



We account to the National Assembly by tabling our annual report, financial statements and the audit report on those financial statements in Parliament. This requirement is governed by sub-section 10(1) of the PAA.

# ACCOUNTABILITY AND REPORTING

## OUR MANDATE AND LEGAL FORM

The AGSA is South Africa's supreme audit institution, with a mandate stemming from chapter 9 of the Constitution of the Republic of South Africa, 1996. This makes us one of the institutions that support constitutional democracy. The Constitution entrenches the AGSA's independence as subject only to the Constitution and the law. In turn, the Constitution requires us to be impartial, and to exercise our powers and perform our functions without fear, favour or prejudice. The AGSA is an organ of state as defined by sub-section 239(b)(i) of the Constitution, has full legal capacity and acts as a juristic person.

## OUR FUNCTIONS, BENEFICIARIES AND PRODUCTS

Our functions are described in section 188 of the Constitution. These functions, and the powers necessary to perform them, are also regulated by chapters 2 and 3 of the PAA. By law, we audit and report on how the government spends the South African taxpayers' money. Every year, we audit national and provincial government departments, certain public entities, municipalities and municipal entities (our auditees). We issue audit reports that provide them with the outcomes of our audits, with an emphasis on MIs.

### A material irregularity (MI) occurs when:

- a person does not comply with or contravenes legislation, engages in fraud or theft, or violates their entrusted duty
- this action can or does result in a significant financial loss, the misuse or loss of a significant public resource or substantial harm to a public sector institution or the general public
- the action is identified during an audit performed under the PAA.

We can refer MIs to public bodies for investigation or include recommendations in the audit report to address the irregularity. We can also take binding remedial action for mismanaging public resources if our recommendations are not implemented. In cases where the remedial action is not implemented, the auditor-general can issue a certificate of debt so that money lost can be recovered from accounting officers or authorities.

We also conduct discretionary and special audits, such as performance audits and investigations. Our reports on these audits of the public sector enable the legislature to call the executive to account for the way they manage public funds.