

Cindy-Joy Balie

From: Motlana,Balekane <BalekaneM@agsa.co.za>
Sent: 23 February 2018 04:07 PM
To: Cindy-Joy Balie
Subject: Comment of the PAA amendment

Goodday

Here are my comments of the Public Audit Act amendments:

undesirable audit outcome' means any act or omission identified from an audit performed under this Act that causes, or is likely to cause, a loss of public resources or which resulted in or is likely to result in public resources not being used for its lawful purpose."

Are we concerned with the audit outcome of certain non compliance areas that may lead to loss of income. It is possible for an entity to achieve clean audit opinion while they incur fruitless and wasteful expenditure and irregular expenditure. If these items are properly disclosed in the annual financial statements the auditor will only emphasise on them in the auditor report, and there will be no impact on the audit outcome.

I suggest that we amend the word **undesirable audit outcome'**, it will lead to material non compliance not being reported/followed up.

(1B) Is the money recovered after the investigation as per section (1A) , should we not clarify that in this paragraph (1B).

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