

# STRATEGIC PLAN AND BUDGET

OF THE AUDITOR-GENERAL  
SOUTH AFRICA

2022-25



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



# TABLE OF CONTENTS



<b>1.</b>	<b>PURPOSE OF THIS DOCUMENT</b>	<b>5</b>
<b>2.</b>	<b>OUR CONSTITUTIONAL MANDATE AND FUNCTIONS</b>	<b>6</b>
2.1	Our mandate and functions	6
2.2	Our products	6
2.3	Accountability and reporting	6
2.4	Our augmented mandate	6
<b>3.</b>	<b>OUR VISION, MISSION AND VALUES</b>	<b>8</b>
3.1	Our role in the South African democracy	8
3.2	Our vision and mission statements	8
3.3	Our culture journey	9
3.4	Value and benefits of supreme audit institutions	11
3.5	The value added through our work	12
<b>4.</b>	<b>THE AGSA'S STRATEGY: #CULTURESHIFT2030</b>	<b>13</b>
4.1	Strategic context in which we operate	14
4.2	Our strategic aspiration	14
4.3	Theory of change and strategic priorities	15
4.4	Our strategic roadmap	17
<b>5.</b>	<b>STRATEGIC COMMITMENTS OF THE AUDITOR-GENERAL FOR 2022-25</b>	<b>18</b>
<b>6.</b>	<b>OVERVIEW BY THE DEPUTY AUDITOR-GENERAL</b>	<b>20</b>
<b>7.</b>	<b>STRATEGIC PLAN</b>	<b>22</b>
	<b>ANNEXURE A:</b> Balanced scorecard of the Auditor-General South Africa for 2022-25	<b>31</b>
	<b>ANNEXURE B:</b> Budget of the Auditor-General South Africa for 2022-25	<b>35</b>
	<b>ANNEXURE C:</b> Proposed internal rates	<b>84</b>
	<b>ANNEXURE D:</b> Acronyms and abbreviations	<b>101</b>



# STRATEGIC PLAN

---

OF THE AUDITOR-GENERAL  
SOUTH AFRICA FOR 2022-25





SECTION

01

## PURPOSE OF THIS DOCUMENT



This strategic plan and budget presents the performance and financial plan of the Auditor-General South Africa (AGSA) for the period 1 April 2022 to 31 March 2025, based on the long-term strategy of the organisation. It is the result of an annual planning process that sets targets for the first year and makes projections for the remaining two years of the three-year cycle.



## SECTION 02

# OUR CONSTITUTIONAL MANDATE AND FUNCTIONS

## 2.1 OUR MANDATE AND FUNCTIONS

Chapter 9 of the Constitution of the Republic of South Africa, 1996 (Constitution) establishes the institution of the Auditor-General as one of the state institutions supporting constitutional democracy. The Constitution entrenches our independence by directing that we are subject only to the Constitution and the law. The Constitution requires us to be impartial and exercise our powers and perform our functions without fear, favour or prejudice. Our functions are described in section 188 of the Constitution. These functions are further regulated by chapters 2 and 3 of the Public Audit Act 25 of 2004 (PAA).

In our endeavour to fully implement the intention of the Constitution, we take guidance from section 41 that requires all spheres of government and **all other organs of state to secure the well-being of the people of the Republic and to provide effective, transparent, accountable and coherent government for the Republic as a whole.**

## 2.2 OUR PRODUCTS

Each year, we conduct mandatory regularity audits of all legislatures, all national and provincial government departments, certain public entities, all municipalities and all municipal entities (our clients or auditees).

Furthermore, we conduct discretionary regularity audits, as well as other forms of discretionary engagements, such as performance audits, special audits, international audits and investigations.

Our audit reports are made public and are tabled in Parliament, provincial legislatures and municipal councils.

In addition to these audit-specific reports, we publish two general reports each year, in which we analyse the outcomes of the audits at national and provincial levels and at municipal level.

Our products form the basis for engagement with a variety of stakeholder groups during which we share audit insight to equip them to fulfil their responsibilities effectively.

## 2.3 ACCOUNTABILITY AND REPORTING

We are accountable to the National Assembly in terms of section 181(5) of the Constitution and section 3(d) of the PAA. We report to the National Assembly annually on our activities and the performance of our functions by tabling two main accountability instruments, namely our strategic plan and budget and our annual report. The Standing Committee on the Auditor-General (Scoag), established in terms of the Constitution and the PAA, oversees our performance on behalf of the National Assembly.

## 2.4 OUR AUGMENTED MANDATE

Changes to our enabling legislation came into effect on 1 April 2019. A few fundamental amendments addressed long-standing concerns about the failure to act on our findings and recommendations, specifically in respect of fruitless, wasteful and irregular expenditure. The amended PAA aims to encourage those charged with accountability for public resources to act decisively and in accordance with

the law to prevent or recover the loss of public resources. Where our recommendations and messages have not been addressed, we have the power to trigger consequences. Other amendments aim to clarify our mandate to conduct various forms of audits and to broaden the scope to select areas for auditing where the most attention is needed.

### The following concepts that informed the development of this strategic plan:

#### Material irregularity

The concept of a material irregularity (MI) relates directly to our extended mandate. An MI encompasses financial mismanagement, maladministration, fraud, theft and serious breaches of fiduciary duties that could result in a significant loss or the misuse of financial or public resources, or harm to the public or a public institution. An MI can trigger a number of decisions by the auditor-general that require specific attention by accounting officers and accounting authorities, as well as those charged with oversight.

#### Referral for investigation

Section 5(1)(A) of the PAA now grants the auditor-general the discretion to refer MIs to relevant public bodies for further investigation. These public bodies have to keep the auditor-general informed of their progress and the final outcome of their investigation. Criteria for these referrals were published as part of the regulations to the amended PAA. The auditor-general must account to the National Assembly on all matters referred to public bodies for investigation.

#### Remedial action

The auditor-general has an option to make recommendations relating to an MI in an audit report, as opposed to referring such irregularity for investigation. In the event that such recommendations are not implemented, the auditor-general must now take appropriate remedial action to address the failure of accounting officers and authorities to implement audit recommendations. Failure to implement such remedial action will lead to the auditor-general issuing a certificate of debt in the personal capacity of the relevant accounting officer or members of the accounting authority, where a financial loss has been suffered.

Several mechanisms have been built into the process to ensure that it is fair and just, and to limit our risk of judicial review. The auditor-general must also account to the National Assembly on the remedial action, certificates of debt and amounts recovered. Detailed regulations specifying the process for remedial action and issuing the certificate of debt were published to ensure transparency and fairness in the process.

#### Discretionary regularity audits

Discretionary regularity audits are conducted at auditees defined in section 4(3) of the PAA. We may opt to audit these entities ourselves, or guide the auditee to select and appoint a suitable external auditor.

The amendments to the PAA require the auditor-general to define the criteria that will be used to opt in or out of discretionary regularity audits. These criteria were published in the form of regulations, which provide a framework for transparency and consistency in the way the auditor-general uses this discretion.

#### Performance audits

Section 5(1) of the PAA now includes a clear mandate to conduct stand-alone performance audits and investigations in the public sector.

#### International audits

Section 5 of the PAA also confirms the auditor-general's mandate to conduct international audits or audit-related services on the condition that such services do not compromise the efficiency, put strain on the resources, or detract from the constitutional functions, of the auditor-general.



SECTION  
**03**

**OUR VISION, MISSION  
AND VALUES**

**3.1 OUR ROLE IN THE SOUTH AFRICAN DEMOCRACY**

At the most basic level, the independent auditor’s role is to express an opinion on whether the financial statements of the auditee are prepared in accordance with applicable financial reporting frameworks. While the role of the public sector auditor is premised on that elemental definition, it also goes beyond the expression of opinions on financial statements.

The United Nations recognises the important role of the supreme audit institution (SAI) in promoting the efficiency, accountability, effectiveness and transparency of public administration that is conducive to the achievement of national development objectives and priorities as well as internationally agreed development goals. The International Organization of Supreme Audit Institutions (Intosai) goes further in defining the role of the public sector auditor, as championed by the SAI, as an important factor in making a difference in the lives of citizens.

Through our audit activities, we play an important role in enabling accountability and thus promoting democratic governance in South Africa. We do this by providing independent assurance to the various legislatures on whether entities that use public funds have managed their financial affairs in line with sound financial principles, have complied with the relevant legal framework, and have provided credible information on the achievement of their financial and performance objectives in line with the PAA. In this way, the elected representatives of the South African people are able to hold the executive and accounting authorities, officials and public entities accountable. This provides the rationale for our work in empowering citizens ‘to hold the custodians of public resources accountable’ in terms of Intosai-P 12, *The value and benefits of supreme audit institutions – making a difference to the lives of citizens*.

**3.2 OUR VISION AND MISSION STATEMENTS**

The essence of our organisation as a SAI is expressed in our vision and mission statements:

**VISION**

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

**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*

### 3.3 OUR CULTURE JOURNEY

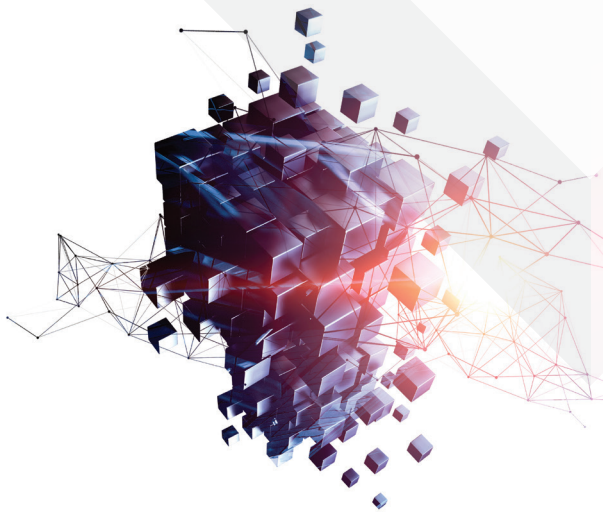
The story of our culture is a reflection of the voice of our people. As Team AGSA, we collectively strive to create a place designed to foster trust, courage and ethical behaviour. We are a vision- and values-driven organisation. Our values underpin our culture; and living the values has become a personal goal for each of our employees.

A new set of values was defined as a result of a dedicated culture journey that started in 2018. They embody our spirit, our professionalism, our humanity. They are part of the many aspects that make the AGSA an exceptional place to realise our passion for the well-being of our country. Most of all, they send a clear message to our stakeholders about our character.



## OUR DESIRED CULTURE

**ADAPTIVE – ENABLING – CONSTRUCTIVE**



We create an enabling supporting environment that is underpinned by trust, courage and ethical behaviour.

We are pragmatic futuristic thinkers, that ensure AGSA continuously evolves whilst maintaining our professionalism. We focus on our individual and collective growth by developing high emotional intelligence to effectively engage each other and our stakeholders.

**WE INNOVATE,  
WE COLLABORATE,  
WE CO-CREATE.**





# OUR VALUES



We **care**  
for each  
other

We inspire, empower, motivate and value each other. We build and maintain supportive relationships; respect each other and our cultural differences; and resolve conflict to create positive, productive, safe and efficient working environments.



We **build**  
**trust**

We create a safe space for constructive dialogue as well as honest and open engagements with all. We communicate timeously and transparently, and encourage others to do the same; listen with empathy and respond thoughtfully without judgement; and take accountability for actions and decisions.



We **do**  
the **right**  
thing

We take ownership for – and deliver results through – ethical leadership. We develop clear and robust plans of action and confront and manage both problems and opportunities as they arise. We manage and review the performance of individuals, against expectations, and take corrective action when necessary with timely and sound decisions and judgement.



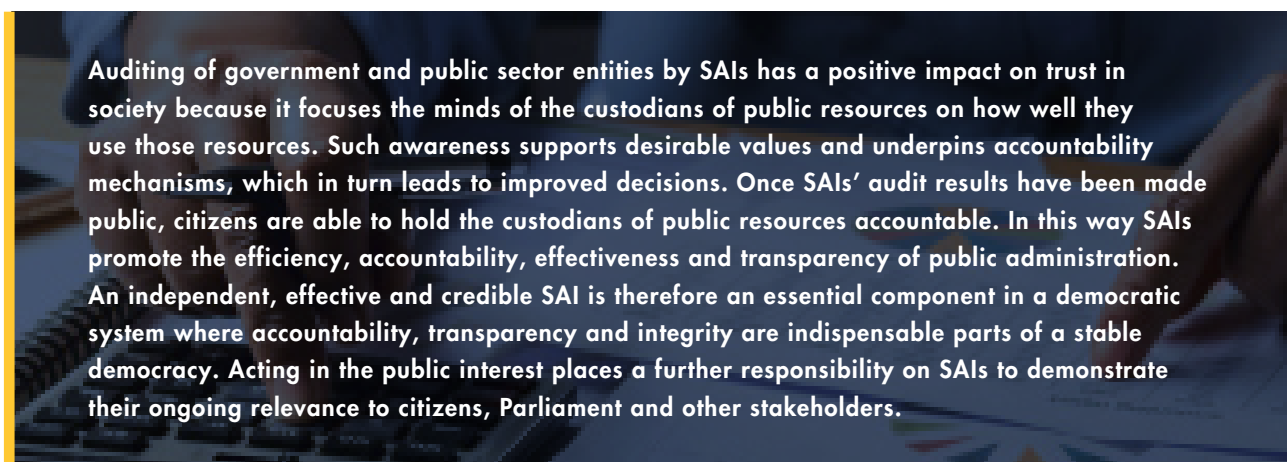
We **excel**  
in all  
we do

We continually challenge ourselves to develop our skills, expertise and capabilities as well as the conventional way of doing things; and generate new, innovative ideas, products and services ensuring that we maximise our individual and collective potential.

### 3.4 VALUE AND BENEFITS OF SUPREME AUDIT INSTITUTIONS

We subscribe to and apply the principles entrenched in Intosai-P 12, *The value and benefits of supreme audit institutions - making a difference to the lives of citizens.*

The overall philosophy of the standard centres around the following notion:



The extent to which a SAI is able to make a difference to the lives of citizens is contingent on three main pillars:

PILLAR 1	PILLAR 2	PILLAR 3
<p>Strengthening the accountability, transparency and integrity of government and public sector entities</p>	<p>Demonstrating ongoing relevance to citizens, Parliament and other stakeholders</p>	<p>Being a model organisation through leading by example</p>
<ul style="list-style-type: none"> <li>• Safeguarding the independence of the SAI</li> <li>• Carrying out audits</li> <li>• Enabling those charged with governance</li> <li>• Reporting on audit results</li> </ul>	<ul style="list-style-type: none"> <li>• Being responsive to changing environments and emerging risks</li> <li>• Communicating effectively with stakeholders</li> <li>• Being a credible source of independent and objective insight</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring appropriate own transparency and accountability</li> <li>• Ensuring own good governance</li> <li>• Complying with a code of ethics</li> <li>• Striving for service excellence and quality</li> <li>• Capacity building through learning and knowledge sharing</li> </ul>

### 3.5 THE VALUE ADDED THROUGH OUR WORK

We deliver value to our stakeholders in the following ways:

#### THE PEOPLE OF SOUTH AFRICA

- Listening to conversations in the public sector on areas of importance, acting in the public interest, and selecting areas of audit that have a direct impact on the lived reality of our people
- Making public the results of our audit work and providing insight in a simple manner, which enables citizens to hold their elected representatives and custodians of public resources accountable
- Being a model organisation that champions clean administration and transformation imperatives
- Executing our audits in the most cost-effective, efficient and economical manner

#### THE LEGISLATURES

- Being a trustworthy source of relevant, independent and objective insight based on professional judgement and sound analysis
- Proactively identifying themes, common findings, trends and root causes
- Providing audit recommendations and discussing these with key stakeholders to enable them to oversee and support beneficial changes in the public sector culture and service delivery so that we influence improvement in the lived reality of our people

#### THE EXECUTIVE AND THE AUDITEES

- Identifying instances of mismanagement and their root causes, and recommending improvements tailored to the business of the auditee
- Equipping them with a value-adding understanding of the status of their financial and performance management and compliance with relevant laws
- Delivering tailored audit and engagement programmes to assist them to improve their respective cultures so that they are characterised by performance, accountability, transparency and integrity

#### THE AUDITING AND ACCOUNTING PROFESSIONS

- Allocating contract audit work equitably and meaningfully
- Building skilled and qualified professionals
- Creating a pipeline of black chartered accountants to transform the profession and economically empower black audit firms

#### OUR EMPLOYEES

- Providing an invaluable opportunity to play a role in shaping the work of the public sector
- Creating meaningful employment and career development opportunities
- Providing fair, transparent, market-related and equitable remuneration and benefits





### OUR STRATEGIC MANIFESTO

Our aspirations and the way we intend to achieve them are formulated in our call for action, our strategic manifesto:

- We are practitioners in public sector accountability, transparency and integrity.
- Audit is not all we are; audit is what we do to collect, analyse and translate data into information, and information into impactful insights.
- Our work generates impactful insight; our influence translates insight into action.
- Action stimulates and shifts our clients towards a culture of accountability.
- A culture of accountability enables sustained, consistent and meaningful improvements in audit outcomes.
- Sustained, consistent and meaningful improvements in audit outcomes translate into sustained, consistent and meaningful improvements in the lived reality of ordinary South Africans.
- In that manner our constitutional democracy is strengthened.
- We are not just auditors – we are independent, relevant, exemplary culture-improvers.
- Every single one of us.

## 4.1 STRATEGIC CONTEXT IN WHICH WE OPERATE

Over the last few years, our operating environment has undergone significant shifts, not only as a result of the covid-19 pandemic but also because of simultaneous developments in many aspects of life and business locally and globally.

The **limited progress in improving audit outcomes**, especially at auditees that are critical for driving service delivery, results in a pronounced, negative impact on our people. The limited improvements, and sometimes regressing outcomes, are most prolific at local government level and in state-owned enterprises – something that is of significant concern to the AGSA, Parliament and citizens.

As a country and an institution, we are faced with the **continuous misuse of state resources**. We see persistent negative media reports about corruption in the country; we follow the work of investigative commissions such as the Judicial Commission of Inquiry into State Capture, led by Judge Zondo, and the Judicial Commission of Inquiry into Allegations of Impropriety at the Public Investment Corporation; we witness the country's downgrade by international rating agencies such as Fitch and Moody's. These developments are indicative of the poor overall state of the country's public service, the country's prospects for economic development, and – ultimately – the country's ability to meet development targets. For us, these developments further display persistent weaknesses in the transparency, accountability and performance of the public service.

The **impact on the lived reality of ordinary South Africans is significant**. Behind the numbers, findings and audit outcomes are people who are without the basic services promised to them by their elected representatives, and who are prevented from participating in the country's economy or from realising their best potential. This is a concern shared by the country's executive leadership. In an August 2020 letter, President Cyril Ramaphosa wrote: 'Even I am sure that you are aware that across the nation there is a sense of anger and disillusionment at reports of corruption in our response to the coronavirus pandemic. This anger is understandable and justified ... What has caused the greatest outrage is that there are private sector companies and individuals (including civil servants) who have exploited a grave medical, social and economic crisis to wrongfully enrich themselves. This is an unforgivable betrayal for the millions of South Africans who are being negatively affected by the impact

of covid-19, experiencing hunger daily, hopelessness and joblessness.'

The **negative knock-on effects** on our lives and the country's democracy are many, including:

- political and social instability
- service delivery protests and violence
- citizens opting out of public services
- litigation against government by citizens looking to take over service delivery.

Recent media reports estimate that the civil unrest and insurrection of July 2021 could end up costing the country almost R50 billion in lost output and 150 000 jobs.

There are growing concerns about what such developments could mean for the AGSA, as a chapter 9 institution tasked with supporting constitutional democracy. The persistent pattern of **regressing audit outcomes may eventually affect public confidence in us** and our ability to strengthen democracy through auditing and reporting, as required by the Constitution.

While reflecting on our role as a SAI and looking at the ways in which we can link our work to the experience of our people at grassroots level, we observed that our **international counterparts have increased their focus** on how their audit work enables a better public service and the increased well-being of citizens.

This strategic context has given rise to a new focus where we, as the AGSA, are looking to play a more influential role in developing a public service that is characterised by performance, accountability, transparency and integrity.

## 4.2 OUR STRATEGIC ASPIRATION

Our strategic aspiration is to have **a more direct, stronger and consistent impact on improving the lives of ordinary South Africans** by helping to improve the public sector culture through insight, influence and enforcement.

Success in this regard does not only rest on our ability to fulfil our mandate, but also on the extent to which we are able to mobilise and bring the collective influence of the accountability ecosystem (referring to the whole network of stakeholders responsible for public sector accountability) to drive positive change.

The nature of the public sector that we aspire to see and work towards is one that is reflective of the basic values and principles described in section 195 of the Constitution which reads as follows:

‘Public administration must be governed by the democratic values and principles enshrined in the Constitution, including the following principles:

- a. A high standard of professional ethics must be promoted and maintained.
- b. Efficient, economic and effective use of resources must be promoted.
- c. Public administration must be development-oriented.
- d. Services must be provided impartially, fairly, equitably and without bias.
- e. People’s needs must be responded to, and the public must be encouraged to participate in policy-making.
- f. Public administration must be accountable.
- g. Transparency must be fostered by providing the public with timely, accessible and accurate information.
- h. Good human-resource management and career-development practices, to maximise human potential, must be cultivated.’

Thus, we envisage that by 2030, the AGSA will be an institution that is associated with a meaningful and sustainable impact on the public sector in a manner and at a scale that engender a culture of performance, accountability, transparency and integrity.

### 4.3 THEORY OF CHANGE AND STRATEGIC PRIORITIES

A theory of change comprises an envisaged end state and a set of assumptions of why a particular way of working will be effective, showing how change happens over time to achieve an intended result.

Culture refers to the shared values and way of life of a given set of people – it reveals the fundamental values of a society or sub-set thereof. From culture flows behaviour. To fundamentally influence behaviour, therefore, it is important to fundamentally change the underlying culture.

An engendered culture goes beyond simple, occasional compliance with rules; it relates to an appreciation for – and habitualised advancement of – the outcomes for which the rules exist. It is the solidity of such a culture within the public

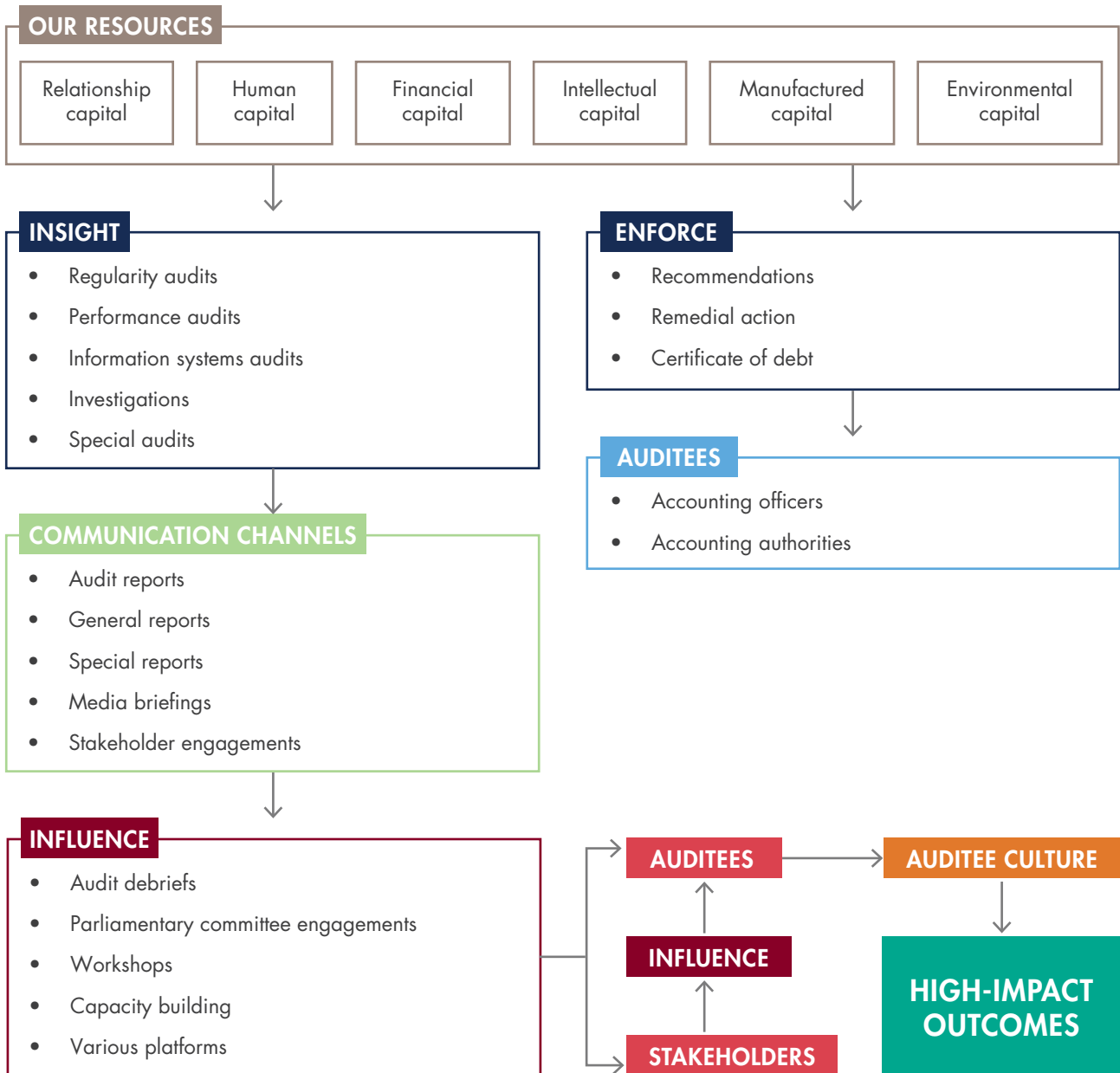
sector that we believe will ultimately drive a sustained, consistent and meaningful improvement in the lived reality of South Africans.

Service delivery failures in South Africa are largely the result of failures in the conduct of public servants. The behaviour of organs of state flows from the public sector culture that prevails, which in turn forms part of a wider societal culture. As the Practice Guide on Auditing Conduct Risk of the Institute of Internal Auditors notes:

‘Organisational culture – and how an organisation comports itself with regard to conduct – drives how business is done. It also underlies the effectiveness of the control environment, which supports the achievement of an organisation’s objectives. Poor culture and ineffective management of employee conduct has contributed to numerous business failures and has been identified as a root cause of a number of serious issues.’

Meaningfully contributing towards reversing the trend of persistent accountability and performance failures and realising the aspiration of making a stronger and more direct impact on the lived reality of ordinary South Africans, therefore rely on us leveraging our capabilities towards generating insights and applying influence on stakeholders in a manner that shifts the culture of the public sector towards one of performance, accountability, transparency and integrity. Where our messages have been disregarded, we will use the provisions of our expanded mandate to enforce adherence to relevant laws and regulations.

### Visual depiction of our theory of change



Our success in applying the theory of change is contingent on us excelling in the following dimensions in a coordinated manner:

1. **Driving a public sector culture shift**  
We will work to move a critical mass of auditees towards organisational cultures characterised by performance, transparency, integrity and accountability.
2. **Using audit insight to drive culture shift**  
We will strive to generate audit insights that illuminate understanding, drive action and yield results.
3. **Influencing stakeholders to drive culture shift**  
We move stakeholders from mere awareness of our messaging to action and the advocacy thereof in a manner that drives a public sector culture shift.
4. **Enforcing accountability in the public sector**  
We will apply our powers to directly and indirectly recover resources lost to the state and taxpayers and ensure application of consequences for wrongdoing.

**5. Efficiently executing our mandate**  
 We unlock latent capacity in the existing resource base through disciplined prioritisation, coordination and sequencing of initiatives and activities; efficiency; and productivity gains.

**6. Sustainably achieving and maintaining the desired impact**  
 We will acquire, develop and maintain the quantity, quality and configuration of resources and capabilities to achieve and sustain our desired levels of impact.



## 4.4 OUR STRATEGIC ROADMAP

We are going to implement our strategy in a focused and staggered way, allowing sufficient time for transition to build the required skills, capacity and capabilities. Most importantly, we will work with every staff member to build an overarching mindset and orientation towards high-impact outcomes and to place the organisation in a position and capability readiness to successfully deliver on its culture improvement agenda within the targeted segments of the audit portfolio.

### Implementation approach

STAGES	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Transition	Implementation	Implementation							
MI rollout	Implementation	Implementation	Implementation	Implementation	Institutionalisation	Institutionalisation	Institutionalisation	Institutionalisation	Institutionalisation
Value chain	Preparation	Preparation	Implementation	Implementation	Implementation	Institutionalisation	Institutionalisation	Institutionalisation	Institutionalisation
Metros	Preparation	Preparation	Implementation	Implementation	Implementation	Institutionalisation	Institutionalisation	Institutionalisation	Institutionalisation
Secondary cities			Preparation	Preparation	Implementation	Implementation	Implementation	Institutionalisation	Institutionalisation
Key public entities			Preparation	Preparation	Implementation	Implementation	Implementation	Institutionalisation	Institutionalisation

● Preparation      ● Implementation      ● Institutionalisation

While we transition into the activities required by our #cultureshift2030 strategy, we will continue to implement the MI process across all auditees and ramp up towards a sustainable volume of high-quality MIs, by which we mean MIs with a high impact and resultant consequences.

The next stage will see us working to achieve a culture shift among a critical mass of auditees across the value chains that deliver water and sanitation, human settlements, infrastructure and energy, including the metropolitan municipalities, such that it results in a direct, meaningful and consistent impact in the lived reality of ordinary South Africans.

In the last stage, we will use the experience and the lessons learnt to work on influencing the culture shift in the 22 secondary cities (and their associated municipal entities) and at key public entities.

For each stage of strategy deployment, we will acquire, develop and position capabilities; pilot the culture improvement programme on a limited and controlled basis; and utilise the resultant insights to refine and fully implement the strategy within each segment of auditees. The ultimate goal is to institutionalise each programme so that we maintain a targeted, sustainable rate of culture shifts throughout the respective segments.



SECTION  
**05**

**STRATEGIC COMMITMENTS OF THE  
AUDITOR-GENERAL FOR 2022-25**



**TSAKANI MALULEKE**  
*Auditor-General*

Since I took custodianship of the institution of the Auditor-General, I have spent a great deal of time working with our leadership and the entire organisation to take stock of the challenges and changes that will have an impact on our audit work and to co-create our new strategy that will guide us in achieving a stronger correlation between what we do and the lived reality of ordinary South Africans. The strategy that we have described in chapter 4 has incorporated the thoughts and voices of our staff as well as those of our external stakeholders.

Our long-standing 4V Strategy was underpinned by our aspirations to see a public sector characterised by a commitment to robust financial and performance management systems, preventative controls, oversight, accountability and ethical behaviour. Indeed, it was aimed at empowering the accounting officers and accounting

authorities and has served us well in establishing the concepts of value-adding auditing and visibility for impact. Our visibility programmes were aimed at empowering and influencing a broad spectrum of selected stakeholders.

The AGSA's #cultureshift2030 strategy builds on the successes and gains that we have realised collectively through the implementation of the 4V Strategy. The elevation is on two fundamental levels:

- Our #cultureshift2030 strategy is aimed at intensifying influencing and collaborating with all players in the accountability ecosystem in South Africa.
- It recognises that even the most perfect financial and performance management systems will not be sufficient to advance the ambitions of our people for decent life if we do not influence positive change in the accountability culture in the public service.

Shifting the public sector culture towards one that is characterised by performance, accountability, transparency and integrity can only be accomplished gradually by taking on one step at a time. We enter this long-term journey with a clear recognition that the achievement of this difficult task will have a significant impact. It will lead to improvements in the access that South African citizens have to quality education, healthcare, safety, housing, energy, water and livelihoods – amongst a host of other rights that they are entitled to as enshrined in the Constitution.

**Accountability ecosystem**

The mission of shifting the public sector culture through insight, influence and enforcement is broad and cannot be achieved by us alone. The overall concept

of an accountability ecosystem refers to the network of stakeholders that have a mandate and/or responsibility, whether legislatively or morally, to drive, deepen and/or insist on public sector accountability. Given the nature of our mandate, by the time that we audit the financial statements of auditees and report on adverse findings, multiple failures have already occurred along the accountability value chain. After our audits, other steps are required to complete the accountability cycle.

Over the strategic planning horizon, we aim to institutionalise reporting not only on the workings of our auditees but also on the manner in which the accountability ecosystem has performed relative to the outcomes achieved.

Critical to our ability to successfully deliver on this mission within the scope of our mandate and resources, will be the extent to which we are able to influence the rest of the members of the broader accountability ecosystem to fulfil their respective responsibilities and mandates in a coordinated, consistent and effective manner.

### Transition phase

By default, each strategy introduces the need to review our position and role as the country evolves during the democratic dispensation as well as how we organise our resources and undertake our activities.

During the transition phase, we will define in detail our implementation roadmap and allocate relevant responsibilities to various functions and individuals. We will complete the identification of skills, capacity and capabilities required for the implementation of the strategy and conduct the necessary orientation of all our employees. Importantly, we will engage with various stakeholders to canvas their comments and feedback on our strategy.

The desired outcome of this stage is a successful transition and capability readiness process.

### Implementing the material irregularity process

While we aspire to expedite the complete rollout of the MI concept, we do not have sufficient capacity to do so. This necessitates us to continue with our phased approach. Throughout the implementation period we continue to train more audit teams, improve the quality and consistency of our processes, and develop unique technical guidance on complex non-compliance cases. Given our existing resources, we envisage that the MI process would have

been implemented at all auditees in our portfolio by the end of the 2024-25 financial year.

### Provide unique insight to stakeholders

The value added to various stakeholders will be based on unique, customised insight. While the differentiated audits per segment will play a major role in extracting such insights, we will use individual audit planning and a deep understanding of auditees' business to augment the standard audit products. The data received through the various audits and cycles will be synthesised to create additional products outside of the audit cycle. Intensive data analytics will be used for fraud detection and prevention. We will increase the level of real-time audits to assist auditees in stemming the spillage of public resources much earlier in the deployment processes.

### Collaboration with civil society organisations

Civil society organisations (CSOs) have emerged as valuable partners to SAIs worldwide, especially in conducting performance auditing work. They offer a complementary set of capabilities and perspective to public sector auditors, thereby enhancing SAIs' capacity and enriching the quality of insights, findings and recommendations.

We recognise the potential of collaborating with CSOs as part of the wider accountability network and intend to embark on a more formalised way of collaborating with them and considering their work in our audits. Our cooperation with CSOs will be conducted in a sensitive and responsible manner that guards the organisation's integrity, independence and reputation at all times.

### In conclusion

Undoubtedly our new strategy is ambitious, its intention is noble, and its implementation will be challenging. Throughout this journey, though, we will continue to provide the citizens and the public sector players with the products and services we are known for but in a better way and with higher purpose and intensity.

*Tsakani Maluleke 10/05/2022*

**Tsakani Maluleke**  
Auditor-General

SECTION

06

## OVERVIEW BY THE DEPUTY AUDITOR-GENERAL



**VONANI CHAUKE**

*Deputy Auditor-General*

The 2022-25 strategic plan is the first three-year rolling plan based on the AGSA's #cultureshift2030 strategy. As the accounting officer of the AGSA, my role is to ensure that our organisation is fully aligned with the strategy outlined by the auditor-general. Together with the capable leadership of the organisation, we will rigorously drive high levels of strategic alignment to ensure that we influence the public sector to achieve high-impact outcomes.

### Internal culture to drive high-impact outcomes

Our organisation has been through a lot in the last couple of years, having to weather the effects of the covid-19 pandemic and to change culture, habits and processes to accommodate the additional audit work on the covid-related relief programmes. Although our resources are stretched,

we are excited at the same time, wanting to enhance our positive influence on the South African public sector.

We will allow time to introduce the new strategic concept, especially as it sits outside of the traditional realm of auditing and accounting. We will be patient and assist staff to understand and buy into the theory of change, along with its underpinning models and frameworks, and consequently to practise those consistently across the organisation.

Most importantly, as a continuation of our journey, we will persist in creating an enabling and supportive environment that is built on trust, courage and care. Communication with staff will be intensified and take place timeously and in a focused manner.

### Resourcing for success

The success of our strategy will be dependent on the availability of staff with the required work ethic, knowledge, capabilities, competencies, skills and professionalism. As part of the continuing culture journey in support of the strategy, we will evaluate the effectiveness and appropriateness of resources and activities and the causal linkages between them relative to the strategic aspiration, and embed these as part of the institutional mindset and practice.

We intend to develop a standardised framework for making resource-allocation decisions across units based on expected productivity levels along with the relative quantity and complexity of the workload. Ultimately, we aim to gradually increase our efficiency, thus avoiding a significant increase in resources while scaling up our output and added value.



## Driving technological advancement

A silver lining brought about by the covid-19 pandemic has been the abundance and speed of adoption of new technologies for collaboration, communication and business modernisation. We will continue to invest in advancing our audit tools and deploying data analytics and emerging technologies to support our quest for audit efficiencies and increased relevance.

The scoping and development of a roadmap for our digital transformation that commenced in the previous year has identified the required changes in our key processes. We expect to experience the benefits of that effort shortly.

Over and above our tools and technological advancement, we will continue to pursue innovation at every workstation and function. As innovation is a complex endeavour, we need to establish new, cross-cutting practices and processes to structure, organise and encourage it.

## Differentiated audit approach

Auditing all of our clients in the same way does not always allow us to provide clients with services that are best tailored to achieve impact in their environments. In order to achieve better traction in offering bespoke products and services, we will finalise the segmentation of the audit portfolio based on the maturity of auditees' accountability culture, their risk profile, public interest and other selected indicators. This will allow us to develop a detailed understanding of the unique requirements that need to be satisfied to drive a culture shift at auditees in different segments.

## High quality of our audits

We are determined to continue driving the achievement of high targets for the technical quality of our audit engagements. We will build on the strategies that we have implemented to strengthen, sustain and continually improve the quality of our audits.

Adherence to the International Standard on Quality Management (ISQM) 1 will become mandatory from 15 December 2022 and we will continue to prepare our operating environment for its implementation. As the standard aims to put a commitment to audit quality at the heart of an organisation's culture and operations, we

believe that its implementation will allow us to achieve the sustainable improvement that we have been seeking in the last few years. In addition, we will continue to strengthen controls around the quality of the audit work that we expect from contracted audit firms.

## Dealing with pushbacks and intimidation

In the last few years we have regularly met with obstructionist behaviour, pushbacks and threats that undermine our ability to fulfil our mandate and that negatively affect our staff morale. While we have developed and implemented a protocol for real-time reporting of such incidents and seeking an immediate response from constitutional stakeholders, we begin to observe new sources of intimidation. We will be vigilant in protecting our staff and continue to enhance our programmes in this respect so that we can execute our mandate without fear.

## A model organisation

We will continue to lead by example through demonstrating that clean administration is achievable, implementing our combined assurance model, ensuring high levels of accountability, and holding our employees to the highest standards of ethical and professional conduct.



**Vonani Chauke**

*Deputy Auditor-General*

SECTION  
**07**

**STRATEGIC  
PLAN**



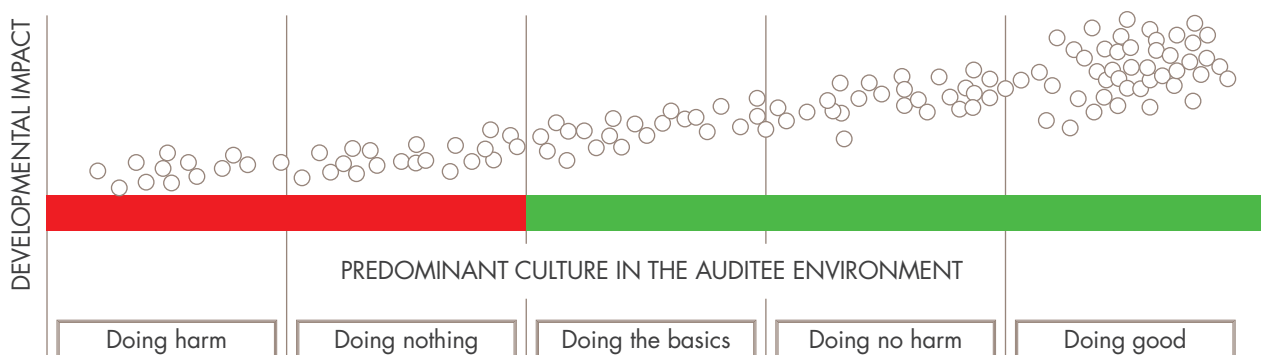
**STRATEGIC GOAL 1: DRIVE PUBLIC SECTOR CULTURE SHIFT**

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

The public sector is a large and complex organism made up of over three million people employed by over a thousand different entities, each of which has their own individual culture and a myriad of sub-cultures within them. Our objective is to influence a shift by a critical mass of our auditees towards organisational cultures that are characterised by performance, accountability, transparency

and integrity. The shift in the public sector culture should be such that it leads to sustained, consistent and meaningful improvements in the lived reality of ordinary South Africans, including access to quality education, healthcare, safety, housing, energy, water and livelihoods – amongst a host of other rights that South African citizens are entitled to as enshrined in the Constitution.

**Public sector culture continuum**



The desired culture in the public sector is one characterised by compliance with supply chain management legislation; positive role modelling and tone setting by executive authorities; low resistance to audit messages and opinions (audit contestations); sustainable financial health; and no fruitless, wasteful, unauthorised or irregular expenditure. Where such a culture has been embedded, auditees would reach high congruence between behaviour and achievement of the policy objectives and outcomes for which they were established.

Moving the public sector culture towards one that is characterised by performance, accountability, transparency and integrity is an enormous undertaking that can only be achieved in small steps at a time; and this is how we will approach this task. In the initial phase of the implementation of the strategy, we will focus on defining the systemic indicators of a good accountability culture and establishing a baseline for improvement programmes. Possibly in year 3, we will be able to measure the actual shift in the culture.

Performance measure	Targets		
	2022-23	2023-24	2024-25
Implement programmes to <b>improve public sector accountability culture</b>	Formulate and approve public sector culture baseline and related culture shift action plan	Execute 80% - 100% of planned culture shift programmes, and report on outcomes of 1 <sup>st</sup> year of implementation of culture shift programme	Execute 80% - 100% of planned culture shift programmes, and report on outcomes of 2 <sup>nd</sup> year of implementation of culture shift programme

### Main initiatives in this reporting period

- Finalise the plotting of all auditees along the culture shift continuum and define adequate culture shift criteria and commensurate programmes. Implement the relevant culture shift programmes in a coordinated manner and achieve the desired movement along the continuum.
- Develop and enhance our processes, methodologies and frameworks to cause the culture shift.
- Refine our audit methodology in alignment with advancing the culture shift.
- Offer a viable portfolio of products and services that enables us to maintain a consistent presence in the client environment to more strongly influence preventative action and changes in behaviour.
- Establish partnerships for coordinated action to cause a shift in public sector behaviour.

## STRATEGIC GOAL 2: USE AUDIT INSIGHTS TO DRIVE CULTURE SHIFT

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

Auditing all of our clients in the same way results in us failing to meet all of our clients where they are and to provide them with services that are best tailored to achieve impact in their environments. We will segment the audit portfolio on the basis of cultural maturity, risk profile and desired impact to enable us to tailor the design of our offering accordingly.

The real-time auditing that we conducted as part of our special audits in 2020 proved to be highly effective and has generated significant demand for such audits. We aim to develop, implement and institutionalise a sustainable model for rendering a real-time auditing service more frequently and sustainably. We believe that through real-time auditing, we could cause a significant improvement in audit outcomes and the rapid detection of MIs.

A large part of our success in the last few years has been the ability to integrate the work of our specialised audit services, namely information systems auditing, performance

auditing, and investigations. We want to continue building on that effort by reconfiguring these functions as advanced audit insight hubs. This can only have the required impact of improving efficiency across client-service teams and enabling the generation of high-quality insights, if enabled by appropriate digital analytics capabilities.

Service delivery auditing by CSOs is an emerging methodology through which CSOs drive and deepen public sector accountability, especially at local government and community level. The more CSOs that conduct service delivery audits and report on their findings, the more they are likely to cause a heightened vigilance by citizens and thus increase the pressure on the public sector for improvements in accountability. We intend to leverage the unique capabilities of CSOs and place reliance on their work in a manner that enriches our insights, findings and recommendations without undermining our quality standards or stakeholder perceptions of us being independent and operating without fear, favour or prejudice.

Performance measure	Targets		
	2022-23	2023-24	2024-25
Increase our impact on the accountability culture of the public sector by <b>increasing the level and extent of specified real-time audit work</b>	Complete and report on 100% of planned real-time audit work	Complete and report on 100% of planned real-time audit work	Complete and report on 100% of planned real-time audit work
Increase our impact on the accountability culture of the public sector by <b>implementing a differentiated audit approach</b>	Approve differentiated audit approach and implementation plan  Pilot approach at selected auditees	Implement differentiated audit approach at selected auditees	Implement differentiated audit approach at selected auditees and assess its impact

Performance measure	Targets		
	2022-23	2023-24	2024-25
Increase our impact on the accountability culture of the public sector by <b>optimising our collaboration with CSO partners</b>	Refine and institutionalise framework and implementation plan for collaboration with CSOs  Report on outcome of programme	Implement 80% - 100% of planned collaboration programme with CSOs  Report on outcome of programme	Implement 80% - 100% of planned collaboration programme with CSOs  Report on outcome of programme
Increase the understanding of the performance of the public sector <b>by extracting unique insights and incorporating these into our products</b>	Develop and approve plan for new insight-based products offered by the AGSA to various stakeholders	Implement 80% - 100% of planned actions for 2023-24  Demonstrate use of new insights in selected products or programmes	Implement 80% - 100% of planned actions for 2024-25  Demonstrate use of new insights in selected products or programmes

**Main initiatives in this reporting period**

- Accelerate the development and offer of differentiated products and services.
- Increase the level of relevant real-time audits and services.
- Establish centralised data analytics and business intelligence capabilities.
- Establish and implement an AGSA – CSO partnership programme that:
  - provides for selected and vetted CSO engagements
  - defines an information-sharing mechanism with CSOs and other partners
  - includes a toolkit and information to be made available to CSOs.

**STRATEGIC GOAL 3: INFLUENCE STAKEHOLDERS TO DRIVE CULTURE SHIFT**

**Move stakeholders from mere awareness of our messaging to action and the advocacy thereof in a manner that drives a public sector culture shift**

Public confidence and general stakeholder trust is the currency through which we maintain our permission and ability to fulfil our mandate and apply influence. We can only shift the public sector culture if those we seek to influence, whether clients or other stakeholders, trust us. We do not treat trust as merely an incidental outcome of our work. Hence, we will develop mechanisms to understand our stakeholders’ view of us and the ways in which we acquire, maintain and leverage it.

This trust will allow us to focus on those aspects of the accountability ecosystem that we can influence, whether directly or indirectly. The characterisation of the configuration of stakeholders as an ecosystem relates to the mutually reinforcing links that exist between them; and thus the need for them to not simply operate in isolation but to operate with an awareness of how their respective roles influence those of others within the ecosystem and the ecosystem at large. It becomes important for us to highlight that failure by any part of the ecosystem to

effectively play its role, particularly due to the unique role that each stakeholder has to play in the ecosystem, has a detrimental impact on the effectiveness of the ecosystem as a whole. Such failure also tends to undermine the ability of

other stakeholders to effectively play their roles, given the additional burden of responsibility that they are required to carry in addition to that which falls within their particular scope and mandate.

Performance measure	Targets		
	2022-23	2023-24	2024-25
Improve our <b>stakeholders’ sentiment</b> about our contribution to the <b>accountability culture</b> in the public sector	Establish stakeholder sentiment baseline rating	Implement planned actions to improve or maintain stakeholder rating	Achieve 5% - 8% improvement in stakeholder sentiment baseline rating
Report on and implement measures to improve the performance of the <b>accountability ecosystem</b>	Develop and approve accountability ecosystem framework and implementation plan	Implement identified actions to improve performance of accountability ecosystem  Report on the performance thereof	Implement identified actions to improve performance of accountability ecosystem  Report on the performance thereof
Auditor-general’s <b>assessment of the organisation’s performance on influencing stakeholders</b> to move to a culture of accountability	Meet auditor-general’s expectations on influencing stakeholders to move to culture of accountability	Meet auditor-general’s expectations on influencing stakeholders to move to culture of accountability	Meet auditor-general’s expectations on influencing stakeholders to move to culture of accountability

**Main initiatives in this reporting period**

- Complete a programme to determine the stakeholder sentiment and develop a plan of action to improve and sustain the desired level of trust and reputation.
- Develop the concept and framework of an accountability ecosystem in the South African context, which:
  - defines the different roles, responsibilities and powers of the respective members of the ecosystem
  - brings greater awareness to citizens about the ecosystem
  - serves as an accountability tool, enabling different members to hold one another accountable for not exercising their roles and mandates.

## STRATEGIC GOAL 4: ENFORCE ACCOUNTABILITY IN THE PUBLIC SECTOR

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

Despite the concerted effort to implement our augmented powers, public perception of them is that they will result in action against those who had transgressed. As long as the public perceives this state as tarrying, public confidence in us diminishes. The MI process will remain an all-consuming

focus for audit teams in the short to medium term. Ramping up to the stage of the full and effective generating of quality MIs will extend beyond the full implementation, given the need for teams to develop confidence to raise MIs and deal with the consequent client engagements and pushback.

Performance measure	Targets		
	2022-23	2023-24	2024-25
Finalise the implementation of the <b>MI process</b> across all auditees	42% of auditees	80% of auditees	100% of auditees
Auditor-general's <b>assessment of the organisation's performance</b> in implementing the enhanced powers	Meet auditor-general's expectations on implementation of our enhanced powers	Meet auditor-general's expectations on implementation of our enhanced powers	Meet auditor-general's expectations on implementation of our enhanced powers

### Main initiatives in this reporting period

- Accelerate the rollout of the MI process:
  - Establish an understanding of the MI process and manage sustainable expectations thereof from external stakeholders.
  - Establish specialised capability for advancing identified MIs and for administering the MI process.
- Significantly reduce the time required to resolve MIs.
- Continue to engage effectively with the identified public bodies that are essential for the implementation of our powers.

## STRATEGIC GOAL 5: EFFICIENTLY EXECUTE OUR MANDATE

**Unlock latent capacity in the existing resource base through disciplined prioritisation, coordination and sequencing of initiatives and activities; efficiency; and productivity gains**

We strive at all times to execute our mandate economically, efficiently and effectively, thus delivering clear value to our stakeholders.

We will approach the drive to improve our efficiency by examining our productivity level throughout all functional areas. In order to ensure that our employees perform at their best level, we are determined to maintain an environment

that is conducive for, and supportive of, our employees to be maximally productive.

While we have been diligent in improving the efficiencies of our audits and operations, we recognise the opportunities presented by new digital and collaborative technologies. Critical processes will be examined through this new lens to ensure that we maintain lean and efficient business.

Performance measure	Targets		
	2022-23	2023-24	2024-25
Improve our <b>productivity level</b>	Establish baseline for organisation’s productivity level and define measures for improvement	Achieve 2% - 3% improvement against baseline	Achieve 4% - 6% improvement against baseline
Improve our <b>audit efficiency</b>	Establish organisation’s audit efficiency baseline and define measures for improvement	Achieve 2% - 3% improvement against baseline	Achieve 4% - 6% improvement against baseline
Improve our <b>business efficiency</b>	Establish organisation’s business efficiency baseline and define measures for improvement	Achieve 2% - 3% improvement against baseline	Achieve 4% - 6% improvement against baseline

### Main initiatives in this reporting period

- Prepare the organisation for the implementation of the new strategy and create the required internal culture shift:
  - Develop, implement and institutionalise an end-to-end cultural transformation programme aimed at addressing immediate cultural challenges and developing a strong, united, distinct and enabling AGSA culture.
  - Review the operating model (how resources are organised and managed) and implement the alignment thereof to the new strategy.
- Develop, implement and institutionalise the application of a framework for standardising resource allocation.
- Sustain the desired levels of impact through building adequate resources and capability:
  - Implement technological solutions to improve efficiencies and save cost and effort.
  - Advance the digitisation of our business.
  - Optimise our ways of working.



## STRATEGIC GOAL 6: SUSTAINABLY ACHIEVE AND MAINTAIN THE DESIRED IMPACT

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

We develop and acquire the type, quantity, quality and configuration of resources and organisational capabilities necessary to drive the required public sector culture shift to achieve high-impact outcomes.

In that respect, our staff remains our most valuable asset. Creating an environment to promote a state of contentment will allow our employees to flourish and achieve their full potential to the benefit of themselves and the organisation. We perceive employee well-being to be the basis for our people-related activities. Well-being relates to all aspects

of the working life, including the environment in which our employees work, the climate in the workplace, and how employees feel about their day-to-day work. In summary, this includes physical, emotional, financial, social, career, community, and purpose elements. Through the integration of well-being in all work activities and practices, a positive environment can be created that is compatible with promoting employee engagement, performance and achievement. Employee well-being is key to our long-term success.

Performance measure	Targets		
	2022-23	2023-24	2024-25
Net surplus	1% - 4%	1% - 4%	1% - 4%
Sustainability margin	2 - 3 months' forward cover	2 - 3 months' forward cover	2 - 3 months' forward cover
Promote the well-being of our staff	Develop and approve holistic employee well-being programme	Implement all planned actions for 2023-24 included in employee well-being programme	Implement all planned actions for 2024-25 included in employee well-being programme
% adherence to quality standards: audit engagements	80% - 90% (C1, C1#, C2 and C3 rating)	80% - 90% (C1, C1#, C2 and C3 rating)	80% - 90% (C1, C1#, C2 and C3 rating)
% implementation of ISQM 1	Full implementation of standard	80% - 90% adherence to identified processes	80% - 90% adherence to identified processes

### Main initiatives in this reporting period

- Develop and maintain strong, healthy, happy and capable members of Team AGSA:
  - Define a clear, comprehensive archetype of the AGSA 'employee of the future' and align capacity development to it.
  - Develop clear and transparent career tracks and growth paths.
  - Develop and sustain a strong, capable and cohesive leadership corps and pipeline.
  - Develop and maintain strategic alignment, clarity, discipline and optimal capability.
- Ensure sustainable financial independence:
  - Expedite optimal recovery of future historical outstanding debt.
- Ensure high quality of our products and services:
  - Enhance the system of quality management throughout all required aspects as per ISQM 1.
  - Develop, implement and institutionalise a quality management framework that applies consistent quality standards and remedial action across all support units.



**A N N E X U R E**

**A**

**BALANCED SCORECARD OF  
THE AUDITOR-GENERAL  
SOUTH AFRICA FOR 2022-25**



Strategic goal	Goal weight	Measure	Performance targets		
			2022-23	2023-24	2024-25
Drive public sector <b>culture shift</b>	10%	Implement programmes to <b>improve public sector accountability culture</b>	Formulate and approve public sector culture baseline and related culture shift action plan	Execute 80% - 100% of planned culture shift programmes, and report on outcomes of 1 <sup>st</sup> year of implementation of culture shift programme	Execute 80% - 100% of planned culture shift programmes, and report on outcomes of 2 <sup>nd</sup> year of implementation of culture shift programme
Use audit <b>insights</b> to drive culture shift	25%	Increase our impact on the accountability culture of the public sector by <b>increasing the level and extent of specified real-time audit work</b>	Complete and report on 100% of planned real-time audit work	Complete and report on 100% of planned real-time audit work	Complete and report on 100% of planned real-time audit work
		Increase our impact on the accountability culture of the public sector by <b>implementing a differentiated audit approach</b>	Approve differentiated audit approach and implementation plan  Pilot approach at selected auditees	Implement differentiated audit approach at selected auditees	Implement differentiated audit approach at selected auditees and assess its impact
		Increase our impact on the accountability culture of the public sector by <b>optimising our collaboration with civil society organisation (CSO) partners</b>	Refine and institutionalise framework and implementation plan for collaboration with CSOs  Report on outcome of programme	Implement 80% - 100% of planned collaboration programme with CSOs  Report on outcome of programme	Implement 80% - 100% of planned collaboration programme with CSOs  Report on outcome of programme
		Increase the understanding of the performance of the public sector <b>by extracting unique insights and incorporating these into our products</b>	Develop and approve plan for new insight-based products offered by the AGSA to various stakeholders	Implement 80% - 100% of planned actions for 2023-24, and demonstrate use of new insights in selected products or programmes	Implement 80% - 100% of planned actions for 2024-25, and demonstrate use of new insights in selected products or programmes

Strategic goal	Goal weight	Measure	Performance targets		
			2022-23	2023-24	2024-25
<b>Influence</b> stakeholders to drive culture shift	15%	<b>Improve our stakeholders' sentiment</b> about our contribution to the accountability culture in the public sector	Establish stakeholder sentiment baseline rating	Implement planned actions to improve or maintain stakeholder rating	Achieve 5% - 8% improvement in stakeholder sentiment baseline rating
		Report on and implement measures to <b>improve the performance of the accountability ecosystem</b>	Develop and approve accountability ecosystem framework and implementation plan	Implement identified actions to improve performance of accountability ecosystem  Report on performance thereof	Implement identified actions to improve performance of accountability ecosystem  Report on performance thereof
		Auditor-general's <b>assessment of the organisation's performance</b> on influencing stakeholders to move to a culture of accountability	Meet the auditor-general's expectations on influencing stakeholders to move to a culture of accountability	Meet the auditor-general's expectations on influencing stakeholders to move to a culture of accountability	Meet the auditor-general's expectations on influencing stakeholders to move to a culture of accountability
<b>Enforce</b> accountability in the public sector	15%	Finalise the implementation of the <b>MI process</b> across all auditees	42% of auditees	80% of auditees	100% of auditees
		Auditor-general's <b>assessment of the organisation's performance</b> in implementing the enhanced powers	Meet the auditor-general's expectations on the implementation of our enhanced powers	Meet the auditor-general's expectations on the implementation of our enhanced powers	Meet the auditor-general's expectations on the implementation of our enhanced powers

Strategic goal	Goal weight	Measure	Performance targets		
			2022-23	2023-24	2024-25
Efficiently execute our mandate	15%	Improve our <b>productivity level</b>	Establish organisation’s productivity level baseline and define measures for improvement	Achieve 2% - 3% improvement against baseline	Achieve 4% - 6% improvement against baseline
		Improve our <b>audit efficiency</b>	Establish organisation’s audit efficiency baseline and define measures for improvement	Achieve 2% - 3% improvement against baseline	Achieve 4% - 6% improvement against baseline
		Improve our <b>business efficiency</b>	Establish organisation’s business efficiency baseline and define measures for improvement	Achieve 2% - 3% improvement against baseline	Achieve 4% - 6% improvement against baseline
Sustainably achieve and maintain the desired impact	20%	<b>Net surplus</b>	1% - 4%	1% - 4%	1% - 4%
		<b>Sustainability margin</b>	2 - 3 months’ forward cover	2 - 3 months’ forward cover	2 - 3 months’ forward cover
		Promote the <b>well-being of our staff</b>	Develop and approve holistic employee well-being programme	Implement all planned actions for 2023-24 included in employee well-being programme	Implement all planned actions for 2024-25 included in employee well-being programme
		% adherence to <b>quality standards: audit engagements</b>	80% - 90% (C1, C1#, C2 and C3 rating)	80% - 90% (C1, C1#, C2 and C3 rating)	80% - 90% (C1, C1#, C2 and C3 rating)
		% implementation of the <b>International Standard on Quality Management (ISQM) 1</b>	Full implementation of ISQM 1	80% - 90% adherence to identified processes	80% - 90% adherence to identified processes



ANNEXURE

B

BUDGET OF THE  
AUDITOR-GENERAL  
SOUTH AFRICA FOR 2022-25



## PROJECTED STATEMENT OF COMPREHENSIVE INCOME

### (ACTUAL, BUDGET AND FORECAST)

	Actual	Budget		Forecast	
	2020-21	2021-22	2022-23	2023-24	2024-25
	Rm	Rm	Rm	Rm	Rm
<b>AUDIT INCOME</b>	<b>3 394,6</b>	<b>4 179,3</b>	<b>4 355,3</b>	<b>4 581,1</b>	<b>4 811,4</b>
Own hours	2 691,0	3 204,1	3 519,3	3 705,2	3 890,5
S&T recoverable	101,1	204,7	166,5	173,2	180,1
Contract work	636,6	811,2	710,2	745,7	782,9
IFRS 15 revenue adjustment	(34,2)	(40,7)	(40,7)	(43,0)	(42,1)
<b>DIRECT AUDIT EXPENDITURE</b>	<b>2 340,6</b>	<b>2 716,5</b>	<b>2 664,7</b>	<b>2 796,4</b>	<b>2 934,3</b>
Personnel expenditure	1 601,8	1 695,2	1 788,0	1 877,5	1 971,3
S&T recoverable	101,1	204,7	166,5	173,2	180,1
Contract work	637,7	816,6	710,2	745,7	782,9
<b>Contract work % of audit income</b>	<b>18,8%</b>	<b>19,4%</b>	<b>16,3%</b>	<b>16,3%</b>	<b>16,3%</b>
<b>Gross profit</b>	<b>1 054,0</b>	<b>1 462,8</b>	<b>1 690,6</b>	<b>1 784,7</b>	<b>1 877,1</b>
<b>Own hours gross profit</b>	<b>1 089,3</b>	<b>1 508,9</b>	<b>1 731,3</b>	<b>1 827,7</b>	<b>1 919,2</b>
<b>Gross margin % of audit income</b>	<b>31,05%</b>	<b>35,00%</b>	<b>38,82%</b>	<b>38,96%</b>	<b>39,01%</b>
<b>Other income</b>	<b>58,4</b>	<b>71,7</b>	<b>73,6</b>	<b>70,4</b>	<b>72,5</b>
Interest	25,4	35,5	38,6	40,6	42,7
Sundry income	33,0	36,2	35,0	29,8	29,8
<b>Appropriation income</b>	<b>43,5</b>	<b>0,0</b>	<b>50,0</b>	<b>0,0</b>	<b>0,0</b>
<b>Contribution to overheads</b>	<b>1 155,9</b>	<b>1 534,5</b>	<b>1 814,2</b>	<b>1 855,1</b>	<b>1 949,6</b>
<b>Overhead expenses</b>	<b>1 262,3</b>	<b>1 413,0</b>	<b>1 621,4</b>	<b>1 656,1</b>	<b>1 735,2</b>
<b>Overhead as % of audit income</b>	<b>37,19%</b>	<b>33,81%</b>	<b>37,23%</b>	<b>36,15%</b>	<b>36,06%</b>
<b>Depreciation</b>	<b>186,5</b>	<b>179,1</b>	<b>165,2</b>	<b>148,4</b>	<b>138,3</b>
<b>Net surplus</b>	<b>(293,0)</b>	<b>(57,6)</b>	<b>27,6</b>	<b>50,6</b>	<b>76,1</b>
<b>Net surplus as % of audit income</b>	<b>-8,63%</b>	<b>-1,38%</b>	<b>0,63%</b>	<b>1,10%</b>	<b>1,58%</b>



# PROJECTED STATEMENT OF FINANCIAL POSITION

## (ACTUAL, BUDGET AND FORECAST)

	Actual	Budget		Forecast	
	2020-21	2021-22	2022-23	2023-24	2024-25
	Rm	Rm	Rm	Rm	Rm
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>	<b>828,3</b>	<b>770,7</b>	<b>798,3</b>	<b>848,9</b>	<b>925,0</b>
General reserve	1 116,4	1 116,4	1 116,4	1 116,4	1 116,4
Special audit services fund	5,0	5,0	5,0	5,0	5,0
Retained earnings	0,0	(293,0)	(350,6)	(323,0)	(272,4)
Net surplus for the year	(293,0)	(57,6)	27,6	50,6	76,1
<b>Non-current liabilities</b>	<b>568,0</b>	<b>559,8</b>	<b>510,7</b>	<b>422,1</b>	<b>319,6</b>
Retirement benefit obligation - medical aid liability	51,1	54,6	58,1	61,8	65,7
Operating lease liability	516,9	505,2	452,6	360,3	253,9
<b>Current liabilities</b>	<b>717,9</b>	<b>745,3</b>	<b>850,6</b>	<b>870,4</b>	<b>924,1</b>
Trade and other payables	525,6	537,7	642,9	660,2	711,0
Leave liability	192,3	207,6	207,6	210,2	213,0
	<b>2 114,2</b>	<b>2 075,9</b>	<b>2 159,6</b>	<b>2 141,4</b>	<b>2 168,6</b>
<b>EMPLOYMENT OF CAPITAL</b>					
<b>Non-current assets</b>	<b>607,5</b>	<b>591,1</b>	<b>686,1</b>	<b>675,3</b>	<b>680,9</b>
Property, plant and equipment	607,5	591,1	686,1	675,3	680,9
<b>Investments</b>	<b>420,2</b>	<b>448,9</b>	<b>474,7</b>	<b>511,2</b>	<b>549,6</b>
<b>Current assets</b>	<b>1 086,5</b>	<b>1 035,9</b>	<b>998,8</b>	<b>954,9</b>	<b>938,2</b>
Trade and other debtors	930,5	907,6	876,9	822,4	768,1
Bank and cash	156,0	128,3	121,9	132,5	170,1
	<b>2 114,2</b>	<b>2 075,9</b>	<b>2 159,6</b>	<b>2 141,4</b>	<b>2 168,6</b>

### Working capital assumptions

1. Trade and other payables are calculated on a 30-day payment period from the date of approval of the AGSA payment.
2. Trade debtors are calculated based on the following days outstanding: 2020 to 2023: 75% - 80% recovery within 30 days for national departments and 55% - 80% recovery within 30 days for provincial departments.

## PROJECTED CASH FLOW

### (BUDGET AND FORECAST)

	Budget		Forecast	
	31 March 2022	31 March 2023	31 March 2024	31 March 2025
	Rm	Rm	Rm	Rm
<b>Opening balance</b>	<b>317,5</b>	<b>318,5</b>	<b>337,9</b>	<b>390,3</b>
Bank	156,0	128,3	121,9	137,8
Investments*	161,5	190,2	216,0	252,5
<b>Cash inflow</b>	<b>4 897,8</b>	<b>5 231,2</b>	<b>5 338,8</b>	<b>5 567,3</b>
Audit income	4 760,0	5 124,4	5 268,3	5 533,2
Other income	119,1	81,0	33,9	34,1
Investment income	18,7	25,8	36,5	38,4
<b>Cash outflow</b>	<b>4 906,8</b>	<b>5 211,8</b>	<b>5 291,6</b>	<b>5 529,7</b>
Operating expenditure	4 771,1	4 976,5	5 133,3	5 364,2
Capital expenditure	135,7	235,3	158,3	165,5
<b>Closing balance</b>	<b>318,5</b>	<b>337,9</b>	<b>385,0</b>	<b>460,9</b>
Bank	128,3	121,9	132,5	170,1
Investments*	190,2	216,0	252,5	290,9

\* The investment balances reflected above exclude the investment ring-fenced for specific commitments. This investment is part of the total investment balance in the balance sheet. Factoring in this balance, the total cash balance for 2022-23 is projected to be R596,6 million.

## DETAILED BUDGET (BUDGET AND FORECAST)

	Notes	Budget		Forecast	
		2021-22	2022-23	2023-24	2024-25
<b>AUDIT INCOME</b>	1	<b>4 179 189 801</b>	<b>4 355 268 596</b>	<b>4 581 162 941</b>	<b>4 811 451 185</b>
<b>Own hours</b>	1.1	<b>3 204 050 766</b>	<b>3 519 283 785</b>	<b>3 705 247 974</b>	<b>3 890 510 373</b>
Regularity audit		2 859 405 558	3 168 332 661	3 335 752 070	3 502 539 674
Specialised audit		344 645 208	350 951 124	369 495 904	387 970 699
<b>Contract work</b>	1.2	<b>811 156 597</b>	<b>710 152 896</b>	<b>745 660 540</b>	<b>782 943 567</b>
Regularity audit		767 647 053	670 811 079	704 351 632	739 569 214
Specialised audit		43 509 544	39 341 817	41 308 908	43 374 353
<b>Subsistence and travel</b>	1.3	<b>204 700 138</b>	<b>166 549 616</b>	<b>173 211 600</b>	<b>180 140 064</b>
<b>IFRS 15 revenue adjustments</b>		<b>(40 717 700)</b>	<b>(40 717 700)</b>	<b>(42 957 174)</b>	<b>(42 142 820)</b>
<b>DIRECT AUDIT COST</b>		<b>2 716 485 288</b>	<b>2 664 722 277</b>	<b>2 796 292 895</b>	<b>2 934 375 423</b>
Staff remuneration: ABUs	2.3	1 695 184 595	1 788 019 766	1 877 420 754	1 971 291 792
Contract work: recoverable		816 600 554	710 152 896	745 660 540	782 943 567
S&T: recoverable		204 700 138	166 549 616	173 211 600	180 140 064
<b>GROSS PROFIT</b>		<b>1 462 704 513</b>	<b>1 690 546 319</b>	<b>1 784 870 046</b>	<b>1 877 075 761</b>
<b>GROSS PROFIT %</b>		<b>35,00%</b>	<b>38,82%</b>	<b>38,96%</b>	<b>39,01%</b>
<b>OTHER INCOME</b>	1.4	<b>71 747 319</b>	<b>73 651 907</b>	<b>70 432 938</b>	<b>72 476 688</b>
Interest received: PIC		21 611 334	34 726 803	36 527 975	38 364 182
Interest received: SCMB		13 935 983	3 896 978	4 099 102	4 305 158
Sundry income		36 200 001	35 028 126	29 805 860	29 807 348
<b>Appropriation income</b>	1.5	<b>-</b>	<b>50 000 000</b>	<b>-</b>	<b>-</b>
<b>SURPLUS BEFORE OPERATING COST</b>		<b>1 534 451 832</b>	<b>1 814 198 226</b>	<b>1 855 302 984</b>	<b>1 949 552 449</b>

## DETAILED BUDGET (continued)

### (BUDGET AND FORECAST)

	Notes	Budget		Forecast	
		2021-22	2022-23	2023-24	2024-25
<b>OPERATING COST</b>		<b>1 412 971 621</b>	<b>1 621 436 293</b>	<b>1 656 063 871</b>	<b>1 735 155 941</b>
<b>Staff remuneration</b>	2.3.2	<b>635 799 964</b>	<b>749 749 184</b>	<b>787 236 643</b>	<b>826 598 475</b>
<b>Other personnel expenditure</b>	2	<b>277 577 982</b>	<b>341 039 663</b>	<b>358 577 491</b>	<b>377 021 361</b>
Leave pay provision	2.1	52 667 872	50 442 504	55 301 266	58 066 329
Medical aid provision	2.2	3 500 000	4 400 000	3 675 000	3 858 750
Group life scheme	2.4	38 017 107	44 128 206	51 499 530	54 589 502
Long-service awards and other	2.4	202 245	202 245	212 357	222 975
Performance bonus liability	2.6	174 669 898	233 124 304	243 388 874	255 558 318
UIF: employer contribution	2.5	5 395 549	4 956 249	2 169 276	2 277 740
Workmen's compensation premiums	2.5	1 569 075	2 065 977	524 992	551 241
BU recognition scheme	2.4	1 556 236	1 720 187	1 806 196	1 896 506
<b>Outsourced services</b>		<b>40 716 800</b>	<b>79 945 743</b>	<b>83 143 572</b>	<b>86 469 315</b>
Outsourced services: irrecoverable	3	40 716 800	79 945 743	83 143 572	86 469 315
<b>S&amp;T – irrecoverable</b>		<b>12 394 878</b>	<b>12 757 578</b>	<b>13 267 881</b>	<b>13 798 596</b>
S&T: irrecoverable	4	12 394 878	12 757 578	13 267 881	13 798 596
<b>Accommodation</b>		<b>28 763 737</b>	<b>23 626 508</b>	<b>26 083 665</b>	<b>28 170 359</b>
Security expenses	5	12 734 354	18 145 508	20 032 641	21 635 252
Operating costs		16 029 384	5 481 001	6 051 025	6 535 107

## DETAILED BUDGET (continued)

### (BUDGET AND FORECAST)

	Notes	Budget		Forecast	
		2021-22	2022-23	2023-24	2024-25
<b>Stakeholder relationships</b>		<b>22 471 886</b>	<b>24 394 400</b>	<b>25 270 176</b>	<b>26 180 983</b>
Liaison	6.1.1	3 299 363	3 299 363	3 431 338	3 568 591
Internal stakeholder relations	6.1.2	3 118 743	3 217 973	3 346 692	3 480 560
External stakeholder relations	6.1.3	609 589	656 767	683 038	710 360
Culture expenses		100 000	100 000	104 000	108 160
Constitutional liaison		900 529	900 529	936 550	974 012
Non-constitutional liaison		320 508	320 508	333 329	346 662
Head of portfolio leadership sessions		1 013 539	1 188 860	1 236 415	1 285 871
Senior management workshop		2 210 000	2 210 000	2 298 400	2 390 336
Stakeholder workshops		531 462	702 015	730 095	759 299
Regional congresses	6.2	2 117 986	2 202 840	2 290 954	2 382 592
Foreign visitors	6.3	89 898	109 898	114 294	118 866
Overseas travel	6.4	1 174 629	2 500 006	2 500 006	2 500 006
International conferences		6 985 640	6 985 640	7 265 066	7 555 668
<b>Oversight governance</b>	7	<b>1 966 119</b>	<b>7 355 119</b>	<b>7 649 323</b>	<b>8 261 269</b>
Scoag		189 000	100 000	104 000	112 320
Labour and staff relations		580 752	580 752	603 982	652 301
Advisory committee for MIs		-	5 478 000	5 697 120	6 152 890
Corporate governance board		1 196 367	1 196 367	1 244 221	1 343 759
<b>Audit expenses</b>	8	<b>9 333 320</b>	<b>8 231 099</b>	<b>8 560 343</b>	<b>8 902 756</b>
External audit fees	8.1	4 547 860	5 108 099	5 312 423	5 524 920
Internal audit costs	8.2	4 785 460	3 123 000	3 247 920	3 377 837
<b>Bank charges</b>		<b>409 486</b>	<b>951 563</b>	<b>1 018 172</b>	<b>1 089 444</b>
Bank charges		409 486	951 563	1 018 172	1 089 444

## DETAILED BUDGET (continued)

### (BUDGET AND FORECAST)

	Notes	Budget		Forecast	
		2021-22	2022-23	2023-24	2024-25
<b>Finance charges</b>		<b>84 897 135</b>	<b>50 460 826</b>	<b>43 034 408</b>	<b>32 799 416</b>
Finance charges	5.1	84 897 135	50 460 826	43 034 408	32 799 416
<b>Recruitment expenses</b>	9	<b>5 767 708</b>	<b>5 767 708</b>	<b>5 998 416</b>	<b>6 238 353</b>
Advertising		1 025 000	1 025 000	1 066 000	1 108 640
Personnel agency fees		2 050 000	2 050 000	2 132 000	2 217 280
Interviews		857 669	857 669	891 976	927 655
Transfer and relocation expenses		1 835 039	1 835 039	1 908 440	1 984 778
<b>Learning and development</b>	10	<b>93 286 442</b>	<b>81 522 518</b>	<b>84 783 418</b>	<b>88 174 755</b>
Membership fees	10.1	26 591 177	26 636 202	27 701 650	28 809 716
<b>Training</b>	10.2	<b>12 180 055</b>	<b>12 180 055</b>	<b>12 667 257</b>	<b>13 173 948</b>
- Internal training	10.2	10 081 177	10 081 177	10 484 424	10 903 801
- Conferences and seminars	10.2	1 792 074	1 792 074	1 863 757	1 938 307
- S&T: training	10.2	306 804	306 804	319 076	331 839
Study assistance: employees	10.3	14 450 115	14 737 983	15 327 503	15 940 603
Study support incentive scheme		5 590 055	5 590 055	5 813 657	6 046 203
Institutional and learning development projects		2 061 371	2 061 371	2 143 826	2 229 579
Graduate programmes	10.2	2 345 990	2 345 990	2 439 830	2 537 423
Bursaries	10.4	18 677 278	18 677 278	19 424 369	20 201 343
Tertiary assistance	10.4	1 981 220	1 981 220	2 060 469	2 142 888
Study support incentive scheme: top-up one		112 731	112 731	117 240	121 930
Skills development levy		22 348 810	23 304 353	24 236 527	25 205 988
Skills development levy: recovered		(13 052 359)	(26 104 720)	(27 148 909)	(28 234 865)

## DETAILED BUDGET (continued)

### (BUDGET AND FORECAST)

	Notes	Budget		Forecast	
		2021-22	2022-23	2023-24	2024-25
<b>Employee wellness programme</b>	11	<b>20 218 496</b>	<b>19 075 496</b>	<b>19 838 516</b>	<b>20 632 056</b>
Employee wellness programmes		15 287 496	15 287 496	15 898 996	16 534 956
Employee social responsibility		500 000	500 000	520 000	540 800
AGSA social responsibility (general)		508 000	508 000	528 320	549 453
Enterprise development		3 143 000	2 000 000	2 080 000	2 163 200
Corporate social investment		780 000	780 000	811 200	843 648
<b>Technological services</b>	12	<b>117 282 515</b>	<b>155 345 006</b>	<b>124 291 778</b>	<b>136 400 333</b>
Computer services	12.1	112 215 156	150 206 821	118 948 065	130 842 872
Hiring of equipment: rental	12.2	4 168 974	4 215 468	4 384 087	4 559 451
Hiring of equipment: copy charges		898 385	922 717	959 626	998 011
<b>Insurance and legal fees</b>	13	<b>15 857 270</b>	<b>15 679 637</b>	<b>16 441 293</b>	<b>17 522 529</b>
Insurance		2 410 160	2 232 527	2 321 828	2 414 701
Legal costs		13 447 110	13 447 110	14 119 466	15 107 828

## DETAILED BUDGET (continued)

### (BUDGET AND FORECAST)

	Notes	Budget		Forecast	
		2021-22	2022-23	2023-24	2024-25
<b>Office maintenance</b>	14	<b>19 887 291</b>	<b>20 099 526</b>	<b>20 903 507</b>	<b>21 739 648</b>
Cleaning: contracts/services		7 342 510	7 342 510	7 636 210	7 941 658
Cleaning: materials		673 812	674 544	701 526	729 587
Office improvements		235 992	235 992	245 432	255 249
Refreshments		1 200 188	1 200 188	1 248 195	1 298 123
Publications		2 287 284	2 287 284	2 378 775	2 473 926
Repairs and maintenance: computer equipment and software		134 803	134 803	140 195	145 803
Repairs and maintenance: furniture and equipment		266 223	288 895	300 451	312 469
Repairs and maintenance: site and buildings		1 046 397	1 106 397	1 150 653	1 196 679
Repairs and maintenance: office vehicles		591 275	591 275	614 926	639 523
Printing of audit reports		1 800 879	1 800 879	1 872 914	1 947 831
Stationery and printing		2 287 134	2 415 965	2 512 604	2 613 108
Covid-19: PPE		1 186 556	1 186 556	1 234 018	1 283 379
Medical examinations		35 963	35 963	37 402	38 898
Warranty costs		798 274	798 274	830 205	863 414
<b>Communication</b>	15	<b>11 728 943</b>	<b>13 434 720</b>	<b>13 736 522</b>	<b>14 285 983</b>
Cellphone charges	15.2	9 020 257	10 675 601	11 102 625	11 546 730
Postage and courier services		860 095	860 095	658 912	685 268
Telephone charges	15.1	1 848 591	1 899 024	1 974 985	2 053 985
<b>Other expenses</b>		<b>14 611 650</b>	<b>12 000 000</b>	<b>12 480 000</b>	<b>12 979 200</b>
Bad-debt provision		14 611 650	12 000 000	12 480 000	12 979 200



## DETAILED BUDGET (continued)

### (BUDGET AND FORECAST)

	Notes	Budget		Forecast	
		2021-22	2022-23	2023-24	2024-25
<b>SURPLUS BEFORE DEPRECIATION</b>		<b>121 480 212</b>	<b>192 761 933</b>	<b>204 936 233</b>	<b>220 549 397</b>
<b>Depreciation</b>	16	<b>179 015 825</b>	<b>165 241 437</b>	<b>148 396 403</b>	<b>138 290 337</b>
Depreciation: right-of-use assets	5.2	108 929 610	101 312 779	90 860 611	86 508 124
Depreciation: motor vehicles		1 047 543	457 729	411 956	370 760
Depreciation: furniture and equipment		10 135 028	3 917 580	3 525 822	3 173 240
Depreciation: computer equipment		39 497 426	33 276 758	29 949 082	26 954 174
Depreciation: computer software		14 391 862	13 005 795	11 705 215	10 534 694
Depreciation: leasehold improvements		5 014 357	13 270 797	11 943 717	10 749 346
<b>NET SURPLUS</b>		<b>(57 535 613)</b>	<b>27 520 496</b>	<b>50 842 709</b>	<b>76 106 170</b>
<b>Net surplus percentage</b>		<b>-1,38%</b>	<b>0,63%</b>	<b>1,11%</b>	<b>1,58%</b>
<b>CAPITAL BUDGET</b>	17	<b>162 642 881</b>	<b>260 238 636</b>	<b>137 634 454</b>	<b>143 901 205</b>
Motor vehicles	17.1	1 860 000	1 860 000	1 878 600	-
Furniture and equipment	17.2	4 474 492	4 475 992	4 742 962	5 027 539
Computer equipment	17.4	57 545 799	79 394 250	84 157 905	89 207 379
Computer software	17.5	38 825 460	114 571 264	41 154 988	43 624 287
Leasehold improvement	17.3	4 550 000	4 550 000	5 700 000	6 042 000
Right-of-use assets	17.6	55 387 130	55 387 130	-	-
<b>CAPEX AS % OF TOTAL INCOME</b>		<b>3,89%</b>	<b>5,98%</b>	<b>3,00%</b>	<b>2,99%</b>

# NOTES

## TO THE BUDGET

### 1. AUDIT INCOME

Budget item	Ref.	Budget		Change	
		2021-22	2022-23	R'000	%
		R'000	R'000		
(1)	(2)	(2)-(1)	(2)-(1)		
Own hours	1.1	3 204 051	3 519 284	315 233	10%
Contract work	1.2	811 157	710 153	(101 004)	-12%
S&T	1.3	204 701	166 550	(38 151)	-19%
<b>Total audit income</b>		<b>4 219 909</b>	<b>4 395 987</b>	<b>176 078</b>	<b>4%</b>
IFRS 15 revenue adjustments		(40 718)	(40 718)	-	0%
<b>Total audit income after IFRS 15 adjustments</b>		<b>4 179 191</b>	<b>4 355 269</b>	<b>176 078</b>	<b>4%</b>

#### Effect of the estimates of the AGSA for 2021-22 on state expenditure

The total estimated audit cost of R4,36 billion for 2022-23 (2021-22: R4,18 billion) amounts to 0,23% (2021-22: 0,23%) of the estimated state expenditure of approximately R2 trillion. The estimate for 2022-23 represents a 4% increase over the 2021-22 budget and has no material effect on the estimated total state expenditure for 2022-23.

#### Calculation of own hours' income

Three elements are used to calculate own hours' income, namely:

- Projected number of recoverable staff members (refer to note 1.1.1)
- Number of recoverable hours (refer to note 1.1.1.A)
- Tariffs (refer to note 1.1.2)

The 2022-23 own hours' income has been compiled using the same tariff formula applied in previous years, which is aligned to the AGSA's funding model.

## NOTES TO THE BUDGET

### 1.1 OWN HOURS

#### 1.1.1 Number of staff – ABUs only

Audit staff	Budget		Change	Comments
	2021-22	2022-23		
	Staff numbers	Staff numbers	Staff numbers	
	(1)	(2)		
Business unit leaders	18	17	(1)	
Deputy business unit leaders	25	24	(1)	
Audit senior managers	178	180	2	The increase in senior auditors and audit clerks is mainly driven by the retention and appointment of experienced trainee auditors into these positions to capacitate the ABUs.
Audit managers	485	481	(4)	
Assistant managers	642	639	(3)	
Senior auditors	174	309	135	
Audit clerks	45	67	22	
Auditors	54	52	(2)	
Trainee auditors	1 259	1 123	(136)	
Senior IT auditors	34	34	-	The aim is to capacitate the systems audit with experienced and skilled resources in line with the data analytics strategy.
IT auditors	38	38	-	
<b>Total audit staff</b>	<b>2 952</b>	<b>2 964</b>	<b>12</b>	

#### 1.1.1. A Own hours – recoverable hours and ratios

Recoverable hours are influenced by the recovery rate determined for each staff band within the ABUs. The level of these recovery rates takes into account sufficient time for essential non-recoverable activities (e.g. annual leave, study leave, sick leave, training, management and supervision). The average recovery rate for the 2022-23 budget is 64,5% (2021-22 budget: 61,8%). The increase in recovery rates year on year is mainly driven by the retention of skilled staff and the recruitment of trainee auditors with a CTA qualification.

## NOTES TO THE BUDGET

### Detailed analysis of recovery ratio and recoverable hours per band

Budget item	Budget		Recovered hours		Change		Comments
	2021-22	2022-23	2021-22	2022-23	Hours	%	
	Recovery rate per band	Recovery rate per band					
(1)	(2)	(1)	(2)	(2)-(1)	(2)-(1)		
<b>Audit staff</b>							
Business unit leaders	15%	18%	5 956	6 049	93	1,6%	The net increase in recoverable hours of 163 403 is due to the following:
Deputy business unit leaders	21%	23%	10 780	11 165	384	3,6%	
Senior managers	44%	47%	161 950	171 644	9 693	6,0%	<b>Increase of 222 573 hours as a result of:</b>
Audit managers	58%	62%	587 694	623 336	35 642	6,1%	
Assistant managers	62%	65%	832 484	859 797	27 313	3,3%	<b>Decrease of 59 170 hours as a result of:</b>
Senior auditors	64%	66%	230 376	421 079	190 703	82,8%	
Auditors	65%	65%	44 983	44 668	(314)	-0,7%	The change in recoverable hours within bands is due to the movement in recoverable staff numbers within the bands.
IT auditors	60%	61%	66 314	63 748	(2 565)	-3,9%	
Senior IT auditors	65%	71%	61 088	98 257	37 168	60,8%	Recovered hours for the 2022-23 budget exclude 102 934 hours (2021-22: 75 812) planned to be spent on audit projects but not billed to financially distressed auditees.
Audit clerks	66%	69%	1 744 128	1 608 498	(135 630)	-7,8%	
Trainee auditors	64%	65%	49 418	50 333	915	1,9%	
<b>Total</b>			<b>3 795 171</b>	<b>3 958 574</b>	<b>163 403</b>	<b>4,3%</b>	

## NOTES TO THE BUDGET

### 1.1.1. B Own hours – non-recoverable hours and ratios

Budget item	2022-23 ratios						2022-23 budget		2021-22 budget		
	Annual & family responsibility leave	Sick leave	Study leave	Research	Training	Management & supervision	Total %	Total non-recoverable hours	Non-recoverable hours per employee	Total non-recoverable hours	Non-recoverable hours per employee
Business unit leaders	11%	4%	0%	0%	6%	61%	82%	27 880	1 640	29 774	1 654
Deputy business unit leaders	11%	4%	0%	0%	6%	56%	77%	36 864	1 536	24 852	1 553
Senior managers	11%	4%	0%	0%	6%	29%	50%	180 720	1 004	162 637	1 009
Audit managers	11%	4%	0%	0%	6%	15%	35%	339 586	706	371 030	807
Assistant managers	11%	4%	2%	0%	6%	11%	34%	436 437	683	416 195	686
Senior auditors	11%	4%	4%	0%	6%	9%	34%	211 047	683	66 870	686
Senior IT auditors	11%	4%	4%	0%	6%	9%	34%	23 222	683	19 890	686
Auditors	11%	4%	4%	0%	6%	7%	32%	33 540	645	18 558	646
Audit clerks	11%	4%	4%	0%	6%	4%	29%	39 329	587	24 711	605
Trainee auditors	11%	4%	8%	0%	6%	4%	33%	751 287	669	898 575	686
IT auditors	11%	4%	6%	0%	5%	4%	30%	22 952	604	22 996	605

### 1.1.2 Recommended tariffs

Tariffs are based on average staff costs per band and interval, a mark-up factor and recoverable hours per band (staff cost x mark-up factor ÷ recoverable hours). The average 2022-23 budget tariff is R889 per hour (2021-22: R844 per hour) translating into an increase of R45 per hour or 5,3%, which is in line with the average projected inflation rate (CPI) of between 5% to 5,5%.

## NOTES TO THE BUDGET

Budget item	Budget		Change	Comments
	2021-22	2022-23		
	Rand per hour (average)	Rand per hour (average)	Rand per hour (average)	
	(1)	(2)	(2)-(1)	
<b>Audit staff</b>				
Business unit leaders	3 516	3 516	0	The tariff increase per hour of R45 or 5,3% year on year is in line with the annual salary adjustment and projected average CPI of 5% to 5,5%.  The change in the average tariff per band is mainly due to the movement of staff between bands because of promotions and progression in studies. In addition, the staff mix and change in recoverable hours within bands contribute to the movement in tariff.
Deputy business unit leaders	3 974	4 129	155	
Senior managers	2 285	2 381	96	
Audit managers	1 617	1 675	58	
Assistant managers	991	1 050	59	
Senior auditors	587	603	16	
Senior IT auditors	554	584	30	
Auditors	541	561	20	
Audit clerks	401	496	95	
Trainee auditors	436	445	9	
IT auditors	288	307	19	
<b>Average</b>	<b>844</b>	<b>889</b>	<b>45</b>	

## NOTES TO THE BUDGET

### 1.2 CONTRACT WORK MOVEMENT

Private audit firms play a pivotal role in contributing strategic resources towards the execution of the AGSA's mandate. Over the years, it has been the AGSA's practice to outsource a certain amount of audit work to private audit firms. This contributes to the auditing profession's transformation by allocating work partially based on the private audit firms' BBBEE score. In keeping with the previous year's practice, specific provision has been made for the allocation of audit work to private audit firms to accommodate employee vacancies, especially during peak audit periods (i.e. the Public Finance Management Act and the Municipal Finance Management Act audit cycles). CWC income as a percentage of total audit income has decreased from 19% in the 2021-22 budget to 16% in the 2022-23 budget. The decrease is in line with the strategy to bring the ratio down to 14% or less.

Budget item	Budget		Comments
	2021-22	2022-23	
	R'000	R'000	
Enterprise development	582 139	547 974	This is in line with the AGSA's practice of outsourcing work to private audit firms and to support emerging private audit firms.
Pre-issuance	77 449	76 254	Quality review of audit files before the finalisation of audit reports for presentation to auditees.
Vacancies	151 569	85 925	Provision for additional contract work to accommodate unforeseen vacancies.
<b>Total</b>	<b>811 157</b>	<b>710 153</b>	
<b>% of total income</b>	<b>19%</b>	<b>16%</b>	



## NOTES TO THE BUDGET

### 1.3 S&T – RECOVERABLE

Budget item	Ref.	Budget		Change	
		2021-22	2022-23		
		R'000	R'000	R'000	%
		(1)	(3)	(3)-(1)	(3)-(1)
S&T: recoverable	1.3.1	204 701	166 550	(38 151)	-18,6%
<b>Total</b>		<b>204 701</b>	<b>166 550</b>	<b>(38 151)</b>	<b>-18,6%</b>
<b>% of total income</b>		<b>5%</b>	<b>4%</b>		

#### 1.3.1 Change from 2021-22 budget to 2022-23 budget

The S&T calculation is based on the S&T policy rates and the planned trips to conduct audits. The decrease year on year is due to the anticipated reduction in travelling as a result of the new normal way of working where audits can be performed remotely from the auditees' premises.

### 1.4 OTHER INCOME

Budget item	Budget		Change	
	2021-22	2022-23		
	R'000	R'000	R'000	%
	(1)	(3)	(3)-(1)	(3)-(1)
Interest received: investments	21 611	34 727	13 116	60,7%
Interest received: current account	13 936	3 897	(10 039)	-72,0%
Sundry income	36 200	35 028	(1 172)	-3,2%
<b>Total</b>	<b>71 747</b>	<b>73 652</b>	<b>1 905</b>	<b>2,7%</b>

As the economy is expected to improve from the low periods of the pandemic, cash collection from debtors is projected to improve, which will result in additional investments with a corresponding increase in interest income.

### 1.5 APPROPRIATION INCOME

The R50 million appropriation income is used to partly fund the cost of implementing the functions and powers brought by the amendments to the PAA. These costs include, amongst others, the cost of conducting further work on MIs, the cost of training to capacitate staff as well as increased legal and other fees for the work done by specialists to provide more insights.

## NOTES TO THE BUDGET

### 2. PERSONNEL EXPENDITURE

Budget item	Ref.	Budget		Change	
		2021-22	2022-23	R'000	%
		R'000	R'000		
		(1)	(3)	(3)-(1)	(3)-(1)
Leave pay provision	2.1	52 668	50 443	(2 225)	-4.2%
Medical aid provision	2.2	3 500	4 400	899	25,7%
Normal salary and benefits	2.3	2 330 985	2 537 769	206 784	8,9%
Other incentives	2.4	39 775	46 051	6 276	15,8%
UIF & WCA	2.5	6 965	7 022	56	0,8%
<b>Total</b>		<b>2 433 893</b>	<b>2 645 684</b>	<b>211 791</b>	<b>8,7%</b>
<b>% of total income</b>		<b>58,2%</b>	<b>60,7%</b>		

A more detailed analysis is shown in notes 2.1 to 2.5 below.

#### 2.1 LEAVE PAY PROVISION

The leave pay provision is a function of leave days and salary rate. The level of the provision is influenced by the accumulation of leave days allowed in terms of the applicable human resource policy. The number of accumulated leave days paid to an employee is limited to a maximum of 30 days on resignation and 120 days on retirement. For 2022-23, the budget provision is the same as in the 2021-22 budget, as staff members are encouraged to take or sell most of the accumulated leave days.

#### 2.2 POST-RETIREMENT MEDICAL AID PROVISION

Alexander Forbes Consultants & Actuaries base these estimates on actuarial projections for the 2022-23 forecast.

## NOTES TO THE BUDGET

### 2.3 NORMAL SALARY

#### 2.3.1 Audit staff (ABUs)

Employee group	Total		Average salary per band	Positioning against benchmarked range	Comments
	No.	R'000	R'000	R'000	
Business unit leaders	17	36 937	2 173	2 054 - 2 569 - 3 082	The average salary per band is within the salary ranges benchmarked by the AGSA's People and Organisation Effectiveness BU.
Deputy business unit leaders	24	44 947	1 873	1 691 - 2 114 - 2 537	
Audit senior managers	180	252 871	1 405	1 203 - 1 620 - 2 036	The senior auditors group consists of employees who have successfully completed their training contracts and are studying towards professional qualifications required for the audit manager level.
Audit managers	481	504 318	1 048	720 - 1 139 - 1 557	
Assistant managers	639	443 322	694	481 - 801 - 1 121	
Senior auditors	309	135 002	437	418 - 579 - 739	
Senior IT auditors	34	15 441	454	426 - 581 - 737	
Auditors	52	21 370	411	319 - 449 - 579	The audit clerks group consists of employees who have successfully completed their training contracts and who are behind on academic progress.
Audit clerks	67	21 107	315	258 - 332 - 406	
Trainee auditors	1 123	304 613	271	143 - 348 - 552	These employees are transferred from the trainee auditor band to the audit clerk band on fixed-term contract to retain experience and capacity.
IT auditors	38	8 092	213	172 - 373 - 573	
<b>Total</b>	<b>2 964</b>	<b>1 788 020</b>	<b>603</b>		

The total audit staff cost includes overtime and staff employed on a fixed-term contract from private audit firms for a period of one year or less.

## NOTES TO THE BUDGET

### 2.3.2 Support staff

Employee group	Total		Average salary per band	Positioning against benchmarked range	Comments
	No.	R'000	R'000	R'000	
Head of portfolio group	16	55 721	3 483	2 680 - 4 593 - 6 505	The average salary per band is within the salary ranges benchmarked by the People and Organisation Effectiveness BU.
Business unit leaders	16	33 962	2 123	1 957 - 2 446 - 2 934	
Deputy business unit leaders	5	8 829	1 766	1 575 - 1 969 - 2 364	
Senior managers	120	171 757	1 431	1 203 - 1 504 - 1 804	The head of portfolio group includes the salaries of the auditor-general and the deputy auditor-general.
Managers	323	297 433	922	552 - 965 - 1 378	
Admin staff and specialists	395	182 047	461	171 - 300 - 684	
<b>Total support staff</b>	<b>875</b>	<b>749 749</b>	<b>857</b>		

### 2.3.3 Total staff

Business focus areas	Budget				Comments
	2021-22		2022-23		
	No.	R'000	No.	R'000	
Total audit staff	2 951	1 695 185	2 964	1 788 020	This includes both salaries and overtime costs.
Total support staff in audit and non-audit BUs	785	635 800	875	749 749	The increase in recoverable staff remuneration is mainly due to annual salary increases, promotions and new appointments to capacitate BUs, the growth in audit work, and new audits.
					The increase in non-recoverable staff remuneration is driven by the annual salary adjustment and increase in headcount mainly due to the creation of new support BUs.
<b>Total staff</b>	<b>3 736</b>	<b>2 330 985</b>	<b>3 838</b>	<b>2 537 769</b>	

## NOTES TO THE BUDGET

### 2.4 OTHER INCENTIVES

Budget item	Budget		Change		Comments
	2021-22	2022-23			
	R'000	R'000	R'000	%	
	(1)	(3)	(3)-(1)	(3)-(1)	
Group life scheme	38 017	48 584	10 567	27,8%	The increase in the group risk costs is due the AGSA's claim history and the movement in the wage bill year on year.
Long-service awards	202	202	-	0,0%	Long-service awards are part of staff retention incentives (total reward). The 2022-23 budget is the same as the previous budget in support of cost-optimisation tactics.
BU recognition scheme	1 556	1 720	164	10,5%	These are BU recognition incentives used to reward teamwork and to promote staff morale. The total increase is driven by the growth in headcount.
<b>Total</b>	<b>39 776</b>	<b>50 506</b>	<b>10 731</b>	<b>26,97%</b>	

### 2.5 UIF & WCA

Budget item	Budget		Change	
	2021-22	2022-23		
	R'000	R'000	R'000	%
	(1)	(2)	(2)-(1)	(2)-(1)
UIF employer's contribution	5 396	4 956	(440)	-8,1%
WCA workmen's compensation premiums	1 570	2 066	496	31,6%
<b>Total</b>	<b>6 966</b>	<b>7 022</b>	<b>56</b>	<b>0,8%</b>

These levies are based on the full budgeted staff complement of 3 838 and have been calculated for the full year in terms of the relevant legislation.

## NOTES TO THE BUDGET

### 2.6 PERFORMANCE BONUS

The performance bonus is used to foster a culture of robust performance management and to retain employees. The increase is driven by the number of staff who qualify for bonuses based on the successful completion of individual performance contracts and on the average annual salary cost per staff member.

### 3. OUTSOURCED SERVICES

Budget item	Budget		Change	
	2021-22	2022-23	R'000	%
	R'000	R'000		
	(1)	(2)	(2)-(1)	(2)-(1)
<b>Consultant fees</b>	<b>40 717</b>	<b>79 946</b>	<b>39 229</b>	<b>96,3%</b>
Ongoing projects	13 350	46 120	32 770	245,5%
Once-off ad hoc projects	27 367	33 826	6 459	23,6%
<b>Total</b>	<b>40 717</b>	<b>79 946</b>	<b>39 229</b>	<b>96,3%</b>
<b>% of total income</b>	<b>1,0%</b>	<b>1,8%</b>		

The analysis that follows details the nature of the outsourced services. The activities are by nature not repetitive and therefore comparatives and commentary for the previous year are not provided.

# NOTES TO THE BUDGET

Budget item	2022-23 budget			Comments
	Ongoing	Once-off	Total	
	R'000	R'000	R'000	
Investigations	24 000	-	24 000	<p>Secondment of resources from private audit firms to perform some non-billable work to AGSA auditees. The work entails the following:</p> <ul style="list-style-type: none"> <li>• Data analytics development to ensure continued support and improvement of services offered to various ABUs.</li> <li>• Business continuity management to assist with the rollout and implementation of the value proposition.</li> </ul> <p>Also contained in outsourced services is a provision for ad hoc services requested by BUs where expertise is not available in the BU.</p>
Information Systems Audit	5 000	-	5 000	<p>Specialised services to assist in developing audit methodologies, review the skills of current staff to ensure compatibility with regularity audits, and automate access management reviews.</p> <p>Services to assist with the implementation of the AGSA's data analytics strategic project to ensure continued support and improvement of services offered to various ABUs.</p>
Performance Audit	527	-	527	Specialists to assist with the research and development of new and existing focus areas for performance audits and sector focus areas.
Audit Risk Intelligence	1 078	-	1 078	<p>Services required to perform the following:</p> <ul style="list-style-type: none"> <li>• Strategic intelligence report</li> <li>• Socio-economic survey of South Africa</li> <li>• Deep dive on key issues affecting the audit universe of the AGSA at macro and micro level</li> <li>• Country risk and industry research</li> <li>• Fitch ratings credit research</li> </ul>
Reporting	950	-	950	Contracting technical specialists from private audit firms' assurance technical division to assist with the implementation of the revised audit standards. These specialists possess a deeper knowledge of the revised audit standards and its impact on the audit process and have experience in implementing the revised audit standards.
Technical Audit Support	400	-	400	Specialised services for IFRS, tax accounting, PAA and MI support.



# NOTES TO THE BUDGET

Budget item	2022-23 budget			Comments
	Ongoing	Once-off	Total	
	R'000	R'000	R'000	
People and Organisation Effectiveness	2 655	-	2 655	Specialised services for: <ul style="list-style-type: none"> <li>Facilitating a leadership alignment intervention aimed at ensuring execution of the organisational strategy and creation of the vision culture.</li> <li>Continued implementation of the organisation's culture journey.</li> <li>Programmes aimed at facilitating behavioural change implemented across the organisation, including the capacitation of key stakeholders such as business partners, leaders and other key role players.</li> </ul>
Information and Communications Technology	8 841	33 000	41 841	Consulting services for implementing ERP roadmap, cybersecurity, dotnet application re-engineering, and CMS tool.
Communication	555	-	555	Expertise to assist with media content creation and monitoring, quarterly media analysis, and technical writer and content audit of the annual report to ensure the AGSA's messages are simple, clear and relevant.
Finance	474	513	987	Special services required for: <ul style="list-style-type: none"> <li>Occupational health standards and covid-19 expertise that is not available in the organisation.</li> <li>Business continuity management to assist with the rollout and implementation of the plan.</li> <li>Enhancement and maintenance of the budget tool.</li> <li>Independent review of the annual financial statements and actuarial review.</li> </ul>
Procurement	-	112	112	Outside expertise to refine the supply chain management policy and procedures, particularly on strategic resourcing.
Knowledge and Information Management	235	-	235	Expert skills required to implement the digitisation of the library, knowledge-sharing collaborative tools, strategy formulation, upgrade of the AGSA's website, and content design for knowledge-sharing approaches.
Strategic Audit Projects	57	-	57	Required specialised services to evaluate CWC, including sourcing of external auditors for the review of evaluation results performed internally.

## NOTES TO THE BUDGET

Budget item	2022-23 budget			Comments
	Ongoing	Once-off	Total	
	R'000	R'000	R'000	
Quality Control	606	-	606	External reviews and annual quality control reviews by the IRBA, mandatory quality control review of specialised ABUs by experts, reviews of information systems, and reviews performed by the internal (AGSA) quality control BU.
Risk and Ethics	428	-	428	Services required to support and enhance whistleblowing and internal control monitoring tool. Also included are services to assist in investigating complaints internally and externally as part of the electronic evidence-gathering process.
Corporate Secretariat	74	-	74	Services to assist in facilitating meetings of Scoag and the AGSA's governance committees (e.g. remuneration, audit, ICT steering, MAF policy, and quality control assessment).
Auditor-general	126	-	126	Services to assist the AGSA's participation in the Intosai community as the current chair of the Intosai capacity building committee.  The AGSA is involved in engagements aimed at building efforts of the community of SAs, supporting capacity building of SAs on the African continent, and developing interactive tools and products to assist with capacity development.
Chief people officer	114	100	214	Services for: <ul style="list-style-type: none"> <li>• Setting up the alumni network and the development of the alumni programme.</li> <li>• Assisting the AGSA with benchmarks on the best value proposition for critical skills retention at executive level.</li> <li>• Using experts on gender engagement and leadership alignment.</li> </ul>
Head of audit support portfolio and head of specialised audits	-	101	101	Services to quantify losses emanating from the PAA and MI process.
<b>Total</b>	<b>46 120</b>	<b>33 826</b>	<b>79 946</b>	

Once-off initiatives are defined by those projects necessary to establish capabilities that do not currently exist and/or to upgrade current capabilities and technologies.

## NOTES TO THE BUDGET

### 4. S&T – IRRECOVERABLE

Budget item	Budget		Change	
	2021-22	2022-23		
	R'000	R'000	R'000	%
	(1)	(3)	(3)-(1)	(3)-(1)
S&T: irrecoverable	12 395	12 758	363	3%
<b>Total</b>	<b>12 395</b>	<b>12 758</b>	<b>363</b>	<b>3%</b>
<b>% of total income</b>	<b>0,3%</b>	<b>0,3%</b>		

The increase is mainly due the newly created BUs and heads of portfolio.

### 5. ACCOMMODATION

#### 5.1 RENTALS

The increase in the average monthly costs per square metre is due to annual rental escalations as per lease agreements and an increase/decrease in square metres.

Location	Budget						Comments	
	2021-22			2022-23				
	Square metres occupied	Basic rental cost	Monthly cost per square metre	Square metres occupied	Total staff establishment	Basic rental cost		Monthly cost per square metre
Western Cape	3 247	6 585 695	169	3 247	235	7 112 551	183	The increase is in line with the annual escalation of the rentals as per the various lease agreements.
Mpumalanga	1 696	2 922 041	144	1 696	178	3 184 892	156	
KwaZulu-Natal	4 085	10 204 310	208	4 085	242	10 969 633	224	
Limpopo	2 130	4 696 650	184	2 130	193	5 025 592	197	
Free State	1 960	3 528 000	150	1 960	194	3 774 960	161	
Johannesburg	3 351	7 320 192	182	3 351	225	7 832 567	195	
Northern Cape	2 031	3 837 480	157	2 031	159	4 144 485	170	

# NOTES TO THE BUDGET

Location	Budget							Comments
	2021-22			2022-23				
	Square metres occupied	Basic rental cost	Monthly cost per square metre	Square metres occupied	Total staff establishment	Basic rental cost	Monthly cost per square metre	
Eastern Cape	3 827	8 478 489	185	3 827	262	8 902 486	194	The increase is mainly due to the re-negotiated rental escalation from 8% to 5% per annum for the duration of the lease agreement.
North West	1 518	2 510 121	138	1 000	140	1 452 000	121	The estimated square metres used to determine the rental costs for the new offices in the 2021-22 budget were 1 518. The decrease in square metres to 1 000 and rental costs is due to the closure of the Potchefstroom and Mafikeng offices.
Pretoria	22 300	52 497 792	196	21 628	2 009	56 697 615	218	In line with market trends, estimated square metres of 22 300 to accommodate all staff members were used to determine the rental costs in the 2021-22 budget. However, the actual square metres of the new head office building are 21 628, resulting in the decrease of square metres year on year.  The monthly rental cost per square metre for 2022-23 is based on the yearly escalation as per the lease agreement.
<b>Total</b>	<b>46 145</b>	<b>102 580 70</b>	<b>185</b>	<b>44 955</b>	<b>3 837</b>	<b>109 096 781</b>	<b>202</b>	

## NOTES TO THE BUDGET

### 5.2 FINANCE CHARGES AND AMORTISATION OF ASSETS (RIGHT OF USE)

Location	Budget				Change	
	2021-22		2022-23		Amortisation	Finance charges
	Amortisation	Finance charges	Amortisation	Finance charges		
Western Cape	7 692 772	3 443 495	8 034 562	2 627 937	341 790	(815 558)
Mpumalanga	2 462 442	2 150 308	2 571 885	1 984 784	109 443	(165 524)
KwaZulu-Natal	8 771 858	11 644 324	8 956 144	11 424 857	184 286	(219 467)
Limpopo	3 720 813	1 082 326	4 018 022	622 957	297 209	(459 369)
Free State	3 894 494	451 814	3 866 813	477 568	(27 681)	25 754
Johannesburg	6 571 057	6 040 410	6 776 220	5 612 866	205 163	(427 544)
Northern Cape	2 919 998	2 718 032	3 044 338	2 538 286	124 340	(179 746)
Eastern Cape	9 585 239	1 237 779	9 470 946	323 063	(114 293)	(914 716)
North West	3 226 786	2 186 494	2 357 468	676 669	(869 318)	(1 509 825)
Pretoria	60 084 149	53 942 153	52 216 546	24 171 775	(7 867 603)	(29 770 378)
<b>Total</b>	<b>108 929 608</b>	<b>84 897 135</b>	<b>101 312 944</b>	<b>50 460 762</b>	<b>(7 616 664)</b>	<b>(34 436 373)</b>

The amortisation and finance charges decrease year on year and are calculated based on the remaining lease period. These accounting adjustment entries are non-cash items.

### 6. STAKEHOLDER RELATIONSHIPS

Budget item	Ref.	Budget		Change	
		2021-22	2022-23	R'000	%
		R'000	R'000		
		(1)	(2)	(2)-(1)	(2)-(1)
Liaison	6.1.1	3 299	3 299	0	0%
Internal stakeholder	6.1.2	3 119	3 218	99	3%
External stakeholder	6.1.3	610	657	47	8%
<b>Total</b>		<b>7 028</b>	<b>7 174</b>	<b>146</b>	<b>2%</b>
<b>% of total income</b>		<b>0,2%</b>	<b>0,2%</b>		

# NOTES TO THE BUDGET

## 6.1 STAKEHOLDER RELATIONSHIPS

### 6.1.1 Liaison

Contained in liaison are costs of employee communication, media management, events management and branding. The 2022-23 budget is the same as in 2021-22 in support of cost-optimisation tactics.

### 6.1.2 Internal stakeholders

Budget item	Budget						Variance		Comments
	2021-22			2022-23			Due to increase in costs	Due to decrease in staff	
	Number of employees	Average amount	Total	Number of employees	Average amount	Total			
(1)	(2)	R'000 (1)x(2)	(3)	(4)	R'000 (3)x(4)				
BU team effectiveness activities	3 736	835	3 119	3 838	838	3 218	13	86	These activities occur every year for internal stakeholder relationship improvement and include costs related to relationship building, farewell functions, staff lunches, etc.  The increase is mainly driven by the growth in headcount.
<b>Total</b>	<b>3 736</b>	<b>835</b>	<b>3 119</b>	<b>3 838</b>	<b>838</b>	<b>3 218</b>	<b>13</b>	<b>86</b>	

## NOTES TO THE BUDGET

### 6.1.3 External stakeholders

Budget item	Budget						Variance
	2021-22			2022-23			
	Number of employees	Allowance per annum	Total	Number of employees	Average amount	Total	
		R'000	R'000		R'000	R'000	
(1)	(2)	(3)	(4)	(5)	(6)	(6)-(3)	
Business unit leaders	32	2	61	33	2	67	6
Deputy business unit leaders	34	2	64	29	2	71	7
Senior managers	274	2	441	300	2	488	47
Exco	13	3	44	16	2	31	(13)
<b>Total</b>	<b>353</b>	<b>2</b>	<b>610</b>	<b>378</b>	<b>2</b>	<b>657</b>	<b>47</b>

These costs relate to improving relationships and communication with both internal and external stakeholders. The objective of interacting with external stakeholders is to improve the consistency and effectiveness of the AGSA's messages by providing its auditees with insights on the audit outcomes. Internal stakeholder costs are attributable to investment in staff to align their contribution to the vision and mission of the AGSA. The budget allowance applied per head to compute the budget costs is the same as in the 2021-22 budget in support of cost-optimisation tactics.

### 6.2 REGIONAL CONGRESSES (STRATEGIC ALIGNMENT WORKSHOP)

Budget item	Budget						Variance	Comments
	2021-22			2022-23				
	Number of employees	Cost per employee	Total	Number of employees	Cost per employee	Total		
		Rand	R'000		Rand	R'000		
(1)	(2)	(3)	(4)	(5)	(6)	(6)-(3)		
BU / head of portfolio workshop	3 736	567	2 118	3 838	574	2 203	85	The slight increase in the BU / head of portfolio workshop is due to the increase in the number of employees, but is below CPIX as most workshops are conducted using digital platforms (e.g. webinars or Microsoft Teams).
Senior management workshop	353	6 261	2 210	378	5 847	2 210	-	
<b>Total</b>			<b>4 328</b>			<b>4 413</b>	<b>85</b>	

## NOTES TO THE BUDGET

### 6.3 FOREIGN VISITORS

Budget item	Budget		Change	
	2021-22	2022-23	R'000	%
	R'000	R'000		
	(1)	(3)	(3)-(1)	(3)-(1)
Foreign visitors	89	109	20	22%
<b>Total</b>	<b>89</b>	<b>109</b>	<b>20</b>	<b>22%</b>

These expenses relate to foreign visitors from other SAIs to the AGSA. The number of foreign visitors in 2022-23 and the related costs have increased due to the ease of restrictions on international travelling.

### 6.4 OVERSEAS TRAVEL

Budget item	Budget		Change		Comments
	2021-22	2022-23	R'000	%	
	R'000	R'000			
	(1)	(3)	(3)-(1)	(3)-(1)	
Auditor-general and deputy auditor-general	1 175	2 500	1 325	112,8%	<p>Costs relate to planned overseas trips by the auditor-general, deputy auditor-general and other AGSA staff.</p> <p>The auditor-general's international commitments include Intosai (governing board member, capacity building committee chairperson), the Commonwealth auditors-general group, and Afrosai and Afrosai-E.</p> <p>Commitments by AGSA subject matter experts to various Intosai working groups, as well as international conferences, are also included in the budget.</p> <p>The budget has been increased in anticipation of more overseas travelling following eased travel restrictions after the impact of covid-19 globally. However, the use of digital platforms will remain an integral part of international engagements in future.</p>
<b>Total</b>	<b>1 175</b>	<b>2 500</b>	<b>1 325</b>	<b>112,8%</b>	

The costs for the auditor-general include expenses of supporting staff who will be travelling with, or on behalf of, the auditor-general.



## NOTES TO THE BUDGET

### 7. OVERSIGHT GOVERNANCE

Budget item	Budget		Change		Comments
	2021-22	2022-23			
	R'000	R'000	R'000	%	
	(1)	(3)	(3)-(1)	(3)-(1)	
Parliamentary oversight (Scoag)	189	100	(89)	-47%	The budget comprises fees paid to external members of the advisory structures and committees (e.g. remuneration, audit, quality control assessment, and MIs).
Corporate governance boards (auditor-general advisory board, audit committee, and quality control assessment committee)	1 196	6 674	5 478	458%	
<b>Total</b>	<b>1 385</b>	<b>6 774</b>	<b>5 389</b>	<b>389%</b>	
<b>% total income</b>	<b>0,03%</b>	<b>0,16%</b>			

### 8. AUDIT EXPENSES

#### 8.1 EXTERNAL AUDIT FEES

Budget item	Budget		Change		Comments
	2021-22	2022-23			
	R'000	R'000	R'000	%	
	(1)	(3)	(3)-(1)	(3)-(1)	
Financial audit	4 154	4 675	521	12,5%	The audit fees are the estimates provided by the AGSA's external auditors to perform and cover planning, interim audit, final audit, BU visits, internal control reviews, etc.
Sustainability review	255	283	28	11,0%	
Other assurance reviews and disbursements	139	150	11	7,9%	The audit fee for 2021-22 plus inflation was used to determine the 2022-23 budget.
<b>Total</b>	<b>4 548</b>	<b>5 108</b>	<b>560</b>	<b>12,3%</b>	
<b>% of total income</b>	<b>0,1%</b>	<b>0,1%</b>			

## NOTES TO THE BUDGET

### 8.2 INTERNAL AUDIT FEES

Budget item	Budget		Change	
	2021-22	2022-23	R'000	%
	R'000	R'000		
	(1)	(3)	(3)-(1)	(3)-(1)
Routine financial audits	786	595	(191)	-24,3%
Routine audits of human capital matters	391	247	(144)	-36,8%
Routine internal control audits	1 552	1 149	(403)	-26,0%
Ad hoc assignments and system queries (CAATs application)	536	350	(186)	-34,7%
Project management and attendance of audit committee meetings	295	402	107	36,3%
Risk management meetings and strategic risk assessment	299	60	(239)	-79,9%
Audit software project review (ICT governance, strategy review and internal control strategy review)	715	320	(395)	-55,2%
Disbursements	211	-	(211)	-100,0%
<b>Total</b>	<b>4 785</b>	<b>3 123</b>	<b>(1 662)</b>	<b>-34,7%</b>
<b>% of total income</b>	<b>0,1%</b>	<b>0,1%</b>		

The decrease is due to the 2021-22 budget estimates having been based on the former internal auditors' audit plan and fee, which is higher than the projected audit fee of the current internal auditors. In addition, the new normal way of working will result in some audit work being done remotely, further reducing the cost of disbursements.

## NOTES TO THE BUDGET

### 9. RECRUITMENT EXPENSES

Budget item	Budget		Change		Comments
	2021-22	2022-23	R'000	%	
	R'000	R'000			
(1)	(3)	(3)-(1)	(3)-(1)		
Advertisements	1 025	1 025	-	0,0%	Costs related to advertising vacancies and graduate recruitment programmes.
Personnel agency fees	2 050	2 050	-	0,0%	Agency fees based on a percentage of salary costs of staff expected to be recruited in the financial year.
Interviews	858	858	-	0,0%	Includes the costs of performing psychometric assessments as part of the recruitment process.
Transfer and relocation expenses	1 835	1 835	-	0,0%	Includes pre-visit costs for internal and external candidates and reimbursement of transportation costs, as well as three months' payment of accommodation costs. The level of transfers and relocations is projected to remain the same as in the previous year.
<b>Total</b>	<b>5 768</b>	<b>5 768</b>	<b>-</b>	<b>0,0%</b>	All related recruitment costs are expected to remain the same as in the previous year due to the continuation of a moratorium placed on the recruitment of non-critical support staff in 2022-23.
<b>% of total income</b>	<b>0,1%</b>	<b>0,1%</b>			

## NOTES TO THE BUDGET

### 10. LEARNING AND DEVELOPMENT

Budget item	Ref.	Budget		Change	
		2021-22	2022-23	R'000	%
		R'000	R'000		
		(1)	(3)	(3)-(1)	(3)-(1)
Membership fees	10.1	26 591	26 636	45	0,2%
<b>Training:</b>	10.2	<b>14 526</b>	<b>14 526</b>	-	<b>0,0%</b>
Internal training		10 388	10 388	-	0,0%
Conferences and seminars		1 792	1 792	-	0,0%
Graduate programmes		2 346	2 346	-	0,0%
Study assistance: employees	10.3	14 450	14 738	288	2,0%
Human capital development projects		2 061	2 061	-	0,0%
Bursaries	10.4	18 677	18 677	-	0,0%
Study support incentive scheme		5 590	5 590	-	0,0%
Tertiary assistance	10.4	1 981	1 981	-	0,0%
Study support incentive scheme: top-up one		113	113	-	0,0%
Skills development levy		22 349	23 304	956	4,3%
Skills development levy: recovered		(13 052)	(26 105)	(13 053)	100,0%
<b>Total</b>		<b>93 286</b>	<b>81 521</b>	<b>(11 765)</b>	<b>-12,6%</b>
<b>% of total income</b>		<b>2,2%</b>	<b>1,9%</b>		

## NOTES TO THE BUDGET

### 10.1 MEMBERSHIP FEES

The 2022-23 budget for membership fees is based on the current and future professional staff intake. The slight increase is mainly due to the focus on capacitating and professionalising other support roles.

### 10.2 TRAINING

Type of expense	Budget		Change	
	2021-22	2022-23	R'000	%
	R'000	R'000		
	(1)	(3)	(3)-(1)	(3)-(1)
Internal	10 388	10 388	-	0,0%
Conferences and seminars	1 792	1 792	-	0,0%
Graduate programmes	2 346	2 346	-	0,0%
<b>Total</b>	<b>14 526</b>	<b>14 526</b>	<b>-</b>	<b>0,0%</b>

Most of the programmes have been adapted to an online format and were rolled out to staff during the lockdown period. The use of a hybrid model using classroom and video sessions is expected to reduce training costs in the future.

### 10.3 STUDY ASSISTANCE: EMPLOYEES

Course of study	Budget		Comments
	2021-22	2022-23	
	R'000	R'000	
Diploma	103	103	This is in line with the AGSA's preference to focus on graduate students.
Degree	377	377	
CTA / honours	9 036	9 036	
Final qualifying exam support courses	1 306	1 594	
Non-accounting degrees and diplomas	861	861	
Postgraduate, RGA, CISA	2 767	2 767	
<b>Total</b>	<b>14 450</b>	<b>14 738</b>	

The budgeted amount is influenced by the study support policy, which prescribes that the AGSA should only offer financial assistance to employees who meet their academic progress requirements and to those who qualify for study assistance.

## NOTES TO THE BUDGET

### 10.4 EXTERNAL STUDENT BURSARIES AND TERTIARY ASSISTANCE

The programme of awarding bursaries is intended to create a future employee pool.

Description	Budget	
	2021-22	2022-23
	R'000	R'000
Thuthuka	10 349	10 349
External bursaries	6 052	6 052
Sponsorship, functions and other	917	917
Tertiary assistance	3 340	3 340
<b>Total</b>	<b>20 658</b>	<b>20 658</b>

#### Saica Thuthuka programme

The investment in Thuthuka support is in line with the strategy to improve the trainee auditor mix of 60% with CTA and 40% with a degree. The 60%/40% trainee auditor mix strategy will result in improved recovery rates due to less time being spent on study activities. The 2022-23 budget is the same as the 2021-22 budget and the investment is in line with the expected return from the programme.

#### External bursaries and centenary scholarship

This refers to the cost of the AGSA's commitment to 42 external bursary holders (2021-22 budget: 71). The decrease in the number of students is driven by the completion of studies by some bursary holders and the suspension of others.

## NOTES TO THE BUDGET

Name of university	Budget	
	2021-22	2022-23
	No. of students	No. of students
Johannesburg & Institution of Accounting Science	10	7
Wits	8	5
Pretoria	6	4
Monash & Milpark	-	2
Free State	12	9
KwaZulu-Natal	3	-
Cape Town	6	4
Stellenbosch	6	4
Nelson Mandela Metro	3	-
North West	4	3
Fort Hare	2	1
Rhodes	6	-
Limpopo	4	1
Western Cape	1	2
<b>Total</b>	<b>71</b>	<b>42</b>

### Tertiary assistance

The AGSA continues to support the universities to maintain Saica accreditation through the AGSA's academic trainee programme (junior lecturers) and other academic projects.

# NOTES TO THE BUDGET

## 11. EMPLOYEE WELLNESS PROGRAMME

Budget item	Budget		Change		Comments
	2021-22	2022-23			
	R'000	R'000	R'000	%	
	(1)	(3)	(3)-(1)	(3)-(1)	
Employee wellness programmes	15 287	15 287	-	0,0%	<p>This relates to fees paid to external service providers for various services, including employee assistance, executive wellness, lifestyle management and support for mental ill health. Also included is the internship programme for candidates with disabilities.</p> <p>The budget is the same as the previous year's budget and is aligned to the 2021-22 actuals.</p> <p>The budget has factored in the need for emotional support programmes for employees affected by threats and intimidation as well as the impact of the covid-19 pandemic.</p>
Socio-economic development programme	1 280	1 280	-	0,0%	<p>As part of the AGSA's sustainability model, the socio-economic development programme aims to ensure the promotion and awareness of the accounting and auditing profession, which also serves to uplift the communities in which the AGSA operates.</p> <p>The cost is kept the same as in the previous year's budget in line with the organisation's cost-optimisation drive. The cost-optimisation drive is a response to the impact of general economic hardship faced by all organisations in the country and the protracted impact of the covid-19 pandemic.</p>



## NOTES TO THE BUDGET

Budget item	Budget		Change		Comments
	2021-22	2022-23			
	R'000	R'000	R'000	%	
	(1)	(3)	(3)-(1)	(3)-(1)	
Social responsibility	508	508	-	0,0%	These costs typically include the AGSA's centenary scholarship fund and the sponsorship of tables at fundraising events hosted by organisations such as the Association for the Advancement of Black Accountants of Southern Africa.  The 2022-23 budgeted cost is the same as in the 2021-22 budget in support of the cost-optimisation drive.
Enterprise development	3 143	2 000	(1 143)	-36,4%	This includes BBBEE interventions by the AGSA to support and uplift small black audit firms.  The decrease is mainly because of the AGSA's cost-optimisation tactics. The budget will decrease further in future as the beneficiaries obtain their own assignments.
<b>Total</b>	<b>20 218</b>	<b>19 075</b>	<b>-1 143</b>	<b>-5,7%</b>	

## 12. TECHNOLOGICAL SERVICES

Budget item	Ref.	Budget		Change	
		2021-22	2022-23		
		R'000	R'000	R'000	%
		(1)	(3)	(3)-(1)	(3)-(1)
Licence and equipment maintenance	12.1	112 215	150 207	37 992	33,9%
Hiring of equipment – rental	12.2	4 169	4 215	46	1,1%
Hiring of equipment – copy charges	12.2	898	923	24	2,7%
<b>Total</b>		<b>117 283</b>	<b>155 345</b>	<b>38 062</b>	<b>32,5%</b>
<b>% of total income</b>		<b>2,8%</b>	<b>3,6%</b>		

## NOTES TO THE BUDGET

### 12.1 COMPUTER SERVICES

Budget item	Budget		Change		Comments
	2021-22	2022-23			
	R'000	R'000	R'000	%	
	(1)	(3)	(3)-(1)	(3)-(1)	
IT maintenance and support	53 047	91 531	38 484	72,5%	This includes support and maintenance of mobile connectivity; licences; support for PeopleSoft, CaseWare, QlikView, Microsoft and TeamMate; new ERP licences; the performance audit quantity surveying tool; the PAA tool (CMS); a hosted data centre; and other costs related to the maintenance of IT infrastructure.
Networks	3 678	12 117	8 439	229,4%	
Security	12 710	8 280	(4 430)	-34,9%	
Telecommunications	11 040	502	(10 538)	-95,5%	
					The increase is mainly due to the renewal of ERP licenses, maintenance of the new PAA tool (CMS), and implementation and maintenance of the new performance audit quantity-surveying tool. Also included are new items such as the Azure commitment, additional security, and premier support. In addition, the renewal of Microsoft licences and the increase in exchange rates contributed to the increase.
3G data usage	31 740	37 777	6 037	19,0%	The increase is due to the growth in 3G usage due to staff members working from home and using MS Teams and OneDrive platforms to communicate with colleagues.
<b>Total</b>	<b>112 215</b>	<b>150 207</b>	<b>37 992</b>	<b>33,9%</b>	
<b>% of total income</b>	<b>2,7%</b>	<b>3,4%</b>			

### 12.2 HIRING OF EQUIPMENT – RENTAL

The increase in the hiring of equipment (rental and copy charges) is due to the expected growth in the number of copies because of the new BUs.

## NOTES TO THE BUDGET

### 13. INSURANCE AND LEGAL FEES

Budget item	Budget		Change		Comments
	2021-22	2022-23			
	R'000	R'000	R'000	%	
	(1)	(3)	(3)-(1)	(3)-(1)	
Insurance	2 410	2 233	(178)	-7,4%	The decrease is due to the alignment of the insurance premiums and claim expenses to history.
Legal fees and contingency	13 447	13 447	-	0,0%	These costs relate to anticipated labour-related cases, costs related to litigation of delinquent debtors, and legal costs for audit pushbacks.
<b>Total</b>	<b>15 857</b>	<b>15 680</b>	<b>(178)</b>	<b>-1,1%</b>	
<b>% of total income</b>	<b>0,4%</b>	<b>0,4%</b>			

### 14. OFFICE MAINTENANCE

Budget item	Budget		Change	
	2021-22	2022-23		
	R'000	R'000	R'000	%
	(1)	(3)	(3)-(1)	(3)-(1)
Office maintenance	19 887	20 100	213	1,1%
<b>Total</b>	<b>19 887</b>	<b>20 100</b>	<b>213</b>	<b>1,1%</b>
<b>% of total income</b>	<b>0,5%</b>	<b>0,5%</b>		

Included in office maintenance are costs of cleaning (R8 million); office improvements, refreshments and publications (R3,6 million); repairs and maintenance (R2 million); and stationery and printing (R4 million). The budget has factored in the estimated savings expected from alternative working locations.

## NOTES TO THE BUDGET

### 15. COMMUNICATION

Budget item	Ref.	Budget		Change	
		2021-22	2022-23	R'000	%
		R'000	R'000		
		(1)	(3)	(3)-(1)	(3)-(1)
Telephone charges	15.1	1 848	1 899	51	2,8%
Cellphone charges	15.2	9 020	10 676	1 655	18,4%
Postage and courier services		860	860	-	0,0%
<b>Total</b>		<b>11 728</b>	<b>13 435</b>	<b>1 706</b>	<b>14,5%</b>
<b>% of total income</b>		<b>0,3%</b>	<b>0,3%</b>		

#### 15.1 TELEPHONE CHARGES

The costs are mainly influenced by the budgeted number of staff as well as the allowed average cost per staff member. The telephone allowance of R75 per month per person is the same as in the 2021-22 budget. The increase is because of the growth in headcount.

#### 15.2 CELLPHONE CHARGES

The budgeted number of qualifying staff mainly drives the cellphone costs. Allowances are kept at the same levels as in the 2021-22 budget.

## NOTES TO THE BUDGET

### 16. DEPRECIATION

Budget item	Ref.	Budget		Change	
		2021-22	2022-23	R'000	%
		R'000	R'000		
		(1)	(3)	(3)-(1)	(3)-(1)
Right-of-use assets	5.1	108 930	101 313	(7 617)	-7,0%
Motor vehicles		1 048	458	(590)	-56,3%
Furniture and equipment		10 135	3 918	(6 217)	-61,3%
Computer equipment		39 497	33 277	(6 221)	-15,7%
Computer software		14 392	13 006	(1 386)	-9,6%
Leasehold improvements		5 014	13 271	8 256	164,7%
<b>Total</b>		<b>179 016</b>	<b>165 241</b>	<b>(13 774)</b>	<b>-7.7%</b>
<b>% of total income</b>		<b>4,3%</b>	<b>3,8%</b>		

The depreciation expense budget is based on the depreciation of existing assets plus the depreciation of assets to be purchased as per the 2021-22 and 2022-23 capex budgets, based on the AGSA's asset management policy. The decrease in depreciation is mainly due to the extended useful lives of different asset categories; while the decrease in the right-of-use assets is due to the calculation being based on the remaining lease periods.

### 17. CAPITAL EXPENDITURE BUDGET

#### 17.1 MOTOR VEHICLES

Description	2021-22 budget	Acquisitions: budget 2022-23	Depreciation	2022-23 budget
	NCV			NCV
	R'000	R'000	R'000	R'000
Motor vehicles	5 286	1 860	458	6 689
<b>Total</b>	<b>5 286</b>	<b>1 860</b>	<b>458</b>	<b>6 689</b>

## NOTES TO THE BUDGET

Location	Budget	
	2021-22	2022-23
	R'000	R'000
Provision for purchase of pool cars for Mpumalanga and Finance BUs	1 860	1 860
<b>Total</b>	<b>1 860</b>	<b>1 860</b>

### 17.2 FURNITURE AND EQUIPMENT

Description	2021-22 budget	Acquisitions: budget 2022-23	Depreciation	2022-23 budget
	NCV			NCV
	R'000	R'000	R'000	R'000
Furniture and equipment	5 063	4 476	3 918	5 622
<b>Total</b>	<b>5 063</b>	<b>4 476</b>	<b>3 918</b>	<b>5 622</b>

Location	Budget		Comments
	2021-22	2022-23	
	R'000	R'000	
Pretoria and other regional offices	4 474	4 476	New furniture acquisition is budgeted for centrally at head office for all AGSA offices.
<b>Total</b>	<b>4 474</b>	<b>4 476</b>	

## NOTES TO THE BUDGET

### 17.3 LEASEHOLD IMPROVEMENTS

Description	2021-22 budget	Acquisitions: budget 2022-23	Depreciation	2022-23 budget
	NCV			NCV
	R'000	R'000	R'000	R'000
Leasehold improvements	59 998	4 550	13 271	51 277
<b>Total</b>	<b>59 998</b>	<b>4 550</b>	<b>13 271</b>	<b>51 277</b>

Location	Budget		Comments
	2021-22	2022-23	
	R'000	R'000	
AGSA offices	4 550	4 550	Leasehold improvements are budgeted for centrally at head office for all AGSA offices.  The budget for leasehold improvements is for the new office layouts and design in line with the AGSA's branding.
<b>Total</b>	<b>4 550</b>	<b>4 550</b>	

### 17.4 COMPUTER HARDWARE, NETWORK AND SECURITY

Description	2021-22 budget	Acquisitions: budget 2022-23	Depreciation	2022-23 budget
	NCV			NCV
	R'000	R'000	R'000	R'000
Computer hardware	52 304	79 394	33 277	98 422
<b>Total</b>	<b>52 304</b>	<b>79 394</b>	<b>33 277</b>	<b>98 422</b>

## NOTES TO THE BUDGET

Budget item	Ref.	Budget		Change	
		2021-22	2022-23	R'000	%
		R'000	R'000		
		(1)	(3)	(3)-(1)	(3)-(1)
Computer hardware	17.4.1	6 584	18 426	11 842	179,9%
Networks	17.4.2	500	200	(300)	-60,0%
Security	17.4.3	400	-	(400)	0,0%
Notebooks	17.4.4	50 062	60 768	10 706	21,4%
<b>Total</b>		<b>57 546</b>	<b>79 394</b>	<b>21 848</b>	<b>38,0%</b>

### 17.4.1 Computer hardware

The 2022-23 budget mainly consists of the acquisition of computer hardware to increase storage, memory and processing power for TeamMate memory projects and the replacement of Riverbed devices, to enable the minimisation of data consumption over the wide area network.

### 17.4.2 Networks

The 2022-23 budget is for new network switches as well as for the replacement of old ones.

### 17.4.3 Security

This relates to the ERP and network security lab devices. These devices are not required in 2022-23.

### 17.4.4 Notebooks

This relates to the acquisition of notebooks for new employees as well as the replacement of old notebooks.



## NOTES TO THE BUDGET

### 17.5 COMPUTER SOFTWARE

Description	2021-22 budget	Acquisitions: budget 2022-23	Depreciation	2022-23 budget
	NCV			NCV
	R'000	R'000	R'000	R'000
Computer software	39 891	114 571	13 006	141 456
<b>Total</b>	<b>39 891</b>	<b>114 571</b>	<b>13 006</b>	<b>141 456</b>

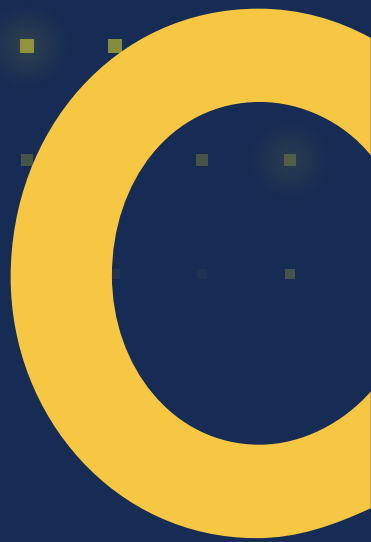
Budget item	Budget		Comments
	2021-22	2022-23	
	R'000	R'000	
New software licences	20 000	43 071	Additional licences to be procured to accommodate all staff members, e.g. Microsoft (True-Up), QlikView, TeamMate and Oracle, and for the automation of IT general control review.
New systems implementation	18 825	71 500	New software licences for the implementation of the ERP roadmap and the audit software roadmap.
<b>Total</b>	<b>38 825</b>	<b>114 571</b>	

### 17.6 RIGHT-OF-USE ASSET

Description	2021-22 budget	Acquisitions: budget 2022-23	Depreciation	2022-23 budget
	NCV			NCV
	R'000	R'000	R'000	R'000
Right-of-use asset	428 555	55 387	101 313	382 629
<b>Total</b>	<b>428 555</b>	<b>55 387</b>	<b>101 313</b>	<b>382 629</b>

The new IFRS 16 standard on leases requires that the present value of the lease payments be treated as a right-of-use asset. A right-of-use asset is written off and gradually reduces over the period of the lease term.

# ANNEXURE



**PROPOSED INTERNAL RATES  
2022-23**

Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
<b>Business unit leader</b>			3 516	3 516	3 516	3 516
<b>Deputy business unit leader</b>	1 000 000	1 020 000	2 308	2 349	1 634	2 430
	1 020 000	1 040 000	2 354	2 395	1 666	2 479
	1 040 000	1 060 000	2 399	2 442	1 699	2 527
	1 060 000	1 080 000	2 445	2 488	1 731	2 575
	1 080 000	1 100 000	2 491	2 535	1 763	2 623
	1 100 000	1 120 000	2 536	2 581	1 796	2 671
	1 120 000	1 140 000	2 582	2 628	1 828	2 719
	1 140 000	1 160 000	2 628	2 674	1 860	2 767
	1 160 000	1 180 000	2 674	2 721	1 893	2 816
	1 180 000	1 200 000	2 719	2 767	1 925	2 864
	1 200 000	1 220 000	2 765	2 814	1 957	2 912
	1 220 000	1 240 000	2 811	2 860	1 990	2 960
	1 240 000	1 260 000	2 856	2 907	2 022	3 008
	1 260 000	1 280 000	2 902	2 953	2 055	3 056
	1 280 000	1 300 000	2 948	3 000	2 087	3 104
	1 300 000	1 320 000	2 993	3 046	2 119	3 152
	1 320 000	1 340 000	3 039	3 093	2 152	3 201
	1 340 000	1 360 000	3 085	3 139	2 184	3 249
	1 360 000	1 380 000	3 131	3 186	2 216	3 297
	1 380 000	1 400 000	3 176	3 232	2 249	3 345
	1 400 000	1 420 000	3 222	3 279	2 281	3 393
	1 420 000	1 440 000	3 268	3 326	2 313	3 441
	1 440 000	1 460 000	3 313	3 372	2 346	3 489
	1 460 000	1 480 000	3 359	3 419	2 378	3 537
	1 480 000	1 500 000	3 405	3 465	2 410	3 586
	1 500 000	1 520 000	3 450	3 512	2 443	3 634
	1 520 000	1 540 000	3 496	3 558	2 475	3 682
	1 540 000	1 560 000	3 542	3 605	2 508	3 730
	1 560 000	1 580 000	3 588	3 651	2 540	3 778
	1 580 000	1 600 000	3 633	3 698	2 572	3 826
	1 600 000	1 620 000	3 679	3 744	2 605	3 874
	1 620 000	1 640 000	3 725	3 791	2 637	3 922

Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
	1 640 000	1 660 000	3 770	3 837	2 669	3 971
	1 660 000	1 680 000	3 816	3 884	2 702	4 019
	1 680 000	1 700 000	3 862	3 930	2 734	4 067
	1 700 000	1 720 000	3 908	3 977	2 766	4 115
	1 720 000	1 740 000	3 953	4 023	2 799	4 163
	1 740 000	1 760 000	3 999	4 070	2 831	4 211
	1 760 000	1 780 000	4 045	4 116	2 863	4 259
	1 780 000	1 800 000	4 090	4 163	2 896	4 308
	1 800 000	1 820 000	4 136	4 209	2 928	4 356
	1 820 000	1 840 000	4 182	4 256	2 961	4 404
	1 840 000	1 860 000	4 227	4 302	2 993	4 452
	1 860 000	10 000 000	4 273	4 349	3 025	4 500

<b>Audit senior manager</b>	800 000	820 000	1 392	1 246	1 296	1 362
	820 000	840 000	1 426	1 276	1 328	1 395
	840 000	860 000	1 460	1 307	1 360	1 429
	860 000	880 000	1 495	1 338	1 392	1 463
	880 000	900 000	1 529	1 369	1 424	1 496
	900 000	920 000	1 564	1 399	1 456	1 530
	920 000	940 000	1 598	1 430	1 488	1 563
	940 000	960 000	1 632	1 461	1 520	1 597
	960 000	980 000	1 667	1 492	1 552	1 631
	980 000	1 000 000	1 701	1 522	1 584	1 664
	1 000 000	1 020 000	1 735	1 553	1 616	1 698
	1 020 000	1 040 000	1 770	1 584	1 648	1 731
	1 040 000	1 060 000	1 804	1 615	1 680	1 765
	1 060 000	1 080 000	1 838	1 646	1 712	1 799
	1 080 000	1 100 000	1 873	1 676	1 744	1 832
	1 100 000	1 120 000	1 907	1 707	1 776	1 866
	1 120 000	1 140 000	1 942	1 738	1 808	1 900
	1 140 000	1 160 000	1 976	1 769	1 840	1 933
	1 160 000	1 180 000	2 010	1 799	1 872	1 967
	1 180 000	1 200 000	2 045	1 830	1 904	2 000
	1 200 000	1 220 000	2 079	1 861	1 936	2 034

Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
	1 220 000	1 240 000	2 113	1 892	1 968	2 068
	1 240 000	1 260 000	2 148	1 922	2 000	2 101
	1 260 000	1 280 000	2 182	1 953	2 032	2 135
	1 280 000	1 300 000	2 216	1 984	2 064	2 169
	1 300 000	1 320 000	2 251	2 015	2 096	2 202
	1 320 000	1 340 000	2 285	2 045	2 128	2 236
	1 340 000	1 360 000	2 320	2 076	2 160	2 269
	1 360 000	1 380 000	2 354	2 107	2 192	2 303
	1 380 000	1 400 000	2 388	2 138	2 224	2 337
	1 400 000	1 420 000	2 423	2 168	2 256	2 370
	1 420 000	1 440 000	2 457	2 199	2 288	2 404
	1 440 000	1 460 000	2 491	2 230	2 320	2 438
	1 460 000	1 480 000	2 526	2 261	2 352	2 471
	1 480 000	1 500 000	2 560	2 291	2 384	2 505
	1 500 000	1 520 000	2 594	2 322	2 416	2 538
	1 520 000	1 540 000	2 629	2 353	2 448	2 572
	1 540 000	1 560 000	2 663	2 384	2 480	2 606
	1 560 000	1 580 000	2 698	2 414	2 512	2 639
	1 580 000	1 600 000	2 732	2 445	2 544	2 673
	1 600 000	1 620 000	2 766	2 476	2 576	2 706
	1 620 000	1 640 000	2 801	2 507	2 608	2 740
	1 640 000	1 660 000	2 835	2 537	2 640	2 774
	1 660 000	1 680 000	2 869	2 568	2 672	2 807
	1 680 000	1 700 000	2 904	2 599	2 704	2 841
	1 700 000	1 720 000	2 938	2 630	2 736	2 875
	1 720 000	1 740 000	2 972	2 661	2 768	2 908
	1 740 000	1 760 000	3 007	2 691	2 800	2 942
	1 760 000	1 780 000	3 041	2 722	2 832	2 975
	1 780 000	10 000 000	3 076	2 753	2 864	3 009
<b>Audit manager</b>	700 000	720 000	1 167	1 005	1 090	1 179
	720 000	740 000	1 200	1 033	1 121	1 212
	740 000	760 000	1 233	1 062	1 152	1 245
	760 000	780 000	1 266	1 090	1 183	1 278

Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
	780 000	800 000	1 299	1 118	1 213	1 311
	800 000	820 000	1 332	1 147	1 244	1 345
	820 000	840 000	1 365	1 175	1 275	1 378
	840 000	860 000	1 397	1 203	1 306	1 411
	860 000	880 000	1 430	1 231	1 336	1 444
	880 000	900 000	1 463	1 260	1 367	1 477
	900 000	920 000	1 496	1 288	1 398	1 511
	920 000	940 000	1 529	1 316	1 428	1 544
	940 000	960 000	1 562	1 345	1 459	1 577
	960 000	980 000	1 595	1 373	1 490	1 610
	980 000	1 000 000	1 628	1 401	1 521	1 643
	1 000 000	1 020 000	1 660	1 430	1 551	1 677
	1 020 000	1 040 000	1 693	1 458	1 582	1 710
	1 040 000	1 060 000	1 726	1 486	1 613	1 743
	1 060 000	1 080 000	1 759	1 515	1 643	1 776
	1 080 000	1 100 000	1 792	1 543	1 674	1 809
	1 100 000	1 120 000	1 825	1 571	1 705	1 843
	1 120 000	1 140 000	1 858	1 599	1 736	1 876
	1 140 000	1 160 000	1 891	1 628	1 766	1 909
	1 160 000	1 180 000	1 924	1 656	1 797	1 942
	1 180 000	1 200 000	1 956	1 684	1 828	1 975
	1 200 000	1 220 000	1 989	1 713	1 858	2 009
	1 220 000	1 240 000	2 022	1 741	1 889	2 042
	1 240 000	1 260 000	2 055	1 769	1 920	2 075
	1 260 000	1 280 000	2 088	1 798	1 951	2 108
	1 280 000	1 300 000	2 121	1 826	1 981	2 141
	1 300 000	1 320 000	2 154	1 854	2 012	2 175
	1 320 000	1 340 000	2 187	1 883	2 043	2 208
	1 340 000	1 360 000	2 219	1 911	2 073	2 241
	1 360 000	1 380 000	2 252	1 939	2 104	2 274
	1 380 000	1 400 000	2 285	1 968	2 135	2 307
	1 400 000	1 420 000	2 318	1 996	2 166	2 341
	1 420 000	1 440 000	2 351	2 024	2 196	2 374
	1 440 000	1 460 000	2 384	2 052	2 227	2 407

Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
	1 460 000	1 480 000	2 417	2 081	2 258	2 440
	1 480 000	1 500 000	2 450	2 109	2 288	2 473
	1 500 000	1 520 000	2 483	2 137	2 319	2 507
	1 520 000	1 540 000	2 515	2 166	2 350	2 540
	1 540 000	1 560 000	2 548	2 194	2 381	2 573
	1 560 000	1 580 000	2 581	2 222	2 411	2 606
	1 580 000	1 600 000	2 614	2 251	2 442	2 639
	1 600 000	1 620 000	2 647	2 279	2 473	2 673
	1 620 000	1 640 000	2 680	2 307	2 504	2 706
	1 640 000	1 660 000	2 713	2 336	2 534	2 739
	1 660 000	1 680 000	2 746	2 364	2 565	2 772
	1 680 000	1 700 000	2 778	2 392	2 596	2 805
	1 700 000	1 720 000	2 811	2 420	2 626	2 839
	1 720 000	1 740 000	2 844	2 449	2 657	2 872
	1 740 000	1 760 000	2 877	2 477	2 688	2 905
	1 760 000	1 780 000	2 910	2 505	2 719	2 938
	1 780 000	1 800 000	2 943	2 534	2 749	2 972
	1 800 000	1 820 000	2 976	2 562	2 780	3 005
	1 820 000	1 840 000	3 009	2 590	2 811	3 038
	1 840 000	1 860 000	3 041	2 619	2 841	3 071
	1 860 000	1 880 000	3 074	2 647	2 872	3 104
	1 880 000	1 900 000	3 107	2 675	2 903	3 138
	1 900 000	1 920 000	3 140	2 704	2 934	3 171
	1 920 000	1 940 000	3 173	2 732	2 964	3 204
	1 940 000	1 960 000	3 206	2 760	2 995	3 237
	1 960 000	1 980 000	3 239	2 788	3 026	3 270
	1 980 000	2 000 000	3 272	2 817	3 056	3 304
	2 000 000	10 000 000	3 305	2 845	3 087	3 337
<b>Assistant manager</b>	400 000	420 000	644	559	572	665
	420 000	440 000	675	586	600	697
	440 000	460 000	707	613	627	730
	460 000	480 000	738	641	655	762
	480 000	500 000	770	668	683	794

Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
	500 000	520 000	801	695	711	827
	520 000	540 000	832	722	739	859
	540 000	560 000	864	750	767	892
	560 000	580 000	895	777	795	924
	580 000	600 000	927	804	823	957
	600 000	620 000	958	831	851	989
	620 000	640 000	989	859	878	1 021
	640 000	660 000	1 021	886	906	1 054
	660 000	680 000	1 052	913	934	1 086
	680 000	700 000	1 084	941	962	1 119
	700 000	720 000	1 115	968	990	1 151
	720 000	740 000	1 146	995	1 018	1 184
	740 000	760 000	1 178	1 022	1 046	1 216
	760 000	780 000	1 209	1 050	1 074	1 248
	780 000	800 000	1 241	1 077	1 102	1 281
	800 000	820 000	1 272	1 104	1 129	1 313
	820 000	840 000	1 303	1 131	1 157	1 346
	840 000	860 000	1 335	1 159	1 185	1 378
	860 000	880 000	1 366	1 186	1 213	1 411
	880 000	900 000	1 398	1 213	1 241	1 443
	900 000	920 000	1 429	1 240	1 269	1 475
	920 000	940 000	1 461	1 268	1 297	1 508
	940 000	960 000	1 492	1 295	1 325	1 540
	960 000	980 000	1 523	1 322	1 353	1 573
	980 000	1 000 000	1 555	1 349	1 380	1 605
	1 000 000	1 020 000	1 586	1 377	1 408	1 638
	1 020 000	1 040 000	1 618	1 404	1 436	1 670
	1 040 000	1 060 000	1 649	1 431	1 464	1 702
	1 060 000	1 080 000	1 680	1 458	1 492	1 735
	1 080 000	1 100 000	1 712	1 486	1 520	1 767
	1 100 000	1 120 000	1 743	1 513	1 548	1 800
	1 120 000	1 140 000	1 775	1 540	1 576	1 832
	1 140 000	1 160 000	1 806	1 568	1 603	1 865
	1 160 000	1 180 000	1 837	1 595	1 631	1 897



Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
	1 180 000	1 200 000	1 869	1 622	1 659	1 929
	1 200 000	1 220 000	1 900	1 649	1 687	1 962
	1 220 000	1 240 000	1 932	1 677	1 715	1 994
	1 240 000	1 260 000	1 963	1 704	1 743	2 027
	1 260 000	1 280 000	1 994	1 731	1 771	2 059
	1 280 000	1 300 000	2 026	1 758	1 799	2 092
	1 300 000	10 000 000	2 057	1 786	1 827	2 124

Senior auditor	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	400 000	420 000	594	525	365	543
	420 000	440 000	622	550	383	569
	440 000	460 000	651	576	401	596
	460 000	480 000	680	602	419	622
	480 000	500 000	709	627	437	649
	500 000	520 000	738	653	455	675
	520 000	540 000	767	678	472	702
	540 000	560 000	796	704	490	728
	560 000	580 000	825	730	508	755
	580 000	600 000	854	755	526	781
	600 000	620 000	883	781	544	808
	620 000	640 000	912	806	561	834
	640 000	660 000	941	832	579	861
	660 000	680 000	970	858	597	887
	680 000	700 000	999	883	615	914
	700 000	720 000	1 028	909	633	940
	720 000	740 000	1 057	934	651	967
	740 000	760 000	1 086	960	668	993
	760 000	780 000	1 115	986	686	1 020
	780 000	800 000	1 144	1 011	704	1 046
	800 000	820 000	1 173	1 037	722	1 073
	820 000	840 000	1 202	1 062	740	1 099
	840 000	860 000	1 230	1 088	758	1 126
	860 000	880 000	1 259	1 114	775	1 152
	880 000	900 000	1 288	1 139	793	1 179
	900 000	920 000	1 317	1 165	811	1 205

Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
	920 000	940 000	1 346	1 190	829	1 232
	940 000	960 000	1 375	1 216	847	1 258
	960 000	980 000	1 404	1 242	864	1 284
	980 000	1 000 000	1 433	1 267	882	1 311
	1 000 000	1 020 000	1 462	1 293	900	1 337
	1 020 000	1 040 000	1 491	1 318	918	1 364
	1 040 000	1 060 000	1 520	1 344	936	1 390
	1 060 000	1 080 000	1 549	1 370	954	1 417
	1 080 000	1 100 000	1 578	1 395	971	1 443
	1 100 000	1 120 000	1 607	1 421	989	1 470
	1 120 000	1 140 000	1 636	1 446	1 007	1 496
	1 140 000	1 160 000	1 665	1 472	1 025	1 523
	1 160 000	1 180 000	1 694	1 498	1 043	1 549
	1 180 000	1 200 000	1 723	1 523	1 061	1 576
	1 200 000	1 220 000	1 752	1 549	1 078	1 602
	1 220 000	1 240 000	1 781	1 574	1 096	1 629
	1 240 000	1 260 000	1 810	1 600	1 114	1 655
	1 260 000	1 280 000	1 838	1 626	1 132	1 682
	1 280 000	1 300 000	1 867	1 651	1 150	1 708
	1 300 000	10 000 000	1 896	1 677	1 167	1 735
<hr/>						
Senior IT auditor	400 000	420 000	594	525	365	543
	420 000	440 000	622	550	383	569
	440 000	460 000	651	576	401	596
	460 000	480 000	680	602	419	622
	480 000	500 000	709	627	437	649
	500 000	520 000	738	653	455	675
	520 000	540 000	767	678	472	702
	540 000	560 000	796	704	490	728
	560 000	580 000	825	730	508	755
	580 000	600 000	854	755	526	781
	600 000	620 000	883	781	544	808
	620 000	640 000	912	806	561	834
	640 000	660 000	941	832	579	861

Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
	660 000	680 000	970	858	597	887
	680 000	700 000	999	883	615	914
	700 000	720 000	1 028	909	633	940
	720 000	740 000	1 057	934	651	967
	740 000	760 000	1 086	960	668	993
	760 000	780 000	1 115	986	686	1 020
	780 000	800 000	1 144	1 011	704	1 046
	800 000	820 000	1 173	1 037	722	1 073
	820 000	840 000	1 202	1 062	740	1 099
	840 000	860 000	1 230	1 088	758	1 126
	860 000	880 000	1 259	1 114	775	1 152
	880 000	900 000	1 288	1 139	793	1 179
	900 000	920 000	1 317	1 165	811	1 205
	920 000	940 000	1 346	1 190	829	1 232
	940 000	960 000	1 375	1 216	847	1 258
	960 000	980 000	1 404	1 242	864	1 284
	980 000	1 000 000	1 433	1 267	882	1 311
	1 000 000	1 020 000	1 462	1 293	900	1 337
	1 020 000	1 040 000	1 491	1 318	918	1 364
	1 040 000	1 060 000	1 520	1 344	936	1 390
	1 060 000	1 080 000	1 549	1 370	954	1 417
	1 080 000	1 100 000	1 578	1 395	971	1 443
	1 100 000	1 120 000	1 607	1 421	989	1 470
	1 120 000	1 140 000	1 636	1 446	1 007	1 496
	1 140 000	1 160 000	1 665	1 472	1 025	1 523
	1 160 000	1 180 000	1 694	1 498	1 043	1 549
	1 180 000	1 200 000	1 723	1 523	1 061	1 576
	1 200 000	1 220 000	1 752	1 549	1 078	1 602
	1 220 000	1 240 000	1 781	1 574	1 096	1 629
	1 240 000	1 260 000	1 810	1 600	1 114	1 655
	1 260 000	1 280 000	1 838	1 626	1 132	1 682
	1 280 000	1 300 000	1 867	1 651	1 150	1 708
	1 300 000	10 000 000	1 896	1 677	1 167	1 735

Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
<b>Auditor</b>	240 000	260 000	364	311	332	322
	260 000	280 000	393	336	359	348
	280 000	300 000	422	361	385	373
	300 000	320 000	451	386	412	399
	320 000	340 000	480	411	439	425
	340 000	360 000	509	436	465	451
	360 000	380 000	538	461	492	476
	380 000	400 000	568	485	518	502
	400 000	420 000	597	510	545	528
	420 000	440 000	626	535	572	554
	440 000	460 000	655	560	598	579
	460 000	480 000	684	585	625	605
	480 000	500 000	713	610	651	631
	500 000	520 000	742	635	678	657
	520 000	540 000	771	660	704	683
	540 000	560 000	800	685	731	708
	560 000	580 000	829	710	758	734
	580 000	600 000	859	734	784	760
	600 000	620 000	888	759	811	786
	620 000	640 000	917	784	837	811
	640 000	660 000	946	809	864	837
	660 000	680 000	975	834	891	863
	680 000	700 000	1 004	859	917	889
	700 000	720 000	1 033	884	944	914
	720 000	740 000	1 062	909	970	940
	740 000	760 000	1 091	934	997	966
	760 000	780 000	1 120	958	1 023	992
	780 000	800 000	1 150	983	1 050	1 017
	800 000	820 000	1 179	1 008	1 077	1 043
	820 000	840 000	1 208	1 033	1 103	1 069
	840 000	860 000	1 237	1 058	1 130	1 095
	860 000	880 000	1 266	1 083	1 156	1 120
	880 000	900 000	1 295	1 108	1 183	1 146
	900 000	920 000	1 324	1 133	1 210	1 172

Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
	920 000	940 000	1 353	1 158	1 236	1 198
	940 000	960 000	1 382	1 183	1 263	1 223
	960 000	980 000	1 411	1 207	1 289	1 249
	980 000	1 000 000	1 441	1 232	1 316	1 275
	1 000 000	1 020 000	1 470	1 257	1 342	1 301
	1 020 000	1 040 000	1 499	1 282	1 369	1 326
	1 040 000	1 060 000	1 528	1 307	1 396	1 352
	1 060 000	1 080 000	1 557	1 332	1 422	1 378
	1 080 000	1 100 000	1 586	1 357	1 449	1 404
	1 100 000	1 120 000	1 615	1 382	1 475	1 429
	1 120 000	1 140 000	1 644	1 407	1 502	1 455
	1 140 000	1 160 000	1 673	1 432	1 529	1 481
	1 160 000	1 180 000	1 703	1 456	1 555	1 507
	1 180 000	1 200 000	1 732	1 481	1 582	1 532
	1 200 000	1 220 000	1 761	1 506	1 608	1 558
	1 220 000	1 240 000	1 790	1 531	1 635	1 584
	1 240 000	1 260 000	1 819	1 556	1 661	1 610
	1 260 000	1 280 000	1 848	1 581	1 688	1 635
	1 280 000	1 300 000	1 877	1 606	1 715	1 661
	1 300 000	10 000 000	1 906	1 631	1 741	1 687
<b>Audit clerk</b>	100 000	120 000	183	152	106	157
	120 000	140 000	217	180	125	186
	140 000	160 000	250	208	144	215
	160 000	180 000	283	235	164	243
	180 000	200 000	317	263	183	272
	200 000	220 000	350	291	202	301
	220 000	240 000	383	318	222	329
	240 000	260 000	417	346	241	358
	260 000	280 000	450	374	260	386
	280 000	300 000	483	401	279	415
	300 000	320 000	517	429	299	444
	320 000	340 000	550	457	318	472
	340 000	360 000	583	484	337	501

Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
	360 000	380 000	617	512	356	530
	380 000	400 000	650	540	376	558
	400 000	420 000	683	567	395	587
	420 000	440 000	717	595	414	615
	440 000	460 000	750	623	433	644
	460 000	480 000	783	650	453	673
	480 000	500 000	817	678	472	701
	500 000	520 000	850	706	491	730
	520 000	540 000	883	733	511	759
	540 000	560 000	917	761	530	787
	560 000	580 000	950	789	549	816
	580 000	600 000	983	816	568	844
	600 000	620 000	1 017	844	588	873
	620 000	640 000	1 050	872	607	902
	640 000	660 000	1 083	899	626	930
	660 000	680 000	1 117	927	645	959
	680 000	700 000	1 150	955	665	988
	700 000	720 000	1 183	982	684	1 016
	720 000	740 000	1 217	1 010	703	1 045
	740 000	760 000	1 250	1 038	722	1 073
	760 000	780 000	1 283	1 065	742	1 102
	780 000	800 000	1 317	1 093	761	1 131
	800 000	820 000	1 350	1 121	780	1 159
	820 000	840 000	1 383	1 148	799	1 188
	840 000	860 000	1 416	1 176	819	1 217
	860 000	880 000	1 450	1 204	838	1 245
	880 000	900 000	1 483	1 231	857	1 274
	900 000	920 000	1 516	1 259	877	1 302
	920 000	940 000	1 550	1 287	896	1 331
	940 000	960 000	1 583	1 314	915	1 360
	960 000	980 000	1 616	1 342	934	1 388
	980 000	1 000 000	1 650	1 370	954	1 417
	1 000 000	1 020 000	1 683	1 397	973	1 446
	1 020 000	1 040 000	1 716	1 425	992	1 474

Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
	1 040 000	1 060 000	1 750	1 453	1 011	1 503
	1 060 000	1 080 000	1 783	1 480	1 031	1 531
	1 080 000	1 100 000	1 816	1 508	1 050	1 560
	1 100 000	1 120 000	1 850	1 536	1 069	1 589
	1 120 000	1 140 000	1 883	1 563	1 088	1 617
	1 140 000	1 160 000	1 916	1 591	1 108	1 646
	1 160 000	1 180 000	1 950	1 619	1 127	1 675
	1 180 000	1 200 000	1 983	1 646	1 146	1 703
	1 200 000	1 220 000	2 016	1 674	1 166	1 732
	1 220 000	1 240 000	2 050	1 702	1 185	1 760
	1 240 000	1 260 000	2 083	1 729	1 204	1 789
	1 260 000	1 280 000	2 116	1 757	1 223	1 818
	1 280 000	1 300 000	2 150	1 785	1 243	1 846
	1 300 000	10 000 000	2 183	1 812	1 262	1 875
<hr/>						
<b>Trainee auditor</b>	100 000	120 000	194	161	112	167
	120 000	140 000	230	191	133	197
	140 000	160 000	265	220	153	228
	160 000	180 000	300	249	174	258
	180 000	200 000	336	279	194	288
	200 000	220 000	371	308	215	319
	220 000	240 000	406	337	235	349
	240 000	260 000	442	367	255	379
	260 000	280 000	477	396	276	410
	280 000	300 000	512	425	296	440
	300 000	320 000	548	455	317	471
	320 000	340 000	583	484	337	501
	340 000	360 000	619	513	358	531
	360 000	380 000	654	543	378	562
	380 000	400 000	689	572	398	592
	400 000	420 000	725	602	419	622
	420 000	440 000	760	631	439	653
	440 000	460 000	795	660	460	683
	460 000	480 000	831	690	480	713

Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
	480 000	500 000	866	719	501	744
	500 000	520 000	901	748	521	774
	520 000	540 000	937	778	541	804
	540 000	560 000	972	807	562	835
	560 000	580 000	1 007	836	582	865
	580 000	600 000	1 043	866	603	895
	600 000	620 000	1 078	895	623	926
	620 000	640 000	1 113	924	644	956
	640 000	660 000	1 149	954	664	987
	660 000	680 000	1 184	983	684	1 017
	680 000	700 000	1 219	1 012	705	1 047
	700 000	720 000	1 255	1 042	725	1 078
	720 000	740 000	1 290	1 071	746	1 108
	740 000	760 000	1 325	1 100	766	1 138
	760 000	780 000	1 361	1 130	787	1 169
	780 000	800 000	1 396	1 159	807	1 199
	800 000	820 000	1 431	1 188	827	1 229
	820 000	840 000	1 467	1 218	848	1 260
	840 000	860 000	1 502	1 247	868	1 290
	860 000	880 000	1 537	1 276	889	1 320
	880 000	900 000	1 573	1 306	909	1 351
	900 000	920 000	1 608	1 335	930	1 381
	920 000	940 000	1 643	1 364	950	1 412
	940 000	960 000	1 679	1 394	970	1 442
	960 000	980 000	1 714	1 423	991	1 472
	980 000	1 000 000	1 750	1 452	1 011	1 503
	1 000 000	1 020 000	1 785	1 482	1 032	1 533
	1 020 000	1 040 000	1 820	1 511	1 052	1 563
	1 040 000	1 060 000	1 856	1 540	1 073	1 594
	1 060 000	1 080 000	1 891	1 570	1 093	1 624
	1 080 000	1 100 000	1 926	1 599	1 113	1 654
	1 100 000	1 120 000	1 962	1 629	1 134	1 685
	1 120 000	1 140 000	1 997	1 658	1 154	1 715
	1 140 000	1 160 000	2 032	1 687	1 175	1 745



Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
	1 160 000	1 180 000	2 068	1 717	1 195	1 776
	1 180 000	1 200 000	2 103	1 746	1 216	1 806
	1 200 000	1 220 000	2 138	1 775	1 236	1 837
	1 220 000	1 240 000	2 174	1 805	1 256	1 867
	1 240 000	1 260 000	2 209	1 834	1 277	1 897
	1 260 000	1 280 000	2 244	1 863	1 297	1 928
	1 280 000	1 300 000	2 280	1 893	1 318	1 958
	1 300 000	10 000 000	2 315	1 922	1 338	1 988

IT auditor	100 000	120 000	186	154	107	159
	120 000	140 000	219	182	127	188
	140 000	160 000	253	210	146	217
	160 000	180 000	287	238	166	246
	180 000	200 000	320	266	185	275
	200 000	220 000	354	294	205	304
	220 000	240 000	388	322	224	333
	240 000	260 000	422	350	244	362
	260 000	280 000	455	378	263	391
	280 000	300 000	489	406	283	420
	300 000	320 000	523	434	302	449
	320 000	340 000	557	462	322	478
	340 000	360 000	590	490	341	507
	360 000	380 000	624	518	361	536
	380 000	400 000	658	546	380	565
	400 000	420 000	691	574	400	594
	420 000	440 000	725	602	419	623
	440 000	460 000	759	630	439	652
	460 000	480 000	793	658	458	681
	480 000	500 000	826	686	478	710
	500 000	520 000	860	714	497	739
	520 000	540 000	894	742	517	768
	540 000	560 000	928	770	536	797
	560 000	580 000	961	798	556	826
	580 000	600 000	995	826	575	855
	600 000	620 000	1 029	854	595	884

Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
	620 000	640 000	1 062	882	614	912
	640 000	660 000	1 096	910	634	941
	660 000	680 000	1 130	938	653	970
	680 000	700 000	1 164	966	673	999
	700 000	720 000	1 197	994	692	1 028
	720 000	740 000	1 231	1 022	712	1 057
	740 000	760 000	1 265	1 050	731	1 086
	760 000	780 000	1 299	1 078	751	1 115
	780 000	800 000	1 332	1 106	770	1 144
	800 000	820 000	1 366	1 134	790	1 173
	820 000	840 000	1 400	1 162	809	1 202
	840 000	860 000	1 433	1 190	829	1 231
	860 000	880 000	1 467	1 218	848	1 260
	880 000	900 000	1 501	1 246	868	1 289
	900 000	920 000	1 535	1 274	887	1 318
	920 000	940 000	1 568	1 302	907	1 347
	940 000	960 000	1 602	1 330	926	1 376
	960 000	980 000	1 636	1 358	946	1 405
	980 000	1 000 000	1 670	1 386	965	1 434
	1 000 000	1 020 000	1 703	1 414	985	1 463
	1 020 000	1 040 000	1 737	1 442	1 004	1 492
	1 040 000	1 060 000	1 771	1 470	1 023	1 521
	1 060 000	1 080 000	1 804	1 498	1 043	1 550
	1 080 000	1 100 000	1 838	1 526	1 062	1 579
	1 100 000	1 120 000	1 872	1 554	1 082	1 608
	1 120 000	1 140 000	1 906	1 582	1 101	1 637
	1 140 000	1 160 000	1 939	1 610	1 121	1 666
	1 160 000	1 180 000	1 973	1 638	1 140	1 695
	1 180 000	1 200 000	2 007	1 666	1 160	1 724
	1 200 000	1 220 000	2 041	1 694	1 179	1 753
	1 220 000	1 240 000	2 074	1 722	1 199	1 781
	1 240 000	1 260 000	2 108	1 750	1 218	1 810
	1 260 000	1 280 000	2 142	1 778	1 238	1 839
	1 280 000	1 300 000	2 175	1 806	1 257	1 868
	1 300 000	10 000 000	2 209	1 834	1 277	1 897



# ANNEXURE

# D

ACRONYMS AND  
ABBREVIATIONS



<b>ABU</b>	audit business unit
<b>Afrosai</b>	African Organization of Supreme Audit Institutions
<b>Afrosai-E</b>	African Organization of English-speaking Supreme Audit Institutions
<b>AGSA</b>	Auditor-General South Africa
<b>BBBEE</b>	broad-based black economic empowerment
<b>BU</b>	business unit
<b>CAATs</b>	computer-assisted audit techniques
<b>capex</b>	capital expenditure
<b>CISA</b>	certified information systems auditor
<b>CMS</b>	case management software
<b>Constitution</b>	Constitution of the Republic of South Africa, 1996
<b>CPIX</b>	consumer price index (excluding mortgage costs)
<b>CSO</b>	civil society organisation
<b>CTA</b>	Certificate in the Theory of Accounting
<b>CWC</b>	contract work creditors
<b>ERP</b>	enterprise resource planning
<b>exco</b>	executive committee
<b>ICT</b>	information and communications technology
<b>IFRS</b>	International Financial Reporting Standards
<b>Intosai</b>	International Organization of Supreme Audit Institutions
<b>IRBA</b>	Independent Regulatory Board for Auditors
<b>ISQM</b>	International Standard on Quality Management
<b>IT</b>	information technology
<b>MAF</b>	management approval framework
<b>MI</b>	material irregularity
<b>NCV</b>	net carrying value
<b>NDP</b>	National Development Plan
<b>PAA</b>	Public Audit Act 25 of 2004
<b>PIC</b>	Public Investment Corporation
<b>PPE</b>	personal protective equipment
<b>RGA</b>	registered government auditor
<b>S&amp;T</b>	subsistence and travel
<b>SAI</b>	supreme audit institution
<b>Saica</b>	South African Institute of Chartered Accountants
<b>SCMB</b>	Standard Corporate and Merchant Bank
<b>Scoag</b>	Standing Committee on the Auditor-General
<b>SDG</b>	Sustainable Development Goals
<b>UIF</b>	Unemployment Insurance Fund
<b>WCA</b>	Workmen's Compensation Act





AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

**Physical Address:** 4 Daventry Road  
Lynnwood Manor  
Pretoria, SA

**Postal Address:** PO Box 446,  
Pretoria, 0001

**Telephone:** 012 426 8000

**Fax to Email:** 012 426 8257

**Email:** [agsa@agsa.co.za](mailto:agsa@agsa.co.za)

**Website:** [www.agsa.co.za](http://www.agsa.co.za)

**RP56/2022**

**ISBN: 978-0-621-50109-4**

*Auditing to build public confidence*

 Auditor General of South Africa

 @AuditorGen\_SA

 Auditor-General of South Africa