

## NON-CONSTITUTIONAL STAKEHOLDERS

### Collaboration with law-enforcement and other agencies

Since we commenced the real-time audits, we have enhanced our engagements and cooperation with the SIU and the Office of the Public Protector on allegations and investigations related to covid-19 expenditure. This cooperation prevented duplication of efforts when auditing and investigating this expenditure as the three offices' mandates and functions complement each other.

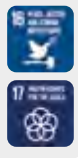
Government established the multiagency Fusion Centre in July 2020 to respond to risks identified in covid-19 expenditure. It comprises various law enforcement agencies to detect, investigate, prosecute and recover lost assets. Although we are not a law enforcement agency, we provided much-needed information on irregularities identified during the real-time audits. This significant information was used to follow up and refer cases to the relevant law enforcement agencies.

The impact was that the SIU used our findings on irregularities in the temporary employee/employer relief scheme (Ters) payments to motivate for an investigation into the Ters programme in its entirety. These investigations led to prosecutions and the recovery of some of the misappropriated funds.

Our virtual engagements increased our interaction, with various memorandums of understanding (MoUs) being agreed.

### Standard-setters and regulators

Our strategy also requires non-constitutional stakeholder engagements with like-minded institutions that are responsible for regulations and setting accounting and auditing standards. We continued to strengthen our partnerships and cooperation with the institutions responsible for reporting frameworks and supporting legislation to improve the quality of these reports. Our main objective is to collaborate with and influence these stakeholders to ensure that our technical audit insight is used to execute their mandate. At the same time, we gather relevant insight from them for our own use.





### **National Treasury**

We engaged with the National Treasury as one of the key standard setters for financial reporting frameworks and as a custodian of the national and provincial government and local government financial management legislation. Within the National Treasury we regularly interact with the Office of the Accountant-General and the Office of the Chief Procurement Officer.

Our objective in engaging with these offices is to resolve contentious technical matters, arising from our audits. These deliberations help to improve the consistency of responses and the way auditors and auditees apply these resolutions. We also provide inputs and comments on standards, templates, procurement prescripts, guidelines and other technical documents.



### **Performance information task team**

The Performance Information Task Team (PITT) is a discussion forum with a collaborative advisory role. Its purpose is to evaluate existing performance management and reporting standards, frameworks and technical guidelines, and to provide input.

The PITT members are delegated by accounting officers from the National Treasury, Department of Planning, Monitoring and Evaluation, Department of Cooperative Governance and Traditional Affairs, Department of Public Service and Administration and the AGSA. The task team met four times during 2020-21.

The PITT provided deeper insight for consideration, which enabled us to align our current and future audit planning to performance management and reporting developments.



### **Accounting Standards Board**

The Accounting Standards Board (ASB) is responsible for developing and maintaining the Standards of Generally Recognised Accounting Practice (GRAP), and advancing financial reporting in the public sector. Our objective in engaging with the ASB is to provide insight on implementing the audit, and auditing and accounting considerations when setting the GRAP standards.



### **Professional bodies: Independent Regulatory Board for Auditors**

We engage with the IRBA to facilitate public sector audit insight in developing standards and guidance for auditors. These interactions included updating and issuing the IRBA and AGSA joint *Guidance on performing audits*.

The guides are used where the AGSA has opted not to directly perform the audit and is aimed at improving the quality of public sector audits performed by private audit firms.

These guides will enhance the contracted audit firms' understanding of public sector audits and improve audit quality. The IRBA also plays a role in the quality control assessment process.



### **Formal trilateral meeting**

The formal trilateral meeting is between the AGSA, the director-general at National Treasury and the chief executive officer of the ASB. The objective is to strategically collaborate to improve financial reporting, accountability systems and transparency, and to give direction to technical specialists dealing with operational issues.

During the 2020-21 cycle, we held two meetings that focused on identifying areas of collaboration between the three institutions.





### *Stakeholder interactions with contracted audit firms*

Contracted audit firms and pre-issuance reviewers assist us to close capacity shortages when conducting our audits in line with our constitutional mandate.

These firms are viewed as an extension of our capacity to conduct audits and we are prompt with work allocations and communication to enable us to plan audits on time.

Our continuous communication with contracted audit firms ensures that they are kept abreast of all developments and remain aligned to our

needs. We aligned the audit directive that ensures a standardised audit methodology when work is performed through private audit firms.

Although the audit firms are required to adhere to the standard, we are mindful of our ownership of the standard for providing assurance and our senior managers are equally responsible for overseeing the work done by audit firms. In the spirit of professionalism, we hold audit firms accountable for quality at the highest level of audit partner.

