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STANDING COMMITTEE ON PUBLIC ACCOUNTS

**ANALYSIS OF THE 2022/23 AUDIT OUTCOMES AND FINANCIAL
PERFORMANCE OF NATIONAL DEPARTMENTS AND PUBLIC ENTITIES**

GROUP 2

31 October 2023



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1. Introduction

The Public Finance Management Act (PFMA), Act No. 1 of 1999 and National Treasury Regulations prescribe that all national departments and public entities must table their annual reports to the relevant legislatures within five months after the end of financial year. The executive authority (Minister) responsible for a department or public entity is thereby required by Section 65(1)(a) of the PFMA to table in the National Assembly, the annual report, the annual financial statements as well as the audit report on those statements within one month of the accounting officer (for the department) or the accounting authority (for the public entity) receiving the audit report.

Section 65(2) of the PFMA makes a provision for the departments and public entities who cannot table the above mentioned reports within six months after the end of the financial year to which those statements relate to. It provides that the executive authority must table a written explanation in the legislature setting out the reasons why the aforementioned reports were not tabled.

On 23 December 2022 the National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure as well as fruitless and wasteful expenditure.

Among the effects of this framework is that irregular expenditure as well as fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements. Only the current year and prior year figures are disclosed in a note to the financial statements. Furthermore, the movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now included as part of other information in the annual report.

The financial statements of some of the public entities were audited by independent auditors and not by the Auditor General of South Africa (AGSA).

For ease flow, the audit outcomes of national departments and their reporting entities have been grouped according to their clusters, namely the Economic Services and Infrastructure Development cluster, the Justice and Protection Services cluster, the Social Services cluster, the Financial and Administration Services cluster, as well as the Central Government Administration cluster.

The purpose of this analysis is to provide an overview of the audit outcomes and financial performance of national departments and their reporting entities in an effort to assist the Standing Committee on Public Accounts (SCOPA) in assessing the prioritisation of annual reports.



2. Economic Services and Infrastructure Development Cluster

2.1 Department of Agriculture, Land Reform and Rural Development (DALRRD)

In line with Section 65(2) of the PFMA, the DALRRD submitted a letter for delay which was tabled on 26 September 2023. In the letter the department cited that they are unable to table the 2022/23 annual report within the PFMA stipulated period due to the process involving the verification of certain sections of Agricultural Land Holding Account (ALHA) report with the AGSA still not being concluded.

Table 1: Department audit opinions

2020/21	2021/22	2022/23	2022/23 findings
Qualified	Unqualified with findings	S65 letter	n/a

Table 2: Department financial information

Total budget	Actual expenditure	Under/(over) expenditure	Irregular expenditure		Fruitless and wasteful expenditure	
2022/23	2022/23	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
R'000						
n/a	n/a	n/a	n/a	n/a	n/a	n/a

For the 2022/23 financial year, majority of the DALARRD reporting entities received unqualified audit opinions, with the exception of the Agricultural Research Council which received yet another qualified audit opinion on property, plant and equipment. Other qualification areas that were noted by the AGSA were on irregular expenditure and fruitless and wasteful expenditure.

Inala farms and Onderstepoort Biological Products have not tabled their 2022/23 annual reports in Parliament yet, however, OBP submitted a letter for delay which was tabled on 03 October 2023 citing impending engagements within the AGSA as the cause of the delay.

Table 3: Entity audit opinions

Entity	2020/21	2021/22	2022/23	2022/23 findings
Agricultural Research Council (ARC)	Qualified	Qualified	Qualified	<ul style="list-style-type: none"> - Property plant and equipment - Revenue from non-exchange transactions; - Irregular expenditure;



				<ul style="list-style-type: none"> - Fruitless and wasteful expenditure; and - Non-compliance with legislation
Ingonyama Trust Board (ITB)	Unqualified with findings	Unqualified with findings	Unqualified with findings	- Non-compliance with legislation
National Agricultural Marketing Council (NAMC)	Unqualified with findings	Unqualified with findings	Unqualified with findings	- Non-compliance with legislation
Perishable Products Export Control Board (PPECB)*	Unqualified with no findings	Unqualified with no findings	Unqualified with no findings	n/a

Table 4: Entity financial information

Entity	Surplus/ (deficit)		Irregular expenditure		Fruitless and wasteful expenditure	
	2021/22	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
	R'000					
ARC	157 921	215 323	0	93 731	36	37
ITB	(1 631)	2 915	1 253	n/a	190	n/a
NAMC	24	2 703	2 113	156 115	0	0
PPECB*	35 438	12 464	1 291	n/a	796	n/a

2.2 Department of Forestry, Fisheries and the Environment (DFFE)

The DFFE received an unqualified audit opinion with findings from the AGSA for the 2022/23 financial year, this is an improvement from qualified audit opinions received for the 2020/21 and the 2021/22 financial years. The findings on non-compliance with legislation were related to asset management and consequence management.

Table 1: Department audit opinions

2020/21	2021/22	2022/23	2022/23 findings
Qualified	Qualified	Unqualified with findings	<ul style="list-style-type: none"> - Material misstatements in the annual performance report; - Non-compliance with legislation; and - Material irregularities on various payments made



Table 2: Department financial information

Total budget	Actual expenditure	Under/(over) expenditure	Irregular expenditure		Fruitless and wasteful expenditure	
R'000						
2022/23	2022/23	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
8 994 839	8 826 817	168 022	550 623	5 929 663	1 008	224 409

The department's spending as at 31 March 2023 was 98.1%, or R8.8 billion of its allocated budget of R9.0 billion. For the 2022/23 financial year, the department incurred irregular expenditure of R550.6 million mainly on contracts continuing into future years which have not been condoned yet. Fruitless and wasteful expenditure of R1.0 million emanated from the Environmental Protection and Infrastructure Programme wherein advance payments were made to implementing agents who subsequently failed to complete the projects.

The department's reporting entities also received unqualified audit opinions in the period under review, with some of the entities improving to unqualified opinions with no findings. Vrede Dome World Heritage Site has not tabled its 2022/23 annual report in Parliament yet.

Table 3: Entity audit opinions

Entity	2020/21	2021/22	2022/23	2022/23 findings
iSimangaliso Wetland Park (IWP)	Unqualified with findings	Unqualified with findings	Unqualified with no findings	n/a
Marine Living Resources Fund (MLRF)	Unqualified with findings	Unqualified with findings	Unqualified with no findings	n/a
South African National Biodiversity Institute (SANBI)	Unqualified with findings	Unqualified with findings	Unqualified with findings	- Annual performance report; - Material misstatements; and - Non-compliance with legislation
South African National Parks (SANParks)	Unqualified with findings	Unqualified with findings	Unqualified with findings	- Non-compliance with legislation
South African Weather Service (SAWS)	Unqualified with findings	Unqualified with findings	Unqualified with no findings	n/a



Table 4: Entity financial information

Entity	Surplus/ (deficit)	Surplus/ (deficit)	Irregular expenditure		Fruitless and wasteful expenditure	
	R'000					
	2021/22	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
IWP	1 311	7 338	0	0	165	8 019
MLRF	(17 780)	(70)	592	25 041	0	0
SANBI	32 420	91 887	1 895	1 098	11	144
SANParks	(253 796)	126 337	202 357	n/a	10	n/a
SAWS	46 790	39 885	0	0	0	0

2.3 Department of Mineral Resources and Energy (DMRE)

For the year under review, the DMRE maintained an unqualified audit opinion with findings on material misstatements in the performance information of the selected programmes and non-compliance with legislation related to annual financial statements, expenditure management, revenue management and consequence management, among others.

Notwithstanding previously reported material irregularities that have not been resolved, the AGSA also identified another material irregularity during the audit which will be included in next year's auditor's report.

Table 1: Department audit opinions

2020/21	2021/22	2022/23	2022/23 findings
Unqualified with findings	Unqualified with findings	Unqualified with findings	<ul style="list-style-type: none"> - Material misstatements on the reported performance information; and - Non-compliance with legislation

Table 2: Department financial information

Total budget	Actual expenditure	Under/(over) expenditure	Irregular expenditure		Fruitless and wasteful expenditure	
	R'000					
2022/23	2022/23	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
10 447 537	10 118 584	328 953	1 208	291 347	7 874	331 830



The DMRE spent 96.9% its allocated budget of R10.4 billion for the 2022/23 financial year. The department incurred irregular expenditure of 1.2 million in the period under review as well as fruitless and wasteful expenditure of R7.9 million. The fruitless and wasteful expenditure mainly relates to storage costs for the Solar Water Heater Programme. The department also has an unauthorised expenditure balance of R50.6 million that is under determination.

Majority of the DMRE reporting entities received unqualified audit opinions, with the exception of the South African Nuclear Energy Corporation, which received a qualified audit opinion in the current year. The basis of the qualification was on decommissioning and decontamination as well as investment income. The qualified audit opinion is however a slight improvement from a disclaimer in the previous financial year.

The Central Energy Fund, and Electricity Distribution Industrial have not tabled their 2022/23 annual report in Parliament yet.

Table 3: Entity audit opinions

Entity	2020/21	2021/22	2022/23	2022/23 findings
South African Nuclear Energy Corporation (NECSA)	Disclaimer	Disclaimer	Qualified	<ul style="list-style-type: none"> - Decommissioning and decontamination; - Investment income; - Finance cost; and - Non-compliance with legislation
Council for Geoscience (CGS)	Unqualified with findings	Unqualified with no findings	Unqualified with no findings	n/a
Mine Health and Safety Council (MHSC)	Unqualified with findings	Unqualified with findings	Unqualified with findings	- Non-compliance with legislation
Council for Mineral Technology (MINTEK)	Unqualified with findings	Unqualified with findings	Unqualified with findings	- Non-compliance with legislation
National Energy Regulator of South Africa (NERSA)	Unqualified with findings	Unqualified with no findings	Unqualified with no findings	n/a
South African Diamond and Precious Metals Regulator (SADPMR)	Unqualified with findings	Unqualified with findings	Unqualified with no findings	n/a
South African National Energy Development Institute (SANEDI)	Unqualified with findings	Unqualified with no findings	Unqualified with no findings	n/a



Table 4: Entity financial information

Entity	Surplus/ (deficit)	Surplus/ (deficit)	Irregular expenditure		Fruitless and wasteful expenditure	
	R'000					
	2021/22	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
NECSA	(78 827)	125 451	0	246 196	639	7 661
CGS	(15 096)	(87 770)	0	0	0	18 496
MHSC	(5 081)	27 396	0	65 832	1 148	1 148
Mintek	19 637	4 880	17 198	52 147	754	767
NERSA	(3 249)	(40 055)	0	4 610	0	0
SADPMR	11 712	15 393	15	n/a	0	n/a
SANEDI	15 565	18 206	0	2 359	0	7

2.4 Department of Communications and Digital Technologies (DCDT)

The DCDT received an unqualified audit opinion with material findings on the performance information of the selected programmes which had material misstatements as well as non-compliance with legislation pertaining to the annual financial statements and consequence management, among others.

Table 1: Department audit opinions

2020/21	2021/22	2022/23	2022/23 findings
Unqualified with findings	Unqualified with findings	Unqualified with findings	<ul style="list-style-type: none"> - Material misstatements on the reported performance information; and - Non-compliance with legislation

Table 2: Department financial information

Total budget	Actual expenditure	Under/(over) expenditure	Irregular expenditure		Fruitless and wasteful expenditure	
	R'000					
2022/23	2022/23	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
5 327 777	5 221 342	106 435	153	215 622	58	8 608



For the 2022/23 financial year, the DCDT spent 98.0% of its allocated budget of R5.3 billion. The department has an unauthorised expenditure balance of R4.7 million that was referred to National Treasury to be condoned and waiting for Cabinet approval.

The South African Broadcasting Corporation and the South African Post Office received disclaimer audit opinions in the current financial year, with the AGSA identifying going concern issues for the two entities. The State Information Technology Agency maintained a qualified opinion while the Universal Service and Access Fund improved slightly from a disclaimer to a qualified audit opinion. Telkom has not tabled its 2022/23 annual report in Parliament yet.

Table 3: Entity audit opinions

Entity	2020/21	2021/22	2022/23	2022/23 findings
Broadband Infraco (BBI)*	Unqualified with findings	Unqualified with findings	Unqualified with findings	<ul style="list-style-type: none"> - Material misstatements in the performance information of the selected objective; and - Non-compliance with legislation
South African Broadcasting Corporation SOC Limited (SABC)	Qualified	Qualified	Disclaimer	<ul style="list-style-type: none"> - Going concern issues; - Non-compliance with legislation; and - Material irregularities
South African Post Office (SAPO)	Disclaimer	Disclaimer	Disclaimer	<ul style="list-style-type: none"> - Going concern issues; - Trade and other receivables; - Trade and other payables - Property Plant and equipment' - Investment properties; - Lease liabilities' - Non-current assets held-for-sale - Financial services revenue - Other operating expenditure; - Funds collected on behalf of third parties; - Prior period errors and Comparative figures; - Financial instruments and risk management; - Performance information of the selected objectives; - Non-compliance with legislation; and - Material irregularities



State Information Technology Agency (SITA)	Qualified	Qualified	Qualified	<ul style="list-style-type: none"> - Revenue from exchange transactions; - Cost of Sales; - Material findings on the performance information of the selected programmes; - Non-compliance with legislation; and - Material irregularities
Universal Service and Access Fund (USAF)		Disclaimer	Qualified	<ul style="list-style-type: none"> - Inventories and inventory redemption; - Non-compliance with legislation; and - Material uncertainty relating to going concern
Universal Service and Access Agency of South Africa (USAASA)	Unqualified with findings	Qualified	Unqualified with findings	<ul style="list-style-type: none"> - Non-compliance with legislation

The Film and Publication Board, National Electronic Media Institute of South Africa and SENTECH* received unqualified audit opinions with no findings for the 2022/23 financial year.

Table 4: Entity financial information

Entity	Surplus/ (deficit)	Surplus/ (deficit)	Irregular expenditure		Fruitless and wasteful expenditure	
	R'000					
	2021/22	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
BBI*	(119 835)	(121 148)	21 485	116 185	1 417	n/a
SABC	(200 205)	(1 127 363)	34 799	3 324 411	16 066	159 518
SAPO	(2 234 848)	(2 161 777)	155 958	2 595 128	153 069	962 552
SITA	436 500	450 518	452 003	2 165 927	10 864	46 611
USAF	1 167 141	75 906	0	50 337	107	78 259
USAASA	98 591	(114 450)	7 895	87 094	114	3 833



2.5 Department of Human Settlements (DHS)

In the 2022/23 financial year, the DHS received yet another unqualified audit opinion with findings on material non-compliance with legislation pertaining to expenditure and asset management.

Table 1: Department audit opinions

2020/21	2021/22	2022/23	2022/23 findings
Unqualified with findings	Unqualified with findings	Unqualified with findings	- Non-compliance with legislation

Table 2: Department financial information

Total budget	Actual expenditure	Under/(over) expenditure	Irregular expenditure	Fruitless and wasteful expenditure		
R'000						
2022/23	2022/23	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
33 478 474	32 857 505	620 969	1 375	7 322	31	1 164

The DHS total expenditure for the 2022/23 financial year was R32.9 billion, representing 98.1% of its allocated budget of R33.5 billion. Approximately 60.0% of the underspending of R621.0 million was due to underspending on transfers and subsidies to provinces and municipalities – in particular the emergency housing grant, where the department reported that it did not receive requests for the remaining amount on the grants.

Majority of the DHS reporting entities received unqualified audit opinions with material findings mainly on non-compliance with legislation. However, the Property Practitioners Regulatory Authority and Thubelisha Homes received qualified audit opinions. The National Urban Reconstruction and Housing Agency, Rural Housing Loan Fund and Servcon Housing Solutions (Proprietary) Limited have not tabled their annual reports in Parliament yet.

Table 3: Entity audit opinions

Entity	2020/21	2021/22	2022/23	2022/23 findings
Community Schemes Ombud Service (CSOS)	Qualified	Unqualified with findings	Unqualified with findings	- Non-compliance with legislation
Housing Development Agency (HDA)	Qualified	Qualified	Unqualified with findings	- Non-compliance with legislation



National Home Builders Registration Council (NHBRC)	Unqualified with findings	Unqualified with findings	Unqualified with findings	- Non-compliance with legislation
National Housing Finance Corporation SOC Ltd (NHFC)	Unqualified with findings	Unqualified with findings	Unqualified with findings	- Non-compliance with legislation
Property Practitioners Regulatory Authority (PPRA)	Unqualified with findings	Qualified	Qualified	- Receivables from exchange transactions; - Receivables from non-exchange transactions; - Movement in allowance for credit losses; - Material findings on the performance information of the selected programmes; and - Non-compliance with legislation
Social Housing Regulatory Authority (SHRA)*	Unqualified with findings	Qualified	Unqualified with findings	- Material findings on the performance information of the selected programmes; and - Non-compliance with legislation
Thubelisha Homes*	Unqualified with findings	Unqualified with findings	Qualified	- Valuation of the payables balance; - No confirmation of bank balance; and - No supporting documents for the Provisions balance

Table 4: Entity financial information

Entity	Surplus/ (deficit)		Irregular expenditure		Fruitless and wasteful expenditure	
	2021/22	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
	R'000					
CSOS	130 996	30 736	28 820	78 647	46	1 481
HDA	21 199	99 353	371 369	1 074 815	67	68
NHBRC	1 284 078	396 213	0	712 790	0	22 730
NHFC	72 738	221 817	6 361	43 558	229	2 377
PPRA	(15 034)	36 442	15 133	38 275	101	3 262
SHRA*	45 744	59 275	77 811	n/a	0	n/a
Thubelisha*	(21 682)	2 027	n/a	n/a	n/a	n/a



2.6 Department of Water and Sanitation (DWS)

The DWS maintained an unqualified audit opinion with material findings on the reported performance information of the selected programmes and non-compliance with legislation pertaining to consequence management in the 2022/23 financial year.

Table 1: Department audit opinions

2020/21	2021/22	2022/23	2022/23 findings
Qualified	Unqualified with findings	Unqualified with findings	<ul style="list-style-type: none"> - Material misstatements on the performance information of the selected programmes; and - Non-compliance with legislation

Table 2: Department financial information

Total budget	Actual expenditure	Under/(over) expenditure	Irregular expenditure		Fruitless and wasteful expenditure	
R'000						
2022/23	2022/23	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
18 555 010	17 693 416	861 594	1 023	8 923 647	59	355 982

The department spent approximately 95% of the approved budget for the 2022/23 financial year. The bulk (79.9%) of the under-expenditure of 861.6 million was due the underspending on payments for capital assets as a result of inadequate project management, inadequate supervision of contractors resulting in the late identification of poor performance of contractors and protracted supply chain management (SCM) processes. The department has requested a roll-over of R684 million from the underspending to honour commitments of the 2022/23 financial year mainly on payments for capital assets under the Regional Bulk Infrastructure Grant 6B.

The DWS has an unauthorised expenditure balance of R641.1 million incurred in the 2016/17 financial year that is awaiting a resolution by Parliament.

The department's reporting entities received unqualified audit opinions in the current year, with two of the entities' unqualified opinions having material findings on non-compliance with legislation. The remainder of the DWS's entities, including all the Water Boards, have not tabled their annual reports in Parliament yet.



Table 3: Entity audit opinions

Entity	2020/21	2021/22	2022/23	2022/23 findings
Trans-Caledon Tunnel Authority (TCTA)	Unqualified with findings	Unqualified with findings	Unqualified with findings	- Non-compliance with legislation
Breede-Gouritz Catchment Management Agency (BGCMA)*	Disclaimer	Qualified	Unqualified with findings	- Non-compliance with legislation
Inkomati-Usuthu Catchment Management Agency (IUCMA)*	Unqualified with no findings	Unqualified with no findings	Unqualified with no findings	n/a
Water Research Commission (WRC)	Unqualified with no findings	Unqualified with no findings	Unqualified with no findings	n/a

Table 4: Entity financial information

Entity	Surplus/ (deficit)	Surplus/ (deficit)	Irregular expenditure		Fruitless and wasteful expenditure	
			R'000			
	2021/22	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
TCTA	1 323 000	1 072 000	3 782	408 083	6	4 143
BGCMA	21 279	14 525	1 746	8 058	n/a	n/a
IUCMA	8 659	37 935	119	852	5	0
WRC	37 093	70 511	0	12 216	0	0

2.7 Department of Trade, Industry and Competition (the DTIC)

The DTIC maintained an unqualified audit opinion without findings in the 2022/23 financial year.

Table 1: Department audit opinions

2020/21	2021/22	2022/23	2022/23 findings
Unqualified with no findings	Unqualified with no findings	Unqualified with no findings	n/a



Table 2: Department financial information

Total budget	Actual expenditure	Under/(over) expenditure	Irregular expenditure		Fruitless and wasteful expenditure	
R'000						
2022/23	2022/23	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
10 913 553	10 798 433	115 120	0	0	0	0

The department's total expenditure in the 2022/23 financial year was R10.8 billion or 98.9% of the budget. The under expenditure of R115.1 million is largely attributable to underspending on compensation of employees due to the vacant posts and employee movements as well as lower transfers paid to public corporations and private enterprises.

The DTIC's reporting entities predominantly received unqualified audit opinions, with the exception of the National Lotteries Commission which maintained a qualified audit opinion. The basis of the qualification was on the allocation of grants.

Table 3: Entity audit opinions

Entity	2020/21	2021/22	2022/23	2022/23 findings
Industrial Development Corporation (IDC)	Unqualified with findings	Unqualified with findings	Unqualified with findings	- Non-compliance with legislation
Companies and Intellectual Property Commission (CIPC)	Unqualified with no findings	Unqualified with no findings	Unqualified with no findings	n/a
Competition Commission	Unqualified with no findings	Unqualified with no findings	Unqualified with no findings	n/a
Competition Tribunal	Unqualified with no findings	Unqualified with no findings	Unqualified with no findings	n/a
International Trade Administration Commission of South Africa (ITAC)	Unqualified with no findings	Unqualified with findings	Unqualified with findings	- Material misstatements on the performance information of the selected programmes
National Empowerment Fund (NEF)*	Unqualified with no findings	Unqualified with no findings	Unqualified with no findings	n/a



National Credit Regulator (NCR)	Unqualified with findings	Unqualified with findings	Unqualified with no findings	n/a
National Lotteries Commission (NLC)	Qualified	Qualified	Qualified	<ul style="list-style-type: none"> - Allocation of grants; - Non-compliance with legislation; - Material misstatements on the performance information of the selected programmes; and - Material irregularity identified
National Regulator for Compulsory Specifications (NRCS)	Qualified	Unqualified with findings	Unqualified with no findings	n/a
South African Bureau of Standards (SABS)	Unqualified with findings	Unqualified with findings	Unqualified with findings	<ul style="list-style-type: none"> - Non-compliance with legislation

Table 4: Entity financial information

Entity	Surplus/ (deficit)	Surplus/ (deficit)	Irregular expenditure		Fruitless and wasteful expenditure	
	R'000					
	2021/22	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
IDC	6 291 000	10 669 000	7 579 288	n/a	452	n/a
CIPC	114 180	131 465	0	98 788	0	0
CC	148 083	81 935	540	1 037	0	72
CT	8 880	1 490	92	n/a	0	n/a
ITAC	16 247	7 325	0	n/a	2	n/a
NEF*	1 219 323	(344 997)	221 436	698 642	0	n/a
NCR	3 573	3 784	6	7 985	46	2 903
NLC	92 622	561 169	94 412	434 308	0	18 924
NRCS	4 189	(79 853)	5 199	42 956	101	n/a
SABS	57 086	88 615	2 476	39 981	6 090	8 712



2.8 Department of Small Business Development (DSBD)

In the 2022/23 financial year the DSBD maintained an unqualified audit opinion with no material findings.

Table 1: Department audit opinions

2020/21	2021/22	2022/23	2022/23 findings
Unqualified with findings	Unqualified with no findings	Unqualified with no findings	n/a

Table 2: Department financial information

Total budget	Actual expenditure	Under/(over) expenditure	Irregular expenditure	Fruitless and wasteful expenditure		
R'000						
2022/23	2022/23	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
2 532 889	2 513 921	18 968	655	655	0	3

The department spent 99.3% of its allocated budget of R2.5 billion in the current financial year. The under expenditure of R19.0 million was largely driven by underspending on compensation of employees due to the vacancy rate of 10% as well as underspending on payments for capital assets due to orders for the Ministerial vehicles and departmental bakkies not being delivered before the end of the financial year.

The DSBS's two reporting entities received unqualified audit opinions with material findings. This is a regression for the Small Enterprise Finance Agency which had attained unqualified audit opinions with no material findings in previous financial years.

Table 3: Entity audit opinions

Entity	2020/21	2021/22	2022/23	2022/23 findings
Small Enterprise Finance Agency Limited (SEFA)	Unqualified with no findings	Unqualified with no findings	Unqualified with findings	- Non-compliance with legislation
Small Enterprise Development Agency (SEDA)	Unqualified with findings	Unqualified with findings	Unqualified with findings	- Material misstatements on the performance information of the selected programmes



Table 4: Entity financial information

Entity	Surplus/ (deficit)	Surplus/ (deficit)	Irregular expenditure		Fruitless and wasteful expenditure	
	R'000					
	2021/22	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
SEFA	98 277	(223 189)	151	163	0	n/a
SEDA	261 241	5 701	552	5 532	16	2 902

2.9 Department of Tourism (DT)

The DT maintained an unqualified audit opinion from the AGSA with a material finding on non-compliance with legislation pertaining to procurement and contract management in the 2022/23 financial year.

Table 1: Department audit opinions

2020/21	2021/22	2022/23	2022/23 findings
Unqualified with findings	Unqualified with findings	Unqualified with findings	- Non-compliance with legislation

Table 2: Department financial information

Total budget	Actual expenditure	Under/(over) expenditure	Irregular expenditure		Fruitless and wasteful expenditure	
	R'000					
2022/23	2022/23	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
2 502 357	2 473 720	28 637	4 701	7 562	36	194 752

The department spent a total of 98.9% of its 2022/23 allocation, realising a total underspending of R28.6 million. The bulk of this underspending lies within the compensation of employees due to staff turnover and the slow filling of posts.

The DT incurred irregular expenditure of R4.7 million in the current financial year due to non-compliance with SCM procedures and human resource processes. Fruitless and wasteful expenditure incurred relates to no shows, cancellations, waiting time, double bookings, after-hours costs and amendments with regards to flight, shuttle and accommodation bookings.



Table 3: Entity audit opinions

Entity	2020/21	2021/22	2022/23	2022/23 findings
South African Tourism (SAT)	Qualified	Unqualified with findings	Unqualified with findings	- Non-compliance with legislation

Table 4: Entity financial information

Entity	Surplus/ (deficit)	Surplus/ (deficit)	Irregular expenditure		Fruitless and wasteful expenditure	
	R'000					
	2021/22	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
SAT	118 645	(10 650)	9 907	61 842	1 238	2 216

3. Justice and Protection Services Cluster

3.1 Department of Correctional Services (DCS)

The DCS obtained its third consecutive unqualified audit opinion with findings. The AGSA identified material findings on non-compliance with legislation relating to expenditure management as well as procurement and contract management in the current financial year.

Table 1: Department audit opinions

2020/21	2021/22	2022/23	2022/23 findings
Unqualified with findings	Unqualified with findings	Unqualified with findings	- Non-compliance with legislation

Table 2: Department financial information

Total budget	Actual expenditure	Under/(over) expenditure	Irregular expenditure		Fruitless and wasteful expenditure	
R'000						
2022/23	2022/23	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
26 535 984	26 429 240	106 744	194 770	194 770	953	937



The DCS spent a total of 99.6% of its allocated budget, resulting in an under expenditure of R106.7 million. The department incurred irregular expenditure of R194.8 million in the current financial year mainly on account of procurement done through price quotations where contracts were not in place.

The department has an unauthorised expenditure balance of R121 000 incurred during the 2015/16 financial year.

3.2 Department of Defence (DOD)

The DOD received a third consecutive qualified audit opinion from the AGSA. The basis of the qualification in the current financial year was on the completeness of movable tangible capital assets, irregular expenditure as well as goods and services and investments. There were also findings on material misstatements in the annual performance report as well as non-compliance with legislation related to expenditure management and consequence management, among others.

The AGSA also identified material irregularities which include, among others, medical equipment procured at two military hospitals that was not utilised.

Table 1: Department audit opinions

2020/21	2021/22	2022/23	2022/23 findings
Qualified	Qualified	Qualified	<ul style="list-style-type: none"> - Movable tangible capital assets; - Irregular expenditure; - Goods and services and investments; - Material misstatements in the annual performance report; - Defence intelligence; and - Non-compliance with legislation

Table 2: Department financial information

Total budget	Actual expenditure	Under/(over) expenditure	Irregular expenditure	Fruitless and wasteful expenditure		
R'000						
2022/23	2022/23	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
51 601 612	54 596 749	(2 995 137)	553 935	15 925 536	2 569	441 820

In the 2022/23 financial year the DOD received a total appropriation of R51.6 billion, which was a 5.75% increase compared with the previous financial year's appropriation. The department spent R54.6 billion, or 105.8% of the appropriated amount, realising an overspending of approximately



R3.0 billion due to the underfunding of the compensation of employees. As a result, the DOD incurred an unauthorised expenditure in terms of Section 34 of the PFMA.

In the year under review the department incurred irregular expenditure to the amount of R553.9 million caused by non-compliance with SCM laws and regulations as well as fruitless and wasteful expenditure of R2.6 million.

Table 3: Entity audit opinions

Entity	2020/21	2021/22	2022/23	2022/23 findings
Armaments Corporation of South Africa SOC Ltd (ARMSCOR)	Unqualified with findings	Unqualified with findings	Unqualified with findings	- Non-compliance with legislation
Castle Control Board (CCB)	Unqualified with no findings	Unqualified with no findings	Unqualified with findings	- Non-compliance with legislation

Table 4: Entity financial information

Entity	Surplus/ (deficit)	Surplus/ (deficit)	Irregular expenditure		Fruitless and wasteful expenditure	
			R'000			
	2021/22	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
ARMSCOR	4 604	167 981	27 501	44 957	353	13 728
CCB	1 994	2 792	134	134	0	n/a

3.3 Department of Justice and Constitutional Development (DOJ & CD)

The DOJ & CD received an unqualified audit opinion with findings in the 2022/23 financial year, a marked improvement from the qualified audit opinions it has been receiving for a number of years from the AGSA. The findings related to material misstatements on the performance report submitted as well as non-compliance with legislation relating to revenue management.

Table 1: Department audit opinions

2020/21	2021/22	2022/23	2022/23 findings
Qualified	Qualified	Unqualified with findings	- Performance information of the selected programmes; and - Non-compliance with legislation



Table 2: Department financial information

Total budget	Actual expenditure	Under/(over) expenditure	Irregular expenditure		Fruitless and wasteful expenditure	
R'000						
2022/23	2022/23	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
22 880 530	22 653 895	226 635	6 858	871 831	71	77

In the 2022/23 financial year, the department spent 99.0% of the final appropriation of R22.9 billion. The underspending of R226.6 million mainly relates to compensation of employees due to vacant posts in some of the programmes as well as vacant magistrates posts. The irregular expenditure incurred in the current year mainly relates to the appointment of counsel by State Attorney Offices.

One of the department's reporting entities, the Special Investigating Unit received a qualified audit opinion from the AGSA in the current financial year, representing a significant regression from the unqualified audit opinions with no material findings maintained over the past six financial years. The basis of the qualification was a significant overstatement of the recovery of legal and expert costs.

Table 3: Entity audit opinions

Entity	2020/21	2021/22	2022/23	2022/23 findings
Legal Aid South Africa (LASA)	Unqualified with no findings	Unqualified with no findings	Unqualified with no findings	n/a
Special Investigating Unit (SIU)	Unqualified with no findings	Unqualified with no findings	Qualified	<ul style="list-style-type: none"> - Revenue from exchange transactions: rendering of services – recovery of legal and expert costs; and - Non-compliance with legislation

Table 4: Entity financial information

Entity	Surplus/ (deficit)	Surplus/ (deficit)	Irregular expenditure		Fruitless and wasteful expenditure	
R'000						
	2021/22	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
LASA	134 949	23 599	14 240	13 926	15	0
SIU	85 262	54 684	59	14 893	0	9



3.4 Department of Police (SAPS)

The SAPS maintained an unqualified audit opinion with findings on material misstatements on the performance information of the selected programmes. The AGSA also reported material findings on non-compliance with legislation related to expenditure management, consequence management as well as procurement and contract management.

Table 1: Department audit opinions

2020/21	2021/22	2022/23	2022/23 findings
Unqualified with findings	Unqualified with findings	Unqualified with findings	- Performance information of the selected programmes; and - Non-compliance with legislation

Table 2: Department financial information

Total budget	Actual expenditure	Under/(over) expenditure	Irregular expenditure	Fruitless and wasteful expenditure		
R'000						
2022/23	2022/23	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
102 554 962	102 499 884	55 078	185 995	2 071 568	1 493	200 681

The department's total expenditure for the 2022/23 financial year amounted to R102.6 billion, which represents a spending rate of 99.9%.

SAPS incurred irregular expenditure of 186.0 million in the current year, majority of which was caused by non-compliance with preferential procurement regulation where subcontracting was not stipulated in the bid invitation/bid documents. The fruitless and wasteful expenditure was primarily due to licence fee penalties incurred by cost centres.

Table 3: Entity audit opinions

Entity	2020/21	2021/22	2022/23	2022/23 findings
Private Security Industry Regulatory Authority (PSIRA)	Unqualified with no findings	Qualified	Unqualified with findings	- Non-compliance with legislation



Table 4: Entity financial information

Entity	Surplus/ (deficit)	Surplus/ (deficit)	Irregular expenditure		Fruitless and wasteful expenditure	
	R'000					
	2021/22	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
PRISA	88 297	69 700	451	79 268	83	15

3.5 Department of Civilian Secretariat for Police Service (CSPS)

The CSPS attained yet another unqualified audit with no material findings for the 2022/23 financial year.

Table 1: Department audit opinions

2020/21	2021/22	2022/23	2022/23 findings
Unqualified with no findings	Unqualified with no findings	Unqualified with no findings	n/a

Table 2: Department financial information

Total budget	Actual expenditure	Under/(over) expenditure	Irregular expenditure		Fruitless and wasteful expenditure	
	R'000					
2022/23	2022/23	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
155 920	152 641	3 279	5	28 646	0	32

The department spent R152.6 million or 97.9% of its final appropriation of R155.9 million in the 2022/23 financial year. Compensation of employees' accounts for the bulk of the underspending on all programmes due to vacant posts. The main vacancy which could not be filled during the financial year is that of the Secretary for Police Service.

The CSPS has an unauthorised expenditure balance of R5.7 million awaiting decision by Parliament.



3.6 Department of Independent Police Investigative Directorate (IPID)

The department obtained its first unqualified audit opinion with no material findings for the period under review, highlighting strengthened internal controls, improved performance and compliance levels.

Table 1: Department audit opinions

2020/21	2021/22	2022/23	2022/23 findings
Unqualified with findings	Unqualified with findings	Unqualified with no findings	n/a

Table 2: Department financial information

Total budget	Actual expenditure	Under/(over) expenditure	Irregular expenditure	Fruitless and wasteful expenditure		
R'000						
2022/23	2022/23	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
363 529	359 010	4 519	0	66 808	10	326

As at 31 March 2023, the department reported a cumulative expenditure of R359.0 million against the adjusted budget of R363.5 million. The reported actual expenditure translates to 98.76% of the total budget. The main contributing factor for the recorded underspending was reported to be the delay in the filling of the funded vacant positions, mainly due to lack of responses in some of the contract posts adverts.

The IPID has an unauthorised expenditure balance of R891 000 incurred in the 2005/06 and 2008/09 financial years, awaiting decision by Parliament.

3.7 Department of Military Veterans (DMV)

In line with Section 65(2) of the PFMA, the DMV submitted a letter for delay which was tabled on 05 October 2023. In the letter, the Ministry attributed the delay to the instability in the senior management, coupled with the lack of a duly appointed audit committee.

Table 1: Department audit opinions

2020/21	2021/22	2022/23	2022/23 findings
Unqualified with findings	Unqualified with findings	S65 letter	n/a



Table 2: Department financial information

Total budget	Actual expenditure	Under/(over) expenditure	Irregular expenditure	Fruitless and wasteful expenditure		
R'000						
2022/23	2022/23	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
n/a	n/a	n/a	n/a	n/a	n/a	n/a

3.8 Department of Home Affairs (DHA)

The DHA maintained an unqualified audit opinion with material findings on non-compliance with legislation relating to revenue management. The non-compliance has resulted in a likely financial loss and a material irregularity has been issued and is under assessment.

The department's reporting entity; the Border Management Authority, did not table their 2022/23 annual report and financial statements to Parliament. No PFMA Section 65 letter was submitted.

Table 1: Department audit opinions

2020/21	2021/22	2022/23	2022/23 findings
Unqualified with findings	Unqualified with findings	Unqualified with findings	- Non-compliance with legislation

Table 2: Department financial information

Total budget	Actual expenditure	Under/(over) expenditure	Irregular expenditure	Fruitless and wasteful expenditure		
R'000						
2022/23	2022/23	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
11 096 232	10 398 031	698 201	32 873	578 891	78	57

The department used 93.7% of the budget allocated for the 2022/23 financial year. The underspending was mainly due to the late receipt of the funding for the digitisation project, the receipt of the R300 million for the Represented Political Parties Fund on 31 March 2023 and delays in filling posts.

In the financial year under review, the department incurred irregular expenditure of R32.9 million which includes, among others the R12.9 million for the Automated Biometric Identification System contract and the procurement of accessories for the mobile vehicles procured without the necessary approval.



The department's reporting entity, the Border Management Authority, has not tabled its 2022/23 annual report in Parliament yet.

3.9 Office of the Chief Justice (OCJ)

For the 2022/23 financial year, the OCJ reverted to an unqualified audit opinion with no material findings by the AGSA, indicating that the findings from the previous year's audit have been adequately resolved.

Table 1: Department audit opinions

2020/21	2021/22	2022/23	2022/23 findings
Unqualified with no findings	Unqualified with findings	Unqualified with no findings	n/a

Table 2: Department financial information

Total budget	Actual expenditure	Under/(over) expenditure	Irregular expenditure	Fruitless and wasteful expenditure		
R'000						
2022/23	2022/23	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
2 609 996	2 449 445	160 551	69 457	121 705	0	0

The OCJ was allocated a total budget of R2.6 billion for the 2022/23 financial year and spent R2.4 billion, or 93.8% of the allocation. The underspending was largely on compensation of employees due to the late receipt of additional funding from NT coupled with the protracted process of filling vacant posts.

The OCJ incurred irregular expenditure of R69.5 million the current period due to non-compliance with SCM and State Information Technology Agency prescripts

4. Social Services Cluster

4.1 Department of Social Development (DSD)

The department obtained an unqualified audit outcome with no findings in the 2022/23 financial year after regressing to an unqualified audit with findings in the previous financial year. Notwithstanding this, the AGSA identified Material irregularities during the audit relating to assets acquired at prices higher than market value.



Table 1: Department audit opinions

2020/21	2021/22	2022/23	2022/23 findings
Unqualified with no findings	Unqualified with findings	Unqualified with no findings	n/a

Table 2: Department financial information

Total budget	Actual expenditure	Under/(over) expenditure	Irregular expenditure	Fruitless and wasteful expenditure		
R'000						
2022/23	2022/23	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
247 854 892	241 721 864	6 133 028	18 239	n/a	303	n/a

In the 2022/23 financial year, the department spent 97.5% or R241.7 billion against the final appropriation of to R247.9 billion. The lion's share of the underspending of R6.1 billion relates to the Social Relief of Distress (SRD) R350 grant as a result of the changes in the means test to the qualifying criteria to the beneficiary applications.

The irregular expenditure incurred in the current year amounted to R18.2 million, while fruitless and wasteful expenditure amounted to R303 000. The DSD did not disclose a reconciliation statement to reflect the opening and closing balances of irregular expenditure as well as fruitless and wasteful expenditure.

The department has an unauthorised expenditure balance of R15.1 billion awaiting determination by Parliament.

Table 3: Entity audit opinions

Entity	2020/21	2021/22	2022/23	2022/23 findings
National Development Agency (NDA)	Unqualified with findings	Unqualified with findings	Unqualified with no findings	n/a
South African Social Security Agency (SASSA)	Unqualified with findings	Unqualified with findings	Unqualified with findings	<ul style="list-style-type: none"> - Material misstatements on the performance information of the selected programme; and - Non-compliance with legislation



Table 4: Entity financial information

Entity	Surplus/ (deficit)	Surplus/ (deficit)	Irregular expenditure		Fruitless and wasteful expenditure	
	R'000					
	2021/22	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
NDA	45 430	(23 845)	335	77 679	259	1 488
SASSA	820 989	345 668	20 814	425 862	123	86 183

5. Financial and Administration Services Cluster

5.1 Department of Public Service and Administration (DPSA)

For the 2022/23 financial year, the DPSA regressed to an unqualified opinion with material findings on the annual performance report which had material misstatements. The AGSA found that management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

Table 1: Department audit opinions

2020/21	2021/22	2022/23	2022/23 findings
Unqualified with findings	Unqualified with no findings	Unqualified with findings	- Performance information of the selected programmes

Table 2: Department financial information

Total budget	Actual expenditure	Under/(over) expenditure	Irregular expenditure		Fruitless and wasteful expenditure	
R'000						
2022/23	2022/23	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
550 123	515 722	34 401	0	968	0	0

The DPSA's total expenditure as at the end of the 2022/23 financial year amounted to R515.7 million or 93.7% of the final budget of R550.1 million. The bulk of the underspending was on compensation of employees mainly due to 57 unfilled vacant posts throughout the department, of which 19 are senior management service posts.



The department has an unauthorised expenditure of R8.8 million incurred in the 2013/14 financial year which is awaiting a determination by Parliament.

5.2 National School of Government (NSG)

The NSG maintained an unqualified audit opinion with no material findings in the 2022/23 financial year.

Table 1: Department audit opinions

2020/21	2021/22	2022/23	2022/23 findings
Unqualified with no findings	Unqualified with no findings	Unqualified with no findings	n/a

Table 2: Department financial information

Total budget	Actual expenditure	Under/(over) expenditure	Irregular expenditure		Fruitless and wasteful expenditure	
R'000						
2022/23	2022/23	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
231 097	220 051	11 046	0	54	0	5

The NSG's total budget appropriation for the 2022/23 financial year was R231.1 million, and the department spent 95.2%, or R220.1 million of its total appropriation. The underspending was largely on account of compensation of employees due to vacancies in many key areas of delivery.

6. Central Government Administration Cluster

6.1 Cooperative Governance (DCOG)

The DCOG received another qualified audit opinion in the period under review with the basis of the qualification being on movable tangible capital assets as well as goods and services. The AGSA also had material findings on the performance information of the selected programmes and non-compliance with legislation relating to expenditure management, asset management, performance management and procurement and contract management, among others.



Table 1: Department audit opinions

2020/21	2021/22	2022/23	2022/23 findings
Qualified	Qualified	Qualified	<ul style="list-style-type: none"> - Movable tangible capital assets; - Goods and services; - Performance information of the selected programmes; and - Non-compliance with legislation

Table 2: Department financial information

Total budget	Actual expenditure	Under/(over) expenditure	Irregular expenditure	Fruitless and wasteful expenditure		
R'000						
2022/23	2022/23	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
115 027 438	110 709 081	4 318 357	475 199	3 405 305	16	888

The DCOG spent 96.2% of its total budget allocation of R115.0 billion, resulting in an underspending of R4.3 billion. This is largely on account of underspending on transfers and subsidies related to procurement issues on the Municipal Systems Improvement Grant, non-compliance of the Municipal Infrastructure Grant with the Division of Revenue Act and administrative processes of the Disaster Relief Grant

Irregular expenditure incurred in the current period is attributed to irregularities in the community work programme contract for implementing agents and expenses incurred without a valid contract.

The department has an unauthorised expenditure balance of R1.1 million awaiting regularising by Parliament.

Table 3: Entity audit opinions

Entity	2020/21	2021/22	2022/23	2022/23 findings
South African Local Government Association (SALGA)	Unqualified with no findings	Unqualified with no findings	Unqualified with no findings	n/a



Table 4: Entity financial information

Entity	Surplus/ (deficit)	Surplus/ (deficit)	Irregular expenditure		Fruitless and wasteful expenditure	
	R'000					
	2021/22	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
SALGA	192 845	77 242	0	n/a	0	n/a

6.2 Presidency

The Presidency received another unqualified audit opinion with no material findings in the 2022/23 financial year.

Table 1: Department audit opinions

2020/21	2021/22	2022/23	2022/23 findings
Unqualified with findings	Unqualified with no findings	Unqualified with no findings	n/a

Table 2: Department financial information

Total budget	Actual expenditure	Under/(over) expenditure	Irregular expenditure		Fruitless and wasteful expenditure	
	R'000					
2022/23	2022/23	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
625 987	548 564	77 423	213	10 713	5	9

In the 2022/23 financial year, the Presidency spent 87.6% or R548.6 million against the final appropriation of R626.0 million. The bulk of the underspending of R77.4 million is largely attributed to compensation of employees due to delays in filling key posts as well as and goods and services due to outstanding invoices not received at year end, among others.

6.3 Government Communication and Information System (GCIS)

The GCIS obtained an unqualified audit outcome with no findings in the 2022/23 financial year after regressing to an unqualified audit with findings in the previous financial year



Table 1: Department audit opinions

2020/21	2021/22	2022/23	2022/23 findings
Unqualified with no findings	Unqualified with findings	Unqualified with no findings	n/a

Table 2: Department financial information

Total budget	Actual expenditure	Under/(over) expenditure	Irregular expenditure	Fruitless and wasteful expenditure		
R'000						
2022/23	2022/23	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
729 664	723 905	5 759	7 311	15 089	0	4 000

In the 2022/23 financial year, GCIS spent R723.9 million, or 99.2% of its total budget. The bulk of the variance of R5.8 million is attributed to underspending on compensation of employees due to salary negotiations that were not finalised and the attrition of staff, especially senior managers.

The irregular expenditure incurred includes media buying communication campaigns of client departments that are not funded from GCIS-voted funds.

The department has an unauthorised expenditure balance of R4.4 million awaiting resolution by Parliament.

Table 3: Entity audit opinions

Entity	2020/21	2021/22	2022/23	2022/23 findings
Brand SA (BSA)	Unqualified with findings	Unqualified with findings	Unqualified with no findings	n/a
Media Development and Diversity Agency (MDDA)	Unqualified with no findings	Unqualified with findings	Qualified	<ul style="list-style-type: none"> - Administration expenses (purchase returns); - Cash flow statement; - Understatement of operational commitments; and - Non-compliance with legislation



Table 4: Entity financial information

Entity	Surplus/ (deficit)	Surplus/ (deficit)	Irregular expenditure		Fruitless and wasteful expenditure	
	R'000					
	2021/22	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
BSA	10 631	(812)	64	30 773	16	179
MDDA	(15 336)	(23 201)	7 081	0	29	82

6.4 Planning, Monitoring and Evaluation (DPME)

The DPME maintained an unqualified audit outcome with no findings in the 2022/23 financial year.

Table 1: Department audit opinions

2020/21	2021/22	2022/23	2022/23 findings
Unqualified with no findings	Unqualified with no findings	Unqualified with no findings	n/a

Table 2: Department financial information

Total budget	Actual expenditure	Under/(over) expenditure	Irregular expenditure		Fruitless and wasteful expenditure	
	R'000					
2022/23	2022/23	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
481 394	442 599	38 795	491	20 284	0	0

The DPME spent R442.6 million of its total budget allocation of R481.4 million. The variance of R38.8 million was mainly driven by underspending on compensation of employees due to vacant funded positions as well as goods and services is as a result of none responsive bids and bidders that failed to meet the minimum qualification criteria.

6.5 Public Service Commission (PSC)

The PSC maintained an unqualified audit outcome with no findings in the 2022/23 financial year.

Table 1: Department audit opinions

2020/21	2021/22	2022/23	2022/23 findings
Unqualified with no findings	Unqualified with no findings	Unqualified with no findings	n/a



Table 2: Department financial information

Total budget	Actual expenditure	Under/(over) expenditure	Irregular expenditure	Fruitless and wasteful expenditure		
R'000						
2022/23	2022/23	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
295 541	278 926	16 615	71	71	0	0

For the year under review, the final appropriated budget for the PSC was R295.5 million and actual spending amounted to R278.9 million or 94.4% of the budget. The lower than projected expenditure was mainly on compensation of employees due to vacant posts which included three Commissioner posts.

6.6 Department of Traditional Affairs (DTA)

The DTA maintained an unqualified audit outcome with no findings in the 2022/23 financial year.

Table 1: Department audit opinions

2020/21	2021/22	2022/23	2022/23 findings
Unqualified with no findings	Unqualified with no findings	Unqualified with no findings	n/a

Table 2: Department financial information

Total budget	Actual expenditure	Under/(over) expenditure	Irregular expenditure	Fruitless and wasteful expenditure		
R'000						
2022/23	2022/23	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
180 143	174 452	5 691	0	0	0	0

For the year under review, the DTA spent 96.8% of its appropriated budget. The department reported that it has been less successful in filling vacant funded positions due to natural attrition and retirement that took place in the last month of the financial year which led to the significant underspending on the item compensation of employees.

The department has an unauthorised expenditure balance of R2.3 million incurred during the 2014/15 financial year, awaiting resolution by Parliament.



6.7 Department of Women, Youth and Persons with Disabilities (DWYPD)

The DWYPD maintained an unqualified audit opinion with material findings on non-compliance with legislation related to consequence management.

Table 1: Department audit opinions

2020/21	2021/22	2022/23	2022/23 findings
Unqualified with findings	Unqualified with findings	Unqualified with findings	- Non-compliance with legislation

Table 2: Department financial information

Total budget	Actual expenditure	Under/(over) expenditure	Irregular expenditure	Fruitless and wasteful expenditure		
R'000						
2022/23	2022/23	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
991 714	983 259	8 455	719	41 712	0	11 787

The department's total expenditure for the 2022/23 financial year amounted to R983.3 million, which represents a spending rate of 99.1%. The irregular expenditure incurred in the period under review was due to an award for a bid that was not approved by the delegated official. The DWYPD has an unauthorised expenditure balance of R32.8 million awaiting determination by Parliament.

Table 3: Entity audit opinions

Entity	2020/21	2021/22	2022/23	2022/23 findings
National Youth Development Agency (NYDA)	Unqualified with no findings	Unqualified with no findings	Unqualified with no findings	n/a

Table 4: Entity financial information

Entity	Surplus/(deficit)	Surplus/(deficit)	Irregular expenditure	Fruitless and wasteful expenditure		
R'000						
	2021/22	2022/23	2022/23	2022/23 Balance	2022/23	2022/23 Balance
NYDA	430 134	(378 073)	0	281 107	93	6 043



7. Conclusion

For the 2022/23 financial year, the most common finding was on non-compliance with applicable legislation, in particular annual financial statements; expenditure management (including non-prevention of unauthorised, irregular, fruitless and wasteful expenditure); procurement and contract management as well as consequence management.

Material misstatements in the financial and performance information was another common finding in the current financial year.

All these material findings highlight that there are significant weaknesses with the implementation of adequate internal controls by management, which has a detrimental impact on public finances.

National Treasury Instruction Note No. 4 of 2022/23 also had a significant impact on the financial reporting in the current financial year. Departments and public entities need to duly familiarise themselves with the compliance and reporting framework of this Instruction Note given that a number of them failed to comply fully with its prescripts.