

Institute of Municipal Finance Officers & Related

Presenter

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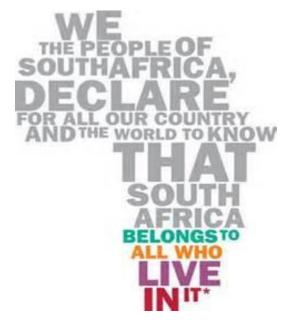




NO TO XYNEPHOBIA – AFROPHOBIA











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"We are One"
"I am my brothers keeper"

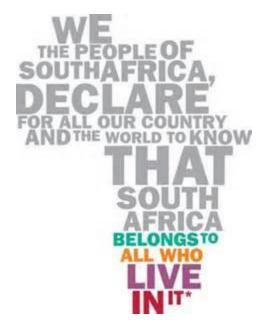
"Mhuni I mhuni hi va n'wana vanhu"







NO TO XYNEPHOBIA – AFROPHOBIA







Approach for Impact Auditing

Output Input **Planning Process** Identify Risk Assessment Interviews with: Source, Measure Management **Audit Committee** and Evaluate **External Auditors** Process **Prioritize** Strategy to Manage Operational/Enterprise Universe Risks and Internal Audits of Comparable Approval of Internal Prioritize Companies Risk Audit Plan By Audit Areas & Internal Universe Executive Draft Plan **Audit Plan** Management Strategic Objectives Importance to Strategy Executive Location Likelihood External Audit and past Significance Management/ Universe **Internal Audit Findings** Control Quality Approval Business Priority





Specialised Audit Services

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





Internal Audit Approach

Understand Evaluate Perform Understand Test Plan Validate Follow -Up Report Activities & Project Risk Design Operating & Analyze **Project Findings** Results on findings Objectives Effectiveness Assessment Activity Effectiveness Plan Evaluate **Execute Testing** Report • Understand activities and objectives Review current documentation · Follow designed audit • Report factual findings of the (narratives, process flows, etc) programs to execute testing results of design and operating Perform Risk Assessment at audit-level effectiveness evaluation · Confirm our understanding with · Evaluate operating • Develop/revise detailed internal audit programs for process owners effectiveness and validate • Provide actionable selected areas under review findings with process owners recommendations for improvement • Evaluate the design effectiveness of • Use Value Template to plan for Efficiency, the controls present – look for Work with management / process Effectiveness, and Risk Mitigation opportunities to rationalize controls owners to develop action plans and to more effectively and efficiently agree on implementation dates test Follow up to ensure the a timely implementation of action plans and report to Executive Management

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

Relationship & Quality Director

Formalise engagement protocols

- Set up PMO & overall project structure
- Set up project steering committee
- Introduce overall relationship and quality director
- Agree Communication Protocol
- Sign SLA

Manage Project Deliverable

- •On-going Support & Thought Leadership
- •Develop Audit / Research Tool
- •Implement QAR
- Agree Reporting format
- Agree and monitor milestones
- Manage budget and payments

Technical Assistance to Audit Teams

- •On-board and train audit teams
- Audit Technology Training
- Develop execution plan
- Set up technology
- •Collate audit evidence

Management of Audit Projects

- •Engagement planning, execution and reporting
- Quality assurance training and implementation
- Progress Reporting
- •On-going project steercomm meetings
- •Final Reporting

Project Management Office = Director + Manager





Combined Assurance

Consider leveraging of other assurance providers:

- Management
- Risk Officers
- External Audit

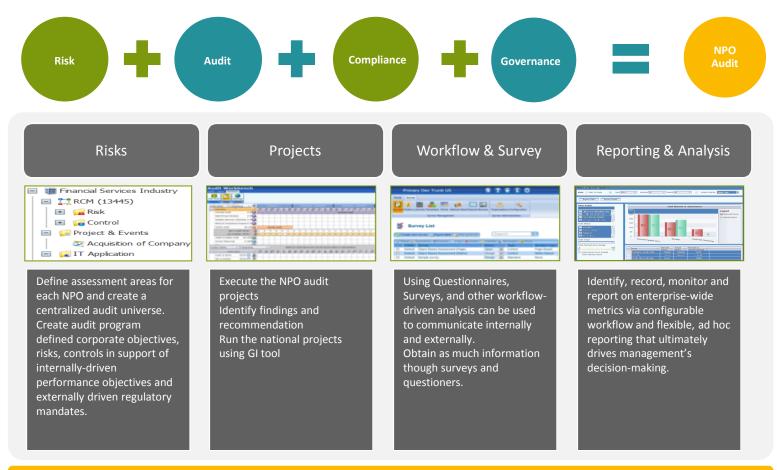


- Functional Audit Committee
- Reliable Risk Register
- Ability to assess risk exposure by different lines of defence
- Plan a comprehensive rolling IA plan to cover key risks within reasonable period
- Leverage Technology Consider GRC tools





OUR ENABLING TOOL – Protiviti Governance Portal



WE WILL HELP YOU MOVE FROM STRATEGY TO EXECUTION





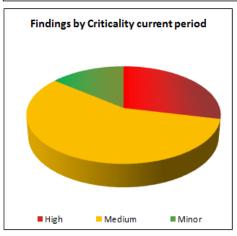


- Executive dashboards providing immediate access to information required to manage the audit function;
- Dynamic reporting, available on demand;
- Tailored to meet the specific needs of the entity;
- Management information at your fingertips:
 - Audit plan execution and progress;
 - Performance (against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



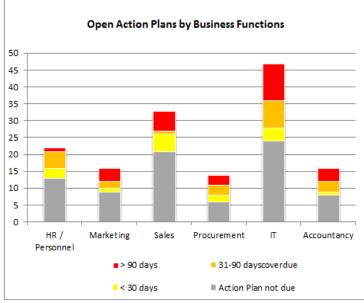


Finding and Action Plan Follow-up



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 termination	21/05/2014	
Potential Vendor Indentification	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	



- 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

