



AUDITOR - GENERAL
SOUTH AFRICA

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World Bank ranks South Africa's national audit office highly

PRETORIA – The World Bank has ranked the Auditor-General of South Africa (AGSA) as one of two national audit offices in the world that are enjoying full independence to carry out their audit mandates in their respective countries.

In its *Supreme audit institutions independence index: global synthesis report 2021*, the international bank studied 118 supreme audit institutions (SAIs) and declares that only the national audit offices of South Africa (AGSA) and the Seychelles have “very high independence” from any form undue interference.

Auditor-General (AG) Tsakani Maluleke says this positive announcement is a “credit to our country's Constitution which jealously protects the independence of our office to carry out its work without any due interference”.

Chapter 9 of the South African constitution guarantees the independence of the AGSA, stating that the audit office must be impartial and must exercise its powers and perform its functions without fear, favour or prejudice.

AG Maluleke says the World Bank findings “clearly demonstrate how our country has allowed the national audit office to support our democracy. It is equally an endorsement for the work done by those who came before us and conducted themselves and the organisation to the highest level integrity which protected the reputation of the organisation”.

“If we look at how our office compares against the audit offices from big economies and old democracies in this assessment, we must appreciate the independence and support we continue to receive from our parliament, through the standing committee on the auditor-general and other oversight structures; the executive and administration at all government tiers,” she adds.

The support and trust in our work is evidenced by the various political parties' unanimous endorsement of the amendments to the Public Audit Act, which we, as the national audit office, continue to implement without fear, favour or prejudice. Equally, the unwavering support we continue to receive from the citizenry, civil society organisations and the media, bolster our resolve to work even harder in supporting the drive towards wholesale good governance in our public sector to ensure that all citizens receive the service delivery they deserve.

This latest accolade follows AGSA being voted the 2021 employer of choice in the public sector by graduates countrywide. The AGSA was awarded first place in the public sector category in the *SAGEA Employer Awards* – an initiative of the South African Graduate Employers Association (SAGEA) that aims to celebrate the achievements of the country's leading graduate employers. The awards are decided entirely by successful job hunters who have received confirmed job offers from graduate employers.

The World Bank notes that "independence is a critical foundation for the effective functioning of the SAI. Truly independent SAIs can fulfil their mandate to reduce waste and the abuse of public resources so public resources can be better channelled for programs that fight poverty, which is a focus of the international development community and the core mission of the World Bank Group".

To conduct this study, the bank's task team used the Independence of Supreme Audit Institutions (InSAI) assessment. This tool, developed by a team of SAI experts at the World Bank, is used to measure audit offices' independence annually and includes indicators of independence that are based on international standards and practices, such as legal, financial, mandate, coverage, and operational dimensions. In the annual assessment, for each indicator, SAIs received a rating of 1 for fully meeting the criteria; 0,5 for partially meeting the criteria; and 0 for not meeting the criteria.

An overall score of 10 means that the audit fully met all independence criteria, and only the AGSA and Seychelles audit office fall into this category.

The report notes that despite their importance to good governance, SAIs typically face common challenges that include:

- undue political influence, particularly when they lack guarantees of independence and functional autonomy. This deficiency can seriously undermine their ability to successfully achieve their mission
- being restricted in accessing the required information to perform their audits
- information being withheld, which compromises the effectiveness of SAIs
- lack of ability to enforce compliance with their audit findings
- inadequate budgets to ensure that necessary equipment can be acquired, staff salaries can be paid, and sufficient resources can be allocated to plan and conduct audits. When SAIs are underfunded, the quality of their work can be seriously compromised
- without adequate and properly trained staff, SAIs may lack the necessary competences to perform their required duties
- weak interactions with parliament. The lack of communication ultimately undermines the value of the audit work and can result in limited governmental accountability.

“Our involvement and recognition in the international arena is a significant mark of achievement, not only for our office, but also for our country. It entrenches our profile and reputation among global stakeholders and peers, thus putting South Africa on the map. This announcement is also the good news that our country currently needs to show the world that, while we have challenges like other nations, we are still a global force to be reckoned with as we have systems such as the national audit office that could turn our governance plight around, if its audit counsel is followed religiously,” concludes Maluleke.

Note to the editors

About the AGSA: The AGSA is South Africa’s supreme audit institution. It is the only institution that, by law, has to audit and report on how government is spending taxpayers’ money. This has been the focus of the national audit office since its inception in 1911.

Flying the national flag to help benefit citizens globally: The AGSA, together with the International Organisation of Supreme Audit Institutions (Intosai), has made substantial investment in the development of public sector auditors across the world.

The AGSA has played a pivotal role in this international body of auditors-general (Intosai) as well as its affiliated continental chapter, the African Organisation of Supreme Audit Institutions (Afrosai). To help facilitate public accountability in the continent, our office served as president of the continental affiliate from 2008 until 2011. For over a decade now, our office has been hosting the secretariat of the Afrosai-E, a sub-grouping of English-speaking supreme audit institutions in Africa.

We also hosted the 20th International Congress of Supreme Audit Institutions in 2010, where we were handed the reins of the international body for three years, until 2013, with former AG Terence Nombembe becoming Intosai president. This marked a period of our earnest involvement and us pioneering developmental issues at these international and continental auditing bodies. These efforts earned us the three-yearly Jorg Kandutsch Award for our achievements in and contributions to the field of public auditing at home and internationally.

For 12 years, until 30 June 2012, we led, and were a member of, distinguished international teams – the United Nations Board of Auditors (UNBOA) and the Panel of External Auditors of the United Nations.

From 2013, former AG, the late Kimi Makwetu, chaired one of Intosai's critical committees, which drives the body's global efforts on capacity-building and strengthening all the supreme audit institutions globally.

End.

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