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**GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS**

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**AUDITOR-GENERAL OF SOUTH AFRICA**

NO. 1084

13 OCTOBER 2020

**Memorandum of Agreement**

between the

**Auditor-General of South Africa**

established by section 181(1)(e) of the Constitution of the Republic of South Africa, 1996,  
and governed by the Public Audit Act, 2004 (Act No. 25 of 2004)  
(hereinafter referred to as "AGSA")

and the

**National Treasury**

contemplated by 216(1) of the Constitution of the Republic of South Africa, 1996, and established in  
terms of section 5(1) of the Public Finance Management Act, 1999 (Act No. 1 of 1999)  
(hereinafter referred to as "NT")  
(collectively referred to as "the Parties" or individually as "Party")

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**W**HEREAS section 13(1A) Public Audit Act, 2004, ("the PAA") requires AGSA to annually consult NT on the frequency, nature and scope of audits that AGSA must perform in terms of section 4(1) or (2) or opts to perform in terms of section 4(3) of the PAA, in order to facilitate the determination of audit fees in terms of section 23 of the PAA;

**AND WHEREAS** section 23(1) of the PAA provides that AGSA 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 NT;

**AND WHEREAS** section 23(6) of the PAA provides that if the audit fee of an auditee, other than a department, exceeds one percent of the total current and capital expenditure of such auditee for the relevant financial year, and NT was consulted on the basis for the calculation of audit fees to be recovered from auditees and is of the opinion that the auditee has financial difficulty to pay such excess,

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