



Auditing to build public confidence

23 May 2017

The Supreme Audit Institution (SAI) of South Africa's approach to supporting financial audits on human resources, payroll and supply chain management through the use of data analytics.

Our reputation promise/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.

As the supreme audit institution of South Africa, we are committed to professionalism



500+

Chartered accountants(SA)



332 Registered
government auditors



80 Certified information
system auditors



29 Chartered
certified accountants



AUDITOR - GENERAL
SOUTH AFRICA

Continuously investing in
our staff through study
support, internal training
and development
programmes



42 Masters



Offices in all the provinces

3000+
employees



Information Systems Auditing Vision and Mission



Information Systems Auditing at glance



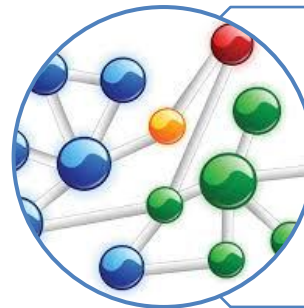
810 audits per annum



80 CISA certified



157 staff complement



12 audit centres

1 R&D centre

1 PC centre



1 349 CAATs projects

10 Staff members



> ERP

> Data analytics

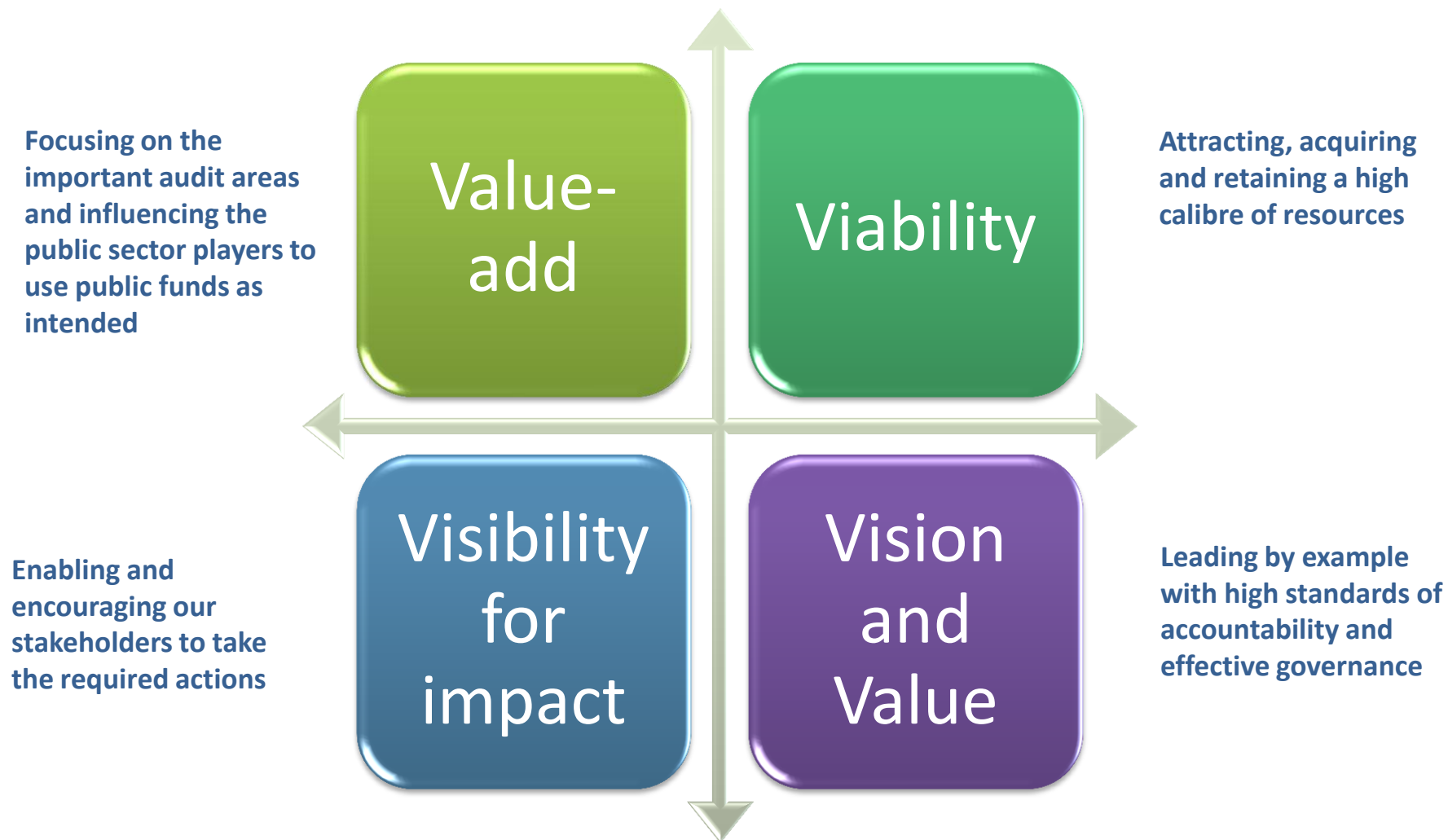
> Network security

> Project assurance

AGSA Aspirations for South-Africa



Approach for realizing aspirations



Objective of Data Analytics



Audit what is relevant



Audit in a more efficient manner

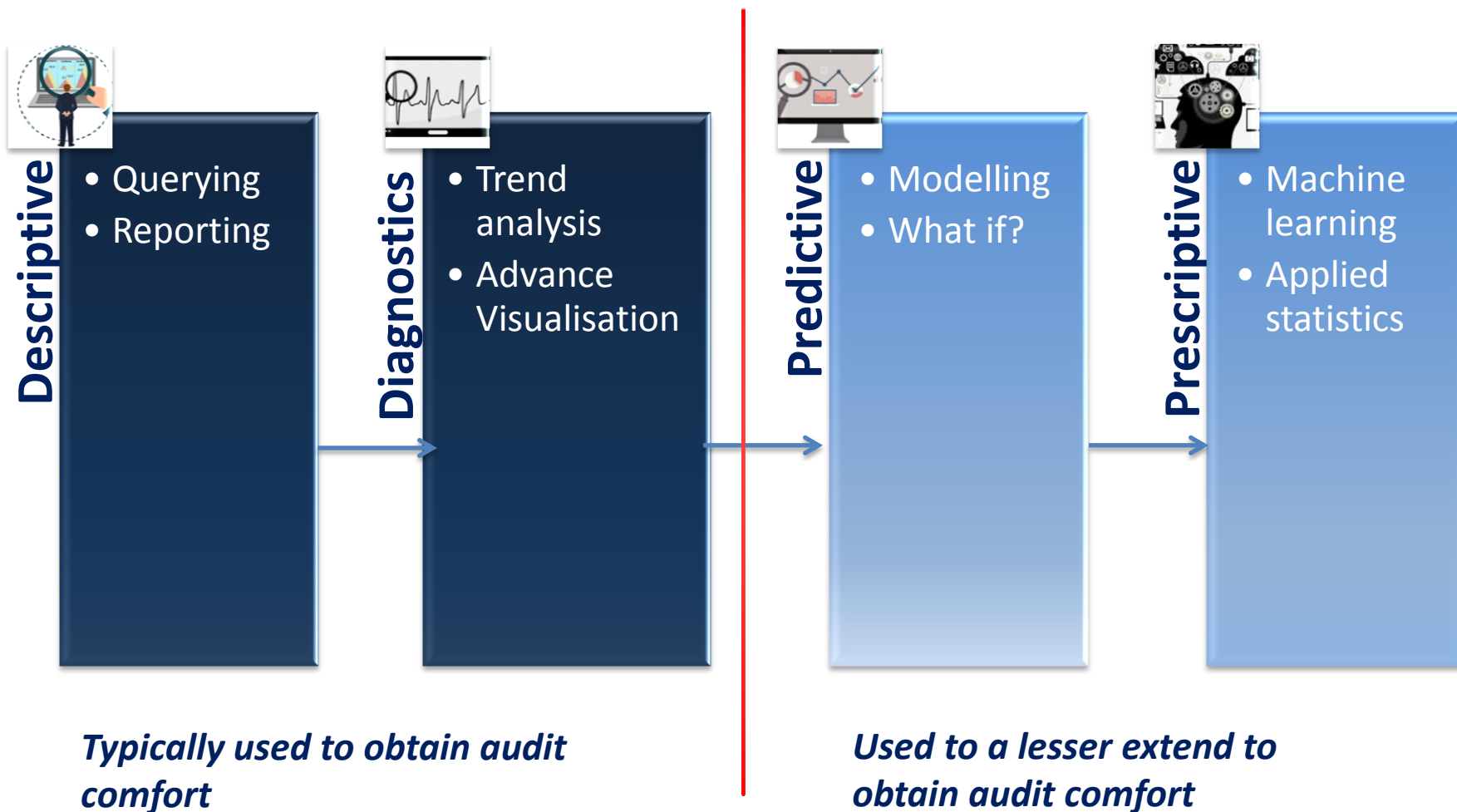


Reduce the audit risk



Add more value to our auditees

Areas of data analytics



Data analytics performed



CAATs support for Horizontal Audit of Human Resources and Payroll:

- 49 National Departments
- 129 Provincial Department



CAATs support for Horizontal Audit of Supply Chain Management:

- 49 National Departments
- 129 Provincial Departments
- 9 Provincial Legislatures
- 544 Public Entities
- 8 Metropolitan Municipalities
- 44 District Municipalities
- 288 Local Municipalities
- 60 Municipal Entity



Adhoc Projects: Approximately 100 Projects

Current CAATs team comprises of 10 employees

Horizontal audit approach



Human Resources and Payroll Analytics factors



Single largest expense of South African Government
Pure service delivery department 90%
Infrastructure department 30% - 50%



Similar business processes and automated controls



Assessment of general control environment and Persal input
controls done centrally
Centrally available data standard downloads



Coverage the complete HR process
Majority of departments utilised the PERSAL System

Approach to auditing of HR and Payroll, utilising CAATs



INPUT

- Employee master data (Monthly basis) App. 1.5 million
- Transaction Data (Monthly basis) App. 40 million transactions
- Overtime Data (Monthly basis)



Processing/Converting (ACL)

- 166 National and Provincial Departments and Entities
- Automated Solution
- Standardised data sets
- The CAATs are designed and tested by ARD



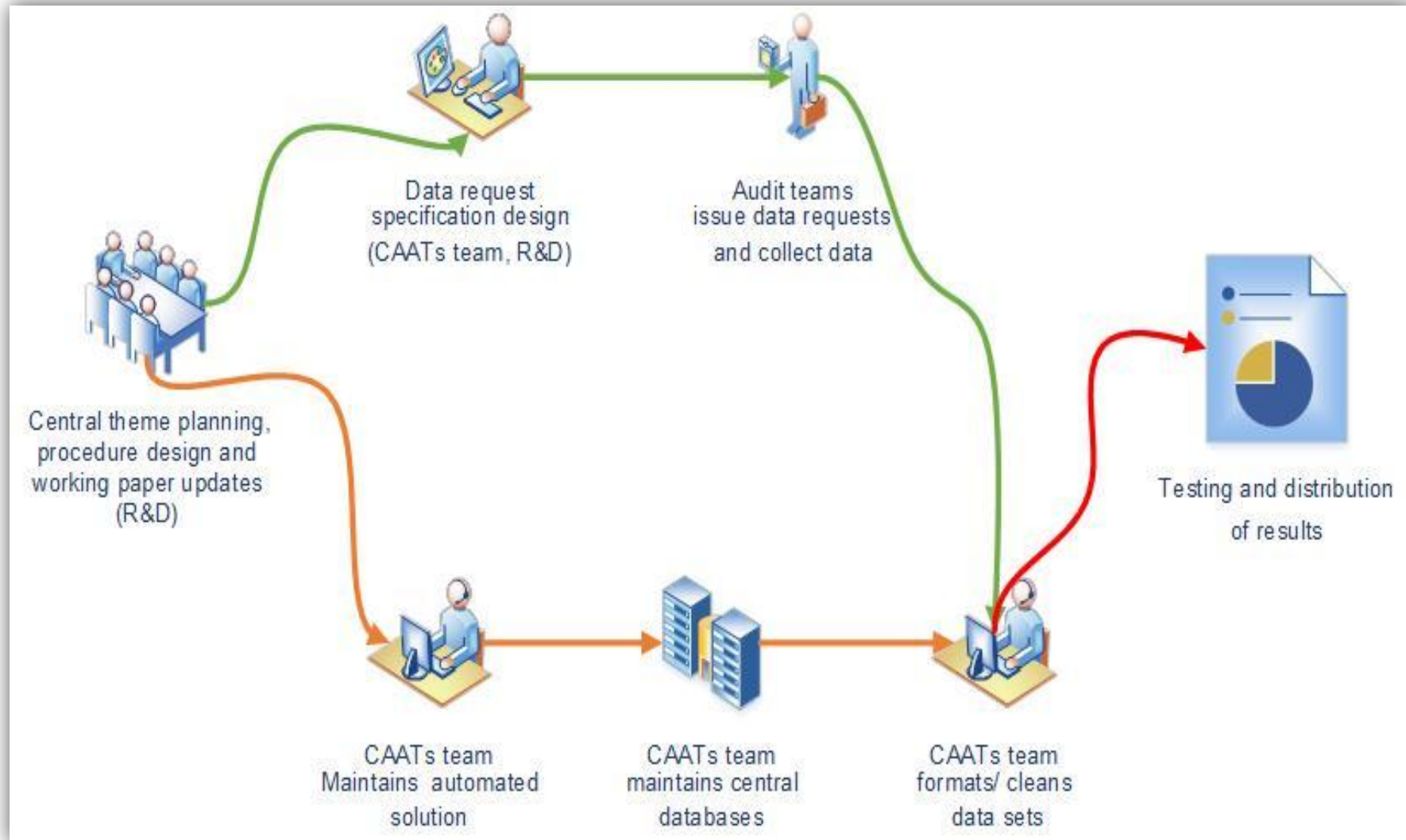
Output

- 29 Programmatically generated working papers per entity
- 62 Standard tests and indicators included in the working papers
- R&D Developed procedures and working papers
- Entire population tested for specific risk areas

Supply chain management risks



Data management process - supply chain management data analytics



Impact of analysis – Supply chain management



Payments to the value of R 2 636 million was identified



Central Supplier Data was implemented on 1 April 2016



President Jacob Zuma signed the Public Administration Management Act in 2014

Conclusion



Strives for improvements that will add value to stakeholders



Ensures:

- accountability
- good governance
- ethical behaviour



Promotes democracy and good governance in South Arica

How to get in touch with the AGSA



www.agsa.co.za



@AuditorGen_SA



Auditor-General of South Africa

