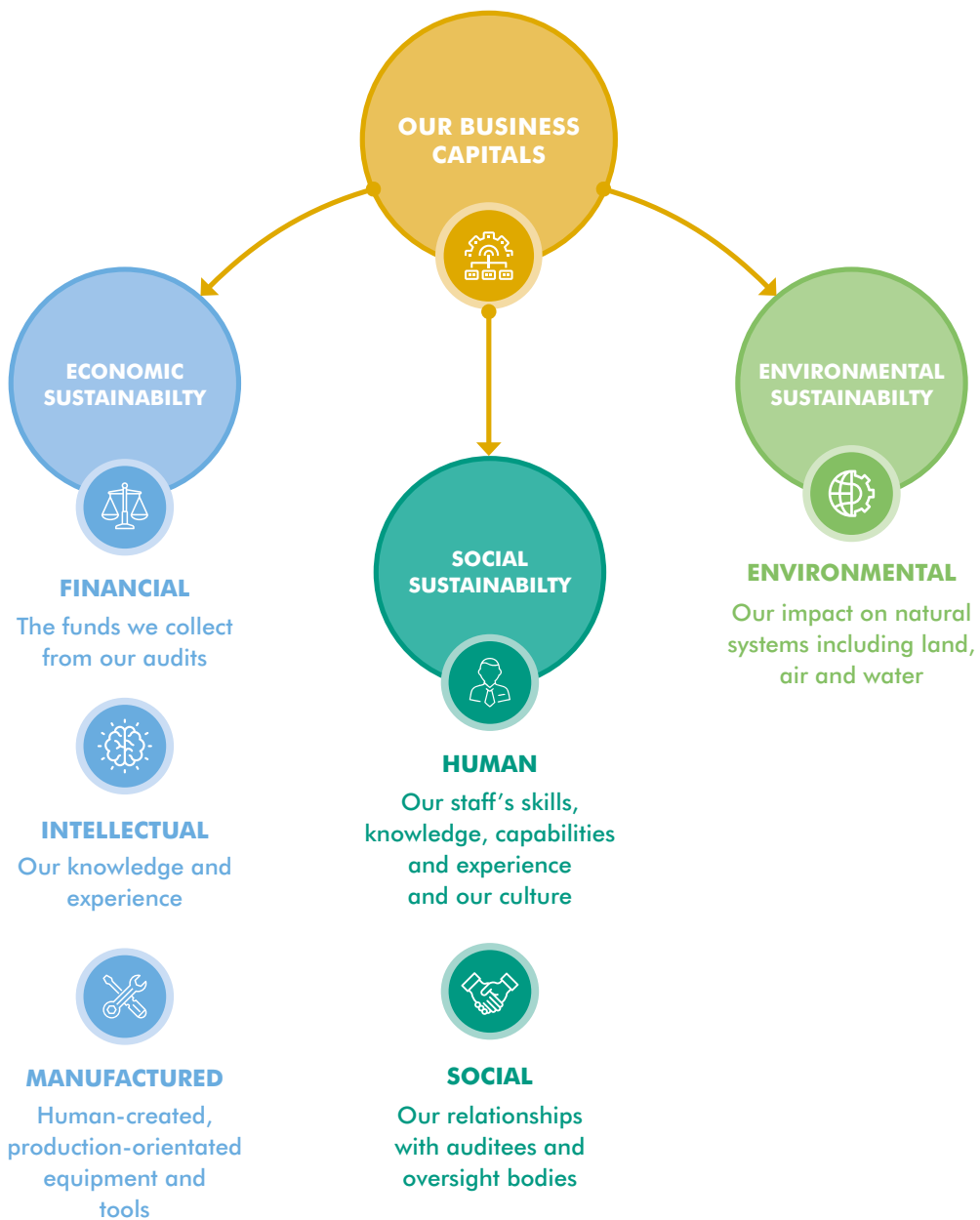


OUR BUSINESS CAPITALS

The term ‘capital’ used in the integrated reporting framework refers broadly to any store of value that we use to deliver our mandate. We depend on the various forms of capital for our success. Their availability, quality and affordability can affect our long-term viability and, therefore, our ability to create value. They must be maintained if we are to continue creating value in the future.



2020-21 AGSA BUSINESS MODEL

BUSINESS INPUTS/RESOURCES

the capital at the beginning of the year

Financial capital

- Surplus R190 million
- R107 million income from pooling resources
- Reserves to the value of R1 121 million
- Debt owed to the AGSA of R931 million
- Cost optimisation initiatives

Intellectual capital

- Audit process that includes identifying MIs
- 1 070 audit reports issued
- Two general reports issued
- Audit technical guidance including on the MI process
- Audit technical guidance material
- Government's covid-19 funding audit plan
- Technical expertise
- Status of records review included in the audit process

Manufactured capital

- All our offices have remained unchanged
- Property, plant and equipment of R100 million
- Optimised TeamMate R12.0
- Implemented various ERP enhancements in line with the organisation's priorities

Human capital

- Reviewed the organisation's values to align them with our desired culture
- Diverse, skilled, capacitated and motivated workforce of 3 667
- A pipeline of 1 241 trainee auditors
- 144 students passed APC exams
- Increased number of registered audit professionals: CA(SA) – 682, RGA – 506, Cisa – 92, Acca – 47
- Accountable and ethical leaders (introduced the leadership development programmes such as LDP and EDP)
- Suppliers: 104 contract work firms and 2 671 general suppliers
- 59 academic trainee auditors and 280 Thuthuka bursary holders
- Recruited 221 trainees with CTA

Social capital

- Ranked 5th among the most attractive employers in the Universum employer of choice survey of students studying accountancy qualifications, and 12th in its survey of business and commerce professionals currently working in accountancy
- Improved and evolved relationships with stakeholders
- Maintained level 1 B-BBEE contributor status

Environmental capital

- Total carbon emissions to 13 372,5 CO₂e

BUSINESS OUTPUTS

the output at the end of the year

- Deficit R293 million
- Received R70 million from the National Revenue fund (NRF) in payment for 1% auditees
- Received R44 million from NRF to support our enhanced mandate
- R146 million income from pooling resources
- Reserves to the value of R828 million
- Debt owed to the AGSA of R1 085 million
- Overhead expenses were R115 million below the budget

- MIs identified using agile audit processes
- 1 065 audit reports issued
- Two general reports on the 2019-20 audit cycle and three special reports on real-time audits of pandemic-related disbursements issued
- Audit technical guidance and material updated, including on the MI process, with lessons learnt during the previous audits
- Technical expertise bolstered in specialised areas
- Audit methodology agile when under pressure
- Issued preventative control guides

- Head office and ICT infrastructure successfully relocated
- Property, plant and equipment of R110 million
- Improved ICT stability and infrastructure by implementing VPN, security updates and 3G coverage
- Implemented various enhancements on our Microsoft transformation journey and ICT security in line with the organisation's priorities

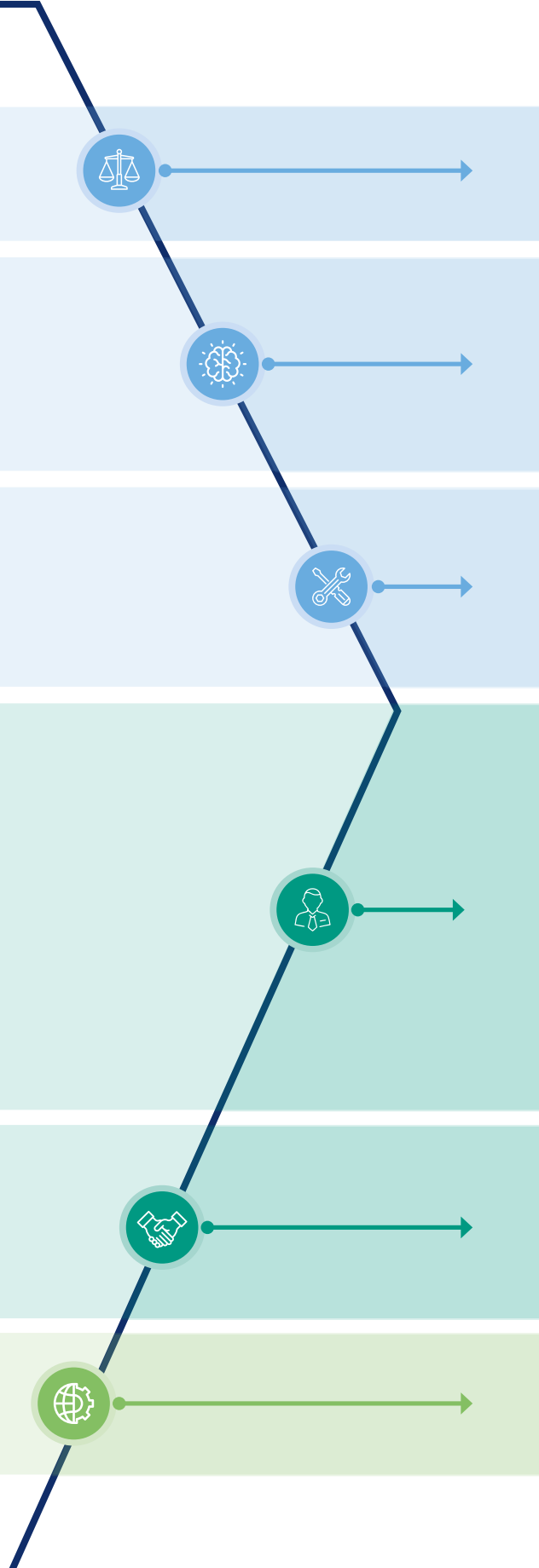
- Integrated culture improvement plan inclusive of new organisational values and culture statement
- Diverse, skilled, capacitated and motivated workforce of 3 703
- An accumulative 1 321 CAs(SA) qualified through our training programme
- 43 trainees recruited from Thuthuka
- A pipeline of 1 250 trainee auditors
- 61 students passed APC exams
- Increased number of registered audit professionals: CA(SA) – 746, RGA – 475, Cisa – 102, Acca – 46
- Accountable and ethical leaders (ongoing leadership development programmes such as LDP and EDP)
- Suppliers: 100 contract work firms and 1 636 outsourced audit contracts
- 20 academic trainee auditors and R19 million contributed to the Thuthuka bursary fund
- Recruited 231 trainees with CTA

- Voted the Sagea top employer in the public sector for 2021 among CTA trainees
- Increased engagements and improved stakeholder relationships, especially during real-time audits
- Maintained level 1 B-BBEE contributor status for three consecutive years
- Reinvigorated our culture journey
- Collaboration with CSOs

- New head office building boasts AAA green rating
- Virtual meetings and engagements
- Carbon footprint reduced further to 1 580,13 CO₂e

OUR BUSINESS PROCESSES





BUSINESS OUTCOMES

The impact on our environment

- Maintained financial viability and independence during a globally unstable economic period by using investments and allocations from the NRF
- Maximised internal resources to increase own hours revenue and reduce expenditure
- Increased understanding of the auditee environment to provide better insight for improvements
- Audit efficiencies and reduced unbilled hours
- Commitment to addressing our MI findings and actionable recommendations
- Sharing our findings from real-time audits assisted the Fusion Centre’s investigations
- Ability to respond to rapidly changing environments
- Increased relevance to our stakeholders
- Greater efficiency and a conducive working environment
- Effective and efficient management of our operations
- Enabled auditors to access auditees’ systems and data remotely
- Improved and streamlined business processes
- Strengthened protection of information
- Insightful and robust conversations with employees
- Retained and developed a competent and ethical workforce that enabled us to effectively execute our mandate
- Increased our contribution to the accounting and auditing profession
- Maintained leadership and trainee auditor pipelines to ensure organisational continuity
- Maintained a sustainable supplier database
- Enabled our stakeholders to better execute their mandates
- Increased our stakeholders’ understanding of the amended PAA and the value we provide
- Increased citizens’ understanding of our role and mandate
- Maintained the attractiveness of the brand to ensure access to desired resources
- Increased contribution to the country’s transformation agenda
- Increased buy-in from our workforce on organisational culture
- Reduced environmental impact
- The move to virtual platforms reduced our carbon footprint
- Increased knowledge of our carbon footprint and a conscious effort to increase staff awareness of our impact on the environment