



Value-adding auditing
Visibility for impact
Viability
Vision and values driven

2019-22

STRATEGIC PLAN AND BUDGET of the Auditor-General of South Africa



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

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Strategic plan of the Auditor-General of South Africa for 2019-22



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

1. PURPOSE OF THIS DOCUMENT

This strategic plan and budget presents our performance and financial plan, as the Auditor-General of South Africa (AGSA), for the period 1 April 2019 to 31 March 2022 based on the long-term strategy of the organisation. It is the result of an annual planning process that sets targets for the first year and makes projections for the rest of the three-year period.

2. 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. The constitution entrenches our independence by directing that we are subject only to the constitution and the law. The constitution requires us to be impartial and to exercise our powers and perform our functions without fear, favour or prejudice. Our functions are described in section 188 of the constitution. These functions are further regulated by chapters 2 and 3 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA).

2.2 OUR PRODUCTS

Each year, we conduct mandatory (regularity) audits of national and provincial government departments, certain public entities, municipalities and municipal entities (our clients or auditees). Furthermore, we conduct discretionary audits, such as **performance audits, special audits and investigations**.

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

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

2.3 ACCOUNTABILITY AND REPORTING

The AG accounts to the National Assembly (NA) in terms of section 181(5) of the constitution read with sub-section 3(d) of the PAA. The standing committee on the auditor-general (Scoag), established in terms of the constitution and the PAA, oversees our performance on behalf of the NA.

The AG tables our annual report, annual financial statements and the audit report on those financial statements in Parliament as required by sub-section 10(1) of the PAA. Furthermore, the AG submits a business plan and budget to Scoag in terms of sub-section 38(2)(a) and to the speaker for tabling in the NA as per sub-section 38(3)(a).

2.4 OUR ROLE IN THE SOUTH AFRICAN DEMOCRACY

Through our audit activities, we play an important role in enabling accountability and thus promote 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 International Standard of Supreme Audit Institutions (ISSAI) 12, *The value and benefits of supreme audit institutions (SAI) – making a difference to the lives of citizens*.

3. OUR VISION, MISSION AND VALUES

The essence of our organisation as a supreme audit institution (SAI) is expressed in our **vision and mission statements** and our behaviour is guided by our set of **defined values**.

OUR VISION



To be recognised by all our stakeholders as a relevant **SUPREME AUDIT INSTITUTION** that enhances public sector accountability.

OUR MISSION



The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) 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. This is our reputation promise.

OUR VALUES



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

4. STRATEGIC COMMITMENTS OF THE AUDITOR-GENERAL

'The achievement of an inclusive society requires institutions that are not only credible and capable, but that are also equipped to enable and facilitate transformation...'

'We are determined to build institutions that will last for generations and that will withstand the turbulent winds of political upheaval or social disruption.'

President Cyril Ramaphosa, 2018

The powerful words of our president resonate well with the institution of the auditor-general. They reflect the visible commitment towards better governance in the public sector that we have started to observe in the last few months. We examined our existing vision and strategy and we have found them to be well responsive to the needs of our stakeholders.

AGSA VISION 2024

WE ASPIRE TO SEE A PUBLIC SERVICE THAT IS CHARACTERISED BY:



ROBUST FINANCIAL
AND PERFORMANCE
MANAGEMENT SYSTEMS

- Transparent and stable financial and performance management reporting systems
- Budgeting and planning processes that ensure the effective, efficient and economical use of all public resources
- Accounting officers developing focused information management platforms and proactively engaging with auditors to appraise progress made in all areas of reporting and accountability matters
- Strong internal audit capabilities that provide assurance



OVERSIGHT AND
ACCOUNTABILITY

- Accurate and empowering financial and performance reporting to enable effective oversight
- An appreciation of the role of applying consequences for transgressions and poor performance in restoring the integrity of, and building public confidence in, the system of public administration



COMMITMENT AND
ETHICAL BEHAVIOUR BY ALL

- Visible commitment by all players in the public service to contribute towards the financial health of the country and an improved social reality for our people
- Demonstrated ethical behaviour and professionalism in the public sector as cementing characteristics of a capable state, with a public service that consistently does the right thing



A VALUE-ADDING
ASSURANCE PROVIDER
IN THE FORM OF THE
AUDITOR-GENERAL

- Independent and relevant reporting by the AG
- Value-adding inputs based on deep insights into the state of the public sector financial and service delivery performance

Thus, our overarching aim of being a relevant supreme audit institution in the public sector remains while our long-term organisational strategy, termed *the 4V strategy*, continues to be our preferred way to the achievement of our vision.

We will persist in expressing value-adding inputs, based on deep insights into the state of the public sector financial and service delivery performance that better enable integration and collaboration between all spheres and sectors of government. Our independent and pertinent audit messages will be seen as reflecting a complete and balanced picture of the state of the auditees' underlying systems and processes of financial control and performance reporting as well as their compliance with relevant laws and regulations.

Significant amendments to our governing legislation were signed into law by the President in November 2018. The allocation of additional powers to our office that allow the auditor-general to initiate consequences for material irregularities in the management of public resources was supported unanimously by all political parties. This gives us the confidence that the impact of our work on transparency and accountability in the public sector will be evident.

In the fulfilment of this role, we will augment our existing audit-related processes, create the required new structures to implement the new functions and work on supporting our people to apply these changes.

Ultimately, we see the outcome of our work to be a complete **diagnostic of the ability of the public sector to deliver the necessary services of which it is the sole provider in the country and, by association, an increased public confidence in the country's democracy.**

OUR COMMITMENTS FOR THE PERIOD 2019-22 ARE STRUCTURED AROUND OUR FOUR LONG-TERM STRATEGIC GOALS:

STRATEGIC GOALS



VALUE-ADDING AUDITING

Aimed at providing audit-derived valuable insights to our stakeholders on the status of their internal control and performance environment, accompanied by actionable recommendations, which – if executed – would lead to visible improvements in public sector administration.



VISIBILITY FOR IMPACT

This goal structures our stakeholder engagement programmes in the most effective way to encourage and enable the required improvements in the public sector.



VIABILITY

This internally focused perspective of our work ensures that we have the necessary resources, enabling legal framework, independent financial resources and the required skills, competencies and culture to execute our mandate economically, efficiently and effectively.



VISION AND VALUES DRIVEN

Through our work and behaviour, we aim to lead by example and to continually demonstrate that clean administration is achievable.

VALUE-ADDING AUDITING

Over the last four years, we implemented a series of initiatives aimed at enhancing our audit methodology and approaches, specifically the integration of our audit disciplines. Our determination is to build on the achievements and continue with the execution of the initiatives that we have put in place. We have noted the opportunity to improve our audit efficiencies **by developing tailored audit models for auditees with lower risk or smaller budgets and will endeavour to test such approaches.**

In the choice of audit focus areas, we will continue to audit what matters most. Thus we will be guided by the identified government priorities and areas of public spending most relevant to the well-being of citizens. This requires us to continue **deepening our knowledge of the auditees' business and applying all analytical tools** at our disposal in order to deliver relevant insight.

Undoubtedly, our main focus will be on the **implementation of the amendments to the Public Audit Act.** These amendments authorise us to refer suspected material irregularities to relevant public bodies for investigation and initiate consequences for these irregularities. The amendments also mandate us to provide specific recommendations for addressing material irregularities which we have identified during our annual audit. Where our recommendations have not been considered within the prescribed time, the auditor-general must take appropriate remedial action to address those failures. Continued failure to implement remedial action will lead to certificates of debt being issued against defaulting accounting officers and accounting authorities in their personal capacity.

Thus, we will not only continue to **detect and expose practices that ultimately result in wastage of public money, e.g. through fruitless, wasteful, irregular and unauthorised expenditure,** but will also have a unique mandate to **establish a direct line of sight from detection of breaches to implementation of consequences.**

Taking into consideration the changes needed to be made in our internal processes and the training of our frontline teams, we envisage to phase in the amendments by commencing with a well-defined batch of audits where our new powers will be applied. The implementation of the amendments will be made transparent and understandable through the development of clear regulations.

Our ambition is to see a drastic reduction in the mismanagement of public resources, increased levels of transparency, accountability and good governance in the public sector and, eventually, the restoration of the integrity of the public service.

The amendments will allow us to formalise the **review of our audit portfolio** by applying defined criteria for our discretionary audits, i.e. the so-called section 4(3) audits. In the cases where we have opted not to conduct the audit ourselves, our teams will ensure strict oversight of the governance process at such auditees.

The changes will also dictate a much stronger need for constant attention to the **technical quality of our audits.** We will **continue implementing various measures** to maintain and, where possible, strengthen the adherence to audit quality standards.

VISIBILITY FOR IMPACT

The auditor-general's role and profile in all spheres of government have increased dramatically in recent years in line with the considerable expectations of public and political accountability. Our stakeholders anticipate an improved level of communication about our findings in individual audits as well as forewarnings about the status of the system of public administration as a whole.

Engaging stakeholders is an essential element in the achievement of our mandate and in **enabling and influencing all players in the public sector** to utilise public funds as intended for the benefit of the people of South Africa.

In this regard, we will prioritise the use of the **status-of-records and commitments reviews** in order to provide depth to the discussions on key controls and to build relationships of mutual trust with various stakeholders.

Our work with **Parliament and the portfolio committees** will be especially important in securing the executive's accountability to Parliament.

Internally, we will drive **continual improvements in our engagement tools and building capacity for impactful stakeholder interactions** so that we achieve the best return on the invested effort and time.

Educating citizens and empowering them to hold their elected representatives accountable remain a major commitment and we will be implementing our citizen engagement strategies which we initiated in the previous reporting period.

As the organisation that currently chairs the capacity building committee (CBC) of International Organization of Supreme Audit Institutions (Intosai), we perform a vital integrating role by ensuring that the capacity-development effort complements previous and ongoing work. In this way, we will contribute significantly to the advancement of the professionalisation of auditors worldwide and specifically on the African continent. We will further derive value from our international endeavour in the form of knowledge, skills and experience and will utilise the international programmes to share and test our best practices.

VIABILITY

The sustainability of our institution is defined not only by the views of our stakeholders, but also by the way we manage our resources, i.e. the organisational capitals. We have made good progress in developing an **integrated view over our capitals** which enables us to extract efficiencies and increase value to the stakeholders.

Our **financial viability** remains of paramount importance. In that regard, we will **pursue collection of audit fees and optimal use of our resources**.

One of the most important dilemmas we face is to continuously balance the **investment in information technologies and audit-related tools** needed for the execution of our mandate versus the envisaged benefit for our stakeholders. The implementation of the amendments to the PAA comes with its own additional requirements, hence our focus will be on **training our staff adequately for that task and creating the required internal structures and capacity** for the successful implementation of our extended powers.

In the past year, our audit staff experienced a lot of pressure from external stakeholders. We will make it priority to protect the audit teams and provide them with **skills to deal with threats and intimidation**.

Continuous improvement of skills and professionalisation of our workforce remain an ongoing priority as the availability of **professional staff, both in audit and support areas** is vital in enabling us to best exercise our mandate.

We will forge ahead with implementing **programmes for the development of our leaders** following the systematic assessments we conducted recently. This is even more important in view of the recent internal poll that revealed a higher focus on the execution of organisational plans at the expense of deeper engagement with our staff. The measures that we have crafted **for improvement of the levels of engagement will be the main driver behind our people strategy**.

Responding to the needs of our stakeholders, in the last few years we took back the audits of a number of state-owned companies (SOCs) and executed these well. While addressing the various risks in those SOCs, the situation has increased **our attractiveness as an employer of choice**, hence we will continue to provide opportunities to our employees to develop their ability to audit complex environments.

Overall, the management of our physical infrastructure, improvements of operational processes, skill creation, talent management and leadership development will continue to be the drivers in ensuring that we are **well equipped to achieve our aspirations for adding value and impact**.

VISION AND VALUES DRIVEN

Running our own corporate affairs appropriately, **ensuring high levels of accountability, ethics and effective governance is non-negotiable** so that we are deserving of our independence.

Given the recent ethical failures in the profession, we will be **extra vigilant in eradicating opportunities for ethical breaches**. We will address this risk by considering the complexity of the specific audits, the configuration of the audit teams and the strict implementation of the existing soft and hard controls for managing the risk of ethical breaches.

Furthermore, we are cognisant that this is one of the major risks that we will face through the implementation of the amendments of the PAA and we expect our leadership to play a vital role in guiding the staff and being the example of an ethical auditor.

In support of **the transformation objectives of our country** we will continue to fine-tune our procurement practices, enterprise and supplier development programmes, distribution of contract audit work, employment of people living with disabilities and youth, and various other activities to maximise our contribution to transformation.

Our approach to qualifying black chartered accountants (CAs) reflects our commitment to the **transformation of the accounting and auditing profession** in the country. We will contribute to the same commitment by using the allocation of audit work to private firms effectively to **support growth of and access to economic opportunities of black-owned and transformed firms**.

In conclusion, our audits increase the levels of transparency, accountability and good governance. Thus, our work strengthens the country's democracy, builds public confidence and ultimately benefits the receiver of services – the people of South Africa. I believe that the leadership of the organisation has the required capacity to overcome the challenges that we face while exercising our mandate. Therefore, our leaders will lead by example in instilling the desired organisational culture to inspire our staff to share our aspirations for the public sector and to contribute successfully to the execution of our strategy.



KIMI MAKWETU

Auditor-General

5. OVERVIEW BY THE DEPUTY AUDITOR-GENERAL

It is pleasing to see that while our young democracy goes through peaks and valleys, the need for our products and insight has not diminished. This encourages us to continue mobilising our staff and our leadership with the sole purpose of delivering an independent, in-depth view of the use of public resources in our country.

IMPLEMENTATION OF OUR ORGANISATIONAL STRATEGY

Each year, we advance in crafting the building blocks of our strategy. With major projects such as the application of the revised audit methodology and the integration of audit disciplines behind us, we will be focusing mostly on increasing the inclusion of SOC audits in our portfolio and fine-tuning our processes and practices, augmenting our tools and developing our people.

The continuous automation of the audit data analysis and its application to entire value chains in selected sectors and types of audits, as well as the proactive use of data analytics, remain our ambition as they allow us to gain deeper knowledge of the public sector, which is the basis of our value proposition.

We continue to strengthen our performance auditing expertise, information systems auditing and investigative skills in order to enrich our audit messages and insight. Our experience demonstrates that our messages are more enthusiastically received when they are backed by sound technical expertise, so we will persist in applying our integrated approach to auditing.

CHANGES TO THE PUBLIC AUDIT ACT

In the previous reporting period, we have been working tirelessly to prepare our environment for the implementation of the extended powers. We firmly believe that on 1 April 2019, we will be ready to comply with the provisions of the act. The implementation of the amendments, particularly those relating to a responsibility to identify and report on material irregularities and follow the prescribed line of action to initiate consequences for such irregularities, will therefore constitute our major effort for the next three years.

DRIVING ETHICAL CULTURE

Earlier this year, the auditor-general had to make tough calls in order to protect the integrity of the public sector audits and, by association, the reputation of the organisation. Like all players in the profession, we will have to play our role on the long road to restoring the image of the profession. The anticipated increased level of audit contestations as a result of the extended powers of the organisation will be dealt with accordingly. In the long run, we believe that such pushbacks will gradually decrease. We will continue our ethics conversations on various platforms in the organisation and will provide strong support to our staff to maintain ethical conduct and make the right choices.

INCREASED ATTENTION TO QUALITY OF AUDITS

We will pursue the achievement of our high targets for the technical quality of our audit engagements. Our attention will be on examining the identified deficiencies in the past and finding immediate solutions for them. In line with best practice in the audit profession, we will be transparent about our results and report on all elements of the quality control system.

OPERATIONAL EFFICIENCIES

Following a period of three years during which we aggressively implemented cost-containment measures, improved resource utilisation and headcount optimisation, the organisation has become much more efficient. While we will not be able to sustain such pace further, we will continue to pay attention to our operational expenditure.

Our estimates of the cost related to the implementation of the PAA amendments demonstrate that we will be below our sustainability margin of 1 - 4% at the end of the first year of this three-year planning cycle as envisaged by the AGSA business model approved by Scoag. This prudent estimate currently does not include the envisaged support from Parliament. During the parliamentary process of the development of the Public Audit Amendment Bill 2018, we submitted to Scoag our initial estimate of the financial implications of the amendments on the fiscus and the committee expressed its support. We appreciate the advice provided by the minister of Finance to Scoag that the AGSA should request such funding through the medium term expenditure framework (MTEF) process. We have duly applied for an appropriation for the amount required to cover the project costs and the loss of audit revenue due to the training and preparation of staff for the implementation of the material irregularity process.

IMPROVING EMPLOYEE ENGAGEMENT

We actively sought the views of our staff on various dimensions of organisational management and life. While the survey returned good results on organisational alignment, and clarity of roles and responsibilities, our employees also pointed out areas for improvement. We also spent time to understand the underlying reasons for the views that we received on work-life balance, employee engagement and other aspects. We take the received feedback very seriously and will drive the implementation of the culture improvement plans that our business units are busy crafting.

During my recent visits to the various business units, I was excited to observe the enthusiasm of our staff and their deep passion for the work they do. Hence, my personal commitment will be to work with our leadership team to ensure that clear career paths, employee wellness and work-life balance receive the attention they deserve.

Another important aspect that we will work on is the retention of critical skills. While for a number of years, we have maintained a healthy turnover of staff, around 10%, in the previous reporting cycle, the turnover of senior management and high-potential individuals went just over that target. It is my belief that the integrated culture plan will be able to address this challenge as well.

SUPPORT FOR TRANSFORMATION

The implementation of our transformation strategy is one of the key initiatives that we have been driving since the inception of the 4V strategy. We will maintain the intensity of our contribution in all aspects of the transformation spectrum, while focusing on specifically increasing our impact in the auditing and accounting professions.

EXTERNAL FACTORS

The contraction of the South African economy for a second consecutive period will result in an increased number of auditees that operate under financial distress, which could pose a challenge to the collection of audit fees and, hence, a threat to our financial sustainability. We have observed an intensified threat to the liquidity of many SOCs, which introduces additional complexity to our audits. There was also an emerging trend of private audit firms to more carefully select audit work from us. We will be following this trend and will be ready to devise solutions when required.

The growing public and oversight discontent with the levels of corruption have resulted in processes such as the start of the state capture inquiry and the reshuffling of SOCs' boards. This could assist us with the implementation of enhanced governance at the discretionary audits where we have opted not to conduct the audit ourselves.

The expectation of our stakeholders for us to take over further SOC audits is increasing. We are continually evaluating our resources and skills before we make decisions to audit these entities as it is important that we are well positioned to complete quality audits and meet these expectations.

An important environmental trend is that of increased cyber-attacks which require improved vigilance and investment in the protection of information in our possession. This challenge is augmented by the continuing lack of IT skills in our organisation.

The scarcity of skilled professionals in all specialities needed for the execution of our mandate necessitates continuous attention to the development and retention of talent.

Lastly, the implementation of the extended powers of the organisation will bring new risks, specifically that of our opinions or recommendations being challenged in court.

Notwithstanding the tests that the environment throws at us, we are confident that we have the required calibre of leaders and staff to continue executing their daily tasks with the necessary rigour and integrity. We look forward to every opportunity to deliver value to our auditees and stakeholders, thus supporting the democracy in our beloved country.



TSAKANI RATSELA

Deputy Auditor-General

WE DELIVER VALUE TO:

• THE PEOPLE OF SOUTH AFRICA BY

- listening to the 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 well-being of our people
- making public the results of our audit work, which enables people to hold their elected representatives and the custodians of public resources accountable
- being a model organisation and demonstrating that clean administration and transformation are achievable
- executing our audits in the most cost-effective, efficient and economical manner.

• THE LEGISLATURES BY

- being a credible source of relevant, independent and objective insight based on independent, professional judgement and sound analysis
- 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.

• THE EXECUTIVE AND THE AUDITEES BY

- identifying instances of mismanagement and their root causes, and recommending improvements tailored to the business of the auditee
- equipping them with value-adding understanding about the status of their financial and performance management systems.

• THE AUDITING AND ACCOUNTING PROFESSIONS BY

- allocating contract audit work to a multitude of firms, capacitating them with skilled and qualified professionals and creating a pipeline of 1 000 black chartered accountants to transform them and economically empower black audit firms.

• OUR EMPLOYEES BY

- creating meaningful employment and career development opportunities
- providing fair, transparent, market-related and equitable remuneration and benefits.

6. OUR APPROACH TO SUSTAINABILITY

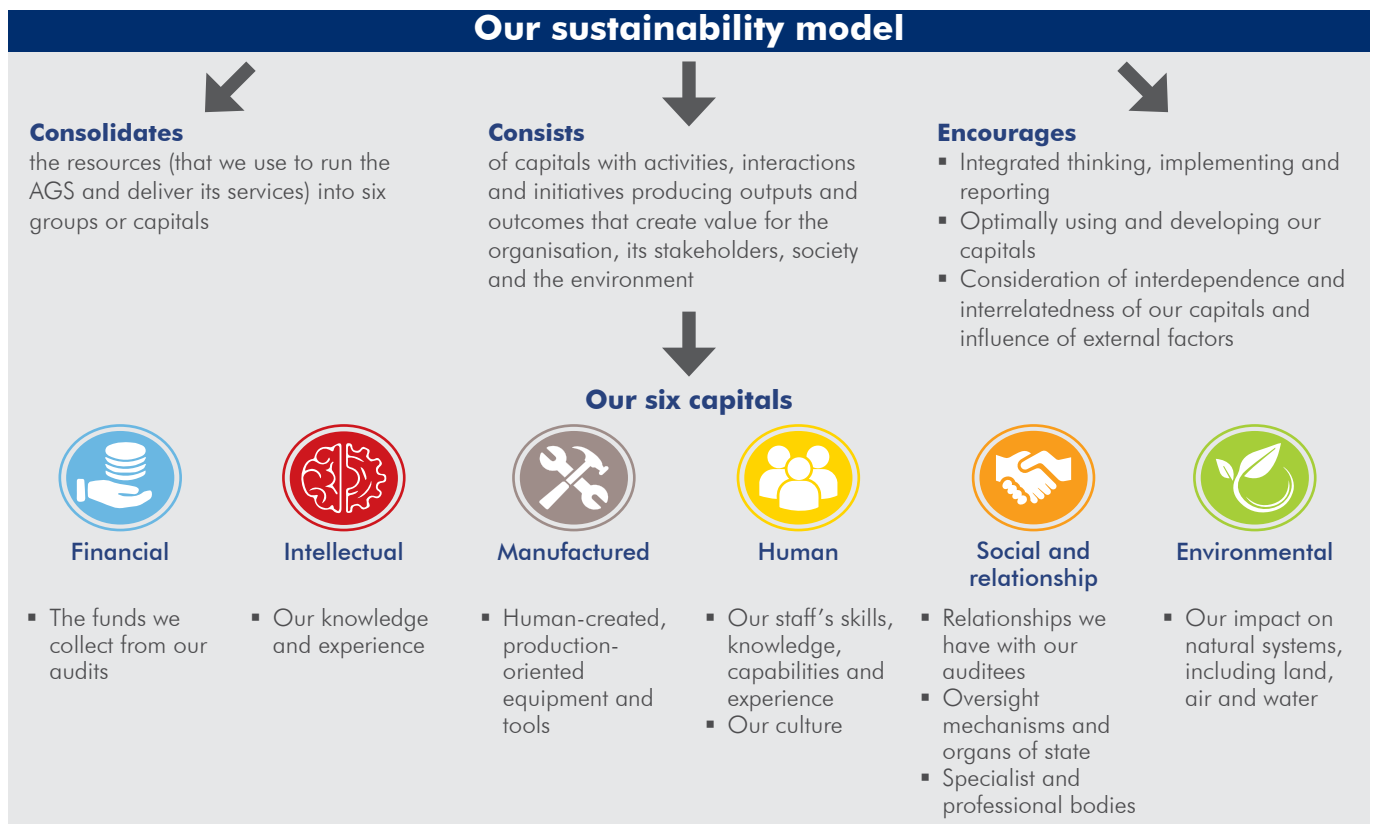
As an SAI, what defines us is our firm understanding that we can only exist in a sustainable society. Our position is based on the simple idea that all natural, human, social, economic and other systems need to be maintained, nourished or renewed in order to last.

We strive to be recognised as a model institution that makes a difference to the lives of individuals and organisations; thus we are eager to record our position on sustainability issues and our commitment to be an exemplary corporate citizen. By being a corporate citizen, we aim to demonstrate to our stakeholders that our future is intertwined with the future of the South African economy and people as well as the natural environment in which we all live. In summary, as a responsible corporate citizen, we intend to maintain our sustainability and to respond to the changing societal demands while promoting sustainable development nationally and globally.

Our considerations are also consistent with the intention of the UN Resolution A/66/209 (adopted by the General Assembly), which states that SAs have an important role 'in promoting the efficiency, accountability, effectiveness and transparency of public administration, which is conducive to the achievement of national development objectives and priorities.' Similarly, we subscribe to the recommendations of Intosai which emphasise the importance of sustainability and the principles of good governance, transparency and accountability.

Our sustainability model summarises our resources (grouped along the lines of financial, manufactured, human, social and relational, and environmental capitals) and the way we create value for the stakeholders. We continue to review and refine the model to include all sustainability elements that are relevant to the survival of the organisation. Such considerations require our leadership and all of our staff to think in an integrated way. The practice of integrated thinking is steadily being institutionalised in the organisation and this has allowed us to be more effective in managing most of our capitals.

TABLE 1. OUR ORGANISATIONAL CAPITALS USED TO EXECUTE OUR STRATEGY



The management of our manufactured, financial, human and social capitals has been well entrenched in the strategy of the organisation as evidenced by our four strategic goals. We also regularly track the use of natural resources and in the previous financial year, we managed to implement a tracking mechanism for our environmental capital. We are determined to seek ways to improve the management of our intellectual capital, which is a main pillar in our value proposition to stakeholders. While we are utilising it on a daily basis, we will be considering documenting it, understanding it better and utilising it fully for the benefit of the organisation and the country.

As our understanding of our sustainability grows, the interrelatedness and trade-offs of our capitals and the impact of the external environments on them become more noticeable. Therefore, we will continue our sustainability journey and strive to quantify the elements of our model so that we can measure and track their improvements or depletion over time.

7. STRATEGIC GOALS

7.1 VALUE-ADDING AUDITING

STRATEGIC OBJECTIVES	
<i>Demonstrate value-adding auditing</i>	<i>Ensure high quality of our audits</i>

Fulfilling our mandate through providing value-adding insights derived from the audit to our stakeholders remains our passion and we continually seek to find new, innovative ways to enhance it.

We assess our value through the continued relevance of our work and the strength and depth of our audit messages so that we continuously deliver on our reputation promise of building public confidence. Our audit messages will continuously seek to provide insights on the manner in which public funds are spent and managed, and how our audit findings and recommendations can assist in improving public sector performance for the benefit of all South African citizens.

TABLE 2: LINK BETWEEN GOVERNMENT PRIORITIES AND AGSA AUDIT FOCUS AREAS



The selection of our audit focus areas is guided by the government priorities defined through various strategic documents such as the National Development Plan 2030 (NDP), the Medium Term Strategic Framework (MTSF) and others as, depicted in table 2.

For the short term, we continue to focus on **education, health, infrastructure (water and sanitation), and human settlements**. We will remain flexible in the selection of audit topics as other areas might become relevant throughout the duration of this strategic plan.

Our engagement with government on the reporting on the progress towards the achievement of the sustainable development goals (SDGs) will be prioritised. We look at developing the SDG auditing and reporting plan that will deal with formulating audit messages centred on the indicators of the SDGs in South Africa by using insights from our regularity audits. We envisage

that clustering of audits around the 17 SDGs will be finalised in 2019. This approach is dependent on the collaboration with Statistics South Africa (StatsSA) and the department of planning, monitoring and evaluation (DPME). The second intention is to audit our country's readiness to report on the realisation of the goals. StatsSA is tasked with developing the country indicators and measurable targets.

OBJECTIVE 1: DEMONSTRATE VALUE-ADDING AUDITING

PERFORMANCE MEASURE	TARGETS		
	2019-20	2020-21	2021-22
% implementation of actions to improve our stakeholders' perception on our added value	80% – 100% of the actions for the financial year	80% – 100% of the actions for the financial year	80% – 100% of the actions for the financial year
Tool	Audit BUs project reports		
AG's assessment of the organisation's performance on value-adding auditing	Achieved organisational objectives	Achieved organisational objectives	Achieved organisational objectives
Tool	Auditor General's view of performance		
% completed actions as per the PAA amendments implementation plan	80% – 100% planned work	80% – 100% planned work, incl. 1st report	80% – 100% planned work, incl. impact assessment
Tool	PAA project office report		

Considering that a number of initiatives intended to increase our relevance and value provided to stakeholders were put in place only recently, the majority of our work and approaches will remain the same with the aim of solidifying the platform that we have been building in the quest of achieving our vision 2024.

The implementation of the amendments of our governing legislation will be phased in to allow us to gradually develop skills, competencies and capacity. The criteria used in the selection of audits will be made public for increased transparency.

We will refine our audit methodology and processes to respond to the risks and requirements presented by the PAA amendments. The concept of value chains analysis that allows us to view the activities of each auditee in a holistic way and to gain a deeper understanding of the value required to be delivered at each audit was piloted substantively and we expect that it will be fully integrated in the audit methodology.

With amendments to the PAA, the AGSA will have greater flexibility to opt in and out of auditing some of the government entities. We will ensure that this significant process is consistent and is used to increase value to stakeholders. The formalisation of the annual review of our audit portfolio prompted by the PAA will allow us to be more responsive to the developments in the public sector. In cases where we opt not to conduct section 4(3) audits ourselves, we will **continue to intensify our oversight** so that these assignments meet both the standards and expectations of our stakeholders and the requirements of the auditor-general for quality and depth of the audits.

The integration of our audit disciplines remains the standard approach to auditing with the task to augment the breadth of specialist expertise available to us.

As the technological savvy of our auditees increases each year, the use of computer assisted audit techniques (CAATs) remains imperative in order to improve audit sampling and assist with the identification of audit risks, including fraud risk areas. Such areas might be further probed by investigation techniques.

Our intention is to consolidate our various audit-related initiatives under one long-term audit strategy. Ultimately, the audits we conduct will encourage noticeable improvement in the levels of transparency, accountability and good governance in all spheres of government.

OBJECTIVE 2: ENSURE HIGH QUALITY OF OUR AUDITS

PERFORMANCE MEASURE	TARGETS		
	2019-20	2020-21	2021-22
% adherence to quality standards: audit engagements	80% – 90% (C1, C1#, C2 and C3 rating)	80% – 90% (C1, C1#, C2 and C3 rating)	80% – 90% (C1, C1#, C2 and C3 rating)
Tool	Quality control assessment committee's confirmation of results		

Maintaining high-quality standards continues to be our licence to provide value-adding and trusted messages to our auditees. The amendments to the PAA elevate this requirement even higher.

The increase and tightening of the pre-issuance review process, enforcement of the application of standards on finalising the audit files, implementing audit quality indicators and others will allow us to maintain high quality of audits. Our leadership will carry on monitoring the implementation of all measures aimed to ensure the consistent achievement of targets on audit quality.

WHAT WE WILL DO TO ACHIEVE OUR OBJECTIVES FOR VALUE ADDING AUDITING

STRATEGIC INITIATIVE	2019-20 ENABLERS
Institutionalise mechanisms and structures for developing deep knowledge of auditees and adding value to stakeholders	<ol style="list-style-type: none"> 1. Continue to implement and refine our audit methodology to ensure that it identifies and responds to risks. 2. Develop rotation-based/light-scope audit models for low-risk audits and small to medium audits. 3. Continue to intensify the use of CAATs. 4. Develop an understanding of and apply data analytics to reduce audit risks and increase efficiencies. 5. Develop tactical plans to assess the country's readiness to report on the realisation of the SDGs and to use our audits to extract insight into the progress towards the achievement of the SDGs.
Continuously implement our section 4(3) strategy	<ol style="list-style-type: none"> 1. Annually review and update our audit portfolio. 2. Continue our strict oversight of the governance of section 4(3) audits.
Implement the amendments of the PAA	<ol style="list-style-type: none"> 1. Action the PAA implementation plan (includes audit, training, governance structures, reporting, memorandum of understanding (MoUs), etc.)
Continuously improve the quality of our audits	<ol style="list-style-type: none"> 1. Implement various measures to improve audit quality. 2. Implement audit quality indicators concept.

7.2 VISIBILITY FOR IMPACT

STRATEGIC OBJECTIVES

Achieve impact through visibility programs

Engage actively with citizens

The value created by our social and relationship capital of our organisation is based on the wealth of information and insight we gather as a result of our work. Ultimately, our aim is to increase this capital by utilising the knowledge we possess to the benefit of our stakeholders.

Willingness to change the status quo at our auditees will only be sustained through the presentation of facts derived through our audits. Our visibility programmes will stay focused on influencing change and obtaining the best return on investment in the form of timely and effective corrective actions by auditees. While we always aim to broaden the engagement on audit outcomes, having clear plans for engagement with specific stakeholders based on the selected criteria will provide structure and systemic approach to our efforts.

Where willingness to improve is not evident, we will escalate the resolution of issues through oversight bodies. In the last three years, we experienced increasing support by the portfolio committees, which, led by Scopa, called for consequences for mismanagement of public funds. This encourages us to further tailor the packaging and presentation of audit outcomes to enable the committees to perform their oversight role.

The continued implementation of our proactive status of records and recommendations reviews found resonance with auditees. We will be assessing the return on this very important investment and proceed accordingly with the engagements.

On the international front, as the chair of the Intosai CBC, we will facilitate the identification of challenges and opportunities for capacity development of Intosai members, strengthen structured professional development, and facilitate access to solutions. We will provide support to the initiatives of the African Organisation of English-speaking Supreme Audit Institutions (Afrosai-E) on professional development of auditors on the African continent.

OBJECTIVE 1: ACHIEVE IMPACT THROUGH VISIBILITY PROGRAMMES

PERFORMANCE MEASURE	TARGET		
	2019-20	2020-21	2021-22
% implementation of our visibility programmes (constitutional stakeholder engagement plans)	80% – 100% of the actions for the financial year	80% – 100% of the actions for the financial year	80% – 100% of the actions for the financial year
Tool	Project implementation plan		
AG's assessment of the organisation's performance on visibility	Achieved organisational objectives	Achieved organisational objectives	Achieved organisational objectives
Tool	Auditor General's view of performance		
% implementation of status of records reviews	80% – 100% of the planned reviews for the financial year	80% – 100% of the planned reviews for the financial year	80% – 100% of the planned reviews for the financial year
Tool	Status or records review implementation report		

The initiatives that are under way will be completed during this planned period. We will seek continuous enhancement of the existing programmes to ensure increased impact based on the response from our stakeholders.

The success of the engagements will be enabled by tools that support the planning, execution, tracking and evaluation of the success of those engagements, and by establishing a practical and effective way in which we become knowledgeable about the stakeholders' expectations and their experience of the interactions.

We will provide thought leadership on matters related to controls, risk management and service delivery, and invite discussions that will aim to co-create solutions for improvements in the public sector.

Increasing the skills of our staff and building their confidence in presenting audit messages remain ongoing priorities to entrench the required culture of engagement and collaboration with our stakeholders.

OBJECTIVE 2: ENGAGE ACTIVELY WITH CITIZENS

PERFORMANCE MEASURE	TARGET		
	2019-20	2020-21	2021-22
% implementation of actions as per our citizen engagement plans (non-constitutional stakeholder engagement plans)	80% – 100% of the actions for the financial year	80% – 100% of the actions for the financial year	80% – 100% of the actions for the financial year
Tool	Project implementation plan		

Our citizens remain interested in our work; this is evident through the attention and response that our presentations of audit outcomes receive. There are a variety of means available to us, from the traditional printed material to structured engagements and social media conversations and we will pursue the most appropriate ones by giving consideration to the preference or sophistications of our citizen groups.

Interactions with various civil society groups will allow us to demonstrate our thought leadership and to create ambassadors for our messages and mandate.

WHAT WE WILL DO TO ACHIEVE OUR OBJECTIVES FOR VISIBILITY FOR IMPACT

STRATEGIC INITIATIVE	2019-20 ENABLERS
Ensure high-quality, practical and effective engagements with constitutional stakeholders	1. Utilise the status of records and commitments reviews for enhanced engagements with stakeholders.
Continue implementing our citizen engagement strategy	1. Increase the reach and impact of engagement on our mandate and the role through: <ul style="list-style-type: none"> ✓ enhancing community reach ✓ appropriate social media presence ✓ synergies with Parliament to engage citizens. 2. Enhance stakeholder awareness and understanding of audit outcomes by: <ul style="list-style-type: none"> ✓ improving responsible media coverage of audit outcomes. Engage citizens on province-specific issues ✓ deepening the engagement with professional associations and industry organisations.
Continue implementing an international participation program	1. Implement the CBC strategy effectively and contribute to the work of specialist Intosai groups by providing strategic leadership and further enhancing our international reputation. 2. Participate in the peer-review initiative of Intosai by leading the SAI Canada review. Use the review to learn and benchmark our audit quality practices. 3. Provide effective support to Afrosai-E and collaborate with African SAIs on various programmes.

7.3 VIABILITY

STRATEGIC OBJECTIVES	
<i>Maintain financial viability and legal independence</i>	<i>Attract, develop and retain great talent.</i>
<i>Create an enabling culture and leadership to drive strategy execution</i>	<i>Enable operational effectiveness and efficiencies</i>

The core of the viability goal is to ensure that the organisation remains financially viable, legally independent and administratively autonomous.

In the previous reporting cycle, we grouped all our initiatives under this goal into three functional strategies – financial, people and information technology. Our simple intention is to implement these strategies.

OBJECTIVE 1: MAINTAIN FINANCIAL VIABILITY AND LEGAL INDEPENDENCE

We will continue to ensure that we provide efficient, effective and economical examination of the financial and performance status of our auditees, while ensuring a stable cash flow and adequate surplus margins sufficient to finance our operations and ensure our independence.

We are not immune to the economic challenges that the country is facing and, as a result, we are developing a finance strategy that focuses on cost optimisation, debt collection and revenue enhancement to ensure that we remain financially viable. The AGSA will continue to remain cautious of the increase in the headcounts without compromising the quality of life of our staff and the deliverables of the organisation.

While our funding model remains sound and its principles have been applied rigorously, our target for the 2019-20 financial year has been revised to reflect the cost impact of the implementation of the amendments to the PAA. We have applied for an appropriation for the amount required to cover the project cost related to the development of the envisaged internal structures and processes, the cost of engagement with relevant stakeholders and the loss of audit revenue due to the training and preparing staff for the implementation of the material irregularity process. Once our application has been regarded favourably, we will be able to offset most of the cost as estimated by our PAA implementation project team.

PERFORMANCE MEASURES	TARGETS		
	2019-20	2020-21	2021-22
Net surplus (%)	0% – 1%	1% – 4%	1% – 4%
Level of safety/cash margin	2-3 months	2-3 months	2-3 months
Tool	Income statement		

OBJECTIVE 2: ATTRACT, DEVELOP AND RETAIN GREAT TALENT

People remain our most important asset. Therefore, the main premises in our people strategy are talent management, improvement of our pipeline and creating long-term career growth. Each business unit will develop their specific set of priorities in order to address their unique human capital development needs. Organisation-wide, our focus remains on maintaining our status of being a good training institution and a place where critical skills are encouraged to remain and contribute to our cause as a supreme audit institution.

PERFORMANCE MEASURES	TARGETS		
	2019-20	2020-21	2021-22
Rating of our training offices by Saica	Low risk: 6 – 8 Medium risk: 7 – 9 High or very high risk: 0	Low risk: 6 – 8 Medium risk: 7 – 9 High or very high risk: 0	Low risk: 6 – 8 Medium risk: 7 – 9 High or very high risk: 0
Tool	Saica office ratings		
Voluntary turnover of high-potential individuals and critical skills	8% – 12%	8% – 12%	8% – 12%
Tool	Staff turnover report		

OBJECTIVE 3: CREATE AN ENABLING CULTURE AND LEADERSHIP TO DRIVE STRATEGY EXECUTION

The culture of the organisation plays an enormous role in determining staff engagement and productivity. It has a direct impact on the ability of the organisation to effectively deliver on its mandate and **to retain and attract talented staff**.

The culture mapping exercise embarked upon during the previous performance year provided a platform for ongoing engagements to identify the desired culture and to identify the main areas for improvement.

The focus of the organisation will be on **implementing the culture and engagement plan** that has been co-created between the leadership and our staff. Our desire is to be able to see the improvement in the organisational culture soon after the implementation of the plan.

PERFORMANCE MEASURES	TARGETS		
	2019-20	2020-21	2021-22
% implementation of culture and staff engagement plan deliverables	80% – 90% implementation of culture plan deliverables for the financial year	80% – 90% implementation of culture plan deliverables for the financial year	80% – 90% implementation of culture plan deliverables for the financial year
Tool	Project implementation report		

OBJECTIVE 4: ENABLE OPERATIONAL EFFECTIVENESS AND EFFICIENCIES

In the current challenging economic environment, operational efficiency remains critical. In that regard, we have embarked on the journey of redesigning and revising the information and communication technology (ICT) strategy, including the ICT function and tools to effect the concept of operational efficiencies and be able to adapt to the rapid changes in the technological space. In pursuance of our objectives, we generate or receive information that becomes part of resources available within the organisation to ensure transparency, openness and accountability to the public.

In the next three years, we will prioritise the implementation of information management and information security given the pervasive cyber-risk in the country and globally.

PERFORMANCE MEASURES	TARGETS		
	2019-20	2020-21	2021-22
% implementation of identified information and cyber security initiatives	80% – 90% of the planned work for the financial year	80% – 90% of the planned work for the financial year	80% – 90% of the planned work for the financial year
% implementation of information management framework	Develop an information management framework	80% – 90% implementation of information management initiatives for the financial year	80% – 90% implementation of information management initiatives for the financial year
Tool	Project implementation report		

WHAT WE WILL DO TO ACHIEVE OUR OBJECTIVES FOR VIABILITY

SUMMARY OF STRATEGIC INITIATIVES FOR VIABILITY	
Strategic Initiatives	2019-20 enablers
Implement our 2019-24 finance strategy	<ol style="list-style-type: none"> 1. Optimise operational costs. 2. Implement debt management strategies.
Implement our 2019-24 people strategy	<ol style="list-style-type: none"> 1. Improve talent management and desired skills retention. 2. Strengthen our pipeline for the intake of trainees with a certificate in theory of accounting (CTA). 3. Enhance development programmes for our professionally qualified staff through the TA scheme.
Implement our culture improvement plan	<ol style="list-style-type: none"> 1. Implement action engagement and culture plans at business unit and organisational levels
Continuously enhance our IT solutions	<ol style="list-style-type: none"> 1. Implement cyber security initiatives. 2. Develop infrastructure and data centre migration plan.
Implement our 2019-24 ICT strategy	<ol style="list-style-type: none"> 1. Implement an information security framework and plan. 2. Implement an information management framework and solutions.

7.4 VISION AND VALUES DRIVEN

STRATEGIC OBJECTIVES	
<i>Drive the AGSA's transformation programme</i>	<i>Demonstrate clean administration</i>
<i>Safeguard the ethical character of our organisation</i>	

We are committed to demonstrating that clean administration is not only achievable, but is a desirable state for all our stakeholders. We recognise that our reputation is dependent on our adherence to standards of excellence in our everyday behaviour and in all our governance processes and systems. Thus, we continue to see our clean administration and good governance as our licence to engage and recommend actions for improvement to our auditees.

Our transformation programme continues to be motivated by the drive to make a difference to the lives of our citizens through the implementation of the Broad Based Black Economic Empowerment (B-BBEE). We aim to maintain a level 2 B-BBEE contributor status while responding to the changing external environment. Our ambition is to grow the number of black CAs.

OBJECTIVE 1: DRIVE THE AGSA'S TRANSFORMATION PROGRAMME

In the effort to actively contribute to the growth of the number of black professionals in the auditing, accounting and other financial disciplines, our trainee auditor scheme and our principles in distributing audit work to private firms will continue to play a significant role in making a meaningful contribution to the CA profession at large.

One of the successes we had in the last two years was the establishment of our enterprise and supplier development programme. We plan to expand this programme multiple times and to assist small black audit firms to stand on their feet and become suppliers of auditing skills to us.

We aim to further enhance our management of employment equity by ensuring that while we appoint people from diverse backgrounds, we also address diversity-related issues that may result from it. Improving attitudinal challenges around including people living with disability in the workforce will continue to be a key focus area for the organisation.

PERFORMANCE MEASURE	TARGETS		
	2019-20	2020-21	2021-22
B-BBEE Level	Level 2	Level 2	Level 2
Tool	External verification report		

OBJECTIVE 2: DEMONSTRATE CLEAN ADMINISTRATION

PERFORMANCE MEASURE	TARGETS		
	2019-20	2020-21	2021-22
External audit opinion	Clean audit	Clean audit	Clean audit
Tool	External audit report		

As an institution charged with ensuring that public funds are spent efficiently, we will continue to maintain exemplary internal controls, thus preserving the institution's own unblemished track record of clean audit opinions.

We will continue to maintain our good track record of complying with statutory and legislative obligations, and account to Parliament by tabling our annual report and strategic plan and budget and all audit reports as per statutory or agreed delivery dates.

OBJECTIVE 3: SAFEGUARD THE ETHICAL CHARACTER OF THE ORGANISATION

PERFORMANCE MEASURE	TARGETS		
	2019-20	2020-21	2021-22
% decisive and timely action against reported ethical breaches	100%	100%	100%
Tool	Ethics report		

Leading by example in ethical conduct is very important for our reputation. We will continue to deepen our programmes to ensure that ethical behaviour is rooted in our organisational culture and that it is internalised and personalised.

WHAT WE WILL DO TO ACHIEVE OUR OBJECTIVES FOR VISION AND VALUES DRIVEN

STRATEGIC INITIATIVE	ENABLERS
Continue to implement our transformation strategy by growing our people and supporting our suppliers and our communities	<ol style="list-style-type: none"> 1. Alignment with the provisions of the CA charter (when promulgated). 2. Review the contract work allocation model to ensure its responsiveness to changes in the B-BBEE environment. 3. Increase the number of persons with disabilities. 4. Continue to strengthen our enterprise supplier development programme.
Continuously enhance ownership and accountability of business process owners	<ol style="list-style-type: none"> 1. Ensure that processes and controls are relevant to the environment that we operate in. 2. Continue to monitor controls' performance and ensure timely resolution of control failures.
Cultivate an environment that enables the desired ethical behaviour	<ol style="list-style-type: none"> 1. Continue to implement the relevant measures to strengthen leadership ownership in driving ethical behaviour. 2. Ensure sustainable and timely management of complaints and reported matters emanating from whistle blowing mechanisms.
Demonstrate quality and transparency of reporting in our accountability instruments (the integrated annual report and the strategic plan and budget)	<ol style="list-style-type: none"> 1. Practice integrated strategic thinking and reporting. 2. Increase awareness of the concept of sustainability within the organisation. 3. Enhance the understanding of our capitals among the leadership.



ANNEXURE A

**The AGSA's Balanced
Scorecard 2019-22**



ANNEXURE A

THE AGSA'S BALANCED SCORECARD 2019-22

STRATEGIC GOAL	WEIGHT	OBJECTIVE	PERFORMANCE MEASURE	TARGETS		
				2019-20	2020-21	2021-22
Value-adding	25%	Demonstrate value-adding auditing	% implementation of actions to improve our stakeholders' perception on our added value	80% – 100% of the actions for the financial year	80% – 100% of the actions for the financial year	80% – 100% of the actions for the financial year
			AG's assessment of the organisation's performance on value-adding auditing	Achieved organisational objectives	Achieved organisational objectives	Achieved organisational objectives
			% completed actions as per the PAA project plan	80% – 100% actions	80% – 100% actions, incl. 1st report	80% – 100% actions, incl. impact assessment
		Ensure high quality of audits	% adherence to quality standards: audit engagements	80% – 90% (C1, C1# , C2 and C3 rating)	80% – 90% (C1, C1#,C2 and C3 rating)	80% – 90% (C1, C1# C2 and C3 rating)
Visibility	20%	Achieve impact through visibility programmes	% implementation of our visibility programmes (constitutional stakeholder engagement plans)	80% – 100% of the actions for the financial year	80% – 100% of the actions for the financial year	80% – 100% of the actions for the financial year
			Auditor-general's assessment of the organisation's performance on visibility	Achieved organisational objectives	Achieved organisational objectives	Achieved organisational objectives
			% Implementation of status of records reviews	80% – 100% of the planned reviews for the financial year	80% – 100% of the planned reviews for the financial year	80% – 100% of the planned reviews for the financial year
		Engage actively with citizens	% implementation of actions as per our citizen engagement plans	80% – 100% of the actions for the financial year	80% – 100% of the actions for the financial year	80% – 100% of the actions for the financial year

ANNEXURE A

STRATEGIC GOAL	WEIGHT	OBJECTIVE	PERFORMANCE MEASURE	TARGETS		
				2019-20	2020-21	2021-22
Viability	35%	Maintain financial and legal viability and independence	Net surplus (%)	0% – 1%	1% – 4%	1% – 4%
			Level of safety/cash margin	2-3 months	2-3 months	2-3 months
		Attract, develop, and retain great talent	Rating of our training offices by Saica	Low risk: 6 – 8 Medium risk: 7 – 9 High / very high risk: 0	Low risk: 6 – 8 Medium risk: 7 – 9 High / very high risk: 0	Low risk: 6 – 8 Medium risk: 7 – 9 High / very high risk: 0
			Voluntary turnover of high-potential individuals and critical skills	8% – 12%	8% – 12%	8% – 12%
		Create an enabling culture & leadership to drive strategy execution	% implementation culture and staff engagement plan deliverables	80% – 90% implementation of culture plan deliverables for the financial year	80% – 90% implementation of culture plan deliverables for the financial year	80% – 90% implementation of culture plan deliverables for the financial year
		Enabling operational effectiveness and efficiencies	% implementation of identified information and cyber security initiatives	80% – 90% implementation of information and cyber security initiatives for the financial year	80% – 90% implementation of information and cyber security initiatives for the financial year	80% – 90% implementation of information and cyber security initiatives for the financial year
			% implementation of an approved information management framework	Develop an information management framework	80% – 90% implementation of information management initiatives for the financial year	80% – 90% implementation of information management initiatives for the financial year
Values and vision driven	20%	Drive the AGSA's transformation programme	B-BBEE level	Level 2	Level 2	Level 2
		Demonstrate clean administration	External audit opinion	Clean audit	Clean audit	Clean audit
		Safeguard the ethical character of the organisation	% decisive and timely actions against reported ethical breaches	100%	100%	100 %

NOTES:

ANNEXURE B

Budget of the Auditor-General of South Africa for 2019-22

ANNEXURE B

PROJECTED STATEMENT OF COMPREHENSIVE INCOME

(ACTUAL, BUDGET AND FORECAST)

	ACTUAL	BUDGET	BUDGET	FORECAST	FORECAST
	2017-18	2018-19	2019-20	2020-21	2021-22
	RM	RM	RM	RM	RM
AUDIT INCOME	3 246.6	3 382.0	3 624.1	3 857.2	4 105.3
Own hours	2 510.2	2 644.0	2 864.3	3 050.5	3 248.8
S&T recoverable	161.8	152.9	167.2	175.6	184.4
Contract work	574.6	591.1	592.6	631.1	672.1
Present value of revenue adjustment	-	(6.0)	-	-	-
DIRECT AUDIT EXPENDITURE	2 063.4	2 108.1	2 256.1	2 400.3	2 553.6
Personnel expenditure	1 326.4	1 370.0	1 493.2	1 590.3	1 693.6
S&T recoverable	162.3	152.9	167.2	175.6	184.4
Contract work	574.7	593.5	595.7	634.4	675.6
Present value of contract work adjustments	-	(8.3)	-	-	-
Contract work % of audit income	17.7%	17.5%	16.4%	16.4%	16.4%
GROSS PROFIT	1 183.2	1 273.9	1 368.0	1 456.9	1 551.7
Own hours gross profit	1 183.8	1 274.0	1 371.1	1 460.2	1 555.2
Gross margin % of audit income	36.44%	37.67%	37.75%	37.77%	37.80%
Other income	68.1	70.5	68.6	70.0	76.2
Interest	68.1	35.6	39.2	41.7	44.4
Present value adjustments and other	-	34.9	29.4	28.3	31.8
Appropriation income	-	-	50.0	50.0	50.0
Contribution to overheads	1 251.3	1 344.4	1 486.6	1 576.9	1 677.9
Overhead expenses	1 126.2	1 267.8	1 416.6	1 497.7	1 587.7
Overhead as % of audit income	34.69%	37.49%	39.09%	38.83%	38.67%
Depreciation	57.8	34.3	42.3	38.1	34.3
Net surplus	67.3	42.3	27.7	41.1	55.9
Net surplus as a % of audit income	2.07%	1.25%	0.76%	1.07%	1.36%

ANNEXURE B

PROJECTED STATEMENT OF FINANCIAL POSITION

(ACTUAL, BUDGET AND FORECAST)

	ACTUAL 2017-18 RM	BUDGET 2018-19 RM	BUDGET 2019-20 RM	FORECAST 2020-21 RM	FORECAST 2021-22 RM
EQUITY AND LIABILITIES					
Equity	853.4	895.7	923.4	964.5	1 020.4
General reserve	781.1	781.1	781.1	781.1	781.1
Special audit services fund	5.0	5.0	5.0	5.0	5.0
Retained earnings	-	67.3	109.6	137.3	178.4
Net surplus for the year	67.3	42.3	27.7	41.1	55.9
NON-CURRENT LIABILITIES	81.9	77.2	75.8	74.1	72.7
Retirement benefit obligation - Medical aid liability	58.0	62.2	65.5	69.0	72.7
Operating lease liability	23.9	15.0	10.3	5.1	-
CURRENT LIABILITIES	478.1	501.5	513.6	571.8	617.9
Trade and other payables	366.8	383.5	388.6	439.4	478.5
Leave liability	111.3	118.0	125.0	132.4	139.4
	1 413.4	1 474.4	1 512.8	1 610.4	1 711.0
EMPLOYMENT OF CAPITAL					
Non-current assets	147.9	173.4	263.5	265.1	266.1
Property, plant and equipment	147.9	173.4	263.5	265.1	266.1
INVESTMENTS	308.5	492.3	531.7	573.8	619.2
Current assets	957.0	808.7	717.6	771.5	825.7
Trade and other debtors	601.9	619.8	605.4	620.1	623.5
Bank and cash	355.1	188.9	112.2	151.4	202.2
	1 413.4	1 474.4	1 512.8	1 610.4	1 711.0

Working capital assumptions

1. Trade and other payables are calculated on a 30-day payment period from date of approval on the AGSA payment.
2. Trade debtors are calculated based on the following days outstanding: 2016 to 2019: 75% - 80% recovery within 30 days for the national departments and 55% - 80% recovery within 30 days for provincial departments.

ANNEXURE B

PROJECTED CASH FLOW STATEMENT (BUDGET AND FORECAST)

	BUDGET	BUDGET	FORECAST	FORECAST
	31 MARCH 2019	31 MARCH 2020	31 MARCH 2021	31 MARCH 2022
	RM	RM	RM	RM
Opening balance	504.1	510.6	460.0	527.8
Bank	355.1	188.9	112.2	151.4
Investments*	149.0	321.7	347.8	376.4
Cash inflow	3 821.4	4 068.0	3 980.4	4 204.5
Audit income	3 771.3	3 970.7	3 857.2	4 105.3
Other income	27.4	71.2	94.6	99.2
Investment income	22.7	26.1	28.6	30.9
Cash outflow	3 814.9	4 118.6	3 912.6	4 153.7
Operating expenditure	3 740.3	3 966.9	3 852.9	4 093.4
Capital expenditure	74.6	151.7	59.7	60.3
Closing balance	510.6	460.0	527.8	578.6
Bank	188.9	112.2	151.4	202.2
Investments*	321.7	347.8	376.4	407.3

* The investment balances reflected above exclude the investment ring-fenced for specific commitments. This investment balance is part of the total investment balance in the balance sheet.

ANNEXURE B

DETAILED BUDGET

DESCRIPTION	NOTES	2018-19	2019-20	2020-21	2021-22
		BUDGET	BUDGET	FORECAST	FORECAST
		(A)	(E)	(F)	(G)
AUDIT INCOME	1	3 381 929 282	3 624 117 118	3 857 176 043	4 105 258 363
Own hours	1.1	2 643 964 658	2 864 314 333	3 050 494 765	3 248 776 925
Regularity audit		2 387 984 131	2 455 426 581	2 615 029 308	2 785 006 213
Specialised audit		255 980 527	408 887 753	435 465 457	463 770 711
Contract work	1.2	591 124 079	592 556 919	631 073 119	672 092 871
Regularity audit		565 735 741	526 492 818	560 714 851	597 161 317
Specialised audit		25 388 338	66 064 101	70 358 267	74 931 555
Subsistence and travelling	1.3	152 883 077	167 245 866	175 608 159	184 388 567
Present value of revenue adjustments		(6 042 532)	-	-	-
DIRECT AUDIT COST		2 108 047 775	2 256 091 705	2 400 228 978	2 553 609 740
Staff remuneration : audit business units	2.3	1 369 958 367	1 493 162 643	1 590 218 214	1 693 582 398
Contract work - recoverable		593 473 119	595 683 197	634 402 605	675 638 774
Subsistence and travelling - recoverable		152 883 077	167 245 866	175 608 159	184 388 567
Present Value of CWC (recoverable)		(8 266 788)	-	-	-
GROSS PROFIT		1 273 881 507	1 368 025 413	1 456 947 065	1 551 648 624
GROSS PROFIT PERCENTAGE		38%	38%	38%	38%
OTHER INCOME	1.4	70 468 286	68 618 574	70 014 236	76 217 365
Interest received : PIC		21 648 579	23 842 149	25 375 385	27 007 456
Interest received: SCMB		13 960 000	15 374 515	16 363 216	17 415 651
Sundry income		28 817 175	29 401 909	28 275 634	31 794 258
Present value adjustments – Revenue/ Debtors		6 042 532	-	-	-
APPROPRIATION INCOME	1.5	-	50 000 000	50 000 000	50 000 000
SURPLUS BEFORE OPERATING COST		1 344 349 793	1 486 643 987	1 576 961 300	1 677 865 988
OPERATING COST		1 267 820 411	1 416 633 638	1 497 652 563	1 587 674 490
Staff remuneration:	2.3.2	528 965 757	582 537 685	620 402 635	660 728 806
Support business units		528 965 757	582 537 685	620 402 635	660 728 806

ANNEXURE B

DESCRIPTION	NOTES	2018-19	2019-20	2020-21	2021-22
		BUDGET	BUDGET	FORECAST	FORECAST
		(A)	(E)	(F)	(G)
Other personnel expenditure	2	217 079 288	251 245 126	267 375 366	284 542 029
Leave pay provision	2.1	21 699 996	37 000 000	39 405 000	41 966 325
Medical aid provision	2.2	4 173 349	3 290 000	3 503 850	3 731 600
Group life scheme	2.4	38 598 764	40 138 701	42 547 023	45 099 844
Long service awards & other	2.4	167 496	232 500	247 613	263 707
Performance bonus liability	2.6	144 544 384	160 739 808	171 187 896	182 315 109
UIF: employer contribution	2.5	5 142 427	5 282 353	5 625 706	5 991 377
Workmen's compensation					
Premiums	2.5	1 505 356	1 409 744	1 501 377	1 598 967
BU recognition scheme	2.4	1 247 517	3 152 020	3 356 901	3 575 099
Outsourced services		31 475 659	36 289 516	37 741 096	39 250 740
Outsourced services - irrecoverable	3	31 899 183	36 289 516	37 741 096	39 250 740
Present Value of CWC irrecoverable	3	(423 524)	-	-	-
Subsistence and travelling - irrecoverable		28 818 677	34 133 454	35 498 792	36 918 744
S&T: Irrecoverable	4	28 818 677	34 133 454	35 498 792	36 918 744
	5				
Accommodation		123 909 042	138 343 319	152 404 474	166 772 819
Rental	5	80 630 579	86 354 883	94 990 371	104 869 369
Straight lining of leases	5.1	(8 893 357)	(4 717 363)	(5 189 099)	(5 708 009)
Operating costs		52 171 820	56 705 799	62 603 203	67 611 459
Stakeholder relationship		38 150 310	48 049 336	46 711 310	48 319 762
Liaison	6.1.1	8 105 254	11 214 400	8 662 976	9 009 495
Internal stakeholder relations	6.1.2	2 138 600	4 003 300	4 163 432	4 329 969
External stakeholder relations	6.1.3	2 429 637	2 471 574	2 570 437	2 673 254
Culture expenses		1 441 947	102 500	106 600	110 864
Constitutional liaison		1 410 564	1 414 525	1 471 106	1 529 950
Non-constitutional liaison		770 000	400 000	416 000	432 640
CE Portfolio Leadership Sessions		2 166 200	4 122 669	4 287 576	4 459 079
Senior management workshop		3 900 000	4 000 000	4 160 000	4 326 400
Stakeholder workshops		1 144 890	1 992 832	2 072 545	2 155 447
Regional congresses	6.2	3 942 156	5 635 675	5 861 102	6 095 547
Foreign visitors	6.3	220 000	200 000	208 000	216 320
Overseas travel	6.4	5 000 001	6 500 000	6 500 000	6 500 000
International conferences		5 481 060	5 991 860	6 231 534	6 480 796

ANNEXURE B

DESCRIPTION	NOTES	2018-19	2019-20	2020-21	2021-22
		BUDGET	BUDGET	FORECAST	FORECAST
		(A)	(E)	(F)	(G)
Oversight Governance	7	1 981 764	2 551 000	2 653 040	2 865 283
SCOAG		92 000	268 000	278 720	301 018
Labour & staff relations		680 000	438 000	455 520	491 961
Corporate Governance Board		1 209 764	1 845 000	1 918 800	2 072 304
Audit Expenses	8	9 973 961	9 817 746	10 210 456	10 618 874
External audit fees	8.1	4 975 160	4 872 109	5 066 994	5 269 674
Internal audit costs	8.2	4 998 802	4 945 637	5 143 462	5 349 201
Bank Charges		574 677	492 907	527 410	564 329
Bank charges		574 677	492 907	527 410	564 329
Recruitment Expenses	9	7 379 404	9 512 568	9 893 071	10 288 794
Advertising		1 060 000	1 405 000	1 461 200	1 519 648
Personnel agency fees		2 800 000	3 000 000	3 120 000	3 244 800
Interviews		1 519 404	1 607 568	1 671 871	1 738 746
Transfer & relocation expenses		2 000 000	3 500 000	3 640 000	3 785 600
Learning and Development	10	125 996 182	134 306 618	139 678 883	145 266 038
Membership fees	10.1	21 004 162	23 108 577	24 032 920	24 994 236
Training	11.2	32 004 474	36 171 780	37 618 652	39 123 398
Internal training	10.2	26 541 513	25 085 450	26 088 868	27 132 422
Conference and seminars	10.2	4 742 961	7 193 162	7 480 888	7 780 124
Subsistence and travelling: training	10.2	720 000	3 893 169	4 048 896	4 210 852
Study assistance: employees	10.3	20 640 027	20 115 282	20 919 894	21 756 689
Study support incentive scheme		5 252 024	6 699 279	6 967 250	7 245 940
Institutional and learning development projects		2 890 162	2 854 406	2 968 582	3 087 325
Graduates programmes	10.2	4 843 619	5 085 800	5 289 232	5 500 801
Bursaries	10.4	24 915 743	25 923 205	26 960 133	28 038 538
Tertiary assistance	10.4	5 605 509	5 000 000	5 200 000	5 408 000
Study support incentive scheme: top up one		185 941	177 979	185 098	192 502
Skills development levy		18 654 521	19 820 310	20 613 123	21 437 648
Skills dev. levy - recovered		(10 000 000)	(10 650 000)	(11 076 000)	(11 519 040)
Employee wellness programmes	11	13 772 020	9 988 000	10 387 520	10 803 021

ANNEXURE B

DESCRIPTION	NOTES	2018-19	2019-20	2020-21	2021-22
		BUDGET	BUDGET	FORECAST	FORECAST
		(A)	(E)	(F)	(G)
Employee wellness programmes		5 292 020	4 000 000	4 160 000	4 326 400
Employee social responsibility		700 000	700 000	728 000	757 120
AGSA social responsibility (general)		3 000 000	2 508 000	2 608 320	2 712 653
Enterprise development		4 000 000	2 000 000	2 080 000	2 163 200
Corporate social investment		780 000	780 000	811 200	843 648
Technological services	12	68 557 419	71 770 542	74 641 364	77 627 018
Computer services	12.1	60 878 169	64 228 734	66 797 883	69 469 799
Hiring of equipment: rental	12.2	5 828 336	5 881 191	6 116 439	6 361 097
Hiring of equipment: copy charges		1 850 914	1 660 617	1 727 041	1 796 123
Insurance and legal fees	13	7 445 839	34 667 879	36 054 594	37 496 778
Insurance		2 698 339	3 176 708	3 303 776	3 435 927
Legal costs		4 747 500	31 491 171	32 750 818	34 060 851
Office maintenance	14	43 297 751	34 764 180	36 154 748	37 600 938
Cleaning: contracts/services		5 454 148	5 805 039	6 037 241	6 278 731
Cleaning: materials		972 612	1 406 855	1 463 130	1 521 655
Office improvements		1 249 452	1 511 147	1 571 593	1 634 457
Refreshments		3 438 382	4 539 163	4 720 729	4 909 559
Publications		3 132 827	2 649 840	2 755 834	2 866 067
Repairs & maintenance: computer equipment & software		526 000	300 867	312 902	325 418
Repairs & maintenance: furniture and equipment		650 237	1 986 142	2 065 587	2 148 211
Repairs & maintenance: site and buildings		2 166 737	2 139 662	2 225 248	2 314 258
Repairs & maintenance: office vehicles		1 361 536	1 288 611	1 340 156	1 393 762
Printing of audit reports		2 669 590	2 913 990	3 030 550	3 151 772
Stationery and printing		6 107 899	5 817 514	6 050 214	6 292 223
Artwork & design		120 000	-	-	-
Present value adjustment		12 467 327	-	-	-
Medical examinations		-	30 000	31 200	32 448
Warranty costs		2 981 004	4 375 350	4 550 364	4 732 378
Communication	15	14 219 676	16 163 761	15 237 805	15 847 317
Cell phone charges	15.2	8 094 150	9 093 128	9 456 853	9 835 127

ANNEXURE B

DESCRIPTION	NOTES	2018-19	2019-20	2020-21	2021-22
		BUDGET	BUDGET	FORECAST	FORECAST
		(A)	(E)	(F)	(G)
Postage & courier services		1 532 893	3 190 806	1 745 931	1 815 768
Telephone charges	15.1	4 592 633	3 879 828	4 035 021	4 196 422
Other expenses		6 222 986	2 000 000	2 080 000	2 163 200
Present value of expenditure/ Creditors		(3 777 014)	-	-	-
Bad debts provision		10 000 000	2 000 000	2 080 000	2 163 200
SURPLUS BEFORE DEPRECIATION		76 529 382	70 010 349	79 308 738	90 191 499
Depreciation	16	34 236 148	42 339 723	38 105 751	34 295 176
Depreciation: motor vehicles		884 803	847 721	762 949	686 654
Depreciation: furniture & equipment		4 549 103	3 010 076	2 709 068	2 438 162
Depreciation: computer equipment		11 980 676	24 587 885	22 129 096	19 916 187
Depreciation: computer software		12 283 259	10 255 013	9 229 511	8 306 560
Depreciation: leasehold improvements		4 538 307	3 639 029	3 275 126	2 947 613
SURPLUS (DEFICIT) EXCL. APPROPRIATION		42 293 234	(22 329 734)	(8 797 013)	5 896 323
NET SURPLUS		42 293 234	27 670 626	41 202 987	55 896 323
Net surplus percentage		1.25%	0.76%	1.07%	1.36%
CAPITAL BUDGET	17	59 700 396	132 409 503	59 700 396	60 297 400
Motor vehicles	17.1	600 000	3 650 000	600 000	606 000
Furniture & equipment	17.2	5 411 396	22 311 510	5 411 396	5 465 510
Computer equipment	17.4	43 859 000	37 263 146	43 859 000	44 297 590
Computer software	17.5	8 030 000	12 572 998	8 030 000	8 110 300
Leasehold improvement	17.3	1 800 000	56 611 850	1 800 000	1 818 000
CAPEX AS A % OF TOTAL INCOME		1.77%	3.65%	1.55%	1.47%

NOTES TO THE BUDGET

1. INCOME

BUDGET ITEM	REF.	2018-19 BUDGET	2019-20 BUDGET	CHANGE	
		R'000	R'000	R'000	%
		(1)	(3)	(3)-(1)	(3)-(1)
Own hours	1.1	2 643 964	2 864 314	220 350	8%
Contract work	1.2	591 124	592 556	1 432	0%
Subsistence and travelling	1.3	152 883	167 246	14 363	9%
Sub-total		3 387 971	3 387 972	236 145	3%
Present value of revenue adjustments		(6 042)	-	6 042	-100%
Total audit income		3 381 929	3 624 116	242 187	7%

EFFECT OF THE ESTIMATES OF THE AGSA FOR 2019-20 ON TOTAL STATE EXPENDITURE

The total estimated audit costs of R3,62 billion for 2019-20 (2018-19: R3,38 billion) amount to 0,20% (2018-19: 0,20%) of estimated state expenditure of approximately R1,803 trillion for 2019-20. The estimate for 2019-20 represents a 7% increase over the 2018-19 budget and has no material effect on the estimated total state expenditure for 2019-20.

1.1. CALCULATION OF OWN HOURS' INCOME

The calculation of own hours' income takes into account three components, namely:

- number of recoverable staff members (including vacancies that are planned to be filled (refer to note 1.1.1))
- number of recoverable hours (refer to note 1.1.1 A)
- tariffs (refer to note 1.1.2)

The 2019-20 own hours' income has been compiled using the same tariff formula applied in the 2018-19 budget.

NOTES TO THE BUDGET

1.1.1. NUMBER OF STAFF AUDIT BUSINESS UNITS (ABUs) ONLY

AUDIT STAFF	BUDGET 2018-19	BUDGET 2019-20	CHANGE	COMMENTS
	STAFF NUMBERS	STAFF NUMBERS	STAFF NUMBERS	
	(1)	(2)		
Business executives	19	18	-1	The decrease is due to the plan around the appointment of the new business executive to lead the business unit focusing on SOCs being put on hold. This decision was re-evaluated and different options are currently being explored.
Deputy business executives	16	16	0	
Senior manager specialists	10	10	0	
Auditors	29	29	0	Increase is partly due to appointments of additional staff as a result of taking over of some SOC audits.
Audit senior managers	159	161	2	
Audit managers	451	460	9	
Manager specialists	8	9	1	
Assistant managers	571	607	36	
Senior IT auditors	25	29	4	
IT auditors	35	38	3	
Trainee auditors	1 264	1 310	46	The net increase is mainly due to reclassification of audit staff from analysts to performance auditors.
Performance auditors	18	29	11	
Analysts	14	6	-8	
Audit supervisors / audit seniors	137	98	-40	The decrease in audit supervisors and audit clerks is due to the strategic decision to gradually reduce the number to a point where the bands are phased out in the long run.
Audit clerks	52	41	-11	
Total audit staff	2 808	2 859	52	

1.1.1. A. OWN HOURS – RECOVERABLE HOURS AND RATIOS

Recoverable hours are influenced by the recovery rate determined for each staff band within the audit BUs. The level of these recovery rates takes into account sufficient time for essential non-recoverable activities; for example, annual leave, study leave and sick leave, training, management and supervision. The average recovery rate for 2019-20 budget is 63,56% (2018-19 budget: 62,22%). The increase in recovery rates year on year is mainly due to the increase in recoverable hours and improved efficiencies. Refer to the analysis of recovery rates and recoverable hours in the table below.

The detailed analysis of recovery ratio and recoverable hours per band is reflected below:

NOTES TO THE BUDGET

BUDGET ITEM	2018-19 BUDGET: RECOVERY RATE PER BAND	2019-20 BUDGET: RECOVERY RATE PER BAND	2018-19	2019-20	CHANGE		COMMENTS
			RECOVERED HOURS	RECOVERED HOURS	HOURS	%	
			(1)	(2)	(2)-(1)	(2)-(1)	
Audit staff							
Business executives	18%	15%	6 269	5 313	(956)	-15.3%	The net increase in recoverable hours of 100,608 is due to the following:
Deputy business executives	22%	22%	7 163	6 957	(206)	-2.9%	
Senior managers	47%	47%	150 788	151 686	897	0.6%	
Senior manager specialists	12%	18%	2 158	2 786	628	29.1%	Increase of 146 218 hours as a result of:
Audit managers	61%	63%	559 921	576 619	16 698	3.0%	▪ New audits (91 780)
Manager specialists	36%	32%	5 827	5 541	(286)	-4.9%	▪ Net movement in CWC and catch up audits (13 319)
Assistant managers	64%	65%	751 085	795 054	43 969	5.9%	▪ Scope and risk (41 119)
Performance auditors	55%	42%	19 918	22 074	2 156	10.8%	Decrease of 45 610 hours as a result of:
Analysts	52%	52%	14 372	15 780	1 407	9.8%	▪ Efficiencies (11 654)
Audit supervisors	66%	65%	184 326	129 638	(54 688)	-29.7%	▪ Discontinued audits (33 956)
Auditors	67%	66%	38 792	38 877	86	0.2%	The movement in recoverable hours within bands is due to the changes in recoverable staff numbers year on year.
IT auditors	65%	65%	45 540	49 826	4 285	9.4%	
Senior IT auditors	65%	65%	32 545	38 040	5 495	16.9%	
Audit clerks	66%	70%	69 414	58 078	(11 336)	-16.3%	
Trainee auditors	65%	67%	1 676 636	1 769 095	92 459	5.5%	
Total			3 564 754	3 665 362	100 608	2.8%	

NOTES TO THE BUDGET

1.1.1. B. OWN HOURS – NON-RECOVERABLE HOURS AND RATIOS

BUDGET ITEM	2019-20 RATIOS							2019-20 BUDGET		2018-19 BUDGET	
	ANNUAL & FAMILY RESPONSIBILITY LEAVE	SICK LEAVE	STUDY	RESEARCH	TRAINING	MANAGEMENT & SUPERVISION	TOTAL %	TOTAL NON-RECOVERABLE HOURS	NON RECOVERABLE HOURS PER EMPLOYEE	TOTAL NON-RECOVERABLE HOURS	NON RECOVERABLE HOURS PER EMPLOYEE
Business executives	11%	4%	0%	0%	6%	61%	82%	29 774	1 654	31 172	1 641
Deputy business executives	11%	4%	0%	0%	6%	56%	77%	24 852	1 553	24 650	1 541
Senior managers	11%	4%	0%	0%	6%	29%	50%	162 637	1 009	162 245	1 020
Senior manager specialists	11%	4%	0%	9%	5%	21%	50%	9 582	1 009	10 204	1 020
Audit managers	11%	4%	0%	4%	6%	14%	40%	371 030	807	360 944	800
Manager specialists	11%	4%	0%	0%	5%	11%	31%	5 315	625	5 122	640
Assistant managers	11%	4%	2%	0%	6%	11%	34%	416 195	686	399 860	700
Performance auditors	11%	4%	2%	3%	6%	8%	34%	19 890	686	12 605	700
Analysts	11%	4%	2%	3%	6%	8%	34%	4 115	686	9 804	700
Audit supervisors	11%	4%	4%	0%	6%	9%	34%	66 870	686	95 938	700
Senior IT auditors	11%	4%	4%	0%	6%	9%	34%	19 890	686	17 507	700
Auditors	11%	4%	4%	0%	6%	7%	32%	18 558	646	19 148	660
Audit clerks	11%	4%	4%	0%	6%	4%	30%	24 711	605	31 212	600
Trainee auditors	11%	4%	8%	0%	6%	4%	34%	898 575	686	859 864	680
IT auditor	11%	4%	6%	0%	5%	4%	30%	22 996	605	21 709	620

1.1.1. RECOMMENDED TARIFFS

Tariffs are based on 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 2019-20 budget tariff is R781 per hour (2018-19: R742 per hour) translating into an increase of R39 per hour or 5% in line with inflation.

NOTES TO THE BUDGET

BUDGET ITEM	2018-19 BUDGET	2019-20 BUDGET	CHANGE	COMMENTS
	RAND PER HOUR (AVERAGE)	RAND PER HOUR (AVERAGE)	RAND PER HOUR (AVERAGE)	
	(1)	(2)	(2)-(1)	

Audit staff				
Business executives	3 069	3 273	204	
Deputy business executives	3 750	3 759	9	
Senior managers	2 176	2 246	70	The tariff increase per hour of R39 or 5% year on year is in line with the budgeted salary increase of 6%.
Senior manager specialists	2 110	2 084	(26)	
Audit managers	1 518	1 583	65	
Manager specialists	1 377	1 115	(262)	The movement in the average tariff per band is mainly due to the movement of staff between bands as a result of promotions and progression in studies.
Assistant managers	932	961	28	
Performance auditors	567	587	20	
Analysts	500	482	(18)	In addition, staff mix and movement in recoverable hours within bands also contributed to the movement in tariffs.
Audit supervisors	515	542	27	
Senior IT auditors	499	504	5	
Auditors	487	268	(219)	
Audit clerks	376	514	138	
Trainee auditors	311	354	43	
IT auditor	240	354	113	
Average	742	781	39	

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 year's practice, specific provision has been made for additional 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).

BUDGET ITEM	2018-19 BUDGET	2019-20 BUDGET	COMMENTS
	R'000	R'000	
Enterprise development	436 320	447 529	This is in line with the AGSA's practice of outsourcing work to private audit firms. The increase is due to allocation of additional work to support the emerging private audit firms.
Pre-issuance	51 863	57 113	Review of audit files before the finalisation of audit reports for presentation to auditees.
Vacancies	102 942	87 915	Provision for additional contract work to accommodate unforeseen vacancies.
Total	591 124	592 557	
% of total income	17%	16%	

NOTES TO THE BUDGET

1.3. S&T – RECOVERABLE

BUDGET ITEM	REF	2018-19 BUDGET	2019-20 BUDGET	CHANGE	
		R'000	R'000	R'000	%
		(1)	(3)	(3)-(1)	(3)-(1)
S&T - recoverable	1.3.1	152 883	167 246	14 363	9.4%
Total		152 883	167 246	14 363	9.4%
% of total income		5%	5%		

1.3.1. CHANGE FROM 2018-19 BUDGET TO 2019-20 BUDGET

The S&T calculation is based on the S&T policy rates and the planned trips to conduct audits. The growth in S&T is partly due to the increase in the rate per kilometre from R4,80 to R5,00 as well as new audits taken on.

1.4. OTHER INCOME

BUDGET ITEM	REF	2018-19 BUDGET	2019-20 BUDGET	CHANGE	
		R'000	R'000	R'000	%
		(1)	(3)	(3)-(1)	(3)-(1)
Interest received : Investments	1.4.1	21 649	23 843	2 194	10.1%
Interest received : Current account		13 960	15 374	1 414	10.1%
Sundry income	1.4.2	28 817	29 402	585	2.0%
Total		64 426	68 619	4 193	6.5%

1.4.1. INTEREST RECEIVED

The increase in interest on both investments (Public Investment Cooperation, Investec, money market and notice deposit accounts) and the current account is due to the planned growth in cash balance as a result of improved cash collection from auditees and liquidation of old debt as a result of a one-off payment received from the National Treasury.

1.4.2. SUNDRY INCOME

Sundry income includes the interest charged on long-outstanding debts, income received from tender documents, and sales from gift shop. The increase is in line with the projected CPIX.

1.5 APPROPRIATION INCOME

The R50 million appropriation income is partly to fund the associated costs to support and coordinate the extended functions and powers brought by the amendment of the PAA.

NOTES TO THE BUDGET

2. PERSONNEL EXPENDITURE

BUDGET ITEM	REF	2018-19 BUDGET	2019-20 BUDGET	CHANGE	
		R'000	R'000	R'000	%
		(1)	(3)	(3)-(1)	(3)-(1)
Leave pay provision	2.1	21 700	37 000	15 300	70.5%
Medical aid provision	2.2	4 174	3 290	(884)	-21.2%
Normal salary and benefits	2.3	1 898 925	2 075 701	176 776	9.3%
Other incentives	2.4	38 767	40 372	1 605	4.1%
UIF & WCA	2.5	6 648	6 693	45	0.7%
Total		1 970 214	2 163 056	192 842	9.8%
% of total income		58,3%	59,7%		

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

2.1. LEAVE PAY PROVISION

The leave pay provision is a function of leave days and salary rate. It is further influenced by the accumulation of leave days allowed in terms of the applicable human resource policy. The number of accumulated leave days is limited to a maximum of 30 days per employee at resignation and 120 days on retirement. The increase is due to the alignment of the provision to the accumulated leave days.

2.2. POST-RETIREMENT MEDICAL AID PROVISION

These estimates are based on actuarial projections by Alexander Forbes Actuaries for the 2019-20 forecast.

NOTES TO THE BUDGET

2.3. NORMAL SALARY

2.3.1. AUDIT STAFF (ABUs)

EMPLOYEE GROUP	TOTAL		AVERAGE SALARY PER BAND R'000	POSITIONING AGAINST BENCHMARK - RANGE R'000	COMMENTS
	NO.	R'000			
Business executives	18	35 757	1 986	R1 792 - R2 688	The average salary per band is in line with the salary surveys conducted by the AGSA's People and Organisation Effectiveness BU.
Deputy business executives	16	27 364	1 710	R1 475 - R2 212	
Audit senior managers	161	209 818	1 301	R1 049 - R1 776	
Senior manager specialists	10	11 301	1 190	R1 046 - R1 776	The audit supervisor and 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.
Manager specialists	9	6 372	750	R628 - R1 357	
Performance auditors	29	11 980	413	R 297 - R590	
Analysts	6	2 154	359	R 342 - R 643	
IT auditors	38	7 300	192	R150 - R499	
Senior IT auditors	29	11 839	408	R372 - R642	The audit clerks group consists of employees who have successfully completed their training contracts, but are behind on academic progress. These employees are transferred from the trainee auditors' band to the audit clerks' band on a fixed-term contract.
Audit managers	460	462 862	1 007	R628 - R1 357	
Assistant managers	607	383 041	631	R419 - R977	
Audit supervisors	98	36 516	375	R344 - R607	
Auditors	29	10 320	359	R277 - R505	
Audit clerks	41	8 788	215	R225 - R354	
Trainee auditors	1 310	267 751	204	R127 - R490	
Total	2 859	1 493 163	522		

Note: The total audit staff cost includes overtime and staff contracted in (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 R'000	POSITIONING AGAINST BENCHMARK - RANGE R'000	COMMENTS
	NO.	R'000			
Corporate executive group	14	45 670	3 262	R2 337 - R5 673	Includes salaries of the auditor-general and deputy auditor-general.
Business executives	12	21 050	1 754	R 1 706 - R 2 559	
Deputy business executive	10	15 668	1 567	R 1 374 - R2 061	The salary benchmark is in line with the salary scale projections done by People and Organisation Effectiveness Business Unit
Senior managers	71	97 047	1 367	R 1 049 - R 1 573	
Managers	263	241 092	917	R481 - R1 202	
Admin staff & specialists	395	162 010	410	R149 - R590	
Total support staff	765	582 538	761		

2.3.3. TOTAL STAFF

BUSINESS FOCUS AREAS	2018-19 BUDGET		2019-20 BUDGET		COMMENTS
	NO.	R'000	NO.	R'000	
Total audit staff	2 808	1 390 679	2 859	1 493 163	The increase in audit staff remuneration is mainly due to annual salary increases and the appointment of trainee accountants with a CTA qualification, coupled with trainee accountants' academic progression. Appointments of additional staff as a result of takeover of some SOC audits also contributed to the increase.
Total support staff in audit and non-audit business units	756	508 246	765	582 538	
Total staff	3 564	1 898 925	3 624	2 075 700	The increase in support staff remuneration is due to annual salary increases and the appointment of additional staff to support and coordinate the extended functions and powers offered by the PAA amendments.

NOTES TO THE BUDGET

2.4. OTHER INCENTIVES

BUDGET ITEM	2018-19 BUDGET	2019-20 BUDGET	CHANGE		COMMENTS
	R'000	R'000	R'000	%	
	(1)	(3)	(3)-(1)	(3)-(1)	
Group life scheme	38 599	40 139	1 540	4.0%	The increase in the group risk costs are mainly driven by the AGSA's claim history and the growth in the wage bill year on year.
Long service awards	167	233	66	39.2%	Long-service awards are part of the staff retention incentives (total reward) and have been increased to enhance employee value proposition.
Business unit recognition scheme	1 248	3 152	1 904	152.6%	These are BU recognition incentives used to reward teamwork and promote staff morale. The budget, which had been kept at R350 per employee for the past couple of years, has been increased to R1 050 per employee to enhance the value of the reward.
Total	40 014	43 523	3 509	8.8%	

2.5. UIF & WCA

BUDGET ITEM	2018-19 BUDGET	2019-20 BUDGET	CHANGE	
	R'000	R'000	R'000	%
	(1)	(2)	(2)-(1)	(2)-(1)
UIF employer's contribution	5 143	5 283	140	2.7%
Workmen's compensation premiums	1 506	1 410	(96)	-6.4%
Total	6 649	6 693	44	0.7%

These levies are based on the full budgeted staff complement of 3 624 and have been calculated for the full year. The rate used is in terms of the relevant legislation.

2.6. PERFORMANCE BONUS

The increase in the performance bonus for 2019-20 is due the alignment to actuals of the previous year and the changes in the total reward model, coupled with the drive to foster a culture of robust performance management and retain employees.

NOTES TO THE BUDGET

3. OUTSOURCED SERVICES

BUDGET ITEM	2018-19 BUDGET	2019-20 BUDGET	CHANGE	
	R'000	R'000	R'000	%
	(1)	(3)	(3)-(1)	(3)-(1)
Consultants' fees	31 899	36 290	4 391	13.8%
▪ Ongoing projects	25 427	8 218	(17 209)	-67.7%
▪ One-off ad hoc projects	6 473	28 071	21 598	333.7%
Total	31 900	36 289	4 389	13.8%
% of total income	0.9%	1.0%		

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

BUDGET ITEM	2019-20 BUDGET			COMMENTS
	ON- GOING	ONCE- OFF	TOTAL	
	R'000	R'000	R'000	
Quality Control	867		867	External firm-level review and annual quality control reviews by the Independent Regulatory Board of Auditors. Experts for mandatory quality control, e.g. information systems audit. Experts for firm-level reviews performed by the internal Quality Control BU.
Finance	809	7 006	7 815	The relocation of head office and North West offices to new premises. This includes professional fees required for successfully delivering on the project.
Information Systems Audit	875	625	1 500	Development and execution of the project assurance methodology, AGSA data analytics strategic project, drafting of Integrated Financial Management System (IFMS) audit methodology, which will guide the BU on how to audit IFMS.
People & Organisation Effectiveness	600	3 000	3 600	Costs for the organisational Culture Journey Map and Leadership Assessment Development Centre (LADC)/ Management Assessment Development Centre (MADC) assessment, which informs leadership development and succession planning and management.
Communication	804		804	Media monitoring, technical writer and audit of content for the annual report to ensure that AGSA's messages are simple, clear and relevant.
Information Communication & Technology		14 000	14 000	Cost of services for: <ul style="list-style-type: none"> ▪ security framework information cyber security ▪ information security management (define information security plan) ▪ Modernised service operation capability ▪ Enhance testing capability

NOTES TO THE BUDGET

BUDGET ITEM	2019-20 BUDGET			COMMENTS
	ON-GOING	ONCE-OFF	TOTAL	
	R'000	R'000	R'000	
Strategy & Transformation	320	70	390	Service providers for mid-year & year-end verification process (B-BBEE), PAA remedial action and referrals reports.
Research and Development		400	400	Further stages of audit methodology, software content development and technical support
Performance Audit	2 400		2 400	To contract in specialists to do extensive research and develop focus areas for integrated and stand-alone performance audits. This would assist in developing deeper knowledge of auditees and understand their value chains in areas where the AGSA does not have own specialists.
Risk and Ethics				Cost of services for:
	207	60	267	<ul style="list-style-type: none"> whistle-blowing tool: Initiative to introduce a whistle-blowing tool as part of strategic risk profile approved by audit committee. internal controls monitoring tool annual fees expert/speaker/presenter at SMEs capacity building workshops
Knowledge Management	333	250	583	SharePoint outsourced services EXTRANET, data clean up, knowledge management, iKnow database enhancement & content, professional video recordings, stakeholder profiles and digitisation.
Strategic Audit Projects		1 500	1 500	Costs to conduct an evaluation on the CWC and pre-issuance tender blue print.
Chief People office		650	650	Costs of services for the following: <ul style="list-style-type: none"> Alumni association/network and development programme Critical skills retention at executive level Alumni sponsors visibility People strategy cascading: 10 years of development (people report - celebrating decades of people development, leadership transformation and 1000 CAs from AGSA)
Business support & operations	524	460	984	Outsourced services for the following: <ul style="list-style-type: none"> Legal reference and background checks for new appointments. Recruitment module enhancements. ER tool automation and integration.
Auditor-general	350	-	350	The Intosai auditor professionalisation taskforce and the Intosai capacity-building committee work stream that are chaired by the auditor-general.
Secretarial	130	50	180	Costs to facilitate SCoAG meetings and continuous training for governance structures.
Total	8 218	28 071	36 289	

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	2018-19 BUDGET	2019-20 BUDGET	CHANGE	
	R'000	R'000	R'000	%
	(1)	(3)	(3)-(1)	(3)-(1)
S&T- irrecoverable	28 819	34 133	5 314	18%
Total	28 819	34 133	5 314	18%
% of total income	0,9%	0,9%		

The 18% growth is mainly due to the increase in accommodation costs as a result of pooling audit staff across business units and these costs are not recoverable from auditees.

5. ACCOMMODATION

5.1. RENTALS

The decrease in the average monthly cost per square metre is due to the continuous lease re-negotiations in support of the cost-containment strategy.

LOCATION	BUDGET 2018-19		BUDGET 2019-20			MONTHLY COST PER SQUARE METRE: 2019-20	COMMENTS
	SQUARE METRES OCCUPIED	MONTHLY COST PER SQUARE METRE	SQUARE METRES OCCUPIED	TOTAL STAFF ESTABLISHMENT	BASIC RENTAL COST		
Western Cape	3 247	166	3 247	221	6 993 114	179	The year-on-year increase in rental costs is attributed to annual escalation per lease agreement as well as the increase of office space for head office of 6,935 square metres.
Eastern Cape	3 827	150	3 827	282	7 476 708	163	
Mpumalanga	1 712	158	1 712	161	2 595 690	126	
Kwazulu-Natal	4 085	157	4 085	236	8 778 784	179	
North West	1 518	106	2 004	139	3 393 595	141	
Limpopo	2 130	273	2 130	177	3 945 825	154	The decrease in the average monthly cost per square metre is due to the continuous lease re-negotiations in support of the cost-containment strategy.
Free State	1 960	140	1 960	196	3 348 360	142	
Johannesburg	3 500	164	3 351	235	6 965 810	173	
Northern Cape	2 031	145	2 031	157	3 249 408	133	
Pretoria	15 365	183	22 300	1 784	39 607 587	148	
Total	39 375	171	46 647	3 587	86 354 883	154	

NOTES TO THE BUDGET

6. STAKEHOLDER RELATIONSHIP

BUDGET ITEM	REF.	2018-19	2019-20	CHANGE	
		BUDGET	BUDGET		
		R'000	R'000	R'000	%
		(1)	(3)	(3)-(1)	(3)-(1)
Liaison	6.1.1	8 105	11 214	3 109	38.4%
Internal stakeholder	6.1.2	2 139	4 003	1 864	87.2%
External stakeholder	6.1.3	2 430	2 472	42	1.7%
Total		12 674	17 690	5 016	39.6%
% of total income		0,4%	0,5%		

6.1. STAKEHOLDER RELATIONSHIP

6.1.1. LIAISON

Contained in liaison are costs for employee communication, media management, events management and branding. The increase is mainly driven by awareness sessions on PAA amendments and a drive to enhance the AGSA's brand in order to improve the employee value proposition.

NOTES TO THE BUDGET

6.1.2. INTERNAL STAKEHOLDER

BUDGET ITEM	2018-19 BUDGET			2019-20 BUDGET			VARIANCE		COMMENTS
	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)			
Business unit team effectiveness activities	3 564	600	2 139	3 624	1 105	4 003	1 798	66	These are activities that occur every year for internal stakeholder relationship improvement and include costs related to relationship building, farewell functions, staff lunches, etc. The average cost per head per annum is R1 105 (budget 2018-19: R600). The increase in 2019-20 budget is in support of the AGSA's strategy to enhance staff engagement and employee value proposition.
Total	3 564	600	2 139	3 624	1 105	4 003	1 798	66	

6.2.3. EXTERNAL STAKEHOLDER

BUDGET ITEM	2018-19 BUDGET			2019-20 BUDGET			VARIANCE
	NUMBER OF EMPLOYEES	ALLOWANCE PER ANNUM	TOTAL	NUMBER OF EMPLOYEES	ALLOWANCE PER ANNUM	TOTAL	
	(1)	R'000 (2)	R'000 (3)	(4)	R'000 (5)	R'000 (6)	
Business executives/ heads of units – national	24	13	315	25	12	295	(20)
Business executives provincial	9	13	118	9	12	111	(7)
Deputy business executives	16	13	210	26	11	282	72

NOTES TO THE BUDGET

BUDGET ITEM	2018-19			2019-20			VARIANCE
	BUDGET			BUDGET			
	NUMBER OF EMPLOYEES	ALLOW- ANCE PER ANNUM	TOTAL	NUMBER OF EMPLOYEES	ALLOW- ANCE PER ANNUM	TOTAL	
		R'000	R'000		R'000	R'000	
	(1)	(2)	(3)	(4)	(5)	(6)	(6)-(3)
Senior managers	238	7	1 607	242	7	1 599	(8)
Exco	13	14	180	14	13	185	5
Total	300	8	2 430	316	8	2 472	42

These costs relate to the improvement of relationships and communication with both internal and external stakeholders. The objective with regard to interaction with external stakeholders is to improve the consistency and effectiveness of the AGSA's messages by providing insights to its auditees on their audit outcomes. Internal stakeholder costs are attributable to investment in staff aligning their contribution to the vision and mission of the AGSA. The budget allowance applied per band to compute the budget costs have been reduced to support the cost optimisation strategy.

6.2. REGIONAL CONGRESSES (STRATEGIC ALIGNMENT WORKSHOP)

BUDGET ITEM	2018-19 BUDGET			2019-20 BUDGET			VARIANCE	COMMENTS
	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	3 564	1 106	3 942	3 624	1 555	5 636	1 694	The growth is due to the increase of BU/ corporate executive engagement as a result of the implementation of PAA amendments and interventions to address the outcome of the employee engagement survey.
Senior management workshop (SMW)	300	13 000	3 900	316	12 668	4 000	100	
Total			7 842			9 636	1 794	

NOTES TO THE BUDGET

6.3. FOREIGN VISITORS

BUDGET ITEM	2018-19 BUDGET	2019-20 BUDGET	CHANGE	
	R'000	R'000	R'000	%
	(1)	(3)	(3)-(1)	(3)-(1)
Foreign visitors	220	200	-20	-9%
Total	220	200	-20	-9%

These expenses relate to foreign visitors from the other SAs to the AGSA and are based on the expected number of visitors. The number of foreign visitors in 2019-20 and the related costs are expected to decrease compared to 2018-19.

6.4. OVERSEAS TRAVEL

BUDGET ITEM	2018-19 BUDGET	2019-20 BUDGET	CHANGE		COMMENTS
	R'000	R'000	R'000	%	
	(1)	(3)	(3)-(1)	(3)-(1)	
Auditor-general & deputy auditor-general	3 300	3 800	500	15.2%	Planned trips for the auditor-general and the deputy auditor-general. The auditor-general's international commitments include Intosai (CBC chairperson), Afrosai and Afrosai-E.*
Institutional cooperation and others	1 700	2 700	1 000	58.8%	Includes Intosai (regional working groups) responsibilities of subject matter experts, conferences/seminars and national leader visit to SAI Canada Peer review, which was previously not budgeted for.
Total	5 000	6 500	1 500	30.0%	

* The costs for the auditor-general include expenses of staff supporting the auditor-general in his office who will be travelling with him or on his behalf.

NOTES TO THE BUDGET

7. OVERSIGHT GOVERNANCE

BUDGET ITEM	2018-19 BUDGET	2019-20 BUDGET	CHANGE		COMMENTS
	R'000	R'000	R'000	%	
	(1)	(3)	(3)-(1)	(3)-(1)	
Parliamentary oversight (Scoag)	92	268	176	191%	The budgeted costs and increases are mainly driven by the increase in the number of meetings held per annum. The meetings are expected to increase, especially due to the implementation of the PAA amendments.
Corporate governance boards (auditor-general advisory board, audit committee, and quality control assessment committee)	1 210	1 845	635	53%	
Total	1 302	2 113	811	62%	
% total income	0,04%	0,06%			

8. AUDIT FEES

8.1. EXTERNAL AUDIT FEES

BUDGET ITEM	2018-19 BUDGET	2019-20 BUDGET	CHANGE		COMMENTS
	R'000	R'000	R'000	%	
	(1)	(3)	(3)-(1)	(3)-(1)	
Financial audit	2 777	4 088	1 311	47.2%	The audit fees are based on the estimates provided by the AGSA's external auditors and cover planning, interim audit, final audit, BU visits, internal control reviews as well as other ad hoc reviews such as pre-issuance reviews. The increase is due to the alignment of time required to perform balance scorecard, performance bonus and salary audits. The salary audit is performed to ensure that the salary increases are effected as per exco resolution.
Sustainability review	1 433	243	(1 190)	-83.0%	
Other assurance reviews and disbursement	765	541	(224)	-29.3%	
Total	4 975	4 872	(102)	-2.1%	
% of total income	0,1%	0,1%			

NOTES TO THE BUDGET

8.2. INTERNAL AUDIT FEES

BUDGET ITEM	2018-19 BUDGET	2019-20 BUDGET	CHANGE	
	R'000	R'000	R'000	%
	(1)	(3)	(3)-(1)	(3)-(1)
Routine financial audits	522	1 134	612	117.4%
Routine human capital-related audits	643	538	(105)	-16.3%
Routine internal controls audits	1 338	2 122	784	58.6%
Business unit visits	552		(552)	-100.0%
Ad hoc assignments and systems queries (Caats application)	484	496	12	2.5%
Project management and attendance of audit committee meetings	524	311	(213)	-40.6%
Risk management meetings and strategic risk assessment	164	200	37	22.5%
Audit software project review	566		(566)	-100.0%
Disbursements	207	144	(63)	-30.4%
Total	4 999	4 946	(53)	-1.1%
% of total income	0,1%	0,1%		

The decrease is due to the consolidation of some audits.

9. RECRUITMENT EXPENSES

BUDGET ITEM	2018-19 BUDGET	2019-20 BUDGET	CHANGE		COMMENTS
	R'000	R'000	R'000	%	
	(1)	(3)	(3)-(1)	(3)-(1)	
Advertisements	1 060	1 405	345	32.5%	Costs related to advertisement of vacancies and graduate recruitment programmes. The increase is due to alignment to the 2017-18 actuals and filling of vacancies.
Personnel agency fees	2 800	3 000	200	7.1%	Agency fees are based on a percentage of salary costs of staff expected to be recruited in the 2019-20 financial year. This includes the appointments of additional staff as a result of take-over of some SOC audits as well as additional staff to support and coordinate the extended functions and powers offered by the PAA amendments.

NOTES TO THE BUDGET

BUDGET ITEM	2018-19 BUDGET	2019-20 BUDGET	CHANGE		COMMENTS
	R'000	R'000	R'000	%	
	(1)	(3)	(3)-(1)	(3)-(1)	
Interviews	1 519	1 608	88	5.8%	The increase is due to interviews emanating from the talent pools, which require some candidates to travel from one region to another. Included in the budget are the costs of performing psychometric assessments as part of recruitment processes.
Transfer and relocation expenses	2 000	3 500	1 500	75.0%	The costs include pre-visit costs for internal and external candidates and reimbursement of transportation costs as well as three month's payment of accommodation costs. The increase is due to the planned movement of candidates from one region to another.
Total	7 379	9 513	2 133	28.9%	
% of total income	0,2%	0,3%			

10. LEARNING AND DEVELOPMENT

BUDGET ITEM	REF.	2018-19 BUDGET	2019-20 BUDGET	CHANGE	
		R'000	R'000	R'000	%
		(1)	(3)	(3)-(1)	(3)-(1)
Membership fees	10.1	21 004	23 109	2 104	10.0%
Training:		36 848	41 258	4 409	12.0%
Internal training	10.2	27 262	28 979	1 717	6.3%
Conference and seminars		4 743	7 193	2 450	51.7%
Graduates programmes		4 844	5 086	242	100.0%
Study assistance: employees	10.3	20 640	20 115	(525)	-2.5%
HC development projects		2 890	2 854	(36)	-1.2%
Bursaries	10.4	24 916	25 923	1 007	4.0%
Study support incentive scheme		5 252	6 699	1 447	27.6%
Tertiary assistance	10.4	5 606	5 000	(606)	-10.8%
Study support incentive scheme : Top-up one		186	178	(8)	-4.3%
Skills development levy		18 655	19 820	1 166	6.2%
Skills development levy - recovered		(10 000)	(10 650)	(650)	6.5%
Total		125 997	134 307	8 310	6.6%
% of total income		3.7%	3.7%		

NOTES TO THE BUDGET

10.1. MEMBERSHIP FEES

The 2019-20 budget for membership fees is based on current and future professional staff in take and the annual increase in membership fees.

10.2. TRAINING

TYPE OF EXPENSE	2018-19 BUDGET	2019-20 BUDGET	CHANGE	
	R'000	R'000	R'000	%
	(1)	(3)	(3)-(1)	(3)-(1)
Internal	27 262	28 979	1 717	6.3%
Conferences and seminars	4 743	7 193	2 450	51.7%
Graduate programmes	4 844	5 086	242	100.0%
Total	36 848	41 258	4 409	12.0%

The increase is mainly due to the additional programme on executive development, coaching for professionals within the organisation. In addition, the budget includes the costs for the PAA amendment-related training and TA scheme development initiatives.

10.3. STUDY ASSISTANCE: EMPLOYEES

COURSE OF STUDY	2018-19 BUDGET	2019-20 BUDGET	COMMENTS
	R'000	R'000	
Diploma	153	149	This is in line with the AGSA's preference to focus on graduate students. The bulk of the amount budgeted relates to 1 210 auditors (budget 2018-19: 1 210).
Degree	561	547	
CTA / Honours	13 462	13 120	
FQE support courses	1 946	1 897	
Non accounting degrees and diplomas	1 283	1 250	
Post-graduate, RGA ,CISA	3 235	3 153	
Total	20 640	20 115	

The budgeted amount is influenced by the study support policy, which prescribes that the AGSA offer financial assistance only to employees that meet their academic progress requirements and the increase in the number of employees that qualify for study assistance.

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.

	2018-19 BUDGET	2019-20 BUDGET
	R'000	R'000
Thuthuka	14 605	15 491
External bursaries	8 988	9 059
Sponsorship, functions & other	1 323	1 373
Tertiary assistance	5 605	5 000
Total	30 521	30 923

SAICA THUTHUKA PROGRAMME

The investment in Thuthuka support in line with the strategy to improve the trainee auditor mix of 60% CTA and 40% degree has been maintained. This strategy will result in improved recovery rates for this level due to less time spent on study activities.

EXTERNAL BURSARIES AND CENTENARY SCHOLARSHIP

This refers to the cost of our commitment to 129 external bursary holders (2018-19 budget: 97). The increase in the number of students is driven by incorporation of the centenary scholarship programme into the AGSA bursary scheme and the focus on investing more on the Thuthuka program to improve on the intake of trainees with CTA

NAME OF UNIVERSITY	NO. OF STUDENTS: BUDGET 2018-19	NO. OF STUDENTS: BUDGET 2019-20
Johannesburg	13	22
Wits	13	14
Pretoria	5	10
Monash	2	-
Free State	6	16
Kwazulu-Natal	13	5
Cape Town	9	8
Stellenbosch	5	6
Nelson Mandela Metro	2	1
North West	11	18
Fort Hare	13	19
Rhodes	3	5
Limpopo	0	4
Western Cape	2	1
Total	97	129

NOTES TO THE BUDGET

TERTIARY ASSISTANCE

The AGSA continues to support the universities to maintain SAICA accreditation through the AGSA Academic Trainees programme (junior lectures) and other academic projects.

11. EMPLOYEE WELLNESS PROGRAMME

BUDGET ITEM	2018-19 BUDGET	2019-20 BUDGET	CHANGE		COMMENTS
	R'000	R'000	R'000	%	
	(1)	(3)	(3)-(1)	(3)-(1)	
Employee wellness programmes	5 292	4 000	(1 292)	-24.4%	<p>This relates to fees paid to external service providers for various services, which include employee assistance, executive wellness, lifestyle management and HIV/Aids programmes. The decrease is in support of the AGSA's drive to contain cost escalations.</p>
Socio development programme	1 480	1 480	-	0.0%	<p>As part of the AGSA's sustainability model, the socio-economic development programme aims to ensure the promotion and awareness of the accounting and auditing profession, but also serves to uplift the communities in which the AGSA operates. The outsourced services are for the following initiatives:</p> <p>Conferences and gala dinner sponsorships for:</p> <ul style="list-style-type: none"> ▪ Follow-up perception survey which will factor in citizens and section 4(3) ▪ ABASA gala dinner ▪ AWCA dinner and related conference package ▪ ABASA audit outcome feedback session ▪ SAICA gala dinner <p>Sponsorship of the adopted schools, historically disadvantaged universities and Mandela Day initiatives.</p>
Auditor-general social responsibility	3 000	2 508	(492)	-16.4%	<p>These costs typically include AGSA centenary scholarship fund and sponsorship of tables at fundraising events hosted by organisation such Association for the Advancement of Black Accountants of Southern Africa. The decrease is in line with strategy to optimise events so as to contain cost escalations, furthermore the centenary scholarship beneficiaries have been absorbed into the AGSA external bursary scheme.</p>

NOTES TO THE BUDGET

BUDGET ITEM	2018-19 BUDGET	2019-20 BUDGET	CHANGE		COMMENTS
	R'000	R'000	R'000	%	
	(1)	(3)	(3)-(1)	(3)-(1)	
Enterprise development	4 000	2 000	(2 000)	-50.0%	This includes B-BBEE interventions to support and uplift black entrepreneurs and support for the growth of the auditing profession. The budget for 2019-20 was determined based on the affordability principle. The decrease is due to the change in focus from financial assistance to providing audit work to emerging audit firms.
Total	13 772	9 988	-3 784	-27.5%	

12. TECHNOLGICAL SERVICES

BUDGET ITEM	REF.	2018-19 BUDGET	2019-20 BUDGET	CHANGE	
		R'000	R'000	R'000	%
		(1)	(3)	(3)-(1)	(3)-(1)
Licence and equipment maintenance	12.1	60 878	64 229	3 351	5,5%
Hiring of equipment - rental	12.2	5 829	5 881	53	0,9%
Hiring of equipment - copy charges		1 852	1 661	(190)	-10,3%
Total		68 557	71 771	3 213	4,7%
% of total income		2,0%	2,0%		

12.1. COMPUTER SERVICES

BUDGET ITEM	2018-19 BUDGET	2019-20 BUDGET	CHANGE		COMMENTS
	R'000	R'000	R'000	%	
	(1)	(3)	(3)-(1)	(3)-(1)	
IT maintenance and support	34 189	35 587	1 398	4,1%	The increase in IT maintenance and support is due to software licence fees for PeopleSoft, Microsoft and TeamMate, mobile connectivity costs (Telkom and Vodacom). The increase is in line with inflation.
Networks	23 364	24 470	1 106	4,7%	
Security	2 925	3 612	687	23,5%	
Telecommunications	400	560	160	40,0%	
Total	60 878	64 229	3 351	5,5%	
% of total income	1,8%	1,8%			

12.2. HIRING OF EQUIPMENT – RENTAL

The rental agreement of R3 800 per month remains the same as 2018-19, the marginal decrease is due to the BUs' planning to share the existing multifunction copy machines, instead of acquiring new ones.

NOTES TO THE BUDGET

13. INSURANCE AND LEGAL FEES

BUDGET ITEM	2018-19 BUDGET	2019-20 BUDGET	CHANGE		COMMENTS
	R'000	R'000	R'000	%	
	(1)	(3)	(3)-(1)	(3)-(1)	
Insurance	2 698	3 177	478	17,7%	The increase is due to the alignment of the budget to the AGSA's claim history and the increased premiums to cover electronic equipment and software.
Legal fees and contingency	4 748	31 491	26 744	563,3%	These costs relate to anticipated labour-related cases, costs related to litigation of debtors and legal costs for audit push backs. The increase is mainly due to the legal costs related to the implementation of PAA amendments.
Total	7 446	34 668	27 222	365,6%	
% of total income	0,2%	1,0%			

14. OFFICE MAINTENANCE

BUDGET ITEM	2018-19 BUDGET	2019-20 BUDGET	CHANGE	
	R'000	R'000	R'000	%
	(1)	(3)	(3)-(1)	(3)-(1)
Office maintenance	30 831	34 765	3 934	12,8%*
Total	30 831	34 765	3 934	12,8%
% of total income	0,9%	1,0%		

* Does not include present value adjustment of sundry expenses.

Included in office maintenance are costs of cleaning (R7,2 million), office improvements, refreshments and publications (R8,7 million), repairs and maintenance (R5,7 million), stationery and printing (R8,7 million) and others (R4,4 million). The growth in budget is mainly due to an increase in refreshment costs due to staff growth as well as repairs and maintenance of furniture and equipment.

NOTES TO THE BUDGET

15. COMMUNICATION

BUDGET ITEM	REF	2018-19 BUDGET	2019-20 BUDGET	CHANGE	
		R'000	R'000	R'000	%
		(1)	(3)	(3)-(1)	(3)-(1)
Telephone charges	15.1	4 593	3 880	(713)	-15,5%
Cellphone charges	15.2	8 094	9 093	999	12,3%
Postage and courier services		1 533	3 191	1 658	106,2%
Total		14 220	16 164	1 944	18,7%
% of total income		0,4%	0,4%		

15.1. TELEPHONE CHARGES

The costs are mainly influenced by the budgeted number of staff and the average cost per staff member. The decrease is due to the alignment of the budget to the 2017-18 actuals.

15.2. CELLPHONE CHARGES

The increase in cellphone costs is mainly driven by the growth in the budgeted number of qualifying staff, increase in allowances and inflation adjustments.

16. DEPRECIATION

BUDGET ITEM	2018-19 BUDGET	2019-20 BUDGET	CHANGE	
	R'000	R'000	R'000	%
	(1)	(3)	(3)-(1)	(3)-(1)
Motor vehicles	885	848	(37)	-4,2%
Furniture & equipment	4 549	3 010	(1 539)	-33,8%
Computer equipment	11 981	24 588	12 607	105,2%
Computer software	12 283	10 255	(2 028)	-16,5%
Leasehold improvements	4 538	3 639	(899)	-19,8%
Total	34 236	42 340	8 104	23,7%
% of total income	1,0%	1,2%		

The depreciation expense budget is based on the depreciation of existing assets plus the depreciation of assets to be purchased as per 2018-19 and 2019-20 capital expenditure budgets, based on the AGSA's asset management policy.

The increase is mainly due to acquisition of computer hardware required in the 2019-20 as well as notebooks for new employees and the replacement of old ones.

NOTES TO THE BUDGET

17. CAPITAL EXPENDITURE BUDGET

17.1. MOTOR VEHICLES

DESCRIPTION	2018-19 BUDGET	ACQUISITIONS: BUDGET 2019-20	DEPRECIATION	2019-20 BUDGET
	NCV			NCV
	R'000			R'000

Motor vehicles	1 283	3 650	848	4 085
Total	1 283	3 650	848	4 085

LOCATION	2018-19 BUDGET	2019-20 BUDGET
	R'000	R'000

Provision for the purchase of motor vehicles in the Eastern Cape, Mpumalanga, Western Cape offices and the new car for the AG.	600	3 650
Total	600	3 650

17.2. FURNITURE AND EQUIPMENT

DESCRIPTION	2018-19 BUDGET	ACQUISITIONS: BUDGET 2019-20	DEPRECIATION	2019-20 BUDGET
	NCV			NCV
	R'000			R'000

Furniture and equipment	21 051	22 312	3 010	40 353
Total	21 051	22 312	3 010	40 353

LOCATION	2018-19 BUDGET	2019-20 BUDGET	COMMENTS
	R'000	R'000	

Pretoria and other regional offices	5 411	22 312	New furniture acquisition is budgeted for centrally from head office for all our AGSA offices. The AGSA initiated processes for the acquisition of new premises for the headquarters and Northwest offices. The requirements include increased building size, which will result in increasing furniture requirements as per AGSA branding.
Total	5 411	22 312	

NOTES TO THE BUDGET

17.3. LEASEHOLD IMPROVEMENTS

DESCRIPTION	2018-19 BUDGET	ACQUISITIONS: BUDGET 2019-20	DEPRECIATION	2019-20 BUDGET
	NCV			NCV
	R'000			R'000
Leasehold improvements	13 094	56 611	3 639	66 066
Total	13 094	56 611	3 639	66 066

LOCATION	2018-19 BUDGET	2019-20 BUDGET	COMMENTS
	R'000	R'000	
Pretoria and other regional offices	1 800	56 612	Leasehold improvements are budgeted for centrally from head office for all our AGSA offices. Leases for the headquarters and Northwest offices are due to expire and the offices will be relocated to new premises. The budget for leasehold improvements is for the office lay-out and design in line with the AGSA branding.
Total	1 800	56 612	

17.4. COMPUTER HARDWARE, NETWORK AND SECURITY

DESCRIPTION	2018-19 BUDGET	ACQUISITIONS: BUDGET 2019-20	DEPRECIATION	2019-20 BUDGET
	NCV			NCV
	R'000			R'000
Computer hardware	103 149	37 263	24 588	115 825
Total	103 149	37 263	24 588	115 825

BUDGET ITEM	REF.	2018-19 BUDGET	2019-20 BUDGET	CHANGE	
		R'000	R'000	R'000	%
		(1)	(3)	(3)-(1)	(3)-(1)
Computer hardware	17.4.1	10 799	9 802	(997)	-9,2%
Networks	17.4.2	3 500	3 000	(500)	-14,3%
Security	17.4.3	11 000	2 500	(8 500)	-77,3%
Notebooks	17.4.4	18 560	21 962	3 402	18,3%
Total		43 859	37 264	(6 595)	-15,0%

NOTES TO THE BUDGET

17.4.1.COMPUTER HARDWARE

The decrease is due to less computer hardware required in the 2019-20 financial year as a result of new laptops planned to be rolled out in the 2018-19 financial year.

17.4.2.NETWORKS

The decrease is due to the refreshed environment of the server and storage infrastructure project as well as the network project taking place in the 2019-20 financial year.

17.4.3.SECURITY

The decrease is due to the implementation of the approved IT security framework project (2017 - 2020), the bulk cost of which was budgeted for in 2018-19.

17.4.4.NOTEBOOKS

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

17.5. COMPUTER SOFTWARE

DESCRIPTION	2018-19 BUDGET	ACQUISITIONS: BUDGET 2019- 20	DEPRECIATION	2019-20 BUDGET
	NCV			NCV
	R'000			R'000
Computer software	34 739	12 573	10 255	37 057
Total	34 739	12 573	10 255	37 057

BUDGET ITEM	2018-19 BUDGET	2019-20 BUDGET	COMMENTS
	R'000	R'000	
New software licence	6 730	10 050	These are additional licences to be procured to accommodate all staff members, e.g. Microsoft (tru-up), Qlikview, Oracle, Data Analytics and TeamMate
New systems implementation	1 300	2 523	Procurement of new licences for ISA (Pen Lab tool, Bandwidth Monitoring tool, Firewall auditing tool and PPS auditing tool)
Total	8 030	12 573	

A large, stylized 'V' shape is formed by two overlapping chevron-like shapes. The outer shape is a light blue, and the inner shape is a slightly darker shade of blue. The 'V' is centered on the page and points downwards.

ANNEXURE C

**Proposed Internal
Rates 2019-20**

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ANNEXURE C

PROPOSED INTERNAL RATES 2019-20

CATEGORIES	SALARY INTERVAL		TARIFF			
	SALARY LOWER	SALARY UPPER	REGULARITY AUDIT	INFORMATION SYSTEM AUDIT	PERFORMANCE AUDIT	INVESTIGATIONS
BUSINESS EXECUTIVE			3 273	3 273	3 273	3 273
DEPUTY BUSINESS EXECUTIVE	1 000 000	1 020 000	2 385	2 427	1 689	2 512
	1 020 000	1 040 000	2 432	2 475	1 722	2 562
	1 040 000	1 060 000	2 480	2 523	1 755	2 611
	1 060 000	1 080 000	2 527	2 572	1 789	2 661
	1 080 000	1 100 000	2 574	2 620	1 822	2 711
	1 100 000	1 120 000	2 621	2 668	1 856	2 760
	1 120 000	1 140 000	2 669	2 716	1 889	2 810
	1 140 000	1 160 000	2 716	2 764	1 923	2 860
	1 160 000	1 180 000	2 763	2 812	1 956	2 910
	1 180 000	1 200 000	2 810	2 860	1 990	2 959
	1 200 000	1 220 000	2 857	2 908	2 023	3 009
	1 220 000	1 240 000	2 905	2 956	2 056	3 059
	1 240 000	1 260 000	2 952	3 004	2 090	3 109
	1 260 000	1 280 000	2 999	3 052	2 123	3 158
	1 280 000	1 300 000	3 046	3 100	2 157	3 208
	1 300 000	1 320 000	3 094	3 148	2 190	3 258
	1 320 000	1 340 000	3 141	3 196	2 224	3 308
	1 340 000	1 360 000	3 188	3 244	2 257	3 357
	1 360 000	1 380 000	3 235	3 293	2 290	3 407
	1 380 000	1 400 000	3 283	3 341	2 324	3 457
	1 400 000	1 420 000	3 330	3 389	2 357	3 507
	1 420 000	1 440 000	3 377	3 437	2 391	3 556
	1 440 000	1 460 000	3 424	3 485	2 424	3 606
	1 460 000	1 480 000	3 471	3 533	2 458	3 656
	1 480 000	1 500 000	3 519	3 581	2 491	3 705
	1 500 000	1 520 000	3 566	3 629	2 525	3 755
	1 520 000	1 540 000	3 613	3 677	2 558	3 805
	1 540 000	1 560 000	3 660	3 725	2 591	3 855
	1 560 000	1 580 000	3 708	3 773	2 625	3 904
	1 580 000	1 600 000	3 755	3 821	2 658	3 954
	1 600 000	1 620 000	3 802	3 869	2 692	4 004
	1 620 000	1 640 000	3 849	3 917	2 725	4 054
	1 640 000	1 660 000	3 896	3 965	2 759	4 103
	1 660 000	1 680 000	3 944	4 014	2 792	4 153

ANNEXURE C

CATEGORIES	SALARY INTERVAL		TARIFF			
	SALARY LOWER	SALARY UPPER	REGULARITY AUDIT	INFORMATION SYSTEM AUDIT	PERFORMANCE AUDIT	INVESTIGATIONS
	1 680 000	1 700 000	3 991	4 062	2 825	4 203
	1 700 000	1 720 000	4 038	4 110	2 859	4 253
	1 720 000	1 740 000	4 085	4 158	2 892	4 302
	1 740 000	1 760 000	4 133	4 206	2 926	4 352
	1 760 000	1 780 000	4 180	4 254	2 959	4 402
	1 780 000	1 800 000	4 227	4 302	2 993	4 452
AUDIT SM	800 000	820 000	1 426	1 276	1 327	1 395
	820 000	840 000	1 461	1 308	1 360	1 429
	840 000	860 000	1 496	1 339	1 393	1 464
	860 000	880 000	1 531	1 371	1 426	1 498
	880 000	900 000	1 566	1 402	1 458	1 533
	900 000	920 000	1 602	1 434	1 491	1 567
	920 000	940 000	1 637	1 465	1 524	1 601
	940 000	960 000	1 672	1 497	1 557	1 636
	960 000	980 000	1 707	1 528	1 590	1 670
	980 000	1 000 000	1 742	1 560	1 622	1 705
	1 000 000	1 020 000	1 778	1 591	1 655	1 739
	1 020 000	1 040 000	1 813	1 623	1 688	1 774
	1 040 000	1 060 000	1 848	1 654	1 721	1 808
	1 060 000	1 080 000	1 883	1 686	1 753	1 843
	1 080 000	1 100 000	1 918	1 717	1 786	1 877
	1 100 000	1 120 000	1 954	1 749	1 819	1 911
	1 120 000	1 140 000	1 989	1 780	1 852	1 946
	1 140 000	1 160 000	2 024	1 812	1 885	1 980
	1 160 000	1 180 000	2 059	1 843	1 917	2 015
	1 180 000	1 200 000	2 094	1 875	1 950	2 049
	1 200 000	1 220 000	2 130	1 906	1 983	2 084
	1 220 000	1 240 000	2 165	1 938	2 016	2 118
	1 240 000	1 260 000	2 200	1 969	2 048	2 152
	1 260 000	1 280 000	2 235	2 001	2 081	2 187
	1 280 000	1 300 000	2 270	2 032	2 114	2 221
	1 300 000	1 320 000	2 306	2 064	2 147	2 256
	1 320 000	1 340 000	2 341	2 095	2 179	2 290
	1 340 000	1 360 000	2 376	2 127	2 212	2 325
	1 360 000	1 380 000	2 411	2 158	2 245	2 359
	1 380 000	1 400 000	2 446	2 190	2 278	2 394
	1 400 000	1 420 000	2 482	2 221	2 311	2 428
	1 420 000	1 440 000	2 517	2 253	2 343	2 462

ANNEXURE C

CATEGORIES	SALARY INTERVAL		TARIFF			
	SALARY LOWER	SALARY UPPER	REGULARITY AUDIT	INFORMATION SYSTEM AUDIT	PERFORMANCE AUDIT	INVESTIGATIONS
	1 440 000	1 460 000	2 552	2 284	2 376	2 497
	1 460 000	1 480 000	2 587	2 316	2 409	2 531
	1 480 000	1 500 000	2 622	2 347	2 442	2 566
SM SPECIALIST	800 000	820 000	1 427	1 277	1 329	1 396
	820 000	840 000	1 462	1 309	1 361	1 431
	840 000	860 000	1 498	1 340	1 394	1 465
	860 000	880 000	1 533	1 372	1 427	1 500
	880 000	900 000	1 568	1 403	1 460	1 534
	900 000	920 000	1 603	1 435	1 493	1 569
	920 000	940 000	1 638	1 467	1 526	1 603
	940 000	960 000	1 674	1 498	1 558	1 638
	960 000	980 000	1 709	1 530	1 591	1 672
	980 000	1 000 000	1 744	1 561	1 624	1 706
	1 000 000	1 020 000	1 779	1 593	1 657	1 741
	1 020 000	1 040 000	1 815	1 624	1 690	1 775
	1 040 000	1 060 000	1 850	1 656	1 722	1 810
	1 060 000	1 080 000	1 885	1 687	1 755	1 844
	1 080 000	1 100 000	1 920	1 719	1 788	1 879
	1 100 000	1 120 000	1 956	1 750	1 821	1 913
	1 120 000	1 140 000	1 991	1 782	1 854	1 948
	1 140 000	1 160 000	2 026	1 813	1 886	1 982
	1 160 000	1 180 000	2 061	1 845	1 919	2 017
	1 180 000	1 200 000	2 097	1 877	1 952	2 051
	1 200 000	1 220 000	2 132	1 908	1 985	2 086
	1 220 000	1 240 000	2 167	1 940	2 018	2 120
	1 240 000	1 260 000	2 202	1 971	2 050	2 155
	1 260 000	1 280 000	2 237	2 003	2 083	2 189
	1 280 000	1 300 000	2 273	2 034	2 116	2 224
	1 300 000	1 320 000	2 308	2 066	2 149	2 258
	1 320 000	1 340 000	2 343	2 097	2 182	2 293
	1 340 000	1 360 000	2 378	2 129	2 214	2 327
	1 360 000	1 380 000	2 414	2 160	2 247	2 361
	1 380 000	1 400 000	2 449	2 192	2 280	2 396
	1 400 000	1 420 000	2 484	2 223	2 313	2 430
	1 420 000	1 440 000	2 519	2 255	2 346	2 465
	1 440 000	1 460 000	2 555	2 286	2 378	2 499
	1 460 000	1 480 000	2 590	2 318	2 411	2 534
	1 480 000	1 500 000	2 625	2 350	2 444	2 568

ANNEXURE C

CATEGORIES	SALARY INTERVAL		TARIFF			
	SALARY LOWER	SALARY UPPER	REGULARITY AUDIT	INFORMATION SYSTEM AUDIT	PERFORMANCE AUDIT	INVESTIGATIONS
AUDIT MANAGER	500 000	520 000	852	733	796	860
	520 000	540 000	885	762	827	894
	540 000	560 000	918	791	858	927
	560 000	580 000	952	820	889	961
	580 000	600 000	985	848	920	995
	600 000	620 000	1 019	877	952	1 029
	620 000	640 000	1 052	906	983	1 062
	640 000	660 000	1 085	935	1 014	1 096
	660 000	680 000	1 119	963	1 045	1 130
	680 000	700 000	1 152	992	1 076	1 163
	700 000	720 000	1 186	1 021	1 108	1 197
	720 000	740 000	1 219	1 050	1 139	1 231
	740 000	760 000	1 252	1 078	1 170	1 265
	760 000	780 000	1 286	1 107	1 201	1 298
	780 000	800 000	1 319	1 136	1 232	1 332
	800 000	820 000	1 353	1 165	1 264	1 366
	820 000	840 000	1 386	1 193	1 295	1 400
	840 000	860 000	1 419	1 222	1 326	1 433
	860 000	880 000	1 453	1 251	1 357	1 467
	880 000	900 000	1 486	1 280	1 388	1 501
	900 000	920 000	1 520	1 308	1 420	1 534
	920 000	940 000	1 553	1 337	1 451	1 568
	940 000	960 000	1 586	1 366	1 482	1 602
	960 000	980 000	1 620	1 395	1 513	1 636
	980 000	1 000 000	1 653	1 423	1 544	1 669
	1 000 000	1 020 000	1 687	1 452	1 576	1 703
	1 020 000	1 040 000	1 720	1 481	1 607	1 737
	1 040 000	1 060 000	1 753	1 510	1 638	1 771
	1 060 000	1 080 000	1 787	1 538	1 669	1 804
	1 080 000	1 100 000	1 820	1 567	1 700	1 838
	1 100 000	1 120 000	1 854	1 596	1 732	1 872
MANAGER SPECIALIST	500 000	520 000	852	733	751	860
	520 000	540 000	885	762	780	894
	540 000	560 000	918	791	810	927
	560 000	580 000	952	820	839	961
	580 000	600 000	985	848	869	995
	600 000	620 000	1 019	877	898	1 029

ANNEXURE C

CATEGORIES	SALARY INTERVAL		TARIFF			
	SALARY LOWER	SALARY UPPER	REGULARITY AUDIT	INFORMATION SYSTEM AUDIT	PERFORMANCE AUDIT	INVESTIGATIONS
	620 000	640 000	1 052	906	928	1 062
	640 000	660 000	1 085	935	957	1 096
	660 000	680 000	1 119	963	987	1 130
	680 000	700 000	1 152	992	1 016	1 163
	700 000	720 000	1 186	1 021	1 045	1 197
	720 000	740 000	1 219	1 050	1 075	1 231
	740 000	760 000	1 252	1 078	1 104	1 265
	760 000	780 000	1 286	1 107	1 134	1 298
	780 000	800 000	1 319	1 136	1 163	1 332
	800 000	820 000	1 353	1 165	1 193	1 366
	820 000	840 000	1 386	1 193	1 222	1 400
	840 000	860 000	1 419	1 222	1 252	1 433
	860 000	880 000	1 453	1 251	1 281	1 467
	880 000	900 000	1 486	1 280	1 310	1 501
	900 000	920 000	1 520	1 308	1 340	1 534
	920 000	940 000	1 553	1 337	1 369	1 568
	940 000	960 000	1 586	1 366	1 399	1 602
	960 000	980 000	1 620	1 395	1 428	1 636
	980 000	1 000 000	1 653	1 423	1 458	1 669
	1 000 000	1 020 000	1 687	1 452	1 487	1 703
ASSISTANT MANAGER						
	400 000	420 000	658	571	584	680
	420 000	440 000	690	599	613	713
	440 000	460 000	723	627	641	746
	460 000	480 000	755	655	670	779
	480 000	500 000	787	683	699	812
	500 000	520 000	819	711	727	845
	520 000	540 000	851	739	756	879
	540 000	560 000	883	766	784	912
	560 000	580 000	915	794	813	945
	580 000	600 000	947	822	841	978
	600 000	620 000	979	850	870	1 011
	620 000	640 000	1 012	878	898	1 044
	640 000	660 000	1 044	906	927	1 077
	660 000	680 000	1 076	934	955	1 111
	680 000	700 000	1 108	962	984	1 144
	700 000	720 000	1 140	989	1 012	1 177
	720 000	740 000	1 172	1 017	1 041	1 210
	740 000	760 000	1 204	1 045	1 069	1 243

ANNEXURE C

CATEGORIES	SALARY INTERVAL		TARIFF			
	SALARY LOWER	SALARY UPPER	REGULARITY AUDIT	INFORMATION SYSTEM AUDIT	PERFORMANCE AUDIT	INVESTIGATIONS
	760 000	780 000	1 236	1 073	1 098	1 276
	780 000	800 000	1 268	1 101	1 126	1 310
PERFORMANCE AUDITORS	400 000	420 000	658	571	608	680
	420 000	440 000	690	599	637	713
	440 000	460 000	723	627	667	746
	460 000	480 000	755	655	697	779
	480 000	500 000	787	683	726	812
	500 000	520 000	819	711	756	845
	520 000	540 000	851	739	786	879
	540 000	560 000	883	766	815	912
	560 000	580 000	915	794	845	945
	580 000	600 000	947	822	875	978
	600 000	620 000	979	850	904	1 011
	620 000	640 000	1 012	878	934	1 044
	640 000	660 000	1 044	906	964	1 077
	660 000	680 000	1 076	934	993	1 111
	680 000	700 000	1 108	962	1 023	1 144
	700 000	720 000	1 140	989	1 053	1 177
	720 000	740 000	1 172	1 017	1 082	1 210
	740 000	760 000	1 204	1 045	1 112	1 243
	760 000	780 000	1 236	1 073	1 142	1 276
	780 000	800 000	1 268	1 101	1 171	1 310
ANALYST	400 000	420 000	658	571	608	655
	420 000	440 000	690	599	638	687
	440 000	460 000	723	627	668	719
	460 000	480 000	755	655	697	751
	480 000	500 000	787	683	727	783
	500 000	520 000	819	711	757	814
	520 000	540 000	851	739	786	846
	540 000	560 000	883	766	816	878
	560 000	580 000	915	794	846	910
	580 000	600 000	947	822	875	942
	600 000	620 000	979	850	905	974
	620 000	640 000	1 012	878	935	1 006
	640 000	660 000	1 044	906	964	1 038
	660 000	680 000	1 076	934	994	1 070
	680 000	700 000	1 108	962	1 024	1 102

ANNEXURE C

CATEGORIES	SALARY INTERVAL		TARIFF			
	SALARY LOWER	SALARY UPPER	REGULARITY AUDIT	INFORMATION SYSTEM AUDIT	PERFORMANCE AUDIT	INVESTIGATIONS
	700 000	720 000	1 140	989	1 053	1 134
	720 000	740 000	1 172	1 017	1 083	1 166
	740 000	760 000	1 204	1 045	1 113	1 198
	760 000	780 000	1 236	1 073	1 142	1 230
	780 000	800 000	1 268	1 101	1 172	1 262
AUDIT SUPERVISOR	400 000	420 000	607	537	374	555
	420 000	440 000	636	563	392	582
	440 000	460 000	666	589	410	609
	460 000	480 000	696	615	428	636
	480 000	500 000	725	641	446	663
	500 000	520 000	755	667	465	690
	520 000	540 000	784	694	483	718
	540 000	560 000	814	720	501	745
	560 000	580 000	844	746	519	772
	580 000	600 000	873	772	538	799
	600 000	620 000	903	798	556	826
	620 000	640 000	932	824	574	853
	640 000	660 000	962	851	592	880
	660 000	680 000	992	877	610	907
	680 000	700 000	1 021	903	629	934
	700 000	720 000	1 051	929	647	961
	720 000	740 000	1 080	955	665	988
	740 000	760 000	1 110	981	683	1 015
	760 000	780 000	1 140	1 008	702	1 042
	780 000	800 000	1 169	1 034	720	1 070
SENIOR AUDITOR	400 000	420 000	607	537	374	555
	420 000	440 000	636	563	392	582
	440 000	460 000	666	589	410	609
	460 000	480 000	696	615	428	636
	480 000	500 000	725	641	446	663
	500 000	520 000	755	667	465	690
	520 000	540 000	784	694	483	718
	540 000	560 000	814	720	501	745
	560 000	580 000	844	746	519	772
	580 000	600 000	873	772	538	799
	600 000	620 000	903	798	556	826
	620 000	640 000	932	824	574	853

ANNEXURE C

CATEGORIES	SALARY INTERVAL		TARIFF			
	SALARY LOWER	SALARY UPPER	REGULARITY AUDIT	INFORMATION SYSTEM AUDIT	PERFORMANCE AUDIT	INVESTIGATIONS
	640 000	660 000	962	851	592	880
	660 000	680 000	992	877	610	907
	680 000	700 000	1 021	903	629	934
	700 000	720 000	1 051	929	647	961
	720 000	740 000	1 080	955	665	988
	740 000	760 000	1 110	981	683	1 015
	760 000	780 000	1 140	1 008	702	1 042
	780 000	800 000	1 169	1 034	720	1 070
SENIOR IT AUDITOR	400 000	420 000	607	537	374	555
	420 000	440 000	636	563	392	582
	440 000	460 000	666	589	410	609
	460 000	480 000	696	615	428	636
	480 000	500 000	725	641	446	663
	500 000	520 000	755	667	465	690
	520 000	540 000	784	694	483	718
	540 000	560 000	814	720	501	745
	560 000	580 000	844	746	519	772
	580 000	600 000	873	772	538	799
	600 000	620 000	903	798	556	826
	620 000	640 000	932	824	574	853
	640 000	660 000	962	851	592	880
	660 000	680 000	992	877	610	907
	680 000	700 000	1 021	903	629	934
	700 000	720 000	1 051	929	647	961
	720 000	740 000	1 080	955	665	988
	740 000	760 000	1 110	981	683	1 015
	760 000	780 000	1 140	1 008	702	1 042
	780 000	800 000	1 169	1 034	720	1 070
AUDITOR	240 000	260 000	372	318	340	329
	260 000	280 000	402	344	367	355
	280 000	300 000	431	369	394	382
	300 000	320 000	461	394	421	408
	320 000	340 000	491	420	448	434
	340 000	360 000	521	445	476	461
	360 000	380 000	550	471	503	487
	380 000	400 000	580	496	530	513
	400 000	420 000	610	522	557	540

CATEGORIES	SALARY INTERVAL		TARIFF			
	SALARY LOWER	SALARY UPPER	REGULARITY AUDIT	INFORMATION SYSTEM AUDIT	PERFORMANCE AUDIT	INVESTIGATIONS
	420 000	440 000	640	547	584	566
	440 000	460 000	669	573	611	592
	460 000	480 000	699	598	639	619
	480 000	500 000	729	623	666	645
AUDIT CLERK	100 000	120 000	187	156	108	161
	120 000	140 000	221	184	128	190
	140 000	160 000	255	212	148	219
	160 000	180 000	290	240	167	249
	180 000	200 000	324	269	187	278
	200 000	220 000	358	297	207	307
	220 000	240 000	392	325	226	336
	240 000	260 000	426	353	246	366
	260 000	280 000	460	382	266	395
	280 000	300 000	494	410	285	424
	300 000	320 000	528	438	305	453
	320 000	340 000	562	467	325	483
	340 000	360 000	596	495	345	512
	360 000	380 000	630	523	364	541
	380 000	400 000	664	551	384	570
	400 000	420 000	698	580	404	600
	420 000	440 000	732	608	423	629
	440 000	460 000	766	636	443	658
	460 000	480 000	800	665	463	687
	480 000	500 000	834	693	482	717
TRAINEE AUDITOR	100 000	120 000	199	165	115	171
	120 000	140 000	235	195	136	202
	140 000	160 000	271	225	157	233
	160 000	180 000	307	255	178	264
	180 000	200 000	343	285	198	295
	200 000	220 000	379	315	219	326
	220 000	240 000	416	345	240	357
	240 000	260 000	452	375	261	388
	260 000	280 000	488	405	282	419
	280 000	300 000	524	435	303	450
	300 000	320 000	560	465	324	481
	320 000	340 000	596	495	345	512
	340 000	360 000	632	525	365	543
	360 000	380 000	668	555	386	574
	380 000	400 000	705	585	407	605
	400 000	420 000	741	615	428	636

CATEGORIES	SALARY INTERVAL		TARIFF			
	SALARY LOWER	SALARY UPPER	REGULARITY AUDIT	INFORMATION SYSTEM AUDIT	PERFORMANCE AUDIT	INVESTIGATIONS
	420 000	440 000	777	645	449	667
	440 000	460 000	813	675	470	698
	460 000	480 000	849	705	491	729
	480 000	500 000	885	735	512	760
IT AUDITOR	100 000	120 000	190	157	110	163
	120 000	140 000	224	186	130	192
	140 000	160 000	259	215	149	222
	160 000	180 000	293	243	169	252
	180 000	200 000	327	272	189	281
	200 000	220 000	362	300	209	311
	220 000	240 000	396	329	229	340
	240 000	260 000	431	358	249	370
	260 000	280 000	465	386	269	400
	280 000	300 000	500	415	289	429
	300 000	320 000	534	444	309	459
	320 000	340 000	569	472	329	488
	340 000	360 000	603	501	349	518
	360 000	380 000	638	529	369	548
	380 000	400 000	672	558	389	577
	400 000	420 000	707	587	408	607
	420 000	440 000	741	615	428	637
	440 000	460 000	776	644	448	666
	460 000	480 000	810	673	468	696
	480 000	500 000	845	701	488	725

NOTES:



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