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**OPENING REMARKS BY THE EXECUTIVE SECRETARY
DR. STERGOMENA TAX**

**ON THE OCCASION OF THE ORIENTATION WORKSHOP OF MEMBERS
OF THE AUDIT COMMITTEE HELD IN GABORONE
FROM 30 – 31 MARCH 2015**

**SADC SECRETARIAT
P/B 0095
Gaborone
Botswana**

Chairperson
Members of the Audit Committee;
Deputy Executive Secretaries
Management and Staff of the Secretariat

Good morning to you all!

It gives me and my team great pleasure to welcome you this morning for this Workshop organised by the Management for the orientation of the Members of the Audit Committee.

You will recall that Council at its meeting of March, 2011 held in Windhoek, Namibia, deliberated on the needs to strengthen internal controls and oversight of the Secretariat to enhance performance. The Council then approved Terms of Reference, which is also known as an Audit Committee Charter as a basis for the strengthening of independent oversight structures for the Secretariat operations. In this regard the Council appreciated the needs and value addition for having the Audit Committee as part of the Secretariat governance structure. Against that background the Council decided to establish the Audit Committee, which became effective on 01st April 2011.

I would like to start my remarks this morning by giving you a snapshot of what we are doing on strengthening corporate governance.

Chairperson
Corporate governance

Our overall objective is to enhance the relevance of SADC by providing programmes' and operations' services to SADC and its institutions, in accordance with the highest standards of good corporate governance, accountability and transparency thus bolstering stakeholder confidence.

For a period of about five years now the Secretariat embarked on the implementation of Institutional Capacity Development Programme (ICDP). The overall objective of this ICDP is to enhance the capacity of the SADC Secretariat to coordinate and facilitate the implementation of SADC programmes.

Under this programme, a significant institutional improvement in the area of oversight and governance is the establishment of the Audit Committee in 2011 which aims at providing specialized advisory services to the oversight SADC Structures of SADC. It is acknowledged that an effective oversight structure enables an executive institution to continuously improve its performance and quality of service delivery. It is thus significant to note the Audit Committee's independence has been strengthened by having a reporting line to the SADC Council of Ministers.

As the Executive Secretary I always attach high importance on the recommendations made by independent review structures that is Internal Audit, External Audit and the Audit Committee. These recommendations assist the Management to focus on the gaps already identified in our efforts to strengthen controls and enhance efficiency of the Secretariat.

Chairperson Recognition of role of the Audit Committee

I want to touch on four issues which are of fundamental importance in strengthening oversight and governance:

- Firstly, the role performed by the audit committee in monitoring the effectiveness of internal controls and risk management system;
- Secondly, transparency in corporate governance and internal controls;
- Thirdly, globally accepted high quality financial statements; and last but not least; and
- Effective facilitation of Council's independent oversight role.

The Audit Committee charter is clear on the role of Audit Committee vis-à-vis other structures, such as the SADC Board of Auditors, the Internal Audit function and the Executive Secretary's responsibility in establishing a sound and adequate internal control and risk management systems. Pursuant to its responsibilities, under the Charter, the Audit Committee monitors:

- the effectiveness of the SADC's internal control and risk management systems;
- the adequacy of financial reporting and the audit processes;

- the internal audit function; and
- Auditor's independence.

In line with best practice, the Executive Secretary as the Chief Executive Officer strives to continuously put in place a sound and an effective internal control system. The Executive Secretary is assisted in this responsibility by a management team, an internal audit function and a regular external audit. The Executive Secretary also issues a statement, which include a description of the main features of the internal control and risk management in relation to financial reporting.

As Executive Secretary, I would like to assure the Members of the Audit Committee that the Secretariat will continue to make improvements in internal control and risk management systems and strengthen its reporting mechanisms to the Audit Committee.

The Committee's independent role of assessing the adequacy of the internal control system will therefore enable Council to focus and concentrate on areas of significant impact and those that require interventions of SADC Policy Making Structures. The Committee's role also enhances the right balance to be achieved in terms of additional incremental internal control costs vis-à-vis benefits.

The Secretariat recognises that high quality financial reporting is fundamental. In this regard, the Secretariat consistently over years applied International Financial Reporting Standards (IFRS) to facilitate stakeholder understanding of results of operations and comparability between financial periods. As part of the improvement in report, for financial year 2014/15 Financial Statements, the Secretariat has migrated to International Public Sector Accounting Standards (IPSAS) which are more relevant and for the nature of SADC business. This will increase the level of transparency in reporting annual results of our operations.

The Secretariat shall also continue to make improvements in addressing internal control weaknesses identified by internal and external audit processes beyond what has been already reported to you during your meetings. In this regard, the Secretariat welcomes any new ideas on how we can do better.

At the SADC Secretariat we benefit from the regular advisory services provided by both sets of internal and external auditors by ensuring that their recommendations are adopted as a Secretariat's action plan and implemented without delay.

Chairperson and Members of Audit Committee Conclusion

Strengthening of oversight structures is crucial to enhancing the relevance of SADC and also it ensures that the organisation is committed to continuous improvement, in particular searching for better ways of implementing its strategies.

The Secretariat is conscious of the great responsibility you carry in this committee. We are committed to being your partners in helping you discharge your responsibilities by providing all the support and information that may be required. We can assure the Committee that its recommendations will continue to receive the highest attention within the SADC Secretariat.

We, at the Secretariat, will continue "*walking the talk*" on continuous improvement in the areas falling within the Committee's responsibilities. We will continue to search for cost-efficient ways of delivering high quality services.

On my own behalf, management and staff, I wish to extend our best wishes to the Committee as you start this two days orientation workshop which is intended to build your capacity to ensure effective and efficient discharge of your mandate as members of Audit Committee.

It is my expectation that after the presentations we are going to do in the two days you will get better understanding of our business and appreciate some of our challenges as we are striving to do better.

I wish you a successful workshop.

Thank you for your attention.