

Background and contribution to KNI

Presentation to INTOSAI working group on Key National Indicators

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Helsinki

Mr. Kimi Makwetu – Deputy Auditor-General

Mrs. Tini Laubscher – Audit research and development



Auditing to build public confidence



**AUDITOR - GENERAL
SOUTH AFRICA**

1911 – 2011

Celebrating our centenary

The Auditor-General of South Africa is *100 years old* – an epic milestone where we recognise our *100-year legacy*, celebrate our institutional growth and highlight the importance of sustaining the old tradition of providing an independent platform of assurance about the way in which government monies are spent.

We will also be reaffirming our mandate of contributing to the strengthening of democracy and building public confidence.



Reputation promise/mission

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, it exists to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence.



Outline

- **Mandate of the AGSA**
- **Context of key national indicators (KNI) in South Africa**
- **The AGSA auditing KNI**



Mandate of the AGSA

Constitution of SA

Public Audit Act of 2004

Functions of the AGSA:
Regularity and performance audits
Investigations and special audits



Context of KNI in South Africa

- **Since 2007 the SA government annually publishes development indicators.**
- **The development indicators provide a framework to present aggregate data on progress in human development.**
- **A set of 76 indicators is clustered according to the following themes:**
 - Economic growth and transformation
 - Employment
 - Poverty and inequality
 - Health
 - Education
 - Social cohesion
 - Safety and security
 - International relations
 - Good governance

“Development indicator report” available at www.thepresidency.gov.za



Context of KNI in South Africa

SA government is aiming to improve service delivery by:

- 1. Increasing strategic focus of government.**
- 2. Making more efficient and effective use of limited resources through introducing more systematic monitoring and evaluation.**
- 3. The tools that will be used are:**
 - Focusing service delivery through the development and implementation of 12 national outcomes
 - Identifying suitable indicators for each of the national outcomes and regularly measuring and monitoring them
 - Carrying out periodic evaluations of the impact of government's work on society
 - Analysing the results of monitoring and evaluation.



The AGSA auditing KNI

AGSA legislative requirements:

Sections 20(2)(c) and 28(1)(c) of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA)

An audit report must reflect an opinion or conclusion relating to the performance of the auditee against predetermined objectives (including indicators)

Applicable to all spheres of government, including:

- national, provincial and local government
- public entities



The AGSA auditing KNI

AGSA strategy to the audit of KNI

2004-05 to 2008-09

- Adopted a phased audit approach
- Audit findings reported in both management and audit reports
- No audit opinion in audit reports – only findings
- Regular interaction with stakeholders (Treasury, Presidency) to obtain input to audit approach.

2009-10 to 2010-11

- Completed phased audit approach
- Audit to the extent necessary to express an audit opinion on the credibility and reliability of reporting against objectives and indicators



The AGSA auditing KNI

The AGSA uses the following as sources of criteria against which the performance management systems, processes and reporting against indicators is evaluated as a basis for an audit conclusion/opinion:

- **All relevant laws and regulations applicable to performance management and reporting**
- **Relevant frameworks, circulars and guidance issued by the National Treasury and the Presidency regarding the planning, management, monitoring and reporting of performance.**



Preliminary assessment of reporting on indicators National departments and entities

Category of finding	Departments (including Parliament and National Consolidation)		Public entities (including trading, constitutional institutions and other types of entities)	
	2009-10	2008-09	2009-10	2008-09
Non-compliance with regulatory requirements	56%	44%	22%	29%
Reported information not useful	53%	47%	28%	19%
Reported information not reliable	29%	44%	17%	15%
Information not submitted for audit by 31 May 2010	3%	6%	2%	2%
Total number of audits with findings	24	22	92	89



Preliminary assessment of reporting on indicators

Provincial departments and entities

Category of finding	Departments (including legislatures)		Public entities (including trading and other types of entities)	
	2009-10	2008-09	2009-10	2008-09
Non-compliance with regulatory requirements	69%	64%	69%	59%
Reported information not useful	55%	46%	51%	30%
Reported information not reliable	67%	57%	35%	14%
Information not submitted for audit by 31 May 2010	2%	2%	15%	5%
Total number of audits with findings	88	84	65	74



THANK YOU



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