



Public Education Material – Auditor-General

Introduction

On 30 November 2020 the term of office of the incumbent auditor-general, Kimi Makwetu, comes to an end. Parliament has already set up an ad-hoc committee to begin the recruitment process for his successor. The committee must make a recommendation to Parliament by 31 August 2020. It is imperative that the public is aware of the upcoming appointment, to ensure that Parliament recruits the best possible person for the job.

What is the Office of the Auditor-General?

The Auditor-General of South Africa (AGSA) is an institution created by Chapter 9 of the Constitution. It is an independent institution, which must act impartially in implementing its functions. The AGSA is accountable to Parliament, and must audit and report on the finances of state departments, municipalities, and other institutions that can be audited by the AGSA according to legislation. Additionally, the AGSA can audit and report on any institution that receives funds for public purposes. The AG also has the power to conduct a special audit or investigation on receipt of a request or complaint about any public institution listed in the Constitution and the Public Audit Act 2004. Reports must be made public.

The AGSA can also issue remedial action, follow up on implementation of said remedial action, and issue certificates of debt where necessary.

What role can the AGSA play in fighting corruption?

Because the AGSA has a duty to audit finances of all public institutions, it can flag irregular, wasteful or fraudulent expenditure, which are considered to be forms of corruption. It can flag financial misconduct or suspicions of corrupt activity, as well as issue remedial action on their findings. The AGSA has the duty and power to oversee the spending of public money.

How is the auditor-general appointed?

The president appoints the individual known as the AG, on a recommendation from the National Assembly. The National Assembly must establish a proportionally represented committee which will recommend a candidate. The recommendation must be approved by the Assembly with a vote of at least 60%. The president must then confirm the appointment. The Constitution provides for the involvement of civil society in this process.

The term of office of the AG is determined by the president, and is a fixed, non-renewable term of between five and ten years.

What kind of person should be appointed as auditor-general?

The AG must be a person who is a South African citizen, and fit and proper to hold office. They should have specialised knowledge and experience in auditing, finance and public administration. They should also have full legal capacity, be independent and impartial, and should exercise their powers without fear, favour or prejudice.

What did the last appointment of the AG look like?

The term of the previous AG ended on 30 November 2013. To find a suitable replacement, an ad-hoc committee of Parliament was set up. The post was advertised until 23 August 2013 and 90 applications were received. The shortlisting process was supported by the Office on Institutions Supporting Democracy (OISD), which split the CVs into an A-list and a B-list. The B-list was made up of the six candidates believed to be most qualified for the position. The OISD had shortlisted the six candidates based on their relevant qualifications, their relevant specialization and their nationality. Gender representation was also taken into consideration.

The six candidates were interviewed, and the committee created a scorecard by which to rate candidates:

Indicator	Explanation	Weighting
Technical Experience	Education Work experience Number of years working with finances Capability of putting together budgets Ability to advise on funding Relevance of experience/education to position	40%
Leadership	Management of all auditors Management of wide scope of operations in 10 offices countrywide. Ability to guide on planning and maintaining global standards Impartiality Independence	30%
Behaviour	Integrity Excellent interpersonal skills Teamwork	30%

Among other things, the candidates were asked questions on:

- Improving audits
- Managing the relationship between the AG and other institutions
- The funding model of the AG
- Their leadership style
- Relationship and interaction with stakeholders
- How to upskill citizens through the office of the AG
- Adherence to ethical standards
- Their understanding of legislation and of the Office

Following the interviews, the committee met *in camera* to deliberate on their preferred candidate for recommendation to Parliament. They unanimously agreed to appoint Mr TK (Kimi) Makwetu. Minutes for this committee meeting are not available.

What were the positive aspects?

- There was a division of power during the selection process, in that the OISD took care of the shortlisting process.
- This also diversified the selection committee.
- A proper scorecard was developed, promoting objectivity in assessing candidates that were interviewed.
- Questions were relatively consistent, also allowing for objective evaluation of candidates.

What were the negative aspects?

- The deliberations were held *in camera* which prevents transparency.

What should the process of appointing the new AG look like?

The process should be based on the following principles:

- Ensuring that the chosen candidate is competent, and has the relevant knowledge and experience;
- Ensuring that the chosen candidate is proven to be ethical and to have integrity;
- The process should be transparent and open to the public;
- The appointment should be objective;
- The appointment process should allow for public participation.