

OUR VISION, MISSION AND VALUES

Our daily work provides value to the people of South Africa and their elected representatives in all spheres of government.
Our existence is concisely defined by our vision, mission and values.



Our Aspirations

We want to see a South Africa public service that is characterised by:

- strong financial and performance management systems
- oversight and accountability
- commitment and ethical behaviour by all
- a value-adding assurance provider in the form of the AGSA



Our Vision

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



Our Mission

We have a constitutional mandate and, as the supreme audit institution of South Africa, exist to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence.



Our Values

- We value, respect and recognise all people
- Our accountability is clear and personal
- We are performance driven
- We work effectively in teams
- We value and own our reputation
- We are proud to be South African.

LEGISLATION

THE FUNCTIONS OF THE AGSA ARE REGULATED THROUGH LEGISLATIONS PASSED IN PARLIAMENT. THIS IS HOW THEY HAVE EVOLVED OVER THE YEARS:



1911 The Exchequer and Audit Act

It laid out all the regulations and processes for the guidance of auditors of accounts in the provinces of the Cape of Good Hope, Natal, Transvaal and Orange Free State.



1916 The Exchequer and Audit Amendment Act

This Act amended a number of provisions contained in the 1911 Act



1956 2nd Amendment of The Exchequer and Audit Act

Confirmed that the Auditor-General must review, scrutinise and audit the accounts of all those to whom the receipt, safekeeping, payment or distribution of state funds were entrusted. The Auditor-General was required to report to the Minister of Finance on his findings.



1992 The Audit Arrangements Act

Came into effect on 1 April 1993, transferring overall supervision of the Office of the Auditor-General and related matters to a newly created Audit Commission and a Staff Management Board (now SCOAG).



1992 The Auditor-General Amendment Act

Increased the Auditor-General's level of authority as well as independence.



1989 The Auditor-General Act

This Act made provision for the AG and his staff to operate under a separate act while the executive still retained the final say on crucial administrative issues such as the procurement of resources. It brought the organisation a step closer to full independence.



1975 The Exchequer Act

The Exchequer Act of 1975 replaced the previous acts of 1911, 1916 and 1956, consolidating and modernising all the regulations and above all, including provisions to conduct performance audits.



1995 The Audit Matters Rationalisation and Amendment Act

Provided for the rationalisation of the Office of the Auditor-General and the abolition of the audit offices of the former Republics of Transkei, Bophuthatswana, Venda and Ciskei.



1996 The Constitution of RSA



2004 The Public Audit Act (PAA)

This act confirmed the independence of the SA SAI and strengthened and grew its mandate, while also promoting the transparency and accountability of the operations.



2018 The Public Audit Amendment Act

Seeks to amend the Public Audit Act so as to, inter alia, provide for the Auditor-General to take remedial action, to ensure that losses suffered by the State are, where possible, recovered, as well as to refer certain suspected material irregularities for investigation.

WHAT DOES THE AGSA DO?



THE AG CHECKS THE
SPENDING OF PUBLIC
MONEY BY LOOKING AT
WHETHER IT HAS BEEN
USED IDEALLY AND FOR
THE PURPOSES INTENDED.



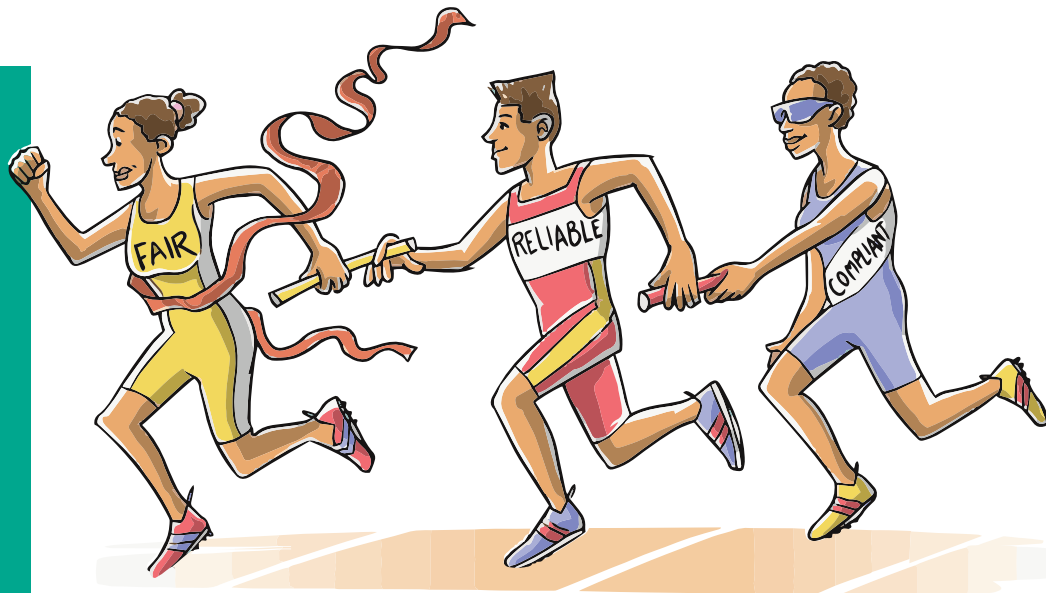
THIS IS DONE
BY CHECKING ALL
GOVERNMENT
SPENDING
YEARLY, AND
THIS IS CALLED
AN AUDIT.



THE AG'S ANNUAL AUDITS EXAMINE

3

AREAS:



1

Fair representation and absence of significant misstatements in financial statements.

2

Reliable and credible performance information for predetermined objectives.

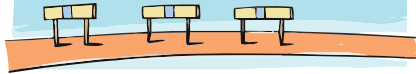
3

Compliance with key laws and regulations.

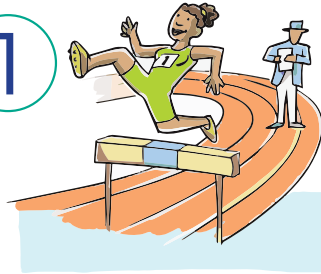


DIFFERENT OUTCOMES TO AN AUDIT

EACH AUDITEE
SUBMITS FINANCIAL
STATEMENTS EVERY
YEAR, WHICH THE
AG AUDITS.



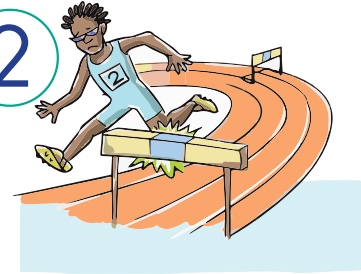
1



Financially unqualified opinion with no findings:
The ideal – a clean audit:

Everything has been done the way it should be. There are no material misstatements in the financial statements and the auditee has complied with the law and reported properly on its performance objectives. A clean audit confirms that those charged with service delivery have created a solid foundation for the delivery of services and finance are unlikely to be the cause for delayed service where things are going wrong.

2



Financially unqualified opinion with findings:
Not bad but not ideal:

Here, the information in the financial statements is correct and complete, meaning there are no material misstatements. But there are 'material findings' problems with the auditee's performance reporting or non-compliance with the law, or both. This could compromise the auditee's accountability.

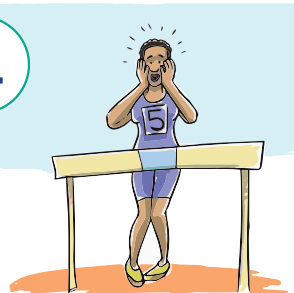
3



Financially qualified opinion with findings:
The situation is worrying:

The auditee did not manage and account for its finances to achieve the best result. The financial statements contain material misstatements about specific amounts, or there is insufficient evidence for the AGSA to conclude that the amounts are not materially misstated.

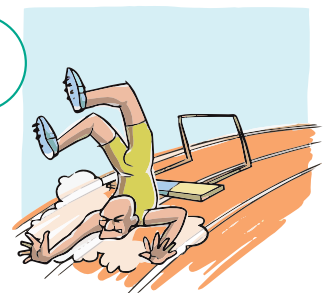
4



An adverse opinion with findings:
Lots of problems everywhere:

The auditee has not followed the correct rules and procedures and has not provided complete, correct information to account for its spending. There are a lot of material misstatements.

5



A disclaimed opinion with findings:
The worst outcome:

The finances are so badly managed that the auditee cannot even produce evidence (documentation) to support its financial statements.

GOVERNMENT SPENDING

There are three kind of problems that the auditors might flag about government spending. These are:



Unauthorised expenditure:

spending that goes over budget or was not used for the purpose intended.



Irregular expenditure:

spending that was incurred without complying with applicable legislation. This may be caused by procedures not being followed.



Fruitless and wasteful expenditure:

pointless spending that could have been avoided. This can be simple things such as not paying suppliers in time and incurring interest.



HOW WE ENHANCE ACCOUNTABILITY IN THE PUBLIC SECTOR



We provide corrective recommendations aimed at addressing wrongdoing that significantly impacts on public resources and service delivery.



We take remedial action which is legally binding should the recommendations be ignored.



The Auditor-General also has the powers to issue a certificate of debt in the names of those charged with overseeing public resources should the remedial action not be complied with.



We also refer wrongdoings found during an audit for investigation by relevant public bodies such as the public protector, the Hawks and other similar bodies.



We report on all matters referred for investigation, remedial actions taken and Certificates of debt (Cod) issued to parliament.



This ensures that losses suffered by the State are, where possible, recovered.

FAQ – ROLE

Q. What is the role of the auditor-general?

A: The auditor-general (AG) is a person that is appointed by Parliament for a fixed term of between five and ten years to run the AGSA. The AG is the head of the organisation and accountable for the administration.

Q. What is the role of the deputy auditor-general?

A: The deputy auditor-general (DAG) is the head of administration of the institution. He/she is responsible for the overall performance of the organisation and is directly accountable to the AG. The DAG is the accounting officer of the organisation.

Q. What are the functions of the AGSA?

A: The AGSA audits and reports on the accounts, financial statements and financial management of:

- All national and provincial state departments and administrations
- Administration of Parliament and of each provincial legislation
- All municipalities and municipal entities
- All constitutional institutions
- Any other institution or accounting entity required by national or provincial legislation to be audited by the AGSA.

Q. Is the AGSA governed by government?

A: The Constitution guarantees the independence of the AGSA from government and stipulates that the AGSA is subject only to the Constitution and the law.

Q. Will the AGSA investigate a particular matter raised by a member of the public?

A: The AGSA may conduct investigations or special audits of institutions referred to in section 4(1) or (3) of the PAA, if the AG considers it to be in the public interest or upon the receipt of a complaint or request.

Q. What types of audits does the AGSA conduct?

A: Mandatory audits and discretionary audits.

MANDATORY AUDITS

Regularity audit

- Report on the financial statements and the performance report
- Report on compliance with laws and regulations

DISCRETIONARY AUDITS

Investigations

- Report findings with regard to financial misconduct, maladministration and impropriety; based on allegations or matters of public interest

Performance audits (including environmental audits)

- Report on the economic, efficient and effective utilisation of scarce resources
- Report on the effect of policy implementation, excluding policy evaluation.