

# Report of Audit Committee to SCoAG on Appointment of the external auditor

*Change to the master subtitle style*



*Auditing to build public confidence*



AUDITOR - GENERAL  
SOUTH AFRICA

# Reputation promise/mission

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, it exists to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence.



*Auditing to build public confidence*



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## Process to date

- Tender was advertised
- The Audit Committee met on 27 October 2010 to consider tenders
- Only two tenders were received and the Audit Committee did not have enough information to finalise the evaluation process
- The Audit Committee resolved that the process be suspended
- The Audit Committee felt that the tender needed to be re-advertised with clearly stipulated criteria to ensure all relevant information available to enable the Audit Committee to appoint an external auditor



## Way forward for Audit Committee

- Tender was re-advertised in the Business Day and Sunday Times, clearly stipulating the required criteria, with a closing date of 10 November 2010
- Audit Committee to reconvene on 11 November 2010 to evaluate bids to select an audit firm that it can recommend to SCoAG for appointment as external auditor
- Meet with SCoAG on 19 November 2010, if possible, to table recommendation. If not possible to meet, delegate the decision to the SCoAG Chair to finalise the appointment based on recommendation from the Audit Committee



## Other Considerations

- An appointment must be made by end November to enable the firm to plan the audit
- If no firm can be identified, consider re-appointing Moore Stephens.
- The Audit Committee would approve the external audit coverage plan at a special meeting in early January 2011, so the firm can commence work immediately
- Failure to stick to this timetable may result in a breakdown of the audit process of AGSA, which would be an untenable situation
- Prof Barac's retirement date to be rescheduled until after the January 2011 meeting.



## SCoAG approval

- SCoAG approve the proposed process
- SCoAG delegate authority to their Chair to finalise the process if Parliament is in recess
- SCoAG to approve contingency plan to re-appoint Moore Stephens if no suitably qualified alternate firm identified

