



MATTERS FOR DISCUSSION

MATTERS FOR DISCUSSION	1
6.1 External audit - 2021	2
6.2 Internal audit feedback.....	2
6.3 Annual reporting - 2021	3
6.4 Updated policies and procedures	3
6.5 Review of the March 2022 risk report.....	4
6.6 Re-appointment of Logista Inc for 2022	4
6.7 Documents from previous meeting.....	4

6.1 External audit - 2021

The presentation from Logista Inc presenting an overview of the 2021 external audit is attached (Annexure 5.4). The external audit planning memorandum prepared by Logista Inc. was circulated to members of the committee for comment and no objections were raised by members. The audit was conducted accordingly.

The Report for the Governing Board is attached (Annexure 5.5).

Logista Inc prepared a detailed Report to Management following the 2021 audit (Annexure 5.6). No significant items were raised to be reported to the Governing Board. There was one other matter raised for Management attention regarding fully depreciated assets still in use. The recommendation is to assess the assets depreciation policy to allow for a range of periods per asset class and perform a more thorough review of remaining useful lives periodically and adjust depreciation accordingly.

Logista Inc performed a separate factual finding assignment to provide additional assurance to Sida for the API project (Annexure 5.7). The terms of the agreed-upon procedure assignment are contained in the agreement with Sida and the assignment was conducted accordingly.

Proposed decision

6.1 To take note of the external auditor's report, management letter and the factual findings report for Sida-API.

6.2 Internal audit feedback

The 2021 activity report is attached (Annexure 5.8) as well as a follow up report on the implementation of recommendations and actions from prior assignments (Annexure 5.9).

The following reports are submitted for review by the committee:

- Review of the Risk management process (Annexure 5.10).
- Report on procurement and expenditure (Annexure 5.11).

The proposed internal audit plan for 2022 (Annexure 5.12) is to follow up on all prior assignments and recommendations. Lastly, prepare a final report, concluding the three year assignment.

Proposed decisions

6.2 To approve the following:

- Review of the Risk Management process
- Report on procurement and expenditure
- 2022 internal audit plan

6.3 Annual reporting - 2021

There are three annual reports for consideration in 2021 – integrated annual report, monitoring & evaluation report and the API project extract.

The Integrated Annual Report which includes the audited financial statements for 2021 – is attached. The report has been reviewed by the CEO – Mrs M Nkai as well as AG South Africa – Ms T Maluleke (as AG of the host SAI and in terms of her oversight responsibilities).

Logista Inc. as external auditors have also reviewed the report to ensure that there are no inconsistencies between their findings and the annual report. The report contains an unqualified report of the annual financial statements.

For purposes of this discussion, it is assumed that members have read the Integrated Annual Report which was distributed prior to the meeting. Members will be requested to pose questions to the Secretariat for clarification or corrections.

The second report is the 2021 Monitoring & Evaluation report and is an overview of the progress of achievement of the objectives contained in the AFROSAI-E 2020-2024 Strategic Plan.

The third report is a summary of the API project – which is an extract of the API related activities within AFROSAI-E Goal 1 (Annexure 5.13). This report was submitted to the donor (Sida) at the end of March as per the contractual agreement.

Proposed decision

6.3 Recommend that the Governing Board approve the following:

- Integrated Annual Report;
- Monitoring & Evaluation Report; and
- API financial report for 2021.

6.4 Updated policies and procedures

In 2021, the feedback to the committee had been to review policies and procedures to ensure alignment with the statutes and regulations that had been amended and approved in the 2021 Governing Board meeting.

The review was performed in 2021 but both internal and audit assignments have recommended further amendments. The draft policies are complete and will be circulated internally for consultation and then approval by the CEO in the course of 2022.

A standardisation of the policy format and layout will also be conducted in 2022.

Proposed decision

6.4 Take note of the impending changes of operational policies.

6.5 Review of the March 2022 risk report

The risk report for March 2022 is attached (Annexure 5.14).

This report follows the recommendations by the internal audit team in 2021. The register was reviewed for completeness and the mitigating controls were assessed.

Proposed decision

6.5 Take note of the identified risks and mitigating controls.

6.6 Re-appointment of Logista Inc for 2022

Logista Inc were appointed for a three-year period for the audits of 2020, 2021 and 2022 subject to the confirmation of the appointment by the Audit Sub-committee on an annual basis.

Proposed decision

6.6 To approve the re-appointment of Logista Inc as external auditors for the financial year ending 31 December 2022.

6.7 Documents from previous meeting

The members requested that the documents discussed at the 7 December 2021 meeting be circulated again for the sake of members that were not able to attend the meeting.

- Approved minutes of 12 March 2021 sub-committee meeting (Annexure 5.15)
- Terms of reference for sub-committee (Annexure 5.16)

Proposed decision

6.7 Take note of documents previously discussed.