



ASF Auditoría Superior de la Federación
CÁMARA DE DIPUTADOS

10th meeting of the
INTOSAI
Working Group on
Value and Benefits
of **SAIs (WGVBS)**
6-8, 2017
September
MEXICO CITY

The integrated reporting journey of the Auditor-General of South Africa

Charles Baloyi
Auditor-General of South Africa
07 September 2017



Objective of the discussion

- To engage on the importance of ISSAI 12 and the need for SAIs to lead by example when it comes to reporting on the own performance



Performance reporting is part of AGSA culture

- ✓ We believe that **as the SAI** it is important to demonstrate transparency and accountability as part of living our values and leading by example
- ✓ Through **integrated reporting on our performance**, tabled in Parliament and on our website, we disclose our performance to all our stakeholders in a timely and user-friendly manner
- ✓ Amongst the **benefits that we have enjoyed** through our performance reporting is the opportunity it created for us to **market ourselves and share our challenges and success stories**
- ✓ The content and format of our annual reports is informed by both the Guidelines for sustainable reporting of the global reporting **Initiative (GRI) G4** and the **International integrated reporting <IR> framework**



Journey of the AGSA Integrated Annual Report

- ✓ Previously the AGSA IAR was mainly based on the **Global Reporting Initiatives (GRI)** although certain elements of the Integrated Reporting <IR> was used
- ✓ The 2015-16 AGSA Integrated annual report was the first IAR that was **compiled in accordance to both GRI G4 and the <IR>** frameworks
- ✓ Using both the GRI G4 and <IR> frameworks we were able to report on the **ability of the organisation to create and sustain value**



The simplicity of our performance reporting

- ✓ Our reports are compiled in line with the AGSA's principles of clarity and adhered to the AGSA's corporate house style to ensure simplicity clarity and relevance of our messages.
- ✓ In order to maximise readability for our diverse stakeholders the user-friendliness of our report is enhanced through the use of charts and graphics
- ✓ We plan to use infographics more extensively to simplify our reports even further

AGSA's Integrated reporting

Integrated Thinking

Our process of consideration of the relationships between our operating business units and the capitals that we use to create value for our stakeholders over the short, medium and long term



Integrated Reporting

Our process (resulting in a report) of communicating about how our strategy, governance, performance and prospects, in the context of our external environment, lead to the creation of value.

We follow best practice



AGSA's IR is cited by CIMA

Internal accountability reporting – our reporting process

Business Units

- Quarterly data capturing and analysis
- Uploads Portfolio of Evidence
- Reports on performance quarterly and annually

Corp Exec

- Approves goal chapters, provides conclusions, assumes ultimate accountability
- Intervene where poor performance has been reported
- Strategy business unit consolidates

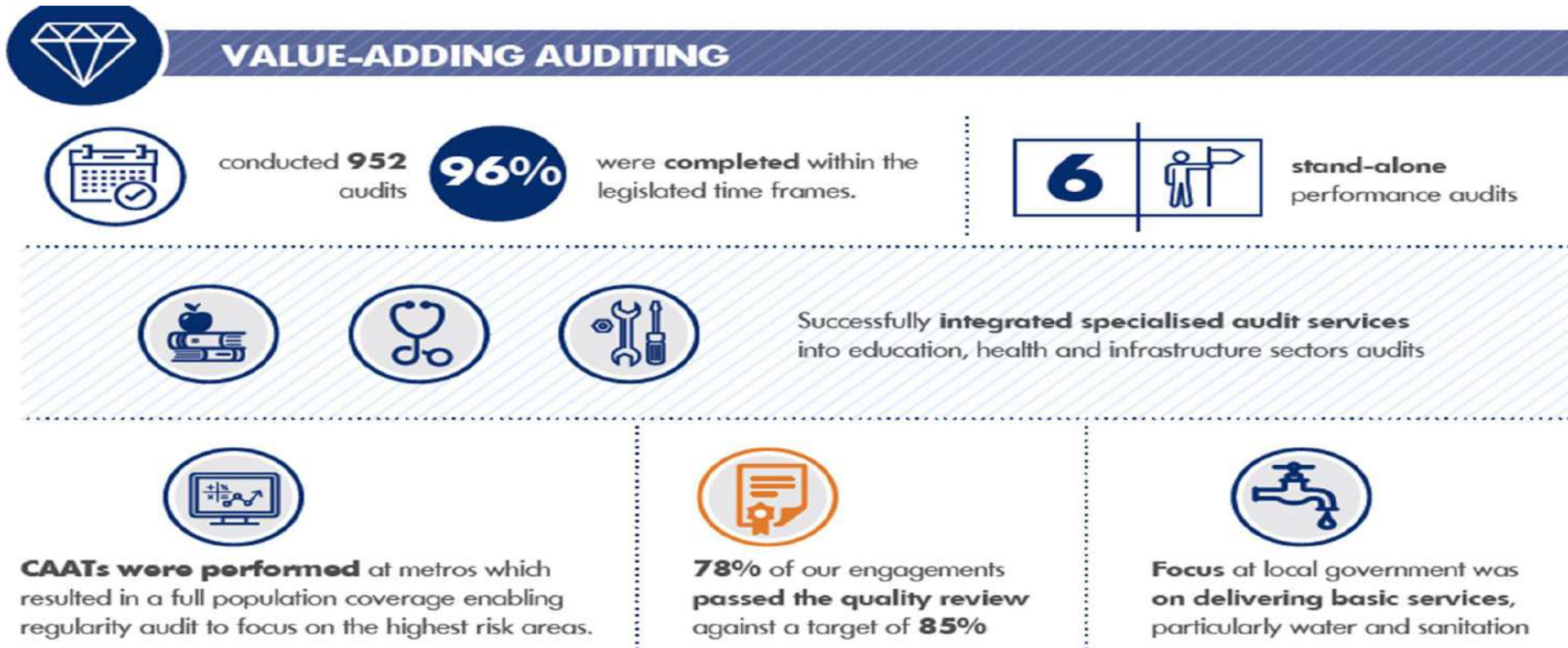
DAG

- Takes note of progress in relation to all organisational objectives
- Intervenes where poor performance is evident
- Submits to Executive Committee, and to the AG

AG







- Reviews quarterly reports and the IAR
- Signs-off, tables and present the IAR to Parliament (Standing Committee on AG)

Some of the important features contained in the IAR

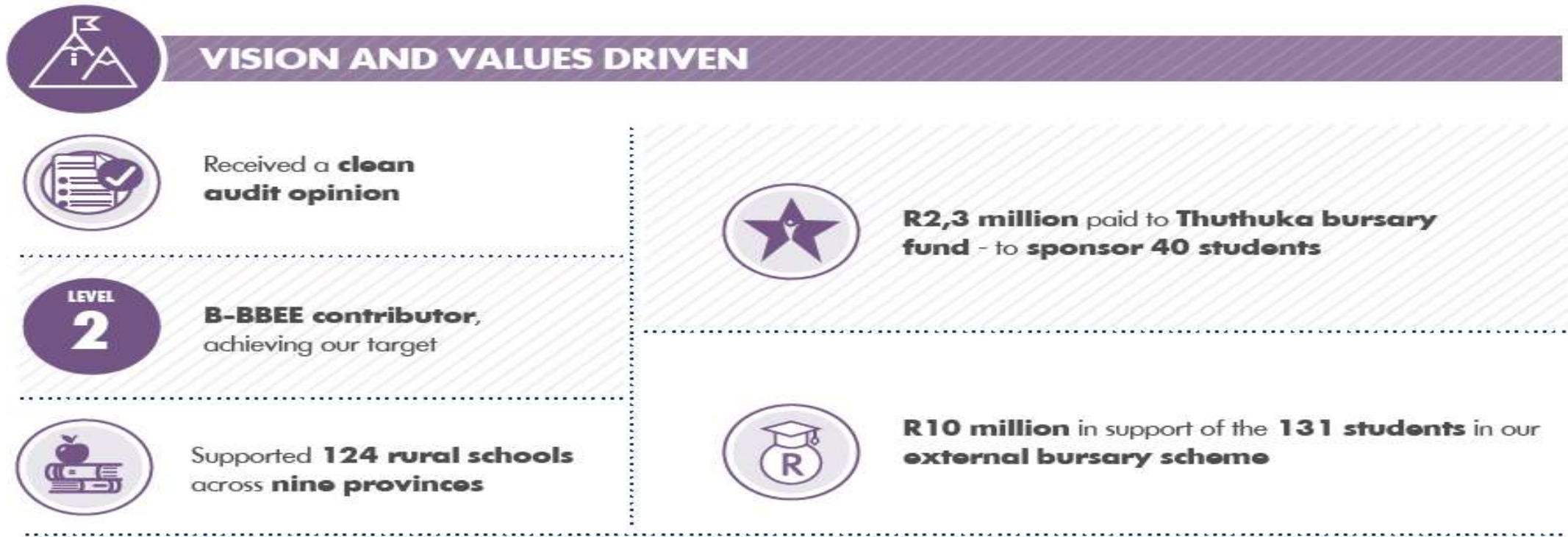


Some of the important features contained in the IAR (Continues)







VISIBILITY FOR IMPACT

 <p>MECs across all provinces actioned most of our recommendations</p>	<h3>Perception survey</h3> <p>78% of stakeholders agreed that our audits and services add value</p>	<h3>International success</h3> <p>Supported INTOSAI working groups on key national indicators, information technology audit, performance audit</p>
 <p>SCoPA heightened its examination of the accounting officers' role</p>	<p>82% considered our interactions to be of high quality.</p>	 <p>The AG attended the historic inaugural meeting of the BRICS SAI leaders</p>
 <p>PACs public hearings addressed unauthorised, irregular, fruitless and wasteful expenditure</p>	<p>89% of our stakeholders rated our brand as favourable</p>	 <p>The AG was bestowed an honorary professorship by the University of Nanjing</p>
	 <p>The briefing sessions on the PFMA and MFMA audit outcomes received widespread media coverage</p>	

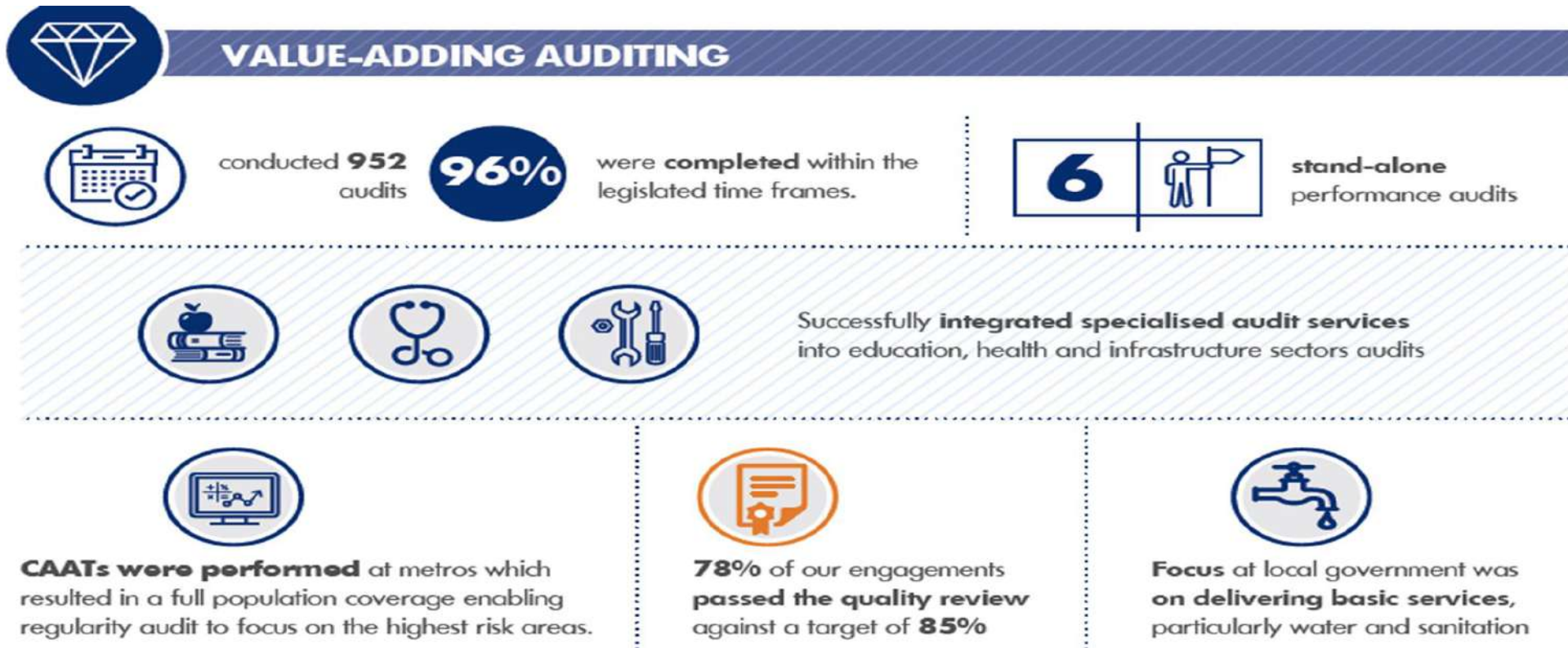
Some of the important features contained in the IAR



VISION AND VALUES DRIVEN

-  **Received a **clean audit opinion****
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-  **R2,3 million paid to **Thuthuka bursary fund** - to **sponsor 40 students****
-  **LEVEL 2 **B-BBEE contributor**, achieving our target**
-  **R10 million in support of the **131 students** in our **external bursary scheme****
-  **Supported **124 rural schools** across **nine provinces****

Some of the important features contained in the IAR





Lessons learned by AGSA

- ✓ Integrated thinking must be embraced by leadership of the SAI
- ✓ Clear vision for the public sector must precede the vision for the SAI to ensure SAI relevance
- ✓ Support from the oversight mechanism for the SAI's vision will contribute greatly to the success of the strategy



Lessons learned by AGSA (cont)

- ✓ Intensive engagements with entire senior leadership team are required to achieve sufficient buy-in and transfer ownership of strategy from the top to the operating units
- ✓ Defining clear goals, objectives, measures and targets will align the work of every staff member and enable effective evaluation
- ✓ Integrated reporting provides a clear view of the value added by the SAI and serves as a basis for continuous improvement

Conclusion

- ✓ The AGSA exists to create value for its stakeholders – inherent in our long-term objectives and business strategies
- ✓ In turn, the successful implementation of a sustainable business strategy leads to value creation
- ✓ In seeking to report on the SAIs ability to create and sustain value, it is therefore important to meet highest standards of reporting on own performance

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The logo features a large '10' where the '0' is a blue ring containing two interlocking gears (one orange, one blue). The text is arranged to the right of the '10', with 'meeting of the' in a smaller font above 'INTOSAI'. Below 'INTOSAI' is 'Working Group on', followed by 'Value and Benefits' in orange and blue respectively, and 'of SAIs (WGVBS)' in blue. The dates and location are at the bottom.