

AUDIT PERSPECTIVES

REDEFINING AGSA'S FINANCIAL SECTOR AUDITS



Caption: Solomon (Solly) Segooa is the corporate executive (CE) tasked with overseeing the audit portfolio of the Northern Cape, Western Cape and National B business units. These units audit auditees that include Department of Transport, National Treasury, Prasa, ACSA, PIC, DBSA and PetroSA. Solly is a qualified chartered accountant who joined the AGSA in 2014.

As the supreme audit institution of the country, we are constantly looking for innovative ways to conduct our audits in an effort to improve stakeholder satisfaction and add value. Therefore, I tasked the units in my portfolio with creating strategic initiatives geared at resolving the issues that keep business executives up at night. Exploring innovation that would answer some of the difficulties our audit teams face in the field while increasing efficiencies in our audits has become a necessity to achieve our organisational goals.

From the Western Cape Business Unit (BU) came a project to create

specialist auditors in the oil and gas sector as a result of our audits at PetroSA, Strategic Fuel Fund and Petroleum Agency SA. The Northern Cape BU worked on managing cost-efficient audits to benefit both the AGSA and auditees, while the National B BU embarked on creating specialist auditors for both the transport and banking sector.

The project for creating specialist auditors in the financial and banking sector was fast-tracked because of an urgent request from auditees for specialist skilled auditors. The organisation had to demonstrate to the banking sector clients that it is equal to the task and, as a result, began the project by reconfiguring the BU and

establishing centres of excellence that focus on financial and banking services and transport audits. Our financial and banking sector auditees, the Development Bank of Southern Africa, Land Bank and the Public Investment Corporation, were at the heart of delivering this task.

Our strategy focused on developing specialist knowledge, research and development, sharing information and generating a continuous pipeline of skilled auditors. The strategy caters for a phased-in implementation over three years; we are currently in quarter three of year one. The strategy focuses on the following key pillars:

Banking and financial services sector

- Treasury function
- Loans and advances
- Asset management

Research & development

- Develop financial services sector-specific audit programmes and disclosure checklists
- Be an accredited member of sector forums
- Be accredited as an IFRS advisor by the JSE
- Have in-house financial services sector trainers
- Research topical matters in the sector and share insight

Sharing information

- Establish an information-sharing mechanism
- Establish a banking and financial services sector forum

Sustainable pipeline

Create a sustainable pipeline that supports centres of excellence using a succession and retention plan.

The strategy is accompanied by a curriculum that includes an academic component, on-the-job training, a skills transfer plan and business model simulations.

Our journey has been a mixed bag of highs and lows. The highlights included the curriculum that has been developed and is currently being validated, positive feedback from the same auditees who had previously raised concerns, and auditees' observations that the audit team is now more engaged on technical matters. Internally,

the centre has already begun to share information through consultation with other audit BUs.

What remains of concern is how to best manage and reduce, the pressure on the team, especially on our key resources. To mitigate this, we are bringing in a project manager to assist with developing an operating model that will reduce the risk of a key person dependency and develop a feeder pipeline.

As an organisation, we need to stay connected and responsive to the environment we audit. The onus is on us as the AGSA leadership to plan and commit to the future we aspire to. We need to stay true to our vision, develop mechanisms to achieve that end and have the discipline to continue improving to remain relevant and sustainable.



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