

IMFO

INSTITUTE OF MUNICIPAL FINANCE OFFICERS



Institute of Municipal Finance Officers
Reg. No. 1929/001781/08
Non-Profit Company



**ABC of Clean Administration Back to basics through Internal Audit service:
100% IA performance(impact Audit) process to enhance service delivery:**

IMFO Audit & Risk Indaba 2015
20 – 22April 2015: Olive Convention Centre, Durban



Institute of Municipal Finance Officers & Related

Presenter

Vonani Chauke – CA(SA);CIA;CISA;CISM

Partner at SizweNtsalubaGobodo

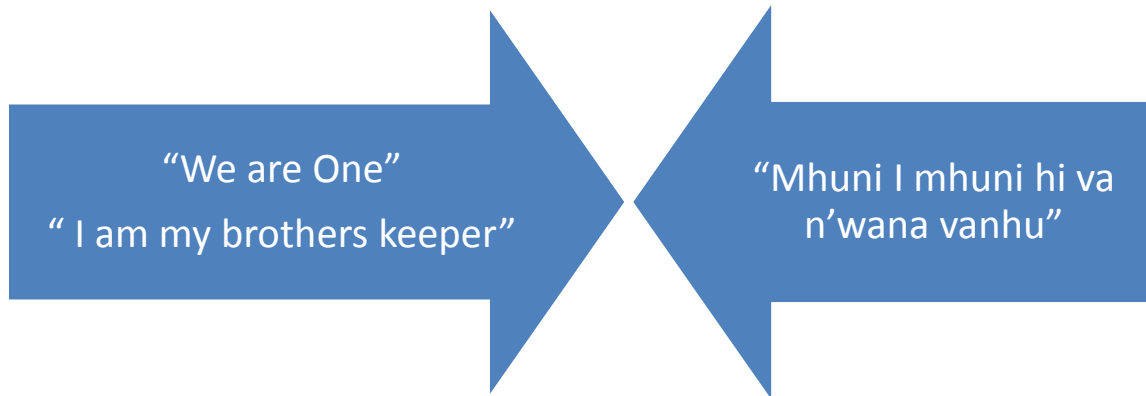
VonaniC@sng.za.com

NO TO XYPHOBIA – AFROPHOBIA



WE
THE PEOPLE OF
SOUTH AFRICA,
DECLARE
FOR ALL OUR COUNTRY
AND THE WORLD TO KNOW
THAT
SOUTH
AFRICA
BELONGS TO
ALL WHO
LIVE
IN IT*

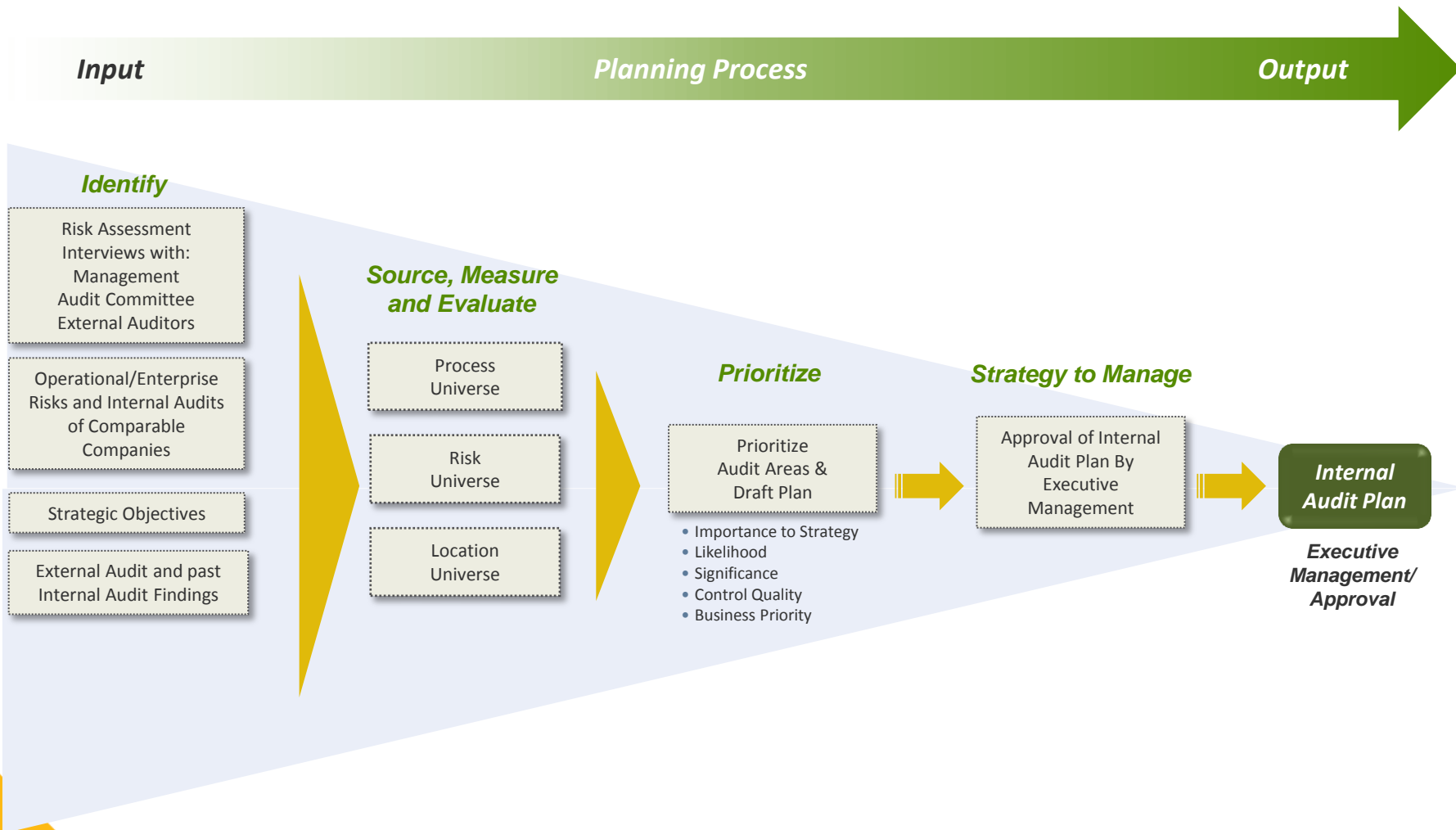
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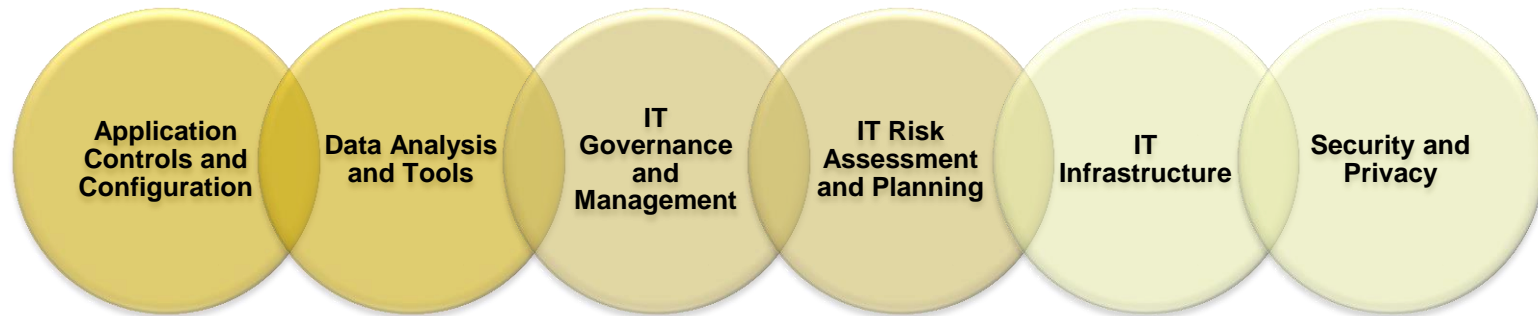
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Approach for Impact Auditing

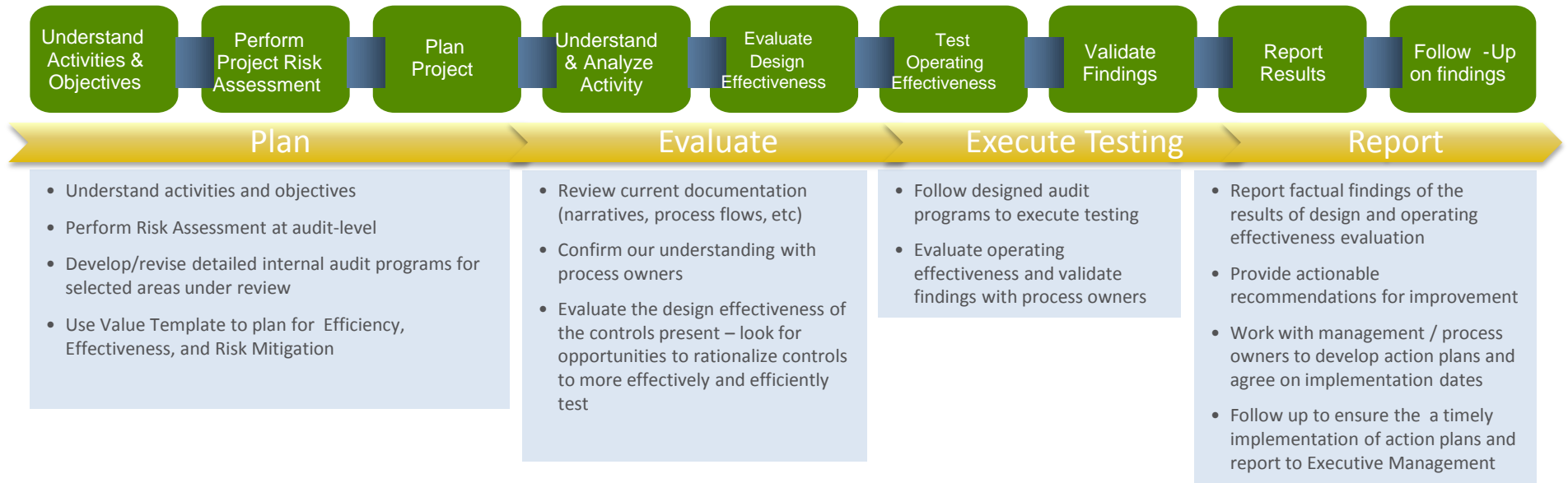


Specialised Audit Services

- Revenue Assurance
- Data Analytics
- Service Delivery Promise
- Audit of Performance Objectives



Internal Audit Approach



Oversight

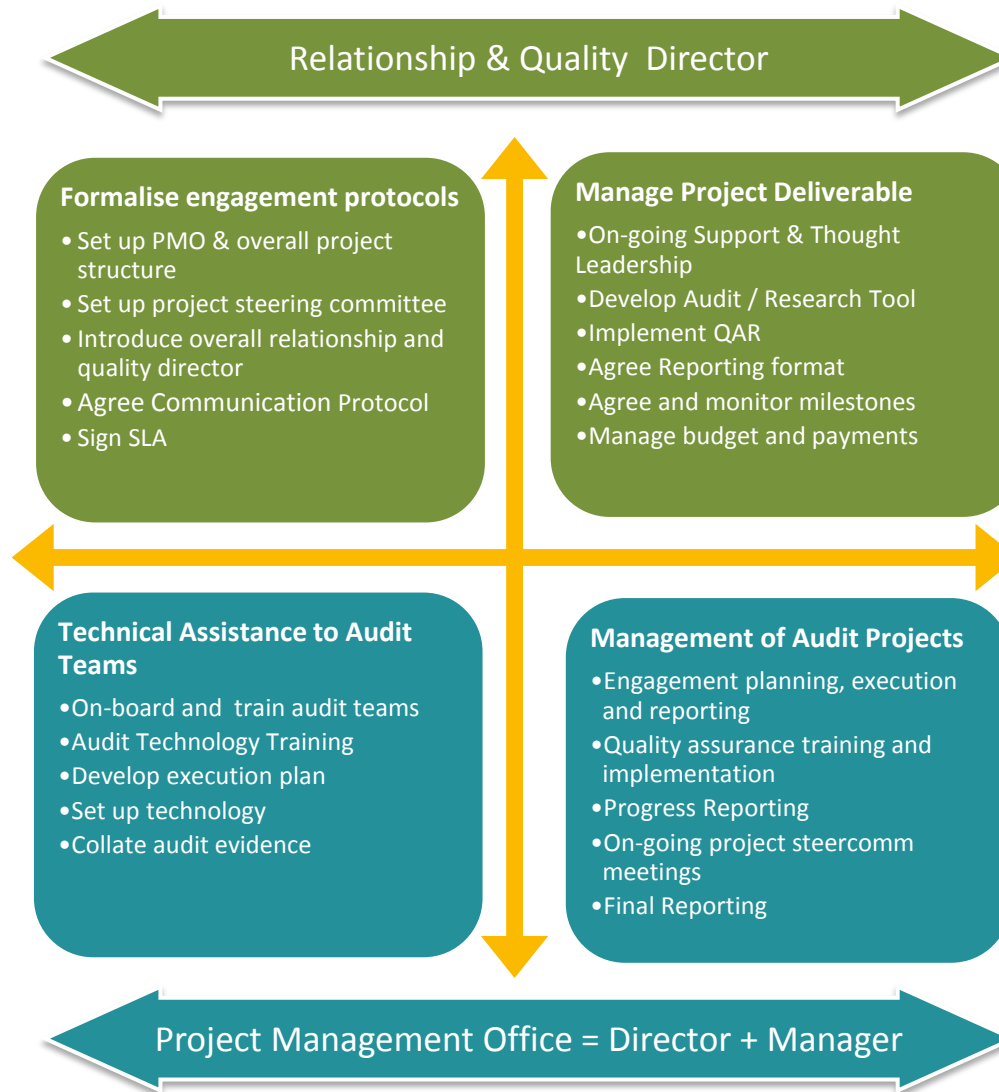
Insight

Foresight

Periodic Reporting & Issue Tracking to Management and Audit Committee

Internal Audit Methodology should provides oversight as to whether controls and business processes are operating as intended. IA should strive to provide organizations with insight into the root causes of issues, benchmark their process against other entities, and provide suggestions to improve their process capability according to the Capability Maturity Model. IA also provide foresight to think ahead and consider the impact of process changes.

PROJECT MANAGEMENT



Combined Assurance

Consider leveraging of other assurance providers:

- Management
- Risk Officers
- External Audit



- Functional Audit Committee
- Reliable Risk Register
- Ability to assess risk exposure by different lines of defence
- Plan a comprehensive rolling IA plan to cover key risks within reasonable period
- Leverage Technology – Consider GRC tools

OUR ENABLING TOOL – Protiviti Governance Portal



Risks	Projects	Workflow & Survey	Reporting & Analysis
<p>Define assessment areas for each NPO and create a centralized audit universe. Create audit program defined corporate objectives, risks, controls in support of internally-driven performance objectives and externally driven regulatory mandates.</p>	<p>Execute the NPO audit projects Identify findings and recommendation Run the national projects using GI tool</p>	<p>Using Questionnaires, Surveys, and other workflow-driven analysis can be used to communicate internally and externally. Obtain as much information through surveys and questioners.</p>	<p>Identify, record, monitor and report on enterprise-wide metrics via configurable workflow and flexible, ad hoc reporting that ultimately drives management's decision-making.</p>

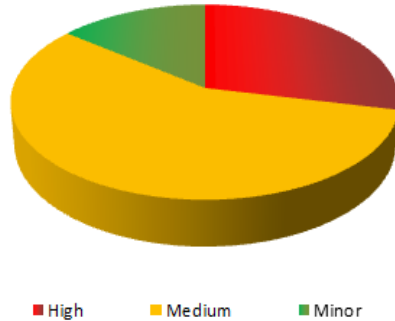
WE WILL HELP YOU MOVE FROM STRATEGY TO EXECUTION



- Executive dashboards providing immediate access to information required to manage the audit function;
- Dynamic reporting, available on demand;
- Tailored to meet the specific needs of the entity;
- Management information at your fingertips:
 - Audit plan execution and progress;
 - Performance (against KPIs set for the function);
 - Resource utilisation;
 - Budget and cost;
 - Business risk profile;
 - Tracking of closure of audit actions.

Finding and Action Plan Follow-up

Findings by Criticality current period



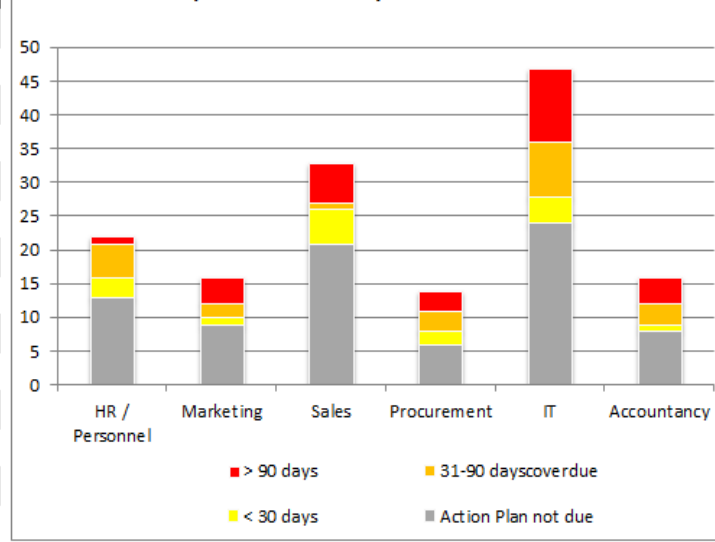
New Findings current week

Finding Name	Criticality	Due Date
Termination checklists not utilized to ensure procedures	Medium	31/10/2014
Incomplete documentation of personnel files linked to AP	Medium	31/08/2014
Termination checklists not utilized to ensure procedures	Medium	31/10/2014
Procedures must be established for an independent party (e.g.	High	31/01/2015
Users are not familiar with using report writers	Minor	10/02/2015
Incomplete documentation of personnel files linked to AP	Medium	31/08/2014
Lack of consistency exists in data input format	High	20/09/2014

Summary of most Overdue Action Plans

Action Plan Name	Due Date
Establish Leverage Cost Model	28/05/2014
Review key supplier contracts	28/05/2014
Policy Revisions and Training	10/04/2014
HR director to sign off on all terminatic	21/05/2014
Potential Vendor Identification	20/03/2014
Increase employee utilization	10/06/2014
Embezzlement of Fraud Funds	17/06/2014
Execution of branch optimization	24/06/2014
Increase ETF payments to vendors	01/07/2014
Focus on Human Capital	08/07/2014
Active Directory Documentation	15/07/2014

Open Action Plans by Business Functions



- Dashboard providing immediate insight into audit findings and progress made by management to close findings;
- Dashboard summary of new findings as they are identified (not waiting for review of finalised reports);
- Ability to review and provide feedback on audit findings (when raised) providing real time input into draft reporting;
- Analysis of distribution of findings (high, medium, low);
- Summary information (whether by action plan owner, region, function or action plan) or progress made closing out audit findings.

Key Considerations

- CAE's can make a difference based on audit outcomes
- We controlled municipalities can deliver more to our communities
- Maturity Assessment
- Benchmarking with other entities



QUESTIONS



Q&A
Thank you

Background

- Over 30 years track record | Largest black owned and managed firm
- 5th largest firm in Southern Africa
- Over 1000 professional staff and 50 Partners
- Level II BBBEE Contributor
- Presence in all 9 provinces with 11 offices
- Protiviti Member Firm
- Distributor and supporter of the Governance Portal – GRC

Geographical Footprint

