AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

2014-15
PFMA

CONSOLIDATED general report on national and provincial audit outcomes

Our reputation promise/mission

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, exists to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence.

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general report on national and provincial audit outcomes
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The information and insights presented in this flagship publication are aimed at empowering oversight structures and executive leaders to focus on those issues that will result in reliable financial statements, credible reporting on service delivery and compliance with key legislation.

This publication also captures the commitments that leaders have made to improve audit outcomes.

I wish to thank the audit teams from my office and the audit firms that assisted in auditing national and provincial government, for their diligent efforts towards fulfilling our constitutional mandate and the manner in which they continue to strengthen cooperation with the leadership of government.

Auditor- General

Kimi Makwetu
Auditor-General

OVERVIEW

47 departments and 84 public entities achieved clean audit status
(Section 2)

The departments of education, health and public works still require the most attention
(Section 2)

81% financially unqualified audit opinions, some by correcting material misstatements identified during the audit process
(Section 3.1)

Material non-compliance with legislation by 300 auditees; some of which could lead to financial loss
(Section 3.2)

Supply chain management is improving, but remains the largest contributor to irregular expenditure of R25,7 billion
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(Section 3.2.1- 3.2.3)

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(Section 3.3)

Weaknesses in the management of grants
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Steady progress towards improving the reliability and usefulness of annual performance reports
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remained high
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Inadequate consequences for poor performance and transgressions
(Section 5.1)

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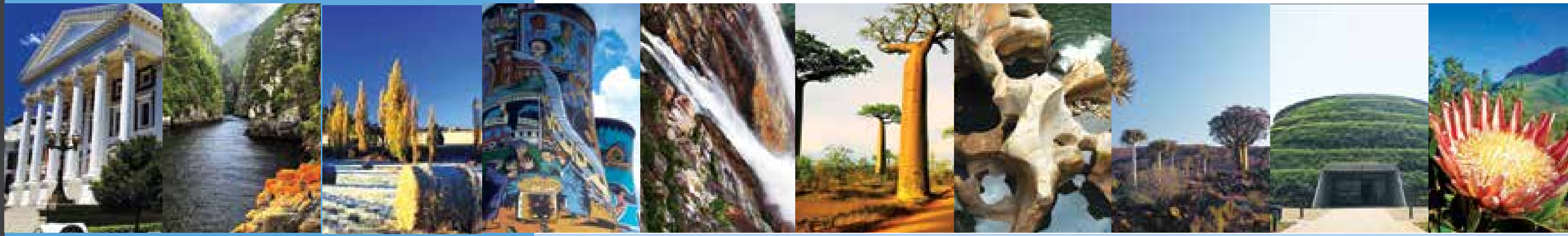
FOREWORD



FOREWORD

Auditor- General

Kimi Makwetu
Auditor-General

It is my pleasure to present to Parliament the *2014-15 Consolidated general report*. My consolidated general report communicates the audit outcomes of national and provincial government departments, and public entities, referred to as auditees. The report covers a total of 468 auditees; this includes 167 national and provincial departments with a total budget of R1 111 billion, and 301 public entities.

In my previous consolidated general report for the 2013-14 audit outcomes, I highlighted the following positive movements in the three areas that I audit annually:

- Unqualified audit opinions on financial statements increased slightly from 338 to 357.
- The quality of annual performance reports improved, from 236 to 256 auditees with no findings.
- Non-compliance with legislation decreased slightly, but remained high at 72%.
- Auditees that attained clean audit opinions improved from 96 (22%) in 2012-13 to 119 (25%) in 2013-14.

Twenty-one audits (4%) were not completed by the date of the 2013-14 consolidated general report. The reports of 14 of these audits were subsequently finalised and their outcomes are included in this consolidated general report.

In 2013-14 I also reported that while there were improvements in the overall outcomes, there were still areas of great concern. Among these were key concerns regarding auditees' abilities to sustain clean audit outcomes; poor audit outcomes in the education, health and public works sectors as only one department in these key sectors attained clean audit outcomes; the inability to correct material misstatements in financial statements and performance reports was widespread, which was an indication that financial disciplines were not yet entrenched; and the non-compliance in supply chain management caused the high irregular expenditure of R62 730 million reported by auditees for the year ended 31 March 2014.

To address the concerns highlighted above, leadership was advised to address the root causes of poor audit outcomes by taking the following key actions:

- **Get the basics right** by filling vacancies with competent officials, responding to outcomes through action plans and well-coordinated initiatives, implementing basic controls and insisting on regular and credible reports.
- **Observe compliance with legislation** by enforcing and monitoring compliance, including it in daily disciplines and demonstrating ethical leadership.
- **Hold people accountable**.
- **Encourage and support proactive audit committees and internal audit functions.**

In this consolidated general report, I again observe that management at 73% of auditees have been slow to respond to the recommendations aimed at assisting them to improve key controls and addressing risk areas.
This contributed to audit outcomes for 2014-15 improving only slightly since 2013-14. The audit outcomes for each category of outcomes were as follows:

- The number of auditees that received a financially unqualified audit opinion with no findings (clean audit) improved slightly from 118 (26%) in 2013-14 to 131 (28%) in 2014-15.
- The number of auditees with financially unqualified audit opinions with findings declined by 2% from 237 (50%) in the previous year to 224 (48%) in 2014-15.
- The number of auditees with qualified audit opinions declined to 68 (14%) from the 74 (16%) reported last year.
- The number of auditees with adverse audit opinions remained the same (three) in both years.
- The number of auditees with disclaimed audit opinions declined from 22 (5%) last year to 14 (3%).
- Twenty-eight audit reports (6%) had not been finalised by the cut-off date of 14 August 2015 that I had set for the inclusion of audit outcomes in this consolidated general report.

Other significant audit observations

In addition to the overall audit outcomes, I would like to highlight the following audit observations that require attention from the coordinating/monitoring departments, executive authorities and oversight bodies:

- The education, health and public works sectors still have the worst outcomes; however, there has been some improvement as the number of auditees in this sector with clean audit opinions increased from one in 2013-14 to two in 2014-15. The Limpopo Department of Education needs particular attention as it has retained its disclaimed audit opinion. My message from the previous consolidated general report is still relevant: there should be focus on these departments to ensure a meaningful movement towards accurate, accountable and transparent financial and performance reporting. This should be underpinned by sound internal controls and human resource management, including enhancing personal accountability and consequence management.
- With the exception of Gauteng and the Western Cape, the pace of auditees attaining or maintaining clean audit opinions has slowed or regressed across the provinces. While outcomes remain stagnant in the other five provinces, the overall outcomes for both the Northern Cape and Mpumalanga have regressed since 2013-14.
- The quality of financial statements submitted for auditing improved from 43% that did not contain material misstatements in 2013-14, to 51% (224) in 2014-15. However, the unqualified opinions on financial statements remained at 76%.
- In spite of the slight improvement of 4% since the previous year, the number of auditees that were unable to submit quality annual performance reports remains high at 54%.
- There was a slight improvement from 27% of auditees that had no material findings on compliance with key legislation in 2013-14, to 30% in 2014-15. Of the 300 auditees that had material findings on compliance, 230 (77%) had material findings that could cause a negative financial impact or loss to the auditee or government.
- Instability or vacancies in key positions remained the second highest root cause (46% of auditees). Forty-two per cent of auditees had inadequate consequences for poor performance and transgressions as causes of the poor internal control environment. As reported in detail in section 5 of this consolidated general report (the resource management section), the status of human resource management remained poor at most provinces. Notable exceptions were Gauteng and the Western Cape, where 56% and 100% of the auditees respectively had good human resource controls. On the other hand, auditees in the Northern

Cape and North West had only 16% and 25% of human resource management controls respectively. Vacancies in the key positions of head of supply chain management and chief financial officer in particular, remained high.

- The legislatures' audit outcomes in 2014-15 were positive, with six of the ten legislatures receiving clean audit opinions. However, the Financial Management of Parliament and Legislatures Act was effective from 1 April 2015 and introduced a number of key requirements applicable to legislatures. The legislatures have to implement processes to ensure that they adhere to all the requirements of the new act to avoid their audit outcomes regressing from 2015-16 onwards.

Weaknesses in supply chain management as a cause of irregular expenditure

There were some improvements in supply chain management, but the findings remained high. Only 43% of auditees (compared to 39% in 2013-14) had no findings on supply chain management compliance. The key source of these findings continued to be auditees not following competitive or fair procurement processes, as observed at 31% of the auditees that had material findings in this area. This largely contributed to the irregular expenditure of R25,7 billion for 2014-15. This expenditure does not necessarily mean that money was wasted or fraud commited, but is an indicator that legislation is not followed, including the legislation aimed at ensuring that procurement processes are competitive, transparent and fair. I did not investigate the irregular expenditure, as this is the role of the accounting officers and oversight bodies.

However, through my normal audits I observed that goods and services were received for almost 86% of the R23,9 billion in irregular expenditure relating to supply chain management non-compliance, despite the normal processes governing procurement not being followed. Two per cent of the expenditure could not be audited due to the lack of documentation, while 12% was not audited.

Outcomes of the audits of the key service delivery sectors

In this consolidated general report I have included the outcomes of my review of programme execution in the basic and higher education (with a combined budget allocation of R257 billion), health (R146 billion), public works (R32 billion) and human settlements (R28 billion) sectors. The combined budget allocated to these sectors is approximately half of the national budget. This clearly demonstrates where the bulk of priority oversight work should be directed. If all the instruments of delivery and oversight in this area can be given much needed additional focus, it will produce the greatest impact.

In this consolidated general report, I highlight the necessity for appropriate policies and procedures to ensure efficient and effective service delivery, and the importance of sound and functional monitoring and evaluation systems to ensure relevant and continuous service delivery of good quality.

Key internal control recommendations

We categorise the different causes of internal control as leadership, financial and performance management, or governance to make it easier for auditees to implement corrective action. I encourage the leadership to strengthen the controls under each cause of internal controls as follows:

Leadership

The role of the accounting officer according to section 38 of the Public Finance Management Act includes:

- having effective systems of financial and risk management and internal controls
- taking effective and appropriate disciplinary steps
- managing working capital
- enforcing compliance.

In pursuing these requirements of the Public Finance Management Act, leadership needs to pay particular attention to effective governance structures and committee charters, stable leadership, adequate oversight of financial, compliance and performance reporting, adequate oversight of cash flow forecasts, an effective organisational structure, an effective and appropriate human resource training plan, an up-to-date policy register, action plans that are tracked and time frames that are met, a comprehensive and appropriate information technology strategy and accountability for non-performance.

Financial and performance management

The accounting officer should ensure that management provides these functions to support his role in addressing financial and administrative controls:

- proper record keeping
- entrench internal control disciplines
- processes to monitor compliance
- effective financial systems and an appropriately capacitated finance function.

Governance

Internal audit, audit committees and monitoring institutions should ensure that:

- adequate oversight is administered
- risk management is effective
- role of internal audit is elevated.

Combined assurance approach to oversight

In addition to the role senior management, accounting officers/authorities, internal audit and audit committees are required to play in strengthening the control environment of auditees, the following role players also need to:

- **Executive authority** – monitor the progress of performance and enforce accountability and consequences
- **The National Treasury/Department of Public Service and Administration** – monitor compliance with legislation and enforce appropriate action
- **Oversight bodies (portfolio committees)** – review and monitor quarterly progress on the implementation of action plans to address deficiencies
- **Public accounts committee** – exercise specific and regular oversight any report which it may deem necessary
- **National Assembly** – provide independent oversight on the reliability, accuracy and credibility of national and provincial government.

Commitments from key stakeholders

During my engagements with the key stakeholders during my roadshows in October and early November this year the following commitments were made to improve financial oversight:

- **Minister of Finance:** Will enhance monitoring and oversight mechanisms used by the National Treasury to ensure a value-adding impact on audit outcomes throughout the public sector.
- **Minister of Public Service and Administration:** Will create capacity and systems to consolidate, monitor and analyse government's audit outcomes to identify and address weaknesses in current legislation, regulations and guidance.
- **The speaker's forum** identified that the resolutions taken by various portfolios and public accounts committees were a critical element of oversight. Each legislature and parliament should enhance the tracking of these resolutions.
- The **committee of chairpersons** will enhance the combined assurance approach to oversight and the ministers will be required to assist in tracking resolutions that are not followed up.

Although I have always emphasised the role of leadership in strengthening the controls at departments and public entities, most of the large number of areas requiring attention can be fixed if leadership (political and administrative) takes firm steps to correct control deficiencies. I am still convinced that with more firm, resolute action and ongoing support from leadership, these audit deficiencies could easily be addressed. In addition, an internal control environment will be qualitatively stronger when all actors in the system know and experience consequences for deviating from the prescribed rules and processes designed to protect finances and enhance transparent reporting over them.

These are key ingredients for establishing strong accountability and a culture of good performance.

My office remains committed to working with the leadership and management of auditees to further improve governance and accountability, so as to build public confidence in the government's ability to account for public resources in a transparent manner.

I wish to thank the audit teams from my office, and the audit firms that assisted in auditing national and provincial government, for their diligent efforts towards fulfilling our constitutional mandate of strengthening our democracy through auditing.

Auditor- General

Auditor-General
Pretoria
November 2015

SECTION 1: EXECUTIVE SUMMARY

Our audit and reporting process

We audit the country's 167 departments and 301 of its public entities, also called *auditees* in this report. The aim of our audits is to report on the **quality of auditees' financial statements** and **annual performance reports,** and on their **compliance with key legislation**. In addition, we audit and report on **aspects of key programmes in the education, health, public works and human settlements sectors.**

We also assess the root cause of any error or non-compliance, based on the internal control that had failed to prevent or detect it. We report in the following three types of reports:

- We report our findings, root causes and recommendations in **management reports** to the senior management and accounting officers or authorities of auditees. These reports are also shared with the ministers, members of management and audit committees.
- Our opinion on the financial statements, material findings on the annual performance reports and compliance with key legislation, as well as significant deficiencies in internal control are included in an **audit report**. The audit report is published with the auditee's annual report and dealt with by the public accounts committees and portfolio committees, as applicable.
- Annually, we report on the audit outcomes of all auditees in nine provincial **general reports** and a **consolidated general report** (such as this one). In all the general reports, we also analyse the root causes that need to be addressed to improve audit outcomes. Before the general reports are published, we share the outcomes and root causes with the national and provincial leadership, Parliament and the legislatures as well as key role players in national and provincial government.

Over the past few years, we have intensified our efforts to assist in improving audit outcomes by identifying the **key controls** that should be in place at auditees; assessing these on a regular basis; and sharing the assessment with ministers, accounting officers and authorities, as well as audit committees.

We further identified **key risk areas** that need to be addressed to improve audit outcomes and financial and performance management. We specifically audit the following key risk areas so that we can report on their status:

- quality of submitted financial statements and performance reports
- supply chain management (SCM)
- financial health
- human resource management (including the use of consultants)
- information technology (IT) controls.

During the audit process, we work closely with the accounting officer or authority, senior management, audit committees and internal audit units, as they are **key role players** in providing assurance on the credibility of the auditee's financial statements, performance report and compliance with legislation.

We also continue to strengthen our relationships with coordinating and monitoring departments (such as the treasuries and the Department of Planning, Monitoring and Evaluation), premiers, ministers, Parliament and provincial legislatures, as we are convinced that their involvement and oversight have played – and will continue to play – a crucial role in performance at departments and public entities. We share our messages on key controls, risk areas and root causes with them, and obtain and monitor their commitments to implement initiatives that can improve audit outcomes.

Figure 1 gives an **overview of our message** on the 2014-15 audit outcomes, which is a continuation of what we had reported and recommended in our last report on the audit outcomes.

The overall audit outcomes in figure 1 show our opinion on auditees' financial statements and whether we had raised material audit findings on the quality of their annual performance reports (APRs) and compliance with key legislation.

The audit outcomes of 440 auditees (165 departments and 275 public entities) are included in this consolidated general report. The audit outcomes of two departments were not finalised by 14 August 2015 (the cut-off date set for this report), while the audit outcomes of 26 public entities are not included in this report for the same reason.

The audit outcomes fall into five categories:

1. Auditees that received a **financially unqualified opinion with no findings** are those that:
    - produced financial statements free from material misstatements (material misstatements mean errors or omissions that are so significant that they affect the credibility and reliability of the financial statements)
    - measured and reported on their performance in line with the predetermined objectives in their annual performance plan, and in a manner that is useful and reliable
    - complied with key legislation.

We also refer to this audit outcome as a *clean audit*.

2. Auditees that received a **financially unqualified opinion with findings** are those that produced financial statements without material misstatements, but were struggling to:
    - align their performance reports to the predetermined objectives they committed to in their annual performance plans
    - set clear performance indicators and targets to measure their performance against their predetermined objectives

- report reliably on whether they had achieved their performance targets
- determine which legislation they should comply with, and implement the required policies, procedures and controls to ensure that they comply.

3. Auditees that received a **financially qualified opinion with findings** face the same challenges as those that received a financially unqualified opinion with findings in the areas of reporting on performance and compliance with key legislation. In addition, they were unable to produce credible and reliable financial statements. There are material misstatements in their financial statements, which they could not correct before the financial statements were published.
4. The financial statements of auditees that received an **adverse opinion with findings** include so many material misstatements that we disagree with virtually all the amounts and disclosures in the financial statements.
5. Those auditees that received a **disclaimed opinion with findings** could not provide us with evidence for most of the amounts and disclosures in the financial statements. We were unable to conclude or express an opinion on the credibility of their financial statements.

   Auditees with adverse and disclaimed opinions are typically also:

   - unable to provide sufficient supporting documentation for the achievements they report in their APRs
   - not complying with key legislation.

When studying the figures and reading the report, please note that the percentages are calculated based on the 440 completed audits, unless indicated otherwise. Only a movement of more than 5% in the number of auditees is regarded as an improvement or a regression. Movement is depicted as follows:

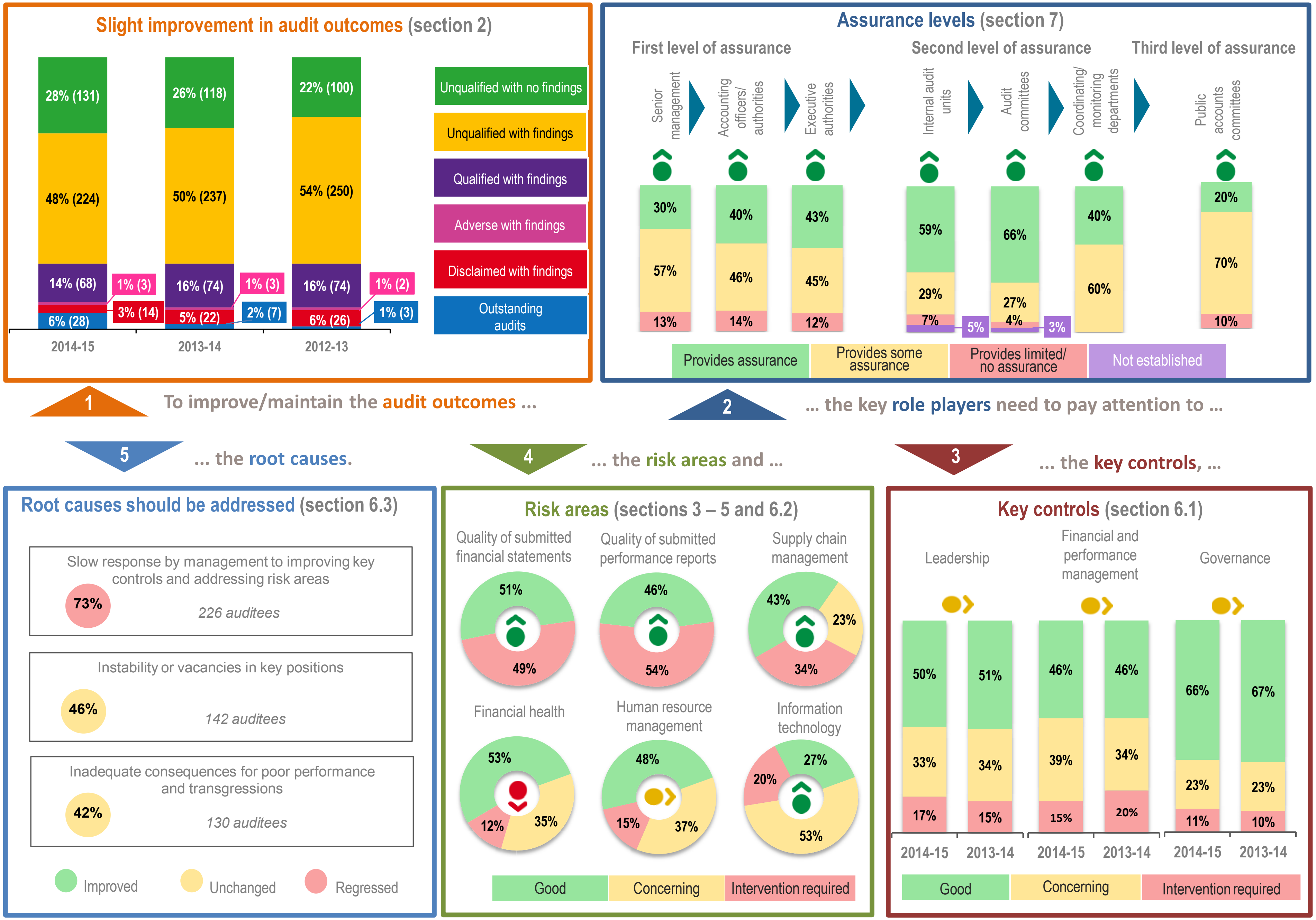
⬆ Improved ➡ Stagnant or little progress ⬇ Regressed

The comparative figures for 2013-14 have been updated with the audit outcomes of those auditees that was shown as outstanding in the 2013-14 consolidated general report. The rest of this section summarises the audit outcomes and our key recommendations for improvement, and concludes by summarising the characteristics of auditees within the different categories of audit outcomes.

In section 2 of this consolidated general report you will find an overview of the overall audit outcomes of national and provincial government. Sections 3 and 4 provide an overview of the quality of compliance with key legislation and the management of service delivery respectively, as we reported on it in the audit reports. Section 5 provides the outcome of our audits of resource management, while section 6 provides our assessment of the status of internal controls and the root causes of poor audit outcomes. Section 7 provides our assessment of the assurance provided by the role players in national and provincial government. Section 8 includes the outcomes of our audits of sectors (education, health, public works and human settlements), while section 9 presents the results of our national government audits per ministerial portfolio.

Our provincial general reports contain similar information.

Figure 1: Overview of audit outcomes and key recommendations for improvement



Audit outcomes are improving

The number of auditees that received a **financially unqualified opinion with no findings (clean audits) increased** to 131 (28%). These auditees comprise 47 departments and 84 public entities. The biggest moves towards clean audit opinions in 2014-15 were by departments, increasing their total from 40 to 47.

Among the provinces, the biggest contributors to the total number of clean audits were the Free State (six – 32% of their auditees), KwaZulu-Natal (eight – 22% of their auditees) , Gauteng (19 – 54% of their auditees), and the Western Cape (20 – 83% of their auditees), while 23 of the 35 **ministerial portfolios** (66%) contributed to the 65 clean audits at national government. The economic sectors, employment and infrastructure development cluster performed the best of the five **government clusters**, with 19 financially unqualified audit opinions that included five clean audits. None of the seven departments in the justice, crime prevention and security cluster obtained a clean audit, although four were financially unqualified.

Six provinces had net **improvements** (i.e. more improvements than regressions) while in Gauteng, the audit outcomes showed little movement and in Mpumalanga and the Northern Cape, the audit outcomes regressed. At national government the outcomes also improved.

The increase in clean audits and the net improvement in audit outcomes is a good indicator that overall, **audit outcomes are improving, albeit slightly**. The results in the different areas that we audit provide a more detailed view of the improvements and the remaining challenges.

Table 1 on the next page shows the number of auditees per audit opinion in the national and provincial government.

The status of financial management

No improvement in audit opinions on financial statements, but the quality of the financial statements submitted for auditing improved

The number of auditees with unqualified audit opinions on financial statements **remains unchanged** since the previous year at 355 (76%). Twenty-eight departments received a qualified audit opinion and one department a disclaimer of opinion. These **departments** are responsible for 21% of the total budget allocated to departments. Sixteen **public entities** received audit opinions in the disclaimed/adverse category and 40 received qualified opinions.

Forty per cent of the national and provincial departments of **education, health and public works'** financial statements were qualified or disclaimed.

The number of auditees that received financially unqualified audit opinions was high in the Western Cape (96%) and Gauteng (94%). Mpumalanga and the Northern Cape regressed, while most of the other **provinces** improved.

In total, 131 auditees (30% of the completed audits) received a financially unqualified audit opinion only because they **corrected all the misstatements we had identified** during the audit. Had we not identified the misstatements and allowed them to make the corrections, only 51% (instead of 81%) of the auditees with completed audits would have received an unqualified audit opinion.

There has, however, been an **improvement in the quality of financial statements submitted for auditing**, as 51% of auditees submitted financial statements without material misstatements compared to the 43% of auditees in the previous year

The main reason for qualified, adverse and disclaimed opinions was **inadequate or missing supporting documentation** for the values included in the financial statements. The financial statement item **property, infrastructure, plant and equipment** has consistently over the past few years been the item most commonly qualified. Auditees for whom matters arose on this item decreased from 52 to 47 since the previous year. Fewer auditees had matters arising in the other two most common qualification areas of **revenue** and **receivables**.

Table 1: Audit opinions per national and provincial government

Portfolio	Clean (131)	Financially unqualified with findings (224)	Qualified with findings (68)	Adverse with findings (3)	Disclaimed with findings (14)	Outstanding audits (28)
National auditees	65	118	30	1	8	13
Eastern Cape	4	15	5			1
Free State	6	10	2			1
Gauteng	19	13	1		1	1
KwaZulu-Natal	8	20	6			3
Limpopo	1	14	4	1	1	2
Mpumalanga	4	7	6			
Northern Cape	3	9	7			1
North West	1	16	6	1	4	5
Western Cape	20	2	1			1
TOTAL	**131**	**224**	**68**	**3**	**14**	**28**

Non-compliance with key legislation remains at high levels, but is improving

The number of auditees with material findings on compliance **decreased** from 330 (72%) to 300 (64%), with both departments and public entities improving. At 77% of these auditees, their non-compliance caused, or could potentially cause, **financial loss**.

While 88 of 119 auditees (74%) retained their previous year's status of having no material findings on compliance, 27 of the 29 departments with completed audits **in education, health and public works** had repeat findings. The number of auditees with findings on compliance reduced in four provinces and eight ministerial portfolios. However, **regressions** occurred in three provinces and seven ministerial portfolios.

Over the last several years, the areas with the most non-compliance were:

- material misstatements in submitted financial statements
- SCM
- prevention of unauthorised, irregular as well as fruitless and wasteful expenditure.

Slight improvement in supply chain management

The number of auditees with findings on SCM **decreased** from 259 to 252. Although the number of auditees with material findings reduced (from 166 to 151), it is of concern that **44% of departments and 29% of public entities had material findings on compliance with SCM legislation**.

We experienced **limitations in auditing SCM** again this year, although at fewer auditees. A total of 32 auditees (7%) (2013-14: 40 [9%]) could not provide us with evidence that all their procurement processes for awards to the value of R1 330 million (2013-14: R1 219 million) complied with SCM legislation.

Thirty-one departments (19%) awarded contracts to the value of R53 million to suppliers in which **employees** had an interest (2013-14: R74 million [22%]) while 41 departments (25%) awarded contracts to the value of R452 million to suppliers in which **close family members** had an interest (2013-14: R538 million [27%]). Although such awards are not prohibited, we identified non-compliance with the legislative requirements for suppliers and employees to declare the interest at 84% of these departments.

Instances of non-compliance with legislation resulted from **uncompetitive or unfair procurement processes** at 51% of auditees. Some of the most common findings were that three written quotations had not been invited, or a competitive bidding process was not followed, and the deviation was not approved; or the approved deviation was not reasonable or justified. Non-compliance with legislative requirements on contract management was also identified at 18% of auditees.

The high level of non-compliance with SCM legislation was the cause of 93% of irregular expenditure.

Reduction in irregular, fruitless and wasteful, and unauthorised expenditure

Irregular expenditure of R25 682 million was incurred by 287 auditees – an **improvement** from the R35 286 million incurred by 310 auditees in the previous year. As described above, non-compliance with procurement process requirements was the main contributor to irregular expenditure. We did not investigate the irregular expenditure as that is the role of management.

Through our normal audits we determined that goods and services were received for 86% of the R23 912 million in irregular expenditure relating to SCM non-compliance, despite the normal processes governing procurement not being followed. However, we cannot attest to the goods and services being delivered at the best price and value being received. Two per cent of the irregular expenditure could not be audited as a result of a lack of documentation, while the remaining 12% was not audited.

Fruitless and wasteful expenditure of R936 million was incurred by 240 auditees – an **improvement** from the R1 242 million incurred by 247 auditees in the previous year.

Unauthorised expenditure of R1 641 million was incurred by 23 departments – an **improvement** from the R2 644 million incurred by 30 departments in the previous year.

Inadequate consequences for transgressions

The Public Finance Management Act (PFMA) and its regulations clearly stipulate that matters such as incurring unauthorised, irregular and fruitless and wasteful expenditure; the possible abuse of the SCM system (including fraud and improper conduct); and allegations of financial misconduct should be investigated.

We identified **non-compliance** with these legislated requirements in the manner in which auditees dealt with irregular expenditure (20%), fruitless and wasteful expenditure (15%) and financial misconduct (6%).

We reported **material non-compliance with legislation** on consequence management at 75 (17%) of the auditees, which is more than in the previous year (2013-14: 49 [11%]).

We reported all our findings on compliance in SCM and weaknesses for management to follow up. Where indicators of **possible fraud or improper**

conduct in the SCM processes were found, we recommended an investigation by management. In 2013-14, we reported such findings for investigation at 76 auditees. The management of only 20 of these auditees (5%) did not investigate all the incidents, which is an encouraging sign that action is being taken.

However, these findings continued to increase. Furthermore, 58 auditees that had such findings in 2013-14 had similar findings in 2014-15. This means that although incidents were investigated, the investigations have not yet had the desired impact of discouraging fraud and improper behaviour.

Financial health of auditees is deteriorating

The number of auditees with a good financial health status, as determined by a high-level analysis of auditees' financial health indicators, decreased. The **financial health of 47% of auditees was rated as either of concern or requiring intervention.**

Thirty-three **public entities** (13%) were in a particularly **poor financial position** with material uncertainty about their ability to continue operating in the foreseeable future. The true financial health status of a further five public entities could not be determined as they received adverse or disclaimed audit opinions.

Important findings arising from our analyses included the following:

- The financial statements of 22% of departments (2013-14: 20%) would have shown a **deficit instead of a surplus** had they been prepared in the same manner as those of public entities and local government. Twenty per cent of departments had an **overdraft** at year-end (2013-14: 25%).
- Although the majority of departments spent within their approved budgets, 96 departments (58%) technically had **insufficient funds to settle all liabilities at year-end if taking into account the unpaid expenses at year-end**. For most departments, this will have a minor impact, but 21 departments (13%) started the year with more than 10% of their operating expenditure budget (excluding the budget for employee cost) effectively pre-spent.
- Forty-three per cent of departments **underspent** on their capital budget and 8% on their conditional grants by more than 10%.
- The number of public entities that took more than 90 days to recover money owed to them increased. **Extended debt collection periods** remained a challenge for 22% of public entities (2013-14: 19%). The weakness in debt management is further highlighted by the 33% of public entities (2013-14: 32%) who estimated that **more than 10% of their debtors would be unable to pay them**.
- In total, 36% of public entities **spent more than they had** in resources (and therefore incurred a net deficit), while almost 18% of the value of their current assets was less than that of their current liabilities at year-end (**net current liability** position). The year-end bank balance was in **overdraft** at three public entities.

Weaknesses in the effective use of grants

While R82 billion was available to 67 departments in 2014-15 through grants, of which R80,2 billion (98%) was spent, close to 20% of these departments **did not achieve their planned targets** for the projects and programmes funded by the grants.

We continue to identify auditees that **do not comply with the requirements for using these grants,** as defined by the annual Division of Revenue Act (DoRA). Material non-compliance reported included six departments (9%) that used their grant allocations for purposes other than those allowed by DoRA and nine (13%) that did not evaluate the performance of the programmes funded by the budget allocations.

The status of service delivery reporting

Steady progress in the quality of annual performance reports

The **quality of APRs improved slightly**, with the number of auditees with no material findings in this regard increasing from 252 to 264.

Although 66% of the auditees had no material findings, only 46% of the auditees submitted APRs without material misstatements. This means that more than 19% of the auditees had **good outcomes only because they corrected the misstatements identified during the audit**.

While 221 auditees retained their previous year's status of no material findings on their APRs, 23 departments in **education, health and public works** had repeat findings.

The number of auditees with findings on their APRs reduced in four provinces and in seven ministerial portfolios. However, regressions occurred in two provinces and in three ministerial portfolios.

The most common findings on **usefulness** reported at 22% of the auditees that had prepared APRs were that they reported on indicators that were not well defined or verifiable. Some targets were also not measurable or specific enough to ensure that the required performance could be measured and reported in a useful manner. A total of 26% of auditees had findings on the **reliability** of the information on which they reported.

The status of resource management

Human resource management showed some improvement

The number of auditees whose human resource management controls we **assessed as being good increased marginally**, from 202 to 210.

Vacancies and stability in key positions have notably **improved** from the previous year. While this is encouraging, vacancies remained too high for the positions of head of department (15%), chief executive officer (19%), chief financial officer (16% at departments and 18% at public entities) and, especially, head of SCM unit (21% at departments and 19% at public entities).

On average heads of departments/chief executive officers remained in their positions for 39 months at departments and 51 months at public entities. Chief financial officers remained in their positions on average 48 months at departments and 39 months at public entities. The vacancy levels overall (16%) and at senior management level (17%) remained pronounced.

We also considered whether there were senior managers at the auditees that were responsible for **strategic planning** and for **monitoring and evaluation.** Although not all auditees had created a specific position for strategic planning or to perform the monitoring and evaluation function, 349 auditees (79%) had appointed or designated a senior manager to be responsible for strategic planning and 336 (76 %) for monitoring and evaluation. It is of concern that not all auditees had allocated these very important functions to senior managers to oversee.

Although there has been some improvement, there were still weaknesses in the **performance management** of senior management, such as key officials and other senior managers not having performance contracts.

Regression in the management of consultants

In total, 28% of the departments used **consultants to assist them with financial reporting** (an increase from the 26% in the previous year). The estimated cost of consultancy services was R500 million, which is a reduction from the amount spent in the previous year (R555 million).

Overall, 71% of the assisted departments received financially unqualified audit opinions – an improvement from the 65% in 2013-14.

Our audits of the management of consultants at 129 departments identified weaknesses at 56 (43%) of these departments, which is a **regression** from the 47 (38%) in 2013-14. Our findings included skills not being transferred, poor performance management and monitoring, as well as inadequate planning and appointment processes.

The status of controls and assurance

Internal control is not improving

As part of our audit process, we continue to assess internal controls to determine the effectiveness of their design and implementation in ensuring reliable financial and performance reporting and compliance with legislation. Overall, there was a lack of improvement as, while some national and provincial auditees progressed, this was offset by the regression and stagnation in the controls of other auditees. In addition, movements in opposite directions by departments and public entities on some of the internal controls caused the overall stagnation in the controls of national and provincial government as a whole.

The following basic controls and disciplines should be strengthened to ensure that errors, omissions and non-compliance are prevented, or detected and promptly corrected:

- Effective leadership based on a culture of honesty, ethical practices and good governance – in place at 67% of auditees.
- Use of audit action plans to address internal control deficiencies – in place at only 48% of auditees.
- Proper record keeping and document control – in place at only 46% of auditees.
- Controls over daily and monthly processing and reconciling of transactions – in place at only 46% of auditees.
- Review and monitor compliance with legislation – in place at only 32% of auditees.

Information technology controls show a slight improvement

There has been an **improvement** since last year in the number of auditees with findings on the status of their IT controls, and IT governance has now been incorporated into the overall assessment. Most auditees are implementing the **IT governance framework** approved by cabinet for national and provincial government, as well as for public entities. When fully implemented, this framework should have a positive impact on the functioning of the IT control environment and service delivery in the public service domain.

Public entities have been more successful than the departments in designing, implementing and effectively operating their IT governance frameworks and structures. As previously reported, legislatures have opted not to adopt the cabinet-approved framework. Most legislatures have nevertheless shown improvement in the adoption of an IT governance framework.

The status of IT controls in the areas of security management, user access and service continuity has improved in most provinces and at national level. However, some national and provincial departments have struggled with the design of these controls and have not yet begun to implement them, while the controls at the four focus areas have been operating effectively at 40% to 53% of the public entities. A lack of effective controls in these areas poses a risk in terms of the confidentiality, integrity and availability of the information on the IT systems concerned.

We have also identified a number of risks in the manner in which systems are being developed and changed. Weaknesses such as user requirements not being clearly defined and poor planning, governance and project management create challenges that affect major system developments, such as the integrated financial management system. Robust internal controls would create an enabling environment to increase the likelihood of IT projects progressing economically, efficiently and effectively and delivering positive results.

Continued focus on the root causes is required

Many auditees did not receive a clean audit opinion because their financial and performance reports were of a poor quality and they had high levels of non-compliance with legislation. The most common root causes of poor audit outcomes that need to be addressed remain the following:

- The **slow response by management** in addressing weaknesses in internal controls and the six risk areas
- **Instability or vacancies in key positions**
- **Inadequate consequences** for transgressions and poor performance.

All role players should increase the level of assurance they provide

To sustain improvements in audit outcomes, auditee management and leadership and those that perform an oversight or governance function should work towards improving the key controls. They should address the root causes again highlighted in this report and ensure that there is an improvement in the six key risk areas. This will provide assurance on the quality of the financial statements and performance reports as well as compliance with legislation. Although we assessed that there was an **overall improvement** in the assurance levels, still too few of the role players are providing the necessary assurance. Our assessment also showed the following:

- **Senior management** at 13% of the auditees did not provide assurance in that they did not ensure that the basic financial and performance management controls were in place.
- **Accounting officers/authorities** at 14% of the auditees did not provide assurance in that they did not (i) create strong control environments through their leadership and oversight; (ii) establish policies, procedures and action plans; and (iii) ensure that human resource management, IT governance, risk management, internal audit units and audit committees were effective.
- The assurance provided by **executive authorities** was inadequate at 12% of auditees, as there were significant weaknesses in the leadership controls of these auditees. Such controls include maintaining an effective leadership culture, effective human resource policy and practice management, and implementing effective audit action plans. Based on regular interactions with them and the status of the previous year’s commitments they had made to ensure that audit outcomes improve, we determined that the executive authorities at these auditees did not have the impact they should have had on the performance of their departments.
- Although the assurance provided by **internal audit units and audit committees** was higher than that of the other role players at 59% and 66% of the auditees respectively, they were not yet effective at all auditees in providing internal assurance and oversight. They did not focus enough on the reliability of performance information and the evaluation of IT controls and compliance.
- **National and provincial government** has a constitutional responsibility to support and strengthen departments and public entities and to monitor compliance with the legislation that governs national and provincial government. Our assessment revealed that the departments with a direct role to play (the treasuries and offices of the premier) were not yet providing sufficient assurance through their mandated functions, although the level of assurance they provided had improved from the previous year.
- The oversight provided by **public accounts committees** continued to improve, but weaknesses in adopting and following up resolutions hamper the assurance provided by 80% of committees.

We have received support from **national portfolio committee** chairpersons and, in turn, supported the oversight role of these committees through various engagements, including the budgetary review and recommedation report (BRRR) process and capacity-building workshops. We did not formally assess the level of assurance provided by the portfolio committees as our focus in the past year was on embedding activities to enable strong relationships with these committees.

Controls in key national programmes require further attention

Our audits included a specific assessment of service delivery aspects relevant to the programmes of the health, basic and higher education, human settlements and public works sectors.

Unique aspects of these sectors include the necessity of appropriate policies and procedures to ensure efficient and effective service delivery. Also of importance is effective and functional monitoring and evaluation systems to ensure relevant and continuous service delivery of good quality. Building and maintaining sound infrastructure is a further requirement.

We raised key findings on our sector audit focus areas that include the following:

Health

- The comprehensive HIV and Aids grant: Health information systems and monitoring controls were not well designed and implemented, resulting in shortages in anti-retroviral treatment and non-adherence to the grant conditions.
- Health care waste management: Environmental legislation relevant to the handling, storing and disposal of health care waste was not complied with. This increased the risk to health and safety and negatively impacted communities and the environment.
- Information systems: The network infrastructure was outdated in seven provinces, with weaknesses in network security and basic controls. Key accounting systems used for billing, revenue and managing pharmaceuticals did not interface with primary accounting systems. Poor connectivity and slow system response times at six provinces had a further impact on the effective use of information systems.
- Infrastructure development and maintenance: Health infrastructure projects were not managed effectively in all nine provinces. This resulted in slow progress on construction, poor quality of work, structural defects not detected timely, cost escalations and delays in the commissioning and use of new and upgraded health facilities.

Basic education

- The professional development of teachers: There was a mismatch between the provision and demand for teacher development, inefficient and poorly monitored funding mechanisms, and a lack of quality education for practicing teachers.
- Learner transport: Learners have difficulty accessing education institutions due to inadequate learner transport. This was mainly due to insufficient project management of learner transport and non-compliance with SCM processes.
- Information system: Provinces divert education information system (EIS) funds to cover other operating costs, data quality audits are not always conducted and provinces are not all adequately resourced to meet EIS priorities.
- Learner teacher support material (LTSM): Deficiencies were identified in areas that include identifying LTSM needs, procuring according to budget, complying with SCM requirements and delivering materials to schools.
- National school nutrition programme (NSNP): Deficiencies were identified in procuring service providers, complying with the grant requirements and monitoring and managing food handlers.
- School finance management: All schools did not have audited financial statements as required by legislation.
- Infrastructure development and maintenance: Deficiencies were noted in addressing matters related to planning school infrastructure, procuring contractors, effective project management, delays in using completed classrooms because furniture and equipment were not delivered, and poor maintenance of existing school infrastructure.

Higher education

- Skills development by sector education training authorities (SETAs): Scarce and critical skills identified in the sector skills plan were not included or not aligned to the indicators and targets in the annual performance plans of all SETAs. This can result in the skills needs of the country not being addressed.

Human settlements

- Management of individual subsidies: There has been a reduction in the number of audit findings since the previous year. Findings relevant to housing projects exceeding project budgets and payments not being made in line with contract milestones were raised in two provinces.
- Management of transfer payments to municipalities: Payments continued to be made for houses that do not meet the specified quality requirements. A lack of proper needs analysis and inadequate planning continued to impact the level of service delivery at municipalities to effectively use transfer payments for building houses. Project monitoring and controls were not always effective in ensuring that quality houses were delivered in an efficient manner.

Public works

- Management of accommodation for client departments: Poor coordination between the public works sector and client departments meant that accurate accommodation needs could not be established, resulting in the sector being unable to plan strategically for these needs.
- Project management of infrastructure projects: The quality and monitoring of infrastructure projects managed by the department were not always of the desired standard.

Characteristics of each of the categories of audit outcomes

The table provided on the following pages summarises the characteristics of auditees that fall within the different categories of audit outcomes. The purpose of this summary is the following:

Assist the reader to understand the different audit outcomes.

Highlight the good practices of auditees with clean audit opinions.

Emphasise that auditees with an unqualified audit opinion with findings still have serious weaknesses that should be dealt with.

Explain why auditees with qualified, adverse and disclaimed opinions are failing.

Area	Best practices for clean audits (131)	Unqualified with findings (224)	Qualified with findings (68)	Adverse or disclaimed with findings (17)
Financial statements	Produced financial statements **free from material misstatements**.	A total of 131 (58%) produced financial statements **with material misstatements**, but **corrected** these during the audit process. The most common areas in which department made corrections were: • commitments and contingent liabilities • irregular expenditure. The most common areas in which public entities made corrections were: • payables, accruals and borrowings • commitments and contingent liabilities. • irregular expenditure.	Produced financial statements **with material misstatements**, which they **could not correct** before the financial statements were published. The most common areas in which departments could not make corrections were: • property, infrastructure, plant and equipment • irregular expenditure • Commitments and contingent liabilities. The most common areas in which public entities could not make corrections were: • property, infrastructure, plant and equipment • receivables • revenue.	Adverse (3): Produced financial statements that included so **many material misstatements** that we **disagreed** with virtually all the amounts and disclosures in the financial statements. Disclaimed (14): Could not provide us with evidence for most of the amounts and disclosures in the financial statements. We were **unable to conclude** or express an opinion on the credibility of their financial statements.
Annual performance report	Measured and reported on their performance in the APR against the predetermined objectives in their integrated development plan and/or service delivery and budget implementation plan, and in a manner that was **useful and reliable**. Of the 119 auditees required to report on their performance, 25 (21%) obtained good outcomes only because they corrected the misstatements identified during the audit. These may regress if the control environment to prepare performance reports is not strengthened.	Ninety-nine per cent of the auditees **prepared** an APR. Of the 214 auditees required to report on their performance, 90 (42%) APRs were **not useful and/or reliable**. In total, 47 (22%) obtained good outcomes only because they **corrected the misstatements** identified during the audit.	A total of three (5%) of the 59 auditees required to report on their performance **did not prepare** an APR. The APRs of 40 (68%) were **not useful and/or reliable**.	A total of four (40%) of the 10 auditees required to report on their performance **did not prepare** an APR. The APRs of eight (80%) were **not useful and/or reliable**.

Area	Best practices for clean audits (131)	Unqualified with findings (224)	Qualified with findings (68)	Adverse or disclaimed with findings (17)
Compliance with key legislation	**Complied** with key legislation.	A total of 218 (97%) **did not comply** with key legislation. Close to half of these auditees (49%) did not prevent unauthorised, irregular, as well as fruitless and wasteful expenditure. At 26 of these auditees the only material instances of non-compliance we reported were the poor quality of the financial statements they had submitted for auditing. They would have received a clean audit outcome had it not been for this compliance finding.	A total of 66 auditees (97%) had findings on **compliance** with key legislation. Forty-seven of these auditees (70%) did not prevent unauthorised, irregular, as well as fruitless and wasteful expenditure. Twenty-nine (43%) had findings related to consequence management.	A total of 16 (94%) **did not comply** with key legislation. Nine of these auditees (53%) did not prevent unauthorised, irregular, as well as fruitless and wasteful expenditure Nine (53%) had findings related to consequence management.

Area	Best practices for clean audits (131)	Unqualified with findings (224)	Qualified with findings (68)	Adverse or disclaimed with findings (17)
Controls	Had good controls or were working on the areas that needed further attention to ensure that their clean audit status was maintained: Their continued focus on these **basic controls** contributed to their success: • The leadership established a culture of **ethical behaviour, commitment** and **good governance** (98%). • **Good human resource practices** ensured that adequate and sufficiently skilled officials were in place and that their performance was managed (89%). • **Attention to information and communication technology (ICT)** ensured that it supported objectives and processes, and maintained the confidentiality, integrity and availability of information (53%). • **Audit action plans** were used to address internal control weaknesses (89%). • **Proper record keeping** ensured that information was accessible and available to support financial and performance reporting (83%). • **Basic disciplines and controls** were in place for daily and monthly processing and reconciling of transactions (86%). • Mechanisms were in place to identify applicable legislation, changes and processes to ensure and monitor **compliance with legislation** (78%).	Had good controls in some areas but should pay more attention to the basic controls, as the number of auditees with good controls in the following areas was limited: • Effective leadership culture (64%) • Good human resource controls (38%) • Good ICT governance and controls (19%) • Effective audit action plans (39%) • Proper record keeping (40%) • Strong daily and monthly controls (38%) • Review and monitor compliance (16%).	Very few auditees had good basic controls, ranging from 4% to 32%. Only 4% and 9% respectively of auditees had good controls to monitor compliance with legislation or had good audit action plans.	The basic controls were in a poor state. We assessed the status of controls at most of these auditees as requiring intervention. The weakest controls that needed intervention were in the following areas: • Proper record keeping (76%) • Review and monitor compliance (88%) • Daily and monthly controls (88%).

Area	Best practices for clean audits (131)	Unqualified with findings (224)	Qualified with findings (68)	Adverse or disclaimed with findings (17)
Assurance providers	**Key role players worked together to provide assurance** on the credibility of the financial statements and performance reports and to ensure compliance with key legislation. These auditees understood that assurance on the **credibility of the information in the financial statements and performance reports** came primarily from the **actions of management / leadership and their governance partners** – internal audit units and audit committees. Their political leadership provided a **strong monitoring and oversight role** and held the administration to account. The percentage of auditees where role players provided full assurance was: • Senior management (73%) • Accounting officers/chief executive officers (89%) • Executive authorities (81%) • Internal audit units (91%) • Audit committees (96%).	**All role players did not provide the required level of assurance**. As a result, the financial statements and APRs prepared, reviewed and signed off by the senior management and accounting officers or authorities of these auditees were materially misstated. The internal audit units and the audit committees did not add to the credibility of these reports, while monitoring and oversight by the political leadership did not have the desired impact. These role players did also not ensure or insist on strong controls to ensure compliance with key legislation and to prevent, or detect and correct, material misstatements. The auditees where role players provided full assurance were limited: • Senior management (16%) • Accounting officers / chief executive officers (26%) • Executive authorities (33%) • Internal audit units (50%) • Audit committees (60%).	**The role players at very few auditees provided the required assurance**: 4% of the accounting officers or authorities, 12% of the executive authorities, 32% of the internal audit units, and 34% of the audit committees. The rest of the role players provided **some or limited to no assurance**. Internal audit units had not been established at 13% and audit committees at 7% of these auditees.	**The contributions to assurance by the role players at these auditees were minimal**. The role players that provided the least assurance were at the first and third level of assurance: • Senior management (100% provided limited to no assurance) • Accounting officers/chief executive officers (94% provided limited to no assurance) • Executive authorities (65% provided limited to no assurance). Internal audit units had not been established at 18% of these auditees, and provided limited or no assurance at 41%. Furthermore, 18% of these auditees did not have audit committees, while the audit committees at 35% provided limited or no assurance.

Area	Best practices for clean audits (131)	Unqualified with findings (224)	Qualified with findings (68)	Adverse or disclaimed with findings (17)
Key officials	There were **limited vacancies** in key positions, with the following vacancies in key positions at these auditees: • Head of department – 7 (15%) • Chief executive officer – 11 (13%) • Chief financial officer – 10 (8%) • Head of the SCM unit – 6 (5%). There was **stability** at the level of the accounting officer or chief executive officer, chief financial officer and head of the SCM unit – officials had been in these positions **between three to six years.**	The **vacancies** in key positions were **more pronounced** at these auditees: • Head of department – 13 (15%) • Chief executive officer – 18 (13%) • Chief financial officer – 39 (17%) • Head of the SCM unit – 45 (20%). There was **less stability**, at the level of the accounting officer or chief executive officer, chief financial officer and head of the SCM unit – officials had been in these positions **between three to four years**.	The **vacancies** in key positions were **more pronounced** at these auditees: • Head of department – 5 (18%) • Chief executive officer – 8 (20%) • Chief financial officer – 14 (21%) • Head of the SCM unit – 16 (24%). There was **less stability**, at the level of the accounting officer or chief executive officer, chief financial officer and head of the SCM unit – officials had been in these positions **between two-and-a-half years to three years**.	The vacancies in key positions were the **highest** at these auditees: • Chief executive officer – 7 (44%) • Chief financial officer – 10 (59%) • Head of the SCM unit – 6 (35%). There was **less stability**, at the level of the accounting officer or chief executive officer, chief financial officer and head of the SCM unit – officials had been in these positions **between one to three years**.

Area	Best practices for clean audits (131)	Unqualified with findings (224)	Qualified with findings (68)	Adverse or disclaimed with findings (17)
Use of consultants by departments	They used consultants for financial reporting services but **used them effectively**. A total of eight (6%) of these auditees were assisted by consultants to the amount of R14 million. They appointed the consultants in time, provided them with the required records and documents, and managed the process effectively.	They used consultants for financial reporting services, but **most could not produce financial statements without material misstatements** – these material misstatements were corrected through the audit process. A total of 25 (11%) of these auditees were assisted by consultants to the amount of R359 million. Their practices to **manage consultants (not limited to financial reporting) need attention**: • No transfer of skills at 27% of the auditees • Poor performance management and monitoring at 17% of the auditees • Inadequate planning and appointment processes at 20% of the auditees.	A total of 14 (21%) auditees were assisted by consultants for financial reporting services to the amount of R127 million. They had **poor audit outcomes** in spite of using consultants, mainly due to the following: • Poor project management by 21% of the auditees • A total of 21% auditees could not provide the records and documents consultants needed to perform their services. Poor practices to **manage consultants (not limited to financial reporting) were widespread**: • No transfer of skills at 68% of the auditees • Poor performance management and monitoring at 52% of the auditees • Inadequate planning and appointment processes at 56% of the auditees.	No consultants were appointed at the departments with adverse or disclaimed opinions.
Use of grants	The departments **effectively used** their conditional grants: • Only 0,5% of these grants were not spent. • All the targets for the grants were achieved.	The departments used the conditional grants but with a **slightly higher underspending and lower achievement** than auditees with clean audit opinions: • A total of 2% of these grants were not spent • Targets were not achieved at 15% of the departments.	The use of grants by departments was **less effective** in this category: • Two per cent of the total grants received by 20 departments were not spent • Targets were not achieved at 30% of the departments.	The department in this category **struggled to use their grants effectively**: • Two per cent of the total grants received by the department were not spent • The targets set for the department, were not achieved.

Area	Best practices for clean audits (131)	Unqualified with findings (224)	Qualified with findings (68)	Adverse or disclaimed with findings (17)
Supply chain management and irregular expenditure	They had **no material instances of non-compliance** with SCM legislation; 76% had good SCM practices but 24% still needed to improve in some of the SCM areas. Their **irregular expenditure levels were low** as a result of their good SCM practices. They incurred only 1% (R357 million) of the irregular expenditure of all auditees. The accounting officer **did not investigate the irregular expenditure of the previous year** to determine if anyone was liable for the expenditure at only two auditees (2%).	In total, **42% of these auditees had material instances of non-compliance** with SCM legislation. Only 29% had good SCM practices. Their **irregular expenditure levels were high** as a result of their poor SCM practices. They incurred 56% (R14 438 million) of the total irregular expenditure. At 34 auditees (15%), the accounting officer **did not investigate the irregular expenditure of the previous year** to determine if anyone was liable for the expenditure.	Sixty-nine per cent **of these auditees had material instances of non-compliance** with SCM legislation. Their **irregular expenditure levels were high** as a result of their poor SCM practices. They incurred 35% (R8 966 million) of total irregular expenditure. The lack of investigations was more pronounced: At 27 auditees (40%), the accounting officer **did not investigate the irregular expenditure of the previous year** to determine if anyone was liable for the expenditure.	In total, **53% of these auditees had material instances of non-compliance** with SCM legislation. We experienced **limitations in performing the SCM audits at 12%** of these auditees. Their **irregular expenditure levels were high** as a result of their poor SCM practices and, had it not been for the audit limitations, it could have been even higher. These auditees incurred 8% (R1 921 million) of the total irregular expenditure. The lack of investigations was more pronounced: At six auditees (35%), the accounting officer **did not investigate the irregular expenditure of the previous year** to determine if anyone was liable for the expenditure.

Area	Best practices for clean audits (131)	Unqualified with findings (224)	Qualified with findings (68)	Adverse or disclaimed with findings (17)
Financial health and unauthorised expenditure	Only 2% of these auditees' financial health status was assessed as **'requiring intervention'**; 73% had good status of financial health. Although responsible for 19% of the departmental budget, these auditees did incur less than 1% (R710 000) of the total unauthorised expenditure.	Nine per cent of these auditees' financial health status was assessed as **requiring intervention**; 53% had good status of financial health. They incurred 77% of the unauthorised expenditure, while being responsible for only 59% of the departmental budget.	Fifteen per cent of these auditees' financial health status was assessed as **requiring intervention**; 24% had good status of financial health. They incurred only 22% of the unauthorised expenditure, while being responsible for only 19% of the departmental budget.	Eighty-eight per cent of these auditees' financial health status was assessed as **requiring intervention**; 6% had good status of financial health. They incurred 1% of the unauthorised expenditure, while being responsible for 2% of the departmental budget.
Fruitless and wasteful expenditure	They incurred only 5% of the fruitless and wasteful expenditure.	They incurred 50% of the fruitless and wasteful expenditure.	They incurred 35% of the fruitless and wasteful expenditure.	They incurred 10% of the fruitless and wasteful expenditure. .

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SECTION 2: OVERVIEW OF AUDIT OUTCOMES

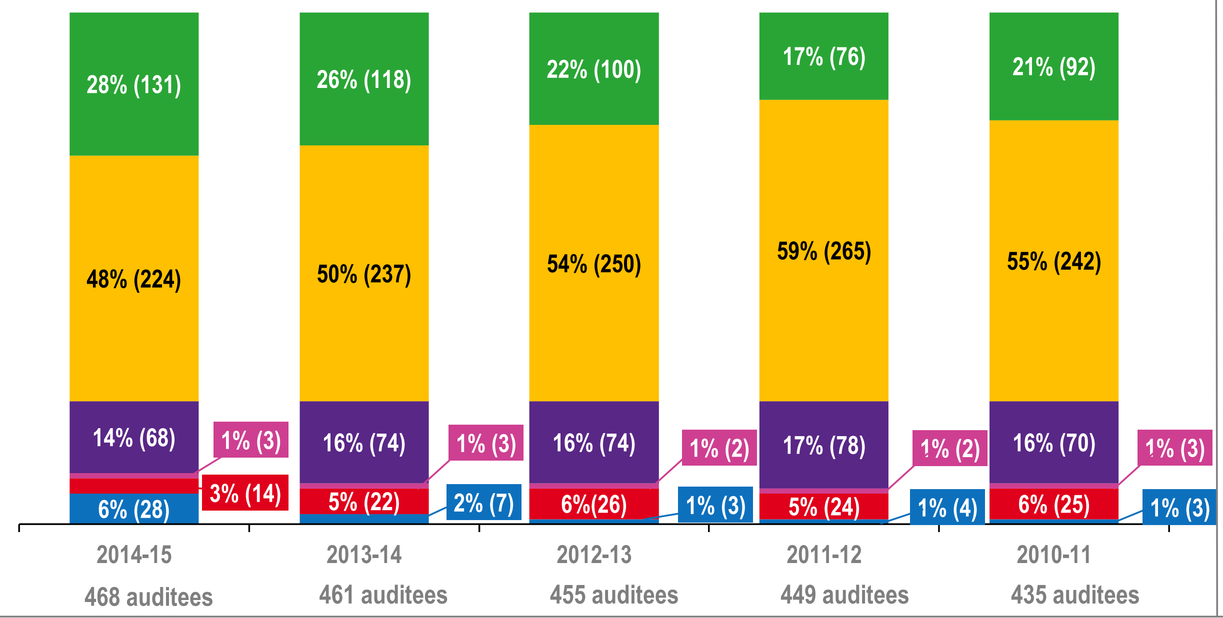


Figure 1: Slight improvement in audit outcomes (all auditees)

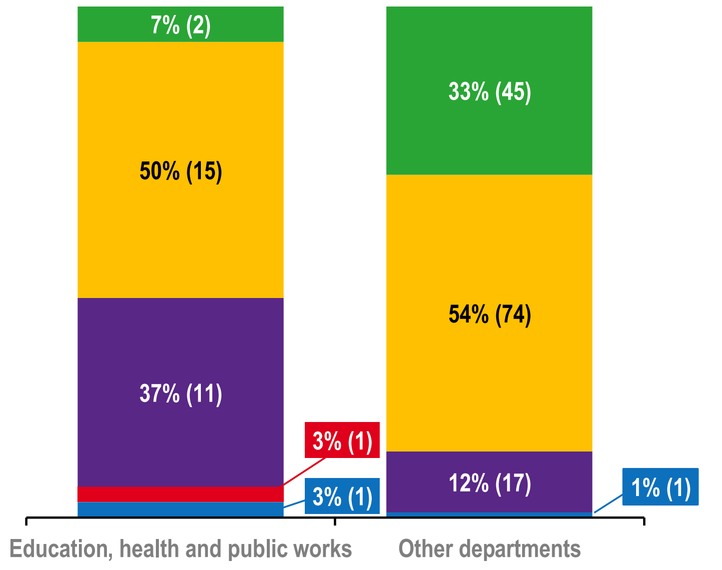


Figure 4: Education, health and public works vs. other departments

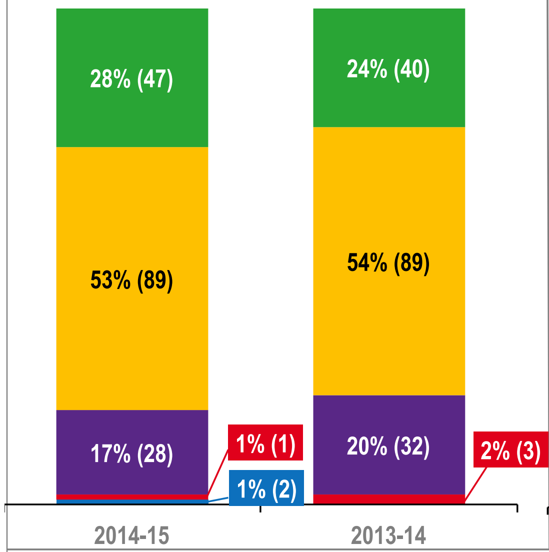


Figure 2: Audit outcomes (departments)

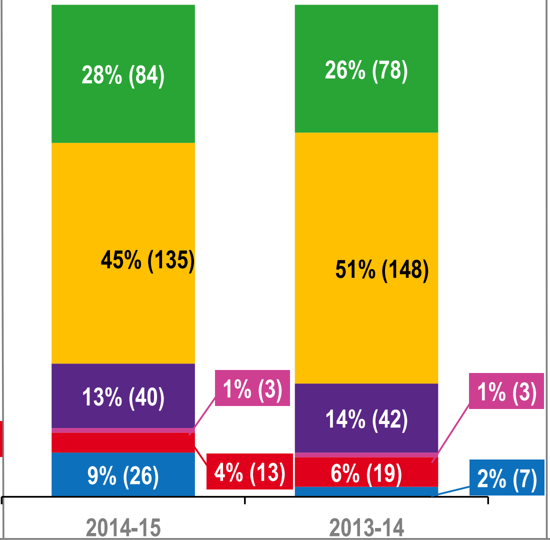


Figure 3: Audit outcomes (public entities)

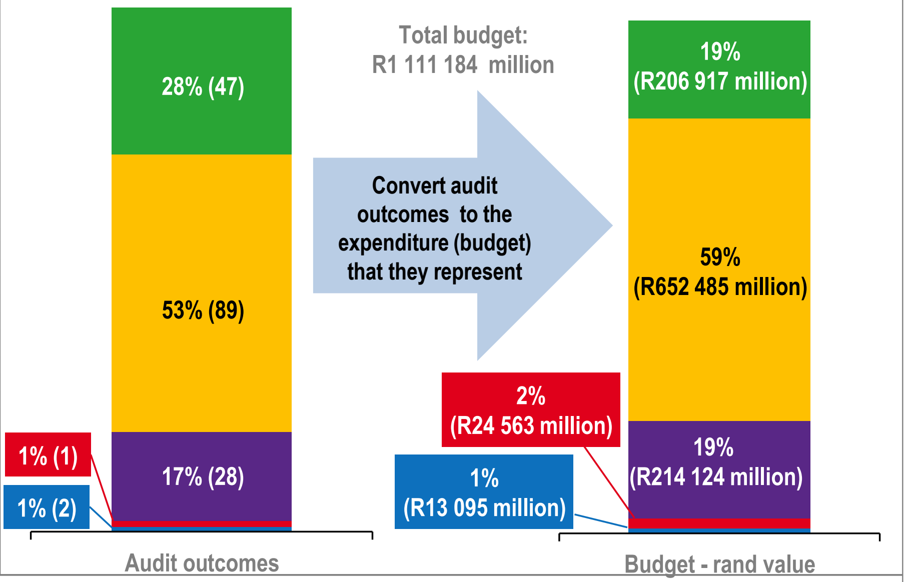


Figure 5: Audit outcomes vs budget allocation (departments)

Unqualified with no findings	Unqualified with findings	Qualified with findings	Adverse with findings	Disclaimed with findings	Outstanding audits

Overall audit outcomes

National and provincial government consists of 167 departments and 399 public entities. The public entities include 149 national and 68 provincial public entities, 45 major public entities and government business enterprises, 33 constitutional institutions and trading entities, 25 universities, 50 technical and vocational education and training (TVET) colleges and 29 other entities that are not subject to the PFMA.

The audit outcomes of 98 public entities audited by private auditors are not included in the analysis presented in this report, except in the portfolio outcomes (section 9) if a minister has executive responsibility for them and in the annexures to this report.

The establishment of three new departments has increased the number of departments since the previous year. The number of public entities has increased due to the establishment of four new public entities, bringing the number of public entities to 301.

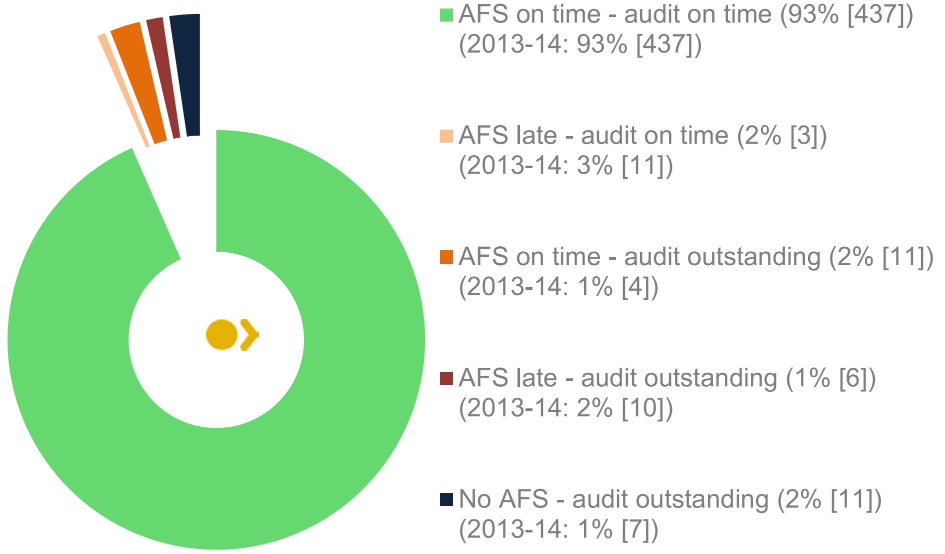
Submission of financial statements for auditing and completion of the audits

Figure 6 shows that 448 auditees (95%) (2013-14: 94%) submitted their financial statements for auditing by 31 May 2015, as required by legislation. The Eastern Cape, Mpumalanga and the Western Cape had a 100% submission rate by the deadline, while those with the most delayed submissions were in the Free State (5% of auditees did not submit on time), the Northern Cape (5%) and North West (15%).

The cut-off date that we set for the inclusion of audit outcomes in this report was 14 August 2015. By this date:

- the financial statements of the following 11 public entities were still outstanding:
  - four national auditees (Compensation Commissioner for Occupational Diseases, East Cape Midlands TVET College, Tshwane North TVET College and National Radioactive Waste Disposal Institute
  - one auditee each in the Free State (Free State Political Party Fund) and KwaZulu-Natal (KwaZulu-Natal Business Rehabilitation Trust Fund)
  - five auditees in North West (North West Parks and Tourism Board, Agribank, Agribank Creditors Settlement Trust, North West Tribal and Trust Fund and Dirapeng)
- the following auditees were still being audited, as their financial statements had not been received by the legislated date:
  - Gauteng Enterprise Propeller (GP)
  - Gateway Airport Authority (LP)
  - four national auditees (Performing Arts Centre of the Free State, The Property Management Trading Entity, South African Express Airways and the Northlink TVET College)
- we had completed the audits of McGregor Museum (NC) and two national auditees (South African Qualifications Authority and Orbit TVET College) even though their financial statements had not been received by the legislated date
- the following two departments and nine public entities were still being audited, although the financial statements had been received by the legislated date:
  - one national department (Home Affairs)
  - one department in the Western Cape (Transport and Public Works)
  - four national auditees (Independent Development Trust, Special Defence Account, South African Post Office, and Government Pensions Administration Agency)
  - two auditees in KwaZulu-Natal (Ithala Development Finance Corporation and Ithala)
  - one auditee each in the Eastern Cape (COEGA Development Corporation), Limpopo (Limpopo Economic Development Agency) and the Northern Cape (Northern Cape Fleet Management).
- Sixteen of the 28 outstanding audits have subsequently been finalised, resulting in the following audit outcomes:
  - three auditees with clean audits
  - five auditees received an unqualified audit opinion
  - six auditees received a qualified audit opinion
  - one auditee received an adverse audit opinion
  - one auditee received a disclaimed audit opinion.
- The audit of 12 auditees have not been finalised as 11 auditees' annual financial statements are still outstanding and one auditee has unresolved going concern matters.

Figure 6: Submission of financial statements and completion of audits



Movement in audit outcomes

Figure 1 indicates that there has been a slight overall improvement in the audit outcomes when compared to the previous year. Figures 2 and 3 show that there was little change in the overall outcomes of public entities, but that departments improved. The table that follows analyses the movement in audit outcomes of the different auditees since the previous year.

The number of auditees with clean audits increased to 131 (28%), which represents 28% of the national departments, 28% of the provincial departments, 27% of national public entities and 29% of the provincial public entities. The 47 departments with clean audit opinions represent 19% of the total expenditure budget of R1,1 billion, as reflected in figure 5.

Of the 224 auditees that received an unqualified audit opinion with findings, 77% had received the same opinion last year. Only 42 auditees were able to improve to clean audits since the previous year (they had previously received unqualified opinion with findings). Although there has been some progress towards financially unqualified audit opinions (as detailed in section 3.1), the remaining challenge is to address the material findings on the quality of the APRs and compliance with legislation. The progress over the past three years and the key findings in these areas are provided in sections 4 and 3.2 respectively.

Annexure 1 lists all auditees with their current and previous year's audit outcomes.

Figure 1 shows the five-year audit outcomes of national and provincial government. The overall 2014-15 audit outcomes improved from 2010-11; auditees with clean audit opinions increased from 92 (21 departments and 71 public entities) to 131 (47 departments and 84 public entities).

Annexure 2 lists the audit outcomes for the past five years.

Education, health and public works

In 2014-15, the expenditure of the national and provincial departments of education, health and public works contributed to almost 37% of the total spending by departments. Figure 4 shows that 40% of these departments' financial statements were financially qualified or disclaimed compared to 12% of the other departments. Except for two clean audits, all these departments had material findings on the quality of their APRs and/or compliance with legislation.

These sectors receive a substantial portion of the budget and are responsible for implementing key programmes to improve the health and welfare of citizens. Their poor audit outcomes should receive urgent attention from all role players to ensure accountability and improved service delivery.

Legislatures

The legislature sector consists of the Parliament of the Republic of South Africa (Parliament), i.e. the National Assembly and the National Council of Provinces, and the nine provincial legislatures.

The legislatures' audit outcomes in 2014-15 were positive with six of the 10 legislatures receiving clean audit opinions. The audit opinions of the legislatures of North-West, the Northern Cape and Limpopo were unqualified with findings and only KwaZulu-Natal received a qualified audit opinion.

The Financial Management of Parliament and Legislatures Act (FMPPLA) was effective from 1 April 2015 and introduced a number of key requirements applicable to legislatures. These include:

- Implementation of the standards of Generally Recognised Accounting Practice (GRAP) as an accounting framework
- Changes to the preparation and submission of APRs and annual budgets
- Changes in other legislated requirements, especially to align or develop regulations, policies and procedures to comply with SCM and other related matters in terms of the act.

We conducted a readiness assessment as part of our audits to evaluate the progress made by Parliament and legislatures to adhere to the requirements of the FMPPLA that may have an impact on the future audit outcomes from 2015-16. The objective of the assessment was to assist auditees in identifying shortcomings in their processes and addressing these areas through an implementation plan that includes target dates for the various milestones and that is adequately monitored by the oversight bodies.

The outcomes of the assessment in the above three areas required by the act are provided below.

Implementation of Generally Recognised Accounting Practice

Parliament and the Gauteng legislature have fully implemented GRAP with no significant concerns related to the quality of their submitted financial statements. The Mpumalanga legislature has implemented GRAP with transitional provisions that allow a period of three years to fully implement all requirements, particularly those relating to the valuation of certain financial statement items.

At the time of concluding the 2014-15 audit reports, the Limpopo legislature had not initiated the processes required to implement GRAP.

The remaining six legislatures had started the process of developing implementation plans for the required changes. Matters considered important for the implementation plan include the following:

- A skilled project team to drive the implementation plan
- Effective monitoring and oversight from the accounting officers, executive authorities and audit committees
- Detailed scoping and planning to determine the appropriate information system for financial recording and reporting
- Training all relevant staff to apply GRAP
- Appropriate data migration and conversion processes where appropriate
- Preparing interim financial statements to determine the state of readiness for the financial year-end.

Annual performance reports and annual budgets

Most legislatures are ready for reporting on predetermined objectives and have adequate plans to approve annual performance plans and report on these plans through relevant systems on a programme level.

Challenges were highlighted regarding approving the annual performance plans and annual budgets in good time.

Other legislated requirements

Parliament and the Gauteng legislature were assessed as being ready to comply with the FMPPLA. Areas of concern for the remaining eight legislatures related to the quality of financial statements, procurement and contract management, and expenditure management.

Recommendations

Recommendations for the successful implementation of the FMPPLA include:

- the Speakers' Forum developing appropriate mechanisms to monitor the implementation of readiness plans to respond to the FMPPLA requirements
- regular feedback to the executive authorities on implementing the FMPPLA
- establishing a consultative relationship between Parliament, provincial legislatures and the treasuries, respecting the separation of powers, to prevent duplicating processes concerning financial management, performance management and compliance with legislation
- developing a coordinated legislative sector approach to implementing the FMPPLA
- expediting the review of governance and oversight models to establish appropriate oversight mechanisms
- reviewing existing systems, processes and procedures to prepare an annual performance plan and annual budget
- rolling out SCM regulations that were effective from 1 April 2015, supported by appropriate training for consistent understanding and implementation to ensure compliance
- the executive authority of Parliament drafting other required regulations within a reasonable period of time, preferably within the 2015-16 financial year.

Table 1: Movement in audit outcomes

Movement Audit outcome	75 Improved	312 Unchanged	47 Regressed	6 New auditee	20 + 8 Outstanding audits
Unqualified with no findings = 131	17 (DEP) 25 (PE) 1 (DEP) 1 (PE)	29 (DEP) 56 (PE)		2 (PE)	1 (DEP) 3 (PE)
Unqualified with findings = 224	12 (DEP) 12 (PE)	65 (DEP) 107 (PE)	10 (DEP) 15 (PE)	2 (DEP) 1 (PE)	7 (PE)
Qualified with findings = 68	1 (PE) 1 (DEP) 3 (PE)	19 (DEP) 24 (PE)	4 (PE) 7 (DEP) 8 (PE)	1 (DEP)	4 (PE)
Adverse with findings = 3	2 (PE)	1 (PE)			
Disclaimed with findings = 14		1 (DEP) 10 (PE)	1 (PE) 1 (PE) 1 (PE)		1 (DEP) 4 (PE)

DEP – departments PE – public entities Colour of the number indicates the audit opinion from which the auditee has moved.

Of the 28 outstanding audits, seven audits remain outstanding since the 2013-14 financial year, with one new audit outstanding.

Figure 7: National and provincial audit outcomes

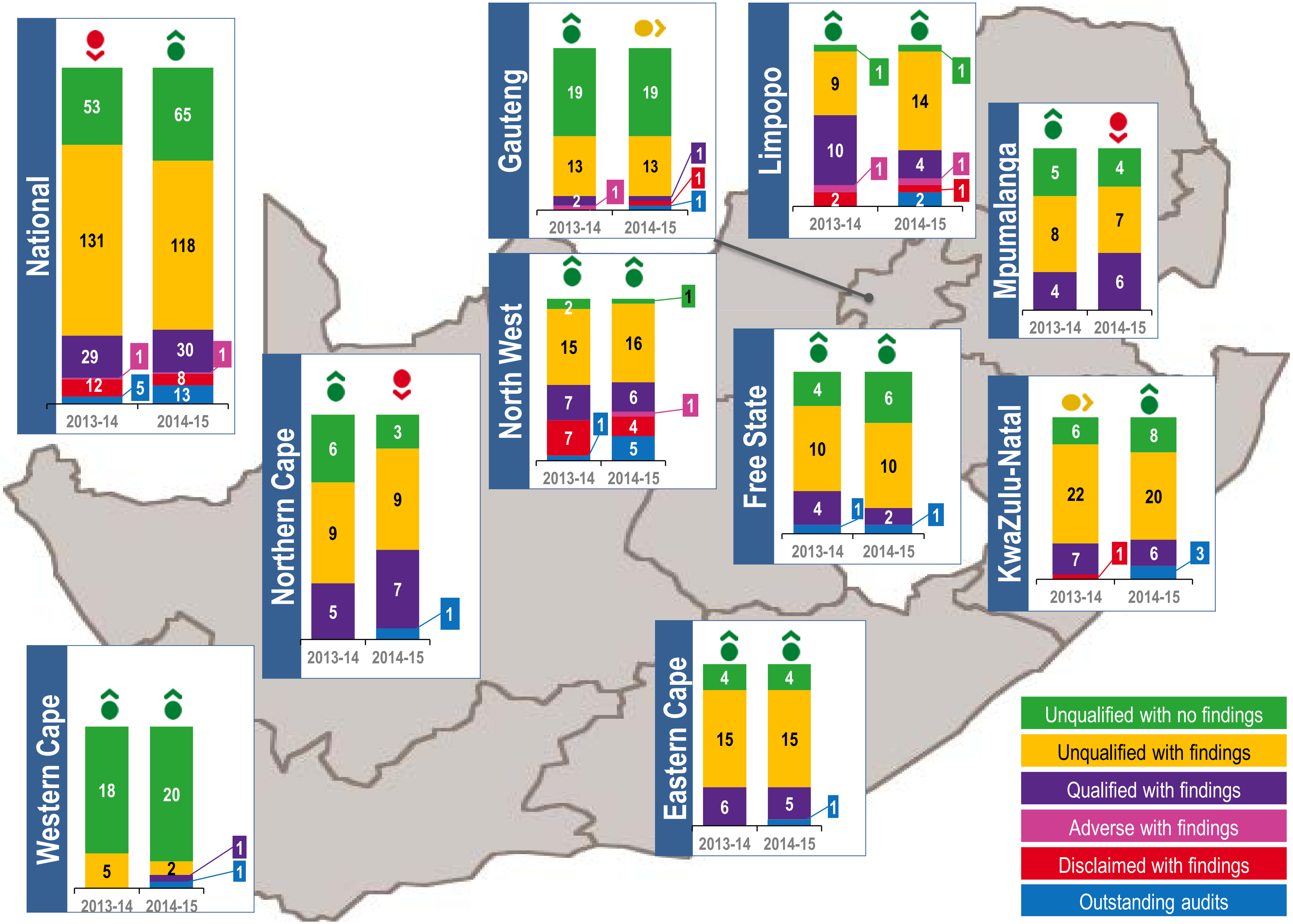


Table 2: Movement in national and provincial audit outcomes

Portfolio	Clean (131)			Financially unqualified with findings (224)				Qualified with findings (68)				Adverse with findings (3)		Disclaimed with findings (14)		Out-standing audits (28)
	Improved	Unchanged	New	Improved	Unchanged	New	Regressed	Improved	Unchanged	New	Regressed	Improved	Unchanged	Unchanged	Regressed	
National auditees	28	37		8	94	2	14	4	17	1	8	1		7	1	13
Eastern Cape	3	1		1	11		3		5							1
Free State	2	4		1	9				2							1
Gauteng	3	16		1	9		3		1						1	1
KwaZulu-Natal	3	4	1	3	17				4		2					3
Limpopo	1			6	7		1		4				1	1		2
Mpumalanga	1	3		1	5		1		3		3					
Northern Cape		3		1	6		2		3		4					1
North West		1		2	13	1		1	4		1	1		3	1	5
Western Cape	3	16	1		1		1				1					1
TOTAL	**44**	**85**	**2**	**24**	**172**	**3**	**25**	**5**	**43**	**1**	**19**	**2**	**1**	**11**	**3**	**28**

National and provincial audit outcomes

Figure 7 shows an improvement in the audit outcomes in national government and most provinces, but a regression in the audit outcomes of Mpumalanga and the Northern Cape, with Gauteng's audit outcomes of unchanged. The number of auditees with an unqualified audit opinion with no findings (clean audit) improved from 118 in the previous year to 131 (47 departments and 84 public entities) (28%) in 2014-15, with the highest contributors being Gauteng and the Western Cape. Regressions in the number of auditees with clean audit opinions were noted in Mpumalanga, the Northern Cape and North West. Seventy-two per cent of auditees (85) with clean audits in the previous year were able to sustain their clean audit status.

Table 2 summarises the movement in the audit outcomes per portfolio, which is discussed further below.

National government

Retained clean audit (37)	Departments of Social Development, Sport and Recreation South Africa, Statistics South Africa, Environmental Affairs, Planning, Monitoring and Evaluation. Thirty-two public entities, which includes SARS, the CSIR, four SETAs, Landbank, SALGA and the Roads Accident fund. Eleven public entities received clean audits for five or more years.
Improved to clean audit (28)	Departments of Science and Technology, Trade and Industry, Government Communication and Information System, Public Service Commission, Parliament, The Presidency, Department of Energy and 21 public entities, which includes ARMSCOR, three SETAs and the National Youth Development Agency.
Qualified opinion (30)	Departments of Correctional Services and Water Affairs (both for five years or more), International Relations and Cooperation, Military Veterans and Secretariat for Police (new auditee). Twenty-five public entities, which includes the SABC, 10 auditees in the arts and culture portfolio and six TVET colleges.
Adverse opinion (1)	Ikhala TVET College.
Regressed to disclaimed opinion (1)	The South African Nuclear Energy Corporation.
Repeat disclaimed opinion (7)	Compensation Fund, Pan South African Language Board, Third Party Funds (five years or more), King Hintsa TVET College, Tshwane South TVET College, Western College for TVET and Letaba TVET College.

There was a net improvement in the audit outcomes of national government with 41 auditees improving on their audit opinions and 23 regressing. Seventy per cent of the auditees received the same audit opinion as in the previous year, with the majority receiving a financially unqualified audit opinion with findings.

Eastern Cape

Retained clean audit (1)	Eastern Cape Socio-Economic Consultative Council.
Improved to clean audit (3)	Provincial legislature, Department of Safety and Liaison and Eastern Cape Gambling and Betting Board.
Qualified opinion (5)	Departments of Education, Health (five years or more) and Roads and Public Works. Eastern Cape Development Corporation and Mayibuye Transport Corporation.

A total of 17% of auditees obtained a clean audit outcome, 63% received financially unqualified opinions with findings, while only 21% received qualified opinions.

Overall, the audit outcomes improved, with four auditees (17%) improving (three of which achieved a clean audit for the first time) while three auditees (13%) regressing from having clean audits in the previous year to financially unqualified opinions with findings in 2014-15.

Free State

Retained clean audit (4)	Provincial legislature, Provincial Treasury, Department of Sport, Arts, Culture and Recreation, and the Free State Fleet Management Trading Entity.
Improved to clean audit (2)	Office of the Premier and the Department of Public Works.

Qualified opinion (2)	Departments of Health (five years or more) and Human Settlements.

In total, 53% of the auditees received financially unqualified opinions with findings, while only two auditees (11%) received qualified opinions.

Overall, the audit outcomes improved with three auditees (16%) improving, no regressions and 15 auditees (79%) obtaining the same audit opinion as in the previous year.

Gauteng

Retained clean audit (16)	Department of Cooperative Governance and Traditional Affairs, Office of the Premier, Provincial legislature, Provincial Treasury, Department of Social Development and 11 public entities.
Improved to clean audit (3)	Department of Economic Development, Provincial Treasury and the Gauteng Gambling Board.
Qualified auditees (1)	Department of Health.
Regressed to disclaimed opinion (1)	g-FleeT Management.

A total of 54% of auditees obtained a clean audit outcome; the Gauteng Partnership Fund had obtained a clean audit for the past five or more years. Except for the national auditees, Gauteng is one of the two provinces with the highest number of clean audits (19). Thirty-seven per cent (13 of 35) of the auditees received financially unqualified opinions with findings, of which three had regressed from a clean opinion in the previous year.

Overall, the audit outcomes remained unchanged (74%) from the previous year with four improvements and four regressions.

KwaZulu-Natal

Retained clean audit (4)	Provincial Treasury, Dube Tradeport Company, KwaZulu-Natal Growth Fund Managers and Amafa Akwazulu-Natali.
Improved to clean audit (3)	Department of Cooperative Governance and Traditional Affairs, KwaZulu-Natal Tourism Authority and Trade and Investment KwaZulu-Natal.
Qualified auditees (6)	Departments of Arts and Culture, Health, Social Development, Transport, the Provincial legislature and the Traditional Levies and Trust Account.

Most of the auditees received financially unqualified opinions with findings (54%), while 16% received qualified opinions. Apart from the national auditees, the province is also one of two provinces with the highest number of auditees (six auditees, or 16%) that improved their audit outcomes. Two auditees regressed; the legislature regressed from having a financially unqualified opinion with findings in the previous year to receiving a qualified opinion.

Limpopo

Improved to clean audit (1)	Office of the Premier.
Qualified auditees (4)	Departments of Public Works, Roads and Infrastructure; Sport, Arts and Culture. Limpopo Tourism Agency and the Corridor Mining Resources.
Adverse opinion (1)	Limpopo Roads Agency.
Repeat disclaimed opinion (1)	Department of Education.

Limpopo is one of two provinces with only one clean audit. In total, 61% of the auditees received financially unqualified opinions with findings, with one adverse and one disclaimed opinion. The Department of Education (as listed above) had obtained a disclaimed opinion for the past four years.

Overall, the audit outcomes improved, with seven auditees (30%) improving and only one regressing (from having a clean audit in the previous year to receiving a financially unqualified opinion with findings). The audit outcomes in Limpopo improved the most of all the provinces.

Mpumalanga

Retained clean audit (3)	Provincial Treasury, Department of Cooperative Governance and Traditional Affairs, and Mpumalanga Gambling Board.
Improved to clean audit (1)	Provincial legislature.

Qualified auditees (6)	Departments of Education, Health and Community Safety, Security and Liaison. Mpumalanga Regional Training Trust, Mpumalanga Tourism and Parks Agency, and Mpumalanga Economic Growth Agency.

Three auditees (18%) in Mpumalanga retained their clean audit outcome. A total of 41% of the auditees received financially unqualified opinions with findings, while 35% received qualified opinions. Three of these auditees had also received a qualified opinion in the previous year. The Department of Health had obtained a qualified opinion for the past five or more years.

Overall, the audit outcomes regressed with four auditees (24%) regressing and only two (12%) improving, one from receiving a financially unqualified opinion with findings to having a clean audit, and one from receiving a qualified opinion to receiving a financially unqualified opinion with findings.

Northern Cape

Retained clean audit (3)	Department of Social Development, Environment and Nature Conservation, and Northern Cape Tourism Authority.
Qualified auditees (7)	Departments of Agriculture, Land Reform and Rural Development; Health; Transport, Safety and Liaison; Cooperative Governance, Human Settlements and Traditional Affairs; Sport, Arts and Culture. McGregor Museum and Northern Cape Economic Development, Trade and Investment Promotion Agency.

The Northern Cape had six auditees (30%) with clean audit opinions in the previous year, but only three could retained their clean audit status. Of the seven auditees with qualified opinions, three had retained the opinion from the previous year.

Of all the provinces, the Northern Cape had the most regressions (30%) with 60% obtaining the same opinion as the previous year and one auditee improving from a qualified opinion to receiving a financially unqualified opinion with findings.

North West

Retained clean audit (1)	Provincial Treasury.
Qualified auditees (6)	Departments of Public Works and Roads and of Community Safety and Transport Management, NW Development Corporation, NW Transport Investments, NW Youth Development Trust, and NW Provincial Arts and Cultural Council.
Adverse opinion (1)	Madikwe River Lodge.
Regressed to disclaimed opinion (1)	North West Housing Corporation.
Repeat disclaimed opinion (3)	Mmabana Arts, Culture and Sport Foundation, Golden Leopard Resorts, and Signal Developments.

North West is one of two provinces with only one clean audit. A total of only 48% of the auditees received a financially unqualified opinion with findings.

Overall, the audit outcomes improved slightly with four auditees (12%) improving and two regressing.

Western Cape

Retained clean audit (16)	Departments of Agriculture, Community Safety, Cultural Affairs and Sport, Economic Development and Tourism, Human Settlements, Office of the Premier, provincial Parliament, provincial treasury, Social Development and Local Government and six public entities.
Improved to clean audit (3)	Departments of Education and of Environmental Affairs and Development Planning, and the Western Cape Liquor Authority.
Qualified auditees (1)	Western Cape Housing Development Fund.

Most of the auditees in the Western Cape (83%) obtained clean audit outcomes, with two receiving a financially unqualified opinion with findings and one receiving a qualified opinion as listed above.

The outcomes show an overall improvement with three auditees (13%) improving and two (8%) regressing.

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SECTION 3: FINANCIAL MANAGEMENT

Figure 1: Three-year trend – audit of financial statements

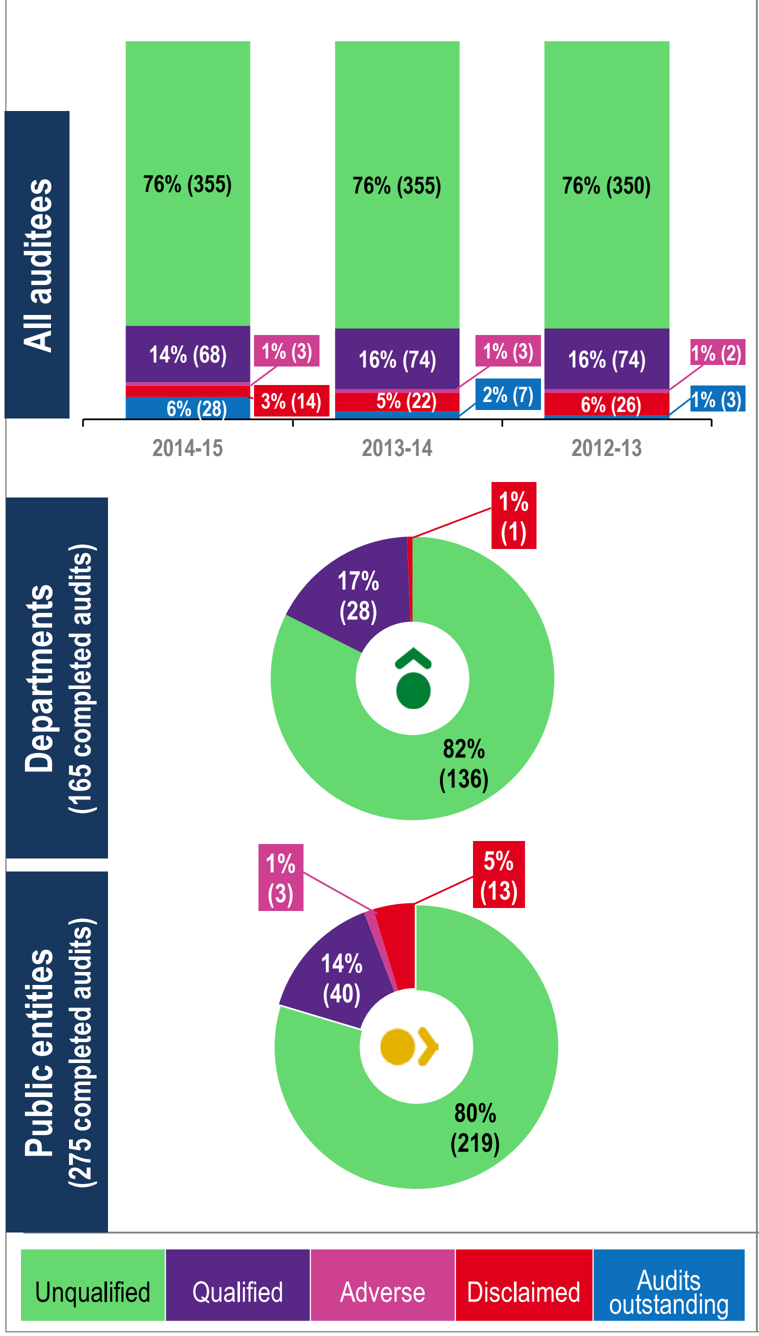


Figure 2: Status of submitted financial statements (completed audits)

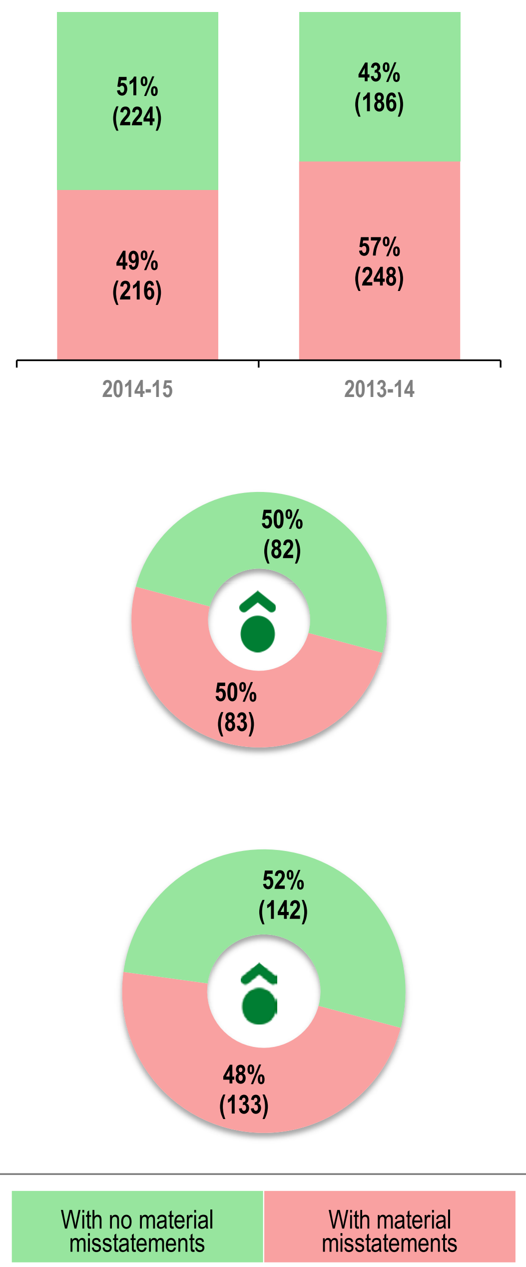
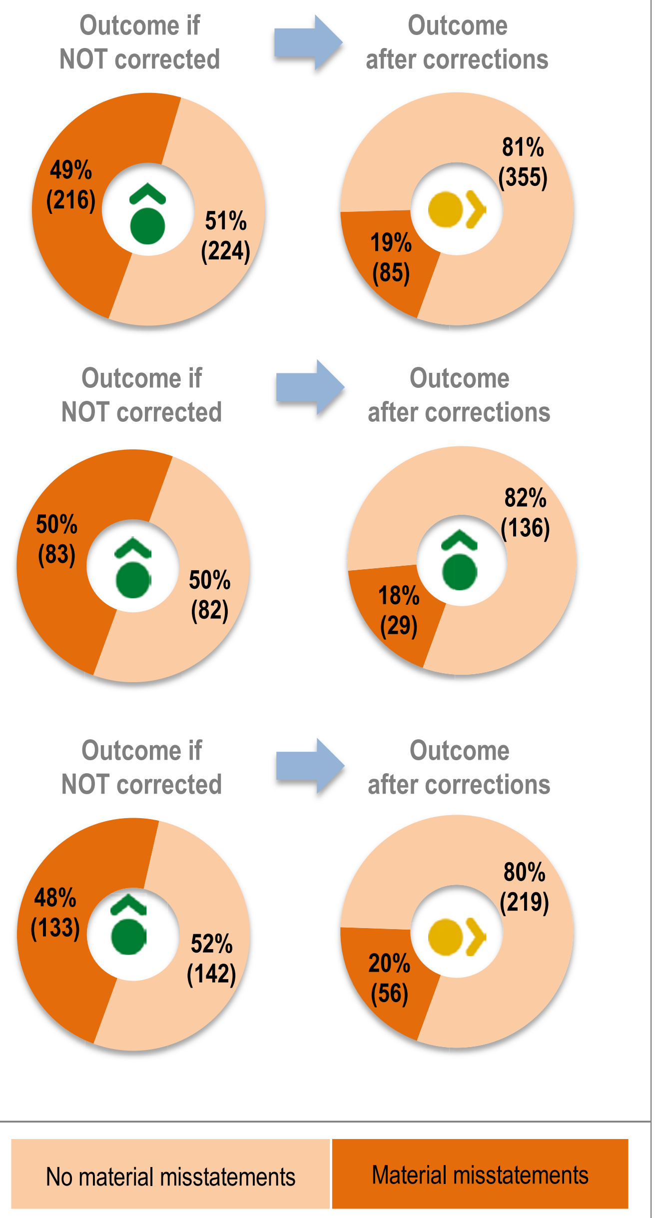


Figure 3: Quality of submitted financial statements (completed audits)

131 auditees (2013-14: 169) avoided qualifications by correcting material misstatements during the audit process



3.1 Financial statements

The purpose of the annual audit of the financial statements is to provide users with an opinion on whether the financial statements fairly present, in all material respects, the key financial reporting information for the reporting period in accordance with the financial reporting framework and applicable legislation. The audit provides the users with reasonable assurance on the degree to which the financial statements are reliable and credible, on the basis that the audit procedures performed did not identify any material errors or omissions in the financial statements. We use the term *material misstatement* to refer to such material errors or omissions.

Status of, and movement in, audit opinions

Figure 1 indicates that the audit opinions on financial statements **remain unchanged** when compared to the previous year, with 76% (2013-14: 76%) of the financial statements now receiving unqualified opinions. Departments improved while public entities remained unchanged.

Only 17 auditees received an **adverse or disclaimed opinion** (one department and 16 public entities). Five auditees received a qualified audit opinion after having had adverse or disclaimed opinions in the previous year. A total of 15 auditees had the same audit opinion as in the previous year, while four had remained unchanged for the past five years. Most auditees that received adverse or disclaimed opinions were national auditees (nine), while five were in the North West.

It is commendable that 26 auditees (6%) (13 departments and 13 public entities) (2013-14: 36 [8%]) improved from a financially qualified audit opinion to a financially unqualified audit opinion.

The audit opinion of financial statements of almost 15% of auditees that received a financially **qualified audit opinion** in the previous year remained the same (64 auditees). Thirty of these auditees (47%) received qualified, adverse or disclaimed opinions for five consecutive years.

A total of 20 auditees (5%) (seven departments and 13 public entities) regressed from a financially unqualified audit opinion to a financially qualified audit opinion.

Forty per cent of the financial statements of the national and provincial departments of **education, health and public works** were qualified or disclaimed. This is an improvement from the 50% in 2013-14.

Figure 4: Budgets of departments

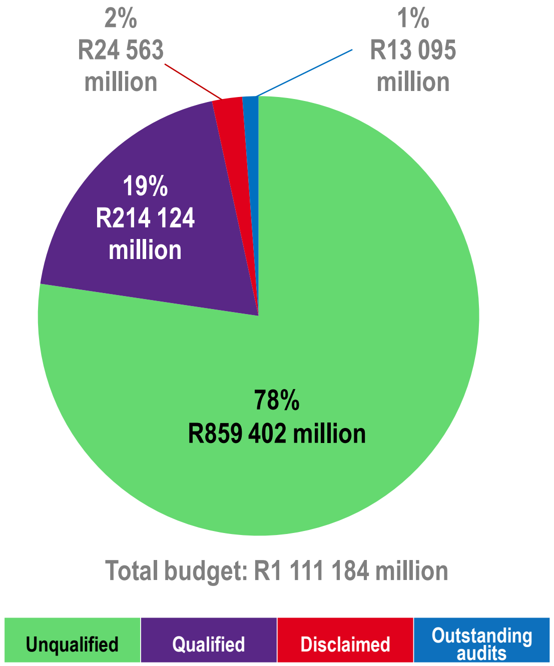


Figure 4 shows that 29 departments that received qualified or disclaimed opinions received 21% of the total budget allocated to departments.

The fourth column of table 1shows that the Western Cape and Gauteng have the most number of auditees that received financially unqualified audit opinions (96% and 94% respectively). Mpumalanga and Northern Cape regressed, while most of the other provinces improved.

Table 1: Status of financial statements in national and provincial government

Portfolio	Auditees with financially unqualified opinions before correcting material misstatements		Auditees with financially unqualified opinions after correcting material misstatements	
	Number	Movement during 2013-14	Number	Movement during 2013-14
National auditees	120 (54%)	↑	183 (82%)	→
Eastern Cape	12 (50%)	↑	19 (79%)	↑
Free State	8 (44%)	↑	16 (89%)	↑
Gauteng	22 (65%)	→	32 (94%)	→
KwaZulu-Natal	17 (50%)	↑	28 (82%)	↑
Limpopo	3 (14%)	→	15 (71%)	↑
Mpumalanga	8 (47%)	↑	11 (65%)	↓
Northern Cape	8 (42%)	↑	12 (63%)	↓
North West	5 (18%)	→	17 (61%)	↑
Western Cape	21 (91%)	↑	22 (96%)	→
Total	224 (51%)	↑	355 (81%)	→

The quality of the financial statements submitted for auditing

While almost all auditees submitted their financial statements for auditing on time, figure 2 shows that only 224 auditees (51%) submitted financial statements that did not contain material misstatements. Overall, there has been improvement in the quality of submitted financial statements since the previous year.

Figure 3 also shows that 131 auditees (30%) received a financially unqualified audit opinion only because they corrected all the misstatements we had identified during the audit. Only 51% of the auditees would have received an unqualified audit opinion had we did not identified the misstatements and allowed them to make the corrections. The second column of table 1 shows the low percentage of auditees in national and provincial government that would have received unqualified audit opinions. It also shows that there has been an improvement in the quality of submitted financial statements in six provinces and national government, while Gauteng, Limpopo and North West have not increased the number of auditees submitting quality financial statements.

There is no notable difference in the quality of the financial statements submitted by departments and public entities. We did not identify any material misstatements in the financial statements of 143 public entities (52%) and 82 departments (50%).

We report the poor quality of the financial statements we receive in the audit reports of auditees as a material compliance finding, as it also constitutes non-compliance with the PFMA (refer to section 3.1). The finding is only reported for auditees subject to the PFMA and if the financial statement we received for auditing included material misstatements which could have been prevented or detected if the auditee had an effective internal control system. We do not include in the report misstatements that resulted from an isolated incident or that related to the disclosure of unauthorised, irregular or fruitless and wasteful expenditure identified after the financial statements were submitted.
One department and 22 public entities would have received a clean audit outcome had it not been for this particular compliance finding.

To achieve unqualified audit opinions departments commonly corrected the areas of commitments and contingent liabilities (21%), and irregular expenditure (18%). Public entities corrected commitments and contingent liabilities (16%), irregular expenditure (13%) and payables, accruals and borrowings (11%).

The continued reliance on the auditors to identify corrections to be made to the financial statements to obtain an unqualified audit opinion is not a sustainable practice. It also places undue pressure on legislated deadlines and increases the audit fees.

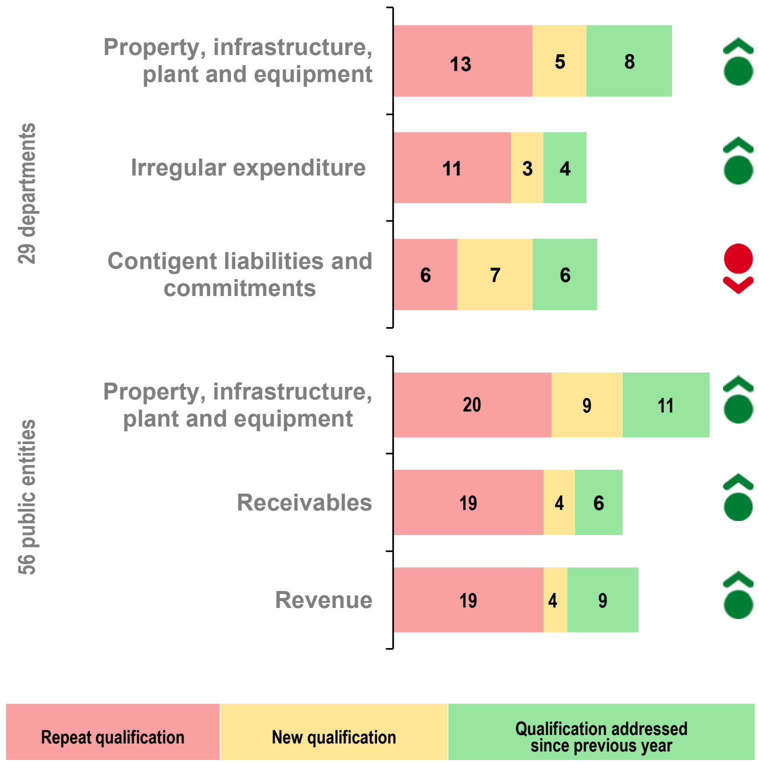
At total of 49 departments (30%) were assisted by consultants to prepare their financial statements and related financial reporting services. See section 3.1 for more details.

Financial statement areas qualified (uncorrected material misstatements)

Although we reported the material misstatements to management for correction, 85 auditees (2013-14: 99) could not make the necessary corrections to the financial statements, which resulted in qualified, adverse and disclaimed audit opinions. The major reasons for not making the corrections were unavailable or incomplete information or documentation to determine the correct amounts to be reflected in the financial statements.

Figures 5 (29 departments' financial statements qualified and 56 public entities' financial statements qualified) indicate the three most common financial statement qualification areas and the progress in addressing these since the previous year.

Figure 5: Top three financial statement qualification areas



The reasons for the most common qualifications and details of the auditees qualified are presented next.

Property, infrastructure, plant and equipment (18 departments and 29 public entities)

The number of departments that are qualified in this area decreased by 14%, and five departments were qualified in this area for the first time this year. The most notable improvements were in the Free State, Limpopo and national government, where the number of departments qualified in this area decreased by 50% since the previous year. Of the 13 departments that did not improve, 62% (eight) were in the education, health and public works sectors. Included in this grouping were three provincial departments in the arts and culture sector and two national departments (International Relations and Cooperation and Military Veterans).

The number of public entities qualified in this area decreased by 6%, with nine public entities qualified in this area for the first time this year. The most notable improvements were in KwaZulu-Natal, Limpopo and North West, where the number of public entities qualified in this area decreased by at least 33% since the previous year. Six national public entities (67%) were qualified for the first time this year, which includes two TVET colleges.

At 15 departments the main reasons for the qualification was that they did not include all their assets in their asset register/financial statements, or we could not obtain sufficient evidence that all the assets owned had been included. At 14 departments either the values of assets that did not exist were included in the financial statements, or we could not determine whether these assets existed. At 10 departments the values of assets recorded in the financial statements were incorrect or we could not confirm the value at which the asset had been recorded.

Missing or supporting documentation that could not be submitted by 15 departments and incorrect accounting records at eight departments contributed to the qualifications.

At 25 public entities the main reason for the qualification was that the values of assets recorded in the financial statements were incorrect or we could not confirm the value at which the asset had been recorded. A total of 14 public entities either did not include all their assets in their asset register/financial statements or we could not obtain sufficient evidence that all the assets had been included.

Missing or supporting documentation that could not be submitted by 19 public entities and incorrect accounting records at 18 public entities contributed to the qualifications.

Irregular expenditure (14 departments)

The number of departments qualified in this area decreased by 7%, with three departments qualified in this area for the first time this year .The most notable improvements were in Gauteng and national government where the number of departments qualified in this area decreased by 100% (i.e. they addressed all the previous year's qualification issues). Of the11 departments that did not improve, 91% (10) were in the education, health and public works sectors. Included in this grouping was one provincial department in the arts and culture sector. While four departments addressed the previous year's qualification issues, there was little reduction overall in the number of departments qualified in this area.

The main reason for 14 departments being qualified on the irregular expenditure disclosed in their financial statements was either that all irregular expenditure was not disclosed or we could not obtain sufficient evidence that all were included. At four departments, the amount of irregular expenditure disclosed was not correctly/accurately calculated or determined.

Missing or supporting documentation that could not be submitted at six departments and incorrect accounting records at 12 departments contributed to the qualifications.

Contingent liabilities and commitments (13 departments)

The number of departments qualified in this area increased by 8%, with seven departments qualified in this area for the first time this year. Of the six departments that did not improve, 67% (four) were in the education, health and public works sectors. While six departments addressed the previous year's qualification issues, there was little reduction overall in the number of departments qualified in this area.

The main reason for departments being qualified in this area was that all contingent liabilities and commitments were not disclosed in the financial statements or we could not obtain sufficient evidence that all were included (10 departments).

Missing or supporting documentation that could not be submitted at eight departments and incorrect accounting records at eight departments contributed to the qualifications.

Receivables (23 public entities)

The number of public entities qualified in this area decreased by 8%, with four public entities qualified in this area for the first time this year. Six public entities addressed the qualification since the previous year. Nineteen public entities had the same qualification in the previous year.

The main reason for the qualification was either that the value of the receivables (debtors) recorded in the financial statements was incorrect or we could not confirm the value at which the receivables (debtors) had been recorded (19 public entities). At 14 public entities, receivables (debtors) included in the financial statements either did not exist or we could not determine whether they existed. A total of 12 public entities included receivables in their financial statements that they did not own or have right of ownership to, or we could not obtain sufficient evidence that the public entities had right of ownership to some of the receivables included in the financial statements.

Missing or supporting documentation that could not be submitted at 19 public entities and incorrect accounting records at seven public entities contributed to the qualifications.

Revenue (23 public entities)

The number of public entities qualified in this area decreased by 18%, with four public entities qualified in this area for the first time this year. The most notable improvements were in the Eastern Cape, KwaZulu-Natal, Limpopo and North West, where the number of public entities qualified in this area decreased by 33% or more since the previous year. Nine public entities addressed the qualification since the previous year. Nineteen public entities had the same qualification in the previous year.

The main reason for these qualifications was that revenue disclosed or recorded in the financial statements was not accurately calculated (at 17 public entities). A total of 17 public entities did not reflect all the revenue earned or we could not obtain sufficient evidence that all the revenue had been included. The revenue at 14 public entities was also qualified because we could not obtain sufficient evidence that the revenue was based on transactions that had taken place.

Missing or supporting documentation that could not be submitted at 19 public entities and incorrect accounting records at seven public entities contributed to the qualifications.

Recommendations

Auditees that received qualified, adverse or disclaimed opinions and those that submitted poor quality financial statements for auditing should strengthen their processes and controls to create and/or sustain a control environment that supports reliable reporting. For such auditees, we recommend implementing at least the following key controls and best practices that are in place at some auditees:

Recommendations for senior management

- Put in place controls to ensure that transactions are processed in an accurate, complete and timely manner. This will reduce the errors and omissions in financial reports. Daily disciplines such as the review and approval processes and the monthly reconciliation of key accounts should be normal practice. This will empower officials to prepare credible monthly management accounts and meaningful analyses and forecasts. It will also allow the auditees to test the robustness of their processes before the financial statements are submitted for audit at year end. Errors and omissions will be identified and rectified at an earlier stage.
- Set up financial systems to allow users to implement controls on a monthly basis. Where the financial systems do not support such control, alternative procedures should be considered such as registers and reconciliations outside the system. This proved useful for those auditees that are able to produce unqualified financial statements in spite of inadequate systems.
- Continuously validate the information in the account records and registers, especially where there is a high risk of inaccuracies such as :
  - Property, infrastructure, plant and equipment – performing regular physical asset verifications and assessing the condition of the assets

  - Accruals and commitments – updating the registers regularly
  - Irregular expenditure – this should also be updated regularly to avoid misstatements being identified at year end.
- Provide employees in the finance units with training on GRAP and the modified cash standard so that they keep updated with changes in financial reporting requirements. They also need close supervision and review by qualified and competent senior managers, including the chief financial officer.
- Ensure there is proper record keeping and evidence to support all amounts and disclosures in the financial statements. Records and other evidence should be maintained throughout the year. Chief financial officers should determine whether such evidence is available as part of their review and sign-off process of the financial statements.

Recommendations for accounting officers/authorities

- Address any vacancies and instability in the chief financial officer position without delay (also refer to section 5.1).
- Implement effective human resource management to equip the finance function with adequate and sufficiently skilled personnel.
- Implement and monitor audit action plans that are based on the audit findings, root causes and recommendations reported by us, internal audit, audit committees and other governance structures. The plan should include definite actions that need to be implemented to address the matters, with timelines and responsibilities assigned. Progress should be reported to the audit committee.

Recommendations for internal audit and audit committees

- Internal audit units can review in-year financial statements to establish whether these will provide an adequate basis for preparing annual financial statements and, at year-end, support the chief financial officer in reviewing the evidence that supports the amounts and disclosures in the financial statements.
- Audit committees should monitor the progress of audit actions plans.

Figure 1: Three-year trend – compliance with key legislation

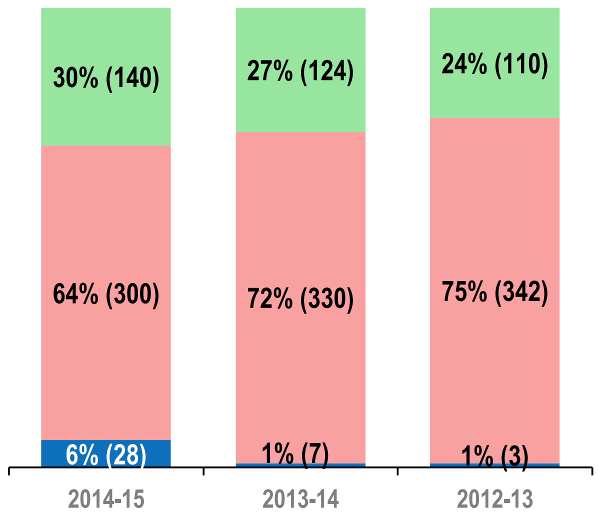


Figure 2: Compliance with key legislation per auditee type (completed audits)

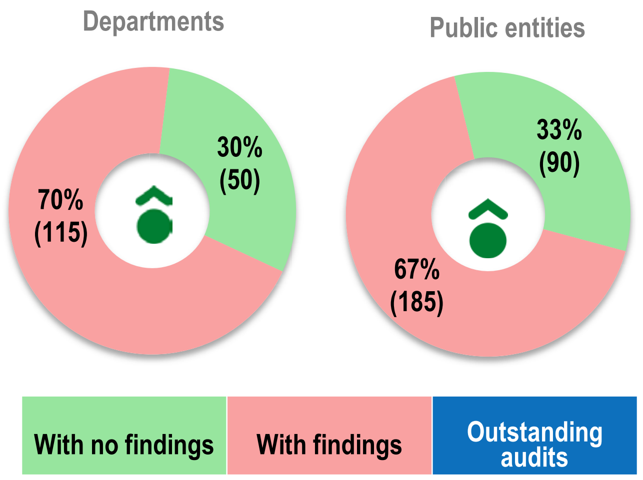


Figure 3: Findings on compliance with key legislation – departments

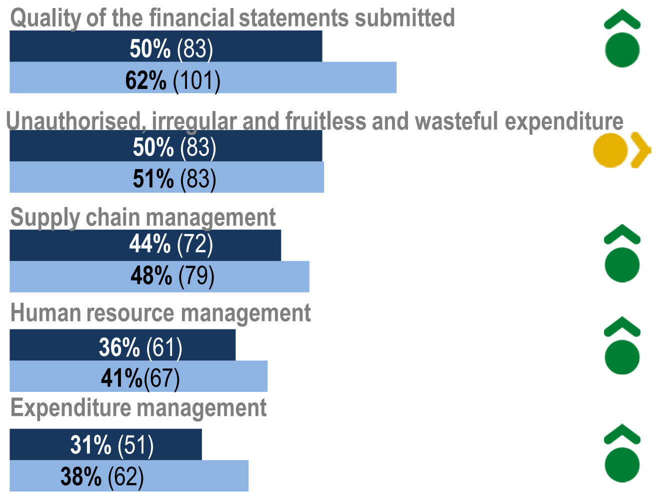


Figure 4: Findings on compliance with key legislation – public entities

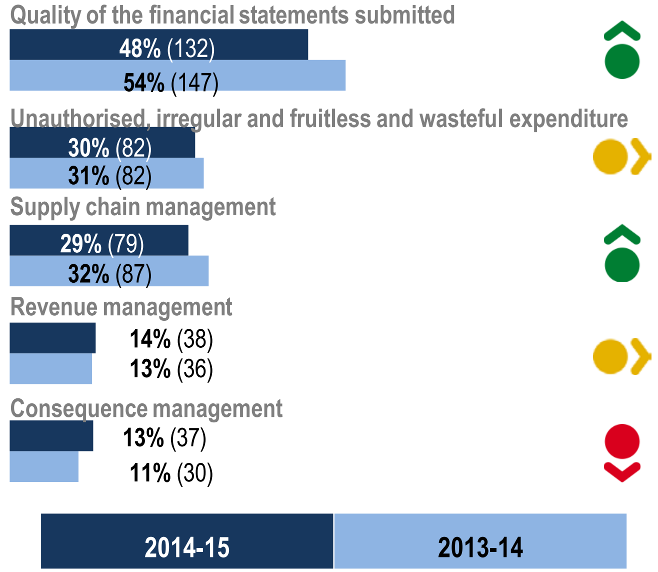


Table 1: Status of compliance with key legislation in provinces and national government

Portfolio	Auditees with no findings on compliance	Movement
National auditees	32%	↑
Eastern Cape	17%	→
Free State	33%	↑
Gauteng	56%	→
KwaZulu-Natal	26%	↑
Limpopo	10%	↑
Mpumalanga	24%	↓
Northern Cape	16%	↓
North West	4%	↓
Western Cape	87%	↑

3.2 Compliance with key legislation

We annually audit and report on compliance with key legislation applicable to financial matters, financial management and other related matters (referred to as ‘key legislation’ hereafter).

We focused on the following areas in our compliance audits: ■ material misstatements in the submitted annual financial statements ■ asset and liability management ■ audit committee ■ budget management ■ expenditure management ■ unauthorised, irregular as well as fruitless and wasteful expenditure ■ consequence management ■ internal audit unit ■ revenue management ■ strategic planning and performance management ■ annual financial statements and annual report ■ transfer of funds and conditional grants ■ procurement and contract management (in other words, SCM) ■ human resource management and compensation.

In the audit report, we reported findings from the audits that were material enough to be brought to the attention of oversight bodies and the public.

Status and findings on compliance with key legislation

Figures 1 and 2 show the number and type of auditees with material compliance findings, while table 1 shows the progress made by national and provincial auditees. Some of the compliance findings had actual or potential financial loss implications estimated at 77% of the 300 auditees with findings. These include not preventing unauthorised, irregular as well as fruitless and wasteful expenditure.

While the three-year trend reflects an improvement, non-compliance with key legislation remains high. The number of departments with no material findings increased from 40 to 50 (a 25% increase) while public entities increased from 84 to 90 (a 7% increase).

Of the completed audits, 88 of the previous year’s 119 auditees (74%) retained their status of no material findings on compliance with key legislation. National auditees achieving this status increased from 58 to 72 (24%), with national departments almost doubling theirs from seven to 13.

While other departments collectively reduced findings on compliance with key legislation by 6% of auditees, these findings have remained high at the departments of Education, Health and Public Works, at 90% (27 of 30 auditees). Further, high occurrences of repeat audit findings on the audit focus areas shown in figure 3 continue to characterise these three sectors.

Findings on compliance with key legislation

Figures 3 and 4 show the compliance areas with the most material findings for departments and public entities in the current year and the progress made in addressing the findings.

In the past three years, the areas of material misstatements in submitted financial statements, SCM, and unauthorised, irregular as well as fruitless and wasteful expenditure have consistently had the most findings on compliance. There has been an improvement in all three areas since the previous year.

The most common findings on compliance across these areas include the following:

- There were material misstatements or limitations in the financial statements submitted for auditing (note that this finding was only reported in certain circumstances, as explained in section 3.1.).
- Auditees did not comply with SCM legislation.
- Auditees did not prevent unauthorised, irregular as well as fruitless and wasteful expenditure.
- Thirty-nine departments (24%) did not pay creditors within 30 days or an agreed-upon period. This is 15 fewer than in the previous year and it is an encouraging, continuing trend from the 64 departments during the 2012-13 financial year.
- Thirty-three departments (20%) did not always properly verify new appointments (2013-14: 40) and funded vacant posts were not filled within 12 months at 32 departments (19%). We analyse human resource management controls and weaknesses in section 6.1.
- Consequence management at public entities primarily relates to effective and appropriate disciplinary steps not taken against officials who made or permitted unauthorised/ irregular/ fruitless and wasteful expenditure.
- The steps taken to collect all revenue due on time were ineffective and inappropriate at public entities, 27 of which had the same finding in the previous year.

Not all non-compliance with legislation has financial loss implications, e.g. material misstatements in financial statements and their human resource weaknesses do not result in money being lost. The material non-compliance by 77% of the 300 auditees includes matters that can potentially lead to financial loss.

Sections 3.2.1 to 3.2.3 provide more information on SCM and unauthorised, irregular as well as fruitless and wasteful expenditure, followed by recommendations and best practices in section 3.2.4.

Annexure 1 also details the auditees with material findings on compliance and indicates whether these findings are repeated.

Figure 1: Status of supply chain management

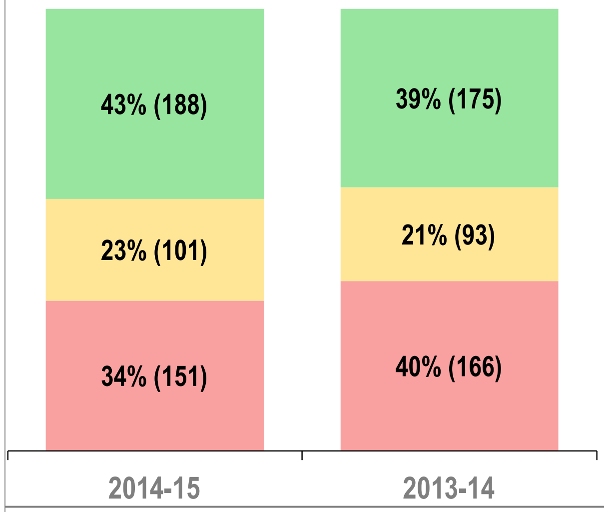


Figure 2: Supply chain management findings per auditee type (completed audits)

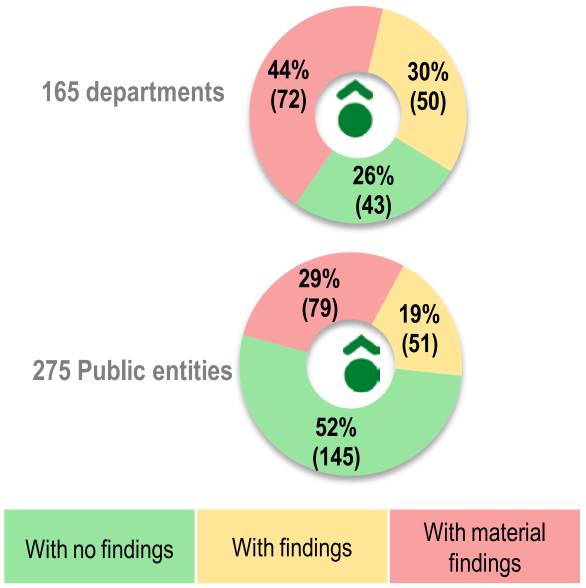


Figure 3: Findings on supply chain management

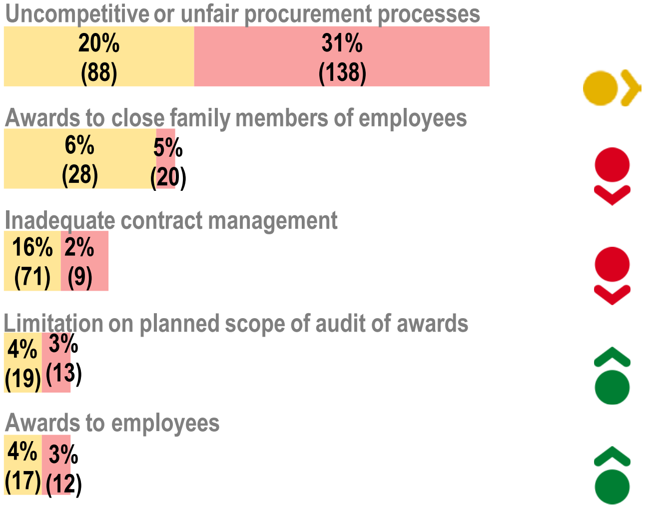


Figure 4: Extent of awards to employees and close family members; and declarations by suppliers and employees (departments)

Awards to employees 31 auditees / 200 instances / R53 million	▲
Awards to close family members of employees 41 auditees / 600 instances / R452 million	►
Supplier did not declare the interest 26 auditees / 300 instances / R 151 million	▲
Employee did not declare the interest 26 auditees / 575 instances / R197 million	►

At public entities, awards to the value of R2,5 million were made to employees at seven auditees in 14 instances. The number of auditees decreased by three from the previous year.

Table 1: Progress made with regard to supply chain management by national and provincial government

Portfolio	Auditees with no findings on supply chain management	Movement
National auditees	50%	▲
Eastern Cape	21%	►
Free State	6%	▼
Gauteng	65%	▲
KwaZulu-Natal	44%	►
Limpopo	19%	▲
Mpumalanga	24%	▲
Northern Cape	16%	▼
North West	14%	▼
Western Cape	78%	►

3.2.1 Weaknesses in supply chain management as a cause of irregular expenditure

As part of our audits of SCM, we tested 6 034 contracts (with an approximate value of R161 billion) and 20 209 quotations (with an approximate value of R3,5 million), referred to as awards in the rest of the report.

We tested whether the prescribed procurement processes had been followed to ensure that all suppliers are given equal opportunity to compete and that some suppliers are not favoured above others. We also focused on contract management, as shortcomings in this area can result in delays, wastage, as well as fruitless and wasteful expenditure, which in turn have a direct impact on service delivery.

We further assessed the financial interests of employees of the auditee and their close family members in suppliers to the auditee. Legislation does not prohibit awards to suppliers in which employees or their close family members have an interest, but requires employees and prospective suppliers to declare any financial interest for safeguards to be put in place to prevent improper influence and an unfair procurement process.

We reported all findings from the audit to management in a management report to auditees, while we reported material findings on compliance in their audit reports.

Figure 3 shows the number of auditees that had audit findings and those where we reported material findings on compliance in the audit report in the current and previous years. There has been some progress, overall, in increasing the number of auditees without audit findings (188 vs. 175 auditees in the previous year). The 9% overall reduction in the number of auditees with material findings is a definite sign that auditees are paying more attention to SCM, but it is still of great concern that 44% of the departments and one of every three of public entities did not comply materially with SCM legislation.

Table 1 shows that the number of national auditees without SCM findings increased, as did four of the provinces, with the auditees in the Western Cape and Gauteng performing the best. The auditees in North West, the Northern Cape and the Free State not only performed the worst – they regressed from the previous year.

Figure 3 shows the SCM areas in which auditees had findings, the proportion of auditees where the findings were material enough to be reported in the audit report and the progress made in some SCM areas. The remainder of this section provides further details on the outcomes of our audits in the different areas, while annexure 1 lists the auditees with SCM findings and indicates whether these findings were repeated.

Limitations on planned scope of audit of awards

We could not audit awards with a value of R1 330 million at 32 auditees (7%), as they could not provide us with evidence that awards had been made according to the requirements of SCM legislation. We had encountered similar limitations at 10 of these 32 auditees (31%) in the previous year. Overall, it should serve as a red flag to oversight structures that we could also not perform any alternative audit procedures to obtain reasonable assurance that the expenditure in respect of these awards was not irregular.

The main reason for us not being able to audit was that supporting documentation for the award process was not made available because the documentation either did not exist or could not be retrieved as a result of poor document management.

The following table shows the extent of limitations in the different portfolios.

Table 2: Extent of limitations on planned audits

Portfolio	2014-15			2013 -14			Movement (number of auditees)
	Auditees	Percentage of auditees reported on	Amount R million	Auditees	Percentage of auditees reported on	Amount R million	
National auditees	11	5%	98	17	8%	129	▲
Eastern Cape	0	0%	0	5	21%	68	▲
Free State	4	22%	74	3	17%	6	▼
Gauteng	1	3%	6	1	3%	10	►
KwaZulu-Natal	4	12%	52	1	3%	10	▼
Limpopo	3	14%	83	4	19%	452	▲
Mpumalanga	5	29%	345	2	12%	19	▼
Northern Cape	1	5%	137	2	11%	9	▲
North West	3	11%	536	5	19%	516	▲
Western Cape	0	0%	0	0	0%	0	►
Total	**32**	**7%**	**R1 330 million**	**40**	**9%**	**R1 219 million**	

We calculated the movement in limitations on the number of auditees, as the more relevant indicator because the amounts can be influenced by large contracts falling within the limitations.

These limitations had the following impacts:

- The procurement processes could not be audited by us, the internal auditors or investigators.

- There was no evidence that auditees had followed a fair, transparent and competitive process for all awards. Should unsuccessful bidders request information on the process, including for possible litigation purposes, it would not be available.
- We could not determine whether these awards were irregular and, as a result, the true extent of irregular expenditure could not be determined.
- Our general reports, audit reports and management reports did not reflect the true extent of SCM non-compliance, irregularities and possible fraud.
- Poor record management created an environment in which it was easy to commit and conceal possible improper or illegal behaviour.

Awards to employees and close family members

The findings on awards to employees and the number of auditees at which they occurred decreased, while findings on awards to close family members and the number of auditees at which they occurred increased since the previous year.

Figure 4 shows that 200 awards were made to suppliers in which employees had an interest at 31 departments (18%) to the value of R53 million. This is an improvement since the previous year when awards to employees were identified at 37 departments. Figure 4 further shows that awards were made to close family members of employees at 41 departments (25%) to a value of R452 million.

At 26 of the 31 departments, employees did not declare their interest in awards with a value of R197 million, while suppliers did not declare their interests at 26 departments.

The possibility of undue influence cannot be discounted, especially if the person, including SCM officials, could have influenced the procurement processes for these awards, which could have created opportunities for irregularities.

Although such awards are not prohibited by current legislation, it is of concern that there was little progress in addressing the lack of financial interest declarations by the employees and suppliers.

We again point out that a failure by suppliers to declare the interest of employees and other state officials constitutes a fraudulent act and should be investigated and dealt with in accordance with legislation.

Uncompetitive or unfair procurement processes

Overall, the number of findings on uncompetitive or unfair procurement processes remained unchanged from the previous year. Repeat findings on uncompetitive or unfair procurement processes were noted at 59 departments (36%) and 58 public entities (21%).

The following were the most common findings:

- Three written quotations were not invited and the deviation not approved, or the approved deviation was not reasonable or justified – reported at 139 auditees (2013-14: 157)
- Competitive bids were not invited and the deviation was not approved, or the approved deviation was not reasonable or justified – reported at 78 auditees (2013-14: 86)
- No financial interest declaration was submitted by suppliers – reported at 60 auditees (2013-14: 47).

The non-compliance results in irregular expenditure and erodes the confidence of the public in national and provincial government to conduct its procurement process in a fair, equitable, competitive and transparent manner.

Inadequate contract management

The overall findings on contract management regressed at 16 departments and 10 public entities that were unable to address the previous year's findings in this focus area, while fifty-four additional auditees had findings.

The most common findings were:

- no or inadequate contract performance measures and monitoring – reported at 46 auditees (2013-14: 18)
- contracts amended or extended without proper approval – reported at 20 auditees (2013-14: 31).

The weaknesses in SCM require immediate and focused action to ensure that the principles of fairness, transparency, completeness, and equity and cost effectiveness in procurement processes receive the necessary attention. It will also address the very high annual irregular expenditure.

Irregular expenditure

Irregular expenditure is expenditure that was not incurred in the manner prescribed by legislation. Such expenditure does not necessarily mean that money had been wasted or fraud committed, but is an indicator that legislation is not being adhered to, including legislation aimed at ensuring that procurement processes are competitive and fair. It is also an indicator of a significant breakdown in controls at some auditees.

The PFMA requires accounting officers to take all reasonable steps to prevent irregular expenditure. Auditees should have processes to detect non-compliance with legislation that results in irregular expenditure and, if incurred, are required to disclose the amounts in the financial statements. Irregular expenditure is required to be reported when it is identified – even if such expenditure was from a previous financial year.

Extent of irregular expenditure

Figure 5: Auditees incurring irregular expenditure

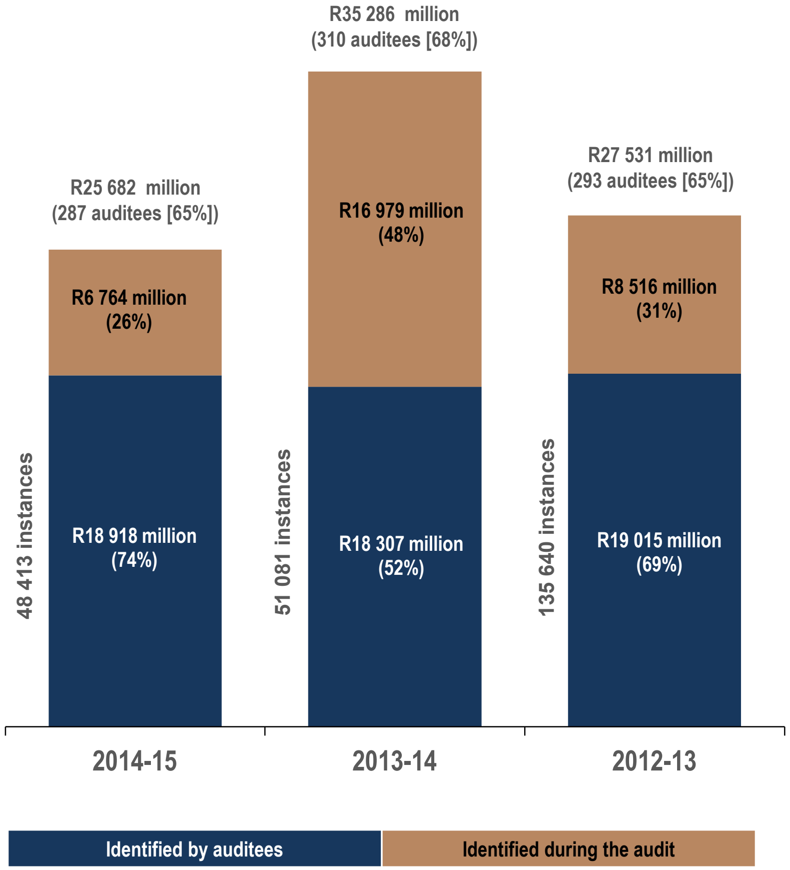


Figure 5 shows a decrease of 27% (R9 604 million) in irregular expenditure since the previous year. The number of instances also decreased by almost 5% (2 668 instances) since the previous year. Forty-five per cent of irregular expenditure is from the education, health and public works sectors. The overall decrease in irregular expenditure was largely due to a significant decrease in KwaZulu-Natal (61%), the Western Cape (54%) and the Eastern Cape (44%), while national auditees reduced theirs by 44%. The reasons for the reduction in irregular expenditure in these provinces included the implementation of consequence management, management's commitment to implementing internal controls and to addressing the previous year's findings through action plans, the use of checklists for procurement and the centralisation of supplier databases. However, in Mpumalanga irregular expenditure, more than doubled.

A total of 254 (89%) of the 287 auditees also incurred irregular expenditure in the previous year. Of these, 219 auditees had incurred such expenditure for the past three years. These auditees include 10 departments from the health sector, eight departments from public works sector and 10 departments from the education sector.

Figure 5 excludes the irregular expenditure by the Property Management Trading Entity (PMTE), amounting to R30 862 million for 2013-14 as this was considered to be a one-off occurrence and the 2014-15 audit outcome of the PMTE was outstanding at the time of this report.

The main contributors to the irregular expenditure in 2014-15 were:

	2014-15 R million	**2013-14 R million**
• Roads and Transport (Gauteng)	R1 942	R1 990
• Human Settlements (Gauteng)	R1 928	R1 044
• Health (Mpumalanga)	R1 919	R818
• South African National Roads Agency	R1 606	R1 541
• Education (Gauteng)	R1 246	R1 772
• Education (Limpopo)	R994	R2 209
• Human Settlements (Free State)	R982	R858
• Health (KwaZulu-Natal)	R839	R1 220

A total of 99 auditees (2013-14: 76 auditees) disclosed in their financial statements that they still have to investigate all transactions for the financial year to determine the full extent of their irregular expenditure. This means the irregular expenditure value for 2014-15 could be higher after these investigations are completed.

Figure 6: Previous year's irregular expenditure identified in the current year

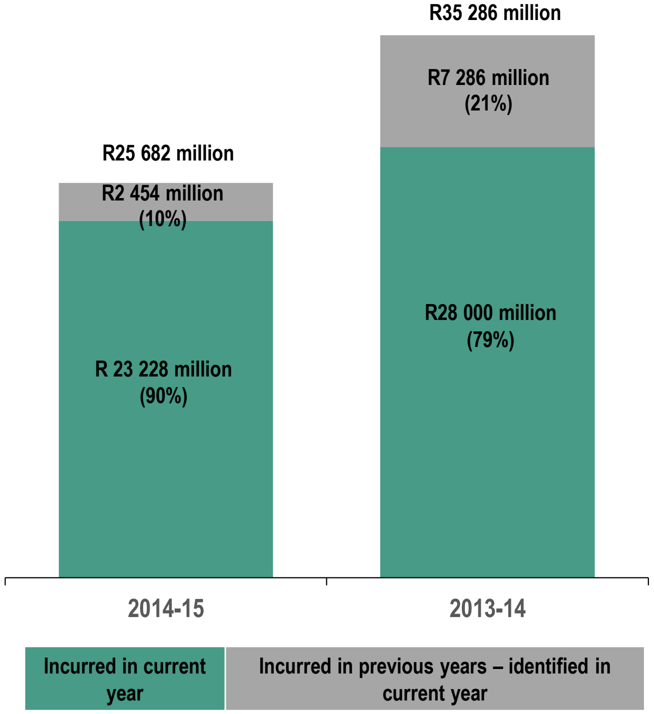


Figure 6 shows that 90% of the expenditure was the result of acts of non-compliance in 2014-15; the remainder was expenditure resulting from transgressions in previous years.

The previous year's irregular expenditure of R2 454 million was identified in the current year. Of this, R1 743 million (71%) resulted from auditees reviewing the extent of their previous year's irregular expenditure, as disclosed in their financial statements. This review was to address the previous year's qualification on the disclosure of irregular expenditure.

Nature of irregular expenditure

Of the R25 682 million in irregular expenditure identified in 2014-15, R23 912 million (93%) was a result of non-compliance with SCM legislation. The following were the main areas of SCM non-compliance, as disclosed by the auditees in their financial statements with an indication of the estimated value of the expenditure:

- Procurement without a competitive bidding or quotation process – R12 227 million (51%)
- Non-compliance with procurement process requirements – R9 307 million (39%)
- Non-compliance with legislation on contract management – R 2 377 million (10%)

We provide more detail on the outcomes of our audits on SCM earlier on in this section.

Prevention, detection and disclosure

As detailed in the previous section on compliance, steps taken by auditees to prevent irregular expenditure were inadequate, which was one of the most common material findings on compliance. We reported the non-compliance as material at 164 auditees (37%) based on irregular expenditure being incurred in both the current and previous years, the recurrence of the transgressions that had caused it, and our assessment that adequate controls and processes would have prevented it.

Figure 5 shows that we had identified only 26% of the irregular expenditure amount during the audit process, which means that most auditees are beginning to implement adequate processes to detect and quantify irregular expenditure, as required by legislation. The 74% identified by auditees is a significant improvement from the 52% in the previous year.

The disclosure of irregular expenditure in the financial statements was materially misstated at 26 auditees (6%), resulting in their financial statements being qualified.

Lack of consequences for irregular expenditure

The PFMA provides steps that accounting officers should take to investigate irregular expenditure to determine whether any officials are liable for the expenditure and to recover the money if liability is proven. The investigation should also confirm whether fraud has been committed or money has been wasted through goods and services that were not received or that were not procured at the best price. Irregular expenditure remains on the auditee's financial statements until it is recovered if liability is proven, or written-off as not recoverable or condoned by a relevant authority (mostly the National Treasury).

Our audits revealed that 20% (90) of the auditees did not implement adequate consequence management in response to the previous year's transgressions, 16% (71) of which were material enough for us to include in their audit reports.

We did not investigate the irregular expenditure as that is the role of the accounting officer and oversight body. However, through our normal audits we determined that goods and services were received for almost 86% of the R23 912 million in irregular expenditure relating to SCM non-compliance despite the normal processes governing procurement not being followed. Two per cent of the irregular expenditure could not be audited as a result of a lack of documentation while the remaining 12% was not audited. However, we cannot attest to the goods and services being delivered at the best price and that value was received.

3.2.2 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and that would have been avoided had reasonable care been taken.

The PFMA requires accounting officers to take all reasonable steps to prevent fruitless and wasteful expenditure. The auditee should have processes in place to detect fruitless and wasteful expenditure and, if incurred, to disclose the amounts in the financial statements. Fruitless and wasteful expenditure is required to be reported when it is identified – even if the expenditure was from a previous financial year.

The PFMA further provides for steps that accounting officers should take to investigate the fruitless and wasteful expenditure to determine whether any officials are liable for the expenditure and to recover the money if liability is proven.

Figure 7: Trend in fruitless and wasteful expenditure

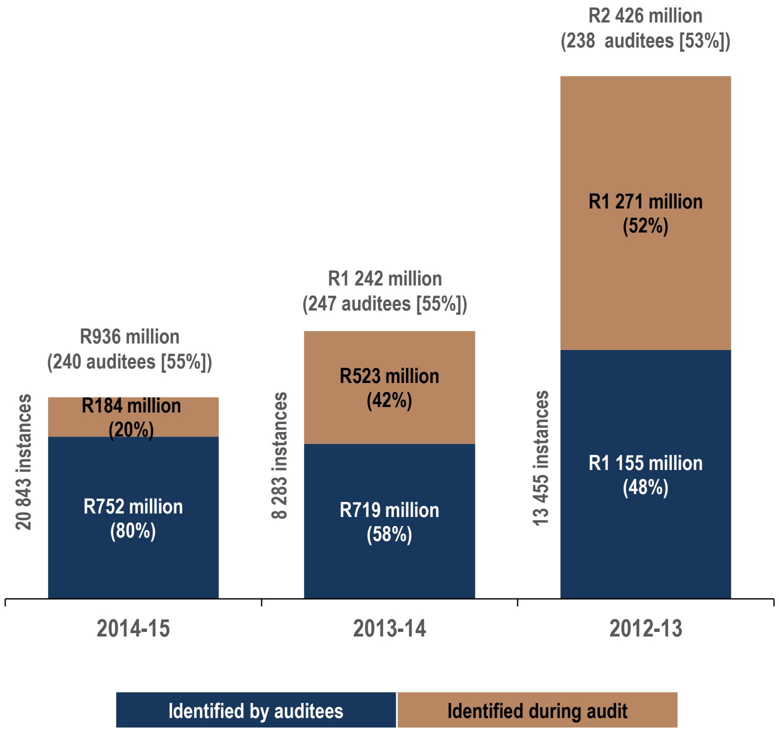


Figure 7 shows a reduction in the value of fruitless and wasteful expenditure since 2013-14, and in the number of auditees. In 2014-15 and 2013-14, 197 auditees incurred fruitless and wasteful expenditure, of which 151 incurred such expenditure for the past three years.

Eighty per cent of fruitless and wasteful expenditure was identified by the auditees, which shows an improvement in their detection and reporting.

The main contributors (75%) to the fruitless and wasteful expenditure in 2014-15 were:

	2014-15 R million	**2013-14 R million**
• Roads and Transport (Gauteng)	R251	R0,4
• Health (Gauteng)	R160	R162
• Health (Eastern Cape)	R74	R51
• Education (Limpopo)	R73	R169
• Health (Limpopo)	R43	R34
• Department of Correctional Services	R28	R8
• Safety and Security SETA	R26	-
• Road Accident Fund	R25	R30
• Health (North West)	R20	R9

Of the R936 million, R32 million (3%) was incurred to prevent further fruitless and irregular expenditure or losses. This normally relates to the cost of cancelling irregular contracts or contracts of non-performers.

- The general nature of the fruitless and wasteful expenditure incurred was:
- Litigations and claims – R570 million (60%) – 28 auditees
- Interest and penalties – R108 million (12%) – 193 auditees
- Other (e.g. fuel fraud, costs for auctioned vehicle returned; travel, accommodation and training bookings not attended; cancelation fees; payment for services not used, accident repairs) – R258 million (28%) – 115 auditees

3.2.3 Unauthorised expenditure

Unauthorised expenditure is expenditure by departments that was not spent in accordance with the approved budget. The PFMA requires accounting officers to take all reasonable steps to prevent unauthorised expenditure. The departments should have processes in place to identify any unauthorised expenditure that was incurred and disclose the amounts in the financial statements. The PFMA also includes the steps that accounting officers and oversight bodies should take to investigate unauthorised expenditure to determine whether any officials are liable for the expenditure and to recover the money if liability is proven.

Figure 8: Trend in unauthorised expenditure

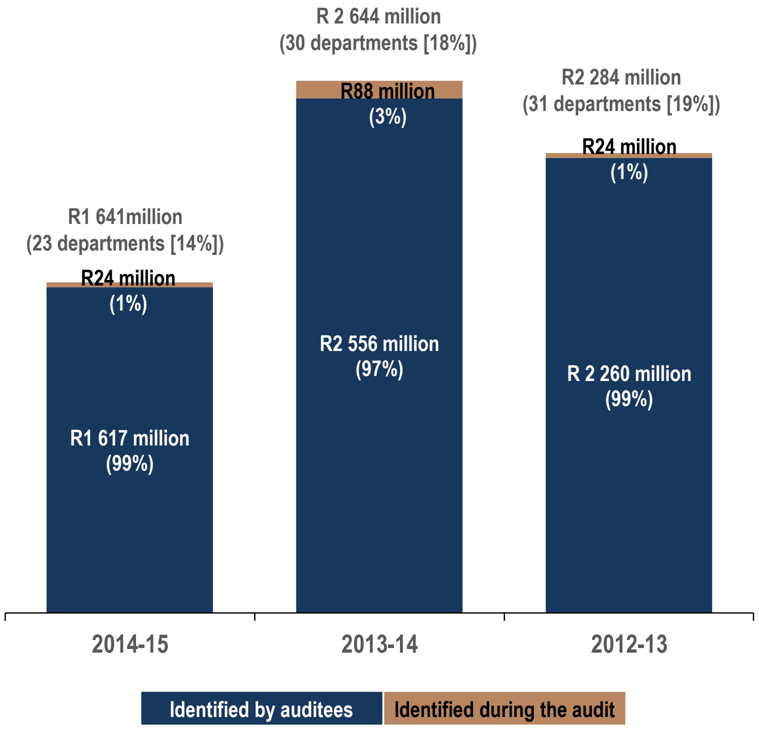


Figure 8 shows a decrease in unauthorised expenditure since 2013-14. The overall decrease in unauthorised expenditure is largely due to significant decreases in KwaZulu-Natal (79%), Limpopo (69%) and national auditees (55%). Fifteen auditees had unauthorised expenditure in the current and previous year, of which nine incurred such expenditure for the past three years. These departments are:

- Health in the Free State, KwaZulu-Natal and Northern Cape
- Education in the Free State, Limpopo and North West
- Transport and Social development in KwaZulu-Natal
- Police, Road and Transport in the Free State
- Cooperative Governance, Human Settlements and Traditional Affairs in the Northern Cape
- the national Public Works, Transport and Government Communication and Information Services.

The main contributors (95%) to the unauthorised expenditure in 2014-15 were:

	2014-15 R million	2013-14 R million
• Education (Free State)	R589	R427
• Department of Transport (national)	R393	R768
• Health (North West)	R263	R59
• Health (KwaZulu-Natal)	R128	R322
• Health (Northern Cape)	R92	R27
• Health (Eastern Cape)	R90	-

Ninety-nine per cent of the unauthorised expenditure was identified by the departments themselves, while the audit process identified the unauthorised expenditure at only 1%.

Of the R1 641million in unauthorised expenditure in 2014-15, most (99%) was a result of overspending the approved budget or main division within the budget. Only the national Department of Public Works and the Government Information and Communication Service incurred unauthorised expenditure from expenditure not used for its intended purpose. Poorly prepared budgets and inadequate budget control were the reasons for overspending.

3.2.4 Recommendations

In our 2013-14 general report we made recommendations to assist in addressing the underlying root causes of non-compliance with legislation generally, as well as SCM specifically. We believe that some of the reductions in findings on compliance highlighted in sections 3.2.1 to 3.2.3 resulted from the implementation of some of these recommendations. Accordingly, our recommended actions to auditee management, oversight structures, national and provincial key role players and those charged with governance are very similar to that of last year.

Recommendations for senior management

- Implement processes to identify all legislation that applies to their organisations and monitor changes to such legislation.
- Implement compliance checklists as a tool to supplement auditee policies and procedures. These will enable officials, supervisors and monitoring units (e.g. internal audit) to independently check whether all legislative requirements are met in the daily transactional and management processes as well as in the SCM process.

- Ensure proper record keeping and implement specific measures to safeguard documentation, especially in the area of SCM. This will enable compliance, but also demonstrate transparency and accountability and allay concerns about possible fraud or irregularities where documentation cannot be produced for independent audit.
- Submit regular reports to accounting officers/authorities as well as governance structures on compliance with key legislation, specifically in the area of SCM. This will promote awareness of legislative requirements and will provide the basis for assurances that management deals with compliance in a regular and structured manner.
- Improve financial management to strengthen the processes of planning and budgeting, in-year monitoring and quality financial reporting. This will also lead to a decrease in unauthorised expenditure and material findings on compliance on the quality of submitted financial statements, the preparation and control of budgets, and asset management.

Recommendations for accounting officers/authorities

- Continue to impress upon officials that legislation reflects, through Parliament, the will of the citizens and how public funds should be administered and services delivered.
- Ensure that the position of the head of the SCM unit is filled and that the officials possess appropriate competencies (also refer to section 5.1 on human resource management).
- Ensure that officials are trained on a continuous basis, not only on the specific legislative requirements but also with regard to the aims and objectives of the legislation and its practical implementation.
- Introduce compliance monitoring as a formal process, with clearly defined responsibilities assigned to senior officials whose performance in this regard must be periodically assessed.
- Develop policies and procedures fully to implement consequence management for officials who do not comply with applicable legislation, while appropriate and timely action must be taken against transgressors (also refer to section 5.1 on human resource management).
- Ensure that the performance management system holds officials accountable for internal control deficiencies relevant to compliance with the legislation that applies to their organisation.
- Develop audit action plans to ensure that recurring findings on compliance identified every year are addressed by accounting officers and authorities. Such audit action plans should be specific and should include timelines and identify the officials responsible for specific parts of the action plan. Persons assigned responsibility for implementing audit action plans should be those senior managers from the finance, SCM, human resource, asset management, budget management or other units that are responsible for the transactions, processes and actions that resulted in the non-compliance.

Recommendations for internal audit and audit committees

- Internal audit needs to be more proactive in monitoring compliance with legislation and management must ensure that their findings are responded to promptly. Audit committees should improve their support to internal audit by directing and supporting the conduct of compliance audits.
- Internal audit must focus on internal controls in the SCM processes by proactively auditing the integrity of processes to award contracts and providing independent assurance to management with regard to compliance.
- Audit committees should ensure that auditees' risk assessment processes are more thorough and not relegated to an annual exercise that does not comprehensively address all compliance objectives and obligations.

Recommendations for coordinating departments and oversight

- Treasuries should further improve their monitoring and support activities to educate and assist auditees to fully implement legislated requirements and instructions from the time these become effective.
- Public accounts committees should intensify their focus on compliance matters and ensure that their members obtain sufficient knowledge of legislation to meaningfully interact on matters of compliance and that those effective resolutions are adopted to enforce adherence to legislation.
- A less tolerant approach should be taken by all parties, including those charged with governance and oversight such as the executive, portfolio committees, Standing Committee on Public Accounts (SCoPA), audit committees and accounting officers. This will result in accountability being enforced and consequences for those who intentionally fail to comply with legislation.

Figure 1: Number of auditees with indicators of financial health risks (overall)

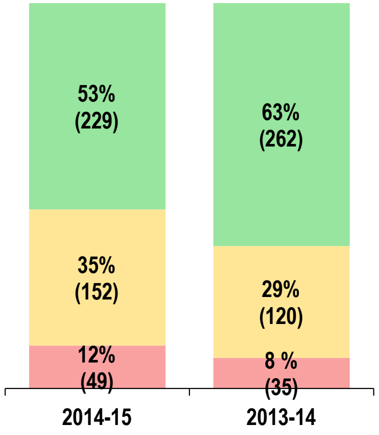


Figure 2: Financial health risks per auditee type

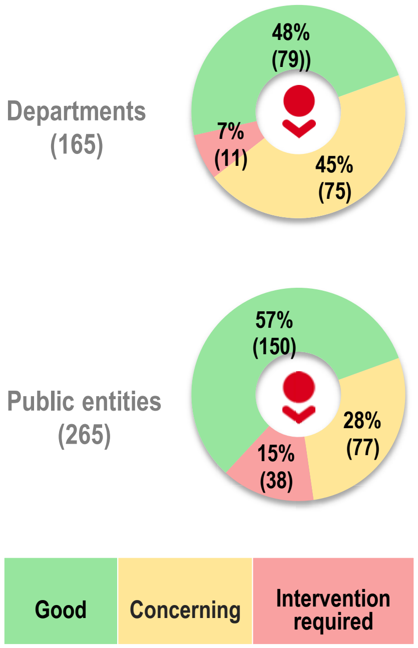


Table 1: Status of financial health *(previous year)*

Portfolio	Auditees with good status	Movement
National auditees	131 (62%) *(140 [69%])*	⬇
Eastern Cape	15 (63%) *(22 [96%])*	⬇
Free State	2 (11%) *(2 [11%])*	➡
Gauteng	25 (74%) *(28 [82%])*	⬇
KwaZulu-Natal	14 (42%) *(26 [81%])*	⬇
Limpopo	6 (29%) *(9 [43%])*	⬇
Mpumalanga	4 (24%) *(9 [53%])*	⬇
Northern Cape	8 (42%) *(4 [20%])*	⬆
North West	5 (18%) *(2 [8%])*	⬆
Western Cape	19 (83%) *(20 [91%])*	⬇

3.3 Financial health

Our audits continue to include a high-level analysis of auditees' financial health indicators to provide management with an overview of selected aspects of their current financial management and to enable timely remedial action where the auditees' operations and service delivery may be at risk. We also performed procedures to assess whether there are any events or conditions that may cast significant doubt on an auditees' ability to continue as a going concern.

Figure 1 shows the status of auditees' financial health based on the assessment. Auditees with a "concerning" status are those where we identified a number of negative indicators that should receive attention. Auditees where intervention is required are those with material going concern uncertainties or adverse or disclaimed opinions, which resulted in their financial statements not being reliable enough for analysis.

The number of auditees with a "concerning" status increased, and figure 2 shows that this regression took place at both departments and public entities. The financial health indicators of 70 auditees (25 departments and 45 public entities) regressed from good in the previous year to either of concern or intervention required while the indicators of 37 auditees improved to a good status.

The financial health status of nine ministerial portfolios (over a quarter) regressed, two of which also saw an increase in auditees requiring intervention. As can be seen from table 1, the Eastern Cape (seven auditees) and KwaZulu-Natal (12 auditees) had the highest number of auditees that lost their good indicator status; while only the Northern Cape and North West increased their numbers of auditees with good financial health, albeit from very low bases. The provincial general reports and the detail on the ministerial portfolios (in section 9 of this report) provide more insight on the reason for the movements.

We analyse the key trends in financial health indicators in the remainder of this section, which resulted in the overall regression. We also comment on government's austerity measures, officially termed cost containment measures.

Poor financial position of some departments not readily evident in their financial statements

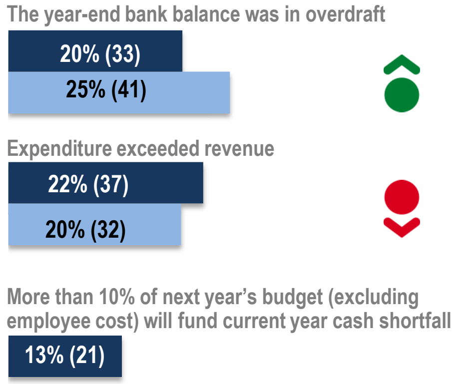
Departments prepare their financial statements on what is called the modified cash basis of accounting. This means that the amounts disclosed in the financial statements are only what was actually paid during the year and do not include accruals (the liabilities for unpaid expenses) at year-end. While this basis of accounting is common for government accounting; we believe it is important for management to understand the status of departments' financial health which may not easily be seen in the financial statements prepared on this basis.

To perform this analysis, we reconstructed the financial statements of departments to determine whether they would still have reported surpluses for the year had they used the accrual basis of accounting that is applied by public entities and local government. We also assessed the impact on the 2015-16 financial years' budget of the 2014-15 expenses that were incurred, but unpaid, at March 2015.

Please note that the following legend applies to figures 3 to 8 that follow:

2014-15	2013-14

Figure 3: Financial position of departments



As per figure 3, the reconstructed financial statements showed that more than a fifth of departments incurred a deficit instead of the surplus they reported, an increase from the previous year.

Although the spending of 86% of departments (2013-14: 82%) was again within their approved budgets, 96 departments (58%) technically had insufficient funds to settle all liabilities that existed at year-end if the unpaid expenses at year end were also taken into account. For most of the departments, this will have a minor impact, but seven departments started the year with more than 10% of their budget effectively pre-spent. However, as shown in figure 3, if the budget for employee cost is not taken into account, 21 (13%) have spent more than 10% of the operating expenditure budget. Of these 21 departments, all but three are provincial departments and include five education, two health and four public works departments (no comparative figures are shown as we did not calculate this indicator in 2013-14).

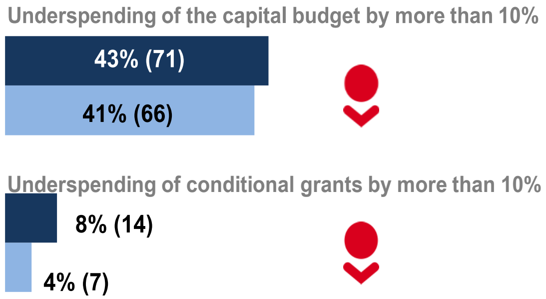
While improving, a further matter that requires attention is the 33 departments that had an overdraft at year-end. This was largely a result of the previous year's unauthorised expenditure and overspending.

The financial position of departments will only improve if expenditure is more effectively monitored in-year, as and when incurred (and not just when paid), and by improving systems to promptly account for liabilities incurred. Continuing to address the late payment of creditors (as reported in section 2.3) will further reduce the unpaid liabilities at year-end.

The inability of government to monitor the actual spending patterns and to identify the departments with serious cash shortfall issues can hamper the success of cost containment measures. This, in turn, could create pressure on the fiscus when the continuing "roll-over" of spending results in departments not being able to pay their creditors and deliver on services.

Underspending of capital budgets and conditional grants by departments

Figure 4: Underspending of capital budgets and conditional grants



The number of departments that, as per figure 4, underspent on their conditional grants (14 departments) and capital budgets (71 departments) by more than 10% is increasing, which places the achievement of service delivery objectives by these departments at risk. Four of the departments (2013-14: two departments) that underspent on their conditional grants are from the education, health and public works sectors (also refer section 3.4 on the management of conditional grants).

The root causes of underspending were a lack of capacity to deliver, monitor and oversee capital projects and key national service delivery programmes, and delays in appointing service providers.

Debt management

Figure 5: Debt management indicators – departments

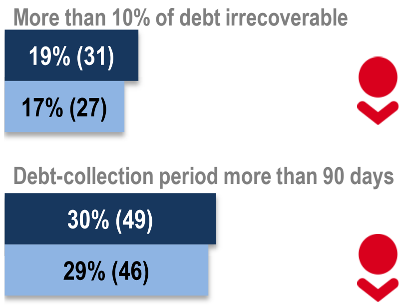
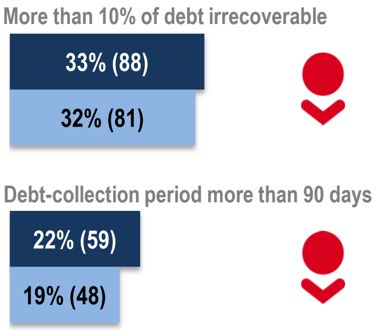


Figure 6: Debt management indicators – public entities



Figures 5 and 6 show that auditees with extended debt-collection periods (more than 90 days) increased to 49 departments and 88 public entities.

The weakness in debt management is further highlighted by 19% of the departments and 22% of the public entities that estimated that more than 10% of their debtors would not be able to pay them, also an increase from the previous year.

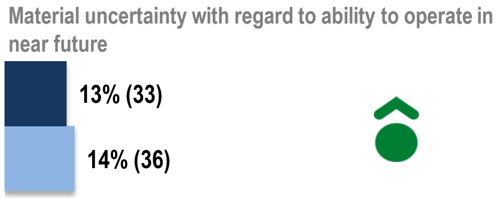
As departments use the modified cash basis of accounting, revenue earned but not yet received, is not reported in their financial statements. All debts that are not recovered should be considered in the context of revenue that has been, or could be, lost to the state.

The root causes of long-outstanding debts, which place revenue funds under pressure or impact on the ability of public entities to operate, remain poor revenue collection and debtor management practices.

Financial health risks at public entities

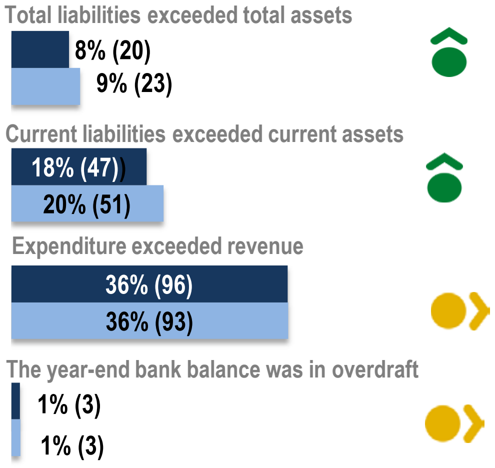
Thirty three public entities either disclosed in their financial statements that a material uncertainty existed with regard to their ability to operate in the foreseeable future (i.e. as a going concern) or were qualified because such disclosures were not included. This is a slight improvement from the previous year.

Figure 7: Going concern uncertainty



Besides these public entities, others also displayed indicators of financial health risk relating to spending more in one year than can be covered with available resources, with the result that their income is less than their expenditure or their liabilities exceed their assets as shown in figure 8. There has been improvement in most of these indicators but those with deficits and that have overdraft remain the same.

Figure 8: Financial position of public entities



Even though the majority of public entities that incurred deficits for the financial year will be able to continue their operations, the negative indicators raise concerns about the financial viability of some and the pressure to acquire additional funding from government.

Annexure 1 to this report identifies those auditees whose indicators are of concern.

3.4 Management of grants

Government's vision and priorities are articulated in the medium term strategic framework, which focuses on placing the economy on a qualitatively different path that ensures more rapid, sustainable growth, higher investments, increased employment, reduced inequality and the deracialisation of the economy.

- In support of these goals, grants are provided to departments to:
- reduce the concentration of people in urban areas (comprehensive agricultural support programme grant and human settlements development grant)
- diversify the economy (technical secondary schools recapitalisation grant)
- ensure adequate infrastructure (education infrastructure grant, provincial roads maintenance grant and health facility revitalisation grant)
- ensure skills (national tertiary services grant, public transport operations grant, comprehensive HIV and Aids grant, expanded public works programme integrated grant for provinces and social sector expanded public works programme incentive grant for provinces).

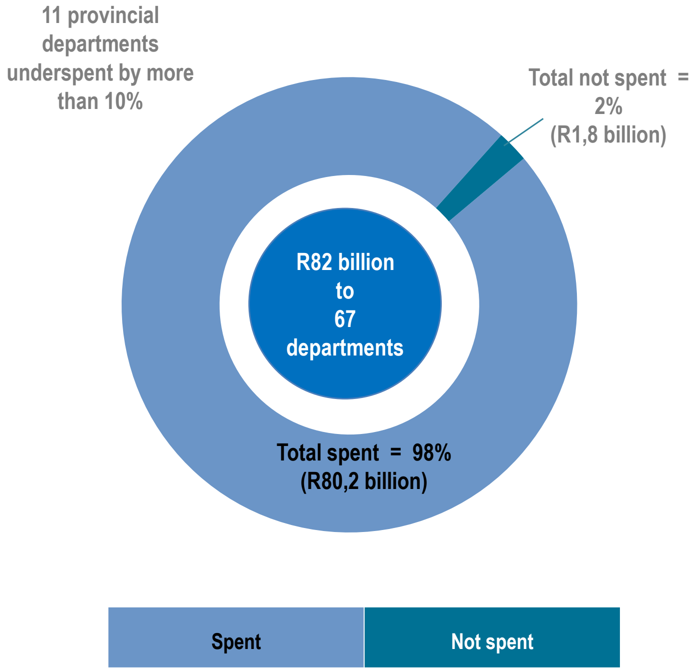
These grants are conditional and may only be used for their stipulated purposes. Our audits included testing compliance with the DoRA and the individual grant frameworks, as well as the achievement of planned targets for selected projects or programmes funded by each allocation.

For the 2014-15 financial year, grants totalling R80,6 billion were allocated to 67 provincial departments through the DoRA.

Due to unspent funds of R1,4 billion rolled over from the previous financial year, the departments had R82 billion to spend on programmes and projects funded from these grants.

Figure 1 shows the spending of allocation.

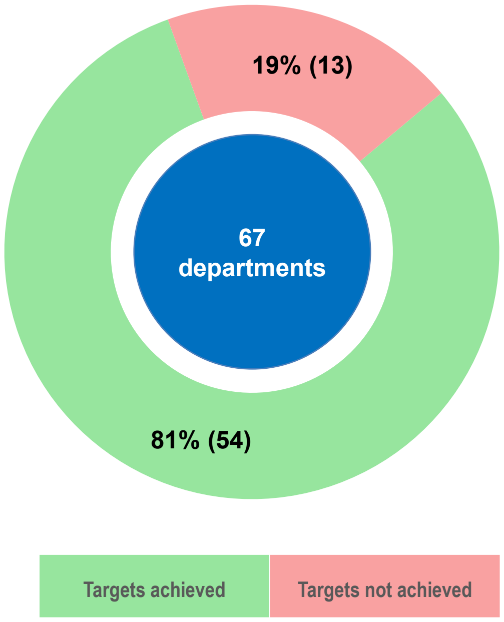
Figure 1: Spending of total conditional grants



Of the available R82 billion, R80,2 billion was spent – translating into spending of 98%. However, 11 departments underspent by more than 10%.
These 11 departments are collectively responsible for R860 million (46%) of the total underspending of R1,8 billion. Three of these departments are in the Free State.

Figure 2 shows the extent to which the planned targets for key projects or programmes tested were achieved at 54 departments.

Figure 2: Achievement of planned targets



Non-compliance with the Division of Revenue Act and Public Finance Management Act

As reported in section 3.2, our compliance audits also focused on the transfer of funds and conditional grants. In total, 16 (24%) of 67 departments that received conditional grants via a DoRA allocation did not comply with the act, mainly due to the following:

- Allocation was not spent in accordance with the applicable grant framework (six departments)
- Performance of programmes funded by grants was not evaluated (nine departments).

In addition we tested the compliance by transferring departments to the PFMA, i.e. where money is transferred to other entities but not in accordance with DoRA. The following were the most common non-compliance in this regard:

- Funds transferred without obtaining written assurance of implementation of effective, efficient and transparent financial management and internal control systems by receiving entities (three departments).
- Appropriate measures were not taken to ensure transfers made were applied for intended purposes (seven departments).

SECTION 4: MANAGEMENT OF SERVICE DELIVERY REPORTING

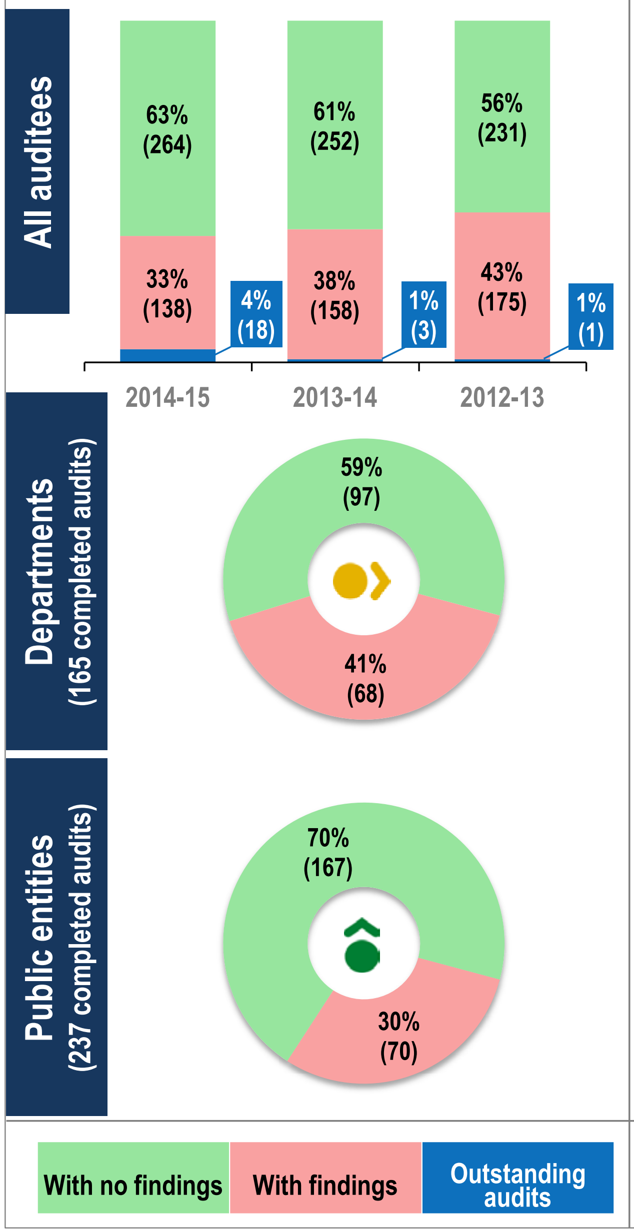


Figure 1: Three-year trend – findings on annual performance reporting

Of the 468 auditees, 48 are not required to report on performance

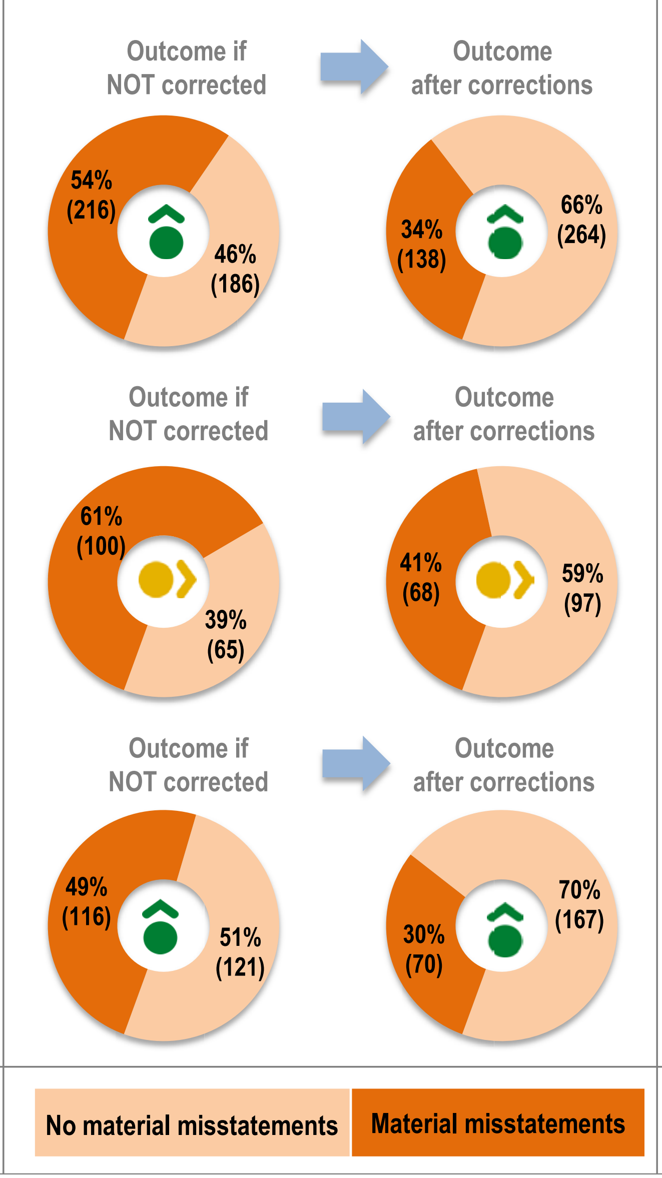


Figure 2: Improvement in the quality of annual performance reports submitted for audit (completed audits)

78 auditees (19%) (2013-14: 77 [19%]) avoided findings due to the correction of material misstatements during the audit process

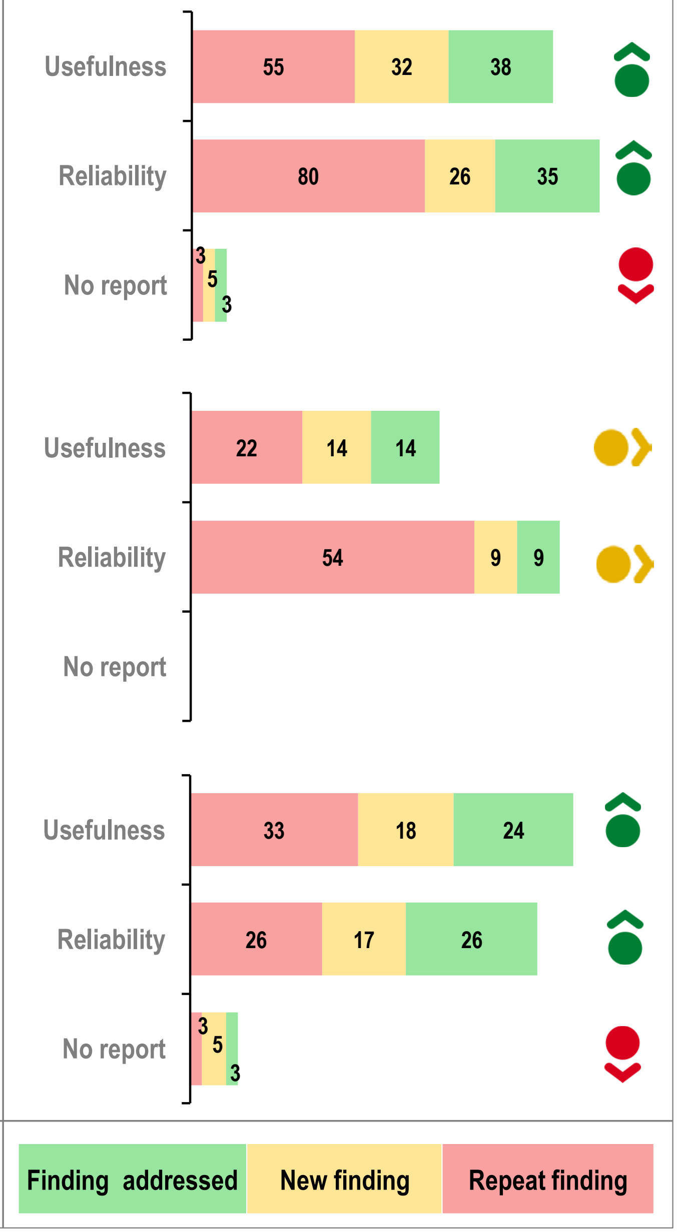


Figure 3: Findings on the lack of annual performance reports as well as the usefulness and reliability of annual performance reports (completed audits)

4.1 Annual performance reports

Auditees are required to measure their actual service delivery against the performance indicators and targets set for each of their predetermined performance objectives and to report on this in their APRs.

The *Medium term strategic framework 2014-2019* (MTSF) is government's strategic plan for the 2014-19 electoral term. It reflects the commitments made in the election manifesto of the governing party, including the commitment to implement the NDP. The MTSF sets out the actions government will take and targets to be achieved. It also provides a framework for the other plans of national, provincial and local government.

To properly plan, manage and report on the actions committed to through the MTSF, indicators and targets are also defined, which should filter through to the annual performance plans and reports of the auditees responsible for the actions. For most of the sectors customised indicators were also developed, which means that the delivery by those sectors are measured and reported on in a consistent manner.

We audit **selected material programmes** of departments and objectives of public entities annually to determine whether the information in the APRs is useful and reliable for oversight bodies, the public and other users of the reports to assess the performance of the auditee. The programmes and objectives we select are those that are important for the auditee to deliver on its mandate and on the outcomes of the MTSF.

As part of the annual audit, we audited the **usefulness of the reported performance information** by determining whether it was presented in the annual report in the prescribed manner and was consistent with the auditees' planned objectives as defined in their strategic plans and annual performance plans. We also assessed whether the performance indicators and targets that were set to measure the achievement of the objectives were well defined, verifiable, specific, time bound, measurable and relevant. We pay specific attention to any misalignment with the MTSF and customised indicators.

We further audited the **reliability of the reported information** by determining whether it could be traced back to the source data or documentation and was accurate, complete and valid.

In the audit report, we reported findings arising from the audits that were material enough to be brought to the attention of these users. We provided recommendations in the management reports on improvements that can be made in the auditees' processes for planning, monitoring and reporting. Through an interim review of the annual performance plans (i.e. before it is approved), we also recommended improvements in the measurability and relevance of the indicators and targets in the plans.

A total of 48 auditees (10%) are not required to report on their predetermined objectives, which include 16 TVET colleges, six provincial public entities, 18 other entities and eight trading entities. Some of these auditees are not subject to the PFMA, which requires performance reporting, while the objectives of other auditees are reported on at a departmental level. These auditees are excluded from the discussion and graphics that follow.

Status of, and movement in, audit outcomes

Figure 1 shows that there has been a slight increase in auditees that had no material findings on the quality of their APRs when compared to the previous year. The overall increase could have been better were it not for auditees in Gauteng (five) and Limpopo (three) that lost their previous year's no findings status.

Overall, 110 auditees (27%) (55 departments and 55 public entities) had material findings in both the current and previous year. A total of 41 auditees (10%) (11 departments and 30 public entities) addressed their previous year's findings, but 28 auditees (7%) (13 departments and 15 public entities) regressed from the previous year. Of the three biggest service delivery sectors (education, health and public works) all had material findings on their APRs except for three education departments (Gauteng, Mpumalanga and the Western Cape) and two public works departments (the Free State and KwaZulu-Natal).

As can be seen in figure 3, the main reason for the improvement was the number of auditees that had addressed their previous year findings on usefulness and reliability. The movement in findings is analysed further on in this section.

Figure 3 shows that eight auditees did not prepare APRs, which is a regression from the six in the previous year. These eight auditees the following:

- National auditees (two): Pan South African Language Board did not prepare a report this year, while the Equalisation Fund also did not prepare a report in the previous year.
- Northern Cape (one): McGregor Museum did not prepare a report this year.
- North West (five): Mmabana Arts, Culture and Sport, North West Provincial Arts and Cultural Council, and Madikwe River Lodge did not prepare a report this year, while North West Youth Development Trust and Signal Developments also did not prepare a report in the previous year.

The fourth column in table 1 shows that Limpopo and North West had the lowest number of auditees with no material findings on their APRs, while the Western Cape, Gauteng (although regressed), the Eastern Cape and the national auditees had the highest percentage. As shown in the last column of the table, there were improvements in most portfolios except Gauteng and Limpopo. The number of auditees in the Eastern Cape and KwaZulu-Natal remained at the same level. Auditees in the Western Cape improved on the quality of their submitted reports, but made no further progress towards 100% 'no findings' for the province.

Table 1: Status of annual performance reports in national and provincial government (completed audits – 402)

Portfolio	No findings before adjustments made		No findings after adjustments made	
	Number	Movement during 2013-14	Number	Movement during 2013-14
National auditees	99 (50%)	↑	141 (71%)	↑
Eastern Cape	13 (54%)	↑	17 (71%)	→
Free State	4 (25%)	↓	8 (50%)	↑
Gauteng	19 (66%)	↓	22 (76%)	↓
KwaZulu-Natal	14 (45%)	↓	21 (68%)	→
Limpopo	4 (19%)	↓	8 (38%)	↓
Mpumalanga	5 (29%)	↓	10 (59%)	↑
Northern Cape	10 (53%)	↑	11 (58%)	↑
North West	2 (8%)	→	6 (23%)	↑
Western Cape	16 (76%)	↑	20 (95%)	→
Total	186 (46%)	↑	264 (66%)	↑

The quality of the annual performance reports submitted for auditing

Figure 2 shows that only 186 auditees (46%) submitted APRs that did not contain material misstatements. This is an improvement compared to the previous year when 168 auditees (42%) submitted APRs that contained no material misstatements. The departments remained at a level of 39%, while public entities improved from 45% to 51%.

Figure 2 also shows that 78 auditees (19%) (32 departments and 46 public entities) had no material findings only because they corrected all the misstatements we had identified during the audit. This remains unchanged since the previous year when 77 auditees (19%) (33 departments and 44 public entities) corrected all the misstatements identified. The second column of table 1 shows that North West, Limpopo, Mpumalanga and the Free State have the lowest number of auditees that submitted APRs without any material misstatements, the highest submission rates being recorded by the Western Cape (76%) and Gauteng (66%).

Findings on usefulness and reliability of the 402 annual performance reports prepared

Some auditees' main programmes/objectives are material in relation to their budget and mandate. In section 9 we provide details of the programmes and objectives of national departments and public entities selected for audit in respect of which we reported material findings on usefulness and reliability. Our provincial general reports provide similar information.

Eighty-seven auditees (22%) (2013-14: 93 [23%]), were not **useful,** with departments and public entities at 22% each. The number of auditees with findings on usefulness decreased since the previous year, with most of the improvements noted at public entities.

The most common findings on the usefulness of information relate to auditees reporting on indicators that were not well defined, with targets that were not measurable or not specific enough to ensure that the required performance could be measured and reported in a useful manner. Performance indicators and targets are defined as part of the annual planning and budget process.

Findings on **reliability** were identified at 106 auditees (26%) (2013-14: 115 [29%]). Sixty-three departments (38%) had findings on reliability, with the public entities at a lower percentage of 18% (43 public entities). Thirty-three per cent of the departments also had findings on reliability in the previous year. The number of auditees with findings on reliability has decreased since the previous year, with most of the improvements noted at public entities.

While the quality of the APRs is continuously improving, the low number of auditees that submitted their APRs without material misstatements (46%) (noted in the second column of table 1) indicates that most of the auditees are still struggling to produce credible APRs.

Findings on compliance with key legislation on strategic planning and performance management

The PFMA prescribes the manner in which strategic planning and performance management should be performed. We report material non-compliance with this legislation in the audit reports of auditees (also refer to section 3.2 in this regard). Overall, 102 auditees (25%) had findings on their strategic planning and performance management – a 17% regression from the 87 auditees in the previous year.

The most common finding was that 86 (21%) of auditees did not maintain an effective, efficient and transparent system of internal control regarding performance management. The following are other material findings on compliance that point to material weaknesses in planning and performance management processes:

- Fourteen auditees (eight departments and six public entities) had no annual performance plan and 17 auditees (four departments and 13 public entities) did not establish any procedures for quarterly reporting to the executive authority.
- Overall, nine departments did not monitor and review the performance of their public entities annually and the annual performance plan of five auditees did not include the measurable objectives, expected outcomes, programme outputs and indicators (measures and/or targets).

4.2 Recommendations

Auditees that had material findings and those that submitted poor quality APRs for auditing should strengthen their processes and controls to create a control environment that supports useful and reliable reporting on performance. For such auditees we recommend implementing at least the following key controls and best practices that are in place at some auditees:

Recommendations for senior management

- Develop and implement **policies and procedures** to report on performance information. The policies and procedures should clearly explain the following:
    - The objectives of reporting on performance
    - The processes to develop performance indicators and targets
    - The processes and systems to collect, collate, process and report on performance
    - Monitoring and evaluation processes
    - The roles and responsibilities of staff, management and oversight mechanisms.
- Develop and document formal **processes and systems** for the collection, collation, verification and storage of actual performance information approved by the head of the department.
- Define data definitions for all performance indicators. The data definitions should be communicated to all staff involved in collecting, collating, verifying and storing actual performance data.
- Improve the **methodologies and systems** used for compiling budgets to strengthen the link between budgets and performance targets.
- Monitor and evaluate the correlation between planned and actual performance (performance implementation) in relation to the budgeted versus actual expenditure (financial implementation).
- Perform sufficient oversight and monitoring of performance during the reporting cycle to ensure that performance targets are reported as planned.
- Develop monitoring and evaluation processes to ensure that:
    - variances between planned performance targets and actual performance are identified in time
    - valid explanations are provided for variances between planned performance targets and actual performance
    - supporting evidence is maintained for the explanations
    - programme managers and senior management formally approve the explanations.

Recommendations for accounting officers/authorities

- Determine and implement the appropriate **organisational structures** required to report on performance. This will ensure that:
    - Organisations have the required capacity and appoint staff with the required skills, competencies and experience. In this regard, special attention should be paid to responsibilities regarding strategic planning as well as monitoring and evaluation (refer to section 5.1 for more detail in this regard)
    - Clear reporting lines exist
    - Roles and responsibilities have been defined.
- Ensure adequate skills and resources to perform proper strategic planning, performance monitoring and reporting that meet the applicable requirements. Further ensure that staff responsible for reporting on performance and management responsible for oversight receives training on performance information frameworks, performance reporting methodologies, the FMPPI or areas where the previous audit of predetermined objectives indicated shortcomings.
- At larger auditees, consider establishing a dedicated strategic planning and/or monitoring and evaluation unit that is empowered with competent and capable individuals who have a good understanding of the requirements for performance reporting. Appoint officials specifically assigned to the responsibility of collecting, collating and verifying performance information.
- Provide effective oversight and hold the responsible officials accountable for the preparation of the performance reports.
- Ensure that an **audit action plan** is prepared and implemented based on the audit findings of the 2014-15 financial year, including definite actions that need to be implemented to address the matters reported by the auditors. Hold management accountable for implementing action plans and monitor the progress of implementation monthly.

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SECTION 5: RESOURCE MANAGEMENT

Figure 1: Status of human resource management controls

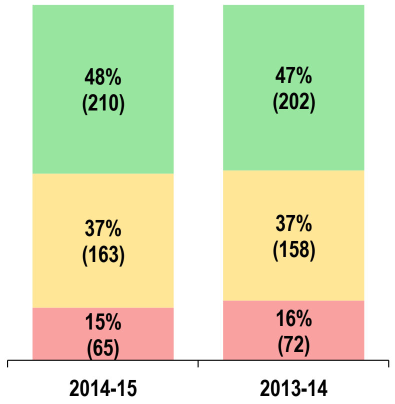


Figure 2: Human resource management controls per type of auditee

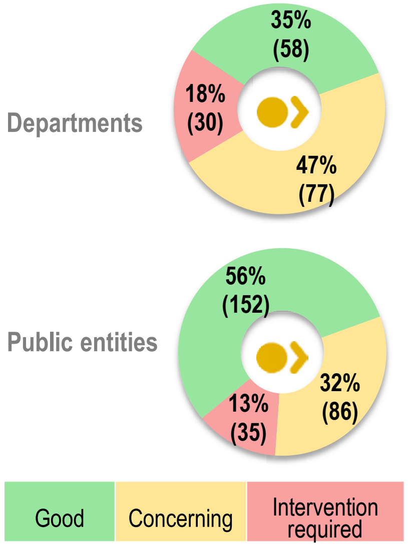


Table 1: Status of human resource management controls in national and provincial government

Portfolio	Auditees with good human resource management controls	Movement
National auditees	54 % (120)	🟡 ›
Eastern Cape	29% (7)	🔴 ⌄
Free State	28% (5)	🟡 ›
Gauteng	56% (19)	🟡 ›
KwaZulu-Natal	44% (15)	🟡 ›
Limpopo	29% (6)	⌃ 🟢
Mpumalanga	29% (5)	🔴 ⌄
Northern Cape	16% (3)	🔴 ⌄
North West	25% (7)	🔴 ⌄
Western Cape	100% (23)	🟡 ›

5.1 Human resource management

Human resource (human resource) management is effective if adequate and sufficiently skilled staff are in place and if their performance and productivity are properly managed.

Our audits included an assessment of human resource management that focused on the following areas: ■ human resource planning and organisation ■ management of vacancies ■ appointment processes ■ performance management ■ acting positions ■ management of leave, overtime and suspensions.

Our audits further looked at the management of vacancies and stability in key positions, and performance management and consequences for transgressions, as these matters have a direct bearing on the quality of auditees' financial and performance reports and compliance by auditees with legislation. Based on the results of these audits we assessed the status of auditees' human resource management controls.

Status of human resource management controls

Figure 1 shows that there has not been an improvement in the status of human resource management since the previous year. This is evident in the number of auditees whose controls we assessed as being 'good' not increasing significantly. There has, however, been some reduction in those auditees whose controls we assessed as 'requiring intervention'.

As figure 2 shows, overall, controls at both departments and public entities did not improve. We assessed the human resource management controls of five national departments (11%) and 25 provincial departments (20%) as requiring intervention. At 50%, provincial public entities still lag behind national public entities (59%) in implementing and maintaining good human resource controls.

The remainder of this section details the outcomes of our audits in the three main areas of vacancies and instability, performance management, and consequences for transgressions, which should be read together with our analysis of root causes of poor audit outcomes analysed in section 6.3.

Figure 3: Vacancies in key positions (departments)

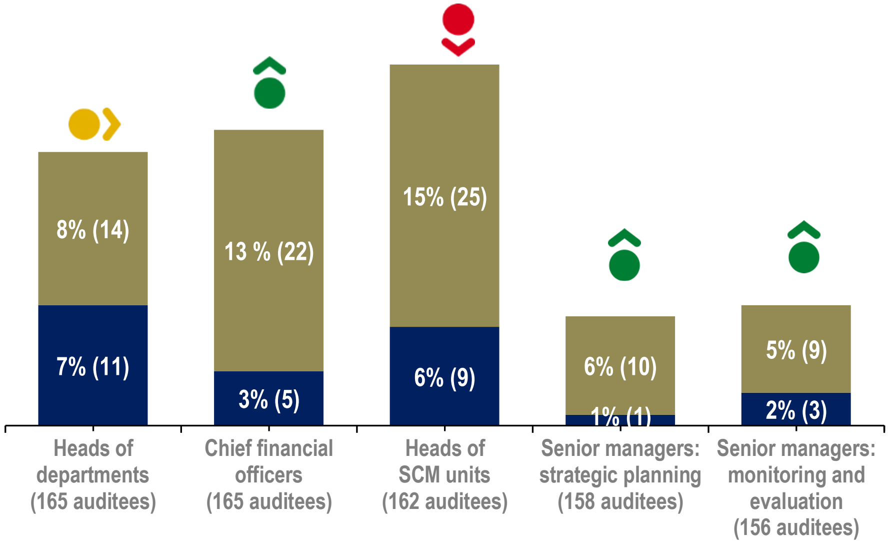


Figure 4: Stability in key positions (departments)

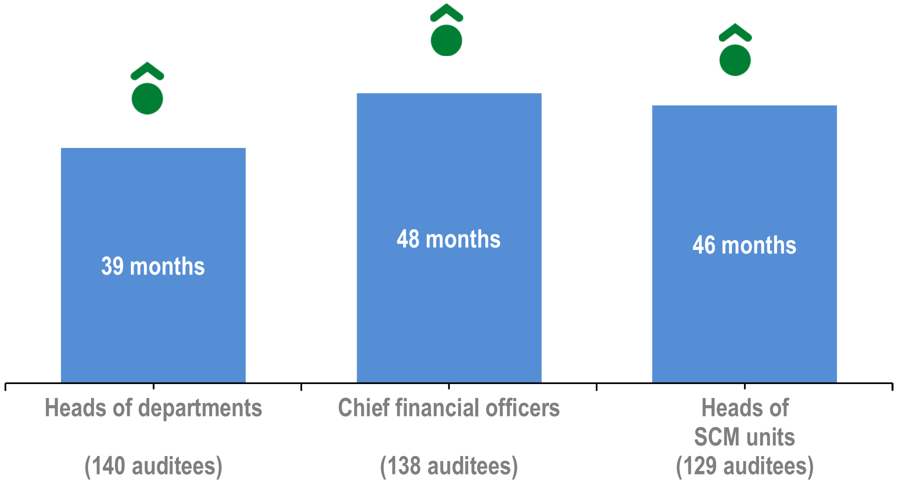


Figure 5: Vacancies in key positions (public entities)

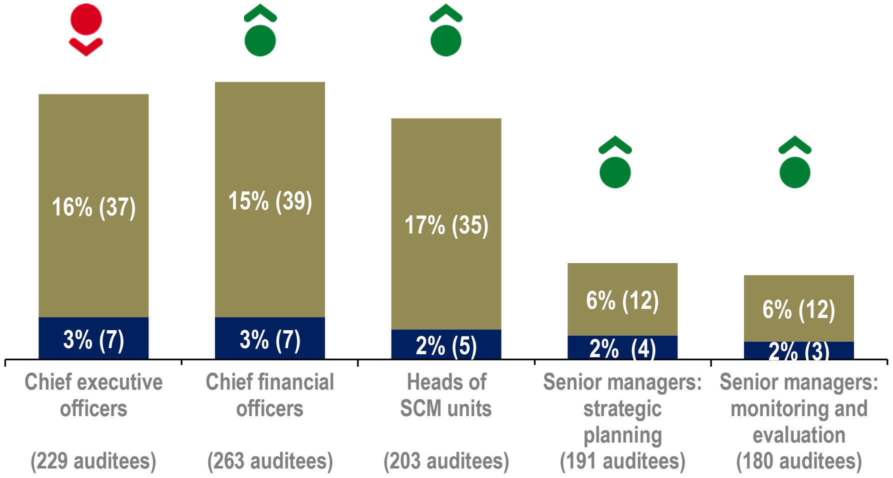
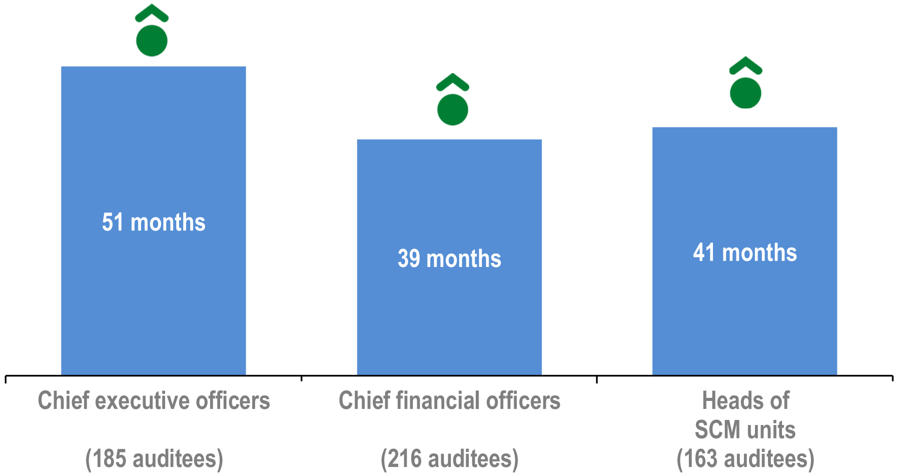


Figure 6: Stability in key positions (public entities)



■ Vacant for less than 6 months
■ Vacant for 6 months or more

■ Average number of months in position

Vacancies and instability

One of the biggest challenges for national and provincial government is to attract and retain qualified and competent persons in all areas of administration. As discussed in the NDP, there is unevenness in capacity that leads to uneven performances in public service. The MTSF includes various actions to address the lack of capacity and sets targets to be achieved.

One of these targets is to have a vacancy rate by 2019 of less than 10% at national and provincial departments. Based on the information published in the annual reports the average overall vacancy rate at year-end for departments was 15% (2013-14: 17%), while the vacancy rate at senior management level was 17% (2013-14: 17%). Across all auditees (including public entities) the average vacancy rate was 16% (2013-14:15%) and 17% (2013-14:15%) for senior management.

As part of our audits, we obtained and analysed data relating to vacancies and resourcing finance units, as inadequate capacity in these units negatively affects the management, controls and quality of financial reporting. We observed that the average vacancy rate in finance units at year-end was 14% (17% of departments and 12% of public entities), a slight increase from the 12% in the previous year. It is a concern that the vacancy rate in finance units of 75 auditees was higher than 25%.

We also assessed vacancies in key positions at year-end and stability in those positions. These key positions include heads of departments/ chief executive officers, chief financial officers, heads of SCM units and senior managers responsible for strategic planning as well as monitoring and evaluation.

Figures 3 and 5 show the number of auditees where these key positions were vacant at year-end and also indicate the period that the positions had been vacant. Figures 4 and 6 show the average number of months that heads of departments, chief executive officers, chief financial officers and heads of SCM units had been in their positions. The status of these key positions is discussed in more detail in the remainder of this section.

Heads of departments and chief executive officers

Instability (i.e. a lack of continuity) at the level of heads of departments and chief executive officers affects the ability of auditees to build and maintain a robust control environment for financial and performance management and weakens the accountability chain.

The **heads of departments'** vacancy rate remained unchanged from the previous year at 15%. All provinces and national auditees, except the Free State, Northern Cape and Western Cape, had vacancies in these positions at year-end, with the most being in national government (eight) and North West (five). The head of department positions had been vacant for more than six months at 14 departments, eight of which had been vacant for 12 months or longer.

The MTSF includes targets to retain head of departments for at least four years by 2019. This target has not been achieved yet, but the improvement from 33 months to 39 months in the current year is encouraging.

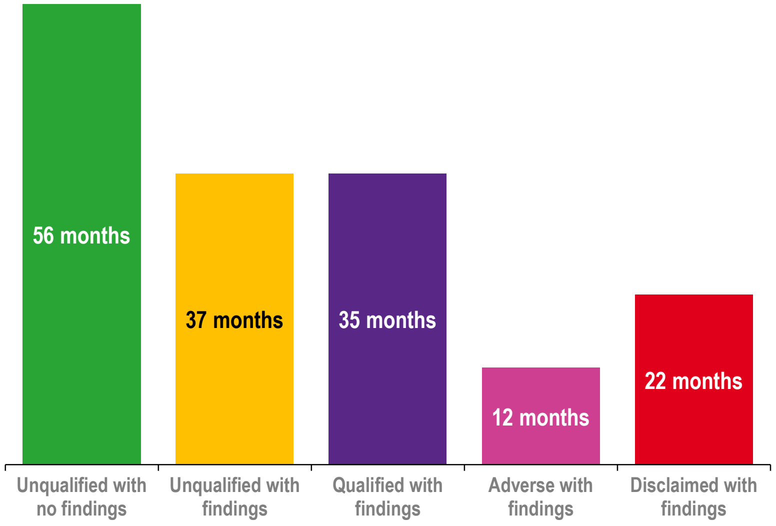
In total, 19% of the public entities did not have a chief executive officer at year-end, a regression when compared to previous year (17%). Most of these 44 public entities were in national government (20), North West (10) and KwaZulu-Natal (five). The average length of time in the position was more than four years, an improvement when compared to previous year, when it stood at 40 months.

Chief financial officers

Vacancies and high turnover rates in **chief financial officer** positions, combined with the high vacancy levels in finance units, prevented auditees from performing proper financial planning, record keeping and financial reporting. This resulted in financial statements of a poor quality that required many corrections, and negatively affected the implementation of daily and monthly processing and reconciling of transactions.

Figure 7 shows that those auditees with stability in their chief financial officer positions produced better financial statements (based on the audit outcomes).

Figure7: Chief financial officers – average number of months in position



The vacancy rate in the position of chief financial officer at departments improved from 20% to 16%, while public entities improved from 28% to18%. At both national level and in all provinces, except the Western Cape, there were auditees without a chief financial officer at year-end. Most of these 73 auditees were in national government (29), North West (14), Limpopo (seven) and Mpumalanga (seven). The chief financial officer position had been vacant for more than six months at 22 departments and 39 public entities.

The average of 48 months that chief financial officers had been in their positions at departments is a slight improvement from the 44 months in the previous year. The average number of months that chief financial officers had been in their positions at public entities also increased from 33 to 39 months. The average length of time in the position for both public entities and departments was more than three years, an improvement on the previous year.

Heads of supply chain management units

The head of the SCM unit plays a significant role in ensuring that controls are in place to enable fair and competitive procurement processes and to prevent the abuse of SCM processes.

The vacancy rate of the heads of SCM units at departments deteriorated from 18% to 21%. Three departments did not have a dedicated position for this role and the work was performed mostly by the chief financial officer. These positions had been vacant for more than six months at 24 departments, 18 of which had been for 12 months or longer.

The average of 46 months that heads of SCM units had been in their positions at departments, was an improvement from the 35 months in the previous year. The heads of SCM units of 52 departments (10%) had been in the position for three years or more.

Countrywide, 64 public entities did not have a dedicated position for the head of the SCM unit. A total of 40 (20%) of the public entities with such a position did not have a head of the SCM unit at year-end. Most of the vacancies were in the national government (14) and North West (13). The average length of time that heads of SCM units remained at public entities improved from 32 to 41 months.

Senior managers: strategic planning as well as monitoring and evaluation

Officials in senior positions are crucial for effective strategic planning as well as performance management and reporting, and affect the quality of the APRs placed in the public domain.

Although not all auditees had created a specific position for strategic planning or the monitoring and evaluation function, 349 auditees (79%) had appointed/designated a senior manager responsible for strategic planning and 336 (76%) for monitoring and evaluation. A total of 191 of the 275 public entities (69%) with strategic planning functions had allocated these responsibilities to a senior manager while 179 (65%) with monitoring and evaluation functions had also allocated these responsibilities to a senior manager. It is of concern that not all auditees had allocated these very important functions to senior managers to oversee.

Performance management

To improve the performance and productivity of staff, the leadership should set the correct tone by implementing sound performance management processes, evaluating and monitoring performance. Further, by leadership consistently taking action it will demonstrate to all officials that poor performance has consequences.

Table 2 provides information on performance agreements concluded by auditees with their senior officials for 2014-15 financial year.

Table 2: Performance agreements not in place and measures not linked to audit outcomes

Position filled at year-end	Performance agreement not in place (where position filled)	Performance measures not linked to audit outcomes (where position filled)
Heads of departments (140)	7 (5%)	21 (15%)
Chief executive officer (185)	29 (16%)	16 (9%)
Chief financial officer (355)	33 (9%)	36 (10%)
Head of SCM unit (292)	26 (9%)	38 (13%)

No comparative information is included in the above table, as we did not report on the performance measures in the previous year.

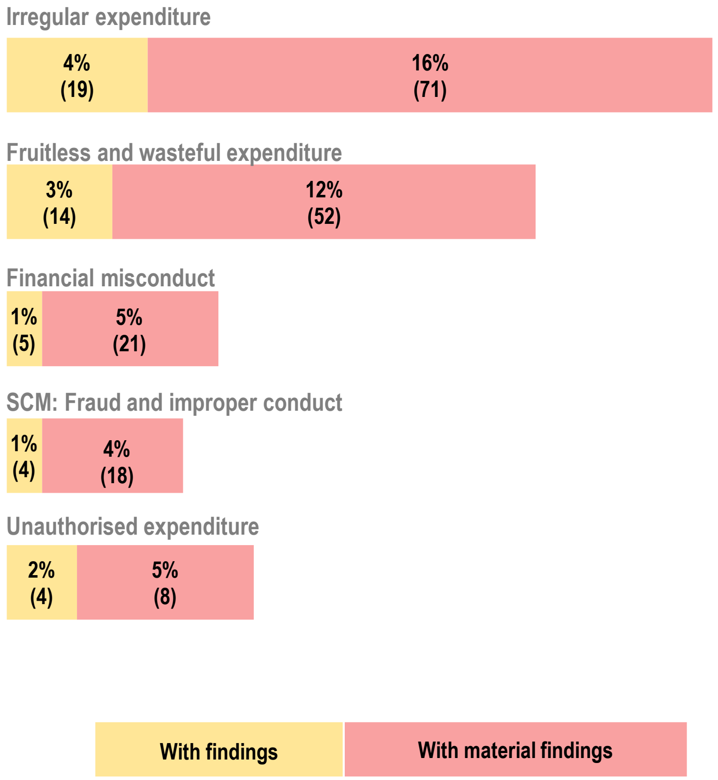
We reported in the audit reports of 38 auditees (2013-14: 35 auditees) that they did not have performance agreements for more than 20% of their senior managers.

Consequences for transgressions

The PFMA and its regulations clearly stipulate that matters such as incurring unauthorised, irregular as well as fruitless and wasteful expenditure, the possible abuse of the SCM system (including fraud and improper conduct) and allegations of financial misconduct should be investigated and appropriate action taken based on the results of the investigation. The legislation stipulates clear steps to be taken in response to proven or suspected financial misconduct and a responsibility to follow up when such expenditure has been incurred.

As part of our audits we tested whether the legislated steps were taken by auditees in 2014-15 to address the previous year's unauthorised, irregular as well as fruitless and wasteful expenditure and the allegations and reports of possible abuse of the SCM system and financial misconduct. Figure 8 depicts the extent of the non-compliance that we reported per type of transgression – "material findings" means that the non-compliance was so significant that we reported it in the audit reports of those entities while "with findings" means there was non-compliance but to a lesser degree (not material).

Figure 8: Transgressions for which there was inadequate consequence management

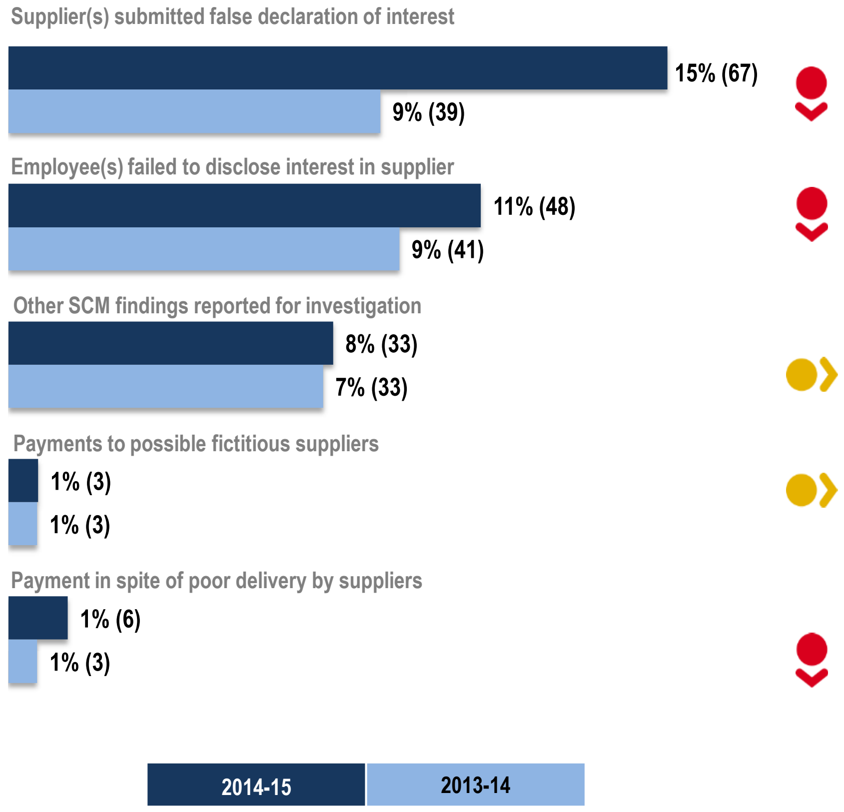


We report all our findings on compliance in SCM and weaknesses for management to follow up. Where indicators of possible fraud or improper conduct in the SCM processes are found, we recommend an investigation by management.

In 2013-14, we reported such findings for investigation at 76 auditees. Figure 8 shows that the management of only 20 (5%) of these auditees did not investigate all the incidents, which is an encouraging sign that action is being taken. However, these findings continued to increase as highlighted in figure 9. Furthermore, 58 auditees that had such findings in 2013-14 had similar findings in 2014-15. This means that even though investigations are taking place, it is not yet having the desired impact of discouraging fraud and improper behaviour.

This means that even though investigations have taken place, they have not yet had the desired impact of discouraging fraud and improper conduct.

Figure 9: Supply chain management findings reported to management for investigation



Other common human resource findings

We reported other human resource findings to auditees, which include the following:

- A verification process for new appointments did not always take place at 46 auditees (2013-14: 57) and at 24 of the auditees (2013-14: 27), the verification process did not include all prescribed verifications.
- Forty auditees (2013-14: 36) did not have a human resource plan, which must be based on their strategic plan. The achievement of some of these auditees' service delivery objectives are therefore at risk.

5.2 Effective use of consultants by departments

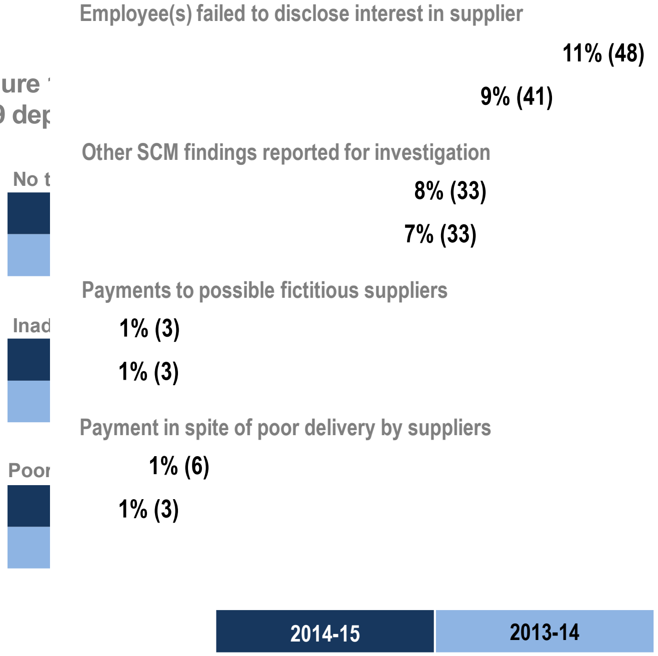
National and provincial departments spent an estimated total of R8,539 billion (2013-14: R11,602 billion) on consultancy services in 2014-15 to supplement their human resources. Consultancy services are services of an intellectual or advisory nature. The amount was spent in the following areas:

- Financial reporting service – R500 million (2013-14: R555 million)
- Preparation of performance information – R62 million (2013-14: R25 million)
- IT services – R2 134 million (2013-14: R846 million)
- Other services – R5 843 million (2013-14: R10 176 million) (this relates to all other consultancy services that do not relate to financial services, the preparation or review of performance information and/or IT-related services; these include expert valuators such as the consultants [actuaries] contracted by departments to value property or defined benefit plans, but exclude expenditure on legal costs and payments to audit committee members).

Findings on management of consultants

Our audits included an assessment of the management of consultants at 129 departments (2013-14: 123 departments). The assessments were based on the requirements set out in a practice note issued by the National Treasury in 2003, which regulates the appointment and management of consultants at departments. Figure 1 shows the number of departments that had findings in the focus areas of the audit. In total, 56 of the departments (43%) assisted by consultants had findings on their management of consultants compared to 47 departments (38%) in 2013-14.

Figure
129 dep



Although the most common reason given by departments for appointing consultants was a lack of skills, we found that the contracts at 20 departments (16%) did not include any conditions or objectives for the transfer of skills from the consultants to the employees. This is an indication that transfer of skills was not considered part of the bidding process. Where such a requirement was included, the measures to monitor the transfer of skills were not always implemented. This occurred at 17 departments (13%), which is an improvement from 2013-14 when contracts at 23 departments (19%) did not include conditions or objectives for the transfer of skills, and we could not obtain evidence of the measures to monitor the transfer of skills at 21 departments (17%).

We identified shortcomings in the **management and monitoring of the performance** of consultants, while recognising that there has been an overall improvement in this area since 2013-14. The work of consultants was monitored by staff who were not sufficiently experienced or senior to ensure effective contract management at 18 departments (14%). At nine departments (7%), material misstatements/findings were identified on the work of consultants. Of greater concern was the payment of consultants without signed contracts at nine departments (7%).

The following were our key findings on the **planning and appointment processes**, which reflect a regression from 2013-14 at an overall level:

- As with all other procurement, consultants should be contracted based on a needs assessment. Such an assessment should consider cost, type and extent of service, the deliverables, whether internal capacity exists and/or whether there is an opportunity for the transfer of skills. At 14 departments (11%) the consultants were appointed without conducting a needs assessment and at five (4%) the needs assessments performed were inadequate. This is an improvement from 2013-14 when no needs assessment was done at 15% of the departments but a regression in the number of departments where the needs assessment was inadequate (3%).

- As part of the bidding process, there should be terms of reference that clearly define what will be required from the consultant and that states the required experience and qualifications. At nine departments (7%) the consultants were appointed without terms of reference, while at seven (5%) the terms of reference were inadequate compared to nine (7%) and six (5%) of departments respectively in 2013-14.

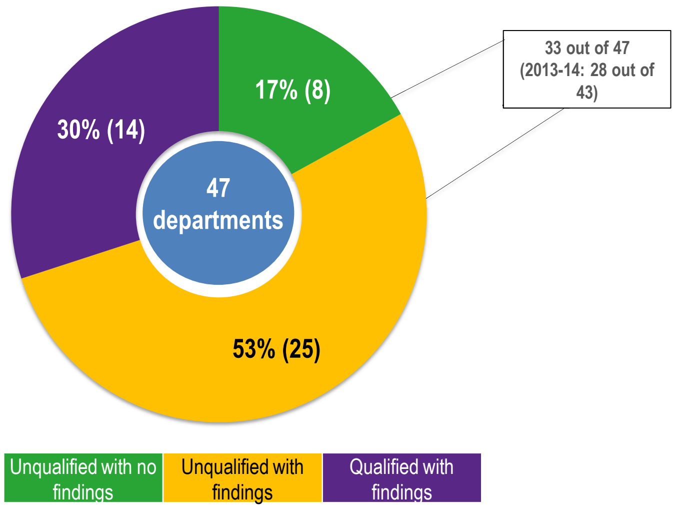
In addition to poor project management, the root cause of these findings was the lack of policies or strategies on the use of consultants as identified at 11 departments (9%). This is a regression from the eight departments (7%) in 2013-14. A policy or strategy should define the main purpose and objectives of appointing consultants and should include measures to prevent over-reliance on consultants.

While the cost of assistance by consultants declined, 111 of the 129 assisted departments also employed the services of consultants in 2013-14.

Although there are departments that do not manage their consultants effectively, the majority of departments that we audited did comply with the requirements set in the National Treasury practice note.

Consultants used for financial reporting services

Figure 2: Audit outcomes of auditees assisted by consultants – financial reporting



As shown in figure 2, a total of 47 departments (28%) (2013-14: 43 [26%]) were assisted by consultants for financial reporting services, at a cost of R500 million (2013-14: R555 million). Financial reporting services included, for example, preparing financial statements, maintaining the fixed asset register, performing bank reconciliations and preparing other monthly and annual financial reports.

More than 80% of the cost of consultants was incurred by 10 departments: the national Department of Arts and Culture, National Treasury and two provincial treasuries, four provincial departments of public works, one provincial health department and the Department of Defence

The most common reasons given by departments for appointing consultants for financial reporting were a lack of skills (47%), vacancies (9%) or a combination of the two (45%).

The audit outcomes of the departments that used consultants show that 70% of their financial statements were financially unqualified. Of the 47 assisted departments, eight (17%) received an improved opinion, (2013-14: seven [17%]), 22 (47%) were again financially unqualified, while 19 (40%) had not been assisted during 2013-14. Twenty-six departments (55%) have now been assisted for the past two years, which underscores the concern raised regarding skills transfer, the management of vacancies and skills retention/acquisition. Good audit outcomes cannot always be attributed directly to the work of the consultants, but consultants do make a positive contribution to the quality of financial statements submitted for auditing.

Of the 47 departments assisted by consultants for financial reporting services, 29 departments had no material misstatements in their financial statements submitted for auditing. Eighteen departments had material misstatements, five of which had repeat findings.

In our assessment, the main reasons for the limited impact of consultants on the audit outcomes were poor project management by departments and consultants being appointed too late in the audit year for their work to make a difference to the outcomes.

SECTION 6: GOVERNANCE AND CONTROLS

Figure 1: Overall drivers of internal control did not improve

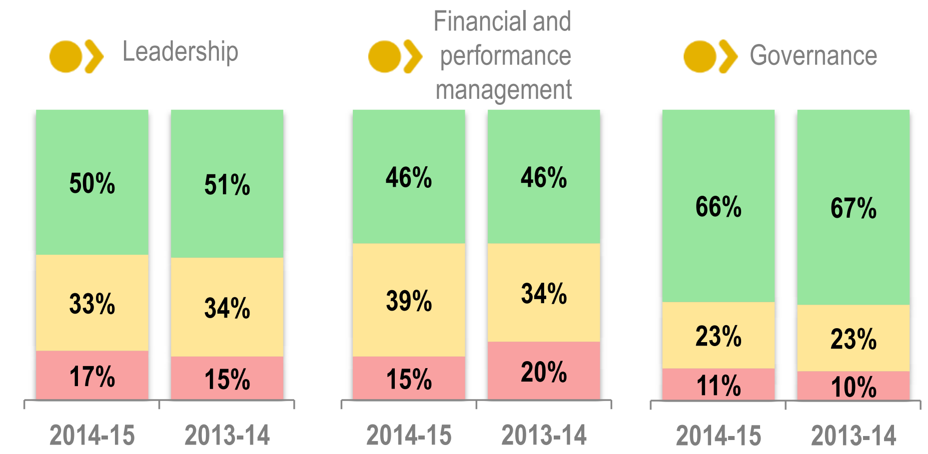
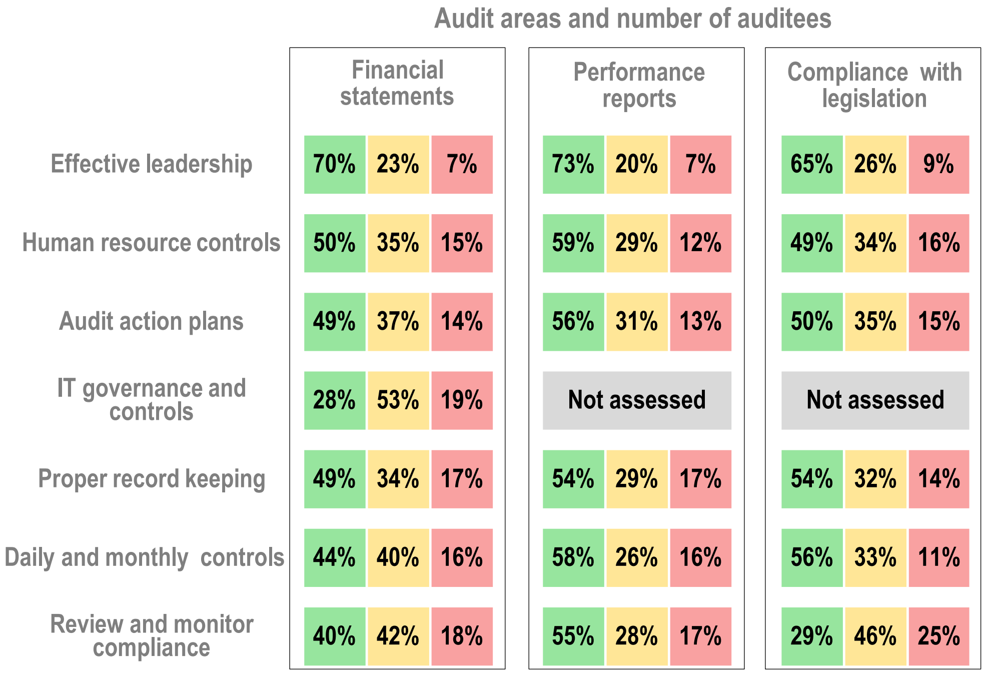


Figure 2: Aspect of drivers of internal control requiring most attention



Audit areas and number of auditees

	Financial statements			Performance reports			Compliance with legislation		
Effective leadership	70%	23%	7%	73%	20%	7%	65%	26%	9%
Human resource controls	50%	35%	15%	59%	29%	12%	49%	34%	16%
Audit action plans	49%	37%	14%	56%	31%	13%	50%	35%	15%
IT governance and controls	28%	53%	19%	Not assessed			Not assessed		
Proper record keeping	49%	34%	17%	54%	29%	17%	54%	32%	14%
Daily and monthly controls	44%	40%	16%	58%	26%	16%	56%	33%	11%
Review and monitor compliance	40%	42%	18%	55%	28%	17%	29%	46%	25%

Table 1: Progress made in improving drivers of internal control

Portfolio	Leadership	Financial and performance management	Governance
National auditees	🟡	🟡	🟡
Eastern Cape	🔴	🟡	🟢
Free State	🟢	🟢	🟢
Gauteng	🟡	🟡	🟡
KwaZulu-Natal	🟢	🟡	🔴
Limpopo	🟢	🟢	🟢
Mpumalanga	🔴	🔴	🟡
Northern Cape	🔴	🟡	🟡
North West	🟡	🟡	🟢
Western Cape	🟡	🟡	🟡

🟩 Good 🟨 Concerning 🟥 Intervention required (Also applies to the remainder of this section)

6.1 Status of internal controls

A key responsibility of accounting officers, senior managers and officials is to implement and maintain effective and efficient systems of internal control. We assessed the internal controls to determine the effectiveness of their design and implementation in ensuring reliable financial and performance reporting and compliance with legislation. To make it easier to implement corrective action, we categorised the principles of the different components of internal control as either leadership, financial and performance management, or governance. We call these the drivers of internal control.

Status of the drivers of internal controls

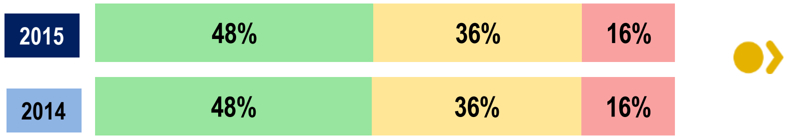
Figure 1 shows the status of the different areas of internal control and the overall movement since the previous year. The lack of overall improvement is the result of some national and provincial auditees having made progress, which was offset by the regression and stagnation of other auditees as seen in table one. Overall departments have shown an improvement, but public entities regressed slightly.

In sections 3.1 (quality of financial statements), 4 (quality of APRs) and 3.2 (compliance with legislation) we commented broadly on those key controls that should receive attention to improve or sustain the audit outcomes.

Figure 2 shows the status of the specific control areas requiring the most attention. The remainder of this section provides more detail on the basic controls and disciplines that need to be strengthened to improve the quality of the financial and performance reports and prevent non-compliance with legislation.

Sections 5.1 and 6.2 provide further information on the status of the human resource controls and the ICT governance and controls. The root causes have a significant impact on the effectiveness of internal controls. Section 6.3 describes the most common root causes that should be addressed if the systems of internal control are to be significantly improved.

Providing effective leadership



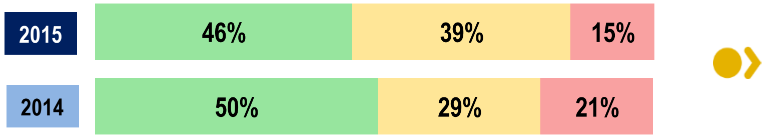
To improve and sustain audit outcomes, auditees require effective leadership that is based on a culture of honesty, ethical business practices and good governance, protecting and enhancing the interests of the entity.

Leadership controls still requiring attention at approximately a third of auditees include the following key aspects:

- Implementing formal codes of conduct and communicating their existence and continued applicability to officials periodically.
- Monitoring the performance of key officials in maintaining adequate systems of internal control that ensure credible monthly financial reporting, reliable reporting against predetermined objectives and compliance with legislation.
- Establishing clear lines of accountability.
- Taking corrective/disciplinary action against key officials for misconduct.
- Honouring commitments made for interventions following the 2013-14 audit outcomes.

Effective leadership controls did not improve at departments (61%) or public entities (72%).

Audit action plans to address internal control deficiencies



Developing action plans and monitoring their implementation to address identified internal control deficiencies is a key element of internal control that is the responsibility of heads of departments, chief executive officers and their senior management team.

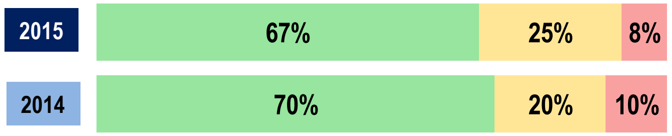
Internal controls in the form of audit action plans assessed as being ‘good’ improved at departments to 37%, but remained unchanged for public entities at 54%.

The matters requiring attention include the following:

- Setting action plans to specifically address the external and internal audit findings.
- Assigning clear responsibility to specific staff to carry out action plans.
- Monitoring to ensure that the responsibilities assigned were carried out effectively and consistently.
- Developing audit action plans early enough in the financial year to resolve matters by year-end.

- Ensuring that audit action plans address all three areas of audit outcomes: qualifications, findings on APRs and compliance with legislation.
- Focusing the actions to be taken on the root causes of the findings, thereby ensuring sustainable solutions are found.

Proper record keeping and document control



Proper record keeping in a timely manner ensures that complete, relevant and accurate information is accessible and available to support financial and performance reporting. Sound record keeping will also enable senior management to hold staff accountable for their actions.

Some of the matters requiring attention include the following:

- Establishing proper record keeping so that records supporting financial and performance information as well as compliance with legislation, and can be made available when required for auditing purposes.
- Having policies, procedures and monitoring mechanisms to manage records, and making staff aware of their responsibilities in this regard.

Record keeping and document controls assessed as being ‘good’ remained unchanged at 39% at departments while regressing at public entities to 50%, resulting in no significant overall improvement.

Implement controls over daily and monthly processing and reconciling of transactions

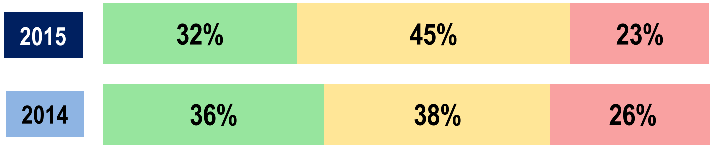
Controls should ensure that transactions are processed in an accurate, complete and timely manner, which will reduce the errors and omissions in financial and performance reports.

Some of the matters requiring attention include the following:

- Daily capturing financial transactions, supervisory reviews of captured information and independent monthly reconciliations of key accounts.
- Collecting performance information at intervals appropriate for monitoring set service delivery targets and milestones, and validating recorded information.
- Confirming that legislative requirements and policies have been complied with prior to initiating transactions.

Good processing controls were established at 41% of departments (unchanged); while regressing at public entities from 55% to 50%.

Review and monitor compliance with legislation



Auditees need to have mechanisms that identify applicable legislation as well as changes to legislation, assess the requirements of legislation and implement processes to ensure and monitor compliance with legislation.

As detailed in section 3.2, many auditees did not comply with legislation. This indicates that the internal controls of most auditees not only failed to prevent non-compliance with legislation, but also failed to detect the deviations in time. Some deviations were only detected and responded to following our audits.

At 28% of departments and 50% of public entities, controls to prevent or detect non-compliance with legislation were clearly short of the required level. Further, these controls improved over the previous year only at public entities.

Compliance monitoring matters requiring attention are included in our recommendations in section 3.2.

Annexure 3 details the status of auditees’ key controls and the movement since the previous year.

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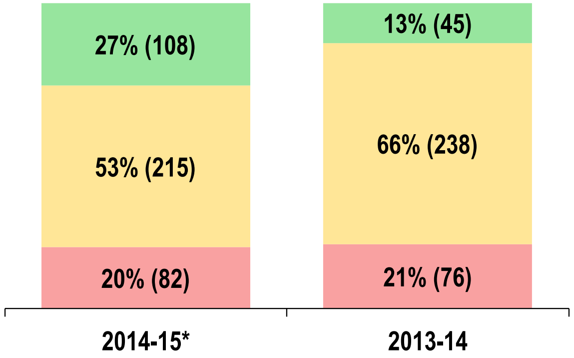
Figure 1: Status of information technology



* IT governance has now been incorporated in the overall assessment, thus contributing to the improvement

Figure 2: Status on the information technology focus areas

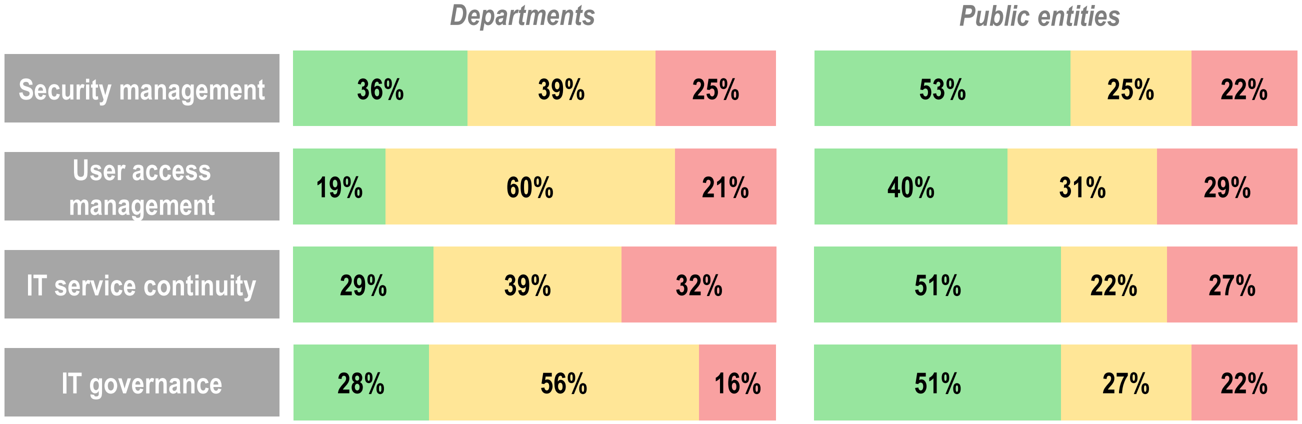
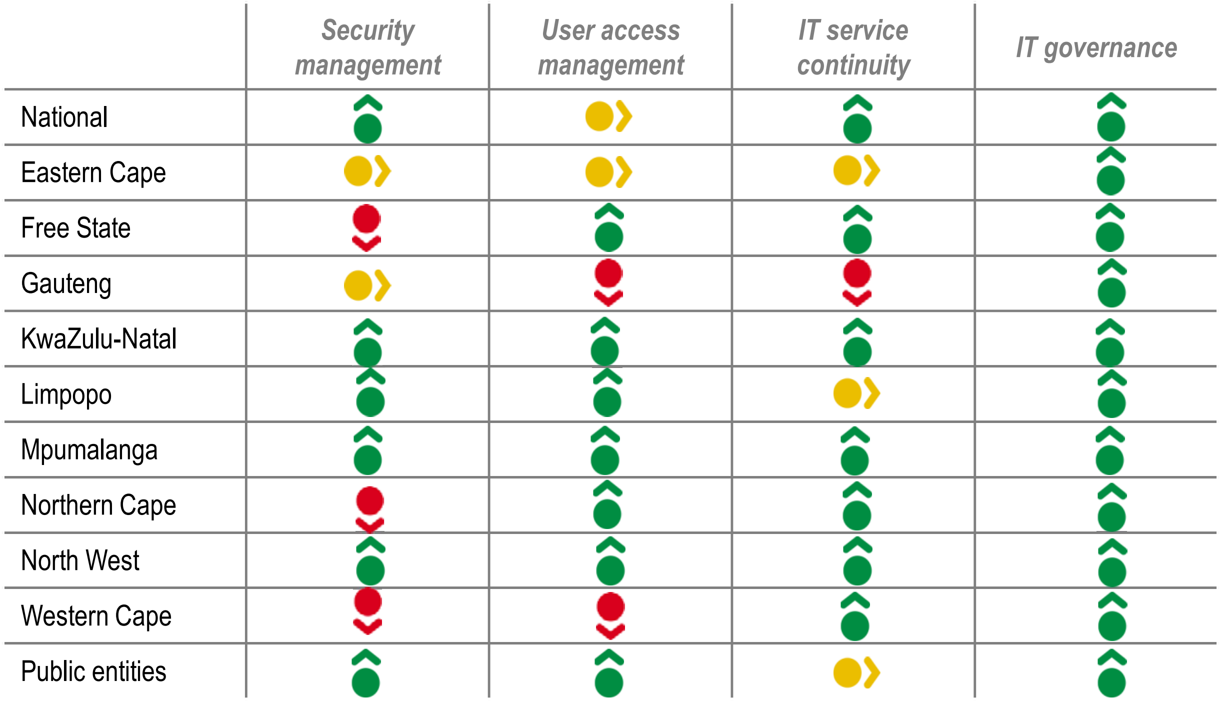
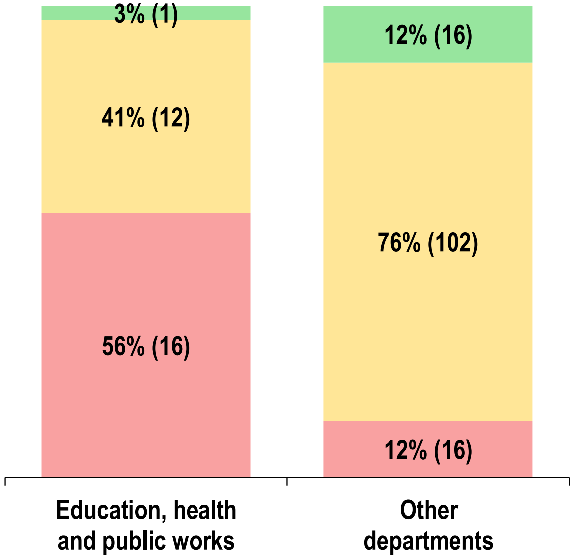


Figure 3: Progress made in improving findings



	Security management	*User access management*	*IT service continuity*	*IT governance*
National	▲	►	▲	▲
Eastern Cape	►	►	►	▲
Free State	▼	▲	▲	▲
Gauteng	►	▼	▼	▲
KwaZulu-Natal	▲	▲	▲	▲
Limpopo	▲	▲	►	▲
Mpumalanga	▲	▲	▲	▲
Northern Cape	▼	▲	▲	▲
North West	▲	▲	▲	▲
Western Cape	▼	▼	▲	▲
Public entities	▲	▲	►	▲

Figure 4: Status of information technology – Education, health and public works vs. other departments



🟩 Good 🟨 Concerning 🟥 Intervention required

6.2 Information technology controls

IT controls ensure the confidentiality, integrity and availability of state information, enables service delivery and promotes national security. It is thus essential for good IT governance, effective IT management and a secure IT infrastructure to be in place.

Effective IT governance underpins the overall well-being of an organisation's IT function and ensures that the organisation's IT control environment functions well and enables service delivery.

6.2.1 Overview of the status of information technology focus areas

Our audit included an assessment of the IT controls in the areas of IT governance, security management, user access management and IT service continuity. Figure 1 shows that there has been a reduction since the previous year in the number of auditees that had audit findings on IT controls and that IT governance has been incorporated into the overall assessment. An analysis of the audit outcomes indicated that at a small number of auditees good progress has been made in addressing previously raised findings.

Figure 2 above outlines the status of the controls per focus area audited at departments and public entities and indicates whether the IT controls are good, concerning, or require intervention. Figure 3 indicates the progress made since the previous year in addressing areas of concern at departments at both national and provincial levels, as well as at public entities.

The most common findings were the following:

- IT governance frameworks and structures had not been adequately designed and implemented for the majority of the departments' IT environments, while public entities were more successful in the design, implementation and operating effectiveness of IT governance.
- Most of the departments and some public entities still experienced challenges that emanated from a lack of adequately designed security policies and procedures, while some auditees who had already designed adequate security policies and procedures had not succeeded in implementing them successfully.
- The design of user access management policies and procedures remained a challenge at most of the departments and public entities, while departments and public entities where user access management policies and procedures had been developed experienced difficulties in implementing them. However, good progress had been made at a small number of auditees in the implementation of user access management policies and procedures.
- Most of the departments and some public entities still experienced challenges with the design and implementation of appropriate business continuity plans (BCPs) and disaster recovery plans (DRPs). The management of backups also remained a challenge as most of the auditees did not test their backups to ensure that they could be restored when required. In the case of departments that make use of transversal systems, the data hosted on these systems is available at the disaster recovery site of the State Information Technology Agency (SITA). In all other cases, both departments and entities have to make provision for their own data recovery strategies.

Impact of transversal IT systems on audit outcomes

Departments use transversal systems, such as the basic accounting system (BAS), personnel salary system (Persal) and logistical information system (Logis), to manage financial information. Transversal systems are centrally hosted, managed and maintained by government.

The audit outcomes reported for departments related to weaknesses in manual controls that gave rise to material misstatements and were therefore not the result of weaknesses in the IT controls of transversal systems. Manual controls are internal controls implemented by management to ensure the accurate, timely and complete initiation, recording, processing and correction of transactions.

Integrated financial management system project currently in process

Various challenges have been identified in the processes followed for the integrated financial management system (IFMS) project, which led to the delays and challenges outlined below.

The IFMS project was initiated in 2002 to replace the ageing transversal financial systems, namely BAS, Persal and Logis. Cabinet approved the project, which was intended to commence in 2005 with an estimated project timeline of seven years. However, despite project spend amounting to approximately R1,1 billion as at 31 March 2015 it has not yet been implemented. A new technological approach to the IFMS was approved by cabinet on 20 November 2013 and the incomplete modules were therefore placed on hold. Subsequent to the approval of the new approach the National Treasury revised its business case and requirements in line with the new direction for the IFMS solution. The National Treasury also prioritised the embedding and formalising of project governance processes during the current and next financial year and aims to implement the revised IFMS solution by 2022.

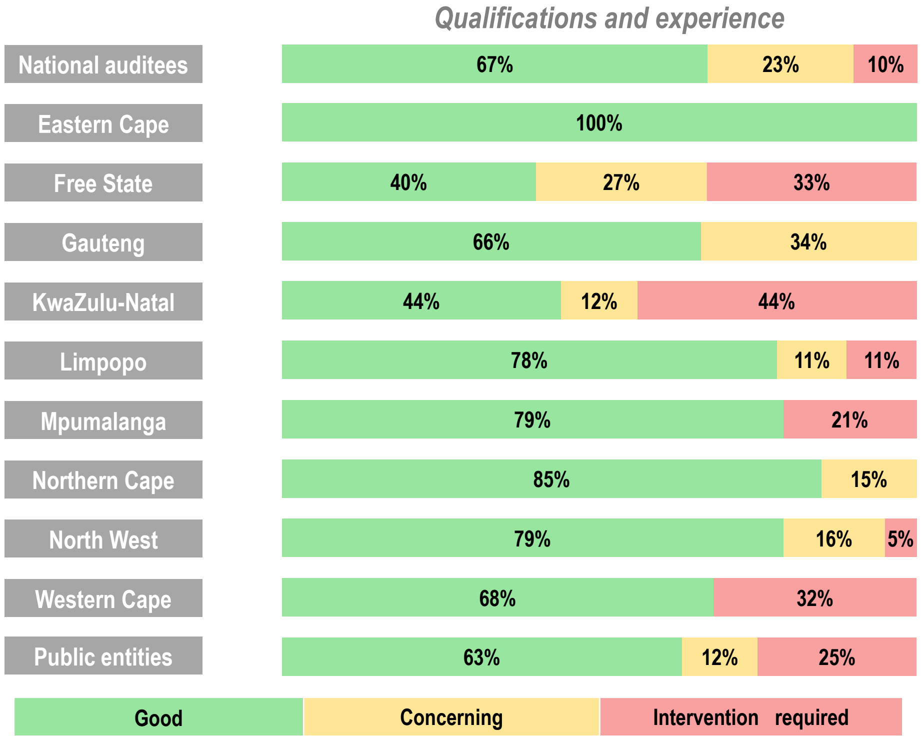
Evaluation of qualifications and experience of chief information officers

Figure 5 indicates that, for the most part, the qualifications and experience of the chief information officers/ IT managers in government are good.

Most of the chief information officers/ IT managers at departments and public entities had the qualifications and experience required to implement the IT governance structures and controls that would ensure improvement in the IT controls of government.

However, smaller public entities did not have the funding and capacity required to assign IT roles and responsibilities to a dedicated individual with the necessary skill and the required qualifications. Furthermore, in some provinces IT departments were operating at the level of deputy director or assistant director, which had a negative effect on the design and implementation of the policies and procedures required for a strong control environment to support business objectives.

Figure 5: Qualifications and experience – chief information officers/ IT managers



e-Government, e-health and e-education strategies

e-Government:

The minister of Public Service and Administration, the Government Information Technology Officer's Council (GITOC), the minister of Telecommunications and Postal Service and the State Information Technology Agency (SITA) are expected to participate in the implementation of e-government.
The e-government strategy is intended to provide a more coordinated and citizen-driven focus to the country's e-government initiatives, thus ensuring that government brings services closer to citizens through an organised and holistic adoption of ICT. The strategy is necessary to provide a clear road map for the processes and initiatives that need to be undertaken for the successful implementation of e-government. This will ensure the effective and efficient use of existing resources, coordinated efforts and sharing of common resources for the e-government services.

The office of the government chief information officer at the DPSA experienced challenges with regard to the stability of the leadership within the branch as the position of the government chief information officer was filled by an officer appointed on a short-term contract that has been renewed on a continuous basis over the past three years.

The majority of government IT officers did not understand the strategic business issues of their departments, which posed a key limitation on their ability to contribute to the initiatives driven by their departments. Some of the government IT officers were not involved in the strategic IT-driven initiatives undertaken by their departments.

e-Health:

The e-Health Strategy South Africa 2012-16 for the public health sector provides the road map for achieving a well-functioning National Health Information System (NHIS). The strategic priorities and target dates have been defined and include various projects to be executed over the duration of the strategy.
An evaluation of the progress to date has to take into consideration that the implementation of the strategy was delayed due to the national department's change to a repeatable process management methodology. As a result, the strategic priorities were redefined and key priorities aimed at enabling e-health were incorporated into the 700 public health care facilities piloted in the National Health Insurance (NHI) project. This project is aimed at reducing waiting times, improving data quality and integrity, as well as timely access to data, streamlining registers and strengthening information management.

The systems used by hospitals to order medication from depots were not integrated to ensure that adequate stock levels would be maintained, while decentralised networks hampered connectivity between hospitals, provincial departments and depots, and system downtime due to slow connectivity issues created problems in the provinces.

e-Education:

The *White paper on e-education* (2004) revolves around the use of ICT to accelerate the achievement of national education goals. The main intended outcome is to increase access to ICT to support curriculum delivery and improve learner attainment. This outcome has, however, been delayed by key challenges such as the following:

- ICT infrastructure provisioning to schools is largely dependent on the capacity of the nine provincial education departments and these departments have to contend with budget and staff constraints. Provinces also have various other priorities that are often regarded as more important than ICT initiatives.
- Broadband connectivity is a challenge, especially in rural areas.
- Many teachers are experiencing difficulties in using ICT.

The Department of Basic Education has put measures in place to accelerate the achievement of e-education in South African schools, which include deliverables and activities such as electronic content resource development and distribution; professional ICT development for management, teaching and learning; access to ICT infrastructure and connectivity. Furthermore, ICT resource centres are also being established in the provinces with the assistance of the private sector.

Status of controls at the departments of education, health and public works vs. that of other departments

Figure 4 indicates the status of the IT controls in the areas we audited at the departments of education, health and public works vs. that of other departments. It shows the number of auditees where the IT controls are good, concerning, or require intervention.

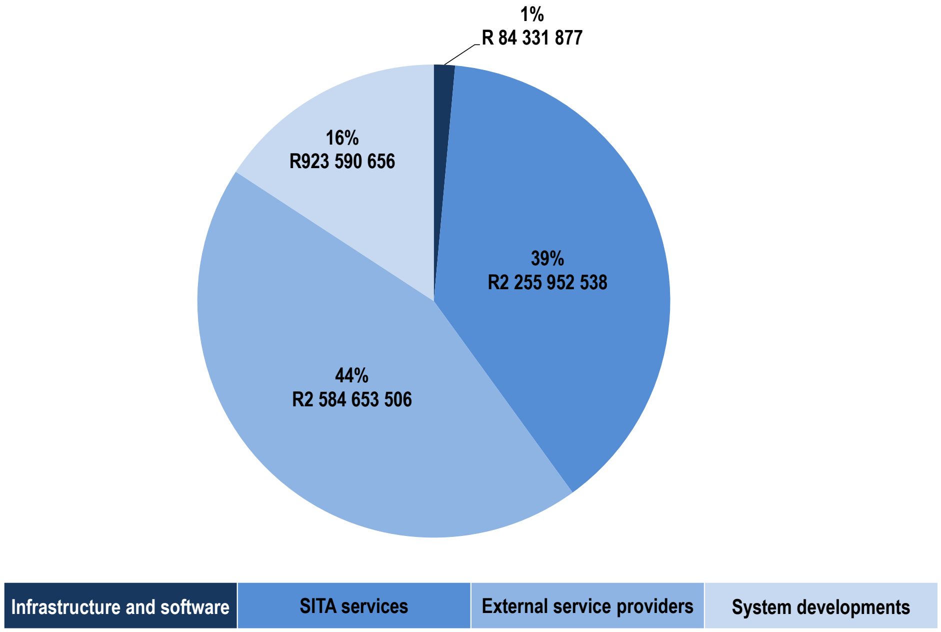
At 56% of the departments of education, health and public works at both provincial and national level intervention is required, compared to only 12% of other departments. Most of the findings raised in previous years at these three departments have not been addressed. The health and education sectors, in particular, experienced challenges with the design and implementation of IT controls, but in some provinces the departments of public works have shown some improvement since the previous year.

Expenses related to information technology at the provincial and national departments

Figure 6 provides a breakdown of the approximate IT-related expenditure in terms of infrastructure and software, SITA services, external service providers and project developments.

The split between the amounts spent on SITA support services and services rendered by external service providers was more or less equal and overall represented 83% of the total amount spent. Although the amount spent on procuring services represented the largest part of the IT expenditure, the performance monitoring processes for services provided by service providers were found to be inadequate, which resulted in payments being made by departments without monitoring whether services were delivered at the agreed upon level of quality. System developments to enhance systems only represented 16% of the expenses, while only 1% was spent on infrastructure and software licensing.

Figure 6: Expenses related to information technology at national and provincial departments



Most common root causes and the actions taken to address them

- The framework for corporate governance of ICT developed by the DPSA was adopted by most departments without customising it for their own departmental environments.
- Although the skills and experience at departments and public entities were adequate at chief information officer/ IT manager level, they were not successful in attracting staff to fill vacant key positions, such as system

controllers and information security officers. Some of these IT divisions were, furthermore, not operating on a strategic level to influence the design and implementation of adequate policies and procedures.

- Staff were not fulfilling their responsibilities by ensuring compliance with the controls established to secure and regulate their departments' IT environments.
- The approval of IT policies and procedures was not prioritised.
- The performance monitoring processes of IT service providers were not adequately enforced to ensure that services were rendered at the agreed upon level of quality or standard.

6.2.2 Recommendations

The following actions should be taken to address the findings and root causes:

- IT governance frameworks and structures should be customised by auditees for their specific environments to ensure that IT controls are governed appropriately. Continuous monitoring of the implementation and operating effectiveness of governance structures already established should be prioritised.
- Management should enforce consequence management where repeat IT findings are not addressed.
- Internal audit units and audit committees should play a more active and effective role in tracking the progress made in implementing management commitments in respect of previously raised IT audit findings and in improving IT controls generally.
- Management should ensure that service providers are monitored on a regular basis and that corrective actions are taken against them where deviations from the expected quality and standards are detected.

6.3 Summary of root causes

To assist auditee management and those charged with governance and oversight, our audits continue to include an assessment of the root causes of audit findings, based on us having identified the internal controls that failed to prevent or detect the error in financial statements and APRs as well as non-compliance with legislation.

These root causes were confirmed with management and shared in the management report with the accounting officer and the executive authorities. We also included the root causes of material findings reported in the audit report as internal control deficiencies in the audit report, classified under the key drivers of leadership, financial and performance management, or governance (refer section 6.1).

Figure 1: Status of overall root causes

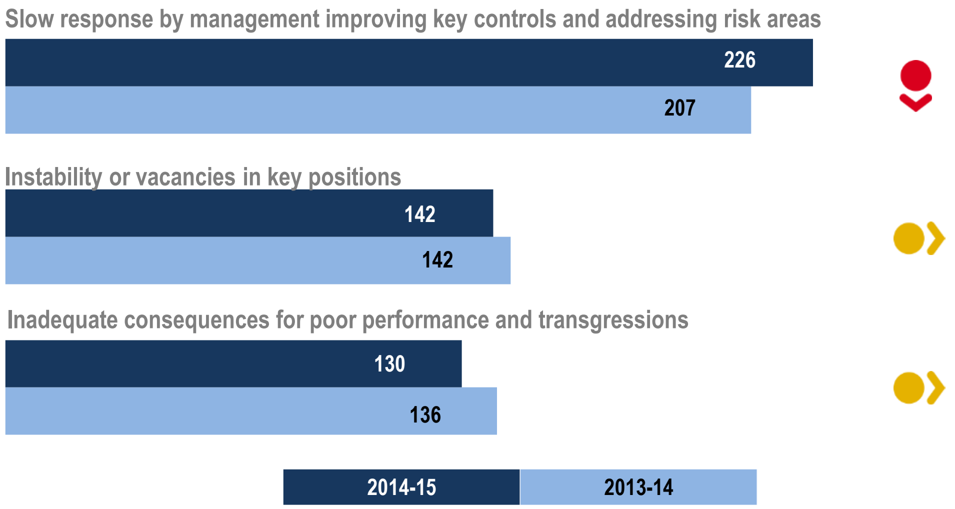


Figure 1 shows the most common root causes we identified which affect the rate at which audit outcomes improve.

Figure 2: Analysis of top three root causes in the three audit areas

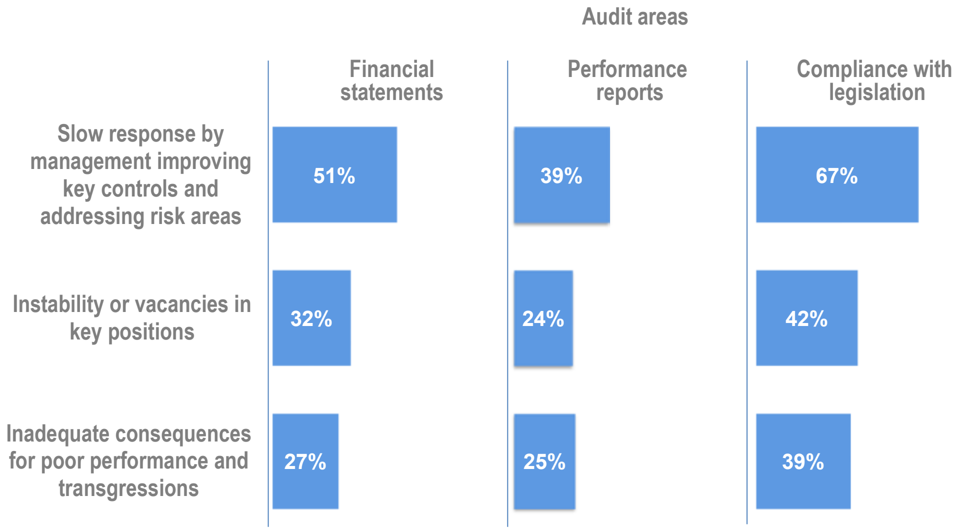


Figure 2 shows the percentage of auditees affected by the top three root causes in the three areas that we audit and report on.

The quality of financial statements is significantly affected by the slow response by management in improving internal controls (51%). The quality of performance reports are almost equally affected by each of the three root causes. Individually and jointly slow response by management (67%), instability or vacancies in key positions (42%) as well as inadequate consequences (39%) are at the root of non-compliance with legislation.

We next summarise the three most common root causes of audit outcomes and we provide recommendations to address the root causes.

Our recommendations remain largely unchanged from the previous year.

Slow response by management in improving internal controls

Detail of root cause

We identified the slow response by management (accounting officers/authorities and senior management) to our messages about addressing weaknesses in internal controls and the six risk areas as a root cause of poor audit outcomes at 73% of the 309 auditees that did not obtain clean audit opinions.

As shown in section 6.1 we found that the key controls at most of the auditees were not in place to support the preparation of quality financial statements and APFs and to ensure compliance with legislation. Role players such as the executive and coordinating institutions can positively contribute to an auditee’s control environment. However, it is the responsibility of accounting officers and senior management to design and implement the controls and to ensure that they work effectively and consistently. As discussed in section 7, the accounting officers and senior management did not provide the level of assurance required and although the assurance slightly improved this first level of assurance remains lower than the other levels.

We assess the status of auditees’ key controls periodically during the financial year and discuss the results with the accounting officers and key senior management officials. We specifically audit the six risk areas annually. We report all our audit findings in a management report that includes the root causes of the findings and our recommendations. Our message and the means of its delivery have been consistent for a number of years, but management’s slow response to this message continues to hamper improvements in audit outcomes.

In our assessment, the slow response was prevalent at both departments (75%) and at public entities (72%), having become more prevalent at the latter, resulting in the overall increase of this particular root cause.

Our section on ministerial portfolios (section 9) and our provincial general reports provide details of commitments given and the progress thereon.

Recommendations

The following actions should be taken to eliminate slow response by management in improving internal controls as a root cause:

- Accounting officers and authorities should view the AGSA, internal audit units, audit committees and the risk management function as important partners in fulfilling their legislated responsibilities. Attention should be given to the reports of these assurance providers and there should be regular interactions with them.
- Accounting officers and authorities should ensure that senior management has action plans in place to address the internal control deficiencies identified by our reports as root causes of audit findings. The action plans should focus on the root causes of audit outcomes and not only on addressing specific findings, as this would prevent new or similar findings in future. Accounting officers and authorities should monitor the implementation of the plans.
- Executive authorities should hold accounting officers responsible for control weaknesses that are not addressed as it is an indication of neglect of their legislated duty to ensure there are effective, efficient and transparent systems of financial and risk management and internal control. In turn, accounting officers should ensure that senior managers are fulfilling their duties and address any negligence in this regard.
- The treasuries should intensify their current initiatives to support departments in improving their controls through guidance, interactions, capacity building and monitoring. Both treasuries and the departments responsible for public entities should also provide such support to public entities where it is apparent that the slow response by management is as a result of inadequate capacity and skills at management level.

Instability or vacancies in key positions

Detail of root cause

In our assessment instability and vacancies in key positions was a root cause at 46% of the 309 auditees that did not obtain clean audit opinions.

As discussed in section 5.1, the overall vacancy rates at auditees remain high, but in our view the vacancies and instability at the level of accounting officer, chief executive officer and chief financial officer are affecting the rate at which audit outcomes improve.

In our assessment, the impact of instability and vacancies is affecting audit outcomes at 55% of departments and to a lesser degree of public entities at 40%.

Recommendations

The following actions should be taken to eliminate instability or vacancies in key positions as a root cause:

- Executive authorities should appoint accounting officers in the departments where there are still vacancies and should endeavour to retain accounting officers in their positions for the period of their contract. Accounting authorities should commit to the same for chief executive officers.
- Accounting officers and authorities should fill the vacancies in senior management as soon as the position becomes vacant, with a maximum period of 12 months for a recruitment process. Particular attention should be paid to the appointment and retention of chief financial officers, heads of SCM and senior management responsible for strategic planning as well as monitoring and evaluation.
- Offices of the premier, the department of performance monitoring and evaluation, the treasuries and the departments responsible for the public entities should monitor vacancies and retention in key positions and provide support where needed.

Inadequate consequences for poor performance and transgressions

Detail of root cause

Inadequate consequences for poor performance and transgressions was a root cause of poor audit outcomes at 42% of the 309 auditees that did not obtain clean audit opinions (47% of the departments and 39% of the public entities).

Leaders and officials that deliberately or negligently ignore their duties and disobey legislation should be decisively dealt with through performance management and by enforcing the legislated consequences for transgressions. If they are not held accountable for their actions, the perception is created that such behaviour and its results are acceptable and tolerated.

The 2014-15 audits again confirmed weaknesses in the performance management of senior management. The inadequate response to the SCM transgressions, possible fraud and financial misconduct and unauthorised, irregular as well as fruitless and wasteful expenditure clearly shows a lack of consequences for transgressions. Section 5.1 includes more information in this regard.

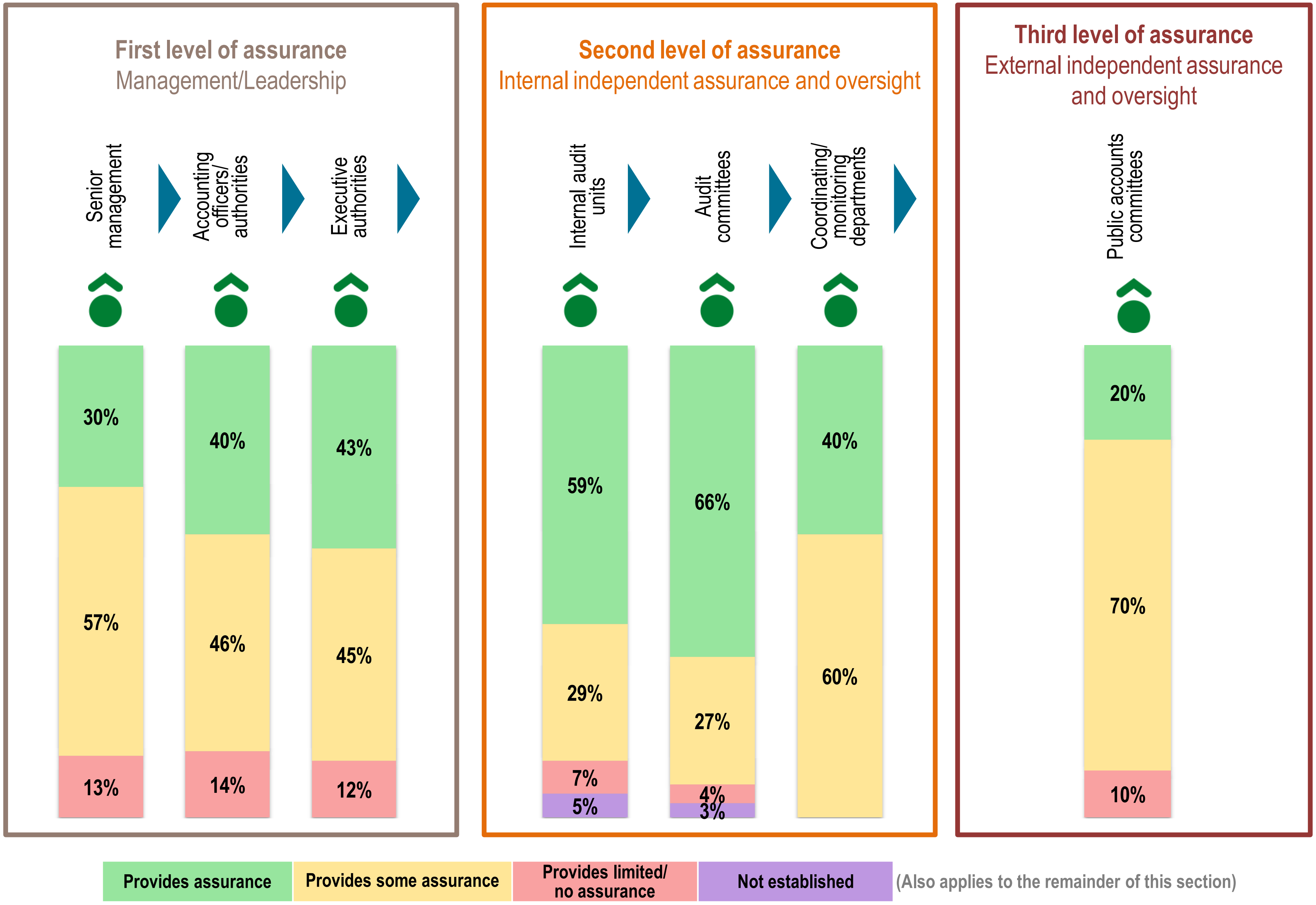
Recommendations

The following actions should be taken to eliminate inadequate consequences for poor performance and transgressions as a root cause:

- Accounting officers and authorities should ensure that findings on compliance are investigated to determine whether there are indicators of financial misconduct or misconduct in the SCM processes, followed by disciplinary hearings where misconduct was confirmed. All unauthorised, irregular as well as fruitless and wasteful expenditure should also be investigated promptly to determine whether such expenditure should be recovered from the responsible official.
- To improve the performance and productivity of officials, the leadership should set the tone by implementing sound performance management processes, evaluating and monitoring performance, and consistently demonstrating that poor performance has consequences.
- Accounting officers and authorities, executive authorities and senior managers should demonstrate the importance of integrity and ethical values through actions and behaviour, and establish expectations for standards of conduct. The leadership should also ensure that deviations from expected standards are identified and addressed in a timely manner.

SECTION 7: INITIATIVES AND IMPACT OF KEY ROLE PLAYERS ON AUDIT OUTCOMES

Figure 1: Assurance provided by role players



7. Initiatives and impact of key role players on audit outcomes

Ministers, members of executive councils (MECs) and accounting officers use the annual report to report on the financial position of auditees, their performance against predetermined objectives and overall governance, while one of the important oversight functions of legislatures is to consider auditees' annual reports. To perform their oversight function, they need assurance that the information in the annual report is credible. To this end, the annual report also includes our audit report, which provides assurance on the credibility of the financial statements, the APR as well as the auditees' compliance with legislation.

Our reporting and the oversight processes reflect on history as these take place after the financial year. Many other role players contribute throughout the year to the credibility of financial and performance information and compliance with legislation by ensuring that adequate internal controls are implemented.

The mandates of these role players differ from ours, and we have categorised them as follows:

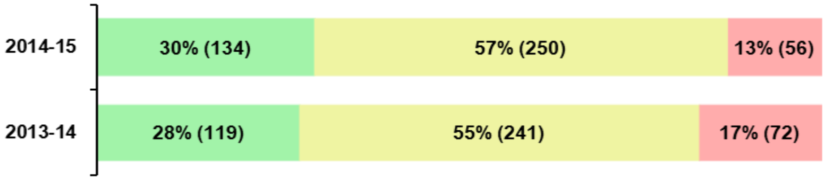
- Those directly involved in the management of the auditee (management/leadership assurance).
- Those that perform an oversight or governance function, either as an internal governance function or as an external monitoring function (internal independent assurance and oversight).
- The independent assurance providers that give an objective assessment of the auditees reporting (external independent assurance and oversight).

We assessed the level of assurance provided by the role players based on the status of internal controls of auditees and the impact of the different role players on these controls. In the current environment, which is characterised by inadequate internal controls, corrected and uncorrected material misstatements in financial and performance information, and widespread non-compliance with legislation, all role players need to provide an extensive level of assurance.

Figure 1 shows that the assessed level of assurance provided by all the key role players has increased since the previous year. The rest of this section gives an overview of the assurance provided by each of the three levels of assurance providers. The section also outlines the initiatives of national role players, together with recommendations on how they can further enhance their oversight of national and provincial government. Our provincial general reports provide information on the initiatives and commitments of provincial role players.

First level of assurance: Management/leadership

7.1 Senior management



The level of assurance provided by senior management improved slightly since the previous year, but continues to be well below what is required. Accounting officers and executive authorities are relying on senior management, which includes the chief financial officer, chief information officer, head of the SCM unit and those responsible for strategic planning and monitoring, to implement basic financial and performance management controls. These include the following:

- Ensure proper record keeping so that complete, relevant and accurate information is accessible and available to support financial and performance reporting
- Implement controls over daily and monthly processing and reconciling of transactions
- Prepare regular, accurate and complete financial and performance reports that are supported by reliable information.
- Review and monitor compliance with applicable legislation
- Design and implement formal controls over IT systems.

As we reported last year, senior management continues, on request, to make representations to us regarding the quality of the financial statements and performance reports they submit for auditing. Again, our audits continue to show that these representations are unreliable at many auditees. These written representations also include stating in writing that no material breaches of legislation have occurred other than those disclosed to the auditors at the commencement of the audit. This, too, has proven to be unreliable as evidenced by the material compliance findings arising from our audits.

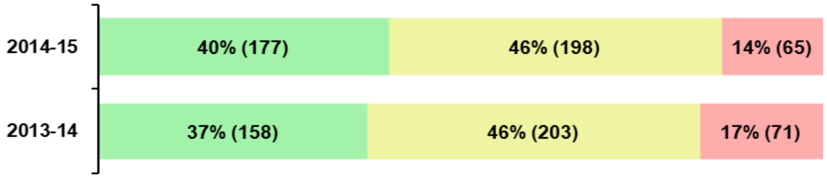
The assessment of controls (as reported in section 6.1) shows that the financial and performance management controls at 54% of auditees were a cause for concern or required intervention, with little progress having been made since the previous year. This is the prime basis for our assessment that senior management at 70% of the auditees provided only some, limited or no assurance.

Recommendations

We recommend that these officials follow the example set by senior management at the 27% of departments that provided the required level of assurance and those at 32% public entities that performed likewise.

As we highlight in section 5.1, the absence or ineffective use of performance agreements which, together with prolonged vacancies and instability in key senior management positions, will continue to keep senior management assurance at a level that negatively impacts on other assurance providers. We therefore recommend that these matters continue to receive attention.

7.2 Accounting officers or accounting authorities



The assurance provided by accounting officers (heads of departments or directors-general) or the accounting authorities of public entities has improved slightly since the previous year, with 40% providing the required level of assurance. The accounting officers at only 35% of departments provided the required level of assurance, compared to accounting authorities at 44% of public entities.

As reported in section 6.1, there has been little improvement in the status of those internal controls for which accounting officers and authorities are responsible, as their leadership, planning, risk management, oversight and monitoring did not always result in sustainable practices that translated into improved audit outcomes. Although accounting officers and authorities depend on senior management for designing and implementing the required financial and performance management controls, they should create an environment that helps to improve such controls.

The responsibilities of accounting officers and authorities are clearly described in sections 38 (for departments) and 51 (for public entities) of the PFMA. It includes their responsibility to ensure:

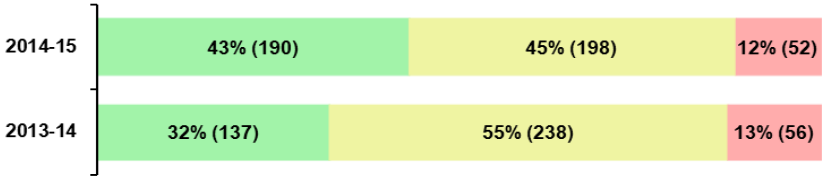
- that there are consequences for transgressions through disciplinary steps against officials who contravene the PFMA and make or permit unauthorised, irregular and fruitless and wasteful expenditure
- the implementation and maintenance of appropriate, efficient and effective systems/ policies for internal control, internal audit, SCM, among others
- effective, efficient, economical and transparent use of the resources
- effective and appropriate steps are taken to collect all money due to the institution
- management of assets and liabilities, including safeguarding
- appropriate disciplinary steps are taken against any official who contravenes the PFMA, or makes or permits unauthorised, irregular and fruitless and wasteful expenditure
- that expenditure is in accordance with the budget (including steps to prevent overspending).

Recommendations

We recommend that accounting officers and authorities respond to our message on key controls and focus on the following actions that will create a strong control environment and enable them to comply with the requirements of the PFMA:

- Provide effective and ethical leadership and exercise oversight of financial and performance reporting and compliance with legislation
- Implement effective human resource management to ensure that adequate and sufficiently skilled staff are employed and that performance is monitored
- Establish policies and procedures to enable sustainable internal control practices and monitor the implementation of action plans to address internal control deficiencies
- Establish an IT governance framework that supports and enables the achievement of objectives, delivers value and improves performance
- Implement appropriate risk management activities to ensure that regular risk assessments, including the consideration of IT risks and fraud prevention, are conducted and that a risk strategy to address the risks is developed and monitored
- Ensure that an adequately resourced and functioning internal audit unit is in place and that internal audit reports are responded to
- Support the audit committee and ensure that its reports are responded to.

7.3 Executive authorities



The executive authorities (ministers and MECs) have a monitoring and oversight role in their portfolios and play a direct role in departments, as they have specific oversight responsibilities towards their departments in terms of the PFMA and the Public Service Act. They are well placed to bring about improvements in the audit outcomes by becoming more actively involved in key governance matters and by managing the performance of the accounting officers and authorities. Our assessment that executive authorities, while improving, are not yet providing the required level of assurance is based on the inadequate leadership controls observed at half of the auditees (as detailed in section 6.1). It is further supported by our assessment of the impact they have on audit outcomes as observed through our regular interactions with them and the commitments they had made and honoured to improve audit outcomes.

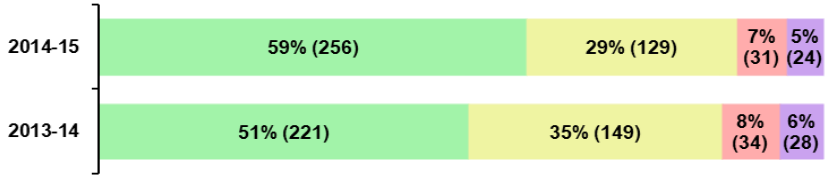
In the past five years, we have increasingly engaged with ministers and MECs on how they can bring about improvements in the audit outcomes of their portfolios. At these interactions we discussed the status of key controls and their commitments to improve audit outcomes, and we also shared the identified risks.

We are convinced that the oversight and monitoring role of the executive strengthens the assurance processes significantly and in the past year has impacted and will continue to impact positively on the audit outcomes. We therefore undertake to continue with the engagements, but with greater emphasis on quality conversations that will yield a stronger impact.

Section 9 of this report provides details on our assessment of the assurance provided by individual ministers and the status of the valuable commitments made by them in the previous year. We also outline new commitments received. Our provincial general reports include the assessments of assurance provided by the MECs.

Second level of assurance: Internal independent assurance and oversight

7.4 Internal audit



Internal audit assists accounting officers and authorities in the execution of their duties by providing independent assurance on internal controls, financial information, risk management, performance management and compliance with key legislation. The establishment of internal audit units is a requirement of legislation, but these units were in place at 95% (2013-14: 94%) of auditees. Encouragingly, the number of auditees where the established units provided assurance has increased since the previous year to 59% of departments (from 44%) and 57% of public entities (from 56%).

Our overall assessment of the assurance provided by internal audit units is based on matters that include the following:

- Where assessed, the operations of only 10% (2013-14: 11%) of the internal audit units did not fully comply with all the requirements of legislation. The material non-compliance we reported in the audit reports of these auditees included internal audit not evaluating or making recommendations on the reliability and integrity of financial and operational information or on compliance with legislation.
- Although the work of most of the units covered all the required aspects, further improvements are required from the internal audit units of 16% (2013-14: 26%) of departments and 18% (2013-14: 24%) of public entities that did not evaluate information systems (IT controls). Such evaluations, together with recommendations made by internal audit, will contribute towards addressing the IT control issues and reduce the associated risks we highlight under section 6.2.
- The 12% (2013-14: 14%) of internal audit units that did not evaluate the reliability of performance information should be requested by management and audit committees to do so. We observed that 96% (2013-14: 91%) of internal audit units evaluate internal controls and 92% (2013-14: 88%) evaluate compliance with key legislation.

Internal audit can only be effective if units are adequately resourced and collectively possess the required competencies; if audit committees oversee and support their operations, and if accounting officers or authorities and senior management cooperate and timeously respond to their advice and recommendations. At some auditees, well-resourced and effective internal audit units have helped to improve internal controls and impact positively on audit outcomes.

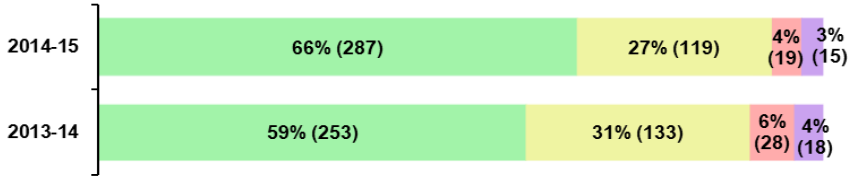
Recommendations

We encourage auditee management to ensure that the internal audit units have the capacity and skills to perform their functions, to view audit as adding value to the organisation (and not just be seen as a legislative requirement) and to be supportive of internal audit work.

Vacancy rates in internal audit units also require attention, more so in departments. The average period that positions in departments were vacant was 11,6 months (2013-14: 10,5) and 6,2 months (2013-14: 6,8) at public entities.

We outline, under our assessment of audit committees, the specific areas where internal audit units can make significant contributions to the audit outcomes.

7.5 Audit committees



An audit committee is an independent body, created in legislation that advises the accounting officer or authority, senior management and the executive authorities on matters such as internal controls, risk management, performance management as well as the evaluation of, and compliance with legislation. The committee is further required to provide assurance on the adequacy, reliability and accuracy of financial and performance information.

Audit committees were in place at 97% (2013-14: 96%) of auditees. At 66% (2013-14: 59%) of auditees audit committees were already providing full assurance. However, 11% (2013-14: 14%) of the committees did not evaluate information systems and 9% (2013-14: 11%) did not evaluate performance information. We noted that 96% (2013-14: 93%) of audit committees evaluate the internal controls of their auditees and 93% (2013-14: 91%) evaluate compliance with key legislation.

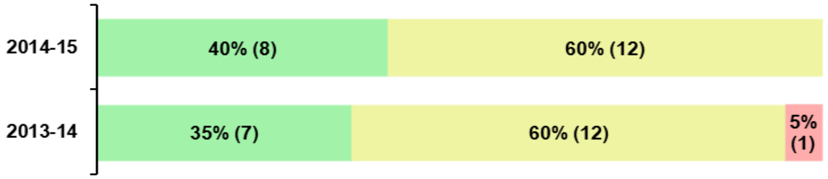
We recognise that for audit committees to provide the required level of assurance as second-level assurance providers, they depend heavily on the reliability of the assurance provided by senior management and internal audit units. The lower the assurance provided by these two role players, the more difficult it is for audit committees to accurately assess the control environment of the auditee, including being assured that all significant risks are effectively managed. Audit committees are therefore advised to consider our observations made earlier in this section in connection with senior management, accounting officers, chief executive officers and internal audit units and to support and contribute to any initiatives or action plans to address the assurance gaps.

Recommendations

Specific areas where internal audit units and audit committees can jointly make significant contributions to the audit outcomes include the following:

- Encourage their auditees to submit regular financial and performance reports for audit committee review
- Monitor the implementation of auditees' audit action plans in respect of the previous year's audit findings
- With a view to detecting material misstatements, thoroughly review financial statements before their submission for auditing
- Monitor the appropriateness and timeliness of action taken by management in instances of known transgressions by officials
- Ensure that internal audit coverage plans assign appropriate resources to the six key risk areas identified by the AGSA
- Thoroughly review auditees' quarterly key control reports to satisfy themselves that the information contained in them is credible and that appropriate action is taken where deficiencies are identified.

7.6 Coordinating/monitoring departments



At national and provincial level there are departments that play a coordinating and monitoring role as defined in legislation and in their mandates, which should contribute to the overall assurance process. These departments are the provincial treasuries, the National Treasury, offices of the premier and the Department of Planning, Monitoring and Evaluation (DPME). The impact of these departments on the controls of the auditees was assessed based on interactions with the departments, commitments given and honoured and the impact of their actions and initiatives.

In our assessment, the majority of the departments were providing some assurance through their coordinating and monitoring functions and the levels of assurance improved since the previous year. A summary of the assessments follows, but a more detailed view on the provincial role players is provided in the provincial general reports. We also include a view on the role of the Department of Cooperative Governance and Traditional Affairs (CoGTA) and the Department of Public Service and Administration although we did not assess the assurance level.

7.6.1 Offices of the premier

Role performed by offices of the premiers

The legislative mandate for the nine provincial offices of premiers is derived from the Constitution (Section 125 and 127), Public Service Act (Section 3(7), 3(8) and 7(3)) and *Intergovernmental Relations Framework* (Section 16, 17, 18, 19 and 20). In terms of this mandate, the provincial offices of premiers are responsible for specific coordinating functions and the provision of strategic direction within their respective provinces.

The offices of premiers play a critical role in ensuring provinces operate as intended and ultimately deliver the required services to their citizens. They are, however, limited by the legislation that governs them as it is not explicit in defining their oversight roles and responsibilities. This lack of legislation also limits their ability to perform effective oversight in a consistent manner.

The MTSF aims to ensure policy coherence, alignment and coordination across government plans as well as alignment with budgeting processes. Offices of the premier have a critical role to play in the various provinces if this objective is to be achieved.

Assurance levels provided by the offices of the premier

Gauteng and the Western Cape were the only offices considered to be providing the required level of assurance. The remaining seven offices of the premier were assessed as providing some assurance on the control environments of the departments and public entities in their provinces. The Free State improved from providing no assurance in the previous year to providing some assurance during the year under review. This was due to an improvement in the monitoring and support initiatives implemented during the year. The provincial general reports provide further details on these assessments.

Those offices of premiers that provide limited or some assurance should adopt the best practices that support the desired level of assurance. These best practices include the following:

- Holding the MECs accountable for effective leadership and consequences for poor performance on the part of accounting officers.
- Assisting ailing departments and entities by setting up provincial intervention task teams to drive improved audit outcomes.
- Ensuring accountable, transparent and responsive administration by insisting on investigations into all instances of unauthorised, irregular and fruitless and wasteful expenditure and monitoring relevant feedback reports.
- Driving regular and impactful Heads of Department Forums used to share best practices to ensure effective management of financial resources and institutionalising processes to address service delivery concerns of citizens.
- Ensuring that the policy environment in their provinces is improved by developing, adopting and implementing the required administrative policies to address internal control, operational and governance weaknesses.
- Taking our messages seriously and being available for regular interactions between the executive authorities, audit committee chairpersons and our office to address matters of financial and performance management and good governance.

Findings on the oversight performed by the offices of the premier

Focus areas identified

The selection of focus areas for audit was based on the coordinating and monitoring role that offices of the premier need to play in terms of their legislative mandate and the impact that these areas have on the achievement of the MTSF objectives.

During the year under review we assessed whether the offices of the premier had the necessary structures in place, in each focus area audited, to enable coordination and monitoring. The operational effectiveness of the structures in each focus area will be assessed next year.

The two focus areas selected for review were:

- Human resource planning: The offices have responsibilities to evaluate and monitor human resource planning and performance management within their provinces. The objective of the audit of this focus area was to determine whether human resource policies and plans were in existence. An evaluation of a developed consequence management framework was also performed.
- Intergovernmental forums: The intergovernmental forums were assessed to determine whether they were operational and effective.

Human resource planning

With the exception of North West human resource, there were no findings relating to the sector procedures performed. The human resource unit in the North West province has a number of vacancies which have an impact on human resource and its ability to provide human resource support to the departments and public entities in that province. It is unlikely that these human resource vacancies will be addressed in the near future as there is a moratorium on the appointment of human resource personnel in this province.

Except for the finding above, all offices of premiers have the necessary structures in place to enable co-ordination and monitoring in line with the role they need to play.

Intergovernmental forums

Intergovernmental forums and structures have been established in all provinces. These forums are critical to promote and enable intergovernmental relations and a cooperative government which are essential if the objectives contained in the MTSF are to be achieved.

Recommendations

Offices of premiers remain an important focus to ensure implementation of MTSF outputs and targets by provincial and local government. It is imperative that offices of the premier execute their responsibilities diligently, as any lapse in oversight could result in non-achievement of the developmental priorities of government.

It is imperative that offices of the premier evaluate their effectiveness in respect of intergovernmental relations to ensure that all public institutions that have a role to play in providing services to the citizens are adequately coordinated. Offices of the premier should also consider standardising those practices that have worked in improving services delivery and ultimately the lives of the citizens.

To further strengthen the offices' ability to perform effective oversight, it is recommended that national legislation be developed and implemented. This legislation should define the roles and responsibilities of the relevant stakeholders to ensure that information is available, credible and supports progress reported against priorities.

7.6.2 Provincial treasuries and National Treasury

The Western Cape, Northern Cape, KwaZulu-Natal, Gauteng and Free State treasury offices provide the level of assurance required to impact positively on the credibility of the provinces' financial statements, their performance reports as well as their compliance with legislation. The remaining four provincial treasuries were assessed as providing some assurance in this regard. The provincial general reports provide detail of these assessments, as well as the commitments and initiatives made by MECs of Finance and the treasuries to improve audit outcomes.

Regarding audit outcomes, the areas within the National Treasury's sphere of influence are primarily to ensure stability and soundness of the financial system and financial services, manage the budget preparation process and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities. Although the National Treasury continues to be instrumental in strengthening the credibility of financial and performance information, including compliance with the PFMA and improved governance, its impact on the overall audit outcome has been limited.

Measures implemented by the department

National Treasury implemented the following initiatives to support and/or exercise oversight in all three spheres of government:

- Developed an eProcurement research and business case that resulted in specifications to support SCM reforms. These address the automation, simplification and standardisation of SCM processes. The specifications will be incorporated into the IFMS as soon as a successful procurement award has been made.
- Designed an implementation plan for purposes of establishing a central supplier database system.
- For purposes of establishing a national procurement system, identified strategic transversal term contracts for centralisation of various sectors such as health and education.
- Developed a strategic procurement framework for government, tailored to the needs of different forms of procurement
- Developed sourcing strategies for identified commodities/procurement categories, including mobile communications, fixed line communications, travel and accommodation and medical equipment.
- Commenced with the development of a draft SCM human capital development framework and job specification framework.
- Developed a price referencing system for commodities that are common across government. The system contains on average 650 items per province.
- Developed an SCM curriculum to be offered by higher education institutions, which will improve the skills level of procurement officials coming into the public service.
- Established a programme management office in order to improve the governance and overall performance of the IFMS project.
- Completed a sub-national assessment of public finance management using the public expenditure and financial accountability methodology in all nine provincial governments. The results will help to improve provinces' financial management practices.
- Continued development and refinement to standard operating procedures on financial management. These outline departmental policies and processes to improve accountability, efficiency and effective administration within an institution. The standard operating procedures will be rolled out in conjunction with the new treasury regulations.
- Advanced the implementation of the Public Finance Management Capacity Development Strategy.
- Rolled out to national and provincial departments a number of new education, training and development learning solutions developed and aligned with the National Treasury *Competency framework for financial management*.
- Coordinated the development of new questions to assess the financial health of departments, constitutional institutions and public entities listed in Schedule 3A and 3C of the PFMA, using the financial management capability maturity model.
- Coordinated a major review of the treasury regulations to ensure their alignment with the *King III report on corporate governance in South Africa, 2009* and with financial management best practice.
- Rolled out the financial management capability maturity model, as well as the 32 financial management indicators, to all municipalities and entities. This will

provide a basis for measuring 10 years of implementation of the MFMA and the results will be used to direct specific support and other intervention measures.

- Enhanced the risk management component of the treasury regulations and updated the *Public sector risk management framework* to align with the requirements of the treasury regulations.
- Provided continuous internal audit support services to national and provincial departments, municipalities and public entities.

In our assessment, the treasury offices provide some assurance. Support, monitoring and enforcement are provided to auditees through frameworks, guidance and assistance, some of which are linked to the audit outcomes and service delivery of government. However, the effectiveness of these interventions varies among the respective treasury offices and requires refinement at some offices.

The National Treasury is committed to continue with the following initiatives to improve public financial management, accounting and reporting:

- Financial management: developing the IFMS and strengthening the governance and execution of the IFMS project through the programme management office.
- Financial management: developing financial management regulatory frameworks, aligning reporting frameworks with local and international best practice, reviewing treasury regulations and treasury instructions, developing and implementing accounting policies, and enforcing compliance with public finance legislation.
- Financial management: developing support plans in conjunction with targeted departments and entities to address financial management weaknesses identified by the audit outcomes and through the financial management capability maturity model assessments. Also providing the necessary financial management, internal audit and risk management training interventions to enhance capability and capacity.
- Procurement reform: transforming government procurement to make it more cost-effective, transparent and equitable.
- Overhauling SCM systems: review of SCM policies to ensure a simplified and modernised SCM environment in government.
- Building the capacity of the Office of the Chief Procurement Officer to deliver on its mandate to oversee and support procurement matters across the public sector.

Key sector audit messages

The NDP and the MTSF informed the focus of the audit in respect of the treasury sector, particularly regarding the oversight and support functions of the provincial treasuries and National Treasury to government.

These functions are intended to create an enabling environment for government to flourish by operating as intended, delivering the required services, reporting correctly on their financial performance, as well as complying with applicable legislation. It also serves to enable improved governance between all spheres of government, as well as improved financial and administrative management of government.

The objective of the sector audit procedures was to establish whether the treasury offices had planned and performed their core functions in the following key areas:

- Managing and coordinating the intergovernmental system to ensure sustainable and reliable access to basic services
- Strengthening intergovernmental and democratic governance arrangements for a functional system of cooperative governance
- Sound financial and administration management.

In our assessment, all the treasury offices had planned and performed these core functions in discharging their respective mandates. Although the impact of these functions had not been assessed, it is foreseen that the following key deliverables could be achieved with varying degrees of success:

- Ensuring that governance structures are effective
- Prioritising and coordinating capacity building for senior officials
- Supporting the implementation of sound financial management
- Building capable institutions and administrations.

7.6.3 Department of Planning, Monitoring and Evaluation

The mandate of the DPME is derived from section 85(2)(b and c) of the Constitution of the Republic of South Africa which states that the president exercises executive authority, together with the other members of the cabinet, by developing and implementing national policy and coordinating the functions of state departments and administrations.

Subsequent to the 2014 national elections, on 25 May 2014 the president announced the amalgamation of the National Planning Commission and the Performance Monitoring and Evaluation ministries at The Presidency into one ministry to harmonise the planning and monitoring functions. The creation of the new department called the DPME, located the responsibility for the entire value chain of planning, monitoring and evaluation for implementing the NDP within one institution supported by one accounting officer as well as staff and other resources.

The aim of the reconfiguration is to:

- strengthen the linkages between the planning, monitoring and evaluation functions.
- enhance the implementation of the NDP.
- provide focused attention to the aspects of planning that had previously been neglected by government, such as medium-term planning and planning of implementation programmes.
- ensure synergy and improve the use of resources for effectiveness and efficiency.
- create more effective and efficient approaches to interacting with departments.
- improve responsiveness to the needs of the public and enhance the ability of government to deliver its electoral mandate.

Measures implemented by the Department of Planning, Monitoring and Evaluation

The DPME implemented the following initiatives for planning, monitoring and evaluation:

- Facilitate the development of plans or delivery agreements for the cross-cutting priorities and evaluate critical government programmes.
- Assess departmental strategic plans and annual performance plans to ensure alignment with the NDP by reviewing the MTSF. The MTSF identifies the important actions required to implement the aspects of the NDP for which government is responsible over the next five years.
- Monitor the implementation and progress of the NDP.
- Monitor the quality of management practices in departments through the management performance assessment tool. Four key performance areas are assessed:
  - strategic management
  - governance and accountability
  - human resource and systems management
  - financial management.

  The output of the assessment process is a scorecard on the state of management practices in the department. All departments are required to develop and implement an improvement plan. The DPME provides support to departments via case studies and workshops. The DPME and the offices of the premier report on the results annually to cabinet and provincial executive councils respectively.
- Monitor the quality of frontline service delivery, in collaboration with offices of the premier. These include unannounced monitoring visits to sites where government provides a direct service to the public, including schools, health facilities, vehicle licensing offices, Home Affairs offices and social grant distribution points. The DPME and offices of the premier use the data collected at site level for improvements in the operations management of frontline service delivery sites.
- Manage the presidential hotline (a tool for citizens to engage with the Presidency about their service delivery complaints and compliments), monitor responsiveness and resolution rates, and provide technical support to other departments to improve responsiveness. The DPME has the role of analysing the data arising from the hotline and presenting reports on the service delivery trends emanating from the hotline to cabinet.
- Implement citizen-based monitoring with the aim of strengthening government-wide citizen involvement in service delivery monitoring. The DPME supports departments to create impactful citizen-government monitoring partnerships at facility and community levels by providing strategic support, making tools available, supporting action learning and through knowledge sharing events.
- Promote good monitoring and evaluation practices in government.

We noted the following:

The outcomes system matured and monitoring and evaluation of key priority outcomes increased the strategic focus of government in implementing the constitutional imperative for cooperative governance. Many departments adopted the new approach of focusing on measurable results and impacts and government as a whole has started to achieve a number of the targets on the set outcomes. There was improved coordination between government departments and the different spheres of government, particularly in the area of concurrent functions.

Despite the gains made after the introduction of the National Planning Commission and the DPME, there were still challenges in improving the quality of services to citizens, ranging from education, health care, the creation of sustainable jobs, housing, safety and security to sanitation and social and economic infrastructure. Planning and performance monitoring and evaluation also had challenges.

The silo approach to planning, budgeting, monitoring and reporting, a lack of accountability for poor performance, weak monitoring and reporting on performance information, unrealistic targets and the poor quality of performance information are some examples of remaining challenges.

In our assessment, the DPME provides assurance as it monitors and evaluates various aspects that are linked to the audit outcomes and service delivery of government. This enables the cabinet to identify the weaknesses in government that should be addressed to ensure improved performance or service delivery by government institutions.

7.6.4 Department of Public Service and Administration

The DPSA derives its mandate from section 195 of the Constitution and the Public Service Act, Act 103 of 1994. The DPSA is responsible for establishing norms and standards for national and provincial government relating to:

- the functions of the public service
- organisational structures and establishments of departments and other organisational and governance arrangements in the public service
- labour relations, conditions of service and other employment practices for employees
- the health and wellness of employees
- information management
- electronic government in the public service
- integrity, ethics, conduct and anti-corruption
- transformation, reform, innovation and any other matter to improve the effectiveness and efficiency of the public service and its service delivery to the public.

In relation to audit outcomes, the areas within the DPSA's sphere of influence are primarily the following:

- Human resources: Establishing norms and standards relating to skills, capacity, vacancies and performance management.
- Management of IT: Managing and overseeing IT policy and planning in the public sector
- Compliance with legislation by departments: Establishing regulations and codes of conduct regarding integrity, ethics, conduct and anti-corruption in the public service

With the introduction of the NDP the DPSA was tasked with ensuring that the public service is capable, efficient, effective, responsive and accountable.

Measures implemented by the Department of Public Service and Administration

The DPSA implemented the following initiatives to support and/or exercise oversight of provincial government:

- Minister Chabane visited the majority of provinces to speak to public servants about the heightened need for them to improve the quality of services delivered to the citizens of our country and to seek ways of supporting public servants to meet this objective.
- The Public Administration Management Act was signed by the president on 19 December 2014. The main objective of this act is to promote the basic values and principles governing the public administration referred to in section 195(1) of the Constitution.
- The DPSA improved the capacity for discipline management within the public service with the introduction of a national task team to deal with backlogs and to improve the turnaround time allocated for dealing with disciplinary cases.
- The DPSA developed a public service productivity framework to enable government to measure efficiency (quantity) and effectiveness (quality) of outputs by employees, and the productivity measurement instrument was piloted in the North West Department of Health.
- The DPSA developed a draft e-government strategy for the public service, in consultation with the State Information Technology Agency and the Department of Telecommunications and Postal Services. This could be used to assist departments to enable service delivery in their departments.
- During the financial year, the DPSA developed guides to assist departments to implement the public service integrity management framework that was approved on 9 October 2013.
- In September 2014, the DPME assisted the DPSA to assess compliance with the ICT governance framework.
- The e-Disclosure system for financial disclosure by public service senior managers was used by 69% of senior managers in government departments to disclose their interests to the Public Service Commission.
- The DPSA hosted the second national Batho Pele Excellence Awards in November 2014 to recognise hard-working public servants.

Assessment of assurance provided

Although the DPSA introduced a significant number of measures to assist government departments to professionalise the public service, it was assessed as providing some assurance. The DPSA lacked adequate capacity and systems to consolidate, monitor and analyse the status of human resource management and IT in government, as explained below:

- The DPSA does not currently have the capacity to effectively execute the responsibilities imposed by the NDP and, therefore, relied heavily on other government entities to gather information to inform policy and framework changes. Entities used by the DPSA to gather information were National Treasury, the DPME and the AGSA.
- The overall status of human resource management and overall controls remained unchanged in the 2014-15 financial year, as presented in section 4.2. One of the main root causes preventing auditees from achieving clean audits was the slow response by accounting officers and senior management in addressing audit findings, instability in key positions including vacancies and a lack of consequences for individuals who were accused of misconduct. While the actual implementation of policies and procedures created in terms of the Public Service Act is the responsibility of the individual accounting officers of national and provincial departments, the DPSA is the custodian of these policies.
- The ICT controls in government had improved from the 2013-14 to 2014-15 financial year, as analysed in section 6.1. However, there were still a significant number of departments and public entities with findings that were of concern and required intervention, as indicated in section 6.2.
- The current minimum information security standards had not been updated in more than 10 years and were, therefore, not aligned with best information security practice.
- The office of the government chief information officer did not have the capacity to assist government with implementing the *Corporate governance of information and communication technology policy framework*.
- The position of the government chief information officer had been filled by an officer appointed on a short-term contract that had been renewed on a continuous basis over the past three years. As a result, 72% of departments were still struggling with the implementation of the *Corporate governance of information and communication technology policy framework*.
- The chief directorate: ICT e-enablement, as the custodian responsible for driving the e-government strategy, had four approved positions, with only three being funded. The unfunded position was for the director: ICT innovation support. Based on the current structure, the department might not be able to fulfil its responsibilities in delivering e-government services.

Recommendations

In order for the DPSA to enhance its level of oversight, the following areas need further attention:

- The DPSA should develop regulations to facilitate the effective implementation of the Public Administration Management Act. The regulations should also make the use of the e-Disclosure system compulsory for all senior managers in government.
- The DPSA should assess their capacity and system requirements to consolidate, monitor and analyse the status of human resources and ICT in government. This will enable it to identify and address weaknesses in current legislation, regulations and guidance so as to proactively respond to the needs of government departments. This assessment should also focus on the ability of the DPSA to provide oversight of local government as implied by the PAM Act.
- The impact of the pool of experts to assist departments with discipline management should be monitored to ensure that turnaround times and discipline management are consistently enforced and ensure that government becomes proactive rather than reactive.

Information technology systems

- The office of the government chief information officer should be fully capacitated in order to provide training and support implementation of the *Corporate governance of information and communication technology policy framework*. The department should fast-track the development of the guidelines to support the implementation of the *Corporate governance of information and communication technology policy framework*.
- The DPSA and other departments and public entities charged with the responsibility of managing ICT within the public sector should work closely together to leverage technologies and capabilities from one another to achieve the e-government objective in support of the implementation of the NDP.
- There is a need for collaboration and coordination between ministries charged with IT security within the public sector. IT security risks in government have significantly increased, and the majority of the departments have not implemented fundamental IT security controls to secure their systems and information. The minimum information security standards should be finalised, issued and supported by a communication and training plan.
- The DPSA, in collaboration with the Department of Telecommunications and Postal Services and SITA, should prioritise the delivery of e-government to improve the efficiency and effectiveness of the public service.
- The DPSA should continue its strategic partnership role with all parties involved in the development of the human resource module for the IFMS.

Third level of assurance: External independent assurance and oversight

7.7 National portfolio committees

Parliament has a constitutional mandate to oversee executive action and ensure compliance to legislation. The institution conducts oversight through committees established in line with rules of Parliament. Portfolio committees are required to assess the strategic and annual performance plans of departments and public entities to effectively fulfil their oversight role.

Informed by its constitutional mandate, the AGSA enables oversight, accountability and governance in the public sector through its regular engagement with Parliament through the oversight leadership and portfolio committees where key control and compliance findings emanating from the audit process and the related root causes are presented and discussed.
The discussions include recommendations from the AGSA on focus areas that require oversight intervention. Through these interactions, it is envisaged that specific oversight efforts will lead to improvements in governance and accountability in the public sector.

For the year under review, the mutually reinforcing role of oversight structures and the AGSA were visible in the oversight bodies' following specific actions:

- The house chairpersons, as designated officers of the speaker of the National Assembly and the chairperson of the National Council of Provinces, provided a platform for the auditor-general (AG) to share the audit outcomes with the committee of chairpersons, a structure where all committee leadership engages.
- Furthermore, the house chairpersons individually had regular engagements with the AG on matters relating to oversight and on updates on the AGSA reports and other developments that will strengthen oversight.
- The outcomes of these engagements translated to the mainstream programming of committee activities in both Houses. The National Assembly and the National Council of Provinces house chairpersons ensure the AGSA tabled reports are referred to the relevant portfolio committees for processing.

The AGSA leadership has experienced support from most portfolio committee chairpersons as evidenced by the following:

- The portfolio committee chairpersons welcoming the call to engage on quarterly intervals and creating the time for engagement.
- The portfolio committee chairpersons creating space for the AGSA to share the quarterly key control insights through one-on-one meetings and scheduled committee meetings, to highlight areas of concern that ideally should be raised with the department as part of in-year monitoring.
- Portfolio committee chairpersons' ability to translate the shared insights to probe the correlation of action plans and audit recommendations relating to predetermined objectives of the departments.
- The invitation to the AGSA leadership to present audit outcomes during the BRRR process, which provided a structured engagement on the overall audit outcomes. These insights where incorporated by members during the various hearings with the departments
- Some portfolio committees' chairpersons invited the AGSA for capacity building workshops to better understand the mandate of the AGSA and the portfolio committees' role in supporting the AGSA mandate.

As the 2014-15 financial year was the first year of the 5th Parliament, we focused on embedding the actions highlighted above that had been performed by the portfolio committees of the 4th Parliament. This would form a strong foundation for an enabling relationship between the AGSA and the portfolio committees. We have thus not formally assessed the level of assurance provided by the portfolio committees in 2014-15, although discussions on the level of assurance were held with those committees that had gone further and made specific portfolio commitments.

To enable an assessment of the level of assurance provided by the portfolio committees as it relates to their mandate, and in relation to audit focus areas of the AGSA, we have agreed on the following commitments where the progress of the commitment will form the basis of our evaluation of their level of assurance:

- Engaging quarterly with the AGSA on the key controls related to predetermined objectives and budget spending.
- Obtaining regular feedback from the accounting officer and the executive authority on the progress of the predetermined objectives budget spending as well as action plans to address key predetermined objectives control and reporting findings raised by the AGSA.
- Committing to develop and track specific portfolio actions arising from engagements with the AGSA.

7.8 National Standing Committee on Public Accounts

The Standing Committee on Public Accounts (SCoPA) is a key oversight committee that is mandated to ensure financial oversight. SCoPA discharges its oversight function using the insight provided by the AGSA during closed briefings before the public hearings with departments. For the year under review, SCoPA resolved to ensure improved oversight in the following areas:

- Promptly processing resolutions immediately after the hearings.

- Intensifying oversight on areas of compliance with SCM prescripts and internal controls.
- Monitoring the action taken by management against officials who do not comply with legislation.
- Developing internal committee capacity and a system to track compliance with recommendations.
- Intensifying oversight of entities that incurred unauthorised, fruitless and wasteful expenditure.

SCoPA has ventured into various oversight initiatives including hearings with departments and oversight visits to departments who have appeared for hearings. It has also followed up its hearings with written requests for additional information from departments.

During its oversight drive for the year under review, SCoPA has significantly highlighted the following areas:

- Repeat audit findings of the entity to assess the department`s progress in addressing the previous audit findings.
- The role of the accounting officer by probing the extent to which the accounting officer has been able to perform duties as required by the PFMA.
- The lack of stability in key roles in various departments and entities
- The slow action by management to take corrective action where there were transgressions.
- While reiterating the importance of having vibrant audit units within departments, the committee further called upon departments to support and act on the recommendations made by their respective internal audit units.
- The committee has consistently condemned departments for failing to proactively put controls in place to ensure adherence to proper financial management instead of reacting to the issues raised by the AGSA.

The initiatives noted above are an indication of the effort made by SCoPA in fostering oversight and holding the executive accountable. When measured against the initiatives it has outlined in its annual plan for the year under review, there are notable areas that require SCoPA`s improvement to achieve high impact oversight. The following areas are noted:

- The collaboration with other committees has not taken shape in the manner envisaged due to a lack of a process and agreement on compiling reports and finalising processes, as well the developing and tabling related resolutions.
- Despite and increased effort, the committee has not been able to maximise the number of resolutions passed by the house. As a result, it has not been able to get departmental responses to the hearings held.

7.9 Provincial portfolio committees and provincial public accounts committees

Provincial legislatures have a constitutional mandate to oversee executive action in their respective provinces. Oversight is generally conducted through committee’s mechanisms such as hearings, oversight visits and sending written questions to the provincial executives. For the year under review, there were positive strides made by the provincial portfolio and public accounts committees to ensure oversight. The following positive key areas were noted:

- Regular interactions have taken place directly with committees or through the chairpersons during the financial year that contributed valuable insights to the oversight work of committees
- Hearings with the executive were held on time, including in-year monitoring reviews to assess progress made on implementing recommendations

Although there was some level of improvement on the assurance provided by portfolio and public accounts committees, the majority of these committees still provide some level of assurance as a result of the following key challenges:

- There has once again been a lack of adequate engagement between the AGSA and portfolio committees on audit information relating to non-financial matters
- The AGSA was not consistently invited to quarterly meetings of some portfolio committees and meetings were arranged, postponed and rescheduled on short notice.
- The submission of adopted SCoPA resolutions to departments and the follow-up on the approved resolutions was still a challenge for most of Provincial Public Accounts Committees. The lack of establishment of resolutions tracking committees in most legislatures adds to this challenge.

SECTION 8: SECTOR OUTCOMES

Introduction

To improve the efficiency and effectiveness of audits in the public sector, the annual audits by the AGSA include a special focus on service delivery matters in certain specific sectors.

The sector initiative was launched in the 2007-08 PFMA cycle, focusing on the health and education sectors. Since then, more sectors have been incorporated into the sector initiative.

This consolidated sector report contains a summary of the specific service delivery findings relevant to the provincial departments of:

- Health
- Education
- Human Settlements
- Public Works

The sector audit approach entails analysing the overall planning and reporting of sector-specific service delivery aspects within the selected sectors, and forms part of the annual audit process.

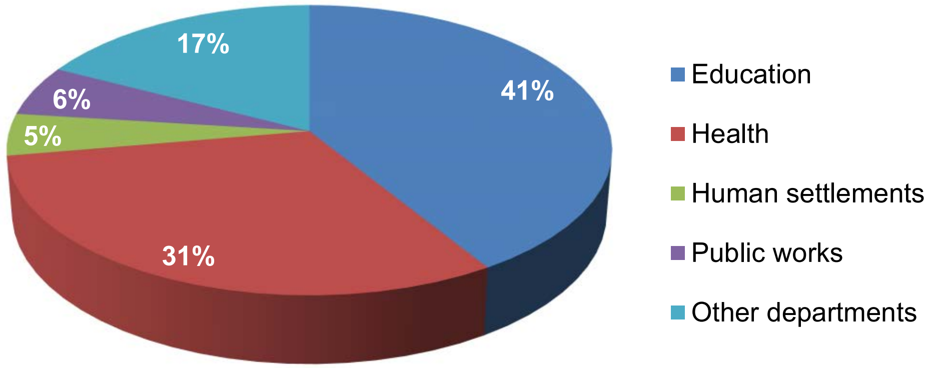
The sector approach forms an integral part of the audit of the financial statements, predetermined objectives, compliance with legislation, internal control and other AGSA focus areas such as human resource management, procurement and contract management. The sector focus areas and criteria are developed and updated for each audit cycle.

The total budgets for the 36 departments within the four sectors of health, education, public works and human settlements (excluding national departments) represent approximately 81% of the total budget for all provincial departments (refer to figure 1). Apart from their size, unique aspects of these four sector departments include their specific responsibilities and contribution to the achievement of the relevant national outcomes.

Other unique aspects of these sectors include:

- their dependency on an appropriately trained, skilled and committed workforce
- the need for sound policies and procedures to ensure efficient and effective service delivery
- effective and functional monitoring and evaluation systems to ensure good quality, relevant and continuous service delivery.

Figure 1: 2014-15 allocation of provincial budgets



8.1 Health sector

Introduction

Good health care is key to a developing society. Healthy students are able to concentrate and thrive in the educational environment, while a healthy workforce can support the economic growth of a country. This section contains a summary of the sector findings raised for the national and provincial departments of Health for the financial year ended 31 March 2015.

Sector focus areas

The priority areas for the sector are mainly derived from the MTSF, the *National development plan 2030* (NDP) and the negotiated service delivery agreement.

Both the MTSF and the NDP envision a health system that works for everyone, comprising an appropriate balance between preventative, health promotion and curative services that are affordable and accessible to all. The overarching outcome that the country seeks to achieve is a long and healthy life for all South Africans.

The negotiated service delivery agreement has identified four strategic outputs which the health sector must achieve:

- Output 1: Increasing life expectancy
- Output 2: Decreasing maternal and child mortality
- Output 3: Combating HIV and Aids and decreasing the burden of disease from tuberculosis
- Output 4: Strengthening health system effectiveness.

For the year under review, the following service delivery focus areas were selected:

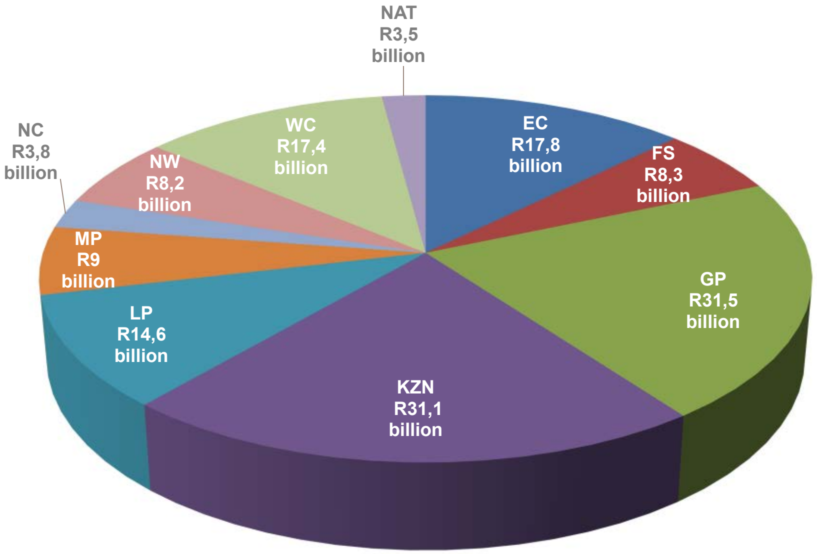
- The comprehensive HIV and Aids grant, which focuses on health care for the leading disease burden in the country[1]
- The health facility revitalisation grant which focuses on the building and restoring of health facilities to improve both access and quality of care[1] (refer to section 8.5.1 for the findings on health infrastructure)
- Health care waste management, as delivering health should not result in an increase of environmental hazards[1]
- Information systems that allow for the storage, management and use of health information, which is necessary to support the effective functioning of all aspects of health care.[2]

The key findings arising from this review are discussed further in this section.

Health sector budget

The health sector remains a priority for government and receives the second largest share of voted government funding. For the 2014-15 financial year, the health sector received R145,2 billion (2013-14: R135,5 billion). The figure below shows the allocations to provinces.

Figure 1: Health sector allocation



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[1] These sector focus areas have been reported on for more than five years

[2] This sector focus area is reported on for the first time

Focus area 1: Comprehensive HIV and Aids grant

Service delivery objective

The overall purpose of this grant is to develop an effective response to HIV and Aids and to support implementing the national operational plan for comprehensive HIV and Aids treatment and care. The grant began on 1 April 2004.

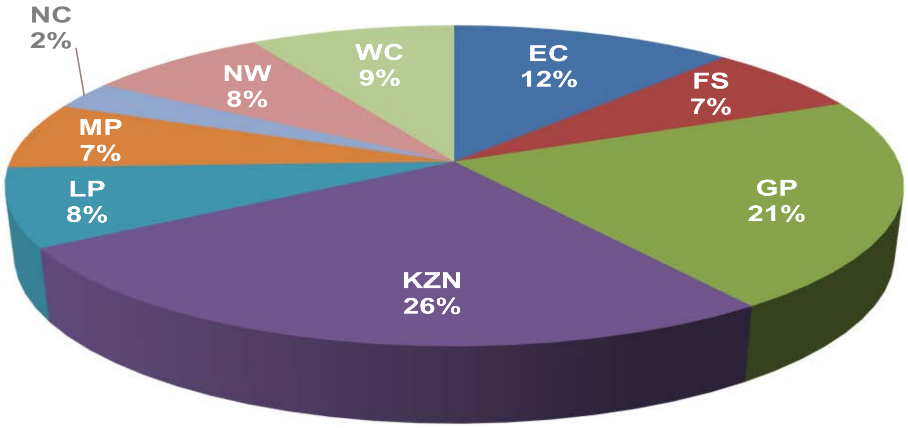
Why we audited the HIV/Aids grant

The negotiated service delivery agreement (NSDA) requires the sector to achieve **Output 3**: Combating HIV and Aids and decreasing the burden of disease from tuberculosis. The sector has focused its efforts on the treatment of patients. There are approximately 3 600 facilities offering anti-retroviral treatment (ART) across the country. A significant portion of the grant is used for anti-retroviral (ARV) medication. According to the *Second national burden of disease study,* HIV/Aids is the leading cause of death in South Africa, accounting for 35% of all deaths in the population, and remains the disease with the highest burden of care.

Highlight

Health information systems and monitoring controls were not well designed and implemented. These weaknesses contributed to ART shortages in three provinces, four provinces not adhering to the conditions of the grant and suppliers not being held accountable for delays in delivering medicine in three provinces.

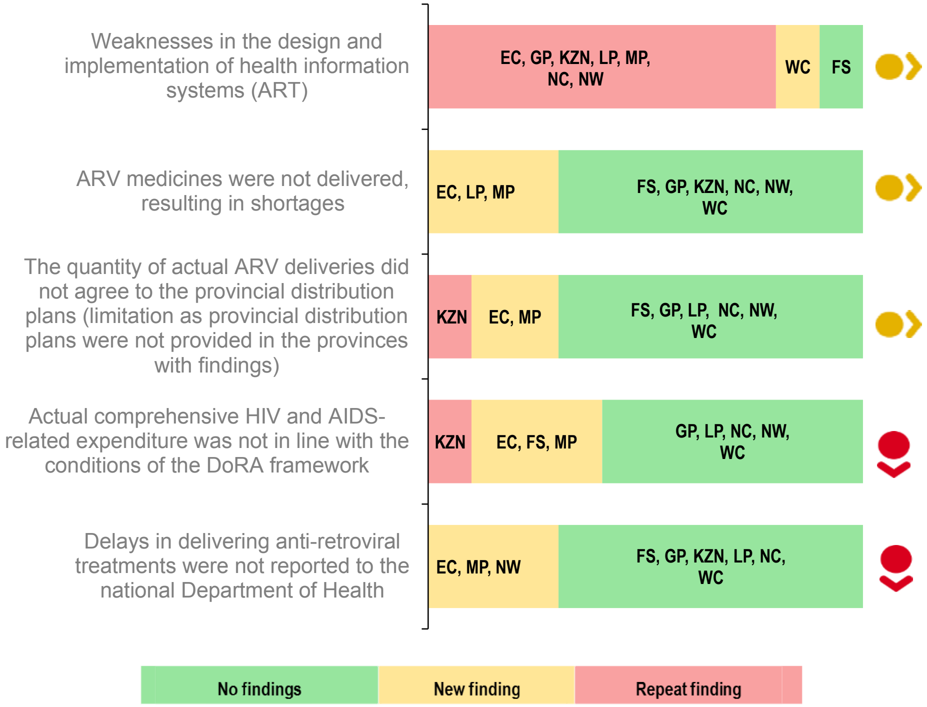
Figure 2: DoRA allocation per province



The total grant allocation for 2014-15 was R12,3 billion (2013-14: R10,5 billion). The highest allocations went to KZN (26%), GP (21%) and EC (12%).

HIV and AIDS grant

Figure 3: Findings on HIV and AIDS grant



Key findings

Eight provinces had significant weaknesses in their systems and internal controls preventing reliable reporting on ART. Departments were also unable to adequately measure and monitor the performance of the grant. In four provinces (EC, FS, KZN, MP) monitoring procedures could not ensure that the DoRA framework's conditions were followed. We were unable to obtain suitable audit evidence in KZN and MP.

Facilities in the EC, LP and MP were short of ARV medicines. Civil society Stop Stock Outs Project revealed the outcome of their survey undertaken in the third quarter of 2014. The survey report identified shortages of ARVs at the FS and NW departments in addition to those identified by our audit. The EC, KZN and MP departments did not maintain provincial distribution plans, which contributed to shortages at those facilities. Three provinces (EC, MP and NW) did not report delays in receiving ARTs to the national department. This resulted in suppliers not being penalised for deliveries taking longer than agreed in their contracts.

Focus area 2: Management of health care waste

Service delivery objective

As the departments of health generate waste, they must meet the requirements of the National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA) and the National Environmental Management Waste Act, Act No. 59 of 2008 (NEMWA). They remain responsible for waste from its generation to its eventual disposal. If these departments do not comply with the act, it has the potential to harm the environment and result in death and illness from hazardous chemicals, pollution and contamination.

Why we audited health care waste management?

The audit focused on handling, storing and disposing of health care waste. We wanted to establish whether the sector has reasonable measures to appropriately manage health care waste and to test whether they complied primarily with the NEMA and the NEMWA. The objective of these acts is to protect health, well-being and the environment. Our audit also looked at their contract management of service providers.

Key findings

General requirements for health care waste include:

- containerisation
- storage
- transportation
- disposal.

These requirements are not always followed and despite the improvements in some provinces, we still found significant non-compliance with the NEMA and NEMWA at three or more provinces. The findings, listed in figure 4, increase the risk to health and safety and have an impact on communities and the environment. They also expose the departments to potential claims being instituted against them.

Provinces developed action plans, but these did not adequately address the previous year's findings. The national department is expected to finalise regulations for health care waste by the 2015-16 financial year. This should assist provinces to properly manage health care waste.

In five provinces, we found instances where service level agreements (SLAs) were not followed, especially when providing waste collection supplies to facilities, confirming disposals and following collection times.

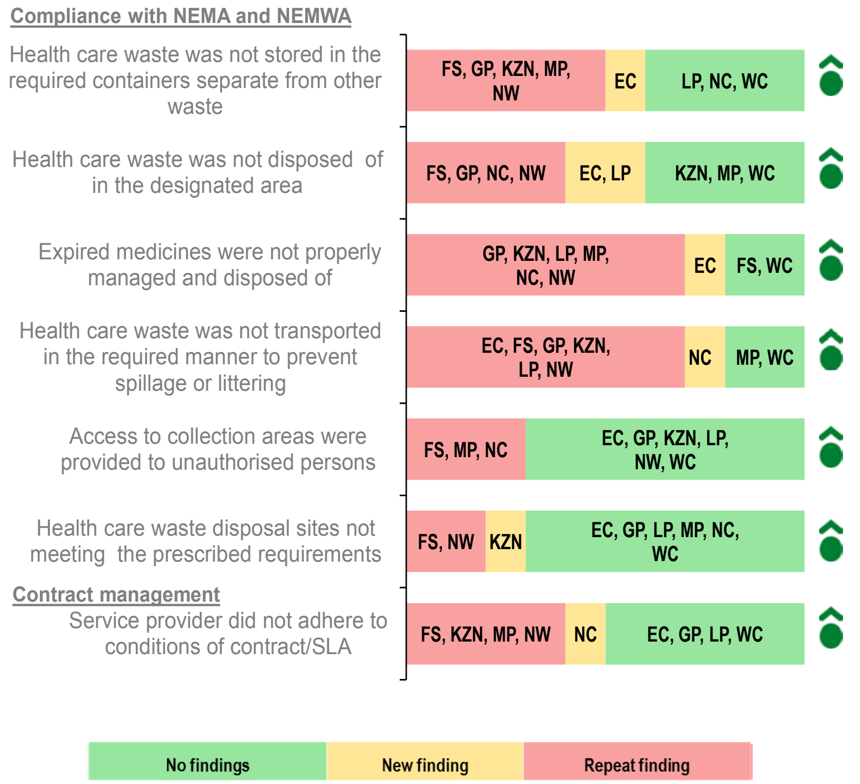
The WC department is commended for having no findings on health care waste for 2014-15. The province developed an effective action plan to address the findings of the previous year. The province and the health care facility also improved their systems of internal control and oversight.

Highlight

The audits revealed that the departments were deficient in their storage, disposal and transportation of health care waste and in their management and disposal of expired medicines. This two-year trend in findings raised shows some improvement in the 2014-15 financial year.

Health care waste management

Figure 4 : Findings on managing health care waste



Compliance with NEMA and NEMWA			
Health care waste was not stored in the required containers separate from other waste	🟥 FS, GP, KZN, MP, NW	🟨 EC	🟩 LP, NC, WC
Health care waste was not disposed of in the designated area	🟥 FS, GP, NC, NW	🟨 EC, LP	🟩 KZN, MP, WC
Expired medicines were not properly managed and disposed of	🟥 GP, KZN, LP, MP, NC, NW	🟨 EC	🟩 FS, WC
Health care waste was not transported in the required manner to prevent spillage or littering	🟥 EC, FS, GP, KZN, LP, NW	🟨 NC	🟩 MP, WC
Access to collection areas were provided to unauthorised persons	🟥 FS, MP, NC		🟩 EC, GP, KZN, LP, NW, WC
Health care waste disposal sites not meeting the prescribed requirements	🟥 FS, NW	🟨 KZN	🟩 EC, GP, LP, MP, NC, WC
Contract management			
Service provider did not adhere to conditions of contract/SLA	🟥 FS, KZN, MP, NW	🟨 NC	🟩 EC, GP, LP, WC

🟩 No findings 🟨 New finding 🟥 Repeat finding

Focus area 3: Information systems

Service delivery objectives

The NSDA requires the sector to achieve **Output 4**: Strengthening health system effectiveness. The NDP also emphasises this output with the following actions to strengthen the health system :

- Implement a national health information system to ensure that all parts of the system have the required information to effectively achieve their responsibilities.
- Implement national health insurance by introducing a patient record system and supporting information technology systems.

The *eHealth Strategy South Africa 2012-2016* provides a roadmap for the public health sector to achieve a well-functioning national health information system (NHIS). One of the principles of the eHealth strategy is to get basics right. This includes infrastructure, connectivity, basic ICT literacy, human resources and affordability planning. The responsibility for getting the basics right lies with national and provincial departments of health.

Why we audited information systems

Health information systems in South Africa are characterised by fragmentation and a lack of coordination. Significant systems, including the primary system used to report performance, are largely dependent on manual controls. Where automation does exist, the different systems are not linked. Considerable resources were also invested in these systems that did not generate the expected returns on investments.

During the 2014-15 financial year, the review was limited to the following focus areas:

- Network infrastructure
- Billing and revenue systems
- Pharmaceutical systems

Key findings on network infrastructure

The information systems used by public health care facilities were outdated and did not fully support the hospital administration systems in seven provinces. In most provinces, weaknesses were in network security and basic environmental controls. Decentralised networks at five provinces hampered connectivity between hospitals and provincial departments.

The NC and WC did not have findings in most of the areas covered by the scope of the audit. The NC Department of Health generally did not have the challenges faced by other health departments in their network controls as it had upgraded its data centres and network infrastructure in the past 2-3 years. The networks were centralised with adequate connectivity between the province and the hospitals.

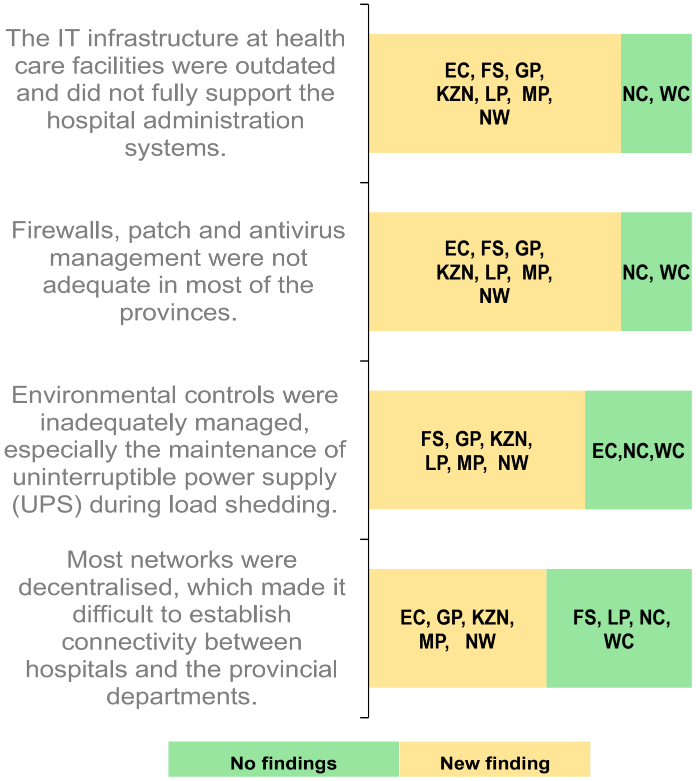
The WC network infrastructure is centrally managed by the Office of the Premier, also with adequate connectivity between the province and the hospitals.

Highlight

The network infrastructure was outdated in seven provinces. At most provinces, weaknesses were in network security and basic environmental controls. Key accounting systems used for billing and revenue, and for managing pharmaceuticals, did not interface with primary accounting systems . Poor connectivity and slow response times also had an impact on the effective use of these systems.

Network infrastructure

Figure 5: Findings on network infrastructure



The IT infrastructure at health care facilities were outdated and did not fully support the hospital administration systems.	EC, FS, GP, KZN, LP, MP, NW	NC, WC
Firewalls, patch and antivirus management were not adequate in most of the provinces.	EC, FS, GP, KZN, LP, MP, NW	NC, WC
Environmental controls were inadequately managed, especially the maintenance of uninterruptible power supply (UPS) during load shedding.	FS, GP, KZN, LP, MP, NW	EC,NC,WC
Most networks were decentralised, which made it difficult to establish connectivity between hospitals and the provincial departments.	EC, GP, KZN, MP, NW	FS, LP, NC, WC

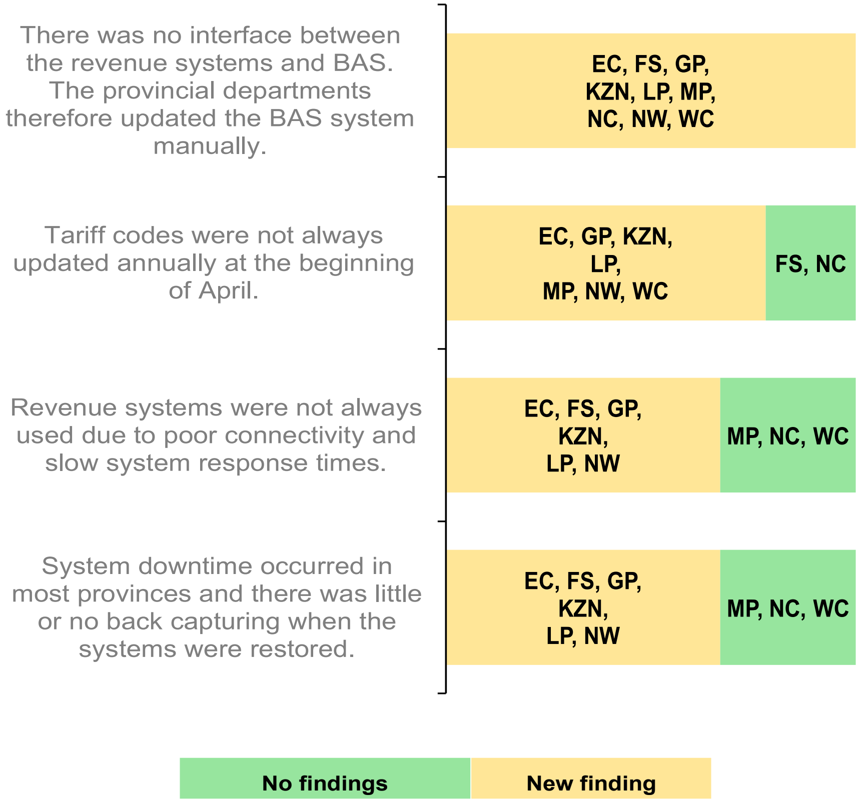
🟩 No findings 🟨 New finding

Billing and Revenue

Key findings on billing and revenue

Each province uses a different revenue system. All systems used did not interface with the primary accounting system. Poor connectivity and slow system response times at six provinces hampered the effectiveness of revenue systems. System down time was a problem at six provinces due to slow connectivity, as well as old and outdated systems in use.

Figure 6: Findings on billing and revenue

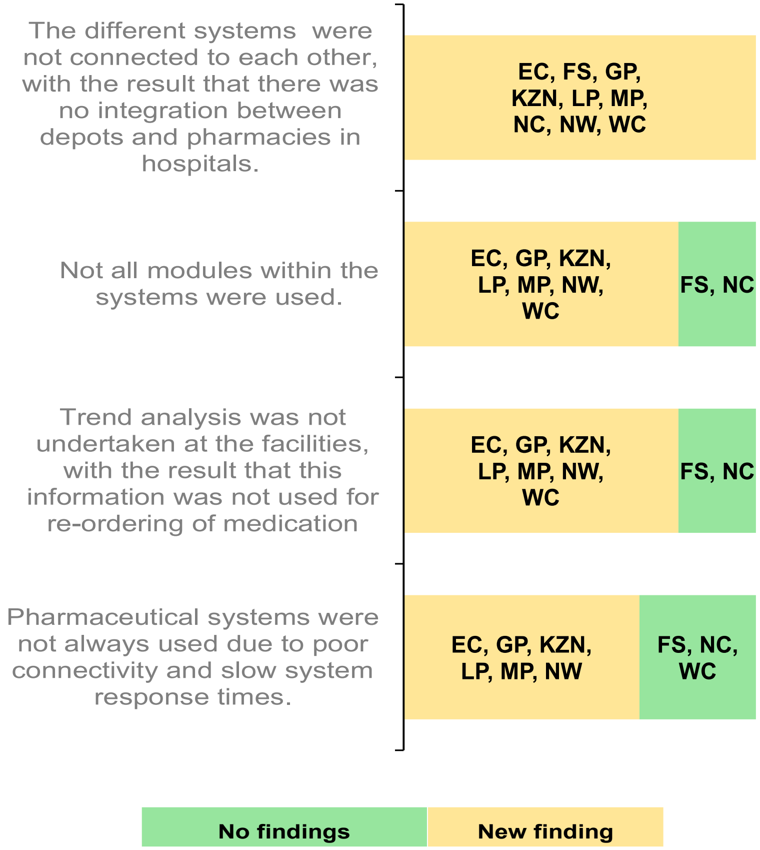


Pharmaceutical

Key findings on pharmaceutical

Provincial hospitals and depots used different pharmaceutical application systems for the ordering and dispatch of pharmaceuticals and for analysing trends. These systems were not integrated and in seven provinces not all modules of the system were used. Poor connectivity and slow system response times at six provinces impacted on the effective use of these systems.

Figure 7: Findings on pharmaceutical systems



Root causes and recommendations

Slow response by the political leadership and senior management in addressing the root causes of poor audit outcomes

We have audited the comprehensive HIV/Aids grant and health care waste management for more than five years. Findings and root causes have been discussed with the minister and members of the executive council (MECs) and recommendations for improvements have been made for each audit year. However, the audit results show limited improvements in the management of the HIV/Aids grant over the years. While some effort has been made to address the findings on health care waste management, significant findings still remain.

Commitments were made by the political leadership to address the root causes. These are still being implemented.

The HIV/Aids and health care waste management sector focus areas will not be audited in the 2015-16 financial year to allow the leadership time to consider the findings and root causes reported in previous years and to implement the recommendations made. These areas will again be audited in the 2016-17 audit year.

The sector's information systems focus areas have had their findings reported to management for the first time. The importance of information systems was highlighted in both the NSDA and the NDP, and forms a fundamental pillar to the successful implementation of the NHI. The challenges facing the sector were also recognised in these documents. The eHealth strategy was approved for the 2012-2016 period. Our findings indicate that leadership has been slow to address fundamental challenges affecting the sector such as network infrastructure, well-functioning accounting systems and connectivity.

Recommendation

We recommend that the minister and the MECs consider the recommendations made in previous years for the comprehensive HIV/Aids grant and health care waste management, and develop an action plan to address the findings raised. The action plan must include specific deliverables with timelines and be regularly monitored. The officials responsible for implementing the plans must be held accountable for not achieving milestones set by the action plans.

The minister and the MECs must prioritise implementing the eHealth strategy effectively. They must develop an implementation plan that sets timelines for key deliverables.

The minister and the MECs must identify the causes of connectivity issues and make recommendations for implementation at a provincial level.
Where necessary, assistance must be obtained from supporting entities, i.e. the Independent Communications Authority of South Africa and the Universal Service and Access Agency of South Africa.

The IT steering committee must urgently upgrade the network infrastructure and IT hardware. It must also work towards integrating critical information systems identified in the eHealth strategy.

The responsible portfolio committees must obtain action plans from the leadership at national and provincial departments that clearly set out responsibilities and timelines to effectively address the root causes of findings raised. The portfolio committees must monitor the effective implantation of these plans to ensure that findings are resolved in a timely manner.

Lack of consequences for poor performance and transgressions

The PFMA places the responsibility for creating robust financial and performance information systems, and ultimately delivering services to the public, with the accounting officer. The accounting officer in turn manages the performance of all staff within the department through the performance management system.

Our audit findings indicate that basic monitoring controls were not effectively implemented. It is the responsibility of the accounting officer to consider the performance of all staff in relation to their job descriptions. The lack of consequences for repeat findings on HIV/Aids and health care waste management has been reported to management for the last three years.
The recommendation has not been effectively implemented at most departments.

Leadership has allowed an environment of complacency by not holding the officials responsible accountable for poor performance and for non-compliance with legislation. The performance bar is set too low.

Recommendation

To improve the performance and productivity of officials, leadership should set the tone by implementing sound performance management processes, evaluating and monitoring officials' performance, and consistently demonstrating that poor performance has consequences.

Key commitments from role players

There has been some progress in implementing the previous year's commitments by the heads of department and the MECs.

- The minister has used the National Health Council as a platform to discuss issues of audit concern in the sector and to track the commitments made by the MECs. We met with the National Health Council twice in the past year.
- Regulations for health care waste have been published for comment. This is expected to be finalised in the 2015-16 financial year.
- The national department has committed to working together with all provinces to implement approved policies and procedures and to enhance monitoring the conditional grants made to provinces. Progress in addressing this commitment has been slow as no significant improvements in the audit findings on the review of the comprehensive HIV/Aids conditional grant were noted.
- The minister has committed to improving overall service delivery findings in the health sector. The Office of the Health Standards Compliance began its operations during the 2014-15 financial year to improve health care standards across the sector.

The following commitments were made by the minister for the current year:

- The national department will continue to provide technical support to the provinces in the fields of infrastructure and health technology. It will also assist the provinces to fill positions to improve the skills and capacity available.
- The minister will continue to elevate audit concerns raised for the sector at the National Health Council and to follow up on commitments made by provincial leadership to address these.

8.2 Education sector

Introduction

This section contains a summary of the findings raised for the education sector. The scope of the education sector audit for the financial year ended 31 March 2015, included the:

- National Department of Basic Education (DBE)
- Provincial education departments (PEDs)
- Department of Higher Education and Training (DHET)
- 21 sector education training authorities (SETAs).

Sector focus areas

The priority areas of the sector are mainly derived from the NDP, the MTSF and the service delivery agreements of the ministers of DBE and DHET.

The quality of basic education as outcome 1 is the responsibility of the minister of Basic Education. The minister of Higher Education and Training is responsible for skills development through higher education (outcome 5).

The negotiated service delivery agreement has identified four strategic outputs which the basic education sector must achieve:

- Output 1: Improve the quality of teaching and learning
- Output 2: Undertake regular assessment to track progress
- Output 3: Improve early childhood development
- Output 4: Ensure a credible, outcomes-focused planning and accountability system

For the year under review, the following service delivery focus areas were selected:

Sector focus areas	2014-15	2013-14	2012-13
Infrastructure – *quality education needs the right physical environment*	✓	✓	✓
Professional development of teachers – *teachers need to be qualified and have a personal stake in their careers*	✓	✓	**x**
Learner transport – *learners need to be able to get to schools safely, easily and regularly*	✓	✓	✓
Information management – *unreliable information as one of the causes for South Africa's education challenges*	✓	✓	**x**
Education materials – *quality education needs quality education materials*	✓	✓	✓
School nutrition– *hungry children cannot learn properly*	✓	✓	✓
Workplace learning – *contribution to the economy with skills and expertise*	✓	**x**	**x**
School finance management – *funds transferred to schools are used for the purposes intended*	✓	**x**	**x**

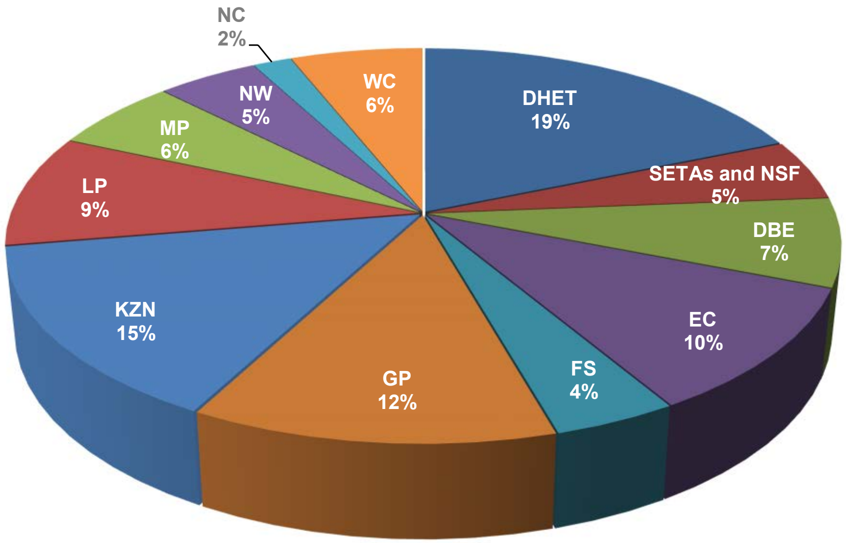
x Indicates that this area was not covered in this particular cycle.

The key findings arising from this review are discussed further in this section.

Education sector budget

The education sector remains a priority for government and receives the largest share of voted government funding. For the 2014-15 financial year, the education sector (DBE and DHET) received R257,4 billion (2013-14: R182,2 billion). Figure 1 shows the allocations to provinces and the national department.

Figure 1: Education sector allocation



This is an indication that the government injects a lot of financial resources to improve the quality of education in the country. However, the financial audit outcomes, conclusions of the audit and sector findings raise concerns regarding the management of these funds. The financial audit outcomes indicate the need for urgent intervention in the area of financial administration within the sector.

Focus area 1: Teacher professional development

Service delivery objective

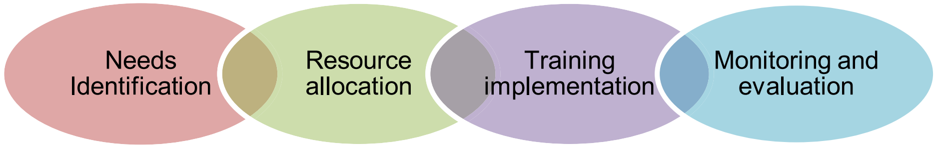
Teacher professional development is one of the priority areas outlined in the MTSF, the action plan to 2014 and the NDP. The *Integrated strategic planning framework for teacher education and development in South Africa, 2011-2025* published on 5 April 2011, identified a number of actions for improving teacher education and professional development.

Why we audited teacher professional development

The teacher development focus areas depicted in figure 2, derived from the integrated strategic planning framework for teacher education and development, outlined the following challenges:

- Mismatch between the provision and demand for teacher development
- Inefficient and poorly monitored funding mechanisms
- Lack of access to quality education for practising teachers
- Failure of the system to achieve a dramatic improvement

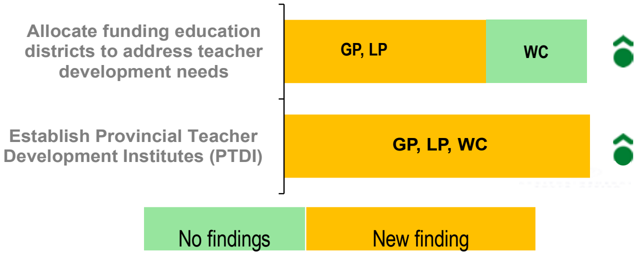
Figure 2: The process of teacher development



Highlight

Three provinces, Gauteng, Limpopo and the Western Cape, were selected for an in-depth review using the integrated strategic planning framework as a basis. The three provinces were selected on the basis that they had established well-functioning provincial teacher professional development institutes. The previous year's findings also indicated shortcomings in identifying teacher development needs and providing teacher training. As a result, only the demand management phase was audited.

Figure 3: Findings on teacher professional development



Key findings

- Funding of teacher professional development

Allocating a budget to education districts is important to ensure that the planning of teacher development is relevant and supported by resources at a local level. During the review we found that:

- Only the Western Cape provided evidence of allocating funds to their education districts.
- Gauteng provided evidence of allocating only operational expenditure, without allocating funds to address district-specific teacher development needs.
- Limpopo reported that their training budget is managed by the provincial department and education districts do not know the budget for training.

The effect of managing the budget centrally is that it inhibits the education districts from planning and executing interventions that are consistent with the districts' teacher development needs, for which they are responsible.

- Addressing needs

All three provinces conducted teacher development needs assessments through the integrated quality management system (IQMS). These needs were not transferred to the workplace skills plan resulting in training not aligned to the teachers' individual needs.

Focus area 2: Learner transport scheme

Service delivery objective

The overall purpose of the learner transport scheme (LTS) is to make education accessible by providing scholar transport to needy learners. The LTS aims to achieve better access to school facilities, especially in rural and outlying areas where public transport is not available.

Why we audited the learner transport scheme

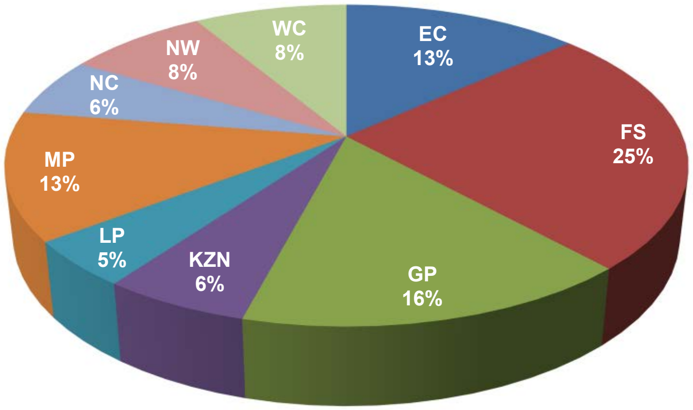
The total budget allocation for LTS is R2 billion, which is not as significant when compared to other focus areas selected. It nevertheless has a significant impact on the ability of learners to access education. It also poses threats to the safety and security of learners.

Highlight

Learners have difficulty accessing education as transport is inadequate and schools are insufficient in areas where they live. The situation is compounded by learners being transported in un-roadworthy vehicles, which results in high rate of accidents.

To enable learners to get to their schools on time, and attend school regularly, reliable transport is essential, especially in rural and outlying areas. Our audits revealed that at times, service providers were not monitored and did not comply with transportation legislation. In some provinces, coordination between the education and transport departments was lacking.

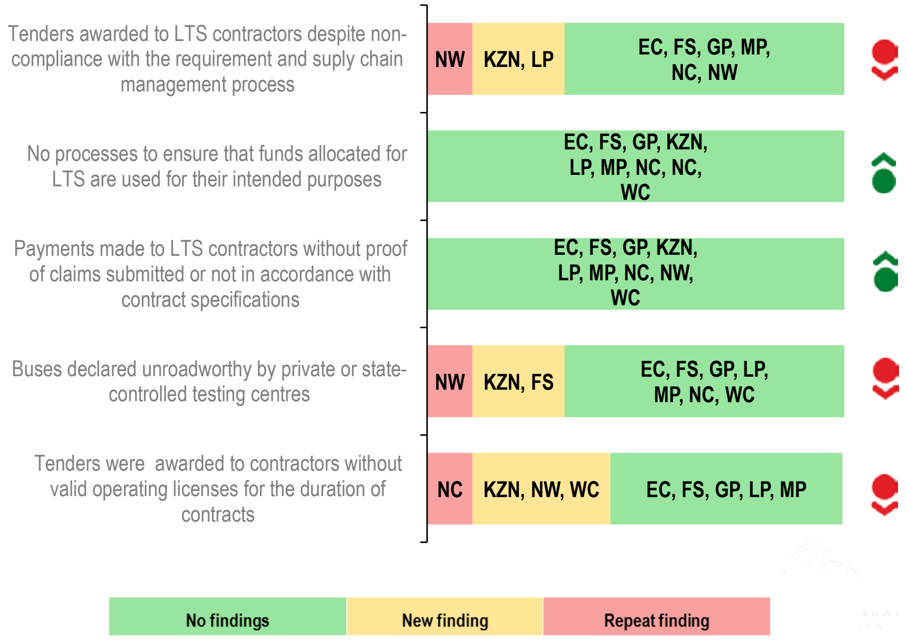
Figure 4: LTS budget per province



The approved total budget for LTS was R2 billion for the PEDs for the 2014-15 financial year. Our audit identified the following deficiencies within the LTS programme.

Acquisition management

Figure 5: Findings on procuring resources for LTS



Tenders awarded to LTS contractors despite non-compliance with the requirement and suply chain management process	NW	KZN, LP	EC, FS, GP, MP, NC, NW	⬇
No processes to ensure that funds allocated for LTS are used for their intended purposes			EC, FS, GP, KZN, LP, MP, NC, NC, WC	⬆
Payments made to LTS contractors without proof of claims submitted or not in accordance with contract specifications			EC, FS, GP, KZN, LP, MP, NC, NW, WC	⬆
Buses declared unroadworthy by private or state-controlled testing centres	NW	KZN, FS	EC, FS, GP, LP, MP, NC, WC	⬇
Tenders were awarded to contractors without valid operating licenses for the duration of contracts	NC	KZN, NW, WC	EC, FS, GP, LP, MP	⬇

🟩 No findings 🟨 New finding 🟥 Repeat finding

Key findings

Instances were noted where supply chain management legislation was not correctly followed when appointing service providers for LTS in Limpopo, North West and KwaZulu-Natal. As a result, the departments incurred irregular expenditure.

Furthermore, we noted that tenders were awarded to contractors without valid operating licenses for the duration of contracts in four provinces (KwaZulu-Natal, North West, the Northern Cape and the Western Cape) and buses were declared unroadworthy by private or state controlled testing centres in KwaZulu-Natal, Free State and North West.

The sector is commended for the measure implemented to ensure that funds allocated for LTS are used for the intended purposes and that payments in this regard are supported by the necessary documentation.

LTS project management

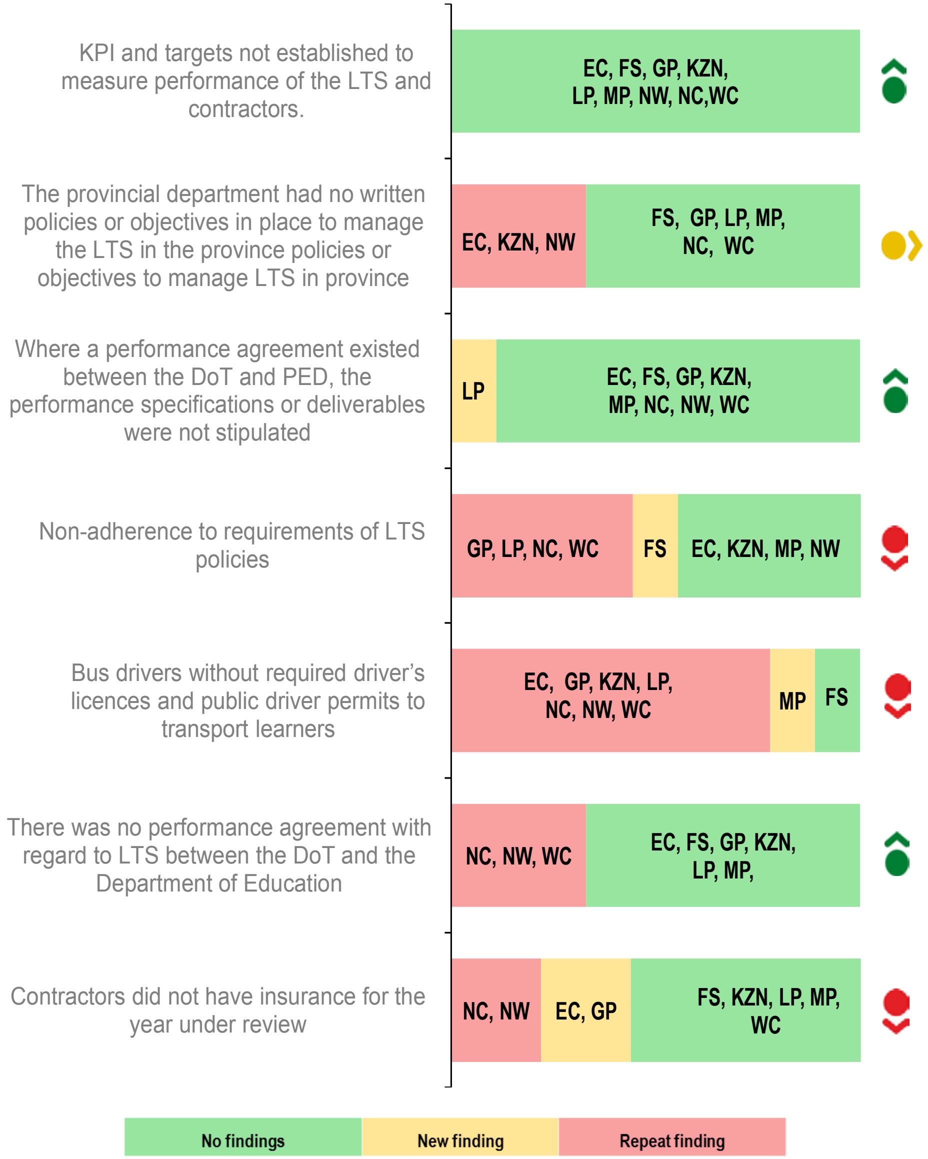


Figure 6: Findings on delivering quality LTS on time

Key findings

In the; North West, Northern Cape and Western Cape, there were no performance agreements for the LTS between the Department of Transport and the PEDs. As such, there were no processes for measuring underperformance and acting on it.

Some bus drivers did not have the required licences and public driver permits as required in terms of chapter IV of the National Road Traffic Act, 1996 (Act No. 93 of 1996) when transporting learners in eight of the nine provinces (the Eastern Cape, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, Northern Cape, North West and Western Cape).

The lack of insurance had been reported in previous audits, but the related internal control deficiencies have not been adequately addressed . These deficiencies risk the safety of learners and could result in claims against departments if learners are injured or lives are lost.

Focus area 3: Information systems

Services delivery objective

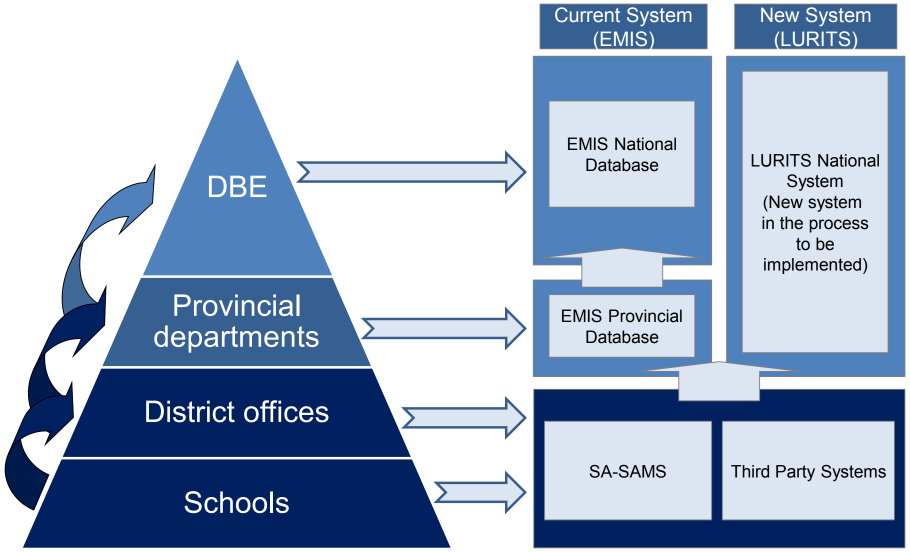
Information systems are integral in the management of the education sector. They collect valuable data which is essential in decision making. The education sector makes use of the following systems to collect data:

- SA-SAMS
- EMIS
- LURITS

The South African schools administration and management system (SA-SAMS) is used to assist schools with day to day administration. Some schools also make use of their own systems (third party systems) for administration purposes.

EMIS gathers statistics on the number of learners and teachers in schools and provides valuable data and statistics for planning and monitoring at all levels of the education value chain for decision making. EMIS uses summarised information from SA-SAMS. Data is consolidated on EMIS at a provincial level. The National Treasury transferred R205 million to provinces for strengthening EMIS

LURITS is a new system that is being developed to replace EMIS. It collects data for each teacher and learner in South Africa from grade R through to grade 12. The main difference between EMIS and LURITS is that each learner will be assigned a unique tracking number resulting in individual records for each learner. LURITS is a system that is hosted centrally and will rely on input data from SA-SAMS and other third party systems.



Why we audited information systems

The following priorities were set by the Heads of Education Committee (HEDCOM) for the use of EMIS funds and the audit focussed on whether these priorities have been met:

- EMIS business plans as required by HEDCOM should be available and clearly outline how departments plan to spend funds
- Rolling out SA-SAMS and providing training on using it
- Administering the learner unit record information and tracking system (LURITS)
- Auditing the quality of data
- Reporting tools and data warehousing
- Providing support for geographic information system and business intelligence needs.

Highlight

Provinces divert EMIS funds to cover other operating costs, data quality audits are not always being conducted by the provinces, provinces are not adequately resourced to meet EMIS priorities and the DBE could not coordinate and monitor EMIS priorities because the National Treasury allocated the funds directly to provincial treasuries. This could result in LURITS which will replace EMIS, not functioning effectively by producing credible and reliable learner information. Furthermore, planning, budgeting and spending on salaries, infrastructure and learner materials may be based on inaccurate data.

Figure 7: EMIS earmarked funds allocation (2014-15)

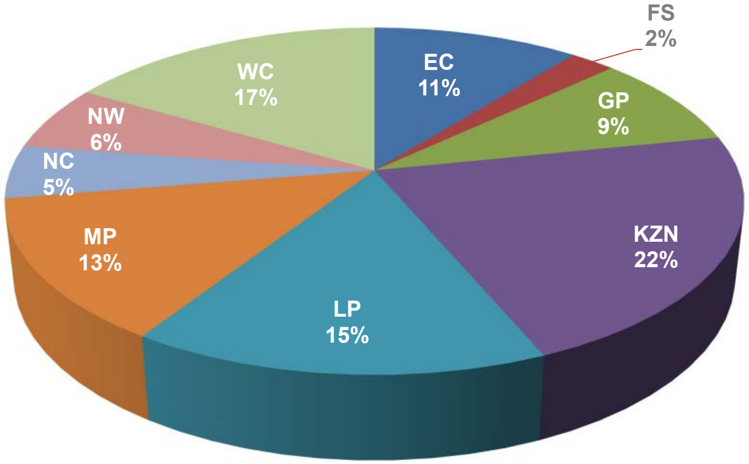
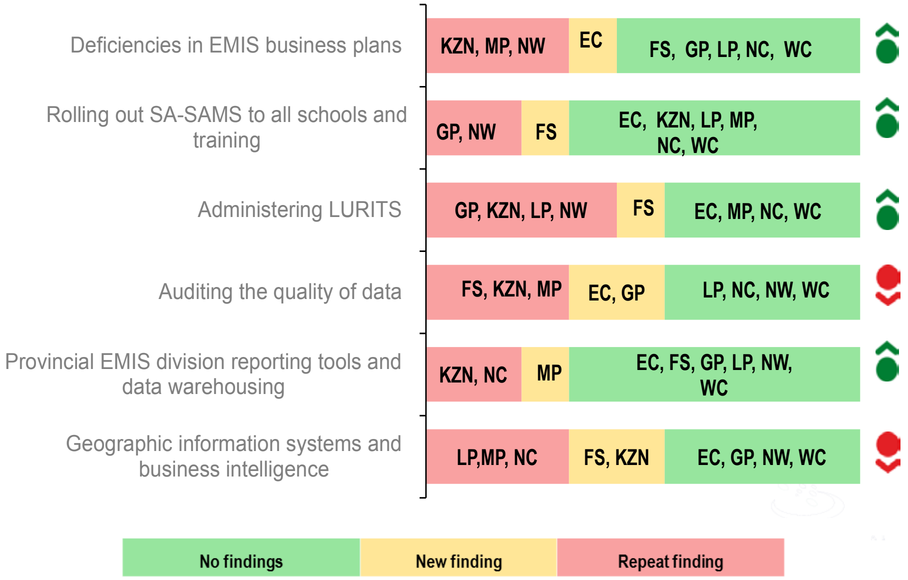


Figure 8: Findings on HEDCOM's six priorities



Key findings

EMIS business plans

Although most PEDs did have EMIS business plans that were approved, some did not take into account all the priorities set by HEDCOM (North West and Mpumalanga). The North West, Eastern Cape and KwaZulu-Natal plans had not been formally approved yet.

Rolling out SA-SAMS to schools

The LURITS system, which will replace EMIS, will rely on SA-SAMS as the main source of input and it is therefore important that SA-SAMS is rolled out to all schools and that training is provided to schools on its use. In Gauteng, Free State and North West, there were still some schools making use of manual forms. Gauteng did not have a signed tracking document for the SA-SAMS training being provided to schools and in the Free State, training was not provided to all schools due to staff shortages.

Administering LURITS

The PEDs needs to appoint LURITS administrators to assist with administering the system, but the time frame for the appointments was not specified. All provinces submitted data on LURITS, but LURITS administrators were not appointed in all provinces. In Gauteng, Limpopo, North West and KwaZulu-Natal, not all schools in the province submitted data on LURITS and signed tracking documents were also not always in place.

Data quality audits

If data quality audits are not performed, learner numbers and enrolment could be open to inflation. This could result in planning, budgeting and spending on salaries, infrastructure and learner materials being based on inaccurate data.

Provincial EMIS reporting tools and data warehousing

Developing provincial data warehouses and appointing data warehouse administrators was still in progress in the Northern Cape and KwaZulu-Natal. In Mpumalanga, a provincial data warehouse administrator had not been appointed yet.

Geographic information system and business intelligence systems

The geographical information system (GIS) contains school location data that facilitates editing, analysis and planning education needs of those areas. It is a part of the business intelligence (BI) needed to facilitate future infrastructure and other education needs for a geographical area. A GIS was not yet implemented in Mpumalanga. In Limpopo and Northern Cape, the BI and GIS was still being implemented at the time of the audit. KwaZulu-Natal used a BI tool; however, the tool had limited functionality. In the Free State, the use of the BI tool was discontinued as licences expired and the GIS was no longer being supported by the vendor as it was a legacy version of the system.

Focus area 4: Learner teacher support material

Service delivery objective

The learner teacher support material (LTSM) programme is intended to improve learning capacity through the availability and accessibility of study support materials. Through this programme it is envisaged that use of support materials will improve the performance of teachers and learners.

Why we audited learner teacher support material

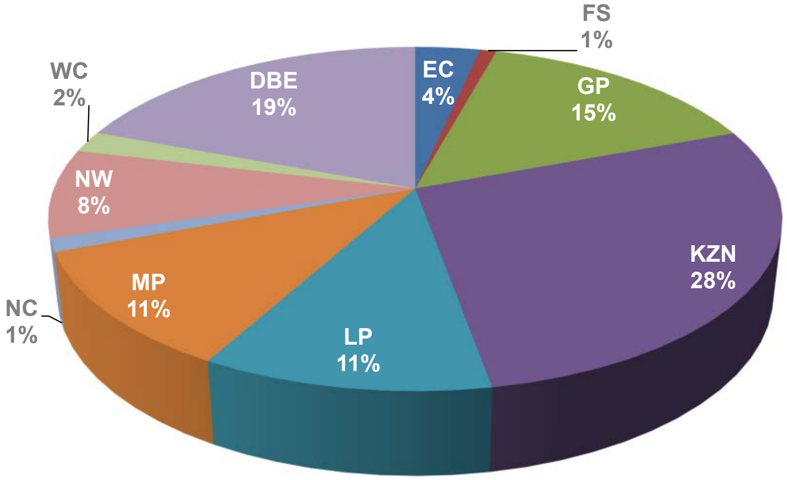
Government's LTSM programme supplies and delivers national workbooks and textbooks. National workbooks were developed and reproduced from 2011 in response to the inadequate access to the right educational material in schools, providing better guidance to teachers on how to pace the year's learning programme.

The development of national workbooks is the DBE's responsibility and is delivered to the PEDs based on statistical information of teachers and learners in schools. Provision of textbooks to learners is the responsibility of the PEDs. Textbooks are procured by PEDs and, in certain provinces, by the schools themselves from the national catalogue of approved publishers

Highlight

Deficiencies were identified in the areas of: identifying LTSM needs; procuring LTSM according to budget; compliance with supply chain management legislation; and delivering these materials to schools.

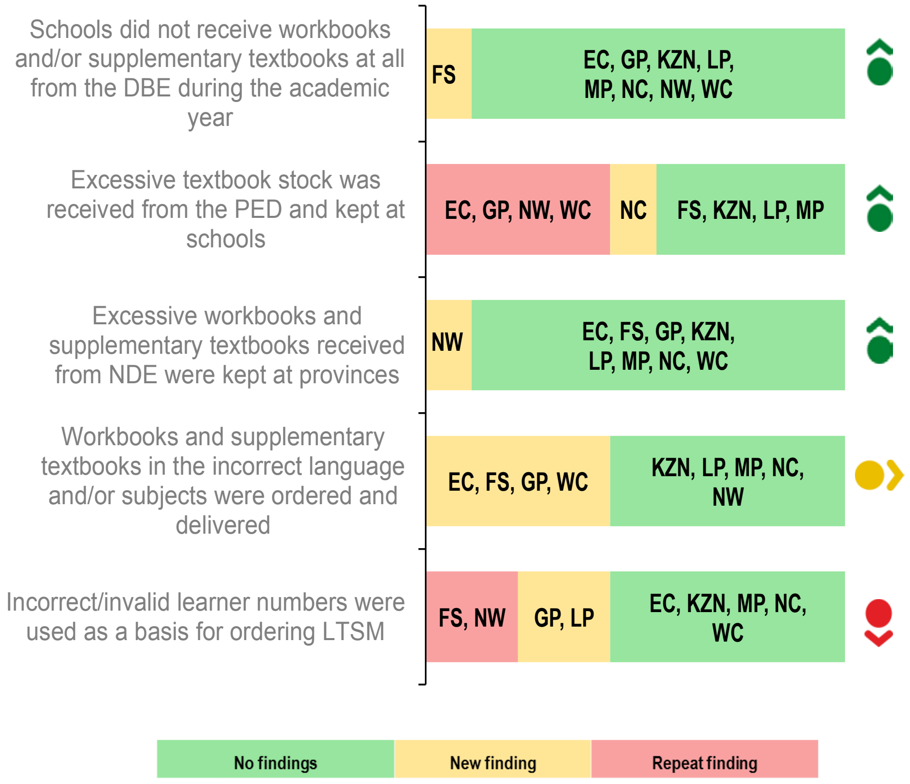
Figure 9: LTSM budget per province



The approved budget for LTSM was R 3,5 billion for the PEDs. The national department's budget is used to procure workbooks for the PEDs where intervention is required. Our audit identified the following deficiencies within the LTSM programme.

Demand management

Figure 10: Findings on Identifying needs and planning for LTSM



Schools did not receive workbooks and/or supplementary textbooks at all from the DBE during the academic year		🟨 FS	🟩 EC, GP, KZN, LP, MP, NC, NW, WC	▲●
Excessive textbook stock was received from the PED and kept at schools	🟥 EC, GP, NW, WC	🟨 NC	🟩 FS, KZN, LP, MP	▲●
Excessive workbooks and supplementary textbooks received from NDE were kept at provinces		🟨 NW	🟩 EC, FS, GP, KZN, LP, MP, NC, WC	▲●
Workbooks and supplementary textbooks in the incorrect language and/or subjects were ordered and delivered		🟨 EC, FS, GP, WC	🟩 KZN, LP, MP, NC, NW	●►
Incorrect/invalid learner numbers were used as a basis for ordering LTSM	🟥 FS, NW	🟨 GP, LP	🟩 EC, KZN, MP, NC, WC	●▼

🟩 No findings 🟨 New finding 🟥 Repeat finding

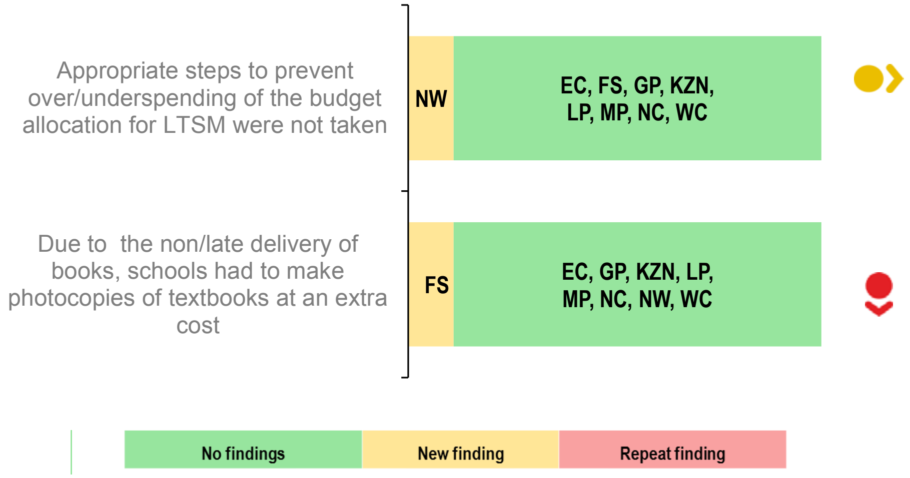
Key findings

Identifying the LTSM needs per school for effective planning in this key phase of demand management remains a challenge for the education sector. This is evident from the excessive textbook stock received at schools as incorrect/invalid learner numbers were used as a basis for the order.

The Eastern Cape, Free State, Gauteng and Western Cape PEDs ordered materials in the wrong languages or subjects.

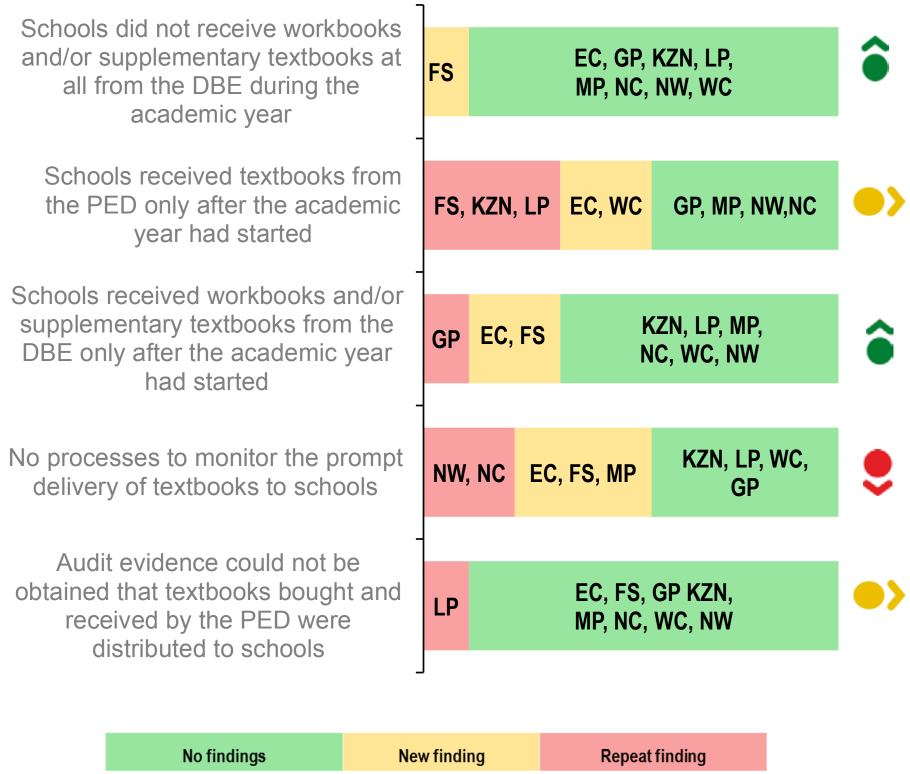
Acquisition management

Figure 11: Findings on procuring the LTSM according to budget and other regulations



Project management

Figure 12: Findings on prompt delivery of LTSM in the right quantities



Key findings

Project management of the delivery and receipt of LTSM still remains a challenge for the education sector as it evident by the number of repeat findings reported. The delivery of LTSM is expected before the start of the academic year or term where applicable. The delay in the delivery of LTSM resulted in learners in eight of the schools selected for audit making use of photocopies or sharing existing textbooks because of shortages of textbooks.

Focus area 5: National school nutrition programme

Service delivery objective

The overall purpose of the national school nutrition programme is to enhance the educational experience of needy learners by providing a healthy meal at school. The Department of Health introduced the primary school nutrition programme in 1994 to provide meals to needy schools. The programme was transferred to the Department of Education in 2004 and renamed the national school nutrition programme (NSNP). During its implementation the NSNP proved to be a contributor to the improvement in learning capacity (attention span); promoting self-supporting school food gardens and other production initiatives and promoting healthy lifestyles among learners.

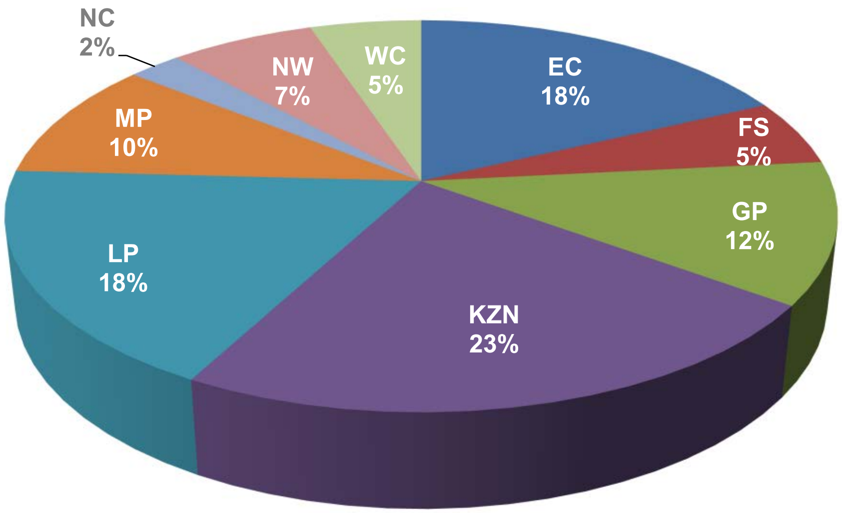
Why we audited the national school nutrition programme

The programme is funded through a conditional grant, with compulsory monitoring, management and reporting requirements. The NSNP is a significant government investment and the programme promotes quality education as well as general good health for needy learners.

Highlight

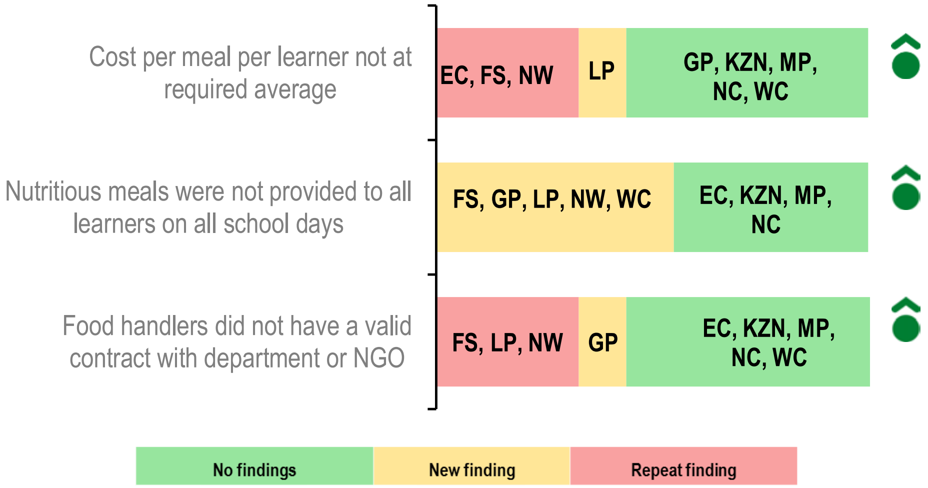
There were deficiencies in procuring service providers, complying with the DoRA grant requirements and monitoring and managing food handlers. It was also envisaged that through this grant, the learner attendance would improve, as would school enrolments.

Figure 13: NSNP budget per province



The approved total budget for the NSNP was R 5,4 billion during the 2014-15 financial year. Our audit identified the findings within the NSNP programme as detailed below based on a sample of schools selected across all nine provinces.

Figure 14: Findings on identifying needs and planning for NSNP



Cost per meal per learner not at required average	🟥 EC, FS, NW	🟨 LP	🟩 GP, KZN, MP, NC, WC
Nutritious meals were not provided to all learners on all school days	🟨 FS, GP, LP, NW, WC	🟩 EC, KZN, MP, NC	
Food handlers did not have a valid contract with department or NGO	🟥 FS, LP, NW	🟨 GP	🟩 EC, KZN, MP, NC, WC

🟩 No findings 🟨 New finding 🟥 Repeat finding

Project management

Figure 15: Services delivery findings at provincial level in the NSNP

Key findings

The NSNP meals were not prepared according to the recommended menu in seven of the nine provinces. There were inadequate controls, mainly as a result of a lack of coordination among the DBE, PEDs, district officers and schools to ensure that the service delivery objectives of the NSNP were achieved.

The PEDs did not always monitor the implementation of the NSNP and did not provide the necessary support to districts and schools.

In four provinces, we could not determine whether schools monitored the attendance of food handlers due to lack of appropriate evidence. The lack of monitoring is evident in the non-compliance with the NSNP requirements.

Sustainable food production and nutrition education were not promoted at schools selected for audit in three provinces. District managers did not always monitor the initiative annually at the schools as required by the NSNP DoRA framework.

Focus area 6: School finance management

Service delivery objective

Schools across the country receive state funds from the PEDs in terms of the national norms and standards for school funding (NNSSF). Further transfers are made to schools for special projects e.g. maintenance, feeding scheme, etc. Schools also receive additional funding in the form of school fees (school fee paying schools), monetary donations, fundraising activities, etc.

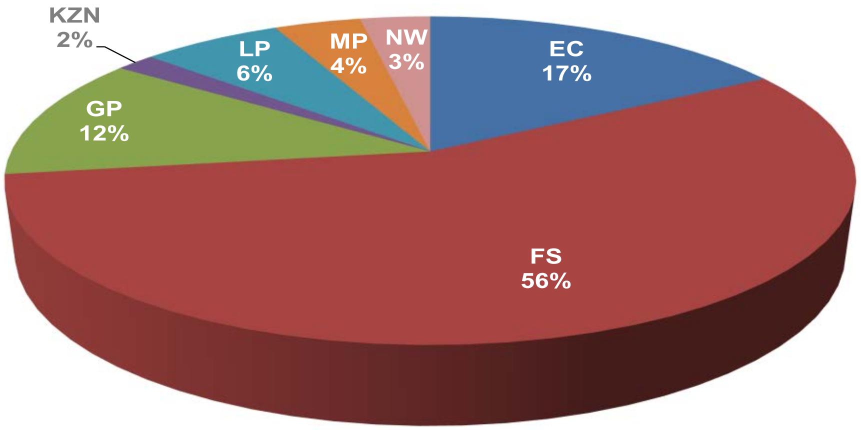
Why we audited school finance

Creating an environment of good financial management and disciplines at all spheres of government within the legislative framework is of utmost importance. The South African Schools (Act 84 of 1996) (SASA), requires the appointment of auditors that are suitably qualified to audit financial statements of all schools to ensure school finances are used for the purposes intended. This focus area was audited for the first time in the 2014-15 financial year to determine the status of compliance with SASA.

Highlight

There were shortcomings in the management of school finances as a result of non-compliance with the SASA.

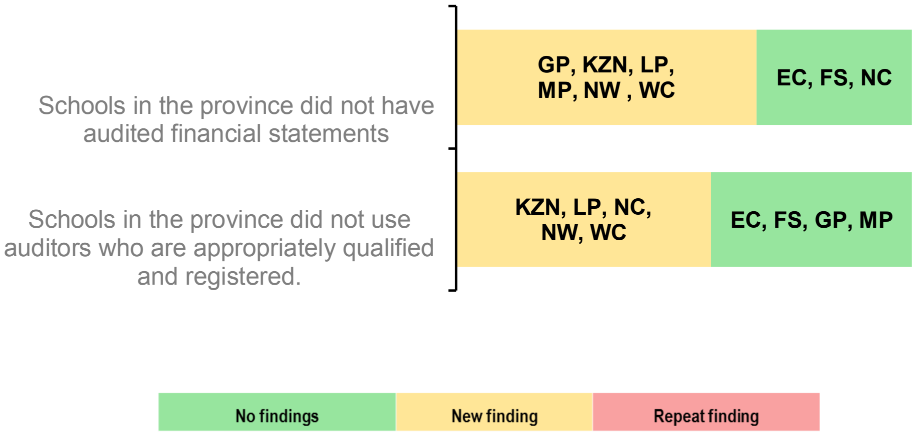
Figure 16: School finance per province



The approved total budget was R15 billion for the PEDs. Our audit identified the risk and control deficiencies within the schools' finance. We visited a sample of schools across all nine provinces

Project management

Figure 17: Findings on the management of school



Schools in the province did not have audited financial statements	🟨 GP, KZN, LP, MP, NW , WC	🟩 EC, FS, NC
Schools in the province did not use auditors who are appropriately qualified and registered.	🟨 KZN, LP, NC, NW, WC	🟩 EC, FS, GP, MP

🟩 No findings 🟨 New finding 🟥 Repeat finding

Key findings

The status and use of school finances in some of the schools audited could not be determined because the financial statements of these schools were either not audited or the appointed auditors were not qualified as per the SASA criteria. Where school finances were not audited, there is a risk that instances of fraud may not have been detected. Assurance on spending funds cannot be verified without audited financial statements.

Focus area 7: Implementation of skills development by Sector Education and Training Authorities

Service delivery objective

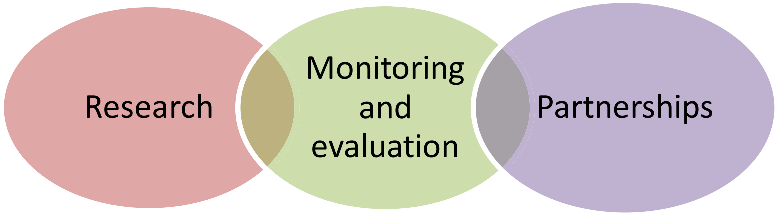
Skills development in South Africa is managed through a number of legislations and strategies. Amongst them are *National skills development strategy III* (NSDS III), *Human resources development strategy 2010 – 2030*, Skills Development Act of 2008 and the *White paper on post-school education and training*.

The NSDS III is the overarching strategic guide for skills development and implementing sector skills planning. The NSDS III emphasises relevance, quality and sustainability to ensure that skills development strategies have a positive impact on poverty and unemployment reduction.

Why we audited implementation of skills development

The following three focus areas, as derived from NSDS III goals and outcomes, informed the 2014-15 skills development sector audit.

Figure 18: Focus areas



The NSDS III requires that the national need for skills development is researched, documented and communicated to enable effective skills planning. The Sector Education Training and Authority (SETA) budgeted R103,8 million for research in the 2014-15 financial year to ensure that sector skills plans (SSPs) addressed the sectors' skills need. Our review of the research reports was limited to:

- Determining whether research was undertaken
- Identifying the priority skills as contained in the research reports.

According to the NSDS III, it is important that monitoring and evaluation is not seen as an add-on or a function performed externally or independently of skills development initiatives. SETAs must conduct consistent monitoring and evaluation of implemented skills programmes, with findings shared and verified through mechanisms established by the Department of Higher Education and Training (DHET). The DHET, in turn, will align its monitoring and evaluation systems over the deliverables and impact of SETAs with government-wide frameworks.

Figure 19: Actual contribution to SETAs and the National Skills Fund

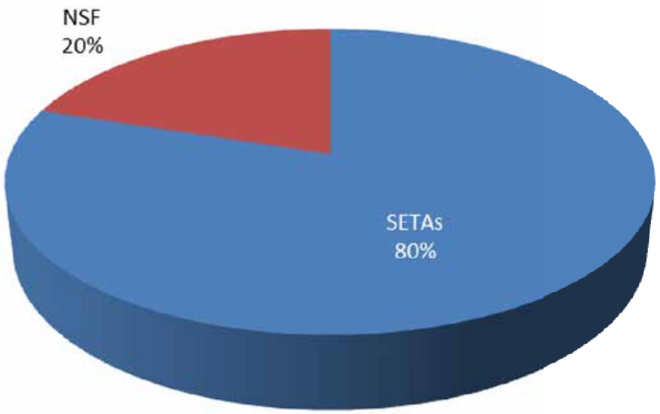
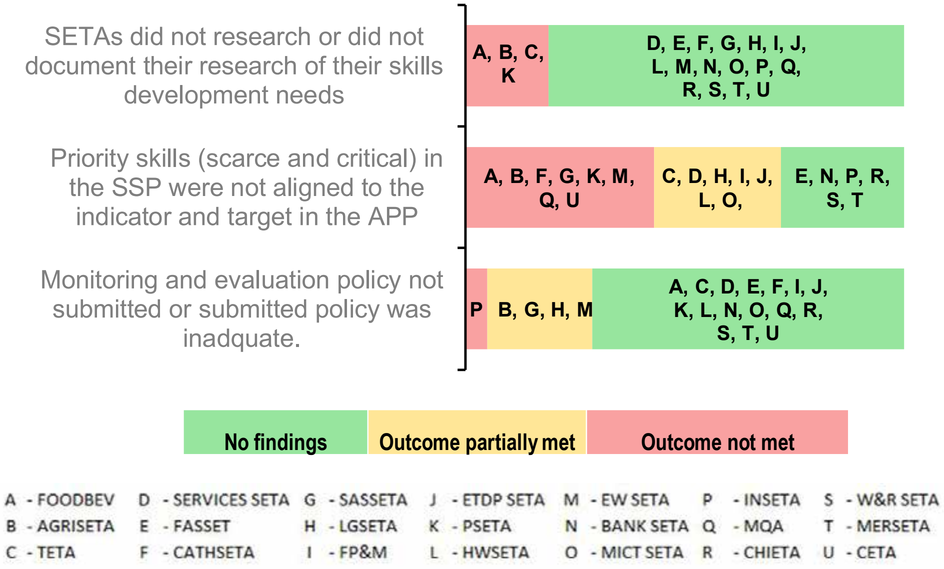


Figure 20 depicts the allocation between SETAs and National Skills Fund (NSF). In 2014-15, the SETAs and NSF received R13,8 billion for skills development.

Figure 20: Findings on skills development



SETAs did not research or did not document their research of their skills development needs	🟥 A, B, C, K	🟩 D, E, F, G, H, I, J, L, M, N, O, P, Q, R, S, T, U	
Priority skills (scarce and critical) in the SSP were not aligned to the indicator and target in the APP	🟥 A, B, F, G, K, M, Q, U	🟨 C, D, H, I, J, L, O,	🟩 E, N, P, R, S, T
Monitoring and evaluation policy not submitted or submitted policy was inadquate.	🟥 P	🟨 B, G, H, M	🟩 A, C, D, E, F, I, J, K, L, N, O, Q, R, S, T, U

🟩 No findings 🟨 Outcome partially met 🟥 Outcome not met

A - FOODBEV	D - SERVICES SETA	G - SASSETA	J - ETDP SETA	M - EW SETA	P - INSETA	S - W&R SETA
B - AGRISETA	E - FASSET	H - LGSETA	K - PSETA	N - BANK SETA	Q - MQA	T - MERSETA
C - TETA	F - CATHSETA	I - FP&M	L - HWSETA	O - MICT SETA	R - CHIETA	U - CETA

Key findings

Cross-cutting sector skills were not effectively coordinated to ensure that the required demand and supply of skills in the relevant sectors were met.

Eight SETAs did not submit information on aligning the priority skills identified during the research phase to the SSP and APP. As a result, we were unable to determine whether these eight SETAs were aligned or not.

Priority skills (scarce and critical) in the SSP were not aligned to indicators and targets in seven SETAs' APPs. Non-alignment to the APP of the priority skills as identified in the SSP will result in the skills needs of the country not being addressed.

The DHET did not sufficiently monitor and evaluate SETAs' output to ensure that the priority skills identified in the research phase were addressed and had the desired impact on skills development

Root causes and recommendations

Inadequate attention to daily management disciplines

- Weaknesses in managing the acquisition of goods and services for school nutrition, learner transport and learner teacher support material were a result of weak planning and limited needs assessments.
- Record keeping in the area of teacher professional development was also a challenge.

Recommendations

- Implement good management and operational practices, which will ensure that the correct procedures are followed, accurate information is captured, procurement processes run smoothly and an effective service is provided.
- The sector must instil a culture of proper record keeping, enabling effective monitoring and evaluation. The national department, in conjunction with PEDs, should also establish a system to capture and verify teacher development data across provinces and districts.

Slow response by the political leadership and senior management in addressing the root causes of poor audit outcomes

- Ineffective coordination between the various departments (PEDs and DBE) and principal actors (schools and district offices) resulting in LTSM being delivered in the incorrect languages and after the required time.
- The roles and responsibilities, particularly for learner safety, were not clarified, resulting in ineffective LTS coordination.
- Slow response by PEDs to address matters previously reported and their failure to implement the milestones contained in the action plans developed.
- Monitoring the work performed on behalf of the DBE, DHET and PEDs was not always undertaken as a result of capacity constraints.
- SETAs' strategic plans and annual performance plans were prepared without always considering the outcomes from the research and SSPs. This resulted in the misalignment between the SSPs and annual performance plans.

Recommendations

- The leadership of the education sector must identify the capacity needed to provide support in all areas of administration with the intention of addressing matters delaying good administration and service delivery.
- The leadership of the education sector must address matters of poor coordination within the education sector that results in poor performance.
- The national, provincial and district units responsible for teacher development should establish a unified approach to ensure effective planning, implementation and evaluation of training interventions.
- The DHET in conjunction with the SETA's must establish a centrally managed research and planning system to coordinate, monitor and evaluate research and planning conducted for the SETAs.

Lack of consequences for poor performance and transgressions

- The PFMA places the responsibility for creating robust financial and performance information systems, and ultimately delivering services to the public, with the accounting officer. The accounting officer in turn manages the performance of all staff within the department through the performance management system.
- Our audit findings indicate the lack of consequences for poor performance and transgressions resulting in repeat findings and action plans developed not being implemented as desired. It is the responsibility of the accounting officer to consider the performance of all staff in relation to their job descriptions.
- Leadership has allowed an environment of complacency by not holding the officials responsible accountable for poor performance and for non-compliance with legislation.

Recommendation

- To improve the performance and productivity of officials, leadership should set the tone by implementing sound performance management processes, evaluating and monitoring officials' performance, and consistently demonstrating that poor performance has consequences.

Key commitments from role players

A summary of the commitments made by the minister of Basic Education, MECs, the directors-general of DBE and DHET and heads of departments to improve the education sector, as well as the current implementation status, are included below.

Commitments implemented

- The minister of Basic Education held regular meetings with district directors to discuss the challenges facing them as they are considered to be necessary to ensuring quality basic education is realised.
- The minister of Higher Education and Training, in conjunction with the SETAs, identified project management as a scarce skill that needs to be addressed in the public sector.

Commitments in progress

- The minister of Basic Education and the director-general of the DBE will focus their efforts on improving the coordination between national and various departments considered to be their external stakeholders (provincial education departments, Department of Higher Education and Training and provincial departments of Transport) and other key principal actors (e.g. National Treasury with regard to the use of EIS earmarked funds).
- The minister of Basic Education realises the need for the identification and creation of appropriate capacity in key service delivery programmes for which the national department is responsible for. The minister is committed to strengthening the monitoring of provincial education departments. This is presently done via the strategic review sessions where the effectiveness of the current controls is assessed. Strengthening the monitoring function of the national department will be achieved through reviewing the current processes in place, and identify ways to improve these processes.
- The lack of consequence management, particularly with regard to grants disbursed to PEDs, was agreed to be lacking mainly because of the challenges in dealing with concurrent functions. In this regard, the minister through the director-general committed to creating a platform to drive key strategic direction and to hold PEDs accountable for redress or to take corrective steps where shortcomings are identified.
- The Minister of Basic Education, through the director-general of the DBE, committed to reviewing the adequacy of the present processes to ensure that daily and monthly checks and balances relating to financial and performance reporting functions are effective to encourage clean administration and detect non-compliance with laws and regulations. Action and improvement plans will be developed to address the gaps in the current processes. These will be communicated to the AGSA for inputs and the review of progress being made.
- DHET and DBE have been working together to address the quality and shortage of and demand for trained educators in an effort to expand teacher education capacity in the country in line with the strategies described in the *Integrated strategic planning framework for teacher education and development in South Africa, 2011-2025.* Capacity is being further increased with the two new universities offering a full range of teacher education programmes and re-opening some of the teaching college campuses that had been closed down. DHET works with the DBE, and provincial teacher education and development committees to ensure better alignment between the production of teachers and provincial needs. The impact of these initiatives is evident in the increase in enrolments and graduations in teacher education programmes.
- The minister of Higher Education and Training formally announced the creation of an additional deputy director-general post to increase capacity in the DHET to deal with adult education. The due date for implementation is 31 March 2016.

8.3 Infrastructure – health and education

Why we audited health and education infrastructure

Investments in infrastructure are crucial to achieving sustainable development and empowering communities. It has long been recognised that economic growth and improvements in health and education outcomes require investment in new infrastructure as well as routine maintenance of existing infrastructure.

We focused on infrastructure development and maintenance in the sectors of health, and basic and higher education

Health

Public health infrastructure is a fundamental pillar to building a successful national health insurance programme. However, according to the NSDA, the current public health infrastructure cannot adequately support the service delivery needs of the country. Health facility planning, including providing new hospitals and clinics and upgrading established facilities, needs to be expedited to increase citizens' access to a high standard of health care facilities.

Basic education

Infrastructure in the education sector should provide a safe environment for effective teaching and learning. The South African education landscape is marked by the unequal provision of infrastructure among and within provinces, especially in rural areas. Some schools still experience historical backlogs of buildings, facilities and access to basic services (water, electricity and sanitation).

To address infrastructure needs and backlogs, the Department of Basic Education, PEDs and treasuries are focusing on making sure that all schools meet the minimum infrastructure standards and that all inappropriate infrastructure is eradicated and replaced by 2017.

Higher education

The DHET identified colleges as one of the key priorities in the *White paper on post-school education and training*. It plans to construct 12 new, and refurbish two existing, TVET college campuses to give effect to the national skills development strategy and promote growth in the public college system. Although the department's target was to construct 12 TVET college campuses in four provinces, construction has only commenced on three projects. The audit was on the project planning process, appointment of consultants and project management at two facilities.

What we audited

We audited five phases of the infrastructure process. These are:

- **Demand management** (start of the supply chain process where the needs analysis is performed to determine the specifications of the infrastructure project and the quantities of goods and services required)
- **Acquisition management** (critical supply chain process that involves; compiling bid documents, determining evaluation criteria, inviting bids, evaluating bids and awarding contracts)
- **Project management** (coordination and monitoring of suppliers and contractors against agreed upon deliverables)
- **Commissioning and use** (effective use of infrastructure as determined during the demand management process)
- **Maintenance of infrastructure** (to ensure the durability and sustainability of infrastructure, routine maintenance is required on all infrastructure assets).

8.3.1 Health Infrastructure

Service delivery objective

Health infrastructure is funded using a variety of sources. This audit focused only on projects funded by the health facility revitalisation grant. The purpose of the health facility revitalisation grant is to provide funding that enables provinces to plan, modernise, rationalise and transform the infrastructure and health technology at facilities, to monitor and evaluate hospital management and to improve the quality of care in line with national policy objectives.

Health facility revitalisation grant

The health sector remains a priority for government and receives a large share of voted government funding. For the 2014-15 financial year, the health facility revitalization grant amounted to R5,5 billion (2013-14: R5,3 billion). Figure 1 shows the allocations to provinces.

Figure 1: DoRA allocation per province

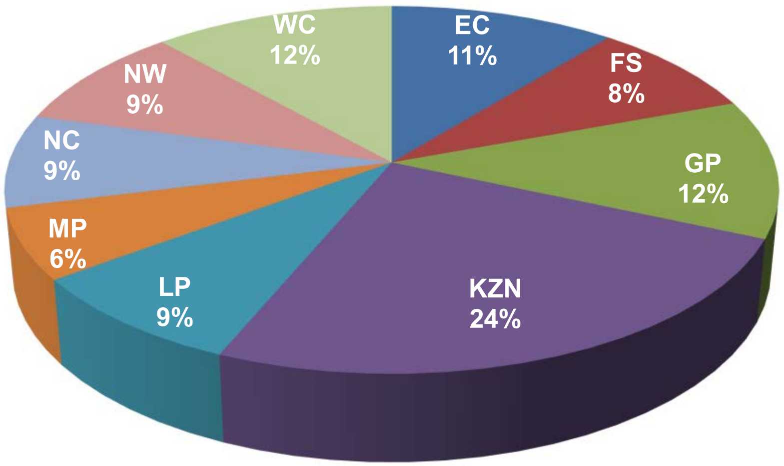
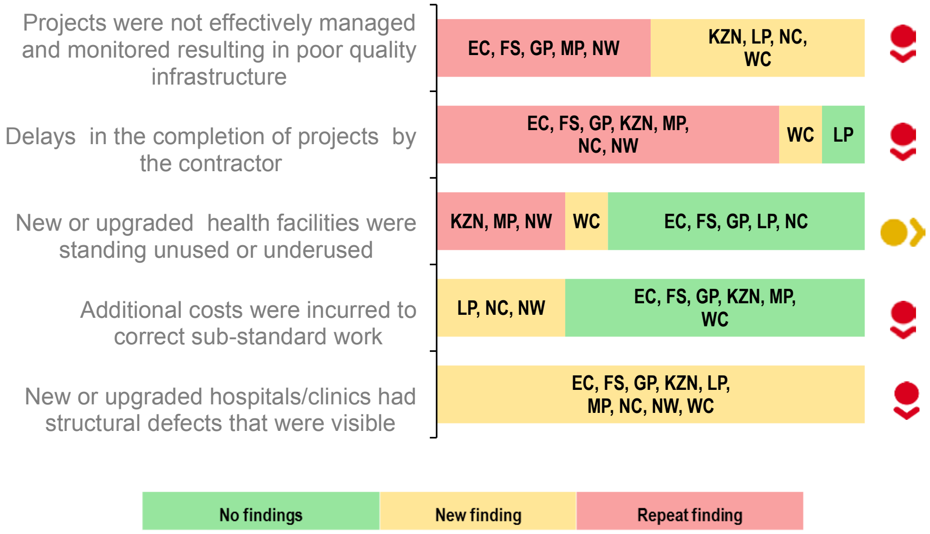


Figure 2: Findings on infrastructure - health



Projects were not effectively managed and monitored resulting in poor quality infrastructure	🟥 EC, FS, GP, MP, NW	🟨 KZN, LP, NC, WC		↓
Delays in the completion of projects by the contractor	🟥 EC, FS, GP, KZN, MP, NC, NW	🟨 WC	🟩 LP	↓
New or upgraded health facilities were standing unused or underused	🟥 KZN, MP, NW	🟨 WC	🟩 EC, FS, GP, LP, NC	→
Additional costs were incurred to correct sub-standard work		🟨 LP, NC, NW	🟩 EC, FS, GP, KZN, MP, WC	↓
New or upgraded hospitals/clinics had structural defects that were visible		🟨 EC, FS, GP, KZN, LP, MP, NC, NW, WC		↓

🟩 No findings 🟨 New finding 🟥 Repeat finding

Key findings

Project management

Projects in all nine provinces were not managed effectively. This resulted in slow progress on construction sites and poor quality workmanship.

Structural defects on some projects were not detected in a timely manner, which contributed to significant delays in completing critical projects in eight provinces.

We found issues of non-compliance with the South African National Building Standards. This resulted in projects in all provinces showing signs of inadequate design and quality, and structural defects due to poor workmanship by the contractor (as indicated in the figure above).

Poor project scope management also resulted in cost escalations. In three provinces, the departments incurred additional costs to correct the sub-standard work of contractors whose contracts had been terminated. At times, contractors were kept on although their contracts should have been terminated for poor performance..

Implementing agents were used extensively by all departments. Public Works departments in five provinces (Gauteng, North West, the Northern Cape, KwaZulu-Natal and Mpumalanga) did not effectively manage and monitor infrastructure projects.

Project management was sometimes outsourced to external service providers. In these cases, departments were not adequately involved in project oversight, which contributed to the slow pace and poor quality produced by contractors.

Commissioning and use

The delays in construction due to ineffective project management had a ripple effect on service delivery. Facilities were not ready for use on the envisaged dates. As a result, there were delays in the commissioning and using facilities in four provinces. This led to some facilities being either not used due to changes in the provinces' needs or redesigned due to the scope changes required. Other facilities were underused due to poor planning; as a result, there were wards in North West, Mpumalanga and KwaZulu-Natal that were converted and not used for their initially intended purposes.

Maintenance of existing health infrastructure

To ensure the durability and sustainability of infrastructure development, government departments are required to develop a strategy to manage and maintain all existing infrastructure. Departments are therefore required to develop user assessment management plans (UAMPs) in which they document their infrastructure sustainability needs. All the provinces had UAMPs in place; therefore, assessed whether this indicated that infrastructure maintenance in health facilities was effectively managed.

Although maintenance was done, we were unable to get documented facility-level maintenance plans that outlined maintenance needs in all provinces.

We noted the misalignment between the UAMPS and the roll out of maintenance at the facility level. Our site visits identified significant building deterioration at some facilities in all provinces, indicating that maintenance had not received the necessary attention. We will therefore focus on planning for maintenance and the quality of its implementation during the next audit.

Root causes

The following root causes were identified:

- A slow response by the political leadership and senior management in addressing the root causes of poor audit outcomes. We have audited infrastructure for more than five years. We have discussed the findings and the root causes with the minister and the MECs and made recommendations for improvements for each audit year. The audit results have not shown significant improvements year-on-year
- Effective needs analyses on projects were not always done. This was a result of due diligence not being done effectively during the tender process to identify possible capacity constraints
- Ineffective project oversight and poor contract management by the project manager
- A lack of consequences for contractors, implementing agents and provincial departments that performed poorly
- Norms and standards were approved during the 2014-15 financial year and were not implemented for the projects selected for testing
- Findings can also be attributed to a lack of skilled staff, poor financial management, inadequate SCM processes, a lack of sufficient and capable project managers, and poor coordination between different role players.

Recommendations

- The minister and the MECs should develop an action plan to address the findings raised. The action plan must include specific deliverables within timelines. The action plan must be regularly monitored by the leadership. Responsible officials must be held accountable for not achieving milestones contained in the action plans.
- Leadership should set the tone by implementing sound performance management processes, evaluating and monitoring official's performance and consistently demonstrating that poor performance has consequences.
- Provincial health departments should be involved in comprehensive needs determination, needs analyses and SCM processes, especially where this is done by implementing agents. The designs must be signed off by the responsible department of health after confirming adherence to approved health norms and standards.
- Clearly defined project deliverables should be outlined and project managers should be held accountable for non-delivery. This should include monitoring current expenditure against the progress of projects and available funds, monitoring quality against specifications and addressing risks identified.
- Approved norms and standards should be effectively rolled-out and implemented for all future projects.
- Provincial health departments should assess the capability and capacity of contractors to complete large scale projects.

8.3.2 Basic education infrastructure

Service delivery objective

The overall purpose of the education infrastructure grant (EIG), which includes the accelerated school infrastructure delivery initiative (ASIDI) is to help accelerate the construction, maintenance, upgrade and rehabilitation of new and existing infrastructure and to enhance the capacity to deliver infrastructure within the education sector.

We visited a sample of 68 schools, 31 of which were constructed as part of the national department's ASIDI. This programme, which is funded by the school infrastructure backlogs grant, implements projects in provinces to replace inappropriate infrastructure and provide water, sanitation and electricity to schools.

Deficiencies were noted in addressing matters related to planning for school infrastructure, procuring contractors, effective project management, project closure, usage and maintenance management.

Budget

For the 2014-15 financial year, the infrastructure budget was R9,8 billion, which was segmented into:

EIG	R6,9 billion
ASIDI	R2,9 billion.

Figure 3 shows the allocation to provinces.

Figure 3: Infrastructure budget per province – DBE

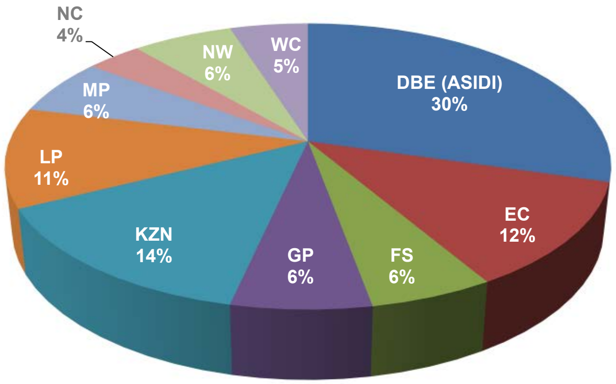
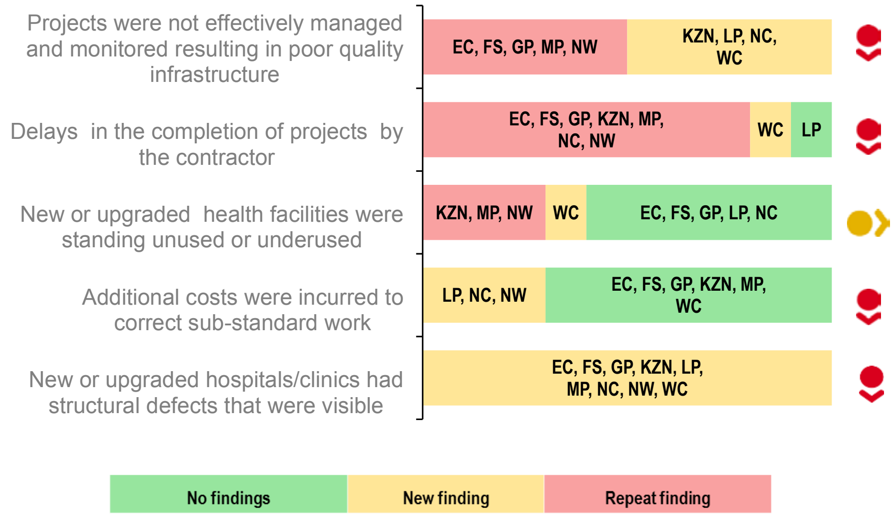


Figure 4: Findings on infrastructure



Projects were not effectively managed and monitored resulting in poor quality infrastructure	🟥 EC, FS, GP, MP, NW	🟨 KZN, LP, NC, WC		●
Delays in the completion of projects by the contractor	🟥 EC, FS, GP, KZN, MP, NC, NW	🟨 WC	🟩 LP	●
New or upgraded health facilities were standing unused or underused	🟥 KZN, MP, NW	🟨 WC	🟩 EC, FS, GP, LP, NC	●
Additional costs were incurred to correct sub-standard work		🟨 LP, NC, NW	🟩 EC, FS, GP, KZN, MP, WC	●
New or upgraded hospitals/clinics had structural defects that were visible		🟨 EC, FS, GP, KZN, LP, MP, NC, NW, WC		●

🟩 No findings 🟨 New finding 🟥 Repeat finding

* Maintenance was a new focus area for 2014-15 and hence a trend analysis is not available

Key findings

Demand management

Three provinces (Eastern Cape, Limpopo and North West) did not submit their complete planning documentation. In two provinces (Eastern Cape and Limpopo), the infrastructure needs were not correctly identified/prioritised as insufficient information was used during the needs determination process.

Implementing agents appointed by the DBE were sometimes unable to provide planning assessment reports such as geology and hydrological studies. These should have been available prior to implementing the water infrastructure projects at various schools.

Acquisition management

In the Free State, North West and Northern Cape, irregularities were found in how contractors were appointed to work on school infrastructure for the ASIDI project.

Non-compliance was identified with the SCM regulations, in particular with the Construction Industry Development Board (CIDB) requirements. This was mainly because the PEDs did not oversee the SCM process.

In many cases, contracts had to be terminated and handed over to qualifying contractors, resulting in increased costs.

The PEDs and DBE, together with implementing agents, did not adequately establish the capacity of the contractors to finance and complete the projects before awarding the contracts.

Project management

In seven provinces major delays in completing infrastructure projects were due to the lack of monitoring and oversight by the education departments and their implementing agents.

Defects in the quality of work, such as cracked walls and floor slabs, emerged at many schools in the nine provinces. This was a direct result of inadequate structural strength due to inadequate design, specifications and scope, and incorrect construction methods.

Issues of deficient project execution and poor contract and scope management resulted in major delays in the construction phase in eight provinces. Project costs, time and risks were also not well-managed.

Seven provinces (EC, GP, KZN, MP, LP, NC and NW) had major delays in completing infrastructure projects and in two provinces (EC, NC) the delays were due to time extension and underperforming contractors.

Commissioning and use

Until a project is implemented, commissioned and in use, it has not achieved its objective. Our audits found cases where projects were not commissioned and in use, or were used for purposes other than those intended.

In the Eastern Cape, KwaZulu-Natal, Limpopo and North West some classrooms, computer rooms and libraries stood empty because furniture and equipment had not been delivered. These rooms, intended for educational purposes, were sometimes used for storage or other purposes.

In an attempt to obtain school furniture in the Eastern Cape, the DBE procured school furniture using the school infrastructure backlogs grant. However the grant was intended to replace unsafe structures and provide water, sanitation and electricity to all schools, and not to procure school furniture. As a result, expenditure in this regard was disclosed as irregular expenditure.

Maintenance of existing school infrastructure

Targets and time frames set for the routine maintenance of school infrastructure were not achieved in four of the nine provinces.

PEDs cancelled or closed maintenance projects budgeted for the 2014-15 reporting period and backlogs scheduled for maintenance were not always attended to.

8.3.3 Higher education infrastructure

Service delivery objective

The overall purpose of the funds is to help accelerate the construction, maintenance, upgrade and rehabilitation of new and existing TVET infrastructure in higher education and to enhance the capacity to deliver TVET infrastructure in higher education.

TVET college infrastructure budget

R2,5 billion was allocated to construct the 12 TVET colleges and refurbish two existing TVET colleges.

Figure 5: Infrastructure budget per campus

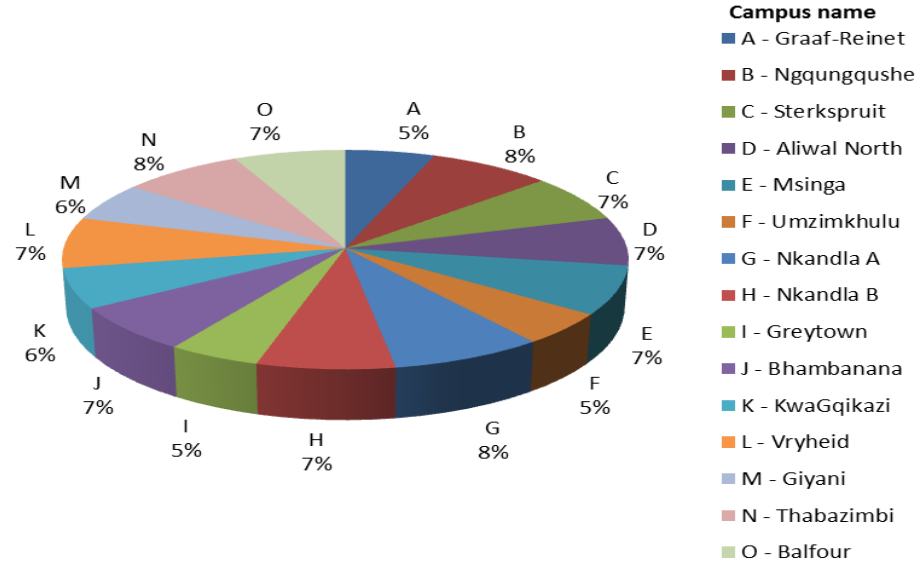
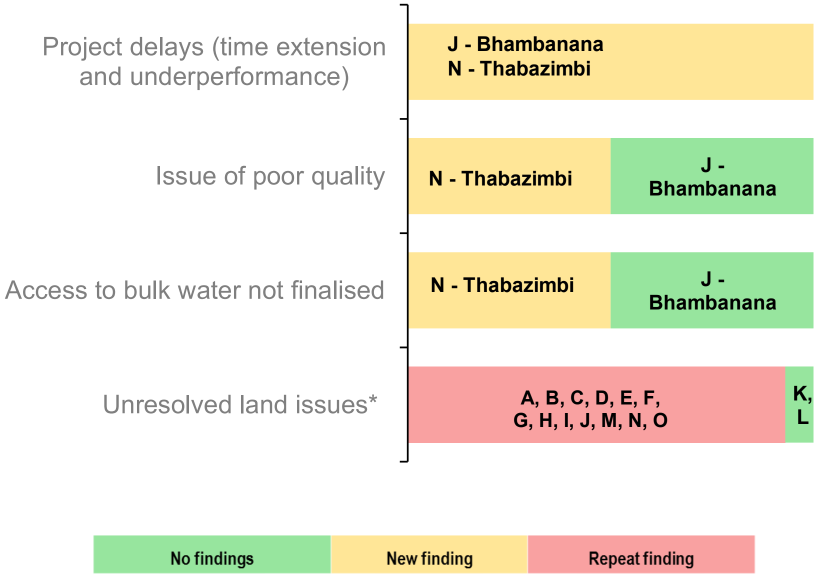


Figure 6: Project management and monitoring infrastructure



* Refer to figure 5 for name of campus

Key findings

The DHET appointed a consulting team to implement the programme, but there was no evidence of a needs assessment or a business case that could confirm how the requirements on timelines, experience and qualifications were determined to appoint the programme implementation team (PIT).

The department did not follow a transparent process to appoint the PIT. There was no indication of a bidding or recruitment process. Although the PIT was originally established for 12 months from April 2013 to March 2014, the consultants' contracts were extended for a further 24 months.

Challenges with the tender process for the 12 new TVET colleges resulted in contractors not being appointed at nine TVET colleges. Two construction contracts with a total value of R361 447 760 were awarded to contractors whose CIDB grading is below the grading required for the value of their contracts. The tender evaluation process for these contractors also showed inconsistent scoring of the functionality criteria.

The contractor that was appointed for the Bhambanana site failed to adhere to the Department of Environmental Affairs requirements.

There were no bulk water services on the Thabazimbi site. The quality of the workmanship at the Thabazimbi site was poor due to the contractor not adhering to engineering design specifications.

Transfer of land ownership was still outstanding and there was slow or no movement on the land availability of 13 sites. However, the process for the transfer of land has begun on 11 sites.

Root causes and recommendations (basic and higher education)

Lack of consequences for poor performance and transgressions

The lack of consequences for poor performance and transgressions resulted in matters previously reported being repeated and action plans developed not being implemented as desired.

Recommendations

The ability to successfully manage consequences is an important part of improving service delivery and ensuring effective performance. The education sector could have benefited from holding various role players (partner departments e.g. provincial departments of transport, officials, suppliers, implementing agents, contractors, district officers and others) accountable for their performance. Contracts and individual performance agreements would set a measure of what is expected so that appropriate steps could be taken where performance was not at the level expected.

Inadequate monitoring and evaluation processes

The PEDs did not adequately manage, monitor and oversee implementing agents and contractors because the capacity required to perform this responsibility was not always determined. This had a negative impact on the quality of the infrastructure delivered.

The procurement process for priority maintenance, submitted by the district offices, was often delayed and the sites were not handed over to winning bidders to start with construction maintenance.

Matters reported over a number of years had not been adequately addressed. The latter is a result of the slow response by PEDs to address matters previously reported and a failure to implement the milestones contained in the action plans.

Oversight and monitoring across all phases of the infrastructure process were lacking, particularly of the work performed on behalf of the DBE, DHET and PEDs by implementing agents and contractors.

Recommendations

Departments should fill vacant positions with appropriately skilled personnel to perform the functions necessary to support the department.

Cooperation between all stakeholders in education including national departments and PEDs, districts, schools and institutions of higher learning should be coordinated.

8.4 Human settlements sector

Introduction

This section contains a summary of the sector findings raised for the national and provincial departments of Human Settlements for the financial year ended 31 March 2015.

The priority areas for the sector are mainly derived from the MTSF and the national housing code.

The MTSF envisions the transformation of human settlements in South Africa into equitable and efficient spaces with citizens living in close proximity to work, with access to social facilities and necessary infrastructure. The country's overarching outcome is sustainable human settlements and improved quality of household life.

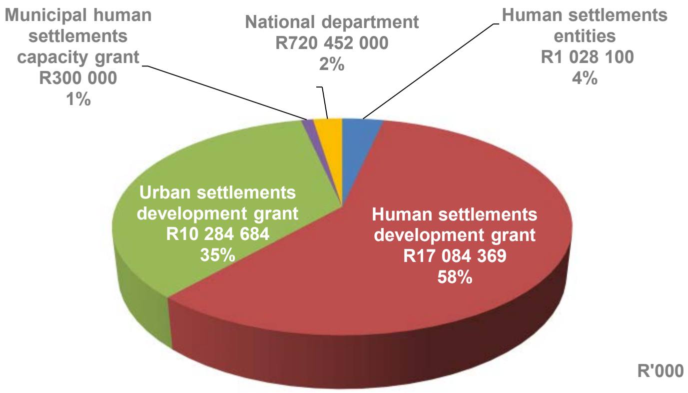
To achieve this vision, the human settlements sector drives effective programmes to achieve the following:

- Output 1: Adequate housing and improved quality living environment
- Output 2: A functionally equitable residential property market
- Output 3: Enhanced institutional capabilities for effectively coordinating spatial investment decisions.

Human settlements sector budget

The human settlements sector remains a priority for government and receives a substantial amount of government funding. For the 2014-15 financial year, the sector received grants to the value of R27,7 billion (2013-14: R26,1 billion).

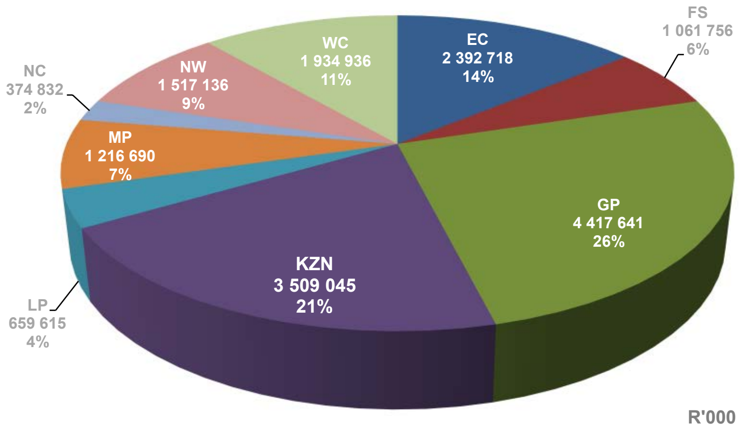
Figure 1: Allocated budget for the 2014-15 financial year



The human settlement development grant (HSDG) of R17,1 billion (2013-14: R17 billion), which is transferred to the provinces, represents the most significant portion of the budget.

The urban settlements development grant (USDG) is transferred directly to the metropolitan municipalities by the national department. Auditing this grant is thus aligned to the Municipal Finance Management Act audit cycle.

Figure 2: HSDG allocation per province for the 2014-15 financial year



Sector focus areas

For the year under review, we focused on **Output 1**: Adequate housing and improved quality living environments. This requires quality housing to be provided with security of tenure, access to basic services and within sustainable human settlements. The following service delivery focus areas of the human settlements development grant were selected:

- Compliance with requirements of human settlements development grant
- Management of individual housing subsidies
- Monitoring the appropriate use of transfer payments, including those used for rectification projects and advance (tranche) payments to municipalities for building houses.

The key findings arising from this review are discussed further in this section.

Focus area 1: Compliance with requirements of the human settlements development grant

Service delivery objective

This grant is intended to provide access to basic infrastructure, building structures and basic social and economic amenities that contribute to the creation of sustainable human settlements.

Why we audited the human settlements development grant

The provision of adequate housing is at the core of the human settlements MTSF. The human settlements sector aims to provide 1 495 million housing opportunities in quality living environments during the MTSF period.

The HSDG had the following key outputs for the 2014-15 financial year:

- Number of residential units delivered in each housing programme
- Number of serviced sites delivered in each housing programme.

We audited compliance with the DoRA 2014 and the human settlements development grant (HSDG) framework to ensure enhanced performance and monitoring of the grant, as required by the legislation.

Highlight

For the year ended 31 March 2015, the national Department of Human Settlements reported that 95 210 top structures (2013-14: 103 130) and 49 420 serviced sites (2013-14: 41 224) were delivered through the HSDG funding. This represents an achievement of 92% of the planned top structures and 114,1% of planned serviced sites.

It must be noted however, that differences were again identified between the planned and actual delivery reported in the national annual report, and those of the individual provinces.

Figure 4: Comparison of spending with delivery of key targets per province

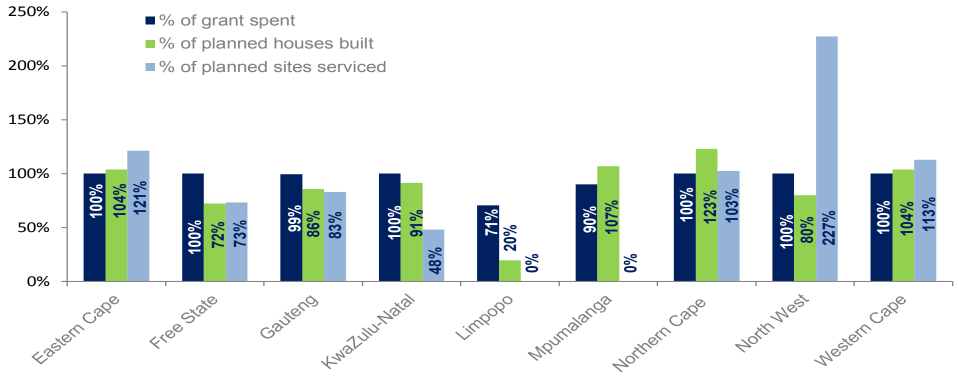
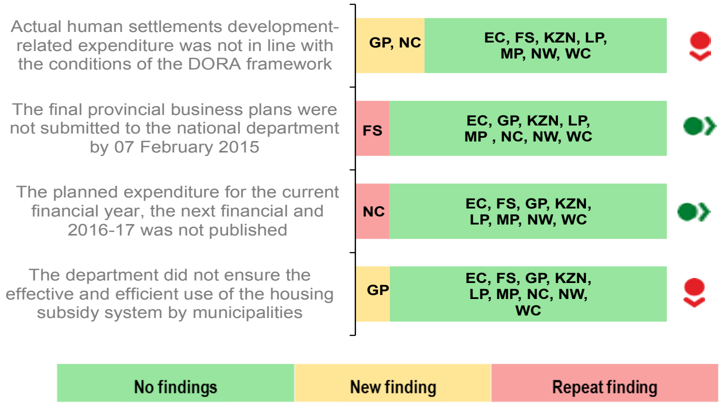


Figure 3: Findings on compliance with HSDG legislation



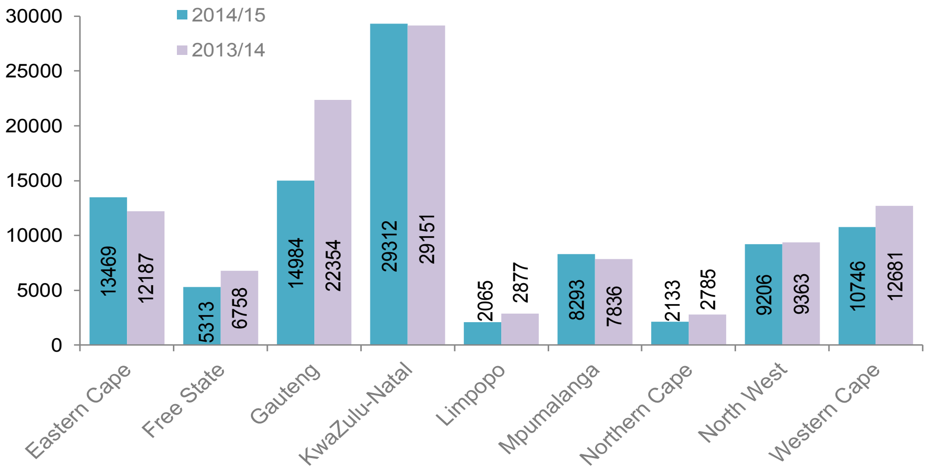
Actual human settlements development-related expenditure was not in line with the conditions of the DORA framework	GP, NC	EC, FS, KZN, LP, MP, NW, WC	●
The final provincial business plans were not submitted to the national department by 07 February 2015	FS	EC, GP, KZN, LP, MP , NC, NW, WC	●
The planned expenditure for the current financial year, the next financial and 2016-17 was not published	NC	EC, FS, GP, KZN, LP, MP, NW, WC	●
The department did not ensure the effective and efficient use of the housing subsidy system by municipalities	GP	EC, FS, GP, KZN, LP, MP, NC, NW, WC	●

🟩 No findings 🟨 New finding 🟥 Repeat finding

Key findings

Due to the proper design, implementation and monitoring of the action plans, the Eastern Cape, Mpumalanga and Western Cape were able to address the findings previously raised in this focus area. Gauteng used the HSDG for bulk infrastructure which is not in line with the grant framework.

Figure 5: Comparison of housing delivery per province 2014-15 vs 2013-14



Focus area 2: Management of individual subsidies – human settlements development grant

Service delivery objective

The individual subsidy programme aims to provide access to state assistance for qualifying households who wish to acquire an existing house or a vacant serviced residential stand that is linked to a house construction contract, through an approved mortgage loan.

These properties are available in the normal secondary housing market or have been developed, as part of projects not financed through one of the other national housing programmes.

Why we audited the management of individual subsidies

This programme is intended to encourage growth in the secondary residential property market to achieve an objective of the comprehensive plan for the creation of sustainable human settlements.

It is important that only eligible beneficiaries who qualify and meet the required legislative criteria are afforded subsidy assistance. Audit procedures were performed at the nine provincial departments to determine:

- whether individual subsidies were only provided to beneficiaries who met the qualifying criteria
- whether the department achieved its planned target for the year
- whether the contracts with developers were managed properly.

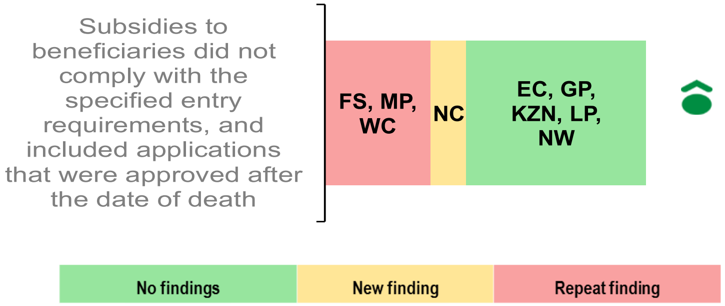
Highlight

The national department reported in its 2014-15 annual report that by 31 March 2015, a total of 120 327 houses (includes houses, flats, community residential units/hostels, finance link individual subsidy programme, and mortgage loans from entities) had been delivered by the subsidy and affordable housing segments. This represents an 80,8% achievement of the annual target of 149 000 houses.

It should, however, be noted that four provinces (Free State, Gauteng, Mpumalanga and North West) had material findings on the reliability of their performance information in their 2014-15 audit reports.

Findings on the management of individual subsidies

Figure 6: Key findings on the management of individual subsidies



This finding was also reported at a number of provinces within the sector, indicating that the action plans to address the finding were inadequate. The finding was a result of not adhering to the required criteria, which is detailed below:

- Subsidies to beneficiaries did not comply with the specified grant entry requirements (FS, MP, NC, WC)
- Subsidies were approved and paid after applicant's date of death (WC)
- Evidence could not be obtained that the department approved only one housing subsidy for the same site/stand (WC)
- Evidence could not be obtained to determine whether subsidies paid to beneficiaries complied with entry requirements (WC).

Focus area 3: Monitoring transfer payments and advances, including funds used for rectification projects – human settlements development grant

Service delivery objective

Provinces must ensure that the municipality implements effective, efficient and transparent financial management and internal control systems before funds are transferred to the municipality. They must further ensure that the municipality uses the funds for the housing projects as required.

Why we audited the management of transfer payments

We audited the management of transfer and advance (tranche) payments to municipalities to ensure that provincial departments:

- appropriately monitored the use of transfer payments and advance payments to municipalities or contractors or any other service provider or implementing agent for building houses.
- transferred funds only to municipalities that have the capacity and ability to maintain a project and complete it successfully.
- transferred funds in compliance with the Housing Act.
- obtained houses from appointed service providers, including municipalities, that met the required quality standards, for funds to be transferred.
- rectified and rebuilt houses according to the policy, in that they were properly built and within the approved and allocated budget.

Concern

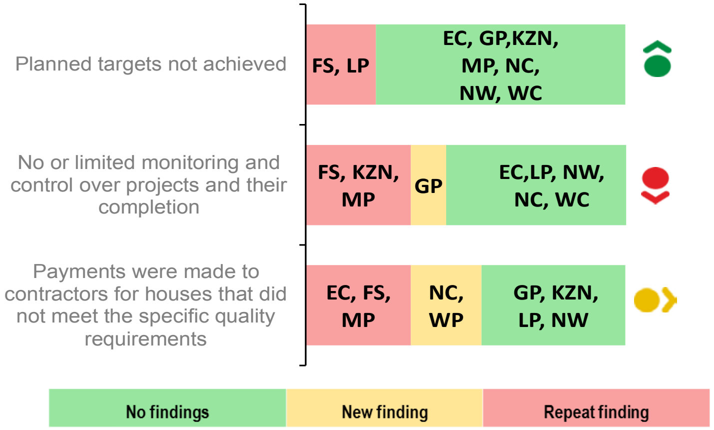
The National Treasury withheld an amount of R560 million from the Limpopo Department of Human Settlements in the 2014-15 year due to deficiencies in its procurement processes. The provincial department had failed to spend its budget in two consecutive years due to inefficiencies in it's tender processes, resulting in the poor performance of actual against planned housing delivery.

Highlight

The National Home Builders Registration Council has deployed an engineer (whom they have employed and paid for) to be permanently situated within each provincial department of human settlements. This is intended to assist with capacitating the provincial departments' project management units with the necessary required technical skills while managing projects and verification to improve quality.

Management of transfer and advance (tranche) payments to municipalities and contractors, including funds used for rectification projects

Figure 7: Findings on the management of transfers and advance payments



Key findings

There has been no improvement in this focus area for the period under review. We visited a sample of projects across all nine provinces and identified the following key findings within the programme management environment:

- The lack of proper needs analysis and inadequate planning had an impact on the level of service delivery at the municipalities regarding their use of tranche payments.
- Payments were made for houses that do not meet the specified quality requirements.
- Project monitoring and control were ineffective to ensure that quality houses were delivered in an efficient manner.

Improvements in the quality of houses were noted in KwaZulu-Natal and North West due to the active involvement of the MEC and head of department. They ensured that staff monitored service delivery and made use of the performance management unit (PMU) to monitor each project before payment was made. However, these improvements were countered by regressions in this area in the provinces of the Northern Cape and Western Cape due to the quality of the houses built not adhering to the required standards.

Root causes and recommendations

The MECs, accounting officers, chief financial officers and chief audit executives of the sector should address the following root causes of the poor outcomes and inadequate controls:

- Management's slow response to addressing matters previously reported
- Inadequate review of subsidy applications to ensure that the applicants meet all the qualifying criteria prior to approving the application
- Inadequate integrated planning between the departments of human settlements and cooperative governance, other sector departments, the private sector and donor institutions. This has caused challenges around the availability of bulk infrastructure for serviced sites, resulting in the planned performance targets in some provinces not being achieved.
- Ineffective monitoring and inspections of housing projects. Defects are not being identified, resulting in beneficiaries receiving poor quality houses.
- Weaknesses in managing accounting officers' and senior management's performance were confirmed in the 2014-15 audit outcomes. Actions against officials were insufficient to hold them accountable for acts that either have led, or have the potential to lead, to negative audit outcomes.

Recommendations

The departments' leadership and senior management should address the weaknesses identified in control environments to improve housing delivery as follows:

- Align the spending patterns with, and improve, the actual achievement of planned targets
- Improve payment processes to ensure that payments are only made where there is actual delivery
- Strengthen the housing subsidy system control environment
- Ensure that the control measures allow only qualifying applicants to receive a subsidy. Any deviations from the approved process should be properly motivated, reviewed and adequately documented
- Improve coordination of efforts by sector role players and individual provincial units
- Enhance integrated planning between the departments of Human Settlements, Cooperative Governance, municipalities and other role players to limit delays that result from limited or no bulk infrastructure
- Increase coordination between the project management and procurement units in Limpopo
- Project monitoring and verification processes should be enhanced
- The portfolio committee must interrogate the correlation between financial and non-financial performance of the HSDG on a quarterly basis.
- The portfolio committee must also monitor commitments made by management of the NDHS in terms of assisting struggling provinces on a continuous basis.
- Add supplementary and independent reviews to existing project monitoring and verification processes to ensure that the verification is aligned to actual delivery
- Educate beneficiaries about the condition of the houses and the reporting mechanisms to report faults
- Enforce performance management on officials and contractors
- Hold officials of the department and inspectors who sign off on houses that do not meet the minimum required norms and standards accountable, and take the necessary disciplinary steps against them
- Enforce retention and penalty clauses on contractors to avoid poor quality workmanship. A database of contractors who provide shoddy workmanship should be maintained for consideration when allocating future projects.

Key commitments from role players

The previous year's commitment to focus on the work-in-progress has been implemented. This commitment was made by the accounting officer of the national Department of Human Settlements to ensure that appropriate value has been obtained. However, the commitment to approach the DPSA to consider revising the current organisational structure of the national department has not yet been finalised. This would allow the national department to attract the necessary skills, including town planners and engineers.

The following new commitments were made by the chief executive officer of the National Home Builders Registration Council to improve the quality of houses delivered:

- The National Home Builders Registration Council will ensure that a minimum of four inspections and a maximum of eight inspections are conducted for each house that is under construction to ensure adherence to building norms and standards.
- The National Home Builders Registration Council will sign off construction work by contractors before any progress payments are made by the departments.

8.5 Public works sector

Introduction

This section contains a summary of the sector findings raised for the national and provincial departments of Public Works for the financial year ended 31 March 2015.

Sector focus areas

The priority areas for the sector are mainly derived from the MTSF and the NDP in line with the Constitution of the Republic of South Africa.

The MTSF envisions a public works system that will:

- provide quality accommodation and related services to clients
- efficiently and effectively manage the immovable assets in the portfolio
- actively contribute to the national goals of job creation and poverty alleviation through the expanded public works programme (EPWP)
- provide expert built-environment advice to stakeholders
- provide strategic leadership to the South African construction and property industries.

The sector contributes directly to the following outcomes listed in the NDP:

- Outcomes 4 and 5: EPWP by creating decent employment through inclusive economic growth and a skilled and capable workforce to support an inclusive growth path.
- Outcome 6: Manage infrastructure projects by providing an efficient, competitive and responsive infrastructure network to deal with infrastructure maintenance, in line with the national infrastructure maintenance strategy. In addition, the public works sector will collaborate with sector departments and rural municipalities to coordinate infrastructure planning for maximum impact in rural areas.
- Outcome 7: Manage accommodation for client departments while contributing to comprehensive rural development by compiling an integrated register of state immovable assets and providing accommodation to user departments.

For the year under review, the following service delivery focus areas were audited:

- Management of accommodation for client departments - providing and managing the accommodation, housing, land and infrastructure needs of client departments.
- Project management of infrastructure projects - managing projects to ensure that they are on time, within budget and according to the specifications and needs of client departments.

During 2006 a decision was taken that the national Department of Public Works would devolve accommodation-related costs to client departments, which ultimately resulted in the establishment of the Property Management Trading Entity (PMTE).

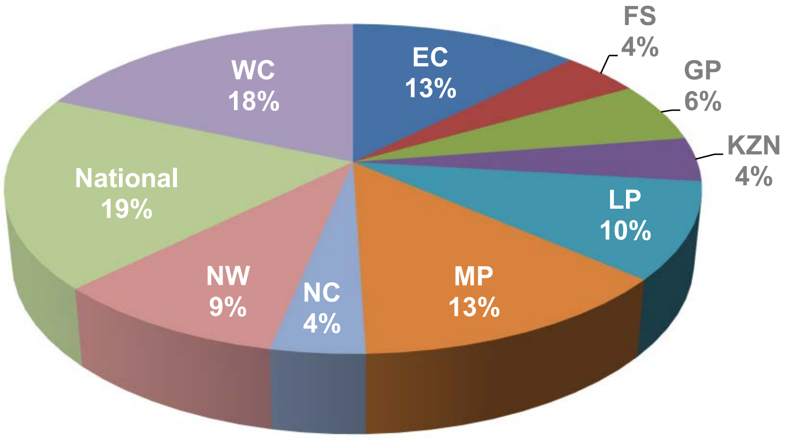
The following functions are performed by the PMTE on behalf of the national Department of Public Works:

- Construction and planned maintenance, which include constructing new infrastructure and refurbishing, upgrading and adding to existing infrastructure.
- Entering into lease agreements with private landlords on behalf of other departments in instances where state-owned properties cannot fulfil the needs of client departments.

Public works sector budget

The public works sector remains a priority for government. For the 2014-15 financial year, the public works sector received R32,3 billion (2013-14: R29 billion). Figure 1 shows the allocations to provinces.

Figure 1: Public works sector allocation



Focus area 1: Management of accommodation for client departments

Service delivery objective

Its mandate is given to the national Department of Public Works by the Government Immovable Asset Management Act (GIAMA). The objective of the act is to ensure that the government's immovable assets are managed efficiently and effectively to improve overall service delivery. One of the sector's objectives is to provide and manage the accommodation, housing, land and infrastructure needs of user departments.

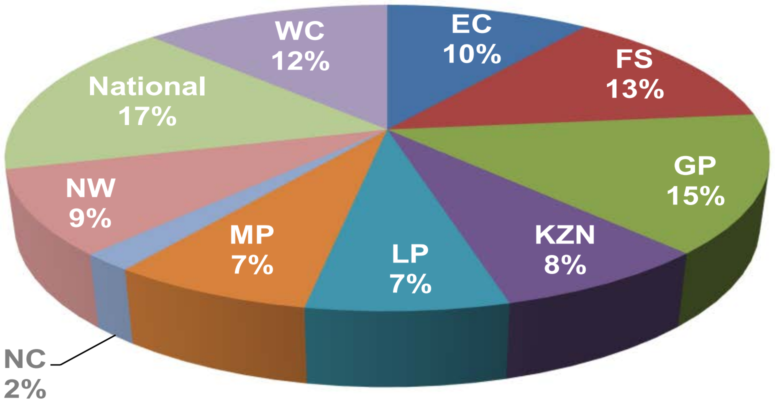
Why we audited management of accommodation for client departments

The national department, through the PMTE and provincial public works departments, ensures that suitable accommodation is provided to user departments for them to deliver on their service delivery objectives, based on their needs. These needs are addressed through the allocation of current freehold properties, leasing, purchasing or constructing new accommodation.

Highlight

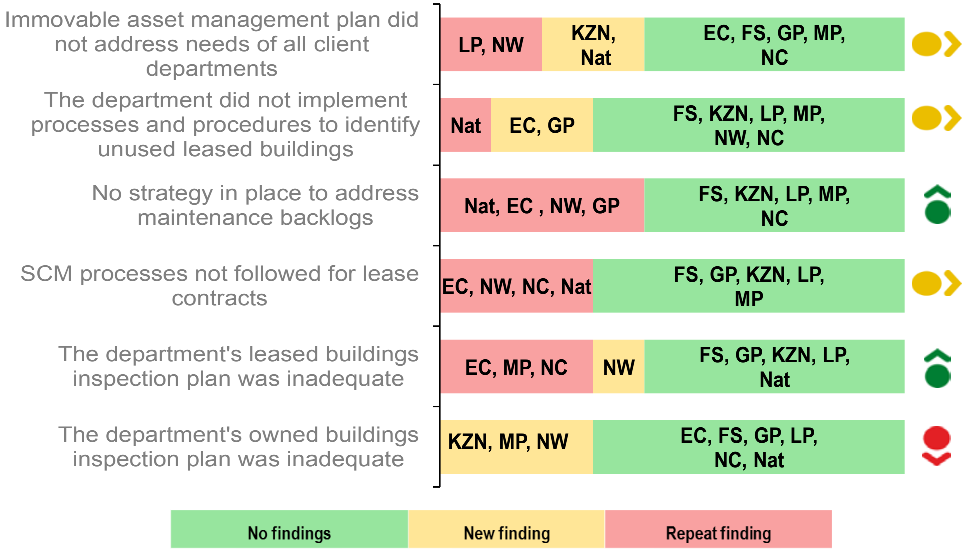
The management of accommodation for client departments remains a concern. Poor coordination between the public works sector and client departments meant that accurate accommodation needs could not be established. As a result, the sector was unable to plan strategically for these needs. This was compounded by the inability of certain departments to establish the condition, and therefore availability, of suitable state-owned properties for accommodation. Effective, efficient and economic lease management should also remain a focus area for the sector.

Figure 2: Budget



The approved budget for managing accommodation for client departments amounted to R6,6 billion for provinces and R1,3 billion for the national department.

Figure 4: Findings on management of accommodation for client departments



	Repeat finding	New finding	No findings
Immovable asset management plan did not address needs of all client departments	LP, NW	KZN, Nat	EC, FS, GP, MP, NC
The department did not implement processes and procedures to identify unused leased buildings	Nat	EC, GP	FS, KZN, LP, MP, NW, NC
No strategy in place to address maintenance backlogs	Nat, EC , NW, GP		FS, KZN, LP, MP, NC
SCM processes not followed for lease contracts	EC, NW, NC, Nat		FS, GP, KZN, LP, MP
The department's leased buildings inspection plan was inadequate	EC, MP, NC	NW	FS, GP, KZN, LP, Nat
The department's owned buildings inspection plan was inadequate		KZN, MP, NW	EC, FS, GP, LP, NC, Nat

Key findings

A key factor in being able to provide accommodation that is suitable to a client's needs, is to establish accurate requirements from the client. Certain public works departments were not able to compile comprehensive immovable asset management plans to address this requirement. Inspection plans to identify the condition and use of both state-owned and leased properties were inadequate in several instances, resulting in state-owned properties not being properly maintained by planned maintenance schedules and fruitless and wasteful expenditure on unoccupied buildings. Despite this having been a sector focus area for a number of years, material findings on compliance with supply chain management prescripts when entering into lease contracts were still identified at three departments.

Focus area 2: Project management of infrastructure projects

Service delivery objective

The functional mandate of the public works sector is to provide land and accommodation to government departments and institutions. For the sector to deliver on its mandate, it needs to use an efficient and effective project management system. The sector manages a large budget allocation for its projects and needs to complete projects on time, within budget and according to the specifications and needs of client departments.

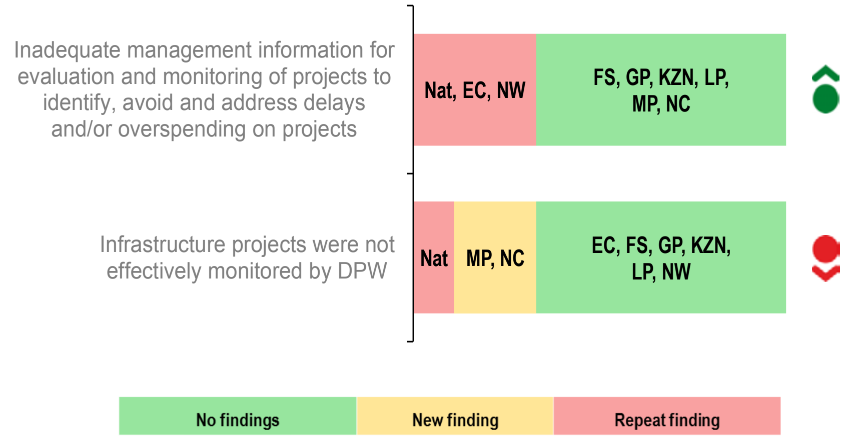
Why we audited project management of infrastructure projects

Public works acts as an implementing agent on key infrastructure projects. To avoid service delivery being negatively affected across government, the sector must ensure that projects are executed according to specifications and predetermined timelines and within initially approved budgets.

Highlight

The findings on project management indicate that the quality and monitoring of projects are not always of the desired standard.

Figure 6: Key findings on project management of infrastructure projects



Key findings

Not all sector departments have adequate systems, resources and processes to facilitate tracking infrastructure projects properly. At the affected departments, project expenditure, timelines and quality were not effectively monitored.
This resulted in a high number of variation orders, which changed the scope of projects and resulted in project budgets being exceeded. Shortcomings in quality were not addressed on all projects; however, project rectification also contributed to budget overruns.

Root causes and recommendations

Slow response by the political leadership and senior management in addressing the root causes of poor audit outcomes

- Action plans were not developed or continuously monitored against short- and long-term milestones to address findings identified by the audit.
- Policies and procedures for inspecting state-owned and leased properties, including conditional assessments and determining use, are either inadequate or non-existent.
- Some public works departments continue to struggle with instability in leadership and vacancies in key positions.
- In most instances, public works departments did not have enough sufficiently skilled people to effectively manage infrastructure projects.
- Poor coordination between the public works sector and client departments resulting in poor planning of client accommodation needs.

Recommendation

- Departmental leadership must drive and monitor the implementation of the proposed corrective actions.
- Internal audit must verify the accuracy, completeness and validity of the progress reported on action plans. Progress should be communicated to the audit committee and portfolio committee so that they can oversee the progress of resolving the critical audit findings reported.
- Progress should be communicated to the audit committee and portfolio committee so that they can oversee the progress of resolving the critical audit findings reported.
- Establish or enhance (where it already exists) policies and procedures to monitor and satisfy the accommodation needs of user departments. The policies and procedures should address all aspects of conditional assessment and monitor the level of use of all properties (state-owned and leased).
- The national Department of Public Works must oversee the sector to ensure that policy is consistent throughout the sector for cross cutting focus areas.
- Stabilise leadership by urgently appointing appropriately skilled officials in key positions at the remaining affected departments.
- Determine the ideal ratio of project managers to projects and develop a strategy to ensure that all departments in the sector appoint project managers with the necessary credentials to bridge the existing gap.
- Share, best practices on effective client engagement across the sector.
- Strategically engage on client departments' accommodation needs at least annually and update immovable asset management plans accordingly.
- Escalate to the executive authority uncooperative client departments that do not provide needs assessments to enable public works departments to determine accommodation needs. The executive authority must take this up with their relevant counterparts.

Key commitments from role players

A summary of the commitments made by the minister of Public Works, MECs, the director-general of Public Works and heads of departments to improve audit outcomes as well as the current implementation status are included below.

Commitments implemented

- The executive authority committed to stabilising and enhancing leadership at the national Department of Public Works and the Property Management Trading Entity. This was a key imperative in the multi-year turnaround strategy being driven by the Minister. Critical positions, for example the Director-General and the Chief Financial Officer, were filled with appropriately skilled officials and there has been no turnaround in these posts since the 2013 calendar year.

Commitments in progress of being implemented

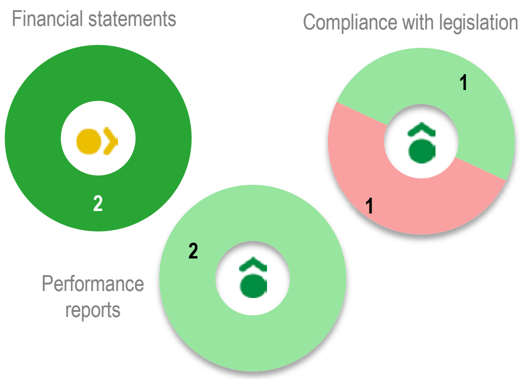
- Filling key vacant positions - this remains a challenge and is in progress. The appointment of enough appropriately skilled resources to enable proper planning and management of infrastructure projects, including engineers, architects and particularly project managers must be prioritised.
- Audit action plans being put in place and monitored monthly - this is in progress; however, the number of repeat findings indicates that this has not yet been satisfactorily resolved.
- The executive authority committed to addressing shortcomings in the leasing environment at the PMTE. Although the special dispensation for lease procurement was obtained from the National Treasury, which addressed compliance to SCM legislation when procuring leases, there are still deficiencies that must be addressed; for example, payments made on unused lease properties.

SECTION 9: AUDIT OUTCOMES OF INDIVIDUAL PORTFOLIOS

Vote 1: The Presidency

Overall improvement in audit outcomes

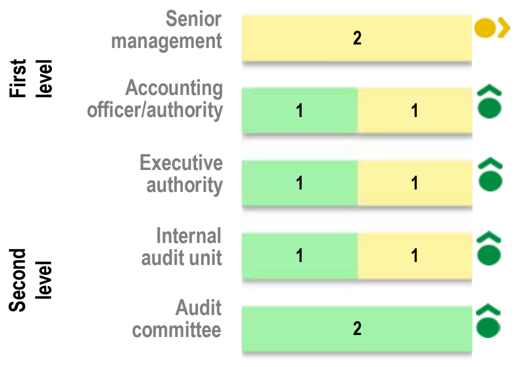
Outcomes per audit area



🟩 Unqualified 🟪 Qualified 🟪 Adverse 🟥 Disclaimed

🟦 Audits outstanding 🟩 With no findings 🟥 With findings

Assurance levels



🟩 Provides assurance 🟨 Provides some assurance 🟥 Provides limited/ no assurance 🟫 Vacancy 🟪 Not established

Key controls

Audit areas

	Financial statements			Performance reports			Compliance with legislation		
Effective leadership	2	0	0	2	0	0	2	0	0
Human resource controls	0	2	0	1	1	0	0	2	0
ICT governance and controls	0	2	0	2	0	0	2	0	0
Audit action plans	0	2	0	1	1	0	1	1	0
Proper record keeping	1	1	0	0	2	0	1	1	0
Daily and monthly controls	1	1	0	1	1	0	1	1	0
Review and monitor compliance	0	2	0	2	0	0	0	2	0

🟩 Good 🟨 Concerning 🟥 Intervention required

1 To improve the **audit outcomes** …

2 … the key role players need to **assure** that …

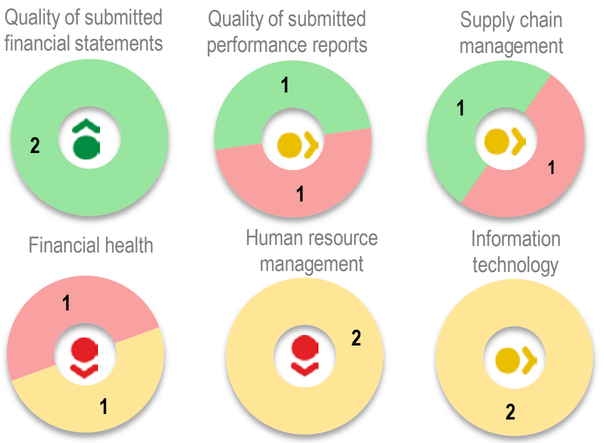
3 … attention is given to the **key controls** and …

… the **risk areas** and that … 4

… the **root causes** are addressed … 5

… and the **commitments** are honoured. 6

Risk areas



🟩 Good 🟨 Concerning 🟥 Intervention required

Root cause

Lack of consequences for poor performance and transgressions.

A root cause at 1 auditee

● Improved ● Unchanged ● Regressed

Status of key commitments by minister

Improve quarterly and annual controls to ensure accurate and complete performance reporting.

Request the department and entity to do frequent financial reporting to assist with proper governance and to ensure clean administration.

Sustain the clean audit outcome in the portfolio by training and continued focus on the implementation of controls over financial and performance reporting and compliance with legislation.

Not implemented | In progress | Implemented | New

Auditees included in the portfolio

- ■ The Presidency
- ■ Brand SA

The department's total budgeted expenditure for the 2014-15 financial year was R657,6 million. The main areas of expenditure were compensation of employees of R305,4 million, transfer payments of R169,2 million and goods and services of R168,3 million.

Brand SA will form part of the Communication portfolio from 2015-16.

Overall audit outcome

There was an improvement in the audit outcomes within the portfolio, as the Presidency progressed to a clean audit outcome, while Brand SA again received a financially unqualified opinion with findings on compliance with legislation.

Our audit's main findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

We commend the Presidency and Brand SA for submitting financial statements that were free from material misstatements. The following controls should be strengthened to sustain a control environment that supports reliable financial reporting:

- Continue to prepare regular, accurate and complete financial statements that are supported by reliable information.
- The leadership and internal audit units should continue to review financial reporting processes and the audit committees should continue to oversee these processes.

Annual performance report

The Presidency submitted APRs for auditing that contained material misstatements. The Presidency avoided material findings in its audit report only because it corrected all the misstatements which we identified during the auditing process.

The following controls should be strengthened to create a control environment that will eliminate the risk of repeat material misstatements in the performance reports:

- Improve record keeping processes to ensure that complete, relevant and accurate information is readily accessible to support actual performance reported.
- Management and internal audit units should enhance their review processes of the reported achievements per the quarterly and APRs against adequate source documents, to ensure that actual reported performance information is adequately supported.

Compliance with legislation

We identified material non-compliance with legislation at Brand SA in the area of SCM. Invitations for competitive bidding were not always advertised for a required minimum period, as required by treasury regulations.

The following control should be strengthened to create a control environment that supports compliance with legislation:

- Management should implement processes to adequately monitor and review compliance with legislation.
- Communication of role and responsibilities in respect of SCM policies and procedures and have regular training provided to officials that oversee SCM activities.

Root causes

Leadership within the Presidency implemented best practices such as effective oversight and prompt corrective actions, resulting in a clean audit.

The leadership and senior management should address the root causes and inadequate controls that impacted the audit outcomes as follows:

- Improve oversight by the accounting officer and senior managers in implementing systems to facilitate the adequate preparation and proper review of the APR prior to submission for auditing.
- Management should closely monitor and review compliance with legislation and hold officials accountable for transgressions.

Impact of key role players on audit outcomes

The first and second levels of assurance should be improved by:

- providing effective leadership and exercising oversight of financial and performance reporting and compliance with legislation
- monitoring the proper implementation of action plans to address remaining internal control deficiencies

- supporting the internal audit unit and the audit committee by ensuring that all reports issued by these functions are adequately addressed.

The two interactions with the director-general within the Presidency assisted the achievement of a clean audit outcome for the Presidency, especially in the areas of preparing quality financial statements and complying with legislation relating to human resource management and SCM.

The two interactions with the minister of Communication had minimal impact as there were no changes in the audit outcome of Brand SA.

The Presidency does not have an oversight committee.

Risks to financial health and information technology

Financial health

The main concern on financial health is the bank overdraft at the Presidency as a result of previous years' unauthorised expenditure, which was approved with funding by SCoPA during the 2014-15 financial year. The funding would only be received through the 2015-16 annual appropriation.

Brand SA had accumulated deficits due to an increase in the organisational structure in the previous financial year with the aim of reducing outsourced work. The negative indicator raised concerns about the financial viability and the pressure to acquire additional funding from government. The financial turnaround strategy should be monitored closely in the next financial year.

Information technology management as a specific cause of audit outcomes

The Presidency had challenges in resolving previously reported IT matters relating to the design of IT security and IT service continuity controls. These were due to inadequate firewall configuration standards for guidance in protecting the network from attacks, either internally or from the external environment. The disaster recovery plan had also not been developed, which could provide challenges to the entities' ability to recover information quickly in the event of a disaster.

The following controls should be strengthened to create a sound IT environment that supports the mandate of the Presidency:

- Develop and implement a disaster recovery plan.
- Develop and implement adequate firewall configuration standards.

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Vote 2: Parliament of the Republic of South Africa

Overall improvement in audit outcomes

Audit area	Audit outcome	
Financial statements (F)	🟩 No material findings	●❯
Performance reports (P)	🟩 No material findings	●❯
Compliance with legislation (C)	🟩 No material findings	⇑

Assurance levels

First level	Senior management	🟨 *Provides some assurance*	●❯
	Accounting officer	🟩 *Provides assurance*	⇑
Second level	Internal audit unit	🟩 *Provides assurance*	⇑
	Audit committee	🟩 *Provides assurance*	⇑
Third level	Presiding officers	🟩 *Provides assurance*	⇑

Key controls

	Audit area F	Audit area P	Audit area C
Effective leadership	🟩	🟩	🟩
Human resource controls	🟨	🟨	🟩
ICT governance and controls	🟩	🟩	🟩
Action plans	🟨	🟨	🟨
Proper record keeping	🟩	🟨	🟩
Daily and monthly controls	🟨	🟨	🟩
Review and monitor compliance	🟩	🟩	🟩

F = Financial P = Performance C = Compliance

🟩 Good 🟨 Concerning 🟥 Intervention required

1 To maintain the **audit outcomes** …

2 … the key role players need to **assure** that …

3 … attention is given to the **key controls** and …

… the **risk areas** and that … 4

… the **root causes** are addressed … 5

… and the **commitments** are honoured. 6

Risk areas

🟩 Quality of submitted financial statements ⇑	🟥 Quality of submitted performance reports ●❯	🟩 Supply chain management ⇑
🟨 Financial health ●❯	🟨 Human resource management ●❯	🟩 Information technology ⇑

🟩 Good 🟨 Concerning 🟥 Intervention required

Best practices

Continue to focus on implementing and monitoring the action to plan to address identified internal control deficiencies and audit findings.

Prioritise finalising and implementing the performance monitoring and evaluation framework to eliminate repeat findings on the accuracy, validity and completeness of performance information

Status of key commitments by the executive authority

🟩 Establish Marang work flow to ensure that the invoices were captured timely and paid within 30 days and inclusion of this compliance in the performance contracts of the responsible personnel.

🟩 Fill key management positions and institutionalise the practice of monitoring of key controls by the accounting officer and internal audit.

🟩 Monitoring to ensure timely implementation of action plan to address past audit findings and identified internal control deficiencies.

🟨 Fill the position of chief information officer.

🟨 Establish Parliament's oversight mechanism in line with the requirements of the FMPPLA.

🟥 Not implemented 🟨 In progress 🟩 Implemented 🟦 New

Auditees included in the portfolio

- *Parliament of the Republic of South Africa*

The total budgeted expenditure by auditees in the portfolio for the 2014-15 financial year was R1 989 million. The main expenditure was in the following areas:

• Compensation of employees and members	R1 156 million
• Transfers to non-profit institutions	R353 million
• Goods and services	R475,8 million
• Payment for capital assets	R4 million.

Overall audit outcome

The improvement in Parliament's audit outcome, to unqualified with no findings in the 2014-15 financial year compared to unqualified with findings in the previous year, was due to the leadership's increased focus on monitoring the implementation of the action plan to address past audit findings and internal control deficiencies.

The main findings from our audit, which should be addressed to sustain the overall audit outcomes, are as follows:

Financial statements

While the financial statements submitted for audit were free from material misstatements, the following controls should be strengthened to sustain a control environment that supports reliable financial reporting

- Management has adopted the practice of preparing quarterly financial statements. Management should ensure that reconciliations are performed in a timely manner between the fixed asset register and the quarterly financial statements and reviewed by the delegated official. These reconciliations were not performed, as the misstatements of the previous year were not corrected in time; they were only addressed during the preparation of the current year's financial statements.
- Management should strengthen the implementation and monitoring of action plans to ensure that financial reporting and related controls prevent misstatements and enhance the controls to detect misstatements prior to the audit, especially in the area of assets.

Annual performance report

Despite the action plans and commitments implemented, Parliament submitted an APR for auditing that contained material misstatements. They avoided material findings in their audit report only because they corrected all the misstatements we identified during the auditing process.

The following controls should be strengthened to sustain a control environment that supports useful and reliable reporting on the performance of the auditee.

- As previously reported, management should strengthen monitoring the action plans to implement a proper record management system that ensures that documentation to support the reported predetermined objectives in the APR is readily available.
- Strengthen monitoring the implementation of re-engineering the predetermined objective process, which commenced in the 2014-15 financial year to ensure that internal controls to sustain good predetermined objective audit outcomes are institutionalised.

Compliance with legislation

We did not identify any material findings relating to non-compliance with legislation by Parliament.

The following controls should be strengthened to create and sustain a control environment that supports compliance with legislation:

- Enforce adherence to workflow processes to ensure invoices are paid within 30 days of receipt. Parliament should take action against line managers who do not adhere to the timelines of the work flow approvals included in their performance agreements. The challenge for Parliament therefore remains that it should continuously monitor compliance.
- SCM regulations became effective from 1 April 2015. Management should take steps to ensure that employees are adequately trained to deal with the more stringent SCM processes.

Best Practices

The secretary to Parliament and senior management should continue with the following practices:

- Ensure that the other important matters included in the management report are adequately addressed. If not properly addressed, these may result in the material findings in the following year.

- Prioritise finalising and implementing the performance monitoring and evaluation framework to eliminate the constant challenges to accurate, valid and complete performance information.

The successes and lessons learnt in implementing the FMPPLA (previously referred to FMPA), can be shared in the following ways with provincial legislatures to assist with their implementation for 2015-16:

- The Speakers' Forum should develop appropriate mechanisms to monitor the implementation of readiness plans to respond to the FMPPLA requirements.
- Establish a consultative relationship between Parliament, provincial legislatures and the treasuries concerning financial management, performance management and compliance with legislation.
- Develop a coordinated legislative sector approach to implementing the FMPPLA.
- Provide assistance to review governance and oversight models to establish appropriate oversight mechanisms.

Impact of key role players on audit outcomes

The first levels of assurance should be improved. The secretary to Parliament should adequately monitor the timely implementation of action plans by senior management and take corrective action where performance is not being achieved.

We met with the executive authority once in the past year and this interaction had some impact on the audit outcomes. While the executive authority performed their oversight functions, actions should be implemented to ensure that information such as quarterly financial and performance reports are submitted by the accounting officer within the legislated time frames to allow the executive authority to perform their oversight function effectively.

The previous commitments made by the executive authority were honoured, resulting in no findings on compliance previously reported in the audit report. The accounting officer's continued monitoring of commitments on actions to address previous audit findings and key controls is required to ensure that the audit outcome is sustained.

Risks to financial health

Although there were no significant risks to financial health the accounting officer and senior management should address the following matters that could, in future, affect the financial health of Parliament:

- Parliament again incurred a deficit for the 2014-15 financial year, owed more than it had, and overspent on the approved operating expenditure budget. Management should measure and monitor Parliament's financial position to determine whether generally, this financial position is acceptable and specifically, whether future cash flows and budgeted funds would be sufficient to meet Parliament's employee retirement benefit obligations, which is the main reason for Parliament's liabilities continuing to exceed its assets.

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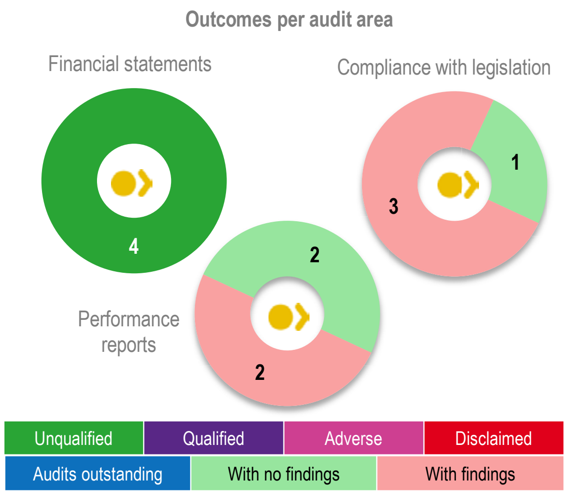
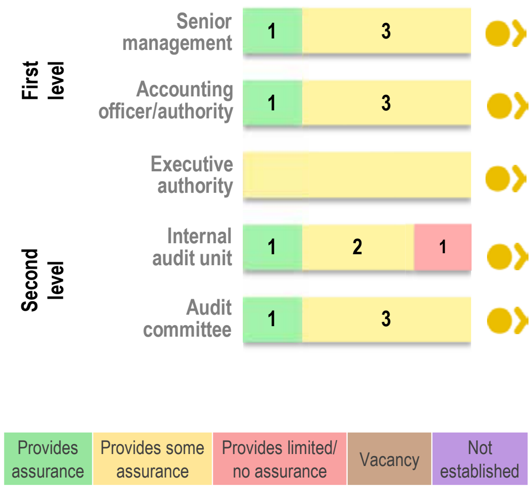
Vote 3: Cooperative governance and traditional affairs (including the Municipal Demarcation Board and the Commission for the Promotion and Protection of Cultural, Religious and Linguistic Communities, which are constitutional institutions)

Overall stagnation in audit outcomes



Assurance levels



Key controls

Audit areas

	Financial statements			Performance reports			Compliance with legislation		
	Good	Concerning	Intervention required	Good	Concerning	Intervention required	Good	Concerning	Intervention required
Effective leadership	3	1	0	3	1	0	3	1	0
Human resource controls	1	2	1	1	2	1	1	2	1
ICT governance and controls	1	2	1	3	0	1	3	0	1
Audit action plans	1	2	1	2	1	1	1	2	1
Proper record keeping	1	2	1	3	0	1	1	2	1
Daily and monthly controls	1	2	1	3	0	1	1	2	1
Review and monitor compliance	1	1	2	2	1	1	1	1	2

1 To improve/maintain the **audit outcomes** …

2 … the key role players need to **assure** that …

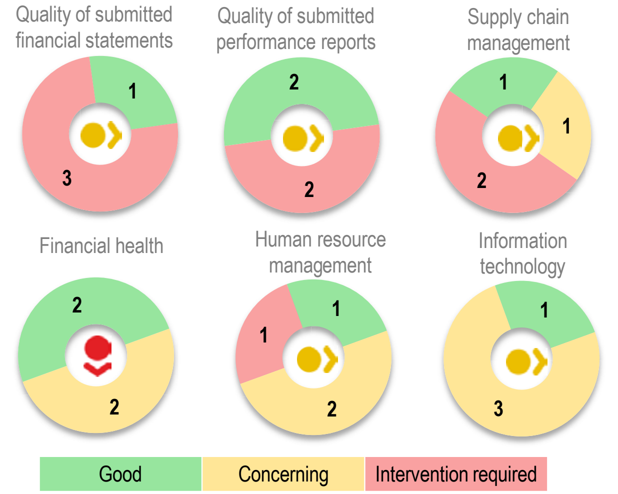
3 … attention is given to the **key controls** and …

… the **risk areas** and that … **4**

… the **root causes** are addressed … **5**

… and the **commitments** are honoured. **6**

Risk areas



Root causes

Slow response by accounting officers and senior management to address previous year's audit findings
A root cause at ● 3 auditees

Instability or vacancies in key positions
A root cause at ● 2 auditees

Lack of consequences for poor performance and transgressions
A root cause at ● 2 auditees

● Improved ● Unchanged ● Regressed

Status of key commitments by minister

Quarterly audits will be in line with the CWP implementation manual. Non-compliance and matters of concern will be communicated quarterly to the accounting officer and executive authority.

Unit heads will compile monthly irregular expenditure reports. They will declare whether or not irregular expenditure was incurred and sign off on these reports. Internal audit unit will validate these reports monthly.

Internal and external audit findings will form part of performance agreements of DCoG's SMS members.

Fully operational internal audit function at MISA and regular meetings with the chairperson of the audit committee.

Management will compile monthly financial statements with disclosure notes to improve on the quality of annual financial statements submitted for auditing. These financial statements must be reviewed by the accounting officer and the internal audit function to ensure validity, completeness and accuracy of the financial statements.

Action plans to address repeat findings will be implemented and monitored within a time frame.

☐ Not implemented ☐ In progress ☐ Implemented ☐ New

Auditees included in the portfolio

- *Department of Cooperative Governance (DCoG)*
- *Department of Traditional Affairs (DTA)*
- *Municipal Infrastructure Support Agent (MISA)*
- *South African Local Government Association (SALGA)*

The departments' total budgeted expenditure for the 2014-15 financial year was R63,5 billion. The main areas of expenditure were transfer payments to municipalities and entities of R60,8 billion, goods and services of R2,4 billion (including the community work programme [CWP] of R2 billion) and employee cost of R247 million.

Overall audit outcome

The overall audit outcomes have not moved significantly since the previous year, as DCoG and MISA did not address past material findings on their APR and compliance with legislation, and did not implement daily and monthly processes. The DTA was audited for the first time as a separate department and received a financially unqualified audit opinion with material findings on compliance with legislation. SALGA remained unchanged, receiving an unqualified audit opinion with no material findings (clean audit) for the third consecutive year.

Our main audit findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

The DCoG, DTA and MISA submitted financial statements for auditing that contained material misstatements. The DCoG corrected misstatements in the areas of receivables, payables, goods and services, transfers and subsidies, assets and commitments. The DTA had misstatements in payables, goods and services, unauthorised expenditure, accruals, commitments and lease commitments. MISA's areas of receivables, fixed assets, revenue, general expenses, and payroll expense contained material misstatements.

The following controls should be strengthened to create a control environment that supports reliable financial reporting:

- MISA should perform regular account balance reconciliations. Furthermore, all the auditees should implement and maintain monthly financial systems and controls to ensure that regular, accurate and complete financial statements with disclosure notes are compiled.
- The finance unit at MISA and internal audit units at the DCoG and DTA should be adequately capacitated to enable the finance unit at MISA to properly prepare and review the monthly, quarterly and annual financial statements and supporting schedules in good time. The capacity created at the internal audit units of the DCoG and DTA is required to validate the process to ensure that the financial statements and supporting schedules are complete, accurate and reliable.

Annual performance report

The published APR of the DCoG and MISA included information on their performance against predetermined objectives that was not useful or reliable for the following programmes we had selected for audit:

Auditee	Programme	Not useful	Not reliable
DCoG	Programme 2: Policy, research and knowledge management		x
	Programme 3: Governance and intergovernmental relations (G&IGR)		x
	Programme 5: Provincial and municipal government support (PMGS)	x	x
	Programme 6: Infrastructure and economic development (community works programme)		x
MISA	Programme 2: Municipal and sectoral technical support programme	x	x
	Programme 3: Capacity development programme	x	x

The following controls should be strengthened to create a control environment that supports useful and reliable reporting on the performance of the portfolio:

- The DCoG should ensure that complete, reliable and accurate supporting evidence for actual achievements is uploaded on the performance management system. The system should be adequately and regularly reviewed. The DCoG should also implement proper record keeping and quarterly audits with regards to the reported performance of the CWP.
- The DCoG and MISA should ensure that all indicators have technical indicator descriptions that are documented in sufficient detail as required by the *Framework for managing programme performance information* (FMPPI). The level of actual performance regarding the support to be provided or the activity required should be clearly specified.

- MISA should implement proper performance management systems and processes, i.e. standard operating procedures, to allow for complete, accurate and reliable performance reporting.

Compliance with legislation

We identified material non-compliance with legislation by the DCoG, DTA and MISA in the following areas:

- MISA did not always evaluate its bids through committees composed according to the prescribed regulations.
- The design and operational effectiveness of the DCoG, DTA and MISA internal controls could not prevent irregular expenditure. The DTA and MISA also did not take reasonable steps to prevent unauthorised expenditure.
- The internal controls for processing and approving payments at the DCoG and MISA were ineffective, resulting in payments being made without actual services being received. The DTA and MISA did not pay creditors within 30 days of the date of receiving some invoices.
- MISA did not have an authorised human resource plan; appointments were made to posts that were not approved and funded in the organisational structure; and funded vacant posts were not filled within 12 months.
- MISA did not have an effective, efficient and transparent system of risk management and internal control for performance information and management. As a result, material findings were reported on credible and reliable performance information.
- The DTA increased its budget for compensation for a specific programme without the approval of the National Treasury.
- DTA's internal audit function did not evaluate certain compliance with legislation matters, as prescribed by law and their internal audit scope.

We identified material non-compliance with legislation by the DCoG and MISA in the following areas, which may have resulted in financial loss:

- The DCoG did not always follow competitive bidding processes or request three quotations as prescribed. The DCoG awarded contracts to bidders based on points given for criteria that differed from those in the original invitation for bidding.
- MISA did not always apply the preferential procurement points system when awarding contracts, nor did it advertise invitations for competitive bids for at least 21 days.
- MISA did not take effective steps to prevent losses arising from criminal conduct.

The DTA and MISA incurred unauthorised expenditure of R2,3 million and R6,7 million respectively, as a result of overspending on the budget, which was identified during the audit in both instances. The DCoG, DTA and MISA incurred irregular expenditure of R235,1 million as a result of non-compliance with SCM prescripts. Fifty-five per cent (R129,7 million) of this amount relates to non-compliance with SCM prescripts by the DCoG in implementing the CWP. The DCoG and DTA were able to identify all irregular expenditure, while MISA only identified 56% of its irregular expenditure during the year.

The status of SCM remains unsatisfactory at the DCoG and MISA due to the high number of repeat material findings on compliance.

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- Management at all entities must implement prompt and adequate consequence management for employees who continuously fail to comply with legislated prescripts.
- The DCoG should ensure that proper procurement processes are implemented by the implementing agents when procuring goods and services for the CWP.

Root causes

The accounting officers, chief financial officers and chief audit executives should address the root causes of poor audit outcomes and inadequate controls as follows:

- The accounting officer of DCoG should monitor audit action plans and the CWP implementation plan regularly to ensure that the identified deficiencies are addressed to avoid repeat findings and continued non-compliance.
- Monitor internal control processes consistently and ensure that all employees adhere to them. Management should regularly assess the status of internal controls, especially on preparing financial statements and implementing the CWP, to address deficiencies as and when they arise.
- The accounting officers of the DCoG and MISA should provide quarterly feedback to the executive authority on the progress made in filling vacancies at key management level.
- The accounting officers should focus on ensuring that transgressors are held accountable and that action is taken, as required by the PFMA. Action should be taken against repeat transgressors in a timely manner, to eliminate repeat findings.

Impact of key role players on audit outcomes

The first and second levels of assurance should be improved by ensuring that action plans and commitments to address previous years' findings are implemented and monitored throughout the year to prevent repeat findings. Furthermore, accounting officers should adequately oversee and monitor the CWP and compliance with legislation.

The internal audit unit at the DCoG as well as the CWP unit must be sufficiently staffed to perform quarterly audits, and to monitor and oversee the implementation of the programme monthly and quarterly. Shortcomings should be followed up and corrected immediately. The DTA's internal audit function should be capacitated to ensure its effective operation.

We met with the minister three times in the past year. These interactions had minimal impact on the audit outcomes due to material repeat findings on the departments' APRs, compliance with legislation and financial statements being reported. However, the minister implemented significant strategic projects such as the back-to-basics programme at the departments.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

Risks to information technology

Information technology management as a specific cause of audit outcomes

The IT governance controls at the DCoG and DTA were adequately designed and implemented, indicating alignment of the IT department with the business strategy. The security and user access management control designs were adequate; however, the implementation of these controls was ineffective. IT service continuity controls were inadequately designed, increasing the risk of the organisation being unable to recover business operations in the event of a disaster. We further noted that the municipal infrastructure grant management information system (MIG-MIS) was not used by the provinces to administer the MIG. The project registration module was used in some provinces; however, the MIG-MIS was not used for overall reporting as this was done on spreadsheets.

Adequate backup procedures need to be developed to ensure that the DCoG is able to recover its critical data in the event of a disaster. In addition, user access monitoring functions were not assigned to the relevant process owners.

Constitutional institutions

- *Commission for the Promotion and Protection of Cultural, Religious and Linguistic Communities (CRL rights commission)*
- *Municipal Demarcation Board (MDB)*

The CRL rights commission and the MDB are included in the portfolio but are not under the authority of the minister.

Overall audit outcome

The lack of improvement in the overall audit outcome was due to the CRL rights commission and the MDB not addressing past material findings on compliance with legislation. The CRL rights commission, however, addressed its material findings on the usefulness of its performance information and MDB had no findings on performance information.

Our main audit findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

Both entities submitted financial statements for auditing that contained material misstatements, which were corrected to receive financially unqualified audit opinions. The CRL rights commission had misstatements in the areas of assets, provisions, creditors and expenses and the MDB in the areas of related parties and commitments disclosure notes.

The following controls should be strengthened to create a control environment that supports reliable financial reporting:

- Enhance completeness, accuracy and reliability of monthly financial statements through adequate review processes by senior management and assurance providers, to eliminate material adjustments to the financial statements.

Compliance with legislation

We identified material non-compliance with legislation by the MDB in the following areas, which may have resulted in financial loss:

- Contracts were extended without the approval of a properly delegated official and deviations were approved by the accounting officer at MDB even though it was not impractical to invite competitive bids.
- The accounting officer also did not take effective steps to prevent irregular expenditure. Irregular expenditure amounted to R3 million, all of which was identified during the audit.

The status of SCM remained unsatisfactory at the MDB as repeat material findings were reported. The CRL rights commission had no material SCM findings reported for the 2014-15 financial year.

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- The accounting officer of the MDB should ensure that all deviations are adequately documented and aligned to the SCM prescripts before approval.

Root causes

The accounting officer, senior management and those charged with governance should address the root causes of poor audit outcomes and inadequate controls as follows:

- Regularly monitor the implementation and adherence to the action plans to address external audit findings regarding SCM compliance.

Impact of key role players on audit outcomes

The first and second levels of assurance should be improved by ensuring stability at the level of accounting officer at the MDB, adequately overseeing and monitoring compliance with legislation, and implementing previous commitments.

We met with the executive authority of the MDB four times in the past year and these interactions had no impact on the audit outcomes as MDB had repeat material non-compliance findings.

We were unable to secure a meeting with the executive authority of the CRL rights commission. The lack of impact of the executive authorities on the auditees' controls, and the status and impact of the commitments, contributed to the assessed assurance provided by the executive authorities.

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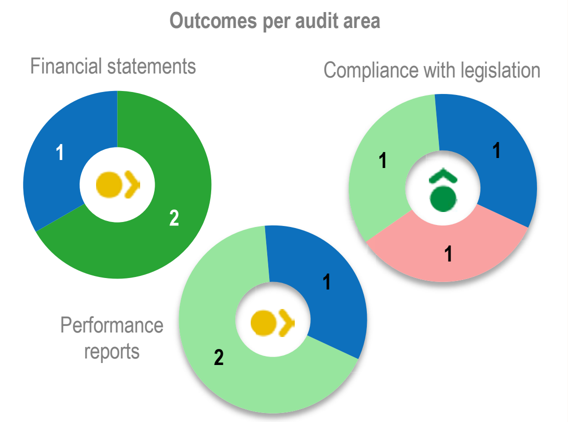
Vote 4: Home affairs

Overall improvement in audit outcomes

Outcomes per audit area



Unqualified	Qualified	Adverse	Disclaimed
Audits outstanding	With no findings	With findings	

Assurance levels

First level	Senior management	1	1	●›
	Accounting officer/authority	2		▲●
	Executive authority			●›
Second level	Internal audit unit	2		▲●
	Audit committee	2		▲●

Provides assurance	Provides some assurance	Provides limited/ no assurance	Vacancy	Not established

Key controls

	Audit areas								
	Financial statements			Performance reports			Compliance with legislation		
Effective leadership	2	0	0	2	0	0	2	0	0
Human resources controls	2	0	0	2	0	0	2	0	0
ICT governance and controls	0	2	0	1	1	0	1	1	0
Audit action plans	1	1	0	2	0	0	1	1	0
Proper record keeping	1	1	0	2	0	0	2	0	0
Daily and monthly controls	1	1	0	1	1	0	1	1	0
Review and monitor compliance	1	1	0	2	0	0	0	2	0

Good	Concerning	Intervention required

1 To improve/maintain the **audit outcomes** …

2 … the key role players need to **assure** that …

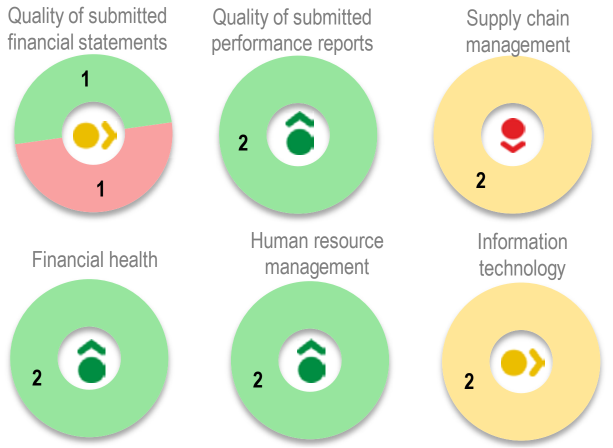
3 … attention is given to the **key controls** and …

… the **risk areas** and that … 4

… the **root causes** are addressed … 5

… and the **commitments** are honoured. 6

Risk areas



Good	Concerning	Intervention required

Root causes

Slow response by management (accounting officer and senior management)

A root cause at 1 auditee

● Improved ● Unchanged ● Regressed

Status of key commitments by minister

No specific commitments were made for the entities included in this report

☐ Not implemented ☐ In progress ☐ Implemented ☐ New

Auditees included in the portfolio

- Department of Home Affairs (DHA)
- Government Printing Works (GPW)
- Film and Publication Board (FPB)

The department's total budgeted expenditure for the 2014-15 financial year was R7,2 billion. The main areas of expenditure were in employee costs of R2,7 billion, goods and services of R2,8 billion, transfer payments of R1,8 billion and capital expenditure of R10,9 million.

The audit outcome of the DHA is not included. Due to unresolved matters pertaining to procurement findings, we had not finalised the audit by 14 August 2015, which was the cut-off date for including audit outcomes in the general report.

The FPB will form part of the communications portfolio from 2015-16 as per the presidential proclamation.

Overall audit outcome

The improvement in the overall audit outcome was due to the GPW moving from an unqualified opinion with findings to an unqualified opinion with no findings (clean audit).

The audit outcome of the FPB was unchanged from the previous year as it failed to implement controls to ensure compliance with legislation and to prepare financial statements free from material misstatements.

Our audit's main findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

We commend the GPW for submitting for auditing annual financial statements that were free from material misstatements.

The FPB submitted for auditing financial statements that contained material misstatements in the irregular expenditure disclosure note. It received an unqualified audit opinion only because it corrected the misstatements identified during the audit process.

The following controls should be strengthened to create a control environment that supports reliable financial reporting. Some of these controls have been mentioned in the previous financial year's report, but remain unaddressed:

- Regularly reconcile account balances to provide assurance that all valid transactions were accurately recorded in a timely manner and are presented and disclosed in accordance with stipulated requirements.
- Properly review the annual financial statements prior to submission for auditing to avoid material adjustments and to ensure that all the amounts disclosed are appropriately supported by accounting records.
- Use quality monthly and quarterly reporting to governance structures to monitor management's actions to address internal and external audit recommendations.

Annual performance report

The GPW and FPB submitted APRs for auditing that were free from material misstatements and had no material findings on the usefulness and reliability of their performance information.

Compliance with legislation

We identified material non-compliance with legislation in the following area:

- The FPB did not take reasonable steps to prevent irregular expenditure.

Irregular expenditure amounting to R6,5 million was incurred by the FPB due to non-compliance with SCM legislation. This represents a R5,4 million increase from the previous year, and 52% of this expenditure was identified by the auditee.

The FPB's irregular expenditure was caused by the preferential procurement point system used in the evaluation of quotes not being stipulated when requesting quotations.

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- The leadership and governance structures should use compliance checklists that must be signed off by the appropriate levels of management to review and monitor compliance with applicable legislation.
- Action plans to address compliance deviations must contain the specific management action required to address compliance deviations.
- Implement consequence management for employees who fail to comply with the legislated prescripts to avoid recurring non-compliance.

Root causes

The leadership and senior management of the entity should address the root causes of poor audit outcomes and inadequate controls as follows:

- Identify the causes of slow responses by management to improving the control environment so that corrective action can be taken to address the previous year's findings being repeated.
- Improve the organisational culture to increase the speed of management responses and timeous availability of information required for auditing, and to ensure compliance with policies, procedures and legislation.

Impact of key role players on audit outcomes

The accounting authority of the FPB should monitor whether management adequately addresses the audit findings with credible action plans.

We met with the minister four times in the past year and these interactions had some impact on the audit outcomes. All the actions proposed by the minister were not implemented during the 2014-15 financial year; however, we anticipate that the proposed actions will improve future audit outcomes. This assessment, coupled with the minister having had a limited impact on the daily controls of the auditee and the status and impact of the commitments made at the end of the previous financial year, contributed to the assessed assurance provided by the minister.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

Risks relating to information technology

The accounting officer/authority should address the following matters, which could affect the service delivery monitoring and oversight responsibilities of the portfolio:

Information technology management as a specific cause of audit outcomes

Key outcomes

- It was noted that most IT control weaknesses at the FPB and GPW were on implementing controls for security management, user access management and IT service continuity.
- At GPW, the weaknesses identified related to issues on user account management and IT service continuity that had not been resolved from the previous year. This was a result of not complying with, or not implementing, formally approved processes and policies, and not testing the disaster recovery plans.

Highlights

- Most auditees in the portfolio have attempted to address the findings and notable progress has been made. Many findings are now on implementing controls/policies and procedures.
- Generally, accounting officers and information technology managers are willing to address the findings, which is evident in the progress that has been made.
- The GPW had no findings on IT governance.
- All the entities had findings on user access management.
- The GPW was the only entity without findings on IT security management.
- The FPB was the only entity without findings on IT service continuity.

Challenges

- Auditees had a process to ensure that individuals were held accountable for not addressing audit findings; as a result, most of the findings raised in 2013-14 were partially addressed in the 2014-15 audit cycle.
- Most findings were on implementing controls. There were no clear roles and responsibilities between IT and the business to ensure that controls were implemented adequately.

Constitutional institutions

■ *Electoral Commission (EC)*

The Electoral Commission is included in the portfolio, but is not under the authority of the minister. The audit outcome of the Electoral Commission remained unchanged from the previous year as it failed to implement controls to ensure compliance with legislation and to prepare financial statements that are free from material misstatements.

Our main audit findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

The Electoral Commission submitted financial statements for auditing that contained material misstatements in numerous classes of transactions, account balances and disclosure notes. It received an unqualified audit opinion only because it corrected all the misstatements we identified during the auditing process.

The following controls should be strengthened to create a control environment that supports reliable financial reporting:

- Implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial reporting.
- Improve the review of manual processes outside the SAP system to support the figures on their annual financial statements.

Annual performance report

The Electoral Commission submitted an APR for auditing that contained material misstatements. These misstatements were not adequately corrected by the auditee, resulting in the information on their performance against predetermined objectives not being reliable.

The following controls should be strengthened to create a control environment that supports useful and reliable reporting on the performance against predetermined objectives:

- Improve and strengthen the processes and controls supporting quarterly performance reporting. Currently, there is no verification procedure to ensure the validity, accuracy and completeness of the actual performance reported quarterly.
- The individuals responsible for the objectives should be held accountable for actual performance that is supported and evidenced by reliable information.

Compliance with legislation

Other than the quality of financial statements submitted for auditing, we identified material non-compliance with legislation in the following areas:

- Irregular expenditure was not prevented.
- Quarterly reporting procedures to the chairperson of the Electoral Commission were not established.
- A person working for the Electoral Commission participated in the process of awarding a contract to a bidder in which his business partner had an interest.

The Electoral Commission incurred R40,8 million in irregular expenditure, of which R2,7 million relates to the previous year’s expenditure identified in the current year. The irregular expenditure relates mainly to non-compliance in the procurement and contract management environment.

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- Effective oversight to ensure accountability and consequences for non-compliance.

Root causes

The commissioners of the Electoral Commission should address the root causes of poor audit outcomes and inadequate controls as follows:

- Hold Individuals accountable for not adhering to internal controls and not complying with the applicable legislation.
- Ensure leadership stability at the Electoral Commission.

Information technology management as a specific cause of audit outcomes

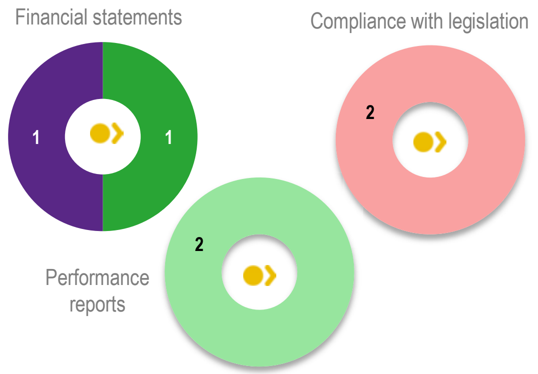
The weaknesses identified were related to the disaster recovery plan that had not been tested and which was not based on the business continuity requirements of the Electoral Commission as the business continuity plan had not yet been finalised. The IT management team also had not ensured that the firewall policy was reviewed.

The Electoral Commission had no findings on IT governance and user access management.

Vote 5: International relations and cooperation

Overall stagnation in audit outcomes

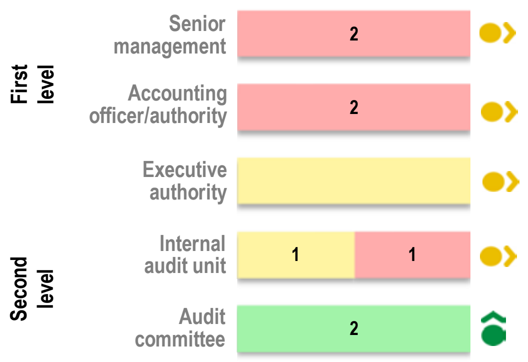
Outcomes per audit area



🟩 Unqualified | 🟪 Qualified | Adverse | 🟥 Disclaimed

🟦 Audits outstanding | With no findings | With findings

Assurance levels



Provides assurance | Provides some assurance | Provides limited/ no assurance | Vacancy | Not established

Key controls

Audit areas

	Financial statements			Performance reports			Compliance with legislation		
Effective leadership	1	0	1	1	0	1	1	0	1
Human resources controls	0	1	1	1	1	0	0	1	1
ICT governance and controls	0	1	0	0	0	0	0	0	0
Audit action plans	0	0	2	1	0	1	0	1	1
Proper record keeping	0	0	2	2	0	0	0	0	2
Daily and monthly controls	0	0	2	1	1	0	0	0	2
Review and monitor compliance	0	0	2	1	0	1	0	0	2

🟩 Good | 🟨 Concerning | 🟥 Intervention required

1 To improve/maintain the **audit outcomes** …

2 … the key role players need to **assure** that …

3 … attention is given to the **key controls** and …

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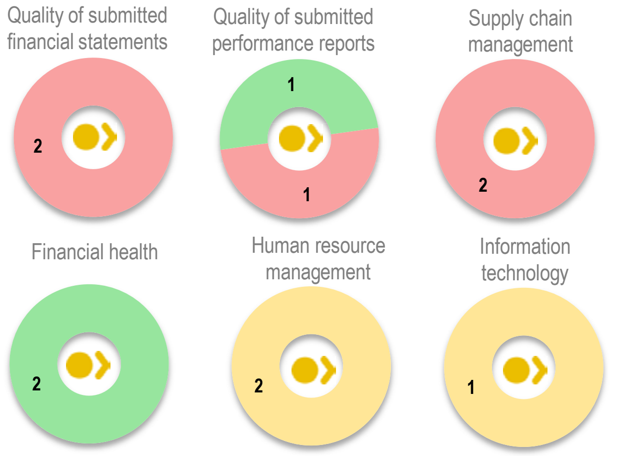
Risk areas



🟩 Good | 🟨 Concerning | 🟥 Intervention required

Root causes to be addressed

Slow response by leadership to take corrective action

A root cause at 2 auditees

Lack of consequences for poor performance and transgression

A root cause at 2 auditees

Key officials lack appropriate competencies

A root cause at 2 auditees

● Improved ● Unchanged ● Regressed

Status of key commitments by minister

- Implement proper oversight mechanisms for the ARF and ensure a framework is implemented to govern the activities of the entity.
- Close monitoring of SCM compliance and HR management.
- Follow up on the development of existing and new finance teams to perform effective financial management including monthly reconciliations.
- CFO to commit/deploy resources to update the fixed asset registers at head office.
- Perform a detailed root cause analysis for recurring asset issues despite new interventions being rolled out so that appropriate action can be taken.
- Monitor the compiling of monthly financial statements and reconciliations, including disclosure notes.
- CIO to address identified IT deficiencies.
- Enhance performance and consequence management.
- Improve the key role players' oversight of the corrective action taken to address repeat audit findings.
- Improve the monitoring mechanisms used by oversight structures to monitor progress made in achieving clean administration.

Not implemented | In progress | New

Auditees included in the portfolio

■ *Department of International Relations and Cooperation (DIRCO)*

■ *African Renaissance and International Cooperation Fund (ARF)*

The portfolio's budget (voted funds) for the 2014-15 financial year was R6,1 billion. The main areas of expenditure were employee costs of R 2,5 billion, goods and services of R2,4 billion, transfers and subsidies of R833 million and payment for capital assets of R273 million.

Overall audit outcome

The lack of improvement in the overall audit outcomes was due to DIRCO receiving a qualified audit opinion on its financial statements for a second consecutive year. The ARF's audit opinion remained unqualified with findings on compliance with legislation.

Our main audit findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

The published financial statements of DIRCO included the following material misstatements:

- Tangible capital assets and minor capital assets were materially understated. This was due to the department not maintaining an updated asset register and enhancing the entire asset management process.
- DIRCO did not assess their works of art and paintings to determine whether the modified cash standard's heritage asset criteria had been met. As a result, we were unable to determine the impact on the classification of these assets. Further, works of art and paintings acquired prior to 1 April 2002 were not measured according to the requirements of the modified cash standard.

The financial statements submitted for auditing by DIRCO and the ARF contained material misstatements in the areas of immovable assets, movable tangible capital assets, irregular expenditure, fruitless and wasteful expenditure, related parties, payables, expenditure, commitments and contingent liabilities. The ARF received an unqualified audit opinion only because it corrected all the misstatements we had identified during the audit process. DIRCO could not make all the corrections as it lacked a credible asset register and failed to assess works of art and paintings.

The following controls should be strengthened to create a control environment that supports reliable financial reporting.

- All personnel responsible for preparing the financial statements should be trained on the application of the modified cash standard to ensure that valid, accurate and complete financial statements are compiled and are supported by appropriate documentation, including proper reconciliations. Financial reporting discipline, including mandatory controls over these key reconciliation processes and reviewing compliance matters, should be enforced.
- The asset management strategy should include the following:
  - Mandatory asset verification
  - Disposal of old or obsolete assets, including those in storage facilities, if a decision has been made that these assets are surplus to business needs
  - Investigate missing assets and write these assets off if they cannot be located after a proper investigation and approval process had been followed
  - Promptly update the asset register for additions, disposals and retirements/scrapping

Perform an assessment of the works of art to determine if they meet the criteria to be classified as heritage assets in terms of the Modified Cash Standard.

- Implement quality assurance processes to ensure that a credible asset register is produced.
- The oversight provided by key role players of the financial reporting process, including detailed reviews of the financial reports, and corrective action taken to address audit findings, including the functioning of the asset task team, should be strengthened and the monitoring mechanisms used by these role players in monitoring progress and the enforcement of consequence management should be improved.

Annual performance report

The APR submitted for auditing by the ARF contained material misstatements. It avoided material findings in its audit report only because it corrected all the misstatements we had identified during the auditing process.

The following control should be strengthened to create and sustain a control environment that supports useful and reliable reporting on the performance of the portfolio.

- Strengthen the ARF's quality assurance processes to ensure that detailed reviews of the annual and quarterly performance reports are performed.

Compliance with legislation

We identified material non-compliance with legislation by DIRCO and the ARF in the following areas:

- DIRCO did not adequately implement proper control systems to safeguard and maintain assets.
- Both these auditees did not always follow competitive bidding processes or request three quotations when procuring goods and services.
- Neither of the auditees took effective steps to prevent irregular and fruitless and wasteful expenditure. This resulted in both auditees reporting a combined irregular expenditure of R103,5 million. DIRCO reported R363 000 in fruitless and wasteful expenditure.
- Neither of the auditees took effective and appropriate disciplinary steps against officials who caused or permitted irregular, fruitless and wasteful expenditure, while non-compliance with SCM prescripts was not investigated.
- Neither of the auditees took effective and appropriate steps to collect all money due on time. The delay in collecting the appropriated funds resulted in the ARF not promptly investing surplus funds.
- DIRCO did not ensure that oversight and governance of the ARF's performance reporting processes were effective.
- DIRCO transferred funds to the ARF without rendering the transfer of the funds subject to the ARF establishing effective, efficient and transparent financial management and internal control systems.
- The ARF was unable to provide evidence that the proposed strategic plan had been submitted to the executive authority within the legislated time frames.
- The ARF did not develop and document policies and procedures without delay to strengthen operational activities.

DIRCO incurred R102,3 million in irregular expenditure, which represents an increase of R68,1 million compared to the previous year. Only 2% of the amount was identified by the auditee. All the irregular expenditure in the portfolio related to transgressions of SCM regulations.

Procurement, contract management and the related controls were not always effective in ensuring a fair, equitable, transparent, competitive and cost-effective process. The SCM system, which includes the processes, controls and key SCM personnel's knowledge of legislative requirements, needs to be strengthened to comply with legislation.

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- Train staff and senior management involved in procurement on SCM legislative requirements and performance management to ensure compliance.
- Consequence management should be implemented against employees who continuously fail to comply with legislation and to address previously reported deficiencies.
- Compliance with legislation should be monitored.

Root causes

The accounting officer and senior management should address the root causes of poor audit outcomes and inadequate controls as follows:

- Commit to and promptly implement the AGSA's recommendations to avoid repeat findings, particularly those recommendations related to asset register clean-up and regularly reviewing financial statements.
- Strengthen the oversight of financial reporting and compliance processes.
- Implement consequences for repeated poor performance and transgressions.
- Implement effective human resource processes to ensure that adequate and sufficiently skilled finance resources are in place.

Impact of key role players on audit outcomes

The accounting officer and senior management levels of assurance should be improved by ensuring that the AGSA's recommendations are implemented. The tone at the top should create a culture of compliance with applicable legislation and zero tolerance for repeat findings.

The audit committee should sustain its oversight of the effectiveness of the internal control environment for financial reporting and compliance with legislation. The issues reported previously regarding the audit committee's oversight of the ARF's risk management processes have been addressed.

We met with the minister once in the past year and this interaction had some impact on the audit outcomes. Our assessment of the impact is based on the effort to address some of the ARF's compliance issues. This assessment, the impact of the minister on the auditees' controls, and the status and impact of the commitments, contributed to the assessed assurance provided by the minister.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

Risks to financial health

While there are no significant financial health indicators of concern relating to the 2014-15 audit, the fluctuation in the value of the rand against major currencies might have a negative impact on DIRCO's ability to function effectively, and to deliver and execute South Africa's foreign policy.

The accounting officer and senior management should continue engaging with the National Treasury on long-term proactive measures to counter the negative effects of fluctuations in the value of the rand, in addition to appropriation adjustments.

Risks related to information technology

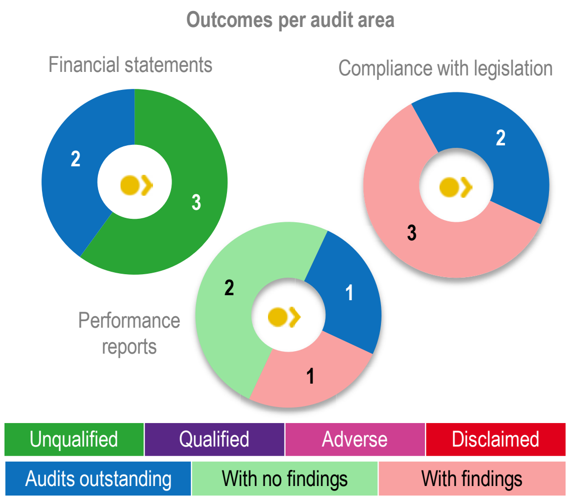
Information technology management as a specific cause of audit outcomes

The following controls should be strengthened to create a sound IT control environment:

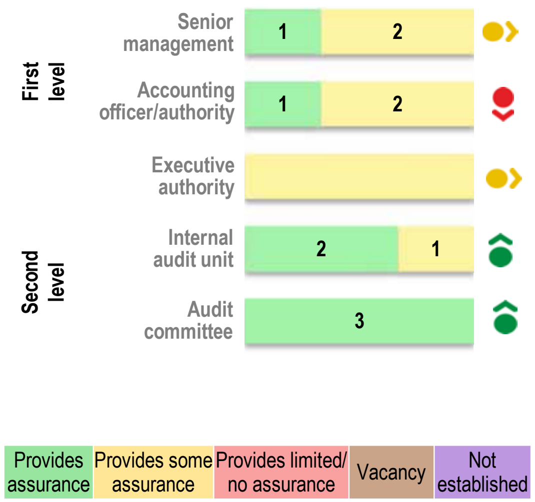
- Enhance the monitoring and implementation of the previous year's action plans to ensure improvement in the IT environment.
- Fully implement IT governance framework processes to address the weaknesses in IT policies and procedures. This will ensure effective IT internal controls.

Vote 7: Public works

Overall stagnation in audit outcome



Assurance levels



Key controls

	Audit areas								
	Financial statements			Performance reports			Compliance with legislation		
Effective leadership	3	0	0	2	1	0	3	0	0
Human resource controls	1	1	1	2	1	0	1	2	0
ICT governance and controls	0	0	3	0	0	3	0	0	3
Audit action plans	1	1	1	0	2	1	1	2	0
Proper record keeping	1	1	1	1	2	0	3	0	0
Daily and monthly controls	1	2	0	2	1	0	2	1	0
Review and monitor compliance	1	1	1	2	1	0	0	3	0

🟩 Good 🟨 Concerning 🟥 Intervention required

1 To improve the **audit outcomes** …

2 … the key role players need to **assure** that …

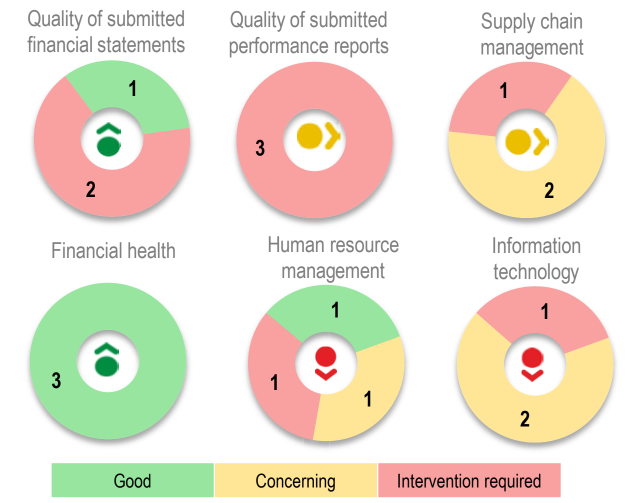
3 … attention is given to the **key controls** and …

… the **risk areas** and that … 4

… the **root causes** are addressed … 5

… and the **commitments** are honoured. 6

Risk areas



Root causes

Slow response by management (accounting officer and senior management)

A root cause at 2 auditees

Lack of consequences for poor performance and transgressions

A root cause at 2 auditees

Instability or vacancy in key positions

A root cause at 1 auditee

● Improved ● Unchanged ● Regressed

Status of key commitments by minister

The minister committed to ensuring that adequate human resources are appointed at the PMTE, both in terms of numbers and skills.

As part of the multi-year turnaround strategy the minister committed to producing an immovable asset register that complies with the Generally Recognised Accounting Practice (GRAP) by 31 March 2016.

The executive authority committed to addressing shortcomings in the leasing environment at the PMTE.

The minister committed to implementing policies governing prestige procurement at the Department of Public Works.

The minister committed to stabilising and enhancing the leadership at the Department of Public Works and the PMTE..

Not implemented | In progress | Implemented | New

Auditees included in the portfolio

- ■ *National Department of Public Works (DPW)*
- ■ *Construction Industry Development Board (CIDB)*
- ■ *Council for the Built Environment (CBE)*
- ■ *Independent Development Trust (IDT)*
- ■ *Property Management Trading Entity (PMTE)*

The department's total budgeted expenditure for the 2014-15 financial year was R6,1 billion. The main areas of expenditure were as follows:

Employee costs	R1,7 billion
Goods and services	R1,4 billion
Transfer payments	R2,6 billion
Capital expenditure	R530 million

The audit outcome of Parliamentary Village Management Board is not included due to its backlog of submitting financial statements for auditing. The last audit completed relates to the 2012-13 financial year. In addition, the audit reports for the PMTE and the IDT were only finalised after 14 August 2015; therefore, the audit outcomes for these entities have been excluded from this report.

Overall audit outcome

The audit opinions of the DPW, CIDB and CBE remained financially unqualified with findings.

Our main audit findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

We commend the CIDB for having submitted for auditing financial statements that did not contain material misstatements. The DPW and CBE received unqualified audit opinions only because they corrected the material misstatements that we identified during the auditing process.

The following controls should be strengthened to create a control environment that supports reliable financial reporting:

- Current controls that enable preparing financial information and statements should be enhanced to ensure the accuracy and completeness of financial information presented throughout the year.
- CBE and DPW should ensure that quarterly financial statements are subjected to a robust review process by all role players, including management, leadership, internal audit units and audit committees. This is also of particular importance for the year-end financial statements which are submitted for audit purposes. Year-end close procedures and reporting timelines must be formalised and cater for enough time for the review process. In-year monitoring and reviews of monthly financial information should also be enhanced. This will significantly reduce the risk of submitting financial statements for auditing that contain material misstatements. Pay specific attention to non-routine transactions during the review process.

Annual performance report

The published APR of the DPW included information on its performance against predetermined objectives that was not reliable for the following programme we had selected to audit:

Auditee	Programme	Not useful	Not reliable
DPW	Programme 3: Expanded public works programme (EPWP)		x

The DPW, CBE and CIDB submitted for auditing APRs that contained material misstatements. The CBE and CIDB avoided material findings in their audit reports only because they corrected all the material misstatements that we identified during the auditing process. The DPW only corrected some of the material misstatements, which resulted in the material finding on the reliability of the actual performance reported for programme 3: EPWP in the audit report.

The following controls should be strengthened to create a control environment that supports reliable reporting on the performance of the portfolio:

- The DPW must strengthen its guidelines on document retention and records management for the EPWP and strictly monitor and control its implementation. Oversight must also be improved to ensure that EPWP payments are only made to valid beneficiaries.
- The internal audit unit must review the evidence supporting the quarterly performance reports. Any errors should be rectified immediately to ensure the validity, accuracy and completeness of the quarterly reports, which form the basis of the APR.
- Management should properly review the APR before submission for audit to ensure that the report is free from material misstatements.

Compliance with legislation

We identified material non-compliance with legislation by the DPW, CBE and CIDB in the following areas:

- All auditees did not take reasonable steps to prevent irregular expenditure.
- The CBE did not implement a proper control system to safeguard and maintain assets. Assets were not physically verified throughout the year, which resulted in material misstatements being identified during the audit process. These were subsequently corrected by management.
- The DPW did not always take effective disciplinary steps against officials who created or permitted irregular expenditure.
- The internal audit unit at the DPW did not assess the operational procedure and monitoring mechanism of transfers made in terms of the annual DoRA. These transfers related to the EPWP where material findings were identified with regards to the reliability of achievements reported.
- The DPW did not implement effective, efficient and transparent systems of risk management and internal controls for performance information.
- The DPW did not implement specific and appropriate information systems to monitor progress made towards achieving the goals, targets and core objectives as indicated in the strategic plan and annual report.
- Funded vacant posts at the DPW were not filled within 12 months. This was mainly due to a delay in finalising the updated organisational structure for the DPW and PMTE, considering the transfer of functions from the DPW to PMTE.

We identified material non-compliance with legislation by the CBE, which may have resulted in financial loss in the following area:

- The CBE did not advertise bids for the required minimum period and did not compose the bid adjudication committee in line with its policies. The preferential procurement point system was not applied in all instances where it was required.

The DPW incurred R55,3 million in irregular expenditure, of which 36% was not detected by the department’s monitoring processes, but was identified during the auditing process. Contravention of SCM legislation contributed to 80% of the irregular expenditure identified. A further R162 000 incurred in previous years was also identified.

A significant portion of the irregular expenditure disclosed by the department in the year under review relates to multi-year contracts, which were identified as irregular during previous years. Costs relating to these contracts were still incurred during the year under review.

The CBE incurred irregular expenditure of R4,1 million, all relating to SCM contraventions, of which 91% was identified during the auditing process. This occurred due to a lack of effective prevention and detection controls. Checklists were not used to ensure that all SCM requirements were met and that irregularities within the SCM division were identified. The chief procurement officer was suspended during the year under review based on allegations that he colluded with suppliers.

The CIDB incurred irregular expenditure of R5,9 million, all of which relates to contraventions of SCM legislation. Only R347 445 (6%) of this irregular expenditure was identified during the auditing process.

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- Reviewing and monitoring compliance must be strengthened. The focus must shift to preventing non-compliance. Relevant action plans must be compiled and enforced to address shortcomings. Risk management and internal audit units must form an integral part of this process.
- The DPW must prioritise implementing the planned information system for EPWP. Policies and procedures must be crafted and enforced to ensure the availability of reliable, accurate and complete audit evidence which supports actual performance reported. This includes strengthening communication with implementing bodies regarding the retention and hand over of relevant documentation.
- Compliance with all relevant SCM legislation must be confirmed before finalising procurement transactions.
- Consequence management must be strengthened to discourage continued transgressions, given the lack of improvement regarding compliance in the portfolio. We noted that the DPW had a significant number of allegations to investigate; however, these must be expedited so that the implicated individuals can be held accountable. The CBE and DPW leadership should, however, primarily focus on preventing transgressions to eliminate the need to apply consequence management.

Root causes

The accounting officer, accounting authorities and senior management should address the root causes of inadequate controls as follows:

- Slow response by management was a concern at the CBE and CIDB. Management must ensure that an appropriate audit action plan is promptly implemented to sustain the unqualified audit opinion and resolve the findings on compliance.

- The lack of consequences for poor performance and transgressions at the CBE should be addressed without delay and speedy disciplinary action should be taken when the need arises. Despite the volume of transactions involved, the DPW should make every effort to ensure that all irregular expenditure reported is timeously investigated and appropriate action taken, where required.
- The DPW should continue appointing appropriate individuals with relevant qualifications, skills and experience in vacant key positions. Ongoing mentoring and training should ensure that skills are maintained or improved, where necessary.

Impact of key role players on audit outcomes

The first and second levels of assurance should be improved by implementing internal and external audit's recommendations by developing and implementing comprehensive audit action plans without delay. The status of implementation must be audited by the internal audit unit and monitored by the audit committee on an ongoing basis. Internal and external audit findings must also be considered during the risk assessment process and adequate prevention strategies must be formulated.

We met with the minister five times in the past year and these interactions had some impact on the audit outcomes as financially unqualified audit opinions were sustained by the DPW, CBE and CIDB. Non-compliance with legislation and the reliability of reported performance on the EPWP remained of concern.

This assessment, the impact of the minister on the controls of the auditees, as well as the status and impact of the commitments, contributed to the assessed assurance provided by the minister.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

Risks to information technology and financial health

Information technology

Key outcomes

The national department did not appoint a permanent chief information officer and the acting chief information officer was responsible for implementing the ICT portion of the turnaround strategy. This issue had been raised in the year under review and in previous financial years. Management had committed to appointing a chief information officer by 31 March 2015. At the time of this report, the matter had still not been addressed and remained a major risk due to the department's dependence on the acting chief information officer for the successful implementation of the information and communication technology (ICT) portion of the turnaround strategy. Progress reports were requested to track the actual expenditure and execution against the planned deliverables related to the turnaround strategy; however, the progress documentation was not provided.

The general control status at all the provinces required improvement, with most of the findings related to a lack of adequate controls for user management, disaster recovery, IT security and IT governance controls. The lack of a disaster recovery process remained a significant risk to the department as, in the event of a disaster, key business processes may remain unavailable for an undefined period.

Highlights

We noted through our operating system and database review of the DPW that the number of high risks had decreased due to the infrastructure upgrade projects that were in progress. This highlighted the fact that the projects being implemented were yielding some positive results.

Challenges

A key challenge noted at the department was that cost versus benefit analyses were not adequately performed prior to a new system being acquired or developed. As a result, the department was replacing systems implemented within a short space of time or the systems were not being used in line with their intended purposes.

Examples of such instances included the following:

- The IE-Works system was rolled out nationwide to manage the department's assets; however, most of the provinces were still using spreadsheets to capture and report on their assets.

- The department was in the process of implementing a new system (phase 3) for reporting on EPWP to address the weaknesses in the IRS. The IRS was recently implemented to replace the old MIS, which was not meeting the department's needs. Spreadsheets were still being used to report to the DPW on EPWP projects, rendering the system ineffective.

Financial health

The continued underspending of the capital budget at the DPW remained a concern and had a negative impact on infrastructure delivery.

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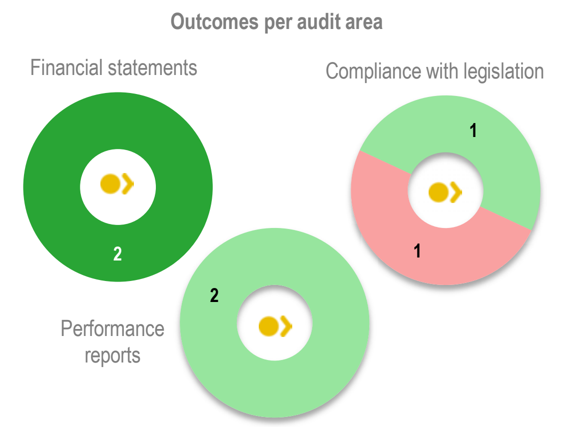
Vote 9: Government communications and information systems

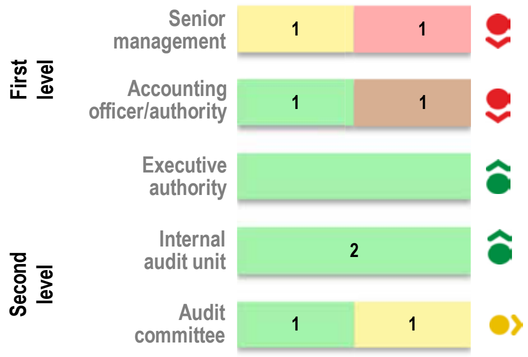
Overall stagnation in audit outcomes

Outcomes per audit area



Unqualified | Qualified | Adverse | Disclaimed
Audits outstanding | With no findings | With findings

Assurance levels



Provides assurance | Provides some assurance | Provides limited/ no assurance | Vacancy

Key controls

Audit areas

	Financial statements			Performance reports			Compliance with legislation		
Effective leadership	2	0	0	2	0	0	2	0	0
Human resources controls	1	0	1	1	0	1	1	0	1
ICT governance and controls	0	1	1	2	0	0	2	0	0
Audit action plans	2	0	0	2	0	0	2	0	0
Proper record keeping	1	1	0	2	0	0	2	0	0
Daily and monthly controls	1	1	0	1	1	0	2	0	0
Review and monitor compliance	1	1	0	2	0	0	2	0	0

Good | Concerning | Intervention required

1 To improve/maintain the **audit outcomes** …

2 … the key role players need to **assure** that …

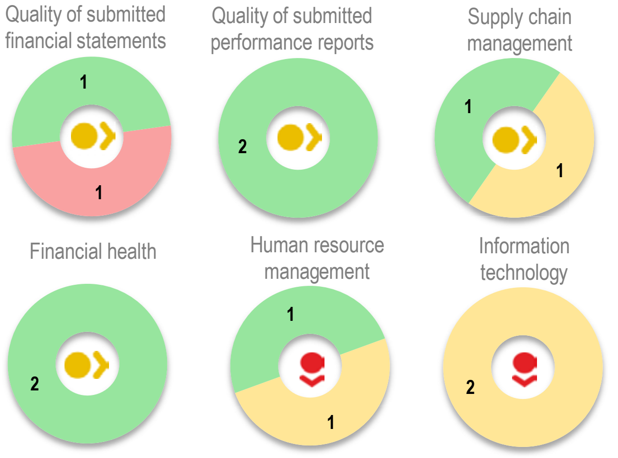
3 … attention is given to the **key controls** and …

… the **risk areas** and that … 4

… the **root causes** are addressed … 5

… and the **commitments** are honoured. 6

Risk areas



Good | Concerning | Intervention required

Root causes

Instability or vacancies in key positions

A root cause at 1 auditees

Improved | Unchanged | Regressed

Status of key commitments by minister

Request departments and entities to compile monthly financial statements to assist with proper governance.

Key vacancies in key management positions will be filled in the third quarter of the 2015-16 financial year.

Not implemented | In progress | Implemented | New

Auditees included in the portfolio

- ■ *Government Communication and Information System (GCIS)*
- ■ *Media Development and Diversity Agency (MDDA)*

The department's total budgeted expenditure was R425 million for the 2014-15 financial year. The main areas of expenditure were employee costs of R208 million, goods and services of R182 million, transfer payments of R23 million and capital expenditure of R12 million.

Previously, the auditees in this portfolio were reported under the Presidency portfolio. The president announced a new ministerial portfolio of communications, which came into effect on 1 April 2015. Auditees in this portfolio will, therefore, form part of the new communications portfolio from the 2015-16 general report.

Overall audit outcome

Although the overall audit outcome of the portfolio was stagnant, the opinions of both the auditees had changed from the previous year.

- GCIS received a clean audit opinion, compared to the previous year when it had obtained a financially unqualified opinion, with findings on compliance
- MDDA received a financially unqualified opinion, with findings on compliance, compared to the clean audit in the previous year.

Our main audit findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

The MDDA submitted financial statements for auditing that contained material misstatements on non-current assets and expenditure. The MDDA avoided a qualified opinion only because it corrected all the misstatements identified during the auditing process.

Compliance with legislation

We identified material non-compliance with legislation by the MDDA in the following areas:

- Quarterly reports were not submitted on time to the Department of Communications, as required by treasury regulations.
- The financial statements submitted for audit were not prepared in line with the prescribed financial reporting framework.

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- Vacancies in senior management must be filled to ensure sufficient monitoring and control of non-compliance with legislation.

Root causes

The accounting authority of the MDDA must ensure that vacancies in senior management are filled to implement adequate oversight of material non-compliance with legislation.

Impact of key role players on audit outcomes

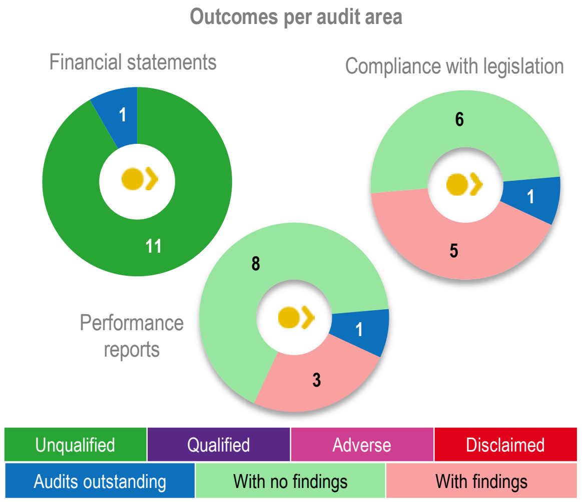
The first and second levels of assurance of the MDDA should be improved by appointing members of senior management (especially a chief executive officer and a chief financial officer), while the audit committee should strengthen the financial statement review process.

We met with the minister twice in the past year, and these interactions had a minimal impact on the audit outcomes. While one auditee improved to a clean audit, the other regressed from a clean audit to an unqualified opinion with findings. Oversight was not fully provided.

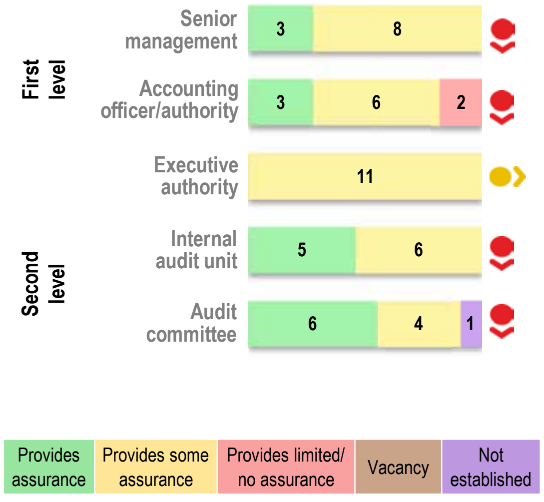
The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

Vote 10: Finance (National Treasury)

Overall stagnation in audit outcomes



Assurance levels



Key controls

Audit areas

	Financial statements			Performance reports			Compliance with legislation		
Effective leadership	10	1	0	11	0	0	10	1	0
Human resources controls	10	1	0	10	1	0	11	0	0
ICT governance and controls	5	6	0	6	5	0	6	5	0
Audit action plans	11	0	0	11	0	0	11	0	0
Proper record keeping	10	1	0	9	2	0	11	0	0
Daily and monthly controls	9	2	0	11	0	0	11	0	0
Review and monitor compliance	9	2	0	10	1	0	5	5	1

🟩 Good 🟨 Concerning 🟥 Intervention required

1
To improve the **audit outcomes** …

2
… the key role players need to **assure** that …

3
… attention is given to the **key controls** and …

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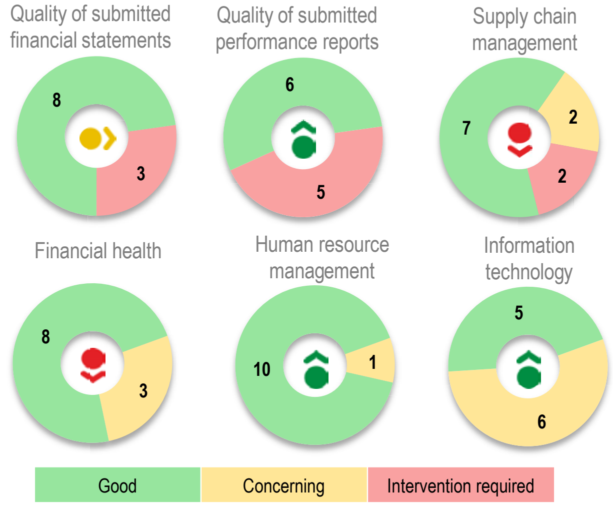
4

… the **root causes** are addressed …
5

… and the **commitments** are honoured.
6

Risk areas



Root causes

Key officials lack appropriate competencies

A root cause at 5 auditees

Slow response by management

A root cause at 4 auditees

Slow response by political leadership

A root cause at 3 auditees

● Improved ● Unchanged ● Regressed

Status of key commitments by minister

Continue to track the implementation of action plans towards clean audit outcomes through quarterly progress reports being submitted to the office of the minister.

Encourage cooperation among the Accounting Standards Board, the Office of the Accountant-General and other stakeholders in developing a financial reporting framework to consolidate the whole of government's financial reporting.

Oversight over the implementation of IFMS and obtaining regular feedback from SITA.

Oversight and clarification of the roles and governance structures in preparation for implementing the twin peaks system of regulating the financial sector.

☐ In progress ☐ New

Auditees included in the portfolio

- *National Treasury*
- *Cooperative Banks Development Agency (CBDA)*
- *Financial Intelligence Centre (FIC)*
- *Financial Services Board (FSB)*
- *Government Pensions Administration Agency (GPAA)*
- *Government Technical Advisory Centre (GTAC)*
- *Independent Regulatory Board for Auditors (IRBA)*
- *Land and Agricultural Development Bank of South Africa (Land Bank Group)*
- *Office of the Ombud for Financial Services Providers (FAIS Ombud)*
- *Office of the Pension Funds Adjudicator (PFA)*
- *Public Investment Corporation (SOC) Limited (PIC)*
- *South African Revenue Service (SARS)*

The National Treasury's budget (voted funds) for the 2014-15 financial year was R26,7 billion. The main areas of expenditure were transfer payments of R21,4 billion and payments for financial assets of R3,6 billion.

Overall audit outcomes

The portfolio's overall audit outcomes have not improved due to changes in the audit outcomes of the PFA and the FAIS Ombud, which had regressed and improved respectively.

GTAC is a newly formed entity that absorbed the functions of the Technical Assistance Unit (TAU) and the Project Development Facility (PDF). TAU and PDF received unqualified audit outcomes with findings on predetermined objectives in the 2013-14 financial year and ceased to exist in that year. GTAC received an unqualified audit opinion with findings on compliance with legislation and predetermined objectives.

PFA regressed from an unqualified audit opinion with no findings to unqualified with findings on compliance with legislation due to its failure to monitor commitments made to sustain the audit outcomes. FAIS Ombud honoured the commitments and addressed past material findings on compliance with legislation, resulting in an improvement in its audit outcome from unqualified with findings on compliance with legislation to unqualified with no findings.

National Treasury, CBDA, FIC, FSB and PIC remained unchanged as they received unqualified audit opinions with findings on compliance with legislation and predetermined objectives. This is due to the slow response by their management to implement corrective actions to improve audit outcomes and a failure to implement commitments to address the previous year's audit findings. IRBA, Land Bank Group and SARS sustained unqualified audit outcomes with no findings by maintaining and monitoring systems of internal controls.

The audit outcome of GPAA is not included because the audit report had not been finalised by 14 August 2015, which was the cut-off date for inclusion of audit outcomes in the general report.

Our main audit findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

The financial statements submitted for auditing by CBDA, FIC and GTAC contained material misstatements in the areas of expenditure, lease liabilities and certain disclosure notes. They received unqualified audit opinions only because they corrected all the misstatements we had identified during the auditing process.

The following controls should be strengthened to improve a control environment that supports reliable financial reporting:

- Key officials involved in financial reporting should be trained on the financial reporting framework, while adequate and timely, quality reviews should be performed before financial statements are submitted for audit.
- Proper record keeping should be implemented for information supporting disclosure notes, which are only finalised at year-end.
- Key commitments made to implement the AGSA's recommendations to address the root causes should be promptly implemented.

Annual performance report

The published APRs of National Treasury, GTAC and FSB included information on performance against predetermined objectives that was not useful or reliable for the following programmes and strategic objectives we had selected to audit:

Auditee	Programme/objective	Not useful	Not reliable
National Treasury	Programme 2: Economic policy, tax, financial regulation and research	x	x
	Programme 4: Asset and liability management	x	x
	Programme 8: Technical support and development finance	x	x

Auditee	Programme/objective	Not useful	Not reliable
Government Technical Advisory Centre	Sub-programme 1: Technical support and development finance programme management	x	x
	Sub-programme 2: Government technical advisory centre	x	x
	Sub-programme 3: Local government financial management support	x	x
Financial Services Board	Strategic goal 1 – Informed and protected consumers: Achieve the deliverables per the TCF road map by overall end date of 2014-15 year-end, subject to “Twin Peaks” legislative timelines	x	x
	Strategic goal 1 – Informed and protected consumers: Living the TCF framework by end 2014	x	x
	Strategic goal 3 – Sound financial institutions: Enhanced regulatory framework in line with international standards	x	x

The APRs submitted by the Land Bank Group and PFA contained material misstatements. They avoided material findings in their audit reports only because they corrected all the misstatements we had identified during the auditing process.

The following controls should be strengthened to sustain a control environment that supports useful and reliable reporting on the performance of the portfolio:

- Improve technical indicator descriptions, as well as planned indicators and targets, to be measurable.
- Adequately train key officials in performance reporting in line with the requirements of the FMPPI.
- Improve the quality and timing of reviewing performance information used to prepare performance reports.

Compliance with legislation

We identified material non-compliance with legislation by the CBDA, FIC, GTAC, PFA and PIC in the following areas:

- The CBDA did not establish and manage a cooperative banks deposit insurance fund, as prescribed.
- The FIC did not establish an audit committee for the greater part of the reporting period, which also resulted in internal audit not fully complying with the requirements of the treasury regulations.
- The GTAC did not prepare a strategic plan for the period 2014 to 2016, as legislated. In addition, it did not submit its strategic plan and annual performance plan to Parliament to facilitate the annual discussion, as legislated.
- The PFA did not always obtain three quotations or invite competitive bids, as legislated. The accounting authority of the PFA did not take effective and appropriate steps to prevent irregular expenditure.
- A member of the accounting authority and a person in the service of the PIC failed to disclose business interests in contracts, with the result that the PIC awarded contracts to their close family members.

The following controls should be strengthened to sustain a control environment that supports compliance with legislation:

- Review and monitor compliance with procurement regulations and apply their interpretation consistently.
- Adequately train key officials in all aspects related to SCM and always encourage disclosure of interests.

Root causes

The minister, accounting officer and accounting authorities should address the root causes of poor audit outcomes and inadequate controls as follows:

- Adequately train and develop key officials in financial and performance reporting, as well as compliance with legislation.
- Monitor the implementation of action plans to improve internal controls and implement the recommendations of internal and external auditors.
- Improve the monitoring mechanisms for implementing commitments towards improving the audit outcomes of the whole portfolio.

Impact of key role players on audit outcomes

The assurance provided by the accounting officer, accounting authorities and senior management should be improved to avoid repeat findings on financial and performance reporting, and compliance with legislation. The accounting officer and accounting authorities should improve their monitoring of the implementation of audit action plans and commitments, and should direct the audit committee to include evaluating performance information.

The audit committees should strengthen their oversight for effective internal control of financial and performance reporting, as well as compliance with legislation.

The internal audit units should direct more of their work towards detecting and correcting misstatements in financial and performance information, as well as compliance with legislation.

We met with the minister twice in the past year and these interactions had minimal impact given the lack of improvement in audit outcomes. The key commitments provided by the minister in the previous year are still in progress, while response has been slow to ensuring that the audit outcomes of the portfolio improve. This assessment, as well as the slow pace at which commitments made by the minister are addressed, is of concern and has contributed to our assessment of the assurance provided by the minister.

The assurance provided by the standing committee on finance was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

Risks related to information technology

Information technology management as a specific cause of audit outcomes

The IT control environment assessment indicates a lack of improvement as most auditees did not implement the necessary controls for security management and user access. IT policies and procedures were designed, but not fully implemented. This could impact the confidentiality and integrity of financial information.

The following controls should be strengthened to improve the control environment to support reliable financial reporting:

Expedite implementing the national IT governance framework to gain a broader understanding of the IT internal controls prescribed for effective IT governance. In addition, improve the monitoring of the previous year's commitments.

Constitutional institutions

- *Financial and Fiscal Commission*

The Financial and Fiscal Commission is included in the portfolio, but was excluded from our analyses as the commission does not fall under the authority of the minister. The commission retained its unqualified audit opinion with findings on compliance with legislation. The previous year's findings on compliance with legislation were addressed. In the 2014-15 financial year, findings were raised on compliance with treasury regulation 16A.6.3(a) and preferential procurement regulations. Sufficient and appropriate audit evidence could not be obtained that the preferential procurement points system was stipulated in the original invitations for quotations. This was due to a lack of understanding of procurement prescripts. Management should ensure that key officials involved in procurement process are adequately trained.

Entities included in the portfolio, but not audited by the Auditor-General of South Africa

We did not audit the following entities included in the portfolio of the minister:

- *Accounting Standards Board (ASB)*
- *Development Bank of Southern Africa (DBSA)*
- *South African Airways SOC Limited (SAA)*
- *South African Special Risk Insurance Association Limited (SASRIA)*

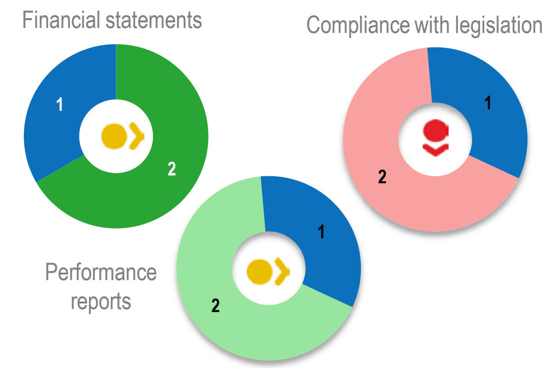
The overall audit outcomes of these entities remained the same as in the previous year, with the financial statements of all these entities receiving an unqualified audit opinion with no findings on compliance with legislation or predetermined objectives.

The audit of SAA, as in the previous year, had not been finalised by 14 August 2015, which was the cut-off date to include the audit outcomes in the general report.

Vote 11: Public enterprises

Overall regression in audit outcomes

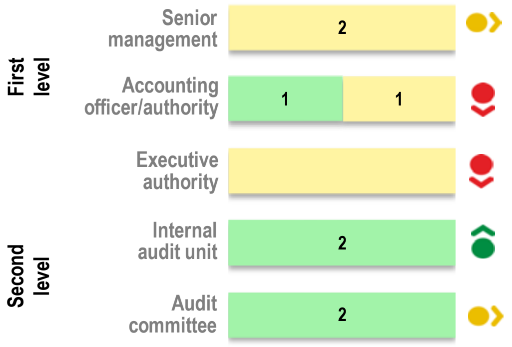
Outcomes per audit area



🟩 Unqualified 🟪 Qualified 🟪 Adverse 🟥 Disclaimed

🟦 Audits outstanding 🟩 With no findings 🟥 With findings

Assurance levels



🟩 Provides assurance 🟨 Provides some assurance 🟥 Provides limited/ no assurance 🟫 Vacancy 🟪 Not established

Key controls

Audit areas

	Financial statements			Performance reports			Compliance with legislation		
Effective leadership	2	0	0	2	0	0	2	0	0
Human resources controls	2	0	0	2	0	0	2	0	0
ICT governance and controls	1	1	0	1	1	0	1	1	0
Audit action plans	2	0	0	2	0	0	2	0	0
Proper record keeping	0	2	0	2	0	0	1	1	0
Daily and monthly controls	0	2	0	1	1	0	1	1	0
Review and monitor compliance	0	2	0	1	1	0	0	1	1

🟩 Good 🟨 Concerning 🟥 Intervention required

1 To improve the **audit outcomes** …

2 … the key role players need to **assure** that …

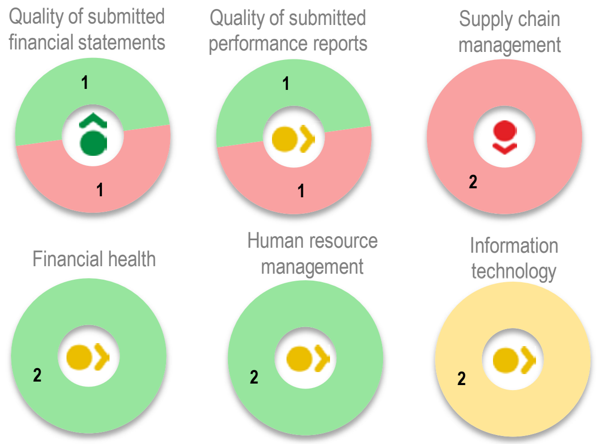
3 … attention is given to the **key controls** and …

… the **risk areas** and that … 4

… the **root causes** are addressed … 5

… and the **commitments** are honoured. 6

Risk areas



🟩 Good 🟨 Concerning 🟥 Intervention required

Root causes

Slow response by management (accounting officer and senior management)

A root cause at 2 auditees

Lack of consequences for poor performance and transgressions

A root cause at 1 auditee

Instability or vacancies in key positions

A root cause at 1 auditee

● Improved ● Unchanged ● Regressed

Status of key commitments by minister

- 🟨 Engaging with the audit committee, board chairpersons of state-owned entities and the executive as per the DPE calendar.
- 🟥 Focus on sustaining the clean audit and clean administration to lead the state owned entities by example.
- 🟨 Internal audit must implement processes to review actions taken by entities to improve audit outcomes.
- 🟥 DPE portfolio managers to attend audit committee and board of directors meetings to identify pertinent issues and enable oversight issues to be implemented.
- 🟨 The DPE and state-owned entities to prepare interim financial statements subject to an interim audit.
- 🟦 Support measures for state-owned entities to conduct business in a sustainable manner with no financial support from the state.
- 🟩 All entities in the portfolio must provide the DPE with action plans and progress made to address audit findings and achieve clean audits.
- 🟦 Conclude the Government Shareholder Management Act.

🟥 Not implemented 🟨 In progress 🟩 Implemented 🟦 New

Auditees included in the portfolio

- *Department of Public Enterprises (DPE)*
- *South African Express Airways SOC Limited (SA Express)*
- *South African Forestry Company SOC Limited (SAFCOL)*

The department's total budgeted expenditure for the 2014-15 financial year was R319,5 million. The main areas of expenditure were employee costs of R147,1 million and goods and services of R105 million.

The audit outcome of SA Express is not included as the audit was not finalised by 14 August 2015, which was the cut-off date for including audit outcomes in the general report.

Overall audit outcome

The regression in the portfolio's overall audit outcome was due to the DPE moving from a clean audit to an unqualified opinion with findings on compliance with legislation. SAFCOL retained its unqualified opinion with findings on compliance with legislation from the previous year.

Our audit's main findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

We commend the DPE for submitting for auditing annual financial statements that were free from material misstatements. The processes implemented by the department should be shared throughout the portfolio.

SAFCOL submitted for auditing financial statements that contained material misstatements in the area of intangible assets. SAFCOL received an unqualified opinion only because it corrected the material misstatements we identified during the auditing process.

The following controls should be strengthened to create a control environment that supports reliable financial reporting:

- Entrench daily, weekly and monthly financial disciplines into financial activities, systems and processes to promote a culture of clean administration at all times.
- Prompt response by management to prevent matters reported in the previous year from recurring.
- Fill vacancies in key positions promptly to positively contribute to action plans developed to improve audit outcomes.

Annual performance report

The DPE again submitted an APR that was useful and reliable. We recommend that the DPE sustain this outcome and assist the entities in its portfolio to achieve the same.

SAFCOL submitted an APR for auditing that contained material misstatements. It avoided material findings in its audit report only because it corrected all the misstatements we identified during the auditing process.

The following controls should be strengthened to sustain a control environment that supports useful and reliable reporting on the performance of the portfolio:

- Regularly prepare performance reports supported by reliable information, which are reviewed by senior management as the first level of assurance.
- Include the technical indicator descriptions for monitoring the completeness of source documentation in support of actual achievements in the shareholder's compact and corporate plan that is concluded with the executive authority.

Compliance with legislation

We identified material non-compliance with legislation by the DPE and SAFCOL in the following areas:

- The DPE appointed employees and paid performance bonuses without following proper processes.
- The DPE and SAFCOL did not always follow competitive bidding processes as prescribed and did not apply the treasury regulations and the Preferential Procurement Policy Framework Act (PPPFA) in awarding contracts.
- The DPE and SAFCOL did not take reasonable steps to prevent irregular, fruitless and wasteful expenditure.

The DPE incurred R10,98 million in irregular expenditure from procurement processes (an increase from the R711 thousand incurred in 2013-14), which was identified by the auditors. In similar non-compliance, SAFCOL incurred R72,2 million in irregular expenditure (an increase from the R17,9 million incurred in 2013-14), of which the majority was identified by the entity.

The DPE incurred R260 thousand in fruitless and wasteful expenditure (a decrease from the R530 thousand incurred in 2013-14) for travel-related costs where employees did not take up their bookings. Further, the DPE paid bonuses to employees who did not qualify for such performance bonuses.

Interest and penalties incurred by SAFCOL to the extent of R366 thousand were in vain (a decrease from the R1,8 million incurred in 2013-14). This was disclosed as fruitless and wasteful expenditure.

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- Officials who contravene the relevant legislation and policies should be subjected to the appropriate consequences.
- The leadership of each entity must fully enforce the requirements of its SCM policies and procedures, which should be continuously aligned to all applicable legislation while maintaining the ability of the entity to be a profitable business.
- Senior management's daily and monthly oversight processes and sign offs should include key monitoring and evaluation of compliance with legislation, with a specific focus on SCM, which tends to be a weakness within the portfolio.

Root causes

The executive and accounting officer and authorities should address the root causes of the regression in audit outcomes and inadequate controls as follows:

- Senior management should take immediate action and hold officials accountable for not adhering to the implemented internal controls.
- Performance management measures should be implemented to ensure that action is taken against individuals for poor performance and transgressions experienced at the DPE and SAFCOL.
- The vacancies should be filled with appropriately qualified individuals who are held accountable for their responsibilities.

Impact of key role players on audit outcomes

The first and second levels of assurance should be improved by enhancing the level of oversight of areas of financial and performance management and compliance with legislation provided by the accounting officer and senior management. Assurance can be obtained from the recommendations of the audit committee and internal audit function, which provided adequate oversight to enable discipline in daily and monthly control activities.

We met with the minister five times in the past year and these interactions had some impact on the audit outcomes. At these interactions, commitments were made to address improvements in the internal control environment with the objective of achieving clean audit outcomes across the portfolio. The assessment of assurance providers, the progress of the impact of the minister on the controls of the auditees in the portfolio as well as the status and impact of the commitments, contributed to the assessed assurance provided by the minister.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

Risks relating to information technology

Information technology management as a specific cause of audit outcomes

Key outcomes

The DPE had not resolved IT matters as previously reported. The primary items repeated were related to information security, user account management and IT service continuity. SAFCOL implemented a new financial system but internal control deficiencies were similar to those reported in the previous year for security management, user account management and IT service continuity.

Good IT control practices across the portfolio

Overall there were no specific good practices identified at the DPE. However, SAFCOL showed an improvement in its IT control environment and did not have findings in the IT governance focus area.

The senior management in the portfolio together with the minister should address the following matters, which were identified as drivers of control weaknesses:

- The DPE did not have adequate expertise and governance structures to implement adequate controls in the IT environment.
- SAFCOL did not adopt proper project management and/or governance processes when implementing the new systems, which resulted in policies and procedures being developed after the system was implemented.

The portfolio should improve IT risk management and governance by better understanding the IT risk landscape and applying appropriate controls to mitigate those risks.

Entities included in the portfolio, but not audited by the Auditor-General of South Africa

We did not audit the following entities included in the portfolio of the minister:

- *Alexkor SOC Limited*
- *Broadband Infraco SOC Limited*
- *Denel SOC Limited*
- *Eskom Holdings SOC Limited*
- *Transnet SOC Limited*

During the financial period, South African Airways SOC Limited (SAA) was transferred to directly reporting to the executive authority of the National Treasury and Broadband Infraco SOC Limited was moved to the Department of Telecommunications and Postal Services (DTPS).

The overall audit outcomes of the rest of the entities regressed when compared to the previous year. The audit outcomes were as follows:

- Only Denel (20% of the entities) received an unqualified opinion with no findings – a regression from the two auditees that achieved this category in the previous year.
- Alexkor, Eskom Holdings and Transnet (60% of the entities) received unqualified opinions with material findings on compliance with legislation – unchanged from the three auditees in this category in the previous year.
- Transnet (20% of the entities) had material findings on the usefulness of some of its performance against predetermined objectives – a regression from the previous year.

Irregular, fruitless and wasteful expenditure

Alexkor, Eskom and Transnet incurred fruitless and wasteful expenditure of R1,4 million, R51 million and R23 million respectively. In addition, Eskom's and Transnet's irregular expenditure was R713 million and R32,2 million respectively.

The audit outcome of Broadband Infraco SOC Limited is not included above as the audit was not finalised by 14 August 2015, which was the cut-off date for including audit outcomes in the general report.

Performance audit on the oversight and governance systems of the Department of Public Enterprises over its state-owned companies

Scope of the performance audit

The performance audit sought to answer the following key questions covering the period 1 April 2008 to 31 March 2011:

- Is the department's oversight role in terms of ensuring that good governance takes place properly defined?
- Are the business activities relating to the department's oversight role economically, efficiently and effectively carried out?
- Does an environment of accountability and transparency exist?

The detailed findings of the performance audit were included in a comprehensive management report which was submitted to the department in February 2012. The Presidential Review Committee on state-owned companies (PRC) published its outcomes in its report, *Growing the Economy – Bridging the Gap*, in 2013. The extended time needed to analyse the performance audit and the PRC review, as well as engaging with the department, caused a time lapse in making the report items available.

The PRC was appointed to review all state-owned companies and make recommendations on aligning these entities in all spheres of government to achieve the developmental objectives of South Africa. It was tasked with making recommendations that would ensure that state-owned companies are more efficient and effective in accelerating the country's growth and development. The PRC's terms of reference covered 21 focus areas. Common to both our performance audit and the PRC review were the following focus areas:

- Standardisation of accounting and reporting processes for state-owned companies
- Owner/shareholder oversight and governance of state-owned companies
- Recruitment, selection and appointment of boards and executive management to state-owned companies.

The department was engaged in November 2014 and August 2015 on the performance audit management report where the department indicated that it had embarked on a process to review the recommendations made by the PRC as well as the recommendations from the performance audit management report. The outcome of this performance audit was presented to the minister of public enterprises in August 2015.

Key findings from our performance audit

Key findings

The deficiencies identified during the performance audit related to:

- high vacancy rates in the teams responsible for the oversight and governance of state-owned companies
- ineffective channels of communication between the department and its state-owned companies
- inconsistent review, analysis and feedback by the department to its state-owned companies,
- lack of independent evaluation of directors appointed to boards of state-owned companies
- certain information requested by the audit team not being provided by the department and some of the state-owned companies.

Department's commitment

During discussions with the department in August 2015, the acting director-general indicated that the department had begun to implement certain corrective actions to address the findings of the performance audit. These included the following:

- Improving communication with state-owned companies and processes to manage information and documentation.
- Presenting the government shareholder management model to the Presidency, and to cabinet, in the near future.
- Working with the National Treasury on the recommendations made by the PRC.

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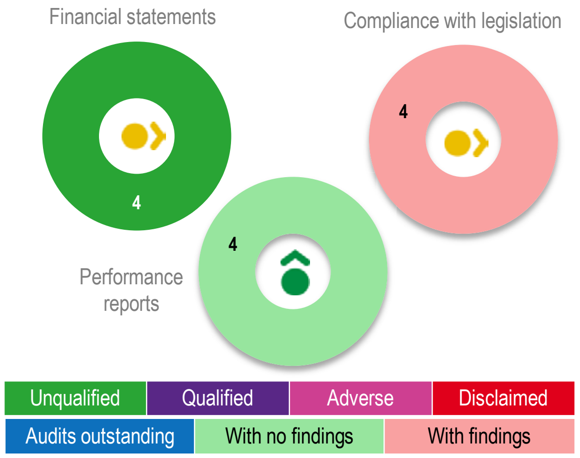
Vote 12: Public service and administration

Overall improvement in audit outcomes

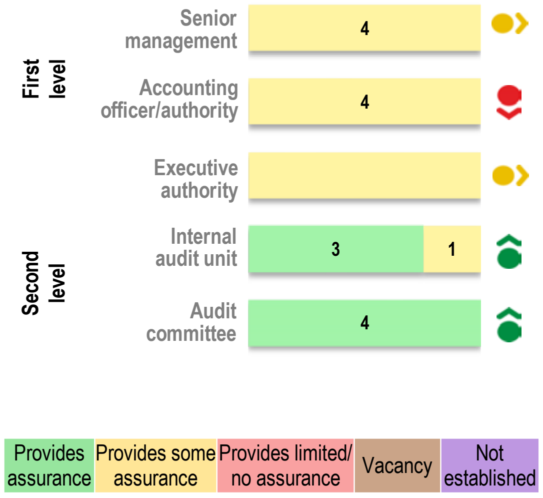
Outcomes per audit area



1

To improve/maintain the **audit outcomes** …

Assurance levels



2

… the key role players need to **assure** that …

Key controls

Audit areas

	Financial statements			Performance reports			Compliance with legislation		
Effective leadership	4	0	0	4	0	0	4	0	0
Human resources controls	3	1	0	4	0	0	3	0	1
ICT governance and controls	0	3	1	0	4	0	0	4	0
Audit action plans	4	0	0	4	0	0	3	1	0
Proper record keeping	3	1	0	3	1	0	3	1	0
Daily and monthly controls	3	1	0	4	0	0	4	0	0
Review and monitor compliance	4	0	0	3	1	0	0	2	2

🟩 Good 🟨 Concerning 🟥 Intervention required

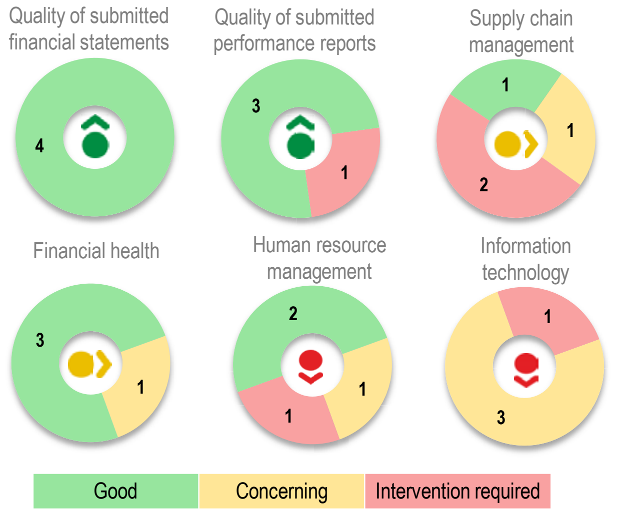
3

… attention is given to the **key controls** and …

… the **risk areas** and that …

4

Risk areas



… the **root causes** are addressed/ **best practices** are maintained …

5

Root causes

Slow response by management (Accounting officer and senior management)

A root cause at 4 auditees

Lack of consequences for poor performance and transgressions

A root cause at 4 auditees

Instability or vacancies in key positions

A root cause at 2 auditees

● Improved ● Unchanged ● Regressed

… and the **commitments** are honoured.

6

Status of key commitments by minister

Actively pursue the passing of the Public Administration and Management Bill to address weaknesses of the current Public Service Act. Once the bill is passed into law, the DPSA will be in a position to enforce compliance.

Create capacity and systems to consolidate, monitor and analyse government's audit outcomes to identify and address weaknesses in current legislation, regulations and guidance

Improve the quality of quarterly financial reporting through proper reviews of financial information by governance structures (internal audit)

Appoint a permanent government information technology officer (the current incumbent is appointed on a contract basis)

Build capacity to assist government departments to implement the ICT governance framework

Not implemented | In progress | Implemented | New

Auditees included in the portfolio

- *Department of Public Service and Administration (DPSA)*
- *National School of Government (NSG department)*
- *National School of Government (NSG trading entity)*
- *State Information Technology Agency SOC Ltd (SITA)*

With regard to section 97 of the Constitution of South Africa, SITA's administration, powers and functions, entrusted by the specified legislation and all amendments, were transferred by the president to the minister of Telecommunication and Postal Services, in Government Gazette no. 37839 on 15 July 2014.

The DPSA's budgeted expenditure for the 2014-15 financial year was R875,1 million. The main expenditure was in respect of goods and services of R204,3 million, employee cost of R246,5 million and transfer payments of R417,2 million.

Overall audit outcome

The overall audit outcome remains unchanged for the portfolio due to a failure to implement controls to ensure compliance with legislation in the procurement, contract management and human resources environments.

Our main audit findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

We commend the entities in the portfolio for submitting financial statements that were free from material misstatements.

Annual performance report

The DPSA, NSG department, NSG trading entity and SITA submitted APRs that included both useful and reliable information on their performance against predetermined objectives. The actions implemented by the entities within this portfolio to improve their audit outcomes are acknowledged and we commend the portfolio for improving from the previous year.

SITA, however, submitted for auditing an APR that contained material misstatements. It avoided material findings in its audit report only because it corrected all the misstatements we identified during the auditing process.

The following controls should be strengthened to create a control environment that supports useful and reliable reporting on the performance of the portfolio:

- Fully align the APR to the results and evidence from the respective divisions that are responsible for driving the targets.
- Management should ensure that there is consistency between the annual performance plan and the annual report with all the necessary information, as per the National Treasury's Annual report guide

Compliance with legislation

We identified material non-compliance with key legislation by the DPSA, the NSG department, NSG trading entity and SITA in the following areas:

- The DPSA's human resource plan was not in place during 2014-15.
- The NSG department procured goods and services with a transaction value below R500 000 without obtaining the required price quotations, as required by treasury regulation 16A6.1.
- SITA procured goods and services with a transaction value above R500 000 without obtaining the required price quotations, as required by treasury regulation 16A6.1.
- SITA could not provide sufficient and appropriate audit evidence that two contracts and one quotation were awarded according to the legislative requirements.
- The NSG department, NSG trading entity and SITA did not take reasonable steps to prevent irregular expenditure.

The total irregular expenditure by the portfolio amounted to R16,9 million, with SITA being the largest contributor, incurring R13,98 million due to non-compliance with SCM legislation. This represents a 56% reduction in the irregular expenditure from the previous financial year.

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- The impact of non-compliance with legislation should be clearly explained and internalised by all involved in the procurement and human resource environment.
- The leadership and governance structures should review and monitor compliance with applicable legislation using compliance checklists that must be signed off.
- The internal audit units must focus on delivering high impact audits on the entity's implemented processes to ensure that the process is effective in achieving its intended objectives.

Root Causes

The leadership and senior management of the entities should address the root causes of poor audit outcomes and inadequate controls as follows:

- Accounting officers and senior management must ensure that proper disciplinary steps are taken against employees for poor performance and transgressions, and that measures are put in place to recover any losses by the department.
- Performance agreements of senior staff should include measures that are linked to the audit outcome.
- Action plans should be specific, measurable and time bound. Management should regularly monitor progress made against action plans and, where appropriate, take action against employees.
- A less tolerant approach should be taken by all parties to enforce accountability and consequences for those who intentionally fail to comply with legislation.
- Fill key vacancies in the portfolio as acting individuals are likely to take on less than the full responsibility, functions and powers of the higher positon and are less committed to the deliverables due to the temporary nature of the position.

Impact of key role players on audit outcomes

The first and second levels of assurance should be maintained in the financial statement environment but improved for the compliance with legislation environment. This should be done by promptly implementing internal and external audit recommendations to strengthen the control environment. The internal audit units and audit committees should implement an effective and consistent method to follow up on actions taken to address audit findings relating to internal control weaknesses.

We met with the executive authority twice in the past year and these interactions had little to some impact on the portfolio's audit outcomes for the year. We anticipate that the current audit status will not change due to leadership instability at executive authority level.

The previous year's commitments are still in progress. The slow pace at which these commitments are implemented has contributed to the non-compliance with legislation in the portfolio. However, the leadership should be commended for increasing the momentum and striving towards fully implementing these commitments by the end of 2015-16 financial year.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

Risks to financial health and information technology

Financial health

The accounting authority and senior management of SITA should address the following matters, which could affect service delivery in the portfolio:

- The entity has significantly underspent its capex budget (83%). This, coupled with an aging infrastructure and the fact that no formal replacement plan is in place, is of concern. A lack of adequate investment in this area could have a negative impact on service delivery. A detailed replacement plan should be implemented to replace and enhance existing infrastructure aligned to service delivery and customer's needs.
- It takes an average of 92 days for SITA to collect their debt, which is a slight improvement from the previous year. If debt is not collected in time it could impact on SITA's cash flow.

Information technology management as a specific cause of audit outcomes

Key outcomes

The DPSA had not resolved previously reported IT issues. This has resulted in many repeat issues over the last three years. The issues related to IT governance, information security and IT service continuity. The DPSA has struggled to implement effective IT governance mechanisms for three financial years.

The NSG department and SITA had designed IT controls; however, they were still struggling with implementing the controls.

Overall SITA has made progress in rectifying the exceptions reported in the previous information systems review. However, it was noted that action plans and recommendations from the previous year were not fully implemented. This resulted in some repeat findings on the lack of controls on IT service continuity and IT security.

Causes of IT control weaknesses

- Ineffective governance structures have resulted in a lack of accountability for resolving issues arising from the previous year's reports.
- A lack of integration between the IT unit and other business units resulted in IT risk assessments not being managed as part of enterprise-wide risk management.
- The lengthy approval and consultative process has resulted in policies not being reviewed and approved in time for implementation.

Constitutional institution

■ *The Office of the Public Service Commission (PSC)*

The Office of the Public Service Commission (PSC) is included in the portfolio and reports to the Public Service Commission as the executive authority. The PSC obtained an unqualified opinion with no findings on compliance with legislation and no findings on the APR.

Financial statements

The PSC is commended for preparing financial statements that were free of material misstatements. This is an improvement from the previous year and enabled the PSC to achieve a clean audit.

Annual performance report

The PSC's published APR was useful and reliable in all material respects.

Compliance with legislation

We did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Vote 13: Statistics South Africa

Sustained a clean audit outcome

Audit area	Audit outcome	
Financial statements (F)	🟩 **Unqualified**	●❯
Performance reports (P)	🟩 **No material findings**	●❯
Compliance with legislation (C)	🟩 **No material findings**	●❯

Assurance levels

First level	Senior management	🟩 *Provides assurance*	●❯
	Accounting officer	🟩 *Provides assurance*	●❯
	Executive authority	🟩 *Provides assurance*	●❯
Second level	Internal audit unit	🟨 *Provides some assurance*	●❯
	Audit committee	🟩 *Provides assurance*	●❯

Key controls

	Audit area		
	F	P	C
Effective leadership	🟩	🟩	🟩
Human resource controls	🟩	🟩	🟩
ICT governance and controls	🟩	🟨	🟩
Action plans	🟨	🟩	🟨
Proper record keeping	🟨	🟨	🟩
Daily and monthly controls	🟨	🟩	🟨
Review and monitor compliance	🟩	🟩	🟨

F = Financial P = Performance C = Compliance

🟩 Good 🟨 Concerning 🟥 Intervention required

1 To improve/maintain the **audit outcomes** …

2 … the key role players need to **assure** that …

3 … attention is given to the **key controls** and …

… the **risk areas** and that … 4

… the **root causes** are addressed … 5

… and the **commitments** are honoured. 6

Risk areas

🟩 **Quality of submitted financial statements** ●❯	🟥 **Quality of submitted performance reports** ●❯	🟩 **Supply chain management** ▲
🟩 **Financial health** ●❯	🟩 **Human resource management** ▲	🟨 **Information technology** ●❯

🟩 Good 🟨 Concerning 🟥 Intervention required

Best practices

Continuous monitoring progress of the action plans implemented

Status of key commitments by minister

- 🟨 The minister committed to discuss with management and National Treasury the matter of Statistics SA's unfunded mandates.
- 🟨 The minister, together with management, committed to the implementation of a corrective action plan which will monitor and track the corrective actions taken.
- 🟨 The minister committed to follow up on performance and consequence management.
- 🟨 The minister committed to follow up on the investigation into procurement of goods and services.
- 🟥 Management undertook to hold executive managers accountable for the quality of performance reports through the performance management system.

🟥 Not implemented 🟨 In progress

Auditees included in the portfolio

■ *Statistics South Africa (Statistics SA)*

The department's budget (voted funds) for the 2014-15 financial year was R2 242 billion. The main areas of expenditure were:

Employee cost	R1,216 billion
Goods and services	R547 million
Transfers and subsidies	R17 million
Capital expenditure	R461 million.

Overall audit outcome

Statistics SA's sustained unqualified audit opinion with no findings was due to management continuously monitoring the implementation of controls and the previous year's action plans.

The matters raised during our audit should be addressed to ensure that the overall audit outcomes are sustained. These are as follows:

Financial statements

The financial statements submitted by Statistics SA for auditing were free from material misstatements. The implementation of action plans was monitored and tracked monthly by the leadership. The following controls should be upheld to sustain a control environment that supports reliable financial reporting:

- The effectiveness of controls already implemented to collate information required for disclosure notes (accruals and commitments) to ensure that the monthly disclosure notes prepared are valid, accurate, complete and supported by reliable information.
- The effectiveness of the review processes and controls over disclosure notes to ensure that the misstatements/errors in disclosure notes (accruals and commitments) are detected and corrected prior to the audit process.

Annual performance report

The APR submitted for audit by Statistics SA contained material misstatements. This has been a recurring matter over the past three consecutive financial years and is due to management's slow response to honour their previous year's commitments and lack of consequences for poor performance. The department avoided material findings in its audit report only because it corrected all the misstatements identified during the auditing process.

The following controls should be strengthened to create a control environment that ensures that the reported performance is supported by evidence:

- Strengthen performance and consequence management by holding executive managers accountable for the quality of performance reports through the performance management system to avoid repeat findings.
- Strengthen performance reporting and related controls by providing training to key officials responsible for preparing and reviewing quarterly and APRs.
- Strengthen record keeping to ensure that complete, relevant and accurate supporting documents are readily available and accessible to support performance achievements reported in the APR.

Best practices

Management sustained an unqualified audit opinion with no findings by implementing action plans and internal controls that addressed the matters raised by the auditors in respect of financial statements and compliance with legislation. Measures were implemented to monitor the effectiveness of these plans and also to hold the relevant role players accountable for the audit outcomes. Consequence management relating to financial statements and compliance with applicable legislation was included in the staff performance contracts, and this has driven the desired audit outcomes.

Notwithstanding the sustained audit outcomes and best practices, management should implement similar measures to improve the quality of the performance reports. This would be achieved by:

- implementing the previous year's commitment of holding executive managers accountable for the quality of performance reports through the performance management system.
- providing training to key officials responsible for preparing and reviewing quarterly and APRs.
- enhancing performance and consequence management by taking action against officials who fail to execute their responsibilities or repeat transgressors to avoid repeat findings.

Impact of key role players on audit outcomes

The first level of assurance has sustained the audit outcomes by ensuring that the AGSA's recommendations are implemented. Improvement is required in the assurance provided on the reliability of performance reporting by ensuring that commitments are honoured and consequence management is implemented.

The second level of assurance should be enhanced by improving the performance and oversight role of the internal audit function.

We met with the minister once in the past year. The key commitments provided by the minister in the previous year are still in progress. To sustain the audit outcome, the minister should closely monitor action plans to address the previous year's commitments and ensure that there is progress on bringing finality to the procurement irregularities investigation that has been ongoing for the past four years. This assessment, as well as the impact of commitments made in the previous year, has contributed to our assessment of the assurance provided by the minister.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

Risks related to information technology

Information technology management as a specific cause of audit outcomes

Key audit outcome

Expedite the full implementation of IT governance processes to ensure that all milestones are achieved, thus ensuring that the IT control environment is operating effectively as per the designed IT policies and procedures.

Risks to financial health and service delivery

Although there are no unfavourable indicators for Statistics SA, unfunded mandates (master sample survey and living conditions survey) may strain the finances of the department and prevent it from delivering on its mandate. In the 2014-15 financial year, the master sample survey was funded from the vacancy savings. This could become problematic in future when all the vacancies have been filled. The overall vacancy rate is currently 9,5% and the actual expenditure for the master sample survey and living conditions survey in 2014-15 was R66,4 million, while the estimated cost for both mandates in 2015-16 is R46,8 million. The minister undertook to discuss the funding matter with management and the National Treasury.

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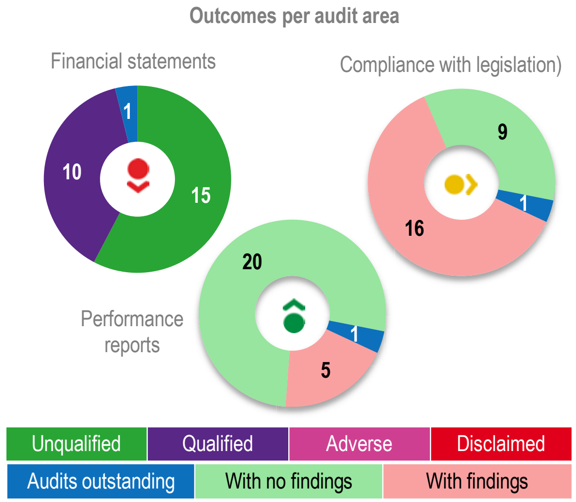
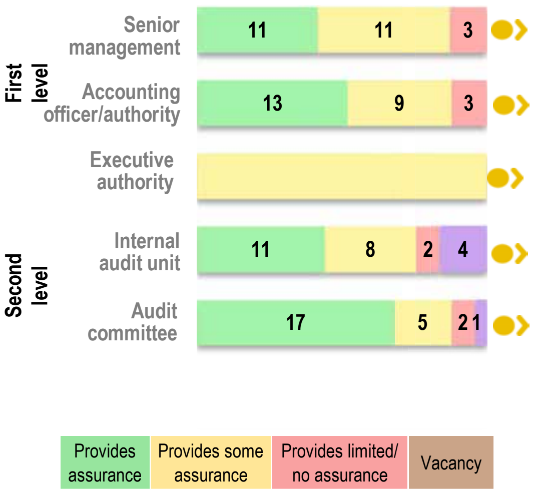
Vote 14: Arts and culture

Overall regression in audit outcomes



Assurance levels



Key controls

	Audit areas								
	Financial statements			Performance reports			Compliance with legislation		
Effective leadership	24	1	0	24	1	0	23	1	1
Human resources controls	15	7	3	19	4	2	19	3	3
ICT governance and controls	13	3	7	16	1	6	15	2	6
Audit action plans	16	5	4	18	6	1	18	6	1
Proper record keeping	17	5	3	20	3	2	18	4	3
Daily and monthly controls	17	5	3	21	3	1	21	3	1
Review and monitor compliance	15	6	4	19	4	2	10	11	4

🟩 Good 🟨 Concerning 🟥 Intervention required

1 To improve/maintain the **audit outcomes** …

2 … the key role players need to **assure** that …

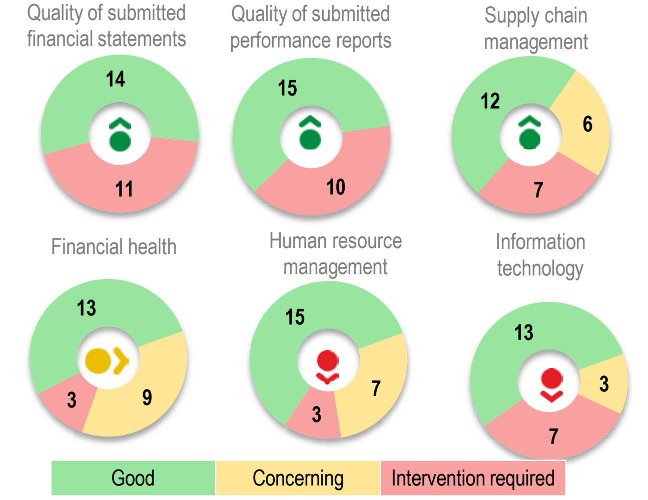
3 … attention is given to the **key controls** and …

… the **risk areas** and that … **4**

… the **root causes** are addressed … **5**

… and the **commitments** are honoured. **6**

Risk areas



Root causes

Key officials lack appropriate competencies
A root cause at 6 auditees

Slow response by management
A root cause at 11 auditees

Lack of consequences for poor performance and transgression
A root cause at 7 auditees

● Improved ● Unchanged ● Regressed

Status of key commitments by minister/MEC

To address the challenges faced by the portfolio to achieve clean audits and take internal measures to deal with the reasons that led to the negative audit outcome throughout the portfolio

The minister will strengthen the shareholders' compact and get assurance on skills and irregular expenditure

The minister will meet the AGSA more regularly, at least quarterly

To investigate irregular expenditure at DAC that resulted in a qualified audit opinion in the 2013-14 financial year.

Filling the posts of deputy director-general: corporate service and chief financial at DAC.

Not implemented In progress Implemented New

Auditees included in the portfolio

- Department of Arts and Culture (DAC)
- Artscape
- Die Afrikaanse Taalmuseum
- Ditsong Museums of South Africa
- Iziko Museums of Cape Town
- Freedom Park
- KwaZulu-Natal Museum
- Luthuli Museum
- Market Theatre Foundation
- Msunduzi/Voortrekker Museum
- National Heritage Council of South Africa
- National Arts Council of South Africa
- National Film and Video Foundation of South Africa
- National Library of South Africa
- Nelson Mandela National Museum
- National Museum
- National English Literary Museum
- Performing Arts Centre of the Free State
- Robben Island Museum, Cape Town
- South African Library for the Blind
- South African Heritage Resources Agency
- South African State Theatre
- The Playhouse Company
- War Museum of the Boer Republics
- William Humphreys Art Gallery
- Windybrow Theatre

The DAC's total budgeted expenditure for the 2014-15 financial year was R3,5 billion. The main areas of expenditure were employee cost of R201 million, goods and services of R399 million, and transfers and subsidies of R2,9 billion.

The audit outcome of the Performing Arts Centre of the Free State is not included, as we had not finalised the audit by 14 August 2015, which was the cut-off date for the inclusion of audit outcomes in the general report.

Overall audit outcome

The following five auditees regressed and only four improved in the portfolio, which led to the regression in the overall audit outcome:

- The DAC improved from receiving a qualified audit opinion to an unqualified audit opinion with findings. The National Museum and Die Afrikaanse Taalmuseum improved from receiving an unqualified audit opinion with findings to an unqualified audit opinion with no findings. The National Arts Council of South Africa improved from receiving a qualified audit opinion to an unqualified audit opinion with no findings.
- The Iziko Museums of Cape Town and the KwaZulu-Natal Museum regressed from unqualified audit opinions with no findings to qualified audit opinions. The Luthuli Museum, the South African State Theatre and the William Humphreys Art Gallery regressed from unqualified audit opinions with findings to qualified audit opinions.
- The annual financial statements of the Performing Arts Centre of the Free State were submitted late.

Our main audit findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

A total of 44% of the auditees (11) submitted for auditing financial statements that contained the following material misstatements in the areas of heritage assets; property, plant and equipment; and irregular expenditure:

- The Ditsong Museums of South Africa, Iziko Museums of Cape Town, KwaZulu-Natal Museum, Msunduzi/Voortrekker Museum, National English Literary Museum, National Library of South Africa, Nelson Mandela National Museum and William Humphrey Art Gallery did not determine the cost or fair values of heritage assets that should have been included in their annual financial statements.
- The Ditsong Museums of South Africa, National English Literary Museum and Windybrow Theatre did not have proper systems to identify, detect and record irregular expenditure.
- The asset register of the South African State Theatre was not complete; the reassessment of the useful lives of assets at the National Library of South Africa was not done in line with the entity's accounting policy; and new

values recorded in the fixed asset register were not properly supported at the Msunduzi/Voortrekker Museum.

- The DAC and the South African Heritage Resources Agency received an unqualified audit opinion only because they corrected all the misstatements we had identified during the audit process.

The following controls should be strengthened to create a control environment that supports reliable financial reporting:

- Implement proper record keeping to ensure that matters affecting the financial statements are supported by appropriate documents.
- Review and monitor daily and monthly transaction processing regularly to ensure compliance with applicable policies and procedures.
- Fill vacant key management positions with adequately skilled personnel in time to ensure stability.

Annual performance report

The published APR of five of the auditees (19%) included information on their performance against predetermined objectives that was not useful or reliable for the following programmes or objectives we had selected to audit:

Auditee	Programme/objective	Not useful	Not reliable
DAC	Programme 3: Arts, culture and development Programme 4: Heritage preservation and promotion		X
Ditsong Museums of South Africa	Programme 2: Business development	X	X
Msunduzi/Voortrekker Museum	Objective 1: Administration Objective 2: Business development Objective 3: Public engagements	X	N/A
National Heritage Council of South Africa	Programme 2: Heritage promotions	X	N/A
National Library of South Africa	Programme 2: Business development	X	X
	Programme 3: Community engagements	X	N/A

Artscape, the Iziko Museums of Cape Town, the Luthuli Museum, the Nelson Mandela National Museum and the South African Heritage Resources Agency submitted for auditing APRs that contained material misstatements. They avoided material findings in their audit reports only because they corrected all the misstatements we had identified during the audit process.

The following controls should be strengthened to create a control environment that supports useful and reliable reporting on the performance of the portfolio:

- Implement proper record keeping to ensure that all matters affecting the APRs are adequately supported by valid supporting evidence.
- Review and monitor monthly and daily information processing to ensure that it complies with applicable legislation.
- Review annual performance plans for all entities in the portfolio before they are approved to ensure that the targets and indicators meet the SMART criteria.

Compliance with legislation

We identified material non-compliance with legislation in the following areas:

Area of non-compliance	Auditees that did not comply
Three quotations not obtained and motivation not approved Three quotations not obtained and motivation provided not reasonable	DAC, Ditsong Museums of South Africa, National Library of South Africa and South African State Theatre
Preferential procurement points not applied	DAC and Nelson Mandela National Museum
Bids advertised for shorter period with no justification	Msunduzi/Voortrekker Museum, National Heritage Council of South Africa and National Library of South Africa
Contract extended without prior approval	National Heritage Council of South Africa and National Library of South Africa
Procurement from suppliers without valid tax	Nelson Mandela National Museum and National English Literary Museum

Area of non-compliance	Auditees that did not comply
clearance certificates from SARS	
Ten (40%) of the auditees did not take reasonable steps to prevent fruitless and wasteful as well as irregular expenditure	DAC, Ditsong Museums of South Africa, Market Theatre Foundation, Msunduzi/Voortrekker Museum, National Heritage Council of South Africa, National Library of South Africa, Nelson Mandela National Museum, South African State Theatre, National English Literary Museum and Windybrow Theatre

The DAC, National Heritage Council of South Africa, National Library of South Africa and South African State Theatre contributed R156 million to the total irregular expenditure in the portfolio (2013-14: R145 million). This was a significant 87% (2013-14: 36%) of the total amount incurred in the portfolio:

DAC	R121 million
National Heritage Council of South Africa	R6,4 million
National Library of South Africa	R13 million
South African State Theatre	R16,1 million.

A total of 86% was identified by the auditees, with 73% of the irregular expenditure relating to transgressions of SCM regulations.

The status of SCM remained unsatisfactory, mostly as a result of auditees not complying with the requirements of SCM regulations. This had the impact of further contributing to the overall regression as a number of auditees received compliance findings in their respective audit reports,

The following controls should be strengthened to sustain a control environment that supports compliance with legislation:

- Review and monitor compliance with legislation, including those relating to SCM.
- Implement procedures for consequence management and action to be taken against officials who transgress legislation.

Root causes

Although we noted an improvement in the root causes from the previous year, the minister and accounting officer or authorities should continue to address the root causes of poor audit outcomes and inadequate controls as follows:

- Adequate action plans should be developed and consistently monitored by senior management and those charged with governance to address significant deficiencies identified by internal and external audit.
- Investigate and take disciplinary steps against non-performance and non-compliance with the prescribed legislation, including those relating to SCM.
- Provide relevant training to existing key officials and recruit adequately skilled personnel for all key positions.
- Implement adequate daily and monthly internal controls that are continuously reviewed and supervised.

Impact of key role players on audit outcomes

The first and second levels of assurance should be improved by ensuring stability at the level of accounting officer or authority and senior management at auditees whose audit outcomes have regressed. Action plans to address control weaknesses should be implemented and monitored, while audit committees should be directed towards evaluating compliance with legislation as well as performance against predetermined objectives.

We met with the minister three times in the past year and these interactions had an impact on some of the audit outcomes in the portfolio. Though there were no material findings on the minister’s oversight responsibility, our assessment is based on the overall regression in the portfolio’s audit outcomes. This assessment, the impact of the minister on the controls of the auditees as well as the status and impact of the commitments contributed to the assessed assurance provided by the minister.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year

Risks to financial health and service delivery

The minister and the accounting officer should address the following matters that could affect the financial health and service delivery of the portfolio:

- The DAC again engaged consultants to assist with financial reporting, IT-related services and other consultancy services. This was due to a lack of skilled personnel at the DAC. The total costs paid to consultants was R51 million (2013-14: R146 million) and was made up of R11 million for financial reporting, R3 million for IT-related services, R1,5 million for performance information, and R35,6 million for other services. Our review of consultants indicated that their work was not monitored by employees with sufficient skill and experience to ensure effective contract management, skills were not transferred and consultants were appointed to perform tasks on a permanent basis.
- Budget management at the DAC should be improved to ensure that funds appropriated for special projects and infrastructure projects are used in good time.

Constitutional institutions

■ *Pan South African Language Board (PanSALB)*

PanSALB is included in the portfolio but is not under the authority of the minister and reports to Parliament. There has been no improvement from the previous year's disclaimed audit opinion on the annual financial statements with material findings on compliance with legislation and the annual performance plan. This was caused by vacancies in key positions (the senior management vacancy rate was 54%), inadequate skills as well as a lack of adequate internal controls to address the previous year's qualifications.

The chief executive officer, appointed on 1 July 2015, should appoint a skilled and experienced chief financial officer. The accounting authority should address the following root causes to improve the audit outcome:

- Implement consequence management for non-performance and non-compliance with legislation.
- Design and implement an action plan with target dates to address all the shortcomings.
- Implement adequate controls (checks and balances) to provide accurate and reliable information supporting the financial statements and the APR.
- The assurance providers (management, executive authority and audit committee) should ensure the prompt and adequate review of the annual financial statements and APR against supporting documentation.

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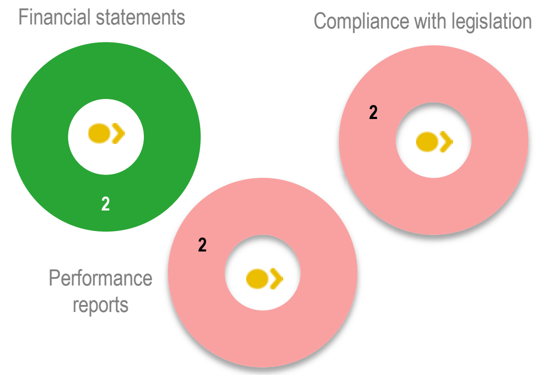
Vote 15: Basic education

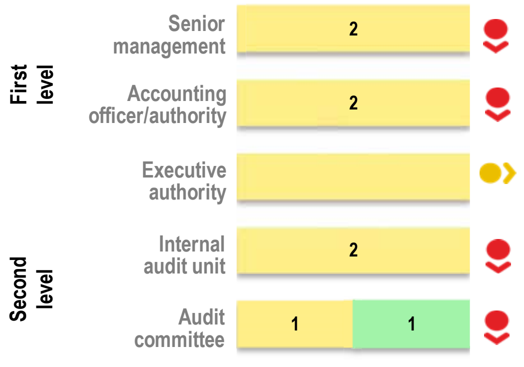
Overall stagnation in audit outcomes

Outcomes per audit area



Unqualified	Qualified	Adverse/disclaimed
Audits outstanding	With no findings	With findings

Assurance levels



Provides assurance	Provides some assurance	Provides limited/ no assurance	Vacancy	Not established

Key controls

Audit areas

	Financial statements			Performance reports			Compliance with legislation		
	🟩	🟨	🟥	🟩	🟨	🟥	🟩	🟨	🟥
Effective leadership	1	1	0	1	1	0	0	2	0
Human resources controls	0	2	0	0	2	0	0	2	0
ICT governance and controls	0	1	1	0	1	1	1	0	1
Audit action plans	0	2	0	0	1	1	0	2	0
Proper record keeping	1	0	1	1	1	0	1	1	0
Daily and monthly controls	0	1	1	0	1	1	0	2	0
Review and monitor compliance	0	2	0	0	1	1	0	2	0

🟩 Good 🟨 Concerning 🟥 Intervention required

1 To improve/maintain the **audit outcomes** …

2 … the key role players need to **assure** that …

3 … attention is given to the **key controls** and …

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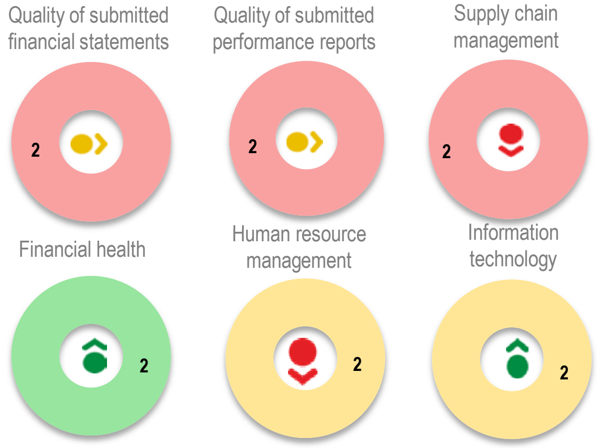
… and the **commitments** are honoured. 6

Risk areas



Good	Concerning	Intervention required

Most common root causes

Lack of consequences for poor performance and transgressions

A root cause at 1 auditees

Slow response by management (Accounting officer and senior management)

A root cause at 2 auditees

● Improved ● Unchanged ● Regressed

Status of key commitments by minister

Implement daily, weekly and monthly checks and balances to ensure the credibility and completeness of financial and performance information presented to management and oversight committees.

Strengthen performance management in the department to ensure individual commitment.

Appoint suitably skilled officials for all phases of the infrastructure delivery process and strengthen leadership oversight, including a review of quarterly reporting on performance by the monitoring and evaluation unit.

Continuous oversight monitoring of provinces on areas affecting the management of predetermined objectives (service delivery) and management of conditional grants.

Ensure alignment of all individual's performance contracts to strategic objective.

Ensure that effective internal controls are implemented across all three levels (financial administration, performance information and compliance with laws and regulations) at the national department.

DBE to prepare complete monthly financial and performance reports that include disclosure items and also encourage this to all provincial departments of education.

Not implemented | In progress | Implemented | New

Auditees included in the portfolio

- *Basic Education*
- *Education Labour Relations Council*

The department's total budgeted expenditure for the 2014-15 financial year was R19,6 billion. The main areas of expenditure were goods and services of R2 billion, payment for capital assets of R2,5 billion, transfer payments of R14,7 billion and compensation of employees of R414 million.

Overall audit outcome

The Department of Basic Education (DBE) and the Education Labour Relations Council (ELRC) management did not address past material audit findings and identify internal control deficiencies in a timely manner. This resulted in a lack of improvement in the overall audit outcomes of these institutions for their financial reporting, APR and compliance with legislation. Furthermore, consequence management was implemented too late in the year to yield the desired results.

Our main audit findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

Both the DBE and the ELRC submitted for auditing financial statements that contained material misstatements. The DBE financial statements contained misstatements in the areas of immovable tangible capital assets, accruals and payables, commitments and accrued departmental revenue. The ELRC financial statements contained misstatements in the areas of property, plant and equipment; trade and other payables; cash flow statement; previous period's error note, commitments and irregular expenditure. The DBE and the ELRC received unqualified audit opinions only because they corrected all the misstatements identified through the auditing process.

The following controls should be strengthened to create a control environment that supports reliable financial reporting:

- Implement monthly disciplines of record keeping, reconciling and reviewing transactions to ensure the credibility and completeness of monthly financial information and quarterly information presented to oversight committees.
- Enhance the skills and resources in the infrastructure and internal audit units to address capacity challenges in record keeping and financial reporting. This will also limit the dependency on the implementing agents appointed (applicable to the DBE only).
- Management must monitor progress on implementing the action plans on an ongoing basis to ensure that milestones and deliverables are achieved.

Annual performance report

The published APRs of DBE and ELRC included information on their performance against predetermined objectives that was not useful or reliable for the following programmes and objectives we had selected to audit:

Auditee	Programme/objective	Not useful	Not reliable
Department of Basic Education	Programme 2: Curriculum policy support and monitoring		x
	Programme 3: Teachers, education human resources and institutional development	x	x
	Programme 4: Planning, information and assessment		x
	Programme 5: Education enrichment services		x
Education Labour Relation Council	Objective 2: Dispute management services	x	
	Objective 3: Collective bargaining	x	

The following controls should be strengthened to create a control environment that supports useful and reliable reporting on the performance of the portfolio:

- Reconcile reported performance results to documentary evidence and against the technical indicator descriptions monthly to provide assurance regarding the credibility of the evidence supporting performance reporting.
- Implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support performance reported.
- Develop action plans to address control deficiencies identified by external audit. These should relate to the planning, credibility and completeness of the performance information reported (including performance information of the provincial education department which is reported in the APR of the DBE). The plans should be implemented within one month from the audit report date to enforce management's commitment to improving performance reporting (applicable to the DBE only).

Compliance with legislation

We identified material non-compliance with legislation by the DBE and the ELRC in the following areas:

- The DBE and the ELRC did not take reasonable steps to prevent irregular and fruitless and wasteful expenditure. In addition, the DBE did not take reasonable steps to prevent unauthorised expenditure. The finding was also reported in the previous year.

The DBE's irregular expenditure was R728 million, which was 100% of the total amount incurred by the portfolio. This represents a decrease of 12% from the previous year. Of this irregular expenditure, 95% is a result of non-compliance with SCM requirements when appointing agents to manage the infrastructure programme of the department. The remaining 5% was a result of non-compliance with SCM policies during the competitive bidding process when acquiring goods and services. Contracts were awarded to bidders based on preference points that were not allocated according to the requirements of the Preferential Procurement Policy Framework Act (PPPFA) and its regulations. Furthermore, some expenditure was not in line with the requirements of the school infrastructure backlog grant.

The ELRC incurred R145 302 in irregular expenditure, which was a fraction of the total amount incurred in the portfolio. This irregular expenditure was a result of non-compliance with SCM requirements as the ELRC selected suppliers without obtaining the necessary number of quotations.

The extent of non-compliance by the DBE and the ELRC is indicative of a high deficiency in monitoring compliance with legislative requirements for procurement.

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- Recruit personnel that will oversee and monitor performance, particularly of appointed implementing agents' adherence to the terms and conditions agreed.
- Monitor and enforce compliance with procurement processes when appointing implementing agents and ensure that the procurement processes followed by implementing agents are aligned to the department's SCM policies.
- Management must continuously monitor the progress of implementing the action plans to ensure that internal controls are able to prevent non-compliance with applicable legislation.

Root causes

The accounting officer should address the root causes of poor audit outcomes and inadequate controls as follows:

- Strengthen the performance management system of the DBE to align employees' performance contracts to the department's annual performance plan. Performance reviews must focus on officials being held accountable for not achieving their performance targets and any transgressions. This will improve accountability and minimise the environment where poor performance and transgressions continue.
- Strengthen monitoring and evaluation processes, particularly with regard to implementing the audit action plans to address the previous year's matters that remain unresolved, through frequent monitoring by dedicated staff that can detect, or preferably prevent, the slow response from management.
- Ensure that all significant risks related to the infrastructure programme are audited by internal audit, as required by legislation, to improve controls and manage these risks. Strengthen monitoring across all phases of the infrastructure programme to ensure that the programme's service delivery objectives are achieved.

Impact of key role players on audit outcomes

The first and second levels of assurance should be improved by directing the work of management, the internal audit unit and the audit committee towards evaluating and addressing all significant risks impacting the DBE and ELRC. This is mainly with regard to the infrastructure programme (DBE), performance information and compliance with legislation.

We met with the minister three times in the past year. Although these interactions did not yield the desired outcomes for the DBE and the sector, there was a notable improvement with regard to the extent of findings reported. We expect an increase in monitoring milestones, set on a timely basis by the appropriate level of management and in particular the newly appointed accounting officer, will ensure that the DBE and the sector achieves the desired audit outcome.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year..

Risks to financial health, service delivery and information technology

Financial health

The accounting officer should address the following matters, which could affect the financial health in the portfolio:

- The DBE should improve the cash flow management of infrastructure budgets and projects to mitigate the potential risk that the money appropriated for infrastructure projects are not overspent.

Information technology management as a specific cause of audit outcomes

The DBE is commended for ensuring that IT governance controls were adequately maintained for the 2014-15 financial year. We nevertheless noted findings on user access management controls within the performance information systems and the network security controls environment. The latter was mainly a result of capacity constraints at SITA, while the former was a result of the workload on the system administrators as only ad-hoc reviews were performed to determine unauthorised access and logon violations.

The following controls should be strengthened to create a sound IT environment that supports the department's mandate:

- The IT unit must evaluate the adequacy of the existing capacity required to perform the IT function.
- Action plans must be developed to address the root causes that lead to the findings to prevent a recurrence and support credible reporting.

Entities included in the portfolio, but not audited by the Auditor-General of South Africa

We did not audit the following entities which form part of the minister's portfolio:

- *Umalusi*
- *South African Council of Educators*

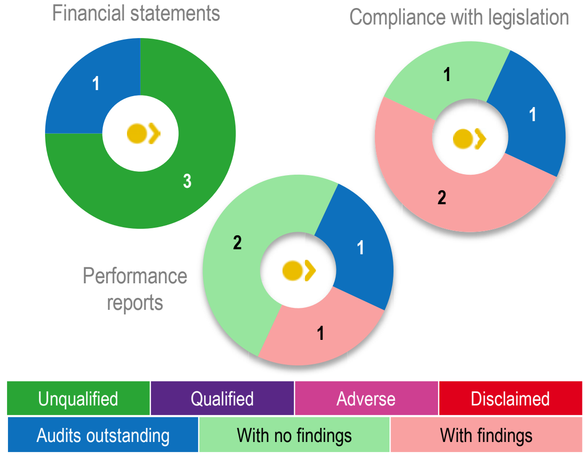
The overall audit outcomes of these entities have remained the same as the previous year. The audit outcomes were as follows:

- The financial statements of both auditees received an unqualified opinion.
- Umalusi had material findings on the quality of the APR relating to usefulness of indicators, which was a regression from the previous year, when it had no findings on its APR.
- Umalusi had no material findings on compliance with legislation, which is the same result as in the previous year. SACE had material findings on compliance with legislation, which was a regression from the previous year.

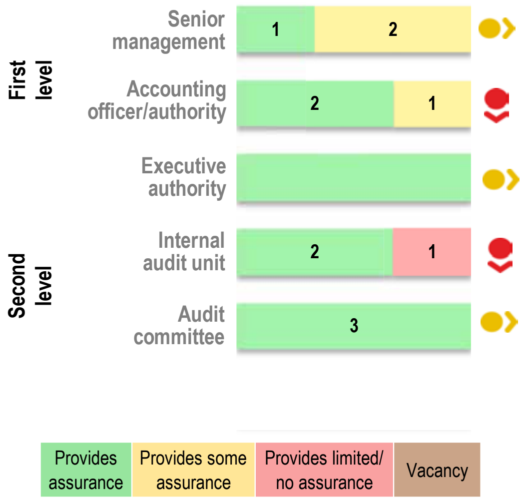
Vote 16: Health

Overall stagnation in audit outcomes

Outcomes per audit area



Assurance levels



Key controls

Audit areas

Key controls	Financial statements			Performance reports			Compliance with legislation		
Effective leadership	3	0	0	3	0	0	3	0	0
Human resources controls	3	0	0	3	0	0	3	0	0
ICT governance and controls	1	1	1	1	2	0	1	2	0
Audit action plans	3	0	0	2	1	0	2	1	0
Proper record keeping	3	0	0	2	1	0	2	1	0
Daily and monthly controls	3	0	0	2	0	1	2	1	0
Review and monitor compliance	1	2	0	2	1	0	0	3	0

🟩 Good 🟨 Concerning 🟥 Intervention required

1 To improve/maintain the **audit outcomes** …

2 … the key role players need to **assure** that …

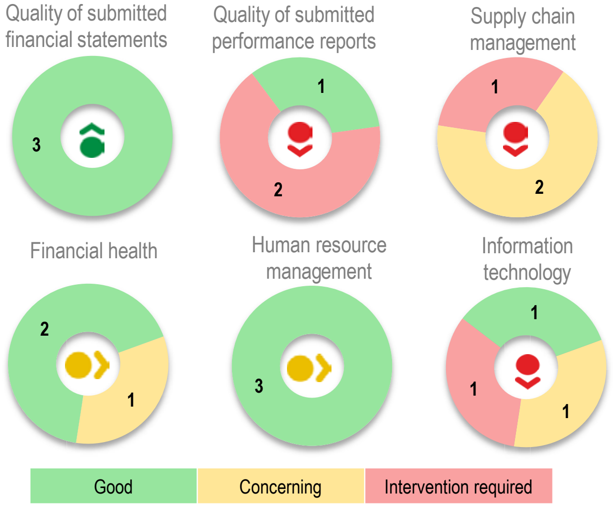
3 … attention is given to the **key controls** and …

… the **risk areas** and that … 4

… the **root causes** are addressed … 5

… and the **commitments** are honoured. 6

Risk areas



Root causes

Slow response by management

A root cause at 2 auditees

● Improved ● Unchanged ● Regressed

Status of key commitments by minister

Controls will be strengthened to review and monitor compliance with legislation.

A qualified chief financial officer will be recruited at CCOD.

A health electronic registration system will be designed and implemented to support the reliable recording of health data.

Not implemented | In progress | Implemented | New

Auditees included in the portfolio

- *National Department of Health (NDoH)*
- *Compensation Commissioner of Occupational Diseases (CCOD)*
- *Council for Medical Schemes (CMS)*
- *South African Medical Research Council (MRC)*

The NDoH's total budgeted expenditure for the 2014-15 financial year was R33,9 billion. The main areas of expenditure were transfer payments of R31,2 billion, employee costs totalling R604,6 million, goods and services of R1,61 billion and capital assets totalling R488,9 million.

The audit outcome of the CCOD is not included as the entity did not submit annual financial statements for auditing from the 2011-12, to 2014-15 financial years. The entity experienced a breakdown in internal controls and was unable to submit credible financial statements. The audit report for the 2010-11 financial year has not yet been tabled, and the CCOD has not committed to a date for tabling the audit report or submitting the outstanding annual financial statements.

Overall audit outcome

The overall audit outcome for the portfolio has remained stagnant. However, improvements were noted in compliance with legislation, as the NDoH reduced its compliance findings to one matter related to ineffective systems and manual processes at provincial departments for reporting on predetermined objectives. The CMS did not completely address control weaknesses around SCM processes during the year. The MRC continued its positive trend, with another clean audit for the year under review.

Our main findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

We commend the NDoH, the CMS and the MRC for submitting for auditing annual financial statements that were free from material misstatements and for their receiving unqualified opinions.

The CCOD had not submitted financial statements for four consecutive years. While a commissioner had been appointed during the year, the position of chief financial officer had been vacant throughout this period and management must fill this vacancy urgently. The following controls should be strengthened further to create a control environment that supports reliable financial reporting:

- The leadership must develop an appropriate action plan to address the control weaknesses identified during the last audit and to commit to definite dates to submit all outstanding financial statements.
- Adequate daily and monthly processing and reconciling of transactions should be implemented.
- The NDoH should effectively review and monitor the action plan to ensure adherence to the plan.

Annual performance report

We commend the CMS for submitting performance reports that were free from material misstatements. No material findings were reported for this entity.

The NDoH's published APR included information on its performance against predetermined objectives that was not reliable for the following programme we had selected to audit:

Auditee	Programme	Not useful	Not reliable
NDoH	Programme 3: HIV/Aids, tuberculosis and maternal and child health		X

The findings on reliability for this programme related to information collected at facilities reporting to provincial departments of Health. The NDoH approved policies and procedures for reporting performance information where information was derived from provincial departments of Health. The provincial departments were implementing these policies and procedures.

The NDoH and the MRC submitted for auditing APRs that contained material misstatements. The MRC avoided material findings in its audit report only because it corrected all the misstatements we identified during the audit process.

The following controls should be strengthened to create a control environment that supports reliable reporting on the performance of the auditees:

- The provincial departments of Health should adequately implement policies and procedures approved by the NDoH
- Develop and implement an electronic patient information system in all provinces to support the collection of reliable data.

Compliance with legislation

We identified material non-compliance with legislation by the NDoH and the CMS in the following areas:

- Systems and processes to report on information originating at provincial departments were not effective in reporting reliable information at the NDoH and eight provincial departments of Health.
- The CMS did not take reasonable steps to prevent irregular expenditure, as declarations of interest were not always obtained as prescribed, while a

deviation was approved even though it was not impractical to invite a competitive bid.

The NDoH incurred R398 million (2013-14: R0,18 million) in irregular expenditure, which represented 98% (2013-14: 1%) of the total irregular expenditure of R407,4 million (2013-14: R1,8 million) incurred in the health portfolio. Only 1% (R4,1 million) of this irregular expenditure was identified by the NDoH in the year under review. All the irregular expenditure identified in the previous year had been identified by the auditors.

In total, 96% (R391 million) of the current year's irregular expenditure related to non-compliance with the DoRA payment schedule for the comprehensive HIV and Aids grant. The irregular payments were recovered by the NDoH during the year. The irregular expenditure by the CMS of R8,4 million (2013-14: R1,4 million) and the MRC of R0,73 million (2013-14: R0,22 million) related to non-compliance with SCM legislation.

All entities in the portfolio must strengthen their review and monitoring of compliance with SCM legislation.

Root causes

The minister and the accounting officer should address the following root causes to improve the audit outcomes and internal controls:

- Appoint an appropriately qualified chief financial officer at the CCOD.
- Develop and implement an electronic patient information system to support the reliable recording of health data.
- Strengthen controls over the review and monitoring of compliance with legislation, especially in the area of SCM.

Impact of key role players on audit outcomes

The first and second levels of assurance should be improved by assisting the provincial departments to strengthen internal controls over the extensive manual processes currently in place to collect health information at facilities across the country. This is necessary to fill the gap, as the NDoH is in the process of developing and implementing a suitable electronic patient system to support the collection of information.

We met with the minister four times in the past year, and these interactions had a positive impact on the auditees. All entities audited were unqualified, with only two auditees still addressing concerns around compliance and/or predetermined objectives. However, we remain concerned about the long-outstanding annual financial statements of the CCOD.

The internal audit unit at the NDoH was not effective due to reports being issued late. Audit risks were not highlighted to management in a timely manner prior to the external audit. An external assessment of the unit as required by the Institute of Internal Auditors was long outstanding.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year. The committee also committed to engage with the department to address the audit concerns raised.

Risks to financial health and service delivery

The accounting officer should address the following matter, which could affect the financial health and service delivery in the portfolio:

- The department underspent the health infrastructure grant (indirect) by R312 million and the NHI grant (indirect) by R305 million, which contributed to the underspending of Programme 2: Health planning and system enablement. The department should improve the management of budgets and projects to ensure that the money appropriated for infrastructure projects is used timeously.

Risks to information technology

Progress had been made in designing adequate policies and procedures for IT governance, security management and user access management in the NDoH environment, but weaknesses were noted in their implementation. Control weaknesses in the design of IT controls for the business continuity plan were still a challenge in the department.

Control weaknesses related to the design of IT controls were noted at the CMS across three of the four focus areas, namely, security management, user access management and IT continuity. Policies had not been adequately designed, as they did not address all the key elements. This resulted in a regression for the portfolio.

Entities included in the portfolio, but not audited by the Auditor-General of South Africa

We did not audit the following entity included in the portfolio of the minister:

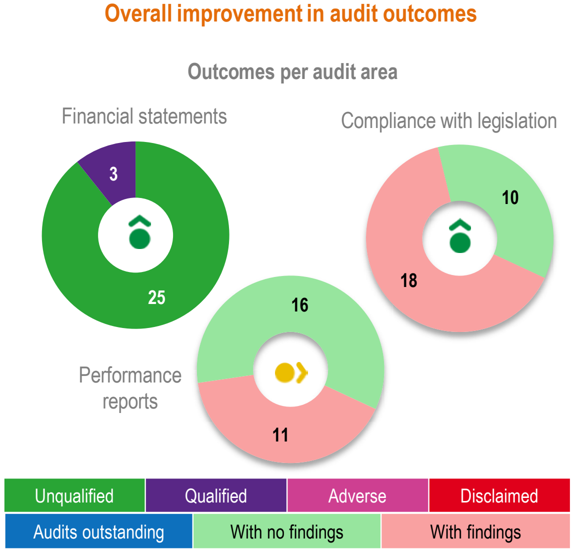
■ *National Health Laboratory Service (NHLS)*

The overall audit outcome of the NHLS remained the same as in the previous year, as follows:

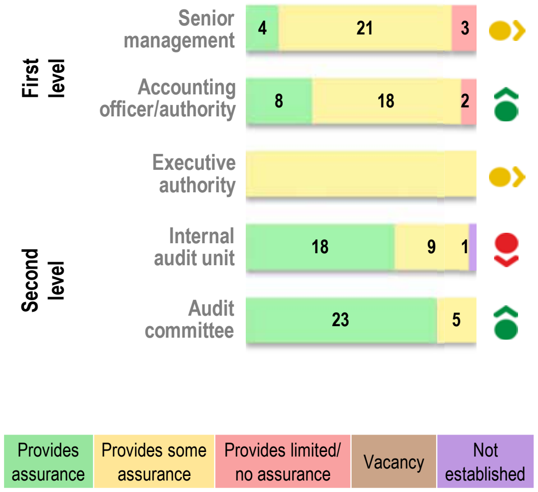
- The financial statements were unqualified.
- There were no material findings on the usefulness and reliability of the APR.
- The following material findings were reported on compliance with legislation:
    - A repeat finding was raised relating to properties belonging to the NHLS not being registered in its name, resulting in non-compliance with the NHLS Act.
    - The NHLS did not implement proper control systems to safeguard and maintain its assets.
    - The NHLS incurred material irregular expenditure as a result of the accounting authority not taking effective steps to prevent irregular expenditure amounting to R341,1 million (2013-14: R7,9 million). The irregular expenditure related to non-compliance with SCM legislation.

Vote 17: Higher education and training (excluding TVET colleges and universities)

Overall improvement in audit outcomes



Assurance levels



Key controls

Key controls	Audit areas: Financial statements			Audit areas: Performance reports			Audit areas: Compliance with legislation		
Effective leadership	22	4	2	22	4	1	20	5	3
Human resources controls	16	9	3	16	7	4	16	7	5
ICT governance and controls	7	14	7						
Audit action plans	10	14	4	13	11	3	14	9	5
Proper record keeping	12	12	4	15	9	3	19	5	4
Daily and monthly controls	7	16	5	14	9	4	17	8	3
Review and monitor compliance	8	17	3	10	14	3	12	11	5

🟩 Good 🟨 Concerning 🟥 Intervention required ⬜ Not assessed

1 To improve/maintain the **audit outcomes** …

2 … the key role players need to **assure** that …

3 … attention is given to the **key controls** and …

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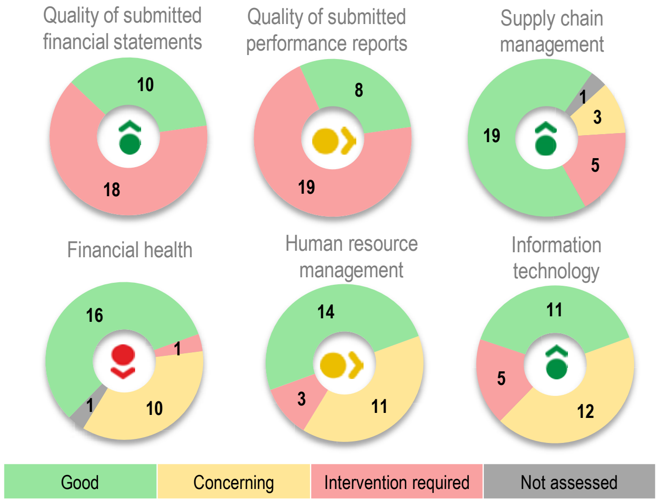
… and the **commitments** are honoured. 6

Risk areas



Root causes

Slow response by management (accounting officer and senior management)

A root cause at 18 auditees

Lack of consequences for poor performance and transgressions

A root cause at 10 auditees

Instability or vacancies in key positions

A root cause/best practice at 5 auditees

● Improved ● Unchanged ● Regressed

Status of key commitments by minister

- 🟨 Develop policies and procedures for collation, verification and reporting on performance targets achieved.
- 🟨 Improve monitoring responsibilities of DHET over its entities, universities and TVET colleges.
- 🟨 Appointment and monitoring of services delivered by administrators appointed at universities, TVET colleges and entities.
- 🟨 Issuing of regulations for SCM processes and reporting on performance information for universities and TVET colleges
- 🟩 Standardisation of remuneration of board members and sub-committees of Board for SETA's.
- 🟨 Improve the performance and consequence management system.
- 🟨 Monitor the rotation of auditors of universities every five years.
- 🟦 Assess the performance of accounting authorities of TVET colleges and perform regular performance reporting. Implement measures to streamline information systems at TVET colleges.

🟥 Not implemented 🟨 In progress 🟩 Implemented 🟦 New

Auditees included in the portfolio

- *Department of Higher Education and Training (DHET)*
- *Agriculture Sector Education and Training Authority (AGRISETA)*
- *Banking Sector Education and Training Authority (BANKSETA)*
- *Chemical Industries Education and Training Authority (CHIETA)*
- *Construction Sector Education and Training Authority (CETA)*
- *Council on Higher Education (CHE)*
- *Culture, Arts Tourism, Hospitality and Sport Education and Training Authority (CATHSSETA)*
- *Education, Training and Development Practices (ETDPSETA)*
- *Energy and Water Sector Education and Training Authority (EWSETA)*
- *Fibre Processing and Manufacturing Sector Education and Training Authority (FP&MSETA)*
- *Financial and Accounting Services Sector Education and Training Authority (FASSET)*
- *Food and Beverages Sector Education and Training Authority (FOODBEV)*
- *Health and Welfare Sector Education and Training Authority (HWSETA)*
- *Insurance Sector Education and Training Authority (INSETA)*
- *Local Government Sector Education and Training Authority (LGSETA)*
- *Manufacturing, Engineering and Related Services Sector Education and Training Authority (MERSETA)*
- *Media, Information and Communication Technologies SETA (MICTS)*
- *Mining Qualifications Authority (MQA)*
- *National Institute for Higher Education: Northern Cape (NIHE - NC)*
- *National Skills Funds (NSF)*
- *National Student Financial Aid Scheme (NSFAS)*
- *Public Services Sector Education and Training Authority (PSETA)*
- *Qualification Council for Trades and Occupations (QCTO)*
- *Safety and Security Sector Education and Training Authority (SASSETA)*
- *Services Sector Education and Training Authority (SERVICES SETA)*
- *South African Qualifications Authority (SAQA)*
- *Transport Education and Training Authority (TETA)*
- *Wholesale and Retail Sector Education and Training Authority (W&R SETA)*

The department's total budgeted expenditure for the 2014-15 financial year was R50,1 billion. The main areas of expenditure were:

• employee cost	R432,6 million
• goods and services	R188 million
• transfer payments	R49,4 billion
• capital expenditure	R3,6 million.

Overall audit outcome

The improvement in the overall audit outcome was as a result of CHIETA, CHE, ETDP SETA, QCTO and Services SETA improving to clean audit outcomes by addressing past material findings on their APRs and compliance with legislation. Furthermore, CATHSSETA and LGSETA improved from qualified opinions on irregular expenditure, discretionary project administration expenses, discretionary grant commitments and property, plant and equipment to unqualified opinions with findings. W&R SETA, however, regressed from an unqualified opinion with findings to a qualified opinion while SAQA regressed from an unqualified opinion with no findings to an unqualified opinion with findings, mainly due to daily and monthly processing of transactions not taking place throughout the year.

Our main audit findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

The published financial statements of NIHE - NC, PSETA and W&R SETA included the following material misstatements:

- NIHE – NC
    - We could not obtain sufficient appropriate audit evidence to confirm adjustments made to revenue during the current and previous year and operating expenditure for the current year because the entity did not maintain proper accounting records and related documents for journals.
    - We could not obtain sufficient appropriate audit evidence to confirm adjustments made to trade and other receivables and trade and other payables during the previous year, which had an impacted on the comparability of the current period's figures. This was a result of the entity not maintaining proper accounting records and related documents.
- PSETA
    - We could not obtain sufficient appropriate audit evidence regarding conditional grant expenses and the related conditional grant liability disclosed. This was as a result of the entity not maintaining proper accounting records and related documents and constitutes a recurring finding.
- W&R SETA
    - Discretionary grant commitments were materially overstated as the entity did not accurately determine the amounts that met the definition of a contractual commitment as per the grant regulations to the Skills Development Act. This had an impact on the provision for uncommitted

funds due to the NSF, surplus for the period and the accumulated discretionary grant reserves.

DHET, AGRISETA, CETA, CATHSSETA, EWSETA, FP&MSETA, FOODBEV SETA, INSETA, LGSETA, MERSETA, MQA, NIHE – NC, NSF, NSFAS, PSETA, SASSETA, SAQA and W&R SETA submitted financial statements for auditing that contained material misstatements in the areas of revenue, expenditure, receivables, payables, deferred expenditure, property, plant and equipment, accruals, provisions, commitments, contingent liabilities, irregular expenditure, related party disclosures, cash flow statement and statement of budget comparison.

DHET, AGRISETA, CETA, CATHSSETA, EWSETA, FP&MSETA, FOODBEV SETA, INSETA, LGSETA, MERSETA, MQA, NSF, NSFAS, SASSETA and SAQA received an unqualified audit opinion only because they corrected all the misstatements we had identified during the auditing process.

NIHE – NC and PSETA could not make the corrections because of a lack of accounting records to support the corrections. W&R SETA could not make accurate corrections to the population of discretionary grant commitments due to inadequate project management of discretionary grant contracts.

The following controls should be strengthened to create and sustain a control environment that supports reliable financial reporting:.

- Daily and monthly processing and reconciling of transactions should take place throughout the year to ensure that accurate financial statements are prepared.
- Action plans to address internal control deficiencies identified by internal and external audit should be developed and implemented within one month of receipt of audit reports. Progress in implementing the action plans should be monitored monthly.
- Consequence management should be implemented for poor performance. The staff performance management system should include holding individuals accountable for addressing internal control deficiencies relevant to financial reporting.
- Management should improve its record management systems to ensure that appropriate records supporting the financial statements are readily available.

Annual performance report

The Higher Education Act does not require the NIHE-NC to report on achievements against the strategic plan of the institute. This area was, therefore, not audited.

The published APR of DHET, AGRISETA, CETA, CATHSSETA, EWSETA, LGSETA, NSF, NSFAS, PSETA, SASSETA and TETA included information on their performance against predetermined objectives which was not useful and reliable for the following programmes and objectives we had selected to audit.

Auditee	Programme/objective	Not useful	Not reliable
DHET	Programme 4: Vocational and continuing education and training		x
	Programme 5: Skills development		x
AGRISETA	Strategic goal 3: Strengthening the agricultural and rural development processes and strategies to promote food security and growth of the rural economy	x	
CETA	Objective 2: Increasing access to occupationally directed programmes in the construction sector		x
CATHSSETA	Programme 1: Coordinate research and skills planning for the sector	x	
	Programme 2: Address sector middle level skills	x	x
	Programme 5: Address sector high level skills	x	x
	Programme 11: Provision of quality training for employed	x	
	Programme 13: Support for small and emerging businesses through skills development	x	x
EWSETA	Programme: Quality assurance and compliance	x	
	Programme: Skills delivery	x	
	Programme: Discretionary projects	x	
LGSETA	Programme 1: Administration	x	x
	Programme 4: Education training quality authority	x	
NSF	Programme 1: Effective and efficient programme / project preparation	x	x
	Programme 2: Effective and efficient		x

Auditee	Programme/objective	Not useful	Not reliable
	project management		
NSFAS	Programme 2: Student centred financial aid	x	
PSETA	Programme 1:Skills planning and research		x
	Programme 7: Projects	x	
SASSETA	Programme 4.1: Skills development and administration		x
	Programme 4.2: Skills implementation and monitoring		x
TETA	Programme 2: Occupationally directed programmes	x	
	Programmes 3: Quality assurance systems	x	
	Programme 4: Youth development and progression for further access and workplace training and experience	x	

BANKSETA, FOODBEV SETA, INSETA, MERSETA, MICTS, MQA, SERVICES SETA and W&R SETA submitted APRs for auditing that contained material misstatements. They avoided material findings in their audit reports only because they corrected all the misstatements we identified during the auditing process.

The following controls should be strengthened to create and sustain a control environment that supports useful and reliable reporting on the performance of the portfolio.

- Processes should be developed and implemented to collect, collate and verify performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets as required by the FMPPI. This includes daily and monthly processing and reconciling of performance information throughout the year, and maintaining a proper record management system.
- Action plans to address internal control deficiencies identified by internal and external audit should be developed and implemented within one month of receipt of audit reports. The progress made on implementing the action plans should be monitored monthly. Management should be held accountable for implementing and monitoring the effectiveness of action plans.
- The staff performance management system should include holding individuals accountable for addressing internal control deficiencies relevant to performance planning, monitoring and reporting. Consequence management should be implemented for poor performance.
- Processes should be developed and implemented to monitor compliance with laws and regulations impacting on performance management.

Compliance with legislation

We identified material non-compliance with legislation by DHET, AGRISETA, CETA, CATHSSETA, EWSETA, INSETA, LGSETA, NIHE – NC, NSF, NSFAS, PSETA, SASSETA and W&R SETA in the following areas:

- DHET, LGSETA and SASSETA did not always request 3 quotations for procurement below R500 000.
- CATHSSETA, LGSETA and SASSETA did not always follow a competitive bidding process. SASSETA could not provide evidence that it was impractical to invite competitive bids.
- DHET awarded contracts to bidders based on a preferential procurement points system that were not correctly allocated and/or calculated.
- CATHSSETA and EWSETA did not always request tax clearance certificates before making awards to suppliers.
- DHET awarded construction contracts to contractors that did not qualify for the contract in accordance with Construction Industry Development Board Act and regulations.
- CATHSSETA, EWSETA, LGSETA, NSF, PSETA, SASSETA and W&R SETA did not take effective steps to prevent irregular, fruitless and wasteful expenditure.
- EWSETA exceeded its legislative administration expenditure limit without prior approval from the minister of Higher Education and Training.
- SASSETA did not investigate allegations of financial misconduct against members of the accounting authority.
- AGRISETA did not take effective and appropriate disciplinary steps against officials who incurred or permitted irregular, fruitless and wasteful expenditure,
- DHET, AGRISETA, CETA, CATHSSETA, INSETA and NSF did not maintain an effective system of internal controls over performance management.
- DHET did not always initiate and complete the required verification checks prior to the appointment of new staff.
- SASSETA did not maintain adequate controls over asset management.

- NSFAS did not take effective and appropriate steps to collect all money due to them
- NIHE – NC did not keep complete accounting records of all assets, liabilities, income and expenses and any other financial transactions of the institute as required. Furthermore, the institute's annual report did not include reports and statements on governance, operations, an annual financial review and supplementary financial data and financial performance indicators. With the Sol Plaatje University having started operations in September 2013, the institute was disestablished on 31 December 2014 as it no longer had a role to fulfil.

SASSETA incurred R126 million in irregular expenditure and CATHSSETA incurred R124 million in irregular expenditure, which was 71% of the total amount of R351 million in irregular expenditure incurred by the national portfolio. The amount of irregular expenditure incurred by SASSETA and CATHSSETA has increased significantly compared to the R2,8 million incurred by SASSETA in the previous year. CATHSSETA did not disclose irregular expenditure during the previous year resulting in a qualified audit opinion. Adjustments to the previous year's irregular expenditure were only made in the current year. The irregular expenditure was incurred as a result of non-compliance with SCM legislation, exceeding the legislative administration expenditure limit, discretionary project contracts not signed by all parties and approval of discretionary project contracts not in accordance with delegation of authority. 84% of the irregular expenditure incurred was identified by the auditee's own processes of internal controls.

SASSETA incurred R25,6 million in fruitless and wasteful expenditure which was 96% of the total amount of R26,7 million incurred by the national portfolio. The fruitless and wasteful expenditure was incurred as a result of projects awarded at higher rates than approved per discretionary grant policy of the entity, scheduled staff training not being attended and movement of learners to a different training provider. SASSETA did not incur fruitless and wasteful expenditure during the previous year.

Of the audit outcomes for compliance with legislation 44% related to procurement and contract management and irregular expenditure. Controls should be implemented to monitor compliance with SCM processes.

The following controls should be strengthened to create and sustain a control environment that supports compliance with legislation.

- Processes should be in place to monitor compliance with laws and regulations to prevent irregular expenditure.
- Action plans to address internal control deficiencies identified by internal and external audit should be developed and implemented within one month of receipt of audit reports. The progress made with implementation of the action plans should be monitored on a monthly basis.
- The staff performance management system should incorporate holding individuals accountable for addressing internal control deficiencies relevant to compliance. Consequence management should be implemented for poor performance.

Root causes

The minister, accounting officer and accounting authorities should address the root causes of poor audit outcomes and inadequate controls as follows:

- Slow response by management should be addressed through timely compilation of action plans arising from audits, regular monitoring of progress made to address internal control deficiencies and communicating the action plan to address internal control deficiencies to all levels of staff. Internal audit should perform quarterly reviews of progress on the implementation of actions plans which, will provide an independent assurance on whether satisfactory progress is being made by management in addressing internal control deficiencies.
- The performance management processes of staff should be strengthened to incorporate internal controls responsibilities in the performance contracts for all staff. Consequence management should be implemented for non-performance.
- All funded vacant positions should be filled as a matter of urgency with individuals who have the appropriate qualifications and skills. In addition, a gap analysis should be performed in relation to the current level of skills and competencies. An action plan should be put in place to address the gaps identified.

Impact of key role players on audit outcomes

The first levels of assurance should be improved by implementing the recommendations of external and internal audit to strengthen the internal control environment. Consequence management should be implemented to hold staff accountable for improvement and maintenance of internal controls. Regular self-assessment of the status of key controls should be performed. The second level of assurance can be strengthened by focusing the internal audit unit and directing the work of the audit committee towards evaluating reliability of progress against action plans, status of key controls, monthly financial statements, performance information and compliance with legislation that has a direct impact on the department and entities.

We met with the minister three times in the past year and these interactions had a limited impact on the audit outcomes. Slow progress was made to address the commitments made by the minister due to the large number of entities and institutions in the higher education portfolio and limited funding and human resources capacity within the department. The slow pace at which commitments made by the minister are addressed remains a concern and has contributed to the assessed assurance provided by the minister.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR. We agreed on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year. The portfolio committee also confirmed its commitment to drive improved audit outcomes by ensuring service delivery through the following initiatives:

- Monitoring of the status of key controls.
- Tracking the effective implementation of audit action plans to address weaknesses in internal controls on a quarterly basis.
- Requesting independent assurance from internal audit through the audit committee regarding the status of action plans and key controls presented by management.
- The portfolio committee performing a self-assessment to determine its impact on the higher education portfolio.

Risks to financial health, oversight responsibilities and information technology

Financial health and oversight responsibilities

The minister of Higher Education and Training together with the minister of Finance should address the following matters, which could affect the financial health and monitoring and oversight responsibilities in the portfolio:

- The department is unable to perform all required verification and monitoring functions for its entities and higher education institutions (approximately 100 entities in the minister’s portfolio) due to, in some instances, a lack of appropriate skills within the department and insufficient human resource capacity because of funding constraints. As a result, the reliability of reported achievements by the department’s entities and institutions, which are consolidated into the achievements reported by the department, is not always validated.
- Had it been assessed on the accrual basis of accounting (all expenses incurred in the financial year), the department would, given its funding constraints, not have had sufficient funds to cover accruals,, resulting in possible unauthorised expenditure. Furthermore, on the accrual basis of accounting, the department would have moved from a net asset position to a net liability position.
- SASSETA and EWSETA approved discretionary grant projects that exceeded their available discretionary grant reserves. Key financial controls should be improved, such as budget analysis prior to project approval.
- NSFAS should implement controls to improve its recoverability of student loans receivable.

Information technology management as a specific cause of audit outcomes

At the national department, most controls over the financial systems are generally well designed and implemented and operated effectively. However weaknesses were identified in performance information systems. The internal audit function is performing some information system audits at the national department to ensure that all risks are covered in the IT environment using a combined assurance approach.

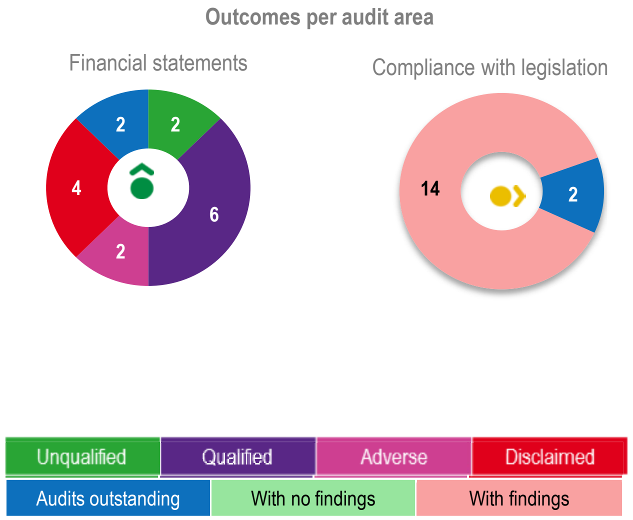
Controls at FASSET, INSETA and CHIETA were well designed and implemented and operated effectively, with no major audit findings being raised in any of the focus areas. This was as a result of a good governance structure. MERSETA made improvements in the areas of IT governance and security management.

Nine of the SETAs made good progress since the previous year. At the NSF weaknesses were identified in the implementation of the controls relating to user access management.

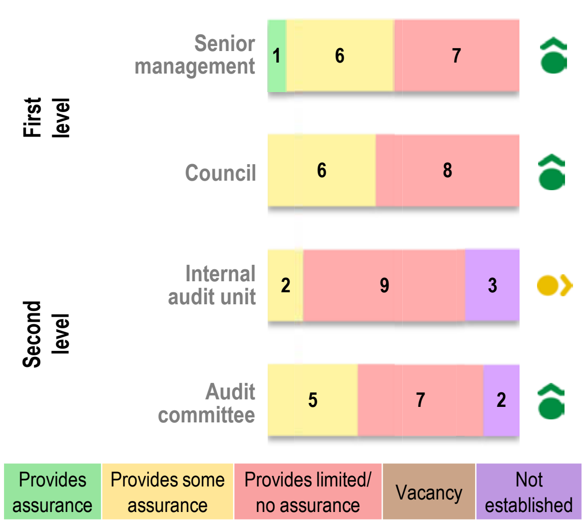
Management should prioritise the design and implementation of the IT governance, security management, user access management and IT service continuity controls to prevent unauthorised access to, and unavailability of, IT financial and performance management systems or incompleteness of data in the event of major system disruptions or data loss.

Technical and Vocational Education and Training (TVET) colleges audited by the AGSA

Overall improvement in audit outcomes



Assurance levels



Key controls

Audit areas

	Financial statements			Compliance with legislation		
Effective leadership	3	6	5	3	6	5
Human resources controls	0	6	8	0	6	8
ICT governance and controls	0	4	8			
Audit action plans	0	3	11	0	4	10
Proper record keeping	0	6	8	1	6	7
Daily and monthly controls	0	6	8	0	7	7
Review and monitor compliance	0	3	11	0	4	10

🟩 Good 🟨 Concerning 🟥 Intervention required ⬜ Not assessed

1

To improve the **audit outcomes** …

2

… the key role players need to **assure** that …

3

… attention is given to the **key controls** and …

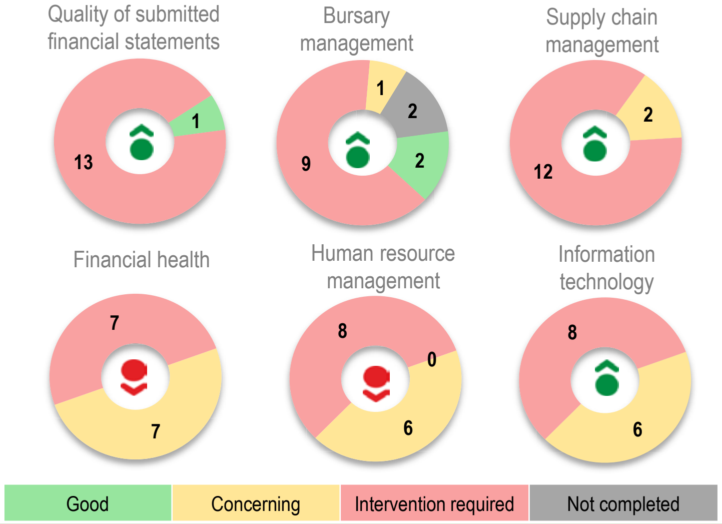
… the **risk areas** and …

4

… the **root causes** are addressed

5

Risk areas



Root causes

Slow response by management (accounting officer and senior management)

A root cause at 8 auditees

Key officials lack appropriate competencies

A root cause at 5 auditees

Instability or vacancies in key positions

A root cause at 6 auditees

● Improved ● Unchanged ● Regressed

Technical and vocational education and training colleges audited by the Auditor-General of South Africa

- *Central Johannesburg College*
- *Esayidi TVET College*
- *Ikhala TVET College*
- *King Hintsa TVET College*
- *Letaba TVET College*
- *Lovedale TVET College*
- *Maluti TVET College*
- *Mnambithi TVET College*
- *Northern Cape Urban TVET College*
- *Orbit TVET College*
- *South West Gauteng TVET College*
- *Tshwane South TVET College*
- *Western College for TVET*

The TVET colleges were previously called further education and training (FET) colleges. The name change was introduced when the name of the applicable legislation was changed from the FET Colleges Act to the Continuing Education and Training Act. The audit outcomes of East Cape Midlands TVET College, Northlink TVET College and Tshwane North TVET College are not included. Due to non-submission of financial statements (East Cape Midlands and Tshwane North) and disagreements with management (Northlink), we had not finalised the audits by 14 August 2015, which was the cut-off date for inclusion of audit outcomes in this report.

Overall audit outcome

The improvement in the overall audit outcome was caused by South West Gauteng receiving an unqualified opinion on its financial statements, and Lovedale and Maluti receiving qualified opinions on their financial statements having received disclaimers of audit opinion in the previous year. It should be noted that this overall improvement excludes the audit outcome of the three TVET colleges that are still outstanding and their audit outcomes might alter the picture.

Our main audit findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows

Financial statements

The financial statements of the colleges that received an adverse opinion, a disclaimed opinion or a qualified opinion included the following material misstatements:

- Property, plant and equipment (PPE) – Nine (69%) colleges had qualifications on the balance of PPE. The majority of these qualifications arose from the colleges not correctly applying the requirements of the applicable accounting standard in accounting for their PPE due to incorrect understanding or interpretation of the requirements of the standard. Furthermore, the auditors could not physically verify selected PPE items at some of the colleges, due to poor accounting records.
- Current assets – Ten (77%) colleges had qualifications on current assets. This mainly related to the provision for impairment of doubtful student debt which was not in accordance with the applicable accounting standard due to incorrect understanding or interpretation of the requirements of the standard.
- Liabilities – Eight (62%) colleges had qualifications on liabilities. These qualifications were mainly as a result of colleges not being able to provide the necessary documentation to substantiate the recorded balances.
- Revenue – Eight (62%) colleges had qualifications on revenue. These qualifications were mainly as a result of the colleges not being able to provide the necessary documentation to substantiate the recorded revenue. In some instances, the colleges also did not correctly apply the requirements of the applicable standard in accounting for their revenue.
- Expenditure – Nine (69%) colleges had qualifications on expenditure. These qualifications were mainly as a result of colleges not being able to provide the necessary documentation to substantiate the recorded expenditure and/or not meeting the requirements of the applicable standards in accounting for the expenditure.
- Other disclosure items – Six (46%) colleges had qualifications on other financial statement components and/or disclosure items such as the cash flow statement, commitments, related parties and previous period errors.

The following controls should be strengthened to create a control environment that supports reliable financial reporting:

- Lack of or inadequate ICT governance and controls contributed towards the poor quality of financial statements at most colleges. Urgent attention should be given to addressing the weaknesses identified and reported to the colleges.

- Implementation of action plans should be monitored on a regular basis and corrective actions should be taken timeously where insufficient progress is being made towards their implementation.
- Controls over the review and monitoring of compliance with the applicable financial reporting framework should be enhanced. This can be achieved by ensuring that the finance units of the colleges are adequately staffed with suitably qualified personnel.
- Processing, reconciling controls and record keeping are also areas where major improvements are required. In this regard, colleges should ensure that properly documented policies and procedures are in place to guide staff and that proper training is provided where necessary.

Annual performance report

The FET College Act does not require the FET colleges to report on achievements against the strategic plans of the colleges. As a result, there were no APRs to audit. The minister still has to indicate when the colleges will be required to produce APRs.

Compliance with legislation

We identified material non-compliance by the colleges in the following areas with the Continuing Education and Training Act:

- Internal audit – Central Johannesburg, Letaba, Lovedale, Maluti, Mnambithi, South West Gauteng, Tshwane South and Western College did not implement internal audit and risk management systems.
- Conflicts of interest - Central Johannesburg, Ikhala, King Hintsa and Lovedale did not keep proper record of declarations of interest made by members of council/interim council before assuming office, or commercial or financial activities undertaken for financial gain that may raise a conflict or possible conflict of interest with the college. Furthermore, Ikhala failed to comply with several other procedural matters in relation to a conflict of interest of a member of council, such as informing the chairperson of council before a meeting of the conflict of interest and recusing the member from the discussion and decision-making on the matter where the conflict of interest existed.
- Code of conduct - Central Johannesburg, Ikhala and Mnambithi did not adopt a code of conduct to which all the members of council, committees of council and other persons who exercise functions of council in terms of delegated authority must subscribe.
- Strategic planning – Lovedale and Maluti did not incorporate planning for funding of the college in their strategic plans. Lovedale, Maluti and Northern Cape Urban did not include safety measures for a safe learning environment for students, lecturers and support staff. Furthermore, Maluti did not incorporate the mission, vision and goals of the college in its strategic plan, while neither Maluti nor Northern Cape Urban addressed past imbalances on gender and disability matters. Ikhala did not submit its strategic plan to the minister at least 30 days before the start of its financial year as required.
- Value-added tax – Maluti did not register as a vendor although it received income in excess of the threshold for registration.

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- Controls over the review and monitoring of compliance with legislation should be strengthened. This responsibility should be allocated to specific and suitably qualified individuals who should be equipped with adequate resources to fulfil this responsibility effectively. The establishment and/or resourcing of internal audit units will address the most common area of non-compliance currently reported, and once these units are operating optimally they can assist in reviewing and monitoring other compliance.
- Implementation of action plans to address previously reported compliance findings should be monitored on a regular basis and corrective actions should be taken timeously where insufficient progress is being made towards their implementation.

Root causes

The councils and audit committees should address the root causes of poor audit outcomes and inadequate controls as follows:

Slow response by management – incorporate the implementation of action plans to address reported findings in the performance agreement of staff and ensure that lack of, or inadequate, implementation of the action plans is reflected in the performance assessments.

Instability or vacancies in key positions – key positions such as those of chief financial officer should be permanently filled with suitably qualified personnel.

Impact of key role players on audit outcomes

The first and second levels of assurance should be improved by ensuring that vacancies are filled and stability exists at senior management level. Internal audit units should be established at all colleges and suitably qualified personnel should be appointed to fill the positions. Audit committees should be established at all colleges and should exercise effective oversight of the functioning and effectiveness of internal audit and implementation of recommendations made by internal and external auditors.

Both the minister and the portfolio committee have played an active role in the TVET college environment in order to change the status of the internal control environment and service delivery. This should be maintained.

Entities included in the portfolio, but not audited by the Auditor-General of South Africa

We did not audit the *National Institute for Higher Education – Mpumalanga* (NIHE - Mpumalanga), the 25 universities (including the two new universities) and 34 of the 50 TVET colleges which are included in the portfolio of the minister.

The outcome of the NIHE – Mpumalanga remained the same as in the previous year.

Universities

The overall audit outcomes of the universities for the year ended 31 December 2014 have regressed when compared to the previous year.

- The regression is caused by the University of Limpopo and University of South Africa, together making up 8% of the universities, receiving qualified opinions after being unqualified in the previous year.
- Seventeen (68%) universities received an unqualified opinion with no findings, which is the same as in the previous year.
- Four (16%) universities – Sol Plaatje University (SPU), University of Kwazulu-Natal (UKZN), University of Mpumalanga (UMP) and the University of the Witwatersrand (WITS) - obtained an unqualified opinion with findings on compliance with laws and regulations, which is an overall improvement compared to eight (32%) universities in the previous year. For SPU, UKZN and UMP this is the same outcome as in the previous year, and for WITS it is a regression. The Mangosuthu University of Technology, the University of Zululand and the Vaal University of Technology addressed past material findings on compliance with legislation resulting in the three universities improving to being unqualified with no findings.
- The audit outcomes of two (8%) universities, namely University of Fort Hare (UFH) and Walter Sisulu University (WSU) are not included. Due to delays in the submission of information by the universities, the audits of the UFH and WSU had not been finalised by 14 August 2015, which was the cut-off date for the inclusion of audit outcomes in the general report.

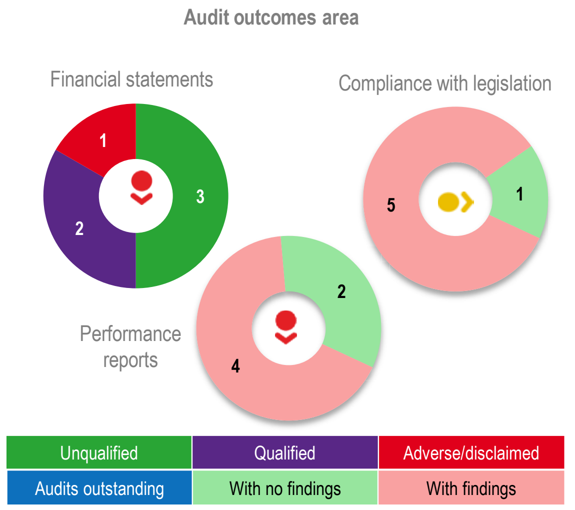
Thirty-four TVET colleges not audited by the AGSA

- The financial statements of Gert Sibande TVET college received a disclaimer of opinion – a regression compared to the previous year.
- The financial statements of Goldfields TVET college received a qualified opinion with no findings – a regression compared to the previous year.
- Flavius Mareka, Nkangala and Thekwini TVET colleges received unqualified opinions with material findings on compliance with legislation. For Flavius Mareka and Thekwini this is a regression compared to the previous year, while for Nkangala it is the same outcome as in the previous year.
- The financial statements of Boland, Buffalo City, College of Cape Town, Ekurhuleni West, False Bay, Northern Cape Rural and West Coast TVET colleges received unqualified opinions with no findings on compliance with legislation. For Ekurhuleni West and Northern Cape Rural this is an improvement since the previous year, while for the other aforementioned colleges it is the same outcome as in the previous year.

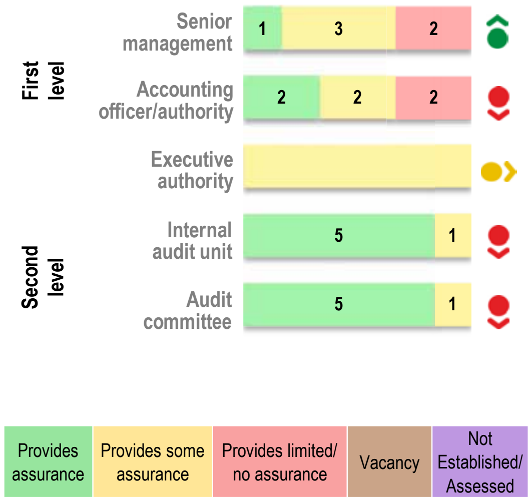
The audit outcomes of the remaining 22 TVET colleges had not been finalised or received as at 14 August 2015, the cut-off date for the inclusion of audit outcomes in this report.

Vote 18: Labour

Overall regression in audit outcomes



Assurance levels



Key controls

Audit areas

	Financial statements			Performance reports			Compliance with legislation		
Effective leadership	2	2	2	3	2	1	2	3	1
Human resources controls	2	3	1	3	1	2	2	3	1
ICT governance and controls	0	5	1	1	3	2	4	1	1
Audit action plans	3	2	1	2	2	2	2	2	2
Proper record keeping	3	0	3	2	1	3	3	2	1
Daily and monthly controls	2	2	2	3	1	2	2	2	2
Review and monitor compliance	1	3	2	2	1	3	1	2	3

🟩 Good 🟨 Concerning 🟥 Intervention required

1 To improve the **audit outcomes** …

2 … the key role players need to **assure** that …

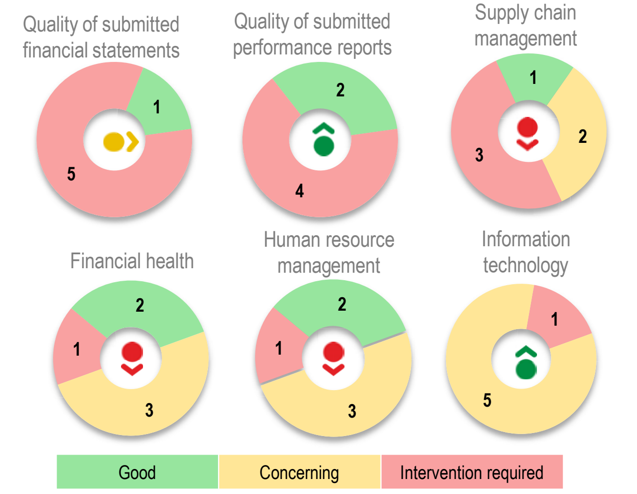
3 … attention is given to the **key controls,** …

… the **risk areas** and … 4

… the **root causes** are addressed … 5

… and that **commitments** are honoured. 6

Risk areas



Most common root causes

Instability or vacancies in key positions

A root cause at 4 auditees

Slow response by management

A root cause at 4 auditees

Key officials lack appropriate competencies

A root cause at 3 auditees

● Improved ● Unchanged ● Regressed

Status of key commitments by minister

Fill all vacant positions as per the establishment

Effectively use oversight and governance structures.

Increase executives' oversight of entities in the portfolio

Share good practices within the portfolio

Regularly monitor, evaluate and follow up commitments.

Implement decisive action against poor performance.

Ensure that senior management and staff performance contracts are aligned to the strategic plans of the department

Increase oversight, focusing on monitoring compliance with policies and procedures and taking decisive action over non–compliance

Not implemented In progress Implemented New

Auditees included in the portfolio

- ■ *Department of Labour (DoL)*
- ■ Compensation Fund (CF)
- ■ *Council for Concilliation Mediation and Arbitration (CCMA)*
- ■ *National Economic Development and Labour Council (NEDLAC)*
- ■ *Sheltered Employment Factories (SEF)*
- ■ *Unemployment Insurance Fund (UIF)*

The total budgeted expenditure by auditees in the portfolio for the 2014-15 financial year was R20 494 million. (DoL: R2 527 million, CF: R5 209 million, UIF: R11 830 million, SEF: R192 million , NEDLAC: R34 million, and CCMA: R702 million)

The main budgeted expenditures were payments to beneficiaries of R4 251 million for CF, payments to beneficiaries of R7 558 million for UIF, and employee costs of R1 008 million for DoL.

Overall audit outcome

The regression in the overall audit outcome was a result of the SEF and NEDLAC receiving qualified audit opinions on their financial statements, a regression from the unqualified opinions in the previous year. The UIF also regressed as it had findings on predetermined objectives where it had none in the previous year.

The main findings from our audit are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

The published financial statements of the CF, SEF and NEDLAC included the following material misstatements:

- We could not obtain sufficient appropriate audit evidence that the information reported in the financial statements of the CF for the current and previous years is accurate and credible for the following areas:
    - revenue and receivables from non-exchange transactions
    - allowance for impairment
    - revenue and receivables from exchange transactions
    - benefits paid
    - provision for outstanding claims and decrease in the provision for outstanding claims
    - capitalised value of pensions and pension actuarial adjustments
    - payables from exchange transactions
    - payables from non-exchange transactions
    - employee-related costs
    - lease rentals on operating leases
    - commitments
    - irregular expenditure.
- The CF, NEDLAC and SEF did not comply with the requirements of the applicable accounting standards for some of the following areas:
    - revenue and receivables from exchange transactions
    - revenue and receivables from non – exchange transactions
    - cost of sales
    - fair value adjustments
    - contingencies
    - related party transactions
    - property, plant and equipment
    - leased assets.
- The financial statements of the CF, SEF and NEDLAC were also materially misstated due to the cumulative effects of numerous individually immaterial, uncorrected misstatements in some of the following areas:
    - commitments
    - accruals
    - intangible assets
    - trade and other payables
    - non-current portion of the finance lease liability
    - cash and cash equivalents
    - operating expenses
    - finance costs
    - provisions
    - receivables from exchange transactions
    - payables from exchange transactions.

- The CF, SEF and NEDLAC further did not provide sufficient appropriate audit evidence for some of the following areas:
  - previous period errors
  - contingencies
  - cash flow statements
  - property, plant and equipment.

The DoL and CCMA submitted financial statements for auditing that contained material misstatements in some of the following areas: non-current assets, receivables, clearing accounts, lease commitments ommitments.

The DoL and CCMA received unqualified audit opinions only because they corrected all the misstatements that we identified during the auditing process.

The following controls should be strengthened to create a control environment that supports reliable financial reporting:

- Human resource processes for filling vacancies and appointing adequately skilled staff should be improved
- Proper record keeping processes should be designed and implemented to ensure that complete and accurate information is available.
- Internal monitoring controls should be improved and implemented by exercising effective leadership to ensure credible financial reporting.

Annual performance report

The published APR of the DoL, CF, SEF and UIF included information on their performance against predetermined objectives that was not useful or reliable for the following programmes and objectives that we had selected to audit.

Auditee	Programme/objective	Not useful	Not reliable
DoL	Inspection and enforcement services	x	x
	Public employment services	x	x
	Labour policy and industrial relations	x	x
CF	Operations management	x	x
	Human resource directorate	x	x
SEF	Decent employment through inclusive growth	x	
UIF	Promote UIF services	x	
	Fund poverty alleviation scheme		x

The following controls should be strengthened to create a control environment that supports useful and reliable reporting on the performance of the portfolio:

- Implement processes and procedures, and assign responsibilities to individuals, to collate and verify source documentation, quarterly reports and reasons for variances on performance against predetermined objectives.
- Design and implement adequate system controls and enhancements to ensure that data is accurately recorded, stored and reported.

Compliance with legislation

We identified material non-compliance with legislation in the following areas:

- The DoL did not clear all suspense accounts as required by treasury regulations.

The material non-compliance with legislation, below was identified in the current and previous period:

- The DoL, CF, NEDLAC, CCMA and SEF did not take reasonable steps to prevent irregular, fruitless and wasteful expenditure.
- The CF, NEDLAC and SEF did not always follow competitive bidding processes or did not request three quotations as prescribed. The CF did not always advertise invitations for competitive bidding in the government tender bulletin as prescribed and did not maintain the required effective and efficient SCM system for acquiring goods and services. NEDLAC made awards to bidders that did not submit a declaration on whether they were employed by the state or connected to any person employed by the state.
- The DoL, CF, and NEDLAC did not take effective and appropriate disciplinary steps against officials who incurred or permitted irregular expenditure.
- The CF, NEDLAC and SEF did not establish systems, procedures and processes to ensure efficient and effective cash management. This included collecting revenue when it was due and pursuing debtors with appropriate sensitivity and rigour to ensure that amounts receivable were collected. At the CF, employers were not correctly assessed according to the tariff of assessment. Penalties incurred for late submissions and interest due on all arrears accounts were not levied according to the requirements of the compensation of injury and deceased act (COIDA).
- The CF issued loans to service providers without the approval of the minister of finance or an official authorised by the minister.

The main contributor to the total irregular expenditure of the portfolio of R448 million (R19 million identified by entities in the portfolio and the balance was identified through the audit process) is CF who incurred R414 million. This irregular expenditure was a result of contravening supply chain legislation, overpaying claims and loans issued by the CF.

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- Processes and procedures to monitor compliance with legislation should be developed and implemented, including establishing a compliance framework.
- Relevant training interventions should be developed and facilitated to ensure understanding of the legislative requirements.
- Daily and monthly controls should be implemented to hold officials accountable and pro-actively track and prevent non-compliance with legislation and irregular expenditure.

Root causes

The executive authority, accounting officer and senior management should address the following root causes of poor audit outcomes and inadequate controls as follows:

- Implement effective human resource management processes to ensure that key management vacancies are filled with appropriately skilled and qualified personnel. This will enable the portfolio to develop a strong and effective control environment and workforce.
- Incorporate consequence management, and develop and implement adequate action plans in a timely manner to address control deficiencies and ensure compliance with relevant standards at all entities. This will ensure that staff is held accountable for non-performance, transgressions of legislation, and the failure to implement internal and external audit recommendations.

Impact of key role players on audit outcomes

The first and second level of assurance should be improved by implementing consequence management for poor performance and addressing relevant internal control deficiencies.

We met with the minister four times in the past year and these interactions had no impact on the overall audit outcomes. An action plan was developed late in the year and a task team was established to assist with the turnaround strategy at the CF. Decisive action for poor performance had not been implemented. This assessment, as well as the status and impact of the commitments contributed to the assessed assurance provided by the minister.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR. We agreed on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

Risks to financial health and IT Concerns

Financial health

The accounting officer and senior management should address the following matter, which could affect the financial health and service delivery monitoring in the portfolio:

- The CF, NEDLAC and SEF should tighten their revenue collection and manage their debtor collection period to ensure that money due and owed is collected in a timely manner and that impairments are reduced.

Information technology management as a specific cause of audit outcomes

The design and implementation of controls, mainly in the focus areas of security management, user access management and IT service continuity is still a challenge. Furthermore, the information system implemented at CF did not support the entity’s operations and financial functions and manual procedures were not effective to ensure that credible and reliable information is available resulting in the material misstatements to the financial statements, performance information and non-compliance with laws and regulations. The most urgent intervention required to address some of the shortcomings is ensuring that the users’ access rights are compatible with their functions.

Entities included in the portfolio, but not audited by the Auditor-General of South Africa

Productivity South Africa (PSA) is included in the minister’s portfolio.

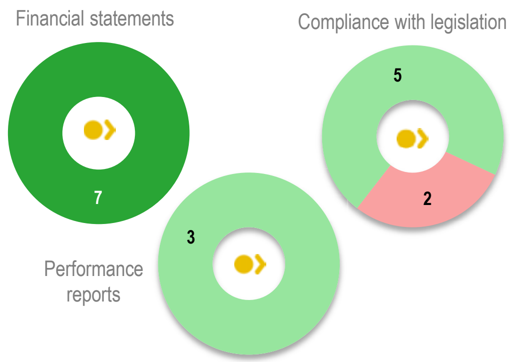
The entity has maintained its overall audit outcome from the previous year.

- The auditee received an unqualified audit opinion, with material findings on the quality of the APRs and compliance with legislation.

Vote 19: Social development

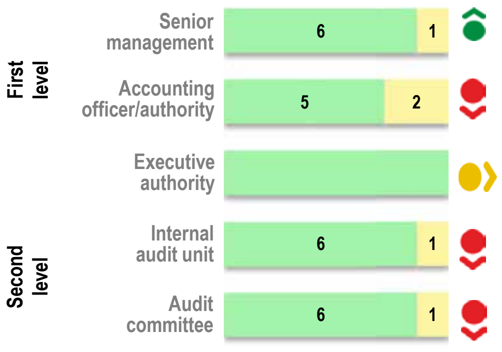
Overall stagnation in audit outcomes

Outcomes per audit area



Unqualified	Qualified	Adverse	Disclaimed
Audits outstanding	With no findings	With findings	

Assurance levels



Provides assurance	Provides some assurance	Provides limited/ no assurance	Vacancy	Not established

Key controls

Audit areas

	Financial statements			Performance reports			Compliance with legislation		
Effective leadership	7	0	0	3	0	0	7	0	0
Human resources controls	6	1	0	3	0	0	7	0	0
ICT governance and controls	5	2	0	2	1	0	7	0	0
Audit action plans	6	1	0	3	0	0	7	0	0
Proper record keeping	6	0	1	2	1	0	6	0	1
Daily and monthly controls	6	1	0	3	0	0	6	1	0
Review and monitor compliance	5	2	0	3	0	0	5	2	0

Good	Concerning	Intervention required

1 To improve the **audit outcomes** …

2 … the key role players need to **assure** that …

3 … attention is given to the **key controls** and …

… the **risk areas** and that … 4

… the **root causes** are addressed … 5

… and the **commitments** are honoured. 6

Risk areas

Good	Concerning	Intervention required

Root causes

Slow response by management

A root cause at 1 auditee

Lack of consequences for poor performance and transgressions

A root cause at 1 auditee

● Improved ● Unchanged ● Regressed

Status of key commitments by minister

Evaluate the environment of the relief funds for closure or amalgamate with either the NDA or SASSA.

(Monitoring and implementing action plans to ensure the movement to clean administration for SASSA and NDA

Filling of critical vacancies at SASSA and the NDA

(To amend the existing action plan for the department to specifically address proper record keeping and review processes as well as compliance with applicable legislation

Not implemented | In progress | Implemented | New

Auditees included in the portfolio

- *Department of Social Development (department)*
- *Disaster Relief Fund*
- *National Development Agency (NDA)*
- *Refugee Relief Fund*
- *Social Relief Fund*
- *South African Social Security Agency (SASSA)*
- *State President Fund*

The total budgeted expenditure of the department for the 2014-15 financial year was R128,6 billion. The main areas of expenditure were as follows:

• Employee cost	R380,1 million
• Goods and services	R386,2 million
• Transfer payments:	
- Social assistance grant expenditure	R120,7 billion
- Other transfers and subsidies	R7,1 billion
• Capital expenditure	R17,8 million

Overall audit outcome

The audit outcome of the portfolio remained the same as in the previous year. The department retained its unqualified opinion with no findings, while SASSA and the NDA retained their unqualified opinions with findings. The department and SASSA (the agent of the department for the social assistance grant value chain) maintained the processes for, and controls over, social assistance grants expenditure and debtors. Furthermore, the Disaster Relief, Refugee Relief, Social Relief and State President Funds retained their unqualified opinions with no findings on compliance.

Our main audit findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

SASSA submitted financial statements for auditing that contained material misstatements in the area of operating leases. SASSA received an unqualified audit opinion only because they corrected the misstatements identified during the audit process.

The following controls should be strengthened to create a control environment that supports reliable financial reporting:

- Implement proper record keeping and review processes.
- Review and monitor compliance with the reporting framework in compiling annual financial statements that are free from material misstatements.

Annual performance report

SASSA and the NDA submitted APRs for auditing that contained material misstatements. They avoided material findings in their audit reports only because they corrected all the misstatements we had identified during the audit process. The Disaster Relief, Refugee Relief, Social Relief and State President Funds are not subject to the PFMA, which means that reporting on predetermined objectives is not a legal requirement and was therefore not audited nor reported on. As such, the key controls relating to predetermined objectives were not assessed for the four funds.

The following control should be strengthened to create a control environment that supports useful and reliable reporting on the performance of the auditees:

- Implement proper record keeping and review processes that assist in the preparation of performance reports that are supported by reliable information.

Compliance with legislation

We identified material non-compliance with legislation by SASSA and the NDA in the following areas:

- The NDA did not provide sufficient and appropriate audit evidence to confirm that a contract had been awarded to bidders based on points scored on criteria stipulated in the original invitation; and did not always apply the preferential procurement point system in the procurement of goods and services.
- SASSA did not take reasonable steps to prevent irregular expenditure and take appropriate disciplinary steps against those responsible for it.
- SASSA did not implement adequate controls to ensure the proper management of payments to a service provider for additional work performed on the social grants re-registration.
- SASSA's internal audit unit did not evaluate the reliability and integrity of financial and operational information.

SASSA incurred R40,8 million in irregular expenditure, of which R33,5 million was identified by SASSA's management. This represented 68% of the total amount incurred by the portfolio and is a decrease of 42% in irregular expenditure compared to the previous year. The irregular expenditure related mainly to SCM processes, which included procurement without competitive bidding or quotation processes and non-compliance with procurement process requirements and legislation on contracts.

The NDA incurred R1,7 million in irregular expenditure, of which R1,6 million was identified by the NDA's management. This represented 3% of the total amount incurred by the portfolio and is a decrease of 63% in irregular expenditure compared to the previous year. The irregular expenditure related mainly to unfair or uncompetitive procurement processes in SCM.

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- The accounting authority of SASSA must implement proper record keeping and review processes to ensure that applicable legislation and internal controls are adhered to and supported by appropriate documentation.
- The accounting authorities of SASSA and the NDA must ensure the adequate and regular review and monitoring of compliance with applicable legislation.

Root causes

The accounting officer and authorities should address the root causes of poor audit outcomes and inadequate controls as follows:

- Consequences for poor performance and transgressions should be appropriately managed.
- Management, supported by internal audit, should be more responsive in overseeing the quality of the submitted financial statements and performance reports. The accounting authority of the NDA must ensure that performance indicator descriptions are well defined according to the criteria of being specific, measurable, achievable, relevant and time bound (SMART). The reports should be reviewed by the appropriate level of management.

Impact of key role players on audit outcomes

The first and second levels of assurance should be improved by ensuring stability at accounting authority level at the NDA and at senior management level at SASSA. The NDA and SASSA accounting authorities and SASSA senior management should effect improvements by implementing the recommendations and addressing the root causes noted by the internal and external auditors to avoid repeat findings on the financial statements, performance reporting as well as procurement and contract compliance.

We met with the minister three times in the past year and these interactions had some impact on the audit outcomes. The reason for our assessment is that the minister had succeeded in maintaining the portfolio's audit outcomes. This assessment, the impact of the minister on the controls of the auditees as well as the status and impact of the commitments contributed to the assessed assurance provided by the minister.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

The chairperson of the portfolio committee committed to improving the audit outcome of the portfolio and made the following commitments:

- Monitor the implementation of action plans to ensure the movement to clean administration for SASSA and the NDA as well as sustaining the audit outcome of the department.
- Monitor the filling of critical vacancies in the portfolio.

Risks to financial health and information technology

Financial health

We reported no matters relating to risk indicators of financial health in the audit reports; however, the Disaster Relief, Refugee Relief, Social Relief and State President Funds all had going concern issues that were emphasised at year-end, due to the department's intention to restructure the operations of the funds. These going concern issues did not relate to financial health indicators.

Information technology

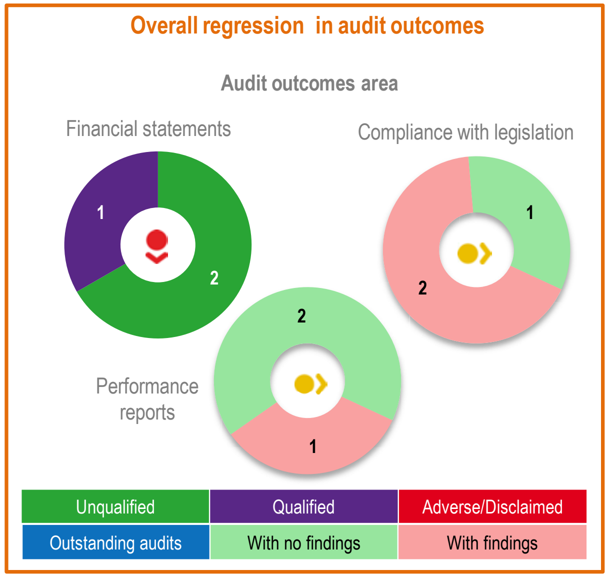
Although the IT outcome of the portfolio improved, further improvement is still needed in some areas, as outlined below:

- Although SASSA and the NDA had improved audit outcomes, a chief information officer must be appointed..

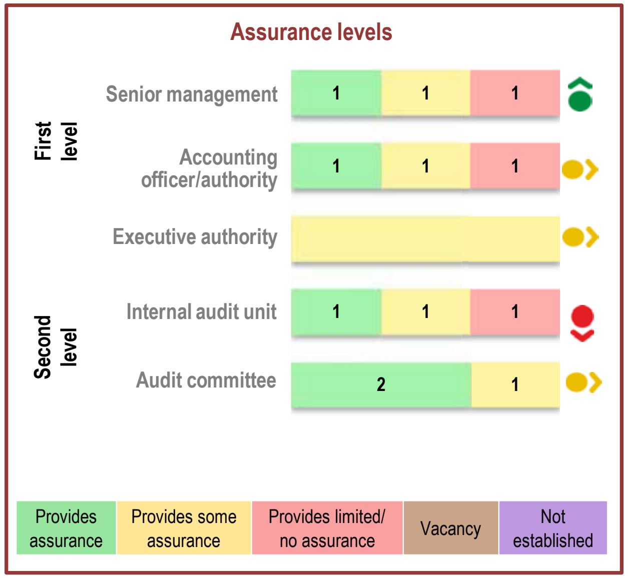
- Furthermore, SASSA had not implemented adequate controls around IT security management.
- The appointment of the new chief information officer at the department has elevated the implementation of proper IT controls.
- The management team of SASSA and the NDA has committed to implementing corrective measures to ensure that IT controls are adequately designed and implemented.
- Although the department implemented a system with adequate controls to capture, approve and assure the quality of information on non-profit organisations, reporting on key indicators was still done manually.
- SASSA had a high number of IT security management vacancies.

Vote 20: Sport and recreation

Overall regression in audit outcomes



Assurance levels



Key controls

	Audit areas								
	Financial statements			Performance reports			Compliance with legislation		
	🟩	🟨	🟥	🟩	🟨	🟥	🟩	🟨	🟥
Effective leadership	2	0	1	2	0	1	2	0	1
Human resource controls	0	2	1	2	0	1	0	2	1
ICT governance and controls	1	1	1	1	1	1	1	1	1
Action plans	0	2	1	1	1	1	0	2	1
Proper record keeping	0	2	1	1	1	1	1	1	1
Daily and monthly controls	1	1	1	2	0	1	2	0	1
Review and monitor compliance	1	1	1	2	0	1	1	0	2

🟩 Good 🟨 Concerning 🟥 Intervention required

1 To improve the **audit outcomes** …

2 … the key role players need to **assure** that …

3 … attention is given to the **key controls** and …

… the **risk areas** and that … 4

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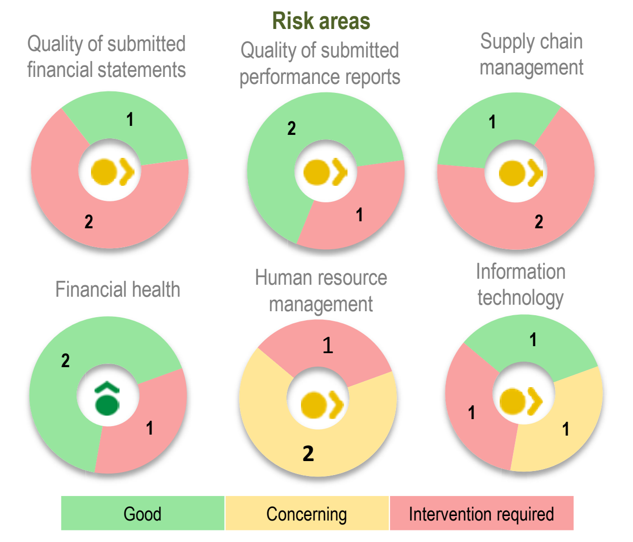
… and the **commitments** are honoured. 6

Risk areas



Most common root causes

Key officials lack appropriate competencies

A root cause at 1 auditee

Instability or vacancies in key positions

A root cause at 1 auditee

Slow response by management (accounting authority and senior management)

A root cause at 2 auditees

● Improved ● Unchanged ● Regressed

Status of key commitments by minister

Obtain progress on the action plan to address all the previous year's audit findings

Ensure that Boxing SA is sufficiently empowered by finalising the decisions on the suspended officials

Ensure that the entity has a performance plan that will drive the key initiatives as required by the boxing regulations

Not implemented In progress Implemented New

Auditees included in the portfolio

- *Department of Sport and Recreation South Africa (SRSA)*
- *Boxing South Africa (BSA)*
- *South African Institute for Drug-Free Sport (SAIDS)*

The total budgeted expenditure of the department in the portfolio for the 2014-15 financial year was R970,4 million. The main areas of expenditure were:

Transfer payments	R698,8 million
Goods and services	R181,2 million
Employee cost	R88,2 million
Capital expenditure	R2,2 million

Overall audit outcome

The regression in the overall audit outcome was caused by the BSA receiving a qualified audit opinion due to a lack of adequate systems to record expenditure and revenue. The SRSA maintained its clean audit status, while the SAIDS received an unqualified opinion with findings on compliance with laws and regulations – as was the case in the previous year.

Our main audit findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

The published financial statements of the BSA included the following material misstatements:

- The BSA disclosed sanctioning fees as revenue but we could not obtain evidence to support the value at which the revenue and its respective receivables balance was disclosed in the financial statements. This was as a result of a lack of systems to record revenue and collect receivables due.
- The BSA had inadequate systems for recording and monitoring payments to suppliers, and we could not obtain evidence to support the value of payables disclosed in the financial statements.

The SAIDS submitted financial statements for auditing that contained material misstatements in the areas of irregular expenditure and commitments. The SAIDS received an unqualified audit opinion only because they corrected the misstatements. The BSA could not make the necessary corrections because supporting documents to determine the understatement of revenue and payables were not available.

The following controls should be strengthened to create a control environment that supports reliable financial reporting:

- Proper record keeping and review processes should be implemented.
- The leadership must oversee the financial statements and internal controls.

Annual performance report

We raised no material findings on the APR of the SRSA and the SAIDS.

The APR of the BSA included information on their performance against predetermined objectives that was not reliable for the following programmes selected for auditing:

Auditee	Programme	Not useful	Not reliable
BSA	Governance and administration		X
	Marketing, branding, communication and event coordination		X

The following controls should be strengthened to create a control environment that supports useful and reliable reporting on the performance of the BSA:

- Proper record keeping and review processes should be implemented.
- Performance reports should be prepared that are supported by reliable information.
- The leadership should oversee performance reporting.

Compliance with legislation

We identified material non-compliance with legislation at the BSA and the SAIDS in the following areas:

- Both awarded contracts to suppliers who had not submitted tax clearance certificates or who had not declared their interest in the client.
- The BSA did not submit a strategic plan covering the period 2012-13 to 2016-17 to the board for approval.
- The BSA procured goods and services with a value between R10 000 and R500 000 without obtaining at least three quotations.
- The BSA did not have an approved human resource plan.
- The internal audit unit at the BSA did not evaluate financial and performance information.

- The audit committee at the BSA did not review compliance with legal and regulatory requirements.

The BSA incurred R1 920 million in irregular expenditure, which is an increase of 108% since the previous year; and R386 343 in fruitless and wasteful expenditure, which is an increase of 117% since the previous year. This represents 65,8% and 100%, respectively, of the total amount incurred by the portfolio.

The SAIDS incurred irregular expenditure of R995 000, which is an increase of 6% since the previous year. This amount represents 34,2% of the total amount incurred by the portfolio.

In total, 89% of the irregular expenditure reported by the BSA was identified during the audit process, while 100% of the irregular expenditure reported by the SAIDS was identified by the auditors. Furthermore, 97% of the fruitless and wasteful expenditure reported by the BSA was identified during the audit process, while 3% of the fruitless and wasteful expenditure reported was identified by the entity.

All (100%) of the irregular expenditure incurred by the BSA and the SAIDS related to SCM. The root cause of this was a lack of adequate controls to ensure compliance with a procurement process aligned to the National Treasury's requirements. The picture remains the same as in the previous year and will not change until the entities have implemented adequate controls relating to the supply chain.

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- The accounting authority should oversee compliance with applicable laws and regulations as well as internal control.
- Senior management should review and monitor compliance with all applicable laws and regulations.
- The internal audit unit should identify and communicate internal control deficiencies in a timely manner to those parties responsible for taking corrective action.

Root causes

The accounting officer and accounting authorities should address the root causes of poor audit outcomes and inadequate controls as follows:

- Action plans should be developed that will address the audit findings; and the oversight committees should enforce the action plans.
- Management should be more responsive in overseeing the quality of the submitted financial statements and performance reports to ensure that performance indicator descriptions are reviewed by the appropriate level of management.
- An organisational review process was undertaken and the SRSA committed to completing this process before filling posts. However, the process took longer than anticipated, due to consultations with organised labour and the Department of Public Service and Administration. The SRSA has now resolved to lift the moratorium and to start filling all post.

Impact of key role players on audit outcomes

The first and second level of assurance providers at the SRSA provided the appropriate level of assurance and this should be maintained.

The first and second levels of assurance at the BSA and the SAIDS should be improved by ensuring stability at the level of chief executive officer and chief financial officer. The chief executive officer and senior management must implement the recommendations and address the root causes noted by the external and internal auditors to avoid repeat findings on the financial statements, performance reporting as well as procurement and contract management.

We met with the minister once in the past year and this interaction had some impact on the audit outcomes. The reason for our assessment is the SRSA maintaining its clean audit status and the facilitating of action to address internal control deficiencies at the BSA. However, these actions did not improve the audit outcome of the entity, while there was no movement in the audit outcome of the SAIDS.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

The portfolio committee chairperson made the following commitments:

- Monitor the progress made by the BSA in appointing a chief executive officer.
- Review the strategic plan of the BSA and ensure that it is aligned to the available budget.
- Obtain the action plan to address audit findings for the BSA and the SAIDS.

Risks to financial health and information technology

Financial health

The BSA and the SAIDS should improve the management of their working capital to ensure that creditors are paid within the agreed time frames to avoid interest being charged. Furthermore, they should implement controls to ensure that money owed to them is collected timeously. The BSA should improve the management of budgets to ensure that expenditure does not exceed the budget.

Information technology management as a specific cause of audit outcomes

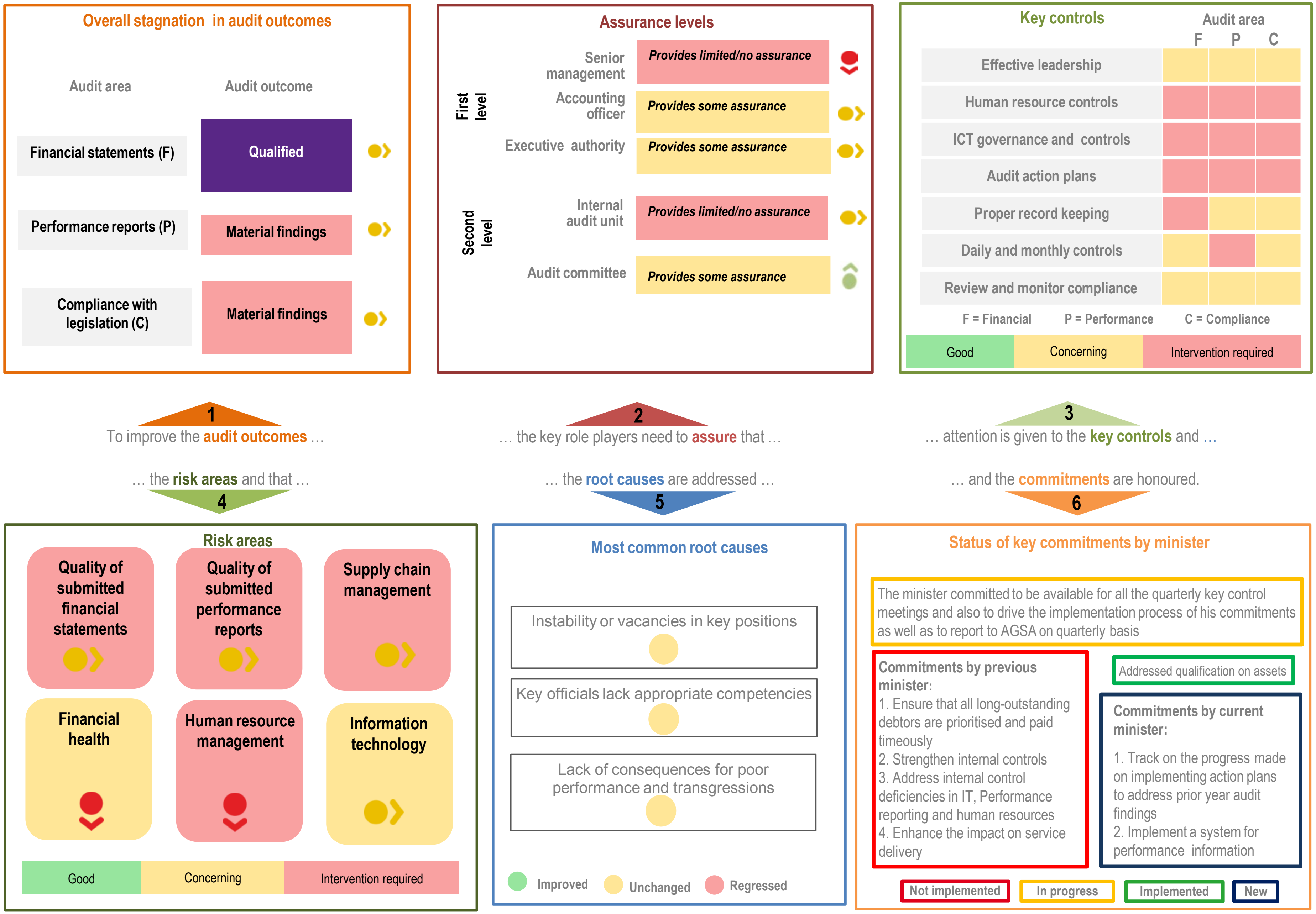
IT controls surrounding the financial systems were generally well designed, implemented and operating effectively at the SRSA.

The BSA had repeat findings on the lack of implementing controls relating to IT service continuity and IT security.

The following controls should be strengthened to create a sound IT environment that supports the mandate of the entity:

- An IT governance framework should be implemented.
- Action plans must be developed to address the previous year’s findings.
- Formal controls over IT service continuity management should be implemented to ensure the reliability of the system and the availability, accuracy and protection of information.

Vote 21: Correctional services



Overall stagnation in audit outcomes

Audit area	Audit outcome	
Financial statements (F)	Qualified	●›
Performance reports (P)	Material findings	●›
Compliance with legislation (C)	Material findings	●›

Assurance levels

First level	Senior management	*Provides limited/no assurance*	▼
	Accounting officer	*Provides some assurance*	●›
	Executive authority	*Provides some assurance*	●›
Second level	Internal audit unit	*Provides limited/no assurance*	●›
	Audit committee	*Provides some assurance*	▲

Key controls

Key controls	Audit area F	P	C
Effective leadership	🟨	🟨	🟨
Human resource controls	🟥	🟥	🟥
ICT governance and controls	🟥	🟥	🟥
Audit action plans	🟥	🟥	🟥
Proper record keeping	🟥	🟨	🟨
Daily and monthly controls	🟨	🟥	🟨
Review and monitor compliance	🟨	🟨	🟨

F = Financial P = Performance C = Compliance

🟩 Good 🟨 Concerning 🟥 Intervention required

1 To improve the **audit outcomes** …

2 … the key role players need to **assure** that …

3 … attention is given to the **key controls** and …

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… and the **commitments** are honoured. 6

Risk areas

- 🟥 Quality of submitted financial statements ●›
- 🟥 Quality of submitted performance reports ●›
- 🟥 Supply chain management ●›
- 🟨 Financial health ▼
- 🟥 Human resource management ▼
- 🟨 Information technology ●›

🟩 Good 🟨 Concerning 🟥 Intervention required

Most common root causes

- Instability or vacancies in key positions ●
- Key officials lack appropriate competencies ●
- Lack of consequences for poor performance and transgressions ●

● Improved ● Unchanged ● Regressed

Status of key commitments by minister

The minister committed to be available for all the quarterly key control meetings and also to drive the implementation process of his commitments as well as to report to AGSA on quarterly basis

Commitments by previous minister:
1. Ensure that all long-outstanding debtors are prioritised and paid timeously
2. Strengthen internal controls
3. Address internal control deficiencies in IT, Performance reporting and human resources
4. Enhance the impact on service delivery

Addressed qualification on assets

Commitments by current minister:

1. Track on the progress made on implementing action plans to address prior year audit findings
2. Implement a system for performance information

Not implemented In progress Implemented New

Auditee included in the portfolio

■ *Department of Correctional Services*

The total budgeted expenditure of the department for the 2014-15 financial year was R19,7 billion. The main areas of expenditure were as follows:

Employee cost	R13,3 billion
Goods and services	R5,3 billion
Transfer payments	R82,6 million
Capital expenditure	R1,1 billion

Overall audit outcome

There has been no improvement in the overall audit outcome since the previous year. While the department did not receive any qualification on assets in the current year, it was qualified on contingent liabilities.

The main findings arising from our audit as reported in the audit report, which should be addressed to improve the overall audit outcome, are as follows:

Financial statements

The published financial statements included the following material misstatement:

- Contingent liabilities: The department did not have an adequate system and processes to record and maintain a register for claims against the department. No confirmation was obtained from the state attorney regarding the completeness and accuracy of closing balances.

The department submitted financial statements for auditing that contained material misstatements relating to the appropriation statement, receivables, goods and services, commitments and irregular expenditure as well as contingent liabilities. With the exception of contingent liabilities, the department could correct the misstatements identified by the auditors. The department's inability to provide supporting records for contingent liabilities resulted in the financial statements receiving a qualified audit opinion.

The following controls should be strengthened to create a control environment that supports reliable financial reporting:

- Implement effective human resource management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored.
- Develop and monitor the implementation of action plans to address internal control deficiencies.
- Implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial reporting.

Annual performance report

The published APR included information on performance against predetermined objectives that was not useful and/or reliable for the following programmes we had selected to audit:

Auditee	Programme	Not useful	Not reliable
Department of Correctional Services	Incarceration		X
	Rehabilitation	X	X

The department submitted an APR for auditing that contained material misstatements.

The following controls should be strengthened to create a control environment that supports useful and reliable reporting on the performance of the department:

- Develop and monitor the implementation of action plans to address internal control deficiencies in performance reporting.
- Implement formal controls over IT systems to ensure the reliability of the systems and the availability, accuracy and protection of performance information.
- Implement effective human resource management to ensure that adequate and sufficiently skilled resources are in place and that staff members are trained on the requirements of the FMPPI.

Compliance with legislation

We identified material non-compliance with legislation in the following areas, which were also reported in the previous year:

- The accounting officer did not ensure that the department had and maintained effective, efficient and transparent systems of risk management and internal control with regard to performance information and management.
- Specific and appropriate information systems were not adequately implemented and operational to enable the department to monitor the progress made towards achieving the goals, targets and core objectives indicated in the strategic or annual performance plan.

- The internal audit function did not assess the operational procedure and mechanisms for monitoring transfers made and received.
- The audit committee was not properly constituted, as it consisted of only two members for six months of the financial year. The committee did also not review the department's compliance with legal and regulatory provisions.
- Effective steps were not taken to prevent irregular expenditure.
- Effective and appropriate steps were not always taken to collect all money due.
- Funded vacant posts were not filled within 12 months.
- Persons in the service of the department whose close family members, partners or associates had a private or business interest in contracts awarded by the department failed to disclose such interest.

The department incurred R164 million in irregular expenditure and R27 million in fruitless and wasteful expenditure in the current year.

Irregular expenditure resulted from the contravention of SCM legislation and only 1% of this irregular expenditure was identified by the auditee, while 99% (72% in the previous year) was identified during the audit process and not detected by the department's monitoring processes. All irregular expenditure was incurred as a result of non-compliance with SCM legislation.

The fruitless and wasteful expenditure was as a result of payments for sub-standard and incomplete work. A total of 98% of this fruitless and wasteful expenditure was identified by the auditee, while 2% (91% in the previous year) was identified during the audit process and not detected by the department's monitoring processes.

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- Develop and monitor the implementation of action plans to address compliance with applicable legislation including a process to timely identify irregular expenditure incurred.
- Establish an IT governance framework that supports and enables the department to deliver value as well as improves performance and compliance with legislation.
- The audit committee must ensure that an adequately resourced and functioning internal audit unit is in place, which identifies internal control deficiencies and recommends corrective action effectively.

Root causes

Management should address the root causes of poor audit outcomes and inadequate controls as follows:

- Further investigate and take action against officials found guilty of transgressions.
- Performance agreements of senior staff should include measures that are linked to the audit outcome.
- Develop an action plan and retention strategies to address the vacancy rate.
- Conduct regular training for key officials to ensure that they are competent and up to date with new developments that affect financial and performance information as well as compliance with laws and regulations.

Impact of key role players on audit outcomes

The first and second levels of assurance should be improved by implementing our recommendations and directing the work of the audit committee and internal audit unit towards evaluating performance information.

We met with the minister twice during the past year and these interactions had some impact on the audit outcome. The minister has adequate insight into the department and oversees the implementation of the department's strategic objectives. The department received an unqualified opinion on assets for the first time in 10 years. The impact that the minister had on the auditee's controls as well as the status and impact of the commitments contributed to the assessed assurance provided by the minister. Furthermore, these engagements with the minister resulted in a national commissioner and a chief financial officer being appointed after year-end.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

The following new commitments were made by the chairperson of the portfolio committee:

- Follow up on how the department is ensuring that the strategic plan and annual performance plans are monitored on a quarterly basis.
- Obtain feedback on management commitments and progress on audit action plans implemented on a quarterly basis.
- Follow up on the progress of, and reporting on, performance information on a quarterly basis.

Risks to financial health and information technology

Financial health

The department's financial health is of concern due to its accrual-adjusted net current liability position as well as a cash shortfall of 1,8% (5,6%, excluding compensation of employees) and a resultant inability to settle all accruals at year-end.

Information technology management as a specific cause of audit outcomes

IT controls surrounding the financial systems were generally well designed, implemented and operating effectively. However, little progress had been made with regard to the use of the performance information system. Due to the unavailability of a system, users used manual processes to capture offender information. The government IT officer was involved with the implementation of corrective measures and IT controls.

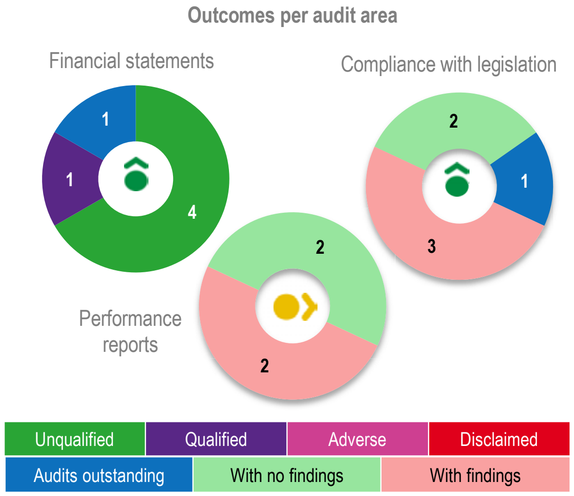
The department experienced challenges in implementing IT service continuity management and IT governance controls. The department had not developed a disaster recovery plan (DRP) due to the decentralised architecture of the IT environment as well as budgetary constraints that affected the DRP implementation process. Although the department had made improvements in empowering the IT function, there was a high degree of reliance on service providers for IT functions, such as project management of the integrated inmate management system (IIMS) project, application management of admission and release (A&R) as well as IT governance. The department did not have enough skilled IT personnel to conduct the functions currently being performed by the service providers.

The following controls should be strengthened to create a sound IT environment that supports the mandate of the department:

- Implement formal controls over IT service continuity management to ensure the reliability of the systems and the availability, accuracy and protection of information.
- Establish an IT governance framework that supports and enables business, delivers value and improves performance.

Vote 22: Defence and military veterans

Overall improvement in audit outcomes



Assurance levels*

First level	Senior management	🟩 1	🟨 3	🟥 1	↓
	Accounting officer/authority	🟩 1	🟨 3	🟥 1	↓
	Executive authority		🟨		↑
Second level	Internal audit unit	🟩 2		🟥 2	↑
	Audit committee	🟩 2	🟨 2		↑

🟩 Provides assurance
🟨 Provides some assurance
🟥 Provides limited/ no assurance
Vacancy
Not established

Key controls

Audit areas	Financial statements			Performance reports			Compliance with legislation		
Effective leadership	4	1	0	3	1	0	3	2	0
Human resources controls	3	2	0	3	1	0	3	2	0
ICT governance and controls	2	1	1	2	1	1	2	1	1
Audit action plans	2	3	0	1	3	0	3	2	0
Proper record keeping	2	2	1	2	2	0	3	2	0
Daily and monthly controls	1	4	0	2	2	0	2	3	0
Review and monitor compliance	3	1	1	3	1	0	1	2	2

🟩 Good
🟨 Concerning
🟥 Intervention required

1 To improve/maintain the **audit outcomes** …

2 … the key role players need to **assure** that …

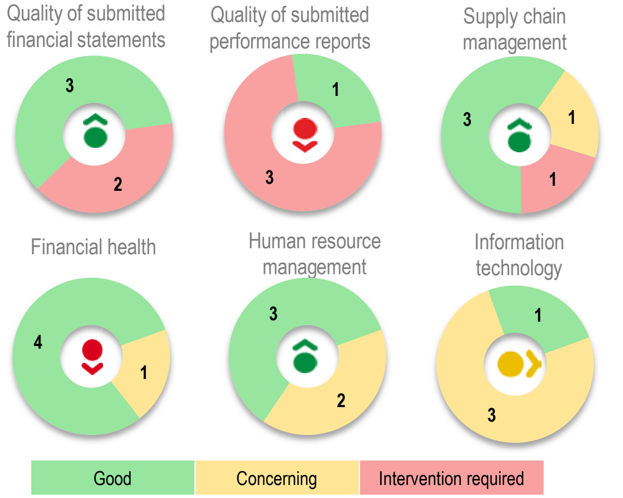
3 … attention is given to the **key controls** and …

… the **risk areas** and that … 4

… the **root causes** are addressed … 5

… and the **commitments** are honoured. 6

Risk areas



Root causes

Lack of consequences for poor performance and transgressions

A root cause at 🔴 1 auditees

Instability or vacancies in key positions

A root cause at 🟡 1 auditees

Slow response by management (Accounting officer and senior management)

A root cause at 🟢 2 auditees

🟢 Improved 🟡 Unchanged 🔴 Regressed

Status of key commitments by minister

None

Fill the vacant posts of Department of Defence internal audit.

A task team will be established to assist DMV in addressing matters affecting the performance of the department.

Improve governance.

Set clear expectations and establish a culture of respect and accountability.

Not implemented
In progress
Implemented
New

Auditees included in the portfolio

- ■ *Department of Defence (DoD)*
- ■ *Department of Military Veterans (DMV)*
- ■ *Armaments Corporation of South Africa (Armscor)*
- ■ *Castle Control Board (CCB)*
- ■ *South African National Defence Force Fund (SANDF)*

The total budgeted expenditure of the department for the 2014-15 financial year was R42,9 billion. The main areas of expenditure were:

Compensation of employees	R22,5 billion
Goods and services	R12 billion
Transfer payments	R7,9 billion
Capital expenditure	R521,9 million

Included in the total budgeted expenditure was R504,1 million for the DMV.

The audit outcome of the Special Defence Account (SDA) is not included. While the audit has been finalised, the impact of the sensitive activities was still under consideration to determine the impact on the audit opinion. As a result, the audit report was not finalised by 14 August 2015, which was the cut-off date for including audit outcomes in this report. This therefore has an impact on the comparability of the information in the graphics, as the SDA has been included in the comparative graphics.

Overall audit outcome

The improvement in the overall audit outcome was caused by the DoD moving from a qualified to an unqualified opinion with findings. The DMV moved from a disclaimed opinion to a qualified opinion. Armscor and the SANDF received clean audit reports, which is an improvement from the previous year.

The main findings from our audits are reported in the audit reports and should be addressed to improve the overall audit outcome. These are as follows:

Financial statements

The published financial statements of the DMV included the following material misstatements:

- We could not obtain enough audit evidence that the department had properly accounted for movable tangible capital assets due to the absence of an accurate and complete asset register. This was a repeat finding.
- The department did not classify payments for goods and services still to be received as prepayments, but incorrectly classified these as transfer payments.

The DMV submitted financial statements for auditing that contained material misstatements in irregular expenditure, assets, goods and services, accruals, commitments and the annual appropriation. Some of these material misstatements were corrected, but the uncorrected misstatements resulted in the department obtaining a qualified opinion.

The DoD received an unqualified audit opinion because it corrected the material misstatements we had identified during the audit process relating to tangible capital assets, goods and services, and irregular expenditure.

These were repeat findings.

The following controls should be strengthened to sustain a control environment that supports reliable financial reporting at both departments:

- Review and monitor compliance with all required laws and regulations.
- Review financial statements and supporting schedules (including the asset register) in time.
- Keep proper records to ensure that accurate and complete financial information is submitted for auditing and that documentation is available on time during the audit.

Annual performance report

The published APRs of the DMV and the CCB included information on their performance against predetermined objectives that was not useful or reliable for the following programmes we selected to audit:

Auditee	Programme	Not useful	Not reliable
DMV	Programme 2: socio-economic support	X	X
	Programme 3: empowerment and stakeholder management	X	X
CCB	Programme 2 : preservation, interpretation and showcasing of the history of the castle	X	
	Programme 4: increased public profile and positive perception across all sectors of the community	X	

The APR submitted by the DoD for auditing contained material misstatements in the reported performance information for the force employment programme. Management avoided material findings on usefulness and reliability by correcting all the misstatements identified during the audit.

The South African National Defence Force Fund (SANDF) is not subject to the PFMA, which means that reporting on predetermined objectives is not a legal requirement and was therefore not audited nor reported on.

The Special Defence account does not report separately on predetermined objectives as it falls under DoD.

The following controls should be strengthened to create a control environment that supports useful and reliable reporting on the performance of the portfolio:

- Develop, implement and monitor action plans to address internal control deficiencies as well as internal and external audit findings.
- Implement effective human resource management to ensure that resources are adequate and sufficiently skilled and that performance is monitored.
- Establish technical indicator data sheets and communicate these to staff at the lower levels to enable them to understand and execute internal control objectives, processes and responsibilities.

Compliance with legislation

We identified material non-compliance with legislation by the DoD, the DMV and the CCB in the following areas:

- The DMV did not have efficient and transparent systems of risk management and internal control for performance information and management.
- The DMV and the DoD did not take reasonable steps to prevent irregular expenditure.
- The DMV did not practise effective asset management, expenditure management, procurement and contract management, consequence management and human resource management.
- The DMV transferred an amount not originally budgeted without the approval of the National Treasury.
- The internal audit unit of the DMV did not perform all the duties required by laws and regulations.
- The internal audit unit of the CCB did not have a three-year strategic plan and the internal audit charter was not signed.

Most of the above were repeat findings.

The DoD incurred R559 million (2013-14: R1,3 billion) in irregular expenditure, a 57% decrease from the previous year. Of this amount, the auditee identified 96%, while 100% related to SCM (not complying with the procurement process).

The DMV incurred R29 million (2013-14: R21,2 million) in irregular expenditure, a 34% increase from the previous year. Of this amount, the auditee identified 0%, while 96% related to SCM (not complying with the procurement process) and 4% related to other irregular expenditure.

The remaining entities in the portfolio (excluding the SDA) incurred R35 million (2013-14: R69 million) in irregular expenditure, of which R34,5 million related to Armscor – a 49% decrease from the previous year. Of this amount, 100% related to SCM.

The defence portfolio (excluding the SDA) incurred R868 790 (2013-14: R304 million) in fruitless and wasteful expenditure, a 99,71% decrease from the previous year. Of this amount, 45% was identified by the auditee, 16,13% related to interest and penalties, and 83,87% related to other matters such as damages and losses, payment of prices above market value and excess purchases of diaries. The DMV incurred 92% of the total fruitless and wasteful expenditure in the portfolio.

All auditees in the portfolio should implement controls to prevent and detect irregular as well as fruitless and wasteful expenditure.

The following controls should further be strengthened to create a control environment that supports compliance with legislation:

- Adequate review and monitoring should take place to ensure compliance with all required legislation.
- Policies and procedures should be updated, communicated and implemented throughout the organisation, including consequence management.

Root causes

The accounting officers or accounting authorities should address the root causes of significant audit findings as follows:

- The accounting officers should ensure that there is stability in key positions to facilitate the adequate review of financial statements before their submission for auditing.
- Consequence management should be implemented to prevent non-compliance with laws and regulations.
- Management should timeously respond to internal and external audit findings, and develop and implement proper record keeping.

Impact of key role players on audit outcomes

The first and second levels of assurance should be improved by ensuring that the accounting officers of the departments and the accounting authority of the CCB develop and monitor action plans to address external audit's recommendations. These plans should be implemented by senior management. Internal audit vacancies should be filled to provide the required assurance to management and those charged with governance. Internal audit should be capacitated to enable them to focus on the review of financial systems and financial information, compliance with laws and regulations and performance reporting.

We met with the minister once in the past year. This interaction had some impact on the audit outcomes, as the minister followed up on the progress with regard to the intangible capital assets of the DoD.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

The chairperson of the portfolio committee made a commitment to obtain audit action plans, obtain and review quarterly financial and performance reports, and monitor consequence management for the departments each quarter.

Risks to financial health and information technology

Financial health

The DMV underspent the appropriation and had an accrual-adjusted net current liability position, which are indicators of financial health concern.

Information technology management as a specific cause of audit outcomes

The DoD established several councils relating to IT. However, it is not clear which of the existing ICT governance councils are responsible for the facilitation and implementation of ICT governance across the department, as the ICT governance policy has not been approved. Furthermore, the position of government IT officer has been vacant since 2010.

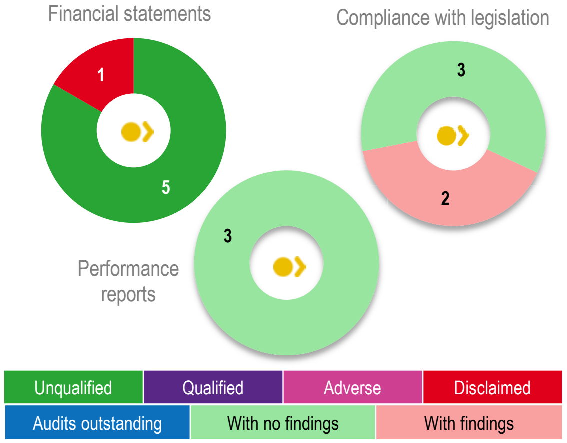
The following controls should be strengthened to create a sound IT environment that supports the mandate of the department:

- The roles, responsibilities and service requirements for ICT should be adequately defined.
- Management should develop action plans to address findings.

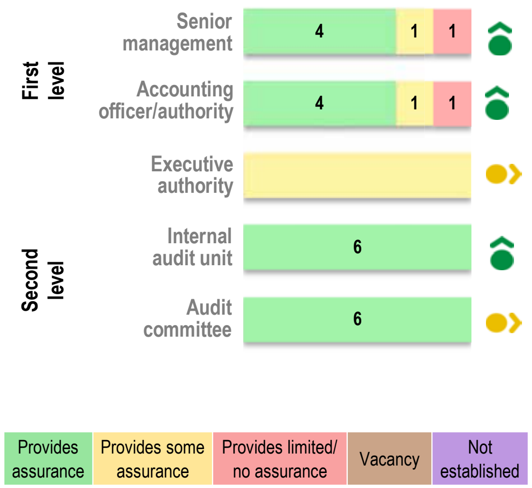
Vote 24: Justice and constitutional development

Overall stagnation in audit outcomes

Outcomes per audit area



Assurance levels



Key controls

Audit areas

	Financial statements			Performance reports			Compliance with legislation		
Effective leadership	6	0	0	3	0	0	5	0	0
Human resource controls	4	2	0	2	1	0	4	1	0
ICT governance and controls	2	4	0	2	1	0	5	0	0
Audit action plans	4	2	0	2	1	0	4	1	0
Proper record keeping	4	2	0	2	1	0	5	0	0
Daily and monthly controls	3	2	1	2	1	0	3	2	0
Review and monitor compliance	3	2	0	2	1	0	2	2	1

Good | Concerning | Intervention required

1 To improve the **audit outcomes** …

2 … the key role players need to **assure** that …

3 … attention is given to the **key controls** and …

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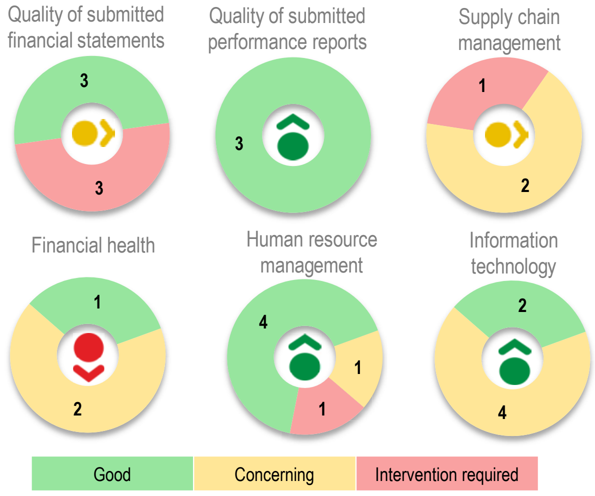
Risk areas



Root causes

Lack of consequences for poor performance and transgressions

A root cause at 3 auditees

Slow response by accounting officer and senior management to address previous year findings

A root cause at 1 auditee

● Improved ● Unchanged ● Regressed

Status of key commitments by minister

The performance information management system will be used effectively to facilitate collation and consolidation of information from the various line functions and regions.

Ageing and redundant GFS (Guardian's Fund) IT system to be prioritised for upgrading and/or replacement to ensure proper financial reporting and preparation of credible financial statements.

Reporting on quarterly performance against predetermined objectives will be strengthened with the involvement of internal audit to ensure credibility of reported information.

The chief financial officer of the department to take control of supply chain and asset management reporting functions and report on progress to the accounting officer on a monthly basis for investigation and corrective action.

Support to be provided to the department to fill vacancies as soon as they arise, especially at senior management level.

IT system with respect to Third Party Funds to be prioritised for replacement in order to ensure proper financial reporting and preparation of credible financial statements.

Not implemented | In progress | Implemented | New

Auditees included in the portfolio

- *Department of Justice and Constitutional Development (DoJ&CD)*
- *Guardian's Fund (GF)*
- *Legal Aid South Africa (LASA)*
- *President's Fund (PF)*
- *Special Investigating Unit (SIU)*
- *Third Party Funds (TPF)*

The DoJ&CD's budgeted expenditure for the 2014-15 financial year was R17,9 billion. The main expenditure was:

Employee cost	R7,4 billion
Statutory payments	R2,7 billion (salaries for judges and magistrates)
Goods and services	R4,3 billion
Transfer payments	R2,3 billion
Capital expenditure	R1,2 billion

The transfer payments were made to LASA, SIU, Public Protector South Africa (PPSA) and the South African Human Rights Commission (SAHRC).

Overall audit outcome

The stagnation in the overall audit outcome was a result of the auditees not addressing some of the material findings raised in the past on compliance with legislation and the continued disclaimer on the TPF.

The GF, LASA and PF maintained their unqualified audit opinion with no other findings. The DoJ&CD and SIU maintained their unqualified audit opinions with findings in the area of compliance with legislation. The TPF continued to receive a disclaimer of audit opinion.

SCM, performance reporting and financial health are not applicable to the GF, PF and TPF, as these are funds administered by the DoJ&CD and these areas are not relevant to these funds.

The National Prosecuting Authority (NPA), which is a programme within the DoJ&CD, was reported separately in previous years. It is now included in the reporting of the DoJ&CD in line with the instruction received from the National Treasury. Exemption was previously granted by the National Treasury allowing the NPA to prepare separate financial and performance reports and to be audited on its own. However, the exemption was only until the 2013-14 financial year.

Our main audit findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

The published financial statements of the TPF included the following material misstatements:

- The TPF did not have adequate information systems and proper record keeping processes and reconciliations to support the financial results presented in its financial statements to facilitate compliance with the financial reporting framework applicable to the entity. These misstatements resulted in a disclaimer of audit opinion.

The GF, LASA and PF should be commended for the submission of financial statements not requiring material changes. The DoJ&CD and SIU submitted financial statements for auditing that contained material misstatements. The DoJ&CD had corrections in areas of contingent liabilities and expenditure for capital assets. The SIU had material misstatements in the areas of non-current assets, current liabilities, statement of budget comparison and disclosure items. The TPF's submitted financial statements contained material misstatements in the areas of current assets and current liabilities. The DoJ&CD and SIU received an unqualified audit opinion only because they corrected all the material misstatements we identified during the auditing process. The TPF could not make the corrections because of information systems limitations and inadequate record keeping.

The following controls should be strengthened to create a control environment that supports reliable financial reporting:

- The TPF requires a financial reporting system to replace the current administrative system, which currently limits management's ability to supervise and oversee daily reconciliations to support reliable financial reporting.
- The DoJ&CD and the SIU must implement sufficient monitoring controls to ensure compliance with all applicable legislation.
- The DoJ&CD and SIU senior management should establish proper processes to assist in the compilation and preparation of reliable financial statements and to review them prior to submission for auditing.

Annual performance report

All the entities in the portfolio submitted APRs for auditing that did not contain material misstatements.

Compliance with legislation

We identified material non-compliance with legislation by the DoJ&CD and SIU in the following areas:

- The DoJ&CD did not take effective steps to prevent irregular expenditure resulting from non-compliance with SCM prescripts.
- The SIU did not comply with SCM prescripts regarding the various monetary thresholds when issuing invitations to quote and bid. In some instances deviations were approved by the accounting authority even though it was not impractical to invite competitive bids.
- The DoJ&CD did not always settle its creditors within the prescribed period of 30 days from receiving an invoice.
- The DoJ&CD did not fill funded vacant posts within 12 months, as required by legislation.

The majority of the irregular expenditure in the portfolio was incurred by the DoJ&CD for an amount of R45 million. Of the total amount disclosed as irregular expenditure, 99,7% was identified by the auditee. The irregular expenditure incurred was mainly as a result of non-compliance with the prescripts governing the requirements for procurement of items within the various monetary thresholds. Irregular expenditure decreased in 2014-15 year when compared to R84 million incurred in the previous year.

Non-compliance with SCM prescripts remains a risk, specifically at the DoJ&CD and the SIU that had recurring audit findings in that area. The combined amount of the resulting irregular expenditure was, however, less than that of the previous year.

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- Senior management should enhance the current compliance processes and monitor compliance with all applicable legislation, specifically in the area of SCM.
- Officials should be held accountable for transgressions and disciplinary action should be taken against repeat transgressors.
- Tracking registers should be implemented by the DoJ&CD to track the movement of invoices across the various line functions from the date of receipt until date of payment to identify the reasons for delayed payments to suppliers.

Root causes

The leadership and senior management should address the root causes of poor audit outcomes and inadequate controls as follows:

- Greater oversight by accounting officers or accounting authorities and senior managers in implementing systems to facilitate preparing and reviewing annual financial statements prior to submission for auditing.
- Replacing the information systems used to manage third party funds.
- Management should closely monitor and review compliance with legislation and hold officials accountable for transgressions.

Impact of key role players on audit outcomes

The first and second levels of assurance should be improved by implementing consequence management with respect to repeat audit findings. The development, implementation and monitoring of action plans should be prioritised to ensure that the root causes of findings raised by both internal and external audit are addressed. In this way, repeat audit findings will be avoided and effective corrective actions can be implemented in time.

We met with the minister twice in the past year and these interactions had no impact on the audit outcomes, which remained unchanged from the previous year. The assessment of the minister on the controls of the auditees as well as the status and impact of the commitments contributed to the assessed assurance provided by the minister.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

Risks to financial health and information technology

Financial health

The leadership and senior management of the DoJ&CD and the SIU should address the following matters, which could affect the financial health of the respective auditees:

- The DoJ&CD should implement more effective cash flow management to eliminate incurring a bank overdraft and to manage the accruals and payments of creditors, specifically at year-end. This is to address the situation whereby liabilities exceed assets, after taking into account invoices for goods and services received but not yet paid at year-end.
- The SIU should improve its debt-collection rate on debtors to ensure that all amounts billed will be recovered. Non-recovery of debts could put a financial strain on the entity's ability to meet its liabilities in the future.

Information technology management as a specific cause of audit outcomes

The controls over IT security management at the DoJ&CD were inadequate in the areas of patch management and firewalls to protect the network from attacks either internally or from the external environment, thus making data integrity vulnerable to unauthorised changes.

With regards to the GF, the information system is inadequate in servicing the business needs of the GF, which restricts management's ability to exercise oversight of ensuring that reliable financial statements are prepared and that interest and beneficiary liabilities calculations are correct. This results in manual processes being undertaken to mitigate the risks created by the limitations of the information system.

The PF and TPF have challenges in the area of user access management. These are as a result of weaknesses identified in controls surrounding the access rights of users, password controls and administration of user accounts, which would ensure that only authorised users are allowed to access the IT system and only for the rights assigned to their specific positions, thereby minimising the risk of unauthorised changes to information. Furthermore, the disaster recovery plan and controls over back up of information are inadequate for the PF. This could provide challenges in its ability to recover information quickly in the event of a disaster.

Constitutional institutions

The Public Protector South Africa (PPSA) and the *South African Human Rights Commission (SAHRC)* are included in the portfolio, but are not under the authority of the minister.

Overall audit outcome

The PPSA and SAHRC retained their unqualified audit opinions with findings on compliance with legislation.

The main findings from our audits which were reported in the audit reports and need to be addressed to improve the overall audit outcomes are as follows:

Financial statements

The SAHRC should be commended for the submission of financial statements not requiring material changes. The PPSA submitted financial statements for auditing that contained material misstatements in the areas of disclosure items and current liabilities. The PPSA received an unqualified audit opinion only because they corrected all the material misstatements we identified during the auditing process.

The following controls should be strengthened to create a control environment that supports reliable financial reporting:

- Senior management should establish proper processes to assist in the compilation and preparation of financial statements, and to review them prior to submission for auditing.

Annual performance report

The PPSA submitted APRs for auditing that contained material misstatements. They avoided material findings in their audit report only because they corrected all the material misstatements we identified during the auditing process.

The following controls should be strengthened to create a control environment that supports useful and reliable reporting on the performance of the auditee.

- Management should adequately review the APRs to ensure completeness and accuracy of the information reported prior to submission for auditing.

Compliance with legislation

We identified material non-compliance with legislation at the PPSA and SAHRC in the following areas:

- The PPSA did not submit the 2013-2014 annual report to Parliament within one month after receipt of the audit report.
- The PPSA and SAHRC did not always settle their creditors within the prescribed period of 30 days from receiving an invoice.
- The accounting officer of the PPSA did not ensure that the internal audit function was established for the entire financial year.

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- The accounting officer of the PPSA should institute processes to monitor compliance with all applicable legislation in order to address the non-compliance identified and to prevent similar findings from recurring in the future.
- Tracking registers should be implemented by the entities to track the movement of invoices across the various line functions from the date of receipt until the date of payment to identify the reasons for delays in payments to suppliers.

Root causes

The leadership and senior management should address the root causes of poor audit outcomes and inadequate controls as follows:

- Greater oversight by the accounting officer and senior managers at the PPSA in implementing systems to facilitate preparing and reviewing the annual financial statements and the APR prior to submission for auditing.
- Management should closely monitor and review compliance with legislation and hold officials accountable for repeat transgressions.

Impact of key role players on audit outcomes

The first and second levels of assurance should be improved by the development, implementation and monitoring of action plans to ensure that root causes of the findings raised by both internal and external audit are addressed. This will avoid repeat audit findings and allow effective corrective actions to be implemented on time.

We met with the executive authority of the SAHRC three times in the past year and the interactions had some impact on the audit outcome. We met with the executive authority of the PPSA twice in the past year and the interaction had some impact on the audit outcome. The assessment of the executive authorities on the controls of the auditees as well as the status and impact of the commitments contributed to the assessed assurance provided by the executive authorities.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

Risks to financial health and information technology

Financial health

The PPSA's leadership and senior management should address the following matter, which could affect the financial health of the auditee:

- The institution reported an accumulated deficit at the end of the financial year under review and its cash resources in the short term may be inadequate to meet its commitments to creditors.

Information technology management as a specific cause of audit outcomes

Both the PPSA and SAHRC had challenges in the areas of IT governance, IT security, user access management and IT service continuity. These were due to policies being in draft for a while, which limits the effectiveness of internal controls and the determination of accountability over key business processes. Weaknesses were also identified in controls surrounding the access rights of users, password controls and administration of user accounts, which would ensure that only authorised users are allowed to access the IT system and only for the rights assigned to their specific positions, thereby minimising the risk of unauthorised changes to information. This could lead to security breaches and financial information being compromised due to unauthorised users exploiting the security weaknesses. Furthermore, the disaster recovery plans and controls over back up of information were inadequate, which could provide challenges in the entities' ability to recover information quickly in the event of a disaster.

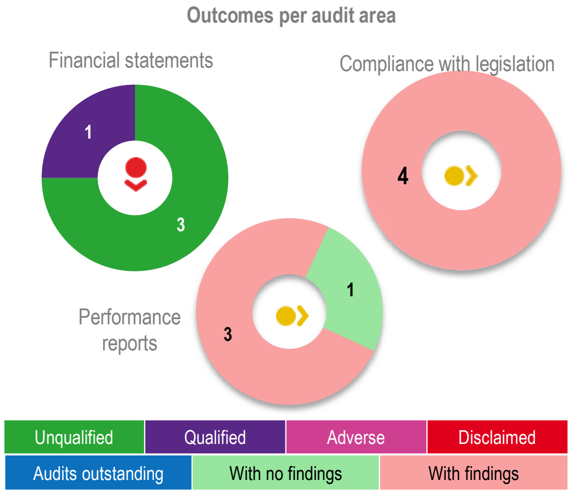
Entities included in the portfolio but not audited by the Auditor-General of South Africa

We did not audit the *South African Board for Sheriffs* included in the portfolio of the minister.

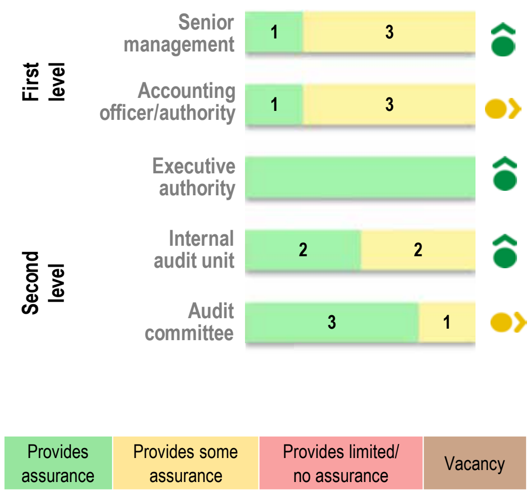
The overall audit outcome of this entity improved to an unqualified report with no other findings.

Vote 25: Police

Overall stagnation in audit outcomes



Assurance levels



Key controls

	Audit areas								
	Financial statements			Performance reports			Compliance with legislation		
Effective leadership	3	1	0	3	1	0	3	1	0
Human resources controls	2	2	0	2	1	1	2	2	0
ICT governance and controls*	1	2	0	1	2	0	1	2	0
Audit action plans*	1	2	0	1	2	0	1	2	0
Proper record keeping	1	2	1	0	3	1	1	2	1
Daily and monthly controls	3	0	1	1	2	1	3	0	1
Review and monitor compliance	2	2	0	1	1	2	1	2	1

🟩 Good 🟨 Concerning 🟥 Intervention required

1 To improve/maintain the **audit outcomes** …

2 … the key role players need to **assure** that …

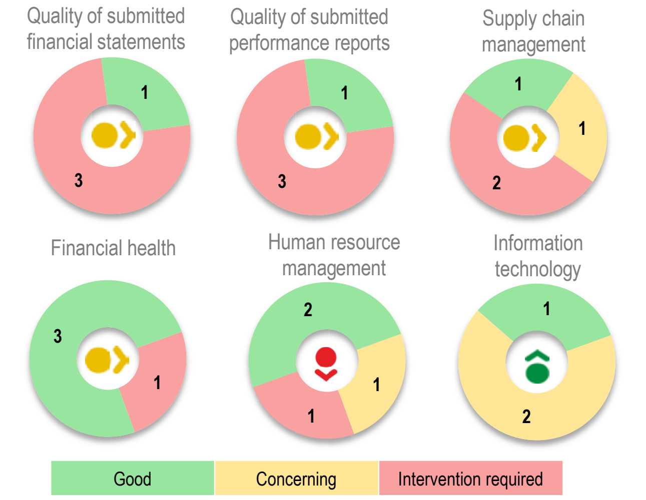
3 … attention is given to the **key controls** and …

… the **risk areas** and that … 4

… the **root causes** are addressed … 5

… and the **commitments** are honoured. 6

Risk areas



Root causes

Lack of consequences for poor performance and transgressions

A root cause at 2 auditees

Instability or vacancies in key positions

A root cause at 3 auditees

Slow response by management

A root cause at 2 auditees

● Improved ● Unchanged ● Regressed

Status of key commitments by minister

Appoint key officials within PSIRA

Investigation within PSIRA to be conducted with regards to procurement, governance and finance

Task team was appointed. Awaiting report on the review of the salaries of PSIRA

Appointment of key official within IPID

Recommendations to enhance performance agreements to be aligned in terms of the clarified roles to ensure that staff are held accountable for reporting inaccurate performance information

PSIRA in consultation with National Treasury to determine the way forward with regard the old premises

The joint effort between SAPS and AGSA to conduct provincial visits in clarifying the roles and responsibilities with regards to the reporting of predetermined objectives still an on-going effort

Not implemented | In progress | Implemented | New

Auditees included in the portfolio

- *Department of Police (DOP)*
- *Civilian Secretariat of Police (CSP)*
- *Independent Police Investigative Directorate (IPID)*
- *Private Security Industry Regulatory Authority (PSIRA)*

The total budgeted voted funds of the auditees in the portfolio for the 2014-15 financial year were R73 billion. The main expenditure was employee cost totalling R54,5 billion, goods and services totalling R14,3 billion, expenditure for capital assets totalling R3 billion and transfers to the amount of R899 million.

The CSP had always formed part of the DOP, but became a designated department from the 2014-15 financial year.*

Overall audit outcome

The lack of improvement in the overall audit outcome of the DOP and PSIRA was caused by the complex nature of performance information in this environment. The lack of improvement in the overall audit outcome of the IPID was caused by inadequate implementation of the action plans, leading to inadequate controls and vacancies, which were subsequently addressed.

The qualified audit outcome of the CSP was caused by the fact that it was a newly designated department, and the CSP's own internal controls had not yet been implemented effectively to substantiate commitments, accruals and employee benefits mainly due to the instability of the chief financial officer position.

Our main findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

The published financial statements of the CSP included the following material misstatements:

- The CSP disclosed the same amount for both commitments and accruals in its first submitted set of financial statements. Due to inadequate internal controls and processes for recording and monitoring commitments and accruals, we could not obtain sufficient appropriate audit evidence that all commitments and accruals had been properly disclosed.
- The CSP could not provide sufficient audit evidence to support the amount disclosed as employee benefits in the financial statements. This was due to inadequate internal controls and processes for recording and monitoring employee benefits.

The IPID and PSIRA submitted financial statements for auditing that contained material misstatements in the areas of commitments, accruals and the disclosure notes relating to key management personnel and intangible assets, trade and other receivables, trade and other payables, bad debts recovered, provisions, employee costs, operating expenditure, bad debts and contingent liability. The IPID and PSIRA received an unqualified audit opinion only because they corrected all the misstatements we identified during the audit process.

The CSP submitted financial statements for auditing that contained material misstatements in the areas of current assets, cash and cash equivalents, receivables and the disclosure note on key management personnel, which were subsequently corrected. However, the CSP could not make the necessary corrections to commitments, accruals and employee benefits because of a lack of internal controls and systems to support financial statement reporting.

The following controls should be strengthened to create a control environment that supports reliable financial reporting:

- The different levels of assurance providers (management, accounting officer or authority and audit committee) should timeously and adequately review the financial statements and compare them to the supporting documentation.
- Skilled staff members should be appointed in critical posts in the finance sections.
- PSIRA should ensure that its debtors' IT system agrees with the financial system per individual debtor.

Annual performance report

The published APR of the DOP, the CSP and PSIRA included information on their performance against predetermined objectives that was not useful and/or reliable for the following programmes we had selected to audit:

Auditee	Programme	Not useful	Not reliable
DOP	Programme 2: Visible policing		x
CSP	Programme 3: Legislation and policy development	x	
	Programme 4: Civilian oversight, monitoring and evaluation		x
PSIRA	Programme 3: Communication, registrations (CRM) and training	x	x

The IPID submitted APRs for auditing that contained material misstatements. It avoided material findings in its audit reports only because it corrected all the misstatements we identified during the audit process.

The following controls should be strengthened to create a control environment that supports useful and reliable reporting on the performance of the portfolio:

- Adequate record-keeping controls should be implemented over the information reported in the APR.
- Management, the accounting officer or authority and the audit committee should timeously and adequately review the information reported in the APR against the supporting documentation.
- Approved policies and procedures should be implemented and monitored and actions taken in cases of non-adherence.

Compliance with legislation

We identified material non-compliance with legislation by the DOP, the CSP, the IPID and PSIRA in the following areas:

- PSIRA did not apply the preferential procurement points system in awarding contracts or quotations.
- The DOP, the CSP and PSIRA did not maintain effective and efficient internal controls regarding performance management, which described and represented how their processes of performance monitoring, review and reporting would be conducted, organised and managed.
- The CSP's audit committee was not in place for the first seven months of the financial year.
- The internal audit function at the CSP did not assess the operational procedure and monitoring mechanisms relating to the transfer of assets received, while the internal audit function at the IPID did not evaluate the reliability and integrity of financial and operational information.
- The IPID's contractual obligations and money owed were not settled within 30 days.
- At the CSP, some employees were appointed without following a proper process to verify the information provided in their applications.
- The CSP did not have an implemented human resource plan.
- PSIRA did not take effective and appropriate disciplinary steps against officials who incurred or permitted irregular expenditure.
- The CSP awarded quotations to suppliers who did not submit original tax clearance certificates.
- PSIRA did not take reasonable steps to prevent irregular as well as fruitless and wasteful expenditure.
- PSIRA did not take effective steps to collect all money due.

The National Treasury ruled on two possible irregular expenditure contracts at the DOP. One contract to the amount of R281 million was deemed to be irregular and was subsequently disclosed as such in the financial statements, while the other was deemed not to be irregular.

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- Senior management vacancies should be filled at PSIRA.
- The CSP should implement and monitor effective internal controls and processes.
- Oversight of non-compliance should be enhanced.
- Consequence management should be implemented, specifically relating to performance information.

Root causes

The IPID showed an improvement in consequences for poor performance. This included issues that had been resolved in the year under review (steps to prevent irregular expenditure). Although there were still some issues, they had decreased in quantity, as steps had been taken to ensure accountability and instil some measure of consequence management.

Instability and vacancies in key positions were still seen at the CSP, such as an acting accounting officer, chief financial officer and chief director: civilian oversight monitoring and evaluation. At the IPID, although there had been an improvement with regard to the provincial heads and the director: internal audit being appointed, there was still a lack of capacity for most of the year in the internal audit section. The PSIRA still needed to be appointed a chief financial officer.

Management's slow response had regressed within PSIRA and at the CSP.

The accounting officer or authority should address the root causes of the lack of improvement within the DOP, the IPID and PSIRA and the qualification on CSP as follows:

- Staff should be held accountable for non-performance or non-adherence to policies and procedures.
- All key funded vacancies should be filled with skilled staff.

- Effective and efficient internal controls and processes should be implemented and monitored and corrective action taken, where applicable.

Impact of key role players on audit outcomes

The first and second levels of assurance should be improved by the accounting officer or authority – specifically internal audit at the IPID and the CSP as well as the audit committee at the CSP. Senior management at the DOP, the IPID and the CSP should implement our recommendations and monitor the effectiveness of internal controls. The focus should also be on appointing an accounting officer at the CSP and ensuring stability in the position in the IPID. The accounting authority at PSIRA was appointed recently and should focus on monitoring action plans by management and keeping to their commitments. The accounting officer at the DOP implemented internal controls to address the issues raised; the concern, however, is senior management not adhering to those internal controls.

We met with the minister twice in the past year, and these interactions had limited impact on the audit outcomes. The minister's oversight role was visible at all entities within the portfolio. The nine provincial heads for the IPID had been appointed before year-end, and governance assistance at PSIRA was evident in the appointment of the chair of the accounting authority.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR and the review of the annual performance plan. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

Risks to financial health and information technology

Financial health

The accounting officer or authority should address the following matters, which could affect the financial health and service delivery monitoring and oversight responsibilities in the portfolio:

- The IPID should improve the management of creditor payments to ensure that suppliers are paid on time.
- The PSIRA should improve its management of debt collection to ensure that money owed to the entity is collected on time.

Information technology

We evaluated IT controls relating to the financial systems of the police portfolio at the DOP, the IPID and PSIRA. Management should focus on the following key findings:

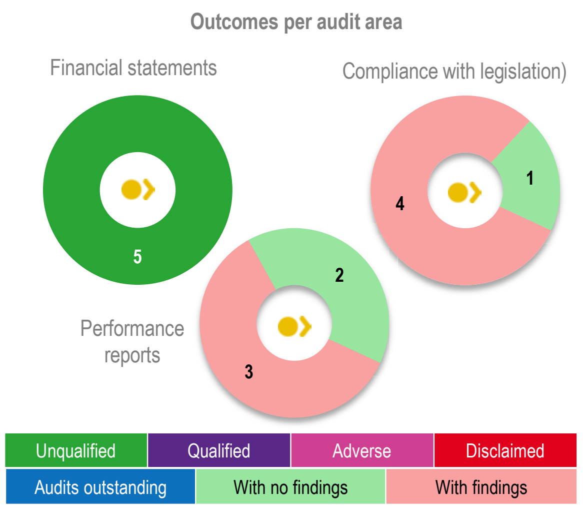
- The DOP's information security policy was out of date, and the review could not be finalised in the 2014-15 financial year.
- The IPID experienced challenges with the implementation of IT controls. Adequate progress had not been made in addressing previous findings, as risks remained in most of the focus areas, even though some corrective measures had been instituted.
- PSIRA was subject to an assessment of internal controls by means of questionnaires. It had made minimal progress in addressing previously raised findings. As a result, risks associated with user access management and IT governance remained. However, PSIRA did review and approve the IT strategic plan and the IT governance charter by the accounting authority during March 2015.

Management should focus on the following challenges:

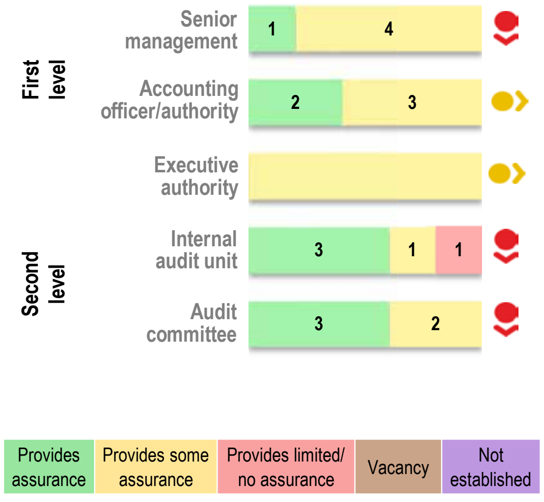
- Policies had to be presented to the national executive committee, as there was no management approval framework.
- Consultation processes to review and finalise SLAs took long due to the various levels of consultations required.
- User access reviews were not performed periodically due to management not allocating this responsibility to an independent person who also did not have conflicting roles.
- Inadequate internal controls specific to the processes to review and approve policies and procedures .

Vote 26: Agriculture, forestry and fisheries

Overall stagnation in audit outcomes



Assurance levels



Key controls

Key controls	Audit areas: Financial statements			Performance reports			Compliance with legislation		
Effective leadership	5	0	0	4	1	0	5	0	0
Human resources controls	3	2	0	4	1	0	4	1	0
ICT governance and controls	0	4	1	3	1	1	3	1	1
Audit action plans	4	1	0	3	1	1	4	1	0
Proper record keeping	3	2	0	2	1	2	3	2	0
Daily and monthly controls	3	2	0	4	0	1	4	1	0
Review and monitor compliance	3	2	0	2	2	1	3	2	0

🟩 Good 🟨 Concerning 🟥 Intervention required

1 To improve the **audit outcomes** …

2 … the key role players need to **assure** that …

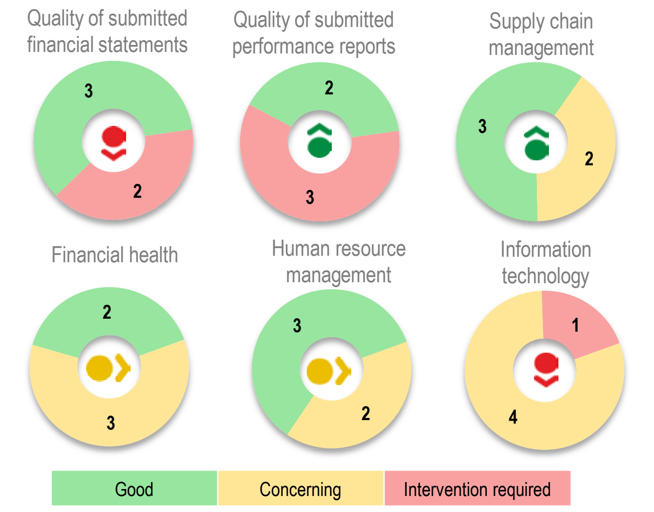
3 … attention is given to the **key controls** and …

… the **risk areas** and that … 4

… the **root causes** are addressed … 5

… and the **commitments** are honoured. 6

Risk areas



Root causes

Slow responses by management

A root cause at 4 auditees

Key officials lack appropriate competencies

A root cause at 1 auditees

Instability in key positions

A root cause at 1 auditees

● Improved ● Unchanged ● Regressed

Status of key commitments by minister

- 🟨 Plan to support agricultural schools and encourage youngsters to study in the agricultural field.
- 🟦 The Ncera Farms will be deregistered to ensure better management of the entity.
- 🟨 Collaborate with the provincial MECs to ensure proper monitoring and evaluation of DoRA funds.
- 🟦 The Marine Living Resource Fund will be merged with the department to ensure effective management of the entity.
- 🟨 Empower the internal audit to be fully effective and functional.
- 🟦 Vacant senior manager positions will be filled to ensure and build a positive culture.
- 🟨 Manage deviation from procurement process transparently.
- 🟥 Implement a plan to identify specific areas for service delivery.
- 🟦 A project plan will be developed, setting out the timelines for review of quarterly performance reports by internal audit, audit committee, external audit and portfolio committee to ensure the quality of reported performance.
- 🟥 (Ensure a linkage between budget and targets in the strategic plan.
- 🟥 Checks and balances will be implemented ensuring the credibility and completeness of performance reports.
- 🟩 Checks and balances will be implemented to ensure the credibility and completeness of financials.

🟥 Not implemented 🟨 In progress 🟩 Implemented 🟦 New

Auditees included in the portfolio

- *Department of Agriculture, Forestry and Fisheries (DAFF)*
- *Agricultural Research Council (ARC)*
- *Marine Living Resource Fund (MLRF)*
- *National Agricultural Marketing Council (NAMC)*
- *Onderstepoort Biological Products (OBP)*

The department's budgeted expenditure for the 2014-15 financial year was R6,7 billion. The main areas of expenditure were as follows:

Transfer payments	R4,1 billion
Employee costs	R1,7 billion
Goods and services	R809,5 million
Payments for capital assets	R135,4 million

Overall audit outcome

The lack of improvement in the overall audit outcomes was caused by the DAFF, ARC, NAMC and OBP not addressing past material findings on their APRs and/or compliance with legislation. The MLRF did however address the previous year's audit findings which resulted in an improvement on non-compliance matters.

Our main audit findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

We commend the DAFF, MLRF and OBP for maintaining the quality of their financial statements.

The ARC and NAMC submitted financial statements for auditing that contained material misstatements in the areas of intangible assets, property, plant and equipment, trade and other receivables, inventory, trade and other payables, exchange revenue, related parties, commitments and deferred revenue. The ARC and NAMC received an unqualified audit opinion only because they corrected all the misstatements we had identified during the auditing process.

The following controls should be strengthened to create a control environment that supports reliable financial reporting:

- The ARC should implement daily and monthly controls to complement the new financial system to ensure complete and accurate information that is easily accessible and available to support financial reporting.
- The NAMC should develop and continuously monitor a financial framework checklist to assist employees to prepare the financial statements so that they comply with the requirements of the framework.

Annual performance report

The published APR of the DAFF, NAMC and OBP included information on their performance against predetermined objectives that was not useful and/or reliable for the following programmes and/or objectives we had selected to audit:

Auditee	Programme/objective	Not useful	Not reliable
DAFF	Programme 3: Food security and agrarian reform		x
	Programme 5: Forestry and natural resource management	x	x
NAMC	Programme 3: Statutory measures	x	
	Programme 5: Agri-business development	x	
OBP	Objective 2: Improve business processes and management practices	x	x
	Objective 5: Contribute to government priorities with respect to food security and economic growth	x	

The following controls should be strengthened to create a control environment that supports useful and reliable reporting on the performance of the portfolio.

- The DAFF should strengthen coordination with the provincial departments to ensure that all supporting documentation relating to achievements is collected and reported on.
- The OBP and NAMC should monitor compliance with the National Treasury's FMPPI)by ensuring that targets are specific and supported by documented processes when compiling the annual performance plan. This will enable proper record keeping by the OBP, thus ensuring that reliable information is reported. The NAMC has already addressed the shortcomings in the 2015-16 annual performance plan.
- The DAFF and OBP should develop action plans and monitor progress monthly. Furthermore, DAFF's internal audit unit should be trained on the audit of predetermined objectives to provide assurance on the quarterly review of action plans and quarterly monitoring reports.

Compliance with legislation

We identified material non-compliance with legislation by DAFF, ARC and OBP in the following areas:

- DAFF still did not monitor the expenditure funded by the comprehensive agricultural support programme grant in accordance with legislation. This finding was also raised in the previous year.
- DAFF's internal audit unit did not evaluate the reliability of reported performance information and the mechanisms for monitoring transfers made. The finding was also raised in the previous year. The OBP's internal audit unit did not evaluate the financial and performance information and compliance with legislation.
- DAFF and the OBP did not establish a system of effective performance monitoring and evaluation. These findings were also raised in the previous year. DAFF also did not establish procedures for reporting quarterly performance reports to the executive authority.
- DAFF and the ARC did not always take reasonable steps to prevent irregular expenditure. These findings were also raised in the previous year.

The MLRF incurred R144,5 million in irregular expenditure, which constituted 98% of the total amount of R148,65 million incurred by the national portfolio. The amount of irregular expenditure increased compared to last year's R134,9 million. The irregular expenditure was a result of non-compliance with SCM legislation in that deviation was approved in 2013-14 even though it was not impractical to invite competitive bids. The irregular expenditure was condoned. The detection rate of irregular expenditure identified by auditees through their own processes of internal controls improved drastically from 2% to 98%; however, controls should be further enhanced to prevent irregular expenditure.

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- Compliance should be monitored by management to ensure that key governance functions (internal audit) within DAFF and the OBP are fully skilled and functional.
- DAFF should ensure proper record keeping by implementing a formal central database to keep track of, and monitor, projects that are funded by conditional grants. Adequate human resources should also be provided.
- The implementation of action plans should be monitored to ensure adequate daily and monthly controls over compliance with all relevant legislation and to enable a proper performance management system.

Root causes

The minister, accounting officer, accounting authorities and senior management should address the root causes of poor audit outcomes and inadequate controls as follows:

- Slow responses by management at DAFF, ARC, NAMC and OBP and a lack of ownership by DAFF employees, and both employees and management of the ARC in the areas of compliance with legislation and the quality of performance reports. This must be improved through timeous development of action plans with clear milestones and deadlines.
- The competencies of key officials and employees at DAFF should be improved by providing them with both formal and on-the job training. NAMC addressed the root cause by ensuring employees responsible for SCM adhere to required legislation.
- Key positions at DAFF must be filled timeously with competent and experienced personnel.

Impact of key role players on audit outcomes

The first and second levels of assurance should be improved. Furthermore the internal audit of the DAFF and the OBP should be empowered to be fully effective and functional. The audit committee should also evaluate the quality of reported performance information. The accounting officer must ensure that adequate human resources are provided to directorates responsible for monitoring and reporting of performance information.

We were only able to meet once with the minister after the audit was finalised and therefore this interaction had no impact on the audit outcomes. The majority of commitments made were still in progress or not yet implemented. This assessment, the lack of impact of the minister on the controls of the auditees, as well as the status and impact of the commitments, contributed to the assessed assurance provided by the minister.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR. We agreed on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

Risks to financial health and service delivery monitoring and oversight responsibilities

Financial health and managing conditional grants

The accounting officer, accounting authorities and senior management of DAFF, MLRF and OBP should address the following matters which could affect financial health and/or service delivery monitoring and oversight responsibilities in the portfolio:

- DAFF should carefully monitor and manage its working capital, particularly the debt-collection period relating to the agricultural debt account.
- DAFF should ensure that conditional grants are managed in accordance with legislation and monitored to ensure that grants are used for their intended purposes, thereby ensuring that service delivery is achieved.
- The MLRF should improve the management of its operating cash flows and expenditure. The spending on conditional grants received should be accelerated to ensure that service delivery is not compromised.
- The OBP should accelerate its production processes by prioritising the upgrading of equipment to resolve the backlog of orders for the entity to achieve its planned annual revenue. The entity should also improve the management of its operating cash flows.

Information technology management as a specific cause of audit outcomes

At DAFF an analysis of the audit outcomes indicated that some progress had been made in addressing previous findings. However, risks remained in the focus area of IT service continuity regarding the design of controls. The entities still experienced challenges with the design and implementation of controls in all focus areas.

Entities included in the portfolio, but not audited by the Auditor-General of South Africa

We did not audit the following entities included in the portfolio of the minister:

■ *Perishable Products Export Control Board (PPECB)*

■ *Ncera Farms SOC (Pty) Ltd*

The overall audit outcomes of these entities have remained the same as in the previous year. The audit outcomes were as follows:

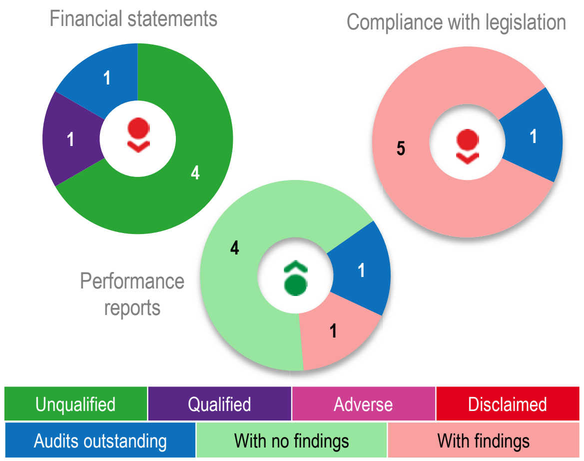
- The financial statements of both auditees received an unqualified opinion – the same result as in the previous year.
- Both auditees had no material findings on the quality of the APRs - the same result as in the previous year.

The PPECB had no material findings on compliance with legislation – the same result as in the previous year, while Ncera Farms did not address past material findings on compliance with legislation relating to internal audit and the audit committee.

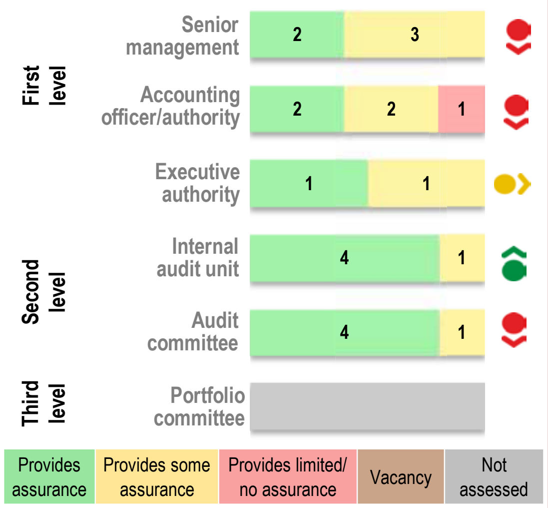
Vote 27: Communications

Overall regression in audit outcomes

Outcomes per audit area



Assurance levels



Key controls

Audit areas

Key controls	Financial statements			Performance reports			Compliance with legislation		
Effective leadership	2	3	0	2	3	0	2	3	0
Human resources controls	2	3	0	2	3	0	2	3	0
ICT governance and controls	0	5	0	3	2	0	3	2	0
Audit action plans	3	2	0	2	3	0	3	2	0
Proper record keeping	3	2	0	2	3	0	3	2	0
Daily and monthly controls	3	2	0	2	3	0	3	2	0
Review and monitor compliance	0	5	0	2	3	0	2	2	1

🟩 Good 🟨 Concerning 🟥 Intervention required

1 To improve the **audit outcomes** …

2 … the key role players need to **assure** that …

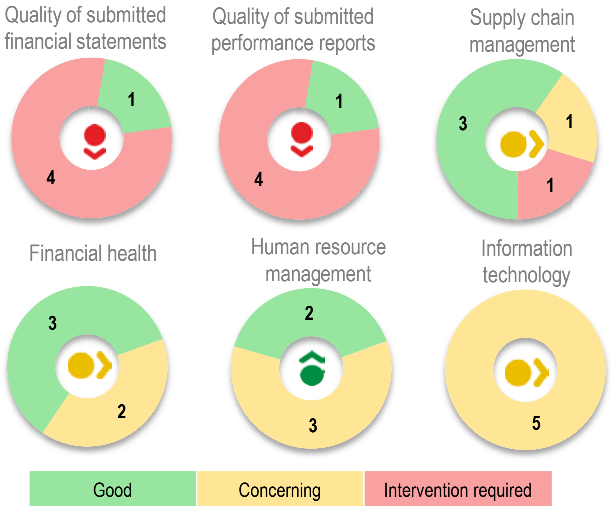
3 … attention is given to the **key controls** and …

… the **risk areas** and that … 4

… the **root causes** are addressed … 5

… and the **commitments** are honoured. 6

Risk areas



Root causes

Slow response by management

A root cause at 3 auditees

Instability or vacancies in key positions

A root cause at 2 auditees

Slow response by political leadership

A root cause at 2 auditee

● Improved ● Unchanged ● Regressed

Status of key commitments by minister

Ensure stability within the staff at the department, thereby increasing stability in the public entities.

The DDG: SOE Oversight has been tasked with closely monitoring the SAPO situation.

Filling all vacant key positions in the department.

Clarify the role (space) of each entity as there is overlapping of functions and responsibilities.

Ensuring performance agreements are signed in time.

Consider the budget for the NEMISA/iNeSI merger, as the lack thereof add to the uncertainty of their future reason for existence/ mandate.

☐ Not implemented ☐ In progress ☐ Implemented ☐ New

Auditees included in the portfolio

- *Department of Communications (DOC)*
- *National Electronic Media Institute of South Africa (NEMISA)*
- *South African Broadcasting Corporation (SABC)*
- *South African Post Office (SAPO)*
- *Universal Service and Access Agency of South Africa (USAASA)*
- *Universal Service and Access Fund (USAF)*

The department's total budgeted expenditure for the 2014-15 financial year was R2,24 billion. The main expenditure was split between transfer payments of R1,76 billion, compensation of employees of R203 million, goods and services of R261 million and capital assets of R10 million.

The audit outcome of SAPO is not included, as the audit had not been finalised by 14 August 2015, which was the cut-off date for including audit outcomes in the general report.

During the year, the department became the Department of Telecommunications and Postal Services, a new department with a different vote. A new Department of Communications was also created. This change meant that some of the entities included in this portfolio were transferred to another portfolio and, therefore, reported to another minister and portfolio committee. For general report purposes, all auditees have been reported under Vote 27, as this was the allocation of the vote at the beginning of the year. The new votes for the new departments of Communications and of Telecommunications and Postal Services have only been allocated for the 2015-16 financial year.

Overall audit outcome

The regression in the overall audit outcome was as a result of USAF regressing from financially unqualified with no other findings in the previous year to financially unqualified with findings in the year under review. This was due to a lack of adequate project management. In addition, the SABC, which had not been included in the previous year due to the late completion of the audit, was included in the 2014-15 year and received a qualified audit opinion; the same audit opinion as in the previous year after finalisation of the audit. For the other three auditees, the opinion remained financially unqualified with findings in the current year.

Our main audit findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

The published financial statements of the SABC included the following material misstatements:

- The entity incorrectly recognised TV licence fees on the cash basis instead of the accrual basis. Furthermore, there were inadequate internal controls on the system used for customer billing, which compromised the integrity and credibility of information on the database. We, therefore, could not obtain sufficient and appropriate audit evidence for the licence fee revenue and the related receivables.
- The entity recognised a 100% provision for doubtful debt on licence fee receivables. The practice of SARS is to allow a 25% deduction on the provision amount, unless certain conditions as stipulated by SARS are satisfied to claim more than the norm. The entity could not provide objective evidence to satisfy all the stipulations; and as a result, we could not obtain sufficient and appropriate audit evidence for the 100% deduction claimed.
- Due to the inadequate systems, we were unable to obtain sufficient and appropriate audit evidence to determine whether the irregular and fruitless and wasteful expenditure disclosed ought to have been adjusted.

The DOC, USAASA and USAF were the only auditees who submitted financial statements for auditing that contained material misstatements in the areas of expenditure, receivables, current assets and certain disclosures items. All three of these auditees received an unqualified audit opinion only because they corrected all the misstatements we identified during the audit process.

The following controls should be strengthened to create a control environment that supports reliable financial reporting:

- The chief financial officer position within the department should be filled.
- Management should develop and implement processes to ensure that adequate supporting documentation is kept and stored safely.
- Management should ensure that the annual financial statements are prepared in terms of relevant accounting standards and reviewed adequately before submission.

Annual performance report

The published APR of the SABC included information on its performance against predetermined objectives that was not useful or reliable for the following objectives selected for auditing:

- Ensuring a financially sustainable organisation through revenue growth and cost containment

- Retaining and growing audience share by meeting the needs and expectations of multicultural mass and niche audiences in all official South African languages
- Acquiring and scheduling compelling and quality programming spanning a range of genres and meeting mandate objectives across traditional and emerging broadcast and digital media platforms

NEMISA, USAASA and USAF submitted APRs for auditing that contained material misstatements. Material findings in their audit reports were only avoided because all the misstatements identified were corrected during the audit process. The department submitted an APR that did not contain material misstatements.

The following controls should be strengthened to create a control environment that supports useful and reliable reporting on the performance of the auditees:

- Management should ensure that there are adequate documented processes for the collection, collation, monitoring and reporting of performance information.
- Management should ensure that APRs are adequately reviewed.

Compliance with legislation

We identified material non-compliance with legislation at the DOC, NEMISA, the SABC, USAASA and USAF in the following areas:

- Financial statements submitted were not prepared in accordance with the prescribed financial reporting framework (the DOC, USAASA, USAF, and the SABC).
- Payments to creditors were not settled within 30 days (the DOC).
- A human resource plan was not in place (the DOC).
- There was a lack of an effective, efficient and transparent system of internal control regarding performance management (NEMISA).
- Irregular and fruitless and wasteful expenditure was not prevented (the SABC).
- Effective steps were not taken to collect all money due (the SABC).
- Proper control systems to safeguard and maintain assets were not implemented (the SABC).
- Effective and appropriate disciplinary steps were not taken against officials who made or permitted unauthorised, irregular or fruitless and wasteful expenditure (the SABC).
- Goods, works or services were not procured through a procurement process that was fair, equitable, transparent and competitive (the SABC).

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- Senior officials should be held accountable for transgressions for which they are responsible.
- Policies and procedures to detect non-compliance should be implemented and continuously improved.
- Management should develop and implement adequate processes to ensure that all financial matters are addressed timeously to enable complete and accurate financial statements.

The SABC incurred R389,2 million (2013-14: R24,5 million) in irregular expenditure, with 100% (2013-14: 100%) of this irregular expenditure being identified by the auditee. The lack of processes to determine the completeness of this amount led to the SABC obtaining a qualification on irregular expenditure. The irregular expenditure by the DOC of R1,1 million and NEMISA of R0,63 million related to non-compliance with supply chain legislation.

Root causes

Senior management should address the root causes of poor audit outcomes and inadequate controls as follows:

- Responses to implement corrective actions should be enhanced and tracked by management. Although action plans were generally in place, their implementation was not done effectively to ensure that the issues were resolved within time.
- Stability within the portfolio should be increased by filling key vacant positions. Although there had been a great improvement, there were still vacant key positions within the portfolio, and this had a negative impact on the outcomes.
- Interventions regarding operations of public entities should be implemented within a reasonable time to allow optimal functioning of the public entity in meeting its mandate.

Impact of key role players on audit outcomes

Although there was an improvement on the assurance by internal audit, the first and second levels of assurance should still be improved by ensuring stability at the level of the accounting officer and senior management. This will ensure that the department and its entities function optimally on a day-to-day basis and achieve their objectives as per the strategic plan.

We met with the minister three times in the past year, and these interactions had some impact on the audit outcomes. The minister implemented processes to turn around the entities and ensure stability in the department. This assessment, the impact of the minister on the controls of the auditees, as well as the status and impact of the commitments, contributed to the assessed assurance provided by the minister.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR and the review of the annual performance plan. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

Information technology

Control weaknesses were identified, mostly regarding the implementation of IT controls in the portfolio. The auditees did not have adequate IT structures, as there were vacancies. However, the entities had made strides in ensuring that they could recover data in case of emergency, although the disaster recovery plans had not been tested yet.

Adequate progress had not been made in addressing previous findings, as risks remained in most of the focus areas.

The department displayed noticeable improvement in implementing IT controls, as there were no findings on IT security management and user account management. This was due to an active internal audit unit and audit committee. Furthermore, executive management was involved in the design and implementation of IT controls.

The control weaknesses were made worse by a lack of expertise and skills at the auditees, while the involvement of external parties in recruiting IT personnel delayed the process.

Constitutional institutions

Independent Communications Authority of South Africa (ICASA)

ICASA is included in the portfolio, but is not under the authority of the minister. The overall audit outcome of the entity did not change, as the entity was still financially unqualified, with findings on predetermined objectives and compliance.

ICASA's published APR included information on its performance against predetermined objectives that was not useful.

The following control should be strengthened to create a control environment that supports useful reporting on the performance of the auditee:

- Management should ensure that there is a proper record management system to maintain information that supports the reported performance information.

Material non-compliance by the institution was identified in the following areas:

- There was a lack of effective steps to prevent irregular and fruitless and wasteful expenditure.
- Awards were made to suppliers without tax clearance certificates, and preferential procurement points were incorrectly calculated or allocated.

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- Senior management should exercise adequate oversight of laws and regulations relating to SCM.
- Vacant positions within the SCM unit should be filled.

ICASA incurred R8,1 million (2013-14: R7 million) in irregular expenditure, with 53% (0%) of this irregular expenditure being identified by the auditee in the current year. The irregular expenditure was a result of non-compliance with supply chain legislation.

The management level of assurance was adequate, except for the assurance provided on the APR and compliance with legislation, which should be enhanced as stated above.

Entities included in the portfolio, but not audited by the Auditor-General of South Africa

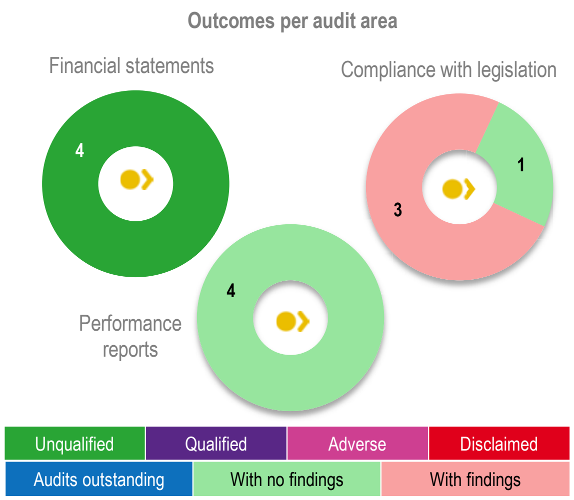
We did not audit the following entities included in the portfolio of the minister:

- *Sentech*
- *Telkom*

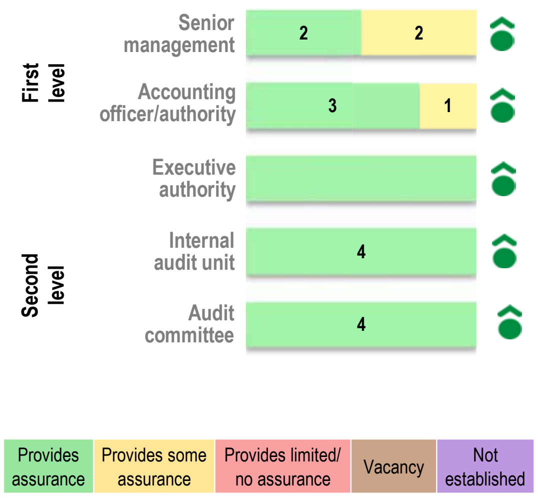
The audit outcomes of Sentech and Telkom remained the same as in the previous year, with both entities sustaining a clean audit outcome.

Vote 28: Economic development

Stagnation in audit outcomes



Assurance levels



Key controls

Audit areas

	Financial statements			Performance reports			Compliance with legislation		
Effective leadership	4	0	0	4	0	0	4	0	0
Human resources controls	4	0	0	4	0	0	3	1	0
ICT governance and controls	1	2	1	1	2	1	1	2	1
Audit action plans	3	1	0	4	0	0	3	1	0
Proper record keeping	2	2	0	4	0	0	4	0	0
Daily and monthly controls	3	1	0	4	0	0	4	0	0
Review and monitor compliance	1	3	0	4	0	0	0	3	1

🟩 Good 🟨 Concerning 🟥 Intervention required

1 To improve/maintain the **audit outcomes** …

2 … the key role players need to **assure** that …

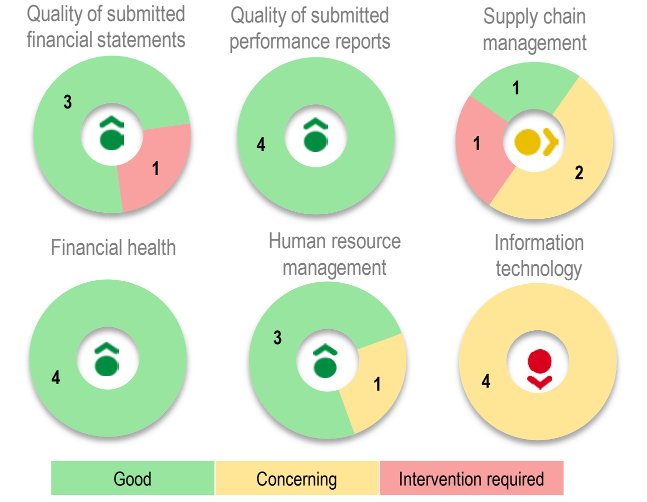
3 … attention is given to the **key controls** and …

… the **risk areas** and that … **4**

… the **root causes** are addressed … **5**

… and the **commitments** are honoured. **6**

Risk areas



Root causes

Slow response by accounting officer and senior management to address findings reported in the previous year

A root cause at 3 auditees

● Improved ● Unchanged ● Regressed

Status of key commitments by minister

Effective functioning of the internal audit, engaging with the chairperson of the audit committees, submitting financial statements that are free from material misstatements and compliance with SCM prescripts and legislation at the department has been implemented.

Improving controls in human resource management and effective monitoring of the action plan to address external audit findings are still in progress. The minister has committed to addressing the issues in human resource management and has directed the acting accounting officer to take action against transgressors.

Not implemented | In progress | Implemented | New

Auditees included in the portfolio

- ■ *Economic Development Department (EDD)*
- ■ *Competition Commission (CC)*
- ■ *Competition Tribunal (CT)*
- ■ *International Trade Administration Commission (ITAC)*

The total budgeted expenditure of the department for the 2014-15 financial year was R696,8 million. The main areas of expenditure were transfer payments of R560,4 million, employee cost of R76,9 million, goods and services of R55 million and capital expenditure of R4,4 million. The transfer payments include transfers made to the CC, CT, ITAC, Industrial Development Corporation of SA (IDC) and Small Enterprise Finance Agency (SEFA).

Overall audit outcome

There was one improvement and one regression in the audit outcomes; however, the overall audit outcome for the portfolio remained unchanged when compared to the previous year. The CC improved to financially unqualified audit opinion with no findings due to proper implementation and monitoring of action plans to address the previous year's issues. The CT regressed from a financially unqualified audit opinion with no findings to financially unqualified with findings on compliance with legislation due to ineffective review and monitoring of compliance with legislation in certain instances. The lack of improvement in the rest of the portfolio was due to management not adequately addressing past material findings on compliance with legislation.

Our main audit findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

ITAC submitted financial statements for auditing that contained material misstatements in the areas of liabilities, expenditure and disclosure items. ITAC received an unqualified audit opinion only because it corrected all the material misstatements, which we identified during the auditing process.

The following controls should be strengthened to create a control environment that supports reliable financial reporting:

- Management should establish proper systems to facilitate the preparation of reliable, accurate and complete financial statements.
- A detailed review of the financial statements must be conducted by senior management , internal audit and audit committee before submission for auditing.

Compliance with legislation

We identified material non-compliance with legislation by the EDD in the following area:

- The EDD appointed employees without following a proper process to verify the claims made in their applications.

We identified material non-compliance with legislation by the CT which may have potentially resulted in financial loss in the following areas:

- The CT did not, in all instances, obtain the required price quotations when procuring goods and services below R500 000. By not inviting quotations as required, it cannot be determined if the entity procured the goods and services at an economical price.
- The steps taken by the CT to prevent irregular expenditure were, in certain instances, not effective.

Non-compliance with SCM prescripts remained a risk. This resulted in irregular expenditure; however, it decreased from R7 million in the previous year to R0,7 million for the portfolio. All of this irregular expenditure was identified by the auditors.

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- Senior management should enhance the current compliance processes to prevent non-compliance and irregular expenditure.
- Senior management should also enhance the monitoring of compliance with all applicable legislation, specifically in the area of SCM.

Root causes

Those charged with governance and management should address the root causes of poor audit outcomes and inadequate controls as follows:

- The accounting officer and senior management should improve on the proper monitoring and review of the action plan to timeously address audit findings.

Impact of key role players on audit outcomes

The first level of assurance should be improved by implementing the recommendations and addressing the real root causes of internal and external auditors, in order to prevent repeat findings.

We met with the minister three times in the past year and these interactions had some impact on the audit outcomes, as there was an improvement in the internal control environment. The impact of the minister on the controls of the entities as well as the status and impact of the commitments contributed to the assessed assurance provided by the minister.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

Risks to information technology

Information technology management as a specific cause of audit outcomes

Economic Development Department

The status of IT controls in the portfolio remained the same as in the previous financial year, as policies and standard operating procedures were not consistently implemented by the CC, CT and ITAC. However, in comparison to previous years, more emphasis was placed on IT matters and as a result, IT was discussed at meetings of the management executive committees and audit committee at the department. The CC and ITAC had adequately maintained IT service continuity controls, while the CC, CT and ITAC adequately maintained security management controls during the financial year. Furthermore, there was no clear IT strategy in place at the department that defines the roles and responsibilities of IT. The department is dependent on the Department of Trade and Industry (dti) to provide IT infrastructure and services and thus has no influence over the strategic direction of IT at the dti. Management at the CC, CT and ITAC had not prioritised the implementation of existing policies and standard operating procedures. The leadership should address the root causes of IT audit outcomes and inadequate IT controls by defining the strategic role of IT within the department through design and implementation of an IT strategic plan. Management must also ensure that IT controls are implemented at the entities. Management should continually track and monitor the implementation of these IT controls.

Entities included in the portfolio, but not audited by the Auditor-General of South Africa

We did not audit the following entities included in the portfolio of the minister:

- *Industrial Development Corporation of SA (IDC)*
- *Small Enterprise Finance Agency (SEFA)*

The overall audit outcomes of these entities remained the same as in the previous year. Both these entities received financially unqualified audit reports with no findings on compliance with legislation and predetermined objectives.

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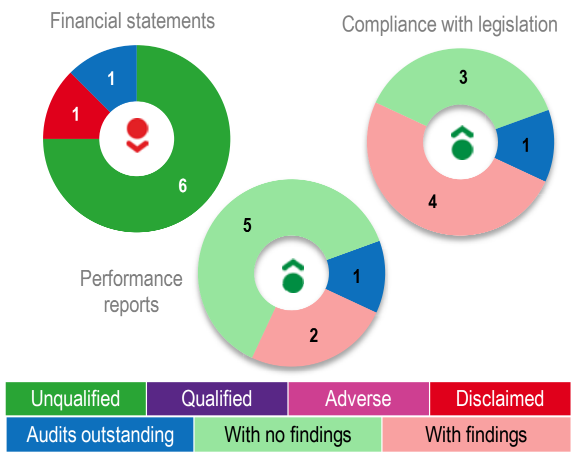
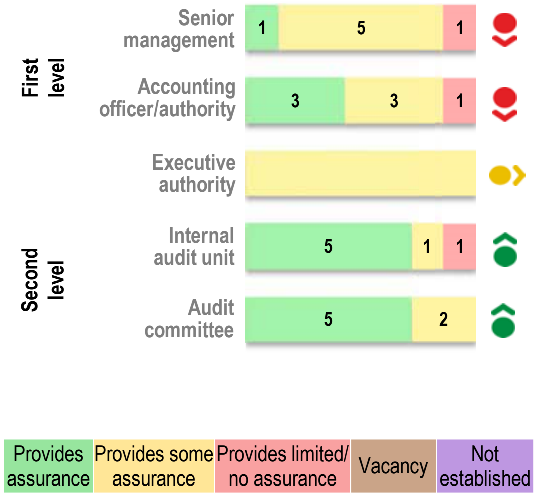
Vote 29: Energy

Overall improvement in audit outcomes

Outcomes per audit area



Assurance levels



Key controls

	Audit areas								
	Financial statements			Performance reports			Compliance with legislation		
Effective leadership	6	0	1	4	3	0	4	2	1
Human resources controls	5	2	0	4	2	1	5	2	0
ICT governance and controls	1	6	0	1	6	0	1	6	0
Audit action plans	3	3	1	4	2	1	5	2	0
Proper record keeping	3	2	2	5	1	1	5	0	2
Daily and monthly controls	3	3	1	6	0	1	5	2	0
Review and monitor compliance	3	2	2	3	2	2	4	2	1

🟩 Good 🟨 Concerning 🟥 Intervention required

1 To improve/maintain the **audit outcomes** …

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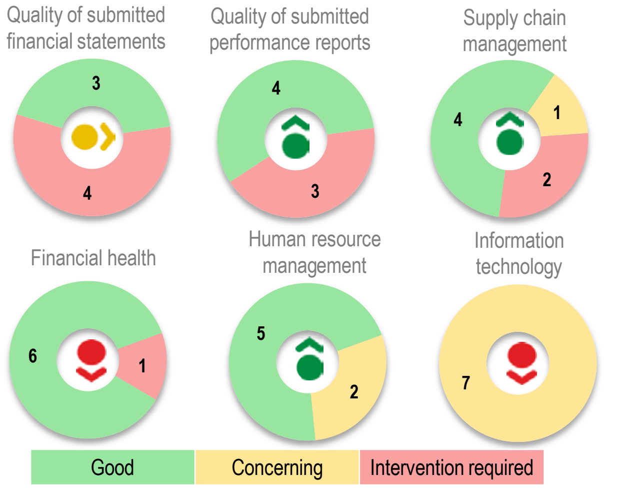
… and the **commitments** are honoured. 6

Risk areas



Root causes

Slow response by management (accounting authority and senior management)

A root cause at 3 auditees

Key officials lack appropriate competencies

A root cause at 1 auditees

Lack of consequences for poor performance and transgressions

A root cause at 1 auditees

● Improved ● Unchanged ● Regressed

Status of key commitments by minister

There were no specific commitments made by the minister

Not implemented In progress Implemented New

Auditees included in the portfolio

- *Department of Energy (DOE)*
- *CEF SOC Limited (CEF)*
- *Equalisation fund (EQF)*
- *National Energy Regulator of South Africa (NERSA)*
- *National Nuclear Regulator (NNR)*
- *The National Radioactive Waste Disposal Institute (NRWDI)*
- *The South African National Energy Development Institute (SANEDI)*
- *The South African Nuclear Energy Corporation SOC Limited (NECSA)*

The department's total budgeted expenditure for the 2014-15 financial year was R7,4 billion. The main areas of expenditure were employee cost of R286 million, goods and services of R244,7 million and transfer payments of R6,9 billion.

The audit outcome of the NRWDI is not included as the entity did not submit annual financial statements for auditing.

Overall audit outcome

The portfolio had one improvement and one regression. The DOE moved from an unqualified audit opinion with findings to a clean audit.

NECSA moved from an unqualified audit opinion with findings to a disclaimer of opinion. This was due to its failure to prepare financial statements supported by sufficient and appropriate audit evidence.

The stagnation of the rest of the portfolio was caused by their failure to adhere to implemented controls that ensure compliance with legislation and to prepare annual financial statements that were free from material misstatements.

Our audit's main findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

We commend the DOE, NERSA and NNR for submitting financial statements that were free from material misstatements.

The CEF, EQF, NECSA and SANEDI submitted for auditing financial statements that contained material misstatements in non-current assets, current assets, revenue, expenditure and disclosure notes. The CEF, EQF and SANEDI received an unqualified audit opinion only because they corrected all the misstatements we identified during the auditing process.

NECSA did not make these corrections and the annual financial statements submitted for auditing were not supported by reliable information. They had limitations in property, plant and equipment and provisions and, as a result, we were unable to obtain sufficient and appropriate audit evidence to confirm whether it was appropriate to prepare the financial statements on a going concern basis. These limitations resulted in the financial statements receiving a disclaimer of opinion.

The following controls should be strengthened to create a control environment that supports reliable financial reporting:

- Oversight responsibilities should be strengthened by the accounting authority and shareholder to ensure that corrective action is taken to prevent a recurrence of findings. They should also implement controls to ensure that financial statements are reliable and supported by sufficient and appropriate information.
- Implement a proper system of record keeping to ensure that complete, relevant and accurate information is accessible and available to support financial reporting in a timely manner.
- Review financial statements thoroughly before they are submitted for auditing to ensure that they are free from material misstatements.

Annual performance report

The DOE, CEF, NERSA and NECSA submitted APRs for auditing that were free from material misstatements and had no material findings on usefulness and reliability. We commend the CEF and NECSA for the improvement from the previous year and recommend that they sustain this outcome.

The EQF did not submit a performance report for auditing. The entity did not set any strategic objectives as it was still waiting for clarity from National Treasury on whether or not they should prepare performance information.

The NNR submitted an APR for auditing that contained material misstatements. It avoided material findings in its audit report only because it corrected all the misstatements we identified during the auditing process.

SANEDI's published APR included information on its performance against predetermined objectives that was not useful and reliable for the following objectives we had selected to audit:

Auditee	Programme/objective	Not useful	Not reliable
SANEDI	Applied energy research	x	x
	Energy efficiency	x	x

The following controls should be strengthened to create a control environment that supports useful and reliable reporting on the performance of the auditee:

- Performance reporting systems should be implemented by the leadership and managed and led by competent personnel with strong technical skills.
- Quarterly reports should be thoroughly reviewed by senior management to satisfy themselves that the information is credible.

Compliance with legislation

We identified material non-compliance with legislation by the CEF, EQF, NECSA and SANEDI in the following areas:

- NECSA awarded contracts and quotations to bidders based on points given for criteria that were not clearly stipulated in the original invitation for bidding and quotations, in contravention of the preferential procurement regulations.
- NECSA awarded construction contracts to contractors that did not qualify for the contract according to Construction Industry Development Board regulation 17.
- We could not obtain sufficient and appropriate audit evidence that the CEF awarded quotations and contracts to suppliers whose matters have been declared to be in order by the South African Revenue Service, as required by preferential procurement regulation 14.
- The CEF did not procure goods, works or service through a fair, equitable, transparent and competitive procurement process, as required by the Public Finance Management Act (PFMA), section 51(1)(a)(iii).
- The members of the CEF audit committee were not all directors of the company, as required by section 94(4)(a) of the Companies Act.
- The CEF, SANEDI and NECSA did not take effective steps to prevent irregular expenditure, as required by section 51(1)(b)(ii) of the PFMA.

The portfolio’s total irregular expenditure amounted to R56,3 million, and 33% of this irregular expenditure was identified by the auditees. The largest contributors were the CEF and NECSA groups, incurring R20,4 million and R33,8 million respectively due to non-compliance with SCM legislation. The NECSA group’s total irregular expenditure has not been quantified as management is investigating the total amount of expenditure incurred to determine the full extent of the irregular expenditure.

The CEF group’s irregular expenditure decreased since the previous year due to an exemption from the prescripts of the Preferential Procurement Policy Framework Act (PPPFA). This exemption was in respect of procurement directly linked to the core business activities of subsidiary the Petroleum Oil and Gas Corporation SOC Limited (PetroSA). These activities included:

- exploration and production of natural gas and oil
- participation in and acquisition of local and international upstream petroleum ventures
- production of synthetic fuels from offshore gas
- cost of sales expenditure for refining, storing and distributing hydrocarbons for resale
- marketing and trading oil and petrochemicals and any other goods and services procured for sale.

The portfolio’s fruitless and wasteful expenditure amounted to R4,9 million, and 72% of this expenditure was identified by the auditees. The fruitless and wasteful expenditure was mainly a result of interest and penalties incurred due to late payments.

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- Implement adequate controls to properly review and monitor compliance with legislation, mainly in the area of SCM, to ensure that irregular expenditure is prevented. Appropriate and prompt action must be taken against transgressors.
- Align procurement policies and procedures with the relevant legislation, and include monitoring controls.
- Monitor auditees’ action plans for implementation to address the previous year’s audit findings.

Root causes

The executive authority and accounting officer/authority should address the root causes of poor audit outcomes and inadequate controls as follows:

- Implement a proper system for record keeping to address slow responses by management and to ensure that information is available when requested for audit purposes.
- Hold individuals accountable for not adhering to internal controls and not complying with the applicable regulations, Action must be taken in the case of known transgressions.
- Fill all vacancies with people with requisite skills, and provide training to address developmental gaps of existing staff.

Impact of key role players on audit outcomes

The first and second levels of assurance should be improved by ensuring that the internal control deficiencies identified are addressed. Internal audit effectively communicated to the audit committee the significance and impact of management not adhering to internal controls. The audit committee monitored risks, the implementation of management's commitments on corrective action and quarterly progress on action plans.

We met with the minister once in the past year and the interaction had little impact on the portfolio's audit outcomes. The energy portfolio is subject to intense scrutiny due to the current energy shortages and corresponding load shedding, as well as the planned nuclear programme. Several entities in the portfolio are undergoing investigations relating to corporate governance and management issues by board members and management. There are also vacancies in key positions at the DOE, PetroSA and NRWDI. This contributed to the assessed assurance provided by the minister.

It is imperative for the energy portfolio to better its audit outcomes and strengthen its governance structures before the country embarks on the nuclear build programme.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a budgetary review and recommendation report (BRRR). We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

Risks to financial health and information technology

The senior management in the portfolio and the minister should address the following matters, which could affect the IT and financial health in the portfolio:

Financial health

The accounting authority should engage with the shareholder to communicate NECSA's insolvent position and possible reckless trading.

PetroSA has an obligation to rehabilitate and abandon its offshore and onshore operations valued at R9,3 billion, which is currently not fully funded. In terms of the recently promulgated National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA), PetroSA is required to have a fully funded rehabilitation liability within the next 12 months from year end. There are currently challenges with the funding gap from equity due to PetroSA's weakened financial position. The CEF has committed to assisting PetroSA through various support and oversight mechanisms to close the funding gap. In addition PetroSA is working closely with the regulator (Petroleum Agency of South Africa) to ensure that they discharge their responsibilities as required by NEMA. The company is also considering a variety of financial instruments to bridge this funding gap.

Information technology management as a specific cause of audit outcomes

Key outcomes

The portfolio has resolved the majority of the findings that were previously reported under IT governance and IT security. However, the user account administration and IT service continuity have repeat findings.

In the 2014-15 review, there was a significant increase in the number of issues reported for user administration and disaster recovery planning/backup management. It is encouraging that the NNR has improved its IT control environment; however, it did not improve its user account management as previous issues had not been resolved for this focus area.

Highlights

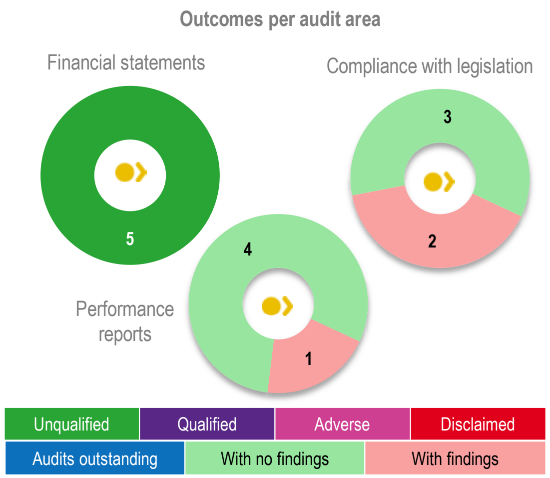
The portfolio did not have IT security management findings. The NNR showed a huge improvement on their IT control environment as findings were noted in one of the four focus areas audited.

Challenges

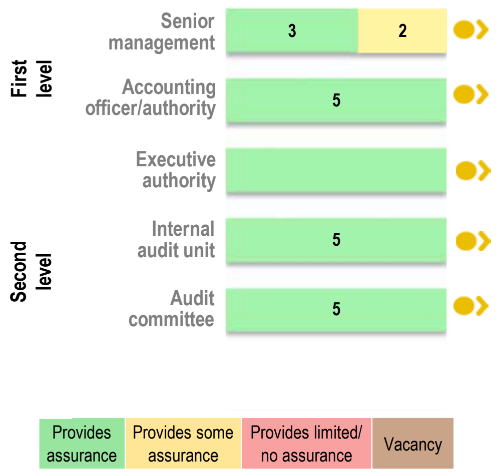
Due to the size of some of the auditees, IT was not viewed as of strategic importance, which resulted in the formal structures not overseeing IT organisation to ensure that adequate IT processes were implemented. Some auditees did not implement a process to hold people accountable for not addressing audit findings. As a result, some of the findings raised were also raised in the 2013-14 audit cycle. Where there were challenges with implementing controls, there were no clear roles and responsibilities between IT and business to ensure that adequate controls were implemented, especially for IT service continuity and user account management.

Vote 30: Environmental affairs

Overall stagnation in audit outcomes



Assurance levels



Key controls

Audit areas

	Financial statements			Performance reports			Compliance with legislation		
Effective leadership	5	0	0	5	0	0	5	0	0
Human resources controls	5	0	0	5	0	0	5	0	0
ICT governance and controls	0	5	0	3	2	0	3	2	0
Audit action plans	5	0	0	5	0	0	5	0	0
Proper record keeping	4	1	0	5	0	0	5	0	0
Daily and monthly controls	4	1	0	5	0	0	5	0	0
Review and monitor compliance	5	0	0	4	1	0	4	1	0

🟩 Good 🟨 Concerning 🟥 Intervention required

1 To improve/maintain the **audit outcomes** …

2 … the key role players need to **assure** that …

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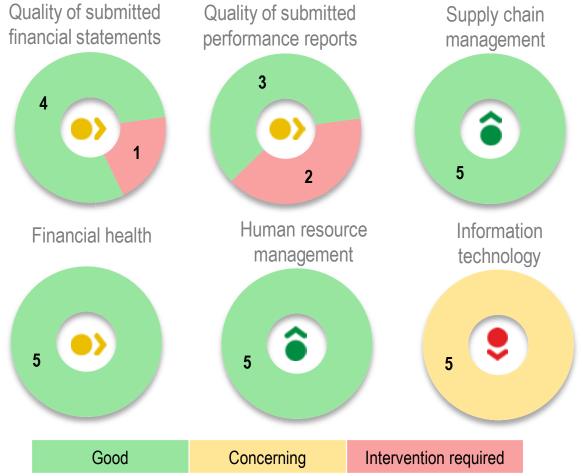
Risk areas



Root causes

Key officials lack appropriate competencies

A root cause at 2 auditees.

● Improved ● Unchanged ● Regressed

Status of key commitments by minister

A commitment was made to have the chief executive officer and chief financial officer positions at SANParks filled.

Not implemented | In progress | Implemented | New

Auditees included in the portfolio

- *Department of Environmental Affairs (DEA)*
- *iSimangaliso Wetland Park Authority*
- *South African National Biodiversity Institute (SANBI)*
- *South African National Parks (SANParks)*
- *South African Weather Service (SAWS)*

The DEA's total budgeted expenditure for the 2014-15 financial year was R5,6 billion. The main expenditure was employee cost (R798 million), goods and services (R1 billion), transfer payments (R3,7 billion) and capital expenditure (R133 million).

Overall audit outcome

The lack of improvement in the overall audit outcome was caused by SANParks not preventing material findings on its APR and compliance with legislation; however, leadership was stabilised at SANParks after the appointment of the chief executive officer and chief financial officer. The regression in the audit outcome of SANBI was due to the institute receiving material findings on compliance with legislation. The SAWS received a clean audit opinion by addressing past material findings on compliance with legislation. The DEA and iSimangaliso Wetland Park Authority maintained their clean audit opinions. National Treasury has exempted the department from applying the Modified Cash Standard in respect of infrastructure development assets in the current and previous year. The DEA and National Treasury are in the process of resolving the matter.

Our main findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

SANBI submitted financial statements for auditing that contained material misstatements in the area of disclosure notes. SANBI received an unqualified audit opinion only because it corrected all the misstatements we identified during the audit process.

The following controls should be strengthened to create a control environment that supports reliable financial reporting:

- Management at SANBI should perform an adequate review of the annual financial statements before submission.

Annual performance report

The published APR of SANParks for the current year included information on its performance against predetermined objectives that was not useful and reliable for the following objectives we had selected to audit (a repeat finding from the previous year had not been addressed due to the absence of a CEO for the greater part of the year):

Auditee	Programme/objective	Not useful	Not reliable
SANParks	Objective 3: Integrating strategy implementation	x	x
	Objective 4: Promoting effective management of national parks	x	x

SANBI submitted an APR for auditing that contained material misstatements. It avoided material findings in its audit report only because it corrected all the misstatements we identified during the audit process.

The following controls should be strengthened to create a control environment that supports useful and reliable reporting on the performance of SANParks and SANBI:

- Management should regularly attend training to equip them to adequately review the APR for usefulness and reliability.

Compliance with legislation

We identified material non-compliance with legislation by SANParks in the following areas:

- SANParks did not maintain an effective, efficient and transparent system and internal controls regarding performance management.
- SANParks incurred R3 million in fruitless and wasteful expenditure that was identified by the auditee and that related to interest, penalties, cash embezzlement and stock losses.

Root causes

The minister should address the root causes of poor audit outcomes and inadequate controls as follows:

- Ensure that staff members at SANBI and SANParks are adequately trained in financial and performance management.

The chief executive officers and chief financial officers should address the root causes of poor audit outcomes and inadequate controls as follows:

- Ensure that key officials at SANBI and SANParks have the appropriate competencies to accurately report on financial and performance information.

Impact of key role players on audit outcomes

The level of assurance at senior management level at SANBI and SANParks should be improved by ensuring that management members are well trained in financial and performance areas.

We met with the minister three times in the past year, which had an impact on the audit outcomes, as the SAWS improved, while the DEA and iSimangaliso Wetland Park Authority maintained their clean audit outcome.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR and the review of the annual performance plan. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

Risks to information technology

The control weaknesses in the environmental affairs portfolio mostly related to the design of IT controls. The auditees were still struggling with designing policies and procedures for the four focus areas, namely, IT governance, security management, user access controls, and IT service continuity. Minimal progress had been made in addressing previous findings, as risks remained in all the focus areas.

The control weaknesses were driven by a lack of expertise and skills within the department and entities, as IT was mostly outsourced to vendors.

The SAWS implemented an IT governance framework by customising the framework to its environment. This was done with the involvement of the managing director and the chief financial officer.

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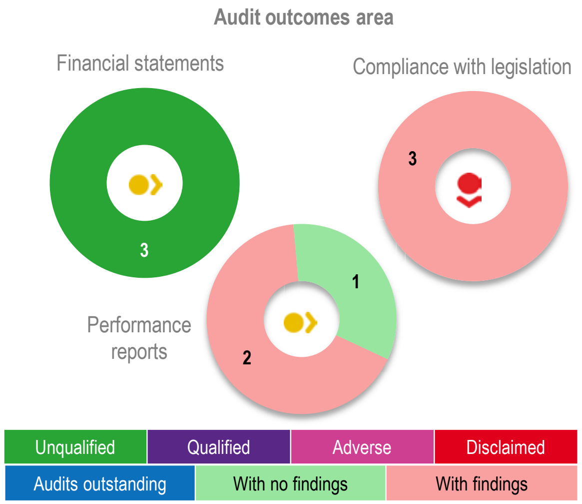
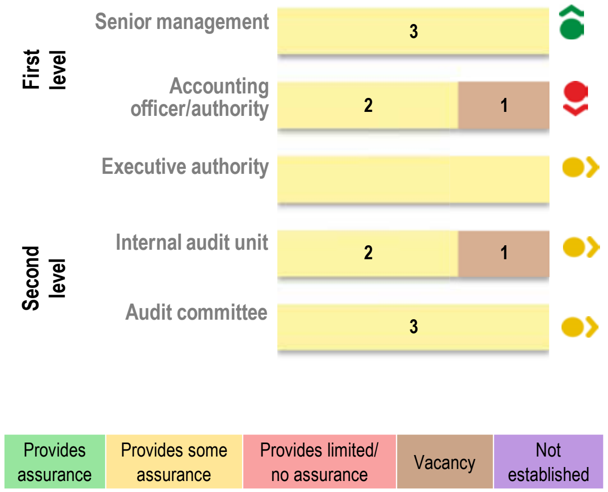
Vote 31: Human settlements

Overall stagnation in audit outcomes



Assurance levels



Key controls

Audit areas

Key controls	Financial statements			Performance reports			Compliance with legislation		
Effective leadership	3	0	0	3	0	0	3	0	0
Human resources controls	1	2	0	1	2	0	1	2	0
ICT governance and controls	0	0	3	0	0	3	0	0	3
Audit action plans	1	2	0	1	2	0	1	2	0
Proper record keeping	2	1	0	2	1	0	2	1	0
Daily and monthly controls	2	1	0	2	1	0	2	1	0
Review and monitor compliance	0	3	0	0	3	0	0	3	0

🟩 Good 🟨 Concerning 🟥 Intervention required

1 To improve the **audit outcomes** …

2 … the key role players need to **assure** that …

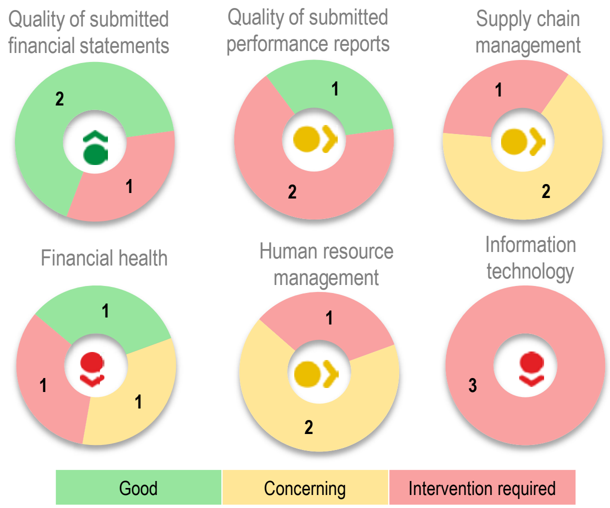
3 … attention is given to the **key controls** and …

… the **risk areas** and that … 4

… the **root causes** are addressed … 5

… and the **commitments** are honoured. 6

Risk areas



Most common root causes

Slow response by management (accounting officer and senior management)

A root cause at 2 auditees

Instability or vacancies in key positions

A root cause at 2 auditees

Lack of consequences for poor performance and transgressions

A root cause at 1 auditees

● Improved ● Unchanged ● Regressed

Status of key commitments by minister

🟥 The minister will monitor the progress on the preparation of proper monthly financial statements and the implementation of monthly key control assessments quarterly.

🟨 The chief financial officer must report monthly to the accounting officer on progress of the action plan.

🟨 The accounting officer must report quarterly to the audit committee and portfolio committee.

🟨 The progress on the action plan must be reviewed by the audit committee on a quarterly basis and the progress must then be confirmed by the audit committee and submitted to the minister.

🟨 The minister will meet with the audit committee chairperson s and chairpersons of the public entities to discuss matters of concern identified by the committees.

🟥 Not implemented 🟨 In progress 🟩 Implemented 🟦 New

Auditees included in the portfolio

- *National Department of Human Settlements (NDHS)*
- *Community Scheme Ombud Service (CSOS)*
- *National Home Builders Registration Council (NHBRC)*

The total budgeted expenditure by the department for the 2014-15 financial year was R29 418 million. The main areas of expenditure were employee cost of R329 million, goods and services of R368 million, transfer payments of R28 710 million and capital expenditure of R10 million.

Overall audit outcome

The stagnation in the overall audit outcome was caused by the NDHS and NHBRC as past material findings on their APR and compliance with legislation were not entirely addressed.

The CSOS was audited on the areas of performance information reporting and compliance with legislation for the first time in the current period. The entity obtained a financially unqualified opinion with no findings on predetermined objectives; however, material findings on compliance with legislation were reported.

Our main audit findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

The NDHS submitted financial statements for auditing that contained material misstatements in the areas of accruals, lease commitments and current assets. The NDHS received an unqualified audit opinion only because it corrected all the material misstatements we identified during the auditing process.

The following controls should be strengthened to create a control environment that supports reliable financial reporting:

- Financial systems and controls should be implemented and maintained on a monthly basis to ensure that regular, accurate and complete financial statements with full disclosure notes can be compiled. This system should include a detailed review of the schedules and registers prepared in support of the financial statements by the responsible manager prior to submission thereof.
- Oversight of financial reporting processes must be strengthened, including detailed reviews of the financial reports and monitoring of the implementation of the audit findings action plan by the accounting officer and audit committee.
- The NDHS must prioritise the filling of the vacancy at chief financial officer level.

Annual performance report

The published APR of the NDHS and NHBRC included information on their performance against predetermined objectives that was not useful and/or reliable for the following programmes we had selected to audit.

Auditee	Programme/objective	Not useful	Not Reliable
NDHS	Programme 3: Delivery support		x
NHBRC	Programme 2: Regulation	x	x
	Programme 3: Consumer protection	x	x

The following controls should be strengthened to create a control environment that supports useful and reliable reporting on the performance of the portfolio.

- Vacancies in key positions within the strategy and planning unit at NDHS should be filled by individuals with the necessary competencies.
- Management should ensure that planned targets and indicators are measurable and that performance reports are reviewed and supported by sufficient, appropriate audit evidence.
- The internal audit unit must review the portfolio of evidence that supports information contained in quarterly performance reports. Any errors should be rectified immediately to ensure the validity, accuracy and completeness of these quarterly reports that form the basis of the APR.

Compliance with legislation

We identified material non-compliance with legislation by the NDHS, CSOS and NHBRC in the following areas:

- The NDHS, CSOS and NHBRC did not maintain effective, efficient and transparent systems of internal control with respect to performance information.
- The CSOS did not prepare and submit to the minister of Human Settlements two of the required quarterly performance reports.
- The audit committee was unable to adequately perform its duties of reviewing and directing the work of internal audit as this function was not established by the CSOS during the period under review.

- Human resource planning, based on the strategic plan of the NDHS with a view to meeting the human resource needs, was not completed and approved.
- The NHBRC did not take reasonable steps to prevent irregular expenditure.
- The procurement processes of the NHBRC were not always fair, transparent and equitable, as required by legislation.

The status of the SCM risk remained unsatisfactory at the NHBRC and resulted in material non-compliance with legislation and significant amounts of irregular expenditure.

The NHBRC incurred R54 million of irregular expenditure, which was 99% of the total amount incurred by the Human Settlements portfolio. A total of R 1,8 million (3%) of this irregular expenditure was identified during the auditing process. The root cause of this lack of effective prevention and detection was due to insufficient compliance monitoring.

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- The NHBRC should use a SCM compliance checklist to ensure that all applicable legislation has been adhered to prior to the procurement process being finalised for all contracts and transactions.
- Condonement and, where applicable, disciplinary processes should be expedited, particularly regarding multi-year contracts where irregular expenditure will continue to be incurred until such time this process is finalised.
- Vacancies in key positions within the strategy and planning unit at the NDHS should be filled by individuals with the necessary competencies.
- CSOS leadership and the audit committee must ensure that the internal audit function is sufficiently capacitated and that the internal audit plan is adequately monitored throughout the year.

Root causes

The leadership and senior management of the entities should address the root causes of poor audit outcomes and inadequate controls as follows:

- The leadership should take immediate action and hold officials accountable for not adhering to the implemented internal controls.
- Ensure that the portfolio has adequate skills and resources to report appropriately and effectively in terms of financial and performance information.
- Fill all key vacancies with people with the requisite skills and provide training to address development gaps of existing staff.

Specific areas where internal audit units and audit committees can jointly make significant contributions to the audit outcomes include the following:

- Monitor the implementation of the auditees' action plans in respect of previous year audit findings.
- Monitor action taken in the case of known transgressions.
- Thoroughly review the auditees' quarterly reports to satisfy themselves that the information contained therein is credible.

Impact of key role players on audit outcomes

The first level of assurance should be improved by ensuring stability at the level of accounting officer at the NDHS and NHBRC. Accounting officers must hold poor performing employees and suppliers as well as transgressors accountable. Furthermore senior management should monitor the implementation of the recommendations of the internal audit and external audit.

The filling of the Head of Internal Audit posts at the NDHS and CSOS must be prioritised to improve the second level of assurance.

We met with the minister twice in the past these interactions had some impact on the audit outcomes. Although the overall outcomes of the portfolio did not improvement, there was a decrease in the number of material compliance findings identified in the portfolio as well as the amount of irregular expenditure incurred. This assessment, the impact of the minister on the controls of the auditees as well as the status and impact of the commitments contributed to the assessed assurance provided by the minister.

The previous year's commitments of the minister to meet with the audit committee chairperson including the chairpersons of the public entities were partially implemented.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR and the review of the annual performance plan. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

Risks to financial health and information technology

Financial health

The funding of the CSOS's operations is in part reliant on the community schemes levies and other funding sources as provided in section 22 (1) of the CSOS Act. Delays in the approval of the enabling legislation may have an impact on the entity achieving its planned objectives for the 2015-16 period.

The minister should review the proposed funding model in a timely manner to ensure that the financial health and service delivery of the entity is not negatively affected.

Information technology management as a specific cause of audit outcomes

The status of IT controls in the portfolio, demonstrated that there has been a regression since the previous financial year. The department and NHBRC experienced challenges with the design and implementation of IT controls, and should therefore prioritise the design and implementation of the required controls. The department still needed to design IT governance and IT service continuity controls such as an adequate IT governance framework and disaster recovery process. Furthermore, the department still had to implement security management controls such as an adequate firewall. With regard to the NHBRC, the leadership did not prioritise the design of the IT governance framework and related IT strategy, policies and procedures due to prioritising the SAP implementation and related processes.

The following controls should be strengthened to create a sound IT environment that supports the mandate of the entities

The leadership should prioritise the design of the IT governance framework and related IT strategy, policies and procedures in order to strengthen the NHBRC's internal control environment.

Entities included in the portfolio, but not audited by the Auditor-General of South Africa

We did not audit the following entities included in the portfolio of the minister

- *Estate Agency Affairs Board (EAAB)*
- *Housing Development Agency (HDA)*
- *National Housing Finance Corporation Ltd (NHFC)*
- *National Urban Reconstruction and Housing Agency (NURCHA)*
- *Rural Housing Loan Fund (RHLF)*
- *Social Housing Regulatory Authority(SHRA)*

The overall audit outcomes of these entities remained the same as in the previous year. The audit outcomes were as follows:

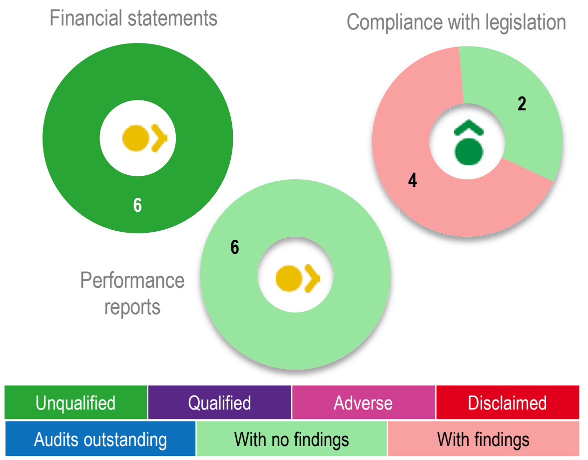
- The financial statements of six auditees (EAAB, HDA, NHFC, NURCHA, RHLF and SHRA) (100%) received an unqualified opinion in both the current and the previous years.
- Five (HDA, NHFC, NURCHA, RHLF and SHRA) auditees (83%) had no material findings on the quality of the APRs in both the current and the previous years.
- Three auditees (HDA, NHFC and RHLF) (50%) had no material findings on compliance in both the current and the previous years.
- The EAAB, NURCHA and SHRA had received repeat findings on material compliance with legislation.

The Social Housing Foundation (SHF) and Servcon Housing Solutions (Pty) Ltd (Servcon) were not finalised by 31 August 2015 for inclusion of their audit outcomes in this report, as they were in the process of liquidation. The liquidation process was prolonged and required urgent attention to conclude. The SHF, Servcon and Thubelisha Homes are dormant entities and have not been included in our assessment.

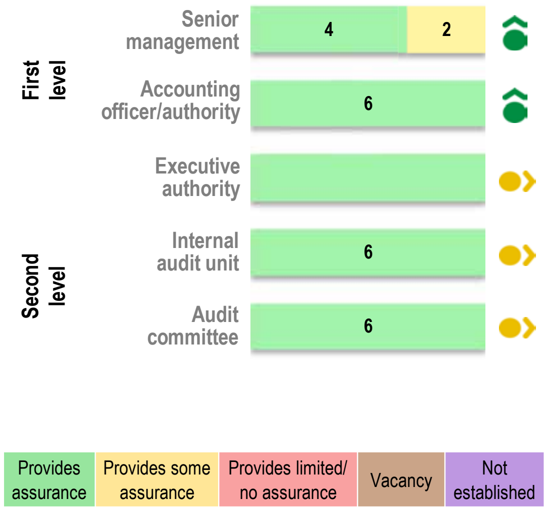
Vote 32: Mineral resources

Overall improvement in audit outcomes

Outcomes per audit area



Assurance levels



Key controls

	Audit areas								
	Financial statements			Performance reports			Compliance with legislation		
Effective leadership	6	0	0	6	0	0	6	0	0
Human resources controls	4	2	0	6	0	0	5	1	0
ICT governance and controls	1	5	0	2	4	0	2	4	0
Audit action plans	5	1	0	5	1	0	6	0	0
Proper record keeping	4	2	0	5	1	0	4	2	0
Daily and monthly controls	3	3	0	5	1	0	5	1	0
Review and monitor compliance	3	3	0	5	1	0	1	5	0

🟩 Good 🟨 Concerning 🟥 Intervention required

1

To improve/maintain the **audit outcomes** …

2

… the key role players need to **assure** that …

3

… attention is given to the **key controls** and …

… the **risk areas** and that …

4

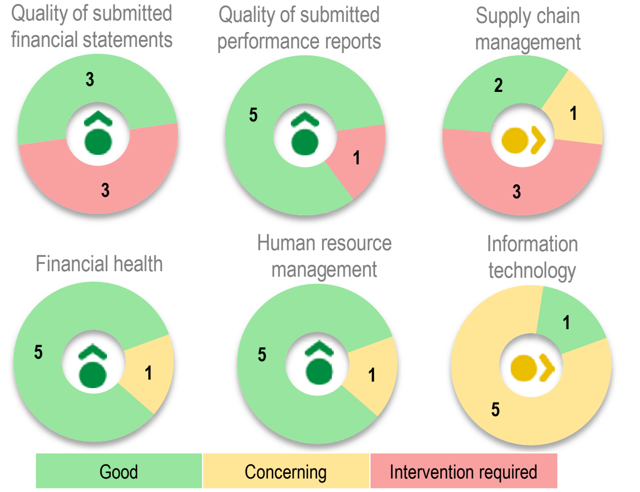
… the **root causes** are addressed …

5

… and the **commitments** are honoured.

6

Risk areas



Root causes

Slow response by management (accounting officer and senior management)

A root cause at 3 auditees

Instability or vacancies in key positions

A root cause at 2 auditees

Key officials lack appropriate competencies

A root cause at 1 auditee

Lack of consequences for poor performance and transgressions

A root cause at 1 auditees

● Improved ● Unchanged ● Regressed

Status of key commitments by minister

🟩 Improve the quality of information and daily disciplines of junior staff

🟩 Relook at the structure of the support provided to the director-general

🟨 Filling key vacancies to facilitate effective monthly reporting

🟨 The governance structures (internal audit) to review all financial information produced

🟦 Management should monitor compliance with legislation including supply chain management processes.

🟥 Not implemented 🟨 In progress 🟩 Implemented 🟦 New

Auditees included in the portfolio

- Department of Mineral Resources (DMR)
- Council for Geoscience (CGS)
- Council for Mineral Technology (MINTEK)
- Mine Health and Saftey Council (MHSC)
- South Africa Diamond and Precious Metals Regulator (SADPMR)
- State Diamond Trader (SDT)

The department's total budgeted expenditure for the 2014-15 financial year was R1,48 billion. The main expenditure was personnel costs of R492 million, goods and services amounting to R252 million and transfer payments amounting to R719 million.

Overall audit outcome

The portfolio improved significantly as the SDT and MINTEK moved from an unqualified opinion with findings to an unqualified opinion with no findings (clean audit). The audit opinions of the remaining auditees in the portfolio were unchanged due to their failure to implement controls that would ensure compliance with legislation, and to prepare financial statements free of material misstatements.

All entities in the portfolio sustained good results for their audit of predetermined objectives

Our audit's main findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

The DMR, CGS and SADPMR submitted financial statements for auditing that contained material misstatements. They received an unqualified audit opinion only because they corrected all the misstatements we identified during the audit.

The following controls should be strengthened to create a control environment that supports reliable financial reporting:

- Prepare quarterly financial statements with relevant disclosure notes evidenced by reliable information.
- Adequate senior management review of the financial statements before they are submitted for auditing to ensure that they are free from material misstatements.
- Apply the requirements of the financial reporting framework correctly.
- Establish proper record keeping so that records supporting financial information can be made available when required for auditing purposes.
- Tailor IT systems to the needs of the business to assist in compiling accurate financial statements and reducing the reliance on manual processes to support the figures in the financial statements.

Annual performance report

The published APRs of all entities in the portfolio included information on their performance against predetermined objectives that was useful and reliable. Although the CGS submitted an APR for auditing that contained material misstatements, it avoided material findings in its audit report as it corrected all the misstatements we identified during the audit.

The following control should be strengthened to create a control environment that supports useful and reliable reporting on the performance of the portfolio:

- Management should verify all the information included in the APR to ensure that all information has evidence.

Compliance with legislation

We identified material non-compliance with legislation in the following areas:

- The DMR did not apply the preferential procurement point system when procuring some goods and services above R30 000, as required by section 2(a) of the Preferential Procurement Policy Framework Act and treasury regulation 16A6.3.
- The DMR awarded contracts to bidders that did not declare whether they were employed by the state or connected to any person employed by the state, which is prescribed to comply with treasury regulation 16A8.3
- The CGS procured goods and services with a transaction value below R500 000 without obtaining the required price quotations, as required by treasury regulation 16A6.1.
- The CGS awarded a contract to a bidder who did not score the highest points in the evaluation process, as required by section 2(1)(f) of the Preferential Procurement Policy Framework Act and preferential procurement regulations.
- Persons in service of the MHSC whose close family members, partners or associates had a private or business interest in contracts awarded by the public entity, failed to disclose such interest, as required by treasury regulation 16A8.4
- The DMR, CGS and MHSC did not take reasonable steps to prevent irregular expenditure.

Irregular expenditure in the portfolio amounted to R12 million, with MINTEK contributing the most at R9,8 million. The irregular expenditure increased since the previous year and was a result of non-compliance with SCM legislation, identified during the audit.

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- Review and monitor compliance with applicable legislation by using compliance checklists that must be signed off by management.
- Clearly explain the impact of non-compliance with legislation to all involved in the SCM environment. Changes in legislation should be adequately identified and the impact addressed as soon as the legislation is promulgated.
- Perform independent reviews on all strategic procurement projects to ensure compliance to legislation and policies.
- Improve record keeping to ensure that SCM decisions can be verified against the SCM policy. In addition, consequence management should be applied for all SCM transgressions.

Root causes

The executive authority, accounting officer or authorities of the auditees should address the root causes of poor audit outcomes and inadequate controls as follows:

- Senior management should take immediate action and hold officials accountable for not adhering to the implemented internal controls.
- Fill all vacancies with people possessing the requisite skills, and provide training to address gaps in the development of existing staff.
- Ensure that the portfolio has adequate skills and resources to appropriately and effectively report on and monitor financial management and service delivery.

Impact of key role players on audit outcomes

The first level of assurance should be improved by ensuring stability at the level of senior management at the department. The internal audit units and audit committees should implement an effective and consistent method of following up on actions taken to address audit findings relating to internal control weaknesses. Adequately reviewing financial statements and monitoring compliance with legislation cannot be over-emphasised.

We met with the previous minister once in the past year and this interaction had a significant impact on the outcome of the DMR.

We have noted a slight improvement in the minister implementing the previous year's commitments. We are very encouraged by the commitment and spirit of cooperation that the minister has displayed. We recommend that the leadership strive towards fully implementing the remaining commitments by the end of the 2015-16 financial year.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

Risks related to information technology

Information technology management as a specific cause of audit outcomes

Key outcomes

We identified control weaknesses in the control design and implementing controls within the IT focus areas audited (governance, security management, user access management and service continuity). These control weaknesses were not common across the mineral resource portfolio.

The department's weaknesses related to IT governance, security management and user account management. This involved:

- the department restructuring the IT function to align with an unapproved organogram
- the user account management policy not being reviewed
- inadequate password parameters
- inadequate reviews of the administrator activities
- user access rights on financial systems.

MINTEK's weaknesses included the administrator activities not being reviewed and configuration standards for the server environment not being defined. This led to misconfiguration or a lack of compensating controls for certain services that could not be disabled due to business requirements.

SADPMR weaknesses related to the administrator activities and user access rights not being reviewed, as well as an inadequately documented disaster recovery plan.

Good information technology control practices across the portfolio

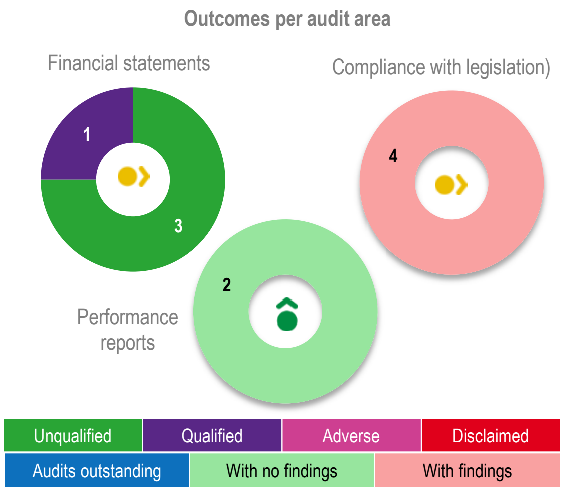
SADPMR had good IT governance structures and IT security management processes. However, the entity did not maintain its clean IT controls environment from the previous year. On the other hand, MINTEK maintained consistent improvement in the IT control environment with good and clearly defined IT governance structures and the drive to implement compensating controls in areas where formal controls had not been defined or were inadequate.

Causes for information technology control weaknesses

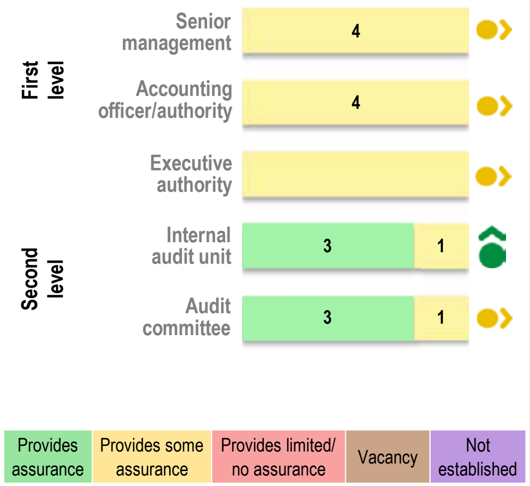
The control weaknesses identified were driven by the limited resources at both the department and the entities.

Vote 33: Rural development and land reform

Overall improvement in audit outcomes



Assurance levels



Key controls

Audit areas

	Financial statements			Performance reports			Compliance with legislation		
	Good	Concerning	Intervention required	Good	Concerning	Intervention required	Good	Concerning	Intervention required
Effective leadership	2	2	0	1	1	0	1	3	0
Human resources controls	0	3	0	1	1	0	1	2	0
ICT governance and controls	0	2	2	0	1	1	0	4	0
Audit action plans	0	3	1	1	1	0	0	3	1
Proper record keeping	1	3	0	1	1	0	2	2	0
Daily and monthly controls	1	3	0	1	1	0	1	3	0
Review and monitor compliance	0	3	1	1	1	0	0	4	0

🟩 Good 🟨 Concerning 🟥 Intervention required

1 To improve the **audit outcomes** …

2 … the key role players need to **assure** that …

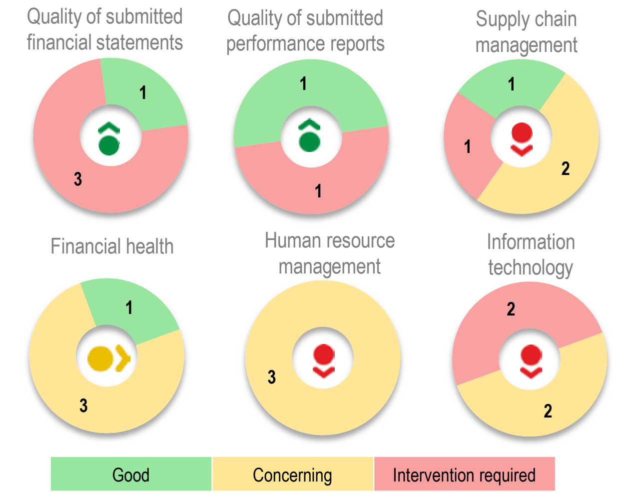
3 … attention is given to the **key controls** and …

… the **risk areas** and that … 4

… the **root causes** are addressed … 5

… and the **commitments** are honoured. 6

Risk areas



Root causes

Slow response by management

A root cause at 3 auditees

Instability/vacancies of key management

A root cause at 2 auditees

Key officials lack appropriate competencies

A root cause at 3 auditees

Slow response by political leadership

A root cause at 1 auditee

● Improved ● Unchanged ● Regressed

Status of key commitments by minister

Ensure that internal audit function is fully staffed. This will also assist to ensure credibility checks were performed on all financial and performance information submitted by management to the different stakeholder.

Develop the strategic plans for 2011-2015 financial years using the new planning framework, ensuring that the department wide objectives are clearly defined, risks associated with each objective will be defined, and it will be controlled throughout the financial year.

Develop action plans to address weaknesses in internal controls and to sustain existing controls.

Implement effective project management in order to ensure proper process is being followed to avoid deterioration of service delivery.

Identify proper root causes for repeat audit findings. Develop appropriate action plans to address those root causes and ensure that the implementation of action plans are monitored.

Reduce vacancy rate by filling in vacancies of key management positions

Not implemented | In progress | Implemented | New

Auditees included in the portfolio

- *Department of Rural Development and Land Reform (DRDLR)*
- *Agricultural Land Holding Account (ALHA)*
- *Ingonyama Trust Board (ITB)*
- *Deeds Registration Trading Account (Deeds)*

The department's budgeted expenditure for the 2014-15 financial year was R9,5 billion. The main areas of expenditure budgeted for were:

Transfer payments	R5,7 billion
Goods and services	R1,7 billion
Compensation of employees	R2,0 billion
Payments for capital assets	R58 million

Overall audit outcome

The overall outcome for the portfolio remain unchanged even though the Ingonyama Trust Board addressed the past material findings on its performance report.. All four auditees did not address past material findings on compliance with legislation.

Our audit's main findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

The published financial statements of ITB included the following material misstatements that were not corrected:

ITB did not recognise the land held as investment property and land owned at fair values as at the date of acquisition. We could not determine the correct fair value of lands as it was impractical to do so.

The entity incorrectly recognised royalties received from the mining operators as revenue.

The entity recognised a provision for distribution to beneficiaries which should not have been recognised.

The ITB did not correct the financial statements mainly because it did not properly manage the fair valued land register. As a result, the manner in which royalties revenue and provision was recognised in the financial statements does not comply with the Standard of Generally Recognised Accounting Practice (GRAP).

ALHA submitted financial statements that are free from material misstatement, while the DRDLR and Deeds submitted financial statements for auditing that contained material misstatements in the areas of immovable assets; property, plant and equipment; commitments; budget disclosure and other disclosure requirements. DRDLR and Deeds received an unqualified audit opinion only because it corrected all the misstatements we identified during the auditing process. The following controls should be strengthened to create a control environment that supports reliable financial reporting:

- Exercise oversight responsibility over financial statement reporting by improving the implemented internal monitoring controls to ensure the accuracy and credibility of the reported financial information.
- Design and implement daily controls to enable the preparation of credible monthly financial statements with disclosure notes.

Annual performance report

The DRDLR submitted an APR for auditing that contained material misstatements. The department avoided material findings in its audit report only because it corrected all the misstatements we identified during the auditing process. The annual performance targets of Deeds and ALHA were reported and audited under the department's annual performance plan.

The following controls should be strengthened to create a control environment that supports useful and reliable reporting on the performance of the portfolio.

- Draft, implement and monitor action plans for the implementation of internal controls over the collation of information so that quarterly and annual reporting on performance against predetermined objectives is complete, accurate and verifiable.
- Pay specific attention to IT governance and IT related controls as we had identified several material information system weaknesses.

Compliance with legislation

We identified the following material non-compliance in the portfolio:

- ITB did not always follow a competitive bidding process when procuring goods and/or services.

The material non-compliance with legislation below was identified in the current and previous period:

- The DRDLR did not take reasonable steps to prevent irregular, fruitless and wasteful expenditure.
- ALHA did not take effective and appropriate steps to collect all money due to the entity.

The DRDLR incurred R25 million in irregular expenditure in the 2014-15 financial year, which represents 93% of the total amount incurred by the portfolio. The irregular expenditure incurred was as a result of the contravention of SCM legislation and Treasury regulations relating to payments made without approval and deviation from internal policies without valid reasons. Ninety-seven per cent of this irregular expenditure was identified by the department. In 2013-14, the department incurred irregular expenditure of R12,65 million that related to contravention of SCM legislation and payments without approval, which was 68% of the total amount incurred by the portfolio.

The ITB did not comply with the prescribed SCM procurement processes by not following competitive bidding. This resulted to the entity incurring irregular expenditure of R2,02 million in the year under review compared to no irregular expenditure incurred in 2013-14.

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- Develop processes and procedures to monitor and identify non-compliance with legislation.
- Hold officials accountable for not complying with legislation.
- Identify the correct root causes of the repeat audit findings and develop appropriate action plans to address the control deficiency relating to the preparation of financial statements. Progress on the implementation of these action plans should be monitored on a quarterly basis.

Root causes

The executive authority, accounting officer and senior management should address the root causes of the audit outcomes and inadequate controls:

- Slows response by management on monitoring of action plans to address repeat control deficiencies on the preparation of financial statements, performance reports as well as IT-related controls for DRDLR, Deeds and ITB should be improved. Reasons for not implementing these actions plans within the agreed time frame should be followed up and adequate consequence management should be implemented for not adhering to time frames.
- Implement effective human resource management processes to ensure that key management position within the finance unit are sustainable in order to improve the quality of financial statement submitted.
- Training on legislation and accounting framework requirements provided to the officials was inadequate, resulting in material findings on financial statement, performance reports and human resource management were identified during the audit.

Impact of key role players on audit outcomes

Some assurance was provided by first and second level assurance providers. This can however be improved by management addressing root causes and internal control deficiencies identified by internal and external audit

We met with the minister two times in the past year and these interactions had limited impact on the audit outcomes. Our assessment is based on the fact that some of the areas improved even though the overall audit outcomes of the portfolio remained largely unchanged. The areas in the portfolio that improved are the ITB's APR and the quality of the financial statement submitted by the Agricultural Land Holding Accounts. The impact of the minister on the controls of the auditees as well as the status and impact of the commitments contributed to the assessed assurance provided by the minister.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR. We agreed on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

Risks to financial health and information technology

Financial health

The accounting officer should address the following matters, which could affect the financial health in the portfolio:

- The DRDLR has a R5,05 billion commitment relating to the land claims approved by the minister as at 31 March 2015. The department should ensure that there is an adequate process of monitoring the budgeted voted funds.
- The DRDLR and ITB should ensure that they monitor the budget for expenditure and the related accruals, as the accrual-adjusted net current

liabilities exceeded the net current assets for the department, while the ITB overspent its approved operating expenditure budget by 42%.

- The DRDLR, ALHA and ITB should improve their debt-collection period to ensure that impairment of debtors is minimised.

Information technology management as a specific cause of audit outcomes

The national department provides IT services to ALHA and Deeds.

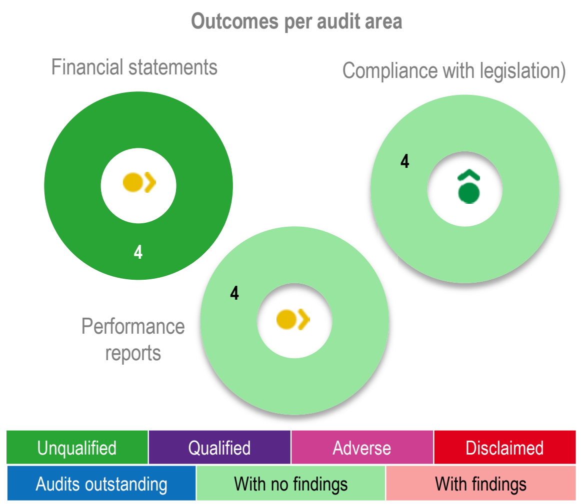
An analysis of the audit outcomes indicated that adequate progress had not been made in addressing previous findings as risks remained in all of the focus areas. Many previously raised findings had not been adequately addressed specifically in the areas of user access management and IT service continuity where controls had not been adequately designed and implemented.

This could mainly be attributed to infrastructure changes still taking place at the national department, inadequately designed policies and procedures, a lack of monitoring and review of access rights and activities and a lack of adequate human resources to design and implement certain controls.

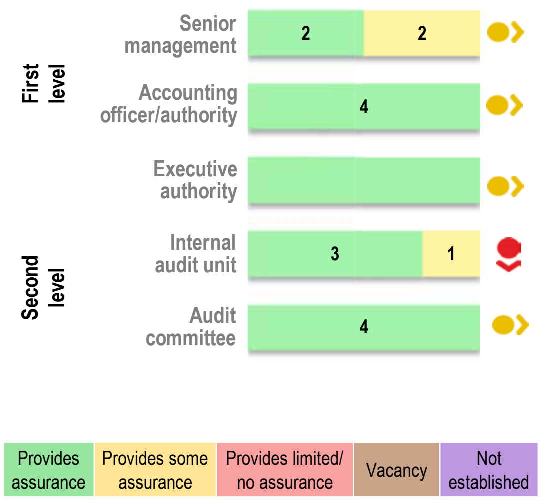
We therefore recommend that governance structures should be strengthened to ensure accountability for resolving issues arising from previous year’s reports.

Vote 34: Science and technology

Overall improvement



Assurance levels



Key controls

Audit areas

	Financial statements			Performance reports			Compliance with legislation		
	🟩	🟨	🟥	🟩	🟨	🟥	🟩	🟨	🟥
Effective leadership	4	0	0	4	0	0	4	0	0
Human resources controls	4	0	0	4	0	0	4	0	0
ICT governance and controls	3	1	0	3	1	0	3	1	0
Audit action plans	4	0	0	4	0	0	3	1	0
Proper record keeping	4	0	0	4	0	0	4	0	0
Daily and monthly controls	4	0	0	4	0	0	4	0	0
Review and monitor compliance	4	0	0	4	0	0	2	2	0

🟩 Good 🟨 Concerning 🟥 Intervention required

1 To maintain the **audit outcomes** …

2 … the key role players need to **assure** that …

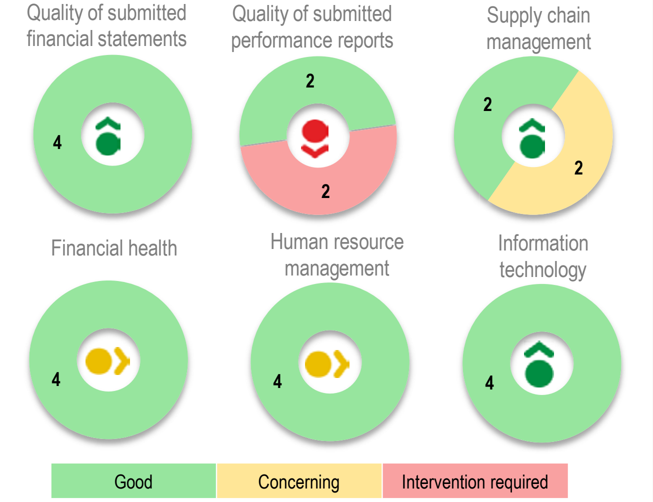
3 … attention is given to the **key controls** and …

… the **risk areas** and that … 4

… the **root causes** are addressed … 5

… and the **commitments** are honoured. 6

Risk areas



Best practices

Senior management's positive attitude and commitment must be consistently reinforced in their daily responsibilities.

In order to sustain audit outcomes, the auditees must ensure effective leadership that is based on a culture of honesty, ethical business practice and good governance.

Status of key commitments by minister

Management monitors the dashboard monthly and updates the minister quarterly on improvements and the actions taken to improve the controls.

The SCM process checklist was implemented and must be completed for all tenders, quotations and deviations. Internal audit will audit the process to ensure compliance.

The SCM process checklist was implemented and must be completed for all tenders, quotations and deviations. Internal audit will audit the process to ensure compliance.

The minister will address ASSAF matters reported with the chairperson of the ASSAF board to ensure that a turnaround strategy is implemented.

The DST will provide necessary support to its public entities to ensure compliance with its mandate and PFMA.

The minister will require a detailed plan addressing the audit findings, and quarterly updates on the progress and implementation of the plan.

Not implemented | In progress | Implemented | New

Auditees included in the portfolio

- *Department of Science and Technology (DST)*
- *Council for Scientific and Industrial Research (CSIR)*
- *Human Sciences Research Council (HSRC)*
- *National Research Foundation (NRF)*

The total budgeted expenditure for the department for 2014-15 was R6,4 billion. The main areas of expenditure were:

Compensation for employees	R285 million
Goods and services	R210 million
Transfer payments	R5,98 billion
Capital assets	R2,3 million

Overall audit outcome

The overall audit outcome improved as a result of the DST receiving its first clean audit opinion in three years by addressing past material findings on compliance with legislation. The NRF, the CSIR and the HSRC retained their clean audit outcome status.

It should be noted that the Council for the African Institute of South Africa (AISA) was incorporated into the HSRC with effect from 1 April 2014 and currently operates as a programme under the HSRC.

The main findings from our audit, which should be addressed to sustain the improved overall audit outcomes are as follows:

Annual performance report

The APR of the DST and NRF submitted for auditing contained material misstatements. They avoided material findings in their audit reports only because they corrected all the misstatements identified during the audit process.

The following controls should be strengthened to create a control environment that supports useful and reliable reporting on the performance of the portfolio:

- The APR should be properly reviewed against the annual performance plan to ensure consistent reporting.
- The APR should be properly reviewed and monitored to ensure that the reported performance information is supported by reliable information to confirm validity and accuracy.

Compliance with legislation

The auditees in the portfolio incurred R25 million in irregular expenditure. Of this irregular expenditure, 22% was identified by the auditees. Irregular expenditure decreased by 52% from the previous year. The irregular expenditure incurred in the current and previous year was a result of non-compliance with SCM regulations.

Management within the portfolio increased the level of review to enhance compliance with legislation. As a result, there was no material non-compliance reported in the audit report.

The following are some of the non-compliance that resulted in irregular expenditure:

- The DST and the NRF did not always obtain three written quotations and deviations were not approved.
- The DST evaluated a tender by applying evaluation criteria different from originally specified.
- The NRF advertised a bid for a shorter period without approval.

The following control should be strengthened to create a control environment that supports compliance with legislation:

- Management should adequately oversee compliance and related internal controls in the area of SCM to further reduce irregular expenditure.
- Officials should be held accountable for non-compliance with legislation, irregular expenditure should be tracked, and proactive preventative measures should be implemented.

Best practices

Senior management should maintain the following best practices:

- Senior management's positive attitude and commitment must be consistently reinforced in their daily responsibilities.
- In order to sustain the good audit outcomes, the auditees must ensure effective leadership that is based on a culture of honesty, ethical business practice and good governance.

Impact of key role players on audit outcomes

The first and second levels of assurance should be maintained, ensuring stability at the level of accounting officer and senior management.

We met with the minister three times in the past year and these interactions had a significant impact on the audit outcomes as the minister's commitment improved the audit outcomes of the entire portfolio.

In response to the audit outcomes, the minister undertook to implement the previous year's commitments.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

The chairperson of the portfolio committee made the following commitments:

- Obtain feedback on the implementation of action plans to address audit weaknesses identified.
- Exercise oversight during the committee's quarterly reviews with regard to compliance and performance reporting.

Risk to information technology

Key outcomes

The portfolio showed a huge improvement with no significant matters noted at the DST, the CSIR and the NRF. At the HSRC weaknesses relating to IT governance, as defined processes were not implemented for the establishment of an IT governance framework and for having an effective IT steering committee.

Causes of IT control weaknesses

The control weaknesses identified were due to officials failing to adhere to defined policies and procedures.

Entities included in the portfolio, but not audited by the Auditor-General of South Africa

We did not audit the following entities included in the minister's portfolio:

- 🟨 *Academy of Science of South Africa (ASSAF)*
- 🟩 *South African National Space Agency (SANSA)*
- 🟩 *Technology Innovation Agency (TIA)*

The overall audit outcomes of these entities regressed compared to the previous year. The audit outcomes were as follows:

- The financial statements of three auditees (100%) received an unqualified opinion – the same result as in the previous year.
- Two auditees (66,7%) had no material findings on the quality of the APRs.
- Two auditees (66,7%) had no material findings on compliance with legislation.

ASSAF had findings on its performance information and compliance with legislation. They were previously audited only their financial statements and not on its performance information and compliance with legislation. The current year's audit process changed, as section 2 (2) of the ASSAF Act requires ASSAF to comply with the provisions of the PFMA.

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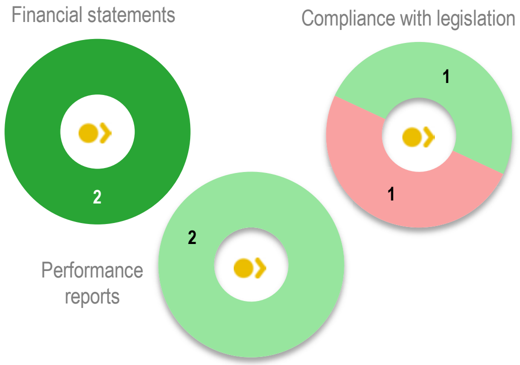
Vote 35: Tourism

Overall stagnation in audit outcomes

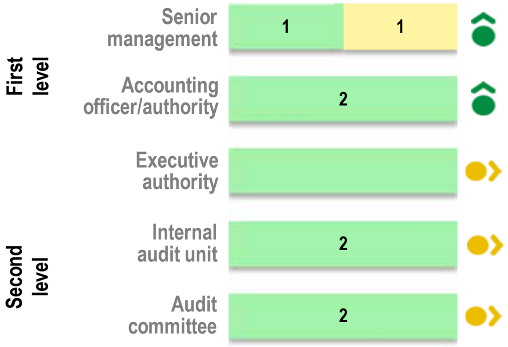
Outcomes per audit area



Unqualified	Qualified	Adverse	Disclaimed

Audits outstanding	With no findings	With findings

Assurance levels



Provides assurance	Provides some assurance	Provides limited/ no assurance	Vacancy	Not established

Key controls

Audit areas

	Financial statements			Performance reports			Compliance with legislation		
Effective leadership	2	0	0	2	0	0	2	0	0
Human resources controls	2	0	0	2	0	0	2	0	0
ICT governance and controls	1	1	0	2	0	0	2	0	0
Audit action plans	2	0	0	2	0	0	2	0	0
Proper record keeping	2	0	0	2	0	0	2	0	0
Daily and monthly controls	1	1	0	2	0	0	2	0	0
Review and monitor compliance	2	0	0	2	0	0	2	0	0

Good	Concerning	Intervention required

1 To improve/maintain the **audit outcomes** …

2 … the key role players need to **assure** that …

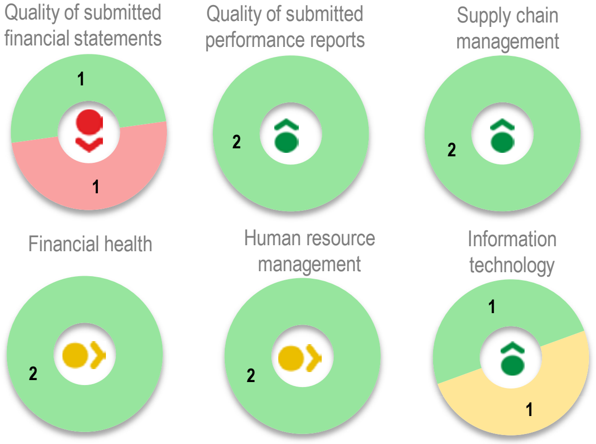
3 … attention is given to the **key controls** and …

… the **risk areas** and that … 4

… the **root causes** are addressed … 5

… and the **commitments** are honoured. 6

Risk areas



Good	Concerning	Intervention required

Root cause

Key officials lack appropriate competencies

A root cause at 1 auditee

● Improved ● Unchanged ● Regressed

Status of key commitments by minister

Follow up on the controls being implemented by the management of NDT and SAT to address the misstatements in

SAT undertook to provide feedback on the foreign currency impact on their operations.

Follow up on action plans implemented by the management of NDT to address IT findings

Follow up on progress on further discussions with National Treasury regarding the correct accounting treatment for EPWP infrastructure expenditure at the department.

Follow up on action plans implemented by the SAT management to address IT findings.

In progress	Implemented	New

Auditees included in the portfolio

- *National Department of Tourism (NDT)*
- *South African Tourism (SAT)*

The total budgeted expenditure by auditees in the portfolio for the 2014-15 financial year was R1,583 billion. The main areas of expenditure were in respect of the following:

Employee cost	R229 million
Goods and services	R144 million
Transfer payments	R1,199 billion
Capital expenditure	R10 million.

Overall audit outcomes

There has been a lack of improvement in the overall audit outcomes of the portfolio compared to the previous year. The department has regressed from an unqualified audit opinion with no findings in the previous year to unqualified with findings on compliance with legislation due to failure to monitor commitments to sustain the audit outcome. SAT management honoured its previous year's commitments by implementing controls to ensure compliance with legislation, resulting in an improvement from unqualified with findings on compliance to unqualified with no findings.

Our audit's main findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

The financial statements submitted for auditing by NDT contained material misstatements in the area of disclosure notes (commitments). The department received an unqualified audit opinion only because they corrected the material misstatements we had identified during the auditing process.

The following controls should be strengthened to create a control environment that supports reliable financial reporting:

- Strengthening financial reporting and related controls to prevent misstatements.
- Enhance oversight to detect misstatements prior to commencement of the audit process.
- Proper record keeping should be implemented for the collection and consolidation of information supporting disclosure notes, which are only finalised at year-end.

Root causes

Leadership at NDT should address the root causes of poor audit outcomes and inadequate controls as follows:

- Key officials should be trained to gain appropriate competencies relating to preparation of disclosure notes.
- The department should put controls in place to ensure that EPWP's infrastructure assets for the 2015-16 financial year are treated in terms of the accounting framework.

Impact of key role players on audit outcomes

Senior management at NDT should improve the first level of assurance by implementing the AGSA's recommendations. Management should proactively deal with EPWP's commitment in consultation with National Treasury and SAT should continuously engage NT on the foreign currency impact on their budget and operations.

We met with the minister once in the past year and this interaction had an impact on the audit outcomes. This assessment, the impact of the minister on the controls of the auditees, as well as the status and impact of the commitments contributed to the assessed assurance provided by the minister.

The assurance provided through the oversight of the portfolio committee should be maintained. This assessment is based on active engagement between the portfolio committee and the minister on clean administration.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

Risks related to information technology

Information technology management as a specific cause of audit outcomes

Key outcomes

Significant improvement was noted in the IT controls environment, as NDT's management had implemented the previous year's commitments. Improvements are still required at SAT in terms of full implementation of IT governance processes, which will ensure the adequate implementation of IT controls.

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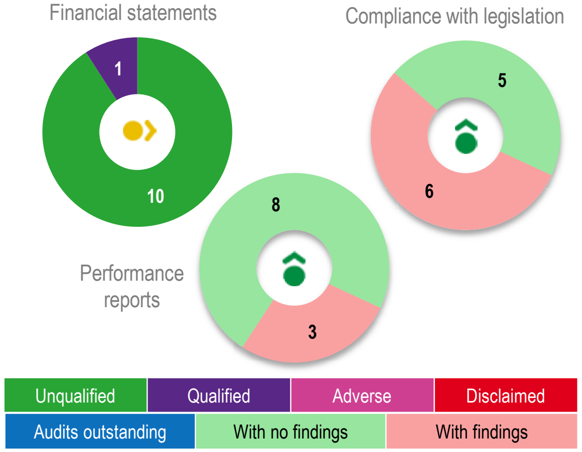
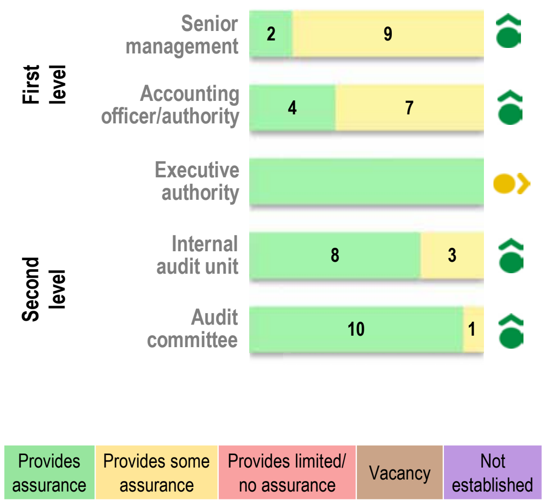
Vote 36: Trade and industry

Overall improvement in audit outcomes

Outcomes per audit area



Assurance levels



Key controls

Audit areas

	Financial statements			Performance reports			Compliance with legislation		
Effective leadership	10	1	0	10	1	0	9	2	0
Human resource controls	7	3	1	10	1	0	7	3	1
ICT governance and controls	4	4	3	4	5	2	5	5	1
Audit action plans	8	3	0	8	2	1	9	2	0
Proper record keeping	8	3	0	8	2	1	9	1	1
Daily and monthly controls	5	6	0	9	2	0	10	1	0
Review and monitor compliance	5	5	1	6	4	1	4	6	1

🟩 Good 🟨 Concerning 🟥 Intervention required

1 To improve the **audit outcomes** …

2 … the key role players need to **assure** that …

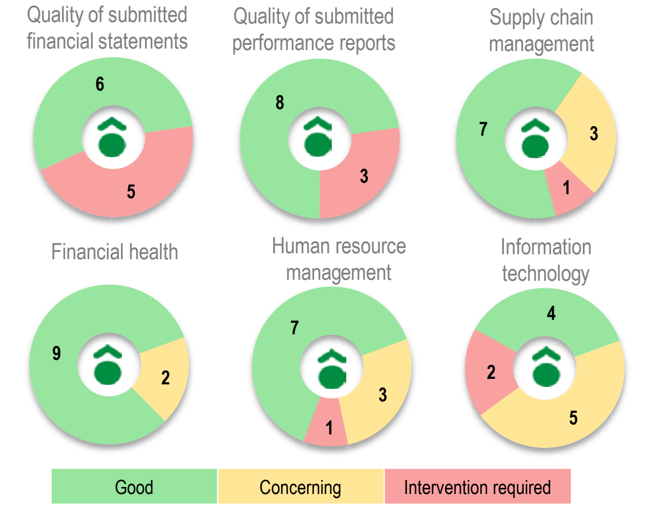
3 … attention is given to the **key controls** and …

… the **risk areas** and that … **4**

… the **root causes** are addressed … **5**

… and the **commitments** are honoured. **6**

Risk areas



Root causes

Slow response by the accounting authorities and senior management to address previous year's findings.

A root cause at 6 auditees

Vacancies in key positions.

A root cause at 2 auditees

Lack of consequences for poor performance and transgressions.

A root cause at 2 auditees

● Improved ● Unchanged ● Regressed

Status of key commitments by minister

Develop and implement an action plan to address all identified audit findings which will be monitored by the accounting officer, internal audit and audit committee, and escalated to the executive authority when necessary.

To follow up quarterly on key control assessments and the reports from the audit committees on audit-related matters.

Obtain an action plan from CIPC to address the audit findings on predetermined objectives, and from NRCS to address the qualified audit opinion. Progress on the action plans will be tracked on a quarterly basis by the chairpersons of the audit committees.

The NRCS will be assisted in addressing the revenue recognition problem. The dti and NRCS have established a joint team working towards establishing an appropriate revenue model for the NRCS to ensure an improved audit outcome.

The process of compiling quarterly financial statements for all trade and industry entities will be re-enforced.

Not implemented In progress Implemented New

Auditees included in the portfolio

- ■ *Department of Trade and Industry (dti)*
- ■ *Companies Intellectual Property Commission (CIPC)*
- ■ *Companies Tribunal (CT)*
- ■ *National Consumer Commission (NCC)*
- ■ *National Consumer Tribunal (NCT)*
- ■ *National Credit Regulator (NCR)*
- ■ *National Gambling Board (NGB)*
- ■ *National Lotteries Board (NLB)*
- ■ *National Regulator for Compulsory Specifications (NRCS)*
- ■ *Small Enterprise Development Agency (SEDA)*
- ■ *South African Bureau of Standards (SABS)*

The department's approved expenditure budget for the 2014-15 financial year was R9,9 billion. The main categories of budgeted expenditure were:

• employee costs	R941,4 million,
• goods and services	R733,7 million,
• transfer payments and subsidies	R8,2 billion and
• capital expenditure	R37,8 million.

The Department of Small Business Development was formed on 8 July 2014. SEDA became part of the Department of Small Business Development portfolio from 1 April 2015.

Overall audit outcome

The improvement in the overall audit outcome was due to the dti and NCR receiving clean audit opinions by addressing past material findings on non-compliance with legislation.

The audit outcomes for the rest of the portfolio remained unchanged. The NRCS' audit opinion remained financially qualified with findings on predetermined objectives and compliance with legislation. The other entities remained financially unqualified with findings on compliance with legislation and/or predetermined objectives, except for the SABS and the NCT which maintained unqualified audit opinions with no findings on all three areas of financial reporting, compliance with legislation and predetermined objectives.

Our audit's main findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

The published financial statements of the NRCS included the following material misstatements:

- The NRCS generates revenue from levies for compulsory specifications. The completeness of revenue and receivables could not be confirmed due to the accounting records not being adequate.

The following auditees submitted financial statements for auditing that contained material misstatements and received unqualified audit opinions only because they corrected all the misstatements we identified during the auditing process:

Auditee	Areas in which material misstatements were identified and corrected
CT	Non-current assets, cash flow statement
NGB	Current liabilities, disclosure notes
NLB	Current assets, disclosure notes
SEDA	Disclosure notes

The following controls should be strengthened to create a control environment that supports reliable financial reporting:

- The revenue information systems as well as automated and manual controls at the NRCS should be improved to ensure that all revenue due to the NRCS is recognised in the correct financial period.
- Controls over the preparation of accurate and complete financial statements should be strengthened to ensure that financial statements are of high quality. This includes the implementation and maintenance of financial processes to ensure that regular, accurate and complete financial statements are compiled on a monthly basis.

Annual performance report

The published APRs of the CIPC, NCC and NRCS included information on their performance against predetermined objectives that was not useful or reliable for the following programmes and objectives we had selected to audit:

Auditee	Programme/objective	Not useful	Not reliable
CIPC	Business regulation and reputation		x
	Service delivery and access		x
NCC	To promote compliance with the Consumer Protection Act		x
NRCS	To maximise compliance with all specifications and technical regulations	x	x

The following controls should be strengthened to create a control environment that supports useful and reliable reporting on the performance of the portfolio:

- Improve and maintain IT systems and controls to ensure uninterrupted operations and to enable the generation of complete, accurate and valid data to use in the compilation of the quarterly and APRs.
- Implement proper record keeping to ensure that complete, relevant and accurate information is accessible and available to support performance reporting.
- Action plans to address material findings should include greater senior management involvement and in-depth review of the annual performance plan prior to approval.

Compliance with legislation

We identified material non-compliance with legislation by the CT, NCC, NGB, NLB, NRCS and SEDA in the following areas:

- The CT, NGB, NLB, NRCS and SEDA submitted financial statements that contained material misstatements.
- The NCC, NGB and NRCS did not take reasonable steps to prevent irregular expenditure.
- The NGB did not investigate the circumstances of monies confiscated from illegal gambling in terms of the National Gambling Act; and some board members served on the board after their term expired, without the appropriate approval.
- The NGB did not always award contracts and quotations to suppliers whose tax matters were in order.

We identified material non-compliance with legislation by the NGB, NLB and NRCS which may have potentially resulted in financial loss in the following areas:

- The NGB did not always follow prescribed procurement processes in the following areas:
  - Competitive bidding process.
  - Obtaining the required three price quotations, as prescribed. By not inviting quotations as required, it cannot be determined if the entity procured the goods and services at an economical price.
  - Contracts extended or modified with the approval of a properly delegated official.
- The NLB did not always take effective and appropriate steps to collect all money from entities that did not fulfil the conditions under which the grants were transferred to them.
- The NRCS did not take effective and appropriate steps to collect money due to it and maintain an effective, efficient and transparent system of risk management and internal controls with respect to performance information and management.

Although irregular expenditure was incurred within the portfolio, it has decreased since the previous year. A significant portion of irregular expenditure was incurred by the following entities:

- NCC incurred irregular expenditure of R7,3 million which constitutes an increase from the R6,9 million reported in the previous year. The irregular expenditure incurred was as a result of inadequate monitoring and review of SCM legislation. This represents 18% of the total irregular expenditure incurred within the portfolio. All irregular expenditure reported by the NCC was identified by management.
- The NGB incurred irregular expenditure of R3 million, a decrease from R3,9 million incurred in the previous year. The irregular expenditure incurred was as a result of inadequate monitoring and review of SCM legislation. This represents 8% of the total irregular expenditure incurred within the portfolio. Ninety percent of the irregular expenditure reported by the NGB was identified by management.
- The NLB incurred irregular expenditure of R20,7 million, an increase compared to the R20,1 million reported in the previous year. The irregular expenditure incurred was as a result of inadequate monitoring and review of SCM legislation relating to contracts entered into in the previous years, which were still active in the 2014-15 financial year. This represents 52% of the total irregular expenditure incurred within the portfolio. One hundred percent of the irregular expenditure reported by the NLB was identified by management.

- The NRCS incurred R7,2 million in irregular expenditure which is an increase from R5,8 million incurred in the previous year. The irregular expenditure incurred was as a result of the contravention of SCM legislation and inadequate contract management. This represents 18% of the total irregular expenditure incurred within the portfolio. One hundred per cent of the irregular expenditure reported by the NRCS was identified by management.
- Although there was an improvement in the audit outcomes, the overall risk of non-compliance with SCM prescripts still remained. The NCC, NGB, NLB and NRCS should implement adequate processes to ensure compliance with all SCM legislation in order to improve the audit outcome.

The monitoring and review of SCM prescripts should be improved to create a control environment that supports compliance with legislation.

Root causes

The leadership should address the root causes of audit outcomes and inadequate controls as follows:

- The leadership should ensure that internal and external audit recommendations are implemented in a timeous manner and all identified internal control deficiencies are addressed.
- Vacancies in key positions should be filled as soon as possible, with individuals who possess the necessary competencies.
- The leadership must ensure that staff who transgress internal control policies and procedures face consequences and performance assessments must be conducted frequently.

Impact of key role players on audit outcomes

The first level of assurance should be improved by filling vacancies in key senior management positions. The accounting officer or authority should implement and maintain controls to ensure that irregular expenditure is prevented and appropriate action is taken against employees who incur irregular expenditure. Furthermore, IT systems which meet the record keeping needs of entities should be implemented as soon as possible.

We met with the minister two times and corresponded in writing two times in the past year. These interactions had a positive impact on the audit outcomes. The audit outcome of the dti and NCR moved from financially unqualified with findings on non-compliance with legislation to financially unqualified with no findings on compliance or performance information (clean) as a result of the minister's intervention. Furthermore, the minister monitored the progress of the portfolio's performance through the quarterly reporting process using the information supplied by the entities. This assessment, the impact of the minister on the controls of the auditees as well as the status and impact of the commitments contributed to the assessed assurance provided by the minister.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR session, which incorporated a capacity building session, and the review of the annual performance plan. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

Risks related to information technology

The DTI and CIPC did not implement designed IT controls, such as policies and standard operating procedures. The NRCS and NCC experienced challenges with the design and implementation of IT controls, and should therefore prioritise the aforementioned.

The leadership should address the root causes of IT audit outcomes and inadequate IT controls as follows:

- All entities within the portfolio should establish a dashboard to report on the effectiveness of IT controls.
- The leadership should ensure that policies and standard operating procedures are implemented and that all staff comply with them.

Entities included in the portfolio, but not audited by the Auditor-General of South Africa

We do not audit the following entities included in the portfolio of the minister:

- *Export Credit Insurance Corporation of South Africa (ECIC)*
- *National Empowerment Fund (NEF)*
- *National Metrology Institute of South Africa (NMISA)*
- *South African National Accreditation System (SANAS)*

The overall audit outcomes of these entities regressed in the year under review. The audit outcomes were as follows:

- The financial statements of four auditees (100%) received an unqualified opinion – the same result as in the previous year.
- Three auditees (75%) had no material findings on the quality of the APRs – a regression from the four (100%) in the previous year.
- Three auditees (75%) had no material findings on compliance with legislation – a regression from the four (100%) in the previous year.

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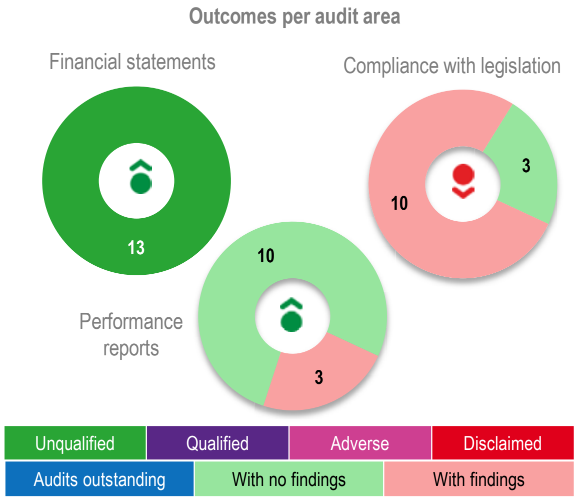
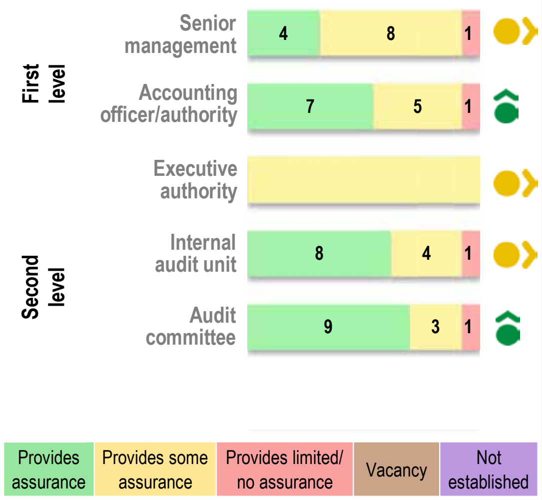
Vote 37: Transport

Overall regression in audit outcomes



Assurance levels



Key controls

Audit areas

	Financial statements			Performance reports			Compliance with legislation		
Effective leadership	11	1	1	12	0	1	10	1	2
Human resources controls	7	5	1	11	2	0	9	2	2
ICT governance and controls	4	7	2	5	7	1	5	7	1
Audit action plans	9	3	1	10	2	1	9	2	2
Proper record keeping	8	4	1	7	4	2	9	1	3
Daily and monthly controls	6	7	0	8	4	1	7	5	1
Review and monitor compliance	6	4	3	9	1	3	1	5	7

🟩 Good 🟨 Concerning 🟥 Intervention required

1 To improve/maintain the **audit outcomes** …

2 … the key role players need to **assure** that …

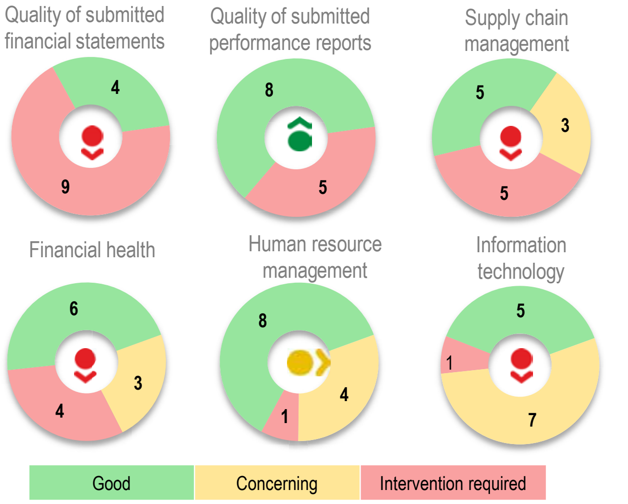
3 … attention is given to the **key controls** and …

… the **risk areas** and that … **4**

… the **root causes** are addressed … **5**

… and the **commitments** are honoured. **6**

Risk areas



Root causes

Key officials lack appropriate competencies

A root cause at 5 auditees

Instability or vacancies in key positions

A root cause at 5 auditees

Slow response by management

A root cause at 5 auditees

● Improved ● Unchanged ● Regressed

Status of key commitments by minister

- Request regular feedback from Transport on key issues impacting entities in the portfolio.
- Monitor and evaluate all deliverables on the PRASA locomotive and rolling stock.
- Implementation of the action plan to address the previous year's audit findings.
- Management of the take-over of major IT-related contracts.
- Enhance performance and consequence management.
- Contract management over all entities in the portfolio.
- Management of vacancies

In progress New

Auditees included in the portfolio

- 🟨 *Department of Transport (Transport)*
- 🟨 *Airports Company South Africa SOC Limited (ACSA)*
- 🟨 *Cross Border Road Transport Agency (CBRTA)*
- 🟨 *Driving Licence Card Account (DLCA)*
- 🟨 *Passenger Rail Agency of South Africa (PRASA)*
- 🟩 *Ports Regulator of South Africa (Ports Regulator)*
- 🟨 *Railway Safety Regulator (RSR)*
- 🟩 *Road Accident Fund (RAF)*
- 🟨 *Road Traffic Infringement Agency (RTIA)*
- 🟨 *Road Traffic Management Corporation (RTMC)*
- 🟩 *South African Civil Aviation Authority (SACAA)*
- 🟨 *South African Maritime Safety Authority (SAMSA)*
- 🟨 *South African National Roads Agency SOC Limited (SANRAL)*

The department's budget (voted funds) for the 2014-15 financial year was R48,771 billion. The main expenditure was in respect of the following:

• Transfer payments	R47,756 billion
• Goods and services	R624 million
• Employee costs	R383 million
• Capital expenditure	R8,4 million.

Overall audit outcome

The regression in overall audit outcomes was caused by DLCA and RTIA which regressed from unqualified with no findings in the previous year to unqualified with findings on compliance with legislation and/or predetermined objectives.

ACSA, which was audited by the AGSA for the first time in the 2014-15 financial year, received an unqualified audit opinion with findings on compliance with legislation and predetermined objectives compared to unqualified with no findings in the previous year. PRASA's audit outcomes are included in this general report as the annual financial statements were submitted timeously, while their 2013-14 outcomes were excluded from the previous year 'sgeneral report as the audit had not been finalised by 31 August 2014. PRASA received an unqualified audit opinion with findings on compliance with legislation and predetermined objectives, as was the case in the previous year. Transport, CBRTA, RSR, SAMSA and SANRAL remained unchanged as they received an unqualified audit opinion with findings on their APR and/or compliance with legislation. RTMC improved from a qualified audit opinion to an unqualified audit opinion with findings on compliance with legislation. RTMC management honoured their previous year's commitments by improving asset management processes and credibility of the asset register.

The Ports Regulator improved its audit outcomes as it submitted financial statements that were free from material misstatements, resulting in an unqualified audit opinion with no findings on its APR and compliance with legislation. Management honoured their previous year's commitments by improving controls over accounting for revenue and disclosure notes. RAF and SACAA sustained their unqualified audit opinion with no findings by maintaining and monitoring their systems of internal control.

Our audit's main findings are reported in the audit reports and should be addressed to improve the overall audit outcomes. These are as follows:

Financial statements

The published financial statements in the portfolio included the following material misstatements:

- The financial statements submitted for auditing by Transport, ACSA, DLCA, PRASA, RSR, RTIA, RTMC, SAMSA and SANRAL contained material misstatements in the areas of assets, revenue, expenditure and certain disclosure notes. All these entities received an unqualified audit opinion only because they corrected all the misstatements we had identified during the auditing process.

The following controls should be strengthened to create a control environment that supports reliable financial reporting:

- Staff involved in financial reporting should be trained on the financial reporting framework and the review process should be enhanced to detect and correct errors prior to submitting financial statements for audit.
- Proper record keeping should be implemented for the collection and consolidation of information supporting disclosure notes which are only finalised at year-end.
- Key commitments made to implement the AGSA's recommendations to address the root causes should be promptly implemented.
- Vacancies in key positions should be filled timeously with competent personnel.

Annual performance report

The published APR of Transport, SAMSA and ACSA included information on their performance against predetermined objectives that was not useful and/or reliable for the following programmes and objectives we had selected to audit:

Auditee	Programme/objective	Not useful	Not reliable
Transport	Road transport		x
SAMSA	Maritime safety		x
	Maritime security		x
ACSA	Entrench and deepen partner relationship	x	
	Enhance returns (Identify and secure new business)	x	x
	Good governance	x	
	Continually re-engineer and align business operations and processes		x
	Inclusive infrastructure capacity planning and development	x	

The APRs submitted for auditing by PRASA and SANRAL contained material misstatements. They avoided material findings in their audit reports only because they corrected all the misstatements we had identified during the auditing process.

The following controls should be strengthened to create a control environment that supports useful and reliable reporting on the performance of the portfolio:

- Staff involved in the preparation of APRs should be trained on the FMPPI.
- Proper record keeping of evidence to support the achievement/ non-achievement of targets.
- Quality reviews should be performed in a timely manner prior to submission of such reports for audit.

Compliance with legislation

We identified material non-compliance (excluding non-compliance with PFMA due to the submission of financial statements that contained material misstatements) with legislation by Transport, ACSA, CBRTA, PRASA, RTIA, RTMC, SAMSA and SANRAL in the following areas:

- Transport did not fill funded vacant posts within 12 months, which is in contravention of public service regulation 1/VII/C.1A.2. The overall vacancy rate for the department was 22%. A five-year strategic plan that covers the current financial year (2014-15) was not prepared as required by treasury regulation 5.1.1.
- ACSA did not always follow competitive bidding processes. Some invitations for competitive bidding were not advertised for a minimum period as prescribed by the SCM policy. Certain contracts were awarded to and quotations were accepted from suppliers whose tax matters had not been declared by the South Africa Revenue Services to be in order. The corporate plan does not cover the affairs of the subsidiaries, as required by section 52(b) of the PFMA and National Treasury practice note 4 of 2009-10.
- PRASA did not notify the National Treasury of an award of an unsolicited bid proposal as required by National Treasury practice note 11 of 2008-09.
- PRASA did not consistently apply its discretion to disqualify bidders based on conflict of interest, as required by section 51(1)(a)(iii) of the PFMA, in awarding a contract relating to the Broad-Based Black Economic Empowerment (BBBEE) equity partners to the fleet renewal programme (new rolling stock). The attendance register for the adjudication committee for the invitation to participate (ITP) and supplementary ITP process in respect of the BBBEE tender for rolling stock could not be provided; consequently we were unable to confirm receipt of all appointment letters.
- RTIA and RTMC procured goods and services with a transaction value above R500 000 without inviting competitive bids. The procurement of goods and services was split into parts or items of a lesser value to circumvent competitive bidding, resulting in non-compliance with practice note 8 of 2007-08.
- SAMSA did not comply with treasury regulation 27.2, which led to ineffective functioning of the internal audit function. This resulted in the internal audit unit not having the required three-year rolling and annual audit plan; not evaluating reliability and integrity of financial, operational information and compliance with laws and regulations; and not submitting reports directly to the audit committee. Internal audit did not report directly to the accounting authority.
- SAMSA did not comply with treasury regulation 27.1, which led to ineffective functioning of the audit committee, resulting in the audit committee not reviewing the effectiveness of the internal audit unit and the adequacy, reliability and accuracy of the financial information; and not reviewing the entity's compliance with legal and regulatory provisions. Furthermore, the audit committee did not meet at least twice a year, as required by section 77(b) of the PFMA.
- SANRAL procured goods and services with a transaction value below R500 000 without obtaining the required price quotations. Invitations for

competitive bidding were not always advertised in at least the government tender bulletin, as required by the Treasury Regulations, and the CIDB website for construction contracts, as required by CIDB requirements. Contracts were awarded to bidders based on preferential procurement points that were not calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act (PPPFA) and its regulations. Bidders did not submit valid B-BBEE status level verification certificates or certified copies thereof.

- RTIA and SANRAL awarded contracts to bidders who had not disclosed past supply chain practices, as prescribed in order to comply with treasury regulation 16A9.2.
- Transport, CBRTA, SAMSA, PRASA, ACSA and SANRAL did not take effective and appropriate steps to prevent irregular expenditure. Transport, SAMSA, PRASA and ACSA did not take effective and appropriate steps to prevent fruitless and wasteful expenditure. Transport did not take effective and appropriate steps to prevent unauthorised expenditure. Furthermore, SAMSA did not take effective and appropriate disciplinary action against officials who incurred and/or permitted irregular, fruitless and wasteful expenditure.

The transport portfolio incurred a total of R2,4 billion (95%) in irregular expenditure as a result of non-compliance with SCM. R1,6 billion of the total irregular expenditure was incurred by SANRAL and this expenditure by SANRAL increased by 4% compared to the previous year. Ninety-two per cent (92%) of the irregular expenditure was identified by SANRAL while the remainder was identified through the audit process. SANRAL should exercise oversight of contract management to ensure compliance with the PPPFA and its regulations.

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- Stricter monitoring controls and training of staff on the SCM practice notes and regulations.
- Review and monitoring of compliance with applicable legislation to ensure adherence to procurement processes.
- Implement consequence management for staff members who fail to comply with applicable legislation.

Root causes

The accounting officer and accounting authorities should address the root causes of poor audit outcomes and inadequate controls as follows:

- Ensure that key officials involved in the preparation of the financial statements and performance reports receive adequate training on the relevant applicable legislation and standards.
- Auditees within the portfolio should expedite the implementation of the IT governance framework and IT controls, such as the development of policies and procedures, which will ensure improvement of the IT control environment.
- Ensure that vacancies in key positions are filled with appropriately skilled and competent people in a timely manner to address instability in leadership.
- Monitor implementation of key commitments made by management to address the identified root causes in a timely manner to prevent a recurrence of matters that gave rise to unfavourable audit outcomes.

Impact of key role players on audit outcomes

The first level of assurance should be improved further by management taking immediate action to address specific findings and recommendations. The second level of assurance should be improved by ensuring stability in senior management and more stringent oversight of consequence management.

We met with the minister twice in the past year and these interactions had minimal impact given the regression in audit outcomes. The key commitments made by the minister in the previous year are still in progress, while responses to ensure that the audit outcomes of the portfolio are improving are slow. This assessment, the lack of impact of the minister on the controls of the auditees, as well as the status and impact of the commitments, contributed to the assessed assurance provided by the minister.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

- Monitoring of contract management at all entities in the portfolio.
- Monitoring of vacancy management in the portfolio to ensure that all key posts are filled timeously with appropriately skilled and competent people.
- Enhance performance and consequence management.

Risks related to financial health, service delivery and information technology

Financial health and service delivery

Transport has to date incurred unauthorised expenditure of R2,4 billion. Of this amount R1,2 billion relates to expenditure on bus subsidies incurred in the 2008-09 and 2009-10 financial years, while the balance relates to payments made on a contract extended from 1 May 2010 which was not included in the department's budget. A decision is still to be made as to whether the expenditure will be condoned with or without funding. If this expenditure is condoned without funding, the department will need to institute cost-saving measures to fund the expenditure. The implementation of the cost-saving measures in future years could compromise service delivery.

The accounting officer and accounting authorities should address the following matters, which could affect the financial health of the portfolio:

- Monitoring of the turnaround strategies of CBTRA, SANRAL, SAMSA, RAF and PRASA to improve their asset and liability management and cash management.

Information technology management as a specific cause of audit outcomes

Key outcomes

Overall assessment of the IT environment in the portfolio reflects a regression in the areas of IT governance, security management, user access management and IT service continuity, which could compromise the confidentiality, integrity and availability of financial information.

Entities included in the portfolio, but not audited by the Auditor-General of South Africa

We did not audit the following entity included in the portfolio of the minister:

- *Air Traffic Navigation Services (ATNS)*

The overall audit outcome of this entity has remained the same as in the previous year, namely an unqualified audit opinion with no findings on predetermined objectives and compliance with laws and legislation.

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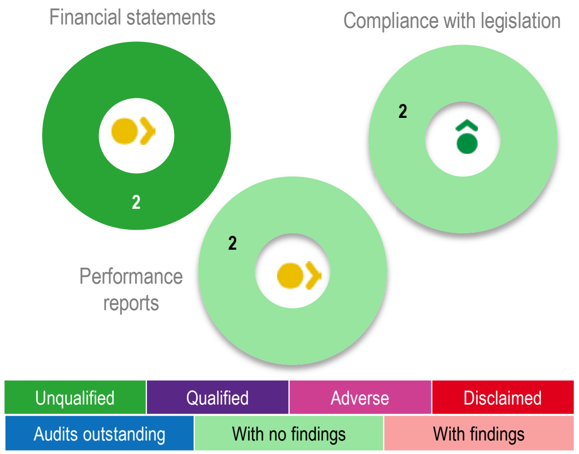
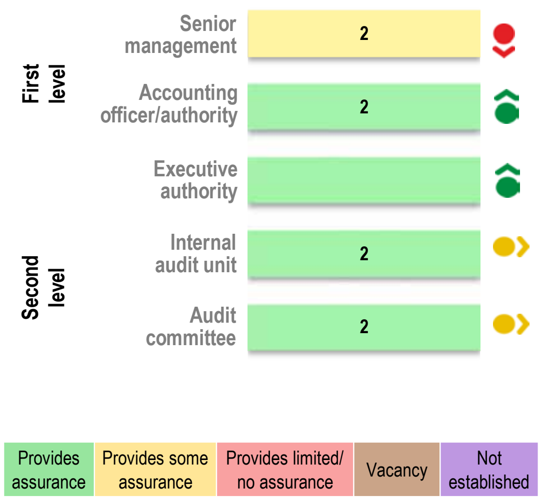
Vote 39: Planning, monitoring and evaluation

Overall improvement in audit outcomes

Outcomes per audit area



Assurance levels



Key controls

Audit areas

	Financial statements			Performance reports			Compliance with legislation		
	🟩	🟨	🟥	🟩	🟨	🟥	🟩	🟨	🟥
Effective leadership	2	0	0	2	0	0	2	0	0
Human resource controls	2	0	0	2	0	0	1	1	0
ICT governance and controls	0	1	1	1	1	0	1	1	0
Audit action plans	2	0	0	1	1	0	2	0	0
Proper record keeping	1	1	0	0	2	0	1	1	0
Daily and monthly controls	1	1	0	0	2	0	2	0	0
Review and monitor compliance	2	0	0	2	0	0	1	1	0

🟩 Good 🟨 Concerning 🟥 Intervention required

1 To improve/maintain the **audit outcomes** …

2 … the key role players need to **assure** that …

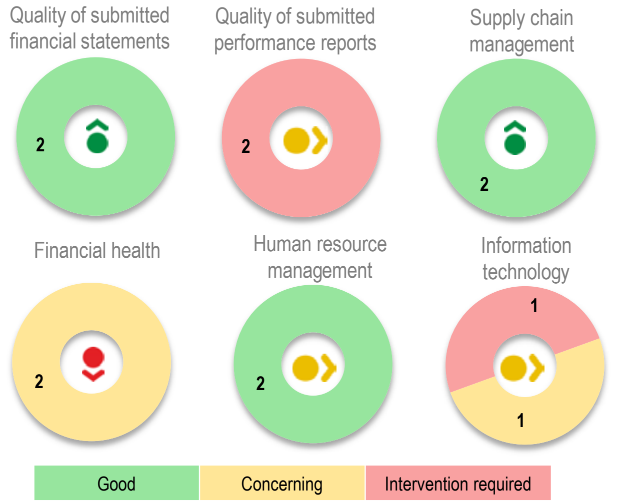
3 … attention is given to the **key controls** and …

… the **risk areas** and that … 4

… the **root causes** are addressed … 5

… and the **commitments** are honoured. 6

Risk areas



Best practices

Effective oversight by the leadership and those charged with governance to ensure clean administration.

A best practice at 2 auditees

Prepare quarterly financial and performance reports and take corrective action, where required. In so doing, strengthen the discipline of financial and performance reporting towards clean administration.

A best practice at 2 auditees

● Improved ● Unchanged ● Regressed

Status of key commitments by minister

Sustain clean audit outcome in the portfolio by training and continued focus on the implementation of controls over financial and performance reporting and compliance with legislation.

Request department and entity to do frequent financial and performance reporting to assist with proper governance and to ensure clean administration.

Improve quarterly and annual controls to ensure accurate and complete performance reporting.

Not implemented | In progress | Implemented | New

Auditees included in the portfolio

- *The Department of Planning, Monitoring and Evaluation (DPME)*
- *National Youth Development Agency (NYDA)*

The total budgeted expenditure for the department for the 2014-15 financial year was R734 million. The main areas of budgeted expenditure were transfer payments of R410 million, goods and services of R158 million and compensation of employees of R157 million.

Overall audit outcome

There was an improvement in the audit outcomes within the portfolio, as the NYDA progressed to a clean audit outcome, while DPME maintained its clean audit outcome status.

The controls that must be maintained to sustain the overall audit outcomes are as follows:

Financial statements

We commend the DPME and NYDA for submitting financial statements that were free from material misstatements. The following controls must be maintained to ensure the sustainability of the clean audit outcomes:

- Prepare regular, accurate and complete financial statements that are supported by reliable information.
- The leadership, internal audit should continue reviewing financial reporting processes, and the audit committees should continue to exercise sufficient oversight of these processes.

Annual performance report

The DPME and NYDA submitted APRs for auditing that contained material misstatements. They avoided material findings in their audit reports only because they corrected all the misstatements which we identified during the auditing process.

The following controls should be strengthened to create control environments that will eliminate the risk of repeat material misstatements in the performance reports:

- Improve record keeping processes to ensure that complete, relevant and accurate information is readily accessible to support actual performance reported.
- Management and internal audit units should enhance their review processes of the reported achievements against adequate source documents, to ensure that actual reported performance is adequately supported.

Compliance with legislation

We commend the DPME and NYDA for observing, and complying with, key legislation as no material non-compliance was reported. The following controls should be maintained to ensure the sustainability in the current control environments that supports compliance with legislation:

- Continue to maintain mechanisms which identify applicable legislation as well as changes thereto. Sustain the implementation of processes that ensure proper monitoring of compliance with legislation.

Best practices

The accounting authority, accounting officers and chief financial officers should maintain the following controls in the portfolio as follows:

- Effective oversight by leadership and those charged with governance to ensure clean administration.
- Prepare quarterly financial and performance reports and take corrective action where required. This will strengthen the discipline of financial and performance reporting in maintaining the clean administration.

Impact of key role players on audit outcomes

The first and second levels of assurance should be improved by:

- providing effective leadership and exercise oversight over performance reporting
- ensuring that action plans to address remaining internal control deficiencies, are properly implemented.
- supporting the internal audit unit and audit committee by ensuring that all reports issued by these functions are adequately responded to.

We met with the deputy minister three times in the past year and these interactions had a significant impact, as the NYDA received a clean audit outcome for the first time. These interactions also contributed to the sustained audit outcome for the DPME.

The oversight over DPME and NYDA is provided by the Portfolio Committee of Public Service and Administration. Going forward we will agree with the committee on specific commitments that will be tracked and used as a basis for the assessment on assurance provided.

Risks to financial health and information technology

Financial health

The main concern on financial health was the slow recovery of the NYDA's loan book and we recommend that the NYDA review its debt recovery strategy to ensure speedy recovery of the remaining loan book.

Information technology management as a specific cause of audit outcomes

The NYDA had not resolved IT matters as previously reported. This resulted in a majority of repeat IT findings. These related to IT governance, information security and IT service continuity. The NYDA has continuously struggled to implement effective IT governance mechanisms for three consecutive financial years.

The following controls should be strengthened to create a sound IT environment:

- Governance structures should be strengthened to ensure accountability for resolving issues arising from previous year's reports.
- The IT unit and other business units should work together to ensure that the IT risk assessment is part of the enterprise-wide risk management process.
- The process to improve policies should be shortened to improve efficient implementation thereof.

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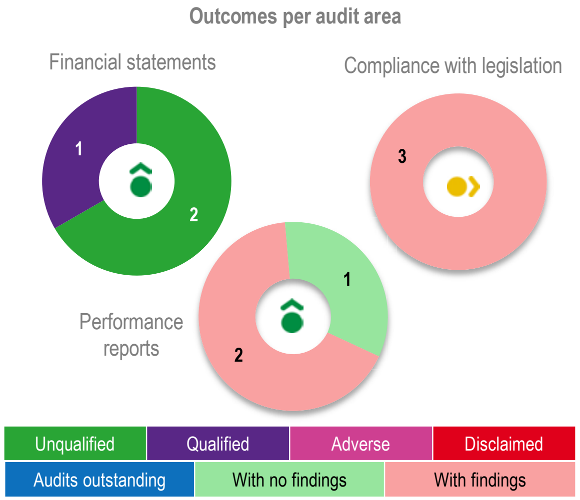
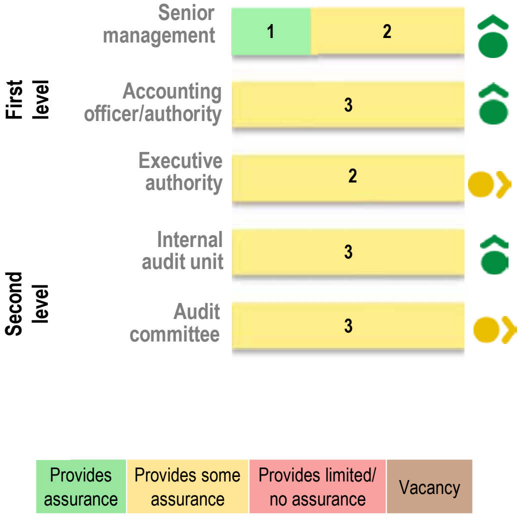
Vote 42: Water and sanitation

Overall improvement in audit outcomes



Assurance levels



Key controls

	Audit areas								
	Financial statements			Performance reports			Compliance with legislation		
	🟩	🟨	🟥	🟩	🟨	🟥	🟩	🟨	🟥
Effective leadership	1	2	0	2	1	0	1	2	0
Human resources controls	1	2	0	1	2	0	0	3	0
ICT governance and controls	0	3	0	0	3	0	0	3	0
Audit action plans	1	2	0	1	2	0	0	3	0
Proper record keeping	0	1	2	1	0	2	0	3	0
Daily and monthly controls	0	2	1	1	0	2	0	3	0
Review and monitor compliance	0	3	0	1	2	0	0	1	2

🟩 Good 🟨 Concerning 🟥 Intervention required

1 To improve the **audit outcomes** …

2 … the key role players need to **assure** that …

3 … attention is given to the **key controls** and …

… the **risk areas** and that … 4

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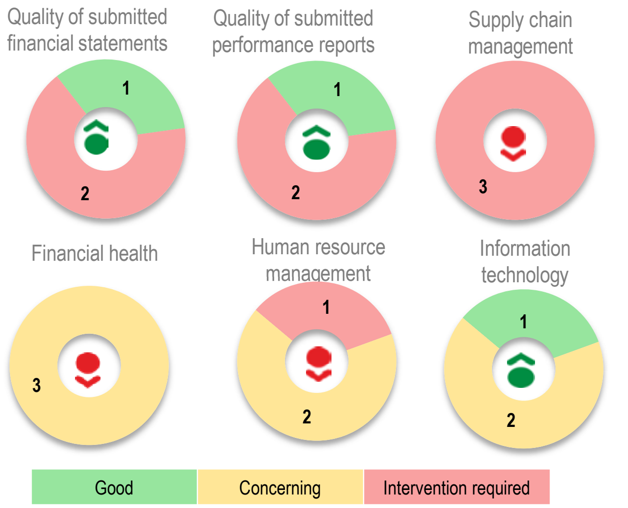
… and the **commitments** are honoured. 6

Risk areas



Root causes

Lack of consequence for poor performance and transgression

A root cause at 🟢 2 auditees

Instability or vacancies key positions

A root cause at 🟡 2 auditees

Slow response by senior management in addressing the cause of audit outcomes

A root cause at 🟡 2 auditees

🟢 Improved 🟡 Unchanged 🔴 Regressed

Status of key commitments by minister

🟨 To establish a structure for the department that incorporates the sanitation function.

🟨 The focus risk assessment will be discussed by top management and monitored by audit committee.

🟩 To provide a Business Process Re-Engineering Committee (BPRC) implementation plan with milestones to the Portfolio Committee.

🟩 The monitoring of new WTE chief financial officer is ongoing.

🟥 The minister requested a joint team between DWS, AGSA and National Treasury to work proactively towards addressing issues of concern so that there is a common understanding of issues before reporting time.

🟥 Not implemented 🟨 In progress 🟩 Implemented

Auditees included in the portfolio

- *Department of Water and Sanitation (DWS)*
- *Water Research Commission (WRC)*
- *Water Trading Entity (WTE)*

The DWS's total budgeted expenditure for the 2014-15 financial year was R13,6 billion. The main areas of expenditure were transfer payments of R4,6 billion, capital expenditure of R6 billion, goods and services of R1,7 billion and employee cost of R1,3 billion.

Overall audit outcome

The improvement in the overall audit outcome was caused by the auditees' ability to address their qualification areas: trade and other receivables at the WRC and revenue from exchange transactions and accounts receivable at the WTE.

Our main audit findings are reported in the audit reports and should be addressed to improve the overall audit outcome. These are as follows:

- At the DWS, the material misstatements that we identified in the financial statements were not adequately corrected and supporting records could not be provided. This resulted in the financial statements receiving a qualified opinion on grant-related commitments and accruals.
- There were instances of material non-compliance in key legislation, mainly relating to expenditure management, and procurement and contract management, at all entities.

Financial statements

The DWS's published financial statements included the following material misstatements:

- The department did not have adequate systems to maintain records of infrastructure projects where the procurement of goods and services had been approved or contracted, but where no delivery had taken place at year-end. This resulted in infrastructure project commitments being misstated.
- The system of controls were inadequate for grant projects to maintain records of goods and services received but not yet paid for at the end of the financial year. There were no satisfactory audit procedures to obtain reasonable assurance that all outstanding invoices had been included in accruals.

The DWS and the WRC submitted financial statements for auditing that contained material misstatements in the areas of commitments, accruals, irregular expenditure, immovable tangible assets and contingent liabilities. The WRC received an unqualified audit opinion only because they corrected all the misstatements identified during the audit process. DWS could not make the corrections because the misstatements related to the previous year's qualification areas that were not corrected. However, the department was only ready for this audit during the final audit period and consequently did not have enough time to revisit all the misstated items.

The following controls should be strengthened to create a control environment that supports reliable financial reporting:

- The different levels of assurance providers should regularly and adequately review the annual financial statements.
- Skilled key staff should be appointed in critical financial posts.
- A checklist should be designed to ensure the review and monitoring of compliance with applicable legislation.

Annual performance report

The published APR of the DWS and the WTE included information on their performance against predetermined objectives that was not useful and reliable for the following programmes we had selected to audit:

Auditee	Programme	Not useful	Not reliable
DWS	Programme 4: Regional implementation and support	X	X
	Programme 5: Water sector regulation	X	X
WTE	Programme 3: Water infrastructure management	X	X
	Programme 4: Regional implementation and support		X

The following controls should be strengthened to create a control environment that supports useful and reliable reporting on the performance of the portfolio:

- The targets set should be independently examined against the SMART criteria to ensure that they express the specific nature and level of performance the department aims to achieve within the predetermined period.
- The indicators should be well-defined using technical indicator descriptions to ensure that they have clear, unambiguous definitions and that data can be collected consistently and is easy to understand.
- Communication between the head office and regional offices should be improved to ensure consistency and a common understanding of the performance information reported.

- Proper records should be kept to support the actual achievements reported.
- Senior staff should regularly review and monitor the daily and monthly processing of information to ensure that performance information is credible.

Compliance with legislation

We identified material non-compliance with legislation by the DWS, the WRC and the WTE in the following areas:

- The accounting officer did not ensure that the department maintained an effective, efficient and transparent system of internal control regarding performance management. Such a system would describe and represent the department's processes of organising and managing performance planning, monitoring, measurement, review and reporting.
- The WTE and the WRC did not always follow competitive bidding processes or did not request three quotations as prescribed. The DWS did not apply the preferential procurement points system in awarding contracts.
- The DWS, the WTE and the WRC did not take reasonable steps to prevent irregular as well as fruitless and wasteful expenditure. The DWS incurred irregular expenditure of R87 million (R77,6 million relates to one specific contract), the WRC R3,2 million and the WTE R2,9 million. The DWS and the WTE incurred fruitless and wasteful expenditure of R1,5 million.
- The verification process for new appointments did not cover criminal record checks, citizenship verifications, financial record checks, qualification verifications and reference checks.
- The DWS, WRC and WTE management did not take effective and appropriate disciplinary steps against officials who had incurred or permitted irregular expenditure in the previous year.
- The DWS management had not implemented proper control systems for maintaining the asset register and for safeguarding assets.

The SCM risk was significant as all entities had findings on compliance with SCM legislation, which resulted in irregular expenditure.

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- Senior officials should be held accountable for non-compliance with legislation by following consequence management processes.
- Staff should be trained on the applicable legislation and be made aware of the consequences of non-compliance.
- Vacancies should be filled, especially in critical positions such as director of SCM at the DWS and chief financial officer at the WRC.
- Continuous monitoring and improvement of business processes should be implemented through regular workshops.

Root causes

The minister, accounting officer and senior management should address the root causes of poor audit outcomes and inadequate controls as follows:

- Proper record keeping should be implemented to ensure that the annual financial statements are supported by complete and proper records.
- Senior personnel should regularly review and monitor daily and monthly transaction processing to ensure compliance with applicable policies and procedures.
- All critical positions must be filled.
- The audit committee should engage with the internal audit unit and strengthen action plans to ensure that financial reporting and related controls prevent misstatements.
- The finance directorate should hold regular discussions and workshops on the interpretation and application of accounting standards.
- Training should be provided to all officials on the application and interpretation of legislation and the consequences of non-compliance.

Impact of key role players on audit outcomes

The first and second levels of assurance should be improved to move towards clean audit outcomes. Although we noted improvements in internal controls, certain weaknesses still need to be addressed. The accounting officer, accounting authority and senior management should ensure that financial statements and performance reports are properly reviewed and are credible before submission for auditing. Compliance with laws and regulations should be continuously monitored. The accounting officer should take appropriate action against poor performance and transgressions by staff.

During the past year we met with the minister two times, with the portfolio committee six times, with the director general three times and with the audit committee four times. These interactions had some impact on the audit outcomes. Our assessment is primarily a result of the overall improvement in audit outcomes. This assessment, the lack of positive impact of the minister on the controls of the auditees as well as the status and impact of the commitments contributed to the assessed assurance provided by the minister.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR and the review of the annual performance plan. The new portfolio committee made a commitment to monitor focus areas and risk assessments at the DWS, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

Risks to financial health and information technology

The accounting officer and senior management should address the following matters, which could affect financial health and IT in the portfolio:

Financial health

There were no material findings on grants management, but the department underspent the vote by 15% (R2 billion), which poses a risk to service delivery commitments.

Information technology

The WRC was subjected to an assessment of internal controls using questionnaires, which yielded good results on the design of controls. We identified control weaknesses relating mostly to the design and implementation of IT controls within the portfolio.

The auditees were also vulnerable to attacks from external sources as they did not have adequate firewall configurations, security settings and a comprehensive disaster recovery plan. Furthermore, the IT governance framework had not been implemented fully at all the auditees, while user access rights and administrator activities were not reviewed regularly.

Adequate progress had not been made in addressing previous findings, as risks remained in most of the focus areas.

Entities included in the portfolio but not audited by the Auditor-General of South Africa

We did not audit the following entities included in the water and sanitation portfolio:

- ■ *Breede-Gouritz Catchment Management Agency (BGCMA)*
- ■ *Inkomati-Usuthu Catchment Management Agency (IUCA)*
- ■ *Trans-Caledon Tunnel Authority (TCTA)*

The overall audit outcomes of these entities remained the same as in the previous year:

- All three entities (100%) received an unqualified opinion.
- One auditee (33%) had no material findings on compliance with legislation. TCTA had material compliance findings on irregular expenditure and the audit committee and BGCMA had material compliance finding on annual financial statements.

Vote 43: Women

Stagnation in audit outcomes

Audit area	Audit outcome	
Financial statements (F)	🟩 Unqualified	🟡→
Performance reports (P)	🟥 Material findings	🔴↓
Compliance with legislation (C)	🟥 Material findings	🟡→

Assurance levels

First level	Senior management	🟨 *Provides some assurance*	🟡→
	Accounting officer	🟨 *Provides some assurance*	🟡→
	Executive authority	🟨 *Provides some assurance*	🔴↓
Second level	Internal audit unit	🟥 *Provides limited/no assurance*	🔴↓
	Audit committee	🟨 *Provides some assurance*	🔴↓

Key controls

	Audit area F	P	C
Effective leadership	🟩	🟩	🟩
Human resource controls	🟥	🟩	🟥
ICT governance and controls	🟨	🟨	🟨
Action plans	🟥	🟨	🟥
Proper record keeping	🟩	🟩	🟩
Daily and monthly controls	🟨	🟨	🟨
Review and monitor compliance	🟨	🟥	🟥

F = Financial P = Performance C = Compliance

🟩 Good 🟨 Concerning 🟥 Intervention required

1 To improve the **audit outcomes** …

2 … the key role players need to **assure** that …

3 … attention is given to the **key controls** and …

… the **risk areas** and that … 4

… the **root causes** are addressed … 5

… and the **commitments** are honoured. 6

Risk areas

🟥 **Quality of submitted financial statements** 🟡→	🟥 **Quality of submitted performance reports** 🔴↓	🟨 **Supply chain management** 🟢↑
🟩 **Financial health** 🟡→	🟥 **Human resource management** 🔴↓	🟨 **Information technology** 🟡→

🟩 Good 🟨 Concerning 🟥 Intervention required

Root causes

Slow responses by the accounting officer and senior management to address previous year's findings	🟡→
Vacancies in key positions	🔴↓

Status of key commitments by minister

The minister committed to create capacity in key areas such as finance, human resources, internal audit and information technology.	🟥
The focus would also be on performance management to ensure that frequent assessments are undertaken.	🟥
The minister should have regular interactions with the audit committee.	🟨

🟥 Not implemented 🟨 In progress 🟩 Implemented 🟦 New

Auditees included in the portfolio

- *Department of Women (DoW)*

The total budgeted expenditure of the department for the 2014-15 financial year was R185 million. The main areas of expenditure were transfer payments of R69 million (inclusive of amount transferred to the Commison for Gender Equality), employee cost of R64 million and goods and services of R48 million.

Overall audit outcome

The stagnation in the overall audit outcome was caused by senior management not addressing past material findings on compliance with legislation. During the 2014-15 financial year, functions related to support for people with disabilities and children were transferred to the Department of Social Development. This was announced by the President on 25 May 2014 resulting in the Ministry of Women, Children and People with Disabilities now being the Ministry of Women, which is located in the Presidency.

The main findings from our audit, as reported in the audit report, which should be addressed to improve the overall audit outcome, are as follows:

Financial statements

The department submitted financial statements for auditing that contained material misstatements in the areas of the appropriation statement, current assets, current liabilities and disclosure items. The department received an unqualified audit opinion only because it corrected all the misstatements which we identified during the auditing process.

The following control should be strengthened to create a control environment that supports reliable financial reporting:

- Senior management should be more involved in establishing proper review systems to facilitate the preparation of reliable, accurate and complete financial statements before submission for auditing.

Annual performance report

The published APR of the DoW included information on its performance against predetermined objectives that was not useful for the following programme we had selected to audit:

Auditee	Programme	Not useful	Not reliable
Department of Women	Programme 2: Social, political economic participation and empowerment	x	

The following controls should be strengthened to create a control environment that supports useful and reliable reporting on the performance of the auditee:

- Management should ensure that planned targets and indicators are measurable.
- The department should employ sufficiently skilled officials who possess the required competencies to prepare annual performance plans that are useful.

Compliance with legislation

We identified material non-compliance with legislation by the department in the following areas:

- Employees were appointed without verifying the claims made in their applications.
- Not all senior managers signed performance agreements for the year under review.
- The DoW's internal audit unit did not always submit a quarterly report to the audit committee detailing the performance against the annual internal audit plan.
- The DoW's internal audit unit did not assess the operational procedure over all transfers made, nor did the internal audit unit evaluate the effectiveness and efficiency of these controls.
- The DOW's internal audit unit did not evaluate all compliance with legislation that was applicable to the department.

The department incurred R2,9 million of irregular expenditure which represented a decrease of 15% from the previous year. The irregular expenditure that was incurred was as a result of non-compliance with SCM prescripts.

The following controls should be strengthened to create a control environment that supports compliance with legislation:

- The accounting officer and senior management must enhance monitoring and review processes to prevent non-compliance with SCM legislation.
- Functions and duties of an adequately capacitated internal audit function must be properly monitored to ensure that it covers all the key areas in line with its approved plan.

Root causes

The accounting officer, senior management and those charged with governance should address the root causes of poor audit outcomes and inadequate controls as follows:

- Enhanced oversight by the accounting officer and senior management to facilitate the preparation and review of the annual financial statements before submission for auditing. This will ensure reliable, accurate and complete financial statements. Monitoring and review of compliance with legislation should be improved, with focus on the prevention of irregular expenditure and compliance with the Public service regulations.
- Consequence management must be enforced and action taken against transgressors.
- Vacancies in key positions should be filled.
- There should be an adequately resourced and functioning internal audit unit that identifies and recommends corrective action effectively.

Impact of key role players on audit outcomes

The first and second levels of assurance should be improved by implementing the recommendations of the external audit unit.

We met with the executive authority once in the year under review and this interaction had no impact on the audit outcomes. The status of the key control assessment remained largely unchanged and non-compliance matters continue to be reported. This assessment, the lack of impact of the minister on the internal controls of the auditees as well as the status and impact of the commitments contributed to the assessed assurance provided by the minister.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

Risks to information technology

Information technology management as a specific cause of audit outcomes

The overall status of IT controls at the department remained the same as that of the previous financial year. The department has however, made headways in the implementation of key IT governance controls relating to service level agreements with service providers at the end of the financial year. The department further maintained adequate user access and IT service continuity controls during the year under review, but experienced challenges with the implementation of security management controls relating to the firewall.

The department must empower its IT staff with necessary skills to enable them to implement adequate IT internal controls.

The following control should be strengthened to create a sound IT environment that supports the mandate of the department:

- IT controls should be prioritised by ensuring that action plans to address audit findings are timeously developed and tracked.

Constitutional institutions

■ *Commission for Gender Equality (CGE)*

The Commission for Gender Equality (CGE) is included in the portfolio but not under the authority of the minister.

Overall audit outcome

The lack of improvement in the overall audit outcome was caused by the CGE not addressing past material findings on compliance with legislation.

The main findings from our audit, as reported in the audit report, which should be addressed to improve the overall audit outcome, are as follows:

Compliance with legislation

We identified material non-compliance with legislation by the CGE in the following areas:

- The CGE did not always procure goods and services with a transaction value of above R500 000 by inviting competitive bids and did not always advertise invitations for competitive bidding in the government tender bulletin.

- Effective steps to prevent irregular expenditure were not taken by the CGE.

Non-compliance with SCM prescripts remained a risk and resulted in key reported non-compliance matters in the audit report and in irregular expenditure. The amount, however, decreased from R1,8 million in 2013-14 to R1 million in 2014-15.

The following control should be strengthened to create a control environment that supports compliance with legislation:

- Implementation of appropriate compliance checklists and ongoing monitoring by senior management and the accounting officer to ensure compliance with all applicable legislation. The focus should be on the prevention of irregular expenditure.

Root causes

The accounting officer, senior management and those charged with governance should address the root causes of poor audit outcomes and inadequate controls as follows:

- Timely development, implementation and monitoring of action plans to address internal and external audit findings and root causes.
- Develop and implement compliance checklists which can be monitored by senior management and the accounting officer to ensure compliance with all applicable legislation.
- Management should implement consequence management and action should be taken against transgressors.

Impact of key role players on audit outcomes

The first and second levels of assurance should be improved by implementing the recommendations of the internal and external auditors.

We met with the executive authority three times in the year under review and these interactions had no impact on the audit outcome. The status of the key control assessment remained largely unchanged and the non-compliance matters continue to be reported.

The assurance provided by the portfolio committee was not assessed in the 2014-15 financial year as the 5th Parliament, which included many new members, was in its first year of oversight. The portfolio committee nevertheless focused on predetermined objectives and engaged with the AGSA to understand the key controls, specifically in areas of oversight requiring their attention. The AGSA also assisted the committee to understand the audit process by holding a capacity-building session and structured engagements throughout the year. The assistance included providing the committee with a BRRR and the review of the annual performance plan. We will also agree on specific commitments with the committee, which will be tracked and used as a basis for the assessment on their assurance in the next financial year.

Risks to information technology

Information technology management as a specific cause of audit outcomes

The overall status of IT controls at the CGE regressed in the year under review. The CGE experienced challenges in designing adequate user access and IT service controls as administrator accounts on the network were shared, while the backup and disaster recovery processes were not in place. This was due to inadequate skills required to design and implement adequate IT controls.

The CGE should empower its staff with the necessary skills to enable them to develop and implement adequate IT controls in order to address the IT audit outcomes.

ANNEXURES

Annexure 1: *Auditees' audit outcomes, area qualified, findings on predetermined objectives, compliance, specific focus areas and unauthorised, irregular, as well as fruitless and wasteful expenditure*

Number	Auditee	2014-15 audit outcomes			2013-14 audit outcomes			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
		Audit opinion	Predetermined objectives	Compliance with legislation	Audit opinion	Predetermined objectives	Compliance with legislation	Non-current assets	Current assets	Liabilities	Capital and reserves	Other disclosure items	Revenue	Expenditure	Unauthorised, irregular, as well as fruitless and wasteful	Aggregate misstatements	Reported information not useful	Reported information not reliable	Information not submitted in time for audit	No annual performance report	Material misstatement or limitations in submitted AFS	Unauthorised, irregular, as well as fruitless and wasteful	Annual financial statements and annual report	Asset management	Liability management	Budgets	Expenditure management	Financial misconduct	Audit committees	Internal audit	Revenue management	Strategic planning and performance management	Transfer and conditional grants	Procurement management	HR management	Other	Quality of submitted performance reports	Supply chain management	Financial Health	Human resource management	Information Technology	Unauthorised expenditure Amount R	Irregular expenditure Amount R	Fruitless and wasteful expenditure Amount R
Sphere of government: National																																												
Portfolio: Agriculture, forestry and fisheries																																												
Department																																												
1	Agriculture, Forestry and Fisheries	🟨	R	R	🟨	R	R										R	R				R							A	R		R	R	A			R	R	F	🟨	🟨	-	3,1m	0,2m
Public entities																																												
2	Agricultural Research Council	🟨		R	🟨		R														R	N					A										A	A	🟩	🟨	🟨	-	0,65m	0,02m
3	Marine Living Resources Fund	🟩		A	🟨	A	R															A												A			A	R	F	🟩	🟨	-	144,9m	0,02m
4	National Agricultural Marketing Council	🟨	R	N	🟨	N	A										R				N																R	A	🟩	🟩	🟨	-	-	-
5	Onderstepoort Biological Products	🟨	R	R	🟨	R	R										R	N												N		R					R		F	🟩	🟥	-	-	0,03m
Public entities (Not audited by the AGSA)																																												
6	Ncera Farms	🟨		R	🟨		R																						R	R														
7	Perishable Products Export Control Board	🟩			🟩																																							
Portfolio: Arts and culture																																												
Department																																												
1	Arts and Culture	🟨	R	R	🟪	R	R					A			A			R			R	R	N	N			N	R						R	R		R	R	🟩	🟨	🟨	-	120,6m	0,33m
Public entities																																												
2	Artscape	🟩			🟩																																N	N	F	🟩	🟩	-	2,4m	-
3	Die Afrikaanse Taalmuseum	🟩	A	A	🟨	N	R											A			A	A								A				A			A	R	🟩	🟩	🟩	-	0,06m	0,003m
4	Ditsong: Museums of South Africa	🟪	R	R	🟪	R	R	R	N						N		R	R			R	R	N	R							R	R		A			R	R	M	🟥	🟥	-	0,82m	0,21m
5	Freedom Park	🟩			🟩																																	N	🟩	🟩	🟨	-	0,4m	0,67m
6	Iziko Museums of Cape Town	🟪		N	🟩		A	N													N																N		F	🟩	🟩	-	-	0,004m
7	KwaZulu-Natal Museum	🟪		N	🟩			N													N																		🟩	🟩	🟩	-	-	-
8	Luthuli Museum	🟨		N	🟩																								N	N							N	A	🟩	🟨	🟨	-	-	-
9	Market Theatre Foundation	🟨		R	🟨		R															R												A				R	🟩	🟩	🟩	-	0,6m	-
10	Msunduzi/Voortrekker Museum	🟪	N	R	🟪		R	R									N				R	R		R					N	N	A			R			N	R	🟩	🟥	🟥	-	1,1m	-

Number	Auditee	2014-15 audit outcomes			2013-14 audit outcomes			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
		Audit opinion	Predetermined objectives	Compliance with legislation	Audit opinion	Predetermined objectives	Compliance with legislation	Non-current assets	Current assets	Liabilities	Capital and reserves	Other disclosure items	Revenue	Expenditure	Unauthorised, irregular, as well as fruitless and wasteful	Aggregate misstatements	Reported information not useful	Reported information not reliable	Information not submitted in time for audit	No annual performance report	Material misstatement or limitations in submitted AFS	Unauthorised, irregular, as well as fruitless and wasteful	Annual financial statements and annual report	Asset management	Liability management	Budgets	Expenditure management	Financial misconduct	Audit committees	Internal audit	Revenue management	Strategic planning and performance management	Transfer and conditional grants	Procurement management	HR management	Other	Quality of submitted performance reports	Supply chain management	Financial Health	Human resource management	Information Technology	Unauthorised expenditure Amount R	Irregular expenditure Amount R	Fruitless and wasteful expenditure Amount R
11	National Arts Council of South Africa	🟩		A	🟪		R		A	A											A	A															🟩	🟩	🟩	-	🟩 1,3m	🟥 0,12m
12	National Film and Video Foundation of South Africa	🟩			🟩																																		🟩	🟨	🟩	-	-	-
13	National Heritage Council of South Africa	🟨	R	R	🟨	R	R										R				A	R		A										R			R	R	F	🟩	🟩	-	🟥 6,5m	🟥 0,95m
14	National Library of South Africa	🟪	R	R	🟪	N	R	R		R					N		R	R			R	R		N		A		N		N		N		N			R	N	M	🟩	🟥	-	🟥 12,9m	🟩 0,06m
15	National Museum	🟩		A	🟨		N														A													A				A	🟩	🟩	🟩	-	🟥 0,56m	🟩 0,01m
16	Nelson Mandela National Museum	🟪	A	R	🟪	R	R	N		A				A	A		A	A			R	R				A		R			A	A		R			R	R	F	🟨	🟨	-	🟥 0,31m	🟥 0,02m
17	Pan South African Language Board	🟥	R	R	🟥	R	R	R		R		R		R	R		R	A		N	R	R	R	R	A		R	R	A	A		A		R		R	R	R	M	🟥	🟨	-	🟩 8,7m	🟩 0,7m
18	Performing Arts Centre of the Free State	⬜			🟨	R	R																																			-	-	-
19	Robben Island Museum, Cape Town	🟩			🟩	A	A																															A	🟩	🟨	🟩	-	🟩 -	🟥 0,46m
20	South Africa Library for the Blind	🟨	A	R	🟨	R	R											A			A			A					A	R		A					A	A	🟩	🟩	🟩	-	-	🟩 -
21	South Africa Heritage Resources Agency	🟨	A	R	🟨	N	R										A				N	A															R	A	F	🟩	🟩	-	🟩 4,3m	🟩 0,18m
22	The South African State Theatre	🟪		R	🟨	A	R	N								N					R	R		R				N	N	N				R				R	🟩	🟥	🟩	-	🟩 16,1m	🟩 0,02m
23	National English Literary Museum	🟪		R	🟪		R	R		A		R			N						R	N		R										N				N	F	🟨	🟨	-	🟥 0,27m	-
24	The Playhouse Company	🟩			🟩																																		F	🟩	🟩	-	-	-
25	War Museum of the Boer Republics	🟩			🟩																																		F	🟩	🟩	-	-	-
26	William Humphreys Art Gallery	🟪	A	R	🟨	R	R	N									A				N	A															A	A	F	🟩	🟩	-	🟩 -	-
27	Windybrow Theatre	🟪	A	R	🟪	R	R					A			R		A				A	R		A					A	R		N		A			A	R	M	🟨	🟥	-	🟩 1,8m	🟩 -
Portfolio: Basic education																																												
Department																																												
1	Basic Education	🟨	R	R	🟨	R	R										N	R			R	N					R			A		A	A	R			R	R	🟩	🟨	🟨	🟥 6,5m	🟩 727,7m	🟥 0,03m
Public entity																																												
2	Education Labour Relations Council	🟨	R	R	🟨	N	R										R				R						N							N			R	N	🟩	🟨	🟨	-	🟥 0,15m	🟥 0,08m
Public entities (Not audited by the AGSA)																																												
3	South African Council of Educators	⬜			🟨	R																																						
4	Umalusi QA on Further Training and Education	🟨	N		🟩												N																				N							

Legend (Audit outcomes)
🟩 Unqualified with no findings
🟨 Unqualified with findings
🟪 Qualified with findings
Adverse with findings
🟥 Disclaimer with findings
⬜ Audit not finalised at legislated date
🟦 New auditee

Legend (Findings)
Addressed (A)
New (N)
Repeat (R)
Not reported (NR)

Financial health findings
🟩 No unfavourable indicators
🟨 Unfavourable indicators
🟥 Material unfavourable indicators

Controls (human resource and information technology management)
🟩 Good
🟨 Concerning
🟥 Intervention required

Legend (expenditure)
🟩 Improved
🟥 Regressed

Number	Auditee	2014-15 audit outcomes			2013-14 audit outcomes			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
		Audit opinion	Predetermined objectives	Compliance with legislation	Audit opinion	Predetermined objectives	Compliance with legislation	Non-current assets	Current assets	Liabilities	Capital and reserves	Other disclosure items	Revenue	Expenditure	Unauthorised, irregular, as well as fruitless and wasteful	Aggregate misstatements	Reported information not useful	Reported information not reliable	Information not submitted in time for audit	No annual performance report	Material misstatement or limitations in submitted AFS	Unauthorised, irregular, as well as fruitless and wasteful	Annual financial statements and annual report	Asset management	Liability management	Budgets	Expenditure management	Financial misconduct	Audit committees	Internal audit	Revenue management	Strategic planning and performance management	Transfer and conditional grants	Procurement management	HR management	Other	Quality of submitted performance reports	Supply chain management	Financial Health	Human resource management	Information Technology	Unauthorised expenditure Amount R	Irregular expenditure Amount R	Fruitles and wasteful expenditure Amount R
Portfolio: Communications																																												
Department																																												
1	Telecommunications and Postal Services	🟨		R	🟨	A	R														R						R								R			A	🟩	🟨	🟨	-	1,2m	0,02m
Public entities																																												
2	National Electronic Media Institute of South African	🟨	A	R	🟨	R	R										A															R					R	R	F	🟨	🟨	-	0,63m	0,001m
3	South African Broadcasting Corporation	🟪	R	R	🟪	R	R	A	A	R		A	R		R		R	R			R	N	A	R			R	R			R	R		R		N	R	R	F	🟨	🟨	-	413,8m	18,8m
4	South African Post Office	⬜			⬜																																							-	-	-
5	Independent Communications Authority of South Africa	🟨	R	R	🟨	N	R										R					R								A				N			R	N	🟩	🟨	🟨	-	30,2m	2,3m
6	Universal Service and Access Agency of South Africa	🟨		R	🟨	A	R														N	A															N	A	🟩	🟩	🟨	-	-	0,37m
7	Universal Service and Access Fund	🟨		N	🟩	A	A														N																R		🟩	🟩	🟨	-	-	-
Public entities (Not audited by the AGSA)																																												
8	Sentech	🟩			🟩																																									
9	Telkom	🟩			🟩																																									
Portfolio: Cooperative governance and traditional affairs																																												
Departments																																												
1	Cooperative Governance	🟨	R	R	🟨	R	R										R	R			R	R					R					A		R	A		R	R	F	🟨	🟨	-	155,4m	-
2	Traditional Affairs	🟨		N	🟦																N	N				N	N			N									🟩	🟨	🟨	2,3m	6,5m	-
Public entities																																												
3	Commission for the Promotion and Protection of the Rights of Cultural Religious and Linguistic Communities	🟨	A	R	🟨	R	R										A				R			A			A							A			A	A	🟩	🟨	🟨	-	-	-
4	Municipal Demarcation Board	🟨		R	🟨		R														N	N					R							R				R	🟩	🟥	🟨	-	3,1m	-
5	Municipal Infrastructure Support Agency	🟨	R	R	🟨	N	N										R	R			R	R					R	N		A		R		R	N		R	R	F	🟥	🟨	6,7m	73,2m	0,51m
6	South African Local Government Association	🟩			🟩																																	N	🟩	🟩	🟩	-	-	0,002m
Portfolio: Correctional services																																												
Department																																												
1	Correctional Services	🟪	R	R	🟪	R	R	A				N					R	R			R	A	A	A			R		R	R	R	R		R	R		R	R	F	🟥	🟨	-	164,0m	27,7m

Number	Auditee	2014-15 audit outcomes			2013-14 audit outcomes			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
		Audit opinion	Predetermined objectives	Compliance with legislation	Audit opinion	Predetermined objectives	Compliance with legislation	Non-current assets	Current assets	Liabilities	Capital and reserves	Other disclosure items	Revenue	Expenditure	Unauthorised, irregular, as well as fruitless and wasteful	Aggregate misstatements	Reported information not useful	Reported information not reliable	Information not submitted in time for audit	No annual performance report	Material misstatement or limitations in submitted AFS	Unauthorised, irregular, as well as fruitless and wasteful	Annual financial statements and annual report	Asset management	Liability management	Budgets	Expenditure management	Financial misconduct	Audit committees	Internal audit	Revenue management	Strategic planning and performance management	Transfer and conditional grants	Procurement management	HR management	Other	Quality of submitted performance reports	Supply chain management	Financial Health	Human resource management	Information Technology	Unauthorised expenditure Amount R	Irregular expenditure Amount R	Fruitless and wasteful expenditure Amount R
Portfolio: Defence and military veterans																																												
Departments																																												
1	Defence	🟨		R	🟪	A	R	A													R	R							A	A							R		🟩	🟨	🟨	-	558,8m	0,06m
2	Military Veterans	🟪	R	R	🟥	N	N	R		A				R	A	A	R	R			R	R	A	R		N	R	N		N		R	N	R	R		R	R	F	🟨	🟨	-	29,0m	0,8m
Public entities																																												
3	Armaments Corporation of South Africa	🟩		A	🟨		N														A						A											R	🟩	🟩	🟨	-	34,5m	0,001m
4	Castle Control Board	🟨	R	R	🟨	R	R										R										A			R		A		A			R	A	🟩	🟩	🟩	-	0,12m	0,003m
5	South African National Defence Force Fund	🟩		A	🟨		N																A														NR		🟩	🟩		-	-	-
6	Special Defence Account	▨			🟨		N																																			-	-	-
Portfolio: Economic development																																												
Department																																												
1	Economic Development	🟨		R	🟨		R														A	A													R		A	A	🟩	🟨	🟨	-	-	-
Public entities																																												
2	Competition Commission	🟩		A	🟨		R															A												A				R	🟩	🟩	🟩	-	0,17m	-
3	Competition Tribunal	🟨		N	🟩		A																				N							N				N	🟩	🟩	🟨	-	0,69m	0,01m
4	International Trade Administration Commission	🟨		R	🟨		N														R	A															A	R	🟩	🟩	🟨	-	0,12m	-
Public entities (Not audited by the AGSA)																																												
5	Industrial Development Corporation of SA	🟩			🟩																																		🟩				
6	Small Enterprice Finance Agency	🟩			🟩																																						
Portfolio: Energy																																												
Department																																												
1	Energy	🟩		A	🟨		R														A											A					A	🟩	🟩	🟨	-	0,06m	0,02m

Legend (Audit outcomes)	🟩 Unqualified with no findings	🟨 Unqualified with findings	🟪 Qualified with findings	Adverse with findings	🟥 Disclaimer with findings	▨ Audit not finalised at legislated date	🟦 New auditee	Legend (Findings)	Addressed (A)	New (N)	Repeat (R)	Not reported (NR)	Financial health findings	🟩 No unfavourable indicators	🟨 Unfavourable indicators	🟥 Material unfavourable indicators	Controls (human resource and information technology management)	🟩 Good	🟨 Concerning	🟥 Intervention required	Legend (expenditure)	Improved	Regressed

Number	Auditee	2014-15 audit outcomes			2013-14 audit outcomes			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
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Public entities																																												
2	CEF	🟨	A	R	🟨	R	R										A	A			R	R		A					R					N			A	R	🟩	🟩	🟨	-	20,4m	4,7m
3	Equalisation Fund	🟨	R	R	🟨	R	R													R	R		A							R		R				R	R		🟩	🟨	🟨	-	-	-
4	National Energy Regulator of South Africa	🟩			🟩		A																																🟩	🟩	🟨	-	1,7m	-
5	National Nuclear Regulator	🟩			🟩		A																														R		🟩	🟩	🟨	-	-	-
6	National Radioactive Waste Disposal Institute	⬜			🟦																																							
7	South African National Energy Development Institute	🟨	R	R	🟨	R	R										R	N			R	N		A			A							A			R	R	🟩	🟩	🟨	-	0,43m	0,03m
8	The South African Nuclear Energy Corporation	🟥		R	🟨		N	N		N		N									N	N	N					N						R			A	R	M	🟨	🟩	-	33,8m	0,16m
Portfolio: Environmental affairs																																												
Department																																												
1	Environmental Affairs	🟩			🟩		A																																🟩	🟩	🟨	-	-	10,1m
Public entities																																												
2	iSimangaliso Wetland Park Authority	🟩			🟩																																	A	🟩	🟩	🟩	-	-	-
3	South African National Biodiversity Institute	🟨		N	🟩		A														N																N		🟩	🟩	🟨			
4	South African National Parks	🟨	R	R	🟨	N	N										N	R			A			A								R					R		🟩	🟩	🟨	-	0,13m	3,0m
5	South African Weather Services	🟩		A	🟨		R																											A			A	A	🟩	🟩	🟨	-	-	-
Portfolio: Finance (National Treasury)																																												
Department																																												
1	National Treasury	🟨	R	A	🟨	N	R										R	R			A																R	A	🟩	🟩	🟨	-	-	-
Public entities																																												
2	Co-operative Banks Development Agency	🟨		R	🟨		R														R															R	A		🟩	🟩	🟨	-	-	0,006m
3	Financial Intelligence Centre	🟨		R	🟨	A	R														R								N	N									🟩	🟩	🟩	-	0,15m	0,08m
4	Financial Services Board	🟨	R		🟨	N											R	N																			R		🟩	🟩	🟨	-	1,6m	-
5	Government Pensions Administration Agency	⬜			🟨		R																																			-	-	-
6	Government Technical Advisory Centre	🟨	N	N	🟦												N	N			N											N					N		🟩	🟩	🟨	-	-	-
7	Independent Regulatory Board for Auditors	🟩			🟩																																	N	🟩	🟩	🟩	-	-	-

Number	Auditee	2014-15 audit outcomes			2013-14 audit outcomes			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
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8	Land and Agricultural Bank of South Africa	🟩			🟩																																🟥 R	🟨 N	🟨 F	🟨	🟨	-	🟥 0,04m	🟥 0,007m
9	Office of the Ombud for Financial Service Providers	🟩		🟩 A	🟨		🟨 N																											🟩 A				🟩 A	🟩	🟩	🟩	-	🟥 2,5m	-
10	Office of the Pension Funds Adjudicator	🟨		🟨 N	🟩																	🟨 N												🟨 N			🟥 R	🟨 N	🟨 F	🟩	🟩	-	🟥 1,8m	🟩 -
11	Public Investment Corporation	🟨	🟩 A	🟨 N	🟨	🟨 N											🟩 A																	🟨 N			🟩 A	🟨 N	🟩	🟩	🟩	-	🟥 1,9m	🟩 0,02m
12	South African Revenue Services (Own Account)	🟩			🟩	🟩 A																																	🟨 F	🟩	🟨	-	-	-
13	Financial and Fiscal Commission	🟨		🟥 R	🟨		🟥 R														🟩 A													🟨 N				🟨 N	🟩	🟩	🟩	-	🟩 -	-
Public entities (Not audited by the AGSA)																																												
14	Accounting Standards Board	🟩			🟩																																							
15	Development Bank of Southern Africa	🟩			🟩																																							
16	SASRIA	🟩			🟩																																							
17	South African Airways	▨			▨																																							
Portfolio: Health																																												
Department																																												
1	Health	🟨	🟥 R	🟥 R	🟨	🟥 R	🟥 R											🟥 R			🟩 A											🟥 R	🟩 A				🟥 R	🟥 R	🟨 F	🟩	🟨	-	🟥 398,3m	🟥 0,19m
Public entities																																												
2	Compensation Commissioner for Occupational Diseases	▨			▨																																							
3	Council for Medical Schemes	🟨		🟥 R	🟨		🟥 R															🟩 A												🟥 R				🟥 R	🟩	🟩	🟥	-	🟥 8,4m	-
4	Medical Research Council of South Africa	🟩			🟩																																🟨 N	🟨 N	🟩	🟩	🟩	-	🟥 0,73m	🟥 0,07m
Public entities (Not audited by the AGSA)																																												
5	National Health Laboratory Service	🟨		🟥 R	🟨		🟥 R														🟥 R	🟨 N		🟨 N												🟩 A	🟩 A			🟨	🟨			

Legend (Audit outcomes)	🟩 Unqualified with no findings	🟨 Unqualified with findings	Qualified with findings	Adverse with findings	🟥 Disclaimer with findings	▨ Audit not finalised at legislated date	New auditee	Legend (Findings)	🟩 Addressed (A)	🟨 New (N)	🟥 Repeat (R)	Not reported (NR)	Financial health findings	🟩 No unfavourable indicators	🟨 Unfavourable indicators	🟥 Material unfavourable indicators	Controls (human resource and information technology management)	🟩 Good	🟨 Concerning	🟥 Intervention required	Legend (expenditure)	🟩 Improved	🟥 Regressed	

Number	Auditee	2014-15 audit outcomes			2013-14 audit outcomes			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
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Portfolio: Higher education and training																																												
Department																																												
1	Higher Education and Training	🟧	R	R	🟧	R	R											R			R											R		R	R		R	R	F	🟥	🟧	-	🟥 1,3m	🟩 -
Public entities																																												
2	Agricultural Sector Education and Training	🟧	R	R	🟧	R	R										R	A			R	A						N				N		A			R	R	🟩	🟧	🟩	-	🟩 0,22m	🟩 0,001m
3	Banking Sector Education and Training Authority	🟩			🟩																																R		🟩	🟩	🟩	-	🟩 -	🟩 -
4	Central JHB TVET College	🟪		R	🟪		R		R		N		A	N									A				N		A	R				N		N	NR		F	🟧	🟧	🟩 -	🟩 -	🟩 -
5	Chemical Industries Education and Training Authority	🟩		A	🟧		R														A																		🟩	🟩	🟩	-	-	-
6	Construction Education and Training Authority	🟧	R	R	🟧	R	R										A	R			R	A										R		A			R	A	🟩	🟧	🟥	-	🟩 0,64m	🟩 -
7	Council on Higher Education	🟩		A	🟧		R														A													A					F	🟩	🟩	-	-	🟥 0,001m
8	Culture, Arts, Tourism, Hospitality and Sports Education and Training Authority	🟧	R	R	🟪	N	R	A						A	A		R	R			R			A			R					R		R			R	R	🟩	🟧	🟩	-	🟥 123,9m	🟥 0,42m
9	East Cape Midlands TVET College	▨			▨																																							
10	Education, Training and Development Practices Sector Education and Training Authority	🟩		A	🟧		N														A																A	A	🟩	🟩	🟧	-	🟩 -	-
11	Energy and Water Sector Education and Training Authority	🟧	N	R	🟧	A	R										N				R	R					R							N			R	R	F	🟧	🟧	-	🟩 29,7m	🟥 0,16m
12	Esayidi TVET College	🟪		R	🟪		R	N		R			N										R		A									A			NR		F	🟧	🟧			
13	Fibre Processing Manufacturing Sector Education and Training Authority	🟧		R	🟧	A	R														R																	A	🟩	🟩	🟧	-	🟩 -	🟩 -
14	Finance and Accounting Services Sector Education Training Authority	🟩			🟩																																		🟩	🟩	🟩	-	-	-
15	Food and Beverages Manufacturing Industry Sector Education Training Authority	🟧		R	🟧		R														R															A	R		🟩	🟧	🟧	-	🟥 11,4m	🟩 0,003m
16	Health and Welfare Sector Education and Training Authority	🟩			🟩	A																															A		🟩	🟩	🟧	-	-	🟩 0,007m
17	Ikhala TVET College	■		R	🟥		R	R	R	R	R	R	R	R		A					A		R							A							NR		🟩	🟥	🟥			
18	Insurance Sector Education and Training Authority	🟧		R	🟧	A	R														N											N		A			R	A	🟩	🟩	🟩	-	🟩 -	🟩 -
19	King Hintsa TVET College	🟥		R	🟥		N	R	R	R	A	R	A	R		A					R		R							A						N	NR		M	🟥	🟥	-	-	-

Number	Auditee	2014-15 audit outcomes			2013-14 audit outcomes			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
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20	Letaba TVET College	🟥		R	🟥		R	R	R	A	A	R	R	R		R							R							R							NR		M	🟥	🟥			
21	Local Government Education and Training Authority	🟨	R	R	🟪	R	R					A					R	N			R	A					N							N			R	N	F	🟨	🟥	-	🟩 9,8m	🟩 0,06m
22	Lovedale TVET College	🟪		N	🟥		A	A	R	R	A	N	R	R									N							N						N	NR		M	🟨	🟨			
23	Maluti TVET College	🟪		R	🟥		R	R	R	N		A	R	R									R						A	R						N	NR		F		🟥	-	-	-
24	Manufacturing Engineering and Related Services Education and Training Authority	🟨		R	🟨		R														N													A			N	A	🟩	🟩	🟨	-	🟩 -	-
25	Media, Information and Communication Technologies Sector Education and Training Authority	🟩			🟩																																N		🟩	🟩	🟩	-	-	🟩 -
26	Mining Qualifications Sector Education and Training Authority	🟨		R	🟨	A	N														R															A	N		F	🟩	🟨	-	-	-
27	Mnambithi TVET College	🟨		R	🟨		N																A							R						A	NR	A	F	🟥	🟥			
28	National Institute for Higher Education - NC	🟪			▨		N	A	R	R		A	R	R									A																	🟥	🟥			
29	National Skills Fund	🟨	R	R	🟨	N	R										N	R			R						N					N					R		🟩	🟨	🟨	-	🟥 28,5m	-
30	National Student Financial Aid Scheme	🟨	R	R	🟨	N	R										R	A			R										R						R	R	F	🟨	🟨	-	🟥 0,48m	-
31	Northern Cape Urban TVET College	🟪		R	🟪		R	R	R	R			N	R		N							R							A						N	NR	A	F	🟨	🟨			
32	Northlink TVET College	⬜			🟪		N																																					
33	Orbit TVET College	🟪		R	🟪		N	N	R	A			A	R		N					A		R						A	A							NR			🟨	🟥			
34	Public Service Sector Education and Training Authority	🟪	R	R	🟪	N	R			R							R	N			R						R							A			R	A	🟩	🟨	🟨	-	🟩 0,1m	🟥 0,27m
35	Quality Council for Trades and Occupations	🟩	A	A	🟨	R	R											A			A			A			A										A		F	🟩	🟨	-	🟩 0,03m	-
36	Safety and Security Sector Education and Training Authority	🟨	N	R	🟨	A	R											N			R			N			N	N		A				R			R	R	M	🟥	🟥	-	🟥 126,0m	🟥 25,6m
37	Services Sector Education and Training Authority	🟩	A	A	🟨	N	N										A	A			A	A															R	A	F	🟨	🟥	-	🟩 10,4m	🟩 0,14m
38	South African Qualifications Authority	🟨		N	🟩		A														N																	A	F	🟩	🟨	-	-	-
39	South West Gauteng TVET College	🟨		R	🟪		R			A													A							R							NR		F	🟥	🟥	-	-	-

Legend (Audit outcomes)	🟩 Unqualified with no findings	🟨 Unqualified with findings	🟪 Qualified with findings	▨ Adverse with findings	🟥 Disclaimer with findings	⬜ Audit not finalised at legislated date	🟦 New auditee

Legend (Findings)	Addressed (A)	New (N)	Repeat (R)	Not reported (NR)

Financial health findings	No unfavourable indicators	Unfavourable indicators	Material unfavourable indicators

Controls (human resource and information technology management)	🟩 Good	🟨 Concerning	🟥 Intervention required

Legend (expenditure)	🟩 Improved	🟥 Regressed

Number	Auditee	2014-15 audit outcomes			2013-14 audit outcomes			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
		Audit opinion	Predetermined objectives	Compliance with legislation	Audit opinion	Predetermined objectives	Compliance with legislation	Non-current assets	Current assets	Liabilities	Capital and reserves	Other disclosure items	Revenue	Expenditure	Unauthorised, irregular, as well as fruitless and wasteful	Aggregate misstatements	Reported information not useful	Reported information not reliable	Information not submitted in time for audit	No annual performance report	Material misstatement or limitations in submitted AFS	Unauthorised, irregular, as well as fruitless and wasteful	Annual financial statements and annual report	Asset management	Liability management	Budgets	Expenditure management	Financial misconduct	Audit committees	Internal audit	Revenue management	Strategic planning and performance management	Transfer and conditional grants	Procurement management	HR management	Other	Quality of submitted performance reports	Supply chain management	Financial Health	Human resource management	Information Technology	Unauthorised expenditure Amount R	Irregular expenditure Amount R	Fruitless and wasteful expenditure Amount R
40	Transport Education and Training Authority	🟨	R	A	🟨	R	N										N	A			A																R		🟩	🟩	🟨	-	-	-
41	Tshwane North TVET College	⬜			⬜																																							
42	Tshwane South TVET College	🟥		R	🟥		N	R	R	R	A	R	R	A							N		A							R							NR	A	M	🟥	🟥			
43	Western College for TVET	🟥		R	🟥		R	R	R	R		R	R	R							N		A							R						A	NR		M	🟥	🟨			
44	Wholesale and Retail Sector Education and Training Authority	🟪		R	🟨		R			N		N		N							R	N															N	N	F	🟨	🟩	-	8,5m	-
Public entities (Not audited by the AGSA)																																												
45	Boland TVET College	🟩			🟩																																NR							
46	Buffalo City TVET College	🟩			🟩																																NR							
47	Cape Peninsula University of Technology	🟩			🟩																																							
48	Capricorn TVET College	⬜			⬜																																							
49	Central University of Technology	🟩			🟩																																							
50	Coastal TVET College	⬜			🟩																																							
51	College of Cape Town (TVET)	🟩			🟩																																NR							
52	Durban University of Technology	🟩			🟩																																							
53	Ehlanzeni TVET College	⬜			🟨		N																																					
54	Ekurhuleni East TVET College	⬜			🟨		R																																					
55	Ekurhuleni West TVET College	🟩		A	🟨		R																							A							NR							
56	Elangeni TVET College	⬜			🟩																																							
57	False Bay TVET College	🟩			🟩																																NR							
58	Flavius Mareka TVET College	🟨		N	⬜																															N	NR							
59	Gert Sibande TVET College	🟥			🟩									N																							NR							
60	Goldfields TVET College	🟪		N	🟩			N																												N	NR							
61	Ingwe TVET College	⬜			⬜																																							
62	King Sabatha Dalindyebo TVET College	⬜			⬜																																							
63	Lephalale TVET College	⬜			🟩																																							
64	Majuba TVET College	⬜			🟩																																							
65	Mangosuthu University of Technology	🟩		A	🟨		N																													A								

Number	Auditee	2014-15 audit outcomes			2013-14 audit outcomes			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
		Audit opinion	Predetermined objectives	Compliance with legislation	Audit opinion	Predetermined objectives	Compliance with legislation	Non-current assets	Current assets	Liabilities	Capital and reserves	Other disclosure items	Revenue	Expenditure	Unauthorised, irregular, as well as fruitless and wasteful	Aggregate misstatements	Reported information not useful	Reported information not reliable	Information not submitted in time for audit	No annual performance report	Material misstatement or limitations in submitted AFS	Unauthorised, irregular, as well as fruitless and wasteful	Annual financial statements and annual report	Asset management	Liability management	Budgets	Expenditure management	Financial misconduct	Audit committees	Internal audit	Revenue management	Strategic planning and performance management	Transfer and conditional grants	Procurement management	HR management	Other	Quality of submitted performance reports	Supply chain management	Financial Health	Human resource management	Information Technology	Unauthorised expenditure Amount R	Irregular expenditure Amount R	Fruitles and wasteful expenditure Amount R
66	Mopani South East TVET College	⬜			🟩		A																																					
67	Motheo TVET College	⬜			⬜																																							
68	Mthashana TVET College	⬜			⬜																																							
69	National Institute for Higher Education - MP	🟩			🟩																																							
70	Nelson Mandela Metropolitan University	🟩			🟩																																							
71	Nkangala TVET College	🟨		R	🟨		R																							R							NR							
72	North West University	🟩			🟩																																							
73	Northern Cape Rural TVET College	🟩		A	🟨		R																							A							NR							
74	Port Elizabeth TVET College	⬜			🟨		R																																					
75	Rhodes University	🟩			🟩																																							
76	Sedibeng TVET College	⬜			🟪		R																																					
77	Sekhukhune TVET College	⬜			⬜																																							
78	Sol Plaatjie University	⬜			🟦																																							
79	South Cape TVET College	⬜			🟨		R																																					
80	Taletso TVET College	⬜			⬜																																							
81	Thekwini TVET College	🟨		N	🟩																									N							NR							
82	Tshwane University of Technology	🟩			🟩		A																																					
83	Umfolozi TVET College	⬜			🟩																																							
84	Umgungundlovu TVET College	⬜			🟨		N																																					
85	University of Cape Town	🟩			🟩																																							
86	University of Fort Hare	⬜			🟩																																							
87	University of Johannesburg	🟩			🟩																																							
88	University of Kwa-Zulu Natal	⬜			🟩																																							
89	University of Limpopo	🟪		R	🟨		R	N			N			N																						R								
90	University of Mpumalanga	⬜			🟦																																							
91	University of Pretoria	🟩			🟩																																							

Legend (Audit outcomes): 🟩 Unqualified with no findings; 🟨 Unqualified with findings; 🟪 Qualified with findings; Adverse with findings; 🟥 Disclaimer with findings; ⬜ Audit not finalised at legislated date; 🟦 New auditee

Legend (Findings): Addressed (A); New (N); Repeat (R); Not reported (NR)

Financial health findings: No unfavourable indicators; Unfavourable indicators; Material unfavourable indicators

Controls (human resource and information technology management): Good; Concerning; Intervention required

Legend (expenditure): Improved; Regressed

Number	Auditee	2014-15 audit outcomes			2013-14 audit outcomes			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
		Audit opinion	Predetermined objectives	Compliance with legislation	Audit opinion	Predetermined objectives	Compliance with legislation	Non-current assets	Current assets	Liabilities	Capital and reserves	Other disclosure items	Revenue	Expenditure	Unauthorised, irregular, as well as fruitless and wasteful	Aggregate misstatements	Reported information not useful	Reported information not reliable	Information not submitted in time for audit	No annual performance report	Material misstatement or limitations in submitted AFS	Unauthorised, irregular, as well as fruitless and wasteful	Annual financial statements and annual report	Asset management	Liability management	Budgets	Expenditure management	Financial misconduct	Audit committees	Internal audit	Revenue management	Strategic planning and performance management	Transfer and conditional grants	Procurement management	HR management	Other	Quality of submitted performance reports	Supply chain management	Financial Health	Human resource management	Information Technology	Unauthorised expenditure Amount R	Irregular expenditure Amount R	Fruitles and wasteful expenditure Amount R
92	University of South Africa	🟪		R	🟨		R	N	N																											R								
93	University of Stellenbosch	🟩			🟩		A																																					
94	University of the Free State	🟩			🟩																																							
95	University of the Western Cape	🟩			🟩																																							
96	University of the Witwatersrand	🟨		N	🟩																															N								
97	University of Venda	🟩			🟩																																N							
98	University of Zululand	🟩		A	🟨		N																													A								
99	Vaal University of Technology	🟩		A	🟨		N																											A										
100	Vhembe TVET College	⬜			⬜																																							
101	Vuselela TVET College	⬜			🟨		R																																					
102	Walter Sisulu University for Technology and Science	⬜			🟨	N	R																																					
103	Waterberg TVET College	⬜			🟩																																							
104	West Coast TVET College	🟩			🟩																																NR							
Portfolio: Home Affairs																																												
Department																																												
1	Home Affairs	⬜			🟥	R	R																																			-	-	-
Public entities																																												
2	Electoral Commission	🟨	R	R	🟨	N	N											R			R	N										N		N			R	R	🟩	🟩	🟨	-	40,8m	0,02m
3	Film and Publication Board	🟨		R	🟨	A	R														R	N															A	N	🟩	🟩	🟨	-	6,5m	0,02m
4	Government Printing Works	🟩		A	🟨		R																							A								N	🟩	🟩	🟨	-	-	-
Portfolio: Human settlements																																												
Department																																												
1	Human Settlements	🟨	R	R	🟨	R	R										A	R			R			A								R			R		R	R	F	🟨	🟥	-	-	-
Public entities																																												
2	Community Schemes Ombuds Service	🟨		N	🟩																								N	N		N						N	M	🟨		-	0,64m	-
3	National Home Builders Regulatory Council	🟨	R	R	🟨	R	R										N	R			A	R					A				A	N		R			R	R	🟩	🟩	🟥	-	54,0m	5,1m

Number	Auditee	2014-15 audit outcomes			2013-14 audit outcomes			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
		Audit opinion	Predetermined objectives	Compliance with legislation	Audit opinion	Predetermined objectives	Compliance with legislation	Non-current assets	Current assets	Liabilities	Capital and reserves	Other disclosure items	Revenue	Expenditure	Unauthorised, irregular, as well as fruitless and wasteful	Aggregate misstatements	Reported information not useful	Reported information not reliable	Information not submitted in time for audit	No annual performance report	Material misstatement or limitations in submitted AFS	Unauthorised, irregular, as well as fruitless and wasteful	Annual financial statements and annual report	Asset management	Liability management	Budgets	Expenditure management	Financial misconduct	Audit committees	Internal audit	Revenue management	Strategic planning and performance management	Transfer and conditional grants	Procurement management	HR management	Other	Quality of submitted performance reports	Supply chain management	Financial Health	Human resource management	Information Technology	Unauthorised expenditure Amount R	Irregular expenditure Amount R	Fruitless and wasteful expenditure Amount R
Public entities (Not audited by the AGSA)																																												
4	Estate Agency Affairs Board	🟨	R	R	🟨	N	R										R	A				A		A			R				N					N	R	A						
5	Housing Development Agency	🟩			🟩																																							
6	National Housing Finance Corporation	🟩			🟩																																							
7	National Urban Reconstruction and Housing Agency	🟨		R	🟨		N																											R										
8	Rural Housing Loan Fund	🟩			🟩																																							
9	Social Housing Regulatory Authority	🟨		R	🟨		R																N				R									N								
Portfolio: International relations and cooperation																																												
Department																																												
1	International Relations and Cooperation	🟪		R	🟪	A	R	R														R	R	R			R	R			R		R	R				R	🟩	🟨	🟨	🟩 -	🟥 102,4m	🟩 0,36m
Public entity																																												
2	African Renaissance and International Cooperation Fund	🟨		R	🟨	A	R														R	R						N		A	N	R		R		R	R	R	🟩	🟨		-	🟩 1,2m	-
Portfolio: Justice and constitutional development																																												
Department																																												
1	Justice and Constitutional Development	🟨		R	🟨		R														R	R					R	A						A	N		A	R	F	🟨	🟨	-	🟩 45,3m	🟥 1,3m
Public entities																																												
2	Guardians Fund	🟩			🟩																																NR			🟩	🟨	-	-	-
3	Legal Aid South Africa	🟩			🟩																																	N	🟩	🟩	🟩	-	🟥 2,8m	🟩 0,007m
4	President's Fund	🟩			🟩																																NR			🟩	🟨	-	-	-
5	South African Human Rights Commission	🟨		R	🟨		R														A						R												🟩	🟩	🟥	-	🟥 0,08m	-
6	Special Investigating Unit	🟨		R	🟨	A	R														R	A										A		R				R	F	🟨	🟩	-	🟩 5,5m	🟥 0,06m
7	The Public Protector of South Africa	🟨		R	🟨		R														R	A	N				R			N							N	R	M	🟨	🟥	-	🟩 0,64m	🟥 0,03m
8	Third Party Funds (Monies in Trust)	🟥			🟥				R	R		A																									NR			🟩	🟨	-	-	-

Legend (Audit outcomes)	🟩 Unqualified with no findings	🟨 Unqualified with findings	🟪 Qualified with findings	Adverse with findings	🟥 Disclaimer with findings	Audit not finalised at legislated date	New auditee	Legend (Findings)	Addressed (A)	New (N)	Repeat (R)	Not reported (NR)	Financial health findings	No unfavourable indicators	Unfavourable indicators	Material unfavourable indicators	Controls (human resource and information technology management)	🟩 Good	🟨 Concerning	🟥 Intervention required	Legend (expenditure)	🟩 Improved	🟥 Regressed

Number	Auditee	2014-15 audit outcomes			2013-14 audit outcomes			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
		Audit opinion	Predetermined objectives	Compliance with legislation	Audit opinion	Predetermined objectives	Compliance with legislation	Non-current assets	Current assets	Liabilities	Capital and reserves	Other disclosure items	Revenue	Expenditure	Unauthorised, irregular, as well as fruitless and wasteful	Aggregate misstatements	Reported information not useful	Reported information not reliable	Information not submitted in time for audit	No annual performance report	Material misstatement or limitations in submitted AFS	Unauthorised, irregular, as well as fruitless and wasteful	Annual financial statements and annual report	Asset management	Liability management	Budgets	Expenditure management	Financial misconduct	Audit committees	Internal audit	Revenue management	Strategic planning and performance management	Transfer and conditional grants	Procurement management	HR management	Other	Quality of submitted performance reports	Supply chain management	Financial Health	Human resource management	Information Technology	Unauthorised expenditure Amount R	Irregular expenditure Amount R	Fruitless and wasteful expenditure Amount R
Public entity (Not audited by the AGSA)																																												
9	South African Board of Sheriffs	🟩		A	🟨		R																											A			NR							
Portfolio: Labour																																												
Department																																												
1	Labour	🟨	R	R	🟨	R	R										R	R			R	A		N			N	N				A		A			R	R	F	🟨	🟨	-	8,1m	0,06m
Public entities																																												
2	Commission for Conciliation, Mediation and Arbitration	🟨		R	🟨		R														R	N																N	🟩	🟩	🟨	-	4,8m	-
3	Compensation Fund	🟥	R	R	🟥	R	R	A	R	R		R	R	R	R	A	R	R			R	R			R		N	R			R	A		R		A	R	R	M	🟥	🟥	-	414,1m	17,3m
4	National Economic Development and Labour Council	🟪		R	🟨	A	R	N	N							N					R						R	N			N			N			A	R	🟩	🟨	🟨	-	4,3m	0,68m
5	Sheltered Employment Factories	🟪	R	R	🟨	R	R					N		N		N	R				R	A		A			N				R	A		R			R	R	F	🟨	🟥	-	16,5m	0,28m
6	Unemployment Insurance Fund	🟨	N		🟩												N	N																			R		F	🟩	🟨	-	-	-
Public entity (Not audited by the AGSA)																																												
7	Productivity SA	🟨	N	R	🟨	A	R										N				R	A					N				A			R			R							
Portfolio: Mineral resources																																												
Department																																												
1	Mineral Resources	🟨		R	🟨		R														R	N												N			A	N	F	🟨	🟨	-	0,26m	-
Public entities																																												
2	Council for Geoscience	🟨		R	🟨		R														R	R												R			R	R	🟩	🟩	🟨	-	1,4m	-
3	Council for Mineral Technology	🟩		A	🟨		N														A	A												A				A	🟩	🟩	🟨	-	9,8m	-
4	Mine Health and Safety Council	🟨		R	🟨	A	R														A	R												N				R	🟩	🟩	🟩	-	0,63m	-
5	South Africa Diamond and Precious Metals Regulator	🟨		R	🟨		N														R																	N	🟩	🟩	🟨			
6	State Diamond Trader	🟩		A	🟨		N																											A				A	🟩	🟩	🟨		🟩	
Portfolio: Parliament																																												
Department																																												
1	Parliament of the Republic of South Africa	🟩		A	🟨		R														A																R	A	F	🟨	🟩	-	0,57m	0,03m
Portfolio: Police																																												
Departments																																												
1	Civilian Secretariat for Police	🟪	N	N	🟦							N					N	N			N								N	N		N		N	N		N	N	🟩	🟨		-	7,6m	-
2	Police	🟨	R	R	🟨	R	R											R														R					R		🟩	🟩	🟩	-	281,3m	1,2m
3	Independent Police Investigative Directorate	🟨		R	🟨	A	R														R	A					R			R				A	A		R	R	🟩	🟨	🟨	-	0,004m	0,007m

Number	Auditee	2014-15 audit outcomes			2013-14 audit outcomes			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
		Audit opinion	Predetermined objectives	Compliance with legislation	Audit opinion	Predetermined objectives	Compliance with legislation	Non-current assets	Current assets	Liabilities	Capital and reserves	Other disclosure items	Revenue	Expenditure	Unauthorised, irregular, as well as fruitless and wasteful	Aggregate misstatements	Reported information not useful	Reported information not reliable	Information not submitted in time for audit	No annual performance report	Material misstatement or limitations in submitted AFS	Unauthorised, irregular, as well as fruitless and wasteful	Annual financial statements and annual report	Asset management	Liability management	Budgets	Expenditure management	Financial misconduct	Audit committees	Internal audit	Revenue management	Strategic planning and performance management	Transfer and conditional grants	Procurement management	HR management	Other	Quality of submitted performance reports	Supply chain management	Financial Health	Human resource management	Information Technology	Unauthorised expenditure Amount R	Irregular expenditure Amount R	Fruitless and wasteful expenditure Amount R
Public entity																																												
4	Private Security Industry Regulatory Authority	🟨	R	R	🟨	R	R										N	R			R						N	R		A	R	N		N			R	R	M	🟩	🟩	-	🟩 1,3m	🟥 0,11m
Portfolio: Public enterprises																																												
Department																																												
1	Public Enterprises	🟨		N	🟩		A															N												N	N			N	🟩	🟩	🟨	-	🟥 11,0m	🟩 0,26m
Public entities																																												
2	South African Express Airways	▨			▨																																					-	-	-
3	South African Forestry Company	🟨		R	🟨	A	R														N	R			A							A		R			R	R	🟩	🟩	🟨	-	🟥 72,2m	🟩 0,37m
Public entities (Not audited by the AGSA)																																												
4	Alexkor	🟨		R	🟨		R														A	N																		🟩	🟩			
5	Broadband Infraco	▨			🟨		R																																					
6	Denel	🟩			🟩																																			🟩	🟩			
7	Eskom Holdings	🟨		N	🟩		A															N															A			🟩	🟩		🟩	🟩
8	Transnet	🟨	N	R	🟨		R										N					R															N						🟩	🟩
Portfolio: Public service and administration																																												
Departments																																												
1	Public Service and Administration	🟨	A	R	🟨	N	R										A																	A	N		A	R	🟩	🟥	🟥	🟩 -	🟥 2,5m	-
2	National School of Government	🟨		R	🟨		R														A	R				A								R			A	R	🟩	🟩	🟨	🟩 -	🟩 0,29m	-
3	Public Service Commission	🟩		A	🟨		N														A																		🟩	🟩	🟩		🟩	
Public entities																																												
4	National School of Government Trading Entity	🟨		R	🟨		R															R					A										A		🟩	🟩	🟨	-	🟩 0,13m	-
5	State Information Technology Agency	🟨	A	R	🟨	N	R											A			A	R												R			R	R	F	🟨	🟨	-	🟩 14,0m	🟥 8,5m
Portfolio: Public works																																												
Department																																												
1	Public Works	🟨	R	R	🟨	R	R											R			R	R						R		R		R		A	R		R	R	🟩	🟨	🟥	🟩 5,5m	🟩 55,3m	🟥 2,1m

Legend (Audit outcomes): 🟩 Unqualified with no findings; 🟨 Unqualified with findings; 🟪 Qualified with findings; Adverse with findings; 🟥 Disclaimer with findings; ▨ Audit not finalised at legislated date; 🟦 New auditee

Legend (Findings): Addressed (A); New (N); Repeat (R); Not reported (NR)

Financial health findings: 🟩 No unfavourable indicators; 🟨 Unfavourable indicators; 🟥 Material unfavourable indicators

Controls (human resource and information technology management): 🟩 Good; 🟨 Concerning; 🟥 Intervention required

Legend (expenditure): 🟩 Improved; 🟥 Regressed

Number	Auditee	2014-15 audit outcomes			2013-14 audit outcomes			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
		Audit opinion	Predetermined objectives	Compliance with legislation	Audit opinion	Predetermined objectives	Compliance with legislation	Non-current assets	Current assets	Liabilities	Capital and reserves	Other disclosure items	Revenue	Expenditure	Unauthorised, irregular, as well as fruitless and wasteful	Aggregate misstatements	Reported information not useful	Reported information not reliable	Information not submitted in time for audit	No annual performance report	Material misstatement or limitations in submitted AFS	Unauthorised, irregular, as well as fruitless and wasteful	Annual financial statements and annual report	Asset management	Liability management	Budgets	Expenditure management	Financial misconduct	Audit committees	Internal audit	Revenue management	Strategic planning and performance management	Transfer and conditional grants	Procurement management	HR management	Other	Quality of submitted performance reports	Supply chain management	Financial Health	Human resource management	Information Technology	Unauthorised expenditure Amount R	Irregular expenditure Amount R	Fruitless and wasteful expenditure Amount R
Public entities																																												
2	Construction Industry Development Board	🟨		R	🟨		R														A	N					A	A									R	R	🟩	🟩	🟨	-	5,9m	-
3	Council for the Built Environment	🟨		R	🟨		R														R	N		N										N			R	R	🟩	🟥	🟨	-	4,1m	0,04m
4	Independent Development Trust	▨			🟪	A	R																																			-	-	-
5	The Property Management Trading Entity	▨			🟪		R																																			-	-	-
Portfolio: Rural development and land reform																																												
Department																																												
1	Rural Development and Land Reform	🟨		R	🟨	A	R														R	R										A					R	R	F	🟨	🟥	-	25,3m	6,1m
Public entities																																												
2	Agricultural Land Holding Account	🟨		R	🟨		R														A						A				R						NR	N	F	🟨	🟨	-	-	0,06m
3	Ingonyama Trust Board	🟪	A	R	🟪	N	R	R		N			R				A	A			R													N			A	N	F	🟨	🟨	-	2,0m	-
4	Deeds Registration Trading Account	🟨		R	🟨	R	R										A				R						A							A	A		NR	A	🟩	🟨	🟥	-	-	0,007m
Portfolio: Science and technology																																												
Department																																												
1	Science and Technology	🟩		A	🟨	A	R														A													A	A		N	R	🟩	🟩	🟩	-	1,9m	-
Public entities																																												
2	Council for Scientific and Industrial Research	🟩			🟩																																		🟩	🟩	🟩	-	0,12m	-
3	Human Sciences Research Council	🟩			🟩																																		🟩	🟩	🟩	-	0,24m	0,06m
4	National Research Foundation	🟩			🟩																																R	R	🟩	🟩	🟩	-	22,4m	0,01m
Public entities (Not audited by the AGSA)																																												
5	Academy of Science of South Africa	🟨	N	N	🟩												N	N			N						N							N			N			🟨	🟩			
6	South African National Space Agency	🟩			🟩	A																																		🟩	🟨			
7	Technology Innovation Agency	🟩			🟩	A																																		🟩	🟩			
Portfolio: Social development																																												
Department																																												
1	Social Development	🟩			🟩																																	A	🟩	🟩	🟨	-	17,9m	0,15m

Number	Auditee	2014-15 audit outcomes			2013-14 audit outcomes			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
		Audit opinion	Predetermined objectives	Compliance with legislation	Audit opinion	Predetermined objectives	Compliance with legislation	Non-current assets	Current assets	Liabilities	Capital and reserves	Other disclosure items	Revenue	Expenditure	Unauthorised, irregular, as well as fruitless and wasteful	Aggregate misstatements	Reported information not useful	Reported information not reliable	Information not submitted in time for audit	No annual performance report	Material misstatement or limitations in submitted AFS	Unauthorised, irregular, as well as fruitless and wasteful	Annual financial statements and annual report	Asset management	Liability management	Budgets	Expenditure management	Financial misconduct	Audit committees	Internal audit	Revenue management	Strategic planning and performance management	Transfer and conditional grants	Procurement management	HR management	Other	Quality of submitted performance reports	Supply chain management	Financial Health	Human resource management	Information Technology	Unauthorised expenditure Amount R	Irregular expenditure Amount R	Fruitless and wasteful expenditure Amount R
Public entities																																												
2	Disaster Relief Fund	🟩			🟩																																NR			🟩	🟩	-	-	-
3	National Development Agency	🟨		R	🟨		R														A						A							R			N	R	🟩	🟩	🟩	-	🟩 1,7m	🟩 0,02m
4	Refugee Relief Fund	🟩			🟩																																NR			🟩	🟩	-	-	-
5	Social Relief Fund	🟩			🟩																																NR			🟩	🟩	-	-	-
6	South African Social Security Agency	🟨		R	🟨		R														R	N					N			N				A			N	A	🟩	🟨	🟨	-	🟩 40,8m	🟥 5,3m
7	State President Fund	🟩			🟩																																NR			🟩	🟩	-	-	-
Portfolio: Sport and recreation																																												
Department																																												
1	Sport and Recreation South Africa	🟩			🟩	A	A																																🟩	🟨	🟨	-	🟩 -	🟥 0,14m
Public entities																																												
2	Boxing South Africa	🟪	R	R	🟨	R	R		N	N			N					R			R	A					N	A	N	N	N	N		R	A		R	R	M	🟥	🟥	-	🟥 1,9m	🟥 0,39m
3	SA Institute for Drug-free Sport	🟨		R	🟨	A	R														R	R				A								R				R	🟩	🟨	🟩	-	🟥 1,0m	-
Portfolio: Statistics South Africa																																												
Department																																												
1	Statistics South Africa	🟩			🟩		A																														R	A	🟩	🟩	🟨	-	🟥 0,42m	🟥 4,3m
Portfolio: The Presidency																																												
Departments																																												
1	Planning, Monitoring and Evaluation	🟩			🟩																																R	A	F	🟩	🟨	-	🟩 0,04m	🟩 0,01m
2	Government Communications and Information System	🟩		A	🟨	A	R														A														A			R	🟩	🟩	🟨	🟩 0,71m	🟥 0,51m	🟥 0,01m
3	The Presidency	🟩	A	A	🟨	N	R										A	A			A	A										A		A	A		R	A	F	🟨	🟨	-	🟩 -	🟥 3,0m
Public entities																																												
4	Media Development and Diversity Agency	🟨		N	🟩																N											N							🟩	🟨	🟩	-	🟩 -	🟥 0,02m
5	National Youth Development Agency	🟩		A	🟨		R														A	A						A			A	A		A			R	A	F	🟩	🟥	-	🟩 0,58m	🟩 0,27m
6	Brand SA	🟨		R	🟨		R														A													N				R	M	🟨	🟩	-	🟩 0,08m	🟥 0,17m

Legend (Audit outcomes)
🟩 Unqualified with no findings
🟨 Unqualified with findings
🟪 Qualified with findings
Adverse with findings
🟥 Disclaimer with findings
Audit not finalised at legislated date
🟦 New auditee

Legend (Findings)
🟩 Addressed (A)
🟨 New (N)
🟥 Repeat (R)
Not reported (NR)

Financial health findings
🟩 No unfavourable indicators
🟨 Unfavourable indicators
🟥 Material unfavourable indicators

Controls (human resource and information technology management)
🟩 Good
🟨 Concerning
🟥 Intervention required

Legend (expenditure)
🟩 Improved
🟥 Regressed

Number	Auditee	2014-15 audit outcomes			2013-14 audit outcomes			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
		Audit opinion	Predetermined objectives	Compliance with legislation	Audit opinion	Predetermined objectives	Compliance with legislation	Non-current assets	Current assets	Liabilities	Capital and reserves	Other disclosure items	Revenue	Expenditure	Unauthorised, irregular, as well as fruitless and wasteful	Aggregate misstatements	Reported information not useful	Reported information not reliable	Information not submitted in time for audit	No annual performance report	Material misstatement or limitations in submitted AFS	Unauthorised, irregular, as well as fruitless and wasteful	Annual financial statements and annual report	Asset management	Liability management	Budgets	Expenditure management	Financial misconduct	Audit committees	Internal audit	Revenue management	Strategic planning and performance management	Transfer and conditional grants	Procurement management	HR management	Other	Quality of submitted performance reports	Supply chain management	Financial Health	Human resource management	Information Technology	Unauthorised expenditure Amount R	Irregular expenditure Amount R	Fruitles and wasteful expenditure Amount R
Portfolio: The Presidency: Women																																												
Department																																												
1	Women	🟨	N	R	🟨		R										N				R		N							R				A	R		N	R	🟩	🟥	🟨	-	2,9m	0,26m
Public entity																																												
2	Commission on Gender Equality	🟨		R	🟨		R															R												R			A	R	🟩	🟨	🟥	-	1,0m	1,4m
Portfolio: Tourism																																												
Department																																												
1	Tourism	🟨		N	🟩		A																N														A		🟩	🟩	🟩	-	-	0,71m
Public entity																																												
2	South African Tourism	🟩		A	🟨		N																											A			A	A	🟩	🟩	🟨	-	-	-
Portfolio: Trade and industry																																												
Department																																												
1	Trade and Industry	🟩		A	🟨		R															A															A	R	🟩	🟩	🟨	-	1,2m	0,04m
Public entities																																												
2	Companies and Intellectual Property Commission	🟨	R	A	🟨	R	R											R				A															R	R	🟩	🟨	🟨	-	0,5m	0,02m
3	Companies Tribunal	🟨	A	R	🟨	R	N										A				R	A								A							A	A	🟩	🟩	🟩	-	0,11m	-
4	National Consumer Commission	🟨	N	R	🟨		R											N			A	R				A								A			R	R	🟩	🟨	🟥	-	7,3m	0,01m
5	National Consumer Tribunal	🟩			🟩																																		🟩	🟩	🟩	-	-	-
6	National Credit Regulator	🟩		A	🟨		R														A																		F	🟩	🟨	-	-	-
7	National Gambling Board	🟨	A	R	🟨	N	R										A	A			R	R			A							A		R		R	A	R	🟩	🟥	🟩	-	3,0m	-
8	National Lotteries Board	🟨	A	R	🟨	N	R										A	A			R	A									N			A			A	A	🟩	🟩	🟩	-	20,8m	0,01m
9	National Regulator for Compulsory Specifications	🟪	N	R	🟪	A	R		A	A			R	A			N	N			R	R									R	N					N	A	F	🟨	🟥	-	7,3m	0,01m
10	Small Enterprise Development Agency	🟨		R	🟨		R														R																		🟩	🟩	🟨	-	-	0,4m
11	South African Bureau of Standards	🟩			🟩																																		🟩	🟩	🟨	-	-	0,05m
Public entities (Not audited by the AGSA)																																												
12	Export Credit Insurance Corporation of SA	🟩			🟩																																							
13	National Empowerment Fund	🟩			🟩																																			🟩				
14	National Metrology Institute of SA	🟩			🟩																																			🟩				
15	South African National Accreditation System	🟨	N	N	🟩		A										N													N							N			🟩				

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Portfolio: Transport																																												
Department																																												
1	Transport	🟨	R	R	🟨	N	R										A	R			N	R	A		A	A	A					N			R		R	A	F	🟨	🟨	392,8m	102,3m	0,1m
Public entities																																												
2	Airports Company South Africa	🟨	N	N	🟩												N	N			N	N										N		N			N	N	🟩	🟩	🟨	-	230,0m	12,6m
3	Cross-Border Road Transport Agency	🟨	A	R	🟨	N	R										A	A				R															A		M	🟩	🟨	-	0,53m	-
4	Driving Licence Card Account	🟨		N	🟩																N																A		🟩	🟨	🟩		🟩	
5	Passenger Rail Agency of South Africa	🟨		R	🟨		R														R	R												R			N	R	M	🟨	🟥	-	550,6m	19,9m
6	Ports Regulator of South Africa	🟩		A	🟨		R														A																A	R	🟩	🟩	🟩	-	-	-
7	Railway Safety Regulator	🟨		R	🟨		R														R																	R	F	🟩	🟩	-	11,9m	0,002m
8	Road Accident Fund	🟩			🟩																																		F	🟩	🟨	-	14,6m	24,5m
9	Road Traffic Infringement Agency	🟨		N	🟩		A														N													N				N	🟩	🟩	🟩	-	1,0m	0,04m
10	Road Traffic Management Corporation	🟨	A	R	🟪	R	R	A									A	A			R			A										N			A	R	🟩	🟩	🟨	-	3,7m	0,29m
11	South African Civil Aviation Authority	🟩			🟩																																	A	🟩	🟩	🟩	-	-	-
12	South African Maritime Safety Authority	🟨	R	R	🟨	N	R										A	R			R	R	A					N	R	R				A			R	A	M	🟥	🟨	-	16,4m	1,4m
13	The South African National Roads Agency	🟨		R	🟨		R														R	R		A										R			R	R	M	🟨	🟨	-	1 606,2m	-
Public entity (Not audited by the AGSA)																																												
14	Air Traffic Navigation Services	🟩			🟩																																							
Portfolio: Water and sanitation																																													
Department																																												
1	Water Affairs	🟪	R	R	🟪	R	R	A		R		R					R	R			R	R	A	R			A					N		R	R		R	R	F	🟨	🟥	-	87,9m	1,5m
Public entities																																												
2	Water Research Commission	🟨	A	R	🟪	R	R		A								A				R	R					N	N			A						A	R	F	🟨	🟨	-	3,2m	0,002m
3	Water Trading Account	🟨	R	R	🟪	R	R		A				A				R	R			A	R		A			A			A		R		R			R	R	F	🟨	🟨	-	3,0m	0,58m

Legend (Audit outcomes)
🟩 Unqualified with no findings
🟨 Unqualified with findings
🟪 Qualified with findings
Adverse with findings
🟥 Disclaimer with findings
Audit not finalised at legislated date
🟦 New auditee

Legend (Findings)
Addressed (A)
New (N)
Repeat (R)
Not reported (NR)

Financial health findings
🟩 No unfavourable indicators
🟨 Unfavourable indicators
🟥 Material unfavourable indicators

Controls (human resource and information technology management)
🟩 Good
🟨 Concerning
🟥 Intervention required

Legend (expenditure)
Improved
Regressed

Number	Auditee	2014-15 audit outcomes			2013-14 audit outcomes			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
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Public entities (Not audited by the AGSA)																																												
4	Breede-Gouritz Catchment Management Agency	⬜			⬜																																							
5	Inkomati Catchment Management Agency	⬜			⬜																																							
6	Trans-Caledon Tunnel Authority	⬜			⬜																																							
Sphere of government: Provincial																																												
Eastern Cape																																												
Departments																																												
1	Cooperative Governance and Traditional Affairs	🟨		N	🟩	A	A																					N							N			R	🟩	🟨	🟨	-	22,1m	0,03m
2	Economic Development, Environmental Affairs and Tourism	🟨		R	🟨		R														R	R					N	R		N	R	N	N	A	R		R	R	🟩	🟥	🟨	-	28,8m	0,14m
3	Education	🟪	R	R	🟪	R	R	R		R		R			R	R	R	R			R	R	A	R			A	R	R	R	R	R	R	R	N		R	R	F	🟥	🟥	-	87,0m	8,6m
4	Health	🟪	R	R	🟪	R	R					R		A	R	A		R			R	R						R				R		R	R		R	R	F	🟥	🟥	90,4m	451,8m	74,4m
5	Human Settlements	🟨		R	🟨	A	R														R	N					A					R					R	R	F	🟩	🟨	-	0,75m	0,94m
6	Office of the Premier	🟨		N	🟩																N						N							N				R	🟩	🟩	🟨	-	1,5m	-
7	Provincial Legislature	🟩		A	🟨	A	R														A	A															A		🟩	🟩	🟨	-	-	-
8	Provincial Treasury	🟨		N	🟩																													N				N	🟩	🟩	🟨	-	10,3m	-
9	Roads and Public Works	🟪	R	R	🟪	R	R		N			A		N	R	R	A	R			N	N	A				R	A			R	R	A	R			R	R	F	🟨	🟥	-	663,0m	1,5m
10	Rural Development and Agrarian Reform	🟨		R	🟨	A	R														A	R									A			R	R			R	🟩	🟨	🟨	-	5,0m	0,56m
11	Safety and Liaison	🟩		A	🟨	A	R														A		A	A			A							A			N	R	🟩	🟨	🟨	-	1,2m	0,009m
12	Social Development	🟨	N	R	🟨		R											N				R	A					N				N	R				N	R	🟩	🟨	🟨	-	48,1m	0,06m
13	Sport, Recreation, Arts and Culture	🟨	R	R	🟨	R	R										R	R			A	N					A				A	N	A	R	R		R	R	🟩	🟥	🟨	0,62m	18,7m	0,2m
14	Transport	🟨	R	R	🟨	R	R											R			N	R					N			A		N		N	N		R	R	F	🟨	🟨	-	30,6m	0,02m
Public entities																																												
15	COEGA Development Corporation	⬜			🟨		N																																					
16	East London Industrial Development Zone Corporation	🟨		R	🟨	A	R														R	N		A										N				R	F	🟩	🟨	-	3,3m	0,47m
17	Eastern Cape Development Corporation	🟪		R	🟪	A	R		N					A		N					R	R	N					N			N	A		R			A	R	F	🟨	🟩	-	41,5m	-
18	Eastern Cape Gambling and Betting Board	🟩		A	🟨		R														A													A				A	🟩	🟩	🟨	-	-	0,005m

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19	Eastern Cape Government Fleet Management Services	🟨		R	🟪	A	R		A				A			A					R	A						N		A	R				A		A	A	🟩	🟨	🟥	-	🟩 -	🟥 2,0m
20	Eastern Cape Liquor Board	🟨		R	🟨	A	R															R						A						A				A	🟩	🟨	🟩	-	🟩 0,14m	🟩 0,08m
21	Eastern Cape Parks and Tourism Agency	🟨	A	R	🟨	N	R										A				A	R				A						N		N			R	R	F	🟨	🟩	-	🟩 3,0m	-
22	Eastern Cape Provincial Arts and Culture Council	🟨	N	R	🟨	A	R										N	N			R	R						A		R		R		R			R	R	F	🟥	🟩	-	🟩 0,75m	🟥 0,009m
23	Eastern Cape Rural Development Agency	🟨	A	R	🟨	R	R											A												A		A		N			A	N	🟩	🟨	🟨	-	🟥 6,2m	🟩 0,001m
24	Eastern Cape Socio Economic Consultative Council	🟩			🟩																																		🟩	🟩	🟩	-	-	-
25	Mayibuye Transport Corporation	🟪		R	🟪		R					A	R		A						R	R		R				A			A			A				R	🟩	🟥	🟨	-	🟩 3,9m	🟩 0,13m
Free State																																												
Departments																																												
1	Agriculture and Rural Development	🟨	R	R	🟨	R	R										R	A				A		A					A	A		R	R	A	A		R	R	M	🟨	🟨	-	🟩 -	🟩 -
2	Cooperative Governance and Traditional Affairs	🟨	A	R	🟨	R	R										A	A			R	R		R			R							R	A		R	R	F	🟨	🟥	-	🟩 1,8m	🟩 0,08m
3	Economic Development, Tourism and Environmental Affairs	🟨	N	R	🟨		R										N				R	A		R			A	A	A	R	R	N		A	A		N	R	F	🟨	🟨	-	🟩 0,43m	🟩 -
4	Education	🟨	R	R	🟪	R	R							A				R			R	R			N	A	R	R			A		R	R			R	R	M	🟨	🟥	🟥 589,4m	🟩 237,7m	🟩 0,38m
5	Health	🟪	R	R	🟪	R	R	R	A	N					R			R			R	R		R	R	A	R	R			R	R		R	R		R	R	M	🟥	🟥	🟩 11,2m	🟩 328,8m	🟩 8,0m
6	Human Settlements	🟪	R	R	🟪	R	R		A	R		R						R			R	R	A	R	A	A	R	R			A	N	R	R	R	A	R	R	F	🟥	🟥	-	🟥 982,2m	🟩 0,19m
7	Office of the Premier	🟩		A	🟪		N	A													A			A											A		N	R	M	🟩	🟨	-	🟩 -	🟥 0,007m
8	Police, Roads and Transport	🟨	N	R	🟨		R										N				R	A				A	A	A				A			A		N	R	M	🟨	🟨	🟩 0,02m	🟩 3,1m	🟥 1,1m
9	Provincial Legislature	🟩			🟩	A	A																															R	🟩	🟨	🟨	-	-	-
10	Provincial Treasury	🟩			🟩																																A	R	🟩	🟩	🟨	-	🟩 0,14m	-
11	Public Works	🟩	A	A	🟨	R	R										A				A	A									A	A		A			A	R	M	🟩	🟨	-	🟩 0,6m	🟥 0,006m
12	Social Development	🟨	R	R	🟨	R	R											R															R		N		R	R	M	🟨	🟨	-	🟩 -	-
13	Sport, Arts, Culture and Recreation	🟩			🟩																																N	R	M	🟩	🟨	-	🟩 0,09m	🟩 -

Legend (Audit outcomes)	Unqualified with no findings	Unqualified with findings	Qualified with findings	Adverse with findings	Disclaimer with findings	Audit not finalised at legislated date	New auditee
Legend (Findings)	Addressed (A)	New (N)	Repeat (R)	Not reported (NR)			
Financial health findings	No unfavourable indicators	Unfavourable indicators	Material unfavourable indicators				
Controls (human resource and information technology management)	Good	Concerning	Intervention required				
Legend (expenditure)	Improved	Regressed					

Number	Auditee	2014-15 audit outcomes			2013-14 audit outcomes			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
		Audit opinion	Predetermined objectives	Compliance with legislation	Audit opinion	Predetermined objectives	Compliance with legislation	Non-current assets	Current assets	Liabilities	Capital and reserves	Other disclosure items	Revenue	Expenditure	Unauthorised, irregular, as well as fruitless and wasteful	Aggregate misstatements	Reported information not useful	Reported information not reliable	Information not submitted in time for audit	No annual performance report	Material misstatement or limitations in submitted AFS	Unauthorised, irregular, as well as fruitless and wasteful	Annual financial statements and annual report	Asset management	Liability management	Budgets	Expenditure management	Financial misconduct	Audit committees	Internal audit	Revenue management	Strategic planning and performance management	Transfer and conditional grants	Procurement management	HR management	Other	Quality of submitted performance reports	Supply chain management	Financial Health	Human resource management	Information Technology	Unauthorised expenditure Amount R	Irregular expenditure Amount R	Fruitless and wasteful expenditure Amount R
Public entities																																												
14	Central Medical Trading Account	🟨		R	🟨		R														R						R				R				R		NR	N	M	🟥	🟨	-	0,31m	-
15	Free State Development Corporation	🟨		R	🟨		R														R	R										A		A			R	R	F	🟨	🟨	-	3,4m	-
16	Free State Fleet Management Trading Entity	🟩			🟩																																NR		F	🟩	🟨	-	0,09m	-
17	Free State Gambling and Liquor Authority	🟨	R	R	🟨	R	R										R	R			R	R	N	A		A		N	A	A	N	A		R			R	R	F	🟨	🟨	-	1,8m	1,8m
18	Free State Political Party Fund	⬜			⬜																																							
19	Free State Tourism Authority	🟨	A	R	🟨	R	R											A			R	R						R	R	R	N			R			A	R	M	🟨	🟨	-	8,6m	0,06m
Gauteng																																												
Departments																																												
1	Agriculture and Rural Development	🟨		R	🟨	A	R														A	R		R			A								A			R	🟩	🟨	🟨	-	7,7m	0,004m
2	Community Safety	🟨		R	🟨	A	R														R	R		N			R								R		R	R	F	🟥	🟨	-	40,1m	0,09m
3	Cooperative Governance and Traditional Affairs	🟩			🟩																																		🟩	🟩	🟩	-	1,8m	0,02m
4	Economic Development	🟩		A	🟨		R														A	A					A											N	🟩	🟩	🟨	-	0,44m	0,06m
5	Education	🟨		R	🟨		R														R	R					R							R			R	R	F	🟨	🟨	-	1 246,4m	2,2m
6	Finance	🟩			🟨		R														A													A	A			A	🟩	🟨	🟨	-	49,0m	0,16m
7	Health	🟪	R	R	🟪	R	R		R								N	R			R	R					R				R	N		R	R		R	R	M	🟨	🟨	-	124,4m	159,8m
8	Human Settlements	🟨	R	R	🟪	N	N					A			A			R			R	N	N	R			R						N	R			R	R	F	🟨	🟨	-	1 928,1m	3,1m
9	Infrastructure Development	🟨	R	R	🟨	R	R										N	R			R	R		R			R				N			N		A	R	R	F	🟨	🟥	-	127,2m	0,42m
10	Office of the Premier	🟩			🟩																																		🟩	🟩	🟩	-	-	-
11	Provincial Legislature	🟩			🟩																																		🟩	🟨	🟨	-	-	-
12	Provincial Treasury	🟩			🟩																																		🟩	🟩	🟨	-	-	-
13	Roads and Transport	🟨	R	R	🟨	N	R										R	R			A	R		A			A						N	R			R	R	🟩	🟨	🟨	-	1 942,7m	250,7m
14	Social Development	🟩			🟩																																		🟩	🟩	🟨	-	-	-
15	Sports, Arts, Culture and Recreation	🟨		N	🟩																N	N												N				R	🟩	🟩	🟨	-	88,4m	-
Public entities																																												
16	Constitutional Hill Development Company	🟩			🟩		A																																🟩	🟩	🟨	-	-	-
17	Cost Recovery Trading Entity	🟨		R	🟨		R														R										R						NR		🟩	🟨	🟩	-	-	-
18	Cradle of Humankind Trading Entity	🟩			🟩		A																															A	🟩	🟨	🟩	-	-	-
19	Dinokeng World Heritage Trading Entity	🟩			🟩		A																															A	🟩	🟨	🟩	-	-	-
20	Gauteng Enterprise Propeller	⬜			🟨		R																																			-	-	-

Number	Auditee	2014-15 audit outcomes			2013-14 audit outcomes			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
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21	Gauteng Film Commission	🟩			🟩		A																														NR		🟩	🟩	🟩	-	-	-
22	Gauteng Funding Agency	🟨	N	N	🟩												N				N													N			N	N	🟩	🟩	🟨	-	🟥 13,2m	-
23	Gauteng Gambling Board	🟩		A	🟨		R														A	A																	🟩	🟩	🟩	-	🟩 -	🟥 0,04m
24	Gauteng Growth and Development Agency	🟨		N	🟩		A														N																		🟩	🟩	🟩	-	🟥 0,75m	-
25	Gauteng Housing Fund	🟨		R	🟨		R														R			N													NR		F	🟨		-	-	-
26	Gauteng Liquor Board	🟨		R	🟨		R														N		A	A			R				R				A		NR	N	F	🟩		-	-	🟥 0,1m
27	Gauteng Medical Supplies Depot	🟨	R	R	🟨	N	R											R									R							A	R		R	A	F	🟨	🟥	-	🟩 44,4m	🟩 -
28	Gauteng Partnership Fund	🟩			🟩																																		🟩	🟩	🟩	-	-	-
29	Gauteng Tourism Authority	🟩			🟩		A																														N	A	🟩	🟩	🟩	-	-	-
30	Gautrain Management Agency	🟩			🟩																																		🟩	🟩	🟩	-	-	-
31	g-FleeT Management	🟥	N	R	▨		R	R	R	A		R	R	N			N	N			R	R					N				R			N	A		N	R	M	🟥	🟥	-	🟩 3,6m	🟩 1,7m
32	Greater Newtown Development Company	🟩			🟩		A																														NR		🟩	🟩	🟩	-	-	-
33	Industrial Development Zone	🟩			🟩		A																																🟩	🟩	🟩	-	-	-
34	Supplier Park Development Co	🟩			🟩		A																																🟩	🟩	🟨	-	🟩 0,68m	🟥 0,12m
35	The Innovation Hub	🟩			🟩		A																																🟩	🟩	🟩	-	-	-
KwaZulu-Natal																																												
Departments																																												
1	Agriculture and Rural Development	🟨	A	R	🟨	N	R											A				R											N	A	R		R	R	F	🟨	🟨	-	🟩 17,4m	🟩 0,33m
2	Arts and Culture	🟪	R	R	🟪	N	R	R		R							N	R			R	R		R		A	N					R	R	R	R		R	R	F	🟥	🟥	🟩 -	🟩 187,4m	🟩 0,07m
3	Community Safety and Liaison	🟨	R	R	🟨	R	R											R														R			R		R	N	🟩	🟨	🟨	-	🟩 0,91m	-
4	Cooperative Governance and Traditional Affairs	🟩		A	🟨		R														A														A			A	F	🟩	🟨	-	🟩 -	🟥 0,02m
5	Economic Development, Environmental Affairs and Tourism	🟨		R	🟨		R															R					A											A	F	🟩	🟨	🟩 -	🟩 28,5m	🟩 -
6	Education	🟨	R	R	🟪	R	R			A							A	R			R	R	A			A	R				R	R	R	R	R		R	R	F	🟨	🟥	🟩 -	🟩 448,0m	🟩 3,1m
7	Health	🟪	R	R	🟪	R	R	R		A		N		R	R		N	R			R	R		R		A	R					R	R	R	R		R	R	F	🟥	🟥	🟩 127,7m	🟩 839,0m	🟩 3,0m

Legend (Audit outcomes)	Unqualified with no findings	Unqualified with findings	Qualified with findings	Adverse with findings	Disclaimer with findings	Audit not finalised at legislated date	New auditee	Legend (Findings)	Addressed (A)	New (N)	Repeat (R)	Not reported (NR)	Financial health findings	No unfavourable indicators	Unfavourable indicators	Material unfavourable indicators	Controls (human resource and information technology management)	Good	Concerning	Intervention required	Legend (expenditure)	Improved	Regressed	

Number	Auditee	2014-15 audit outcomes			2013-14 audit outcomes			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
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8	Human Settlements	🟨		R	🟨	A	R														R						R												F	🟨	🟨	-	0,19m	0,001m
9	Office of the Premier	🟨	A	R	🟨	R	R										A	A			N	R	A				R							N	A		R	R	F	🟨	🟨	2,6m	21,0m	-
10	Provincial Legislature	🟪		A	🟨		N	N																										A				R	🟩	🟨	🟥	-	-	-
11	Provincial Treasury	🟩			🟩																																	A	🟩	🟨	🟨	-	0,85m	-
12	Public Works	🟨		R	🟨		R														A	R												N			R	R	F	🟩	🟨	-	12,7m	0,02m
13	Social Development	🟪		R	🟨		R	N													R	R	A	R	N	A					N		R	R	A		N	R	🟩	🟥	🟨	11,8m	82,5m	0,19m
14	Sport and Recreation	🟨		R	🟨	A	R														R	R					A							A	A		A	A	🟩	🟨	🟨	-	3,1m	-
15	The Royal Household	🟨	N	R	🟨		R										N	N			R	R	N				R		N	N	R		N	A	R		N	R	F	🟥	🟨	-	9,5m	0,02m
16	Transport	🟪	R	R	🟪	N	N	N		A		A			N			R			R	N					R				A	N		R	R		R	R	F	🟨	🟨	1,1m	11,3m	0,005m
Public entities																																												
17	Agri-Business Development Agency	🟨	R	R	🟨	N	R											R			R	R												A			R	R	F	🟨	🟨	-	0,41m	0,05m
18	Amafa Akwazulu-Natali	🟩			🟩																																		🟩	🟩	🟩	-	-	-
19	Dube Tradeport Company	🟩			🟩																																		🟩	🟩	🟩	-	-	-
20	Ithala Development Finance Corporation	▒			🟩		A																																			-	-	-
21	Ithala	▒			🟩		A																																			-	-	-
22	KwaZulu-Natal Business Rehabilitation Trust Fund	▒			🟥																																							
23	KwaZulu-Natal Gaming and Betting Board	🟨	N	R	🟨		N											N			A	N						N				N					N	R	F	🟨	🟩	-	2,6m	0,01m
24	KwaZulu-Natal Growth Fund Managers	🟩			🟩																																A		F	🟩	🟩	-	-	-
25	KwaZulu-Natal Nature Conservation Board	🟨		R	🟨		R														R	R		N										R				R	F	🟨	🟨	-	5,4m	0,67m
26	KwaZulu-Natal Provincial Pharmaceutical Supply Depot	🟨	N	R	🟨		R											N											R	R		N					N		🟩	🟩	🟨	-	1,7m	-
27	KwaZulu-Natal Sharks Board	🟨		R	🟨		N														A	A												A		N		R	🟩	🟩	🟩	-	3,0m	-
28	KwaZulu-Natal Tourism Authority	🟩		A	🟨		N														A																A		F	🟩	🟩	-	-	-
29	KZN Film Company	🟨	A	R	🟨	N	N										A	A				N								A		A					A	R	F	🟩	🟨	-	4,1m	0,22m
30	KZN Growth Fund Trust	🟩			🟦																																NR			🟩	🟩	-	-	-
31	KZN Housing Fund	🟨		R	🟪	A	R	A					A	A							R																		F	🟨	🟨	-	-	-
32	KZN Liquor Authority	🟨		R	🟨	A	R														R								N								N		🟩	🟩	🟨	-	-	-
33	Mjindi Farming	🟨	A	R	🟨	N	R										A	A			R						A				R			A			R	A	F	🟩	🟩	-	1,4m	-

Number	Auditee	2014-15 audit outcomes			2013-14 audit outcomes			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
		Audit opinion	Predetermined objectives	Compliance with legislation	Audit opinion	Predetermined objectives	Compliance with legislation	Non-current assets	Current assets	Liabilities	Capital and reserves	Other disclosure items	Revenue	Expenditure	Unauthorised, irregular, as well as fruitless and wasteful	Aggregate misstatements	Reported information not useful	Reported information not reliable	Information not submitted in time for audit	No annual performance report	Material misstatement or limitations in submitted AFS	Unauthorised, irregular, as well as fruitless and wasteful	Annual financial statements and annual report	Asset management	Liability management	Budgets	Expenditure management	Financial misconduct	Audit committees	Internal audit	Revenue management	Strategic planning and performance management	Transfer and conditional grants	Procurement management	HR management	Other	Quality of submitted performance reports	Supply chain management	Financial Health	Human resource management	Information Technology	Unauthorised expenditure Amount R	Irregular expenditure Amount R	Fruitless and wasteful expenditure Amount R
34	Moses Kotane Institute	🟨		R	🟪		R								A						N		A														NR	N	🟩	🟩	🟨	-	7,9m	0,56m
35	The KwaZulu-Natal Royal Household Trust	🟨	R	R	🟨	R	R										N	N		A	R	R	R									R		N		N	R	R	M	🟥	🟥	-	8,0m	0,03m
36	Trade and Investment KwaZulu-Natal	🟩		A	🟨		N														A																R	N	🟩	🟩	🟩	-	-	-
37	Traditional Levies and Trust Account	🟪		R	🟪		R						R								R										R						NR		🟩	🟨	🟨	-	-	0,002m
Limpopo																																												
Departments																																												
1	Agriculture	🟨	A	R	🟪	R	R	A		A		A						A			R	R		R				R						R			A	R	F	🟩	🟨	-	24,8m	-
2	Cooperative Governance, Human Settlements and Traditional Affairs	🟨	N	N	🟩	A	A											N			N	N												N			N	R	F	🟨	🟩	-	0,03m	4,0m
3	Economic Development, Environment and Tourism	🟨	R	R	🟪	N	R	A									R	R			R	R	R	R			R	R			A	R	A	N	R		R	R	F	🟩	🟥	-	1,4m	0,04m
4	Education	🟥	R	R	🟥	R	R	R	R	A		R		R	R	A	R	R			R	R	A	R	A	A	R	R		A	R	R	R	R	R		R	R	M	🟥	🟥	4,8m	994,3m	72,7m
5	Health	🟨	R	R	🟪	R	R		A								A	R			R	R		R		N	R	R			R	R		R	N		R	R	F	🟨	🟥	-	544,9m	43,4m
6	Office of the Premier	🟩		A	🟨		R															A						A						A			R	R	🟩	🟩	🟩	-	0,11m	-
7	Provincial Legislature	🟨	N	A	🟨	A	R										N				A	A						A						A			N	A	🟩	🟩	🟨	-	-	-
8	Provincial Treasury	🟨		R	🟨		R														N														A				F	🟨	🟩	-	-	0,02m
9	Public Works, Roads and Infrastructure	🟪	R	R	🟪	R	R	R	R						R		R	R			R	R	A	R			R	R			R	N		R	A		R	R	🟩	🟨	🟨	-	20,3m	0,06m
10	Safety, Security and Liaison	🟨		R	🟨		R														R	N						N										N	🟩	🟩	🟨	-	0,3m	0,03m
11	Social Development	🟨	N	R	🟪		R	A									N	N			R	R		R				R			A	N	R	R	R		N	R	🟩	🟨	🟨	-	14,5m	3,5m
12	Sport, Arts and Culture	🟪		R	🟪	A	R	R				A			R						R	R		R			R	R				A		R	R		A	R	F	🟨	🟥	-	3,0m	0,39m
13	Transport	🟨	N	R	🟨		R											N			R	N		A			A	N			N	R		N			R	R	F	🟨	🟨	-	0,74m	0,39m

Legend (Audit outcomes)	🟩 Unqualified with no findings	🟨 Unqualified with findings	🟪 Qualified with findings	Adverse with findings	🟥 Disclaimer with findings	Audit not finalised at legislated date	New auditee
Legend (Findings)	Addressed (A)	New (N)	Repeat (R)	Not reported (NR)			
Financial health findings	No unfavourable indicators	Unfavourable indicators	Material unfavourable indicators				
Controls (human resource and information technology management)	🟩 Good	🟨 Concerning	🟥 Intervention required				
Legend (expenditure)	Improved	Regressed					

Number	Auditee	2014-15 audit outcomes			2013-14 audit outcomes			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
		Audit opinion	Predetermined objectives	Compliance with legislation	Audit opinion	Predetermined objectives	Compliance with legislation	Non-current assets	Current assets	Liabilities	Capital and reserves	Other disclosure items	Revenue	Expenditure	Unauthorised, irregular, as well as fruitless and wasteful	Aggregate misstatements	Reported information not useful	Reported information not reliable	Information not submitted in time for audit	No annual performance report	Material misstatement or limitations in submitted AFS	Unauthorised, irregular, as well as fruitless and wasteful	Annual financial statements and annual report	Asset management	Liability management	Budgets	Expenditure management	Financial misconduct	Audit committees	Internal audit	Revenue management	Strategic planning and performance management	Transfer and conditional grants	Procurement management	HR management	Other	Quality of submitted performance reports	Supply chain management	Financial Health	Human resource management	Information Technology	Unauthorised expenditure Amount R	Irregular expenditure Amount R	Fruitless and wasteful expenditure Amount R
14	Corridor Mining Resources	🟪	R	R	🟪	R	R	N		N		A					R	N			R	R	A		N			R	R	R		R		R			R	R	M	🟨	🟨	-	3,2m	2,5m
15	Gateway Airport Authority	⬜			🟥	R	R																																						
16	Great North Transport	🟨	A	R	🟨	R	R											A			R	R	A	N	N			R	R	R	N	A		R			R	R	F	🟨	🟩	-	35,3m	9,4m
17	Limpopo Economic Development Agency	⬜			🟨	R	R																																						
18	Limpopo Gambling Board	🟨		R	🟨		R														A	R		A				A						A			N	A	🟩	🟩	🟩	-	2,7m	0,23m
19	Limpopo Roads Agency	◼		R	◼	A	R	R		N		N		R	R	N					R	R	R	R	N			R	R	A	A	R		R			R	R	M	🟨	🟨	-	447,5m	0,79m
20	Limpopo Tourism Agency	🟪	R	R	🟪	R	R	R				R		A	A		R	R			R	R	A	R				R		N	R	R		R			R	R	F	🟥	🟨	-	8,5m	1,3m
21	Mununzwu Estate	🟨	R	R	🟪	N	R						A				R	R			R						N		A	R	R	R		N			R	N	F	🟨	🟥	-	0,25m	0,1m
22	Risima Housing Finance Corporation	🟨	R	R	🟨	R	R										R				R								A	A							R	A	F	🟨	🟥	-	-	0,002m
23	Venteco	🟨	N	R	🟪		R	A									N				R	N		A			A		A	R	A	N		R			N	R	F	🟨	🟥	-	1,3m	0,003m
Mpumalanga																																												
Departments																																												
1	Agriculture, Rural Development and Land Administration	🟨	R	R	🟪	R	R	A		A				A				R			A	A		A	A	A	A	A			A			R	R		R	R	F	🟨	🟩	-	5,4m	-
2	Community Safety, Security and Liaison	🟪	R	R	🟪	N	R					R	R		R			R			R	R		N			R	N		R	R			N	A		R	R	F	🟨	🟨	-	0,96m	0,03m
3	Cooperative Governance and Traditional Affairs	🟩			🟩		A																															A	F	🟩	🟩	-	-	0,01m
4	Culture, Sport and Recreation	🟨		R	🟨		R														A									N					R			R	🟩	🟨	🟨	-	22,9m	1,7m
5	Economic Development and Tourism	🟨		R	🟨	A	R														R						A			N				R	R		R	R	F	🟨	🟨	-	-	-
6	Education	🟪		R	🟨		R	N													R	R		N			A	A					N	R	A		N	R	F	🟨	🟨	-	161,9m	0,07m
7	Finance	🟩			🟩																																N	A	🟩	🟩	🟨	-	-	-
8	Health	🟪	R	R	🟪	R	R	R		N		N			R		R	R			R	R		R		A	R	R	R	A	R	N	A	R	R		R	R	F	🟥	🟥	10,6m	1 918,9m	3,6m
9	Human Settlement	🟨	R	R	🟨	R	R										R	R			N									N				N	R		R	R	F	🟨	🟨	-	78,8m	-
10	Office of the Premier	🟨		R	🟨		N														A	R								N				R				R	F	🟩	🟨	-	24,3m	-
11	Provincial Legislature	🟩	A	A	🟨	N	R											A			A													A			R	A	F	🟨	🟨	-	-	-
12	Public Works, Roads and Transport	🟨	R	R	🟨	R	R											R			R	R					A	N		N				R		A	R	R	F	🟨	🟩	-	4,7m	-
13	Social Development	🟨		N	🟩		A																		N												R	R	🟩	🟨	🟨	-	34,9m	-

Number	Auditee	2014-15 audit outcomes			2013-14 audit outcomes			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
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Public entities																																												
14	Mpumalanga Economic Growth Agency	🟪	R	R	🟪	R	R	R	N					N	N		R	R			R	R		R							R	R		R			R	R	F	🟥	🟥	-	75,1m	0,01m
15	Mpumalanga Gambling Board	🟩			🟩																																		🟩	🟩	🟩	-	-	-
16	Mpumalanga Regional Training Trust	🟪		N	🟩	A	A	N													N	N												N				R	F	🟩	🟨	-	0,13m	0,002m
17	Mpumalanga Tourism and Parks Agency	🟪	R	R	🟨	R	R	N		N	N		N				N	R			R	R		R							N	N		R			R	R	F	🟥	🟨	-	10,9m	0,004m
Northern Cape																																												
Departments																																												
1	Agriculture, Land Reform and Rural Development	🟪	N	R	🟨		R	N				N				N		N			R	R		R			R	N				N		R	R		R	R	🟩	🟥	🟨	-	9,0m	0,002m
2	Cooperative Governance, Human Settlements and Traditional Affairs	🟪	R	R	🟨	R	R					N			N		R	R			R	R	N		R	A	R	R				R	R	R			R	R	F	🟨	🟨	3,9m	222,7m	1,5m
3	Economic Development and Tourism	🟨		N	🟩		A														N	N												N	N			N	F	🟥	🟨	-	22,3m	-
4	Education	🟨	R	R	🟪	R	R	A										R			R	R		R			R	R				N		R	R		R	R	🟩	🟥	🟥	-	345,9m	0,29m
5	Environment and Nature Conservation	🟩			🟩		A																															N	🟩	🟩	🟨	-	-	-
6	Health	🟪	R	R	🟪	R	R	R	R	R		R		R	R		A	R			R	R		R	A	A	R	R			R	R	A	R	R		R	R	F	🟥	🟥	91,6m	622,5m	6,3m
7	Office of the Premier	🟨		R	🟨		R														A	R			A									R	A			R	F	🟨	🟨	-	1,5m	-
8	Provincial Legislature	🟨	A	R	🟨	R	R										A	A																R			R	R	🟩	🟨	🟨	-	0,8m	0,002m
9	Provincial Treasury	🟨		N	🟩		A																												N				🟩	🟥	🟨	-	0,07m	0,04m
10	Roads and Public Works	🟨	R	R	🟨	R	R										R	R			R	R		R				A			R	R		R	R		R	R	F	🟥	🟥	-	74,7m	4,3m
11	Social Development	🟩			🟩																																		🟩	🟩	🟨	-	-	-
12	Sport, Arts and Culture	🟪		R	🟪		R	R	A					A	A						R	R		R	A		R	R					A	R	R			R	F	🟥	🟨	-	14,4m	0,02m
13	Transport, Safety and Liaison	🟪	R	R	🟨	R	R		N	N		N		N	N		R	R			R	R		N			R	N			N	N	A	R	N		R	R	F	🟥	🟥	1,8m	155,2m	0,44m

Legend (Audit outcomes)	Unqualified with no findings	Unqualified with findings	Qualified with findings	Adverse with findings	Disclaimer with findings	Audit not finalised at legislated date	New auditee	Legend (Findings)	Addressed (A)	New (N)	Repeat (R)	Not reported (NR)	Financial health findings	No unfavourable indicators	Unfavourable indicators	Material unfavourable indicators	Controls (human resource and information technology management)	Good	Concerning	Intervention required	Legend (expenditure)	Improved	Regressed

Number	Auditee	2014-15 audit outcomes			2013-14 audit outcomes			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
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Public entities																																												
14	Kalahari Kid Corporation	🟨	A	R	🟨	R	R													A	R	R	A	R	N			N	R	R		A		A			A	R	M	🟨	🟩	-	0,22m	0,02m
15	McGregor Museum	🟪	N	N	🟩			N												N	N	N	N	N				N	N	N		N		N			N	R	M	🟨	🟥	-	0,46m	-
16	Northern Cape Economic Development, Trade and Investment Promotion Agency	🟪	R	R	🟪	R	R						R		A		N			A	R	R	A	R				R	R	R	R	N					R	N	🟩	🟨	🟨	-	0,65m	0,03m
17	Northern Cape Fleet Management	⬜			🟪	R	R																																			-	-	-
18	Northern Cape Gambling Board	🟨	A	R	🟨	N	R											A			A	R					A							R			A	R	F	🟨	🟩	-	0,41m	0,001m
19	Northern Cape Liquor Board	🟨	A	R	🟨	R	R											A			A	R						A	R	R				R			A	R	🟩	🟨	🟥	-	0,82m	-
20	Northern Cape Tourism Authority	🟩			🟩		A																														A		F	🟩	🟩	-	-	-
North West																																												
Departments																																												
1	Community Safety and Transport Management	🟪	R	R	🟨	N	R					N	N	N			N	R			R	R					N	R			N	R	N	N	R		R	R	🟩	🟨	🟩	13,7m	739,4m	1,1m
2	Culture, Arts and Traditional Affairs	🟨	R	R	🟨	R	R										R	R				R										R		A	R		R	R	F	🟨	🟨	-	39,7m	0,31m
3	Economic and Enterprise Development	🟨		R	🟨		R														R	R										R					A	R	F	🟩	🟨	-	0,96m	0,03m
4	Education and Sports Development	🟨	R	R	🟨	R	R											R			R	R		A	N	A	R	R			R	R	R	R	R		R	R	F	🟥	🟨	8,7m	131,7m	0,41m
5	Health	🟨	R	R	🟨	R	R											R			R	R			N	A	R	R			A	R	R	R	R	A	R	R	M	🟨	🟨	262,6m	763,8m	20,4m
6	Local Government and Human Settlements	🟨	R	R	🟪	R	R					A		A			R	R			R	R	A		N		A	R			R	R	A	A	A		R	R	F	🟥	🟨	-	0,67m	0,05m
7	Office of the Premier	🟨	A	R	🟨	R	R										A				R	R		R			N	R				R		R	N		R	R	F	🟨	🟥	-	10,5m	0,22m
8	Provincial Legislature	🟨		R	🟨	A	R														A	A	A				A	A	A		A		R	R			R	R	🟩	🟨	🟥	-	-	-
9	Provincial Treasury	🟩			🟩	A	A																															R	F	🟩	🟨	-	-	0,002m
10	Public Works and Roads	🟪	R	R	🟪	R	R	R	A			R			R		R	R			R	R		R	N		R	N			N	R	N	R	N	A	R	R	F	🟥	🟥	-	265,2m	1,4m
11	Rural, Environment and Agricultural Development	🟨	R	R	🟨	R	R											R			N	N						A				N		R	N		R	R	🟩	🟩	🟨	-	13,4m	0,02m
12	Social Development	🟨		R	🟨	A	R														R	R	A				A	R				N		R	R		R	R	F	🟨	🟨	0,26m	17,9m	0,32m
13	Tourism	🟨	N	N	🟦												N	N			N	N		N			N					N			N		N	N	F	🟥	🟨	-	3,3m	-

Number	Auditee	2014-15 audit outcomes			2013-14 audit outcomes			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
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Public entities																																												
14	Agribank	⬜			🟨		R																																					
15	Agribank Creditors Settlement Trust	⬜			🟩																																							
16	Atteridgeville Bus Services	🟨	R	R	🟨	R	R										R	A					R					R	R	A	N	R					R	N	F	🟨		-	-	-
17	Dirapeng	⬜			🟥	R	R																																					
18	Golden Leopard Resorts	🟥	R	R	🟥	R	R	R	R	R	R	R	R	R	R				A	N	R	R	R	R	R		N	R	R	R	R	R		R			R	R	M	🟥	🟥	-	18,0m	1,7m
19	Kgama Wildlife Operations	🟨	R	R	🟨	N	R										R				R	A				A		A	N	R		A					R	R	M	🟩	🟨	-	-	-
20	Madikwe River Lodge	🩷	R	R	🟥	R	R	R	R	R	R	R	A	R	R				A	N	R	R	R	R	R		N	R	R	R	R	R		R			R	R	M	🟥	🟥	-	1,1m	0,12m
21	Mmabana Arts, Culture and Sport	🟥	R	R	🟥	R	R	R	R	R	R	R	R	R	R		R	R			R	R	A	R				R	R	R	R	R		R			R	R	M	🟥	🟨	-	0,59m	0,32m
22	North West Parks and Tourism Board	⬜			🟥	R	R																																					
23	North West Directorate of Entrepreneurial Development in Natural Resources	🟨		R	🟨		R														R	R	R					R	R	R	R			R			NR	R	M	🟩		-	1,7m	0,001m
24	North West Gambling Board	🟨		R	🟨	A	R														R																N	N	🟩	🟩	🟨	-	-	0,02m
25	North West Housing Corporation	🟥		R	🟪		R	R		N	R	R	R								R		A			A		R	R	R	R						NR		M	🟥	🟥	-	-	-
26	North West Provincial Aids Council	🟨	R	R	🟪	R	R	A				A		A		A	R	R			A	R	R	A				R	R	R	A	R		A		N	R	R	M	🟨	🟥	-	0,06m	0,22m
27	North West Provincial Arts and Cultural Council	🟪	R	R	🟥	R	R	A		A	A	A		R	A		A		A	N	R	R	R			A		R	R	R		R		R			R	R	🟩	🟥	🟥	-	0,49m	0,03m
28	North West Star	🟨	R	R	🟨	R	R										R	A			N		R					R	R	A		R					R	R	F	🟥		-	-	0,31m
29	North West Transport Investments	🟪	R	R	🟪	R	R	R		N			A				R	A			R		R					A	R	A	N	R					R		F	🟨	🟥	-	-	-
30	North West Tribal and Trust Fund	⬜			⬜																																							
31	North West Youth Development Trust	🟪	R	R	🟪	R	R		R											R	R	N	R			R		R	R	R	R	R				N	R		M	🟥		-	0,3m	0,01m
32	NW Development Corporation	🟪	R	R	🟪	N	R	R		A					A		A	R			R	R	A	R	N		R	A			R	R		R			R	R	F	🟩	🟥	-	51,0m	0,08m
33	Signal Developments	🟥	R	R	🟥	R	R	R	R	R	R	R	R	R						R	R		R	R		N	R		R	R	R					A	R		M	🟥		-	-	-

Legend (Audit outcomes)	🟩 Unqualified with no findings	🟨 Unqualified with findings	🟪 Qualified with findings	🩷 Adverse with findings	🟥 Disclaimer with findings	⬜ Audit not finalised at legislated date	🟦 New auditee	Legend (Findings)	🟩 Addressed (A)	🟨 New (N)	🟥 Repeat (R)	⬜ Not reported (NR)	Financial health findings	🟩 No unfavourable indicators	🟨 Unfavourable indicators	🟥 Material unfavourable indicators	Controls (human resource and information technology management)	🟩 Good	🟨 Concerning	🟥 Intervention required	Legend (expenditure)	🟩 Improved	🟥 Regressed

Number	Auditee	2014-15 audit outcomes			2013-14 audit outcomes			Financial statement qualification areas									Findings on predetermined objectives				Findings on non-compliance																Findings on specific risk areas					Unauthorised, irregular as well as fruitless and wasteful expenditure		
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Western Cape																																												
Departments																																												
1	Agriculture	🟩			🟩																																A	N	🟩	🟩	🟨	-	🟥 0,78m	🟩 -
2	Community Safety	🟩			🟩																																		🟩	🟩	🟩	-	-	🟥 0,008m
3	Cultural Affairs and Sport	🟩			🟩																																		F	🟩	🟨	-	🟥 1,2m	-
4	Economic Development and Tourism	🟩			🟩																																		🟩	🟩	🟩	-	-	-
5	Education	🟩		A	🟨		R														A												A					N	🟩	🟩	🟨	-	🟩 0,26m	🟩 1,0m
6	Environmental Affairs and Development Planning	🟩	A	A	🟨	R	R										A	A			A			A						A							R		🟩	🟩	🟩	-	🟩 1,4m	-
7	Health	🟨	N	R	🟨		R											N			A	R															N	R	🟩	🟩	🟥	-	🟩 49,0m	-
8	Human Settlements	🟩			🟩	A	A																														A	R	F	🟩	🟨	-	-	-
9	Local Government	🟩			🟩		A																																F	🟩	🟩	-	🟥 0,06m	🟩 -
10	Office of the Premier	🟩			🟩	A	A																																🟩	🟩	🟨	-	🟩 3,7m	🟥 0,85m
11	Provincial Parliament	🟩			🟩	A	A																																🟩	🟩	🟨	-	🟩 -	🟩 -
12	Provincial Treasury	🟩			🟩		A																														A	N	🟩	🟩	🟩	-	🟥 2,4m	🟥 0,006m
13	Social Development	🟩			🟩	A	A																														R	A	🟩	🟩	🟩	-	🟩 20,0m	🟥 0,86m
14	Transport and Public Works	▨			🟩																																							
Public entities																																												
15	Government Motor Transport	🟩			🟩																																		🟩	🟩	🟨	-	🟥 -	-
16	Saldanha Bay IDZ	🟩			🟦																																NR		🟩	🟩	🟩			
17	The Heritage Western Cape	🟩			🟩		A																																🟩	🟩	🟩			
18	Western Cape Cultural Commission	🟩			🟩																																		🟩	🟩	🟩			
19	Western Cape Gambling and Racing Board	🟩			🟩																																		🟩	🟩	🟩	-	-	-
20	Western Cape Housing Development Fund	🟪		R	🟨		R	N													R																NR		F	🟩	🟥	-	-	-
21	Western Cape Language Committee	🟩			🟩																																		🟩	🟩	🟩			
22	Western Cape Liquor Authority	🟩	A	A	🟨	N	N										A				A									A							R		🟩	🟩	🟩			
23	Western Cape Nature Conservation Board	🟩			🟩	A	A																																🟩	🟩	🟨	-	🟩 -	🟩 0,01m
24	Western Cape Tourism, Trade and Investment Promotion Agency	🟨		N	🟩																N																R	A	🟩	🟩	🟩	-	-	-
Public entity (not audited by the AGSA)																																												
25	Cassidra	🟩	A		🟨	N											A																				A			🟩	🟩			

Legend (Audit outcomes)
🟩 Unqualified with no findings
🟨 Unqualified with findings
🟪 Qualified with findings
Adverse with findings
🟥 Disclaimer with findings
▨ Audit not finalised at legislated date
🟦 New auditee

Legend (Findings)
Addressed (A)
New (N)
Repeat (R)
Not reported (NR)

Financial health findings
🟩 No unfavourable indicators
🟨 Unfavourable indicators
🟥 Material unfavourable indicators

Controls (human resource and information technology management)
🟩 Good
🟨 Concerning
🟥 Intervention required

Legend (expenditure)
🟩 Improved
🟥 Regressed

Annexure 2: *Auditees' audit opinions over the past five years*

Number	Auditee	Portfolio	Auditee type	Audit opinion				
				2014-15	2013-14	2012-13	2011-12	2010-11
Audits conducted by the Auditor-General of South Africa								
Financially unqualified with no findings								
1	Energy	Ntnl	DP	🟩	🟨	🟨	🟨	🟨
2	Environmental Affairs	Ntnl	DP	🟩	🟩	🟨	🟩	🟩
3	Government Communications and Information System	Ntnl	DP	🟩	🟨	🟨	🟨	🟨
4	Parliament of the Republic of South Africa	Ntnl	DP	🟩	🟨	🟨	🟨	🟨
5	Planning, Monitoring and Evaluation	Ntnl	DP	🟩	🟩	🟩	🟨	🟦
6	Public Service Commission	Ntnl	DP	🟩	🟨	🟩	🟩	🟨
7	Science and Technology	Ntnl	DP	🟩	🟨	🟨	🟨	🟩
8	Social Development	Ntnl	DP	🟩	🟩	🟩	🟨	🟪
9	Sport and Recreation South Africa	Ntnl	DP	🟩	🟩	🟨	🟨	🟨
10	Statistics South Africa	Ntnl	DP	🟩	🟩	🟨	🟪	🟨
11	The Presidency	Ntnl	DP	🟩	🟨	🟨	🟨	🟨
12	Trade and Industry	Ntnl	DP	🟩	🟨	🟨	🟨	🟨
13	Armaments Corporation of South Africa	Ntnl	PE	🟩	🟨	🟩	🟨	🟩
14	Artscape	Ntnl	PE	🟩	🟩	🟩	🟨	🟨
15	Banking Sector Education and Training Authority	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
16	Chemical Industries Education and Training Authority	Ntnl	PE	🟩	🟨	🟨	🟩	🟨
17	Competition Commission	Ntnl	PE	🟩	🟨	🟨	🟨	🟨
18	Council for Mineral Technology	Ntnl	PE	🟩	🟨	🟩	🟩	🟩
19	Council for Scientific and Industrial Research	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
20	Council on Higher Education	Ntnl	PE	🟩	🟨	🟨	🟩	🟨
21	Die Afrikaanse Taalmuseum	Ntnl	PE	🟩	🟨	🟨	🟨	🟪
22	Disaster Relief Fund	Ntnl	PE	🟩	🟩	🟩	🟨	🟩
23	Education, Training and Development Practices Sector Education and Training Authority	Ntnl	PE	🟩	🟨	🟩	🟩	🟨
24	Finance and Accounting Services Sector Education Training Authority	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
25	Freedom Park	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
26	Government Printing Works	Ntnl	PE	🟩	🟨	🟨	🟨	🟨
27	Guardians Fund	Ntnl	PE	🟩	🟩	🟩	🟨	🟩
28	Health and Welfare Sector Education and Training Authority	Ntnl	PE	🟩	🟩	🟨	🟨	🟨
29	Human Sciences Research Council	Ntnl	PE	🟩	🟩	🟩	🟩	🟨
30	Independent Regulatory Board for Auditors	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
31	iSimangaliso Wetland Park Authority	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
32	Land and Agricultural Bank of South Africa	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
33	Legal Aid South Africa	Ntnl	PE	🟩	🟩	🟩	🟨	🟩
34	Marine Living Resources Fund	Ntnl	PE	🟩	🟨	🟨	🟨	🟩
35	Media, Information and Communication Technologies Sector Education and Training Authority	Ntnl	PE	🟩	🟩	🟩	🟩	🟦
36	Medical Research Council of South Africa	Ntnl	PE	🟩	🟩	🟩	🟨	🟨
37	National Arts Council of South Africa	Ntnl	PE	🟩	🟪	🟨	🟪	🩷
38	National Consumer Tribunal	Ntnl	PE	🟩	🟩	🟩	🟨	🟨
39	National Credit Regulator	Ntnl	PE	🟩	🟨	🟨	🟨	🟩

Legend (audit outcomes)	🟩 Unqualified with no findings	🟨 Unqualified with findings	🟪 Qualified with findings	🩷 Adverse with findings	🟥 Disclaimer with findings	⬜ Audit not finalised at legislated date	🟦 New auditee

Number	Auditee	Portfolio	Auditee type	Audit opinion				
				2014-15	2013-14	2012-13	2011-12	2010-11
40	National Energy Regulator of South Africa	Ntnl	PE	🟩	🟩	🟨	🟨	🟩
41	National Film and Video Foundation of South Africa	Ntnl	PE	🟩	🟩	🟩	🟨	🟨
42	National Museum	Ntnl	PE	🟩	🟨	🟩	🟨	🟩
43	National Nuclear Regulator	Ntnl	PE	🟩	🟩	🟨	🟨	🟨
44	National Research Foundation	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
45	National Youth Development Agency	Ntnl	PE	🟩	🟨	🟨	🟨	🟨
46	Office of the Ombud for Financial Service Providers	Ntnl	PE	🟩	🟨	🟩	🟨	🟩
47	Ports Regulator of South Africa	Ntnl	PE	🟩	🟨	🟨	🟨	🟨
48	President's Fund	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
49	Quality Council for Trades and Occupations	Ntnl	PE	🟩	🟨	🟨	🟨	🟦
50	Refugee Relief Fund	Ntnl	PE	🟩	🟩	🟩	🟨	🟩
51	Road Accident Fund	Ntnl	PE	🟩	🟩	🟩	🟨	🟨
52	Robben Island Museum, Cape Town	Ntnl	PE	🟩	🟩	🟨	🟨	🟨
53	Services Sector Education and Training Authority	Ntnl	PE	🟩	🟨	🟪	🟨	🟪
54	Social Relief Fund	Ntnl	PE	🟩	🟩	🟩	🟨	🟩
55	South African Bureau of Standards	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
56	South African Civil Aviation Authority	Ntnl	PE	🟩	🟩	🟩	🟨	🟨
57	South African Local Government Association	Ntnl	PE	🟩	🟩	🟩	🟨	🟨
58	South African National Defence Force Fund	Ntnl	PE	🟩	🟨	🟩	🟩	🟨
59	South African Revenue Services (Own Account)	Ntnl	PE	🟩	🟩	🟨	🟩	🟩
60	South African Tourism	Ntnl	PE	🟩	🟨	🟩	🟨	🟨
61	South African Weather Services	Ntnl	PE	🟩	🟨	🟨	🟩	🟩
62	State Diamond Trader	Ntnl	PE	🟩	🟨	🟩	🟩	🟩
63	State President Fund	Ntnl	PE	🟩	🟩	🟩	🟨	🟩
64	The Playhouse Company	Ntnl	PE	🟩	🟩	🟩	🟩	🟩

Number	Auditee	Portfolio	Auditee type	Audit opinion				
				2014-15	2013-14	2012-13	2011-12	2010-11
65	War Museum of the Boer Republics	Ntnl	PE	🟩	🟩	🟩	🟨	🟨
66	Provincial Legislature	EC	DP	🟩	🟨	🟨	🟨	🟩
67	Safety and Liaison	EC	DP	🟩	🟨	🟨	🟨	🟨
68	Eastern Cape Gambling and Betting Board	EC	PE	🟩	🟨	🟨	🟨	🟨
69	Eastern Cape Socio Economic Consultative Council	EC	PE	🟩	🟩	🟩	🟨	🟨
70	Provincial Legislature	FS	DP	🟩	🟩	🟨	🟩	🟨
71	Provincial Treasury	FS	DP	🟩	🟩	🟩	🟩	🟩
72	Office of the Premier	FS	DP	🟩	🟪	🟩	🟩	🟩
73	Public Works	FS	DP	🟩	🟨	🟪	🟪	🟪
74	Sport, Arts, Culture and Recreation	FS	DP	🟩	🟩	🟩	🟨	🟨
75	Free State Fleet Management Trading Entity	FS	PE	🟩	🟩	🟩	🟨	🟨
76	Cooperative Governance and Traditional Affairs	GP	DP	🟩	🟩	🟦	🟦	🟦
77	Economic Development	GP	DP	🟩	🟨	🟨	🟨	🟨
78	Finance	GP	DP	🟩	🟨	🟨	🟨	🟨
79	Social Development	GP	DP	🟩	🟩	🟩	🟦	🟦
80	Provincial Treasury	GP	DP	🟩	🟩	🟩	🟦	🟦
81	Office of the Premier	GP	DP	🟩	🟩	🟩	🟨	🟩
82	Provincial Legislature	GP	DP	🟩	🟩	🟩	🟨	🟩
83	Constitutional Hill Development Company	GP	PE	🟩	🟩	🟨	🟨	🟨
84	Cradle of Humankind Trading Entity	GP	PE	🟩	🟩	🟨	🟩	🟨
85	Dinokeng World Heritage Trading Entity	GP	PE	🟩	🟩	🟨	🟩	🟨
86	Gauteng Film Commission	GP	PE	🟩	🟩	🟨	🟨	🟩
87	Gauteng Gambling Board	GP	PE	🟩	🟨	🟨	🟨	🟩
88	Gauteng Partnership Fund	GP	PE	🟩	🟩	🟩	🟩	🟩
89	Gauteng Tourism Authority	GP	PE	🟩	🟩	🟨	🟨	🟨

Number	Auditee	Portfolio	Auditee type	Audit opinion				
				2014-15	2013-14	2012-13	2011-12	2010-11
90	Gautrain Management Agency	GP	PE	🟩	🟩	🟩	🟨	🟩
91	Greater Newtown Development Company	GP	PE	🟩	🟩	🟨	🟩	🟨
92	Industrial Development Zone	GP	PE	🟩	🟩	🟨	🟩	🟦
93	Supplier Park Development Co	GP	PE	🟩	🟩	🟨	🟨	🟨
94	The Innovation Hub	GP	PE	🟩	🟩	🟨	🟩	🟨
95	Cooperative Governance and Traditional Affairs	KZN	DP	🟩	🟨	🟨	🟨	🟨
96	KwaZulu-Natal Provincial Treasury	KZN	DP	🟩	🟩	🟩	🟩	🟩
97	Amafa Akwazulu-Natali	KZN	PE	🟩	🟩	🟩	🟩	🟨
98	Dube Tradeport Company	KZN	PE	🟩	🟩	🟩	🟨	🟨
99	KwaZulu-Natal Growth Fund Managers	KZN	PE	🟩	🟩	🟩	🟨	🟨
100	KwaZulu-Natal Tourism Authority	KZN	PE	🟩	🟨	🟩	🟨	🟨
101	KZN Growth Fund Trust	KZN	PE	🟩	🟦	🟦	🟦	🟦
102	Trade and Investment KwaZulu-Natal	KZN	PE	🟩	🟨	🟩	🟨	🟩
103	Office of the Premier	LP	DP	🟩	🟨	🟨	🟨	🟨
104	Cooperative Governance and Traditional Affairs	MP	DP	🟩	🟩	🟨	🟨	🟨
105	Finance	MP	DP	🟩	🟩	🟩	🟩	🟩
106	Provincial Legislature	MP	DP	🟩	🟨	🟨	🟪	🟩
107	Mpumalanga Gambling Board	MP	PE	🟩	🟩	🟩	🟩	🟩
108	Environment and Nature Conservation	NC	DP	🟩	🟩	🟨	🟨	🟨
109	Social Development	NC	DP	🟩	🟩	🟩	🟨	🟨
110	Northern Cape Tourism Authority	NC	PE	🟩	🟩	🟨	🟨	🟨
111	Provincial Treasury	NW	DP	🟩	🟩	🟨	🟨	🟨
112	Agriculture	WC	DP	🟩	🟩	🟩	🟨	🟩

Number	Auditee	Portfolio	Auditee type	Audit opinion				
				2014-15	2013-14	2012-13	2011-12	2010-11
113	Community Safety	WC	DP	🟩	🟩	🟩	🟩	🟩
114	Cultural Affairs and Sport	WC	DP	🟩	🟩	🟩	🟨	🟨
115	Economic Development and Tourism	WC	DP	🟩	🟩	🟩	🟨	🟨
116	Education	WC	DP	🟩	🟨	🟨	🟪	🟨
117	Environmental Affairs and Development Planning	WC	DP	🟩	🟨	🟨	🟩	🟨
118	Human Settlements	WC	DP	🟩	🟩	🟨	🟨	🟨
119	Local Government	WC	DP	🟩	🟩	🟨	🟨	🟨
120	Office of the Premier	WC	DP	🟩	🟩	🟨	🟨	🟨
121	Provincial Parliament	WC	DP	🟩	🟩	🟨	🟩	🟩
122	Provincial Treasury	WC	DP	🟩	🟩	🟨	🟩	🟨
123	Social Development	WC	DP	🟩	🟩	🟨	🟨	🟨
124	Government Motor Transport	WC	PE	🟩	🟩	🟩	🟨	🟨
125	Saldanha Bay IDZ	WC	PE	🟩	🟦	🟦	🟦	🟦
126	The Heritage Western Cape	WC	PE	🟩	🟩	🟨	🟩	🟨
127	Western Cape Cultural Commission	WC	PE	🟩	🟩	🟩	🟩	🟨
128	Western Cape Gambling and Racing Board	WC	PE	🟩	🟩	🟩	🟩	🟨
129	Western Cape Language Committee	WC	PE	🟩	🟩	🟩	🟩	🟨
130	Western Cape Liquor Authority	WC	PE	🟩	🟨	🟩	🟦	🟦
131	Western Cape Nature Conservation Board	WC	PE	🟩	🟩	🟪	🟨	🟩
Financially unqualified with findings								
1	Agriculture, Forestry and Fisheries	Ntnl	DP	🟨	🟨	🟨	🟨	🟨
2	Arts and Culture	Ntnl	DP	🟨	🟪	🟨	🟨	🟨
3	Basic Education	Ntnl	DP	🟨	🟨	🟨	🟨	🟨

Legend (audit outcomes)	Unqualified with no findings	Unqualified with findings	Qualified with findings	Adverse with findings	Disclaimer with findings	Audit not finalised at legislated date	New auditee
	🟩	🟨	🟪		🟥	⬜	🟦

Number	Auditee	Portfolio	Auditee type	Audit opinion				
				2014-15	2013-14	2012-13	2011-12	2010-11
4	Cooperative Governance	Ntnl	DP	🟨	🟨	🟨	🟨	🟪
5	Defence	Ntnl	DP	🟨	🟪	🟪	🟨	🟪
6	Economic Development	Ntnl	DP	🟨	🟨	🟨	🟨	🟨
7	Health	Ntnl	DP	🟨	🟨	🟨	🟨	🟪
8	Higher Education and Training	Ntnl	DP	🟨	🟨	🟨	🟨	🟨
9	Human Settlements	Ntnl	DP	🟨	🟨	🟨	🟨	🟨
10	Independent Police Investigative Directorate	Ntnl	DP	🟨	🟨	🟨	🟨	🟨
11	Justice and Constitutional Development	Ntnl	DP	🟨	🟨	🟨	🟪	🟪
12	Labour	Ntnl	DP	🟨	🟨	🟨	🟨	🟨
13	Mineral Resources	Ntnl	DP	🟨	🟨	🟪	🟨	🟪
14	National School of Government	Ntnl	DP	🟨	🟨	🟨	🟨	🟨
15	National Treasury	Ntnl	DP	🟨	🟨	🟨	🟨	🟨
16	Police	Ntnl	DP	🟨	🟨	🟨	🟨	🟨
17	Public Enterprises	Ntnl	DP	🟨	🟩	🟨	🟩	🟩
18	Public Service and Administration	Ntnl	DP	🟨	🟨	🟨	🟨	🟨
19	Public Works	Ntnl	DP	🟨	🟨	🟪	🟥	🟥
20	Rural Development and Land Reform	Ntnl	DP	🟨	🟨	🟨	🟪	🟪
21	Telecommunications and Postal Services	Ntnl	DP	🟨	🟨	🟨	🟨	🟨
22	Tourism	Ntnl	DP	🟨	🟩	🟨	🟨	🟨
23	Traditional Affairs	Ntnl	DP	🟨	🟦	🟦	🟦	🟦
24	Transport	Ntnl	DP	🟨	🟨	🟨	🟨	🟨
25	Women	Ntnl	DP	🟨	🟨	🟨	🟨	🟨
26	African Renaissance and International Cooperation Fund	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
27	Agricultural Land Holding Account	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
28	Agricultural Research Council	Ntnl	PE	🟨	🟨	🟨	🟨	🟨

Number	Auditee	Portfolio	Auditee type	Audit opinion				
				2014-15	2013-14	2012-13	2011-12	2010-11
29	Agricultural Sector Education and Training	Ntnl	PE	🟨	🟨	🟨	🟨	🟩
30	Airports Company South Africa	Ntnl	PE	🟨	🟩	🟩	🟨	🟩
31	Castle Control Board	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
32	CEF	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
33	Commission for Conciliation, Mediation and Arbitration	Ntnl	PE	🟨	🟨	🟨	🟨	🟩
34	Commission for the Promotion and Protection of the Rights of Cultural Religious and Linguistic Communities	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
35	Commission on Gender Equality	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
36	Community Schemes Ombuds Service	Ntnl	PE	🟨	🟩	🟦	🟦	🟦
37	Companies and Intellectual Property Commission	Ntnl	PE	🟨	🟨	🟨	🟪	🟪
38	Companies Tribunal	Ntnl	PE	🟨	🟨	🟨	🟩	🟦
39	Competition Tribunal	Ntnl	PE	🟨	🟩	🟨	🟨	🟨
40	Construction Education and Training Authority	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
41	Construction Industry Development Board	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
42	Cooperative Banks Development Agency	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
43	Council for Geoscience	Ntnl	PE	🟨	🟨	🟨	🟨	🟩
44	Council for Medical Schemes	Ntnl	PE	🟨	🟨	🟨	🟩	🟨
45	Council for the Built Environment	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
46	Cross-Border Road Transport Agency	Ntnl	PE	🟨	🟨	🟨	🟪	🟪
47	Culture, Arts, Tourism, Hospitality and Sports Education and Training Authority	Ntnl	PE	🟨	🟪	🟨	🟨	🟨
48	Deeds Registration Trading Account	Ntnl	PE	🟨	🟨	🟨	🟪	🟨
49	Driving Licence Card Account	Ntnl	PE	🟨	🟩	🟩	🟨	🟨
50	Education Labour Relations Council	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
51	Electoral Commission	Ntnl	PE	🟨	🟨	🟩	🟨	🟨
52	Energy and Water Sector Education and Training Authority	Ntnl	PE	🟨	🟨	🟪	🟨	🟨

Number	Auditee	Portfolio	Auditee type	Audit opinion				
				2014-15	2013-14	2012-13	2011-12	2010-11
53	Equalisation Fund	Ntnl	PE	🟨	🟨	🩷	🟨	🟨
54	Fibre Processing Manufacturing Sector Education and Training Authority	Ntnl	PE	🟨	🟨	🟪	🟪	🟦
55	Film and Publication Board	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
56	Financial and Fiscal Commission	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
57	Financial Intelligence Centre	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
58	Financial Services Board	Ntnl	PE	🟨	🟨	🟩	🟩	🟩
59	Food and Beverages Manufacturing Industry Sector Education Training Authority	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
60	Government Technical Advisory Centre	Ntnl	PE	🟨	🟦	🟦	🟦	🟦
61	Independent Communications Authority of South Africa	Ntnl	PE	🟨	🟨	🟨	🟪	🟪
62	Insurance Sector Education and Training Authority	Ntnl	PE	🟨	🟨	🟨	🟨	🟩
63	International Trade Administration Commission	Ntnl	PE	🟨	🟨	🟩	🟨	🟨
64	Local Government Education and Training Authority	Ntnl	PE	🟨	🟪	🟪	🟥	🟨
65	Luthuli Museum	Ntnl	PE	🟨	🟩	🟩	🟩	🟩
66	Manufacturing Engineering and Related Services Education and Training Authority	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
67	Market Theatre Foundation	Ntnl	PE	🟨	🟨	🟨	🟩	🟨
68	Media Development and Diversity Agency	Ntnl	PE	🟨	🟩	🟩	🟨	🟩
69	Mine Health and Safety Council	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
70	Mining Qualifications SETA	Ntnl	PE	🟨	🟨	🟨	🟩	🟩
71	Mnambithi TVET College	Ntnl	PE	🟨	🟨	🟩	🟩	🟩
72	Municipal Demarcation Board	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
73	Municipal Infrastructure Support Agency	Ntnl	PE	🟨	🟨	🟦	🟦	🟦
74	National Agricultural Marketing Council	Ntnl	PE	🟨	🟨	🟨	🟩	🟩
75	National Consumer Commission	Ntnl	PE	🟨	🟨	🟪	🟨	🟦
76	National Development Agency	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
77	National Electronic Media Institute of South African	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
78	National Gambling Board	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
79	National Heritage Council of South Africa	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
80	National Home Builders Regulatory Council	Ntnl	PE	🟨	🟨	🟨	🟪	🟨
81	National Lotteries Board	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
82	National School of Government Trading Entity	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
83	National Skills Fund	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
84	National Student Financial Aid Scheme	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
85	Office of the Pension Funds Adjudicator	Ntnl	PE	🟨	🟩	🟩	🟨	🟪
86	Onderstepoort Biological Products	Ntnl	PE	🟨	🟨	🟨	🟨	🟪
87	Passenger Rail Agency of South Africa	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
88	Private Security Industry Regulatory Authority	Ntnl	PE	🟨	🟨	🟪	🟨	🟨
89	Public Investment Corporation	Ntnl	PE	🟨	🟨	🟩	🟨	🟩
90	Railway Safety Regulator	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
91	Road Traffic Infringement Agency	Ntnl	PE	🟨	🟩	🟨	🟨	🟥
92	Road Traffic Management Corporation	Ntnl	PE	🟨	🟪	🟨	🟨	🩷
93	SA Institute for Drug-free Sport	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
94	Safety and Security Sector Education and Training Authority	Ntnl	PE	🟨	🟨	🟪	🟪	🟨
95	Small Enterprise Development Agency	Ntnl	PE	🟨	🟨	🟨	🟩	🟩
96	South Africa Diamond and Precious Metals Regulator	Ntnl	PE	🟨	🟨	🟩	🟩	🟨
97	South Africa Heritage Resources Agency	Ntnl	PE	🟨	🟨	🟪	🟥	🟪

Legend (audit outcomes)	🟩 Unqualified with no findings	🟨 Unqualified with findings	🟪 Qualified with findings	🩷 Adverse with findings	🟥 Disclaimer with findings	⬜ Audit not finalised at legislated date	🟦 New auditee

Number	Auditee	Portfolio	Auditee type	Audit opinion				
				2014-15	2013-14	2012-13	2011-12	2010-11
98	South Africa Library for the Blind	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
99	South African Forestry Company	Ntnl	PE	🟨	🟨	🟪	🟩	🟩
100	South African Human Rights Commission	Ntnl	PE	🟨	🟨	🟪	🟨	🟨
101	South African Maritime Safety Authority	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
102	South African National Biodiversity Institute	Ntnl	PE	🟨	🟩	🟨	🟨	🟨
103	South African National Energy Development Institute	Ntnl	PE	🟨	🟨	🟨	🟨	🟦
104	South African National Parks	Ntnl	PE	🟨	🟨	🟩	🟩	🟨
105	South African Qualifications Authority	Ntnl	PE	🟨	🟩	🟨	🟩	🟩
106	South African Social Security Agency	Ntnl	PE	🟨	🟨	🟨	🟩	🟨
107	South West Gauteng TVET College	Ntnl	PE	🟨	🟪	🟪	🟪	🟪
108	Special Investigating Unit	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
109	State Information Technology Agency	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
110	The Public Protector of South Africa	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
111	Brand SA	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
112	The South African National Roads Agency	Ntnl	PE	🟨	🟨	🟨	🟩	🟩
113	Transport Education and Training Authority	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
114	Unemployment Insurance Fund	Ntnl	PE	🟨	🟩	🟩	🟩	🟩
115	Universal Service and Access Agency of South Africa	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
116	Universal Service and Access Fund	Ntnl	PE	🟨	🟩	🟪	🟨	🟨
117	Water Research Commission	Ntnl	PE	🟨	🟪	🟨	🟨	🟨
118	Water Trading Account	Ntnl	PE	🟨	🟪	🟪	🟪	🟥
119	Cooperative Governance and Traditional Affairs	EC	DP	🟨	🟩	🟨	🟨	🟨
120	Economic Development, Environmental Affairs and Tourism	EC	DP	🟨	🟨	🟨	🟨	🟪
121	Human Settlements	EC	DP	🟨	🟨	🟨	🟪	🟪
122	Office of the Premier	EC	DP	🟨	🟩	🟩	🟨	🟨
123	Provincial Treasury	EC	DP	🟨	🟩	🟩	🟨	🟨
124	Rural Development and Agrarian Reform	EC	DP	🟨	🟨	🟪	🟪	🟪
125	Social Development	EC	DP	🟨	🟨	🟨	🟨	🟨
126	Sport, Recreation, Arts and Culture	EC	DP	🟨	🟨	🟪	🟪	🟪
127	Transport	EC	DP	🟨	🟨	🟨	🟨	🟨
128	East London Industrial Development Zone Corporation	EC	PE	🟨	🟨	🟪	🟨	🟨
129	Eastern Cape Government Fleet Management Services	EC	PE	🟨	🟪	🟪	🟨	🟦
130	Eastern Cape Liquor Board	EC	PE	🟨	🟨	🟨	🟨	🟨
131	Eastern Cape Parks and Tourism Agency	EC	PE	🟨	🟨	🟨	🟨	🟨
132	Eastern Cape Provincial Arts and Culture Council	EC	PE	🟨	🟨	🟨	🟨	🟨
133	Eastern Cape Rural Development Agency	EC	PE	🟨	🟨	🟨	🟨	🟨
134	Agriculture and Rural Development	FS	DP	🟨	🟨	🟨	🟨	🟪
135	Cooperative Governance and Traditional Affairs	FS	DP	🟨	🟨	🟨	🟨	🟪
136	Economic Development, Tourism and Environmental Affairs	FS	DP	🟨	🟨	🟪	🟪	🟪
137	Education	FS	DP	🟨	🟪	🟨	🟨	🟪
138	Police, Roads and Transport	FS	DP	🟨	🟨	🟨	🟪	🟪
139	Social Development	FS	DP	🟨	🟨	🟨	🟨	🟨
140	Central Medical Trading Account	FS	PE	🟨	🟨	🟨	🟨	🟨
141	Free State Development Corporation	FS	PE	🟨	🟨	🟪	🟥	🟥
142	Free State Gambling and Liquor Authority	FS	PE	🟨	🟨	🟨	🟪	🟪
143	Free State Tourism Authority	FS	PE	🟨	🟨	🟪	🟨	🟨
144	Agriculture and Rural Development	GP	DP	🟨	🟨	🟨	🟨	🟨
145	Community Safety	GP	DP	🟨	🟨	🟨	🟨	🟨
146	Education	GP	DP	🟨	🟨	🟨	🟨	🟨
147	Human Settlements	GP	DP	🟨	🟪	🟦	🟦	🟦

Number	Auditee	Portfolio	Auditee type	Audit opinion				
				2014-15	2013-14	2012-13	2011-12	2010-11
148	Infrastructure Development	GP	DP	🟨	🟨	🟨	🟨	🟨
149	Roads and Transport	GP	DP	🟨	🟨	🟨	🟨	🟨
150	Sports, Arts, Culture and Recreation	GP	DP	🟨	🟩	🟩	🟨	🟨
151	Cost Recovery Trading Entity	GP	PE	🟨	🟨	🟨	🟨	🟨
152	Gauteng Funding Agency	GP	PE	🟨	🟩	🟩	🟨	🟨
153	Gauteng Growth and Development Agency	GP	PE	🟨	🟩	🟨	🟦	🟦
154	Gauteng Housing Fund	GP	PE	🟨	🟨	🟨	🟨	🟪
155	Gauteng Liquor Board	GP	PE	🟨	🟨	🟪	🟪	🟨
156	Gauteng Medical Supplies Depot	GP	PE	🟨	🟨	🟨	🟨	🟨
157	Agriculture and Rural Development	KZN	DP	🟨	🟨	🟨	🟨	🟨
158	Community Safety and Liaison	KZN	DP	🟨	🟨	🟨	🟨	🟨
159	Economic Development, Environmental Affairs and Tourism	KZN	DP	🟨	🟨	🟨	🟨	🟨
160	Education	KZN	DP	🟨	🟪	🟪	🟪	🟪
161	Human Settlements	KZN	DP	🟨	🟨	🟨	🟨	🟨
162	Office of the Premier	KZN	DP	🟨	🟨	🟨	🟨	🟩
163	Public Works	KZN	DP	🟨	🟨	🟨	🟨	🟪
164	Sport and Recreation	KZN	DP	🟨	🟨	🟨	🟨	🟨
165	The Royal Household	KZN	DP	🟨	🟨	🟨	🟨	🟨
166	Agri-Business Development Agency	KZN	PE	🟨	🟨	🟨	🟨	🟨
167	KwaZulu-Natal Gaming and Betting Board	KZN	PE	🟨	🟨	🟩	🟨	🟨
168	KwaZulu-Natal Nature Conservation Board	KZN	PE	🟨	🟨	🟪	🟪	🟪
169	KwaZulu-Natal Provincial Pharmaceutical Supply Depot	KZN	PE	🟨	🟨	🟨	🟨	🟨
170	KwaZulu-Natal Sharks Board	KZN	PE	🟨	🟨	🟩	🟨	🟨

Number	Auditee	Portfolio	Auditee type	Audit opinion				
				2014-15	2013-14	2012-13	2011-12	2010-11
171	KZN Film Company	KZN	PE	🟨	🟨	🟦	🟦	🟦
172	KZN Housing Fund	KZN	PE	🟨	🟪	🟥	▩	🟪
173	KZN Liquor Authority	KZN	PE	🟨	🟨	🟨	🟦	🟦
174	Mjindi Farming	KZN	PE	🟨	🟨	🟨	🟨	🟨
175	Moses Kotane Institute	KZN	PE	🟨	🟪	🟨	🟩	🟨
176	The KwaZulu-Natal Royal Household Trust	KZN	PE	🟨	🟨	🟨	🟨	🟨
177	Agriculture	LP	DP	🟨	🟪	🟪	🟨	🟩
178	Cooperative Governance, Human Settlements and Traditional Affairs	LP	DP	🟨	🟩	🟨	🟨	🟩
179	Economic Development, Environment and Tourism	LP	DP	🟨	🟪	🟨	🟨	🟨
180	Health	LP	DP	🟨	🟪	🟥	🟥	🟥
181	Provincial Legislature	LP	DP	🟨	🟨	🟨	🟨	🟨
182	Provincial Treasury	LP	DP	🟨	🟨	🟨	🟨	🟨
183	Safety, Security and Liaison	LP	DP	🟨	🟨	🟨	🟨	🟨
184	Social Development	LP	DP	🟨	🟪	🟪	🟨	🟪
185	Transport	LP	DP	🟨	🟨	🟨	🟪	🟪
186	Great North Transport	LP	PE	🟨	🟨	🟨	🟪	🟦
187	Limpopo Gambling Board	LP	PE	🟨	🟨	🟨	🟨	🟨
188	Mununzwu Estate	LP	PE	🟨	🟪	🟪	🟪	🟪
189	Risima Housing Finance Corporation	LP	PE	🟨	🟨	🟨	🟨	🟦
190	Venteco	LP	PE	🟨	🟪	🟪	🟨	🟪
191	Agriculture, Rural Development and Land Administration	MP	DP	🟨	🟪	🟪	🟨	🟨
192	Culture, Sport and Recreation	MP	DP	🟨	🟨	🟨	🟨	🟨
193	Economic Development and Tourism	MP	DP	🟨	🟨	🟨	🟪	🟨

Legend (audit outcomes)	🟩 Unqualified with no findings	🟨 Unqualified with findings	🟪 Qualified with findings	▩ Adverse with findings	🟥 Disclaimer with findings	⬜ Audit not finalised at legislated date	🟦 New auditee

Number	Auditee	Portfolio	Auditee type	Audit opinion				
				2014-15	2013-14	2012-13	2011-12	2010-11
194	Human Settlement	MP	DP	🟨	🟨	🟨	🟨	🟨
195	Office of the Premier	MP	DP	🟨	🟨	🟩	🟩	🟨
196	Public Works, Roads and Transport	MP	DP	🟨	🟨	🟨	🟨	🟨
197	Social Development	MP	DP	🟨	🟩	🟨	🟨	🟨
198	Economic Development and Tourism	NC	DP	🟨	🟩	🟨	🟪	🟨
199	Education	NC	DP	🟨	🟪	🟪	🟪	🟪
200	Office of the Premier	NC	DP	🟨	🟨	🟨	🟨	🟨
201	Provincial Legislature	NC	DP	🟨	🟨	🟪	🟪	🟨
202	Provincial Treasury	NC	DP	🟨	🟩	🟨	🟨	🟨
203	Roads and Public Works	NC	DP	🟨	🟨	🟨	🟪	🟨
204	Kalahari Kid Corporation	NC	PE	🟨	🟨	🟪	🟪	🟦
205	Northern Cape Gambling Board	NC	PE	🟨	🟨	🟨	🟨	🟦
206	Northern Cape Liquor Board	NC	PE	🟨	🟨	🟨	🟪	🟦
207	Culture, Arts and Traditional Affairs	NW	DP	🟨	🟨	🟪	🟨	🟨
208	Economic and Enterprise Development	NW	DP	🟨	🟨	🟨	🟨	🟨
209	Education and Sports Development	NW	DP	🟨	🟨	🟪	🟪	🟪
210	Health	NW	DP	🟨	🟨	🟨	🟪	🟨
211	Local Government and Human Settlements	NW	DP	🟨	🟪	🟨	🟪	🟪
212	Office of the Premier	NW	DP	🟨	🟨	🟪	🟪	🟪
213	Provincial Legislature	NW	DP	🟨	🟨	🟪	🟨	🟨
214	Rural, Environment and Agricultural Development	NW	DP	🟨	🟨	🟨	🟨	🟨
215	Social Development	NW	DP	🟨	🟨	🟪	🟪	🟪
216	Tourism	NW	DP	🟨	🟦	🟦	🟦	🟦
217	Atteridgeville Bus Services	NW	PE	🟨	🟨	🟨	🟨	🟪
218	Kgama Wildlife Operations	NW	PE	🟨	🟨	🟨	🟨	🟨
219	North West Directorate of Entrepreneurial Development in Natural Resources	NW	PE	🟨	🟨	🟨	🟨	🟨
220	North West Gambling Board	NW	PE	🟨	🟨	🟨	🟩	🟨
221	North West Provincial Aids Council	NW	PE	🟨	🟪	🟪	🟪	🟪
222	North West Star	NW	PE	🟨	🟨	🟨	🟨	🟪
223	Health	WC	DP	🟨	🟨	🟨	🟨	🟨
224	Western Cape Tourism, Trade and Investment Promotion Agency	WC	PE	🟨	🟩	🟩	🟨	🟨
Qualified with findings								
1	Civilian Secretariat for Police	Ntnl	DP	🟪	🟦	🟦	🟦	🟦
2	Correctional Services	Ntnl	DP	🟪	🟪	🟪	🟪	🟪
3	International Relations and Cooperation	Ntnl	DP	🟪	🟪	🟨	🟨	🟨
4	Military Veterans	Ntnl	DP	🟪	🟥	🟦	🟦	🟦
5	Water Affairs	Ntnl	DP	🟪	🟪	🟪	🟪	🟪
6	Boxing South Africa	Ntnl	PE	🟪	🟨	🟨	🟪	🟪
7	Central JHB TVET College	Ntnl	PE	🟪	🟪	🟨	🟨	🟩
8	Ditsong: Museums of South Africa	Ntnl	PE	🟪	🟪	🟨	🟨	🟨
9	Esayidi TVET College	Ntnl	PE	🟪	🟪	🟨	⬜	⬜
10	Ingonyama Trust Board	Ntnl	PE	🟪	🟪	🟪	🟪	🟪
11	Iziko Museums of Cape Town	Ntnl	PE	🟪	🟩	🟨	🟩	🟨
12	KwaZulu-Natal Museum	Ntnl	PE	🟪	🟩	🟩	🟩	🟩
13	Lovedale TVET College	Ntnl	PE	🟪	🟥	🟨	🟨	🟩
14	Maluti TVET College	Ntnl	PE	🟪	🟥	🟥	🟩	🟩
15	Msunduzi/Voortrekker Museum	Ntnl	PE	🟪	🟪	🟨	🟩	🟩
16	National Economic Development and Labour Council	Ntnl	PE	🟪	🟨	🟨	🟪	🟨
17	National English Literary Museum	Ntnl	PE	🟪	🟪	🟨	🟨	🟨
18	National Institute for Higher Education - NC	Ntnl	PE	🟪	🩷	🟥	🟥	🟥
19	National Library of South Africa	Ntnl	PE	🟪	🟪	🟨	🟨	🟨

Number	Auditee	Portfolio	Auditee type	Audit opinion				
				2014-15	2013-14	2012-13	2011-12	2010-11
20	National Regulator for Compulsory Specifications	Ntnl	PE	🟪	🟪	🟨	🟪	🟨
21	Nelson Mandela National Museum	Ntnl	PE	🟪	🟪	🟨	🟨	🟨
22	Northern Cape Urban TVET College	Ntnl	PE	🟪	🟪	🟨	🟪	🟩
23	Orbit TVET College	Ntnl	PE	🟪	🟪	🟩	🟩	🟩
24	Public Service Sector Education and Training Authority	Ntnl	PE	🟪	🟪	🟪	🟪	🟥
25	Sheltered Employment Factories	Ntnl	PE	🟪	🟨	🟪	🟨	🟪
26	South African Broadcasting Corporation	Ntnl	PE	🟪	🟪	🟥	🟪	🟪
27	The South African State Theatre	Ntnl	PE	🟪	🟨	🟪	🟪	🟨
28	Wholesale and Retail Sector Education and Training Authority	Ntnl	PE	🟪	🟨	🟨	🟪	🟩
29	William Humphreys Art Gallery	Ntnl	PE	🟪	🟨	🟪	🟨	🟩
30	Windybrow Theatre	Ntnl	PE	🟪	🟪	🟨	🟨	🟨
31	Education	EC	DP	🟪	🟪	🟪	🟥	🟥
32	Health	EC	DP	🟪	🟪	🟪	🟪	🟪
33	Roads and Public Works	EC	DP	🟪	🟪	🟥	🟪	🟨
34	Eastern Cape Development Corporation	EC	PE	🟪	🟪	🟨	🟨	🟨
35	Mayibuye Transport Corporation	EC	PE	🟪	🟪	🟥	🟪	🟪
36	Health	FS	DP	🟪	🟪	🟪	🟪	🟪
37	Human Settlements	FS	DP	🟪	🟪	🟪	🟪	🟨
38	Health	GP	DP	🟪	🟪	🟪	🟦	🟦
39	Arts and Culture	KZN	DP	🟪	🟪	🟪	🟩	🟩
40	Health	KZN	DP	🟪	🟪	🟪	🟪	🟪
41	Provincial Legislature	KZN	DP	🟪	🟨	🟩	🟨	🟩
42	Social Development	KZN	DP	🟪	🟨	🟪	🟨	🟨

Number	Auditee	Portfolio	Auditee type	Audit opinion				
				2014-15	2013-14	2012-13	2011-12	2010-11
43	Transport	KZN	DP	🟪	🟪	🟩	🟨	🟩
44	Traditional Levies and Trust Account	KZN	PE	🟪	🟪	🟪	🟪	🟪
45	Public Works, Roads and Infrastructure	LP	DP	🟪	🟪	🟥	🟥	🟪
46	Sport, Arts and Culture	LP	DP	🟪	🟪	🟪	🟪	🟪
47	Corridor Mining Resources	LP	PE	🟪	🟪	🟪	🟪	🟨
48	Limpopo Tourism Agency	LP	PE	🟪	🟪	🟥	🟥	🟥
49	Community Safety, Security and Liaison	MP	DP	🟪	🟪	🟨	🟨	🟩
50	Education	MP	DP	🟪	🟨	🟨	🟨	🟨
51	Health	MP	DP	🟪	🟪	🟪	🟪	🟪
52	Mpumalanga Economic Growth Agency	MP	PE	🟪	🟪	🟪	🟥	▨
53	Mpumalanga Regional Training Trust	MP	PE	🟪	🟩	🟨	🟨	🟨
54	Mpumalanga Tourism and Parks Agency	MP	PE	🟪	🟨	🟨	🟨	🟨
55	Agriculture, Land Reform and Rural Development	NC	DP	🟪	🟨	🟨	🟪	🟨
56	Cooperative Governance, Human Settlements and Traditional Affairs	NC	DP	🟪	🟨	🟨	🟨	🟪
57	Health	NC	DP	🟪	🟪	🟪	🟥	🟥
58	Sport, Arts and Culture	NC	DP	🟪	🟪	🟪	🟪	🟪
59	Transport, Safety and Liaison	NC	DP	🟪	🟨	🟨	🟪	🟪
60	McGregor Museum	NC	PE	🟪	🟩	🟪	🟪	🟪
61	Northern Cape Economic Development, Trade and Investment Promotion Agency	NC	PE	🟪	🟪	🟥	🟨	🟪
62	Community Safety and Transport Management	NW	DP	🟪	🟨	🟨	🟪	🟪
63	Public Works and Roads	NW	DP	🟪	🟪	🟥	🟥	🟥
64	North West Provincial Arts and Cultural Council	NW	PE	🟪	🟥	🟥	🟥	🟥
65	North West Transport Investments	NW	PE	🟪	🟪	🟪	🟪	🟪

Legend (audit outcomes)	🟩 Unqualified with no findings	🟨 Unqualified with findings	🟪 Qualified with findings	▨ Adverse with findings	🟥 Disclaimer with findings	⬜ Audit not finalised at legislated date	🟦 New auditee

Number	Auditee	Portfolio	Auditee type	Audit opinion				
				2014-15	2013-14	2012-13	2011-12	2010-11
66	North West Youth Development Trust	NW	PE	🟪	🟪	🟪	🟪	🟨
67	NW Development Corporation	NW	PE	🟪	🟪	🟨	🟨	🟨
68	Western Cape Housing Development Fund	WC	PE	🟪	🟨	🟪	🟨	🟥
Adverse with findings								
1	Ikhala TVET College	Ntnl	PE	▨	🟥	▨	🟪	🟩
2	Limpopo Roads Agency	LP	PE	▨	▨	🟥	🟨	🟩
3	Madikwe River Lodge	NW	PE	▨	🟥	🟥	🟥	🟥
Disclaimed with findings								
1	Compensation Fund	Ntnl	PE	🟥	🟥	🟥	🟪	🟪
2	King Hintsa TVET College	Ntnl	PE	🟥	🟥	🟥	🟩	🟩
3	Letaba TVET College	Ntnl	PE	🟥	🟥	🟨	🟨	🟪
4	Pan South African Language Board	Ntnl	PE	🟥	🟥	🟪	🟪	🟨
5	The South African Nuclear Energy Corporation	Ntnl	PE	🟥	🟨	🟩	🟨	🟨
6	Third Party Funds (Monies in Trust)	Ntnl	PE	🟥	🟥	🟥	🟥	🟥
7	Tshwane South TVET College	Ntnl	PE	🟥	🟥	🟩	🟨	🟩
8	Western College for TVET	Ntnl	PE	🟥	🟥	🟨	🟩	🟩
9	g-FleeT Management	GP	PE	🟥	▨	🟨	🟨	🟨
10	Education	LP	DP	🟥	🟥	🟥	🟥	🟪
11	Golden Leopard Resorts	NW	PE	🟥	🟥	🟥	🟥	🟥
12	Mmabana Arts, Culture and Sport	NW	PE	🟥	🟥	🟥	🟪	🟪
13	North West Housing Corporation	NW	PE	🟥	🟪	🟥	🟥	🟥
14	Signal Developments	NW	PE	🟥	🟥	🟥	🟥	🟥
Audit not finalised at legislated date								
1	Home Affairs	Ntnl	DP	⬜	🟥	🟪	🟪	🟨
2	Compensation Commissioner for Occupational Diseases	Ntnl	PE	⬜	⬜	⬜	⬜	🟥
3	East Cape Midlands TVET College	Ntnl	PE	⬜	⬜	🟨	🟪	🟩

Number	Auditee	Portfolio	Auditee type	Audit opinion				
				2014-15	2013-14	2012-13	2011-12	2010-11
4	Government Pensions Administration Agency	Ntnl	PE	⬜	🟨	🟨	🟨	🟨
5	Independent Development Trust	Ntnl	PE	⬜	🟪	🟨	🟨	🟨
6	National Radioactive Waste Disposal Institute	Ntnl	PE	⬜	🟦	🟦	🟦	🟦
7	Northlink TVET College	Ntnl	PE	⬜	🟪	🟩	🟩	🟩
8	Performing Arts Centre of the Free State	Ntnl	PE	⬜	🟨	🟨	🟪	🟨
9	South African Express Airways	Ntnl	PE	⬜	⬜	🟪	🟥	🟥
10	South African Post Office	Ntnl	PE	⬜	⬜	🟨	🟨	🟨
11	Special Defence Account	Ntnl	PE	⬜	🟨	🟩	🟨	🟨
12	The Property Management Trading Entity	Ntnl	PE	⬜	🟪	🟥	🟥	🟥
13	Tshwane North TVET College	Ntnl	PE	⬜	⬜	⬜	⬜	⬜
14	COEGA Development Corporation	EC	PE	⬜	🟨	🟩	🟩	🟩
15	Free State Political Party Fund	FS	PE	⬜	⬜	🟩	🟩	🟩
16	Gauteng Enterprise Propeller	GP	PE	⬜	🟨	🟨	🟨	🟩
17	Ithala Development Finance Corporation	KZN	PE	⬜	🟩	🟨	🟨	🟨
18	Ithala	KZN	PE	⬜	🟩	🟨	🟨	🟨
19	KwaZulu-Natal Business Rehabilitation Trust Fund	KZN	PE	⬜	🟥	🟥	🟥	🟥
20	Gateway Airport Authority	LP	PE	⬜	🟥	🟪	🟪	🟨
21	Limpopo Economic Development Agency	LP	PE	⬜	🟨	🟪	🟪	🟪
22	Northern Cape Fleet Management	NC	PE	⬜	🟪	🟪	▨	🟥
23	Agribank	NW	PE	⬜	🟨	🟨	🟨	🟨
24	Agribank Creditors Settlement Trust	NW	PE	⬜	🟩	🟩	🟩	🟩
25	Dirapeng	NW	PE	⬜	🟥	🟥	🟥	🟥
26	North West Parks and Tourism Board	NW	PE	⬜	🟥	🟥	🟥	🟥
27	North West Tribal and Trust Fund	NW	PE	⬜	⬜	⬜	⬜	⬜
28	Transport and Public Works	WC	DP	⬜	🟩	🟩	🟨	🟨

Audits not conducted by the Auditor-General of South Africa

Financially unqualified with no findings with findings

Number	Auditee	Portfolio	Auditee type	Audit opinion				
				2014-15	2013-14	2012-13	2011-12	2010-11
1	Accounting Standards Board	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
2	Air Traffic Navigation Services	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
3	Boland TVET College	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
4	Buffalo City TVET College	Ntnl	PE	🟩	🟩	🟩	🟨	🟩
5	Cape Peninsula University of Technology	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
6	Central University of Technology	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
7	College of Cape Town (TVET)	Ntnl	PE	🟩	🟩	🟩	🟨	🟩
8	Denel	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
9	Development Bank of Southern Africa	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
10	Durban University of Technology	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
11	Ekurhuleni West TVET College	Ntnl	PE	🟩	🟨	🟨	🟩	🟩
12	Export Credit Insurance Corporation of SA	Ntnl	PE	🟩	🟩	🟩	🟩	🟨
13	False Bay TVET College	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
14	Housing Development Agency	Ntnl	PE	🟩	🟩	🟩	🟩	🟨
15	Industrial Development Corporation of SA	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
16	Mangosuthu University of Technology	Ntnl	PE	🟩	🟨	🟩	🟩	🟩
17	National Empowerment Fund	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
18	National Housing Finance Corporation	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
19	National Institute for Higher Education - MP	Ntnl	PE	🟩	🟩	🟩	🟨	🟨
20	National Metrology Institute of SA	Ntnl	PE	🟩	🟩	🟨	🟨	🟨
21	Nelson Mandela Metropolitan University	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
22	North West University	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
23	Northern Cape Rural TVET College	Ntnl	PE	🟩	🟨	🟪	🟪	🟩
24	Perishable Products Export Control Board	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
25	Rhodes University	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
26	Rural Housing Loan Fund	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
27	SASRIA	Ntnl	PE	🟩	🟩	🟩	🟩	🟨
28	Sentech	Ntnl	PE	🟩	🟩	🟩	🟨	🟨
29	Small Enterprice Finance Agency	Ntnl	PE	🟩	🟩	🟩	🟦	🟦
30	South African Board of Sheriffs	Ntnl	PE	🟩	🟨	🟨	🟦	🟦
31	South African National Space Agency	Ntnl	PE	🟩	🟩	🟨	🟨	🟨
32	Technology Innovation Agency	Ntnl	PE	🟩	🟩	🟨	🟨	🩷
33	Telkom	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
34	Tshwane University of Technology	Ntnl	PE	🟩	🟩	🟨	🟩	🟩
35	University of Cape Town	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
36	University of Johannesburg	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
37	University of Pretoria	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
38	University of Stellenbosch	Ntnl	PE	🟩	🟩	🟨	🟩	🟩
39	University of the Free State	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
40	University of the Western Cape	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
41	University of Venda	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
42	University of Zululand	Ntnl	PE	🟩	🟨	🟩	🟩	🟩
43	Vaal University of Technology	Ntnl	PE	🟩	🟨	🟩	🟩	🟩
44	West Coast TVET College	Ntnl	PE	🟩	🟩	🟩	🟩	🟩
45	Cassidra	WC	PE	🟩	🟨	🟩	🟩	🟩

Legend (audit outcomes)	🟩 Unqualified with no findings	🟨 Unqualified with findings	🟪 Qualified with findings	🩷 Adverse with findings	🟥 Disclaimer with findings	⬜ Audit not finalised at legislated date	🟦 New auditee

Number	Auditee	Portfolio	Auditee type	Audit opinion				
				2014-15	2013-14	2012-13	2011-12	2010-11
Financially unqualified with findings								
1	Academy of Science of South Africa	Ntnl	PE	🟨	🟩	🟩	🟩	🟦
2	Alexkor	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
3	Eskom Holdings	Ntnl	PE	🟨	🟩	🟨	🟩	🟩
4	Estate Agency Affairs Board	Ntnl	PE	🟨	🟨	🟩	🟨	🟨
5	Flavius Mareka TVET College	Ntnl	PE	🟨	⬜	🟩	🟩	🟩
6	National Health Laboratory Service	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
7	National Urban Reconstruction and Housing Agency	Ntnl	PE	🟨	🟨	🟩	🟩	🟩
8	Ncera Farms	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
9	Nkangala TVET College	Ntnl	PE	🟨	🟨	🟨	🟨	🟪
10	Productivity SA	Ntnl	PE	🟨	🟨	🟨	🟨	🟩
11	Social Housing Regulatory Authority	Ntnl	PE	🟨	🟨	🟨	🟨	🟩
12	South African National Accreditation System	Ntnl	PE	🟨	🟩	🟨	🟩	🟩
13	Thekwini TVET College	Ntnl	PE	🟨	🟩	🟩	⬜	⬜
14	Transnet	Ntnl	PE	🟨	🟨	🟨	🟨	🟨
15	Umalusi QA on Further Training and Education	Ntnl	PE	🟨	🟩	🟩	🟨	🟩
16	University of the Witwatersrand	Ntnl	PE	🟨	🟩	🟩	🟩	🟩
Qualified with findings								
1	Goldfields TVET College	Ntnl	PE	🟪	🟩	🟩	🟨	🟩
2	University of Limpopo	Ntnl	PE	🟪	🟨	🟨	🟨	🟩
3	University of South Africa	Ntnl	PE	🟪	🟨	🟨	🟩	🟩
Disclaimed with findings								
1	Gert Sibande TVET College	Ntnl	PE	🟥	🟩	🟩	🟩	🟩
Audit not finalised at legislated date								
1	Breede-Gouritz Catchment Management Agency	Ntnl	PE	⬜	⬜	🟨	🟩	🟨
2	Broadband Infraco	Ntnl	PE	⬜	🟨	🟨	🟨	🟪
3	Capricorn TVET College	Ntnl	PE	⬜	⬜	🟩	🟩	🟩

Number	Auditee	Portfolio	Auditee type	Audit opinion				
				2014-15	2013-14	2012-13	2011-12	2010-11
4	Coastal TVET College	Ntnl	PE	⬜	🟩	🟩	🟩	🟪
5	Ehlanzeni TVET College	Ntnl	PE	⬜	🟨	🟩	🟩	🟩
6	Ekurhuleni East TVET College	Ntnl	PE	⬜	🟨	🟨	🟨	🟩
7	Elangeni TVET College	Ntnl	PE	⬜	🟩	🟩	⬜	🟩
8	Ingwe TVET College	Ntnl	PE	⬜	⬜	🟪	⬜	🟥
9	Inkomati Catchment Management Agency	Ntnl	PE	⬜	⬜	🟩	🟩	🟩
10	King Sabatha Dalindyebo TVET College	Ntnl	PE	⬜	⬜	⬜	⬜	🟩
11	Lephalale TVET College	Ntnl	PE	⬜	🟩	🟩	🟩	🟩
12	Majuba TVET College	Ntnl	PE	⬜	🟩	🟩	🟨	⬜
13	Mopani South East TVET College	Ntnl	PE	⬜	🟩	🟨	🟨	🟩
14	Motheo TVET College	Ntnl	PE	⬜	⬜	🟪	🟪	🟥
15	Mthashana TVET College	Ntnl	PE	⬜	⬜	🟥	⬜	⬜
16	Port Elizabeth TVET College	Ntnl	PE	⬜	🟨	🟨	🟨	🟩
17	Sedibeng TVET College	Ntnl	PE	⬜	🟪	🟨	🟨	🟩
18	Sekhukhune TVET College	Ntnl	PE	⬜	⬜	⬜	🟪	🟪
19	Sol Plaatjie University	Ntnl	PE	⬜	🟦	🟦	🟦	🟦
20	South African Airways	Ntnl	PE	⬜	⬜	⬜	🟨	🟨
21	South African Council of Educators	Ntnl	PE	⬜	🟨	🟨	🟨	🟨
22	South Cape TVET College	Ntnl	PE	⬜	🟨	🟨	🟨	🟩
23	Taletso TVET College	Ntnl	PE	⬜	⬜	🟥	🟩	🟩
24	Trans-Caledon Tunnel Authority	Ntnl	PE	⬜	⬜	🟩	🟩	🟩
25	Umfolozi TVET College	Ntnl	PE	⬜	🟩	🟩	🟩	🟪
26	Umgungundlovu TVET College	Ntnl	PE	⬜	🟨	🟩	⬜	🟪
27	University of Fort Hare	Ntnl	PE	⬜	🟩	🟩	🟪	🟩
28	University of Kwa-Zulu Natal	Ntnl	PE	⬜	🟩	🟩	🟩	🟪
29	University of Mpumalanga	Ntnl	PE	⬜	🟦	🟦	🟦	🟦

Number	Auditee	Portfolio	Auditee type	Audit opinion				
				2014-15	2013-14	2012-13	2011-12	2010-11
30	Vhembe TVET College	Ntnl	PE	⬜	⬜	⬜	🟨	🟩
31	Vuselela TVET College	Ntnl	PE	⬜	🟨	🟨	🟨	🟩
32	Walter Sisulu University for Technology and Science	Ntnl	PE	⬜	🟨	🟨	🟪	🟪
33	Waterberg TVET College	Ntnl	PE	⬜	🟩	🟩	🟥	🟩

Legend (audit outcomes)	🟩 Unqualified with no findings	🟨 Unqualified with findings	🟪 Qualified with findings	Adverse with findings	🟥 Disclaimer with findings	⬜ Audit not finalised at legislated date	🟦 New auditee

Annexure 3: *Assessment of auditees' key controls at the time of the audit*

Number	Auditee	Portfolio	Auditee type	2014-15			Leadership																											Financial and performance																							Governance														
				Audit opinion	Predetermined objectives	Compliance with legislation	Movement			Effective leadership culture				Oversight responsibility				Human resource management				Policies and procedures				Action plans				Information technology governance				Movement			Proper record keeping				Processing and reconciling controls				Reporting				Compliance				Information technology system controls				Movement			Risk management				Internal audit				Audit committee			
							F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O
Audits conducted by the Auditor-General of South Africa - completed audits																																																																						
Financially unqualified with no findings																																																																						
1	Energy	Ntnl	DP	🟩			🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩↑	🟨↔	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
2	Environmental Affairs	Ntnl	DP	🟩			🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
3	Government Communications and Information System	Ntnl	DP	🟩			🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
4	Parliament of the Republic of South Africa	Ntnl	DP	🟩			🟨↔	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩↑	🟨↔	🟩↑	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩			🟩	🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
5	Planning, Monitoring and Evaluation	Ntnl	DP	🟩			🟩↑	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩↑	🟨↔	🟩↑	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
6	Public Service Commission	Ntnl	DP	🟩			🟩↑	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩↑	🟨↔	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
7	Science and Technology	Ntnl	DP	🟩			🟩↑	🟨↔	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩↑	🟥↓	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟨	🟨	🟩			🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
8	Social Development	Ntnl	DP	🟩			🟩↑	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩		🟨	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
9	Sport and Recreation South Africa	Ntnl	DP	🟩			🟨↔	🟨↔	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩↑	🟩↑	🟩↑	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	🟥↓	🟥↓	🟥↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
10	Statistics South Africa	Ntnl	DP	🟩			🟩↑	🟩↑	🟨↔	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟥↓	🟨↔	🟨↔	🟨	🟨	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟨		🟨	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
11	The Presidency	Ntnl	DP	🟩			🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩↑	🟩↑	🟩↑	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟨	🟨	🟨			🟨	🟨↔	🟨↔	🟨↔	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
12	Trade and Industry	Ntnl	DP	🟩			🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩↑	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟨	🟨	🟨			🟨	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
13	Armaments Corporation of South Africa	Ntnl	PE	🟩			🟩↑	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩↑	🟨↔	🟩↑	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨			🟨	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
14	Artscape	Ntnl	PE	🟩			🟨↔	🟨↔	🟩↑	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨↔	🟨↔	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
15	Banking Sector Education and Training Authority	Ntnl	PE	🟩			🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨↔	🟩↑	🟩↑	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩		🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
16	Chemical Industries Education and Training Authority	Ntnl	PE	🟩			🟩↑	🟨↔	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩↑	🟨↔	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩		🟩	🟩↑	🟨↔	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
17	Competition Commission	Ntnl	PE	🟩			🟩↑	🟩↑	🟨↔	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥	🟩↑	🟩↑	🟩↑	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩			🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
18	Council for Mineral Technology	Ntnl	PE	🟩			🟩↑	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩↑	🟩↑	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟨			🟨	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
19	Council for Scientific and Industrial Research	Ntnl	PE	🟩			🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩		🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
20	Council on Higher Education	Ntnl	PE	🟩			🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩↑	🟨↔	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
21	Die Afrikaanse Taalmuseum	Ntnl	PE	🟩			🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩↑	🟨↔	🟩↑	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩
22	Disaster Relief Fund	Ntnl	PE	🟩			🟨↔		🟨↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩	🟩	🟩	🟩	🟨↔		🟨↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩			🟩	🟨↔		🟨↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩
	Education, Training and Development			🟩			🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟨	🟩	🟩	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨			🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩

🟩 **Good** 🟨 **In progress** 🟥 **Intervention required** 🟩↑ **Improved** 🟨↔ **Unchanged** 🟥↓ **Regressed** **F** **Financial** **P** **Performance** **C** **Compliance** **O** **Overall** **DP = department** **PE - public entity**

Number	Auditee	Portfolio	Auditee type	2014-15			Leadership																											Financial and performance																							Governance														
				Audit opinion	Predetermined objectives	Compliance with legislation	Movement			Effective leadership culture				Oversight responsibility				Human resource management				Policies and procedures				Action plans				Information technology governance				Movement			Proper record keeping				Processing and reconciling controls				Reporting				Compliance				Information technology system controls				Movement			Risk management				Internal audit				Audit committee			
							F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O
23	Education, Training and Development Practices Sector Education and Training Authority	Ntnl	PE	🟩	⬜	⬜	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨 ↔	🟩 ↑	🟨 ↔	🟨	🟩	🟩	🟨	🟨	🟩	🟩	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨	⬜	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
24	Finance and Accounting Services Sector Education Training Authority	Ntnl	PE	🟩	⬜	⬜	🟩 ↑	🟩 ↑	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	⬜	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
25	Freedom Park	Ntnl	PE	🟩	⬜	⬜	🟩 ↑	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥 ↓	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	🟩 ↑	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
26	Government Printing Works	Ntnl	PE	🟩	⬜	⬜	🟩 ↑	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩 ↑	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	⬜	⬜	🟨	🟩 ↑	🟩 ↑	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
27	Guardians Fund	Ntnl	PE	🟩	⬜	⬜	🟩 ↑	🟨 ↔	🟨 ↔	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩	🟨	⬜	🟩	🟨	🟩	⬜	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	⬜	🟩	🟩	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟨	⬜	🟨	🟨	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩
28	Health and Welfare Sector Education and Training Authority	Ntnl	PE	🟩	⬜	⬜	🟨 ↔	🟩 ↑	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨 ↔	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
29	Human Sciences Research Council	Ntnl	PE	🟩	⬜	⬜	🟨 ↔	🟨 ↔	🟥 ↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	⬜	⬜	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
30	Independent Regulatory Board for Auditors	Ntnl	PE	🟩	⬜	⬜	🟨 ↔	🟥 ↓	🟥 ↓	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟥 ↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	⬜	⬜	🟩	🟨 ↔	🟥 ↓	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩
31	iSimangaliso Wetland Park Authority	Ntnl	PE	🟩	⬜	⬜	🟥 ↓	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
32	Land and Agricultural Bank of South Africa	Ntnl	PE	🟩	⬜	⬜	🟥 ↓	🟥 ↓	🟩 ↑	🟨	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟩 ↑	🟨 ↔	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
33	Legal Aid South Africa	Ntnl	PE	🟩	⬜	⬜	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟥 ↓	🟥 ↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟩	⬜	⬜	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
34	Marine Living Resources Fund	Ntnl	PE	🟩	⬜	⬜	🟨 ↔	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟩 ↑	🟩 ↑	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
35	Media, Information and Communication Technologies Sector Education and Training Authority	Ntnl	PE	🟩	⬜	⬜	🟩 ↑	🟥 ↓	🟩 ↑	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟥 ↓	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	⬜	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
36	Medical Research Council of South Africa	Ntnl	PE	🟩	⬜	⬜	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥 ↓	🟥 ↓	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟩	🟨	🟨	🟩	⬜	⬜	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
37	National Arts Council of South Africa	Ntnl	PE	🟩	⬜	⬜	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
38	National Consumer Tribunal	Ntnl	PE	🟩	⬜	⬜	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	⬜	⬜	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
39	National Credit Regulator	Ntnl	PE	🟩	⬜	⬜	🟥 ↓	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥	🟩 ↑	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨	⬜	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
40	National Energy Regulator of South Africa	Ntnl	PE	🟩	⬜	⬜	🟩 ↑	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	⬜	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
41	National Film and Video Foundation of South Africa	Ntnl	PE	🟩	⬜	⬜	🟨 ↔	🟥 ↓	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
42	National Museum	Ntnl	PE	🟩	⬜	⬜	🟩 ↑	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	⬜	⬜	🟩	🟩 ↑	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
43	National Nuclear Regulator	Ntnl	PE	🟩	⬜	⬜	🟩 ↑	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	⬜	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
44	National Research Foundation	Ntnl	PE	🟩	⬜	⬜	🟩 ↑	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟨	🟨	🟩	🟩	⬜	🟩	🟨 ↔	🟨 ↔	🟥 ↓	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩
45	National Youth Development Agency	Ntnl	PE	🟩	⬜	⬜	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩 ↑	🟩 ↑	🟨 ↔	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟩	🟨	🟩	🟥	⬜	⬜	🟥	🟩 ↑	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
46	Office of the Ombud for Financial Service Providers	Ntnl	PE	🟩	⬜	⬜	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	⬜	⬜	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩

Number	Auditee	Portfolio	Auditee type	2014-15			Leadership																											Financial and performance																							Governance														
				Audit opinion	Predetermined objectives	Compliance with legislation	Movement			Effective leadership culture				Oversight responsibility				Human resource management				Policies and procedures				Action plans				Information technology governance				Movement			Proper record keeping				Processing and reconciling controls				Reporting				Compliance				Information technology system controls				Movement			Risk management				Internal audit				Audit committee			
							F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O
47	Ports Regulator of South Africa	Ntnl	PE	🟩			↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
48	President's Fund	Ntnl	PE	🟩			↑	↔	↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟩		🟩	🟩	🟩		🟩	🟩	🟨		🟩	🟨	🟩		🟩	🟩	🟨			🟨	↔	↔	↔	🟩			🟩	🟩		🟩	🟩	🟩		🟩	🟩
49	Quality Council for Trades and Occupations	Ntnl	PE	🟩			↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟨			🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
50	Refugee Relief Fund	Ntnl	PE	🟩			↔		↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩	🟩	🟩	🟩	↔		↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩			🟩	↔		↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩
51	Road Accident Fund	Ntnl	PE	🟩			↑	↓	↔	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↑	↓	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟨	🟨	🟨			🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
52	Robben Island Museum, Cape Town	Ntnl	PE	🟩			↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↔	↓	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩			🟩	↔	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
53	Services Sector Education and Training Authority	Ntnl	PE	🟩			↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	↑	↑	↑	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥		🟥	↑	↑	↑	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
54	Social Relief Fund	Ntnl	PE	🟩			↔		↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩	🟩	🟩	🟩	↔		↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩			🟩	↔		↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩
55	South African Bureau of Standards	Ntnl	PE	🟩			↓	↔	↓	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↓	↔	↔	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
56	South African Civil Aviation Authority	Ntnl	PE	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↓	↔	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
57	South African Local Government Association	Ntnl	PE	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
58	South African National Defence Force Fund	Ntnl	PE	🟩			↔	↔	↔	🟩		🟨	🟨	🟨		🟩	🟨	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩					↑	↔	↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩					↔	↔	↔	🟩		🟩	🟩								
59	South African Revenue Services (Own Account)	Ntnl	PE	🟩			↓	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩		🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
60	South African Tourism	Ntnl	PE	🟩			↔	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	↔	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩		🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
61	South African Weather Services	Ntnl	PE	🟩			↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
62	State Diamond Trader	Ntnl	PE	🟩			↔	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↓	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
63	State President Fund	Ntnl	PE	🟩			↔		↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩	🟩	🟩	🟩	↔		↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩			🟩	↔		↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩
64	The Playhouse Company	Ntnl	PE	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
65	War Museum of the Boer Republics	Ntnl	PE	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
66	Provincial Legislature	EC	DP	🟩			↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↑	↑	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨			🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
67	Safety and Liaison	EC	DP	🟩			↑	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↑	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	↑	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
68	Eastern Cape Gambling and Betting Board	EC	PE	🟩			↑	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	↑	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
69	Eastern Cape Socio Economic Consultative Council	EC	PE	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
70	Office of the Premier	FS	DP	🟩			↑	↔	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	↑	↔	↑	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	↑	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
71	Provincial Legislature	FS	DP	🟩			↓	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨			🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
72	Provincial Treasury	FS	DP	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨			🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
73	Public Works	FS	DP	🟩			↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↑	↑	🟨	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨			🟨	↔	↑	↔	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩

🟩 **Good** 🟨 **In progress** 🟥 **Intervention required** ↑ **Improved** ↔ **Unchanged** ↓ **Regressed** **F Financial** **P Performance** **C Compliance** **O Overall** **DP = department** **PE - public entity**

Number	Auditee	Portfolio	Auditee type	2014-15			Leadership																											Financial and performance																							Governance														
				Audit opinion	Predetermined objectives	Compliance with legislation	Movement			Effective leadership culture				Oversight responsibility				Human resource management				Policies and procedures				Action plans				Information technology governance				Movement			Proper record keeping				Processing and reconciling controls				Reporting				Compliance				Information technology system controls				Movement			Risk management				Internal audit				Audit committee			
							F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O
74	Sport, Arts, Culture and Recreation	FS	DP	🟩	⬜	⬜	🟩 ↑	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥 ↓	🟨 ↔	🟨 ↔	🟨	🟨	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟨	⬜	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
75	Free State Fleet Management Trading Entity	FS	PE	🟩	⬜	⬜	🟥 ↓	⬜	🟥 ↓	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩	🟨	🟨	🟨	🟨	🟥 ↓	⬜	🟨 ↔	🟩	⬜	🟩	🟩	🟨	⬜	🟩	🟩	🟨	⬜	🟩	🟩	🟩	⬜	🟩	🟩	🟨	⬜	⬜	🟨	🟨 ↔	⬜	🟨 ↔	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩
76	Cooperative Governance and Traditional Affairs	GP	DP	🟩	⬜	⬜	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	⬜	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
77	Economic Development	GP	DP	🟩	⬜	⬜	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟩 ↑	🟨 ↔	🟩 ↑	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	⬜	🟨	🟩 ↑	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
78	Finance	GP	DP	🟩	⬜	⬜	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	⬜	⬜	🟨	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
79	Office of the Premier	GP	DP	🟩	⬜	⬜	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟥 ↓	🟨 ↔	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	⬜	⬜	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
80	Provincial Legislature	GP	DP	🟩	⬜	⬜	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	⬜	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
81	Provincial Treasury	GP	DP	🟩	⬜	⬜	🟨 ↔	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨 ↔	🟩 ↑	🟨 ↔	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨	⬜	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
82	Social Development	GP	DP	🟩	⬜	⬜	🟩 ↑	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩 ↑	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	⬜	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
83	Constitutional Hill Development Company	GP	PE	🟩	⬜	⬜	🟨 ↔	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥 ↓	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	⬜	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
84	Cradle of Humankind Trading Entity	GP	PE	🟩	⬜	⬜	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩 ↑	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	⬜	⬜	🟩	🟥 ↓	🟥 ↓	🟥 ↓	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
85	Dinokeng World Heritage Trading Entity	GP	PE	🟩	⬜	⬜	🟩 ↑	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	⬜	⬜	🟩	🟥 ↓	🟥 ↓	🟥 ↓	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
86	Gauteng Film Commission	GP	PE	🟩	⬜	⬜	🟥 ↓	🟥 ↓	🟥 ↓	🟩	🟩	🟩	🟩	🟨	🟨	🟥	🟥	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟥 ↓	🟥 ↓	🟥 ↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	🟩	⬜	⬜	🟩	🟨 ↔	🟥 ↓	🟨 ↔	🟩	🟨	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨
87	Gauteng Gambling Board	GP	PE	🟩	⬜	⬜	🟩 ↑	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩 ↑	🟥 ↓	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟩	🟨	🟩	🟩	⬜	⬜	🟩	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
88	Gauteng Partnership Fund	GP	PE	🟩	⬜	⬜	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	⬜	⬜	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
89	Gauteng Tourism Authority	GP	PE	🟩	⬜	⬜	🟩 ↑	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥 ↓	🟥 ↓	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	⬜	⬜	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
90	Gautrain Management Agency	GP	PE	🟩	⬜	⬜	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	⬜	⬜	🟩	🟨 ↔	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
91	Greater Newtown Development Company	GP	PE	🟩	⬜	⬜	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	⬜	⬜	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
92	Industrial Development Zone	GP	PE	🟩	⬜	⬜	🟨 ↔	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥 ↓	🟨 ↔	🟩 ↑	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	⬜	⬜	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
93	Supplier Park Development Co	GP	PE	🟩	⬜	⬜	🟩 ↑	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟩 ↑	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	⬜	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
94	The Innovation Hub	GP	PE	🟩	⬜	⬜	🟩 ↑	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	⬜	⬜	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
95	Cooperative Governance and Traditional Affairs	KZN	DP	🟩	⬜	⬜	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	⬜	⬜	🟨	🟥 ↓	🟥 ↓	🟥 ↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
96	Provincial Treasury	KZN	DP	🟩	⬜	⬜	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	⬜	⬜	🟨	🟥 ↓	🟥 ↓	🟥 ↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨
97	Amafa Akwazulu-Natali	KZN	PE	🟩	⬜	⬜	🟥 ↓	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	⬜	⬜	🟩	🟥 ↓	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩
98	Dube Tradeport Company	KZN	PE	🟩	⬜	⬜	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	⬜	⬜	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
99	KwaZulu-Natal Growth Fund Managers	KZN	PE	🟩	⬜	⬜	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	⬜	⬜	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
100	KwaZulu-Natal Tourism Authority	KZN	PE	🟩	⬜	⬜	🟨 ↔	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟥 ↓	🟥 ↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
101	KZN Growth Fund Trust	KZN	PE	🟩	⬜	⬜	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	⬜	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
102	Trade and Investment KwaZulu-Natal	KZN	PE	🟩	⬜	⬜	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	⬜	⬜	🟩	🟩 ↑	🟩 ↑	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
103	Office of the Premier	LP	DP	🟩	⬜	⬜	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	⬜	⬜	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩

Number	Auditee	Portfolio	Auditee type	2014-15			Leadership																											Financial and performance																							Governance														
				Audit opinion	Predetermined objectives	Compliance with legislation	Movement			Effective leadership culture				Oversight responsibility				Human resource management				Policies and procedures				Action plans				Information technology governance				Movement			Proper record keeping				Processing and reconciling controls				Reporting				Compliance				Information technology system controls				Movement			Risk management				Internal audit				Audit committee			
							F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O
104	Cooperative Governance and Traditional Affairs	MP	DP	🟩			↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
105	Finance	MP	DP	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↓	↓	↔	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
106	Provincial Legislature	MP	DP	🟩			↑	↔	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↑	↔	↑	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨			🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
107	Mpumalanga Gambling Board	MP	PE	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
108	Environment and Nature Conservation	NC	DP	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
109	Social Development	NC	DP	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨		🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
110	Northern Cape Tourism Authority	NC	PE	🟩			↑	↑	↑	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
111	Provincial Treasury	NW	DP	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
112	Agriculture	WC	DP	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↓	↔	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟨	🟨	🟨			🟨	↔	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
113	Community Safety	WC	DP	🟩			↓	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↑	↔	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	↔	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
114	Cultural Affairs and Sport	WC	DP	🟩			↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↓	↑	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨			🟨	↔	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
115	Economic Development and Tourism	WC	DP	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
116	Education	WC	DP	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨		🟨	↑	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
117	Environmental Affairs and Development Planning	WC	DP	🟩			↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	↑	↑	↑	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟩			🟩	↔	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
118	Human Settlements	WC	DP	🟩			↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↑	↑	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨		🟨	↔	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
119	Local Government	WC	DP	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
120	Office of the Premier	WC	DP	🟩			↔	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟨			🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
121	Provincial Parliament	WC	DP	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨			🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
122	Provincial Treasury	WC	DP	🟩			↓	↓	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	↑	↑	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩			🟩	↔	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
123	Social Development	WC	DP	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩			🟩	↓	↔	↔	🟨	🟩	🟨	🟨	🟨	🟩	🟩	🟨	🟩	🟨	🟩	🟨	🟨	🟩	🟨	🟨	🟩			🟩	↔	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
124	Government Motor Transport	WC	PE	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨		🟨	↔	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
125	Saldanha Bay IDZ	WC	PE	🟩			↔	↔	↔	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟨		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩		🟩	🟩	🟩			🟩	↔	↔	↔	🟩		🟩	🟩	🟨		🟩	🟩	🟨		🟩	🟩
126	The Heritage Western Cape	WC	PE	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩			🟩	↔	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
127	Western Cape Cultural Commission	WC	PE	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩			🟩	↔	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
128	Western Cape Gambling and Racing Board	WC	PE	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↓	↔	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩			🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
129	Western Cape Language Committee	WC	PE	🟩			↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩			🟩	↔	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩

🟩 Good **🟨 In progress** **🟥 Intervention required** **↑ Improved** **↔ Unchanged** **↓ Regressed** **F Financial** **P Performance** **C Compliance** **O Overall** **DP = department** **PE - public entity**

Number	Auditee	Portfolio	Auditee type	2014-15			Leadership																											Financial and performance																							Governance														
				Audit opinion	Predetermined objectives	Compliance with legislation	Movement			Effective leadership culture				Oversight responsibility				Human resource management				Policies and procedures				Action plans				Information technology governance				Movement			Proper record keeping				Processing and reconciling controls				Reporting				Compliance				Information technology system controls				Movement			Risk management				Internal audit				Audit committee			
							F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O
130	Western Cape Liquor Authority	WC	PE	🟩	⬜	⬜	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	⬜	⬜	🟩	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
131	Western Cape Nature Conservation Board	WC	PE	🟩	⬜	⬜	↑	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↓	↑	↑	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
Financially unqualified with findings																																																																						
1	Agriculture, Forestry and Fisheries	Ntnl	DP	🟨	🟦	🟦	↑	↓	↑	🟩	🟨	🟩	🟨	🟩	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟥	🟨	🟨	🟩	🟩	🟩	🟩	↑	↔	↑	🟩	🟥	🟩	🟨	🟨	🟥	🟨	🟨	🟩	🟥	🟨	🟥	🟩	🟥	🟨	🟨	🟨	⬜	⬜	🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟩	🟨	🟨	🟨
2	Arts and Culture	Ntnl	DP	🟨	🟦	🟦	↓	↔	↓	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	↓	↓	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↑	↑	↑	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
3	Basic Education	Ntnl	DP	🟨	🟦	🟦	↓	↑	↔	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟩	🟩	🟩	🟩	↓	↔	↑	🟥	🟨	🟩	🟨	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟨	🟥	🟨	🟥	🟨	🟨	⬜	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
4	Cooperative Governance	Ntnl	DP	🟨	🟦	🟦	↑	↑	↔	🟩	🟩	🟩	🟩	🟥	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↑	↑	↑	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟨	⬜	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
5	Defence	Ntnl	DP	🟨	⬜	🟦	↓	↔	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟥	🟥	🟥	🟥	↔	↔	↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↑	↔	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟨	🟩	🟩
6	Economic Development	Ntnl	DP	🟨	⬜	🟦	↔	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	↑	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟥	🟥	🟨	⬜	⬜	🟨	↑	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
7	Health	Ntnl	DP	🟨	🟦	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↑	↔	↑	🟩	🟨	🟨	🟨	🟩	🟥	🟨	🟨	🟩	🟥	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	⬜	🟨	↓	↓	↓	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟩	🟩	🟩	🟩
8	Higher Education and Training	Ntnl	DP	🟨	🟦	🟦	↓	↔	↓	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	↓	↑	↓	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟥	🟥	🟨	🟥	🟨	🟨	🟥	🟨	🟨	🟨	⬜	🟨	↓	↔	↔	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩
9	Human Settlements	Ntnl	DP	🟨	🟦	🟦	↑	↑	↓	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	↑	↓	↓	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟨	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟥	🟥	⬜	🟥	↓	↓	↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
10	Independent Police Investigative Directorate	Ntnl	DP	🟨	⬜	🟦	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
11	Justice and Constitutional Development	Ntnl	DP	🟨	⬜	🟦	↔	↑	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↔	↑	↓	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟨	🟨	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
12	Labour	Ntnl	DP	🟨	🟦	🟦	↑	↔	↔	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟩	🟥	🟨	🟨	🟩	🟩	🟩	🟩	↔	↓	↔	🟩	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	⬜	🟨	↔	↓	↓	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨
13	Mineral Resources	Ntnl	DP	🟨	⬜	🟦	↓	↔	↔	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↓	↔	↔	🟨	🟩	🟨	🟨	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
14	National School of Government	Ntnl	DP	🟨	⬜	🟦	↔	↓	↔	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↓	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
15	National Treasury	Ntnl	DP	🟨	🟦	⬜	↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟥	🟩	🟥	🟩	🟩	🟩	🟩	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
16	Police	Ntnl	DP	🟨	🟦	🟦	↔	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↑	↔	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	⬜	⬜	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
17	Public Enterprises	Ntnl	DP	🟨	⬜	🟦	↔	↑	↓	🟩	🟩	🟩	🟩	🟨	🟩	🟥	🟥	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↔	↓	🟨	🟩	🟩	🟨	🟨	🟩	🟩	🟨	🟨	🟩	🟩	🟨	🟨	🟩	🟥	🟥	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
18	Public Service and Administration	Ntnl	DP	🟨	⬜	🟦	↔	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥	🟥	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	↓	↔	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟥	🟥	🟥	⬜	⬜	🟥	↑	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
19	Public Works	Ntnl	DP	🟨	🟦	🟦	↑	↑	↑	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟨	🟩	🟩	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	↑	↑	↑	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	⬜	🟥	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
20	Rural Development and Land Reform	Ntnl	DP	🟨	⬜	🟦	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↓	↓	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	⬜	🟥	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
21	Telecommunications and Postal Services	Ntnl	DP	🟨	⬜	🟦	↑	↓	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟨	↑	↔	↑	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
22	Tourism	Ntnl	DP	🟨	⬜	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↑	↓	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	⬜	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
23	Traditional Affairs	Ntnl	DP	🟨	⬜	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	↔	↔	↔	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟥	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟥	🟥	🟩	🟩	🟩	🟩
24	Transport	Ntnl	DP	🟨	🟦	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↑	↑	↑	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟨	⬜	🟨	↔	↔	↔	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
25	Women	Ntnl	DP	🟨	🟦	🟦	↔	↓	↔	🟩	🟩	🟩	🟩	🟨	🟥	🟥	🟥	🟥	🟩	🟥	🟥	🟩	🟩	🟩	🟩	🟥	🟨	🟥	🟥	🟨	🟨	🟨	🟨	↓	↔	↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟥	🟩	🟥	🟥	🟨	🟥	🟥	🟥	🟨	⬜	⬜	🟨	↓	↓	↓	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥	🟩	🟩	🟩	🟩

Number	Auditee	Portfolio	Auditee type	2014-15			Leadership																											Financial and performance																							Governance														
				Audit opinion	Predetermined objectives	Compliance with legislation	Movement			Effective leadership culture				Oversight responsibility				Human resource management				Policies and procedures				Action plans				Information technology governance				Movement			Proper record keeping				Processing and reconciling controls				Reporting				Compliance				Information technology system controls				Movement			Risk management				Internal audit				Audit committee			
							F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O
26	African Renaissance and International Cooperation Fund	Ntnl	PE	🟨	⬜	🟦	↑	↑	↑	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟥	🟥	🟨	🟥	⬜	⬜	⬜	⬜	↓	↑	↓	🟥	🟩	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	⬜	⬜	⬜	⬜	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
27	Agricultural Land Holding Account	Ntnl	PE	🟨	⬜	🟦	↔	↔	↑	🟩	⬜	🟨	🟨	🟨	⬜	🟨	🟨	⬜	⬜	⬜	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	↑	↓	↔	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟥	⬜	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩
28	Agricultural Research Council	Ntnl	PE	🟨	⬜	🟦	↓	↔	↔	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟨	↓	↔	↓	🟨	🟩	🟨	🟨	🟨	🟩	🟩	🟨	🟥	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
29	Agricultural Sector Education and Training	Ntnl	PE	🟨	🟦	🟦	↓	↔	↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟩	⬜	🟩	↔	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
30	Airports Company South Africa	Ntnl	PE	🟨	🟦	🟦	↓	↓	↓	🟩	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↓	↓	↓	🟨	🟥	🟥	🟥	🟨	🟩	🟩	🟩	🟥	🟥	🟩	🟥	🟥	🟥	🟥	🟥	🟨	🟨	⬜	🟨	↔	↓	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩
31	Castle Control Board	Ntnl	PE	🟨	🟦	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟥	🟩	🟥	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↓	↔	↔	🟨	🟩	🟩	🟨	🟨	🟩	🟩	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟥	🟥	🟩	🟩	🟩	🟩	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
32	CEF	Ntnl	PE	🟨	⬜	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↓	↑	↔	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
33	Commission for Conciliation, Mediation and Arbitration	Ntnl	PE	🟨	⬜	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟨	🟩	🟨	🟨	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
34	Commission for the Promotion and Protection of the Rights of Cultural Religious and Linguistic Communities	Ntnl	PE	🟨	⬜	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
35	Commission on Gender Equality	Ntnl	PE	🟨	⬜	🟦	↓	↑	↓	🟩	🟩	🟩	🟩	🟥	🟨	🟥	🟥	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟥	🟩	🟥	🟥	🟨	🟨	🟨	🟨	↔	↑	↔	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟥	🟨	🟥	🟥	🟥	⬜	⬜	🟥	↔	↔	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
36	Community Schemes Ombuds Service	Ntnl	PE	🟨	⬜	🟦	↓	↓	↓	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	⬜	⬜	⬜	⬜	↓	↓	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟨	⬜	⬜	⬜	⬜	↓	↓	↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
37	Companies and Intellectual Property Commission	Ntnl	PE	🟨	🟦	⬜	↔	↔	↑	🟩	🟩	🟩	🟩	🟩	🟥	🟩	🟥	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟥	🟩	🟥	🟩	🟩	🟩	🟩	↑	↓	↑	🟩	🟥	🟩	🟥	🟩	🟩	🟩	🟩	🟨	🟥	🟩	🟥	🟨	🟨	🟨	🟨	🟨	🟥	⬜	🟨	↓	↓	↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
38	Companies Tribunal	Ntnl	PE	🟨	⬜	🟦	↔	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↓	↑	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟩	⬜	⬜	🟩	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
39	Competition Tribunal	Ntnl	PE	🟨	⬜	🟦	↔	↔	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
40	Construction Education and Training Authority	Ntnl	PE	🟨	🟦	🟦	↓	↔	↑	🟩	🟩	🟩	🟩	🟥	🟥	🟨	🟥	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	↓	↔	↔	🟩	🟥	🟩	🟥	🟨	🟥	🟩	🟥	🟥	🟥	🟩	🟥	🟨	🟨	🟩	🟨	🟥	🟥	⬜	🟥	↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
41	Construction Industry Development Board	Ntnl	PE	🟨	⬜	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟥	🟥	🟥	🟥	↑	↓	↑	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
42	Cooperative Banks Development Agency	Ntnl	PE	🟨	⬜	🟦	↓	↑	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟥	🟩	🟥	🟥	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
43	Council for Geoscience	Ntnl	PE	🟨	⬜	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↓	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
44	Council for Medical Schemes	Ntnl	PE	🟨	⬜	🟦	↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↓	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟥	⬜	⬜	🟥	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
45	Council for the Built Environment	Ntnl	PE	🟨	⬜	🟦	↓	↑	↓	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟥	🟩	🟩	🟥	🟩	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟥	🟥	🟥	↓	↑	↓	🟥	🟩	🟩	🟥	🟨	🟩	🟩	🟨	🟥	🟩	🟨	🟥	🟥	🟩	🟨	🟥	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
46	Cross-Border Road Transport Agency	Ntnl	PE	🟨	⬜	🟦	↓	↑	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↑	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	⬜	⬜	🟨	↓	↔	↔	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
47	Culture, Arts, Tourism, Hospitality and Sports Education and Training Authority	Ntnl	PE	🟨	🟦	🟦	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	↑	↑	↔	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟩	🟩	⬜	🟩	↓	↓	↓	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨
48	Deeds Registration Trading Account	Ntnl	PE	🟨	⬜	🟦	↑	↔	↔	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟩	⬜	🟩	🟩	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	↔	↓	↔	🟨	⬜	🟩	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟥	⬜	⬜	🟥	↔	↔	↔	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩
49	Driving Licence Card Account	Ntnl	PE	🟨	⬜	🟦	↔	↔	↔	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↓	↓	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩

🟩 **Good** 🟨 **In progress** 🟥 **Intervention required** ↑ **Improved** ↔ **Unchanged** ↓ **Regressed** F **Financial** P **Performance** C **Compliance** O **Overall** **DP = department** **PE - public entity**

Number	Auditee	Portfolio	Auditee type	2014-15			Leadership																											Financial and performance																							Governance														
				Audit opinion	Predetermined objectives	Compliance with legislation	Movement			Effective leadership culture				Oversight responsibility				Human resource management				Policies and procedures				Action plans				Information technology governance				Movement			Proper record keeping				Processing and reconciling controls				Reporting				Compliance				Information technology system controls				Movement			Risk management				Internal audit				Audit committee			
							F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O
50	Education Labour Relations Council	Ntnl	PE	🟨	🟦	🟦	🟨 ↔	🟩 ↑	🟨 ↔	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥 ↓	🟩 ↑	🟥 ↓	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	🟥 ↓	🟩 ↑	🟥 ↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨
51	Electoral Commission	Ntnl	PE	🟨	🟦	🟦	🟩 ↑	🟥 ↓	🟥 ↓	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟩	🟩	🟨	🟨	🟨	⬜	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
52	Energy and Water Sector Education and Training Authority	Ntnl	PE	🟨	🟦	🟦	🟥 ↓	🟥 ↓	🟩 ↑	🟩	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟩 ↑	🟥 ↓	🟩 ↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
53	Equalisation Fund	Ntnl	PE	🟨	🟦	🟦	🟥 ↓	🟨 ↔	🟨 ↔	🟩	🟨	🟨	🟨	🟥	🟥	🟨	🟥	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟥	🟥	🟩	🟥	🟨	🟨	🟨	🟨	🟥 ↓	🟨 ↔	🟨 ↔	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟨	⬜	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨
54	Fibre Processing Manufacturing Sector Education and Training Authority	Ntnl	PE	🟨	⬜	🟦	🟩 ↑	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	🟨	🟥 ↓	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩
55	Film and Publication Board	Ntnl	PE	🟨	⬜	🟦	🟥 ↓	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟥 ↓	🟨 ↔	🟨 ↔	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
56	Financial and Fiscal Commission	Ntnl	PE	🟨	⬜	🟦	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟩 ↑	🟨 ↔	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	⬜	⬜	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
57	Financial Intelligence Centre	Ntnl	PE	🟨	⬜	🟦	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩 ↑	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	⬜	⬜	🟩	🟥 ↓	🟥 ↓	🟥 ↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥
58	Financial Services Board	Ntnl	PE	🟨	🟦	⬜	🟥 ↓	🟥 ↓	🟥 ↓	🟩	🟩	🟩	🟩	🟨	🟥	🟨	🟥	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟥 ↓	🟨 ↔	🟥 ↓	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	🟨 ↔	🟥 ↓	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟥	🟩	🟥	🟩	🟥	🟩	🟥
59	Food and Beverages Manufacturing Industry Sector Education Training Authority	Ntnl	PE	🟨	⬜	🟦	🟩 ↑	🟨 ↔	🟥 ↓	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟥 ↓	🟨 ↔	🟨 ↔	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	🟨	🟨 ↔	🟨 ↔	🟥 ↓	🟩	🟩	🟨	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟩
60	Government Technical Advisory Centre	Ntnl	PE	🟨	🟦	🟦	⬜	⬜	⬜	🟩	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	⬜	⬜	⬜	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥	🟥	🟨	🟥	🟩	🟩	🟩	🟩	🟨	⬜	⬜	🟨	⬜	⬜	⬜	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
61	Independent Communications Authority of South Africa	Ntnl	PE	🟨	🟦	🟦	🟨 ↔	🟥 ↓	🟥 ↓	🟩	🟩	🟩	🟩	🟩	🟥	🟨	🟨	🟨	🟨	🟥	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩 ↑	🟥 ↓	🟥 ↓	🟩	🟥	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟥	🟨	🟨	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟩 ↑	🟩 ↑	🟩 ↑	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
62	Insurance Sector Education and Training Authority	Ntnl	PE	🟨	⬜	🟦	🟥 ↓	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥 ↓	🟨 ↔	🟩 ↑	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟩	🟩	⬜	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
63	International Trade Administration Commission	Ntnl	PE	🟨	⬜	🟦	🟥 ↓	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟥 ↓	🟨 ↔	🟩 ↑	🟨	🟩	🟩	🟨	🟨	🟩	🟩	🟨	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
64	Local Government Education and Training Authority	Ntnl	PE	🟨	🟦	🟦	🟩 ↑	🟩 ↑	🟨 ↔	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟩 ↑	🟩 ↑	🟨 ↔	🟩	🟨	🟨	🟨	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	⬜	🟥	🟩 ↑	🟩 ↑	🟨 ↔	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
65	Luthuli Museum	Ntnl	PE	🟨	⬜	🟦	🟥 ↓	🟥 ↓	🟥 ↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥	🟥 ↓	🟥 ↓	🟥 ↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟨	🟨	🟨	⬜	⬜	🟨	🟥 ↓	🟥 ↓	🟥 ↓	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨
66	Manufacturing Engineering and Related Services Education and Training Authority	Ntnl	PE	🟨	⬜	🟦	🟩 ↑	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥 ↓	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	⬜	🟨	🟩 ↑	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
67	Market Theatre Foundation	Ntnl	PE	🟨	⬜	🟦	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟥	🟥	🟥	🟥	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟨	🟩	🟩	⬜	⬜	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
68	Media Development and Diversity Agency	Ntnl	PE	🟨	⬜	🟦	🟥 ↓	🟥 ↓	🟥 ↓	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟥	🟥	🟥	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟥	🟩	🟩	🟨	🟥 ↓	🟩 ↑	🟥 ↓	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟥 ↓	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩
69	Mine Health and Safety Council	Ntnl	PE	🟨	⬜	🟦	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟨	🟩	⬜	⬜	🟩	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
70	Mining Qualifications SETA	Ntnl	PE	🟨	⬜	🟦	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
71	Mnambithi TVET College	Ntnl	PE	🟨	⬜	🟦	⬜	⬜	⬜	🟥	⬜	🟥	🟥	🟨	⬜	🟨	🟨	🟥	⬜	🟥	🟥	🟨	⬜	🟨	🟨	🟥	⬜	🟨	🟥	🟥	⬜	🟥	🟥	🟥 ↓	⬜	🟨 ↔	🟨	⬜	🟩	🟩	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟥	⬜	🟨	🟥	🟥	⬜	🟥	🟥	🟨 ↔	⬜	🟨 ↔	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟨	⬜	🟨	🟨
72	Municipal Demarcation Board	Ntnl	PE	🟨	⬜	🟦	🟥 ↓	🟥 ↓	🟥 ↓	🟩	🟩	🟩	🟩	🟨	🟩	🟥	🟥	🟩	🟨	🟥	🟥	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟥 ↓	🟥 ↓	🟥 ↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥	🟩	🟥	🟥	🟥	🟩	🟥	🟥	🟨	⬜	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩
73	Municipal Infrastructure Support Agency	Ntnl	PE	🟨	🟦	🟦	🟨 ↔	🟨 ↔	🟨 ↔	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨 ↔	🟨 ↔	🟨 ↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	⬜	⬜	🟨	🟩 ↑	🟩 ↑	🟩 ↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
74	National Agricultural Marketing Council	Ntnl	PE	🟨	🟦	🟦	🟨 ↔	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟩 ↑	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	⬜	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩

Number	Auditee	Portfolio	Auditee type	2014-15			Leadership																											Financial and performance																							Governance														
				Audit opinion	Predetermined objectives	Compliance with legislation	Movement			Effective leadership culture				Oversight responsibility				Human resource management				Policies and procedures				Action plans				Information technology governance				Movement			Proper record keeping				Processing and reconciling controls				Reporting				Compliance				Information technology system controls				Movement			Risk management				Internal audit				Audit committee			
							F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O
75	National Consumer Commission	Ntnl	PE	🟨	🟦	🟦	🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩↑	🟨↔	🟩↑	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟥	⬜	⬜	🟥	🟥↓	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
76	National Development Agency	Ntnl	PE	🟨	⬜	🟦	🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟨	🟨	🟩	⬜	⬜	🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
77	National Electronic Media Institute of South African	Ntnl	PE	🟨	⬜	🟦	🟨↔	🟩↑	🟩↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟥↓	🟨↔	🟨↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	🟩↑	🟩↑	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
78	National Gambling Board	Ntnl	PE	🟨	⬜	🟦	🟩↑	🟨↔	🟨↔	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟩	🟥	🟥	🟩	🟥	🟩	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩↑	🟥↓	🟥↓	🟨	🟩	🟥	🟨	🟩	🟩	🟩	🟩	🟥	🟩	🟩	🟥	🟥	🟥	🟥	🟥	🟩	⬜	⬜	🟩	🟥↓	🟥↓	🟥↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
79	National Heritage Council of South Africa	Ntnl	PE	🟨	🟦	🟦	🟩↑	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩↑	🟩↑	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	⬜	⬜	🟩	🟨↔	🟨↔	🟨↔	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
80	National Home Builders Regulatory Council	Ntnl	PE	🟨	🟦	🟦	🟩↑	🟨↔	🟩↑	🟩	🟩	🟩	🟩	🟩	🟥	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟩↑	🟨↔	🟨↔	🟩	🟥	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟥	⬜	⬜	🟥	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
81	National Lotteries Board	Ntnl	PE	🟨	⬜	🟦	🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟨	🟩	⬜	⬜	🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
82	National School of Government Trading Entity	Ntnl	PE	🟨	⬜	🟦	🟨↔	🟥↓	🟩↑	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨↔	🟥↓	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟨	🟨	🟨	⬜	⬜	🟨	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
83	National Skills Fund	Ntnl	PE	🟨	🟦	🟦	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨↔	🟨↔	🟨↔	🟨	🟨	🟨	🟨	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	🟨↔	🟨↔	🟨↔	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨
84	National Student Financial Aid Scheme	Ntnl	PE	🟨	🟦	🟦	🟥↓	🟥↓	🟨↔	🟩	🟩	🟩	🟩	🟥	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟩	🟩	🟩	🟩	🟥↓	🟥↓	🟩↑	🟨	🟨	🟨	🟨	🟥	🟥	🟩	🟥	🟥	🟨	🟩	🟥	🟥	🟨	🟨	🟥	🟨	⬜	⬜	🟨	🟥↓	🟥↓	🟥↓	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩
85	Office of the Pension Funds Adjudicator	Ntnl	PE	🟨	⬜	🟦	🟨↔	🟨↔	🟥↓	🟩	🟩	🟩	🟩	🟩	🟩	🟥	🟥	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨↔	🟩↑	🟥↓	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟥	🟥	🟩	⬜	⬜	🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
86	Onderstepoort Biological Products	Ntnl	PE	🟨	🟦	🟦	🟥↓	🟥↓	🟥↓	🟩	🟩	🟩	🟩	🟩	🟥	🟩	🟥	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟥	🟥	🟥	🟥	🟨↔	🟥↓	🟨↔	🟩	🟥	🟩	🟥	🟩	🟩	🟩	🟩	🟩	🟥	🟩	🟥	🟩	🟨	🟨	🟨	🟥	⬜	⬜	🟥	🟥↓	🟥↓	🟥↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
87	Passenger Rail Agency of South Africa	Ntnl	PE	🟨	⬜	🟦	🟥↓	🟩↑	🟥↓	🟨	🟩	🟥	🟨	🟥	🟨	🟥	🟥	🟨	🟩	🟥	🟨	🟥	🟨	🟥	🟥	🟨	🟨	🟥	🟨	🟥	🟥	🟥	🟥	🟥↓	🟥↓	🟥↓	🟥	🟨	🟥	🟥	🟨	🟨	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟥	⬜	⬜	🟥	🟨↔	🟨↔	🟨↔	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
88	Private Security Industry Regulatory Authority	Ntnl	PE	🟨	🟦	🟦	🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟨	🟨	🟥	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩↑	🟨↔	🟩↑	🟨	🟨	🟨	🟨	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟥	🟩	🟥	🟥	🟥	🟩	⬜	⬜	🟩	🟨↔	🟨↔	🟨↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
89	Public Investment Corporation	Ntnl	PE	🟨	⬜	🟦	🟨↔	🟨↔	🟩↑	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩↑	🟩↑	🟥↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	⬜	⬜	🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
90	Railway Safety Regulator	Ntnl	PE	🟨	⬜	🟦	🟩↑	🟨↔	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩↑	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	⬜	⬜	🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
91	Road Traffic Infringement Agency	Ntnl	PE	🟨	⬜	🟦	🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩↑	🟩↑	🟥↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟥	🟥	🟩	⬜	⬜	🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
92	Road Traffic Management Corporation	Ntnl	PE	🟨	⬜	🟦	🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟥	🟩	🟨	🟨	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟩↑	🟩↑	🟩↑	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟥	🟨	🟨	⬜	⬜	🟨	🟩↑	🟨↔	🟨↔	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
93	SA Institute for Drug-free Sport	Ntnl	PE	🟨	⬜	🟦	🟥↓	🟩↑	🟨↔	🟩	🟩	🟩	🟩	🟨	🟩	🟥	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟥	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟥↓	🟩↑	🟨↔	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟥	🟨	🟩	🟩	🟩	🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩
94	Safety and Security Sector Education and Training Authority	Ntnl	PE	🟨	🟦	🟦	🟥↓	🟥↓	🟥↓	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥↓	🟥↓	🟥↓	🟥	🟥	🟥	🟥	🟨	🟨	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	⬜	🟥	🟨↔	🟨↔	🟨↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
95	Small Enterprise Development Agency	Ntnl	PE	🟨	⬜	🟦	🟩↑	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩↑	🟨↔	🟨↔	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟩	🟨	🟩	🟨	🟨	⬜	⬜	🟨	🟥↓	🟥↓	🟨↔	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
96	South Africa Diamond and Precious Metals Regulator	Ntnl	PE	🟨	⬜	🟦	🟩↑	🟥↓	🟨↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟥↓	🟥↓	🟨↔	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	🟨↔	🟩↑	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
97	South Africa Heritage Resources Agency	Ntnl	PE	🟨	⬜	🟦	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥↓	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟥	🟨	🟩	🟥	🟨	🟨	🟨	🟨	🟩	🟩	⬜	🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
98	South Africa Library for the Blind	Ntnl	PE	🟨	⬜	🟦	🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	⬜	⬜	🟩	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟨	🟥	🟨	🟩	🟩	🟥	🟨
99	South African Forestry Company	Ntnl	PE	🟨	⬜	🟦	🟨↔	🟨↔	🟥↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨↔	🟨↔	🟥↓	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
100	South African Human Rights Commission	Ntnl	PE	🟨	⬜	🟦	🟩↑	🟥↓	🟨↔	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟩↑	🟨↔	🟨↔	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟥	⬜	⬜	🟥	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
101	South African Maritime Safety Authority	Ntnl	PE	🟨	🟦	🟦	🟥↓	🟨↔	🟨↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟩	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨↔	🟨↔	🟨↔	🟨	🟥	🟥	🟥	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	⬜	⬜	🟨	🟩↑	🟩↑	🟩↑	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥

🟩 **Good** 🟨 **In progress** 🟥 **Intervention required** 🟩↑ **Improved** 🟨↔ **Unchanged** 🟥↓ **Regressed** **F** **Financial** **P** **Performance** **C** **Compliance** **O** **Overall** **DP = department** **PE - public entity**

Number	Auditee	Portfolio	Auditee type	2014-15			Leadership																											Financial and performance																							Governance														
				Audit opinion	Predetermined objectives	Compliance with legislation	Movement			Effective leadership culture				Oversight responsibility				Human resource management				Policies and procedures				Action plans				Information technology governance				Movement			Proper record keeping				Processing and reconciling controls				Reporting				Compliance				Information technology system controls				Movement			Risk management				Internal audit				Audit committee			
							F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O
102	South African National Biodiversity Institute	Ntnl	PE	🟨	⬜	🟦	🟨 ↔	🟥 ↓	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥 ↓	🟨 ↔	🟥 ↓	🟨	🟩	🟩	🟨	🟨	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟩	🟩	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
103	South African National Energy Development Institute	Ntnl	PE	🟨	🟦	🟦	🟥 ↓	🟨 ↔	🟨 ↔	🟩	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟩	🟨	🟩	🟩	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩 ↑	🟥 ↓	🟨 ↔	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟨	🟥	🟩	🟨	🟨	🟥	🟩	🟨	🟨	⬜	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
104	South African National Parks	Ntnl	PE	🟨	🟦	🟦	🟩 ↑	🟩 ↑	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩 ↑	🟩 ↑	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥	🟨	🟥	🟩	🟨	🟩	🟨	🟨	⬜	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
105	South African Qualifications Authority	Ntnl	PE	🟨	⬜	🟦	🟨 ↔	🟩 ↑	🟥 ↓	🟩	🟩	🟨	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥 ↓	🟩 ↑	🟨 ↔	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	⬜	⬜	🟨	🟩 ↑	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
106	South African Social Security Agency	Ntnl	PE	🟨	⬜	🟦	🟩 ↑	🟩 ↑	🟨 ↔	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥 ↓	🟥 ↓	🟥 ↓	🟥	🟨	🟥	🟥	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟩	🟨	🟨	⬜	🟨	🟥 ↓	🟥 ↓	🟥 ↓	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨
107	South West Gauteng TVET College	Ntnl	PE	🟨	⬜	🟦	🟩 ↑	⬜	🟩 ↑	🟨	⬜	🟨	🟨	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	🟨	🟨	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟩 ↑	⬜	🟩 ↑	🟨	⬜	🟨	🟨	🟥	⬜	🟨	🟨	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟩 ↑	⬜	🟩 ↑	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟨	⬜	🟨	🟨
108	Special Investigating Unit	Ntnl	PE	🟨	⬜	🟦	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	⬜	⬜	🟩	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
109	State Information Technology Agency	Ntnl	PE	🟨	⬜	🟦	🟨 ↔	🟨 ↔	🟥 ↓	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟥 ↓	🟨 ↔	🟩 ↑	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟨	🟨	🟩	🟩	🟨	🟩	🟨	🟥	🟨	🟨	⬜	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
110	The Public Protector of South Africa	Ntnl	PE	🟨	⬜	🟦	🟥 ↓	🟥 ↓	🟩 ↑	🟩	🟩	🟩	🟩	🟥	🟥	🟨	🟥	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥 ↓	🟥 ↓	🟥 ↓	🟨	🟩	🟨	🟨	🟥	🟩	🟩	🟨	🟥	🟥	🟩	🟥	🟩	🟩	🟥	🟨	🟥	⬜	⬜	🟥	🟥 ↓	🟥 ↓	🟥 ↓	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟩	🟩	🟩	🟩
111	The South African International Marketing Council Trust/Brand South Africa	Ntnl	PE	🟨	⬜	🟦	🟩 ↑	🟥 ↓	🟥 ↓	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟩 ↑	🟩 ↑	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩 ↑	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩
112	The South African National Roads Agency	Ntnl	PE	🟨	⬜	🟦	🟩 ↑	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟨	🟨	🟥	🟨	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩 ↑	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟥	🟥	🟩	🟥	🟨	🟩	🟥	🟨	🟥	🟩	🟩	🟨	🟩 ↑	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
113	Transport Education and Training Authority	Ntnl	PE	🟨	🟦	⬜	🟩 ↑	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩 ↑	🟥 ↓	🟨 ↔	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟥	🟩	🟨	🟨	🟨	⬜	🟨	🟩 ↑	🟥 ↓	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩
114	Unemployment Insurance Fund	Ntnl	PE	🟨	🟦	⬜	🟩 ↑	🟨 ↔	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨 ↔	🟥 ↓	🟨 ↔	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
115	Universal Service and Access Agency of South Africa	Ntnl	PE	🟨	⬜	🟦	🟩 ↑	🟩 ↑	🟩 ↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩 ↑	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟨	⬜	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
116	Universal Service and Access Fund	Ntnl	PE	🟨	⬜	🟦	🟩 ↑	🟥 ↓	🟨 ↔	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩 ↑	🟨 ↔	🟥 ↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟨	⬜	⬜	🟨	🟩 ↑	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
117	Water Research Commission	Ntnl	PE	🟨	⬜	🟦	🟩 ↑	🟩 ↑	🟨 ↔	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨 ↔	🟩 ↑	🟨 ↔	🟥	🟩	🟨	🟨	🟥	🟩	🟨	🟥	🟥	🟩	🟨	🟥	🟨	🟩	🟥	🟥	🟨	⬜	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨
118	Water Trading Account	Ntnl	PE	🟨	🟦	🟦	🟩 ↑	🟩 ↑	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩 ↑	🟨 ↔	🟨 ↔	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟥	🟨	🟨	⬜	⬜	🟨	🟩 ↑	🟨 ↔	🟩 ↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟩	🟩
119	Cooperative Governance and Traditional Affairs	EC	DP	🟨	⬜	🟦	🟥 ↓	🟥 ↓	🟥 ↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨 ↔	🟥 ↓	🟥 ↓	🟨	🟥	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟨	⬜	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
120	Economic Development, Environmental Affairs and Tourism	EC	DP	🟨	⬜	🟦	🟥 ↓	🟨 ↔	🟨 ↔	🟨	🟩	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟩	🟥	🟥	🟥	🟩	🟥	🟥	🟨	🟩	🟥	🟥	🟨	🟨	🟨	🟨	🟥 ↓	🟥 ↓	🟥 ↓	🟥	🟩	🟥	🟥	🟥	🟩	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟩	🟥	🟥	🟨	⬜	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
121	Human Settlements	EC	DP	🟨	⬜	🟦	🟨 ↔	🟩 ↑	🟩 ↑	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟨	⬜	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
122	Office of the Premier	EC	DP	🟨	⬜	🟦	🟥 ↓	🟨 ↔	🟥 ↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟥 ↓	🟥 ↓	🟥 ↓	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	⬜	⬜	🟨	🟥 ↓	🟨 ↔	🟥 ↓	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨
123	Provincial Treasury	EC	DP	🟨	⬜	🟦	🟨 ↔	🟥 ↓	🟩 ↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨 ↔	🟥 ↓	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	🟨 ↔	🟥 ↓	🟥 ↓	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨
124	Rural Development and Agrarian Reform	EC	DP	🟨	⬜	🟦	🟨 ↔	🟨 ↔	🟨 ↔	🟨	🟨	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟩 ↑	🟨 ↔	🟨 ↔	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟨
125	Social Development	EC	DP	🟨	🟦	🟦	🟥 ↓	🟥 ↓	🟨 ↔	🟩	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟩	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟩 ↑	🟥 ↓	🟨 ↔	🟩	🟥	🟨	🟥	🟩	🟨	🟨	🟨	🟩	🟥	🟨	🟥	🟩	🟨	🟨	🟨	🟨	⬜	⬜	🟨	🟩 ↑	🟥 ↓	🟨 ↔	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨
126	Sport, Recreation, Arts and Culture	EC	DP	🟨	🟦	🟦	🟨 ↔	🟨 ↔	🟨 ↔	🟨	🟥	🟨	🟥	🟨	🟥	🟥	🟥	🟨	🟨	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟩 ↑	🟨 ↔	🟨 ↔	🟩	🟥	🟨	🟨	🟩	🟥	🟨	🟥	🟩	🟥	🟨	🟥	🟩	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
127	Transport	EC	DP	🟨	🟦	🟦	🟥 ↓	🟨 ↔	🟨 ↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥 ↓	🟨 ↔	🟨 ↔	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	🟨 ↔	🟨 ↔	🟨 ↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨

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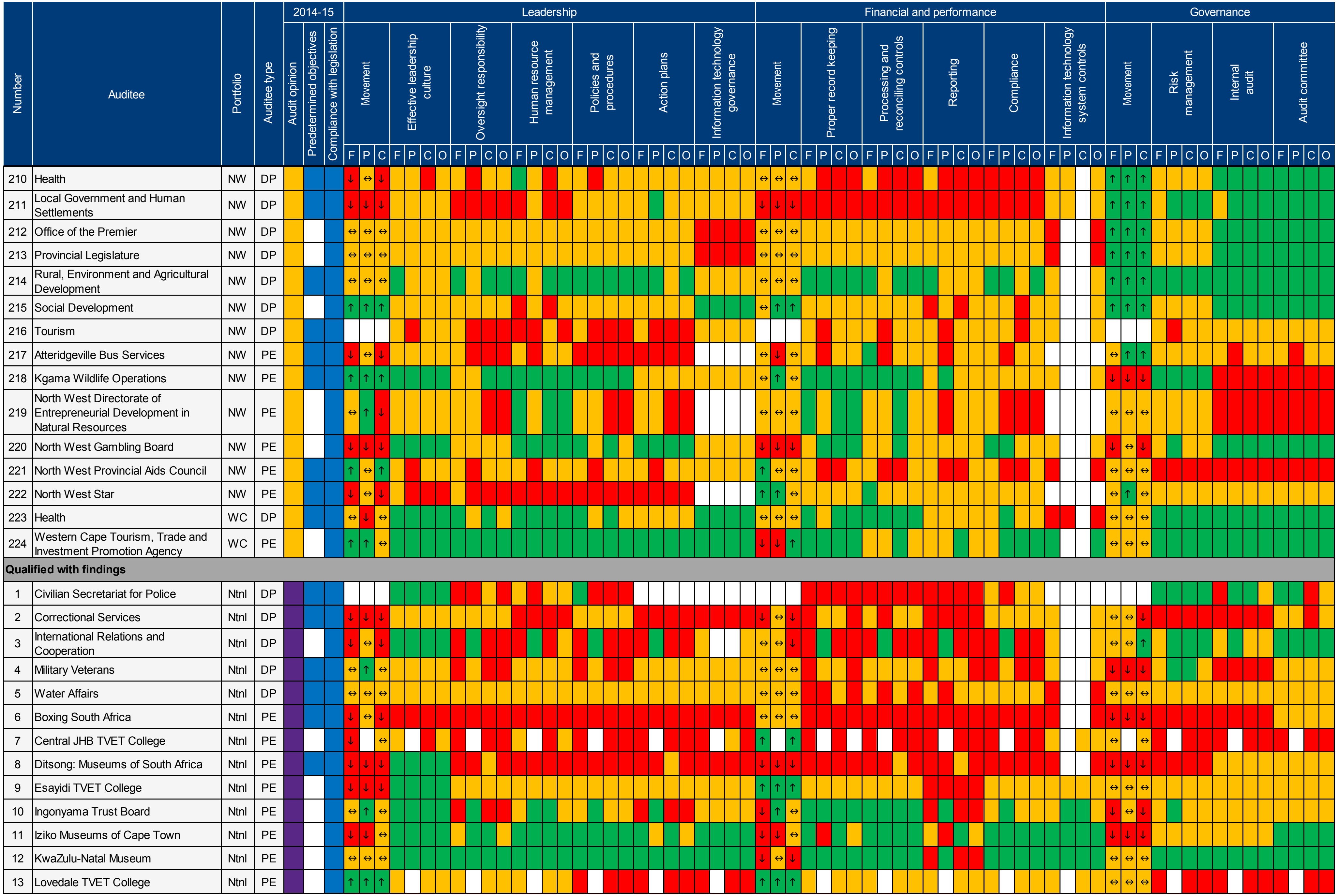
				Audit opinion	Predetermined objectives	Compliance with legislation	Movement			Effective leadership culture				Oversight responsibility				Human resource management				Policies and procedures				Action plans				Information technology governance				Movement			Proper record keeping				Processing and reconciling controls				Reporting				Compliance				Information technology system controls				Movement			Risk management				Internal audit				Audit committee			
							F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O
128	East London Industrial Development Zone Corporation	EC	PE	🟨	⬜	🟦	↓	↔	↓	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	↑	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↓	↔	↓	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨
129	Eastern Cape Government Fleet Management Services	EC	PE	🟨	⬜	🟦	↑	↑	↑	🟨	🟥	🟨	🟨	🟨	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	↑	↑	↓	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟥	⬜	⬜	🟥	↑	↑	↑	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨
130	Eastern Cape Liquor Board	EC	PE	🟨	⬜	🟦	↔	↔	↔	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↔	↓	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	⬜	⬜	🟩	↔	↔	↓	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
131	Eastern Cape Parks and Tourism Agency	EC	PE	🟨	⬜	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↑	↑	↑	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	⬜	⬜	🟩	↑	↔	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨
132	Eastern Cape Provincial Arts and Culture Council	EC	PE	🟨	🟦	🟦	↓	↓	↓	🟩	🟩	🟩	🟩	🟨	🟥	🟥	🟨	🟥	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟨	🟨	🟩	🟥	🟨	🟨	🟥	🟨	🟥	🟩	🟥	🟥	🟥	🟨	🟥	🟩	⬜	⬜	🟩	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
133	Eastern Cape Rural Development Agency	EC	PE	🟨	⬜	🟦	↔	↑	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	↓	↑	↔	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟥	🟥	🟨	⬜	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
134	Agriculture and Rural Development	FS	DP	🟨	🟦	🟦	↓	↑	↔	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟨	🟩	🟨	⬜	⬜	🟨	↑	↔	↑	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
135	Cooperative Governance and Traditional Affairs	FS	DP	🟨	⬜	🟦	↑	↑	↔	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	↑	↑	↔	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟩	🟥	🟨	🟥	⬜	⬜	🟥	↑	↑	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
136	Economic Development, Tourism and Environmental Affairs	FS	DP	🟨	🟦	🟦	↔	↓	↔	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↔	↓	↔	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	🟨	⬜	⬜	🟨	↔	↔	↔	🟨	🟥	🟨	🟨	🟨	🟨	🟥	🟨	🟩	🟩	🟩	🟩
137	Education	FS	DP	🟨	🟦	🟦	↔	↓	↔	🟨	🟥	🟥	🟥	🟨	🟨	🟥	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	↔	↓	↑	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	⬜	🟥	↔	↓	↔	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨
138	Police, Roads and Transport	FS	DP	🟨	🟦	🟦	↑	↑	↑	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
139	Social Development	FS	DP	🟨	🟦	🟦	↔	↔	↓	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↓	↓	↓	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟥	🟩	🟨	🟨	🟨	🟥	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
140	Central Medical Trading Account	FS	PE	🟨	⬜	🟦	↓	⬜	↓	🟨	⬜	🟨	🟨	🟥	⬜	🟨	🟥	🟥	⬜	🟥	🟥	🟨	⬜	🟨	🟨	🟨	⬜	🟥	🟥	🟩	🟩	🟩	🟩	↓	⬜	↓	🟥	⬜	🟨	🟥	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟥	⬜	🟥	🟥	🟨	⬜	⬜	🟨	↓	⬜	↓	🟨	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟨	⬜	🟨	🟨
141	Free State Development Corporation	FS	PE	🟨	⬜	🟦	↓	↔	↔	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
142	Free State Gambling and Liquor Authority	FS	PE	🟨	🟦	🟦	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	⬜	⬜	🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
143	Free State Tourism Authority	FS	PE	🟨	⬜	🟦	↑	↑	↑	🟩	🟩	🟨	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	↑	↑	↑	🟩	🟩	🟨	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟥	🟩	🟥	🟥	🟨	⬜	⬜	🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥
144	Agriculture and Rural Development	GP	DP	🟨	⬜	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↑	↑	↑	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
145	Community Safety	GP	DP	🟨	⬜	🟦	↓	↓	↓	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟩	🟩	🟩	🟩	↔	↓	↓	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	⬜	⬜	🟨	↔	↑	↑	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
146	Education	GP	DP	🟨	⬜	🟦	↔	↓	↔	🟩	🟩	🟨	🟨	🟥	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↓	↓	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟥	🟥	🟨	🟥	🟥	🟨	🟥	🟥	🟨	🟨	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
147	Human Settlements	GP	DP	🟨	🟦	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
148	Infrastructure Development	GP	DP	🟨	🟦	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	↔	↓	↔	🟥	🟥	🟥	🟥	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟥	🟥	⬜	🟥	↔	↓	↔	🟨	🟥	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
149	Roads and Transport	GP	DP	🟨	🟦	🟦	↑	↔	↔	🟩	🟩	🟨	🟩	🟩	🟥	🟥	🟨	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↑	↔	↔	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟥	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
150	Sports, Arts, Culture and Recreation	GP	DP	🟨	⬜	🟦	↓	↔	↓	🟩	🟩	🟩	🟩	🟨	🟩	🟥	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	↓	↔	↓	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟥	🟥	🟨	⬜	⬜	🟨	↔	↔	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨
151	Cost Recovery Trading Entity	GP	PE	🟨	⬜	🟦	↔	↔	↔	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟩	🟩	🟩	🟩	↔	↔	↔	🟨	⬜	🟨	🟨	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟨	⬜	🟨	🟨	🟩	⬜	⬜	🟩	↑	↔	↑	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟩	⬜	🟩	🟩
152	Gauteng Funding Agency	GP	PE	🟨	🟦	🟦	↓	↓	↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↓	↓	↓	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	⬜	⬜	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
153	Gauteng Growth and Development Agency	GP	PE	🟨	⬜	🟦	↓	↔	↔	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	⬜	⬜	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩

🟩 **Good** 🟨 **In progress** 🟥 **Intervention required** ↑ **Improved** ↔ **Unchanged** ↓ **Regressed** **F** **Financial** **P** **Performance** **C** **Compliance** **O** **Overall** **DP = department** **PE - public entity**

Number	Auditee	Portfolio	Auditee type	2014-15			Leadership																											Financial and performance																							Governance														
				Audit opinion	Predetermined objectives	Compliance with legislation	Movement			Effective leadership culture				Oversight responsibility				Human resource management				Policies and procedures				Action plans				Information technology governance				Movement			Proper record keeping				Processing and reconciling controls				Reporting				Compliance				Information technology system controls				Movement			Risk management				Internal audit				Audit committee			
							F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O
154	Gauteng Housing Fund	GP	PE	🟨	⬜	🟦	↔	↔	↔	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩	🟨	⬜	🟩	🟨	🟨	⬜	🟩	🟨	🟨	⬜	🟩	🟨	⬜	⬜	⬜	⬜	↔	↔	↔	🟥	⬜	🟥	🟥	🟥	⬜	🟨	🟥	🟥	⬜	🟥	🟥	🟨	⬜	🟨	🟨	⬜	⬜	⬜	⬜	↔	↔	↔	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩
155	Gauteng Liquor Board	GP	PE	🟨	⬜	🟦	↑	↔	↑	🟩	⬜	🟩	🟩	🟨	⬜	🟨	🟨	🟩	⬜	🟩	🟩	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	⬜	⬜	⬜	⬜	↔	↔	↔	🟨	⬜	🟨	🟨	🟥	⬜	🟨	🟨	🟥	⬜	🟨	🟨	🟩	⬜	🟨	🟨	⬜	⬜	⬜	⬜	↔	↔	↔	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨
156	Gauteng Medical Supplies Depot	GP	PE	🟨	🟦	🟦	↑	↑	↑	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	↑	↔	↔	🟩	🟥	🟨	🟨	🟩	🟥	🟨	🟨	🟩	🟥	🟨	🟨	🟩	🟨	🟨	🟨	🟥	⬜	⬜	🟥	↔	↔	↔	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
157	Agriculture and Rural Development	KZN	DP	🟨	⬜	🟦	↓	↔	↑	🟨	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↑	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↓	↓	↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
158	Community Safety and Liaison	KZN	DP	🟨	🟦	🟦	↑	↑	↓	🟩	🟩	🟩	🟩	🟨	🟥	🟨	🟥	🟩	🟩	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	↓	↔	↓	🟨	🟥	🟨	🟥	🟨	🟥	🟨	🟥	🟨	🟥	🟨	🟥	🟨	🟥	🟨	🟥	🟨	⬜	⬜	🟨	↓	↓	↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
159	Economic Development, Environmental Affairs and Tourism	KZN	DP	🟨	⬜	🟦	↑	↑	↓	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
160	Education	KZN	DP	🟨	🟦	🟦	↑	↑	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	⬜	⬜	🟥	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
161	Human Settlements	KZN	DP	🟨	⬜	🟦	↔	↑	↔	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	↑	↔	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↓	↓	↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
162	Office of the Premier	KZN	DP	🟨	⬜	🟦	↑	↑	↔	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	↓	↑	↓	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↓	↓	↓	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨
163	Public Works	KZN	DP	🟨	⬜	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↓	↓	↓	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨
164	Sport and Recreation	KZN	DP	🟨	⬜	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↓	↓	↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
165	The Royal Household	KZN	DP	🟨	🟦	🟦	↓	↓	↓	🟨	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↓	↓	↓	🟥	🟨	🟥	🟥	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	⬜	⬜	🟨	↓	↓	↓	🟩	🟩	🟩	🟩	🟨	🟥	🟨	🟥	🟨	🟥	🟨	🟥
166	Agri-Business Development Agency	KZN	PE	🟨	🟦	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
167	KwaZulu-Natal Gaming and Betting Board	KZN	PE	🟨	🟦	🟦	↓	↓	↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	↑	↓	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟩	🟨	🟩	🟩	⬜	⬜	🟩	↔	↓	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨
168	KwaZulu-Natal Nature Conservation Board	KZN	PE	🟨	⬜	🟦	↔	↔	↔	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	↓	↔	↓	🟨	🟩	🟨	🟨	🟥	🟩	🟥	🟥	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩
169	KwaZulu-Natal Provincial Pharmaceutical Supply Depot	KZN	PE	🟨	🟦	🟦	↑	↓	↑	🟩	🟩	🟩	🟩	🟨	🟥	🟥	🟥	🟩	🟩	🟩	🟩	🟩	🟥	🟩	🟥	🟩	🟥	🟥	🟥	🟨	🟨	🟨	🟨	↑	↓	↑	🟩	🟥	🟩	🟨	🟩	🟥	🟩	🟨	🟩	🟥	🟩	🟨	🟨	🟥	🟥	🟥	🟨	⬜	⬜	🟨	↑	↔	↔	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥
170	KwaZulu-Natal Sharks Board	KZN	PE	🟨	⬜	🟦	↑	↔	↑	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	↑	↔	↑	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	↓	↓	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨
171	KZN Film Company	KZN	PE	🟨	⬜	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
172	KZN Housing Fund	KZN	PE	🟨	⬜	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↔	↑	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟥	🟩	🟥	🟥	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↓	↓	↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
173	KZN Liquor Authority	KZN	PE	🟨	⬜	🟦	↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	↑	↓	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	⬜	⬜	🟨	↓	↓	↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
174	Mjindi Farming	KZN	PE	🟨	⬜	🟦	↓	↔	↓	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↓	↓	↔	🟩	🟩	🟩	🟩	🟥	🟥	🟩	🟥	🟥	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟩	⬜	⬜	🟩	↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
175	Moses Kotane Institute	KZN	PE	🟨	⬜	🟦	↔	↔	↔	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟩	⬜	🟩	🟩	🟨	⬜	🟨	🟨	🟩	⬜	🟩	🟩	🟨	⬜	🟨	🟨	↔	↔	↔	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩
176	The KwaZulu-Natal Royal Household Trust	KZN	PE	🟨	🟦	🟦	↓	↓	↓	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	⬜	⬜	🟥	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
177	Agriculture	LP	DP	🟨	⬜	🟦	↑	↔	↔	🟩	🟩	🟨	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	↑	↔	↔	🟩	🟩	🟨	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↑	↑	↔	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩
178	Cooperative Governance, Human Settlements and Traditional Affairs	LP	DP	🟨	🟦	🟦	↓	↓	↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↓	↓	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	⬜	⬜	🟩	↔	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
179	Economic Development, Environment and Tourism	LP	DP	🟨	🟦	🟦	↑	↔	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↑	↔	↔	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	⬜	⬜	🟥	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
180	Health	LP	DP	🟨	🟦	🟦	↑	↔	↔	🟨	🟥	🟨	🟨	🟨	🟥	🟥	🟥	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	↑	↔	↔	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟥	🟨	🟥	⬜	⬜	🟥	↑	↑	↑	🟨	🟥	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
181	Provincial Legislature	LP	DP	🟨	🟦	⬜	↑	↓	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟨	🟩	🟨	🟨	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟨	↔	↔	↔	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟩	🟨	🟩	🟨	🟨	🟩	🟨	🟨	🟩	🟨	⬜	⬜	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟨
182	Provincial Treasury	LP	DP	🟨	⬜	🟦	↓	↑	↑	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	⬜	⬜	🟩	↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩

Number	Auditee	Portfolio	Auditee type	2014-15			Leadership																												Financial and performance																											Governance														
				Audit opinion	Predetermined objectives	Compliance with legislation	Movement			Effective leadership culture				Oversight responsibility				Human resource management				Policies and procedures				Action plans				Information technology governance				Movement			Proper record keeping				Processing and reconciling controls				Reporting				Compliance				Information technology system controls				Movement			Risk management				Internal audit				Audit committee			
							F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O
183	Safety, Security and Liaison	LP	DP	🟨	⬜	🟦	↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
184	Social Development	LP	DP	🟨	🟦	🟦	↑	↓	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↑	↓	↔	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
185	Transport	LP	DP	🟨	🟦	🟦	↔	↓	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↓	↔	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
186	Great North Transport	LP	PE	🟨	⬜	🟦	↔	↔	↔	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	↓	↔	↔	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟩	⬜	⬜	🟩	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
187	Limpopo Gambling Board	LP	PE	🟨	⬜	🟦	↑	↑	↔	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	↑	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	⬜	⬜	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
188	Mununzwu Estate	LP	PE	🟨	🟦	🟦	↔	↔	↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	↔	↑	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	⬜	⬜	🟥	↑	↑	↔	🟨	🟨	🟨	🟨	🟩	🟩	🟥	🟨	🟩	🟩	🟨	🟨
189	Risima Housing Finance Corporation	LP	PE	🟨	🟦	🟦	↔	↔	↔	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟥	⬜	⬜	🟥	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
190	Venteco	LP	PE	🟨	🟦	🟦	↑	↓	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟩	🟨	🟥	🟥	🟥	🟥	↔	↓	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟥	⬜	⬜	🟥	↑	↓	↑	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟩	🟨	🟨
191	Agriculture, Rural Development and Land Administration	MP	DP	🟨	🟦	🟦	↑	↔	↔	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↔	↑	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟩	⬜	⬜	🟩	↓	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨
192	Culture, Sport and Recreation	MP	DP	🟨	⬜	🟦	↑	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↑	↑	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
193	Economic Development and Tourism	MP	DP	🟨	⬜	🟦	↑	↔	↔	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↓	↔	↔	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩
194	Human Settlements	MP	DP	🟨	🟦	🟦	↓	↓	↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↓	↔	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩
195	Office of the Premier	MP	DP	🟨	⬜	🟦	↑	↔	↔	🟩	🟩	🟨	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↑	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟨
196	Public Works, Roads and Transport	MP	DP	🟨	🟦	🟦	↑	↑	↑	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↑	↑	↑	🟩	🟨	🟥	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	⬜	🟩	↑	↑	↑	🟩	🟩	🟨	🟨	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩
197	Social Development	MP	DP	🟨	⬜	🟦	↓	↓	↓	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	↓	↓	↓	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
198	Economic Development and Tourism	NC	DP	🟨	⬜	🟦	↓	↔	↓	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟥	🟥	🟥	🟥	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↓	↔	↓	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
199	Education	NC	DP	🟨	🟦	🟦	↔	↑	↔	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	↑	↑	↑	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟥	🟥	🟨	🟨	🟥	🟨	🟥	🟥	⬜	🟥	↔	↔	↔	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
200	Office of the Premier	NC	DP	🟨	⬜	🟦	↔	↔	↔	🟩	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
201	Provincial Legislature	NC	DP	🟨	⬜	🟦	↑	↑	↔	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
202	Provincial Treasury	NC	DP	🟨	⬜	🟦	↔	↔	↔	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	⬜	⬜	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
203	Roads and Public Works	NC	DP	🟨	🟦	🟦	↓	↔	↔	🟨	🟨	🟨	🟨	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	↔	↔	↔	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	⬜	🟥	↔	↔	↔	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
204	Kalahari Kid Corporation	NC	PE	🟨	⬜	🟦	↑	↑	↑	🟥	🟨	🟥	🟥	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟥	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	↑	↑	↔	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟥	🟨	🟩	⬜	⬜	🟩	↔	↑	↔	🟨	🟩	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥
205	Northern Cape Gambling Board	NC	PE	🟨	⬜	🟦	↔	↑	↔	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	⬜	⬜	🟩	↓	↓	↓	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟩	🟩	🟥	🟨
206	Northern Cape Liquor Board	NC	PE	🟨	⬜	🟦	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟥	⬜	⬜	🟥	↑	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟥
207	Culture, Arts and Traditional Affairs	NW	DP	🟨	🟦	🟦	↔	↔	↑	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↔	↔	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
208	Economic and Enterprise Development	NW	DP	🟨	⬜	🟦	↔	↓	↔	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↑	↓	↔	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↔	↓	↔	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
209	Education and Sports Development	NW	DP	🟨	🟦	🟦	↔	↔	↔	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	↔	↓	↔	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟨	🟨	⬜	🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩

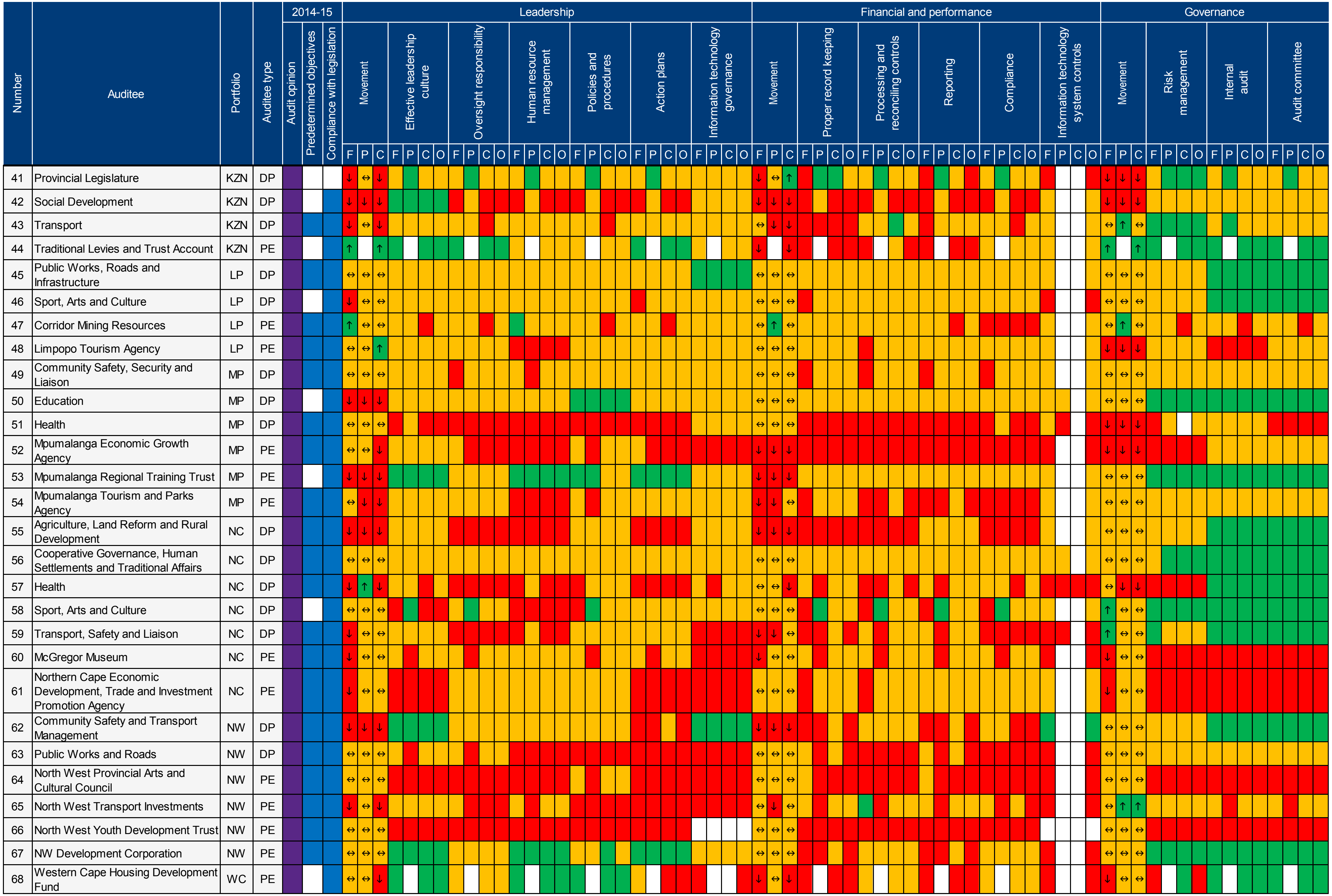
🟩 **Good** 🟨 **In progress** 🟥 **Intervention required** ↑ **Improved** ↔ **Unchanged** ↓ **Regressed** **F** **Financial** **P** **Performance** **C** **Compliance** **O** **Overall** **DP = department** **PE - public entity**



Number	Auditee	Portfolio	Auditee type	2014-15			Leadership																											Financial and performance																							Governance														
				Audit opinion	Predetermined objectives	Compliance with legislation	Movement			Effective leadership culture				Oversight responsibility				Human resource management				Policies and procedures				Action plans				Information technology governance				Movement			Proper record keeping				Processing and reconciling controls				Reporting				Compliance				Information technology system controls				Movement			Risk management				Internal audit				Audit committee			
							F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O
210	Health	NW	DP	🟨	🟦	🟦	↓	↔	↓	🟨	🟨	🟥	🟨	🟨	🟥	🟨	🟨	🟩	🟨	🟥	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↔	↔	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	⬜	🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
211	Local Government and Human Settlements	NW	DP	🟨	🟦	🟦	↓	↓	↓	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	↓	↓	↓	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	⬜	🟨	↑	↑	↑	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩
212	Office of the Premier	NW	DP	🟨	⬜	🟦	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	⬜	⬜	🟥	↑	↑	↑	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
213	Provincial Legislature	NW	DP	🟨	⬜	🟦	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	⬜	⬜	🟥	↑	↑	↑	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
214	Rural, Environment and Agricultural Development	NW	DP	🟨	🟦	🟦	↔	↔	↔	🟩	🟨	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟩	🟩	🟨	🟩	🟨	⬜	⬜	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
215	Social Development	NW	DP	🟨	⬜	🟦	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↔	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	⬜	⬜	🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
216	Tourism	NW	DP	🟨	🟦	🟦				🟨	🟥	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟨	🟨	🟨				🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟥	🟨	🟨	⬜	⬜	🟨				🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
217	Atteridgeville Bus Services	NW	PE	🟨	🟦	🟦	↓	↔	↓	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	⬜	⬜	⬜	⬜	↔	↓	↔	🟨	🟥	🟨	🟨	🟩	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	⬜	⬜	⬜	⬜	↔	↑	↑	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨
218	Kgama Wildlife Operations	NW	PE	🟨	🟦	🟦	↑	↑	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↓	↓	↓	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥
219	North West Directorate of Entrepreneurial Development in Natural Resources	NW	PE	🟨	⬜	🟦	↔	↑	↓	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟩	🟨	🟩	🟩	🟨	🟨	🟥	🟥	🟨	🟨	🟥	🟥	⬜	⬜	⬜	⬜	↔	↔	↔	🟩	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟥	🟥	⬜	⬜	⬜	⬜	↔	↔	↔	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥
220	North West Gambling Board	NW	PE	🟨	⬜	🟦	↓	↓	↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	↓	↓	↓	🟨	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↓	↔	↓	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
221	North West Provincial Aids Council	NW	PE	🟨	🟦	🟦	↑	↔	↑	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	↑	↔	↔	🟨	🟥	🟥	🟨	🟨	🟥	🟥	🟨	🟨	🟥	🟥	🟨	🟨	🟥	🟥	🟨	🟥	⬜	⬜	🟥	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥
222	North West Star	NW	PE	🟨	🟦	🟦	↓	↔	↓	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	⬜	⬜	⬜	⬜	↑	↑	↔	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	⬜	⬜	↔	↑	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
223	Health	WC	DP	🟨	🟦	🟦	↔	↓	↔	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟥	🟥	⬜	🟥	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
224	Western Cape Tourism, Trade and Investment Promotion Agency	WC	PE	🟨	⬜	🟦	↑	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↓	↑	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	⬜	⬜	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
Qualified with findings																																																																							
1	Civilian Secretariat for Police	Ntnl	DP	🟪	🟦	🟦				🟩	🟩	🟩	🟩	🟥	🟥	🟨	🟥	🟨	🟥	🟨	🟨	🟩	🟥	🟥	🟥	⬜	⬜	⬜	⬜	⬜	⬜	⬜	⬜				🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟨	🟨	⬜	⬜	⬜	⬜				🟩	🟩	🟩	🟩	🟥	🟩	🟩	🟨	🟩	🟩	🟥	🟨
2	Correctional Services	Ntnl	DP	🟪	🟦	🟦	↓	↓	↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	↓	↔	↓	🟥	🟨	🟨	🟥	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↓	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟥	🟨
3	International Relations and Cooperation	Ntnl	DP	🟪	⬜	🟦	↓	↔	↓	🟩	🟩	🟩	🟩	🟥	🟩	🟥	🟥	🟥	🟩	🟥	🟨	🟥	🟩	🟥	🟥	🟥	🟩	🟥	🟥	🟨	⬜	⬜	🟨	↔	↔	↓	🟥	🟩	🟥	🟥	🟥	🟩	🟥	🟥	🟥	🟩	🟥	🟥	🟥	🟩	🟥	🟥	🟨	⬜	⬜	🟨	↔	↔	↑	🟨	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩
4	Military Veterans	Ntnl	DP	🟪	🟦	🟦	↔	↑	↔	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↔	↔	🟥	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟥	🟥	🟨	🟥	🟥	🟨	⬜	⬜	🟨	↓	↓	↓	🟨	🟩	🟩	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨
5	Water Affairs	Ntnl	DP	🟪	🟦	🟦	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↔	↔	🟥	🟥	🟨	🟥	🟨	🟥	🟨	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟥	⬜	⬜	🟥	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
6	Boxing South Africa	Ntnl	PE	🟪	🟦	🟦	↓	↔	↓	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	⬜	⬜	🟥	↓	↓	↓	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨
7	Central JHB TVET College	Ntnl	PE	🟪	⬜	🟦	↓		↔	🟨	⬜	🟥	🟨	🟥	⬜	🟥	🟥	🟨	⬜	🟥	🟨	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	🟨	🟥	↑		↑	🟥	⬜	🟥	⬜	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟨	⬜	🟨	🟨	↔		↔	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥
8	Ditsong: Museums of South Africa	Ntnl	PE	🟪	🟦	🟦	↓	↓	↓	🟩	🟩	🟩	🟩	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	↓	↓	↓	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	⬜	⬜	🟥	↓	↓	↓	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
9	Esayidi TVET College	Ntnl	PE	🟪	⬜	🟦	↓	↓	↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
10	Ingonyama Trust Board	Ntnl	PE	🟪	⬜	🟦	↔	↑	↔	🟩	🟩	🟩	🟩	🟥	🟩	🟥	🟥	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟥	🟩	🟥	🟥	🟨	🟨	🟨	🟨	↓	↑	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥	🟩	🟥	🟥	🟨	🟩	🟨	🟨	🟨	🟩	🟩	🟨	↓	↔	↓	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
11	Iziko Museums of Cape Town	Ntnl	PE	🟪	⬜	🟦	↓	↓	↔	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟩	🟩	🟩	🟩	↓	↓	↔	🟩	🟥	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟥	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↓	↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
12	KwaZulu-Natal Museum	Ntnl	PE	🟪	⬜	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↔	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟥	🟩	🟥	🟥	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
13	Lovedale TVET College	Ntnl	PE	🟪	⬜	🟦	↑	↑	↑	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	↑	↑	↑	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	↔	↔	↔	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥

Number	Auditee	Portfolio	Auditee type	2014-15			Leadership																														Financial and performance																							Governance														
				Audit opinion	Predetermined objectives	Compliance with legislation	Movement			Effective leadership culture				Oversight responsibility				Human resource management				Policies and procedures				Action plans				Information technology governance				Movement			Proper record keeping				Processing and reconciling controls				Reporting				Compliance				Information technology system controls				Movement			Risk management				Internal audit				Audit committee			
							F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O
14	Maluti TVET College	Ntnl	PE	🟪	⬜	🟦	↓	↓	↓	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟥	🟥	↓	↓	↓	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	🟥	⬜	⬜	🟥	↓	↓	↓	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜
15	Msunduzi/Voortrekker Museum	Ntnl	PE	🟪	🟦	🟦	↓	↓	↓	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟩	🟨	🟨	🟥	🟩	🟩	🟨	↓	↓	↓	🟥	🟩	🟥	🟨	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	⬜	⬜	🟥	↓	↓	↓	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥
16	National Economic Development and Labour Council	Ntnl	PE	🟪	⬜	🟦	↓	↓	↓	🟨	🟩	🟨	🟨	🟥	🟨	🟥	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟥	🟨	🟩	🟩	🟩	🟩	↓	↔	↔	🟥	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟥	🟩	🟨	🟨	🟨	🟨	🟥	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
17	National English Literary Museum	Ntnl	PE	🟪	⬜	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟨	🟩	🟥	🟩	🟨	🟨	🟨	🟩	🟨	🟨	↑	↔	↑	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟥	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	↔	↔	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩
18	National Institute for Higher Education - NC	Ntnl	PE	🟪	⬜	⬜	↔	⬜	⬜	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	↔	⬜	⬜	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	↔	⬜	⬜	🟨	⬜	🟨	🟨	🟥	⬜	🟥	🟥	🟨	⬜	🟥	🟨
19	National Library of South Africa	Ntnl	PE	🟪	🟦	🟦	↔	↔	↔	🟩	🟩	🟩	🟩	🟥	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	↓	↔	↓	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟥	⬜	⬜	🟥	↓	↓	↓	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨
20	National Regulator for Compulsory Specifications	Ntnl	PE	🟪	🟦	🟦	↔	↓	↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↓	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟥	⬜	⬜	🟥	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
21	Nelson Mandela National Museum	Ntnl	PE	🟪	⬜	🟦	↑	↑	↑	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟨	🟨	🟥	🟨	🟥	🟨	🟨	🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟥	🟨	🟨	🟨	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
22	Northern Cape Urban TVET College	Ntnl	PE	🟪	⬜	🟦	↔	⬜	↔	🟩	⬜	🟩	🟩	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	↔	⬜	↔	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	↑	⬜	↑	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨
23	Orbit TVET College	Ntnl	PE	🟪	⬜	🟦	↔	⬜	↔	🟨	⬜	🟨	🟨	🟥	⬜	🟥	🟥	🟨	⬜	🟨	🟨	🟥	⬜	🟥	🟥	🟨	⬜	🟨	🟨	🟥	⬜	🟥	🟥	↔	⬜	↔	🟥	⬜	🟥	🟥	🟨	⬜	🟨	🟨	🟥	⬜	🟥	🟥	🟥	⬜	🟥	🟥	🟥	⬜	⬜	🟥	↑	⬜	↑	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨
24	Public Service Sector Education and Training Authority	Ntnl	PE	🟪	🟦	🟦	↔	↑	↔	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟥	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	↑	↑	↔	🟨	🟩	🟩	🟨	🟥	🟨	🟨	🟥	🟥	🟨	🟨	🟥	🟨	🟨	🟥	🟥	🟨	⬜	⬜	🟨	↑	↑	↑	🟨	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
25	Sheltered Employment Factories	Ntnl	PE	🟪	🟦	🟦	↓	↔	↓	🟥	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	↓	↓	↔	🟥	🟥	🟨	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	⬜	⬜	🟥	↔	↔	↔	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
26	South African Broadcasting Corporation	Ntnl	PE	🟪	🟦	🟦	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	↑	↑	↑	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨
27	The South African State Theatre	Ntnl	PE	🟪	⬜	🟦	↓	↔	↓	🟩	🟩	🟩	🟩	🟥	🟩	🟥	🟥	🟥	🟩	🟩	🟥	🟥	🟩	🟩	🟥	🟥	🟩	🟩	🟥	🟩	🟩	🟩	🟩	↓	↔	↓	🟥	🟩	🟥	🟥	🟥	🟩	🟥	🟥	🟥	🟩	🟥	🟥	🟥	🟩	🟥	🟥	🟩	⬜	⬜	🟩	↓	↓	↓	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥
28	Wholesale and Retail Sector Education and Training Authority	Ntnl	PE	🟪	⬜	🟦	↔	↑	↑	🟨	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	↓	↑	↔	🟥	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟥	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	⬜	🟩	↓	↔	↔	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟨	🟩	🟩	🟩
29	William Humphreys Art Gallery	Ntnl	PE	🟪	⬜	🟦	↓	↓	↓	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↓	↓	↓	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	↔	↔	↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
30	Windybrow Theatre	Ntnl	PE	🟪	⬜	🟦	↑	↑	↑	🟩	🟩	🟥	🟩	🟩	🟩	🟥	🟩	🟨	🟨	🟥	🟨	🟩	🟩	🟨	🟨	🟩	🟩	🟨	🟩	🟥	🟥	🟥	🟥	↑	↑	↑	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟥	⬜	⬜	🟥	↑	↑	↑	🟩	🟩	🟩	🟩	🟥	🟥	🟥	🟥	🟩	🟩	🟩	🟩
31	Education	EC	DP	🟪	🟦	🟦	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	⬜	⬜	🟥	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟨	🟥
32	Health	EC	DP	🟪	🟦	🟦	↓	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	↓	↔	↔	🟨	🟥	🟨	🟥	🟥	🟥	🟨	🟨	🟥	🟥	🟨	🟨	🟥	🟥	🟥	🟥	🟥	⬜	⬜	🟥	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
33	Roads and Public Works	EC	DP	🟪	🟦	🟦	↔	↔	↔	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	⬜	⬜	🟥	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
34	Eastern Cape Development Corporation	EC	PE	🟪	⬜	🟦	↓	↓	↓	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟩	🟩	🟩	🟩	↓	↓	↓	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟩	⬜	⬜	🟩	↓	↓	↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
35	Mayibuye Transport Corporation	EC	PE	🟪	⬜	🟦	↑	↑	↑	🟨	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟥	🟩	🟥	🟥	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	↑	↑	↑	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	⬜	⬜	🟨	↓	↔	↓	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨
36	Health	FS	DP	🟪	🟦	🟦	↔	↔	↔	🟨	🟨	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟨	🟨	🟨	🟨	↔	↔	↔	🟨	🟨	🟥	🟨	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	⬜	🟥	↔	↔	↔	🟨	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
37	Human Settlements	FS	DP	🟪	🟦	🟦	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟨	🟨	🟨	↔	↔	↔	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	⬜	⬜	🟥	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩
38	Health	GP	DP	🟪	🟦	🟦	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	↔	↔	↔	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	↔	↔	↔	🟥	🟥	🟥	🟥	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
39	Arts and Culture	KZN	DP	🟪	🟦	🟦	↑	↓	↔	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↔	↔	🟥	🟥	🟥	🟥	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	⬜	⬜	🟥	↓	↓	↓	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨
40	Health	KZN	DP	🟪	🟦	🟦	↓	↓	↓	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	⬜	⬜	🟥	↔	↔	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨

🟩 Good
🟨 In progress
🟥 Intervention required
↑ Improved
↔ Unchanged
↓ Regressed
F Financial
P Performance
C Compliance
O Overall
DP = department
PE - public entity



Number	Auditee	Portfolio	Auditee type	2014-15			Leadership																											Financial and performance																							Governance														
				Audit opinion	Predetermined objectives	Compliance with legislation	Movement			Effective leadership culture				Oversight responsibility				Human resource management				Policies and procedures				Action plans				Information technology governance				Movement			Proper record keeping				Processing and reconciling controls				Reporting				Compliance				Information technology system controls				Movement			Risk management				Internal audit				Audit committee			
							F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O
41	Provincial Legislature	KZN	DP	🟪	⬜	⬜	🟥↓	🟨↔	🟥↓	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟥↓	🟨↔	🟩↑	🟥	🟩	🟩	🟨	🟨	🟩	🟨	🟨	🟥	🟩	🟨	🟥	🟨	🟩	🟨	🟨	🟥	⬜	⬜	🟥	🟥↓	🟥↓	🟥↓	🟨	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨
42	Social Development	KZN	DP	🟪	⬜	🟦	🟥↓	🟥↓	🟥↓	🟩	🟩	🟩	🟩	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟥↓	🟥↓	🟥↓	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟨	⬜	⬜	🟨	🟥↓	🟥↓	🟥↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
43	Transport	KZN	DP	🟪	🟦	🟦	🟥↓	🟨↔	🟥↓	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨↔	🟥↓	🟥↓	🟥	🟥	🟥	🟥	🟨	🟨	🟩	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	⬜	⬜	🟨	🟨↔	🟩↑	🟨↔	🟩	🟩	🟩	🟩	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟨
44	Traditional Levies and Trust Account	KZN	PE	🟪	⬜	🟦	🟩↑	⬜	🟩↑	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩	🟨	⬜	🟨	🟨	🟨	⬜	🟨	🟨	🟩	⬜	🟩	🟩	🟨	⬜	🟨	🟨	🟥↓	⬜	🟥↓	🟥	⬜	🟥	🟥	🟥	⬜	🟨	🟥	🟥	⬜	🟥	🟥	🟨	⬜	🟨	🟨	🟨	⬜	⬜	🟨	🟩↑	⬜	🟩↑	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩
45	Public Works, Roads and Infrastructure	LP	DP	🟪	🟦	🟦	🟨↔	🟨↔	🟨↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨↔	🟨↔	🟨↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	🟨↔	🟨↔	🟨↔	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
46	Sport, Arts and Culture	LP	DP	🟪	⬜	🟦	🟥↓	🟨↔	🟨↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨↔	🟨↔	🟨↔	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	⬜	⬜	🟥	🟨↔	🟨↔	🟨↔	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
47	Corridor Mining Resources	LP	PE	🟪	🟦	🟦	🟩↑	🟨↔	🟨↔	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟩	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨↔	🟩↑	🟨↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟥	🟥	🟨	⬜	⬜	🟨	🟨↔	🟩↑	🟨↔	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨
48	Limpopo Tourism Agency	LP	PE	🟪	🟦	🟦	🟨↔	🟨↔	🟩↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨↔	🟨↔	🟨↔	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	🟥↓	🟥↓	🟥↓	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨
49	Community Safety, Security and Liaison	MP	DP	🟪	🟦	🟦	🟨↔	🟨↔	🟨↔	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨↔	🟨↔	🟨↔	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	⬜	⬜	🟨	🟨↔	🟨↔	🟨↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
50	Education	MP	DP	🟪	⬜	🟦	🟥↓	🟥↓	🟥↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨↔	🟨↔	🟨↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	🟨	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
51	Health	MP	DP	🟪	🟦	🟦	🟨↔	🟨↔	🟨↔	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨↔	🟨↔	🟨↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟨	🟥	⬜	🟥	🟥↓	🟥↓	🟥↓	🟥	🟨	⬜	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥
52	Mpumalanga Economic Growth Agency	MP	PE	🟪	🟦	🟦	🟨↔	🟨↔	🟥↓	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥↓	🟥↓	🟥↓	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	⬜	⬜	🟥	🟥↓	🟥↓	🟥↓	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
53	Mpumalanga Regional Training Trust	MP	PE	🟪	⬜	🟦	🟥↓	🟥↓	🟥↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟥↓	🟥↓	🟥↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
54	Mpumalanga Tourism and Parks Agency	MP	PE	🟪	🟦	🟦	🟨↔	🟥↓	🟥↓	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥↓	🟥↓	🟨↔	🟥	🟨	🟨	🟨	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟨	⬜	⬜	🟨	🟨↔	🟨↔	🟨↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
55	Agriculture, Land Reform and Rural Development	NC	DP	🟪	🟦	🟦	🟥↓	🟥↓	🟥↓	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟥↓	🟥↓	🟥↓	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	⬜	⬜	🟨	🟨↔	🟨↔	🟨↔	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
56	Cooperative Governance, Human Settlements and Traditional Affairs	NC	DP	🟪	🟦	🟦	🟨↔	🟨↔	🟨↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨↔	🟨↔	🟨↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	🟨	🟨↔	🟨↔	🟨↔	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
57	Health	NC	DP	🟪	🟦	🟦	🟥↓	🟩↑	🟥↓	🟨	🟨	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟥	🟨	🟨	🟨↔	🟨↔	🟥↓	🟨	🟥	🟨	🟨	🟥	🟥	🟨	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟥	🟥	🟨↔	🟥↓	🟥↓	🟥	🟥	🟥	🟥	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
58	Sport, Arts and Culture	NC	DP	🟪	⬜	🟦	🟨↔	🟨↔	🟨↔	🟥	🟩	🟥	🟥	🟨	🟩	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨↔	🟨↔	🟨↔	🟥	🟩	🟨	🟨	🟥	🟩	🟨	🟨	🟥	🟩	🟨	🟨	🟥	🟩	🟨	🟨	🟨	⬜	⬜	🟨	🟩↑	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
59	Transport, Safety and Liaison	NC	DP	🟪	🟦	🟦	🟥↓	🟨↔	🟨↔	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥↓	🟥↓	🟨↔	🟥	🟥	🟨	🟥	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	⬜	🟥	🟩↑	🟨↔	🟨↔	🟩	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
60	McGregor Museum	NC	PE	🟪	🟦	🟦	🟥↓	🟨↔	🟨↔	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	🟥↓	🟨↔	🟨↔	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟥	⬜	⬜	🟥	🟥↓	🟨↔	🟨↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥
61	Northern Cape Economic Development, Trade and Investment Promotion Agency	NC	PE	🟪	🟦	🟦	🟥↓	🟨↔	🟨↔	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨↔	🟨↔	🟨↔	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	⬜	⬜	🟨	🟥↓	🟨↔	🟨↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥
62	Community Safety and Transport Management	NW	DP	🟪	🟦	🟦	🟥↓	🟥↓	🟥↓	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟨	🟥	🟩	🟩	🟩	🟩	🟥↓	🟥↓	🟥↓	🟥	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟥	🟥	🟨	🟥	🟨	🟨	🟥	🟥	🟩	⬜	⬜	🟩	🟨↔	🟨↔	🟨↔	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
63	Public Works and Roads	NW	DP	🟪	🟦	🟦	🟨↔	🟨↔	🟨↔	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨↔	🟨↔	🟨↔	🟨	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	⬜	⬜	🟥	🟨↔	🟨↔	🟨↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
64	North West Provincial Arts and Cultural Council	NW	PE	🟪	🟦	🟦	🟨↔	🟨↔	🟨↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨↔	🟨↔	🟨↔	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	⬜	⬜	🟥	🟨↔	🟨↔	🟨↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥
65	North West Transport Investments	NW	PE	🟪	🟦	🟦	🟥↓	🟨↔	🟥↓	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨↔	🟥↓	🟨↔	🟨	🟥	🟨	🟨	🟩	🟥	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟥	🟥	⬜	⬜	🟥	🟨↔	🟩↑	🟩↑	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟨
66	North West Youth Development Trust	NW	PE	🟪	🟦	🟦	🟨↔	🟨↔	🟨↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	⬜	⬜	⬜	⬜	🟨↔	🟨↔	🟨↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	⬜	⬜	⬜	⬜	🟨↔	🟨↔	🟨↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥
67	NW Development Corporation	NW	PE	🟪	🟦	🟦	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟩	🟨	🟩	🟩	🟩	🟩	🟨	🟨	🟨	🟨	🟨↔	🟨↔	🟨↔	🟥	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟥	🟥	🟨	🟥	🟨	🟨	🟨	🟨	🟥	⬜	⬜	🟥	🟨↔	🟨↔	🟨↔	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
68	Western Cape Housing Development Fund	WC	PE	🟪	⬜	🟦	🟨↔	🟨↔	🟥↓	🟩	⬜	🟩	🟩	🟨	⬜	🟨	🟨	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩	🟨	⬜	🟥	🟥	🟥	⬜	⬜	🟥	🟥↓	🟨↔	🟥↓	🟥	⬜	🟥	🟥	🟨	⬜	🟨	🟨	🟥	⬜	🟥	🟥	🟨	⬜	🟨	🟨	🟥	⬜	⬜	🟥	🟥↓	🟨↔	🟨↔	🟥	⬜	🟩	🟥	🟩	⬜	🟩	🟩	🟩	⬜	🟩	🟩

Number	Auditee	Portfolio	Auditee type	2014-15			Leadership																											Financial and performance																							Governance														
				Audit opinion	Predetermined objectives	Compliance with legislation	Movement			Effective leadership culture				Oversight responsibility				Human resource management				Policies and procedures				Action plans				Information technology governance				Movement			Proper record keeping				Processing and reconciling controls				Reporting				Compliance				Information technology system controls				Movement			Risk management				Internal audit				Audit committee			
							F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	O	F	P	C	F	P	C	O	F	P	C	O	F	P	C	O
Adverse with findings																																																																						
1	Ikhala TVET College	Ntnl	PE	🟪		🟦	↔		↔	🟥		🟥	🟥	🟥		🟥	🟥	🟥		🟥	🟥	🟥		🟥	🟥	🟥		🟥	🟥	🟥		🟥	🟥	↑		↑	🟨		🟨	🟨	🟥		🟥	🟥	🟥		🟥	🟥	🟥		🟥	🟥	🟥		🟥	🟥	↔		↔	🟥		🟥	🟥	🟥		🟥	🟥	🟥		🟥	🟥
2	Limpopo Roads Agency	LP	PE	🟪		🟦	↓	↑	↓	🟥	🟩	🟥	🟥	🟥	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟨	🟥	🟥	🟨	🟨	🟨	🟨	↔	↔	↔	🟥	🟨	🟥	🟨	🟥	🟨	🟨	🟨	🟥	🟨	🟥	🟨	🟥	🟨	🟥	🟨	🟨			🟨	↑	↑	↑	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
3	Madikwe River Lodge	NW	PE	🟪	🟦	🟦	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥			🟥	↓	↔	↔	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥
Disclaimed with findings																																																																						
1	Compensation Fund	Ntnl	PE	🟥	🟦	🟦	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟩	🟩	🟩	🟩	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟥		🟥	↑	↑	↑	🟨	🟨	🟨	🟨	🟩	🟩	🟩	🟩	🟩	🟩	🟩	🟩
2	King Hintsa TVET College	Ntnl	PE	🟥		🟦	↔		↔	🟥		🟥	🟥	🟥		🟥	🟥	🟥		🟥	🟥	🟥		🟥	🟥	🟥		🟥	🟥	🟥		🟥	🟥	↔		↔	🟥		🟥	🟥	🟥		🟥	🟥	🟥		🟥	🟥	🟥		🟥	🟥	🟥		🟥	🟥	↔		↔	🟥		🟥	🟥	🟨		🟨	🟨	🟨		🟨	🟨
3	Letaba TVET College	Ntnl	PE	🟥		🟦	↔		↔	🟥		🟨	🟥	🟥		🟥	🟥	🟥		🟥	🟥	🟥		🟥	🟥	🟥		🟥	🟥	🟥	🟥	🟥	🟥	↔		↔	🟥		🟥	🟥	🟥		🟥	🟥	🟥		🟥	🟥	🟥		🟥	🟥	🟥			🟥	↔		↔	🟥		🟥	🟥	🟥		🟥	🟥	🟥		🟥	🟥
4	Pan South African Language Board	Ntnl	PE	🟥	🟦	🟦	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	↓	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨			🟨	↑	↔	↔	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥
5	The South African Nuclear Energy Corporation	Ntnl	PE	🟥		🟦	↓	↓	↓	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↓	↓	↓	🟥	🟩	🟥	🟥	🟨	🟩	🟨	🟨	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟩			🟩	↓	↓	↓	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨	🟨	🟩	🟨	🟨
6	Third Party Funds (Monies in Trust)	Ntnl	PE	🟥			↑			🟩			🟩	🟥			🟥	🟩			🟩	🟨			🟨	🟨			🟨	🟩	🟩	🟩	🟩	↔			🟨			🟨	🟥			🟥	🟥			🟥					🟨			🟨	↑			🟩			🟩	🟩			🟩	🟩			🟩
7	Tshwane South TVET College	Ntnl	PE	🟥		🟦	↓		↔	🟨		🟨	🟨	🟥		🟥	🟥	🟥		🟨	🟥	🟥		🟥	🟥	🟥		🟥	🟥	🟥	🟥	🟥	🟥	↓		↔	🟥		🟨	🟥	🟥		🟥	🟥	🟥		🟥	🟥	🟥		🟥	🟥	🟥			🟥	↔		↓	🟥		🟥	🟥	🟥		🟥	🟥	🟥		🟥	🟥
8	Western College for TVET	Ntnl	PE	🟥		🟦	↓		↓	🟨		🟨	🟨	🟥		🟥	🟥	🟥		🟥	🟥	🟨		🟨	🟨	🟥		🟥	🟥	🟨	🟨	🟨	🟨	↔		↔	🟥		🟥	🟥	🟥		🟥	🟥	🟥		🟥	🟥	🟥		🟥	🟥	🟨			🟨	↔		↔	🟥		🟥	🟥	🟥		🟥	🟥	🟨		🟨	🟨
9	g-FleeT Management	GP	PE	🟥	🟦	🟦	↓	↓	↓	🟥	🟨	🟨	🟥	🟥	🟨	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	🟥	↓	↓	↓	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟥	🟥	🟥	🟥	↑	↓	↓	🟨	🟨	🟨	🟨	🟨	🟩	🟨	🟨	🟩	🟩	🟩	🟩
10	Education	LP	DP	🟥	🟦	🟦	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨		🟥	↔	↔	↔	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
11	Golden Leopard Resorts	NW	PE	🟥	🟦	🟦	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥			🟥	↓	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥
12	Mmabana Arts, Culture and Sport	NW	PE	🟥	🟦	🟦	↔	↑	↔	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟥	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨	↔	↔	↔	🟨	🟥	🟨	🟨	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟨	🟥	🟨			🟨	↔	↑	↑	🟨	🟥	🟥	🟥	🟨	🟨	🟨	🟨	🟨	🟨	🟨	🟨
13	North West Housing Corporation	NW	PE	🟥		🟦	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥			🟥	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥
14	Signal Developments	NW	PE	🟥	🟦	🟦	↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥					↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥					↔	↔	↔	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥	🟥

🟩 **Good**

🟨 **In progress**

🟥 **Intervention required**

↑ **Improved**

↔ **Unchanged**

↓ **Regressed**

F **Financial**

P **Performance**

C **Compliance**

O **Overall**

DP = department

PE - public entity

GLOSSARY OF TERMS, ACRONYMS AND ABBREVIATIONS

Glossary of key terminology used in this report

Adverse audit opinion (on financial statements)	The financial statements contain material misstatements (see ‘misstatement’) that are not confined to specific amounts, or the misstatements represent a substantial portion of the financial statements.
Asset (in financial statements)	Any item belonging to the auditee, including property, infrastructure, equipment, cash, and debt due to the auditee.
Assurance & assurance provider	As used in this report, assurance is a positive declaration that is intended to give confidence in the credibility of financial and performance reports tabled by auditees and in the extent to which auditees have adhered to legislation to which they are subject. Through the audit report issued to auditees, we provide assurance on the credibility of auditees’ financial and performance information as well as auditees’ compliance with key legislation. There are role players (‘assurance providers’) in national and provincial government, other than external auditors, that are also required to contribute to assurance and confidence by ensuring that adequate internal controls are implemented to achieve auditees’ financial, service delivery and compliance objectives. Such assurance providers include senior auditee officials (heads of departments, accounting officers, and chief executive officers), various committees (risk management and audit committees), and internal audit units. Other role players further include national and provincial oversight structures and coordinating or monitoring departments, as discussed in this report.
Backups	In information technology, a backup, or the process of backing up, refers to the copying and archiving of computer data so it may be used to restore the original after a data loss event. The verb form is to back up in two words, whereas the noun is a backup. The primary purpose of a backup is to recover data after its loss, be it by data deletion or corruption
Business continuity plan (BCP)	A business continuity plan is a plan to continue operations if a place of business is affected by different levels of disaster, which can be localised short-term disasters, to days-long building-wide problems, to a permanent loss of a building. Such a plan typically explains how the business would recover its operations or move operations to another location after damage by events like natural disasters, theft or flooding. For example, if a fire destroys an office building or data centre, the people and business or data centre operations would relocate to a recovery site.

Capital budget	The estimated amount planned to be spent by auditees on capital items in a particular financial period; for example, fixed assets such as property, infrastructure and equipment with long-expected lives and that are required to provide services, produce income or support operations.
Cash flow (in financial statements)	The flow of money from operations: incoming funds are revenue (cash inflow) and outgoing funds are expenses (cash outflow).
Clean audit	The financial statements receive a financially unqualified audit opinion and there are no material findings on the quality of the annual performance report or non-compliance with key legislation.
Commitments from role players	Initiatives and courses of action communicated to us by role players in national and provincial government aimed at improving the audit outcomes.
Conditional grants	Money transferred from national government to auditees, subject to certain services being delivered or on compliance with specified requirements.
Configuration	The complete technical description required to build, test, accept, install, operate, maintain and support a system.
Contingent liability	A potential liability, the amount of which will depend on the outcome of a future event.
Creditors	Persons, companies or organisations that auditees owe money to for goods and services procured from them.
Current assets (in financial statements)	These assets are made up of cash and other assets, such as inventory or debt for credit extended, which will be traded, used or converted into cash in less than 12 months. All other assets are classified as non-current, and typically include property, plant and equipment as well as long-term investments.
Data integrity	Data integrity refers to the overall completeness, accuracy and consistency of data. This can be indicated by the absence of alteration between two instances or between two updates of a data record, meaning data is intact and unchanged.
Disaster recovery plan (DRP)	A disaster recovery plan is a documented process or set of procedures to recover and protect a business IT infrastructure in the event of a disaster. Usually documented in written form, the plan specifies the procedures that an organisation is to follow in the event of a disaster. It is a comprehensive statement of consistent actions to be taken before, during and after a disaster. The disaster could be natural, environmental or man-made. Man-made disasters could be intentional (e.g. the act of an attacker) or unintentional (i.e. accidental, such as the wall of a man-made dam breaking).

Disclaimed audit opinion (on financial statements)	The auditee provided insufficient evidence in the form of documentation on which we could base an audit opinion. The lack of sufficient evidence is not confined to specific amounts, or represents a substantial portion of the information contained in the financial statements.
Financial and performance management (as one of the drivers of internal control)	The performance of tasks relating to internal control and monitoring by management and other employees to achieve the financial management, reporting and service delivery objectives of the auditee. These controls include the basic daily and monthly controls for the processing and reconciliation of transactions, the preparation of regular and credible financial and performance reports, and the review and monitoring of compliance with legislation.
Financially unqualified audit opinion (on financial statements)	The financial statements contain no material misstatements (see 'material misstatement'). Unless we express a clean audit opinion, findings have been raised on either the annual performance report or non-compliance with legislation, or both these aspects.
Firewall	A security system used to prevent unauthorised access between networks (both internal /internal and internal/external). A firewall will allow only approved traffic in and/or out by filtering packets based on source/destination. The firewall inspects the identification information associated with all communication attempts and compares it to a rule set consistent with the organisation's security policy. Its decision to accept or deny the communication is then recorded in an electronic log.
Fruitless and wasteful expenditure	Expenditure that was made in vain and could have been avoided had reasonable care been taken. This includes penalties and interest on late payments to creditors or statutory obligations as well as payments made for services not utilised or goods not received.
Going concern	The presumption that an auditee will continue to operate in the foreseeable future, and will not go out of business and liquidate its assets. For the going concern presumption to be reasonable, the auditee must have the capacity and prospect to raise enough financial resources to stay operational.
Governance (as one of the drivers of internal control)	The governance structures (audit committees) and processes (internal audit and risk management) of an auditee.
Human resource management	The management of an auditee's employees, or human resources, which involves adequate and sufficiently skilled people as well as the adequate management of the performance of staff and their productivity.

Information technology (IT)	The computer systems used for capturing and reporting financial and non-financial transactions.
IT controls	Computer-related controls ensure the confidentiality, integrity and availability of state information, enable service delivery and promote national security.
IT governance	The leadership, organisational structures and processes which ensure that the auditee's IT resources will sustain its strategies and objectives.
IT infrastructure	The hardware, software, computer-related communications, documentation and skills that are required to support the provision of IT services, together with the environmental infrastructure on which it is built.
IT security management	The controls preventing unauthorised access to auditee networks, operating systems and application systems that generate financial information.
IT service continuity	The processes managing the availability of hardware, system software, application software and data to enable auditees to recover or re-establish information system services in the event of a disaster.
IT user access management	The procedures through which auditees ensure that only valid, authorised users are allowed segregated access to initiate and approve transactions on the information systems.
Internal control / key controls	The process designed and implemented by those charged with governance, management and other personnel to provide reasonable assurance about the achievement of the auditee's objectives with regard to the reliability of financial reporting, the effectiveness and efficiency of operations, and compliance with key legislation. It consists of all the policies and procedures implemented by auditee management to assist in achieving the orderly and efficient conduct of business, including adhering to policies, safeguarding assets, preventing and detecting fraud and error, ensuring the accuracy and completeness of accounting records, and timeously preparing reliable financial and service delivery information.
Irregular expenditure	Expenditure incurred without complying with applicable legislation.
Key drivers of internal control	The three components of internal control that should be addressed to improve audit outcomes, namely leadership, financial and performance management, and governance. (These three components are also defined individually in this glossary.)

Leadership *(as one of the drivers of internal control)*	The administrative leaders of an auditee, such as heads of departments, chief executive officers and senior management. It can also refer to the political leadership or the leadership in the province, such as the premier.
Liability	Short-term and long-term debt owed by the auditee.
Material finding *(from the audit)*	An audit finding on the quality of the annual performance report or non-compliance with legislation that is significant enough in terms of its amount, its nature, or both its amount and its nature, to be reported in the audit report.
Material misstatement *(in the financial statements or annual performance report)*	An error or omission that is significant enough to influence the opinions or decisions of users of the reported information. Materiality is considered in terms of either its rand value or the nature and cause of the misstatement, or both these aspects.
Misstatement *(in the financial statements or annual performance report)*	Incorrect or omitted information in the financial statements or annual performance report.
Net deficit *(incurred by auditee)*	The amount by which an auditee's spending exceeds its income during a period or financial year.
Operational budget / operating budget	A short-term budget, usually prepared annually, based on estimates of income and expenses associated with the auditee's operations, such as service delivery costs, administration and salaries.
Oversight structures & coordinating and monitoring departments	National and provincial role players (1) that are directly involved with the management of the auditee (management/leadership assurance) – in other words, the first line of defence; (2) that perform an oversight or governance function, either as an internal governance function or an external monitoring function (internal independent assurance and oversight); and (3) that give an objective assessment of the auditee's reporting (external independent assurance and oversight).
Password	In access control, confidential authentication information, usually composed of a string of characters, may be used to control access to physical areas and to data. Passwords have to comply with certain complexity rules to ensure that they are not easy to guess.

Patch management	A piece of programming code that is added to an existing program to repair a deficiency in the functionality of the existing routine or program. It is generally provided in response to an unforeseen need or set of circumstances. Patching is also a common means of adding a new feature or function to a program until the next major version of the software is released.
Platform	A platform consists of an operating system, the computer system's coordinating program, which in turn is built on the instruction set for a processor or microprocessor, and the hardware that performs logical operations and manages data movement in the computer.
Property, infrastructure and equipment *(in financial statements)*	Assets that physically exist and are expected to be used for more than one year, including land, buildings, leasehold improvements, equipment, furniture, fixtures and vehicles.
Qualified audit opinion (on financial statements)	The financial statements contain material misstatements in specific amounts, or there is insufficient evidence for us to conclude that specific amounts included in the financial statements are not materially misstated.
Receivables / debtors (in financial statements)	Money owed to the auditee by companies, organisations or persons who have procured goods or services from the auditee.
Reconciliation (of accounting records)	The process of matching one set of data to another; for example, the bank statement to the cheque register, or the accounts payable journal to the general ledger.
Root causes (of audit outcomes being poor or not improving)	The underlying causes or drivers of audit findings; in other words, why the problem occurred. Addressing the root cause helps ensure that the actions address the real issue, thus preventing or reducing the incidents of recurrence, rather than simply providing a one-time or short-term solution.
Supply chain management	Procuring goods and services through a tender or quotation process and monitoring the quality and timeliness of the goods and services provided.
Vulnerability	In information security, a weakness or flaw (in location, physical layout, organisation, management, procedures, personnel, hardware or software) that may be exploited by an attacker to cause an adverse impact.

Acronyms and abbreviations

AGSA	*Auditor-General of South Africa (the institution)*
Aids	*acquired immunodeficiency syndrome*
APP	*annual performance plan*
APR	*annual performance report*
ART	*anti-retroviral treatment*
ARV	*anti-retroviral*
ASIDI	*accelerated school infrastructure delivery initiative*
BAS	*basic accounting system*
BCP	*business continuity plan*
BI	*business intelligence*
bn (after an amount)	*billion (rand)*
BRRR	*budgetary review and recommendations report*
CAPS	*curriculum assessment policy statement*
CEO	*chief executive officer*
CFO	*chief financial officer*
CGICTPF	*Corporate governance of information and communication technology policy framework*
CIDB	*Construction Industry Development Board*
CIO	*chief information officer*
CIP	*continuous improvement plan*
COGHSTA	*Department of Cooperative Governance, Human Settlements and Traditional Affairs*
CoGTA	*Department of Cooperative Governance and Traditional Affairs*
CRL rights	*Commission for the Promotion and Protection of Cultural, Religious and Linguistic Communities*
CWP	*community work programme*
DBE	*National Department of Basic Education*
DHET	*Department of Higher Education and Training*
DoRA	*Division of Revenue Act*
DPSA	*Department of Public Service and Administration*
DRP	*disaster recovery plan*
EC	*Eastern Cape*
EIG	*education infrastructure grant*

EIS	*education information system*
EPWP	*expanded public works programme*
FMPPI	*Framework for managing programme performance information*
FMPPLA	*Financial Management of Parliament and Legislatures Act*
FS	*Free State*
GP	*Gauteng*
GIS	*geographical information system*
GRAP	*generally recognised accounting practice*
HEDCOM	*Heads of Education Committee*
HIV	*human immunodeficiency virus*
HoD	*head of department*
HR	*human resources*
HSDG	*human settlement development grant*
ICT	*information and communication technology*
IFMS	*integrated financial management system*
IRS	*integrated reporting system*
IT	*information technology*
K (after an amount)	*thousand (rand)*
KZN	*KwaZulu-Natal*
LOGIS	*logistical information system*
LP	*Limpopo*
LTS	*learner transport scheme*
LTSM	*learner teacher support material*
LURTIS	*learner unit record information and tracking system*
m (after an amount)	*million (rand)*
MDB	*Municipal Demarcation Board*
MEC	*member of the executive council of a province*
MIG	*municipal infrastructure grant*
MIS	*management information system*
MP	*Mpumalanga*
MTSF	*Medium term strategic framework 2014-2019*
NAT	*national*

NC	*Northern Cape*
NDP	*National development plan 2030*
NEMA	*National Environmental Management Act, 1998 (Act No. 107 of 1998)*
NEMWA	*National Environmental Management Waste Act, Act No. 59 of 2008*
NHI	*national health insurance*
NHIS	*national health information system*
NW	*North West*
NSDA	*negotiated service delivery agreement*
NSDS III	*National skills development strategy III*
NSNP	*national school nutrition programme*
NSF	*National Skills Fund*
PED	*provincial education department*
Persal	*personnel and salary system*
PFMA	*Public Finance Management Act, 1999 (Act No. 1 of 1999)*
PMTE	*Property Management Trading Entity*
PPPFA	*Preferential Procurement Policy Framework Act*
PRC	*Presidential Review Committee on state-owned entities*
SALGA	*South African Local Government Association*
SAP	*systems, applications and products system*
SASA	*The South African Schools (Act 84 of 1996)*
SA-SAMS	*South African schools administration and management system*
SCM	*supply chain management*
SCoPA	*Standing Committee on Public Accounts*
SETA	*sector education training authority*
SITA	*State Information Technology Agency*
SLAs	*service level agreements*
SSP	*sector skills plan*
TVET	*technical, vocational, education and training*
UAMP	*user assessment management plan*
USDG	*urban settlements development grant*
WC	*Western Cape*

AUDITOR-GENERAL
SOUTH AFRICA

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