



AUDITOR - GENERAL
SOUTH AFRICA

BUDGETARY REVIEW AND RECOMMENDATIONS

REPORT (BRRR):

Portfolio Committee
Forestry, Fisheries and
the Environment

11 October 2023

*Briefing document on the
audit outcomes for the
Forestry, Fisheries and the
Environment portfolio:*

2022-23

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1. Introduction

1.1 Reputation promise of the Auditor-General of South Africa

The Auditor-General of South Africa (AGSA) has a constitutional mandate and, as the supreme audit institution 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.

1.2 Role of the AGSA

Our role as the AGSA is to reflect on the audit work performed to assist the portfolio committee in its oversight role of assessing the performance of entities, taking into consideration the committee's objective to produce a budgetary review and recommendations report (BRRR).

1.3 Role of the portfolio committee

Section 5(2) of the Money Bills Procedures and Related Matters Amendment Act 9 of 2009 allows for each committee to compile a BRRR, which must be tabled in the National Assembly. Section 5(3) provides for a BRRR to contain the following:

- An assessment of entities' service delivery performance, given available resources.
- An assessment of the effectiveness and efficiency of entities' use and forward allocation of available resources.
- Recommendations on the forward use of resources.

1.4 Mandate of the AGSA and the portfolio committee

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AGSA mandate	Portfolio committee mandate
<p>Section 188 of the Constitution</p> <p>The AGSA must audit and report on the accounts, financial statements and financial management of government institutions.</p> <p>Section 20(2) of the Public Audit Act (PAA)</p> <ul style="list-style-type: none"> • The AGSA must prepare an audit report containing an opinion/conclusion on the: 	<p>National Assembly Rule 227</p> <p>Portfolio committees may, among other things, perform the following functions:</p> <ul style="list-style-type: none"> • Deal with Bills and other matters falling within their portfolio, as referred to them in terms of the Constitution, legislation or rules, or by resolution of the National Assembly.

AGSA mandate	Portfolio committee mandate
<ul style="list-style-type: none"> ○ Fair presentation of the financial statements. ○ Compliance with applicable legislation. ○ Reported performance against predetermined objectives. <ul style="list-style-type: none"> ● Discretionary audits (including special audits, investigations and performance audits) <p>Section 5(1B) of the PAA</p> <p>The auditor-general has the power to:</p> <ul style="list-style-type: none"> ○ Issue a material irregularity. ○ Include recommendations in the audit report. ○ Take appropriate remedial action. ○ Issue a certificate of debt, as prescribed, where an accounting officer/authority has failed to comply with remedial action. 	<ul style="list-style-type: none"> ● Maintain oversight of their portfolios of national executive authority, including implementation of legislation, any executive organ of state falling within its portfolio, any constitutional institution falling within its portfolio and any other body or institution in respect of which oversight was assigned to it ● Consult and liaise with any executive organ of state or constitutional institution ● Monitor, investigate, enquire into and make recommendations concerning any such executive organ of state, constitutional institution or other body or institution, including the legislative programme, budget, rationalisation, restructuring, functioning, organisation, structure, staff and policies of such an organ of state, institution or other body or institution ● Consult and liaise with any executive organ of state or constitutional institution ● Perform any other functions, tasks or duties assigned to it in terms of the Constitution, legislation, these rules, the joint rules or resolutions of the National Assembly, including functions, tasks and duties concerning parliamentary oversight or supervision of such executive organs of state, constitutional institutions or other bodies or institutions

1.5 Purpose of this document

The purpose of this briefing document is for the AGSA to reflect on the audit outcomes to assist the portfolio committee in its oversight role of assessing the performance of entities, taking into consideration the objective of the committee to produce a BRRR.

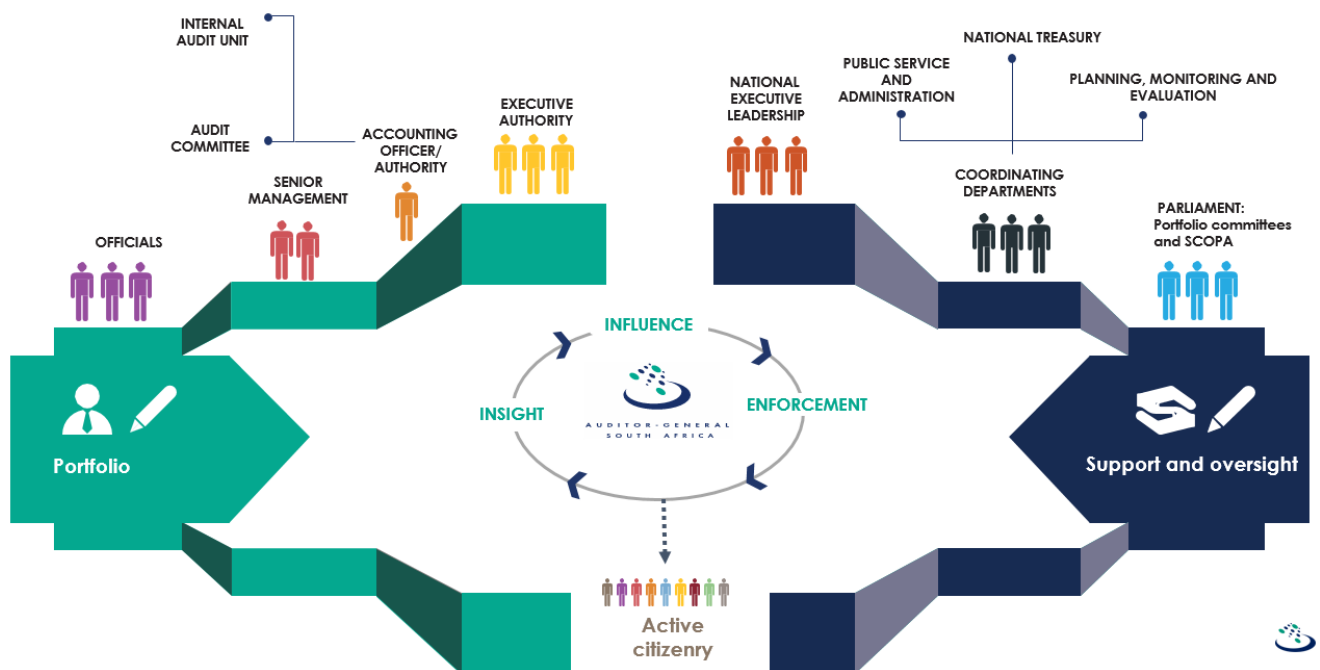


1.6 Shifting the public sector culture through the accountability ecosystem

Slide 3

All have role to play in national government accountability eco-system






3



- The accountability ecosystem is the network of stakeholders that have a mandate and/or responsibility, whether legislative or moral, to drive, deepen and/or insist on public sector accountability.
- A more active and engaged accountability ecosystem would add to the much-needed effort of shifting public sector culture and would alleviate the overreliance on the AGSA to assume responsibility for improving audit outcomes and enforcing consequences.
- Shifting the public sector culture towards one that is characterised by performance, accountability, transparency and integrity can only be accomplished if all role players in the broader accountability ecosystem fulfil their respective responsibilities and mandates.
- Given the nature of the AGSA's mandate, by the time we audit the financial statements of auditees and report on adverse findings, multiple failures have already occurred along the accountability value chain. After our audits, other steps are required to complete the accountability cycle.

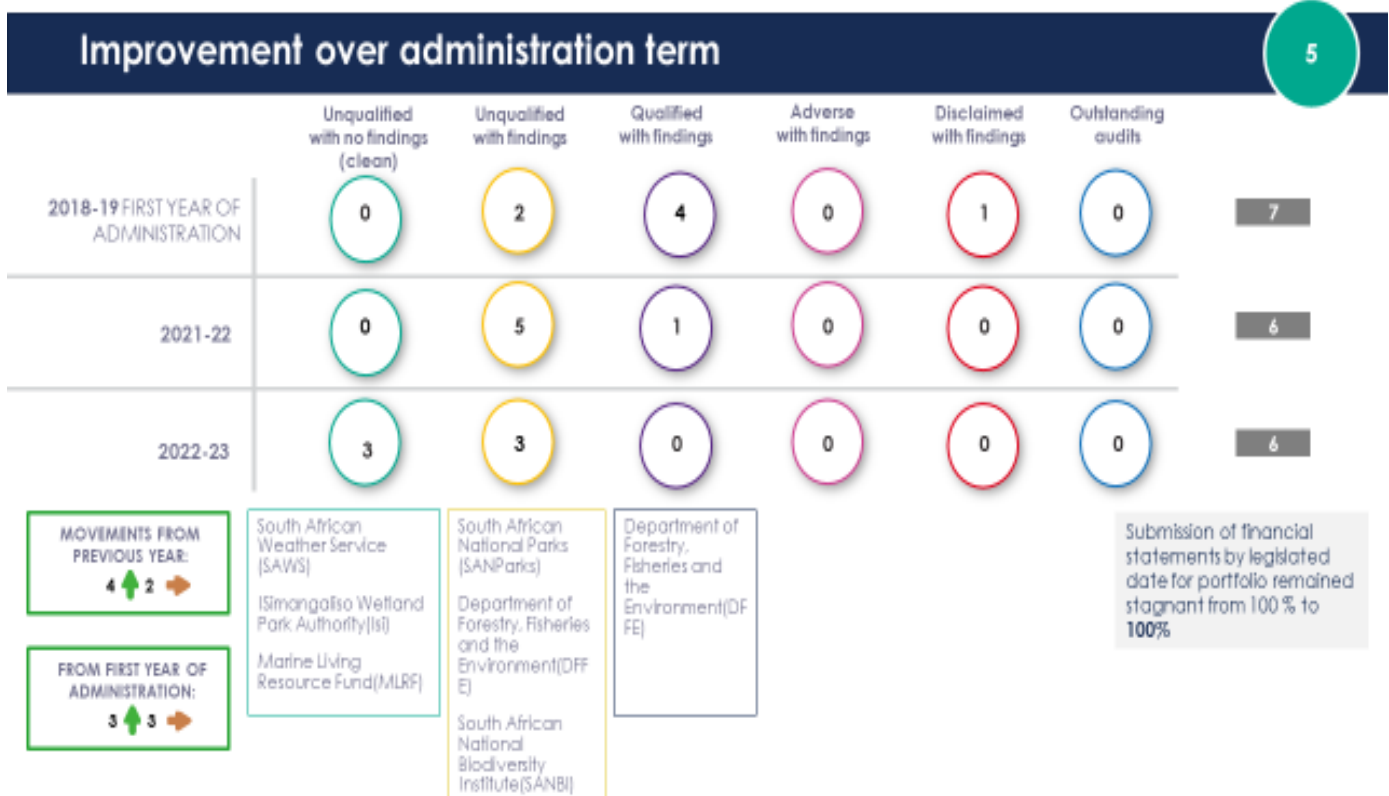
- *Improvement in sound financial management to enhance the lives of citizens does not only reside within the domain and responsibility of the accounting officer or authority and the auditors. It depends on the entire accountability ecosystem to enable a culture of accountability in a sustainable and meaningful way.*

1.7 Audit outcomes explained

Unqualified opinion with no findings (clean audit)	Financially unqualified opinion with findings	Qualified opinion	Adverse opinion	Disclaimed opinion
 <p>Auditee:</p> <ul style="list-style-type: none"> • produced credible and reliable financial statements that are free of material misstatements • reported in a useful and reliable manner on performance as measured against predetermined objectives in the annual performance plan (APP) • complied with key legislation in conducting their day-to-day operations to achieve their mandate 	 <p>Auditee produced financial statements without material misstatements or could correct the material misstatements, but struggled in one or more area to:</p> <ul style="list-style-type: none"> • align performance reports to the predetermined objectives they committed to in APPs • set clear performance indicators and targets to measure their performance against their predetermined objectives • report reliably on whether they achieved their performance targets • determine the legislation that they should comply with and implement the required policies, procedures and controls to ensure compliance 	 <p>Auditee:</p> <ul style="list-style-type: none"> • had the same challenges as those with unqualified opinions with findings but, in addition, they could not produce credible and reliable financial statements • had material misstatements on specific areas in their financial statements, which could not be corrected before the financial statements were published. 	 <p>Auditee:</p> <ul style="list-style-type: none"> • had the same challenges as those with qualified opinions but, in addition, they had so many material misstatements in their financial statements that we disagreed with almost all the amounts and disclosures in the financial statements 	 <p>Auditee:</p> <ul style="list-style-type: none"> • had the same challenges as those with qualified opinions but, in addition, they could not provide us with evidence for most of the amounts and disclosures reported in the financial statements, and we were unable to conclude or express an opinion on the credibility of their financial statements

2. Improvement in audit outcomes over the administration term

Slides 5

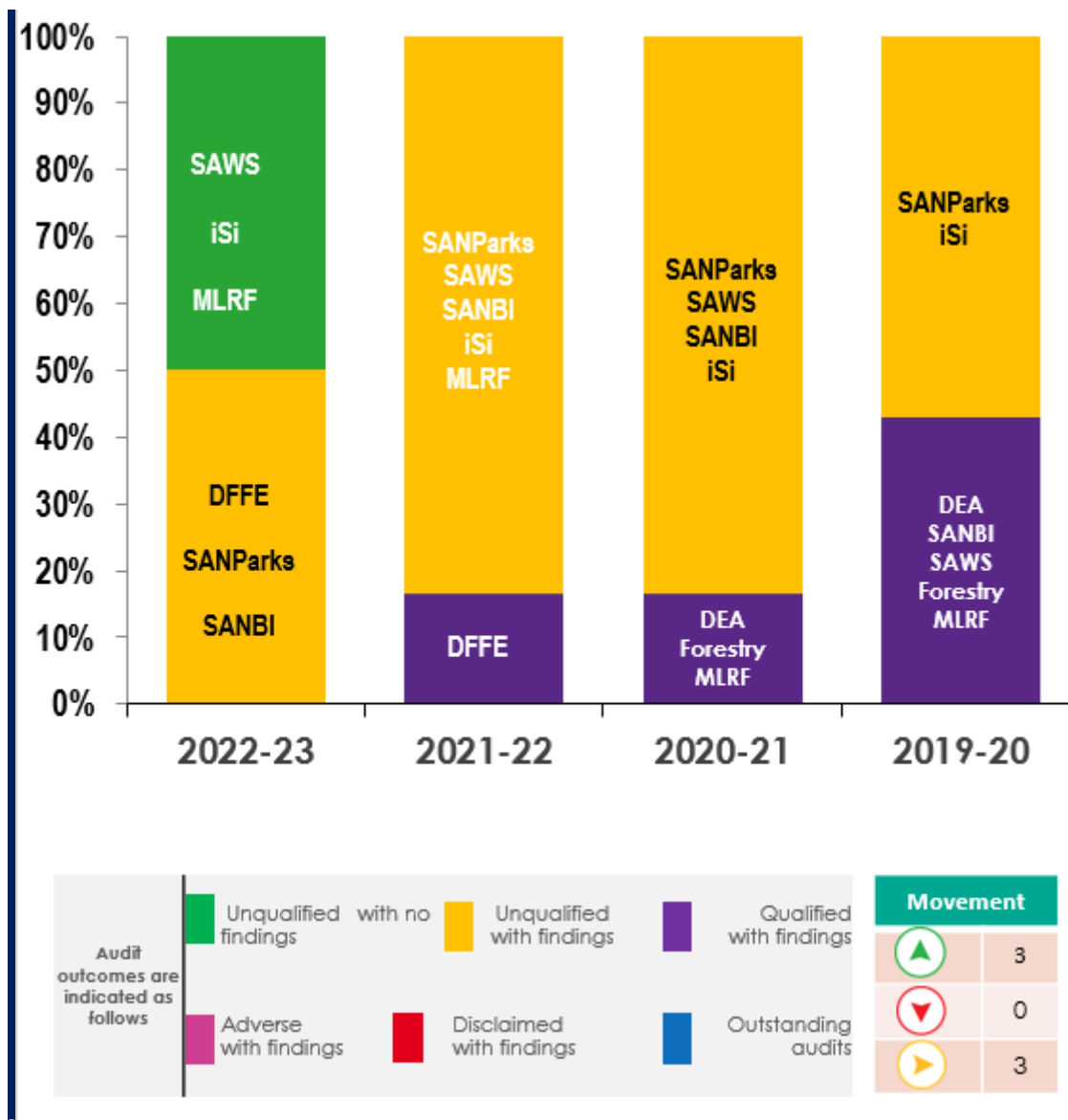


**The audit outcomes include the Forestry and Fisheries branches that were transferred from the former Department of Agriculture, Forestry and Fisheries. Before the transfer, the Forestry branch had a qualification on the valuation of biological assets. To date, the department has*

been given an extension on the exemption for the disclosure of biological assets by the National Treasury.

Auditees in the portfolio scoped in

Five-year audit outcomes



2.1 Overview

The **overall outcomes improved for the portfolio**. This reflects a state of the internal control environment improved for favourable outcomes with DFFE, SANParks and SANBI receiving unqualified with findings opinions, whilst SAWS, ISI and MLRF received clean audit outcomes. The action plan prepared by DFFE management to address the previous year's misstatements was effective in resolving the qualification matters, relating to material limitations on the audit scope and non-disclosure of material items. DFFE management successfully collaborated with the assurance providers to resolve the prior year's qualification on Immovable tangible asset qualification. The irregular expenditure was partially resolved as a result of the treasury issuing an instruction note on 03 January 2023 that limited the disclosure of the unauthorized, irregular, fruitless and wasteful expenditure to the prior year comparison and the current year movement.

- We commend DFFE and MLRF **for the effective implementation of the action plans to address resulting in the improvement** in the quality of the annual financial statement submitted for audit and the overall audit outcomes.
- **Inadequate implementation of preventative controls and monitoring of compliance** with applicable laws and regulations aimed at the reduction of irregular expenditure at SANParks was noted.
- SANBI has improved in ensuring that **the planning documents adhere to the Revised Framework for Strategic Plan and Annual Performance Plan** which led to no material findings on usefulness for the 2022-23 financial year.

2.2 Detail on outcomes

Overview

The management of SAWS, ISI and MLRF is commended for submitting the Annual Financial Statements (AFS) and Annual Performance Report (APR) without any material misstatements, thus receiving unqualified audit opinions. SANBI and SANParks remained stagnant with unqualified with findings as the AFS submitted contained misstatements that were subsequently resolved, resulting in no material matters being reported.

DFFE improved from a qualified opinion to unqualified with findings on compliance with legislation and performance information. The reported performance for certain indicators at the DFFE and SANBI were not supported by verifiable evidence and, therefore, were not reliable.

SAWS

SAWS audit outcome was unqualified with no findings on the audit of pre-determined objectives and compliance with legislation. We noted a strong internal control environment over the recording and reporting of financial and performance information together with a disciplined adherence to applicable legislation that will assist the entity to maintain the clean audit for the 2022-23 financial year. The entity managed to implement its action plan timely and correctly resulting in no material findings under financials, compliance and predetermined objectives.



DFFE

DFFE received an unqualified audit outcome with findings on predetermined objectives and findings on compliance. Controls around the preparation of regular, accurate and complete performance reports that are supported and evidenced by reliable information should be strengthened. In the prior years, the department did not prepare adequate action plans to address findings on predetermined objectives, resulting in unfavourable outcomes. The improvement in the internal controls resulted in material findings only reported in one of the two Programmes selected for audit. The change in the senior management in the monitoring team brought stability and prior year matters raised by the audit team were addressed to an extent.

The department is still in the process of completing its investigation/assessment into the irregular, fruitless and wasteful expenditure that have been identified and disclosed in the prior years. This resulted in a material non-compliance finding reported relating to consequence management. The other non-compliance reported in the current year relates to the disposal of computer equipment by means of sales to the officials instead of donations to the schools. There was not enough effort demonstrated by the department to approach schools with the intent of donating.

It is important to note that DFFE has improved its compliance with applicable legislation when compared to the prior year. There were no material findings on material corrections to the financial statements and on procurement, supply chain management, strategic management and expenditure management. To improve the audit outcome we recommend the following for the department:

- Management should ensure adequate recording of information, relevant to enable confirmation of validity of the information reported in the annual performance report and perform adequate reviews.
- Continue regular monitoring of the progress made in implementing action plans to ensure that all findings raised are addressed and are not repeated.
- Recommended to prioritise finalising investigations on the most recent irregular expenditure first and then move to prior years of irregular expenditure.



SANParks

SANParks submitted annual financial statements that had several material misstatements and the entity was able to clear the material misstatements that were identified by the auditors during the adjusting period to avoid a regression in the audit outcome. One of the reasons for submitting financial statements in the current year that contained material errors was that key officials in the financial unit resigned including the General Manager and the Chief financial officer. This resulted in new officials that were employed towards the end of the year, having the responsibility of the preparation of the final financial statements. Furthermore, in the prior year, the financial statements were submitted to a consultant for quality review before submission to the auditors which was not the case in the current year.

The misstatements in financial statements resulted in a material non-compliance reported in the audit report. Furthermore, revenue management, expenditure management, consequence management and supply chain management had material non-compliances reported on the audit report. The entity was unable to implement preventative controls and monitor compliance with applicable laws and regulations aimed at the reduction of irregular expenditure. To improve the audit outcome we recommend the following:

- The entity should have a proper succession plan
- Continue regular monitoring of the progress made in implementing action plans to ensure that all findings raised are addressed and are not repeated.
- Institute reviews of the implementation of compliance monitoring control in place to reduce material non-compliance and the resultant irregular expenditure.
- Monitor the timeous implementation of the annual financial statements preparation plans, which will enable management to have adequate time to address misstatements identified before submission for audit purposes.
- Recommended prioritising finalizing investigations on the most recent irregular expenditure and then addressing irregular expenditure relating to the prior years.

SANBI



SANBI submitted annual financial statements that had several material misstatements and the entity was able to clear the material misstatements that were identified by the auditors during the adjusting period to avoid a regression in the audit outcome. The entity received an unqualified audit outcome with findings on compliance and predetermined objectives. This was a result of management not interpreting and applying the GRAP standards properly, not adequately reviewing the financial statements before final submission, not complying with the laws and regulations of SCM and not being able to support information reported on the annual performance report with adequate evidence. For the entity to improve the audit outcome we recommend the following

- Management should keep proper records of financial information, and ensure the reported information is complete and regularly reviewed.
- Management should ensure adequate recording of information, relevant to enable confirmation of validity of the information reported in the annual performance report and perform adequate reviews.
- Management must ensure compliance with SCM laws and regulations and ensure that non-compliance identified in prior years is properly addressed.

MLRF

MLRF audit outcome was unqualified with no findings on the audit of pre-determined objectives and compliance with legislation. We noted a strong internal control environment over the recording and reporting of financial and performance information together with a disciplined adherence to applicable legislation that assisted the entity to maintain the clean audit for the 2022-23 financial year. The entity managed to implement its action plan timely and correctly resulting in no material findings under financials, compliance and predetermined objectives

Isi

Isi audit outcome was unqualified with no findings on the audit of pre-determined objectives and compliance with legislation. We noted a strong internal control environment over the recording and reporting of financial and performance information together with a disciplined adherence to



applicable legislation that assisted the entity to maintain the clean audit for the 2022-23 financial year. The entity managed to implement its action plan timely and correctly resulting in no material findings under financials, compliance and predetermined objectives

2.2.1 Finds on the audit of the annual performance report and achievement of targets

Slides 8 – 11

Auditee	Material findings	Number of targets achieved against the number of targets planned for 2022-23 (%)	Impact of targets not achieved
DFFE	<p>Programme 5 – Biodiversity and Conservation</p> <p><u>Indicator: Percentage of applications for TOPS permits assessed and decision issued within prescribed timeframe</u></p> <p>An achievement of 100% was reported against a target of 100%. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the target was not achieved.</p> <p><u>Indicator: Protected areas management improvement plans of management authorities monitored and annual status report compiled</u></p> <p>An achievement of draft status report on implementation of improvement plan developed for the South African National Parks in March 2023 was reported against a target of status report on implementation of committed improvement plans</p>	8 out of 12 (67%)	The department may not be making significant progress in achieving its mandate as a result of various reasons, resulting in the NEMA and other applicable laws not being fully complied with.



Auditee	Material findings	Number of targets achieved against the number of targets planned for 2022-23 (%)	Impact of targets not achieved
	<p>compiled. However, the audit evidence did not support this achievement. We could not determine the actual achievement, but we estimated it to be materially less than reported. Consequently, it is likely that the target was not achieved.</p>		
	<p>Programme 02 – Regulatory compliance and sector Monitoring</p> <p>We did not identify any material findings on the usefulness and reliability of the reported performance information for this programme.</p>		
SANParks	<p>Outcome goal 01 - Sustainable biodiversity and cultural heritage across land and sea delivers benefits for the people of SA and the world, now</p> <p>and in the future</p> <p>We did not identify any material findings on the usefulness and reliability of the reported performance information for this programme.</p>	2 out of 15 (87%)	<p>1. Number of degraded hectares of land under rehabilitation (</p> <p>Three projects, i.e. Golden Gate Highlands-, Kruger and Garden Route National Parks contributed to the under achievement over the past year. By end of the year, Kruger- and Golden Gate Highlands NPs did not achieve the planned initial hectares rehabilitation due to the heavy rains & flooding in KNP, and to a lesser degree the K2C project,</p>



Auditee	Material findings	Number of targets achieved against the number of targets planned for 2022-23 (%)	Impact of targets not achieved
			<p>prevented teams to finalise the Parthenium clearing, amongst others)</p> <p>2. Percentage annual increase in rhino population in identified rhino core areas in KNP (There was an overall decline of 19,58 % in the rhino population in core conservation zones in the Kruger National Park, primarily due to white rhinos leaving these areas in response to poaching and moving to known localities of suitable habitat)</p>
SANBI	<p>Programme 02: Biodiversity Science and Policy Advice</p> <p><i>Indicator: Number of biodiversity collection records digitised and added to databases.</i></p> <p>An achievement of 56 494 was reported against a target of 56 000. I could not determine if the reported achievement was correct, as adequate supporting</p>	15 out of 15 (100%)	Not applicable as all targets were achieved.

Auditee	Material findings	Number of targets achieved against the number of targets planned for 2022-23 (%)	Impact of targets not achieved
	evidence was not provided for auditing. Consequently, the achievement might be more or less than reported and was not reliable for		
iSimangaliso Wetland Park	<p>Programme 02: Biodiversity conservation</p> <p>We did not identify any material findings on the usefulness and reliability of the reported performance information for this programme</p>	11 out of 11 (100%)	Not applicable as all targets were achieved

SAWS

The SAWS has achieved 79% of its planned targets against the annual performance plan (APP) which is commendable. The two programmes selected for audit were Programme 1: Weather and Climate Services which speaks to the availability of the weather forecasts and accuracy of aerodrome warnings, as well as Programme 3: infrastructure and information systems which aims to ensure optimal infrastructure and systems uptime of observations and information dissemination. The extent of achievement of targets in terms of the actual expenditure is excellent for programme 1 (100% achievement), while the actual spending on infrastructure and information systems programme does not correlate to the actual achievement of targets as only 38% of the targets was achieved. This was mainly due to increased load shedding exceeded backup power solutions implemented, and instruments failure or faults experienced at numerous stations that will ensure that the infrastructure is working optimally and more consistently.



DFFE

The department has nine (9) programmes and has an overall achieved 77% of its targets against the APP, with five programmes achieving a maximum of 80% of the performance targets. Programmes 2 and 9 reflected a 100% achievement of their planned targets, while programmes 3 and 7 achieved 91% and 88% respectively. There is still room for improvement for programmes 4 and 5 which both achieved 67% of their targets and programme 6 which reflects 53% achievement. Furthermore, programme 2 and 5 were audited in the 2022-23 financial year and material findings were noted on programme 5. The department has spent 98% of its expenditure against the overall budget, with programme 6 having the largest budget of 3,2 billion out of all the programmes and spending 98%, however only achieving 53%(8/15) of its targets of the programme. Thus the department needs to improve its overall performance going forward to ensure that the actual expenditure correlates with the overall achievement and service delivery to improve the lives of citizens.

SANParks

Overall we noted that SANParks has achieved 85% of its annual targets against the APP, without exceeding the budget which is a slight decline from the prior year's achievement of 86%. Outcome goal 1: sustainable biodiversity and cultural heritage were selected for audit and the most noted achievement was on the output indicator: number of rhinos poached in KNP, and 6 other rhino parks reduced which showed a marked decrease of 49, 74% in KNP with a total of 98 rhinos poached as opposed to the 195 in 2021/2022. There was, however, an increase in the number of elephant poached, which is 32 elephants against the 9 poached during 2021/2022. One elephant was poached in the Greater Mapungubwe Transfrontier NP. The increase in elephant poaching is due to snaring within the KNP which is driven largely by bushmeat as opposed to poaching for ivory.

SANBI

The SANBI has in overall achieved 92% of its planned targets against the annual performance plan (APP) which is commendable. The programmes selected for audit were programme 1: National Zoological and Botanical Gardens, Programme 2: Biodiversity Science and Policy Advice as well as programme 3: Programme 3: Human Capital Development and Transformation. In all these programmes the entity just must miss one indicator per programme except for programme 2 with 100% achievement however the audit process couldn't confirm the reported information. These achievements are in line with expenditure spending as the entity is one step closer to achieving 100% in each programme. SANBI receives allocation from the department, generates its revenue and receives specific grants. The entity's surplus is less than the revenue generated from operation hence the funding from the department has been 100% spent but such spending has a positive correlation with the achievement of performance targets.

Isi

The entity has 4 programmes and has reported that all the targets were achieved with an exception of 1 indicator relating to obtaining a clean audit opinion which could only be confirmed after the audit was concluded. Programme 2 was audited and there were no material misstatements identified. Furthermore, the entity has spent 98% of its budget which is in alignment with the achieved targets.

2.3 Performance against targets

Key targets in the medium-term strategic framework for portfolio



Slide 10

A reflection of the key targets in the medium-term strategic framework and the portfolio's performance to date are included below:

Key MTSF targets	Planned target	Reported achievement by 31 March 2023 as not achieved
DFFE- National Air Quality Indicator	NAQI: Equals to or less than 1	NAQI is 1.14
DFFE- Number of waste tonnes diverted from landfill sites (prioritized waste streams)	2 326 000 tons diverted (Paper and packaging)	1 658 345,2 tons diverted (paper and packaging)
DFFE- Number of hectares of land added to the conservation estate per annum	610 674 ha of land added to conservation estate	382 517,130 ha added to the conservation estate
DFFE- Protected Areas Management Improvement Plans of Management Authorities monitored and annual status report compiled	Status report on implementation of committed improvement plans compiled	Draft status report on implementation of improvement plan developed for the South African National Parks in March 2023



<p>SANParks - Percentage annual increase in rhino population in identified rhino core areas in KNP</p>	<p>Rhino population trends in KNP core areas increasing at 0.5% per annum</p>	<p>Off target There was a 19,58 % decline in rhino population trends in the core areas in KNP</p>
<p>SAWS- Percentage of Priority Areas Air Quality Stations available on SAAQIS meeting minimum data requirements</p>	<p>80% of Priority Areas Air Quality Stations available on SAAQIS meeting minimum data requirements</p>	<p>Not achieved - 60% of Priority Areas Air Quality Stations available on SAAQIS meeting minimum data requirements Average of quarterly performance (82,05% + 71,06% + 55,56% + 31,11%) ÷ 4 = 59,95%</p>



2.3.1 Service delivery.

Slides 12 – 17

Our key messages on service delivery focused on the following specific areas:

Waste management

Key message on service delivery

Waste management - Depots



Impact:

- Potential fire outbreak may occur due to non-adherence to the fire breaks as per operational plan.
- The department is exposed to fines and penalties from the relevant provincial spheres due to non-compliance with the NEMA.
- The over-capacity of depots due to lack of tyre processing also pose fire hazards threats in the case of fire outbreak.

Cause:

- Insufficient tyre processing coupled with an increase in waste tyres from the manufacturers result in inadequate recycling of waste tyres thereby leading to stockpiling at the depots.
- Challenges with the industry role players for the approval of the waste management plan.

Actions/Recommendations:

- Increase tyre-processing capacity to reduce stockpiling that poses a significant fire hazard and enforce adherence by the depots to the approved operational plan.
- Improved inspection and management of tyre production can lessen the burden on the depots.
- Intervention from the oversight committee to influence the industry role players for the approval of the waste management plan.

Waste management is a critical core function of department to protect health and the environment by providing reasonable measures for the prevention of pollution; provides for national norms and standards for regulating the management of waste by all spheres of government; and provides for the licensing and control of waste management activities. We have thus selected tyre depots as a specific focus area to be audited for service delivery.

Out of twenty-seven (27) tyre waste depot sites inspected by the audit team, seven (7) - 26% - were found to be in contravention of the operational plan approved by the chief fire officers.

BUDGET	SOURCE OF FUNDS	SPENDING
R327 499 000	Appropriation funds	R 313 505 000 (31 March 2023)

Key message

The method of stacking of tyres applied in most of the depots are not in compliance with the operational plan approved by the chief fire officer. This exposes the department to fire outbreaks that in turn puts the lives of the citizens at risk.

Furthermore, there was no evidence noted to confirm that the municipalities monitor waste tyre depots for compliance with the plans on regular basis.

Some depots also operate without the approved norms and standards.



Climate Change and Pollution

Key message on service delivery

Air quality & climate change



Key observations:

- Inability by the national department, SAWS and the provincial departments to monitor the air ambient due to **lack of fully operational** monitoring stations and the impact of load shedding.
- Currently, as a country, we are **not doing well** in meeting the air quality standards which is at NAQI: 1.14 and should be <1
- Air quality monitoring stations reporting to SAAQIS **not meeting data recovery standard** of 75%

The national department, through SAWS monitors fifteen (15) air quality monitoring stations in the three (3) National Priority Areas namely: Voal Triangle Airshed Priority Area (VTAPA), Highveld Priority Area (HPA), and the Waterberg-Bajajana Priority Area (WBPA). The stations measure criteria pollutants such as SO₂, NO_x, ozone, PM₁₀, etc. These stations are under the South African Air Quality Information System (SAAQIS) and must have a data availability more significant than 75%.

Root causes:

- Inadequate maintenance and safeguarding the instruments used to monitor climate and pollution.

Recommendations:

- Implement adequate maintenance and safeguarding of the monitoring stations used to monitor climate and pollution.
- Back-up plans to address the risk of load shedding.
- Strict monitoring of the implementation Air Quality Management Plan by the industrial sectors.

	2022-23 - Q1				2022-23 - Q2				2022-23 - Q3				2022-23 - Q4				Powercuts - Q4			
	Apr	May	Jun	Q1	Jul	Aug	Sep	Q2	Oct	Nov	Dec	Q3	Jan	Feb	Mar	Q4	Jan	Feb	Mar	
Highveld priority area (HPA)	eMalahleni - SAWS	88	89	85	87	85	80	77	74	75	56	66	66	67	58	74	64	226	183	157
	Emelo	63	81	75	73	58	75	60	64	51	59	52	54	53	29	56	49	189	182	130
	Hendrina - SAWS	75	84	79	79	79	73	72	75	73	71	60	68	65	41	75	68	203	188	150
	Middelburg - SAWS	90	89	91	90	80	85	69	78	78	64	68	78	73	52	77	67	179	235	130
Voal triangle airshed priority area (VTAPA)	Secunda	79	85	70	78	71	81	74	75	75	70	60	68	69	60	82	78	217	210	155
	Diepkloof	87	94	91	91	81	92	77	83	82	81	81	83	71	57	80	69	191	189	123
	Kliprivier	94	91	93	93	86	91	87	88	95	89	89	91	87	71	90	83	56.6	152	0.72
	Sebokeng	0	0	0	0	0	0	18	6	60	62	62	61	63	53	64	60	143	0	2.64
The waterberg-bajajana priority area (WBPA)	Sharpeville	58	91	76	75	73	87	44	68	83	80	80	81	72	41	63	59	172	339	253
	Three Rivers	0	0	0	0	30	70	81	60	75	87	87	83	99	98	73	98	0.02	0	4.56
	Zamdela	75	79	84	79	81	71	76	76	70	79	79	76	72	62	78	71	178	177	129
	Lephalale	55	77	83	71	71	64	75	70	69	56	45	67	39	59	76	58	430	215	148
The waterberg-bajajana priority area (WBPA)	Makopane	65	88	80	78	62	81	70	71	93	70	87	83	87	89	90	89	0.17	4.35	0.15
	Thabazambi	91	99	97	96	93	82	98	91	77	84	99	87	72	82	82	79	2.14	6.5	2.13
Xanadu	90	86	90	89	73	87	77	79	75	79	72	75	72	62	77	78	163	168	115	
Number of stations reporting to SAAQIS	13	14	13	15	14	14	15	15	15	15	15	15	15	15	15	15				
Number of stations meeting minimum data requirement of 75%	9	11	11	11	6	10	8	8	10	7	7	8	3	3	10	4				



2.3.2 Other sector key messages

Enforcement - Landfill sites

Observations: Enforcement – landfill sites*

All the nine (9) provincial environmental departments undertook inspections and enforcement to ensure compliance against the National Environmental Management Act (NEMA) and National Environmental Management Act (NEMA) Waste Act. The focus is mainly on the municipal landfill sites.

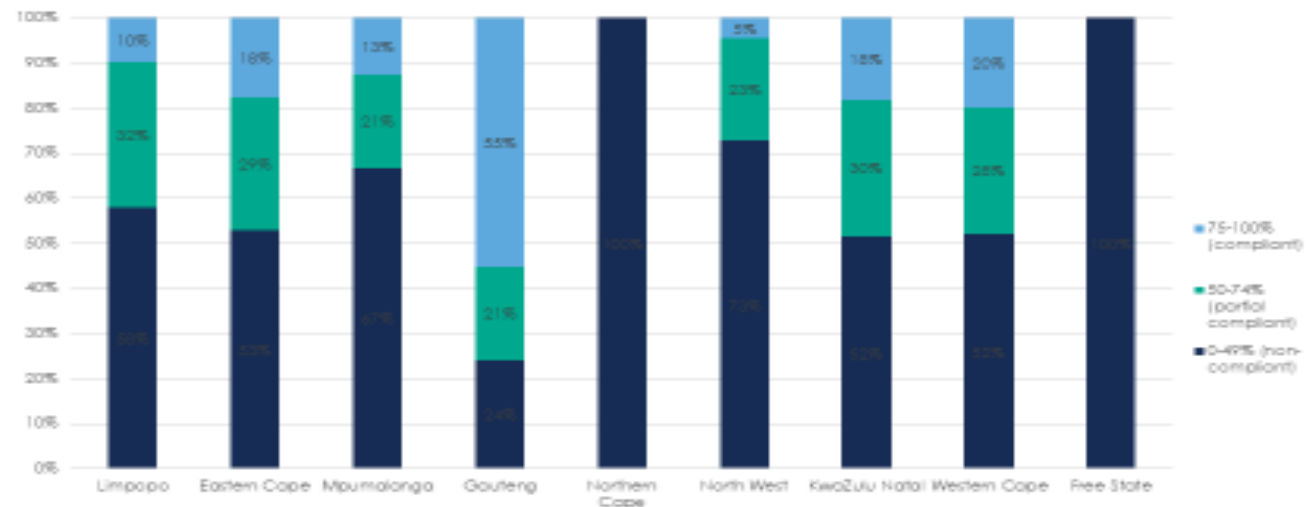
A total of 331 out of 543 (61%) landfill sites have been inspected. The site inspection entails amongst others, observations, review of records or documentation and a review of the information provided by the site representation.

Province	Number of Sites	Inspected (2017/18FY – 2022/23)
Limpopo	44	33
Eastern Cape	103	20
Mpumalanga	47	47
Gauteng	26	26
Northern Cape	92	25
North West	22	22
KwaZulu Natal	40	36
Western Cape	96 (operational only)	96
Free State	73 (64 licensed +9 unlicensed)	23

Observations

- The two provinces, namely Northern Cape and Free State have received **100% non-compliance**.
- Only one(1) province being Gauteng has achieved a **high number of compliance rate**.
- The provincial departments have only managed to **inspect 61% of the landfill sites in six (6) years**, which is indicative of the inadequate capacity of Environmental Management Inspectors (EMIs) across the country.

% Compliance per province (2017-18 to 2022-23)



Recommendation

- Increase the capacity of the EMIs across the provinces to ensure that there is sufficient capacity to conduct the assessments.
- Regular and constant follow-up of enforcement compliance notices or notice of intention to issue compliance notice to ensure that the recommendations and actions to be take are implemented.

*Note: Information as reported by management



Enforcement - Capacity of Environmental Management Inspectors (EMIs) in the country

Observations: Enforcement – capacity of environmental management Inspectors (EMIs) in the country*

South Africa has named inspectors at local, provincial and national level that are charged with ensuring compliance with the NEMA and other applicable laws. There are a total of 2795 designated EMIs with 1489 from national departments and entities, 1504 from provincial departments and entities. Listed below is the number of inspectors at national and provincial level.

Institution Name	Number of EMIs
National EMI Institutions	
DFPE	338
Sironqaliso	8
SAN Parks	1262
Oras	79
SARBI	8
Provincial EMI Institutions	
Eastern Cape DEECA	39
Free State DESTFA	52
Gauteng DARE	52
KwaZulu-Natal DEKTEA	65
Limpopo DEDET	66
Mpumalanga DEARLCA	8
Northern Cape DEVC	27
North West DEBAG	52
Western Cape DEACP	85
CapeNature	60
Eastern Cape Parks	246
Qumvelo	663
Mpumalanga Parks	24
North West Parks Board	60
TOTAL	2795

Key observations:

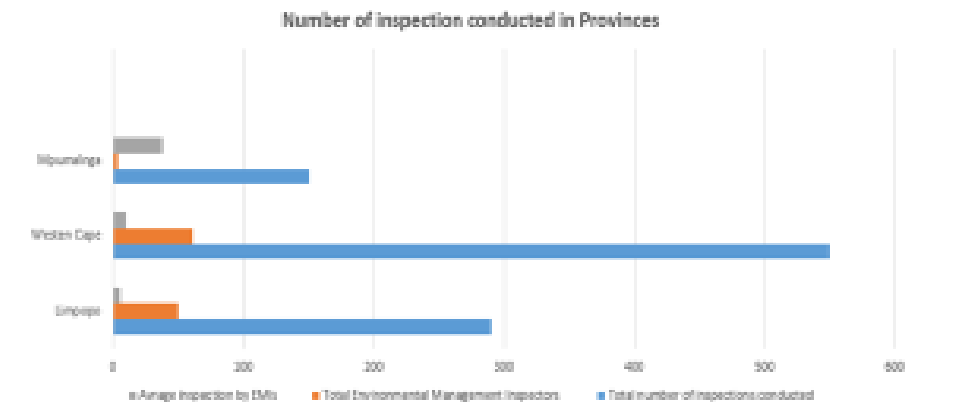
- There is **lack of capacity** in terms of environmental management inspectors (EMIs) at the national and provincial monitoring levels to enable adequate inspections.

Root causes:

Limited environmental management inspectors (EMIs) due to capacity constraints placed by the recent government monitoria resulting in less inspections being performed.

Key recommendations:

- Since stakeholders in the environmental sector are responsible for both the implementation and enforcement of compliance with the NEMA, and applicable laws, we recommend that the re-designed coordination focuses on clear segregation of duties with a view towards the reduction of the self-review threat created. This can be achieved through ensuring that the units and levels of government responsible for the monitoring of compliance with the NEMA and related legislation are not the same units and levels responsible for the implementation of measures to achieve compliance.
- Increase the number of EMIs capacity to ensure sufficient inspections across the country.



*Note: Information as per reports from management



Information and communication technology (ICT)

Work done on information and communication technology (ICT)



DFFE

Impact

The e-PMS system was meant to increase efficiency of processes for the Environmental Programmes. The system was going to support the execution of the work done on these programmes and while doing so, ensure the integrity of information. Without the system, the department may continue to encounter challenges with the integrity of the data while also not being able to improve the efficiency of processes for these programmes.

Cause:

The original project plan could not be adhered to partly due to impact of covid-19 and organisational restructuring which took place in the department.

Actions/recommendations:

Management should address project delays promptly, communicate effectively with stakeholders, and take appropriate actions to minimize the negative consequences. This might entail management engaging in the following activities:

- Revising the project plan
- Allocating additional resources
- Communicating with stakeholders
- Collaborating with the project team
- Implementing mitigation strategies
- Monitoring progress and adjust as needed
- Learning from the experience

The department embarked on a five year project to implement the ePMS system from 2018 to 2022. The project charter was approved by the chief director – information management systems and acting director: Management information systems on 1 July 2020. The approved budget for the project was R47 300 198, 57. The department had already spent R41 million (estimated 88%) of the budget while the system has not been completed.

A flight plan was created to monitor the project milestones and a project steering committee met to monitor and provide oversight of the project. However, the project was not finalised and was not delivered as per the approved project plan.

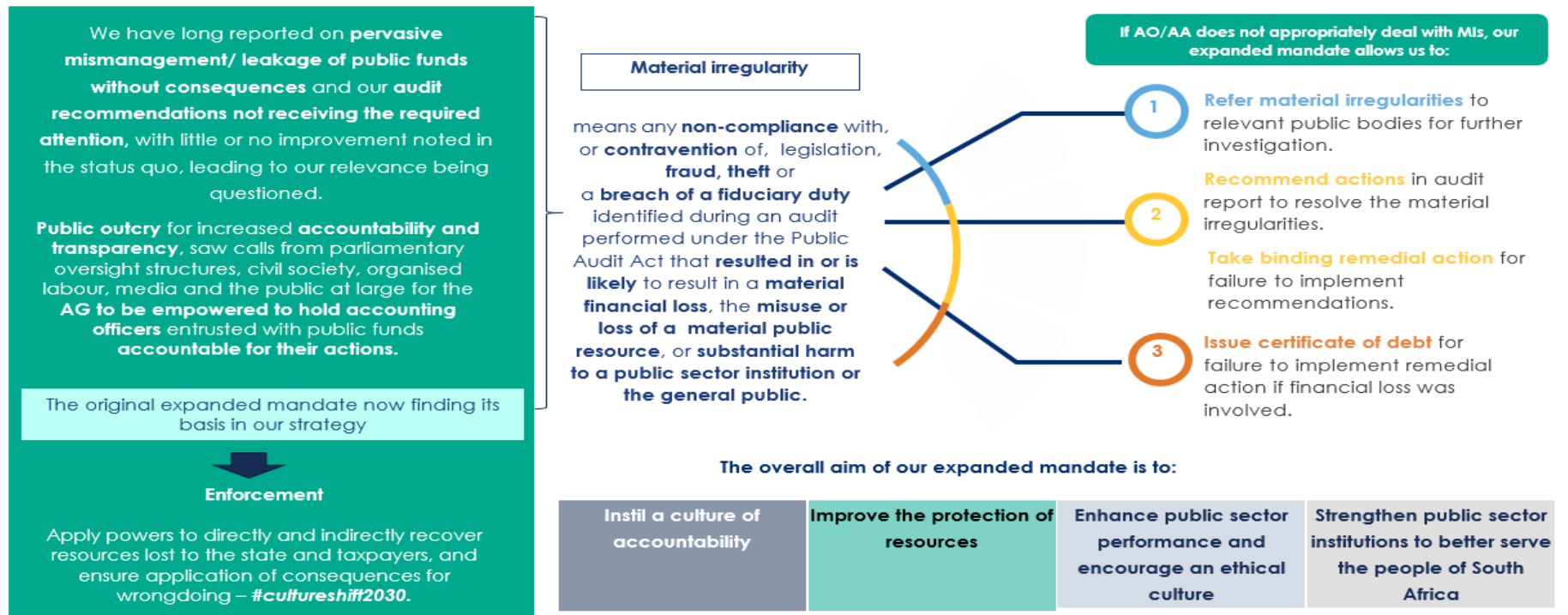
Overall ICT message**Inadequate project management processes on ePMS:**

- There was no oversight of the project as the last project steering committee meeting was held in 2019.
- There was no evidence showing communication to the key stakeholder on the progress of the project.
- As per the project charter, the project was supposed to be finalised in 2023. However, the system development was not concluded.



2.3.3 MI process implemented and MIs identified

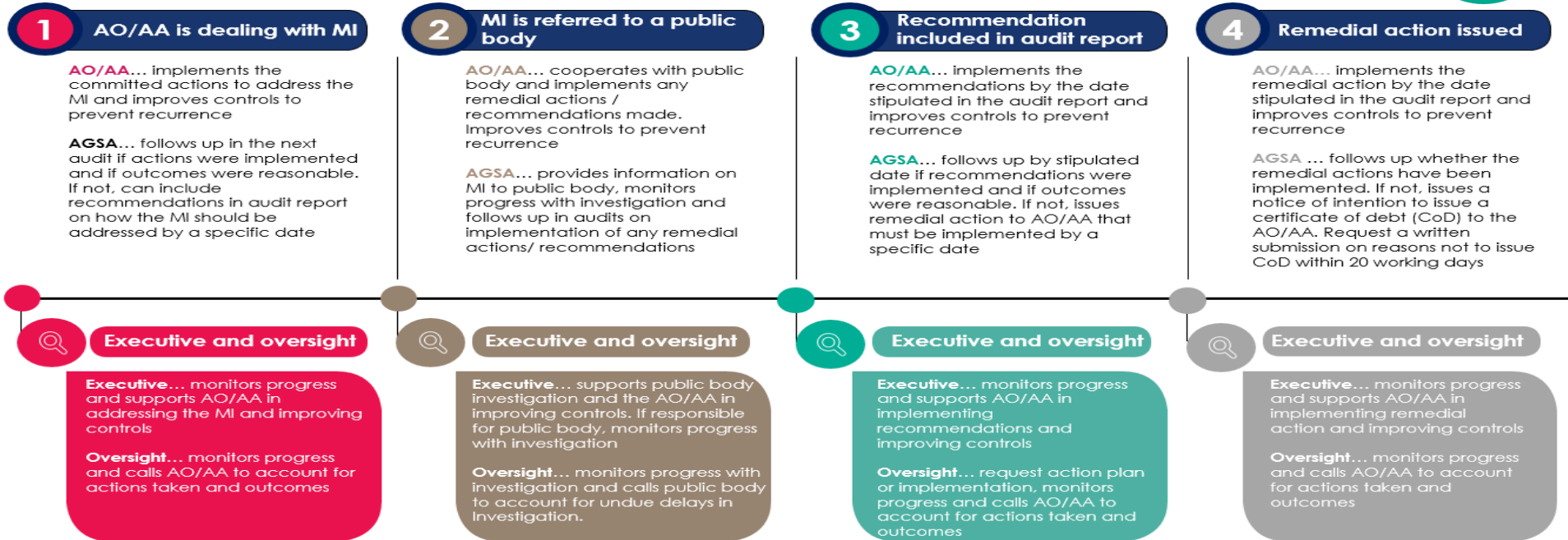
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Definition: A material irregularity means any non-compliance with, or contravention of, legislation, fraud, theft or a breach of a fiduciary duty identified during an audit performed under the PAA that resulted in or is likely to result in a material financial loss, the misuse or loss of a material public resource or substantial harm to a public sector institution or the general public.



Identified MIs – next steps and responsibilities



Material irregularities (MIs) identified during the current year's audit and notified

Notified	Type	MI description	Action taken	Actions planned / In progress
2022-23	MI identified during the current year audit	Umvoti - Payments made to perform remedial work on vandalism of deliverables that were already completed	<p>A letter of demand was issued to the service provider on 05 December 2022, and the service provider signed an acknowledgement of debt form dated 25 January 2023.</p> <p>The payment model for Environmental Protection and Infrastructure Programmes (EPIP) payments was changed from an advance payment method to invoice-based payments to prevent any potential future losses.</p> <p>An investigation has been instituted to determine if any official is liable for the financial loss.</p>	MI has been concluded that appropriate actions are being taken to address the matter. We will follow up on the progress of these actions and the implementation of the planned actions during my next audit (22/23).

<p>2022-23</p>	<p>MI identified during the current year audit</p>	<p>Sinje- Lease payments made for no value for leasing of land required for tyre storage.</p>	<p>The agreement with the service provider was terminated on 06 May 2022.</p> <p>An investigation was concluded on 19 April 2023 and the matter has been referred to the State Attorney for the possible recovery of funds from the service provider. The matter is still in progress.</p> <p>The department amended the bid specifications for future land lease bids and included the requirement to include proof of written municipal approval for the use of the site for waste tyre storage and processing.</p>	<p>MI has been concluded that appropriate actions are being taken to address the matter. We will follow up on the progress of these actions and the implementation of the planned actions during my next audit (22/23).</p>
<p>2022-23</p>	<p>MI identified during the current year audit</p>	<p>KSD- Payments made for waste disposal project deliverables not received</p>	<p>An investigation has been instituted to determine if any official is liable for the financial loss.</p>	<p>MI has been concluded that appropriate actions are being taken to address the matter. We will follow up on the progress of these actions and the implementation of the planned actions during my next audit (22/23).</p>
<p>2022-23</p>	<p>MI identified during the current year audit</p>	<p>Working On Fire - Disposal of state motor vehicles through transfer to employees of the service provider not in line with requirements of Treasury</p>	<p>The litigation process is underway to ensure the recoupment of funds for the 48 vehicles(42 plus 6)</p> <p>A needs analysis to ensure the transfer of assets takes place as per the above TMP and to avoid any further unauthorized disposals will be finalized.</p>	<p>We are in the process of pursuing the recommendation for this MI</p>



			However, the department is of the view that no one can be held responsible for this MI.	
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Observations and recommendations

Material irregularities were reported at the DFFE. The impact of the material irregularities reported resulted in management fast-tracking the investigations, and enhancing controls by changing policies to discourage prepayments. Generally, the accounting officer has centralised the finance unit to ensure that payments are approved by treasury regulations and to promote segregation of duties because previously payments for infrastructure projects were approved at the EP branch. Further evaluation of the infrastructure projects was conducted with the assistance of the officer of the valuator resulting in reliable accounting of the immovable assets. The change in how the department is contracting with suppliers has given the department more control over how it contracts to be able to pay only for goods and services received. Currently, the department is strengthening controls to ensure that it can be able to properly safeguard assets that belong to the state that are with the service providers. We however noted slow progress in the consequence management implementation impacting on the department not being able to discipline the officials that played a part in the incurrence of a financial because some resigned before the completion of the investigation or their employment contract ended before disciplinary actions could be taken.

2.3.4 Compliance with key legislation

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Some improvements were noted in compliance with key legislation as SAWS, MLRF and iSi were able to successfully reduce the prior year matters to no material non-compliance finding, and DFFE has reduced to one material non-compliance finding in the current year. Unfortunately, SANBI experienced an increase in non-compliance findings in the current year while the SANParks continued to struggle with numerous compliance matters.

The following material non-compliance issues were identified and reported:

Finding	Auditees	Root cause
<p><u>Annual financial statement</u></p> <p>The financial statements submitted for auditing were not prepared by the prescribed financial reporting framework. Material misstatements identified by the auditors in the submitted financial statements were corrected (except where auditees were qualified).</p>	<ul style="list-style-type: none"> • SANParks • SANBI 	<p><u>SANParks, SANBI</u></p> <p>Inadequate review and validation of the amounts as per financial statements against the underlying supporting evidence due to time constraints. The material misstatements could have been avoided had timeous reviews been performed and corrections been made.</p>
<p><u>Expenditure management</u></p> <p>Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 51(1)(b)(ii) of the PFMA.</p>	<ul style="list-style-type: none"> • SANParks • SANBI 	<p><u>SANParks, SANBI</u></p> <p>Management did not adequately review and monitor compliance to ensure compliance with the applicable laws and regulations in some instances.</p>



Finding	Auditees	Root cause
<p><u>Revenue management</u></p> <p>Effective and appropriate steps were not taken to collect all revenue due, as required by section 51(1)(b)(i) of the PFMA.</p>	<ul style="list-style-type: none"> SANParks 	<p>There is a loss of revenue due to non-compliance with the delegation of authority</p>
<p><u>Consequence management</u></p> <p>I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38(1) (h) (iii) of the PFMA. This was because a significant number of the transactions where irregular expenditure was incurred had not been investigated.</p>	<ul style="list-style-type: none"> DFFE 	<p><u>DFFE</u></p> <p>The department had not investigated the irregular, fruitless and wasteful expenditure related to the 2021-22 financial year, as the department had prioritised the investigation of irregular expenditure arising from the 2017-18 financial year. This decision was based on the magnitude of the latter irregular expenditure disclosed.</p>
<p><u>Asset management</u></p> <p>The department did not determine if any state institution involved in education required computer equipment before disposal of such equipment, as required by treasury regulation 16A.7.7.</p>	<ul style="list-style-type: none"> DFFE 	<p>Management did not adequately review and monitor compliance to ensure compliance with treasury regulation 16A.7.7.</p>
<p><u>Consequence management</u></p> <p>Investigations were not conducted into all allegations of financial misconduct committed by some of the officials, as required by treasury regulation 33.1.1.</p>	<ul style="list-style-type: none"> SANParks 	<p><u>SANParks</u></p> <p>Management did not monitor the implementation of recommendations made by the loss control function to address internal control deficiencies</p>

Finding	Auditees	Root cause
<p>Disciplinary steps were not taken against the officials who had incurred and/or permitted irregular expenditure, as required by section 51(1)(e)(iii) of the PFMA.</p>		
<p><u>Procurement and contract management</u></p> <p>Bid documentation for procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content, as required by the 2017 Preferential Procurement Regulation 8(2). Similar non-compliance was also reported in the prior year.</p> <p>Some of the commodities designated for local content and production were procured from suppliers who did not submit a declaration on local production and content in accordance with paragraph 3.4 of National Treasury Instruction Note 4 of 2015/2016. Similar non-compliance was also reported in the prior year.</p> <p>Procurement by other means was not provided in the SCM policy of the institution or did not cover at least the minimum requirements as required by PFMA Instruction Note 3 of 2021/22 par. 4.3 and 4.4.</p>	<ul style="list-style-type: none"> • SANParks 	<p><u>SANParks</u></p> <p>Management did not adequately review and monitor compliance to ensure compliance with the applicable laws and regulations in some instances. This was evidenced by the irregular expenditure which has been incurred in the current year, where similar non-compliance was also identified in the prior year.</p> <p>Lack of adequate measures to monitor contract performance and delivery</p>



2.3.5 Procurement and payments

Slide 23

There has been a significant improvement with SAWS, MLRF and ISI having no findings as compared to the prior year



Details of procurement findings	DFFE	SANParks	SANBI
Uncompetitive and unfair procurement processes	X	X	X
Prohibited awards to employees			
Prohibited awards to other state officials			X
Limitations on audit of awards selected for testing			

X Previous year's finding addressed X New finding identified in 2022-23 X Repeat finding



2.3.6 PFMA Compliance and Reporting Framework

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National Treasury Instruction No. 4 compliance reporting framework matter.

1. National Treasury Instruction No. 4 of 2022/2023: PFMA Compliance and Reporting Framework (Instruction) which came into effect on 03 January 2023, was issued in terms of section 76(1)(b), (e) and (f), (2)(e) and (4)(a) and (c) of the PFMA.
2. The objective of the Instruction note is to prescribe the principles and compliance reporting requirements for departments, trading entities, constitutional institutions and public entities listed in Schedules 2 and 3 to the Public Finance Management Act, 1999 with regard to unauthorised, irregular and fruitless and wasteful expenditure (UIF&WE).

Background on the key changes to irregular, fruitless and wasteful expenditure disclosure requirements as a result of the National Treasury Instruction no.4: PFMA compliance and reporting framework.

3. The new framework brought significant changes in relation to the disclosure of irregular, and fruitless and wasteful expenditure (IFWE). These changes are as follows:
 - a) The movements in the disclosure note of IFWE such as condoned, recoverable, removed, written off, under assessment, under determination and under investigation have been moved from the Annual Financial Statements and now will be disclosed in the Annual Report.
 - b) PFMA institutions will only disclose IFWE incurred in the current year, with a one-year comparative analysis in the Annual Financial Statements notes disclosure.
 - c) The historical balances (i.e. opening balances) have been completely removed from the annual financial statements (AFS).



Message to oversight on the AGSA's position on the audit of IFWE that should be disclosed in the annual report.

4. The purpose of disclosing irregular, fruitless and wasteful expenditure in the financial statements is to enable the oversight and monitoring structures of South Africa (e.g., Parliament) to perform their role to ensure that funds are spent in line with s217 of the Constitution and to hold officials and the executive accountable.
5. The fact that the disclosure of IFWE (historical balances and movements) is no longer required on the annual financial statements and no audit assurance is provided thereon, the oversight structures would need to engage directly with the information disclosed in the annual report or request the information on historical balances directly from the relevant institution where not disclosed in the annual report to exercise their oversight responsibility.
6. From an audit perspective, transparency and accountability is further limited by the fact that currently no audit assurance will be provided on the additional disclosures that have been moved from the AFS.
7. As a response to this, the AGSA refined their audit approach to upholding transparency and accountability through our audits notwithstanding the implementation of the framework. We therefore through our audits continued to audit the IFWE registers of historical balances as well as any IFWE disclosure included in the annual report.
8. Have clear messaging in the audit reports whereby we identified material misstatements to what was disclosed in the annual reports and the audit evidence gathered through the audit of these registers.
9. While we were not in a position to modify audit opinions due to inadequate systems to detect, record and appropriately disclose historical IFWE in the AFS, the objective was to ensure that we could still be in a position to report to the users of the AFS in cases where these registers of historical balances of IFWE are not completely and accurately maintained. This had no impact on the audit opinion of the financial statements.

2.3.7 Irregular expenditure

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During the year under review, auditees incurred irregular expenditure amounting to R700 million, which was disclosed in the financial statements. The analysis of irregular expenditure shows that irregular expenditure decreased by 39% compared to the previous year. The expenditure can be broken down as follows:

Auditee	Description	Amount (R)	Root cause	Impact
DFFE	SCM objectivity	R550 623 000	Objectivity criteria not applied as prescribed by the Preferential Procurement Policy Framework Act (PPFA) mainly from ongoing contracts. Procurement without following competitive bidding or quotation process.	Breach of five pillars of procurement – equitable, fair, cost-effective, transparent and competitive for the majority of the indicated awards.
SANParks	Irregular expenditure: Current year	146 568 000	Non-compliance with the preferential procurement regulations on local content. Utilizing expired contracts and non-compliance with the SCM prescripts	Breach of five pillars of procurement – equitable, fair, cost-effective, transparent and competitive for the majority of the indicated awards.
SANBI	Irregular expenditure	1 894 586.04	Procurement without following competitive bidding or quotation process.	Breach of five pillars of procurement – equitable, fair, cost-effective, transparent and competitive for the majority of the indicated awards.



Auditee	Description	Amount (R)	Root cause	Impact
iSi	Irregular expenditure	798 553	Construction work procured from under the wrong category in terms of Construction	Other – Construction Industry Development Board (CIDB) deficiencies.
MLRF	Irregular expenditure	592 420	Procurement without following competitive bidding or quotation process	Breach of five pillars of procurement – equitable, fair, cost-effective, transparent and competitive for the majority of the indicated awards

R42 million expenditure incurred in the prior years was condoned or removed in the current year for SAWS and SANBI.

2.3.8 Consequence management

Slide 26

The following material non-compliance issues relating to consequence management were identified and reported:

Finding	Auditees	Root cause
<p>Consequence management</p> <p>I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38(1) (h) (iii) of the PFMA. This was because a significant number of the transactions where irregular expenditure was incurred had not been investigated.</p>	<ul style="list-style-type: none"> • DFFE 	<p><u>DFFE</u></p> <p>The department had not investigated the irregular, fruitless and wasteful expenditure related to the 2021-22 financial year, as the department had prioritised the investigation of irregular expenditure arising from the 2017-18 financial year. This decision was based on the magnitude of the latter irregular expenditure disclosed.</p>
<p><u>Consequence management</u></p> <p>Investigations were not conducted into all allegations of financial misconduct committed by some of the officials, as required by treasury regulation 33.1.1.</p> <p>Disciplinary steps were not taken against the officials who had incurred and/or permitted</p>	<ul style="list-style-type: none"> • SANParks 	<p><u>SANParks</u></p> <p>Management did not monitor the implementation of recommendations made by the loss control function to address internal control deficiencies</p>



Finding	Auditees	Root cause
irregular expenditure, as required by section 51(1)(e)(iii) of the PFMA.		

2.3.9 Other important matters

An independent consultant was investigating an allegation of misappropriation of the Department's assets at the request of the Department, covering the period 2019 to 2020. The investigation was in progress at the date of the auditor's report. The outcomes of most of the investigations are still to be determined and are expected during the 2023-24 financial year.

2021-22 recommendations

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The table below indicates the status of the recommendations we requested the portfolio committee to follow up on the 2021-22 presentation of audit outcomes.

Recommendations	Status
DFFE- Continue regular monitoring of the progress made in implementing action plans to ensure that all findings raised are addressed and are not repeated.	We commend DFFE, MLRF, SAWS and ISI for the effective implementation of the action plans to address the root causes resulting in the improvement in the quality of the annual financial statement submitted for audit and the overall audit outcomes.



	We commend DFFE for the effective implementation of the action plans to address root causes resulting in the improvement in the quality of the annual financial statement submitted for audit.
SANParks - Institute reviews of the implementation of compliance monitoring control in place to reduce material non-compliance and the resultant irregular expenditure.	Inadequate implementation of preventative controls and monitoring of compliance with applicable laws and regulations aimed at the reduction of irregular expenditure at SANParks was noted.
SANBI - Revisit the process followed in determining and defining annual indicators and targets to ensure that they are well-defined and that targets are specific.	SANBI has improved in ensuring that the planning documents adhere to the Revised Framework for Strategic Plan and Annual Performance Plan which led to no material findings on usefulness for the 2022-23 financial year.
MLRF, SAWS and ISI - Monitor the timeous implementation of the AFS and APR preparation plans, which will enable management to have adequate time to address misstatements identified before submission for audit purposes.	We commend DFFE, MLRF, SAWS and ISI for the effective implementation of the action plans to address the root causes resulting in the improvement in the quality of the annual financial statement submitted for audit and the overall audit outcomes.

Main root causes, recommendations, and commitments for the portfolio

Slide 29

Overall root causes, key recommendations to, and commitments by, accounting officers and authorities and executive authority for significant findings in the Water and Sanitation portfolio

Root cause	Key recommendations to Accounting officers and authorities	Commitments by the Executive Authority
Inadequate review of the validity, accuracy and completeness of the information presented for audit, as included in the financial statements (DFFE, SANBI) and the annual performance report (DFFE, SANBI).	<ul style="list-style-type: none"> Continue regular monitoring of the progress made in implementing action plans to ensure that all findings raised are addressed and are not repeated. SANParks should have a proper succession plan Institute reviews of the implementation of compliance monitoring control in place to reduce material non-compliance and the resultant irregular expenditure. Monitor the timely implementation of the AFS and APR preparation plans, which will enable management to have adequate time to address misstatements identified before submission for audit purposes. 	<ul style="list-style-type: none"> The Minister must also follow up with the DG (AO) on the progress of the implementation of the audit action plan. Regular engagements with the accounting authority and obtain commitments from them.
Resignation of key finance personnel at SANParks impacted the quality of the financial statements.		
Deficiencies in the quality assurance controls ensure that the reported performance information is supported by credible and reliable supporting evidence (DFFE, SANBI).		



Root cause	Key recommendations to Accounting officers and authorities	Commitments by the Executive Authority
Inadequate controls were put in place by management to prevent material non-compliance findings (DFFE, SANParks)	<ul style="list-style-type: none"> Recommended to prioritise finalizing investigations on the most recent irregular expenditure first and then move to prior years of irregular expenditure. Management should keep a proper record of performance information, to ensure the reported information is complete and regularly reviewed. 	
Inadequate review not performed on financial statements to ensure compliance with GRAP requirements by SANBI.		

2.3.10 Portfolio committee message

Slide 30

The continued oversight exercised by the portfolio committee is encouraged as it assists the assurance providers in monitoring the progress made in addressing key deficiencies that have been identified that prevented the auditees from achieving their mandate. The oversight further assists in promoting accountability on how the funds allocated to the department and entities are managed for the benefit of the lived experiences of the citizens.



Proposed commitments

Commitment	Date of commitment
Continue the engagements on requesting properly detailed briefs on how the department and its entities (portfolio) continues to deal with the irregular expenditure investigations. This feedback must indicate the actions taken in terms of consequence management implemented by the department and entities.	11 October 2023
Request and review progress reports of feedback on the tracking and identification of emerging risks in the portfolio, and how the department is mitigating the risks identified that could prevent the achievement of key objectives linked to the mandate.	11 October 2023
Request regular feedback from the portfolio on the irregular expenditure in order is identified to identify the movements in the expenditure incurred. Request the department and entities to provide action plans on how they will implement preventative controls to deal with the repetition of instances of non-compliance	11 October 2023
Request regular feedback on the material irregularities in the portfolio, and how the department is addressing the MIs identified that could prevent the achievement of key objectives linked to the mandate and ensure that there is effective consequences management.	11 October 2023