decisions

- ❑ Reconsidered the timing and frequency of our audit scoping decision process to allow for agility to focus our audit efforts towards factors that indicate an elevated risk.

AUDIT APPROACH, TOOLS AND SUPPORT (2)

Systems/tools

- ❑ Refined fraud risk database with fraud risks/high-risk indicators to enhance the insights we extract during the audit process.
- ❑ Enhanced our approach and capabilities to computer-assisted audit techniques (CAATs) and data analytics to broaden our view across all spheres of government.
- ❑ Established a centralised data analytics and business intelligence capabilities.

Audit of procurement

- ❑ Integration of the audit process within specialized services units to enhance the audit machinery and improve risk intelligence in auditing procurement.
- ❑ Enhanced technical guidance to better equip teams to evaluate significant public procurement projects holistically.
- ❑ On a continuous basis, audit teams evaluate the supply chain management policies to assess whether there is any possible abuse of weakened procurement control environment.

Collaboration with other institutions

- ❑ Continuously collaborate with professional bodies such as IRBA and Saica to dissect the findings and recommendations of the commission, especially where these influence the AGSA's drive to restore the audit profession's reputation.
- ❑ Continuously recognise the importance of partnering with private audit firms in public sector, strengthening our combined ability to be assurance providers to all government institutions.

Accountability ecosystem

- ❑ Commenced with processes to enhance our understanding of the accountability roles and responsibilities between the accounting officer/authority and the executive authority to be able to better share audit insights to improve the effectiveness of the accountability ecosystem.
- ❑ Continue to share audit insights with parliamentary and other governance structures to better equip them at performing their constitutional obligations

Legislative reforms

- ❑ Continue to participate and assist role-players in areas of legislative reforms or enhancements recommended by the commission. A total of eleven (11) statutes identified where the organisation can provide valuable insights during the development of the required reforms. Commentary provided on seven (7) legislative reforms issued to date.

Consequence management

- ❑ Utilised lessons from the SCC to refocus the link with public bodies (in MoUs) to broaden the scope of referrals to include MIs, but also other insights from audit process for further investigation by these bodies.
- ❑ Continuously utilise relevant platforms e.g. Public Sector Audit Committees forum (PSACF) to elucidate the mandate of all the roleplayers in the accountability re effective consequence management.
- ❑ Continuously elevate the messaging on internal audit as part of improving the effectiveness of the internal audit process.

Intelligence departments and agencies

- ❑ Audit teams continue to apply professional scepticism, different audit approaches and tools to best deal with the detection risk that the auditors face in intelligence departments and agencies, due to sensitivity of the transactions.
- ❑ AGSA recognises the contribution other roleplayers (such as audit committees and internal auditors) can play in providing assurance (even limited assurance) to parliament and other governance structure on how money has been spent and how the mandates of the different auditees in this sector have been executed. These are continuously highlighted to the Joint Standing Committee on Intelligence for consideration.

Section 4(3) audits

- ❑ Enhanced the AGSA strategy for building capacity and prepare for taking back critical section 4(3) entities.
- ❑ Over the past five years, audits of 17 out of the 21 schedule 2 major public entities were taken back with only Eskom, Broadband Infraco, IDC and ATNS not audited by AGSA directly.

Material irregularities

- ❑ AGSA continue to notify the accounting officers or authorities of material irregularities (MIs) identified during the audit process to enable the AO/AA to resolve identified irregularities that are causing financial loss or significant harm to the institutions.
- ❑ We have notified AO/AA of:
 - ❑ 268 MIs in the local government space (MFMA MI report, November 2023), with:
 - ❑ R182,75m financial loss recovered,
 - ❑ R18,85m financial loss prevented from taking place, and
 - ❑ R310,16m financial loss in process of being recovered.
- ❑ Up-to-date information for departments and entities, subject to the Public Finance Management Act (PFMA), will be tabled on the 29th of November 2023.

INTERNAL ENVIRONMENT

Capacitation

- ❑ Continuously capacitate our specialised audit services (SAS) units to ensure that the organisation has sufficient skills and capacity to enhance our risk assessment capabilities, and to give effect to the need for integration between audit streams.

Human resource management (HRM)

- ❑ Developed a people strategy to strengthen AGSA people management processes and empower leaders as culture advocates using the lessons learnt from the SCC reports. The strategy is currently in consultation stages.
- ❑ Developed an ethics strategic program to enhance our organisational culture of ethics savviness while introducing tools, systems and processes to strengthen the AGSA ethics management machinery.

Other

- ❑ Updated procurement policy to enhance our procurement process to enhance transparency, integrity and accountability in our procurement function.
- ❑ Facilitated ethics sessions with all roleplayers in the procurement space.
- ❑ Reviewed the contract management function to enhance effectiveness of proper contracts management.
- ❑ Enhanced due diligence assessments/vetting processes of suppliers that the AGSA appoints.
- ❑ Reviewed the process to restrict suppliers in line with appropriate legislative requirements.

CONCLUSION

- ❑ We have made some strides in the implementation of response plan to address the areas of concern raised by the commission. My leadership through internal governance structures such as Audit Integration Forum (AIF) and Executive Committee (Exco) will continue to monitor progress and course correct where necessary.
- ❑ AGSA will continue to enhance our audit process to ensure that we are better equipped to identify the risk factors that have an element of state capture and report these to the relevant bodies or authorities for further action.

THANK YOU FOR YOUR TIME

Promoting a culture of
accountability



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