

AGSA'S KEY STAKEHOLDER GROUPS



CONSTITUTIONAL STAKEHOLDERS

Visibility for impact objective 1: Achieve impact through visibility programmes

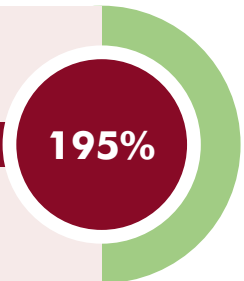
PERFORMANCE MEASURE

% implementation of our visibility programmes (constitutional stakeholders)

2020-21 TARGETS

80% – 100% of the planned engagements for 2020-21

2020-21 ACTUAL



Impact of our visibility programmes

At the start of each annual cycle we customise our visibility programmes to ensure that our engagements achieve their desired impact and return on investment by convincing stakeholders to act. In these interactions, we emphasised

the lack of preventative controls in the government’s financial system, the lapse in financial management and the implications of our enhanced mandate. We also focused on selected auditees that disbursed covid-19 funding and acknowledged the improvements made.

We prioritised 292 constitutional stakeholders for 524 interactions to help influence change, improve or maintain strong financial management systems, and implement corrective action where necessary. However, we exceeded our planned interactions by holding 1 023 interactions with these stakeholders for the year. This was in some part driven by engagements during our real-time audits.

Our visibility programmes provided ministers and portfolio committees with a platform to ask clear accountability questions related to our audit findings and covid-19 expenditure. We shared the audit outcomes of national and provincial, local government and real-time audits, and insight on transversal audit issues. The objective was to empower ministers to replicate good practices and establish corrective measures where required.

The covid-19 pandemic created an opportunity for innovation in stakeholder management, and the ability to engage virtually aided our quarterly engagements. Our proactive guidance and insight on preventative controls for government's covid-19-related expenditure provided added opportunities for collaboration. The Unemployment Insurance Fund was typical of an entity that benefitted from our interactions by recouping funds disbursed inappropriately.

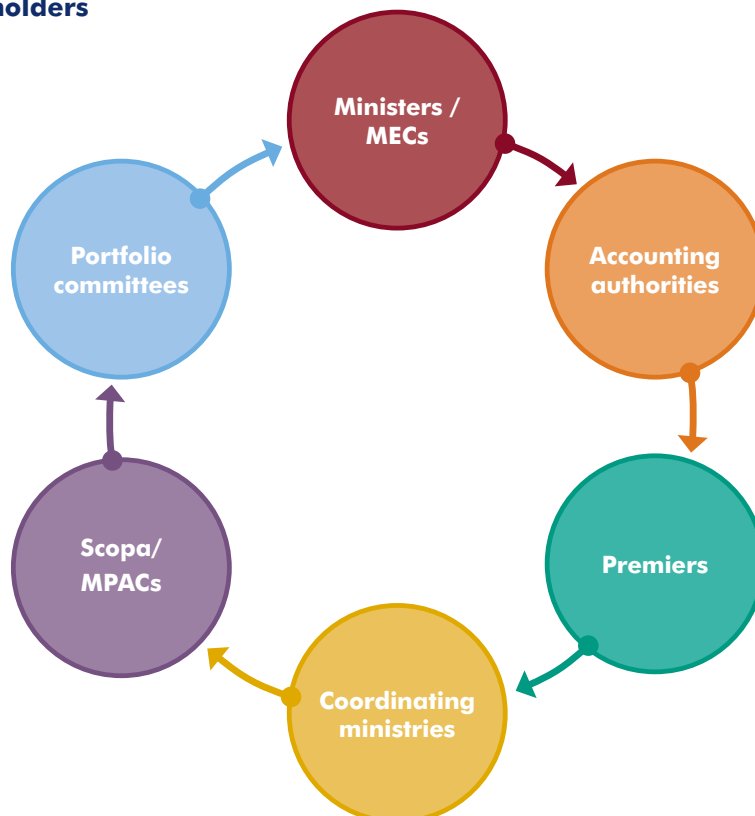
Overall, we believe that our interactions helped stakeholders carry out their mandates. Our constitutional stakeholders gained a better understanding of our audit messages and accounting officers who heeded our advice constructed audit action plans that addressed key internal control deficiencies and helped close their internal control gaps.

Interactions with legislated oversight bodies included sharing audit insight to equip them to scrutinise accounting officers' reports and publicly hold executive authorities to account for their stewardship of public funds. These institutionalised interactions with ministries, and portfolio and public account committees have matured. However, more action is required to improve audit outcomes.

Oversight leaders asked us to fast track our enhanced mandate and highlighted the need for all investigations into financial losses to be accompanied by a clear process for recovering funds. This expectation was largely in response to the slow pace of consequence management in departments. We responded by providing an update on the process of identifying and dealing with MIs, and emphasised the partnerships with all role players.

We will continue to enhance our visibility programmes to ensure that our messages remain relevant to all our stakeholders.

Constitutional stakeholders



Prioritised constitutional stakeholders



Cabinet and coordinating ministries

The Cabinet is the most senior level of the executive branch of the government of South Africa, and consists of the president, as head, the deputy president and ministers.

Coordinating ministries have collective transversal responsibilities that are mandated to several ministers. These responsibilities include cooperative governance development, local government, public financial management, performance, monitoring and evaluation and public administration.



Executive

The executive authorities are stewards of the apportioned public funds. They have executive powers to determine the direction of resources for service delivery to benefit citizens.

We engaged with them quarterly, either individually, collectively on platforms like in Cabinet or on roadshows, and through written communication.



The National Assembly and National Council of Provinces

We usually interact with the collective of the National Assembly and National Council of Provinces (NCoP) leadership after each audit cycle. For 2020-21, we first met with the house chairpersons individually and, later, with the committee of chairpersons where all the oversight committees' chairpersons are represented.

Using our general reports, oversight leaders immediately scheduled interactions with specific departments to address the findings. They responded to our special covid-19 report by driving the executive authority to call for speedy consequences, as the minister of employment and labour did in relation to the UIF.



Portfolio committees

The oversight committees remain critical to spreading our messages; they occupy a unique position to deal with sector-specific audit outcomes. The diversity of oversight committees also allows us to brief committees on a wide array of findings.

We interacted with all portfolio committees during the annual budget review and recommendations reports (BRRR) interactions. These interactions are meant to assess the state of financial management in each government department. Given the delayed submission of financial statements for auditing, the BRRR process took place a month later, which affected the uniformity of preparation and execution during this critical oversight process.

Using our audit findings, committees were able to formulate relevant and impactful resolutions in their respective BRRR reports.



Standing Committee on Public Accounts

Scopa's mandate is to scrutinise all annual reports to identify and call to account all departments with undesirable audit outcomes. It executes this mandate using our reliable and relevant information on state accounts. The committee's strategic objective is to use oversight to curb the rise of irregular, fruitless and wasteful expenditure, which is aligned to our desired impact for this stakeholder.

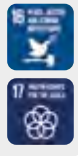
We assisted Scopa with briefings ahead of hearings and oversight visits in which they closely scrutinised the SOEs, with a particular focus on the fiduciary duties of their boards.

In an effort to maximise its oversight impact, Scopa also sought strategic engagements with the AGSA and the SIU, especially during its oversight of the covid-19 disbursements.



Association of Public Accounts Committees

The Association of Public Accounts Committees (APAC) serves as the coordinating structure for national and all provincial Scopa chairpersons. It provides a cost-effective platform for engaging oversight on transversal issues. We engaged the APAC on the audit outcomes of both cycles and jurisdictions. The APAC has demonstrated an understanding of the root causes of audit outcomes in public hearings where accounting officers and executive authorities appeared for scrutiny. We look forward to the APAC playing an active role in equipping its members and support staff for heightened oversight.



Preventative controls guidance to constitutional stakeholders

In reprioritising our activities in response to the imperatives of our real-time audits, we refined our status of records reviews in 2020-21 to enhance our proactive approach and focus on preventative controls. While the status of records review provides an early warning to accounting officers, preventative controls are measures that enable accounting officers to maintain a solid set of controls that are applied daily to business processes.

Going forward, the preventative controls will form part of the status of records review.

The engagement on preventative controls extended to parliamentary oversight committee chairpersons and the APACs. This empowered them to oversee the executive authority and accounting officers during public hearings.

The importance of the preventative control guides in these interactions bodes well for incorporating them into our audit engagements.