

CIGFARO ANNUAL CONFERENCE

GOVERNMENT AUDITING PRINCIPLES THAT PROMOTE FINANCIAL SUSTAINABILITY AND EFFICIENCY OF SERVICE DELIVERY

DATE: 08 OCTOBER 2019



PRESENTATION OVERVIEW

**Government Audit
Definition**

Ethical Principles

General Standards

Value for money



CCG SYSTEMS

GOVERNMENT AUDIT DEFINITION

The government spends a lot of public money every year, so it must find a way to ensure responsible and honest use of public resources. Financial audit of a government agency that uses public resources accomplishes this goal. Such audits assess whether the information in the agency's financial records is fairly presented.

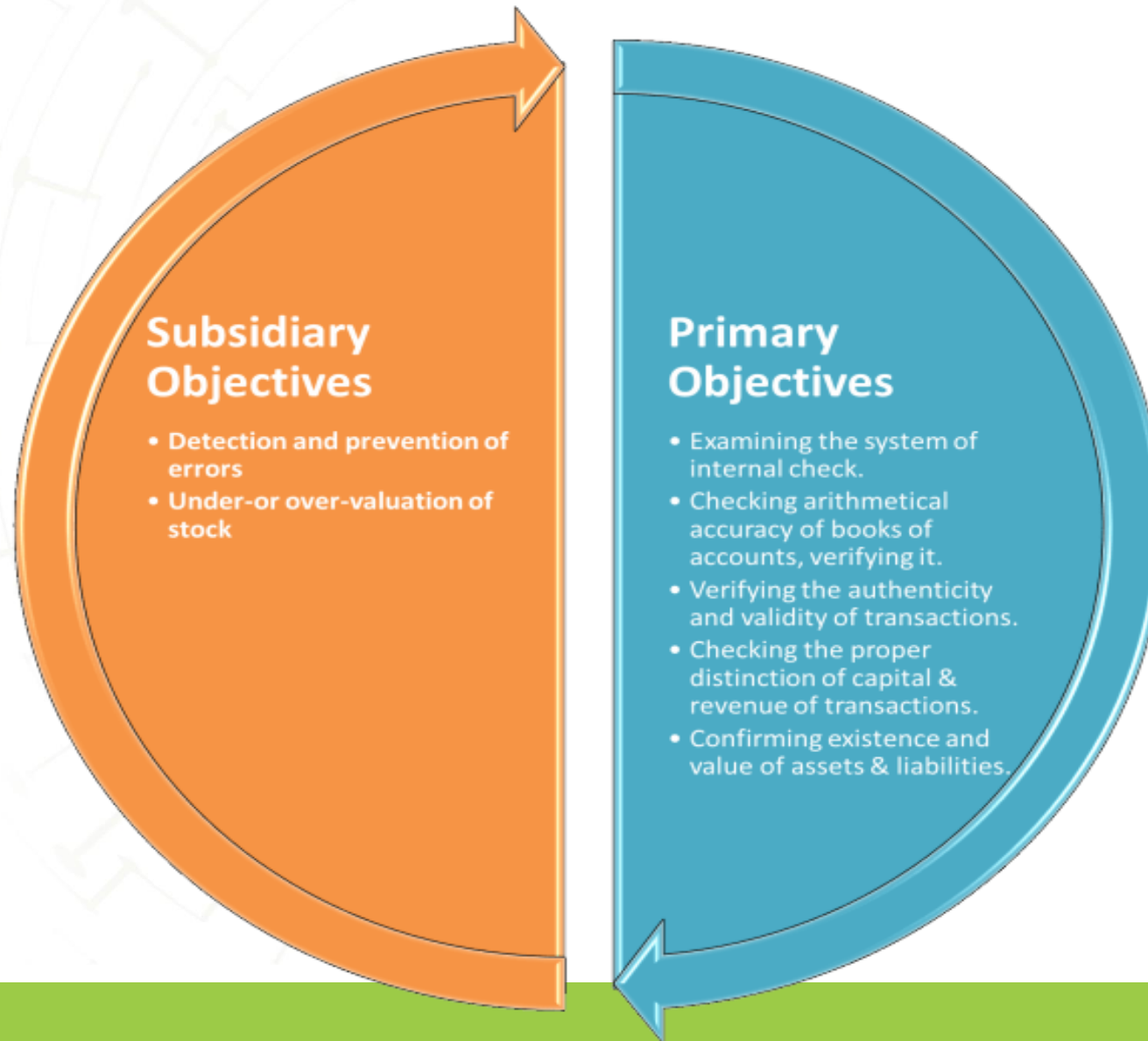
AUDITING DEFINED:

- **ETYMOLOGICALLY THE WORD 'AUDIT' HAS BEEN DERIVED FROM LATIN WORD 'AUDITE', WHICH MEANS 'TO LISTEN'. SYSTEMATIC VERIFICATION/EXAMINATION OF ACCOUNTING DATA, FINANCIAL STATEMENTS & RECORDS WITH A VIEW TO DETERMINE THE ACCURACY & RELIABILITY.**



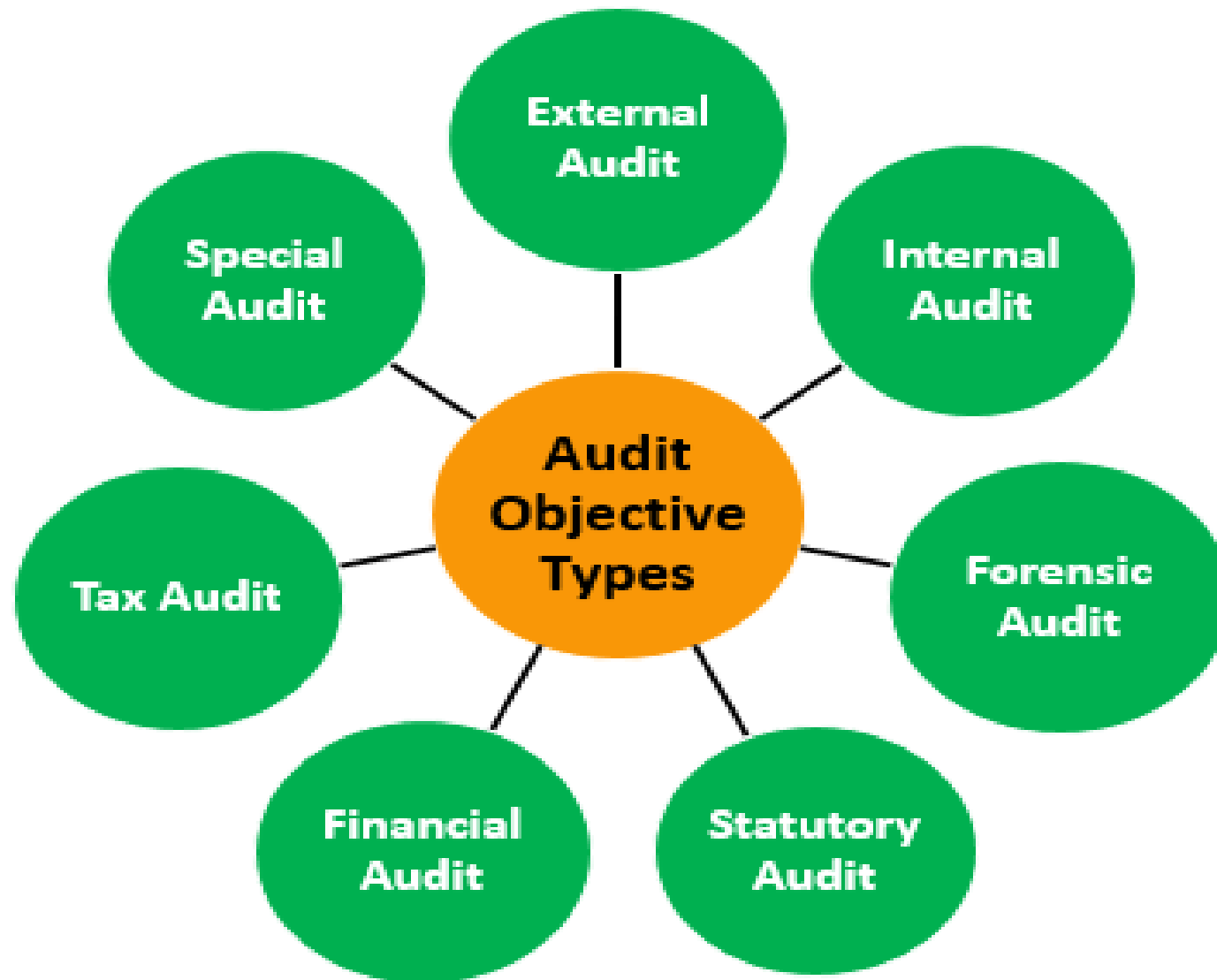
CCG SYSTEMS

OBJECTIVE OF AN AUDIT



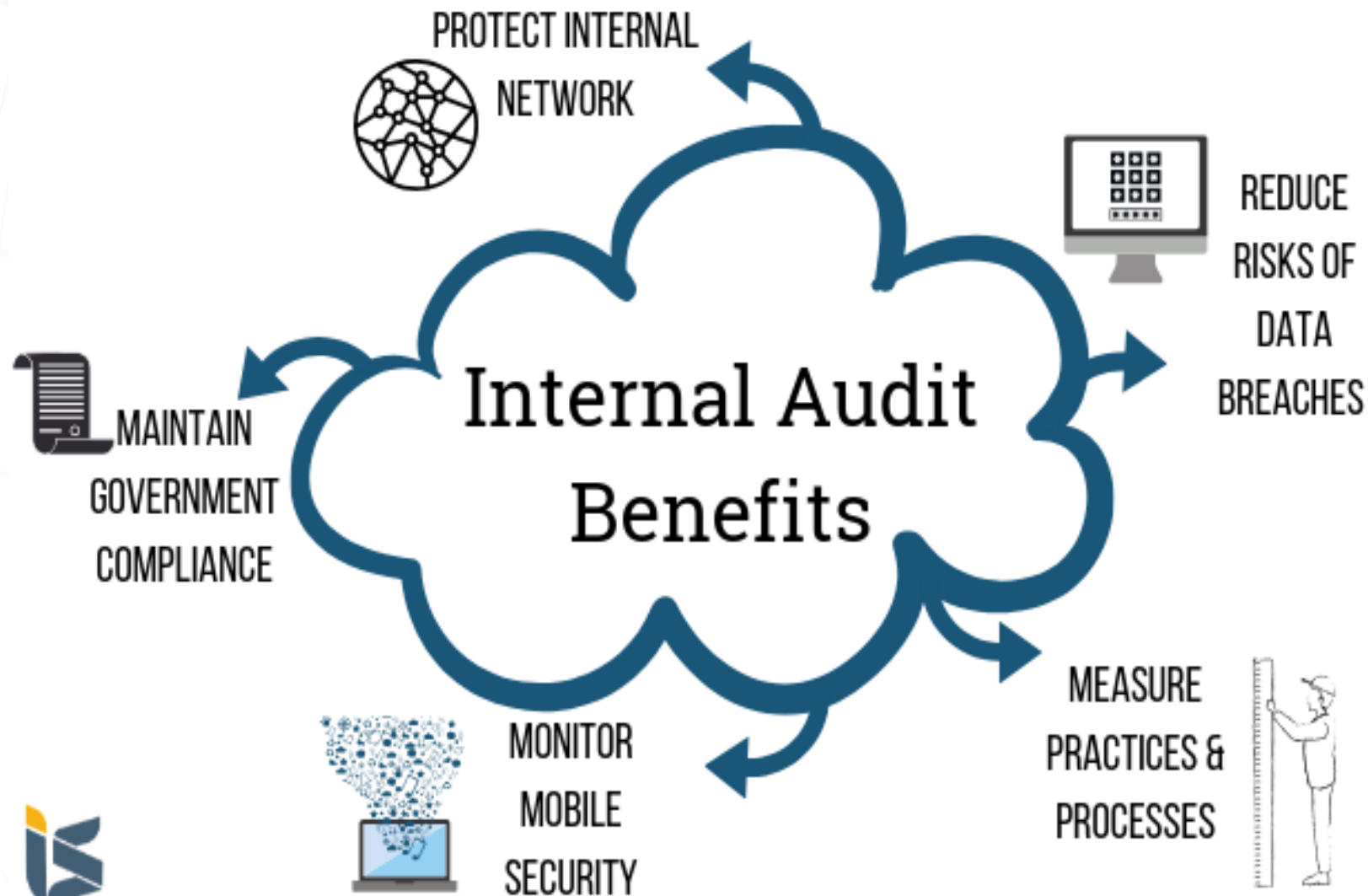
CCG SYSTEMS

OBJECTIVE OF AN AUDIT



CCG SYSTEMS

OBJECTIVE OF AN AUDIT



ETHICAL PRINCIPLES



CCG SYSTEMS

Integrity.

Integrity is a concept of consistency of actions, values, methods, measures, & principles, expectations, & outcomes. It can be regarded as the opposite of hypocrisy.



CCG SYSTEMS

1. Integrity

The foundation of professionalism

- To perform the work with honesty, diligence, and responsibility.
- To observe and respect any applicable legal requirements.
- To demonstrate technical competence while undertaking work.
- To perform the work in an impartial manner.
- To be sensitive to any influences that may be exerted by other interested parties on their judgment while carrying out an audit.



CCG SYSTEMS

2. Fair presentation

The obligation to report truthfully and accurately

- Audit findings, audit conclusions and audit reports should reflect truthfully and accurately the audit activities.
- Significant obstacles encountered during the audit and unresolved diverging opinions between the audit team and the auditee may be reported.
- The communication has to be truthful, accurate, objective, timely, clear and complete.



CCG SYSTEMS

3. Due professional care

The application of diligence and judgement in auditing

- Auditors should exercise due care in accordance with the importance of the task they perform and the confidence placed in them by the audit client and other interested parties.
- An important factor in carrying out their work with due professional care, is having the ability to make reasoned judgements in all audit situations.



CCG SYSTEMS

4. Confidentiality

Security of information

- Auditors should be prudent in the use and protection of information acquired in the course of their duties.
- Audit information should not be used inappropriately for the personal gain by the auditor or the audit client or in a manner detrimental to the legitimate interest of the auditee.
- This concept includes the proper handling of sensitive, confidential or classified information.



CCG SYSTEMS

Plus Two Principles For Audit Process



CCG SYSTEMS

1. Independence

The basis for the impartiality of the audit and objectivity of the audit conclusions

- Auditors should be independent of the activity being audited and act in a manner that is free from bias and conflict of interest wherever possible. For internal audits, auditors should be independent from the operating managers of the function(s) being audited.
- Auditors should maintain an objective state of mind throughout the audit process to ensure that the audit findings and conclusions are based only on the audit evidence.
- For small organisations, it may not be possible for internal auditors to be fully independent of the activity being audited, but every effort should be made to remove bias and allow for objectivity.



CCG SYSTEMS

2. Evidence-based approach

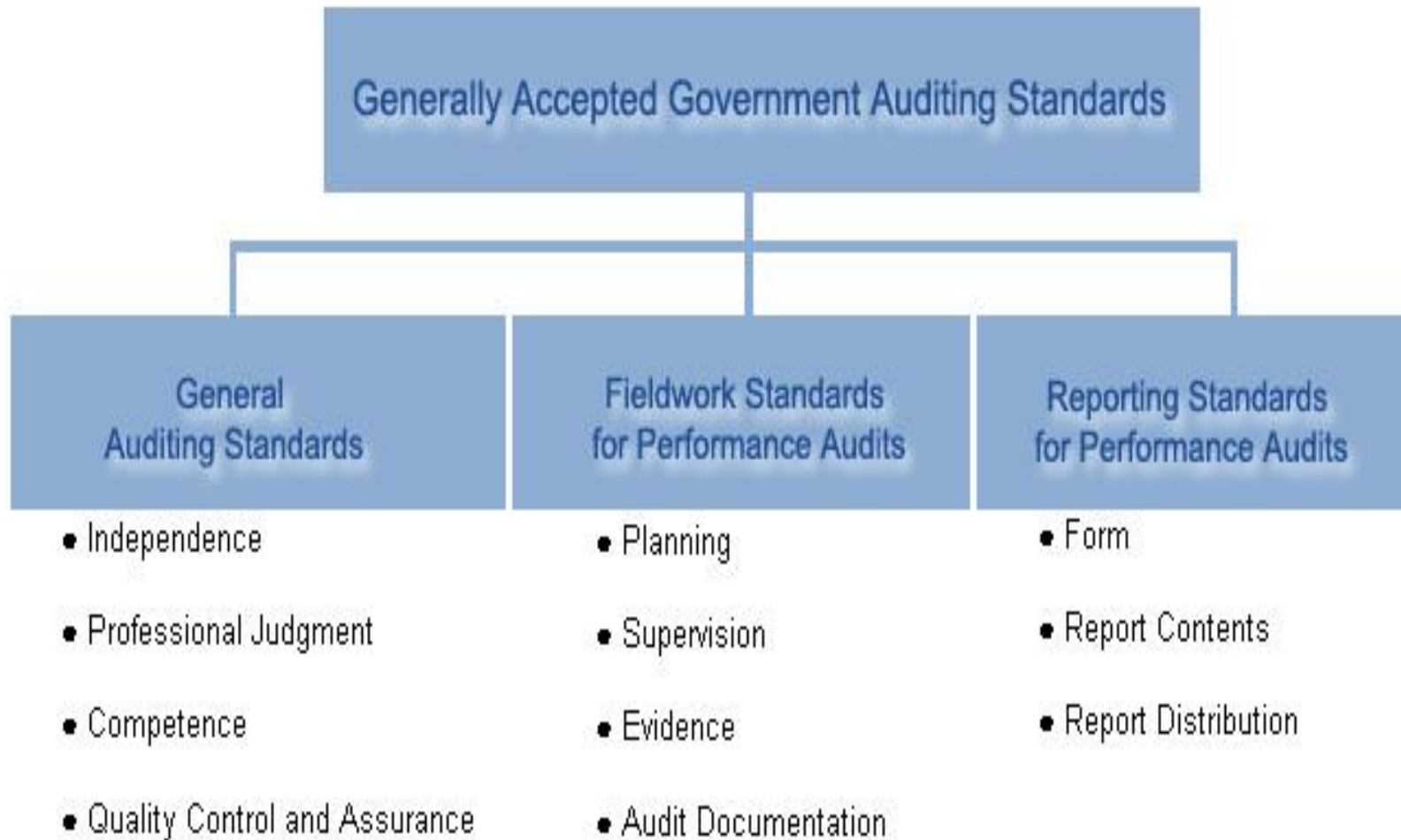
The rational method for reaching reliable and reproducible audit conclusions in a systematic audit process

- Audit evidence must be verifiable.
- Evidence must be based on samples of the information available, since an audit is conducted during a finite period of time and with finite resources.
- The appropriate use of sampling should be closely related to the confidence that can be placed on the audit conclusions.



CCG SYSTEMS

GENERAL STANDARDS



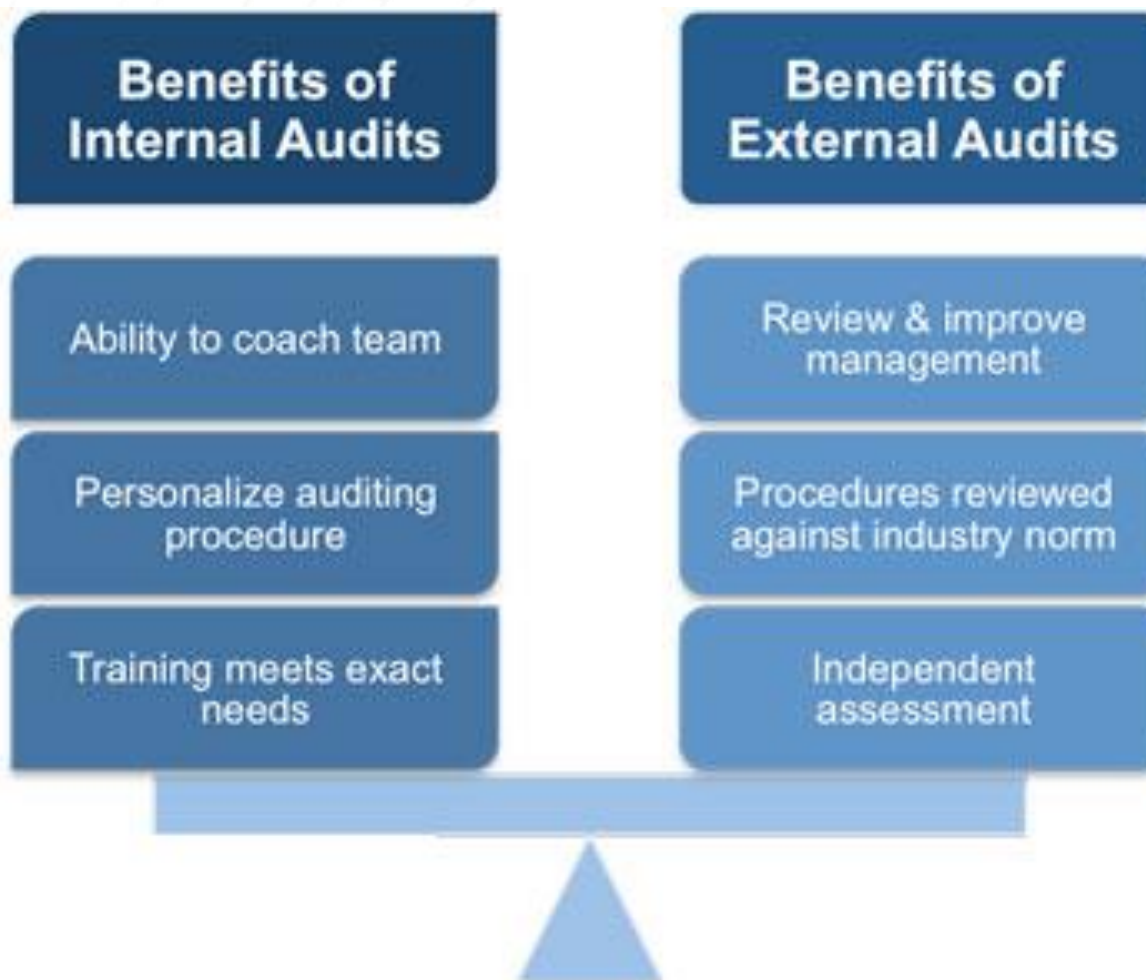
CCG SYSTEMS

BENEFITS

A large magnifying glass with a black handle and frame is positioned over the word 'BENEFITS'. The lens of the magnifying glass is centered over the letters 'NE' of the word. The background of the slide is a collage of US dollar bills, including \$100 and \$20 bills, which are visible through the magnifying glass and behind the large blue text. The word 'BENEFITS' is written in a large, bold, blue sans-serif font, with a subtle reflection effect below it.

CCG SYSTEMS

BENEFITS



CCG SYSTEMS

CONTACT US:

Nozipho Nkomo

Chief Operating Officer | CCG Systems

Tel: 031 576 0440 | Cell: 061 401 0541

21 Beacon Rock, 21 Lighthouse Road Umhlanga

Email: nozipho@ccgsystems.co.za

Website: www.ccgsystems.co.za



CCG SYSTEMS