

Vacation of office

8. (1) A person appointed as Auditor-General ceases to be the Auditor-General—
- (a) when that person's term of office expires; or
 - (b) if that person—
 - (i) resigns, subject to subsection (2); or 5
 - (ii) is removed from office in terms of section 194 of the Constitution.
- (2) A person appointed as Auditor-General may resign—
- (a) on account of ill health or for any other reason which the President considers sufficient; and
 - (b) by giving at least three month's written notice to the President, but the 10 President may accept a shorter period.

Acting Auditor-General

9. The Deputy Auditor-General assumes the role of acting Auditor-General if—
- (a) the Auditor-General is unable to perform the functions of office;
 - (b) the Auditor-General is absent; or 15
 - (c) the appointment of a person as Auditor-General is pending.

Part 3: Accountability**Annual report to Parliament**

10. The Auditor-General must annually report to the National Assembly on his or her activities and the performance of his or her functions, including on— 20
- (a) the Auditor-General's overall control of the administration of the Auditor-General in terms of section 30(2);
 - (b) the standards for audits determined in terms of section 13(1);
 - (c) the categories of services provided in terms of section 5(1)(a)(i) and the institutions and accounting entities to which such services have been 25 provided; and
 - (d) any instances of co-operation in terms of section 5(1)(d).

CHAPTER 3**AUDITS****Part 1: Audits by Auditor-General 30****Application of this Part**

11. This Part applies to all audits of institutions and accounting entities which the Auditor-General—
- (a) must perform in terms of section 4(1) or (2); or
 - (b) opts to perform in terms of section 4(3). 35

Authorised auditors

12. (1) The Auditor-General may authorise one or more persons to perform or to assist in the performance of an audit referred to in section 11.
- (2) Such a person must be—
- (a) a member of the staff of the Auditor-General who— 40
 - (i) is registered as an accountant and auditor in terms of the Public Accountants' and Auditors' Act; or
 - (ii) is not so registered but has the qualifications, experience and competence referred to in subsection (3)(a);
 - (b) a private practitioner who— 45
 - (i) is registered as an accountant and auditor in terms of the Public Accountants' and Auditors' Act and is engaged in public practice as an accountant and auditor; or
 - (ii) is not so registered but has the qualifications, experience and competence referred to in subsection (3)(a); or 50

- (c) a person with non-accountancy qualifications, experience and competence to the extent that a person with such qualifications, experience and competence is necessary for any particular audit.
- (3) The Auditor-General must—
- (a) determine the minimum qualifications, experience and competence for authorised auditors referred to in subsection (2)(a) (ii) and (b) (ii) for appointment as authorised auditors; and 5
- (b) after consulting the Audit Commission, issue a code of conduct for authorised auditors, prescribing— 10
- (i) standards of professional conduct for the performance of an audit or their other functions, taking into consideration the manner in which the accountancy and audit profession is regulated in this regard;
- (ii) any disciplinary steps for misconduct; and
- (iii) any other relevant matter;
- (c) determine the manner in which an audit referred to in section 11 must be performed; and 15
- (d) determine the manner in which any powers conferred on authorised auditors in terms of this Act may be exercised, and limitations on the exercise of any of those powers.
- (4) Authorised auditors exercise their functions and powers— 20
- (a) in accordance with the code of conduct referred to in subsection (3); and
- (b) subject to any directives issued by the Auditor-General.
- (5) The code of conduct for authorised auditors referred to in subsection (3) is subject to any code of professional conduct prescribed by any legislation applicable to public practitioners in the accountancy and auditing profession, and in the event of any inconsistency between the code of conduct referred to in subsection (3) and such code of professional conduct, the latter code prevails. 25

Standards for audits

13. (1) The Auditor-General, after consulting the Audit Commission, must determine — 30
- (a) the standards to be applied in performing audits referred to in section 11 ;
- (b) the nature and scope of such audits; and
- (c) procedures for the handling of complaints.
- (2) In setting standards the Auditor-General must take into account all relevant factors, including— 35
- (a) best auditing practices, both locally and internationally; and
- (b) the capacity of the Auditor-General and the accounting profession to comply with those standards.
- (3) The Auditor-General may—
- (a) make different determinations on the matters mentioned in subsection (1) for different categories of audits; or 40
- (b) issue specific directives on those matters in any specific case.

Submission of financial statements

14. (1) Financial statements submitted to the Auditor-General for auditing by an auditee which is subject to the Public Finance Management Act or the Municipal Finance Management Act, must be submitted within the period, be in a format, contain the information and otherwise comply with the requirements determined by those Acts. 45
- (2) Financial statements submitted by an auditee which is not subject to the Public Finance Management Act or the Municipal Finance Management Act, must be submitted within the period, be in a format, contain the information and otherwise comply with any requirements determined by the Auditor-General. 50

General auditing powers

15. (1) When performing an audit referred to in section 11, the Auditor-General or an authorised auditor has at all reasonable times full and unrestricted access to—
- (a) any document, book or written or electronic record or information of the auditee or which reflects or may elucidate the business, financial results, financial position or performance of the auditee; 55

- (b) any of the assets of or under the control of the auditee; or
 (c) any staff member or representative of the auditee.
- (2) Auditor-General or an authorised auditor may for the purpose of an audit—
- (a) enter any premises or vehicle of or under the control of an auditee, including any premises or vehicle where— 5
 (i) a document, book or written or electronic record or information, or any assets, referred to in subsection (1) are kept; or
 (ii) a staff member or representative of the auditee performs work for the auditee;
- (b) direct a person to produce, or to deliver at a specified place and time and in a specified format— 10
 (i) any such document, book or written or electronic record or information, including any confidential, secret or classified document, book, record or information of whatever nature; or
 (ii) any such asset; 15
- (c) inspect, and question any person about, any such document, book or written or electronic record or information, or any such asset;
- (d) copy, or make extracts from, any such document, book or written or electronic record or information, at the expense of the auditee, or remove such document, book, record or written or electronic information to make copies or extracts; 20
- (e) direct a person to disclose, either orally or in writing, any information that may be relevant for the audit, including any confidential, secret or classified information, and question any person about such information; or
- (f) direct— 25
 (i) a person to disclose information or to give answers to questions in terms of this subsection in writing or under oath or affirmation; or
 (ii) that any such information or answers be recorded.

Searches of premises, vehicles and persons

16. (1) When performing an audit, the Auditor-General or an authorised auditor designated by the Auditor-General may, under the authority of a warrant or, subject to subsection (2), without a warrant— 30
- (a) enter any premises or vehicle on reasonable suspicion that a document, book or written or electronic record or information, or an asset, referred to in section 15(1)(a) or (b) which the Auditor-General or such authorised auditor needs to inspect for the audit is hidden or kept on those premises or in that vehicle; 35
- (b) search the premises or vehicle, or any person on the premises or in the vehicle, for such document, book or written or electronic record or information or asset; and
- (c) seize such document, book or written or electronic record or information or asset for the purpose of completing the audit. 40
- (2) The Auditor-General or such authorised auditor may in terms of subsection (1) enter and search any premises or vehicle, or search any person, without a warrant, but only if—
- (a) the person in control of the premises or vehicle consents to the entry and search of the premises or vehicle or the person to be search consents to the search, as the case may be; or 45
- (b) there are reasonable grounds to believe that a warrant would on application be issued, but that the delay that may be caused by applying for a warrant would defeat the object of the entry or search. 50
- (3) The person conducting the search must provide proof of identify to the person in charge of the premises or vehicle. If a warrant has been obtained, a copy of the warrant must be handed to the person in charge of the premises or vehicle or affixed to the premises or vehicle at a prominent place.
- (4) The Auditor-General or such an authorised auditor is entitled to assistance from the South African Police Service or other law enforcement agency or investigating authority to enforce the provisions of this section. 55
- (5) The entering and search of premises or a vehicle, and the search of a person, in terms of this section must be conducted with strict regard to decency, order and any affected person's constitutional rights. 60

Accompanying assistants

17. When exercising the powers referred to in sections 15 and 16, the Auditor-General or an authorised auditor may be accompanied by such assistants and other persons as are reasonably required for the exercise of those powers.

Protection of information

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18. (1) The Auditor-General must take precautionary steps to guard against the disclosure of secret or classified information obtained in terms of section 15(1) or (2) or 16.

(2) Steps taken in terms of subsection (1) may not prevent the disclosure of any audit finding by the Auditor-General or an authorised auditor on any unauthorised expenditure, irregular expenditure or fruitless and wasteful expenditure within the meaning of the Public Finance Management Act or the Municipal Finance Management Act, or on any other irregular or criminal conduct relating to the financial affairs of an auditee, but any such disclosure may not include facts the disclosure of which would harm the national interest.

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(3) The Auditor-General, an authorised auditor or an assistant or other person referred to in section 17, is competent but may not be compelled to disclose information obtained in the course of official duties in any proceedings in which the Auditor-General is not a party, before—

(a) a court in a civil matter; or

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(b) any other body or institution established in terms of legislation.

(4) Subsection (3) does not apply in any proceedings before—

(a) a legislature or an internal committee of a legislature; or

(b) a court in a criminal matter.

Auditees to render assistance

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19. (1) An auditee must—

(a) render all reasonable assistance to the Auditor-General or the authorised auditor performing the audit to enable the Auditor-General or authorised auditor to complete the audit within the applicable timeframes;

(b) accede free of charge to all reasonable requests of the Auditor-General or the authorised auditor to facilitate the expeditious completion of the audit, including—

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(i) the provision of suitable office accommodation and parking on the auditee's premises;

(ii) logistical support required for the proper carrying out of the audit; and

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(iii) access to office equipment.

Audit reports

20. (1) The Auditor-General must in respect of each audit referred to in section 11 prepare a report on the audit.

(2) An audit report must reflect such opinions and statements as may be required by any legislation applicable to the institution or accounting entity which is the subject of the audit, but must reflect at least an opinion or conclusion on each of the following matters:

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(a) The fairness of the financial statements of the institution or accounting entity and their compliance with any applicable financial reporting framework or any applicable legislation;

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(b) The institution or accounting entity's compliance with legislation applicable to financial matters, financial management and other related matters; and

(c) The reported information relating to the performance of the institution or accounting entity against predetermined objectives.

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(3) In addition, the Auditor-General may report on whether the institution's resources were procured economically and utilised efficiently and effectively.

Submission of audit reports

21. (1) The Auditor-General must submit an audit report in accordance with any legislation applicable to the institution or accounting entity which is the subject of the audit.
- (2) The Auditor-General must submit all audit reports to the relevant legislature. 5
- (3) Audit reports must be tabled in the relevant legislature within a reasonable time. If an audit report is not tabled in a legislature within one month after its first sitting after the report has been submitted by the Auditor-General, the Auditor-General must promptly publish the report.
- (4) Despite any other legislation, the Auditor-General may in the public interest 10 submit an audit report to—
- (a) any legislature whether or not that legislature is a relevant legislature; or
 - (b) any organ of state.

Audit reports on confidential, secret or classified accounts

22. (1) When the Auditor-General reports on an account established by the Security 15 Services Special Account Act, 1969 (Act No. 81 of 1969), the Defence Special Account Act, 1974 (Act No. 6 of 1974), or the Secret Services Act, 1978 (Act No. 56 of 1978), or any other confidential special account established by any other Act of Parliament, the Auditor-General—
- (a) must have due regard for the special nature of the account; and 20
 - (b) may after consulting the President, the Cabinet member responsible for finance and the Cabinet member responsible for the account, limit the audit report on such account to the necessary extent.
- (2) Subsection (1) does not prevent the disclosure of any audit finding by the Auditor-General or an authorised auditor on any unauthorised expenditure, irregular 25 expenditure or fruitless and wasteful expenditure within the meaning of the Public Finance Management Act, or on any other irregular or criminal conduct relating to the financial affairs of such an account, but any such disclosure may not include facts the disclosure of which would harm the national interest.

Audit fees 30

23. (1) The Auditor-General determines the basis for the calculation of audit fees to be recovered from auditees in respect of audits referred to in section 11, after having consulted the Audit Commission and the National Treasury.
- (2) An auditee must settle the account for audit fees within 30 days from the date of invoice, failing which the Auditor-General must promptly take legal steps to recover the 35 amount, unless it is not in the financial interest of the Auditor-General to do so.
- (3) The Auditor-General may charge interest on any audit account not paid within 30 days of the date of the account at the rate prescribed in terms of section 1(2) of the Prescribed Rate of Interest Act, 1975 (Act No. 55 of 1975).
- (4) If an auditee defaults on the payment of audit fees, the Auditor-General must 40 promptly notify the National Treasury.
- (5) The National Treasury or the relevant provincial treasury, as may be appropriate, may, after consulting the Auditor-General, direct that audit fees recoverable from an auditee which is not a national or provincial department, be defrayed from a vote on the 45 national or a provincial budget identified by the relevant treasury.
- (6) If the cost of auditing an auditee for any financial year exceeds one percent of the total current and capital expenditure of such auditee for that financial year, such excess must be defrayed from the National Treasury vote.

Part 2: Audits of institutions by auditors in private practice**Application of this Part 50**

24. This Part applies to audits of institutions referred to in section 4(3) where the Auditor-General has opted not to perform the audit.

Appointment of auditors

25. (1) If the Auditor-General has opted not to perform the audit of an institution referred to in section 4(3), the institution must appoint as its auditor a person registered in terms of the Public Accountants' and Auditors' Act as an accountant and auditor, and engaged in public practice as such. 5
- (2) Before appointing an auditor in terms of subsection (1), the institution must give notice of such appointment to the Auditor-General, including information on the extent to which the auditor would provide other services than audit services during the duration of the appointment, and any other information required by the Auditor-General.
- (3) If the Auditor-General within 14 days of receiving a notice in terms of subsection (1) rejects the institution's appointment, the institution must in terms of that subsection appoint another person as its auditor. 10

Discharge of auditors

26. (1) An institution referred to in section 4(3) may discharge an auditor appointed by it in terms of section 25(1)(a) before the expiry of that auditor's term of appointment, but only with the consent of the Auditor-General. 15
- (2) If such an institution intends discharging an auditor in terms of subsection (1), it must—
- (a) give the auditor notice, in writing, setting out the reasons for the discharge; and 20
- (b) give the auditor an opportunity to make representations, in writing, to the Auditor-General within 20 days of receipt of the notice.
- (3) The Auditor-General must report any discharge of an auditor in terms of subsection (1) to the relevant legislature.

Duties and powers of auditors 25

27. (1) An auditor appointed in terms of section 25(1) (a) must perform the functions of office as auditor in terms of section 20 of the Public Accountants' and Auditors' Act.
- (2) In performing those functions as the auditor of an institution, the auditor has the powers assigned to the Auditor-General in terms of section 15.
- (3) An auditor may consult the Auditor-General or a person designated by the Auditor-General concerning any matter relating to the auditing of the institution concerned. 30
- (4) An auditor—
- (a) must be given notice of every meeting of the institution's audit committee, if the institution has such a committee; and 35
- (b) may attend, and participate in, any meeting of such an audit committee at the expense of the institution.
- (5) The Auditor-General or a person designated by the Auditor-General may request information regarding the audit from an auditor appointed in terms of section 25(1)(a).

Audit reports 40

28. (1) The report of an auditor appointed in terms of section 25(1)(a) must state separately in respect of each of the following matters whether in the auditor's opinion—
- (a) the financial statements of the institution or accounting entity fairly present, in all material respects, the financial position at a specific date and results of its operations and cash flow for the period which ended on that date; 45
- (b) the transactions that were audited were in all material respects in accordance with the functions of the institution;
- (c) the information relating to the performance of the institution against predetermined objectives is fair in all material respects; and
- (d) if required by the Auditor-General, whether the institution's resources were procured economically and utilised efficiently and effectively. 50
- (2) The auditor must submit copies of the audit report—
- (a) to the institution;
- (b) if the institution has an executive authority within the meaning of the Public Finance Management Act, to that executive authority for tabling in the relevant legislature; 55

- (c) to the Auditor-General; and
 - (d) to the National Treasury or the relevant provincial treasury, as may be appropriate.
- (3) The auditor—
- (a) must report the results of any investigation carried out in terms of section 27(2)(c)—
 - (i) in the case of a public entity listed in the Public Finance Management Act, to the executive authority of the entity within the meaning of the Public Finance Management Act; or
 - (ii) in any other case, to the National Treasury or the relevant provincial treasury; and
 - (b) when reporting in terms of paragraph (a), must draw attention to any other matters within the auditor's investigation which, in the auditor's opinion, should be disclosed.

Part 3: Investigations and special audits by Auditor-General 15

Carrying out of investigations and special audits

29. (1) The Auditor-General may designate an authorised auditor to carry out an investigation or special audit referred to in section 5(1)(b).
- (2) The provisions of Part 1 of this Chapter, read with any changes as may be required by the context, apply to any investigation or special audit referred to in subsection (1). 20
- (3) If the Auditor-General issues a special report on an investigation or special audit in terms of this section, the Auditor-General must submit the special report to—
- (a) the institution or accounting entity which is the subject of the investigation or special audit;
 - (b) if the institution has an executive authority within the meaning of the Public Finance Management Act, to that executive authority; 25
 - (c) the National Treasury or the relevant provincial treasury, as may be appropriate; and
 - (d) the relevant legislature, for tabling in the relevant legislature.
- (4) The Auditor-General may charge the institution or accounting entity concerned a reasonable fee for carrying out an investigation or special audit in terms of this section. 30

CHAPTER 4

ADMINISTRATION OF AUDITOR-GENERAL

Administration

30. (1) The Auditor-General has an administration consisting of— 35
- (a) the Deputy Auditor-General; and
 - (b) any other staff members referred to in section 34.
- (2) The Auditor-General is in overall control of and accountable for the administration.

Part 1: Deputy Auditor-General 40

Appointment of Deputy Auditor-General

31. (1) The Auditor-General, after consulting the Audit Commission, must appoint a person with appropriate qualifications and experience as the Deputy Auditor-General.
- (2) The person appointed as the Deputy Auditor-General holds office— 45
- (a) for an agreed term not exceeding five years, but which is renewable for one further period of no longer than five years; and
 - (b) on terms and conditions determined by the Auditor-General, which must include performance standards.

Responsibilities of Deputy Auditor-General

32. (1) The Deputy Auditor-General is the head of the administration who must perform the functions of office in accordance with the directions of the Auditor-General. 50

- (2) As administrative head, the Deputy Auditor-General—
- (a) is responsible for the management of the administration, including—
 - (i) the formation and development of an efficient staff;
 - (ii) the organisation, control and management of all staff; and
 - (iii) the maintenance of discipline; 5
 - (b) must comply with section 42;
 - (c) must carry out the decisions of the Auditor-General;
 - (d) must perform such duties and may exercise such powers as the Auditor-General may delegate to the Deputy Auditor-General; and
 - (e) must report to the Auditor-General on aspects of management and the exercise of responsibilities, duties and powers, at such frequency and in such manner, as the Auditor-General may require. 10
- (3) The Deputy Auditor-General must exercise the responsibilities, duties and powers of office subject to the directions of the Auditor-General.

Acting Deputy Auditor-General 15

33. (1) Whenever the Deputy Auditor-General is for any reason absent or unable to exercise the responsibilities, duties and powers of office, or whenever there is a vacancy in the office of Deputy Auditor-General, the Auditor-General must appoint another staff member as acting Deputy Auditor-General for a period not exceeding six months.

- (2) Whilst acting as Deputy Auditor-General, such staff member— 20
- (a) has the responsibilities, duties and powers of the Deputy Auditor-General; and
 - (b) is employed subject to such terms and conditions of employment as the Auditor-General may determine.

Part 2: Other staff

Appointments 25

34. (1) The Deputy Auditor-General—
- (a) within the financial, administrative and other limits set by the Auditor-General, must determine a staff establishment necessary for the work of the Auditor-General; and
 - (b) may appoint persons in posts on the staff establishment. 30
- (2) All appointments to senior and other posts identified by the Auditor-General may be made only with the approval of the Auditor-General.
- (3) Persons appointed as employees are employed subject to the terms and conditions of employment determined by the Auditor-General, subject to section 35. Terms and conditions of employment must be consistent with the basic values and principles set out in section 195 of the Constitution. 35
- (4) Persons seconded to the administration or appointed on contract to perform specific tasks, must carry out their duties under the control and directions of the Deputy Auditor-General in accordance with the secondment or contract.

Human resource management 40

35. Human resource management and related issues, including terms and conditions of employment, must be dealt with in accordance with generally accepted human resource practice and applicable labour legislation through appropriate management, consultative, and where applicable, negotiation processes.

Part 3: Financial administration 45

Funds

36. (1) The funds of the Auditor-General consists of money—
- (a) earned as fees for audits or services rendered by the Auditor-General in terms of this Act or any other legislation;
 - (b) appropriated by Parliament for the purposes of the Auditor-General; 50
 - (c) earned on investments;
 - (d) obtained by the alienation or letting of movable or immovable property;
 - (e) accruing to the Auditor-General from any other source; and

(f) otherwise becoming available to the Auditor-General.

(2) The Auditor-General may accept a donation or bequest, but must disclose any donations or bequests in the annual report of the Auditor-General. All material donations or bequests must be itemised.

Bank accounts 5

37. (1) The Auditor-General must open one or more accounts with an institution or institutions registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

(2) All money received by or on behalf of the Auditor-General must promptly be deposited into such account or accounts.

(3) Only the Deputy Auditor-General or a staff member authorised by the Deputy Auditor-General, in writing, may withdraw or authorise the withdrawal of money from such a bank account. 10

Budget and business plan

38. (1) The affairs of the Auditor-General must be conducted in accordance with a budget and business plan prepared by the Auditor-General for each financial year. The budget must include estimates of revenue and expenditure for the financial year to which it relates, and the basis on which audit fees for the financial year are to be calculated. 15

(2) The Auditor-General must at least six months before the start of a financial year submit the budget and business plan for that year to—

- (a) the Audit Commission; 20
- (b) the National Treasury, for planning of and preparing the national annual budget; and
- (c) the Speaker, for parliamentary oversight in terms of section 55(2)(b)(ii) of the Constitution.

(3) The Audit Commission must consider the budget and business plan and within two months of receipt of the budget and business plan submit its recommendations to— 25

- (a) the Speaker for purposes of the proceedings referred to in subsection (2)(c); and
- (b) the National Treasury.

(4) The Auditor-General may at the end of a financial year retain, for working capital and general reserve requirements, any surplus for the year not exceeding an amount equal to 10% of the Auditor-General's total operating expenditure during that year, and any excess must be paid into the National Revenue Fund. 30

Auditing of Auditor-General's accounts, financial statements and financial management 35

39. (1) The Audit Commission must annually appoint an independent external auditor to audit the accounts, financial statements and financial management of the Auditor-General, and the Auditor-General's performance information.

(2) A person appointed as external auditor in terms of subsection (1)—

- (a) must be registered as an accountant and auditor in terms of the Public Accountants' and Auditors' Act and engaged in public practice as accountant and auditor; 40
- (b) may not be a staff member in the administration of the Auditor-General; and
- (c) may not be a person who was engaged as an authorised auditor during the two years before the appointment. 45

Annual report and financial statements

40. (1) The Deputy Auditor-General must for each financial year prepare an annual report and financial statements which—

- (a) fairly present the state of affairs of the Auditor-General, including the Auditor-General's business, financial results, performance against predetermined objectives and financial position as at the end of the financial year; and 50
- (b) include particulars of—
 - (i) any material losses through criminal conduct, any irregular expenditure, and any fruitless and wasteful expenditure that occurred during the financial year; 55

- (ii) any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure;
 - (iii) any losses recovered or written off;
 - (iv) any other matters that the external auditor considers necessary.
- (2) The financial statements must be in accordance with at least South African Generally Accepted Accounting Practice. 5
- (3) The Deputy Auditor-General must within two months after the end of a financial year submit the financial statements for that year to the external auditor appointed in terms of section 39.
- (3) The external auditor must— 10
- (a) audit those statements; and
 - (b) submit an audit report on those statements to the Auditor-General within two months of receipt of the statements for auditing.
- (4) The Auditor-General must submit the annual report, the financial statements and the audit report on those statements to the Audit Commission and the National Assembly within six months after the financial year to which they relate. 15
- (5) If the Auditor-General fails to comply with subsection (4), the Auditor-General must promptly submit a written explanation setting out the reasons for the delay to the National Assembly.

Financial year 20

41. The financial year of the Auditor-General is 1 April to 31 March the next year.

Financial responsibilities of Deputy Auditor-General

42. (1) The Deputy Auditor-General is the accounting officer in the administration of the Auditor-General.
- (2) As accounting officer, the Deputy Auditor-General is responsible for— 25
- (a) managing the financial administration of the Auditor-General;
 - (b) all income and expenditure of the Auditor-General; and
 - (c) all assets and the discharge of all liabilities of the Auditor-General.
- (3) The Deputy Auditor-General must, for the purposes of subsection (2), take all reasonable steps to ensure— 30
- (a) that full, true and effective records of all income and expenditure and of all assets, liabilities, and of all financial transactions of the Auditor-General are kept;
 - (b) that the Auditor-General has and maintains— 35
 - (i) effective, efficient and transparent systems of financial and risk management and internal control;
 - (ii) a system of internal audit under the control and direction of an audit committee;
 - (iii) an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective; and 40
 - (iv) a system for properly evaluating all major capital projects prior to a final decision on the project.
 - (c) that the resources of the Auditor-General are used effectively, efficiently, economically and transparently;
 - (d) that all money due to the Auditor-General is collected; 45
 - (e) that irregular expenditure, fruitless and wasteful expenditure and losses resulting from criminal conduct are prevented;
 - (f) that available working capital is managed efficiently and economically;
 - (g) that the assets of the Auditor-General are effectively managed, safeguarded and maintained, and that liabilities are properly managed; 50
 - (h) that any tax, levy, duty, pension, medical aid scheme and other statutory commitments of the Auditor-General are complied with;
 - (i) that all contractual obligations of the Auditor-General are complied with and that all money owing is paid within the agreed period;
 - (j) that any irregular or fruitless and wasteful expenditure in the administration is immediately reported to the Auditor-General, in writing; 55
 - (k) that disciplinary, or when appropriate, criminal proceedings, are instituted against any staff member who has allegedly committed an act of financial