

# STRATEGIC PLAN AND BUDGET

OF THE AUDITOR-GENERAL  
OF SOUTH AFRICA

2024-27



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



AUDITOR-GENERAL  
SOUTH AFRICA

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# STRATEGIC PLAN

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OF THE AUDITOR-GENERAL OF  
SOUTH AFRICA FOR 2024-27

## SECTION

# 01

## PURPOSE OF THIS DOCUMENT



This document presents the performance and financial plan of the Auditor-General of South Africa (AGSA) for the period 1 April 2024 to 31 March 2027. It outlines the top mid-term operational priorities for the organisation as it continues to implement its corporate strategy, #cultureshift2030, and specifies the annual targets to be pursued for each strategic priority area.



## SECTION

# 02

# OUR CONSTITUTIONAL MANDATE AND FUNCTIONS

## 2.1 OUR MANDATE AND FUNCTIONS

Chapter 9 of the Constitution of the Republic of South Africa, 1996 (Constitution) establishes the AGSA as one of the state institutions supporting constitutional democracy in the country. Section 188 states that the AGSA is required to report on the finances of all national, provincial and local government administrations and has the discretion to audit any institution that receives money for a public purpose. It also specifically states that the reports of the AGSA must be made public. This is further supported by section 41, which states that all spheres of government and other organs of state must secure the wellbeing of the people of South Africa and provide effective, transparent, accountable and coherent government for the country as a whole.

The Constitution establishes our independence by directing that we are subject only to the Constitution and the law. It also requires us to be impartial, exercise our powers and perform our functions without fear, favour or prejudice. These functions are described in section 188 of the Constitution and further regulated by chapters 2 and 3 of the Public Audit Act 25 of 2004 (PAA).

## 2.2 OUR AUGMENTED MANDATE

Changes to our enabling legislation came into effect on 1 April 2019. A few fundamental amendments addressed long-standing concerns about the failure of accounting officers and accounting authorities to act on our audit findings and recommendations, specifically in respect of fruitless, wasteful and irregular expenditure. The amended PAA aims to encourage those appointed as stewards of public resources to act decisively and in accordance

with the law to prevent or recover the losses. Where our recommendations and messages are addressed, we have the power to trigger consequences and enforce accountability. Other amendments aim to clarify our mandate to conduct various forms of audits and to broaden the scope to select areas for auditing where the most attention is needed.

## 2.3 OUR PRODUCTS

Each year, we conduct mandatory regularity audits of all legislatures, all national and provincial government departments, certain public entities, all municipalities and all municipal entities (our clients or auditees).

We now also produce material irregularity (MI) reports, based on the Municipal Finance Management Act 56 of 2003 (MFMA) and Public Finance Management Act 1 of 1999 (PFMA) audit cycles. Furthermore, we conduct discretionary audits, such as performance audits, special audits, international audits and investigations.

Our audit reports are made public and are tabled in Parliament, provincial legislatures and municipal councils.

In addition to these entity-specific reports, we publish two general reports each year, in which we analyse the outcomes of the audits at national, provincial and municipal level.

Our products form the basis for engagement with a variety of stakeholder groups, with whom we share audit insight to equip them to fulfil their responsibilities effectively.





## SECTION

# 03

## ACCOUNTABILITY AND REPORTING



We are accountable to the National Assembly in terms of section 181(5) of the Constitution and section 3(d) of the PAA. We report to the National Assembly annually on our activities and the performance of our functions by tabling two main accountability instruments, namely our strategic plan & budget and our annual report. The Standing Committee on the Auditor-General (Scoag), established in terms of the Constitution and the PAA, oversees our performance on behalf of the National Assembly.

## SECTION 04

# OUR VISION, MISSION AND ORGANISATIONAL VALUES

### 4.1 OUR VISION AND MISSION STATEMENTS

The essence of our organisation as a supreme audit institution (SAI) is expressed in our vision and mission statements.

#### VISION

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

#### MISSION

*The Auditor-General of South Africa has a constitutional mandate and, as the supreme audit institution of South Africa, exists to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence.*

#### VALUES



We **care** for each other



We build **trust**



We do the **right** thing



We **excel** in all we do

### 4.2 VALUE AND BENEFITS OF SUPREME AUDIT INSTITUTIONS

We subscribe to and apply the principles entrenched in Intosai-P 12, *The value and benefits of supreme audit institutions – making a difference to the lives of citizens.*

The overall philosophy of the standard centres on the following notion:

Auditing of government and public sector entities by SAIs has a positive impact on trust in society because it focuses the minds of the custodians of public resources on how well they use those resources. Such awareness supports desirable values and underpins accountability mechanisms, which in turn leads to improved decisions. Once a SAI's audit results have been made public, citizens are able to hold the custodians of public resources accountable. In this way, SAIs promote the efficiency, accountability, effectiveness and transparency of public administration. An independent, effective and credible SAI is therefore an essential component in a democratic system where accountability, transparency and integrity are indispensable parts of a stable democracy. Acting in the public interest places a further responsibility on SAIs to demonstrate their ongoing relevance to citizens, Parliament and other stakeholders.



**The extent to which a SAI is able to make a difference to the lives of citizens is contingent on three main pillars:**

#### **PILLAR 1**

Strengthening the accountability, transparency and integrity of government and public sector entities

- Safeguarding the independence of the SAI
- Carrying out audits
- Enabling those charged with governance
- Reporting on audit results

#### **PILLAR 2**

Demonstrating ongoing relevance to citizens, Parliament and other stakeholders

- Being responsive to changing environments and emerging risks
- Communicating effectively with stakeholders
- Being a credible source of independent and objective insight

#### **PILLAR 3**

Being a model organisation through leading by example

- Ensuring appropriate own transparency and accountability
- Ensuring own good governance
- Complying with a code of ethics
- Striving for service excellence and quality
- Capacity building through learning and knowledge sharing

### **4.3 OUR ROLE IN THE SOUTH AFRICAN DEMOCRACY**

At the most basic level, the independent auditor's role is to express an opinion on whether the financial statements of an auditee have been prepared in accordance with applicable financial reporting frameworks. While the role of the public sector auditor is premised on that elemental definition, it also goes beyond the expression of opinions on financial statements.

The United Nations recognises the important role of the SAI in promoting the efficiency, accountability, effectiveness and transparency of public administration that are conducive to the achievement of national development objectives and priorities as well as internationally agreed development goals. The International Organization of Supreme Audit Institutions (Intosai) goes further to define the role of the public sector auditor, as championed by the SAI, as an important factor in making a difference to the lives of our citizens.

Through our audit activities, we play an important role in enabling accountability and thus promoting democratic governance in South Africa. We do this by providing independent assurance to the various legislatures on whether entities that use public funds have managed their financial affairs in line with sound financial principles, have complied with the relevant legal framework, and have provided credible information on the achievement of their financial and performance objectives in line with the PAA. In this way, the elected representatives of the South African people are able to hold the executive and accounting authorities, officials and public entities accountable. This provides the rationale for our work in empowering citizens 'to hold the custodians of public resources accountable' in terms of the International Standard of Supreme Audit Institutions (Intosai-P 12), *The value and benefits of supreme audit institutions – making a difference to the lives of citizens*.

## 4.4 THE VALUE ADDED THROUGH OUR WORK

We deliver value to our stakeholders in the following ways:

### THE PEOPLE OF SOUTH AFRICA

- Listening to conversations in the public sector on areas of importance, acting in the public interest and selecting areas of audit that have a direct impact on the lived reality of our people
- Making public the results of our audit work and providing insight in a simple manner, which may enable citizens to hold their elected representatives and custodians of public resources accountable
- Being a model organisation that champions a clean administration and transformation imperatives
- Executing our audits in the most cost-effective, efficient and economical manner

### THE LEGISLATURES

- Being a trustworthy source of relevant, independent and objective insight based on professional judgement and sound analysis
- Proactively identifying themes, common findings, trends and root causes
- Providing audit recommendations and discussing these with key stakeholders to enable them to oversee and support beneficial changes in the public sector culture and service delivery so that we influence improvement in the lived reality of our people

### THE EXECUTIVE AND THE AUDITEES

- Identifying instances of mismanagement and their root causes, and recommending improvements tailored to the business of the auditee
- Equipping them with a value-adding understanding on the status of their financial and performance management and compliance with relevant laws
- Delivering tailored audit and engagement programmes to assist them to improve their respective cultures to ones characterised by performance, accountability, transparency and integrity

### THE AUDITING AND ACCOUNTING PROFESSIONS

- Allocating contract audit work equitably and meaningfully
- Building skilled and qualified professionals
- Creating a pipeline of black chartered accountants to transform the profession

### OUR EMPLOYEES

- Providing an invaluable opportunity to play a role in shaping the work of the public sector
- Creating meaningful employment and career development opportunities
- Providing fair, transparent, market-related and equitable remuneration and benefits

## SECTION 05

# STRATEGIC COMMITMENTS OF THE AUDITOR-GENERAL



**TSAKANI MALULEKE**  
*Auditor-General*

In 2022, when we launched the #cultureshift2030 strategy, I reflected in our strategic plan and budget at the time that we had chosen a strategy that is undoubtedly ambitious, its intention noble and its implementation challenging. While these reflections remain true, what also remains is our conviction that it is a strategy our country needs; one that is within our constitutional mandate to pursue, and which our people are professional and tenacious enough to deliver.

Through our strategy, we seek to help auditees improve their audit outcomes, performance and governance, as well as their systems of accountability. We aim to do this by providing financial performance insights that enable them to take the right corrective actions where necessary and make sound, service delivery-orientated decisions.

The need for the improvements that we aim to help the public service make, is clearly evident across our country. Besides citizens' frustrations at ongoing service delivery challenges,

we have also seen processes such as the Judicial Commission of Inquiry into Allegations of State Capture highlight the importance of auditors' role in addressing fraud and corruption. In his final report, Deputy Chief Justice, Raymond Zondo made a number of recommendations that directly speak to the work of our office. Testament to how seriously we take our role as a chapter 9 institution, mandated to help strengthen the country's democracy and public institutions, we have taken these recommendations and made them part of our operational work plans for the next few years.

### Shifting public sector culture

With our strategy, we have chosen to pursue the Intosai-P 12 principle of using the work of audit to make a difference to the lives of citizens. It is our way of using the skill that has been perfected over decades of the AGSA's existence – audit – as a way to contribute to improving public service administration and the lives of South African people. One of the biggest advantages of the work that we do is that it gives us insight into all three spheres of government. Our audit teams have access to multiple years' worth of data about where the challenges in public financial management and service delivery lie. Through our strategic goal of shifting public sector culture, we have challenged ourselves to utilise this data in a different manner. Rather than using it to only present audit outcomes, we are now also leveraging it to better illuminate auditees' understanding of the real root causes of their performance challenges. This is coupled with also providing them with insightful, targeted recommendations on how they can solve for these challenges. This is in an effort to not only embed strong financial management practices, but to also create a mindset shift within auditees, at all three levels of government. A shift that helps them understand that strong financial management and governance systems (signified by a clean audit) are building blocks to the real main objective: delivering services to people and thus, fulfilling their legislative mandates.

This has not been an easy journey thus far. It continues to require a different approach and mindset, not only from our auditees, but also from our own employees. I am proud of the manner in which our auditors have responded to the call of #cultureshift2030 thus far. They have worked to extract deeper insights; ones that help our auditees and other stakeholders have a better understanding of not only their challenges, but also how they can drive the right corrective action and yield better performance results. They have gone beyond their comfort zones by embracing the need to spend more time engaging and influencing their auditees and other key stakeholders towards a better understanding of our messages. This is with the aim of getting all of these stakeholders to actually action our messages and recommendations. We are encouraged to see the positive traction that this is creating. While overall improvement in audit outcomes remains slow, our general reports over the last two years have shown that the messages of strengthening auditee systems in order to improve performance, transparency, integrity and accountability are landing. I look forward to us instilling more of this culture-shifting momentum over the next three years.

### Insight: Audit focus

What will support this momentum and guide our audit work in the coming years is our multi-year audit plan (MYAP). Rather than approaching each audit cycle in isolation, we have chosen to anchor our work on a long-term audit planning approach. This allows our audit work to deal with the full spectrum of intergovernmental value chains and performance relationships. It will allow us to ensure that the audit insights we provide every year stitch together in a manner that tells an integrated, value-adding performance and accountability story. It also means that the insights and audit recommendations we provide can build on each other and, if engaged with properly, create incremental performance improvements that can be tracked over time. Internally, this multi-year audit planning approach also helps to provide focus, clarity and alignment between our audit teams, and allows them to plan in a more systematic and integrated manner.

Per the current multi-year audit plan, the next three to five years will see us putting targeted focus on surfacing audit insights in sectors such as infrastructure, safety and security, environmental sustainability, as well as skills and unemployment. These are all sectors that have a significant impact on the everyday lives of the South African people. Therefore, providing insights into the real root causes of the challenges that we see in these sectors – coupled with targeted, relevant recommendations on improvement

mechanisms – will move us closer to achieving our strategic aspiration of making a more direct and meaningful impact on the lives of South Africans.

In pursuit of this aspiration, one of the areas we intend to give dedicated attention to is the eradication of disclaimer auditees. This is critical for us and our strategy because disclaimed audit outcomes, while a technical limitation on the financial statements, are also an indicator of a lack of service delivery by disclaimed auditees. The financial management failures they signify have a direct impact on auditees' ability to perform and provide key services (such as water, sanitation and roads) to their communities, especially at a local government level. One of the first targets that we have set for ourselves, as part of our plan to help turn disclaimer auditees around, is to solicit commitments to move these auditees out of the disclaimed category from all of their executive authorities and oversight structures. Our audit insights and influence efforts will be key to soliciting commitments and auditees then fulfilling those commitments. This is because it will be these insights that illustrate the specific financial management areas in which each disclaimer auditee has problems, what the root causes of the problems are, and the financial management disciplines that our audit teams recommend in order for the problems to be resolved.

All of the above-mentioned work will be supported by our differentiated audit methodology (DAM), aimed at ensuring that we take a more auditee-specific approach to our audits, as opposed to a one-size-fits-all system. By implementing DAM (where the depth of audit is aligned to the prominence, size and impact of the auditee), we will continue to improve our audit efficiency and focus our effectiveness on the areas that have the most fundamental impact on people's lives.

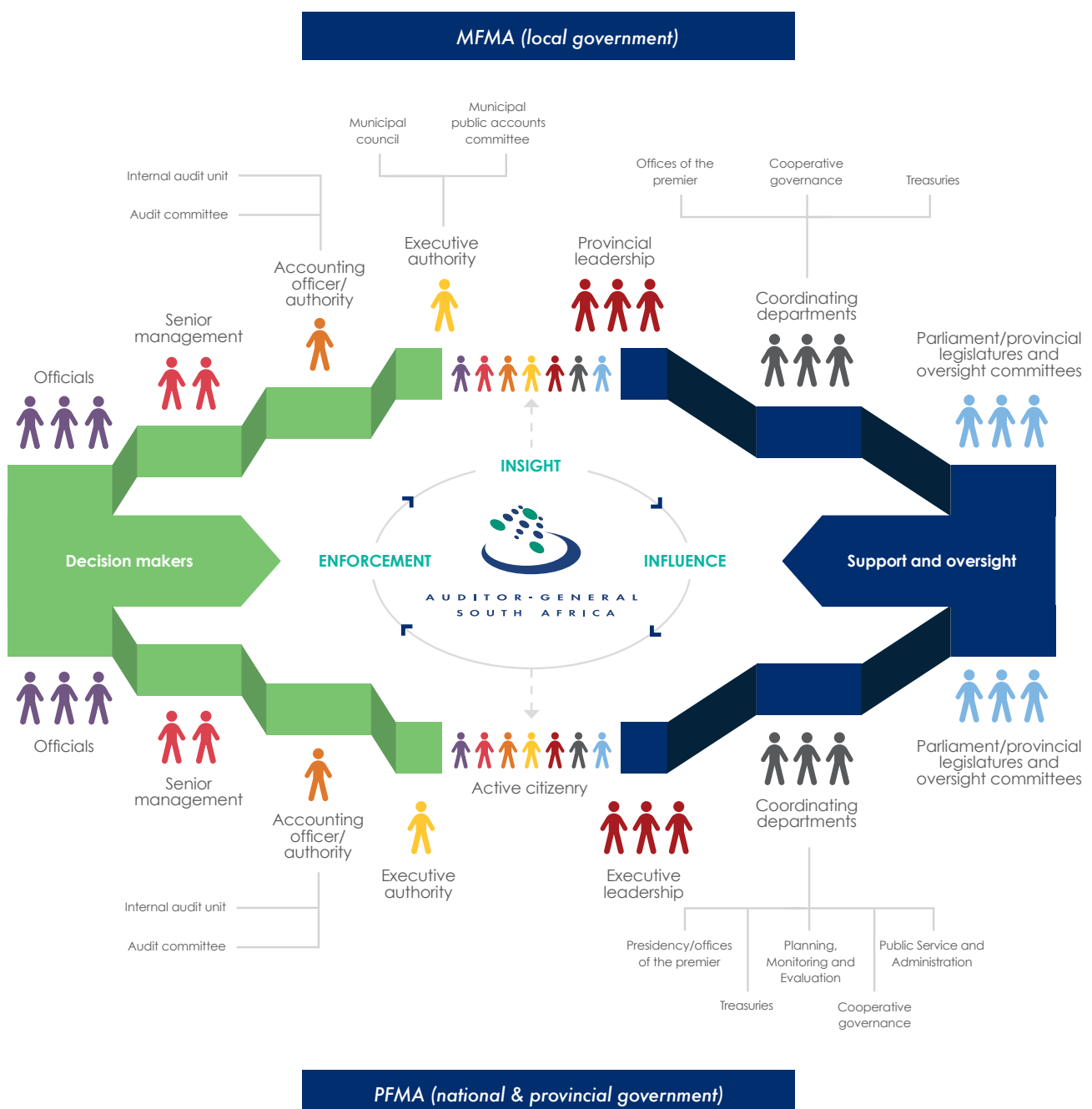
### Influence: Leveraging strategic partnerships

While the audit insights we generate will continue to be the main basis of our work to influence auditees towards cultures of performance, accountability, integrity and transparency, there is another key component to these influence efforts: our strategic partnerships. The most important of these are the collaborative working relationships we have with members of the public sector accountability ecosystem and our culture shift coalition partners. These are the roleplayers that collectively bear responsibility for ensuring that all stakeholders in the national system of governance contribute to resolving the weaknesses in our institutions and improving transparency and accountability. They include oversight authorities for all three spheres of government, national and local coordinating ministries, parliamentary committees,

civil society organisations and citizens themselves. We will continue to strengthen our working relationships with both these constitutional and non-constitutional ecosystem roleplayers in order to ensure that each play their part in driving the principles of public sector performance, transparency, integrity and accountability.

In addition to our usual engagement efforts, we seek to extend ourselves in the area of influence over the next three years. One of the ways in which we intend to do this is by

beginning to assess whether or not there is an improvement in how active and effective (per their mandates) our key stakeholders are, as a result of our insights provision and targeted engagements. The first stakeholder grouping with whom we will conduct these influence assessments are with our accountability ecosystem partners. Based on the outcomes of these assessments, we will work to close any areas where we find gaps in either insight sharing or understanding, address any influence engagement shortcomings, and strengthen the influence tactics that we find yield the most positive results.





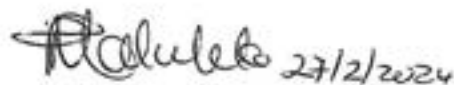
### Enforcement: Implementation of extended mandate

Where we see no auditee improvements, and instead find continued transgressions, we will apply our enforcement powers, as necessary. Our enforcement mandate (as promulgated by amendments to the Public Audit Act (PAA), which came into effect on 1 April 2019), allows us to expand our participation in the accountability processes of government. It is a tool that helps to ensure that accounting officers recover financial losses, prevent any further losses and ensure consequence management where we have identified material irregularities (MIs). This means helping to reset accountability mechanisms to how they were designed. We are clear, however, that these enforcement powers do not equate to taking over the legislated responsibilities of accounting officers, executive authorities and public bodies with investigative and enforcement mandates. Rather, they allow us to be a complementary mechanism and partner to the other players in this process.

In the 2024-25 financial period, we aim to implement the MI process fully, across all our auditees. While we may see the MI process leading to certificates of debt for those found guilty of dereliction of duty, for us this is not how we measure the real strategic success of this tool. Ideally, the MI process should trigger accounting officers to focus on making the necessary corrections and improvements to

their financial management systems, in order to avoid the recurrence of transgressions and any ongoing performance, transparency, accountability and integrity issues. Where we must take consequence management to its final conclusion, per the MI process, we will do so. However, we will also not negate the opportunity to use the MI process as a way to help create improvements within auditee spaces and thus, contribute to the positive shift in public sector culture that our strategy aims to create.

We look forward to the next three years and the improvements that our work can help auditees make to their financial management systems. Clean financial administration is the only sustainable foundation upon which auditees can reach the ultimate goal: executing on their service delivery mandates. While this will not be an easy feat, our institution remains resolute. We will continue to deliver on our strategy and its priorities as we do all our work: without fear, favour or prejudice.

A handwritten signature in black ink, appearing to read 'Maluleke', followed by the date '27/2/2024'.

**Tsakani Maluleke**  
*Auditor-General*

## SECTION 06

# STRATEGIC PRIORITIES AND COMMITMENTS OF THE DEPUTY AUDITOR-GENERAL



**VONANI CHAUKE**

*Deputy Auditor-General*

### The operating context continues to be characterised by volatility, uncertainty, complexity and ambiguity

A recent review that we performed of our strategy and the assumptions underpinning it, affirmed both the relevance of our #cultureshift2030 strategy and the aspirations thereof, while underscoring the fact that the operating context within which we have to execute on it, has been and will only continue to become more complex and uncertain, especially over the short to medium term. We have resolved, therefore, that while the scale and intensity of challenges confronting our ability to successfully deliver on the #cultureshift2030 strategy might tempt us to freeze in place, paralysed by the myriad of unknown-unknowns in our environment, it behoves us to be ever more resolute in:

- Pressing forward with our strategy of shifting public sector culture with a particular focus on metropolitan municipalities, intermediary cities, targeted value chains and state owned enterprises (SOEs);
- Maintaining sharp focus on our long-term aspirations while being very deliberate and practical about nurturing the culture, values and leadership that propels us towards our aspirations;
- Persisting in identifying and unlocking critical efficiency gains to enable us to do more with less;
- Acquiring, developing and deploying future-fit digital and people capabilities;
- Remaining exemplary and uncompromising in maintaining an upright ethical posture

### Advancing on #cultureshift2030

Our strategic roadmap places us on an ever forward-looking path that demands that we never camp in place, growing complacent while trading on past successes. Instead it demands of us that with each year we advance further along our culture shift journey steadily but surely opening up new territory for impact, embedding culture shift therein and consolidating on those gains as a springboard for the next phase.

Our most recent focus has been on the transition phase in which we successfully transitioned the overarching mindset and orientation of the organisation from our previous strategy towards #cultureshift2030 while placing the organisation in a position and capability-readiness to successfully deliver on our culture shift agenda. We can safely say that #cultureshift2030 is now deeply embedded in the hearts and minds of our teams and finding greater and greater expression in our work.

Our focus over the 2024-27 strategic planning horizon will continue to be aimed at a) deepening impact in driving culture shift with specific focus and emphasis on the metro-sector, (b) spotlighting key service delivery themes relating to infrastructure, safety and security, environmental sustainability as well as skills and unemployment, (c) preparing our teams and capabilities for advancing our culture shift impact into secondary cities and state owned enterprises as we leverage lessons learnt through our work in the metro sector and value chains.

### **Aspirational about our strategic goals yet practical about culture, values and leadership**

We were aspirational in the formulation of the #cultureshift2030 strategy and we remain so now – our efforts in advancing our strategy will result in stronger, more direct and consistent impact on the lived reality of South Africans. As aspirational as our long-term goals are we are intentional about bringing an enabling culture, values and leadership DNA to practical reality mindful that our behaviours in the present will determine our outcomes in the future. As such, our focus over the 2024-27 strategic planning horizon will move from an assessment of our culture and leadership for alignment towards our strategic aspirations towards the practical design of a culture, values and leadership framework that places emphasis on being outcomes-oriented in our approach to work; vested in the wellbeing, thriving and development of our people and fostering creativity and innovation while deepening accountability and responsibility.

It cannot be denied that the past two to three years have been marked by major changes in our operating context - this will continue to be the case over the course of the strategic planning horizon particularly as we begin to see the operationalisation of our digital transformation efforts. Change management is thus going to be a central feature of our efforts in this regard, ensuring optimal uptake and assimilation of the new capabilities while providing our people with a sense of psychological safety about their place and roles within the changed paradigm.

I am pleased that at this critical juncture we have managed to finally fill longstanding gaps in our executive leadership, providing us with the bench strength and stability necessary to begin to shape a more stable leadership context for our teams.

### **Optimising costs while transitioning towards a more robust revenue model**

While our strategy did indeed anticipate a resource-constrained outlook within which we would have to realise our strategic aspiration, as we have progressed further along our roadmap the severity and persistence of the constraints has become clearer. With economic growth still anaemic, tax collections under pressure and the national fiscus constrained, we expect the pressure on our revenues and our corresponding ability to collect on them to increase while inflationary pressures put upward pressure on our cost base. Cost-optimisation will thus remain a central focus of the organisation over the 2024-27 strategic planning horizon with us doubling-down on some of the key initiatives that have yielded positive results so far such as:

- Resource pooling – breaking down siloes between teams to drive increased resource sharing and crosspollination of capabilities across teams. In the previous financial year we saw revenue of R245 million as a result of such efforts that have brought the cultural aspiration of “One AGSA” to operational reality. We are stronger together and over the horizon we will continue to seek out further opportunities to break functional siloes in order to yield further efficiency and effectiveness gains.
- Streamlining our operating model - Our streamlining and future-fit process has already resulted in the merging of some functions resulting in fewer yet more sharply focused units. Our focus moving forward will be on ensuring that those merged units are fully integrated and operate with greater effectiveness.
- Ahluma – The critical role that we play in furthering the transformation of the sector remains a key priority of ours. Over the strategic planning horizon we want to better leverage our success at driving our professionalisation and transformation of the sector by retaining a greater proportion of trainees that have successfully completed their articles with us for deployment across the organisation for short-term assignments to supplement periodic fluctuations in demand for resources by our teams – historically such gaps would need to be plugged through outsourced work resulting in us incurring both additional cost and integration inefficiencies, while the trainees would be left in limbo while searching for employment opportunities. This presents a win-win for our trainees and the organisation, further entrenching the “We Care” value in the way that we treat our people.

As we remain disciplined in the execution of our cost optimisation efforts we will also be advancing our efforts aimed at making our revenue model more robust and future-fit. Key to this will be maintaining our positive working relationship with National Treasury with regards to covering shortfalls of auditees that are unable to afford our services; implementing our differentiated audit methodology (DAM) which will ensure that our deployment of resources is commensurate with the risk, size and profile of our auditees; driving higher recoveries and securing allocations for parts of our mandate that have traditionally been unfunded such as special audits and transitioning towards a value-based fee structure where appropriate.

Our financial sustainability stands as a central pillar to our independence as a supreme audit institution; our efforts in transitioning towards a robust revenue model while advancing our cost optimisation initiatives are about more than just generating financial surpluses; they are pivotal to our ability to continue to independently fund our current operations while investing in future capabilities.

### **Streamlined yet digitally-enabled, multidisciplinary team**

We are very proud that during the covid-19 period while other organisations were forced to undertake layoffs we took the principled decision to dig into our reserves in order to ensure that the trauma and uncertainty that our people were exposed to during that period was not further aggravated by the loss of employment and livelihood certainty. It has, however, remained important since the inception of the new strategy that we review the operating model and determine whether the skills and capabilities within it are future-fit and aligned to our ability to realise our strategic aspirations. Persistent cost pressures and a deteriorating collections outlook have also imposed upon us the need to urgently determine how we might do more with less. As such we have undertaken a process of streamlining our staff establishment as part of our key transition phase initiatives. Such processes are never easy, however we are proud of the manner in which we have been able to support those affected in both dealing with the impact of the streamlining process on them and placing them in the best position possible to proceed with greater confidence into the next chapter of their lives.

In streamlining our staff establishment we have had to remain deliberate about ensuring that we do not undermine the aggregate capabilities of the organisation; to the contrary, our bold aspirations demand that we enhance these; this has brought the digital transformation of the organisation and operating through integrated, multidisciplinary teams to the forefront as a critical success factor. Over the 2024-27 strategic planning horizon our focus will be on:

- Moving from the requirement specification and design phases of our flagship digital transformation initiatives – the audit software programme (ASP) and the enterprise resource planning (ERP) program – towards the build and deployment thereof;
- Closing short-term capability gaps by deploying off-the-shelf solutions that deliver quick wins; this has included automating manual processes through the deployment of robots, putting labour-saving and advanced analytics tools such as DataSnipper in the hands of our audit teams.
- Operating through integrated, multidisciplinary teams that embed our information-systems, investigation and performance audit capabilities into our regularity audit teams in order to drive richer insights and more seamless collaboration between the teams. Our efforts in this regard will be further enhanced, during the strategic planning horizon, through the launch of our data academy initiative and deployment of artificial-intelligence across our organisational processes.

### **Upholding exemplary ethical maturity**

As we advance in our various areas of focus we remain acutely aware that the public confidence that provides us with the social licence to operate rests squarely on our ability to maintain an exemplary ethical posture. It is for this reason that we will continue to ensure that our operations remain aligned to our system of quality management while maintaining close monitoring of our environment in order to appropriately manage and mitigate strategic risk. A critical enabler of this, over our strategic planning horizon, will be an enhanced approach to our systems and processes for nurturing and maintaining peak ethical maturity of the organisation within a dynamic ethical context.

## Our people and culture

One of the spinoffs of the efficiencies brought by digitisation is the benefit to employee wellness. This is something that we, as the AGSA leadership take very seriously, as we understand that the new ambitions and ways of working that the #cultureshift2030 strategy has brought, also bring increased pressure on our teams. So making sure that our people are well, have the requisite support from an aligned leadership collective, and work in an environment that has a positive culture (conducive to realising not only organisational goals but also their own personal and professional aspirations) is of extreme importance to myself and the rest of the leadership team. In the previous financial year, we launched the AGSA culture index, which assesses the holistic wellness and engagement levels of our people. Having established our culture rating baseline, we will spend the next three years implementing culture interventions aimed at making improvements where we are experiencing culture challenges and strengthening the areas where we do well.

I know that none of the great work that this organisation does is possible without every single member of Team AGSA and we will continue to make sure that we keep a constant focus on their wellbeing.

I wish to thank all of our people in advance for the many strides that I know we will make over the next three years. To our external stakeholders: we look forward to providing you with audit insights that will support you in executing your mandates and eventually, making the lives of South Africans better.



**Vonani Chauke**

*Deputy Auditor-General*





## SECTION 07

# THE AGSA'S STRATEGIC CONTEXT

As part of our strategic planning process, it is important to ensure that we assess the environment in which we are deploying our organisational strategy. This is so that we can periodically assess the continued relevance of our strategy, its ability to add value to ourselves and our stakeholders, and remain abreast of any external and/or internal (organisational) factors that may affect its implementation.

## 7.1 EXTERNAL ENVIRONMENT

In conducting an assessment of our external operating environment, one of the first things we do is assess whether our operating context and the assumptions we made in the development of our strategy, #cultureshift2030, remain the same. In doing so for the 2024-27 planning period, we found that the assumptions on our external context remain valid, as outlined below:

- Despite some individual auditee improvements, overall, we continue to see limited progress in audit outcomes
- There is continued misuse of state resources
- The majority of people in the country remain under difficult and unequal living conditions
- There is continued national focus on corruption and its negative impact on the economic standing of the country, the lived experiences of people in the country, as well as our international reputation.

These external factors have an impact on the country and its democracy, as well as on us, as a chapter 9 institution tasked with doing work that upholds and protects that democracy. One of the major results of this context is the lack of service delivery in the country. Service delivery protests have become a constant feature of life, as it is one of the ways our citizens hope to be heard.

### Political landscape

7.1.1 The rise of coalition governments is a national trend that will have an impact on the work of the AGSA, as we audit the spaces in which these coalition alliances come into political and administrative power. This is especially the case at a local government level. The main risk that emerges for our audit work is the inherent instability that the coalition arrangements tend to bring into local government administration, due to the frequent changes in coalition partners and leadership. This makes it difficult for the national audit office to work with the affected administration authorities in a consistent manner, aimed at ensuring the sustained improvement of their financial systems and, eventually, their performance.

7.1.2 Upcoming national elections and leadership changes will provide both an opportunity and a challenge for the AGSA's work. Some of the areas/auditees where we have made strides in terms of improvement of financial systems and performance may experience changes in leadership or administrative officials with whom we have worked with to make these strides. However, there are some positive opportunities these changes may provide for our auditors. We believe that among the new administrations that will come in, will be officials looking to make a positive change in the country and who may see a positive working relationship with the national audit office as one of the ways to do so (by making financial management improvements in the communities/ areas they have been elected to lead).

- 7.1.3 Financial maladministration and corruption challenges continue to plague the country and put increasing emphasis on the need for a national audit office that can audit the public sector in a rigorous, transparent and ethical manner. However, the impact of this trend goes beyond just illustrating the importance of the national audit office; it also shows why we, as an institution, are so focused on providing the highest quality audit work. When the audit work (both process and products) we produce is of good quality, it goes a long way in providing public assurance on the state of public financial management.

### Economic conditions

- 7.1.4 Slow economic growth and increasing pressure on the national fiscus continue to have implications for us and our work. This is because both of these factors result in financial challenges for our auditees who, because of being under financial strain, experience challenges in paying us, no matter how reasonable we try to make our audit fees. Considering the critical relationship between our financial strength/independence and the independence that we have in executing our mandate, this trend (and making sure that we cushion our organisation against it) is a critical factor. It is one of the reasons why we have developed a new finance strategy – to make sure that we can sustain and protect our financial independence.
- 7.1.5 Another trend that we are observing in our sector (even if not as significant as the economic trend outlined above) is the issue of alternative careers and locations. While this was heightened during the covid-19 pandemic, it is also contributed to by the increasing gig economy that continues to increase as well as the global migration of skills. What this all means is that there is an increasing need and competition for critical and scarce skills, for which the AGSA is also in the market. This is not only in the form of chartered accountants, but also economists, engineers and other subject-matter experts that our strategic focus on insights-based audit products requires us to have. Therefore, we will ensure that we continue to make the AGSA as attractive an employer as possible in order to keep this economic factor a low risk for our organisation.

### Social trends

- 7.1.6 Across the world, there is an increasing focus by SAs on auditing for impact (in other words, ensuring that their audit work creates benefit to citizens and not just governments). While this has been a key principle for years (Intosai-P 12), more and more SAs are now responding to this imperative and we, as the AGSA, are no different. In response to this growing trend/SAI response globally, we too chose to embark on a corporate strategy that focused on using our work and insights to make a difference in the lives of our people. This is by illuminating our auditees' understanding of the root causes of their performance challenges and making insightful, targeted recommendations on how they can begin to find solutions. As part of the strategy, we are also tracking whether this approach will, over the next seven years, help our auditees to improve their financial management and service delivery performance, as it is from there that the citizen impact will be realised.
- 7.1.7 There have been increasing stakeholder calls for institutions such as the AGSA to do progressively more to help find solutions to some of our top national challenges. This was evidenced during the closeout phase of the Judicial Commission of Inquiry into Allegations of State Capture, led by Deputy Chief Justice Raymond Zondo. The commission, in its final report, not only praised the role that we played in helping to uncover financial malfeasance, but also called on us to continue this work and ensure that more is done to safeguard the public purse. Once again, the strategy of #cultureshift2030 that we have embarked on is part of our response to this call, alongside our work to advance a proactive and robust system of quality management. We remain clear, however, that it is not for the AGSA alone to do this work; all roleplayers of the public sector's accountability ecosystem need to play their part.

### Technological advancements

- 7.1.8 As shown by our strong focus on digitising the work of the AGSA, the trend of rapid technological advancement is one that we are seeing not just nationally, but across the world (evidenced by our

international SAI counterparts and their focus on digitising operations). The benefits that digitisation brings to auditing are immense, and go beyond just helping to create audit process efficiencies and eventual cost reductions. They also have the potential to improve the quality of audits (reduction of human error) while also allowing auditors to focus on elevating their more analytical skills and insights provision due to a reduction in manual processes. This reduction also brings about the potential of a wellness impact, as one can reduce the time and content burden that manual processes place on employees. These are some of the areas in which we are looking for benefits realisation, as we continue our digital transformation journey.

## 7.2 INTERNAL ENVIRONMENT

As part of any strategy, it is just as important (if not more so) to conduct an analysis of our internal operating environment. This is to ensure that the strategy we have chosen does the following: leverages on our existing strengths as an organisation; addresses our weakness (closes any operational gaps); helps us to seize opportunities; and eliminates or, at least, minimises our threats (as informed by our internal risk management processes).

### Our strengths

- Our independence (legal mandate, financial and execution of our audit duties)
- The comprehensive nature of our mandate
- Our audit methodologies and the quality of our audit products
- Consistent record of clean administration
- Reputation of the institution, locally and internationally
- Relationships with constitutional stakeholders
- Success of our training programme

### Organisational weaknesses

- Mismatch between digital tools currently utilised and the requirements of the audit machinery
- Insufficient usage of reliance on data for decision making
- Not well-established project management and prioritisation (negatively affects: operational focus, workforce planning and employee overload/change fatigue)

### Organisational opportunities

- Utilising the data we have regarding government's performance across all three spheres for new audit product development
- Leveraging technological advancements to strengthen our audit products and organisational decisionmaking
- Opportunity to achieve full integration (within our audit teams, as well as between the audit and support/corporate services side of our business)
- Expansion of our training programme (grow our own timber in AGSA critical skills)

### Organisational threats

- Achieving a shift in public sector culture depends on variables and actions of different stakeholders that we do not control
- Perceptions by some stakeholders that we are slow and tentative in applying our powers
- Some auditees' inability to view the AGSA as a strategic partner, that can help them improve their financial performance, as opposed to a hindrance or threat
- Financial challenges of auditees and related risk of non-payment of our audit fees
- Increasing market competition for the skills necessary for execution

## 7.3 STRATEGIC RISKS AND RESPONSE

As part of our strategic planning, we conduct a comprehensive risk assessment process, led by our chief risk officer (CRO) and his risk team. The aim of this exercise is to ensure that, as we plan for the medium term, we are aware of what might hinder our ability to achieve our strategic objectives and can put the appropriate mitigating actions in place.

This process is very closely linked to the external and internal assessment processes that we perform (as captured in sections 7.1 and 7.2) during the risk process to ensure that it is clear on which external developments (7.1) and internal threats and weaknesses (7.2) have more than just an operational implication, but go as far as being a risk to the overall achievement of the strategy. Those that are deemed to be of significant strategic risk are then rated and mitigations identified to ensure that they are properly managed and do not materialise. While the management of this process is the responsibility of the organisation's risk management machinery, the actual mitigation of the strategic risks sits within the various business units in the organisation and they bear the responsibility of working

with the AGSA risk team to continuously monitor and manage the risk through the mitigating actions assigned to them.

Based on the latest process, the risks indicated below are those that have been deemed to be of strategic importance (have both strategic and key operational implications) as we look ahead into 2024 to 2027:

RISKS		MITIGATIONS
<b>Risk level: High</b>		
1	Dependency on other partners within the accountability ecosystem to enable the desired culture shift	Ensure understanding and buy-in from various stakeholders, both constitutional and non-constitutional, on the roles they play in driving the desired culture shift within auditees
2	Inability to sustain the gains made in influencing the culture change in the public sector	Getting the oversight structures for our various auditees to make this (maintenance of performance improvements) a priority/one of their oversight pillars
3	Slow response to information technology needs; impacting on efficiencies and achievement of organisational objectives	3.1. Continued rollout of the information and communications technology (ICT) strategy, per the implementation roadmap and enterprise architecture principles 3.2. Acquisition of technological solutions to support resource management and utilisation
<b>Risk level: Medium</b>		
1	Inconsistencies between AGSA insights/outcomes and the expectations of citizens (lived experiences)	1.1 Refinement and utilisation of a more service delivery-oriented audit methodology 1.2 Clarity on stakeholder insight needs and expectations of us and our work
2	Failure to adequately elevate insights and intelligence obtained from audits to those that need to be part of the culture shift	Capacitation of our audit teams through skills training on insights extraction and recommendations development; the art of influence; and targeted, stakeholder-specific relationship management, etc.
3	Over-reliance on the AGSA to drive accountability or effect a culture shift in the public sector	3.1 Constant communication on the concept of the accountability ecosystem, its various roleplayers and the related roles and responsibilities of all 3.2 Willingness to push back against key stakeholders, when they attempt (even with good intentions) to make the AGSA take on the responsibilities of other partners
4	Inefficient audit processes that might result in escalation in fees and ultimately poor debt collection	4.2 Continued focus on digitally transforming the whole business, starting with our audit operations 4.3 Increased internal drive towards integration (not only audit, but across the organisation)
5	Negative financial viability	Implementation of the new AGSA finance strategy
6	Inconsistent application of defined audit standards and methodology	6.1 Enhanced system of quality management 6.2 Application of consistent quality standards and remedial action 6.3 Acquisition of audit software that is fit for purpose
7	Ineffective response to cybersecurity threats	7.1 Regularly updated ICT asset protection and information recovery plan 7.2 Up-to-date AGSA business continuity plan
8	Possible negative impact on our credibility	8.1 Continuously ensure high quality of our products and services 8.2 Continued strengthening of the MI process internally 8.3 Implementation of the enhanced dispute resolution mechanism



## SECTION 08

# OUR STRATEGY

In 2021, we embarked on a new corporate strategy, named #cultureshift2030. The new strategy sought to take all the strides the organisation has made in the past and use them to move the organisation forward into a new era. We focused on using the depth of knowledge that our institution has about South Africa's public service to help our auditees improve their performance, transparency, accountability and integrity; so they can better execute on their mandates and ensure much-needed service delivery for citizens.

### 8.1 OUR STRATEGIC ASPIRATION

Over the strategic planning horizon of 2024-27, our strategic aspiration remains to make a stronger, more direct and consistent impact on the lived reality of South Africans. This impact will be evidenced by a public sector in which there is a culture of performance, accountability, transparency and integrity – this means going beyond just simple, occasional compliance with rules, and extending towards an appreciation and normalised advancement of the outcomes for which the rules exist.

This aspiration is rooted in section 195 of the Constitution which defines public administration as governed by the democratic values and principles enshrined in the rest of the Constitution. It is a public service where:

- a high standard of professional ethics must be promoted and maintained

- efficient, economic and effective use of resources must be promoted
- public administration must be development oriented
- services must be provided impartially, fairly, equitably and without bias
- people's needs must be responded to, and the public must be encouraged to participate in policymaking
- public administration must be accountable
- transparency must be fostered by providing the public with timely, accessible and accurate information
- good management and career-development practices to maximise human potential, must be cultivated
- public administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness and the need to redress the imbalances of the past to achieve broad representation.

So, as we continue our strategic journey, we keep the above aspirations at the forefront of all our strategic plans, as they guide not only our strategic focus, but also our operational tactics.



## 8.2 OUR STRATEGY IMPLEMENTATION TIMELINE AND TARGETED IMPACT AREAS

We will advance our mission towards realising the aspiration by driving specific, focused programmes of action across six areas of impact over the strategic planning period as follows:

STAGES	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Transition									
MI rollout									
Value chain									
Metros									
Disclaimer auditees									
Intermediary cities									
Key public entities									

● Preparation

● Implementation

● Institutionalisation

### MI rollout

Full implementation of the MI process across the entire client portfolio and a ramp-up towards a sustainable volume of high-quality material irregularities.

### Value chains

Achieve a culture shift among a critical mass of auditees across the value chains of infrastructure, safety and security, environmental sustainability, as well as skills and unemployment, such that it results in a direct, meaningful and consistent impact on the lived reality of South Africans.

### Metro municipalities and intermediary cities

Achieve a culture shift among a critical mass of the eight metropolitan municipalities and 22 intermediary cities (and their respective municipal entities) such that it results in a direct, meaningful and consistent impact on the lived reality of South Africans.

### Key public entities

Achieve a culture shift among a critical mass of key public entities such that it results in a direct, meaningful and consistent impact on the lived reality of South Africans.

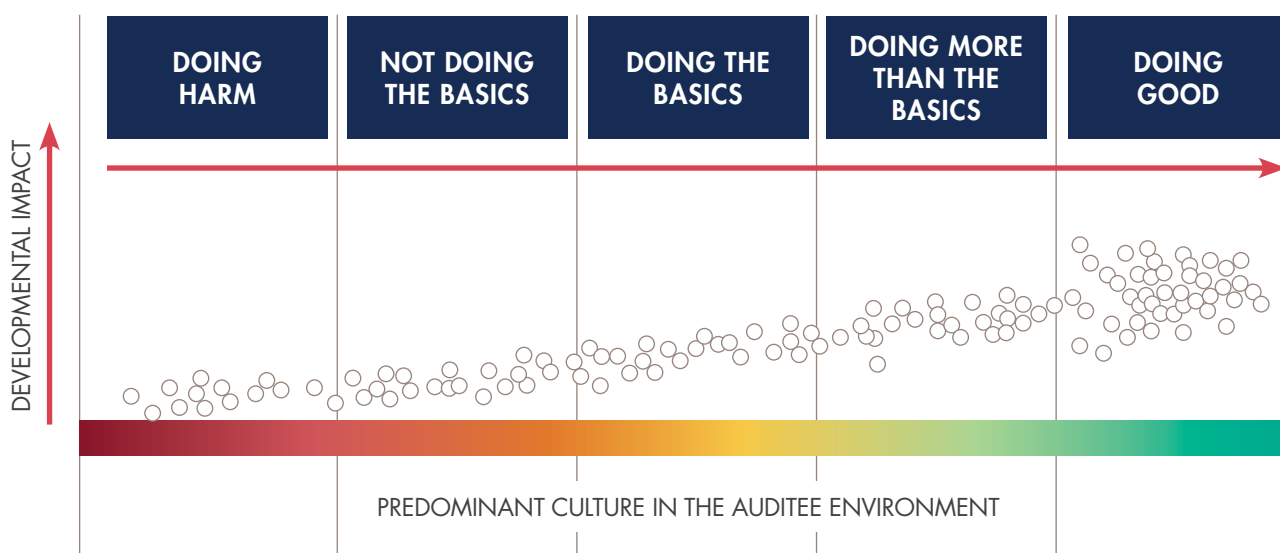
## 8.3 OUR STRATEGIC GOALS AND TARGETS

### STRATEGIC GOAL 1: SHIFT PUBLIC SECTOR CULTURE

**Move a critical mass of auditees towards organisational cultures that are predominated by behaviours that reflect performance, transparency, integrity and accountability.**

The primary performance outcome we intend to observe with respect to this strategic goal and its related objective is a movement of a critical mass of our auditees along the

culture shift continuum (depicted below) towards the Doing Good category.



A critical assumption that is inherent in the culture shift continuum is that the further to the right that an auditee moves in the continuum, the more the auditee's developmental impact on society improves. In that

manner, therefore, as more auditees shift to the right of the continuum our strategic aspiration of making a more direct, stronger and consistent impact on improving the lived reality of South Africans will be realised.

Targeted outcome	Key performance indicator	Targets		
		2024-25	2025-26	2026-27
<b>Favourable assessment of overall performance of the organisation and its delivery of the #cultureshift2030 strategy</b>	Assessment of overall performance by the auditor-general (AG)	Favourable assessment	Favourable assessment	Favourable assessment

### Key initiatives

1. Integrate the audit methodology into the broader integrated culture shift framework.
2. Introduce key public entities into the culture shift continuum plotting, per the strategy's implementation timeline.

## STRATEGIC GOAL 2: INSIGHT

**Generate insights that illuminate understanding, drive action and yield results**

In order for us to set ourselves and our auditees up for the best chance of success on strategic goal 1's objective, we realise that a key enabling factor will be our ability to provide them with clear, relevant and actionable audit insights.

The litmus test of the extent to which we have generated and delivered insights that illuminate understanding, drive action and yield results, is what our auditees do with these and the extent to which our insights go on to affect the work of our auditees. It is one thing for our auditees to mention our insights and to verbally convince us that they

have understood them and are going to act on them, but, if the implementation of those insights do not make their way into their plans, policies, strategies and performance agreements, the likelihood of them being actioned is slim.

Therefore, the key indicator for the insight goal and objective, rests on the extent to which our audit insights, messaging and recommendations (i.e. a performance value-add to auditees) have been taken to their natural conclusion through auditee action (e.g. mandate-related service delivery).

Targeted outcome	Key performance indicator	Targets		
		2024-25	2025-26	2026-27
Drive auditee action	Percentage of AGSA recommendations implemented	30%	30%	35%

### Key initiatives

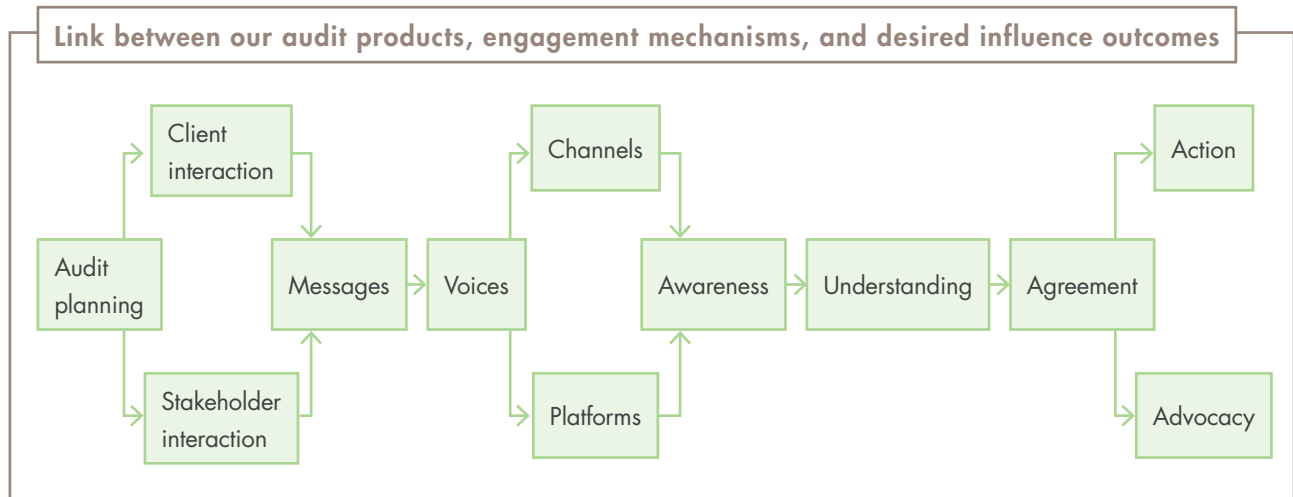
1. Explore the feasibility of developing insight-based products that can be made available to various stakeholders.
2. Explore and develop a model for specialised out-of-cycle services and products.

## STRATEGIC GOAL 3: INFLUENCE

**Move stakeholders from mere awareness of our messaging to action on it and advocacy thereof**

The influence cycle begins with audit planning during which we identify the key risk areas and focus areas our audits need to be aimed at. During the course of the audits our teams engage with both clients and stakeholders and therein, have the opportunity to exercise influence. Following our audits, we consolidate our findings into key messages that we package into various mediums, including management reports, general reports and presentations. Based on the targeted audience, the nature of the messages and the nature of the mediums we delegate specific individuals to represent us and share our messages on our behalf on various different platforms. As we share,

disseminate and distribute our messages, we create awareness thereof among stakeholders. Having become aware of our messaging, some of our stakeholders will journey further with us by using our messages to take the necessary actions in their various spaces. Others will go even further by becoming natural advocates of these messages, because they understand their importance. Therefore, our goal within the influence objective is to have many more of our stakeholders moving from mere awareness of our messaging towards action and advocacy thereon.



Targeted outcome	Key performance indicator	Targets		
		2024-25	2025-26	2026-27
<b>Effective accountability ecosystem</b>	Accountability ecosystem activeness and effectiveness for targeted auditee segments	Maintain baseline rating and implement actions to improve performance of the system	5% improvement on baseline rating	Maintain baseline rating and implement actions to improve performance of the system
<b>Maintain an enabling reputation with our stakeholders</b>	AGSA public sentiment rating	80% – 100% (weighted) implementation of improvement plans for 2024-25	90% – 100% implementation of improvement plans for 2025-26	10% improvement on baseline rating
<b>Develop and leverage enabling partnerships</b>	Percentage achievement of outcomes targeted in stakeholder programme	75%	75% – 80%	80% – 100%



**Key initiatives**

1. Develop, agree and implement a protocol with accountability ecosystem members for real-time reporting and their real-time response to obstructionist behaviour, pushback and threats.
2. Leverage culture shift coalition partners to drive aspects of our strategic initiatives.

**STRATEGIC GOAL 4: ENFORCEMENT**

**Directly or indirectly recover resources lost to the state and taxpayers and ensure the application of consequences for wrongdoing**

Our enforcement strategic goal focused on the manner in which, and the results that we achieve in implementing the provisions of the Public Audit Act relating to material irregularities. As envisaged in our democratic society, those charged with accountability for public resources must act decisively and in accordance with the law to prevent or recover the loss of public resources. Through our audits we identify instances (MIs) of non-compliance with, or contravention of, legislation, fraud, theft or a breach of a fiduciary duty identified during an audit performed under the PAA that resulted in or is likely to result in a material

financial loss, the misuse or loss of a material public resource or substantial harm to a public sector institution or the general public. We make recommendations to our auditees aimed at encouraging the recovery of incurred losses and prevention of further ones. Where our recommendations and messages have not been addressed, we have the power to trigger consequences. While in 2024-25 we will be looking to implement the MI process at all our auditees, our main focus now is to increase the impact of the process.

Targeted outcome	Key performance indicator	Targets		
		2024-25	2025-26	2026-27
<b>Implementation of MIs across all auditees</b>	% of auditees MI process in full implementation at	100%	n/a	n/a
<b>Demonstrated effectiveness of the MI process</b>	Auditor-general's assessment of effectiveness of MI system	Favourable assessment	Favourable assessment	Favourable assessment

**Key initiatives**

1. Improve the MI process based on the end-to-end review
2. Refine the MI regulations based on the improved process
3. Improve participation of public bodies

**STRATEGIC GOAL 5: SUSTAINABLY**

**Unlock latent capacity in the existing resource base and lower the cost and effort with which we derive each marginal unit of quality, insight, influence and enforcement**

The sustainably strategic goal is aimed at setting the targeted performance standards for the manner in which the organisation's operational machinery makes use of

its key resources – primarily time, finances, tools and methodology – to produce outputs that meet the desired standards.

Targeted outcome	Key performance indicator	Targets		
		2024-25	2025-26	2026-27
<b>Deliver audits timeously</b>	% of audits completed within legislated timelines (when AFS were submitted on time)	90% – 100%	90% – 100%	90% – 100%
<b>Ensure quality of our audits</b>	% adherence to quality standards	80% – 90% (C1, C1#, C2 & C3*)	80% – 90% (C1, C1#, C2 & C3)	80% – 90% (C1, C1#, C2 & C3)
	Evaluation of the effectiveness of the AGSA's system of quality management by the AG	Reasonable assurance obtained	Reasonable assurance obtained	Reasonable assurance obtained
<b>Maintain good governance, high ethical standards and robust risk management</b>	Ethics maturity level	Maintain AA	Maintain AA	Maintain AA
	External audit opinion	Clean audit	Clean audit	Clean audit
<b>Maintain financial sustainability</b>	Net surplus	1% – 4%	1% – 4%	1% – 4%
	Cash safety margin	2-3 months	2-3 months	2-3 months
<b>Healthy and safe employees, with high morale</b>	Culture index	2% increase on baseline	2,5% increase on 2024-25	2,5% increase on 2025-26

\*Comply ratings

**Key initiatives**

1. Implement the organisation's finance strategy
2. Implement culture improvement initiatives

**STRATEGIC GOAL 6: EFFICIENTLY**

**Unlock latent capacity in the existing resource base and lower the cost and effort with which we derive each marginal unit of quality, insight, influence and enforcement and acquire, develop and maintain the quantity, quality and configuration of resources, and capabilities to achieve and sustain our desired levels of impact.**

One of the strategic priorities of the organisation is about how efficiently can we run the business – meaning how can we produce at a maximum level while expanding the least amount time possible to produce all the work that we do. This applies to both the audit and corporate services sides of our business. Key to driving such efficiency will be our

ability to digitally transform our key processes and be as systems-driven as possible. We are looking to leverage the digital tools that the organisation will be rolling out over the next three years to also help drive the increased productivity of our people, without compromising on their wellbeing.

Targeted outcome	Key performance indicator	Targets		
		2024-25	2025-26	2026-27
Improved staff productivity	Improved efficiency and productivity	2,5% increase on baseline	5% increase on baseline	10% increase on baseline
Efficient audit processes	Implementation of audit software project plan	Implementation as per the plan for 2024-25	Implementation as per the plan for 2025-26	Implementation as per the plan for 2026-27

**Key initiatives**

1. Implement the audit software program
2. Implement productivity improvement initiatives
3. Review and finalise the organisation's operating model

# SECTION 09

## STRATEGIC SCORECARD

Strategic goal	Targeted outcome	Key performance indicator	Performance targets		
			2024-25	2025-26	2026-27
<b>Shift public sector culture</b>	Favourable assessment of overall performance of the organisation and its delivery of the #cultureshift2030 strategy	Assessment of overall performance by AG	Favourable assessment	Favourable assessment	Favourable assessment
<b>Insight</b>	Illuminate auditee understanding	Deliver audit insights per the multi-year audit plan (MYAP)	Produce all planned insights reports and share insights with relevant stakeholders	Produce all planned insights reports and share insights with relevant stakeholders	Produce all planned insights reports and share insights with relevant stakeholders
	Drive auditee action	Percentage of AGSA recommendations implemented	30%	30%	35%
<b>Influence</b>	Effective accountability ecosystem	Accountability ecosystem activeness and effectiveness for targeted auditee segments	Maintain baseline rating and implement actions to improve performance of the system	5% increase on baseline rating	Maintain baseline rating and implement actions to improve performance of the system
	Maintain an enabling reputation with our stakeholders	AGSA public sentiment rating	80% – 100% (weighted) implementation of improvement plans for 2024-25	90% – 100% (weighted) implementation of improvement plans for 2025-26	10% improvement on baseline rating

Strategic goal	Targeted outcome	Key performance indicator	Performance targets		
			2024-25	2025-26	2026-27
Enforcement	Implementation of MIs across all auditees	% of auditees MI process in full implementation	100%	n/a	n/a
	Demonstrated effectiveness of the MI process	Auditor's assessment of effectiveness of MI system	Favourable assessment	Favourable assessment	Favourable assessment
Sustainably	Deliver audits timeously	% of audits completed within legislated timelines (where AFS were submitted on time)	90% – 100%	90% – 100%	90% – 100%
	Ensure quality of our audits	% adherence to quality standards	80% – 90% (C1, C1#, C2 & C3)	80% – 90% (C1, C1#, C2 & C3)	80% – 90% (C1, C1#, C2 & C3)
		Evaluation of effectiveness of the AGSA's system of quality management by the AG	Reasonable assurance obtained	Reasonable assurance obtained	Reasonable assurance obtained
	Optimally leverage partnerships	% achievement of outcomes as part of stakeholder programme	80%	80% – 100%	80% – 100%
	Maintain good governance, high ethical standards and robust risk management	Ethics maturity level	Maintain AA	Maintain AA	Maintain AA
		External audit opinion	Clean audit	Clean audit	Clean audit
	Maintain financial sustainability	Net surplus	1% – 4%	1% – 4%	1% – 4%
		Cash safety margin	2-3 months	2-3 months	2-3 months
	Healthy and safe employees, with high morale	Culture index	2% increase on baseline	2,5% increase on 2024-25 rating	2,5% increase on 2025-26 rating
Efficiently	Improved staff productivity	Improved efficiency and productivity	2,5% increase on baseline	5% increase on baseline	10% increase on baseline
	Implementation of audit software project plan	% implementation of audit software project plan	Implementation as per the plan for 2024-25	Implementation as per the plan for 2025-26	Implementation as per the plan for 2026-27

# ANNEXURE



## BUDGET OF THE AUDITOR-GENERAL OF SOUTH AFRICA FOR 2024-27

## PROJECTED STATEMENT OF COMPREHENSIVE INCOME

### (ACTUAL, BUDGET AND FORECAST)

	Actual	Budget		Forecast	
	2022-23	2023-24	2024-25	2025-26	2026-27
	Rm	Rm	Rm	Rm	Rm
<b>AUDIT INCOME</b>	<b>4 582,6</b>	<b>4 568,8</b>	<b>5 165,8</b>	<b>5 424,5</b>	<b>5 696,4</b>
Own hours	3 487,0	3 719,8	4 253,4	4 466,1	4 689,4
S&T recoverable	193,0	167,7	193,6	203,2	213,4
Contract work	892,7	691,4	728,8	765,3	803,6
IFRS 15 revenue adjustment	9,8	(10,0)	(10,0)	(10,0)	(10,0)
<b>DIRECT AUDIT EXPENDITURE</b>	<b>3 016,3</b>	<b>2 749,6</b>	<b>3 006,5</b>	<b>3 156,2</b>	<b>3 314,1</b>
Personnel expenditure	1 922,7	1 888,0	2 083,5	2 187,7	2 297,1
S&T recoverable	192,8	167,7	193,6	203,2	213,4
Contract work	900,8	693,9	729,4	765,3	803,6
<b>Contract work % of audit income</b>	<b>19,5%</b>	<b>15,1%</b>	<b>14,1%</b>	<b>14,1%</b>	<b>14,1%</b>
<b>Gross profit</b>	<b>1 566,3</b>	<b>1 819,2</b>	<b>2 159,3</b>	<b>2 268,4</b>	<b>2 382,3</b>
<b>Own hours gross profit</b>	<b>1 564,3</b>	<b>1 831,8</b>	<b>2 169,9</b>	<b>2 278,4</b>	<b>2 392,3</b>
<b>Gross margin % of audit income</b>	<b>34,18%</b>	<b>39,82%</b>	<b>41,80%</b>	<b>41,82%</b>	<b>41,82%</b>
<b>Other income</b>	<b>104,4</b>	<b>83,4</b>	<b>116,2</b>	<b>116,2</b>	<b>116,2</b>
Interest	41,5	38,9	52,3	52,3	52,3
Sundry income	62,9	44,5	63,9	63,9	63,9
<b>Appropriation income</b>	<b>44,0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Contribution to overheads</b>	<b>1 714,7</b>	<b>1 902,6</b>	<b>2 275,5</b>	<b>2 384,6</b>	<b>2 498,5</b>
<b>Overhead expenses</b>	<b>1 300,2</b>	<b>1 673,7</b>	<b>1 951,0</b>	<b>2 039,0</b>	<b>2 145,3</b>
<b>Overhead as % of audit income</b>	<b>28,37%</b>	<b>36,63%</b>	<b>37,77%</b>	<b>37,59%</b>	<b>37,66%</b>
<b>Depreciation</b>	<b>151,3</b>	<b>163,7</b>	<b>166,7</b>	<b>176,4</b>	<b>167,3</b>
<b>Net surplus</b>	<b>263,2</b>	<b>65,2</b>	<b>157,8</b>	<b>169,2</b>	<b>185,6</b>
<b>Net surplus as % of audit income</b>	<b>5,74%</b>	<b>1,43%</b>	<b>3,05%</b>	<b>3,12%</b>	<b>3,26%</b>



## PROJECTED STATEMENT OF FINANCIAL POSITION

### (ACTUAL, BUDGET AND FORECAST)

	Actual	Budget		Forecast	
	2022-23	2023-24	2024-25	2025-26	2026-27
	Rm	Rm	Rm	Rm	Rm
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>	<b>1 131,8</b>	<b>1 197,0</b>	<b>1 354,9</b>	<b>1 523,4</b>	<b>1 707,9</b>
General reserve	863,6	863,6	863,6	863,6	863,6
Special audit services fund	5,0	5,0	5,0	5,0	5,0
Retained earnings	-	263,2	328,4	486,3	654,8
Net surplus for the year	263,2	65,2	157,9	168,5	184,5
<b>Non-current liabilities</b>	<b>449,2</b>	<b>402,6</b>	<b>444,5</b>	<b>437,6</b>	<b>420,8</b>
Retirement benefit obligation – medical aid liability	12,9	17,3	21,7	26,3	31,2
Operating lease liability	436,3	385,3	422,8	411,3	389,6
<b>Current liabilities</b>	<b>487,7</b>	<b>565,7</b>	<b>781,1</b>	<b>927,0</b>	<b>1 128,6</b>
Trade and other payables	297,7	325,3	490,3	583,2	729,2
Leave liability	190,0	240,4	290,8	343,8	399,4
	<b>2 068,7</b>	<b>2 165,3</b>	<b>2 580,5</b>	<b>2 888,0</b>	<b>3 257,3</b>
<b>EMPLOYMENT OF CAPITAL</b>					
<b>Non-current assets</b>	<b>449,4</b>	<b>630,2</b>	<b>972,6</b>	<b>1 127,9</b>	<b>1 321,9</b>
Property, plant and equipment	449,4	630,2	972,6	1 127,9	1 321,9
<b>Investments</b>	<b>434,2</b>	<b>473,6</b>	<b>527,9</b>	<b>572,6</b>	<b>617,3</b>
<b>Current assets</b>	<b>1 185,1</b>	<b>1 061,5</b>	<b>1 080,0</b>	<b>1 187,5</b>	<b>1 318,1</b>
Trade and other debtors	912,7	961,3	976,2	964,2	980,1
Bank and cash	272,4	100,2	103,8	223,3	338,0
	<b>2 068,7</b>	<b>2 165,3</b>	<b>2 580,5</b>	<b>2 888,0</b>	<b>3 257,3</b>

### Working capital assumptions

1. Trade and other payables are calculated on a 30-day payment period from the date of approval of the AGSA payment.
2. Trade debtors are calculated based on the following days outstanding: 2023 to 2027: 75% – 80% recovery within 30 days for the national departments and 55% – 80% recovery within 30 days for provincial departments.

## PROJECTED CASH FLOW

### (BUDGET AND FORECAST)

	Budget		Forecast	
	2023-24	2024-25	2025-26	2026-27
	Rm	Rm	Rm	Rm
<b>Opening balance</b>	<b>706,5</b>	<b>573,8</b>	<b>631,7</b>	<b>795,9</b>
Bank	272,4	100,2	103,8	223,3
Investments	434,1	473,6	527,9	572,6
<b>Cash inflow</b>	<b>5 373,5</b>	<b>6 038,2</b>	<b>6 355,9</b>	<b>6 626,5</b>
Audit income	5 296,8	5 951,8	6 292,6	6 607,8
Other income	37,2	32,1	18,6	18,7
Investment income	39,5	54,3	44,7	44,7
<b>Cash outflow</b>	<b>5 506,1</b>	<b>5 980,3</b>	<b>6 191,7</b>	<b>6 511,8</b>
Operating expenditure	5 104,0	5 364,8	5 619,6	5 905,4
Capital expenditure	402,1	615,5	572,1	606,4
<b>Closing balance</b>	<b>573,8</b>	<b>631,7</b>	<b>795,9</b>	<b>955,3</b>
Bank	100,2	103,8	223,3	338,0
Investments	473,6	527,9	572,6	617,3

## DETAILED BUDGET

### (BUDGET AND FORECAST)

	Notes	Budget		Forecast	
		2023-24	2024-25	2025-26	2026-27
<b>AUDIT INCOME</b>	1	<b>4 568 831 300</b>	<b>5 165 843 567</b>	<b>5 424 635 745</b>	<b>5 696 367 532</b>
<b>Own hours</b>	1.1	<b>3 719 787 046</b>	<b>4 253 430 096</b>	<b>4 466 101 601</b>	<b>4 689 406 681</b>
Regularity audit		3 288 777 875	3 780 780 947	3 969 819 995	4 168 310 995
Specialised audit		431 009 171	472 649 149	496 281 606	521 095 686
<b>Contract work</b>	1.2	<b>691 353 840</b>	<b>728 845 443</b>	<b>765 287 715</b>	<b>803 552 101</b>
Regularity audit		596 558 736	623 535 502	654 712 277	687 447 891
Specialised audit		94 795 104	105 309 942	110 575 439	116 104 211
<b>Subsistence and travel</b>	1.3	<b>167 690 414</b>	<b>193 568 027</b>	<b>203 246 429</b>	<b>213 408 750</b>
<b>IFRS 15 revenue adjustments</b>		<b>(10 000 000)</b>	<b>(10 000 000)</b>	<b>(10 000 000)</b>	<b>(10 000 000)</b>
<b>DIRECT AUDIT COST</b>		<b>2 749 555 431</b>	<b>3 006 465 106</b>	<b>3 156 252 295</b>	<b>3 314 064 910</b>
Staff remuneration: ABUs	2.3	1 888 011 177	2 083 541 096	2 187 718 151	2 297 104 058
Contract work: recoverable		693 853 840	729 355 982	765 287 715	803 552 101
S&T: recoverable		167 690 414	193 568 027	203 246 429	213 408 750
<b>GROSS PROFIT</b>		<b>1 819 275 869</b>	<b>2 159 378 461</b>	<b>2 268 383 450</b>	<b>2 382 302 623</b>
<b>GROSS PROFIT %</b>		<b>39,82%</b>	<b>41,80%</b>	<b>41,82%</b>	<b>41,82%</b>
<b>OTHER INCOME</b>	1.4	<b>83 454 928</b>	<b>116 207 276</b>	<b>116 207 276</b>	<b>116 207 276</b>
Interest received: Investments	1.4.1	34 726 803	44 722 098	44 722 098	44 722 098
Interest received: SCMB	1.4.1	4 200 000	7 538 935	7 538 935	7 538 935
Sundry income	1.4.2	44 528 125	63 946 243	63 946 243	63 946 243
<b>SURPLUS BEFORE OPERATING COST</b>		<b>1 902 730 798</b>	<b>2 275 585 737</b>	<b>2 384 590 726</b>	<b>2 498 509 899</b>

## DETAILED BUDGET (continued)

### (BUDGET AND FORECAST)

	Notes	Budget		Forecast	
		2023-24	2024-25	2025-26	2026-27
<b>OPERATING COST</b>		<b>1 673 656 057</b>	<b>1 950 963 047</b>	<b>2 039 009 543</b>	<b>2 145 332 499</b>
<b>Staff remuneration</b>	2.3.2	<b>813 122 459</b>	<b>876 721 531</b>	<b>920 557 607</b>	<b>966 585 488</b>
<b>Other personnel expenditure</b>	2	<b>343 422 532</b>	<b>397 909 466</b>	<b>418 271 995</b>	<b>439 680 675</b>
Leave pay provision	2.1	50 442 504	50 442 504	52 964 629	55 612 861
Medical aid provision	2.2	4 400 000	4 400 000	4 620 000	4 851 000
Group life scheme	2.4	46 389 906	46 705 650	49 507 989	52 478 468
Long-service awards and other	2.4	202 245	114 745	120 482	126 506
Performance bonus liability	2.6	233 124 304	285 000 000	299 250 000	314 212 500
UIF: employer contribution	2.5	5 049 363	5 459 414	5 732 385	6 019 004
Workmen's compensation premiums	2.5	2 065 977	3 072 250	3 225 863	3 387 156
BU recognition scheme	2.4	1 748 233	2 714 902	2 850 647	2 993 179
<b>Outsourced services</b>		<b>67 498 980</b>	<b>110 212 417</b>	<b>114 620 914</b>	<b>119 205 751</b>
Outsourced services – irrecoverable	3	67 498 980	110 212 417	114 620 914	119 205 751
<b>Subsistence and travel – irrecoverable</b>		<b>16 057 069</b>	<b>35 385 449</b>	<b>36 800 867</b>	<b>38 272 901</b>
S&T: irrecoverable	4	16 057 069	35 385 449	36 800 867	38 272 901
<b>Accommodation</b>	5	<b>37 683 850</b>	<b>39 668 379</b>	<b>43 793 885</b>	<b>47 297 439</b>
Security expenses	5.1	18 145 508	17 100 000	18 878 400	20 388 672
Operating costs	5.2	19 538 342	22 566 699	24 913 636	26 906 727

## DETAILED BUDGET (continued)

### (BUDGET AND FORECAST)

	Notes	Budget		Forecast	
		2023-24	2024-25	2025-26	2026-27
<b>Stakeholder relationships</b>		<b>24 694 404</b>	<b>49 183 386</b>	<b>51 010 722</b>	<b>52 911 150</b>
Liaison	6.1.1	3 299 363	5 800 000	6 032 000	6 273 280
Internal stakeholder relations	6.1.2	3 289 434	5 551 083	5 773 126	6 004 051
External stakeholder relations	6.1.3	766 758	12 188 627	12 676 173	13 183 219
Culture expenses		100 000	518 613	539 357	560 931
Constitutional liaison		900 529	1 078 971	1 122 130	1 167 015
Non-constitutional liaison		320 508	320 508	333 329	346 662
CE portfolio leadership sessions		1 272 740	1 450 692	1 508 720	1 569 069
Senior management workshop		2 210 000	9 500 000	9 880 000	10 275 200
Stakeholder workshops		702 015	2 368 568	2 463 310	2 561 843
Regional congresses	6.2	2 237 519	3 708 282	3 856 613	4 010 877
Foreign visitors	6.3	109 898	109 898	114 294	118 866
Overseas travel	6.4	2 500 000	3 500 000	3 500 000	3 500 000
International conferences	6.5	6 985 640	3 088 144	3 211 670	3 340 137
<b>Oversight governance</b>	<b>7</b>	<b>7 355 119</b>	<b>7 916 952</b>	<b>8 233 630</b>	<b>8 892 322</b>
Scoag		100 000	100 000	104 000	112 320
Labour and staff relations		580 752	580 752	603 982	652 301
Advisory committee for MI		5 478 000	5 478 000	5 697 120	6 152 890
Corporate governance board		1 196 367	1 758 200	1 828 528	1 974 810
<b>Audit expenses</b>	<b>8</b>	<b>8 369 586</b>	<b>8 788 065</b>	<b>9 139 588</b>	<b>9 505 172</b>
External audit fees	8.1	5 246 586	5 508 915	5 729 272	5 958 443
Internal audit costs	8.2	3 123 000	3 279 150	3 410 316	3 546 729
<b>Bank charges</b>		<b>951 563</b>	<b>638 118</b>	<b>682 787</b>	<b>730 582</b>
Bank charges		951 563	638 118	682 787	730 582

## DETAILED BUDGET (continued)

### (BUDGET AND FORECAST)

	Notes	Budget		Forecast	
		2023-24	2024-25	2025-26	2026-27
<b>Finance charges</b>		<b>42 357 531</b>	<b>44 173 355</b>	<b>37 173 355</b>	<b>37 173 355</b>
Finance charges	5.3	42 357 531	44 173 355	37 173 355	37 173 355
<b>Recruitment expenses</b>	9	<b>5 767 708</b>	<b>15 415 168</b>	<b>16 031 775</b>	<b>16 673 046</b>
Advertising		1 025 000	1 400 000	1 456 000	1 514 240
Personnel agency fees		2 050 000	3 800 000	3 952 000	4 110 080
Interviews		857 669	1 574 333	1 637 306	1 702 798
Transfer and relocation expenses		1 835 039	8 640 835	8 986 469	9 345 927
<b>Learning and development</b>	10	<b>95 808 701</b>	<b>122 299 244</b>	<b>127 191 216</b>	<b>132 278 863</b>
Membership fees	10.1	26 716 252	26 620 400	27 685 216	28 792 624
<b>Training</b>	10.2	<b>12 180 055</b>	<b>22 970 151</b>	<b>23 888 957</b>	<b>24 844 514</b>
- Internal training	10.2	10 081 177	20 184 181	20 991 548	21 831 210
- Conference and seminars	10.2	1 792 074	1 792 074	1 863 757	1 938 307
- Subsistence and travel: training	10.2	306 804	993 896	1 033 651	1 074 997
Study assistance: employees	10.3	15 047 983	17 896 253	18 612 103	19 356 587
Study support incentive scheme		9 190 055	7 500 000	7 800 000	8 112 000
Institutional and learning development projects		2 061 371	1 446 713	1 504 581	1 564 765
Graduate programmes	10.2	2 345 990	3 670 015	3 816 816	3 969 488
Bursaries	10.4	18 677 278	32 266 935	33 557 612	34 899 917
Tertiary assistance	10.4	1 981 220	-	-	-
Study support incentive scheme: top-up one		112 731	112 731	117 240	121 930
Skills development levy		24 778 984	27 099 265	28 183 235	29 310 565
Skills development levy – recovered		(17 283 218)	(17 283 218)	(17 974 547)	(18 693 529)

## DETAILED BUDGET (continued)

### (BUDGET AND FORECAST)

	Notes	Budget		Forecast	
		2023-24	2024-25	2025-26	2026-27
<b>Employee wellness programmes</b>	11	<b>12 278 405</b>	<b>14 040 405</b>	<b>14 602 021</b>	<b>15 186 102</b>
Employee wellness programmes		8 490 405	8 490 405	8 830 021	9 183 222
Employee social responsibility		500 000	750 000	780 000	811 200
AGSA social responsibility (general)		508 000	508 000	528 320	549 453
Enterprise development		2 000 000	2 000 000	2 080 000	2 163 200
Corporate social investment		780 000	2 292 000	2 383 680	2 479 027
<b>Technological services</b>	12	<b>139 684 766</b>	<b>160 371 833</b>	<b>169 924 805</b>	<b>186 700 951</b>
Computer services	12.1	133 427 184	156 904 929	166 319 225	182 951 147
Hiring of equipment: rental	12.2	4 219 759	3 008 165	3 128 492	3 253 632
Hiring of equipment: copy charges		2 037 823	458 739	477 088	496 172
<b>Insurance and legal fees</b>	13	<b>15 751 487</b>	<b>16 317 422</b>	<b>16 970 120</b>	<b>18 068 474</b>
Insurance		2 304 377	2 870 312	2 985 125	3 104 530
Legal costs		13 447 110	13 447 110	13 984 994	14 963 944



## DETAILED BUDGET (continued)

### (BUDGET AND FORECAST)

	Notes	Budget		Forecast	
		2023-24	2024-25	2025-26	2026-27
<b>Office maintenance</b>	14	<b>20 119 525</b>	<b>25 993 134</b>	<b>27 032 859</b>	<b>28 114 173</b>
Cleaning: contracts/services		7 342 510	7 580 945	7 884 183	8 199 550
Cleaning: materials		674 544	1 139 237	1 184 807	1 232 199
Office improvements		235 992	531 408	552 665	574 771
Refreshments		1 200 188	3 168 991	3 295 751	3 427 581
Publications		2 287 284	3 000 000	3 120 000	3 244 800
Repairs and maintenance: computer equipment and software		134 803	134 803	140 195	145 803
Repairs and maintenance: furniture and equipment		293 895	553 767	575 918	598 955
Repairs and maintenance: site and buildings		1 106 397	2 401 207	2 497 256	2 597 146
Repairs and maintenance: office vehicles		591 275	780 384	811 600	844 064
Printing of audit reports		1 800 879	1 818 395	1 891 131	1 966 776
Stationery and printing		2 430 965	2 607 477	2 711 776	2 820 247
Covid PPE account		1 186 556	1 186 556	1 234 018	1 283 379
Medical examinations		35 963	35 963	37 402	38 898
Warranty costs		798 274	1 054 000	1 096 160	1 140 006
<b>Communication</b>	15	<b>13 732 372</b>	<b>15 021 428</b>	<b>15 627 811</b>	<b>16 258 726</b>
Cellphone charges	15.2	10 942 001	11 157 634	11 603 940	12 068 097
Postage and courier services		860 095	1 824 795	1 903 313	1 985 249
Telephone charges	15.1	1 930 276	2 038 998	2 120 558	2 205 380
<b>Other expenses</b>		<b>9 000 000</b>	<b>10 907 294</b>	<b>11 343 586</b>	<b>11 797 329</b>
Bad-debt provision		9 000 000	10 907 294	11 343 586	11 797 329

## DETAILED BUDGET (continued)

### (BUDGET AND FORECAST)

	Notes	Budget		Forecast	
		2023-24	2024-25	2025-26	2026-27
<b>SURPLUS BEFORE DEPRECIATION</b>		<b>229 074 740</b>	<b>324 622 690</b>	<b>345 581 183</b>	<b>353 177 399</b>
<b>Depreciation</b>	16	<b>163 684 505</b>	<b>166 714 655</b>	<b>176 445 860</b>	<b>167 631 692</b>
Depreciation: right-of-use assets	5.2	99 755 846	95 304 167	88 304 167	88 304 167
Depreciation: motor vehicles		457 729	439 827	395 845	356 260
Depreciation: furniture and equipment		3 917 580	3 398 165	3 058 348	2 752 513
Depreciation: computer equipment		33 276 758	42 883 059	55 747 977	50 173 179
Depreciation: computer software		13 005 795	16 797 577	21 836 851	19 653 165
Depreciation: leasehold improvements		13 270 797	7 891 859	7 102 673	6 392 405
<b>NET SURPLUS</b>		<b>65 390 235</b>	<b>157 908 034</b>	<b>169 135 323</b>	<b>185 545 708</b>
<b>Net surplus percentage</b>		<b>1,43%</b>	<b>3,06%</b>	<b>3,12%</b>	<b>3,26%</b>
<b>CAPITAL BUDGET</b>	17	<b>344 528 607</b>	<b>562 395 434</b>	<b>524 282 366</b>	<b>554 107 544</b>
Motor vehicles	17.1	1 860 000	2 310 000	2 333 100	2 449 755
Furniture and equipment	17.2	4 512 492	5 765 152	4 783 242	5 070 236
Computer equipment & notebooks	17.4	41 200 000	174 392 152	112 164 800	118 894 688
Computer software	17.5	237 018 985	338 630 922	355 562 468	376 896 216
Leasehold improvement	17.3	4 550 000	14 489 999	5 700 000	6 042 000
Right-of-use assets	17.6	55 387 130	26 807 209	26 807 209	26 807 209
<b>CAPEX AS % OF TOTAL INCOME</b>		<b>7,54%</b>	<b>10,89%</b>	<b>9,66%</b>	<b>9,73%</b>

### BRIEF OVERVIEW OF BUDGET 2024-25

The proposed budget for 2024-25 is a carefully considered plan that balances the need for our financial independence and fiscal prudence. We are committed to delivering on our strategic objectives effectively and efficiently while maintaining financial sustainability. The cost optimisation initiatives that are underway include investments in automation and tools to drive the costs down.

Since the tabling of the 2023-24 budget, we have since amended it to a revised forecast in order to align it to inflation. The budgeted revenue for 2024-25 is expected to grow by 5.5% compared to the 2023-24 revised forecast, which aligns with the projected inflation (CPI) of between 4% and 6%. However, if we compare the 2024-25 budget with the 2023-24 budget, the increase is 13% and this growth is underpinned by two primary factors: an increase in recoverable hours by 8% and an increase in charge-out rates due to annual salary increase by 5%, which is in line with the average projected inflation

## NOTES TO THE BUDGET

rate (CPI) of between 4% and 6%. The growth in recoverable hours, is mainly driven by new audits, take back of hours on work that is outsourced to audit private firms, the increase of scope and audit risk.

Overhead expenses are projected to grow by 6% compared to 2023-24 revised forecast, however, the growth is 15% compared to the 2023-24 budget due to strategic initiatives, including digitisation and automation of our processes, material irregularity processes, and support for the #cultureshift2030 strategic vision. We will capitalise some of these costs when the projects are implemented to mitigate pressure on the income statement. Excluding investments in digital and automation, the growth from 2023-24 budget to 2024-25 budget is 5%, aligning perfectly with the projected inflation rate of 4% to 6%. The cost optimisation initiatives currently underway are key to our financial sustainability.

### 1. INCOME

Budget item	Ref.	Budget		Change	
		2023-24	2024-25		
		R'000	R'000	R'000	%
		(1)	(2)	(2)-(1)	(2)-(1)
Own hours	1.1	3 719 788	4 253 430	533 642	14%
Contract work	1.2	691 354	728 845	37 491	5%
Subsistence and travelling (S&T)	1.3	167 691	193 568	25 877	15%
<b>Total audit income</b>		<b>4 578 833</b>	<b>5 175 843</b>	<b>597 010</b>	<b>13%</b>
IFRS15 revenue adjustments		(10 000)	(10 000)	-	0 %
<b>Total audit income after IFRS 15 adjustments</b>		<b>4 568 833</b>	<b>5 165 843</b>	<b>597 010</b>	<b>13%</b>

#### Effect of estimates of the AGSA for 2024-25 on state expenditure

The overall expected audit costs for 2024-25 is R5,17 billion (2023-24: R4,57 billion), or 0,27% (2023-24: 0,26%) of the estimated R2 trillion in government expenditures. This is in line with the previous years and has little effect on the projected total government expenditures for 2024-25. The projections for 2024-25 indicates an increase over the budget for 2023-24 and this is explained in the notes below.

#### 1.1 CALCULATION OF OWN HOURS INCOME

Three elements are used to calculate own hours income, namely:

- projected number of recoverable staff members (refer to 1.1.1)
- number of recoverable hours (refer to note 1.1.1.A)
- tariffs (refer to note 1.1.2)

The own hours income for the 2024-25 budget was determined using the same tariff computation that was used to determine the own hours income for the 2023-24 budget, which is consistent with the AGSA funding model.

## NOTES TO THE BUDGET

### 1.1.1 Number of staff – ABUs only

Audit staff	Budget		Change	Comments
	2023-24	2024-25		
	Staff numbers	Staff numbers	Staff numbers	
Business unit leaders	17	18	1	
Deputy business unit leaders	27	30	3	The retention and appointment of experienced trainee auditors to strengthen the BUs is the key factor driving the increase in audit seniors and audit clerks. At the end of the 2022-23 financial year, a novel initiative named Ahluma was launched with the goal of keeping trainees whose contracts were ending in 2023. As a result, the budgeted audit staff numbers for the audit clerks' bands have increased. This additional capacity contributes to the increase in recovered hours.
Audit senior managers	177	177	0	
Audit managers	479	487	8	
Assistant managers	641	651	10	
Audit seniors	394	638	244	
Audit clerks	59	166	107	
Auditors	51	48	-3	
Trainee auditors	1 114	934	-180	The budget for 2024-25 assumes a 100% intake of CTA-qualified trainee auditors. It is anticipated that this will boost this band's productivity, as the trainees will not take study leave to complete their CTA. The difficulties in recruiting new trainee auditors into the field have also contributed to the decrease in the number of trainee auditors.
Senior IT auditors	27	23	-4	
IT auditors	33	22	-11	
<b>Total audit staff</b>	<b>3 019</b>	<b>3 191</b>	<b>172</b>	

#### 1.1.1.A Own hours – recoverable hours and ratios

The recovery rate determined for each staff band within the audit business unit has an impact on recoverable hours. The extent to which these recovery rates take into account essential non-recoverable activities, such as annual leave, study leave, sick leave, training, management and supervision, is determined by how much time is set aside for these activities. In view of that, the 2024-25 budget's average recovery rate is 65,8%, which is an improvement on the 2023-24 budget recovery rate of 65,3%. The increased resource pooling among audit business units and the introduction of Ahluma are the primary factors driving the increase in recovery rate. Pooling hours for the 2024-25 budget have increased by 31 136 hours from the 200 460 hours recorded in the 2023-24 budget.

## NOTES TO THE BUDGET

### Detailed analysis of recovery ratio and recoverable hours per band

Budget item	Recovery rate per band		Recovered hours		Change		Comments
	2023-24	2024-25	2023-24	2024-25	Hours	%	
			(1)	(2)	(2)-(1)	(2)-(1)	
Audit staff							
Business unit leaders	18%	18%	6 295	6 394	99	1,6%	The net increase in recoverable hours of 333 162 is due to the following: <b>Increase of 782 071 hours as a result of:</b> <ul style="list-style-type: none"><li>new audits (32 054 hours)</li><li>net movement in CWC and catch-up audits (143 393 hours)</li><li>increase in scope or risk (606 623)</li></ul>
Deputy business unit leaders	23%	23%	12 550	13 478	928	7,4%	
Senior managers	47%	49%	170 024	175 037	5 013	2,9%	
Audit managers	62%	64%	613 141	638 200	25 059	4,1%	<b>Decrease of 448 908 hours as a result of:</b> <ul style="list-style-type: none"><li>efficiencies &amp; decrease in scope or risk (420 831 hours)</li><li>discontinued and contracted out audits (28 077 hours)</li></ul> The increase in recoverable hours, especially for audit seniors and audit clerks is due to the decision to extend the contracts of the trainees that were ending in 2023. The decrease in recovered hours for trainee auditors is in line with the reduced number of trainees for 2024-25 as discussed above on section 1.1.1.
Assistant managers	66%	67%	870 556	897 435	26 879	3,1%	
Seniors auditors	66%	68%	541 233	906 851	365 617	67,6%	
Auditors	65%	66%	35 100	29 534	(5 566)	-15,9%	The increase in recoverable hours, especially for audit seniors and audit clerks is due to the decision to extend the contracts of the trainees that were ending in 2023. The decrease in recovered hours for trainee auditors is in line with the reduced number of trainees for 2024-25 as discussed above on section 1.1.1.
IT auditors	57%	68%	59 138	65 374	6 236	10,5%	
Senior IT auditors	70%	71%	84 099	248 891	164 792	196%	
Audit clerks	68%	65%	1 564 042	1 322 996	(241 046)	-15,4%	Recovered hours for the 2024-25 budget exclude 32 947 hours (2023-24: 67 868) planned to be spent on audit projects but not billed to the financially distressed auditees.
Trainee auditors	65%	65%	42 833	27 986	(14 847)	-34,7%	
Total			3 958 574	3 999 011	40 437	1,0%	

## NOTES TO THE BUDGET

### 1.1.1.B Own hours – non-recoverable hours and ratios

Budget item	2023-24 ratios							2023-24 budget		2022-23 budget	
	Annual & family responsibility leave	Sick leave	Study leave	Research	Training	Management & supervision	Total %	Total non-recoverable hours	Non-recoverable hours per employee	Total non-recoverable hours	Non-recoverable hours per employee
Business unit leaders	11%	2%	0%	43%	4%	21%	82%	29 592	1 644	29 865	1 659
Deputy business unit leaders	11%	2%	0%	41%	5%	17%	77%	45 607	1 546	45 472	1 541
Senior managers	11%	2%	0%	20%	5%	13%	51%	182 224	1 030	183 968	1 040
Audit managers	11%	2%	0%	13%	5%	5%	36%	353 260	726	363 565	747
Assistant managers	11%	2%	2%	10%	5%	4%	34%	443 812	682	453 545	697
Auditor seniors	11%	2%	4%	9%	5%	3%	34%	434 308	681	428 925	673
Senior IT auditors	11%	2%	4%	9%	5%	4%	35%	15 889	701	15 394	679
Auditors	11%	2%	4%	8%	5%	2%	33%	31 072	653	31 369	659
Audit clerks	11%	2%	4%	6%	5%	2%	30%	99 234	599	99 705	602
Trainee auditors	11%	2%	8%	3%	6%	2%	32%	604 962	648	603 935	647
IT auditor	11%	2%	6%	6%	6%	4%	35%	14 943	695	15 064	701

### 1.1.2 Recommended tariffs

Tariffs are based on projected average staff costs per band and interval, mark-up factor and recoverable hours per band (staff cost x mark-up factor ÷ recoverable hours). The average 2024-25 budget tariff is R982 per hour (2023-24: R930 per hour) translating into an increase of R52 per hour or 5,6%, which is between the average Reserve Bank projected inflation rate (CPI) target of between 3% and 6%. In addition, this is in line with the salary increase of 5%, which is the same as 2023-24 budget.



## NOTES TO THE BUDGET

Budget item	Budget		Change	Comments
	2023-24	2024-25		
	Rand per hour (average)	Rand per hour (average)	Rand per hour (average)	
	(1)	(2)	(2)-(1)	
Audit staff				
Business unit leaders	3 516	3 621	105	The tariff increase per hour of R52 or 5,6% year on year is in line with the projected average CPI of between 3% and 6% and it is in line with the average annual salary increase of 5%.  The change in the average tariff per band, either an increase or decrease, is mainly due to the movement of staff between bands due to either promotions and/or progression in studies for the trainee auditors' bands. In addition, staff mix and change in recoverable hours within bands also contribute to the movement in tariff.
Deputy business unit leaders	4 204	4 304	100	
Senior managers	2 576	2 701	125	
Audit managers	1 746	1 842	95	
Assistant managers	1 100	1 163	63	
Auditor seniors	633	675	41	
Senior IT auditors	592	608	15	
Auditors	594	654	60	
Audit clerks	523	482	(40)	
Trainee auditors	461	514	53	
IT auditor	279	290	11	
Average	930	982	52	

## NOTES TO THE BUDGET

### 1.2 CONTRACT WORK MOVEMENT

Private audit firms play a pivotal role in contributing strategic resources towards the execution of the AGSA's mandate. Over the years, it has been the AGSA's practice to outsource a certain amount of audit work to private audit firms. This contributes to the auditing profession's transformation by partially allocating work based on the private audit firms' B-BBEE score. In keeping with the previous years' practice, specific provision has been made for allocation of audit work to private audit firms to accommodate employee vacancies, especially during peak audit periods (i.e. the Public Finance Management Act and the Municipal Finance Management Act audit cycles). CWC income as a percentage of total audit income has decreased from the 2023-24 budget of 15% to 14% for the 2024-25 budget. The decline fits with the plan to get the ratio down to 15% or less.

Budget item	Budget		Comments
	2023-24	2024-25	
	R'000	R'000	
Enterprise development	518 171	523 787	This is in line with the AGSA's practice of outsourcing work to private audit firms and support the emerging private audit firms.
Pre-issuance	75 741	73 579	Quality review of audit files before the finalisation of audit reports for presentation to auditees.
Vacancies	97 442	131 480	Provision for additional contract work to accommodate unforeseen vacancies.
<b>Total</b>	<b>691 354</b>	<b>728 845</b>	
<b>% of total income</b>	<b>15%</b>	<b>14%</b>	

## NOTES TO THE BUDGET

### 1.3 S&T – RECOVERABLE

Budget item	Ref.	Budget		Change	
		2023-24	2024-25		
		R'000	R'000	R'000	%
		(1)	(3)	(3)-(1)	(3)-(1)
S&T – recoverable	1.3.1	167 691	193 568	25 877	15,4%
<b>Total</b>		<b>167 691</b>	<b>193 568</b>	<b>25 877</b>	<b>15,4%</b>
<b>% of total income</b>		<b>4%</b>	<b>4%</b>		

#### 1.3.1 Change from 2022-23 budget to 2023-24 budget

The S&T calculation is based on the S&T policy rates and the planned trips to conduct audits. The rate per kilometre applied is R5,80, which is the same as the 2023-24 budget. The increase in scope and risk contributes to the need for teams to conduct most of the audits at the client premises.

### 1.4 OTHER INCOME

Budget item	Ref.	Budget		Change	
		2023-24	2024-25		
		R'000	R'000	R'000	%
		(1)	(2)	(2)-(1)	(2)-(1)
Interest received: investments	1.4.1	34 727	44 722	9 996	28,8%
Interest received: current account	1.4.1	4 200	7 539	3 339	79,5%
Sundry income	1.4.2	44 528	63 946	19 419	43,6%
<b>Total</b>		<b>83 455</b>	<b>116 207</b>	<b>32 754</b>	<b>39,2%</b>

#### 1.4.1 Interest received

The increase in interest received on both investment and current account is due to favourable interest rates as a result of the South African Reserve Bank's high repo rate and planned growth in cash balances because of heightened collections efforts.

#### 1.4.2 Sundry income

Sundry income consists of interest charged on long outstanding debts, income received from tender documents and sales from the gift shop. The debt book balance is still significantly high, hence the anticipated increase in sundry income.

## NOTES TO THE BUDGET

### 2. PERSONNEL EXPENDITURE

Budget item	Ref.	Budget		Change	
		2023-24	2024-25	R'000	%
		R'000	R'000		
		(1)	(2)		
Leave pay provision	2.1	50 443	50 443	-	0%
Medical aid provision	2.2	4 400	4 400	-	0%
Normal salary and benefits	2.3	2 701 134	2 960 263	259 129	9,6%
Other incentives	2.4	46 051	49 035	2 984	6,5%
UIF and WCA	2.5	7 022	8 532	1 510	21,5%
<b>Total</b>		<b>2 809 049</b>	<b>3 072 673</b>	<b>263 623</b>	<b>9,4%</b>
<b>% of total income</b>		<b>61,5%</b>	<b>59,5%</b>		

A more detailed analysis is shown in the tables in notes 2.1 to 2.5 below.

#### 2.1 LEAVE PAY PROVISION

The leave pay provision is a function of leave days and salary rate. The level of the provision is influenced by the accumulation of leave days allowed in terms of the applicable human resource policy. The number of accumulated leave days paid to an employee is limited to a maximum of 30 days on resignation and 120 days on retirement. The accumulated leave days' provision in 2024-25 is estimated to be the same as in the 2023-24 budget, hence the 2024-25 budget remains the same as the 2023-24 budget.

#### 2.2 POST-RETIREMENT MEDICAL AID PROVISION

These estimates are based on actuarial projections by Alexander Forbes Actuaries for 2024-25 forecast.

## NOTES TO THE BUDGET

### 2.3 NORMAL SALARY

#### 2.3.1 Audit staff (ABUs)

Employee group	Total		Average salary per band	Positioning against benchmarked range	Comments
	No.	R'000	R'000	R'000	
Business unit leaders	18	43 289	2 405	2 188 - 2 736 - 3 282	The average salary per band is within the salary ranges benchmarked by the AGSA's People and Organisation Effectiveness BU.
Deputy business unit leaders	30	55 943	1 896	1 801 - 2 251 - 2 702	
Audit senior managers	177	273 330	1 545	1 281 - 1 725 - 2 168	
Audit managers	487	543 770	1 118	767 - 1 213 - 1 658	The audit senior groups consist of employees who have successfully completed their training contracts and are studying towards professional qualifications required for the audit manager level.
Assistant managers	651	487 745	750	512 - 853 - 1 194	
Audit seniors	638	304 442	477	445 - 617 - 787	
Senior IT auditors	23	10 084	445	454 - 619 - 785	The audit clerks group consists of employees who have successfully completed their training contracts but who are behind on academic progress. These employees are transferred from the trainee auditor band to the audit clerk band on fixed-term contract to retain experience and capacity.
Auditors	48	22 263	468	340 - 478 - 617	
Audit clerks	166	52 249	315	275 - 354 - 432	
Trainee auditors	934	286 129	306	152 - 371 - 588	
IT auditors	22	4 297	200	183 - 397 - 610	
<b>Total</b>	<b>3 191</b>	<b>2 083 541</b>	<b>653</b>		

**Note:** The total audit staff cost includes overtime and staff employed on a fixed-term contract from private audit firms for a period of one year or less.

## NOTES TO THE BUDGET

### 2.3.2 Support staff

Employee group	Total		Average salary per band	Positioning against benchmarked range	Comments
	No.	R'000	R'000	R'000	
Head of portfolio group	15	58 991	3 933	2 854 - 4 892 - 6 928	The average salary per band is within the salary ranges benchmarked by the People and Organisation Effectiveness business unit. The head of portfolio group includes salaries of the auditor-general and deputy auditor-general.
Business unit leaders	21	47 863	2 279	2 084 - 2 605 - 3 125	
Deputy business unit leaders	5	9 496	1 899	1 677 - 2 097 - 2 518	
Senior managers	133	204 048	1 534	1 281 - 1 602 - 1 921	
Managers	377	366 863	973	589 - 1 018 - 1 468	
Admin staff and specialists	382	189 460	497	182 - 320 - 728	
<b>Total support staff</b>	<b>933</b>	<b>876 722</b>	<b>941</b>		

### 2.3.3 Total staff

Business focus areas	Budget				Comments
	2023-24		2024-25		
	No.	R'000	No.	R'000	
Total audit staff	3 019	1 888 011	3 191	2 083 541	<p>This includes both salaries and overtime costs.</p> <p>The increase in recoverable staff remuneration is mainly due to the annual salary increase of 5%, promotions and new appointments to capacitate BUs to address the growth in audit work, new audits, etc.</p>
Total support staff in audit and non-audit BUs	882	813 122	933	876 722	<p>The increase in non-recoverable staff remuneration is driven by the annual salary adjustment of 5% and an increase in headcount mainly due to the creation of new positions to support the digital transformation initiatives in line with the #cultureshift2023 strategy.</p>
Total staff	3 901	2 701 134	4 123	2 960 263	



## NOTES TO THE BUDGET

### 2.4 OTHER INCENTIVES

Budget item	Budget		Change		Comments
	2023-24	2024-25			
	R'000	R'000	R'000	%	
	(1)	(2)	(2)-(1)	(2)-(1)	
Group life scheme	46 390	46 206	(184)	-0,4%	The increase in the group risk costs is due to the AGSA's claim history and the movement in the wage bill year on year.
Long-service awards	202	115	(87)	-43,2%	Long-service awards are part of the staff retention incentives (total reward), and the 2024-25 budget is the same as the previous year in support of the cost-containment tactics.
BU recognition scheme	1 748	2 715	967	55,3%	These are BU recognition incentives used to reward teamwork and promote staff morale. The budget per employee is R44 and the increase is driven mainly by the growth in headcount.
Total	48 340	49 035	695	1,4%	

## NOTES TO THE BUDGET

### 2.5 UIF AND WCA

Budget item	Budget		Change	
	2023-24	2024-25		
	R'000	R'000	R'000	%
	(1)	(2)	(2)-(1)	(2)-(1)
UIF employer's contribution	5 049	5 459	410	8,1%
Workmens's compensation premiums	2 066	3 072	1 006	48,7%
<b>Total</b>	<b>7 115</b>	<b>8 532</b>	<b>1 416</b>	<b>19,9%</b>

These levies are based on the full budgeted staff complement of 4 123 and have been calculated for the full year in terms of the relevant legislation.

### 2.6 PERFORMANCE BONUS

The performance bonus is used to foster a culture of robust performance management and to retain employees. The budgeted amount for the 2024-25 of R285 million increased by R52 million from the 2022-23 budget, driven by the number of staff who may qualify for the bonus based on the successful evaluation of the individual performance contracts and the organisation meeting all the performance measures.

## 3. OUTSOURCED SERVICES

Budget item	Budget		Change	
	2023-24	2024-25		
	R'000	R'000	R'000	%
	(1)	(2)	(2)-(1)	(2)-(1)
<b>Consultant fees</b>				
Ongoing projects	39 541	77 044	37 503	94,8%
One-off ad hoc projects	27 958	33 169	5 211	18,6%
<b>Total</b>	<b>67 499</b>	<b>110 212</b>	<b>42 713</b>	<b>63,3%</b>
<b>% of total income</b>	<b>1,5%</b>	<b>2,1%</b>		

The analysis that follows details the nature of the outsourced services. The activities are by nature not repetitive, and therefore comparatives and commentary for the previous year are not provided.

## NOTES TO THE BUDGET

Budget item	2024-25 budget			Comments
	Ongoing	One-off	Total	
	R'000	R'000	R'000	
Performance audit	527	–	527	Specialists to assist with the research and development of new and existing focus areas for performance audits to ensure deliverance on the #cultureshift2030 strategy and sector focus areas.
Information systems audit	9 500	–	9 500	Specialised services to assist in developing audit methodologies, reviewing the skills of current staff to ensure compatibility with regularity audits and automating access management reviews.
Investigations	9 600	–	9 600	Secondment of resources from private audit firms to perform some non-billable work to AGSA auditees. The work entails the following: <ul style="list-style-type: none"> <li>• Fraud data analytics development to ensure continued support and improvement of services offered to various ABUs.</li> <li>• Business continuity management to assist with the rollout and implementation of the BUs' value proposition.</li> </ul>
Reporting	950	–	950	Contracting technical specialists from a private audit firm's assurance technical division, who possess a deeper knowledge of the revised auditing standards and its impact on the audit process and have experience in implementing the revised standards.
Audit risk intelligence	1 615	–	1 615	Unique specialised skills that benefit and enable the AGSA to achieve its strategic objectives in relation to the #cultureshift2030 strategy, which contains the following: <ul style="list-style-type: none"> <li>• Strategic intelligence report</li> <li>• Socio-economic survey of South Africa</li> <li>• Deep dive on key issues affecting the audit universe of the AG at macro and micro level</li> <li>• Country risk and industry research</li> <li>• Fitch ratings – credit research.</li> </ul>
Technical audit support	1 000	–	1 000	Specialised services for IFRS, tax and accounting, PAA and MI support as well as support to take back audits of state-owned enterprises (SOEs).
Corporate secretariat	–	506	506	Services to facilitate some of the engagements with internal and external stakeholders, e.g. Scoag meetings, AGSA governance committees, remuneration committee, audit committee, information and communication technology steering committee, tender committee, management approval framework policy committee and quality control assessment committee.

## NOTES TO THE BUDGET

Budget item	2024-25 budget			Comments
	Ongoing	One-off	Total	
	R'000	R'000	R'000	
Communication	3 055	–	3 055	Expertise to assist with media content creation and monitoring, quarterly media analysis, technical writing and content audit of the annual report to ensure that the AGSA's messages are simple, clear and relevant.
Integration and innovation	10 000	–	10 000	Services/tools required include the following: <ul style="list-style-type: none"> <li>• development of both PFMA and MFMA data lead audit models</li> <li>• innovation proof of value concepts.</li> </ul>
Finance	1 317	–	1 317	Special services required for: <ul style="list-style-type: none"> <li>• business continuity management to assist with the rollout and implementation of the plan</li> <li>• enhancement and maintenance of the budget tool</li> <li>• independent review of the annual financial statements and actuarial review</li> <li>• smart real estate programme – designed to reduce costs and implement smart building solutions.</li> </ul>
Procurement	112	–	112	External expertise to improve efficiencies and better insights – To ensure efficiencies by utilising technology to acquire better insights into procurement, which will improve decisionmaking.
Information and knowledge management	200	650	850	Expert skills required to implement: <ul style="list-style-type: none"> <li>• entrench and explore the use of collaborative tools organisational wide</li> <li>• revamp of insights, hot topics, trends, lessons learned to be more value adding by upgrading iKnow</li> <li>• independent audit of AGSA-wide knowledge management</li> <li>• implementation of knowledge harvest organisation-wide</li> <li>• enhancements of the expert locator platform</li> <li>• public sector finance lekgotla (an external knowledge sharing platform of key insights for the year).</li> </ul>
Material irregularity audit	–	1 500	1 500	Required specialised independent expertise to assist the MI unit with quantifying financial loss matters, quantity surveyors and fixed assets specialists, etc.
People and organisational effectiveness	8 641	–	8 641	Specialised services for: <ul style="list-style-type: none"> <li>• facilitating a leadership alignment intervention aimed at ensuring execution of the organisational strategy and creation of the vision culture/initiatives planned in support of the #cultureshift2030 strategy for organisational development and other specialist areas</li> <li>• continuation of the organisation's culture journey</li> <li>• programmes aimed at facilitating behavioural change implemented across the organisation, including the capacitation of key stakeholders such as business partners, leaders and other key roleplayers.</li> </ul>

## NOTES TO THE BUDGET

Budget item	2024-25 budget			Comments
	Ongoing	One-off	Total	
	R'000	R'000	R'000	
Risk and ethics	–	1 756	1 756	Special services required to support and enhance the whistleblowing tool and the internal control monitoring tool. Also included are services to conduct lifestyle audits within the AGSA, ethics training to leadership and ESP project management.
Quality control	4 355	–	4 355	External reviews and annual quality control reviews by the Independent Regulatory Board for Auditors (Irba), mandatory quality control review of specialised ABUs by experts, reviews of information systems and reviews performed by the internal (AGSA) quality control BU.
Information and communication technology	24 973	5 000	29 973	Consulting services for services such as People Tool upgrade, ERP roadmap, SharePoint development, cybersecurity, Dotnet app re-engineering, case management software tool, etc.
Digital transformation	–	15 000	15 000	Consulting services for digital transformation projects
Head of portfolios (audit, support and specialised)	1 198	8 756	9 955	Services required for: <ul style="list-style-type: none"> <li>• Enterprise-wide Programme Management Office (EPMO) capability to manage internal strategic projects by adopting fit-for-purpose best practice in support of the #cultureshift2030 strategy</li> <li>• AGSA's participation in the Intosai community: as the current chair of the Intosai capacity-building committee, the AGSA is involved in engagements aimed at building efforts of the community of SAs; supporting capacity building of SAs on the African continent; developing interactive tools and/or products to assist with capacity development and professionalisation projects; and contracting-in global competency professionalisation</li> <li>• Required specialised expertise to evaluate CEC, including sourcing external auditors to review the evaluation results performed internally</li> <li>• Services required to continue with specialist work for the MI process</li> <li>• Services providers to obtain external reviews on audit disputes referred to the head of audit – national.</li> </ul>
<b>Total</b>	<b>77 044</b>	<b>33 169</b>	<b>110 212</b>	

One-off initiatives are defined by those projects necessary to establish capabilities that do not currently exist and/or to upgrade current capabilities and technologies.

## NOTES TO THE BUDGET

### 4. S&T – IRRECOVERABLE

Budget item	Budget		Change	
	2023-24	2024-25		
	R'000	R'000	R'000	%
	(1)	(2)	(2)-(1)	(2)-(1)
S&T – irrecoverable	16 057	35 385	19 328	120%
<b>Total</b>	<b>16 057</b>	<b>35 385</b>	<b>19 328</b>	<b>120%</b>
<b>% of total income</b>	<b>0,4%</b>	<b>0,7%</b>		

The cost increase is primarily due to expenses incurred to support resource pooling during the MFMA cycle, travel for #cultureshift2030 engagements, and visibility and head office support staff engagements with provincial business units. These costs are not recoverable from auditees.

### 5. ACCOMMODATION

Budget item	Ref	Budget		Change	
		2023-24	2024-25		
		R'000	R'000	R'000	%
		(1)	(2)	(2)-(1)	(2)-(1)
Security expenses	5.1	18 146	17 100	-1 046	-5,76%
Operational costs	5.2	19 538	22 567	3 028	15,50%
<b>Total</b>		<b>37 684</b>	<b>39 667</b>	<b>1 983</b>	<b>5,26%</b>
<b>% of total income</b>		<b>0,8%</b>	<b>0,8%</b>		

- 5.1. Security costs have decreased from the 2023-24 budget as a result of re-negotiation of contracts to support cost-optimisation strategy.
- 5.2. Included in operating costs are costs for water and electricity, service contracts, storage and parking. Nersa increased the electricity tariff by an average of 18,65%. In addition, the cost of diesel for generators has increased due to a higher tariff increase and significant diesel consumption resulting from higher levels of load shedding.

## NOTES TO THE BUDGET

### RENTALS

The average monthly cost per square metre is R217, which is the same as the previous year mainly due to the favourable lease re-negotiations achieved in support of the cost-containment strategy.

Location	Budget							Comments
	2023-24			2024-25				
	Square metres occupied	Basic rental cost	Monthly cost per square metre	Square metres occupied	Total staff establishment	Basic rental cost	Monthly cost per square metre	
Western Cape	3 247	7 681 555	197	2 000	181	4 406 400	184	The increase is in line with the annual escalations of the rentals as per various lease agreements. However, the main driver of some rental costs decreasing is as a result of a reduction of square meters occupied.
Mpumalanga	1 696	3 439 683	169	3 827	257	8 546 518	186	
KwaZulu-Natal	4 085	11 792 355	241	3 247	234	8 462 001	217	
Limpopo	2 130	5 528 151	216	4 085	247	12 603 080	257	
Free State	1 960	4 039 207	172	2 130	192	3 301 500	129	
Johannesburg	3 351	8 380 841	208	1 614	195	1 929 828	100	
Northern Cape	2 031	4 476 044	184	3 351	224	6 170 867	153	
Eastern Cape	3 827	9 347 610	204	2 031	159	3 826 178	157	
Pretoria	21 628	61 233 425	236	21 628	2 052	66 572 979	257	
North West	1 000	1 284 000	107	1 000	160	1 351 410	113	
Total	44 955	117 202 871	217	44 913	3 901	117 170 760	217	

## NOTES TO THE BUDGET

### 5.3 FINANCE CHARGES AND AMORTISATION OF ASSETS (RIGHT OF USE)

Location	Budget				Change	
	2023-24		2024-25			
	Depreciation	Finance charges	Depreciation	Finance charges	Depreciation	Finance charges
	R'000	R'000	R'000	R'000	R'000	R'000
Western Cape	8 034 562	1 619 071	9 008 910	1 491 253	974 348	(127 818)
Mpumalanga	2 571 885	1 766 397	4 348 218	4 612 590	1 776 333	2 846 193
KwaZulu-Natal	8 956 144	11 059 703	8 956 144	10 522 690	-	(537 013)
Limpopo	2 349 393	201 104	2 942 219	1 376 520	592 826	1 175 416
Free State	4 221 476	368 722	1 974 414	2 243 661	(2 247 062)	1 874 939
Johannesburg	6 776 220	5 055 579	3 953 645	3 090 577	(2 822 575)	(1 965 002)
Northern Cape	3 044 338	2 297 539	2 260 695	1 689 463	(783 643)	(608 076)
Eastern Cape	10 441 718	867 477	8 496 034	6 739 827	(1 945 684)	5 872 350
North West	1 143 566	372 297	1 147 343	296 033	3 777	(76 263)
Pretoria	52 216 546	18 749 642	52 216 546	12 110 740	-	(6 638 902)
Total	99 755 846	42 357 531	95 304 167	44 173 355	(4 451 680)	1 815 824

The implementation of IFRS 16 requires an organisation to create a lease liability, which is calculated as the present value of the total lease payments. The interest is a book entry to the income statement and there are no real/actual finance charges paid in cash.

Depreciation is constant over the period of the lease and finance charges which decrease each year as the lease term comes to an end.

The lease liability is reduced by the rental payments and the finance charges increased by the liability.

Both the depreciation and the finance charges are decreasing year on year as there are no new high value leases that have commenced. The IFRS standard on leases came into effect 1 January 2019. In this standard, the present value of the lease payments is regarded as right-of-use asset and a related lease liability under long-term liabilities. Therefore, the amortisation and finance charges are written off; as this is an accounting entry, it will gradually decrease and will eventually equal the actual lease payments at the end of the lease term.



## NOTES TO THE BUDGET

### 6. STAKEHOLDER RELATIONSHIPS

Budget item	Ref.	Budget		Change	
		2023-24	2024-25		
		R'000	R'000	R'000	%
		(1)	(2)	(2)-(1)	(2)-(1)
Liaison	6.1.1	3 299	5 800	2 501	75,79%
Internal stakeholders	6.1.2	3 289	5 551	2 262	68,75%
External stakeholders	6.1.3	767	12 189	11 422	1489,63%
<b>Total</b>		<b>7 174</b>	<b>7 356</b>	<b>23 540</b>	<b>16 184</b>
<b>% of total income</b>		<b>0,2%</b>	<b>0,5%</b>		

#### 6.1 STAKEHOLDER RELATIONSHIPS

##### 6.1.1 Liaison

The costs of stakeholder interactions abroad, media management, corporate event management, branding and employee communications are all included in the liaison account. The budget for the year 2024-25 has been increased in order to support and supply marketing and promotional materials for stakeholder engagements (both internally and externally), including programmes to support #cultureshift2030 strategy.

##### 6.1.2 Internal stakeholders

Budget item	Budget						Variance		Comments
	2023-24			2024-25					
	Number of employees	Average amount	Total	Number of employees	Average amount	Total	Due to increase in costs	Due to decrease in staff	
			R'000			R'000			
	(1)	(2)	(1)x(2)	(3)	(4)	(3)x(4)			
BU team effectiveness activities	3 901	843	3 289	4 123	1 346	5 551	1 963	299	These activities that occur every year are for internal stakeholder relationship improvement and include costs related to relationship building, farewell functions, staff lunches, etc. These costs are budgeted per head.
Total	3 901	843	3 289	4 123	1 346	5 551	1 963	299	

## NOTES TO THE BUDGET

### 6.1.3 External stakeholders

Budget item	Budget						Variance
	2023-24			2024-25			
	Number of employees	Allowance per annum	Total	Number of employees	Allowance per annum	Total	
		R'000	R'000		R'000	R'000	
	(1)	(2)	(3)	(4)	(5)	(6)	(6)-(3)
Business unit leaders/heads of units	38	2	53	39	35	1 351	1 298
Deputy business unit leaders	32	2	64	35	35	1 195	1 131
Senior managers	309	2	618	310	29	9 123	8 505
Exco	16	2	32	15	35	520	488
Total	394	2	767	398	31	12 189	11 422

These costs and related activities are for the improvement of relationships and communication with both internal and external stakeholders. The objective of interaction with external stakeholders is to improve the consistency and effectiveness of the AGSA's messages by providing auditees with insights on their audit outcomes. Internal stakeholder costs are attributable to investment in staff to align their contribution to the vision, mission and strategy of the AGSA. The budget allowance applied per head to compute the budget costs has increased due to the alignment of the #cultureshift2030 strategy.

### 6.2 REGIONAL CONGRESSES (STRATEGIC ALIGNMENT WORKSHOP)

Budget item	Budget						Variance
	2023-24			2024-25			
	Number of employees	Cost per employee	Total	Number of employees	Cost per employee	Total	
		Rand	R'000		Rand	R'000	
	(1)	(2)	(3)	(4)	(5)	(6)	
BU/CE workshop	3 838	574	2 203	4 123	899	3 708	1 505
Senior management workshop (SMW)	378	5 847	2 210	398	23 844	9 500	7 290
Total	4 413			4 448			35

## NOTES TO THE BUDGET

### 6.3 FOREIGN VISITORS

Budget item	Budget		Change	
	2023-24	2024-25		
	R'000	R'000	R'000	%
	(1)	(2)	(2)-(1)	(2)-(1)
Foreign visitors	110	110	-	0,0%
<b>Total</b>	<b>110</b>	<b>110</b>	<b>-</b>	<b>0,0%</b>

These costs are based on the anticipated number of international visitors from other SAIs to the AGSA. The total amount to be spent in 2024-25 is anticipated to be the same as in 2023-24.

### 6.4 OVERSEAS TRAVEL

Budget item	Budget		Change		Comments
	2023-24	2024-25			
	R'000	R'000	R'000	%	
	(1)	(3)	(3)-(1)	(3)-(1)	
Auditor-general and deputy auditor-general	2 500	3 500	1000	40,0%	The costs relate to the auditor-general's, the deputy auditor-general's and other AGSA employees' planned international travel.  The Intosai (the governing member and chair of the capacity-building committee), Afrosai and Afrosai-E form part of the worldwide commitments of the auditor-general.
<b>Total</b>	<b>2 500</b>	<b>3 500</b>	<b>1000</b>	<b>40,0%</b>	

\* The costs include travelling and subsistence expenses of all staff supporting the auditor-general and deputy auditor-general.

### 6.5 THE BUDGET INCLUDES THE AGSA'S COMMITMENTS TO SEVERAL INTOSAI WORKING GROUPS AS SUBJECT MATTER EXPERT AND INTERNATIONAL CONFERENCES.

## NOTES TO THE BUDGET

### 7. OVERSIGHT GOVERNANCE

Budget item	Budget		Change		Comments
	2023-24	2024-25			
	R'000	R'000	R'000	%	
	(1)	(3)	(3)-(1)	(3)-(1)	
Parliamentary oversight (Scoag)	100	100	-	0%	The budgeted costs are mainly driven by the number of meetings held per annum and the induction of new members. The growth in 2024-25 is in line with the expected increase in the number of external meetings by governance boards.
Corporate governance boards (auditor-general advisory board, audit committee and quality control assessment committee)	6 674	7 236	562	8%	
Total	6 774	7 336	562	8%	
% total income	0,15%	0,14%			

### 8. AUDIT EXPENSES

#### 8.1 EXTERNAL AUDIT FEES

Budget item	Budget		Change		Comments
	2023-24	2024-25			
	R'000	R'000	R'000	%	
	(1)	(2)	(2)-(1)	(2)-(1)	
Financial audit	4 799	5 039	240	5,0%	The audit fees are calculated based on the projections made by the AGSA's external auditors for the planning, interim audit, final audit, BU visits and internal control reviews.
Sustainability review	298	313	15	5,0%	The balanced scorecard audit, performance bonuses audit and new charge-out rates (tariffs) audit are all included in the budget.
Other assurance reviews and disbursement	150	158	8	5,0%	The 2024-25 budget has been developed using the audit fees that will actually be charged in 2023-2024, plus inflation as well as modifications to the audit hours and scope.
Total	5 247	5 509	262	5,0%	
% of total income	0,1%	0,1%			

## NOTES TO THE BUDGET

### 8.2 INTERNAL AUDIT FEES

Budget item	Budget		Change	
	2023-24	2024-25		
	R'000	R'000	R'000	%
	(1)	(2)	(2)-(1)	(2)-(1)
Routine financial audits	595	625	30	5,0%
Routine human capital-related audits	247	259	12	5,0%
Routine internal controls audits	1 149	1 206	57	5,0%
Ad hoc assignments and systems queries (CAATs application)	350	368	18	5,0%
Project management and attendance of audit committee meetings	402	422	20	5,0%
Risk management meetings and strategic risk assessment	60	63	3	5,0%
Audit software project review (ICT governance, strategy review and IC strategy review)	320	336	16	5,0%
<b>Total</b>	<b>3 123</b>	<b>3 279</b>	<b>156</b>	<b>5,0%</b>
<b>% of total income</b>	<b>0,1%</b>	<b>0,1%</b>		

The 5% internal audit fees increase from 2023-24 is in line with the planned internal audit activities for 2024-25 and is within inflation targets.

## NOTES TO THE BUDGET

### 9. RECRUITMENT EXPENSES

Budget item	Budget		Change		Comments
	2023-24	2024-25			
	R'000	R'000	R'000	%	
	(1)	(2)	(2)-(1)	(2)-(1)	
Advertisements	1 025	1 400	375	36,6%	The costs are related to recruitment programmes for graduates and job advertisements. The increase in costs is mostly the result of the foreign exchange rate used by websites like LinkedIn that are used to attract people of the correct calibre.
Personnel agency fees	2 050	3 800	1 750	85,4%	Agency fees are calculated as a percentage of the salaries of the employees who are anticipated to be hired during the 2024-25 course of the financial year. The effort to fill audit staff positions is what caused the increase in 2024-25 budgeted costs.
Interviews	858	1 574	717	83,6%	Includes the costs of performing psychometric assessments, background checks, job profile updates and vetting as part of the recruitment process.
Transfer and relocation expenses	1 835	8 641	6 806	370,9%	Pre-visit fees for both internal and external candidates, as well as the payment of three months' worth of lodging expenses and the reimbursement of travel costs. The capacity expansion of the digital transformation office to serve the AGSA's mandate and the completion of the North West staff consolidation into a single office in Rustenburg are both expected to result in transfers and relocation costs increases.
<b>Total</b>	<b>5 768</b>	<b>15 415</b>	<b>9 647</b>	<b>167,3%</b>	
<b>% of total income</b>	<b>0,1%</b>	<b>0,3%</b>			

## NOTES TO THE BUDGET

### 10. LEARNING AND DEVELOPMENT

Budget item	Ref.	Budget		Change	
		2023-24	2024-25		
		R'000	R'000	R'000	%
		(1)	(2)	(2)-(1)	(2)-(1)
Membership fees	10.1	26 716	26 620	(95)	-0,4%
<b>Training:</b>	10.2	<b>14 526</b>	<b>26 640</b>	<b>12 114</b>	<b>83,4%</b>
Internal training		10 388	21 178	10 790	103,9%
Conference and seminars		1 792	1 792	-	0%
Graduate programmes		2 346	3 670	1 324	56,4%
Study assistance: employees	10.3	15 048	17 896	2 848	18,9%
Human capital development projects		2 061	1 447	(615)	-29,8%
Bursaries	10.4	18 677	32 267	13 590	72,8%
Study support incentive scheme		9 190	7 500	(1 690)	-18,4%
Tertiary assistance	10.4	1 981	-	(1 981)	-100%
Study support incentive scheme: top-up one		113	113	-	0%
Skills development levy		24 779	27 099	2 320	9,4%
Skills development levy – recovered		(17 283)	(17 283)	(1)	0%
<b>Total</b>		<b>95 809</b>	<b>122 299</b>	<b>26 490</b>	<b>27,6%</b>
<b>% of total income</b>		<b>2,1%</b>	<b>2,4%</b>		

## NOTES TO THE BUDGET

### 10.1 MEMBERSHIP FEES

The 2023-24 budget for membership fees is based on the current and future professional staff intake. The slight increase is mainly due to the focus on capacitating and professionalising other support roles.

### 10.2 TRAINING

Type of expense	Budget		Change	
	2023-24	2024-25		
	R'000	R'000	R'000	%
	(1)	(2)	(2)-(1)	(2)-(1)
Internal	10 388	21 178	10 790	103,9%
Conference and seminars	1 792	1 792	-	0%
Graduate programmes	2 346	3 670	1 324	56,4%
<b>Total</b>	<b>14 526</b>	<b>26 640</b>	<b>12 114</b>	<b>83,4%</b>

To keep the AGSA competencies current and up to date, training consists of a combination of online and in-person training sessions. The budget for 2024-25 increased from the 2023-24 budget as there is a demand of workshops/classroom type of training.

### 10.3 STUDY ASSISTANCE: EMPLOYEES

Course of study	Budget		Comments
	2023-24	2024-25	
	R'000	R'000	
Diploma	105	125	This is in line with the AGSA's preference to focus on graduate students.
Degree	385	458	
CTA/honours	9 226	10 972	
Final qualifying exam support courses	1 628	1 936	
Non-accounting degrees and diplomas	879	1 045	
Postgraduate, RGA, CISA	2 825	3 360	
<b>Total</b>	<b>15 048</b>	<b>17 896</b>	

The study support policy has an impact on the budgeted amount because it stipulates that the AGSA should only provide financial aid to employees who meet the criteria for academic achievement and who are eligible for study assistance. The increase in the 2024-25 budget is a result of inflation (CPI) and a projected increase in the number of qualified employees.



## NOTES TO THE BUDGET

### 10.4 EXTERNAL STUDENT BURSARIES AND TERTIARY ASSISTANCE

The programme of awarding bursaries is intended to create a future employee pool.

Description	Budget	
	2023-24	2024-25
	R'000	R'000
Thuthuka	10 349	14 317
External bursaries	6 052	8 169
Sponsorship, functions and other	917	590
Tertiary assistance	3 340	9 190
<b>Total</b>	<b>20 658</b>	<b>32 267</b>

#### SAICA Thuthuka programme

The investment in Thuthuka is to increase the trainee auditors with a CTA qualification. The recovery rate is anticipated to be higher due to the reduced time expected to be spent on study activities by this group. The increase in the budget for 2024-25 is in line with the strategy to recruit 100% trainee auditors who have completed their CTA.

#### External bursaries and centenary scholarship

These are the costs associated with the AGSA's commitment to 37 recipients of external bursaries (2023-24 budget: 39). The conclusion of the studies and the suspension of some recipients of bursaries are the main causes of the decrease in the number of bursary holders.

## NOTES TO THE BUDGET

Name of university	Budget	
	2023-24	2024-25
	No. of students	No. of students
University of Johannesburg	6	6
University of Witwaterstrand (Wits)	4	4
University of Pretoria	6	5
Monash University and Milpark Education	1	-
University of the Free State	3	7
Institute of Accounting Science	3	1
University of Cape Town	3	1
Stellenbosch University	5	3
Nelson Mandela Metropolitan University	1	1
North West University	3	4
University of Fort Hare	1	-
University of Limpopo	2	3
University of the Western Cape	1	2

### Tertiary assistance

The AGSA continues to support the universities to maintain the South African Institute of Chartered Accountants (Saica) accreditation through the AGSA academic trainee programme (junior lectures) and other academic projects.

## NOTES TO THE BUDGET

### 11. EMPLOYEE WELLNESS PROGRAMME

Budget item	Budget		Change		Comments
	2023-24	2024-25			
	R'000	R'000	R'000	%	
	(1)	(2)	(2)-(1)	(2)-(1)	
Employee wellness programmes	8 490	8 490	-	0%	This relates to costs paid to outside/external service providers for a range of services, such as executive wellness, lifestyle management, employee assistance and support for mental health issues. The internship programme for applicants with impairments and the assistance for trainee auditors who will be undertaking their professional examination are also included.
Socio-economic development programme	1 280	3 042	1 762	137,7%	The socio-economic development programme, which is a component of the AGSA's sustainability strategy, aims to ensure that the accounting and auditing profession is promoted and awareness is increased, which benefits both the profession and the areas in which the AGSA conducts business. The costs with Saica and the financial and accounting sector to ensure that there is socio-corporate investment in our communities, particularly within the schools, and that there are programmes aimed at ensuring that the AGSA has a pipeline of people with disabilities from the further education and training (FET) colleges, are what caused the budget increase for 2024-25.
Auditor-general's social responsibility	508	508	-	0%	These costs often include contributions to the AGSA's centennial scholarship fund and table sponsorships at charity events organised by groups like the Association for the Advancement of Black Accountants of Southern Africa (Abasa). The budget for 2024-25 is the same as the budget for 2023-24, with the goal of supporting the cost-optimisation strategy.
Enterprise development	2 000	2 000	-	0%	This includes the AGSA's BBBEE initiatives to help and advance small black-owned audit firms. In order to support the AGSA's cost-optimisation strategy, the costs are the same as in the 2023-24 budget.
Total	12 278	14 040	1 762	14,4%	

## NOTES TO THE BUDGET

### 12. TECHNOLOGICAL SERVICES

Budget item	Ref.	Budget		Change	
		2023-24	2024-25		
		R'000	R'000	R'000	%
		(1)	(2)	(2)-(1)	(2)-(1)
Licence and equipment maintenance	12.1	133 427	156 905	23 478	17,6%
Hiring of equipment – rental	12.2	4 220	3 008	(1 212)	-28,7%
Hiring of equipment – copy charges		2 038	459	(1 579)	-77,5%
<b>Total</b>		<b>139 685</b>	<b>160 372</b>	<b>20 687</b>	<b>14,8%</b>
<b>% of total income</b>		<b>3,1%</b>	<b>3,1%</b>		

#### 12.1 COMPUTER SERVICES

Budget item	Budget		Change		Comments
	2023-24	2024-25			
	R'000	R'000	R'000	%	
	(1)	(2)	(2)-(1)	(2)-(1)	
IT maintenance and support	74 546	84 328	9 782	13,1%	This covers the support and maintenance of mobile connections, licences, PeopleSoft, Caseware, Microsoft and TeamMate support, licences for robotics, licenses for the MI case management system (CMS) project, a disaster management centre and other expenses linked to the maintenance of IT infrastructure. These budgeted amounts take inflation and currency rate fluctuations into account. The strengthening of cyber security to protect our organisation's and the auditees' data and the digitisation and automation of processes are the key factors contributing to the increase.
Networks	5 830	6 280	450	7,7%	
Security	1 458	11 664	10 206	700%	
Telecommunications	2 727	2 835	108	4%	
3G data usage	48 866	51 798	2 932	6.0%	The upsurge in 3G usage and related costs is attributable to OneDrive platforms, the organisation's hybrid working model, holding meetings via MS Teams and sharing large documents.
Total	133 427	156 905	23 478	17,6%	
% of total income	2,9%	3%			

## NOTES TO THE BUDGET

### 12.2 HIRING OF EQUIPMENT: RENTAL AND COPY CHARGES

The centralisation of services in hiring of equipment (rental and copy charges) has resulted in reduction of costs for the 2024-25 budget.

### 13. INSURANCE AND LEGAL FEES

Budget item	Budget		Change		Comments
	2023-24	2024-25			
	R'000	R'000	R'000	%	
	(1)	(2)	(2)-(1)	(2)-(1)	
Insurance	2 304	2 870	566	24,6%	The increase is a result of the insurance premiums and claim expenses being aligned with historical trends.
Legal fees and contingency	13 447	13 447	-	0%	These costs relate to anticipated labour-related lawsuits, litigation costs for past-due debtors and audit pushback legal costs. Since fewer cases are anticipated, the costs will stay the same as in the budget for 2023-24.
<b>Total</b>	<b>15 751</b>	<b>16 317</b>	<b>566</b>	<b>3,6%</b>	
<b>% of total income</b>	<b>0,3%</b>	<b>0,3%</b>			

### 14. OFFICE MAINTENANCE

Budget item	Budget		Change	
	2023-24	2024-25		
	R'000	R'000	R'000	%
	(1)	(2)	(2)-(1)	(2)-(1)
Office maintenance	20 120	25 993	5 874	29,2%
<b>Total</b>	<b>20 120</b>	<b>25 993</b>	<b>5 874</b>	<b>29,2%</b>
<b>% of total income</b>	<b>0,4%</b>	<b>0,5%</b>		

Cleaning expenses totalling R10 million, office renovations, refreshments and publications costing R6,1 million, repairs and maintenance costing R3,8 million, stationery and printing costing R4,4 million, present value adjustment costing R1 million, and medical examination and warranty charges totalling R3,8 million are all included in office maintenance costs. The increase is mainly driven by the growth in headcount across the business units.

## NOTES TO THE BUDGET

### 15. COMMUNICATION

Budget item	Ref.	Budget		Change	
		2023-24	2024-25		
		R'000	R'000	R'000	%
		(1)	(2)	(2)-(1)	(2)-(1)
Telephone charges	15.1	1 930	2 039	109	5,6%
Cellphone charges	15.2	10 942	11 158	216	2%
Postage and courier services		860	1 825	965	112,2%
<b>Total</b>		<b>13 732</b>	<b>15 021</b>	<b>1 289</b>	<b>9,4%</b>
<b>% of total income</b>		<b>0,3%</b>	<b>0,3%</b>		

#### 15.1 TELEPHONE CHARGES

The costs are mainly influenced by the budgeted number of staff as well as the allowed average cost per staff member. The increase is mainly driven by the growth in headcount.

#### 15.2 CELLPHONE CHARGES

Cellphone expenses are primarily determined by the budgeted number of employees qualifying for a cellphone allowance. The allowances for the 2024-25 budget are the same as those for 2023-24; however, the rise in the projected costs is mostly caused by an increase in the number of employees who qualify for cellphone allowance.

## NOTES TO THE BUDGET

### 16. DEPRECIATION

Budget item	Ref.	Budget		Change	
		2023-24	2024-25		
		R'000	R'000	R'000	%
		(1)	(2)	(2)-(1)	(2)-(1)
Right-of-use assets	5.1	99 756	95 304	(4 452)	-4,5%
Motor vehicles		458	440	(18)	-3,9%
Furniture and equipment		3 918	3 398	(519)	-13,3%
Computer equipment		33 277	42 883	9 606	28,9%
Computer software		13 006	16 798	3 792	29,2%
Leasehold improvements		13 271	7 892	(5 379)	-40,5%
<b>Total</b>		<b>163 685</b>	<b>166 715</b>	<b>3 030</b>	<b>1,9%</b>
<b>% of total income</b>		<b>3,6%</b>	<b>3,2%</b>		

According to the AGSA's asset management policy, the depreciation expense budget is based on the depreciation of existing assets as well as the depreciation of assets to be purchased as per the 2023-24 and 2024-25 capex budgets.

## NOTES TO THE BUDGET

### 17. CAPITAL EXPENDITURE BUDGET

#### 17.1 MOTOR VEHICLES

Description	2023-24 budget	Acquisitions: budget 2023-24	Depreciation	2024-25 budget
	NCV			NCV
	R'000	R'000	R'000	R'000
Motor vehicles	4 168	2 310	440	6 038
<b>Total</b>	<b>4 168</b>	<b>2 310</b>	<b>440</b>	<b>6 038</b>

Location	Budget	
	2023-24	2024-25
	R'000	R'000
Provision for purchasing pool cars for the Mpumalanga and Finance BUs	1 860	2 310
<b>Total</b>	<b>1 860</b>	<b>2 310</b>

#### 17.2 FURNITURE AND EQUIPMENT

Description	2023-24 budget	Acquisitions: budget 2023-24	Depreciation	2024-25 budget
	NCV			NCV
	R'000	R'000	R'000	R'000
Furniture and equipment	8 588	5 765	3 398	10 955
<b>Total</b>	<b>8 588</b>	<b>5 765</b>	<b>3 398</b>	<b>10 955</b>

Location	Budget		Comments
	2023-24	2024-25	
	R'000	R'000	
Pretoria and other regional offices	4 512	5 765	New furniture acquisition is budgeted for centrally in head office for all AGSA offices.
<b>Total</b>	<b>4 512</b>	<b>5 765</b>	



## NOTES TO THE BUDGET

### 17.3 LEASEHOLD IMPROVEMENTS

Description	2023-24 budget	Acquisitions: budget 2023-24	Depreciation	2024-25 budget
	NCV			NCV
	R'000	R'000	R'000	R'000
Leasehold improvements	34 026	14 490	7 892	40 624
<b>Total</b>	<b>34 026</b>	<b>14 490</b>	<b>7 892</b>	<b>40 624</b>

Location	Budget		Comments
	2023-24	2024-25	
	R'000	R'000	
AGSA offices	4 550	14 490	Leasehold improvements are budgeted for centrally in head office for all AGSA offices. The budget for leasehold improvements is based on the layout and design in line with the AGSA branding.
<b>Total</b>	<b>4 550</b>	<b>14 490</b>	

### 17.4 COMPUTER HARDWARE, NETWORK AND SECURITY

Description	2023-24 budget	Acquisitions: budget 2023-24	Depreciation	2024-25 budget
	NCV			NCV
	R'000	R'000	R'000	R'000
Computer hardware	65 356	174 392	42 883	196 865
<b>Total</b>	<b>65 356</b>	<b>174 392</b>	<b>42 883</b>	<b>196 865</b>

## NOTES TO THE BUDGET

Budget item	Ref.	Budget		Change	
		2023-24	2024-25		
		R'000	R'000	R'000	%
		(1)	(3)	(3)-(1)	(3)-(1)
Computer hardware	17.4.1	24 384	67 248	42 864	175,8%
Networks	17.4.2	10 000	27 579	17 579	175,8%
Security	17.4.3	6 816	18 798	11 982	0%
Notebooks	17.4.4	60 768	60 768	-	0%
<b>Total</b>		<b>101 968</b>	<b>174 392</b>	<b>72 424</b>	<b>71,0%</b>

### 17.4.1 Computer hardware

The 2024-25 budget mainly consists of acquisition of computer hardware to increase storage, memory and processing power for audit software memory projects and replacement of riverbed devices, which enable the minimisation of data consumption over the wide area network.

### 17.4.2 Networks

The 2024-25 budget is for the new network switches as well as the replacement of old ones.

### 17.4.3 Security

This relates to the ERP and network security lab devices.

### 17.4.4 Notebooks

This relates to the acquisition of notebooks for new employees as well as the replacement of old ones.

## NOTES TO THE BUDGET

### 17.5 COMPUTER SOFTWARE

Description	2023-24 budget	Acquisitions: budget 2023-24	Depreciation	2024-25 budget
	NCV			NCV
	R'000	R'000	R'000	R'000
Computer software	237 985	338 631	16 798	559 819
<b>Total</b>	<b>237 985</b>	<b>338 631</b>	<b>16 798</b>	<b>559 819</b>

Budget item	Budget		Comments
	2023-24	2024-25	
	R'000	R'000	
New software licences	42 669	60 962	Additional licences to be procured to accommodate all staff members, e.g. Microsoft, case management system and Oracle.
New systems implementation	194 350	277 669	The increase is mainly due to the capitalisation of licencing and development costs. New software licences for implementation of the media tool for Investigation BU, Microsoft Power Bi (P3 ISA), ASP, new ACL , audit software roadmap, Data Lake, Risk and Ethics case management tool and and International Standard on Quality Management (ISQM).
<b>Total</b>	<b>237 019</b>	<b>338 631</b>	

### 17.6 RIGHT-OF-USE ASSET

Description	2023-24 budget	Acquisitions: budget 2023-24	Depreciation	2024-25 budget
	NCV			NCV
	R'000	R'000	R'000	R'000
Right-of-use asset	123 304	26 807	87 821	184 318
<b>Total</b>	<b>123 304</b>	<b>26 807</b>	<b>87 821</b>	<b>184 318</b>

The IFRS 16 standard on leases requires that the present value of the lease payments be regarded as a right-of-use asset. The right-of-use asset is written off and gradually reduced over the period of the lease term.

# ANNEXURE

# B

## PROPOSED INTERNAL RATES 2024-25

Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
Business unit leader			3 716	3 716	3 716	3 516
Deputy business unit leader	1 000 000	1 010 000	1 020 000	2 409	2 451	1 705
	1 020 000	1 030 000	1 040 000	2 456	2 500	1 739
	1 040 000	1 050 000	1 060 000	2 504	2 548	1 773
	1 060 000	1 070 000	1 080 000	2 552	2 597	1 807
	1 080 000	1 090 000	1 100 000	2 599	2 645	1 840
	1 100 000	1 110 000	1 120 000	2 647	2 694	1 874
	1 120 000	1 130 000	1 140 000	2 695	2 743	1 908
	1 140 000	1 150 000	1 160 000	2 743	2 791	1 942
	1 160 000	1 170 000	1 180 000	2 790	2 840	1 975
	1 180 000	1 190 000	1 200 000	2 838	2 888	2 009
	1 200 000	1 210 000	1 220 000	2 886	2 937	2 043
	1 220 000	1 230 000	1 240 000	2 933	2 985	2 077
	1 240 000	1 250 000	1 260 000	2 981	3 034	2 110
	1 260 000	1 270 000	1 280 000	3 029	3 082	2 144
	1 280 000	1 290 000	1 300 000	3 076	3 131	2 178
	1 300 000	1 310 000	1 320 000	3 124	3 179	2 212
	1 320 000	1 330 000	1 340 000	3 172	3 228	2 246
	1 340 000	1 350 000	1 360 000	3 220	3 277	2 279
	1 360 000	1 370 000	1 380 000	3 267	3 325	2 313
	1 380 000	1 390 000	1 400 000	3 315	3 374	2 347
	1 400 000	1 410 000	1 420 000	3 363	3 422	2 381
	1 420 000	1 430 000	1 440 000	3 410	3 471	2 414
	1 440 000	1 450 000	1 460 000	3 458	3 519	2 448
	1 460 000	1 470 000	1 480 000	3 506	3 568	2 482
	1 480 000	1 490 000	1 500 000	3 553	3 616	2 516
	1 500 000	1 510 000	1 520 000	3 601	3 665	2 549
	1 520 000	1 530 000	1 540 000	3 649	3 713	2 583
	1 540 000	1 550 000	1 560 000	3 696	3 762	2 617
	1 560 000	1 570 000	1 580 000	3 744	3 810	2 651
	1 580 000	1 590 000	1 600 000	3 792	3 859	2 685
	1 600 000	1 610 000	1 620 000	3 840	3 908	2 718
	1 620 000	1 630 000	1 640 000	3 887	3 956	2 752

Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
	1 640 000	1 650 000	1 660 000	3 935	4 005	2 786
	1 660 000	1 670 000	1 680 000	3 983	4 053	2 820
	1 680 000	1 690 000	1 700 000	4 030	4 102	2 853
	1 700 000	1 710 000	1 720 000	4 078	4 150	2 887
	1 720 000	1 730 000	1 740 000	4 126	4 199	2 921
	1 740 000	1 750 000	1 760 000	4 173	4 247	2 955
	1 760 000	1 770 000	1 780 000	4 221	4 296	2 988
	1 780 000	1 790 000	1 800 000	4 269	4 344	3 022
	1 800 000	1 810 000	1 820 000	4 317	4 393	3 056
	1 820 000	1 830 000	1 840 000	4 364	4 441	3 090
	1 840 000	1 850 000	1 860 000	4 412	4 490	3 123
	1 860 000	10 000 000	10 000 000	4 460	4 539	3 157
Audit senior manager	800 000	810 000	820 000	1 450	1 298	1 350
	820 000	830 000	840 000	1 485	1 330	1 383
	840 000	850 000	860 000	1 521	1 362	1 416
	860 000	870 000	880 000	1 557	1 394	1 450
	880 000	890 000	900 000	1 593	1 426	1 483
	900 000	910 000	920 000	1 629	1 458	1 516
	920 000	930 000	940 000	1 664	1 490	1 550
	940 000	950 000	960 000	1 700	1 522	1 583
	960 000	970 000	980 000	1 736	1 554	1 616
	980 000	990 000	1 000 000	1 772	1 586	1 650
	1 000 000	1 010 000	1 020 000	1 808	1 618	1 683
	1 020 000	1 030 000	1 040 000	1 843	1 650	1 716
	1 040 000	1 050 000	1 060 000	1 879	1 682	1 750
	1 060 000	1 070 000	1 080 000	1 915	1 714	1 783
	1 080 000	1 090 000	1 100 000	1 951	1 746	1 816
	1 100 000	1 110 000	1 120 000	1 987	1 778	1 850
	1 120 000	1 130 000	1 140 000	2 022	1 810	1 883
	1 140 000	1 150 000	1 160 000	2 058	1 842	1 916
	1 160 000	1 170 000	1 180 000	2 094	1 874	1 950
	1 180 000	1 190 000	1 200 000	2 130	1 906	1 983
	1 200 000	1 210 000	1 220 000	2 166	1 938	2 016

Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
	1 220 000	1 230 000	1 240 000	2 201	1 970	2 050
	1 240 000	1 250 000	1 260 000	2 237	2 002	2 083
	1 260 000	1 270 000	1 280 000	2 273	2 034	2 116
	1 280 000	1 290 000	1 300 000	2 309	2 066	2 150
	1 300 000	1 310 000	1 320 000	2 345	2 098	2 183
	1 320 000	1 330 000	1 340 000	2 380	2 131	2 216
	1 340 000	1 350 000	1 360 000	2 416	2 163	2 250
	1 360 000	1 370 000	1 380 000	2 452	2 195	2 283
	1 380 000	1 390 000	1 400 000	2 488	2 227	2 316
	1 400 000	1 410 000	1 420 000	2 524	2 259	2 350
	1 420 000	1 430 000	1 440 000	2 559	2 291	2 383
	1 440 000	1 450 000	1 460 000	2 595	2 323	2 416
	1 460 000	1 470 000	1 480 000	2 631	2 355	2 450
	1 480 000	1 490 000	1 500 000	2 667	2 387	2 483
	1 500 000	1 510 000	1 520 000	2 702	2 419	2 516
	1 520 000	1 530 000	1 540 000	2 738	2 451	2 550
	1 540 000	1 550 000	1 560 000	2 774	2 483	2 583
	1 560 000	1 570 000	1 580 000	2 810	2 515	2 616
	1 580 000	1 590 000	1 600 000	2 846	2 547	2 649
	1 600 000	1 610 000	1 620 000	2 881	2 579	2 683
	1 620 000	1 630 000	1 640 000	2 917	2 611	2 716
	1 640 000	1 650 000	1 660 000	2 953	2 643	2 749
	1 660 000	1 670 000	1 680 000	2 989	2 675	2 783
	1 680 000	1 690 000	1 700 000	3 025	2 707	2 816
	1 700 000	1 710 000	1 720 000	3 060	2 739	2 849
	1 720 000	1 730 000	1 740 000	3 096	2 771	2 883
	1 740 000	1 750 000	1 760 000	3 132	2 803	2 916
	1 760 000	1 770 000	1 780 000	3 168	2 835	2 949
	1 780 000	10 000 000	10 000 000	3 204	2 867	2 983
Audit manager	700 000	710 000	720 000	1 209	1 041	1 130
	720 000	730 000	740 000	1 243	1 071	1 162
	740 000	750 000	760 000	1 278	1 100	1 194
	760 000	770 000	780 000	1 312	1 129	1 225

Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
	780 000	790 000	800 000	1 346	1 159	1 257
	800 000	810 000	820 000	1 380	1 188	1 289
	820 000	830 000	840 000	1 414	1 217	1 321
	840 000	850 000	860 000	1 448	1 247	1 353
	860 000	870 000	880 000	1 482	1 276	1 384
	880 000	890 000	900 000	1 516	1 305	1 416
	900 000	910 000	920 000	1 550	1 335	1 448
	920 000	930 000	940 000	1 584	1 364	1 480
	940 000	950 000	960 000	1 618	1 393	1 512
	960 000	970 000	980 000	1 652	1 423	1 544
	980 000	990 000	1 000 000	1 686	1 452	1 575
	1 000 000	1 010 000	1 020 000	1 720	1 481	1 607
	1 020 000	1 030 000	1 040 000	1 755	1 511	1 639
	1 040 000	1 050 000	1 060 000	1 789	1 540	1 671
	1 060 000	1 070 000	1 080 000	1 823	1 569	1 703
	1 080 000	1 090 000	1 100 000	1 857	1 599	1 735
	1 100 000	1 110 000	1 120 000	1 891	1 628	1 766
	1 120 000	1 130 000	1 140 000	1 925	1 657	1 798
	1 140 000	1 150 000	1 160 000	1 959	1 687	1 830
	1 160 000	1 170 000	1 180 000	1 993	1 716	1 862
	1 180 000	1 190 000	1 200 000	2 027	1 745	1 894
	1 200 000	1 210 000	1 220 000	2 061	1 775	1 926
	1 220 000	1 230 000	1 240 000	2 095	1 804	1 957
	1 240 000	1 250 000	1 260 000	2 129	1 833	1 989
	1 260 000	1 270 000	1 280 000	2 163	1 863	2 021
	1 280 000	1 290 000	1 300 000	2 197	1 892	2 053
	1 300 000	1 310 000	1 320 000	2 231	1 921	2 085
	1 320 000	1 330 000	1 340 000	2 266	1 951	2 116
	1 340 000	1 350 000	1 360 000	2 300	1 980	2 148
	1 360 000	1 370 000	1 380 000	2 334	2 009	2 180
	1 380 000	1 390 000	1 400 000	2 368	2 039	2 212
	1 400 000	1 410 000	1 420 000	2 402	2 068	2 244
	1 420 000	1 430 000	1 440 000	2 436	2 097	2 276
	1 440 000	1 450 000	1 460 000	2 470	2 127	2 307



Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
	1 460 000	1 470 000	1 480 000	2 504	2 156	2 339
	1 480 000	1 490 000	1 500 000	2 538	2 185	2 371
	1 500 000	1 510 000	1 520 000	2 572	2 215	2 403
	1 520 000	1 530 000	1 540 000	2 606	2 244	2 435
	1 540 000	1 550 000	1 560 000	2 640	2 273	2 467
	1 560 000	1 570 000	1 580 000	2 674	2 303	2 498
	1 580 000	1 590 000	1 600 000	2 708	2 332	2 530
	1 600 000	1 610 000	1 620 000	2 742	2 361	2 562
	1 620 000	1 630 000	1 640 000	2 777	2 391	2 594
	1 640 000	1 650 000	1 660 000	2 811	2 420	2 626
	1 660 000	1 670 000	1 680 000	2 845	2 449	2 658
	1 680 000	1 690 000	1 700 000	2 879	2 479	2 689
	1 700 000	1 710 000	1 720 000	2 913	2 508	2 721
	1 720 000	1 730 000	1 740 000	2 947	2 537	2 753
	1 740 000	1 750 000	1 760 000	2 981	2 567	2 785
	1 760 000	1 770 000	1 780 000	3 015	2 596	2 817
	1 780 000	1 790 000	1 800 000	3 049	2 625	2 848
	1 800 000	1 810 000	1 820 000	3 083	2 655	2 880
	1 820 000	1 830 000	1 840 000	3 117	2 684	2 912
	1 840 000	1 850 000	1 860 000	3 151	2 713	2 944
	1 860 000	1 870 000	1 880 000	3 185	2 743	2 976
	1 880 000	1 890 000	1 900 000	3 219	2 772	3 008
	1 900 000	1 910 000	1 920 000	3 253	2 801	3 039
	1 920 000	1 930 000	1 940 000	3 288	2 830	3 071
	1 940 000	1 950 000	1 960 000	3 322	2 860	3 103
	1 960 000	1 970 000	1 980 000	3 356	2 889	3 135
	1 980 000	1 990 000	2 000 000	3 390	2 918	3 167
	2 000 000	10 000 000	10 000 000	3 424	2 948	3 199
Assistant manager	400 000	410 000	420 000	671	582	596
	420 000	430 000	440 000	704	611	625
	440 000	450 000	460 000	736	639	654
	460 000	470 000	480 000	769	668	683
	480 000	490 000	500 000	802	696	712

Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
	500 000	510 000	520 000	835	724	741
	520 000	530 000	540 000	867	753	770
	540 000	550 000	560 000	900	781	799
	560 000	570 000	580 000	933	810	828
	580 000	590 000	600 000	965	838	857
	600 000	610 000	620 000	998	866	886
	620 000	630 000	640 000	1 031	895	915
	640 000	650 000	660 000	1 064	923	944
	660 000	670 000	680 000	1 096	952	973
	680 000	690 000	700 000	1 129	980	1 002
	700 000	710 000	720 000	1 162	1 008	1 032
	720 000	730 000	740 000	1 195	1 037	1 061
	740 000	750 000	760 000	1 227	1 065	1 090
	760 000	770 000	780 000	1 260	1 094	1 119
	780 000	790 000	800 000	1 293	1 122	1 148
	800 000	810 000	820 000	1 325	1 150	1 177
	820 000	830 000	840 000	1 358	1 179	1 206
	840 000	850 000	860 000	1 391	1 207	1 235
	860 000	870 000	880 000	1 424	1 236	1 264
	880 000	890 000	900 000	1 456	1 264	1 293
	900 000	910 000	920 000	1 489	1 292	1 322
	920 000	930 000	940 000	1 522	1 321	1 351
	940 000	950 000	960 000	1 555	1 349	1 380
	960 000	970 000	980 000	1 587	1 378	1 409
	980 000	990 000	1 000 000	1 620	1 406	1 438
	1 000 000	1 010 000	1 020 000	1 653	1 434	1 467
	1 020 000	1 030 000	1 040 000	1 685	1 463	1 496
	1 040 000	1 050 000	1 060 000	1 718	1 491	1 525
	1 060 000	1 070 000	1 080 000	1 751	1 520	1 555
	1 080 000	1 090 000	1 100 000	1 784	1 548	1 584
	1 100 000	1 110 000	1 120 000	1 816	1 576	1 613
	1 120 000	1 130 000	1 140 000	1 849	1 605	1 642
	1 140 000	1 150 000	1 160 000	1 882	1 633	1 671
	1 160 000	1 170 000	1 180 000	1 915	1 662	1 700

Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
	1 180 000	1 190 000	1 200 000	1 947	1 690	1 729
	1 200 000	1 210 000	1 220 000	1 980	1 718	1 758
	1 220 000	1 230 000	1 240 000	2 013	1 747	1 787
	1 240 000	1 250 000	1 260 000	2 045	1 775	1 816
	1 260 000	1 270 000	1 280 000	2 078	1 804	1 845
	1 280 000	1 290 000	1 300 000	2 111	1 832	1 874
	1 300 000	10 000 000	10 000 000	2 144	1 861	1 903

Senior auditor	400 000	410 000	420 000	618	546	380
	420 000	430 000	440 000	648	573	399
	440 000	450 000	460 000	678	600	418
	460 000	470 000	480 000	708	626	436
	480 000	490 000	500 000	739	653	455
	500 000	510 000	520 000	769	680	473
	520 000	530 000	540 000	799	706	492
	540 000	550 000	560 000	829	733	510
	560 000	570 000	580 000	859	760	529
	580 000	590 000	600 000	889	786	547
	600 000	610 000	620 000	919	813	566
	620 000	630 000	640 000	950	840	585
	640 000	650 000	660 000	980	866	603
	660 000	670 000	680 000	1 010	893	622
	680 000	690 000	700 000	1 040	920	640
	700 000	710 000	720 000	1 070	946	659
	720 000	730 000	740 000	1 100	973	677
	740 000	750 000	760 000	1 130	1 000	696
	760 000	770 000	780 000	1 161	1 026	714
	780 000	790 000	800 000	1 191	1 053	733
	800 000	810 000	820 000	1 221	1 080	752
	820 000	830 000	840 000	1 251	1 106	770
	840 000	850 000	860 000	1 281	1 133	789
	860 000	870 000	880 000	1 311	1 159	807
	880 000	890 000	900 000	1 341	1 186	826
	900 000	910 000	920 000	1 372	1 213	844

Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
	920 000	930 000	940 000	1 402	1 239	863
	940 000	950 000	960 000	1 432	1 266	881
	960 000	970 000	980 000	1 462	1 293	900
	980 000	990 000	1 000 000	1 492	1 319	919
	1 000 000	1 010 000	1 020 000	1 522	1 346	937
	1 020 000	1 030 000	1 040 000	1 552	1 373	956
	1 040 000	1 050 000	1 060 000	1 583	1 399	974
	1 060 000	1 070 000	1 080 000	1 613	1 426	993
	1 080 000	1 090 000	1 100 000	1 643	1 453	1 011
	1 100 000	1 110 000	1 120 000	1 673	1 479	1 030
	1 120 000	1 130 000	1 140 000	1 703	1 506	1 049
	1 140 000	1 150 000	1 160 000	1 733	1 533	1 067
	1 160 000	1 170 000	1 180 000	1 763	1 559	1 086
	1 180 000	1 190 000	1 200 000	1 794	1 586	1 104
	1 200 000	1 210 000	1 220 000	1 824	1 613	1 123
	1 220 000	1 230 000	1 240 000	1 854	1 639	1 141
	1 240 000	1 250 000	1 260 000	1 884	1 666	1 160
	1 260 000	1 270 000	1 280 000	1 914	1 693	1 178
	1 280 000	1 290 000	1 300 000	1 944	1 719	1 197
	1 300 000	10 000 000	10 000 000	1 974	1 746	1 216
Senior IT auditor	400 000	410 000	420 000	618	546	380
	420 000	430 000	440 000	648	573	399
	440 000	450 000	460 000	678	600	418
	460 000	470 000	480 000	708	626	436
	480 000	490 000	500 000	739	653	455
	500 000	510 000	520 000	769	680	473
	520 000	530 000	540 000	799	706	492
	540 000	550 000	560 000	829	733	510
	560 000	570 000	580 000	859	760	529
	580 000	590 000	600 000	889	786	547
	600 000	610 000	620 000	919	813	566
	620 000	630 000	640 000	950	840	585
	640 000	650 000	660 000	980	866	603

Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
	660 000	670 000	680 000	1 010	893	622
	680 000	690 000	700 000	1 040	920	640
	700 000	710 000	720 000	1 070	946	659
	720 000	730 000	740 000	1 100	973	677
	740 000	750 000	760 000	1 130	1 000	696
	760 000	770 000	780 000	1 161	1 026	714
	780 000	790 000	800 000	1 191	1 053	733
	800 000	810 000	820 000	1 221	1 080	752
	820 000	830 000	840 000	1 251	1 106	770
	840 000	850 000	860 000	1 281	1 133	789
	860 000	870 000	880 000	1 311	1 159	807
	880 000	890 000	900 000	1 341	1 186	826
	900 000	910 000	920 000	1 372	1 213	844
	920 000	930 000	940 000	1 402	1 239	863
	940 000	950 000	960 000	1 432	1 266	881
	960 000	970 000	980 000	1 462	1 293	900
	980 000	990 000	1 000 000	1 492	1 319	919
	1 000 000	1 010 000	1 020 000	1 522	1 346	937
	1 020 000	1 030 000	1 040 000	1 552	1 373	956
	1 040 000	1 050 000	1 060 000	1 583	1 399	974
	1 060 000	1 070 000	1 080 000	1 613	1 426	993
	1 080 000	1 090 000	1 100 000	1 643	1 453	1 011
	1 100 000	1 110 000	1 120 000	1 673	1 479	1 030
	1 120 000	1 130 000	1 140 000	1 703	1 506	1 049
	1 140 000	1 150 000	1 160 000	1 733	1 533	1 067
	1 160 000	1 170 000	1 180 000	1 763	1 559	1 086
	1 180 000	1 190 000	1 200 000	1 794	1 586	1 104
	1 200 000	1 210 000	1 220 000	1 824	1 613	1 123
	1 220 000	1 230 000	1 240 000	1 854	1 639	1 141
	1 240 000	1 250 000	1 260 000	1 884	1 666	1 160
	1 260 000	1 270 000	1 280 000	1 914	1 693	1 178
	1 280 000	1 290 000	1 300 000	1 944	1 719	1 197
	1 300 000	10 000 000	10 000 000	1 974	1 746	1 216

Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
Auditor	240 000	250 000	260 000	378	323	345
	260 000	270 000	280 000	408	349	373
	280 000	290 000	300 000	438	375	400
	300 000	310 000	320 000	468	401	428
	320 000	330 000	340 000	499	427	456
	340 000	350 000	360 000	529	452	483
	360 000	370 000	380 000	559	478	511
	380 000	390 000	400 000	589	504	538
	400 000	410 000	420 000	620	530	566
	420 000	430 000	440 000	650	556	594
	440 000	450 000	460 000	680	582	621
	460 000	470 000	480 000	710	608	649
	480 000	490 000	500 000	741	633	676
	500 000	510 000	520 000	771	659	704
	520 000	530 000	540 000	801	685	732
	540 000	550 000	560 000	831	711	759
	560 000	570 000	580 000	861	737	787
	580 000	590 000	600 000	892	763	814
	600 000	610 000	620 000	922	789	842
	620 000	630 000	640 000	952	814	870
	640 000	650 000	660 000	982	840	897
	660 000	670 000	680 000	1 013	866	925
	680 000	690 000	700 000	1 043	892	952
	700 000	710 000	720 000	1 073	918	980
	720 000	730 000	740 000	1 103	944	1 008
	740 000	750 000	760 000	1 133	970	1 035
	760 000	770 000	780 000	1 164	995	1 063
	780 000	790 000	800 000	1 194	1 021	1 091
	800 000	810 000	820 000	1 224	1 047	1 118
	820 000	830 000	840 000	1 254	1 073	1 146
	840 000	850 000	860 000	1 285	1 099	1 173
	860 000	870 000	880 000	1 315	1 125	1 201
	880 000	890 000	900 000	1 345	1 151	1 229
	900 000	910 000	920 000	1 375	1 176	1 256

Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
	920 000	930 000	940 000	1 405	1 202	1 284
	940 000	950 000	960 000	1 436	1 228	1 311
	960 000	970 000	980 000	1 466	1 254	1 339
	980 000	990 000	1 000 000	1 496	1 280	1 367
	1 000 000	1 010 000	1 020 000	1 526	1 306	1 394
	1 020 000	1 030 000	1 040 000	1 557	1 332	1 422
	1 040 000	1 050 000	1 060 000	1 587	1 357	1 449
	1 060 000	1 070 000	1 080 000	1 617	1 383	1 477
	1 080 000	1 090 000	1 100 000	1 647	1 409	1 505
	1 100 000	1 110 000	1 120 000	1 678	1 435	1 532
	1 120 000	1 130 000	1 140 000	1 708	1 461	1 560
	1 140 000	1 150 000	1 160 000	1 738	1 487	1 587
	1 160 000	1 170 000	1 180 000	1 768	1 513	1 615
	1 180 000	1 190 000	1 200 000	1 798	1 538	1 643
	1 200 000	1 210 000	1 220 000	1 829	1 564	1 670
	1 220 000	1 230 000	1 240 000	1 859	1 590	1 698
	1 240 000	1 250 000	1 260 000	1 889	1 616	1 726
	1 260 000	1 270 000	1 280 000	1 919	1 642	1 753
	1 280 000	1 290 000	1 300 000	1 950	1 668	1 781
	1 300 000	10 000 000	10 000 000	1 980	1 694	1 808
Audit clerk	100 000	110 000	120 000	190	158	110
	120 000	130 000	140 000	225	187	130
	140 000	150 000	160 000	260	216	150
	160 000	170 000	180 000	294	244	170
	180 000	190 000	200 000	329	273	190
	200 000	210 000	220 000	364	302	210
	220 000	230 000	240 000	398	331	230
	240 000	250 000	260 000	433	359	250
	260 000	270 000	280 000	467	388	270
	280 000	290 000	300 000	502	417	290
	300 000	310 000	320 000	537	446	310
	320 000	330 000	340 000	571	474	330
	340 000	350 000	360 000	606	503	350

Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
	360 000	370 000	380 000	641	532	370
	380 000	390 000	400 000	675	561	390
	400 000	410 000	420 000	710	589	410
	420 000	430 000	440 000	744	618	430
	440 000	450 000	460 000	779	647	450
	460 000	470 000	480 000	814	676	470
	480 000	490 000	500 000	848	704	490
	500 000	510 000	520 000	883	733	510
	520 000	530 000	540 000	918	762	530
	540 000	550 000	560 000	952	791	550
	560 000	570 000	580 000	987	819	570
	580 000	590 000	600 000	1 022	848	590
	600 000	610 000	620 000	1 056	877	610
	620 000	630 000	640 000	1 091	906	630
	640 000	650 000	660 000	1 125	934	650
	660 000	670 000	680 000	1 160	963	671
	680 000	690 000	700 000	1 195	992	691
	700 000	710 000	720 000	1 229	1 021	711
	720 000	730 000	740 000	1 264	1 049	731
	740 000	750 000	760 000	1 299	1 078	751
	760 000	770 000	780 000	1 333	1 107	771
	780 000	790 000	800 000	1 368	1 136	791
	800 000	810 000	820 000	1 402	1 164	811
	820 000	830 000	840 000	1 437	1 193	831
	840 000	850 000	860 000	1 472	1 222	851
	860 000	870 000	880 000	1 506	1 251	871
	880 000	890 000	900 000	1 541	1 279	891
	900 000	910 000	920 000	1 576	1 308	911
	920 000	930 000	940 000	1 610	1 337	931
	940 000	950 000	960 000	1 645	1 366	951
	960 000	970 000	980 000	1 679	1 394	971
	980 000	990 000	1 000 000	1 714	1 423	991
	1 000 000	1 010 000	1 020 000	1 749	1 452	1 011
	1 020 000	1 030 000	1 040 000	1 783	1 481	1 031



Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
	1 040 000	1 050 000	1 060 000	1 818	1 509	1 051
	1 060 000	1 070 000	1 080 000	1 853	1 538	1 071
	1 080 000	1 090 000	1 100 000	1 887	1 567	1 091
	1 100 000	1 110 000	1 120 000	1 922	1 596	1 111
	1 120 000	1 130 000	1 140 000	1 956	1 624	1 131
	1 140 000	1 150 000	1 160 000	1 991	1 653	1 151
	1 160 000	1 170 000	1 180 000	2 026	1 682	1 171
	1 180 000	1 190 000	1 200 000	2 060	1 711	1 191
	1 200 000	1 210 000	1 220 000	2 095	1 739	1 211
	1 220 000	1 230 000	1 240 000	2 130	1 768	1 231
	1 240 000	1 250 000	1 260 000	2 164	1 797	1 251
	1 260 000	1 270 000	1 280 000	2 199	1 825	1 271
	1 280 000	1 290 000	1 300 000	2 233	1 854	1 291
	1 300 000	10 000 000	10 000 000	2 268	1 883	1 311

Trainee auditor	100 000	110 000	120 000	201	167	116
	120 000	130 000	140 000	237	197	137
	140 000	150 000	160 000	274	227	158
	160 000	170 000	180 000	310	258	179
	180 000	190 000	200 000	347	288	200
	200 000	210 000	220 000	383	318	221
	220 000	230 000	240 000	420	348	243
	240 000	250 000	260 000	456	379	264
	260 000	270 000	280 000	493	409	285
	280 000	290 000	300 000	529	439	306
	300 000	310 000	320 000	566	470	327
	320 000	330 000	340 000	602	500	348
	340 000	350 000	360 000	639	530	369
	360 000	370 000	380 000	675	561	390
	380 000	390 000	400 000	712	591	411
	400 000	410 000	420 000	748	621	432
	420 000	430 000	440 000	785	651	454
	440 000	450 000	460 000	821	682	475
	460 000	470 000	480 000	858	712	496

Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
	480 000	490 000	500 000	894	742	517
	500 000	510 000	520 000	931	773	538
	520 000	530 000	540 000	967	803	559
	540 000	550 000	560 000	1 004	833	580
	560 000	570 000	580 000	1 040	864	601
	580 000	590 000	600 000	1 077	894	622
	600 000	610 000	620 000	1 113	924	643
	620 000	630 000	640 000	1 150	954	664
	640 000	650 000	660 000	1 186	985	686
	660 000	670 000	680 000	1 223	1 015	707
	680 000	690 000	700 000	1 259	1 045	728
	700 000	710 000	720 000	1 296	1 076	749
	720 000	730 000	740 000	1 332	1 106	770
	740 000	750 000	760 000	1 369	1 136	791
	760 000	770 000	780 000	1 405	1 167	812
	780 000	790 000	800 000	1 442	1 197	833
	800 000	810 000	820 000	1 478	1 227	854
	820 000	830 000	840 000	1 515	1 257	875
	840 000	850 000	860 000	1 551	1 288	897
	860 000	870 000	880 000	1 588	1 318	918
	880 000	890 000	900 000	1 624	1 348	939
	900 000	910 000	920 000	1 661	1 379	960
	920 000	930 000	940 000	1 697	1 409	981
	940 000	950 000	960 000	1 734	1 439	1 002
	960 000	970 000	980 000	1 770	1 470	1 023
	980 000	990 000	1 000 000	1 807	1 500	1 044
	1 000 000	1 010 000	1 020 000	1 843	1 530	1 065
	1 020 000	1 030 000	1 040 000	1 880	1 560	1 086
	1 040 000	1 050 000	1 060 000	1 916	1 591	1 107
	1 060 000	1 070 000	1 080 000	1 953	1 621	1 129
	1 080 000	1 090 000	1 100 000	1 989	1 651	1 150
	1 100 000	1 110 000	1 120 000	2 026	1 682	1 171
	1 120 000	1 130 000	1 140 000	2 062	1 712	1 192
	1 140 000	1 150 000	1 160 000	2 099	1 742	1 213
	1 160 000	1 170 000	1 180 000	2 135	1 772	1 234

Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
	1 180 000	1 190 000	1 200 000	2 172	1 803	1 255
	1 200 000	1 210 000	1 220 000	2 208	1 833	1 276
	1 220 000	1 230 000	1 240 000	2 244	1 863	1 297
	1 240 000	1 250 000	1 260 000	2 281	1 894	1 318
	1 260 000	1 270 000	1 280 000	2 317	1 924	1 340
	1 280 000	1 290 000	1 300 000	2 354	1 954	1 361
	1 300 000	10 000 000	10 000 000	2 390	1 985	1 382

IT auditor	100 000	110 000	120 000	193	160	111
	120 000	130 000	140 000	228	189	132
	140 000	150 000	160 000	263	218	152
	160 000	170 000	180 000	298	247	172
	180 000	190 000	200 000	333	276	192
	200 000	210 000	220 000	368	305	213
	220 000	230 000	240 000	403	334	233
	240 000	250 000	260 000	438	363	253
	260 000	270 000	280 000	473	393	273
	280 000	290 000	300 000	508	422	294
	300 000	310 000	320 000	543	451	314
	320 000	330 000	340 000	578	480	334
	340 000	350 000	360 000	613	509	354
	360 000	370 000	380 000	648	538	374
	380 000	390 000	400 000	683	567	395
	400 000	410 000	420 000	718	596	415
	420 000	430 000	440 000	753	625	435
	440 000	450 000	460 000	788	654	455
	460 000	470 000	480 000	823	683	476
	480 000	490 000	500 000	858	712	496
	500 000	510 000	520 000	893	741	516
	520 000	530 000	540 000	928	770	536
	540 000	550 000	560 000	963	800	557
	560 000	570 000	580 000	998	829	577
	580 000	590 000	600 000	1 033	858	597
	600 000	610 000	620 000	1 068	887	617
	620 000	630 000	640 000	1 103	916	638

Description	Salary interval		Tariff			
	Salary lower	Salary upper	Regularity audit	Information systems audit	Performance audit	Investigations
	(R)	(R)	(R)	(R)	(R)	(R)
	640 000	650 000	660 000	1 138	945	658
	660 000	670 000	680 000	1 173	974	678
	680 000	690 000	700 000	1 208	1 003	698
	700 000	710 000	720 000	1 243	1 032	719
	720 000	730 000	740 000	1 278	1 061	739
	740 000	750 000	760 000	1 313	1 090	759
	760 000	770 000	780 000	1 348	1 119	779
	780 000	790 000	800 000	1 383	1 148	800
	800 000	810 000	820 000	1 418	1 178	820
	820 000	830 000	840 000	1 453	1 207	840
	840 000	850 000	860 000	1 488	1 236	860
	860 000	870 000	880 000	1 523	1 265	881
	880 000	890 000	900 000	1 558	1 294	901
	900 000	910 000	920 000	1 593	1 323	921
	920 000	930 000	940 000	1 628	1 352	941
	940 000	950 000	960 000	1 663	1 381	962
	960 000	970 000	980 000	1 698	1 410	982
	980 000	990 000	1 000 000	1 734	1 439	1 002
	1 000 000	1 010 000	1 020 000	1 769	1 468	1 022
	1 020 000	1 030 000	1 040 000	1 804	1 497	1 042
	1 040 000	1 050 000	1 060 000	1 839	1 526	1 063
	1 060 000	1 070 000	1 080 000	1 874	1 555	1 083
	1 080 000	1 090 000	1 100 000	1 909	1 585	1 103
	1 100 000	1 110 000	1 120 000	1 944	1 614	1 123
	1 120 000	1 130 000	1 140 000	1 979	1 643	1 144
	1 140 000	1 150 000	1 160 000	2 014	1 672	1 164
	1 160 000	1 170 000	1 180 000	2 049	1 701	1 184
	1 180 000	1 190 000	1 200 000	2 084	1 730	1 204
	1 200 000	1 210 000	1 220 000	2 119	1 759	1 225
	1 220 000	1 230 000	1 240 000	2 154	1 788	1 245
	1 240 000	1 250 000	1 260 000	2 189	1 817	1 265
	1 260 000	1 270 000	1 280 000	2 224	1 846	1 285
	1 280 000	1 290 000	1 300 000	2 259	1 875	1 306
	1 300 000	10 000 000	10 000 000	2 294	1 904	1 326





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**Physical Address:** 4 Daventry Road  
Lynnwood Manor  
Pretoria, SA

**Postal Address:** PO Box 446,  
Pretoria, 0001

**Telephone:** 012 426 8000

**Fax to Email:** 012 426 8257

**Email:** [agsa@agsa.co.za](mailto:agsa@agsa.co.za)

**Website:** [www.agsa.co.za](http://www.agsa.co.za)

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