



Primary Focus Areas : Measurable Objectives and Medium-Term Output Targets

Primary Focus Area (Performance outcome)	Goal	Measure	Target 2006-2007	Target 2007-2008	Target 2008-2009	Target 2009-2010
1. Auditing						
1.1 Quality	Deliver audit conclusions that meet professional quality requirements for audit	Quality of the auditing as stipulated in the audit standards	<ul style="list-style-type: none"> • Excellent Performance (C2 and C3) : 70% • Good Performance (R1) : 30% • Poor Performance (R2) : 0% 	<ul style="list-style-type: none"> • Excellent Performance (C2 and C3) : 75% • Good Performance (R1) : 25% • Poor Performance (R2) : 0% 	<ul style="list-style-type: none"> • Excellent Performance (C2 and C3) : 80% • Good Performance (R1) : 20% • Poor Performance (R2) : 0% 	<ul style="list-style-type: none"> • Excellent Performance (C2 and C3) : 85% • Good Performance (R1) : 15% • Poor Performance (R2) : 0%
1.2 Cost of Auditing	Provide cost-effective public sector auditing	% stretch target on the gross profit margin (Annexure 1)	Additional 1% on the projected gross margin 30%	Additional 1% on the projected gross margin 33%	Additional 1% on the projected gross margin 35%	Additional 1% on the projected gross margin 35%
1.3 Timeliness	Finalise audit reports within prescribed deadlines for financial statements submitted on time	% frequency of all audit deadlines achieved	95%	100%	100%	100%
1.4 Auditing of performance information	Phasing-in of the auditing of performance information	% compliance with predetermined audit-coverage milestones	100%	100%	100%	100%



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1.5 Performance auditing	Increase the focus on performance audits	% audit cost allocated to performance audit	7%	8%	10%	10%
1.6 International Audits	Maintain international audits within reasonable norms	% audit cost allocated to international auditing	Not more than 5% of total Audit Income	Not more than 5% of total Audit Income	Not more than 5% of total Audit Income	Not more than 5% of total Audit Income
2. Employment Equity	Maximise AGs contribution to the National EE initiative	Achievement of affirmative action targets	80% from targeted groups and 20% from non-targeted groups	80% from targeted groups and 20% from non-targeted groups	80% from targeted groups and 20% from non-targeted groups	80% from targeted groups and 20% from non-targeted groups
3. Black Economic Empowerment	Maximise the AG 's contribution to BEE and capacity building, including a dedicated focus on broad based BEE	% compliance with BEE criteria	100%	100%	100%	100%
4. Leadership	To enhance leadership effectiveness, (reflected in the organisational culture)	Gap between desired culture and current culture	Determine baseline	2 - 3% increase from baseline	2 - 3% increase from previous year	5% increase from previous year
5. Reputation	Improve the corporate reputation and branding of the AG in relation to all its stakeholders, internal and external	Reputation index	Determine baseline	1% increase from the baseline	1% increase from the baseline	2% increase from the baseline

Secondary Focus Areas : Measurable Objectives and Medium-Term Output Targets

Secondary Focus Area (Performance outcome)	Goal	Measure	Target 2006-2007	Target 2007-2008	Target 2008-2009	Target 2009-2010
People						
6. Learning and growth	Narrow the competency gap between the required and the actual knowledge, skills and abilities	Number of qualified audit professionals per annum	Minimum 20 qualified professionals	Minimum 20 qualified professionals	Minimum 30 qualified professionals	Minimum 40 qualified professionals
7. Retention of staff	Reduce staff turnover to be within the industry norm of 12% to ensure that the AG benefits from its professional assistance investment	Turnover Rate	12%	12%	12%	12%
Process						
8. Operational Excellence	Achieve Level 3 maturity w.r.t. capability maturity model	Level of maturity of all business processes	Level 3: 25% Level 2: 75% Level 1: 0%	Level 3: 50% Level 2: 50% Level 1: 0%	Level 3: 75% Level 2: 25% Level 1: 0%	Level 3: 100% Level 2: 0% Level 1: 0%
Financial Performance						
9.1 Net surplus	Achieve stretch target on the budgeted net surplus as tabled in the strategic plan	% achievement of budgeted net surplus (Annexure 1)	Additional 3% on projected net surplus	Additional 3% on projected net surplus	Additional 3% on projected net surplus	Additional 3% on projected net surplus

Secondary Focus Area (Performance outcome)	Goal	Measure	Target 2006-2007	Target 2007-2008	Target 2008-2009	Target 2009-2010
9.2 Debtors collection	Timely collection of cash from debtors	Debtors days outstanding	<ul style="list-style-type: none"> National and Provincial not more than 45 days Local Government not more than 100 days 	<ul style="list-style-type: none"> National and Provincial not more than 30 days Local Government not more than 90 days 	<ul style="list-style-type: none"> National and Provincial not more than 30 days Local Government not more than 75 days 	<ul style="list-style-type: none"> National and Provincial not more than 30 days Local Government not more than 60 days