

SCOPA BRIEFING NOTE



PFMA audit outcomes of the 2016-17 financial year for

**Western Cape
Casidra SOC Ltd**

26 February 2019

*Issued under embargo until SCOPA is briefed on
the audit outcome*



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

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1. Introduction

1.1 Reputation promise of the Auditor-General of South Africa

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

1.2 Purpose of document

The purpose of this document is to provide an executive summary of the audit outcomes of the financial audit, audit of performance information and compliance with key legislation of Casidra SOC Ltd (Casidra) for the 2016-17 financial year.

1.3 Overview

Casidra is a public entity resorting under the oversight responsibility of the Western Cape Minister of Economic Opportunities. Casidra's mission is to maximise agriculture and economic opportunities in rural communities through project management excellence.

1.4 Organisational structure

Designation	Incumbent
MEC	Minister Alan Winde
Accounting authority (chairperson of the board)	Adv Gary Oliver
Chief executive officer	Michael Brinkhuis
Chief financial officer	Freek van Zyl

1.5 Funding

As disclosed in the detailed financial statements on page 62 of the entity's annual report, Casidra spent R34,5 million (2015-16: R29,2 million) on operating expenditure. This excludes project expenditure and salaries of R277,1 million (2015-16: R278 million) as disclosed on page 62 of the entity's annual report.

2. Audit opinion history

Details	2016-17	2015-16	2014-15
Audit opinion			
Findings on compliance with key legislation	No	No	No
• Material misstatements in financial statements submitted	No	No	No
• Procurement and contract management	No	No	No
• Revenue management	N/A	N/A	N/A
• Expenditure management	No	No	No
• Utilisation of conditional grants	N/A	N/A	N/A
• Strategic planning and performance management	N/A	N/A	N/A
• Consequence management	N/A	N/A	N/A
Findings on predetermined objectives	No	No	No
Internal control deficiencies	No	No	No

Audit opinions

	CLEAN AUDIT OPINION (no findings on PDO or compliance with laws & regulations)
	UNQUALIFIED with findings on PDO and/or compliance
	QUALIFIED AUDIT OPINION (with or without findings)
	DISCLAIMER/ADVERSE AUDIT OPINION

PDO = Predetermined objectives (audit of performance information/service delivery/annual performance report)

2.1 Significant emphasis of matter

No matters were raised.

2.2 Significant other matter

No matters were raised.

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3. Key focus areas

3.1 Compliance focus areas

No material findings were raised on any of the compliance focus areas indicated in paragraph 2 of this document.

3.2 Predetermined objectives

I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2017:

Programmes	Pages in the annual performance report
Programme 2 – Agriculture and land reform	22 to 29
Programme 3 – Rural infrastructure development and poverty alleviation	30 to 35
Programme 4 – Local economic and business development	36 to 40

I did not raise any material findings on the usefulness and reliability of the reported performance information for these programmes.

Other matters relating to predetermined objectives

No matters were raised.

3.3 Internal control deficiencies

I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

I did not identify any significant deficiencies in internal control.

4. SCOPA resolutions

Page 41 of the entity's annual report details feedback on the resolutions or matters of concern included/raised in the prior year's *Report of the Standing Committee on Public Accounts*.

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5. Emerging risks

5.1 New pronouncements

Standards of GRAP: The ASB, on a regular basis, issues new GRAP standards and interpretations. These standards only become effective once an effective date has been gazetted by the Minister of Finance. A number of GRAP standards and interpretations have been issued by the ASB, but the effective dates have not yet been gazetted. Entities are encouraged to familiarise themselves with such standards to ensure that adequate processes are put in place to ensure full compliance once the standards become effective.

5.2 New legislation

Treasury regulations: The treasury regulations are currently being revised, which may introduce a number of new requirements once effective.

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