

# SAI SA's response to the South-African Government's efforts at fighting the COVID-19 pandemic

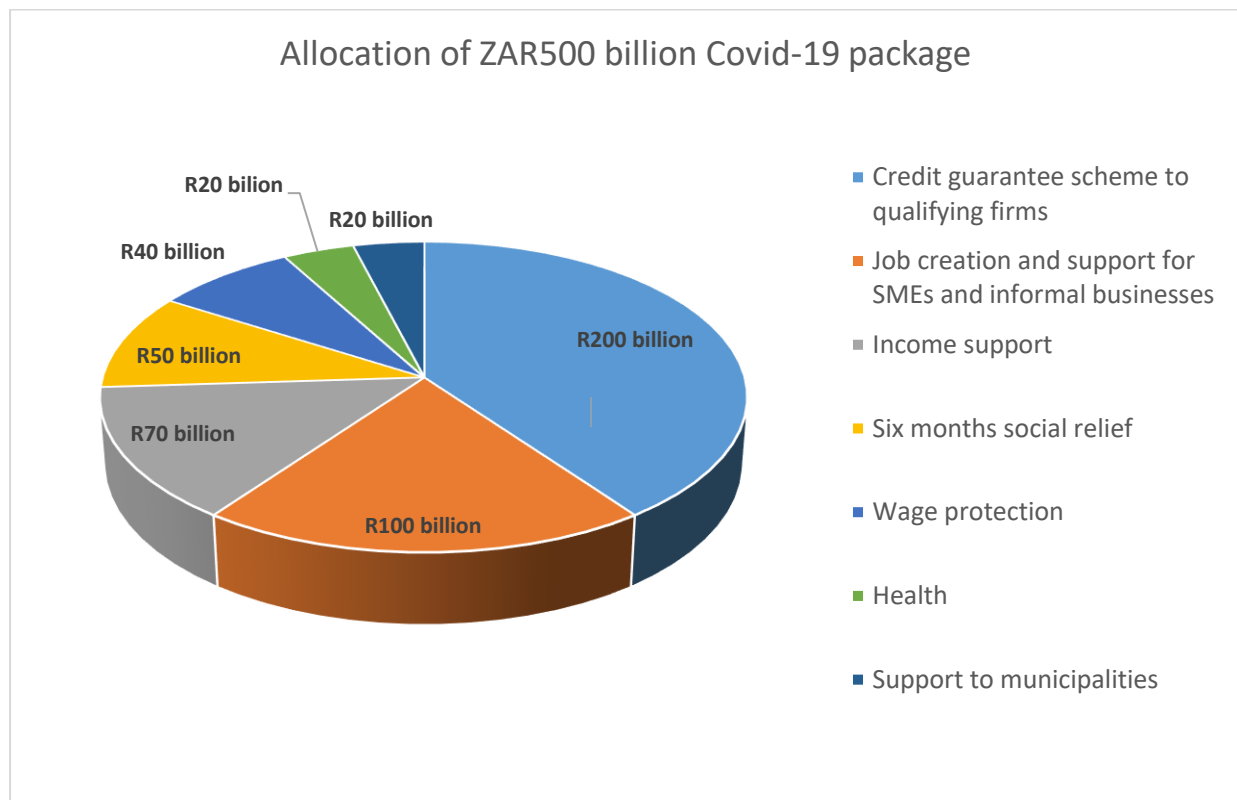
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## Background

In response to the COVID-19 pandemic, the South African President, President Cyril Ramaphosa, declared a national state of disaster in terms of the Disaster Management Act on Sunday, 15 March 2020.

On 23 March 2020, the president announced more drastic measures, namely that a nationwide 21-day lockdown, would come into effect on 26 March 2020. The confirmed COVID-19 cases at the time had increased six-fold from 61 to 402. This made South Africa the first country to enter a lockdown period, without a single recorded death at the time. The lockdown was later extended by another two weeks, where-after the country committed to a risk-based, phased re-opening of its economy.

The lockdown had an obvious negative effect on the economy of South-Africa and its citizens. In response, the Government announced a wide-ranging package of measures to address the immediate challenges, ranging from improved healthcare and social aid to economic relief and others. This is by far the biggest emergency package in our country's history. While there are many other areas of support, the announcement of a ZAR500 billion support package by Government, as outlined below, will stand out in the memories of the citizens of South-Africa:



The following diagram outlines a summary of the key action steps taken by the Auditor General of South Africa (AGSA) to ensure our SAI's continued relevance and value-add, also during these abnormal circumstances.

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| Consider and implement the most appropriate safety measures for own staff during the pandemic                   | Formulate own AGSA disaster management response   | Enable staff to work from home in the most effective way, including scaling up ICT systems and support                          | Allowing Government the space to deal with the initial phases of the fight against the pandemic                                |
| Track Government's key pronouncements (regulations) issued to deal with its response to the pandemic            | Create internal awareness of other SAIs' responses to disasters, highlight guidance available   | Build a database of SAI responses (past and present) to disasters, including examples of reports as a benchmark for own efforts | Making contact at an appropriate time with Government to assert the relevance and value of SAIs in times of crisis             |
| Making appropriate use of media to elevate messages regarding the relevance of SAI's mandate in times of crisis | <b>Key moments in plotting the AGSA journey to appropriately respond to Government's efforts to fight the COVID-19 pandemic in South-Africa</b> |   | Plotting in detail the landscape of Government's response (monetary spend per sector)  |
| Reconfirming key relationships in Government (e.g. National Treasury) to develop and implement audit response   | Develop an initial focused response to deal with COVID-19 risks on a "real-time" basis and consider appropriate positioning i.t.o. other work   | Create a central team to coordinate audit response (ARD, ISA, IBU, PA)  | Confirm planned approach to COVID-19 response with involvement of key leaders in AGSA, following extensive work in audit teams |
| Central technical support unit issues regular guidance on key technical considerations                          | Consider and confirm the impact of the planned response on current audit cycles and key reporting milestones                                    | Consider reporting requirements (dashboards for early warning and special "real-time" reports)                                  | Plan "re-activation" of audit activities in line with SA's risk-based return to work arrangements                              |
| Participate in efforts in the INTOSAI community to share experiences regarding SAI's work during the pandemic   | Scale up employee-wellness support to individual members of staff   | Consider the value of work done by CSOs as a preventative controls on Government's responsiveness                               | Consider what a post-pandemic report reflecting on Government's efforts would look like  |

The schedule below sets out in more detail the main elements of the action steps outlined above:

|   | Action step  | Description  |
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| 1 | Consider and implement the most appropriate safety measures for own staff during the pandemic          | <ul style="list-style-type: none"> <li>• Assuring all staff of the AGSA’s commitment to the health, safety and wellbeing of our people, even when returning to work in a phased approach.</li> <li>• Implementing safety measures, in line with Government standards, to ensure the highest level of safety for staff.</li> <li>• Daily communication of Covid-19 safety measures and awareness.</li> <li>• The Deputy Auditor-General sends regular leadership messages to reassure staff and keep them informed of key decisions and actions taken by the AGSA.</li> <li>• The executive committee of the AGSA has met weekly since the state of disaster announcement, to consider key matters and to provide strategic direction to the organisation.</li> </ul> |
| 2 | Formulate own AGSA disaster management response  | <ul style="list-style-type: none"> <li>• Establishing a crisis management committee to deal with the Covid-19 impact with the objective of – <ul style="list-style-type: none"> <li>○ protecting our people,</li> <li>○ serving our auditees, and</li> <li>○ ensuring business continuity.</li> </ul> </li> <li>• The committee met weekly and played a critical role in approving daily informative communication to staff.</li> <li>• Regular cash-flow projections were prepared and discussed, ensuring that staff remuneration is a priority and remains a key point of discussion.</li> </ul>  |
| 3 | Enable staff to work from home in the most effective way, including scaling up ICT systems and support | <ul style="list-style-type: none"> <li>• Communicating AGSA support and common understanding on the working-from-home arrangement.</li> <li>• Capacitating staff with necessary IT and other tools to enable the effectiveness of this arrangement, while also ensuring security of operations, e.g. using MS Teams for meetings,</li> <li>• The SAI was able to continue with critical engagements. These include the presentation to and attendance of oversight meetings of Parliament. Similarly, sharing of key messages continue to provincial leadership on audit outcomes.</li> </ul>  |
| 4 | Allow Government the space to deal with the initial phases of the fight against the pandemic           | <ul style="list-style-type: none"> <li>• With the support from key Government stakeholders, restricting teams from engaging with auditees for a period, to allow auditees to focus on their own Covid-19 strategic plans and implementation planning.</li> <li>• Allowed staff in the meanwhile, to use the opportunity to continue with other activities like the technical review of audit files, technical training, continued professional development, and other non-billable work.</li> </ul>  |
| 5 | Track Government’s key pronouncements (regulations) issued to deal with its response to the pandemic   | <ul style="list-style-type: none"> <li>• Diligently track pronouncements issued by Government and make these available to all staff on the organisational intranet.</li> <li>• Assess the potential operational implications from the pronouncements on audit processes, initially asking staff to be the “eyes and ears” for the organisation.</li> </ul>   |

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| 6  | Create internal awareness of other SAIs' responses to disasters, highlight guidance available  | <ul style="list-style-type: none"> <li>• Share messages and globally available literature with the organisation to highlight lessons learned from previous disasters audited by other SAIs, i.e. ISSA 5500 series, INTOSAI CBC newsletters.</li> <li>• Attend webinars hosted by other SAIs.</li> </ul>   |
| 7  | Build a database of SAI responses (past and present) to disasters, including examples of reports as a benchmark for own efforts                    | <ul style="list-style-type: none"> <li>• Track communication, audit plans, reports of other SAIs responding in times of need (past and present), INTOSAI and other international bodies (such as OECD, PEFA, World Bank, etc.) to serve as benchmarks for the AGSA's audit response and related reporting.</li> </ul>   |
| 8  | Make contact at an appropriate time with Government to assert the relevance and value of SAIs in times of crisis                                   | <ul style="list-style-type: none"> <li>• Engaged the President on the relevance and value of SAIs during the Covid-19 times through the demonstration of preventative controls to enable accountability. This engagement resulted on an unprecedented special pro-active focus in audit work to be performed concurrently with Governments' efforts.</li> </ul>   |
| 9  | Making appropriate use of media to elevate messages regarding the relevance of SAI's mandate in times of crisis                                    | <ul style="list-style-type: none"> <li>• Various media briefings and interviews were held and championed by the Auditor-General to: <ul style="list-style-type: none"> <li>○ further affirm our relevance and value during this crisis,</li> <li>○ explain the scope of the expected approach; and</li> <li>○ highlight the value of appropriate preventative controls.</li> </ul> </li> </ul>  |
| 10 | Plot in detail the landscape of Government's response (monetary spend per sector)  | <ul style="list-style-type: none"> <li>• Analyse Governments' responses to the crisis, especially around relief schemes and allocated budgets to various sectors, highlighting sources of funding, key implementing bodies, etc.</li> <li>• This basic landscape enabled leadership to do an initial risk assessment and apply its mind to the most relevant appropriate audit responses.</li> </ul>  |
| 11 | Reconfirm key relationships in Government (e.g. National Treasury) to develop and implement audit response   | <ul style="list-style-type: none"> <li>• Although key relationships with government structures, such as National Treasury, always play a central role in the audit work of the AGSA, the proposed response pushed this into a very collaborative relationship, with extensive sharing of information, best practices and possible solutions.</li> </ul>   |
| 12 | Develop an initial focused response to deal with COVID-19 risks on a "real-time" basis and consider appropriate positioning in terms of other work | <ul style="list-style-type: none"> <li>• Using the information on hand from preceding steps, begin to develop an appropriate audit response, with a focus in four key quadrants – health, social, economic and other, highlighting key risks, key preventative controls, audit responses and resource requirements.</li> <li>• This initial planning was actively debated at the SAI leadership level and formed the basis of stakeholder engagements shortly afterwards to further unpack the SAIs' thinking and confirm audit responses.</li> </ul> |

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| 13 | Create a central team to coordinate audit response   | <ul style="list-style-type: none"> <li>Establish a central, multidisciplinary audit team, to ensure that appropriate coordination takes place between all involved teams and that all audit risks can be addressed in a consistent approach, including information system risks, fraud risks, as well as dealing with certain performance audit considerations.</li> </ul>   |
| 14 | Confirm planned approach to COVID-19 response with involvement of key leaders in AGSA, following extensive work in audit teams | <ul style="list-style-type: none"> <li>Once the initial plans were fully developed and following engagements with relevant accounting officers, the final approach was confirmed with the Auditor-General to enable him to provide feedback on the AGSA's response to the Presidency and the National Treasury, and for the audit teams to issue engagement letters and commence work.</li> <li>The interventions were divided into different priority groups with the additional funding being the main priority, followed by the re-prioritising of existing budgets as the next priority group.</li> <li>Consider areas of Government's response that may sit outside the AGSA's traditional mandate (or that may not be possible given lock-down restrictions) and find alternatives, such as engagements with CSOs / citizens' audits.</li> </ul> |
| 15 | Central technical support unit issues regular guidance on key technical considerations   | <ul style="list-style-type: none"> <li>Rework audit guidance in line with the increase in audit risk triggered by both the pandemic and the economic downgrade of the country.</li> <li>Regular engagements with the profession on the impact of the pandemic on key technical considerations.</li> </ul>  |
| 16 | Consider and confirm the impact of the planned response on current audit cycles and key reporting milestones                   | <ul style="list-style-type: none"> <li>The planned COVID-19 audit was positioned as a fast-tracking of the existing work planned for the audit cycles, rather than a stand-alone assignment, albeit with separate "real-time" reporting requirements. This implied that audit work had to be reprioritised and that certain value-added aspects originally scoped for the upcoming audit cycles had to be done away with.</li> <li>Audit directives (the legal instrument that guides annual audits) was updated.</li> <li>Together with the National Treasury, the reporting deadlines for upcoming audit cycles were revisited and adjusted to balance the effect of the pandemic and the need for accountability.</li> </ul>  |
| 17 | Consider reporting requirements (dashboards for early warning and special "real-time" reports)                                 | <ul style="list-style-type: none"> <li>In principle, there was agreement that there will be regular reporting dashboards to the SAI leadership to enable real-time feedback to Government, as well as regularly timed special reports to drive key messages through this period.</li> <li>Extensive stakeholder engagement to deal with the pro-active instilling of preventative controls and to communicate results of initial audit work was also confirmed.</li> <li>Benchmarks (see step 7) will inform the process of developing reporting templates.</li> <li>The 2021 annual "state-of-the-nation" audit reports (on national, provincial, local government spheres) will be used as a way of reflecting on Government's response.</li> </ul>  |

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| 18 | Plan “re-activation” of audit activities in line with SA’s risk-based return to work arrangements                             | <ul style="list-style-type: none"> <li>• Establishment of a <i>Covid-19 Nerve Centre</i> in the AGSA to oversee the measures, protocols and related initiatives during the risk-based return to work processes, which includes designating audit staff as permitted to work even under the high risk level-4 arrangements. The committee will: <ul style="list-style-type: none"> <li>○ Oversee the adherence to standards of hygiene and health protocols.</li> <li>○ Implement any COVID-19 related instructions.</li> <li>○ Control the issuing of travel and work permits.</li> <li>○ Continuously monitor the impact of the pandemic on the operations of the SAI.</li> </ul> </li> </ul> |
| 19 | Participate in efforts in the INTOSAI community to share experiences regarding SAI’s work during the pandemic                 | <ul style="list-style-type: none"> <li>• As chair of the INTOSAI CBC, the SAI championed certain capacity development related initiatives into its work-programme (webinars on SAIs responding to earlier disasters) and refocusing its annual meeting to a virtual session, with a strong COVID-19 response focus.</li> <li>• Cooperate with the INTOSAI PFAC / chair of INTOSAI on initiatives to share knowledge and experiences during this time.</li> </ul>   |
| 20 | Scale up employee-wellness support to individual members of staff   | <ul style="list-style-type: none"> <li>• Make online therapy and wellness applications readily accessible.</li> <li>• Regular communication on topics such as anxiety, nutrition and exercise at home, financial coaching during lockdown and advice on caring for people with Covid-19.</li> <li>• Line managers regularly check in with their teams.</li> <li>• SAI leadership appreciating that employees will have to balance personal responsibilities (as schools are still closed) with the demands of the organisation.</li> </ul>   |
| 21 | Consider the value of work done by civil society organisations (CSOs) as preventative controls on Government’s responsiveness | <ul style="list-style-type: none"> <li>• Capitalise on the relationships with CSO’s, fostered as part of the social audits conducted by the SAI.</li> <li>• Approached CSOs to: <ul style="list-style-type: none"> <li>○ Understand their involvement in the Covid-19 responses.</li> <li>○ Gain insights in the effectiveness of the delivery of COVID-19 services by Government</li> <li>○ Encouraging them to act as a “preventative control” on Government’s responses to the pandemic.</li> </ul> </li> <li>• Commit to an ongoing relationship during this period, with emphasis on sharing knowledge and informing risk assessment processes.</li> </ul>                                |
| 22 | Consider what a post-pandemic report reflecting on Government’s efforts would look like                                       | <ul style="list-style-type: none"> <li>• Consider options, even at this early stage of the AGSA’s work, to reflect on Government’s actions during this pandemic on a post-facto basis.</li> </ul>  |